

2001 HOUSE APPROPRIATIONS

HB 1005

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1005

House Appropriations Committee

☐ Conference Committee

Hearing Date January 10, 2001

Tape Number	Side A	Side B	Meter #
01-10-01 tape 1		0 - 522	
Committee Clerk Signature <i>Michael Hall</i>			

Minutes:

The committee was called to order.

This is the time scheduled for the hearing on HB #1005, regarding the State Treasurer's office.

Joan Becker appeared on behalf of the Treasurer.

Joan Becker: I am the financial manager in the Treasurer's office. Treasurer Gilmore did not prepare any written testimony, because our budget is small and very straightforward, and I have none. We did have an enhanced budget and are asking for about \$10,000 more, basically for some technology updates that is very badly needed by our office. Treasurer Gilmore is not available at this time to testify.

Chairman Byerly: The department is asking for an additional \$10,000 over the Governor's requests. Are we going to get some kind of report or writing of what this money will be spent on? I would hope that we would have some detail to back this up. I am kind of disappointed that the Treasurer did not show up. Is she in town?

Response: Yes, but she had a commitment this morning, so she could not be here.

Chairman Byerly: There is already in the governor's recommended budget a line item increase of \$10,957 for equipment for information technology projects. Does this not include the additional \$10,000?

Response: I am not familiar, I did not work on the budget, so I am unable to tell you. I just found out that I was to testify this morning.

Chairman Byerly: Can OMB help up?

OMB: I believe that the \$10,000 that she is talking about is in the governor's budget book.

Chairman Byerly: I am very disappointed that the Treasurer did not show up. She did not even make an attempt to appear or request a change of hearing time. We have gone out of our way to change a hearing date for any agency that has requested us to do so, different days and even weeks, if we had to. At a minimum a person who worked on the budget should have been here. Even during the interim she did not show up when requested. Her not showing up creates some problems.

I would ask that you give the message to Treasurer Gilmore to contact me so we can reschedule the hearing at a time she can be available. State agencies are supposed to come to us and state what their functions are, what they have done in the past and what they anticipate doing in the future.

The hearing is in recess until the rescheduled date, at a time that the Treasurer can come, and the appropriate persons who prepared the budget can be here. Hopefully next week.

Recessed hearing.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1005

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
01-18-01 tape #1	0 - 2072		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1005, the State Treasurer's budget.

Chairman Byerly: The Treasurer must be held up somewhere because she does not appear to be here. We will stand in recess until she gets here.

Committee recessed for a few minutes.

Chairman Byerly: For the record we have HB 1005, budget for the Office of the State Treasurer.

Kathi Gilmore: State Treasurer, provided written testimony. She apologizes for not being at the hearing last week. She had her chief accountant appear last week. She states that the people of North Dakota have confirmed their belief that the State Treasurer's office is an office that they support, and did so in the last election, and expect that the office be funded appropriately. The North Dakota State Treasurer's office is the central elected authority for financial and fiscal management of the state's general and special funds. The agency provides

accounting, reconciliation, and administrative services for various funds, distributes tax moneys to state and political subdivisions, and administers the wholesale alcohol beverage laws and regulations. The agency acts as custodian of certain agency accounts and trust funds. The office also provides a daily investment management service for over 30 state agencies and trust funds, which amounts to over 40 individual investment accounts. The office prepares 25,000 receipts biannually for more than 100 agencies while depositing over \$2 billion into the state accounting system. The agency also daily manages an average of \$150 million of state and general funds. The office is responsible for signing and distribution of over 1 million accounting, human services and payroll checks biannually. The agency collects over \$10 million biannually in wholesale alcohol beverage taxes. The department also direct deposit - electronic funds transfers for tax distributions to about 500 political subdivision, making the money available to the subdivisions in a timely manner, and increases efficiency at both the state and local level. Because of the direct deposit program, nearly 12,000 checks per year will not be written. A check reconciliation program exists to correct discrepancies in check posting and balancing of daily registers. The unclaimed property program transfers unclaimed warrants out of the Treasurer's office to the Unclaimed Property Division.

The Treasurer's office has begun to align its technology as required with the IT plan. This is being done because the government should be customer focused, which includes direct deposits. The Treasurer's office also has a web site that is available with forms and information. The future plans would include having the monthly alcohol beverage reports and highway distribution tax information available by e-mail. The government should be efficient, and the agency is accepting information and providing reports to consumers in monthly reports. The government should be well managed, and technology training for employees in Access will be

provided to replace dbase. A cash management program with the Bank of North Dakota has been implemented to monitor and manage deposit account balances and collection and disbursement of funds. AS government should provide leadership , and includes shared infrastructure with SAMIS, CAFR, Unclaimed Property Program with the State Land Department and Check Reconciliation Program with the State Bank of North Dakota.

The written testimony on page 3 notes goals and objectives and an IT Training Plan. On page 4 of the written testimony the Treasurer notes major accomplishments of the department, including an integrated computer office system to enhance workflow between the agency and political subdivisions, and to connect with the state Intranet, and the Internet. The State Treasurer notes that the office needs to advance information technology. The \$11,000 request in the budget is only a start. Any changes in current distributions or new distributions mandated by the legislature would need to have additional funding. The agency also needs to become current with the check signing process, which would be an increase in lease equipment. The child support checks issued have added an increased burden there, and the alcohol brand tax fees have increased their need for IT. The Treasurer stated, as is written in the presented testimony on pages 4 and 5, the agency objectives and the services provided and program statistical data.

The Treasurer explained the program costs, that salary and wages support 7 FTE's. Data processing costs are related to tax revenue distribution to political subdivisions, on-line and credit card deposits, batch printing of check lists, bank reports, disk storage and record management fees. They have 8 phone lines, postage needs for mailings of alcohol beverage information, payroll to agencies, correspondence, and distributions to political subdivisions. The copy machine is leased. Dues and professional costs are self explanatory. Operating fees cover service agreements on the vault and copy machine. Professional service fees are used to cover

contractual expense for individuals to perform statutory duties, in accordance to the recommendation of the State Auditor for segregation of duties. The minimal equipment item in the budget is to replace one computer.

Rep. Skarphol: Under future critical issues you say that the Treasurer's office is mandated by the Constitution and the State Auditor's office to segregate several office duties. Can you explain?

Response: Those who bring in or accept the money across the counter from our agencies cannot count the money. In an office of 7 people, if someone who is ill, I have to cross train others to be able to perform these duties.

Rep. Carlisle: You state that your office needs to be current with the check signing process. Can you explain.

Response: We sign a lot of checks daily, and we do have a check signing machine now, but it is old. There is a new machine that is out that is much quicker and allows for a better process. Hopefully we can get this.

Rep. Huetter: Was it last session that we directed the child support checks to come to your office, or had this been done prior to that.

Response: That was a federal mandate that came down about 2 years ago, and has grown in volume. We are about at our peak.

Rep. Carlisle: Would you need a new check signing machine, or do you lease those, and do you have a cost to acquire? Would that free up your time to do other things.

Response: Our proposal would be to lease, the machines are very expensive and with the lease program they would have the responsibility to repair. We have a signature plate that remains in the vault in the office at all times, and she does not sign the checks personally, but it

is her responsibility to see that the check plate is always taken care of. The staff signs checks with the name plate in the morning, and it takes about 1 1/2 hours.

Rep. Skarphol: To follow up on Rep. Huettner's question in regard to the child support checks, do you receive the incoming payments from the non custodial parent and then distribute the checks to the custodial parent. Is that your responsibility as well.

Response: We receive the checks from the child support office, they collect the checks and bring them over, and we have no connection with the custodial and non custodial parents. It is our duty to process the checks.

Rep. Koppelman: During the interim I was educated on the alcohol duties your office performs. How much staff and resources are tied up in that responsibility.

Response: I would tell you this, that the position of the alcohol beverage clerk is intricate to the entire office. Because, the intense time for alcohol reports is about mid-month on and we are always about one month behind. Because my staff is so small I have had to train that person to do many tasks.

Rep. Koppelman: Do you use temporary employees?

Response: We have one half-time position that is not provided by the state, not hired on a contractual basis. I have only been able to afford that position half time in the mornings. Her help is not really sufficient, and she is not cross trained for much of that.

Rep. Skarphol: You also state that you provide audit information for cities, schools, and counties. What audit work do you provide?

Response: That is financial information about the distributions that go back to them. If they need or want confirmation we provide that.

Rep. Skarphol: Do you also serve on the State Investment Board?

Response: Yes, I do.

Chairman Byerly: In the Century Code you have duties related to collection of oil money. Can you elaborate since you did not discuss that today?

Response: They are just financial acceptance, where the money flows in and we distribute them back to the counties that they belong to.

Chairman Byerly: You also talked about brand registration on liquor. You said that a recommendation would probably be sometime in the spring. Do you have any current authority in statute to impose those through administrative rules or anything, or would you have to come to the legislature.

Response: I would need to explore this. I have checked with other states so far, and less than 1/2 of them do. I would need to check to see what the financial ramifications are and we are a small state and whether it would be beneficial or not.

Chairman Byerly: Can you give us an idea what brand registration is. What sort of fees do other states charge for that registration.

Response: That would be per product. If you go into the wine or beer sector, you know how many kinds there are. Each brand would have to be registered. Not the distributor, but the individual products would be registered.

(Some examples of wines and beers were discussed for ideas as to what would be registered).

Rep. Skarphol: Would your office record the volume of items sold.

Response: Yes it would. The office has thick files of new brands registered over the years, and the label changes.

Rep. Carlisle: Last session on the Internet sales of wine, what type of volume has been seen.

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Response: She was sorry to see this past last session. We have no proof of products sold over the Internet, and not through her office.

The chairman closed the hearing on this bill.

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BILL/RESOLUTION NO. HB 1005

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
01-18-01 tape #2	-	3340-5000	
Committee Clerk Signature <i>Frederick J. Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1005.

Chairman Byerly: The only thing on the Treasurer's budget that comes into play is the item for some equipment, and a lot depends on this budget on what the Senate does on the bill that removes the functions from her office. There is also another bill in the House as to removing the oil tax from the department. We do not need to wait to see what happens, and we should process this budget as though those bills do not exist. If those bills should pass, we will solve any problem in the conference committee on this budget. There really isn't much in this budget, other than a request for an IT project, the salary and wage increases. The line interpretations are somewhat confusing. The budget went from \$695,000, and it goes to \$759,000, which is net increase of \$63,913, but if you look at the detail on the pink sheets it's different. The pink sheets list only the major increases.

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(The committee had some general discussion as to how the process of splitting up into small groups, and then a general explanation of Rep. Byerly's personal thoughts and concerns of this budget, that he does not want to drag the subcommittee into. He will have some amendments to propose in the full committee, but not the subcommittee. He explained his reasons for his request for amendments. He gave a brief explanation of his personal issues to the committee.)

The chairman closed the committee work on this bill.

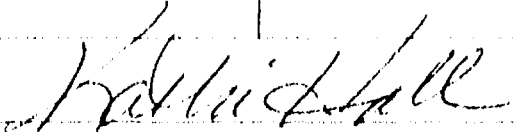
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1005

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
01-25-01 tape #1	4580 - 6230	0 - 315	
Committee Clerk Signature 			

Minutes:

The committee was called to order, and opened committee work on HB 1005, the budget of the State Treasurer.

Chairman Byerly: I have amendments prepared for this bill. There are no monetary adjustments to this bill. We do have an amendment that will deal with the electronic signature of checks from this office. This will solve the problem with the old check writing machine and the requested check writing machine.

Roxanne, LC staff: made it know to the committee that an amendment will be necessary to this bill for the salary increases for elected and appointed officials. This bill does not have all the changes it needs in this area.

Chairman Byerly: We will need to further amend to reflect these true numbers.

Rep. Koppelman: When you went over the budget, did you discover what the line item for IT is?

Is that new hardware or what?

Chairman Byerly: Well the treasurer is on some very old computer system, called the Pioneer System. An old old system, and this money is related to bringing some of this older technology up to date, so they can use some of the state systems. There is some money for training, some newer software, etc. This isn't related to anything in the IT budget. This is more related to what happens once you go into that office.

Rep. Huetter: Can you explain the electronic signature bills that are moving around. Maybe we wouldn't need this bill until that gets through.

Roxanne, LC staff: says that HB 1106 deals with electronic signatures.

Rep. Byerly: Would like to put this on there now. If that old machine breaks down, this mandates the use of electronic signatures.

Rep. Glassheim: Explains his thoughts as to not really helping the matters. This is a printing problem, not a signing problem.

Chairman Byerly: Explains the electronic signing procedure, that the computer prints the signature on the checks while they are being printed, and eliminates a special procedure of adding the signature on later.

Rep. Carlisle: moves the amendments be adopted. Rep. Skarphol seconded.

Rep. Glassheim: moves to amend the amendment to replace the word shall with may.

Rep Huetter seconded.

Vote on the amendment to amend is 2 yes, 5 no, the motion fails.

Vote to adopt the amendment is 6 yes, 1 no. The motion passes.

Rep. Thoreson: moves DO PASS AS AMENDED. Rep. Koppelman seconded.

Vote on motion to pass as amended, 7 yes, 0 no. Motion passes.

Rep. Thoreson is assigned to carry the bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1005

House Appropriations Committee

Hearing Date January 31, 2001

Tape Number	Side A	Side B	Meter #
1	x		2426 - 5021
Committee Clerk Signature <i>L. J. Vanhook</i>			

Minutes:

Appropriations Committee action on HB1005. (2426)

Rep. Blair Thoreson: HB1005 is the budget for the State Treasury, its agency 120 and if you have your budget books on pages 163 and 164 and in this budget the committee took a look at it and has proposed a change with an amendment that you should have in your books. 18005 .0103, this amendment first of all has change which will be salaries which is occurring in all budgets, that's page 1 line 13 that says to replace 759,178 with 750,587. The other thing that this amendment does is, at the present time the treasurer has the responsibility of printing on the checks or warrants that the state issues with signature, and from what we heard in committee they have a machine that does this that currently is out of date or is aging, and should it break down it would have a cost to replace it at approximately \$55,000. What this amendment would do is, currently ITD prints everything else on that check and then they are taken to the treasurers office and she has the responsibility for printing that on there. With the amendment, the signature would also be placed on with ITD. They have the capability of doing this and it would save us

from having to replace that piece of equipment should it break down in the near future. I did not go to the office and see the equipment, but I believe some of the other committee members did and attest to the fact that it's not in the best of shape. Those are the changes which were made to this budget, and I would move amendment .0103 to the committee.

Rep. Mike Timm: Is there a second? Seconded by Rep. Skarphol. Any discussion on the amendment?

Rep. Elliot Glassheim: Two things, one, the existing machine is working and it seems to working fine. Its an old clunker, but it does turn out and signs checks. The Treasurer keeps in her vault her signature and the auditors signature plates which are put onto that machine. I'm still unclear about the technical detail of what happens and whether this amendment requires the treasurer to not be in control of her signature plate, and whether that is a serious problem for the office of treasurer. I'm not sure that's the case that it's a serious problem but I'm not sure that it's not either, if this amendment requires the treasurer to give someone else her signature plate and not be in control of it, or to take it to some other office, I'm not sure it doesn't violate the duties of what the treasurer is supposed to be doing.

Rep. Blair Thoreson: I guess I do not believe that it does violate those duties, and I'm going to ask Rep. Byerly to jump in here as he did quite a bit of work with this and perhaps can give further explanation.

Rep. Rex Byerly: I analogy that I would give you is that if you get any form of federal government check, the signature of the treasurer of the United States is electronically imprinted on that check when it is printed, they don't take the checks to a separate office and run then through another machine. The printers that they have down ITD have the ability to print an electronic signature on a check, its part of the process when you print the check so they come off

with what is called an electronic signature on them already. Basically what this does is that everybody that we talked to was of the opinion that this old check signing machine was on its last leg, it was just a question of when it was going to die, not if, but when. Testimony was given that it would cost \$55,000 for a new machine. We felt that since warrants were already being printed in ITD with other people's signatures on them, that it was reasonable for the treasurer to also have checks printed in that manner. You also have to understand that in the last couple of sessions we have had a significant increase in the number of checks that the state has had to write, including child support and things like that, that we didn't do in the past, anecdotal evidence suggested that it was taking her up to 3 hours a day just to stamp checks that took a matter of minutes to print on a high speed printer down in IST. As I said, other agents of the State of North Dakota who sometimes have to sign checks are having the checks electronically signed as they come off the printer. We felt that this amendment just moves the treasurer's office to where all other agencies are. And yes, we are forcing the issue because, again testimony was that the old check signing machine was truly was on its last legs and the maintenance of that check signing machine is enough that we just deemed that the checks could be signed like all of the rest of the checks that are generated.

Rep. Eliot Glassheim: A question for Rep. Thoreson. In preparing the amendment was there any conversation with the treasurer about the meaning of this action. Whether it was serious or not serious in terms of her performing her duties.

Rep. Rex Byerly: On this particular amendment, the short answer is no. The long answer is, is that we dealt with the people who we talked to in OMB, we talked with and verified with the people in ITD what their capabilities were, and we dealt with legislative council to have this drafted in such a manner that it is in conformance with other areas of the North Dakota century

code and the end result is that, first is that we will be able to do away with a machine that was manufactured many, many years ago. And again, everybody agrees that it is on its last legs.

Rep. Ole Aarsvold: I sat on the audit & fiscal review committee for sessions and frequently we audits in from agencies where one of the criticisms is that there is not a division of authority with the dispersment of funds, or the collection of funds, and it seems to me here were violating what our state auditor has suggested in the past that we make sure we divide those kinds of responsibilities between several people so as to authoritate a check and balance system it I can use that term very broadly, so it seems to me that this is an ill thought out amendment and I will oppose the amendment with regard to that electronic signing.

Rep. Mike Timm: Any other discussion?

Rep. James Kerzman: Just to follow up on what Rep. Aarsvold is talking about. I have noticed this every since I've been involved in any political subdivision and even down to the township level we require two signatures and a lot of times its a hassle to run around trying to get the extra signatures, but we do it for the balancing part of it.

Rep. Rex Byerly: When your doing it in the county and their generating 10 checks a day its one thing, when your generating thousands of checks a day its an entirely different situation, and the fact of the matter is, is that the technology is there and it will be a tremendous time saver for not only the treasurer but the state will allow these checks to get out in a more timely manner, she will still continue to get every piece of information that she currently gets, no difference, it is merely a fixation of the electronic signature.

Rep. Keith Kempenich: So the tracking is still there, she still gets her print out of what went on and the security part is there as well. Response: All things remain the same, except the manual process of running them through the antiquated check signing machine.

Rep. Mike Thum: Any other discussion on the amendment? If not, all those in favor of adopting The amendment say Aye. Voice vote was taken. Motion passed. Amendment is adopted.

Rep. Rex Byerly: I handed out an amendment that I did not run in our committee because I did not feel that it was appropriate to run in that committee, it did not effect the base bill. This is an amendment prepared for me by legislative council and by way of explanation, first I will tell you what the amendment does. The amendment basically removes North Dakota from the National Association of State Treasurers for one biennium, and if you read sheets that are attached behind and I can paraphrase them for you, this also came out of legislative audit and fiscal review's , review of the actions that occurred when we had the constitutional measure to remove the treasure's office, if you read the report, and again I can paraphrase it for you, the bottom line is that the National Association of State Treasurers spent \$50,000 in the State of North Dakota for the defeat of that measure. There were many that felt that we should ban the treasurer from continuing the association with this forever, I felt that a two year period, a biennium, would probably get the message to the National Association of State Treasurer's that is not right or proper for a service organization that our state officials belong to, to basically inject themselves into a political situation in the State of North Dakota. Like I said, you can read the report, and determine whether it was illegal under our law, no, it was probably not illegal, was it improper, absolutely. If NCSL or CSG or one of those organizations came in here and donated \$50,000 to something we had on the ballot, we would take supreme exception to that to I'm sure. And this is basically what this is. And I should also point out at the last NCSL meeting, or maybe it was CSG, Senator Solberg who sits on the board there, pointed this out to the committee and the National Association of State Treasurer's was also adjunct member of that, and It is my understanding that the National Association of State Treasurer's was sent a letter from that

committee pointing out that they felt that the National Association of State Treasurer's was completely out of bounds on this thing, and therefore I would move this amendment .0101 , or I would move to further amend. Seconded by Rep. Skarphol.

Rep. Mike Timm: Any discussion on the amendment?

Rep. Elliot Glassheim: It seems to me that this is not what we ought to be doing, this simple revenge and power play, and we ought not to be doing this, almost every, I don't know how many people belong to national organizations, there is tens of thousands of dollars paid out of our treasury, every tiny group belongs to a national office, and we don't monitor what they do here and it does seem to me appropriate, a national organization believes that treasurers are important. Their not being political in the sense of Republican or Democrat party politics, they believe in what they do, they have standards and that's what they spend their meetings doing , they believe they perform an important function, and it seems to be proper that any organization tried to further what their sworn to do, and try to inform people that what they do is important, also, the National Organization is not really \$50,000 although that was the sum total, but the National contributed \$30,000 apparently and then there were other subsidiary groups. It seems to me, because they wanted something that some of us didn't want, we should not be taking this kind of small revenge and hand slapping and having perhaps the only official and to take away dues and to get out of a national organization that we don't do to anybody else of the 20, 30, or 100 organizations to which we paid dues, it seems to me to be a kind of revenge and not worthy of us.

Rep. Rex Byerly: No other national committee that we belong to has ever done this before, we have in the past indeed severed our relationships for periods of times with national organizations. I would remind the committee that in the budget for DPI there is no money this time for the

National Education Council or something like that, and if you remember just from yesterday's testimony up in our committee, Rep. Glassheim, for a period of time the former treasurer who was of your party quit or severed his relationship with a multi state taxing commission that we spent a lot of time yesterday restoring the funding for, this is not a revenge thing, I think it has nothing to do with this party or that party, I think it is a statement that says for a period of two years we are going to basically withdraw from your organization because we think you stepped over the line. Its one thing if the campaign had been to educate the public, but the problem is that it wasn't an education campaign, it was a vote no campaign, and that's significantly different than one where you go out and tell people in an educational capacity what that job entails.

Rep. Elliot Glassheim: The Govenor's Association, sometimes they take position on things that I don't agree with. Are we going to have a bouncing ball every time some goof takes a position that we don't agree with. It doesn't make sense for us to be reactive in that kind of way.

Rep. Rex Byerly: I'm sorry but this organization stepped across the line, I agree with you Rep. Glassheim that there are times that the western governor's association, or the national governor's association or for that matter CSG or NCSL takes a position that I don't like, but they have never stepped over the line. This one they stepped over the line, and I don't believe that a two year hiatus is the end of the world for either that organization or the State of North Dakota's relationship with them, but I think that just like a little kid, if there is something wrong a little discipline isn't going to hurt them any.

Rep. Mike Timm: Any other discussion?

Rep. Kelth Kempenich: Most of these national organizations deal with things on a national level and this came down to a state level issue, and this is where I think this differs a lot from other national organizations.

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House Appropriations Committee
Bill/Resolution Number HB1005
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Rep. Mike Timm: We have a motion to amend, or further amend on the floor. All those in favor of adopting that amendment .0101 signify by saying Aye. Voice vote. Motion passed.

Amendment is adopted. We have the bill before us.

Rep. Blair Thoreson: I would move a DO PASS on HB1005. Seconded by Rep. Carlisle.

Rep. Mike Timm: Any discussion?

Rep. Jeff Delzer: Was there any discussion that came up about the insurance line in what the state treasurer's purchasing is?

Rep. Rex Byerly: Where are you looking to see an insurance line item? Under the budget detail.

Rep. Mike Timm: Any other discussion? We will call the roll for DO PASS as amended.

Motion passes. Rep. Thoreson will carry the bill to the floor (4988). (15) Yes (4) No (2) absent and not voting.

FISCAL NOTE

Requested by Legislative Council

12/14/2000

Bill/Resolution No.: HB 1005

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$6,060	\$0	\$1,619	\$0
Appropriations	\$0	\$0	\$6,060	\$0	\$1,619	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant your analysis.*

Governors proposed salary increase for the State Treasurer. Costs are included in Salary and Wages Line item.

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.*

Line Item is Salary & Wages. General Fund Appropriation. One FTE is affected which is the salary for the State Treasurer.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Appropriation is Governors proposed salary increase for the State Treasurer. Costs are included in Salary and
Fees line item.

Name:	Kathi Gilmore	Agency:	State Treasurer
Phone Number:	701 328 2643	Date Prepared:	12/19/2000

January 25, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1005

Page 1, line 2, replace "section" with "sections" and after "54-11-13" insert "and 54-27-08"

Page 1, line 3, after "treasurer" insert "and the signing of warrants by electronic means"

Page 1, after line 19, Insert:

"SECTION 3. AMENDMENT. Section 54-27-08 of the North Dakota Century Code is amended and reenacted as follows:

54-27-08. How moneys paid from state treasury - Warrants - When not necessary. Except as otherwise provided, moneys may be paid from the state treasury only upon the warrant or order prepared by the office of management and budget drawn on the state treasurer. The state auditor shall recommend a form for order and warrant-check of the state government which must conform, so far as consistent with statutory requirements, to approved banking practice ~~in order~~ to facilitate handling of such instruments by banks and other depositories. When ~~such an~~ order and warrant-check is signed by the state auditor, the state treasurer shall accept the order or warrant with ~~his~~ the treasurer's signature, making the order and warrant-check negotiable. No warrant upon the treasurer may be delivered or mailed to the payee or ~~his~~ the payee's agent or representative until the warrant has been signed by the treasurer and entered on the treasurer's books as a check drawn on a bank depository. A record must be maintained specifying upon what fund or from what apportionment each warrant is to be paid. The state treasurer may redeem outstanding bonds or pay interest on bonds when due without the warrant of the office of management and budget, retaining the bond or interest coupon as ~~his~~ a voucher for the payment until the next ~~succeeding~~ settlement. With respect to electronic records and electronic signatures, the state treasurer shall utilize the services provided by the information technology department."

Renumber accordingly

Date: 1-25-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1005

House Appropriations - Government Operations Division Committee

☒ Subcommittee on Government Operations
or
☐ Conference Committee

Legislative Council Amendment Number

Action Taken Motion to replace shall w/ may.

Motion Made By Rep Glassheim Seconded By Rep. Huether

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman		✓	Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman		✓	Rep. Robert Huether	✓	
Rep. Kim Koppelman		✓			
Rep. Bob Skarphol		✓			
Rep. Blair Thoreson		✓			

Total (Yes) 2 No 5

Absent 0

Floor Assignment

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

voice amendment to make replacement of
mandatory change of e-signature to optional

January 29, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1005

Page 1, line 2, replace "section" with "sections" and after "54-11-13" insert "and 54-27-08"

Page 1, line 3, after "treasurer" insert "and the signing of warrants by electronic means"

Page 1, line 10, replace "651,142" with "642,551"

Page 1, line 13, replace "759,178" with "750,587"

Page 1, after line 19, insert:

"SECTION 3. AMENDMENT. Section 54-27-08 of the North Dakota Century Code is amended and reenacted as follows:

54-27-08. How moneys paid from state treasury - Warrants - When not necessary. Except as otherwise provided, moneys may be paid from the state treasury only upon the warrant or order prepared by the office of management and budget drawn on the state treasurer. The state auditor shall recommend a form for order and warrant-check of the state government which must conform, so far as consistent with statutory requirements, to approved banking practice ~~in order~~ to facilitate handling of such instruments by banks and other depositories. When ~~such an~~ an order and warrant-check is signed by the state auditor, the state treasurer shall accept the order or warrant with ~~his~~ the treasurer's signature, making the order and warrant-check negotiable. No warrant upon the treasurer may be delivered or mailed to the payee or ~~his~~ the payee's agent or representative until the warrant has been signed by the treasurer and entered on the treasurer's books as a check drawn on a bank depository. A record must be maintained specifying upon what fund or from what apportionment each warrant is to be paid. The state treasurer may redeem outstanding bonds or pay interest on bonds when due without the warrant of the office of management and budget, retaining the bond or interest coupon as ~~his~~ a voucher for the payment until the next ~~succeeding~~ settlement. With respect to electronic records and electronic signatures, the state treasurer shall utilize the services provided by the information technology department."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$651,142	(\$8,591)	\$642,551
Operating expenses	106,036		106,036
Equipment	2,000		2,000
Total all funds	\$759,178	(\$8,591)	\$750,587
Less estimated income			
General fund	\$759,178	(\$8,591)	\$750,587
FTE	7.00	0.00	7.00

Dept. 120 - State Treasurer - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$8,591)	(\$8,591)
Operating expenses		
Equipment		
Total all funds	(\$8,591)	(\$8,591)
Less estimated income		
General fund	(\$8,591)	(\$8,591)
FTE	0.00	0.00

¹ This amendment reduces, from \$11,294 to \$2,703, the amount provided for a market equity salary increase for the Deputy State Treasurer. The amount included in the bill will provide for a monthly increase of \$129 and related fringe benefits for the last 18 months of the biennium.

A section is added requiring the State Treasurer to utilize the services of the Information Technology Department for electronic records and signatures.

Date:

Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO.

HB 1005

House Appropriations - Government Operations Division

Committee

☒ Subcommittee on Government Operations

or

☐ Conference Committee

Legislative Council Amendment Number

18005, 0103

Action Taken

Motion Made By

Seconded
By

[illegible]

Total (Yes)

No

Absent

Floor Assignment

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

Amendment to make signature on checks.
Electronically and not by old machine and
Salary of Elected Official.

Date: 7-23
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1005

House Appropriations - Government Operations Division Committee

☒ Subcommittee on Government Operations
or
☐ Conference Committee

Legislative Council Amendment Number 18005.0103

Action Taken DO PASS AS AMENDED.

Motion Made By Rep. Thaneson Seconded By Rep. Kappelman

[illegible]

Total (Yes) 7 No 0

Absent ϕ .

Floor Assignment Geo. Chareson

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

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1005

House APPROPRIATIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By THORESON Seconded By CARLISLE

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman					
Rep - Aarsvold		✓	Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim		✓	Rep - Thoreson	✓	
Rep - Gulleson		✓	Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman		✓			
Rep - Kliniske	✓				

Total (Yes) 15 No 4

Absent 2

Floor Assignment THORESON

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

1 ABSENT AND NOT VOTING). HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 12, replace "2,122,684" with "2,115,131"

Page 1, line 16, replace "4,282,474" with "4,274,921"

Page 1, line 18, replace "3,912,474" with "3,904,921"

Page 1, line 23, replace "4,420,474" with "4,412,921"

Page 2, line 2, replace "4,790,474" with "4,782,921"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Secretary of State			
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000		370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
Public Printing			
Total all funds	\$508,000	\$0	\$508,000
Less estimated income			
General fund	\$508,000	\$0	\$508,000
Bill Total			
Total all funds	\$4,790,474	(\$7,553)	\$4,782,921
Less estimated income	370,000		370,000
General fund	\$4,420,474	(\$7,553)	\$4,412,921

House Bill No. 1002 - Secretary of State - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,122,684	(\$7,553)	\$2,115,131
Operating expenses	2,063,790		2,063,790
Equipment	84,000		84,000
Perkins revenue	12,000		12,000
Total all funds	\$4,282,474	(\$7,553)	\$4,274,921
Less estimated income	370,000		370,000
General fund	\$3,912,474	(\$7,553)	\$3,904,921
FTE	26.00	0.00	26.00

Dept. 108 - Secretary of State - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE	TOTAL HOUSE CHANGES
Salaries and wages	(\$7,553) ¹	(\$7,553)
Operating expenses		
Equipment		
Perkins revenue		
Total all funds	(\$7,553)	(\$7,553)
Less estimated income		
General fund	(\$7,553)	(\$7,553)
FTE	0.00	0.00

¹ This amendment reduces, from \$14,051 to \$6,498, the amount provided for a market equity salary increase for the Secretary of State. The amount reduced in the bill will provide for a monthly increase of \$309.17 and related fringe benefits for the last 18 months of the biennium.

REPORT OF STANDING COMMITTEE

HB 1005: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). HB 1005 was placed on the Sixth order on the calendar.

Page 1, line 2, remove the first "and", replace "section" with "sector" insert "and 54-27-08"

after "54-11-13"

Page 1, line 3, after "treasurer" insert "and the signing of warrants by electronic means; and to provide legislative intent to prohibit payment of national association of state treasurers-related activities"

Page 1, line 10, replace "651,142" with "642,551"

Page 1, line 13, replace "759,178" with "750,587"

Page 1, after line 19, insert:

"SECTION 3. AMENDMENT. Section 54-27-08 of the North Dakota Century Code is amended and reenacted as follows:

54-27-08. How moneys paid from state treasury - Warrants - When not necessary. Except as otherwise provided, moneys may be paid from the state treasury only upon the warrant or order prepared by the office of management and budget drawn on the state treasurer. The state auditor shall recommend a form for order and warrant-check of the state government which must conform, so far as consistent with statutory requirements, to approved banking practice in order to facilitate handling of such instruments by banks and other depositories. Whenever an order and warrant-check is signed by the state auditor, the state treasurer shall accept the order or warrant within the treasurer's signature, making the order and warrant-check negotiable. No warrant upon the treasurer may be delivered or mailed to the payee or his or her payee's agent or representative until the warrant has been signed by the treasurer and entered on the treasurer's books as a check drawn on a bank depository. A record must be maintained specifying upon what fund or from what apportionment each warrant is to be paid. The state treasurer may redeem outstanding bonds or pay interest on bonds when due without the warrant of the office of management and budget, retaining the bond or interest coupon as a voucher for the payment until the next succeeding settlement. With respect to electronic records and electronic signatures, the state treasurer shall utilize the services provided by the information technology department.

SECTION 4. LEGISLATIVE INTENT - PAYMENT OF NATIONAL ASSOCIATION OF STATE TREASURERS-RELATED ACTIVITIES. It is the intent of the legislative assembly that the state treasurer be prohibited from using state funds for activities related to the national association of state treasurers for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$651,142	(\$8,591)	\$642,551
Operating expenses	106,036		106,036
Equipment	2,000		2,000
Total all funds	\$759,178	(\$8,591)	\$750,587
Less estimated income			
General fund	\$759,178	(\$8,591)	\$750,587
FTE	7.00	0.00	7.00

Dept. 120 - State Treasurer - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$8,591)	(\$8,591)
Operating expenses		
Equipment		
Total all funds	(\$8,591)	(\$8,591)
Less estimated income		
General fund	(\$8,591)	(\$8,591)

PTE

0.00

0.00

* This amendment reduces, from \$21,294 to \$2,703, the amount provided for a market equity salary increase for the Deputy State Treasurer. The amount included in the bill will provide for a monetary increase of \$129 and related fringe benefits for the last 18 months of the biennium.

Two sections are added requiring the State Treasurer to utilize the services of the Information Technology Department for electronic records and signatures and providing legislative intent regarding the use of state funds for activities related to National Association of State Treasurers.

REPORT OF STANDING COMMITTEE

HB 1010: Appropriations Committee (Rep. Timm, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to create and enact a new subsection to section 54-44.3-20 of the North Dakota Century Code, relating to employees exempt from the state classified service;"

Page 1, line 11, replace "4,387,527" with "4,513,847"

Page 1, line 12, replace "1,560,196" with "1,627,196"

Page 1, line 14, replace "6,067,078" with "6,260,398"

Page 2, after line 12, insert:

"SECTION 7. ANHYDROUS AMMONIA STORAGE FACILITY INSPECTION FUND. Section 1 of this Act includes the sum of \$75,000, or so much of the sum as may be necessary, from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspection costs, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 2 after line 19, insert:

"SECTION 9. A new subsection to section 54-44.3-20 of the 1999 Supplement to the North Dakota Century Code is created and enacted as follows:

Attorneys employed by the insurance commissioner."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Insurance Tax to Fire Department			
Total all funds	\$5,200,000	\$0	\$5,200,000
Less estimated income	5,200,000		5,200,000
General fund	\$0	\$0	\$0
Insurance Department			
Total all funds	\$6,067,078	\$193,320	\$6,260,398
Less estimated income	6,067,078	193,320	6,260,398
General fund	\$0	\$0	\$0
Big Title			
Total all funds	\$11,257,078	\$193,320	\$11,450,398
Less estimated income	11,257,078	193,320	11,450,398
General fund	\$0	\$0	\$0

House Bill No. 1010 - Insurance Department - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,387,527	\$126,320	\$4,513,847
Operating expenses	1,560,196	67,000	1,627,196
Equipment	119,355		119,355
Total all funds	\$6,067,078	\$193,320	\$6,260,398
Less estimated income	6,067,078	193,320	6,260,398
General fund	\$0	\$0	\$0
PTE	0.00	0.00	0.00

Dept. 401 - Insurance Department - Detail of House Changes

	RESTORE FUNDING FOR NONCLASSIFIED PROFESSIONAL POSITION	INCREASE OPERATING FOR REMODELING COSTS	ADJUST MARKET EQUITY SALARY INCREASE	TOTAL HOUSE CHANGES
Salaries and wages	\$131,721		(\$5,401)	\$126,320
Operating expenses		\$67,000		67,000
Equipment				
Total all funds	\$131,721	\$67,000	(\$5,401)	\$193,320
Less estimated income	131,721	67,000	5,401	193,320
General fund	\$0	\$0	\$0	\$0
PTE	1.00	0.00	0.00	1.00

* This amendment reduces, from \$4,502 to \$3,401, the amount provided for a market equity salary increase for the deputy. The amount included in the bill will provide for a monetary increase of \$162 and related fringe benefits for the last 18 months of the biennium.

The amendment also adds a new subsection to North Dakota Century Code Section 54-44.3-20 excepting legal positions of the Insurance Commissioner from the state classified service and adds a new section that provides that up to \$75,000 is available from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspections done by the Insurance Department.

REPORT OF STANDING COMMITTEE

HB 1034: Agriculture Committee (Rep. Nicholas, Chairman) recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1034 was rereferred to the Appropriations Committee.

REPORT OF STANDING COMMITTEE

HB 1086: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1086 was placed on the Sixth order on the calendar.

Page 1, line 11, remove "or a rate of one percent of the"

Page 1, line 12, remove "positive employer maximum rate in effect that year"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1121: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1121 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1149: Education Committee (Rep. R. Kelsch, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1149 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1172: Education Committee (Rep. R. Kelsch, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1172 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1196: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1196 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 23-27-04.5 and a new chapter to title 43 of the North Dakota Century Code, relating to the nursing facility nurses loan repayment program and a quick-response unit service pilot program; to amend and reenact sections 6-09-16-01, 6-09-16-02, 6-09-16-03, 6-09-16-04, 6-09-16-05, 6-09-16-06, 23-09-3-01 1, 50-24-4-30, 50-30-01, 50-30-02, and 50-30-04 of the North Dakota Century Code, relating to the nursing facility alternative loan fund, the moratorium on the expansion of basic care bed capacity, the government nursing facility funding pool, and nursing facility loans, to provide for a transfer from the nursing facility alternative grant fund, to provide for a

2001 SENATE APPROPRIATIONS

HB 1005

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1005

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 14, 2001

Tape Number	Side A	Side B	Meter #
Tape #1		x	.9-12.3
Tape 2	x		47.0-53.0
Committee Clerk Signature <i>James DeLoach</i>			

Minutes:

Senator Nothing opened the hearing on HB1005- appropriation for the Office of the State Treasurer.

Kathi Gilmore, State Treasurer presented documentation regarding HB1005 (a copy of written testimony is attached).

Rod Backman, Director of Office of Management and Budget, presented proposed amendment to engrossed HB1005 (a copy attached). This proposal is for next year's payment of property tax, to reimburse counties; need to be made by law. Appropriate the treasurer's office makes it. Another amendment of 783 thousand on deficiency bill -- due to March payment of this year -- out of current year dollars.

Senator Nothing: End of session - with this amendment/everything flows -- should wash?

Rod Backman: Yes.

No additional testimony for or against HB1005. Hearing closed.

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB1005
Hearing Date February 14, 2001

Senator Nething reopened the hearing on HB1005 on February 14, 2001 (Tape #2, Side A; Meter No. 47.0-53.0)

Kathi Gilmore, State Treasurer; presented testimony on House Amendments to HB1005 (a copy of written testimony is attached).

No questions, nor additional testimony. Hearing closed by Senator Nething.

4-3-01 Full Committee Action (Tape # 1, Side A, Meter # 13.8 - 22.7)

Senator Nething reopened the hearing on HB1005 - Office of the State Treasurer.

Senator Grindberg, Subcommittee Chair, reviewed the bill, testimony, and reported the Subcommittee's findings. Discussion on all three; Senator Grindberg moved the amendments #18005.0202 as submitted by the Subcommittee; Senator Andrist seconded. Discussion; call for the vote; Roll Call Vote 9 yes; 5 no; 0 absent and not voting.

Discussion on the bill as amended. Senator Grindberg moved a DO PASS AS AMENDED; seconded by Senator Andrist; discussion; call for the vote; Roll Call Vote: 11 yes; 3 no; and 0 absent and not voting.

Senator Grindberg accepted the floor assignment.

Red Buckman

Office of Management and Budget
February 12, 2001

PROPOSED AMENDMENT TO ENGROSSED HOUSE BILL NO. 1005

Page 1, line 14, remove the underscore on "2,000"

Page 1, after line 14, insert:

"Pipeline in Lieu of Taxes

1,932,419"

Page 1, line 15, replace "\$750,587" with "\$2,683,006"

Renumber accordingly

Statement of purpose of amendment:

To provide an appropriation in accordance with 57-06-17 2 related to carbon dioxide pipeline property.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1005

Page 1, line 12, replace "642,551" with "558,166"

Page 1, line 14, replace "2,000" with "2,000"

Page 1, after line 14, insert:

"In lieu of tax payments 1,932,419"

Page 1, line 15, replace "750,587" with "2,598,621"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$651,142	\$642,551	(\$84,385)	\$558,166
Operating expenses	106,036	106,036		106,036
Equipment	2,000	2,000		2,000
In lieu of tax payment			<u>1,932,419</u>	<u>1,932,419</u>
Total all funds	\$759,178	\$750,587	\$1,848,034	\$2,598,621
Less estimated income				
General fund	\$759,178	\$750,587	\$1,848,034	\$2,598,621
FTE	7.00	7.00	(1.00)	6.00

Dept. 120 - State Treasurer - Detail of Senate Changes

	REDUCE ONE ADMINISTRATIVE CLERK POSITION	REDUCE FUNDING FOR DEPUTY TREASURER POSITION ¹	PAYMENTS TO COUNTIES IN LIEU OF PROPERTY TAXES ²	TOTAL SENATE CHANGES
Salaries and wages	(\$56,672)	(\$27,713)		(\$84,385)
Operating expenses				
Equipment				
In lieu of tax payment			<u>\$1,932,419</u>	<u>1,932,419</u>
Total all funds	(\$56,672)	(\$27,713)	\$1,932,419	\$1,848,034
Less estimated income				
General fund	(\$56,672)	(\$27,713)	\$1,932,419	\$1,848,034
FTE	(1.00)	0.00	0.00	(1.00)

¹ Reduces the salary of the Deputy Treasurer by 20 percent.

² To provide an appropriation in accordance with North Dakota Century Code Section 57-06-17.2 relating to payments to counties in lieu of property taxes on carbon dioxide pipeline property.

Date: 4-3-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1005

Senate Appropriations Committee

☐ Subcommittee on _____
 or
☐ Conference Committee

Legislative Council Amendment Number 18005-0202

Action Taken Amendment

Motion Made By Senator [Signature] Seconded By Senator [Signature]

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas		✓			
Harvey Tallackson		✓			
Larry J. Robinson		✓			
Steven W. Tomac		✓			
Joel C. Heltkamp		✓			
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 9 No 5

Absent 0

Floor Assignment Senate

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

Date: 4-5-01

Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. LB 1005

Senate Appropriations Committee

☐ Subcommittee on _____
or

☐ Conference Committee

Legislative Council Amendment Number 18005.0202

Action Taken By Roll as Amended

Motion Made By Senator Grindberg Seconded By Senator Grindberg

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas		✓			
Harvey Tallackson	✓				
Larry J. Robinson		✓			
Steven W. Tomac	✓				
Joel C. Heitkamp		✓			
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 11 No 3

Absent 0

Floor Assignment Senator Grindberg

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

REPORT OF STANDING COMMITTEE

HB 1005, as engrossed: Appropriations Committee (Sen. Nething, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1005
was placed on the Sixth order on the calendar.

Page 1, line 12, replace "642,551" with "558,166"

Page 1, line 14, replace "2,000" with "2,000"

Page 1, after line 14, Insert:
"In lieu of tax payments

1,932,419"

Page 1, line 15, replace "750,537" with "2,598,621"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$651,142	\$642,551	(\$84,385)	\$558,166
Operating expenses	106,036	106,036		106,036
Equipment	2,000	2,000		2,000
In lieu of tax payment			<u>1,932,419</u>	<u>1,932,419</u>
Total all funds	\$759,178	\$750,587	\$1,848,034	\$2,598,621
Less estimated income				
General fund	\$759,178	\$750,587	\$1,848,034	\$2,598,621
FTE	7.00	7.00	(1.00)	6.00

Dept. 120 - State Treasurer - Detail of Senate Changes

	REDUCE ONE ADMINISTRATIVE CLERK POSITION	REDUCE FUNDING FOR DEPUTY TREASURER POSITION ¹	PAYMENTS TO COUNTIES IN LIEU OF PROPERTY TAXES ²	TOTAL SENATE CHANGES
Salaries and wages	(\$56,672)	(\$27,713)		(\$84,385)
Operating expenses				
Equipment				
In lieu of tax payment			<u>\$1,932,419</u>	<u>1,932,419</u>
Total all funds	(\$56,672)	(\$27,713)	\$1,932,419	\$1,848,034
Less estimated income				
General fund	(\$56,672)	(\$27,713)	\$1,932,419	\$1,848,034
FTE	(1.00)	0.00	0.00	(1.00)

¹ Reduces the salary of the Deputy Treasurer by 20 percent.

² To provide an appropriation in accordance with North Dakota Century Code Section 57-06-17.2 relating to payments to counties in lieu of property taxes on carbon dioxide pipeline property.

2001 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1005

2001 HOUSE CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1005

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date April 18, 2001

Tape Number	Side A	Side B	Meter #
04-18-01 tape #1	0 - 467		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The conference committee was called to order. Roll call was taken.

Sen. Grindberg: Explains the Senate amendments. They basically did three things: 1) they removed one FTE from the department due to reduced duties; 2) they reduced the deputy's salaries by 20% due to a 20% reduction of duties; and 3) addressed payments in lieu of property taxes.

Rep. Byerly: Handed out an amendment 18006.0203. Now that the governor has signed SB 2053, that transferred the duties, there was one house bill that had gone through the session and had been signed before the others, HB 1404, that licensed wineries. There was no language that said if the other duties were transferred, then these duties would be also. So this was requested to clean up all the alcohol transfers. The house did not remove an FTE before us because we didn't know if these other bills were going to pass. We don't have any problem with that removal. The in lieu of for the Co. and we understand that. The only problem we have is

Page 2

Government Operations Division

Bill/Resolution Number HB 1005

Hearing Date April 18, 2001

the reduction of the 20% of the deputies duties. WE in the House would like to see that particular part of the Senate amendment removed.

Sen. Andrist: Moves that the Senate recede from its amendment and that the committee amend. Seconded by Sen. Grindberg.

Vote on Motion : 6 yes, 0 no, 0 absent and not voting. Motion passes.

Rep. Byerly will carry the report to the floor.

The chairman closed the meeting on this bill.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1005

That the Senate recede from its amendments as printed on page 1288 of the House Journal and pages 1128 and 1129 of the Senate Journal and that Engrossed House Bill No. 1005 be amended as follows:

Page 1, line 2, after "reenact" insert "subsection 1 of the new section to chapter 5-01 of the North Dakota Century Code as created by section 1 of House Bill No. 1404, as approved by the fifty-seventh legislative assembly, and"

Page 1, line 3, after "to" insert "issuance of farm winery licenses," and after "treasurer" insert a comma

Page 1, line 12, replace "642,551" with "585,879"

Page 1, line 14, replace "2,000" with "2,000"

Page 1, after line 14, insert:

"In lieu of tax payments 1,932,419"

Page 1, line 15, replace "750,587" with "2,626,334"

Page 1, after line 15, insert:

"SECTION 2. AMENDMENT. Subsection 1 of the new section to chapter 5-01 of the North Dakota Century Code as created by section 1 of House Bill No. 1404, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

1. The state ~~treasurer~~ tax commissioner may issue a farm winery license to the owner or operator of a farm winery located within this state to produce table or sparkling wines. A farm winery must be operated by the owner of a North Dakota farm and produce table or sparkling wines from grapes, grape juice, other fruit bases, or honey with a majority of the ingredients by volume, excluding water, grown and produced in this state by the farm winery. Licenses may be issued and renewed for an annual fee of fifty dollars, which is in lieu of all other license fees required by this title."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$651,142	\$642,551	(\$56,672)	\$585,879	\$558,166	\$27,713
Operating expenses	106,036	106,036		106,036	106,036	
Equipment	2,000	2,000		2,000	2,000	
In lieu of tax payments			<u>1,932,419</u>	<u>1,932,419</u>	<u>1,932,419</u>	
Total all funds	\$759,178	\$750,587	\$1,875,747	\$2,626,334	\$2,598,621	\$27,713
Less estimated income						
General fund	\$759,178	\$750,587	\$1,875,747	\$2,626,334	\$2,598,621	\$27,713
FTE	7.00	7.00	(1.00)	6.00	6.00	0.00

Dept. 120 - State Treasurer - Detail of Conference Committee Changes

	REDUCE ONE ADMINISTRATIVE CLERK POSITION ¹	PAYMENTS TO COUNTIES IN LIEU OF PROPERTY TAXES ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$56,672)		(\$56,672)
Operating expenses			
Equipment			
In lieu of tax payments		\$1,932,419	1,932,419
Total all funds	(\$56,672)	\$1,932,419	\$1,875,747
Less estimated income			
General fund	(\$56,672)	\$1,932,419	\$1,875,747
FTE	(1.00)	0.00	(1.00)

¹ The Conference Committee did not change the Senate reduction of one FTE as a result of the transfer of beer and wholesale liquor tax collection duties to the Tax Commissioner and the savings from utilization of the Information Technology Department for electronic records and signatures.

² Provides an appropriation in accordance with North Dakota Century Code Section 57-06-17.2 relating to payments to counties in lieu of property taxes on carbon dioxide pipeline property.

A section was added in Conference Committee to transfer the duties of issuing farm winery licenses to the Tax Commissioner.

The Conference Committee removed the Senate amendment to reduce the salary of the deputy treasurer by 20 percent and restored \$27,713.

Date: 4-18-01
Roll Call Vote #

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. H73 1005

House Appropriations Committee

☐ Subcommittee on _____
or

☒ Conference Committee

Legislative Council Amendment Number 18005.0203

Action Taken Senate reads & further amend

Motion Made By Sen. Andrist Seconded By Sen. Grindberg

Representatives	Yes	No	SENATORS	Yes	No
Rep Beyerly	✓		Sen Grindberg	✓	
Rep Thompson	✓		Sen Andrist	✓	
Rep Glassheim	✓		Sen Lindan	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep Beyerly

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

REPORT OF CONFERENCE COMMITTEE

HB 1005, as engrossed: Your conference committee (Sens. Grindberg, Andrist, Lindaas and Rops, Byorly, B. Thoreson, Glassholm) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1288, adopt amendments as follows, and place HB 1005 on the Seventh order:

That the Senate recede from its amendments as printed on page 1288 of the House Journal and pages 1128 and 1129 of the Senate Journal and that Engrossed House Bill No. 1005 be amended as follows:

Page 1, line 2, after "reenact" insert "subsection 1 of the new section to chapter 5-01 of the North Dakota Century Code as created by section 1 of House Bill No. 1404, as approved by the fifty-seventh legislative assembly, and"

Page 1, line 3, after "to" insert "issuance of farm winery licenses," and after "treasurer" insert a comma

Page 1, line 12, replace "642,551" with "585,879"

Page 1, line 14, replace "2,000" with "2,000"

Page 1, after line 14, insert:

"In lieu of tax payments

1,932,419"

Page 1, line 15, replace "750,587" with "2,626,334"

Page 1, after line 15, insert:

"SECTION 2. AMENDMENT. Subsection 1 of the new section to chapter 5-01 of the North Dakota Century Code as created by section 1 of House Bill No. 1404, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

1. The state ~~treasurer~~ tax commissioner may issue a farm winery license to the owner or operator of a farm winery located within this state to produce table or sparkling wines. A farm winery must be operated by the owner of a North Dakota farm and produce table or sparkling wines from grapes, grape juice, other fruit bases, or honey with a majority of the ingredients by volume, excluding water, grown and produced in this state by the farm winery. Licenses may be issued and renewed for an annual fee of fifty dollars, which is in lieu of all other license fees required by this title."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$651,142	\$642,551	(\$56,672)	\$585,879	\$558,166	\$27,713
Operating expenses	106,036	106,036		106,036	106,036	
Equipment	2,000	2,000		2,000	2,000	
In lieu of tax payments			<u>1,932,419</u>	<u>1,932,419</u>	<u>1,932,419</u>	
Total all funds	\$759,178	\$750,587	\$1,875,747	\$2,626,334	\$2,598,621	\$27,713
Less estimated income						

General fund	\$759,178	\$750,587	\$1,875,747	\$2,626,334	\$2,598,621	\$27,713
FTE	7.00	7.00	(1.00)	6.00	6.00	(0.00)

Dept. 120 - State Treasurer - Detail of Conference Committee Changes

	REDUCE ONE ADMINISTRATIVE CLERK POSITION ¹	PAYMENTS TO COUNTIES IN LIEU OF PROPERTY TAXES ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$56,672)		(\$56,672)
Operating expenses			
Equipment			
In lieu of tax payments		\$1,932,419	1,932,419
Total all funds	(\$56,672)	\$1,932,419	\$1,875,747
Loss estimated income			
General fund	(\$56,672)	\$1,932,419	\$1,875,747
FTE	(1.00)	0.00	(1.00)

¹ The Conference Committee did not change the Senate reduction of one FTE as a result of the transfer of beer and wholesale liquor tax collection duties to the Tax Commissioner and the savings from utilization of the Information Technology Department for electronic records and signatures.

² Provides an appropriation in accordance with North Dakota Century Code Section 57-06-17.2 relating to payments to counties in lieu of property taxes on carbon dioxide pipeline property.

A section was added in Conference Committee to transfer the duties of issuing farm winery licenses to the Tax Commissioner.

The Conference Committee removed the Senate amendment to reduce the salary of the deputy treasurer by 20 percent and restored \$27,713.

Engrossed HB 1005 was placed on the Seventh order of business on the calendar.

2001 TESTIMONY

HB 1005

Department 120 - State Treasurer
House Bill No. 1005

	FTE Positions	General Fund	Other Funds	Total
2001-03 Executive Budget	7.00	\$759,178	\$0	\$759,178
1999-2001 Legislative Appropriations	7.00	695,265		695,265
Increase (Decrease)	0.00	\$63,913	\$0	\$63,913

The 1999-2001 appropriation amounts include \$420 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Major Items Affecting State Treasurer 2001-03 Budget

	General Fund	Other Funds	Total
1. Provides increased salaries and wages funding based on the Central Personnel Division's salary market study for elected and appointed officials (Deputy State Treasurer). The proposed increase is \$128.58 per month effective January 1, 2002. The total increase required for the biennium, including benefits, is \$2,703 or \$8,591 less than the executive recommendation.	\$11,294		\$11,294
2. Adds funds for information technology projects, including a program that provides print totals of outstanding checks; update the present pioneer e-mail system to the exchange server; and update the present distribution process software and provide training.	\$10,957		\$10,957
3. Decreases equipment funding.	(\$2,000)		(\$2,000)

Major Legislation Affecting the State Treasurer

Section 2 of House Bill No. 1005 includes the statutory changes necessary to increase the State Treasurer's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$61,142

Proposed annual salary recommended in the 2001-03 executive budget:

July 1, 2001	\$62,974
January 1, 2001 (not provided pay equity increase)	\$62,974
July 1, 2002	\$64,233

Department 120 - State Treasurer
House Bill No. 1005

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	7.00	\$759,178	\$0	\$759,178
1999-2001 Legislative Appropriations	7.00	695,265		695,265 ¹
Increase (Decrease)	0.00	\$63,913	\$0	\$63,913

2001-03 Hoeven Executive Budget	7.00	\$759,178	\$0	\$759,178
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

¹ The 1999-2001 appropriation amounts include \$420 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Major Schafer Recommendations Affecting State Treasurer 2001-03 Budget

	General Fund	Other Funds	Total
1. Provides increased salaries and wages funding based on the Central Personnel Division's salary market study for elected and appointed officials (Deputy State Treasurer). The proposed increase is \$128.58 per month effective January 1, 2002. The total increase required for the biennium, including benefits, is \$2,703 or \$8,591 less than the executive recommendation.	\$11,294		\$11,294
2. Adds funds for information technology projects, including a program that provides print totals of outstanding checks; update the present pioneer e-mail system to the exchange server; and update the present distribution process software and provide training.	\$10,957		\$10,957
3. Decreases equipment funding.	(\$2,000)		(\$2,000)

**Major Hoeven Recommendations Affecting State Treasurer 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. There are no changes to the Schafer recommendation.			

Major Legislation Affecting the State Treasurer

Section 2 of House Bill No. 1005 includes the statutory changes necessary to increase the State Treasurer's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$61,142

Proposed annual salary recommended in the 2001-03 executive budget:

July 1, 2001	\$62,974
January 1, 2001 (not provided pay equity increase)	\$62,974
July 1, 2002	\$64,233

Senate Bill No. 2053 transfers the beer and wholesale liquor tax collection responsibilities from the State Treasurer to the Tax Commissioner.

Department of State Treasurer
 House Bill No. 1005

	1999-2001	2001-03	2001-03	2001-03
1999-2001 Appropriation	0.00	663,913	\$0	\$663,913
Increase (Decrease)	0.00	\$63,913	\$0	\$63,913

2001-03 Hoeven Executive Budget	7.00	\$759,178	\$0	\$759,178
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

* The 1999-2001 appropriation amounts include \$4,000 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Major Schafer Recommendations Affecting State Treasurer 2001-03 Budget

	General Fund	Other Funds	Total
1. Provides increased salaries and wages funding based on the Central Personnel Division's salary market study for elected and appointed officials (Deputy State Treasurer). The proposed increase is \$128.58 per month effective January 1, 2002. The total increase required for the biennium, including benefits, is \$2,703 or \$8,591 less than the executive recommendation. (The House reduced this amount by \$8,591 for the market equity adjustment.)	\$11,294		\$11,294
2. Adds funds for information technology projects, including a program that provides print totals of outstanding checks; update the present pioneer e-mail system to the exchange server, and update the present distribution process software and provide training.	\$10,957		\$10,957
3. Decreases equipment funding	(\$2,000)		(\$2,000)

Major Hoeven Recommendations Affecting State Treasurer 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

	General Fund	Other Funds	Total
1. There are no changes to the Schafer recommendation.			

Major Legislation Affecting the State Treasurer

Section 2 of House Bill No. 1005 includes the statutory changes necessary to increase the State Treasurer's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$61,142

Proposed annual salary recommended in the 2001-03 executive budget:

July 1, 2001	\$62,974
January 1, 2001 (not provided pay equity increase)	\$62,974
July 1, 2002	\$64,233

Senate Bill No. 2053 transfers the beer and wholesale liquor tax collection responsibilities from the State Treasurer to the Tax Commissioner.

House Bill No. 1341 transfers the duties of allocating the gross production tax revenues to political subdivisions from the State Treasurer to the State Tax Commissioner.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - Funding Summary

	Executive Budget	House Changes	House Version
State Treasurer			
Salaries and wages	\$651,142	(\$8,591)	\$642,551
Operating expenses	106,036		106,036
Equipment	2,000		2,000
Total all funds	\$759,178	(\$8,591)	\$750,587
Less estimated income	0	0	0
General fund	\$759,178	(\$8,591)	\$750,587
FTE	7.00	0.00	7.00
Bill total			
Total all funds	\$759,178	(\$8,591)	\$750,587
Less estimated income	0	0	0
General fund	\$759,178	(\$8,591)	\$750,587
FTE	7.00	0.00	7.00

House Bill No. 1005 - State Treasurer - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$651,142	(\$8,591)	\$642,551
Operating expenses	106,036		106,036
Equipment	2,000		2,000
Total all funds	\$759,178	(\$8,591)	\$750,587
Less estimated income	0	0	0
General fund	\$759,178	(\$8,591)	\$750,587
FTE	7.00	0.00	7.00

Department No. 120 - State Treasurer - Detail of House Changes

	Adjust Market Equity Salary Increase ¹	Total House Changes
Salaries and wages	(\$8,591)	(\$8,591)
Operating expenses		
Equipment		
Total all funds	(\$8,591)	(\$8,591)
Less estimated income	0	0
General fund	(\$8,591)	(\$8,591)
FTE	0.00	0.00

¹ This amendment reduces, from \$11,294 to \$2,703, the amount provided for a market equity salary increase for the Deputy State Treasurer. The amount included in the bill will provide for a monthly increase of \$129 and related fringe benefits for the last 18 months of the biennium.

Two sections are added requiring the State Treasurer to utilize the services of the Information Technology Department for records and signatures and providing legislative intent regarding the use of state funds for activities related to the National Association of State Treasurers.

TESTIMONY
HOUSE APPROPRIATIONS COMMITTEE
GOVERNMENT OPERATIONS DIVISION
HOUSE BILL 1005
STATE TREASURER KATHI GILMORE
8:30 AM - JANUARY 18, 2000

Mr. Chairman & Members of the Committee,

I am State Treasurer Kathi Gilmore and I am here today to present my budget for your review. I apologize for not being able to be with you last week. However, several other matters conflicted with your hearing and I had my able chief accountant attend in my place.

I am pleased to be here today in person to present my budget to you.

The people of North Dakota once again have confirmed their belief that the State Treasurer's Office is an office they support. As you know, nearly 90% of the counties voted in favor of its retention and, thus, expect it to be funded appropriately.

AGENCY DESCRIPTION/OVERVIEW

The North Dakota State Treasurer's Office is the central elected authority for effective and efficient financial and fiscal management of the state's general and special fund monies.

The agency provides accounting, reconciliation and administrative services for various funds, distributes tax monies to state and political subdivisions, and administers the wholesale alcohol beverage laws and regulations.

The agency acts as custodian of certain agency accounts and trust funds in a way that allows program growth for the particular entity.

The State Treasurer's Office provides a daily investment management service for over thirty state agencies and trust funds, which amounts to over forty individual investment accounts.

Nearly 25,000 receipts are prepared biennially for more than 100 agencies in an effort to deposit over \$2 billion into the state accounting system.

The agency daily manages an average of \$150 million of state general and special funds.

The State Treasurer's Office is responsible for the signing and distribution of over 1 million accounting, human service and payroll checks biennially.

The agency collects over \$10 million biennially in wholesale alcohol beverage taxes.

The State Treasurer's direct deposit-electronic funds transfer for tax distribution to approximately 500 political subdivisions not only makes the money available to subdivisions in a timely manner, but also enhances government efficiency at both the state and local level. Because of the direct deposit program, nearly 12,000 checks per year will not be written and/or processed by the office.

In collaboration with the Bank of North Dakota, a check reconciliation program exists to correct discrepancies in check posting and balancing of daily check clearances and to maintain an accurate outstanding check register.

The unclaimed property program in conjunction with the State Land Department, transfers from the State Treasurer's Office to the Unclaimed Property Division, Land Department warrants that have not been claimed for a period of two years or more.

ALIGNMENT WITH STATEWIDE IT PLAN

We have begun to align our technology as required with the IT Plan. This is being done because:

- A. **State government should be customer focused.** Customer focused for the State Treasurer's Office includes, direct deposits, as in ACH's and tax distributions to political subdivisions. The State Treasurer's Office web site is available for information and for State Treasurer's Office forms used by the consumer. Our future plans include having monthly alcohol beverage reports, along with highway distribution tax information available by e-mail.
- B. **State government should be efficient.** The State Treasurer's Office is accepting information and providing informational reports to consumers in monthly alcohol beverage reports, investments, tax distributions and financial reports. Alcohol brand registration reports will be implemented using information technology along with submitting alcohol beverage excise taxes by electronic fund transfer.

- C. **State government should be well managed.** Technology training for employees in Access will be administered to replace dbase. A Cash Management Program with the Bank of North Dakota has been implemented to monitor and manage deposit account balance and collection and disbursement of funds.
- D. **State government should provide the leadership for developing a shared infrastructure.** Shared infrastructure in the State Treasurer's Office is: SAMIS, CAFR, Unclaimed Property Program with State Land Department and Check Reconciliation Program with the Bank of North Dakota.

GOALS, OBJECTIVES AND ACCOMPLISHMENTS

To provide sound leadership and prudent investment practices in managing the state's money while providing quality service to the citizens of North Dakota, and also minimizing costs through maximizing productivity and quality of work.

Objectives

To insure all agencies deposit monies with the state treasury to maximize interest earnings and to encourage the use of electronic funds transfer-direct deposit process for more effective cash management.

IT TRAINING PLAN

With the advancement of technology within the state and political subdivision for tax distribution purposes, electronic fund transfers, investments, and alcohol beverage regulations, the need for specialized technology training in the State Treasurer's Office is vital.

There was not adequate funding for one-day local workshop training or any other staff training available in our biennium budget.

The level of proficiency of the majority of the staff is adequate to complete tasks necessary for the function of the office. On the job training and web based instruction is the best we can provide with current budget funding levels. We also have no frequency of training and retraining. There are no plans for changes to the organization structure.

Plans are to submit a request for adequate funding for staff training in the next biennium, along with funding requests for upgrading the computer software.

MAJOR ACCOMPLISHMENTS

Applied sound investment practices to maximize investment earnings of the states moneys.

Article X, Section 12 of the North Dakota Constitution states that all public moneys, from whatever source derived, shall be paid over monthly by the public official to the State Treasurer and deposited to the credit of the state. Memorandums of Understanding were initiated with the Bank of North Dakota to provide continued deposit and investment services without interruption or loss of interest moneys to several state agencies, which includes the North Dakota University System. This action brought thirteen agencies into compliance with the North Dakota law.

We installed an integrated computer office system to enhance workflow between the agency and political subdivisions and to connect with the states Intranet, as well as the Internet.

FUTURE CRITICAL ISSUES

The State Treasurer's Office needs to advance information technology. The nearly \$11,000 allowed in the Governor's budget is a start. However, any changes in current distributions or new distributions mandated by the Legislature would need to have additional funding. The agency also needs to become current with the check signing process, which would be an increase in lease equipment.

The Treasurer's Office is mandated by the North Dakota Constitution to perform certain statutory duties. The State Auditor's Office has required segregation of several of these office duties. This proposal would be unrealistic for this small agency to perform these duties without a budget increase.

ADMINISTRATION

Program Objectives

Insure all agencies deposit monies with the state treasury to maximize interest earnings. Provide investment service for trust fund agencies. Encourage use of electronic funds transfer process for more effective cash management. Distribute revenue to political subdivisions in an efficient manner. Regulate wholesale alcohol beverage industry in an impartial manner.

In synopsis, services we provide are:

Receipt, deposit, and investment income for all state agencies into state accounting system. Manage general and special fund monies for the state. Provide daily investment management for several state agencies and trust funds. Provide reconciliation and accounting services for state accounts. We are responsible for the management and administration of accounting, human service and payroll checks to agencies on the central accounting system. Allocate and distribute tax distribution monies to political subdivisions. Provide audit information for cities, schools, and counties. Collect wholesale alcohol beverage taxes from wholesaler. Enforce brand registration of alcohol products entering state for sale. Administer wholesale alcohol beverage laws and regulations.

Program Statistical Data

Nearly 25,000 receipts are prepared biennially for more than 100 agencies in an effort to deposit over \$2 billion into the state accounting system. Daily manages an average of \$150 million of state general and special funds. Provide investment service for over 30 agencies and/or trust funds which amounts to over 40 individual investment accounts. Responsible for the signing and distribution of over 1 million accounting, human service, and payroll checks biennially. Distribute over \$200 million in tax distributions biennially to nearly 500 different political subdivisions utilizing the electronic funds transfer process. Collect over \$10 million biennially in wholesale alcohol beverage taxes.

Explanation of Program Costs

Salary and wages are used to support seven (7) full-time employees.

Data processing costs are related to program tax revenue distribution to political subdivision, on-line, and credit card deposits, batch printing of outstanding check lists, bank cancelled check reports, disk storage and records management fees.

Telephone costs support eight (8) telephone lines. Postage costs are for mailing of alcohol beverage information, payroll to agencies in other cities, State Treasurer's correspondence, notification of distributions to political subdivisions.

Lease rental payments are made on the office copy machine.

Dues and professional development costs are for professional dues are self-explanatory.

House Bill 1005
State Treasurer Kathi Gilmore
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Operating fees cover service agreements on the vault and copy machine. Professional service fees are primarily used to cover contractual expense for individuals to perform statutory duties required by the North Dakota Constitution and in accordance with the North Dakota State Auditor's Office recommendation for segregation of duties. Insurance covers Risk Management Fund contributions and Fire and Tornado Fund. The minimal equipment budget is included to replace one computer.

This ends my presentation. I'd be happy to answer any questions.

Thank you.

TESTIMONY
SENATE APPROPRIATIONS COMMITTEE
HOUSE BILL 1005
STATE TREASURER KATHI GILMORE
FEBRUARY 14, 2001

Mr. Chairman & Committee Members:

I am State Treasurer Kathi Gilmore and I am here today to present my budget for the 2001-2003 biennium.

The people of North Dakota have, for the second time, confirmed their wish that the State Treasurer's Office continue to perform its function. As you know, nearly 90% of the counties voted in favor of its retention and, thus, expect it to be funded appropriately.

AGENCY DESCRIPTION/OVERVIEW

The North Dakota State Treasurer's Office is, by vote of the people on two separate occasions, the chief elected authority for effective and efficient financial and fiscal management of the state's general and special fund monies.

The agency provides accounting, reconciliation and administrative services for various funds, distributes tax monies to state and political subdivisions, and administers the wholesale alcohol beverage laws and regulations.

The agency acts as custodian of certain agency accounts and trust funds in a way that allows program growth for the particular entity.

The State Treasurer's Office provides a daily investment management service for over thirty state agencies and trust funds, which amounts to over forty individual investment accounts.

Nearly 25,000 receipts are prepared biennially for more than 100 agencies in an effort to deposit over \$2 billion into the state accounting system.

The agency daily manages an average of \$150 million of state general and special funds.

The State Treasurer's Office is responsible for the signing and distribution of over 1 million accounting, human service and payroll checks biennially and we collect over \$10 million biennially in wholesale alcohol beverage taxes.

The State Treasurer's direct deposit-electronic funds transfer program distributes taxes to approximately 500 political subdivisions. This makes the money

available to subdivisions in a timely manner, and enhances government efficiency at both the state and local level. Because of the direct deposit program, nearly 12,000 payroll checks per year will not be written and/or processed by the office.

In collaboration with the Bank of North Dakota, a check reconciliation program exists to correct discrepancies in check posting and balancing of daily check clearances and to maintain an accurate outstanding check register.

The unclaimed property program in conjunction with the State Land Department, transfers from the State Treasurer's Office to the Unclaimed Property Division, state warrants that have not been claimed for a period of two years or more.

ALIGNMENT WITH STATEWIDE IT PLAN

Over the past few years we have been aligning our technology with an IT Plan. As State Treasurer I believe that:

- A. **State government should be customer focused.** Our customer focus in the State Treasurer's Office includes, direct deposits, as in ACH's and tax distributions to political subdivisions. The State Treasurer's Office web site is available for information and for State Treasurer's Office forms used by the consumer.
Our future plans include having monthly alcohol beverage reports, along with highway distribution tax information available by e-mail.
- B. **State government should be efficient.** The State Treasurer's Office is accepting information and providing informational reports to consumers through monthly alcohol beverage reports, plus reports on investments and tax distributions. Alcohol brand registration reports will be implemented using the technology available to us, along with submitting alcohol beverage excise taxes by electronic fund transfer.
- C. **State government should be well managed.** Technology training for employees in Access will be administered to replace dbase. A Cash Management Program with the Bank of North Dakota has been implemented to monitor and manage deposit account balances and the collection and disbursement of funds.
- D. **State government should provide the leadership for developing a shared infrastructure.** Shared infrastructure in the State Treasurer's Office includes SAMIS, CAFR, the Unclaimed Property Program with State Land Department and the Check Reconciliation Program with the Bank of North Dakota.

GOALS

To provide sound leadership and prudent investment practices in managing the state's money while providing quality service to the citizens of North Dakota, and also minimizing costs through maximizing productivity and quality of work.

OBJECTIVES

To insure that all agencies deposit monies with the state treasurer, as required by the Constitution; to maximize interest earnings and to encourage the use of the electronic funds transfer-direct deposit process for more effective cash management.

IT TRAINING PLAN

The advancement of technology within the state and political subdivisions relating to tax distributions, electronic fund transfers, investments, and alcohol beverage regulations, has emphasized the need for specialized technology training in the State Treasurer's Office.

The level of proficiency of the majority of our staff is adequate to complete tasks necessary for the function of the office. However, on the job training and web based instruction is the best we can provide with current budget funding levels. We also have no frequency of training and retraining. The training issue needs to be addressed.

Our 2001-2003 budget request includes funding for staff training in the next biennium, along with funding requests for upgrading our computer software.

MAJOR ACCOMPLISHMENTS

We have applied sound investment practices to maximize investment earnings of the state's monies.

Article X, Section 12 of the North Dakota Constitution states that all public money, from whatever source derived, shall be paid over monthly by the public official to the State Treasurer and deposited to the credit of the state. Memorandums of Understanding were initiated with the Bank of North Dakota to provide continued deposit and investment services to several state agencies, including the North Dakota University System, without interruption or loss of interest. This action brought fourteen agencies into compliance with the North Dakota Constitution -- the most recent being the Clerks of Court.

We installed an integrated computer office system, to enhance workflow between the agency and political subdivisions and to connect with the states Intranet, as well as the Internet.

FUTURE CRITICAL ISSUES

The State Treasurer's Office needs to advance information technology. The nearly \$11,000 allowed in the Governor's budget is a start. However, any changes in current distributions or new distributions mandated by the legislature would need to have additional funding.

The Treasurer's Office is mandated by the North Dakota Constitution to perform certain financial and monetary duties. The State Auditor's Office has required segregation of several of these duties. These Auditor's Office internal-control proposals are unrealistic for this small agency without adequate personnel.

SUMMARY

The services we provide are:

1. Receive and deposit investment income for all state agencies into state accounting system.
2. Manage general and special fund monies for the state.
3. Provide daily investment management for several state agencies and trust funds.
4. Provide reconciliation and accounting services for state accounts.
5. Manage and administer accounting, human service and payroll checks to agencies on the central accounting system.
6. Allocate and distribute tax monies to political subdivisions.
7. Provide audit information for cities, schools, and counties.
8. Collect wholesale alcohol beverage taxes from wholesalers.
9. Enforce brand registration of alcohol products entering the state.
10. Administer wholesale alcohol beverage laws and regulations.

Statistical Summary

- Nearly 25,000 receipts are prepared biennially for more than 100 agencies in an effort to deposit over \$2 billion into the state accounting system.
- Daily we manage an average of \$150 million of state general and special funds. We provide investment services for over 30 agencies and/or trust funds amounting to over 40 individual investment accounts.

- We are responsible for the signing and distribution of over 1 million accounting, human service, and payroll checks biennially.
- We send out over \$200 million in tax distributions biennially to nearly 500 different political subdivisions utilizing the electronic funds transfer process.
- We collect over \$10 million biennially in wholesale alcohol beverage taxes.

Program Costs Summary

Salary and wages represent seven (7) full-time employees.

Data processing costs are related to tax-revenue distributions to political subdivisions, on-line, and credit card deposits, batch printing of outstanding check lists, bank cancelled check reports and disk storage and records management fees.

Telephone costs support eight (8) telephone lines.

Postage costs mail alcohol beverage information, payroll to agencies in other cities, State Treasurer's correspondence and notification of distributions to political subdivisions.

Lease rental payments are made on the office copy machine.

Operating fees cover service agreements on the vault and copy machine.

Professional service fees are used to cover contractual expenses for individuals performing statutory duties required by the North Dakota Constitution and in accordance with the North Dakota State Auditor's Office recommendations for segregation of duties.

Insurance covers Risk Management Fund contributions and Fire and Tornado Fund.

The minimal equipment budget is included to replace one computer.

I'd be happy to answer any questions.

HB 1005

**Testimony on House Amendments to HB 1005
Kathi Gilmore, State Treasurer**

**Senate Appropriations Committee
February 14, 2001**

The House of Representatives attached amendments to HB 1005 to prohibit the use of state funds for activities related to the National Association of State Treasurers. I request that this language be deleted from the bill. NAST is a professional Association that provides technical professional information to State Treasurers and North Dakota needs to participate in, and be knowledgeable of, the issues discussed at NAST.

In addition, the House added language requiring the use of electronic signatures by the State Treasurer on state warrants. It also transfers the process of validation of warrants with the Treasurer's signature to the Information Technology Department. If the use of electronic signatures on state warrants is in the public interest, and does not violate my constitutional responsibility, I will look into doing so. However, I request that the mandatory language in the House amendments be removed.