

2009 HOUSE APPROPRIATIONS

HB 1377

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1377

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: January 19, 2009

Recorder Job Number: 7215

Committee Clerk Signature

Minutes:

**Chm. Svedjan** reconvened the Full House Appropriations Committee and took up HB 1377.

**Rep. Thoreson, District 44, Fargo** approached the podium, distributed testimony (Attachment A) and testified in support of HB 1377 which will create a database of government expenditures, leading to increased government transparency. Rep. Thoreson reviewed his written testimony and concluded his remarks.

**Rep. Kempenich:** Your idea is like the ND state portal? Would you have a subsection on this?

**Rep. Thoreson:** Perhaps a separate Website that could easily be found.

**Rep. Klein:** Looking at the Fiscal Note, I can't believe they're looking at that type of number to set this up. That information must all be available in some form or other.

**Rep. Thoreson:** I believe it is also. Other states have done this at considerably less cost.

There are many solutions available already which you can purchase or in some cases states are sharing at no cost. So I think we could find a way to do it for significantly less than the \$1 million listed.

**Rep. Bellew:** Is there any way to track the number of hits on this Website to see if this is worth the investment?

**Rep. Thoreson:** I believe there would be a way to do that.

**Rep. Onstad:** In these other states that do these, how current are the updates to their Websites? Are they daily? Weekly? Monthly?

**Rep. Thoreson:** I do not have that information, but could get that for you. My intent would be to update it on a regular basis.

**Chm. Svedjan:** OMB may talk about this.

**Pam Sharp, Director, Office of Management and Budget,** approached the podium. Ms. Sharp distributed testimony (Attachment B). Ms. Sharp said that she is definitely in favor of transparency. Ms. Sharp explained that she had looked at the Kanview Website and it is a fabulous Website but that it is not live data. It is only updated once a year and she thinks current information is more valuable. Regarding the Fiscal Note, it just says that we cannot do it for less than \$1 million. That is based on ballpark. I can't do an estimate for that. It would be a good idea for ITD to give a better estimate. In order to implement this is to have a data warehouse and that first step has been taken. Ms. Sharp said that they are in contract negotiations to get a data warehouse. The implementation of the data warehouse would take at least eight or nine months and that doesn't take into account what you are asking for in this bill. But we couldn't do what you're asking for without that data warehouse. Another reason for the \$1 million is that I don't know where Higher Education is. I don't believe they're currently implementing a data warehouse. I don't know what it would cost to get their information into a searchable site as well.

Kanview did implement their Website for \$200,000 which is cheap, but their circumstances are different. NIC – the company which deals only with government agencies – developed their Website for them. One of NIC's models is that they develop e-applications and charge the public a fee to get that information through the portal. They don't charge for all their applications.

OMB has been working on transparency. In March, there will be a Website (See Attachment B) which will be accessible to the public. Ms. Sharp reviewed the different reports included in Attachment B.

**Chm. Svedjan:** When this is posted it would be done monthly?

**Ms. Sharp:** It would be done monthly.

**Chm. Svedjan:** And in a cumulative way? Would the second month include the numbers for the first month?

**Ms. Sharp:** All of these reports will include current month activity and biennium to date activity.

Ms. Sharp continued her review of the different reports in Attachment B and pointed out that the OMB monthly newsletter, Legislative Appropriations Book and the Comprehensive Annual Financial Report will be available online.

Ms. Sharp referred the Committee to Section 1 of HB 1377 and reviewed what items in the bill OMB is currently capturing and some of the information that is not being captured. OMB currently captures a, b, c, d, and e of Section 1 (See HB 1377). Confidentiality and HIPAA requirements may OMB from publishing the information in subsection b of the bill. OMB does not capture subsections f, g, h, and Ms. Sharp is not sure how OMB would incorporate subsection i. it is not part of the software at this time. She explained that if you want a searchable database, the warehouse is the first step and ITD would need to help give direction from there.

**Rep. Kempenich:** I think if we do what is in this bill, we need to explain what information the user will be looking at. The public needs to be educated on the information. And what they are looking at.

**Rep. Kaldor:** In looking at the Kansas site, they do list specific expenditures to individuals. Are they avoiding those expenditures that would violate HIPAA rules?

**Ms. Sharp:** I don't know.

**Chm. Svedjan:** For the plan you are doing now, what is the cost to OMB?

**Ms. Sharp:** We've been working on that internally, so it's just staff time.

**Rep. Kaldor:** The data you are gathering to build your data warehouse is coming off the PeopleSoft system? Is that system friendly to build the database?

**Ms. Sharp:** We are building the data warehouse for (to accommodate) PeopleSoft. It will be for PeopleSoft HR and financials.

**Rep. Wald:** On p. 3, Expenditures, Account number 35, Legislator Monthly Pay (Exhibit B). Would we add the \$43,794 to the \$801,074 next month or is that for the total biennium?

**Ms. Sharp:** The biennium to date will always be cumulative including the current month.

**Rep. Wald:** So it's a running total?

**Ms. Sharp:** Yes.

**Rep. Hawken:** If we list every person that got a check, then every month you would have each legislator listed with a check that they got?

**Ms. Sharp:** I don't know if that would include payroll checks or just checks to vendors.

**Rep. Hawken** expressed that she agrees with transparency but thinks this bill may be going too far with this bill. Ms. Hawken gave an example of her experience with the School Board doing this type of thing and how costly it is to do and that no one cares. She said that we need to be careful what we ask for.

**Chm. Svedjan:** For what it is that you (Ms. Sharp) are proposing, it seems to contain much of what is specified in Section 1 and subsections 2 and 3 of the bill. If there were to be enhancements for you (OMB) are proposing, enhancements that would get into more detail, could that be done?

**Ms. Sharp:** I think what you're talking about is getting down to the transaction level which we don't have "drill down" capabilities on these reports at this time.

**Chm. Svedjan:** Based on what you (Rep. Thoreson) are seeing that OMB is doing right now how does that fit with what you want to do?

**Rep. Thoreson:** I have spoken with the Director on this issue and I appreciate what they are doing. I like the idea of drilling down to a level where, . . . , not putting down the name and address of the recipients . . perhaps we could work on that. If we're not capturing those items on lines 16, 17, etc., I would hope we could get to a place where at least some of that would be able to be done. That's why there is language saying "information determined to be relevant by the director of the budgets" is included.

**Rep. Onstad:** Referring to lines 16 and 17 of the bill, is that a general review of the major expenses? But if we get down to line by line expenditures, how would that be implemented?

**Ms. Sharp:** I don't know how we would capture and expected performance outcome for each expenditure.

**Chm. Svedjan:** The way it stands now agencies do some performance outcome measuring. You can find that data in the more detailed budget. I wondered the same thing. How can you drill it down? Is it even worth drilling it down to each expenditure and somehow tying that to an outcome or a performance measure? I suppose it could be done but I . . .

**Ms. Sharp:** I don't believe we have the structure to allow for that.

**Rep. Kerzman:** I applaud what OMB is doing. My problem with transparency is that we look at the budget side of it. Have you ever considered transparency when you're looking at boiler room politics or rules and regulations that different departments put together? You can get out there in the field and somebody asks you a question and here it's some regulation that one of

the departments has come up with. It isn't even legislation. How do we address that in government?

**Rep. Thoreson:** That's a great question. If I an answer I would probably be sitting in the chair in front rather than here. That's not what the scope of this bill would do.

**Rep. Berg:** Is there a way that we can set the stage to start moving in this direction without the price tag? As we go through our computer updates, perhaps there could be some coordination and this could be done as part of an ongoing project.

**Ms. Sharp:** I really do think we need ITD to look at that. We don't have a relationship with NIC in them doing any other e-applications and in the research we did, our attorneys in the Attorney General's office did tell us that we didn't have the authority – we'd need some legislation to allow a third party vendor to charge for those things.

**Rep. Nelson:** In your conversations with the sponsors, were there any discussions on how your (OMB's) Website mirrors what the legislation is asking? You're doing this within your existing budget. Do we need a piece of legislation to enhance that if most of the points are asking for are being addressed in your voluntary Website project?

**Ms. Sharp:** I don't believe you need legislation for us to continue with what we are doing. If you want us to have the searchable transactional database, we might need appropriation of monies to do it.

**Lynn Bergman, Civil Engineer/Journalist,** spoke in support of HB 1377. Mr. Bergman applauded this bill and addressed the "personal data" issue. In his experience, Mr. Bergman had had his name and salary published in a newspaper. He went to the city and asked why they couldn't list his title and the salary range. The city did make that change. Mr. Bergman thought the same type of discretion could be taken with this bill.

**Mitch Vance, District 47 Chairman, Dem NPL Party**, spoke in favor of HB 1377. Mr. Vance expressed his strong interest in transparency. During his recent campaign he prepared a price of government report. He learned that all the information needed was available on government Websites but the problem was putting it together and facilitate the public understanding of what the bottom line price of government was. The items required in this bill would facilitate the public being able to understand public policy and public expenditures.

**Rep. Nelson:** After hearing Ms. Sharp's testimony, does that meet your (Mr. Vance) criteria of what you're asking for?

**Mr. Vance:** It meets many, but transparency needs to go one step further. It needs to be as easy as possible. I have not seen the information you saw, a lot of what I want is in there.

**Wayne Papke, Financial Advisor speaking on behalf of Citizens for Responsible**

**Government**, distributed written testimony (Attachment C) and presented his testimony from the podium. Mr. Papke spoke in support of HB 1377. In addition to his written testimony, Mr. Papke commented on the Fiscal Note. He expressed that the push for Website data is so tremendous; it's a profit item, not an expense item. He sees this as saving government man hours versus employees manually retrieving and mailing and the associated costs.

No one spoke in opposition to HB 1377.

**Bret Narloch, Executive of the North Dakota Policy Council**, approached the podium as a neutral speaker and to talk about the NDPC's experience with projects such as the one proposed. Mr. Narloch distributed written testimony (Attachment D). Regarding the Fiscal Note, Mr. Narloch said that their experience suggests that private developers, Website programmers, should be able to do this for well under \$1 million. That number seems high considering what was paid for their Website and what other states have.

There were no questions.



**Laura Glatt, University System**, spoke in opposition to HB 1377. Ms. Glatt had indicated that the University System has several of the same issues OMB has, mainly dealing with privacy laws. She asked that if an estimate was requested from ITD that the University System would be included. Ms. Glatt said that some of the data being requested is currently not collected and there is no place in the PeopleSoft system to store the data so there would be an added cost if the existing financial system was modified. She said that the information OMB was going to release in March does not include any Higher Ed data and she is not aware that the University System is working on anything of a similar nature.

**Chm. Svedjan** recapped the main topics/questions: If we do something like this, where do we start? I've heard that we could get better cost estimates in a couple of weeks. How could this be tied into what OMB is doing effective March? Chm. Svedjan closed the hearing and did not ask for final action today. Chm. Svedjan asked the sponsor to work with IT to get better costs estimates and address some of the questions posed, confidentiality issues, etc.

**Rep. Kempenich**: I suggest the committee go to the Kanview Website and see what it's like.

Chm. Svedjan closed the hearing on HB 1377.

# 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1377

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8843

Committee Clerk Signature

*Shirley Branning*

Minutes:

**Chm. Svedjan** called the Committee to order and took up HB 1377 the Establishment of a Searchable Data Base of the State Expenditures. This is Rep. Thoreson's bill.

**Rep. Thoreson** introduced a University of Mary student who is shadowing him for the day.

**Rep. Thoreson** distributed amendment .0101 (Attachment A) and Attachment B. At the beginning the amount was \$1M to begin this type of procedure. Since then you have received a revised Fiscal Note, dated February 4 from Pam Sharp, OMB Director. The number put on this Fiscal Note by ITD is \$489,860. You also have the handout, see attachment A, which shows what other states have done and the costs. There is an organization that is called OMB Watch which has developed software to be given free to states if interested. Also, amendments 90732.0101 moved to adopt.

**Rep. Skarphol** seconded the motion.

**Rep. Thoreson:** Explaining the changes made by this amendment. This would put the name and city rather than the name and street address. Lines 16-17 address performance outcomes and removes them. Section 2, line 21 is an inclusion of language that the director of the budget may not include information in the data base any information that is confidential under state or federal law.

**Chairman Svedjan:** Called for a voice vote to adopt Amendment .0101. Motion carries and the bill is amended.

**Rep. Thoreson:** Move Do Pass to HB 1377 as amended.

**Rep. Dosch:** Second.

**Chairman Svedjan:** Calling for discussion. This bill has no appropriation in it, but the fiscal note is \$4. Calling for discussion. This bill has no appropriation in it, but the fiscal note is \$489,860. What is the expectation of the funding of this project should we approve it.

**Rep. Thoreson:** I had discussed putting in a section, in the bill, that would put a funding source in there. If the Committee would wish to add something for that. I believe we will do it for much less than that.

**Chm. Svedjan:** If left as is, it would become the responsibility of OMB and they would have to find money if we don't appropriate it. Do you know what the prospect is for coordinating with what OMB is beginning to do, finding something on line?

**Tammy Dolan, OMB Analyst:** That is accurate. We have one report that is statewide, but not to the level that this is. They are working towards this.

**Rep. Thoreson:** I feel this is important to do this with the detail. Other states are doing this.

**Rep. Glassheim:** Does this require the listing of every check that is written in state government? Each of our travel amounts? Hotel amounts? What is the level we are asking for?

**Rep. Thoreson:** It would require that expenditures by state government be listed there. I would not have a problem with that. We are responsible to the taxpayers. I did not address amendments to put in spending levels.

**Rep. Wald:** Was there any mention of additional funds?

**Rep. Delzer:** We did the detail on OMB yesterday. I think we should move it forward without any money to see what they come up with in March. If we need more money we could take it up in Conference Committee.

**Chairman Svedjan:** Take a Roll Call Vote:

**Yes 11 No 12 Absent 2, Motion Fails.**

**Rep. Berg:** Could we hold this because OMB is making some progress in this area and we haven't acted on their bill.

**Rep. Delzer:** For the Committee's information, OMB did not request more money in the budget.

**Rep. Hawken:** This is not a bad idea. But if OMB is doing this. If it's going to cost more money and we are already trying to do something like it, it would be one of the things we could pay for. **Move Do Not Pass as amended.**

**Rep. Ekstrom:** Second.

**Rep. Thoreson:** I appreciate that OMB is working on this. It's important to the taxpayer that we will show them that. This has had a great use in other states. I resist the Do Not Pass motion.

**Chairman Svedjan:** Call for a Roll Call Vote on HB 1377 as amended.

**Yes 12 No 12 Absent 1, Motion Fails.**

**Chairman Skarphol:** We could go through the exercise of a **DO Pass**, if the Committee wishes, or the exercise of "without recommendation". I move a **Do Pass as Amended**.

**Rep. Pollert.** Second.

**Rep. Kerzman:** I think we are reinventing the wheel, but if OMB is doing this, it wouldn't take them long to get us the information we need. I am a little bit concerned about privacy. Do we expose the Chancellor's income? Private industry is different. It is going to cost much more money; I would like to use money for different purposes.

**Rep. Glassheim:** This means a listing of everybody's individual salary every month.

**Chairman Svedjan:** Calling for discussion and hearing none a Roll Call Vote is taken on HB 1377 as amended.

**Yes 15 No 9 Absent 1, Motion Carries. Carrier: Rep. Skarphol.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
04/06/2009

Amendment to: Engrossed  
HB 1377

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Engrossed House Bill No. 1377 with Senate amendments provides for a Legislative Council study of the establishment of a searchable database of state expenditures.

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

There is no fiscal impact relating to this bill.

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

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

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

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

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	04/06/2009

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/04/2009

**REVISION**

Bill/Resolution No.: HB 1377

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$489,860	\$0	\$90,120	\$0
<b>Appropriations</b>	\$0	\$0	\$489,860	\$0	\$90,120	\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

The one time cost is \$399,740 and ongoing maintenance is \$90,120 per biennium.

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

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

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

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

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

<b>Name:</b>	Pam Sharp	<b>Agency:</b>	OMB
<b>Phone Number:</b>	328-4606	<b>Date Prepared:</b>	02/04/2009

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/13/2009

Bill/Resolution No.: HB 1377

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$1,000,000	\$0	\$500,000	\$0
Appropriations	\$0	\$0	\$1,000,000	\$0	\$500,000	\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Very difficult to estimate cost without ITD estimate, but project most likely could not be done for less than \$1,000,000.

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

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

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

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

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

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/16/2009



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1377

Page 1, line 11, replace "address" with "city" and replace "recipients" with "recipient"

Page 1, remove lines 16 and 17

Page 1, line 18, replace "i." with "g."

Page 1, line 20, replace "j." with "h."

Page 1, line 21, after "2." insert "The director of the budget may not include in the database any information that is confidential under state or federal law."

3."

Page 2, line 1, replace "3." with "4."

Page 2, line 5, replace "4." with "5."

Renumber accordingly

Date: 2/5/09  
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1377

**Full House Appropriations Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number 90732.0101

Action Taken Adopt amendment .0101

Motion Made By Thoreson Seconded By Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Voices Vote - carries

Date: 2/5/09  
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1377

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90732.0101

Action Taken No Pass is Amended

Motion Made By Kempernich Seconded By Dosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempernich	✓				
Rep. Skarphol			Rep. Kroeber		✓
Rep. Wald		✓	Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson		✓			
Rep. Delzer	✓		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor	✓	✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		
Rep. Nelson		✓			
Rep. Wieland	✓				

Total (Yes) 11 No 12

Absent 2

Floor Assignment \_\_\_\_\_

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

Date: 2/5/09  
Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1377

**Full House Appropriations Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number 90732-0101

Action Taken No Not Pass as Amended

Motion Made By Hawken Seconded By Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich		✓			
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson		✓			
Rep. Delzer		✓	Rep. Glassheim	✓	
Rep. Thoreson		✓	Rep. Kaldor		✓
Rep. Berg		✓	Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert		✓	Rep. Ekstrom	✓	
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt		✓	Rep. Metcalf		
Rep. Nelson	✓				
Rep. Wieland		✓			

Total (Yes) 12 No 12

Absent 1

Floor Assignment 4

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

Date: 2/5/09  
Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1377

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90732.0101

Action Taken No Pass as Amended

Motion Made By Sharphol Seconded By Pollert

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor	✓	✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 15 No 9

Absent 1

Floor Assignment Sharphol

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

REPORT OF STANDING COMMITTEE

HB 1377: Appropriations Committee (Rep. Svedjan, Chairman) recommends  
**AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**  
(15 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). HB 1377 was placed on the  
Sixth order on the calendar.

Page 1, line 11, replace "address" with "city" and replace "recipients" with "recipient"

Page 1, remove lines 16 and 17

Page 1, line 18, replace "i." with "g."

Page 1, line 20, replace "j." with "h."

Page 1, line 21, after "2." insert "The director of the budget may not include in the database  
any information that is confidential under state or federal law."

3."

Page 2, line 1, replace "3." with "4."

Page 2, line 5, replace "4." with "5."

Renumber accordingly

2009 SENATE APPROPRIATIONS

HB 1377

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1377

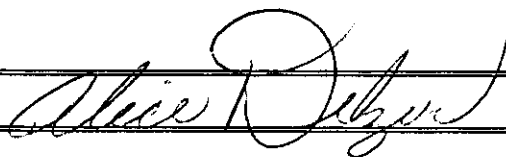
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-02-09

Recorder Job Number: 9979

Committee Clerk Signature



Minutes:

**Chairman Holmberg** called the committee back to order on HB 1377 in regards to a BILL for an Act to create and enact a new section to chapter 54-44.1 of the NDCC, relating to the establishment of a searchable database of state expenditures.

**Representative Blair Thoreson, District 44, Fargo, ND.** Testified in favor of HB 1377 and provided written testimony # 1 in support of the bill. The goal of this bill is to place all state expenditures on an easily searchable website. (06.04) I would like to report Representative Schneider would have liked to be here but had other responsibilities today.

**Senator Seymour:** Who would keep up the records? He was told OMB would be responsible for that.

**Senator Robinson:** Have you heard an outcry from people in your district to have this. My district feels the government is doing a good job. Why do we need to take this next step?

**Rep Thoreson:** I have heard that yes the public would like this. We do a good job here, people would like to find out what we are doing. We could verify it through this process. Kansas wondered if it would be useful and have found it is very useful. (08.40)

**Chairman Holmberg:** Would you agree with the idea as technology has changed there is more access to what is public access? I can go now on the Grand Forks County website and find any information I would want to find.



**Rep. Thoreson:** I will agree with you. For example a case in Supreme Court, in a matter of seconds, I was able to pull this up. (10.32)

**Pam Sharp, Director of Office of Management and Budget (OMB):** We are very much for transparency in government. Our staff has put together a website that will produce statewide accounting reports for each agency. We also have on line our monthly news letter and documents. The website we will be putting on line about the end of March is not a searchable database. We don't have those capabilities. We would be very happy to work on this but we need the funding for it. We asked ITD to put together that cost. We absolutely cannot do it with funding. That fiscal note that was referred to includes the costs for all the state transactions, Higher Ed transactions and salary transactions as well. One of the issues about a searchable data base and putting information out there on the web is confidential information that cannot be put out there. With HIPPA requirements all the information has to be scrubbed and that takes time and money as well. Our staff talked to Missouri they found out what it costs. If you would like, you might want to talk to ITD regarding that fiscal note. I know Representative Thoreson stated there is free software out there, and I think there probably is, but it depends on what kind of accounting structure and technology we have already on hand. That determines what kind of software you can use so I don't know what kind of free software that is out there. A couple of things about the bill I just need to address, the first page just assuming we are provided the funding for a searchable database I do need to say that we can't meet the 2010 deadline. The same people involved on a project that is in progress now would be the ones to work on this project and they will be involved with that project until the fall. We could not meet this deadline. Also In the bill, # G in the bill asking for a report or audit, we cannot do, even if we had the funding. The information that will be on our website right now would take care of ABCD and F listed in the bill. G is not available right now. Another thing that you

would want to consider is that this requires us keep this in place for 10 years, and as the years go the cost would go up. The bottom line we would be happy to go forward with this searchable database but we do need the funding for it. And the House already took out the funding. (16.06)

**V. Chair Grindberg:** This might be an interesting project to kind of get a comparison on what state quotes are versus private sector. What if we set this up in a RP that went out to some private vendors to bid their services?

**Pam Sharp:** We do that all the time. He asked if that was done in this case and the answer was no, there was not time to do that.

**Chairman Holmberg:** Was ITD aware when they looked at the cost that you were already putting into a place a program that already covers this?

**Pam Sharp:** Yes, they are aware of that.

**Senator Warner:** Could you give me some costs (could not understand the audio) (17.62)

**Pam Sharp:** Actually yes because this could be made available to all the public. Right now the reports that we have go to the agencies. They are not made public so there would be information in that report that certainly the agencies can have but they might not ever be used for the public. So there would be a lot of scrubbing of those records.

**Senator Robinson:** If we go down this road and provide this information I think we all are in transparency in government it seems to me that in many cases the information would have to be explained. There would have to be an explanation if it is going to be of value to those using this database material to direct them to further resources for their explanation, for their analysis.

**Pam Sharp:** I do agree there would have to be some kind of mechanism because I have gone out to a couple of other states and what you get is what you ask for, down to one transaction in isolation.

**Senator Krauter** Do you mean like every check, every contract, every vendor that receives money, is the intent here not only general fund, federal dollars, special funds, university system. I am just trying to make sure we understand what we are asking for here.(20.48)

**Rep Berg:** Yes this would cover a broad range.

**Randall Thursby, CIO for the North Dakota University System (NDUS)** testified in opposition of HB 1377 and provided written testimony # 2. The NDUS stands in opposition to the bill as written but does not oppose the idea or the goal of the bill as we perceive it. Our opposition is based on the following: (see testimony) (23.08)

**Mary Kay Kelsch, Assistant to Attorney General.** My primary portfolio is open records and meetings. I am here to offer an amendment written testimony #3. Basically right now as it has been testified to, confidential information would be protected and this amendment would add the word "exempt" and the difference, there are 3 classes of records. There are open records, and then there are confidential records and the real puzzler is all the exempt records. (24.16) And exempt records is left to the discretion of the entity, the agency, the city, the department whether or not they wish to release information, it is up to their discretion. So there may be time elements involved. For example if a case is in litigation at the state level, while something is in litigation or in the State's Attorney's Office it is protected as an exempt record. So until litigation is over they can respond no. Once litigation is over that record may be released. There are all sorts of exempt records out there within probably every agency so there is a lot of concern about whether or not and really it shouldn't be up to OMB to decide if that should be on the database. It should be the source agency that will have to let OMB know whether or not this is a record that can be put out on the database.

**Chairman Holmberg** closed the hearing on 1377.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1377

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: April 2, 2009

Recorder Job Number: 11694

Committee Clerk Signature

*Rose Lanning*

Minutes:

Chairman Holmberg opened discussion on HB 1377 which related to searchable data base.

**Chairman Holmberg:** We asked the Council for your consideration to prepare an amendment handed out amendment .0201.

**V. Chair Grindberg moved Do Pass.**

**Senator Wardner seconded.**

**V. Chair Grindberg moved Do Pass.**

**V. Chair Bowman seconded.**

**A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 1**

**Senator Holmberg will carry the bill.**

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1377

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study regarding the establishment of a searchable database of state expenditures.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying the establishment of a searchable database of state expenditures. The study must include an analysis of the information to be reported in the database and the current information available on state agencies' websites. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

Date: 4-2-09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

Senate Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Amendment 0201

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Grindberg Seconded By Wardner *voice vote passed*

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner			Senator Robinson		
Senator Fischer			Senator Lindaas		
V. Chair Bowman			Senator Warner		
Senator Krebsbach			Senator Krauter		
Senator Christmann			Senator Seymour		
Chairman Holmberg			Senator Mathern		
Senator Kilzer					
V. Chair Grindberg					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 4-2-09  
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1377

Senate Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Grindberg Seconded By Bowman

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Seymour	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Fischer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Lindaas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Wardner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Robinson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Kilzer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Warner	<input checked="" type="checkbox"/>	<input type="checkbox"/>
V. Chair Bowman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Krauter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Christmann	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Mathern	<input checked="" type="checkbox"/>	<input type="checkbox"/>
V. Chair Grindberg	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Chairman Holmberg	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Total Yes 14 No 0

Absent 0

Floor Assignment Holmberg

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

**REPORT OF STANDING COMMITTEE**

**HB 1377, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1377  
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 provide for a legislative council study regarding the establishment of a searchable database of state expenditures.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying the establishment of a searchable database of state expenditures. The study must include an analysis of the information to be reported in the database and the current information available on state agencies' websites. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly



2009 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1377

## 2009 HOUSE STANDING COMMITTEE MINUTES

HB 1377

House Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 20, 2009

Recorder Job Number: 11994

Committee Clerk Signature

*Holly N. Sand*

Minutes:

**Rep. Thoreson** called the Conference Committee on HB1377 to order. Clerk, Holly Sand, called the roll and all Conferees were present.

**Rep. Thoreson** asked the Senators for a background on the changes they made to the bill.

**Sen. Fischer** deferred to Senator Holmberg.

**Sen. Holmberg** explained that there was little or no support for the bill with the Fiscal Note that was attached to it. Senate Appropriations had testimony from OMB of a negative nature. The Committee felt the bill had merit but thought they needed to get rid of the Fiscal Note.

**Rep. Thoreson** spoke as the prime sponsor of the bill and recalled the testimony from OMB and Higher Ed. He explained that the House did express support and had discussion on the Fiscal Note. At the time that the bill was passed there was no information on the ARRA stimulus money. Since the House Appropriations hearing, this information has been added to the Commerce Budget, and Rep. Thoreson has worked with Legislative Council and taken \$400,000 from the stimulus dollars to fund the amount. The fiscal note was \$489,000. They came up with a one-time cost just under \$400,000. The ongoing maintenance of \$90,000 is not dealt with in the stimulus dollars. Rep. Thoreson reiterated his desire to move forward with this project.

**Sen. Holmberg** referred to a document he received that shows the anticipated funds and current appropriations of stimulus dollars as of April 17. There is a reference to this project under the Governor's budget, "Office of Management and Budget – Database of state expenditures (SB 2018)." Sen. Holmberg indicated that he was surprised to find it there since he was looking for it under Department of Commerce.

**Roxanne Woeste, Legislative Council** said that it is listed under Governor because the \$400,000 is being used from the Governor's discretionary funds of the \$19 million. Legislative Council is tracking how much of the \$19 million has been appropriated to date.

**Rep. Skarphol** asked Ms. Woeste if what she was saying was that the appropriation to pay the cost that's in the Commerce Budget is taken from the discretionary monies that will be handled by the Governor's office and Ms. Woeste indicated that his restatement was correct. In response to another question by Rep. Skarphol, Ms. Woeste indicated that there is no General Fund appropriation at this time.

**Rep. Skarphol** asked the Senators what their reactions are to having this in the Commerce Budget.

**Sen. Robinson** explained that Sen. Holmberg expressed the feeling of the majority of the Senators on the Appropriations Committee. We didn't have much support for the concept. The more questions we asked, the more questions we had. The concept might have some appeal which is why we elected the study. Putting the information out there is one thing. Explaining that information to the general public is another. I'm a little uncomfortable using stimulus money. I think if this project is that important it should stand on its own.

**Rep. Thoreson** explained that part of his reasoning for the stimulus money concept was that the federal government is supporting transparency and a directive from the federal government requesting that there be complete transparency in the way stimulus funds are spent. Since the

stimulus dollars will be flowing through other budgets keeping that money transparent would accomplish the goal. Rep. Thoreson expressed that while studying this has merit, this concept of a searchable database has taken root in other states and the federal government. He believes North Dakotans would find similar value to this project.

**Sen. Robinson** indicated that our system is transparent today and that OMB and our agencies go above and beyond to provide and explain information. He is concerned about the potential workload and whether the money appropriated will be sufficient. That is part of the reason for the consensus for a study in addition to the Senate Appropriations Committee not feeling it was the right time to do it.

**Rep. Kaldor** commented that what persuaded him that this was a good thing to do was that the information is already being accumulated in a database and the question really is whether or not to invest the money to make it available to the public. Rep. Kaldor said that the issue of explanations could probably be studied, but what is needed is just making the database Web enabled.

**Sen. Holmberg** commented that if the bill is going to be passed as it was sent to the Senate that the money should be in HB 1377. He said that the advantage of doing that is that the Commerce budget likely will not be settled this week and this will give a good read on where this bill might go. If the Conference Committee decides to leave the money coming from the discretionary fund the Senate will likely be a tough sell. Then the Conference Committee on SB 2018 would be more than willing to remove the funding from that.

**Sen. Robinson** expressed that both sides have priorities and with all the expenditures the Senate had to deal with, this was not a priority and there were a number of questions that still needed to be asked. He felt that North Dakota does a good job with transparency and could

probably do a better job, but that the Senate did not feel like spending \$400,000 on this project was a priority.

**Rep. Skarphol** asked Lori Laschkewitsch (OMB) which of the items (a through h) listed on the First Engrossment of HB 1377 (.0200) are currently available based on the database that is in place today. Ms. Laschkewitsch reviewed Section 1, subsection 1 of the First Engrossment of HB 1377. Parts a, b, c, d, e, i and j would be available. Part f, a descriptive purpose for the expenditure, might be questionable. Ms. Laschkewitsch also explained that in order to pull any of this information out the business intelligence piece of the data warehouse needs to be in place which they are hoping would be completed by the next biennium. That's the vehicle that is necessary to pull the reports out of PeopleSoft.

**Rep. Skarphol** asked Ms. Laschkewitsch if what she was saying was that this might be less possible now than in the future and she responded that he was correct because the data warehouse is not in place.

**Rep. Thoreson** explained that he had spoken with Pam Sharp, OMB Director on that issue previously. The original version of the bill, .0100, items g and h were taken out and at that time item f (descriptive purposes) on the engrossed bill was still questionable. Rep. Thoreson said that the other items were discussed with Ms. Sharp but that he did not get the indication that the time frame would be that long. He will double-check on that.

**Rep. Skarphol** suggested for purposes of discussion that the bill say that during the interim OMB will ensure that they put in place the capability to do what the bill indicates and have it available for the next session to discuss rather than procrastinate on trying to get the desired results. The direction could be that OMB has to design their business intelligence system in such a fashion that it will be capable of providing this information.

**Rep. Thoreson** said that there may be some merit to doing that but that he would prefer this going forward in a more expedient fashion.

**Sen. Holmberg** indicated that Rep. Skarphol's suggestion was intriguing because in essence that would forego the study and at the same time it would be implemented and the next session the capability would be there.

**Rep. Skarphol** added that there may be a cost associated but it might give them the information they are looking for down the road.

**Rep. Thoreson** said that he would have to ponder that idea. It would be his intention to get this going sooner rather than later.

**Rep. Thoreson** adjourned the Conference Committee on HB 1377.

## 2009 HOUSE STANDING COMMITTEE MINUTES

HB 1377

House Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 27, 2009

Recorder Job Number: 12273

Committee Clerk Signature

Minutes:

**Chm. Thoreson** called the Conference Committee on HB 1377 to order and asked the clerk to note that all Conferees were present.

**Chm. Thoreson** distributed "Mercatus on Policy: The Cost of State Online Spending-Transparency Initiatives" document for the Committees' information. Chm. Thoreson explained that it gives background on what states have done and what the actual costs were versus the estimates. In some states, the Governors issued an Executive Order creating the Websites so there was never a study done on the costs. (Attachment A).

**Chm. Thoreson** reviewed that HB 1377 still contains study language and also in the Commerce Bill there is the actual language that is in HB 1377 along with an appropriation of \$400,000. He explained that the Conference Committee needs to come to a resolution as to where this project will go.

**Rep. Skarphol** explained that he had spoken with some of the people who would have to implement this project and he believes that this project should be left in the Commerce Budget in a changed form because some of the items in the bill may not be achievable. He said that he believes OMB is willing to do parts of this project, not all of it, because of their capability.

The OMB does not have a business intelligence system currently but it is in the works.

Although PeopleSoft provides a database, it does not have the capability to do a search and

query like a business intelligence system. As a result, certain aspects of this bill are not possible at this time. The timeline in the bill, therefore, is probably not achievable.

**Rep. Skarphol** suggested that a few changes be made and the project be kept in the Commerce Budget and that the language on Engrossed HB 1377, page 1, line 7 should not say "By January 1, 2010" but indicate "By the end of the biennium," or other proper language since he believes the date of January 1, 2010 is not achievable. Rep. Skarphol also suggested that the language require that Sections a, c, d, and e be completed by the time indicated and upon completion of the business intelligence system that Section b become available. Rep. Skarphol believes that part of the reason for the high Fiscal Note is the cost associated with keeping confidential information confidential. He said that if the legislature waits until the business intelligence system is in place, the costs will be more comparable to the \$40,000 and could be absorbed within the agency's budget. (5:00)

**Rep. Skarphol moved that this project be moved to the Commerce Budget with the caveats explained above. Rep. Kaldor seconded the motion.**

**Sen. Holmberg** applauded Rep. Skarphol's work on this bill. Sen. Holmberg commented that this is in the Commerce Budget until the House says it's not. He said that he does not have a problem with going with what is in place and waiting for the business intelligence system to get up and running to do the remainder of the items. He did say, however, that the process is awkward since there are only a few things to recommend to the floor. He expressed that he is not sure if that will be the end motion since they have to report this to the floor in some manner. Sen. Holmberg thought it would be good to ask Roxanne (Woeste) of Legislative Council to expand.



**Chm. Thoreson** said that he had the same thought since this is still a separate bill. He explained that they have to decide what to do with HB 1377 and as long as they are going to keep it in SB 2018 (Commerce Budget) then they we would have to make some motion. It would make little sense to keep this as a study while they are doing it somewhere else.

**Rep. Skarphol** suggested that they make this into a Hog House with the changes that he referred to so that HB 1377 would survive and change what's in SB 2018 to reflect what has been discussed. Rep. Skarphol would like to have a vote on the changes that are being suggested and if it is approved in both chambers then the section in SB 2018 would be changed to reflect this bill.

**Sen. Holmberg** expressed that if it passed both houses there would be no need. He said that the House would have to pass it first and the Senate has to pass SB 2018 first. He suggested that they might want to have the Conference Committee decide what HB 1377 should look like, report it out and the House sit on it in the House until the Senate has completed SB 2018. He said then the easy thing to do would be to have HB 1377 on the floor of the House as soon as the Senate passed SB 2018 then there would be no reason to have HB 1377. The House could explain what the Conference Committee did and then kill HB 1377.

**Rep. Skarphol** wants to ensure that what's in SB 2018 is reflective of what the Conference Committee thinks is reasonable. If SB 2018 is not changed then the legislature will have what is in it which is not reasonable. Rep. Skarphol asked Roxanne to explain how to make it work.

**Roxanne Woeste, Legislative Council** suggested that the Conference Committee wants specific language that they amend HB 1377 to reflect that language and remove it from SB 2018. She explained that she would be afraid that if this issue is in both bills then it will hold up both bills and a lot of time will be spent making sure that instead of six people agreeing on the language perhaps up to twelve people will have to agree on the language.

**Rep. Skarphol** said that that (taking the language out of SB 2018) is exactly what he doesn't want to do. Based on Rep. Skarphol's comment, Ms. Woeste suggested that the Conference Committee amend HB 1377 to look however the Conference Committee agrees and send the bill to the floor and then removing it from SB 2018.

**Rep. Skarphol** expressed again that he does not want to remove the language from SB 2018 because it makes the concept more vulnerable. He would rather change it in SB 2018 so that SB 2018 reflects what is being discussed on HB 1377.

**Chm. Thoreson** agreed with Rep. Skarphol.

**Rep. Kaldor** believes that since those amendments would have to be carried forward into the Commerce Budget and since he, Sen. Holmberg, Sen. Robinson and Rep. Thoreson are all on that Conference Committee he would have no problem carrying the amendment forward in that committee. He thinks that the Conference Committee on HB 1377 should decide how the amendments would work on HB 1377 so it can go out in the form that is desired and help ensure that it is done the way they want it.

**Sen. Holmberg** suggested having the amendments drafted and presented to the Conference Committee on HB 1377.

**Chm. Thoreson** asked Ms. Woeste to draft the amendments for HB 1377 drafted and keep the language in SB 2018 for the time being.

**Rep. Skarphol** reviewed the amendments at the request of Ms. Woeste. The language would include: "By the end of the biennium," "Sections a, c, d and e be completed by the end of the biennium" and "Upon completion of business intelligence system, section b be available." Rep. Skarphol said that sections f and g are gone.

**Rep. Skarphol** continued by saying that he does not see a problem with section h and that he does not think the Department would have a problem with section h.

**Chm. Thoreson** followed up by saying that there are issues with achieving items f and g at this time and that they can be revisited in the future. He agrees that item h could encompass those other items should that information become available and the Director should be able to include it.

**Rep. Skarphol** commented that it also gives the Director more flexibility to put in what she deems appropriate in conjunction with what is being requested.

**Sen. Robinson** asked what the intention would be once the language is drafted.

**Chm. Thoreson** said that his intention is to vote on the motion to adopt the amendment then come back together as a Conference Committee to review the amendment.

**Rep. Holmberg** said that it strengthens the hand on SB 2018 when they know that the Conference Committee has voted on it.

**The motion to amend HB 1377 carried by a roll call vote of 6 yeas, 0 nays and 0 absent and not voting. The amendment was adopted.**

**Rep. Skarphol** asked that Legislative Council be prepared at the next meeting of the Conference Committee to let the conferees know how to proceed so the desired result is achieved.

**Chm. Thoreson** recessed the committee until the call of the chair.

## 2009 HOUSE STANDING COMMITTEE MINUTES

HB 1377

House Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 28, 2009

Recorder Job Number: 12357

Committee Clerk Signature
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Minutes:

**Chm. Thoreson** called the Conference Committee to order. All conferees were present and included Representatives Thoreson, Skarphol and Kaldor and Senators Fischer, Holmberg and Robinson.

Amendment .0202 (Attachment A) was distributed.

**Chm. Thoreson** said that he had reviewed the amendment and that it appeared to do what they had discussed at the last meeting.

**Rep. Skarphol** moved to adopt amendment .0202. **Rep. Holmberg** seconded the motion.

**Chm. Thoreson** said that based on their previous discussions, they would try to make SB 2018 match HB 1377. The appropriation for the \$400,000 is in SB 2018. He was not sure if the appropriation needed to be in HB 1377 also and asked Legislative Council for an opinion.

**Roxanne Woeste, Legislative Council** expressed that she did not believe it would be a good idea to have the appropriation in two places since it would be doubling up the appropriation.

It's not like sections of code which can coexist.

**Sen. Holmberg** said that he understood that the amount of money that would be necessary to make this bill effective changed from the estimated \$400,000 that was in the budget originally.

He asked if OMB has another number that is more closely related to what will be spent rather than the \$400,000 which would seem to be lower since things have been taken out.

**Chm. Thoreson** explained that he and Rep. Skarphol met with OMB and they estimated that the cost would remain somewhat the same because of the upfront items that needed to be done.

**Pam Sharp, Director, OMB** approached the podium to address the costs associated with this project. She said OMB still believes they need the full \$400,000. Some things were removed, but those things they knew they would not be able to do so they were not considered in the initial Fiscal Note. Ms. Sharp explained that there are Licensing fees that will cost about \$140,000 no matter what and most of the money will be spent on analysis and cleansing the data so that nothing gets out that should not be released. The cleansing process is a manual process.

**Chm. Thoreson** said that he had questioned the \$400,000 but after visiting with OMB he discovered some of the other costs such as the licensing fee.

**Rep. Kaldor** asked for a clarification from Ms. Sharp on "cleansing the data."

**Ms. Sharp** explained that there are many things that cannot be put out such as information about BCI agents, HIPAA information, etc.

**Chm. Thoreson** added that the amendment adds the words "or exempt" and there is an issue about "exempt" information. The Attorney General's office brought that forward. Rep. Thoreson expressed that his concern has always been that any agency could stamp something "exempt" and that would keep it out of the process but he feels comfortable that that will not happen.

**Rep. Skarphol** restated his motion that the Senate Recede from the Senate amendments as printed on page 177 of the House Journal and page 1012 of the Senate Journal and

**that Engrossed House Bill No. 1377 be amended as follows: (Amendment .0202). Sen.**

**Holmberg seconded the motion. The motion carried by a Roll Call vote of 6 yeas, 0 nays and 0 absent and not voting.**

**Chm. Thoreson** asked Ms. Woeste to prepare amendments for SB 2018 as well. The amendment will be rolled into the other amendments for SB 2018. A separate document will not be created unless requested by the Chairman of that Committee.

**Chm. Thoreson** adjourned the Conference Committee on HB 1377.

VR  
4/29/09

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1377

That the Senate recede from its amendments as printed on page 1177 of the House Journal and page 1012 of the Senate Journal and that Engrossed House Bill No. 1377 be amended as follows:

Page 1, line 7, replace "January 1, 2010" with "June 30, 2011"

Page 1, remove line 11

Page 1, line 12, replace "c." with "b."

Page 1, line 13, replace "d." with "c."

Page 1, line 14, replace "e." with "d."

Page 1, remove lines 15 through 17

Page 1, line 18, replace "h." with "e."

Page 1, line 19, after "2." insert "The director of the budget shall include the name and city of the recipient of each expenditure in the budget database website after the director has completed implementation of a business intelligence component to the state's financial reporting system."

3."

Page 1, line 20, after "confidential" insert "or exempt"

Page 1, line 21, replace "3." with "4."

Page 2, line 1, replace "4." with "5."

Page 2, line 5, replace "5." with "6."

Renumber accordingly

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

Bill Number 1377 (, as (re)engrossed):

Date: 4/28/09

Your Conference Committee \_\_\_\_\_

**For the Senate:**

**For the House:**

YES / NO		YES / NO	
<u>Sen. Fuschs</u>	<input checked="" type="checkbox"/>	<u>Rep. Shoreson</u>	<input checked="" type="checkbox"/>
<u>Sen. Holmberg</u>	<input checked="" type="checkbox"/>	<u>Rep. Sharpel</u>	<input checked="" type="checkbox"/>
<u>Sen. Robinson</u>	<input checked="" type="checkbox"/>	<u>Rep. Kaldor</u>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1177 -- \_\_\_\_\_

\_\_\_\_\_, and place \_\_\_\_\_ on the Seventh order.

☒ adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: 4/28/08

CARRIER: Rep. Sharpel / Sen. Holmberg

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Sharpel

SECONDED BY: Holmberg

VOTE COUNT    YES    NO    ABSENT

Amend. . 0202

Motion carries



**REPORT OF CONFERENCE COMMITTEE**

**HB 1377, as engrossed:** Your conference committee (Sens. Fischer, Holmberg, Robinson and Reps. Thoreson, Skarphol, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1177, adopt amendments as follows, and place HB 1377 on the Seventh order:

That the Senate recede from its amendments as printed on page 1177 of the House Journal and page 1012 of the Senate Journal and that Engrossed House Bill No. 1377 be amended as follows:

Page 1, line 7, replace "January 1, 2010" with "June 30, 2011"

Page 1, remove line 11

Page 1, line 12, replace "c." with "b."

Page 1, line 13, replace "d." with "c."

Page 1, line 14, replace "e." with "d."

Page 1, remove lines 15 through 17

Page 1, line 18, replace "h." with "e."

Page 1, line 19, after "2." insert "The director of the budget shall include the name and city of the recipient of each expenditure in the budget database website after the director has completed implementation of a business intelligence component to the state's financial reporting system."

3."

Page 1, line 20, after "confidential" insert "or exempt"

Page 1, line 21, replace "3." with "4."

Page 2, line 1, replace "4." with "5."

Page 2, line 5, replace "5." with "6."

Renumber accordingly

Engrossed HB 1377 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

HB 1377

*Attachment A*  
*HB 1377*  
*1-19-09*

House Appropriations Committee

Rep. Ken Svedjan, Chair

Roughrider Room

Monday, January 19, 2009

**Testimony in support of HB 1377 – Government Transparency Act**

Mr. Chairman and members of the committee,

I am Representative Blair Thoreson, representing District 44 in Fargo. I testify today in support of HB 1377, which will create a database of government expenditures, leading to increased government transparency.

Thomas Jefferson once said, "We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently control them." These words still ring true today.

My goal with this bill is a simple one: to place all state expenditures on an easily searchable website. With passage of this bill, the citizens of North Dakota will be able to quickly and easily research budget issues on their own in the comfort of their homes. They won't have to take much time out of their busy days to do a lot of research. All budget information will be at their fingertips.

In addition, by placing all expenditure data on a website, the state will show that it has nothing to hide. By requesting that budget data be placed online, citizens aren't accusing the government of wrong-doing. They are giving the state the opportunity to show taxpayers that power still does rest with the people and that the state wants citizens to be more informed.

Opponents of placing budget data on the internet commonly give two reasons to justify their position. They say that North Dakota already has good open records laws and that citizens are already able to get budget information. They also say that the cost of building and maintaining such a website would not be worth the price. I agree that our open records laws are good, but this legislation will give citizens an increased level of openness.

As for the cost of building this database, most of the information is already available in one form or another. The only cost will be to develop software which will extract it and place it in one "clearinghouse". This has been done in other states using off-the-shelf software solutions, or in some cases, states are allowing free use of the software their IT developers created. I believe that our Office of Management and Budget, along with the professionals at ITD and/or private-sector software providers, will be able to build this website for a minimal cost.

The state's budget data should be easily searchable on a website because, let's face it, it's the 21st century. Jefferson stated that the government's books should be as accessible as a merchant's. Most, if not nearly all, businesses now do their finances on computers. If we are to heed Jefferson's words, then we should keep pace with what the private sector is doing and deliver government transparency through a vehicle that citizens use and understand, the internet.

Mr. Chairman and members of the committee, government transparency through a searchable database is now being done in at least 13 other states. Kansas, through its "Kanview" website ([www.kansas.gov/kanview](http://www.kansas.gov/kanview)) was the first state to develop this window into state government. Since then, Missouri (through an executive order), Nebraska, Minnesota, and several others have followed suit. At the national level, the "Federal Funding Accountability and Transparency Act of 2006" has created a database of expenditures by federal government. Interestingly, two of the co-sponsors of this legislation have had their names in the news quite a bit lately: Sen. John McCain, and President-elect Barack Obama.

I believe, along as they did, that both parties can agree that we need to be accountable to those who pay government's bills: the taxpayer.

Putting expenditure data on a website isn't an indictment against government leaders; it isn't an attempt to poke anybody in the eyes; it isn't an attempt to use information against political opponents. It's a common-sense idea that brings government into the 21st century and will go a long way towards curing apathy, which, in the world of politics and government, has become all too prevalent.

It has been noted that government transparency is "like an x-ray machine, allowing taxpayers to look inside government and see how the money is being spent: every check written, every contract let and every vendor receiving money." It's time to provide our citizens with receipts for the purchases made on their behalf by government. Remember, sunshine is the best disinfectant. I ask that the House Appropriations Committee give a DO PASS recommendation to HB 1377.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

## **NDPC Testimony to the North Dakota House of Representatives Appropriations Committee**

Mr. Chairman and members of the committee,

I am Brett Narloch, Executive Director of the North Dakota Policy Council, a liberty-based think tank in North Dakota. I testify today not to support or oppose any proposed legislation or to take a stance on any issue; rather, I came here to talk about the NDPC's experience with projects such as the one proposed.

On December 20<sup>th</sup>, the NDPC, along with several other organizations, held the first Public Policy Institute in Bismarck. There, elected leaders of every level of government stated their hope that the public would become more engaged and more active in legislative affairs in the future. With more information, citizens said, they would probably be more engaged in the legislative process. Citizens will be more likely to take the initiative to learn more about what their government is doing. But, like many of us, they do not have the time to search through pages of paper, the skills to know exactly what they're looking for, or the money to pay for the state's time.

While a more informed citizenry is a good thing, there are arguments commonly cited against website development like the project proposed here. Those arguments center on the idea that North Dakota already has good open records laws and citizens are already able to get budget information. It's also said that the cost of building and maintaining such a website would not be worth the price. Those are things that this committee must consider. Our experience, however, suggests that those arguments may be overblown to a certain extent.

In April 2008, we launched Sunshine on Schools ([www.sunshineonschools.org](http://www.sunshineonschools.org)), an interactive website that contains all vital K-12 school district budget data and displays it in an easily readable fashion. When we started putting the plans together to build the website, we obviously recognized that the most important component was the raw data, so we approached DPI to gather it. While we found most of the data online, it was nearly impossible for us to comprehend. Many times we weren't able to tell which set of numbers we were looking at. It wasn't until spending many hours on the phone with people at DPI that we finally knew which documents we had to cross-reference with other documents to make heads or tails of it. In other words, it was a mess.

The NDPC is nearing completion of another similar project, Sunshine on Cities. The concept is the same as Sunshine on Schools, but obviously city data would be used instead. Collecting data has also been a problem. We received all of the city audits that were on our list of cities that the State Auditors Office had. The first thing we noticed is that many cities simply didn't bother to submit their audits. The fact is that many times collecting data is tough to do.

The point of these stories is to show that, while open records laws in North Dakota are good and people working in government agencies are more than willing to help find the data you're looking for, it takes a long time to find, read, and comprehend much of what the state provides. That deters people from asking for data and provides an incentive for those people to wonder why it's so confusing and consequently question what government is hiding. In other words, it creates apathy... the type of apathy that elected leaders told us, back in December, they want to

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eliminate. We know that many people feel this way because they tell us these things when they tell us about their experiences with Sunshine on Schools.

So I think any government transparency project must answer the following question: how can the state most efficiently provide government data to citizens? Whether or not HB1377 provides the answer is up to this committee.

So what will all of this cost? It is impossible for me to know whether or not any fiscal note attached to this bill is accurate, but what I do know is what the NDPC paid for Sunshine on Schools and what other states paid for similar websites. For instance, Governor Matt Blunt of Missouri signed an executive order to create a similar website, and they built it with existing funds. It didn't cost anything extra.

The State of Kansas threw a similar project into an overhaul of their online financial system. It didn't cost them any extra money.

A non-profit group in New York, the Empire Center for New York State Policy, created a website detailing state expenditures, and it cost them between \$100,000 and \$200,000. Most of their resources, however, were spent collecting data, which, of course, wouldn't be a problem for state government considering they already have it.

The State of Texas built a similar website and it was found to have cost \$400,000, but the agency in charge of implementing it voluntarily decided to use existing funds instead.

Other websites like these have been built in Nebraska, Minnesota, and many other places.

While HB1377 would increase government transparency in state government, it leaves out local governments, universities, and some other entities that spend tax dollars which should be held to the same amount of scrutiny as state agencies.

The NDPC's experience in this issue has shown that the citizens of North Dakota are craving more information about what their government is doing. It's up to you to determine the best way to deliver on that request.

Mr. Chairman, please keep in mind that I can provide you with any information about Sunshine on Schools that you wish. This concludes my testimony and I would be happy to answer any questions you or any other committee members might have.

Mr. Chairman and other members of the House Appropriations Committee,

My name is Wayne Papke, and I'm a financial advisor by profession. Today, I'm speaking on behalf of Citizens for Responsible Government, a volunteer group based in Bismarck that seeks to provide taxpayers with information about public policy.

I'm testifying today in support of HB1377 for several reasons.

In my role as a financial advisor I understand the importance of being open and transparent. I disclose everything to my clients that they want to know about their account, where there money is invested and about how much they will be charged in fees. I've learned that being open and transparent is always the best policy. I expect nothing less from my government.

I ask my local government for a lot of information. Often times, I feel bad for asking for so many things because I know that government employees then have to take time out of their busy schedules to retrieve the information. However, I know that getting and pouring over the information gives me peace of mind. I can view the data with my own eyes and I then feel comfortable that my taxes are being well-spent.



I first heard about efforts around the country to put all government budgets online at a Citizens for Responsible Government meeting and I was intrigued. I thought it would be a good idea for governments in North Dakota to do the same so I could access information more efficiently and I wouldn't have to bother government employees with so many data requests.

HB1377 would go a long way towards giving me peace of mind that at any time I can go lookup expenditure data on the web and view it through my own lens, not the lens of government.

HB1377 also provides our leaders with a steady reminder that the taxpayers are always watching, and that's a good thing in light of events that have taken place across the country, specifically in Illinois. I'm not accusing anyone of wrong-doing. I'm just stating the obvious that the more someone is watched, the less likely they are to do something that is corrupt or illegal.

It's a worthy expenditure of government. Conservatives, such as myself, steadily beat a drum against government programs, but making expenditure data more open to the public is a truly legitimate function of government. In times like these where North Dakota is lucky enough to have overflowing coffers, the state has a great opportunity to prove to taxpayers that they are good stewards of their money.

Attachment B

HB 1377  
1-19-09

North Dakota nd.gov Official Portal for North Dakota State Government

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## State Spending

The State of North Dakota reports on a biennial basis that begins on July 1 of each odd numbered year and ends two years later on June 30. Reports are published monthly in pdf format and are updated around the 15th of each month. Reports reflect cumulative numbers for the biennium and only the most current version of each report is viewable on this website.

### Statewide Account Report

Statement of revenue and expenditures for all state agencies by account and General, Federal and Special Funds.

### General Fund Revenues and Appropriated Expenditures

Current month and biennium to date General Fund revenue and appropriated expenditures.

### Appropriation Status Report

Biennium to date appropriation and appropriated expenditures by state agency, line item and funding source.

### Intermediate Account Report

Statement of revenue and appropriated expenditures by state agency, summary account code and funding source.

### Detail Account Report

Statement of revenue and appropriated expenditures by state agency, detail account code and funding source.

### Budget Publications

View budgets prepared by the OMB Budget Division.

### CAFR (Comprehensive Annual Financial Report)

View the most recent CAFR's.

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**Statewide Account Report**  
**For the Month Ending October 31, 2008**

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
Revenues					
411005	General Property Tax	15,516.50	274.12	0.00	1,928,303.45
412005	City Sales Tax	11,299,242.95	0.00	0.00	143,068,768.16
412010	Sales & Use Tax	63,969,908.46	709,562,169.18	0.00	770,299,017.21
413005	Aviation Fuel Tax	93,993.27	0.00	0.00	1,762,088.14
413015	Cigarette Tax	1,796,282.96	26,460,098.58	0.00	28,479,915.77
413020	Cigars, Snuff, & Tobacco Tax	336,836.46	4,373,077.00	0.00	4,373,077.00
413035	Motor Fuel Tax	6,653,663.73	135,542.10	0.00	110,044,405.71
413040	Motor Vehicle Excise Tax	7,519,219.61	91,459,400.61	0.00	20,565,692.95
413045	Rev From Hwy Tax Distribution	11,272,371.08	0.00	0.00	160,971,282.71
413050	Special Fuels Tax	5,713,168.85	165,979.26	0.00	83,388,648.12
413055	Lewis & Clark Hotel Sales Tax	0.00	229,264.58	0.00	229,264.58
413060	Alcohol Taxes	658,722.46	9,437,073.13	0.00	9,437,073.13
414005	Coal Conv. Fac. Tax	2,387,766.87	0.00	0.00	37,062,551.32
414010	Coal Severance Tax	1,035,304.89	0.00	0.00	15,631,360.75
414015	Oil & Gas Production Tax	26,667,160.33	0.00	0.00	328,641,253.76
414020	Oil Extraction Tax	24,363,181.58	0.00	0.00	293,189,227.59
415005	Financial Institution Tax	85,158.00	7,616,281.09	0.00	13,791,509.18
415015	Income Tax - Corp.	7,216,485.32	149,108,779.76	0.00	64,500,615.69
415020	Income Tax-Individual-Fidic	54,327,576.45	416,353,608.64	0.00	112,130,334.78
416005	Airlines Tax	0.00	0.00	0.00	345,817.34
416010	Bingo Card Excise Tax	22,547.89	979,104.22	0.00	30,276.27
416025	Electrical Franchise Tax-Annua	0.00	0.00	0.00	442,687.50
416030	Gaming Tax	265,536.57	4,054,182.79	0.00	125,387.11
416035	Insurance Premium Tax	110,352.88	38,297,085.66	0.00	7,620,010.34
416040	Performing Rights Tax	0.00	131,469.82	0.00	0.00
416045	Pull Tab Excise Tax	700,337.00	7,942,613.72	0.00	245,647.84
416055	Telecommunication Tax	0.00	642,161.52	0.00	9,519,759.06
416060	Provider Assessment Tax	140,509.80	0.00	0.00	4,964,077.80
416065	Horse Racing Tax	14,592.44	299,698.59	0.00	351,613.97
417005	Estate-Inheritance	17,823.60	0.00	0.00	128,557.80
418010	Gas Tax Admin. Tsfr	159,257.00	955,542.00	0.00	955,542.00
418020	Unsatisfied Judgement Fee	240.00	0.00	0.00	6,463.00
420005	Aerial Spray Licensing	0.00	0.00	0.00	20,350.00
420010	Aircraft Registration	254.00	0.00	0.00	70,151.60

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
490975	Tsfr Fm ND Student Loan Trust	0.00	0.00	82,875.51	82,875.51
490976	Tsfr Fm Municipal Bond Bank	0.00	0.00	9,579.49	9,579.49
490998	Tsfr Fm ND Housing Finance	0.00	0.00	39,064.32	39,064.32
490999	Tsfr Fm Bank Of North Dakota	223,448.00	0.00	112,352.87	1,023,138.87
491010	Transfer from External Plans	0.00	0.00	3,412,051.39	3,412,051.39
<b>Total</b>	<b>Revenues</b>	<b>507,758,821.15</b>	<b>1,997,329,214.03</b>	<b>3,172,532,390.81</b>	<b>6,652,330,794.98</b>

## Expenditures

511005	Salaries Full Time	25,318,408.77	176,720,969.05	94,461,488.16	117,460,870.89	388,643,328.10
511015	Judges Retirement	55,266.30	436,698.19	0.00	3,231.04	439,929.23
511020	Paid Annual Leave	81,841.88	755,772.77	350,128.98	596,385.20	1,702,286.95
511025	Pd Retire/Sick Leave	24,671.00	335,705.64	129,546.52	237,177.03	702,429.19
511030	Severance Pay	40,313.00	42,809.14	76,151.83	183,907.25	302,868.22
511035	Legislator Monthly Pay	43,794.00	801,074.23	0.00	0.00	801,074.23
511045	In State - Meeting Compensation	31,003.76	289,966.16	0.00	6,005.50	295,971.66
511050	Out Of State - Meeting Compens	2,378.50	122,294.60	0.00	3,674.00	125,968.60
511070	Other Salary	13,708.11	119,958.78	41,771.39	64,852.78	226,582.95
511075	Suspense Salary	0.00	1,338.72	0.00	0.00	1,338.72
511080	Annual Leave Taken	236,100.92	0.00	0.00	4,227,617.12	4,227,617.12
511085	Sick Leave Taken	76,935.52	0.00	0.00	1,349,779.24	1,349,779.24
511090	Holiday Pay	0.00	0.00	0.00	4,830.22	4,830.22
511095	Jury Duty	48.21	0.00	0.00	4,594.56	4,594.56
511100	Military Leave	107.70	0.00	0.00	49,900.59	49,900.59
511105	Funeral Leave	3,588.39	0.00	0.00	74,746.36	74,746.36
511115	Comp Time Used	52,383.49	0.00	0.00	798,469.91	798,469.91
511120	Comp Time Paid	5,109.62	432.90	905.11	151,310.37	152,648.38
511125	Adjust Payroll - DOT ONLY	0.00	0.00	(250,292.93)	250,292.93	0.00
511130	Family Sick Leave Taken - DOT	14,079.60	0.00	0.00	260,847.50	260,847.50
512010	Shift Differential	54,971.07	631,585.17	54,894.60	355,677.29	1,042,157.06
513005	Temporary Salaries	870,901.97	5,835,161.24	4,052,929.95	4,367,496.97	14,255,588.17
514005	Overtime	490,196.66	2,531,927.52	2,593,004.24	2,900,838.37	8,025,770.12
514010	Overtime at Straight Time	8,598.60	422.63	2,071.65	114,368.25	116,862.53
514015	Overtime at Double Time	0.00	0.00	2.80	0.00	2.80
514020	Overtime for Temp Employees	9,293.78	0.00	119,951.62	82,910.30	202,861.92
514025	On Call Pay	4,005.51	0.00	45.03	65,238.59	65,283.62
516015	Employee Assist Program	10,753.05	91,015.44	29,418.01	49,295.08	169,728.53
516025	Employer Paid Retirement	(238.40)	(646.96)	218.21	74,315.15	73,886.40
516055	Health Insurance	4,750,673.32	39,917,126.82	13,007,010.68	22,202,434.64	75,126,572.14
516065	Job Service Retirement	5,693.35	87.02	88,771.37	6,031.55	94,889.93
516070	Job Srvc Met Life	852.90	262.35	13,692.48	737.24	14,692.07

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
Basic Life Insurance	6,561.44	77,207.13	16,942.04	9,894.23	104,043.40
Oasis	(161.76)	(316.42)	0.00	0.00	(316.42)
Other Payroll Assessments	21,890.00	339,563.90	14,450.00	176,850.00	530,863.90
Other Retirement	220,720.98	3,037,495.60	443,665.24	124.13	3,481,284.97
Payroll - Assign.-Garnish.	9,473.41	0.00	0.00	116,637.55	116,637.55
Payroll - Employees Receivable	0.00	550.00	0.00	0.00	550.00
Payroll - Fed. Tax	7,020,793.32	0.00	0.00	107,899,280.67	107,899,280.67
Payroll - Medicare/Eic	(37.83)	(73.95)	0.00	0.00	(73.95)
Payroll - Other Deductions	0.00	0.00	0.00	1,247.42	1,247.42
Payroll - Pers Retirement	0.00	4,420.55	0.00	4,724.91	9,145.46
Payroll - State Tax	25,003.48	0.00	0.00	379,169.33	379,169.33
Miscellaneous Deductions	0.00	0.00	0.00	666.36	666.36
Section 125 Adm Fee	44,173.19	353,381.26	132,904.14	218,619.84	704,905.24
Social Security	1,982,998.70	15,176,594.16	5,439,370.39	10,191,480.42	30,807,444.97
State Retirement	2,191,359.97	16,447,318.27	5,770,554.65	11,316,324.74	33,534,197.66
Teachers Fund For Retirement	32,412.73	393,342.30	8,758.76	86,415.23	488,516.29
Unemployment Insurance	103,995.55	276,124.58	98,048.94	693,724.33	1,067,897.84
Workers Comp Premium	608,805.95	603,904.00	80,279.58	1,884,082.55	2,568,266.12
Other Payroll Taxes	0.00	0.00	0.00	550.11	550.11
<b>Salaries and Benefits</b>	<b>44,473,429.71</b>	<b>265,343,472.77</b>	<b>126,776,683.44</b>	<b>288,927,627.74</b>	<b>681,047,783.94</b>
In State - Air Transportation	45.00	49,189.02	2,319.62	20,419.77	71,928.41
In State - Lodging	169,568.97	739,798.89	751,224.49	558,763.84	2,049,787.22
In State - Meals	89,372.52	387,123.69	423,719.65	351,071.67	1,161,915.01
In State - Other Comm Transpor	471.40	5,296.09	2,359.95	2,893.29	10,549.33
In State - Vehicle Mileage	98,068.49	720,106.72	312,483.66	270,341.11	1,302,931.48
Meals Taxable	57,457.72	190,482.92	298,316.66	466,103.06	954,902.64
Motor Vehicle Allowance	(292.71)	(4,589.26)	0.00	0.00	(4,589.26)
Motor/Aircraft Pool	1,311,482.67	5,031,177.68	3,547,698.26	11,845,693.56	20,424,569.50
Motor Pool Replacement Exp	55,133.03	41,610.23	124.34	1,993,863.37	2,035,597.94
Moving - NonTaxable	13,127.85	52,764.64	14,473.66	43,823.11	111,061.41
Moving - Taxable	10.21	7,212.17	1,239.53	13,068.90	21,520.60
Non State Employee Travel	139,208.20	661,531.44	807,308.42	504,158.34	1,972,998.20
Other Transportation & Misc Ex	5,167.85	110,742.86	33,221.12	156,447.29	300,411.27
Out of State-Air Transportation	117,763.24	727,287.48	595,263.39	677,168.11	1,999,718.98
Out of State - Lodging	154,029.51	759,541.19	496,971.07	641,680.34	1,898,192.60
Out of State - Meals	62,103.19	299,819.68	232,445.49	251,202.55	783,467.73
Out of State-Other Comm Transp	9,141.40	58,284.29	47,669.54	36,993.52	142,947.35
Out of State - Vehicle Mileage	1,239.08	38,306.78	6,655.81	16,614.77	61,577.36
Travel Advance - Meals	283.50	4,117.58	1,996.80	1,214.00	7,328.38
Travel Advance - Lodging	224.00	7,255.50	5,165.11	818.52	13,239.13
Private Air Mileage	671.72	650.00	0.00	671.72	1,321.72

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
722405	Tsfr To FIN INST TAX DISTR	910,574.00	0.00	0.00	910,574.00
722412	Tsfr To Coal Sev. Tax Dist. Fu	0.00	0.00	0.00	19,179.85
722432	Tsfr To Permanent Oil Tax Trus	33,505,079.98	208,735,977.98	99,927,885.36	308,663,863.34
722447	Tsfr to Ethanol Prod Incentive	0.00	0.00	1,856,539.20	1,856,539.20
722469	Tsfr To Oil Res. Trust	4,530,427.51	0.00	51,785,295.91	51,785,295.91
722491	Tsfr To Veterans Cemetery Trus	955.00	0.00	15,350.00	15,350.00
722496	Tsfr To Found. Aid Stabilizati	2,265,213.76	0.00	25,892,647.98	25,892,647.98
722498	Tsfr To Budget Stab. Fund	0.00	0.00	1,700,000.00	1,700,000.00
722501	Tsfr To Perm Commom School Fun	2,265,213.76	0.00	42,309,173.86	42,309,173.86
722515	Tsfr To Perm Coal Dev. Fund	302,349.26	0.00	4,638,224.36	4,638,224.36
722780	Tsfr To ITD Service Fund	0.00	19,942.20	0.00	19,942.20
722916	Tsfr To Pace Fund	0.00	0.00	0.00	12,200,000.00
722917	Tsfr To Ag Pace Fund	0.00	0.00	0.00	1,400,000.00
722919	Tsfr To Building Authority Deb	0.00	0.00	0.00	14,675,604.09
722930	Transfer To Defined Contribtui	0.00	0.00	80,848.93	80,848.93
722972	Tsfr To Home Qtr Purchase Fund	0.00	0.00	0.00	4,078.97
722981	Tsfr To Deferred Comp	2,118.70	0.00	1,144,293.00	1,144,293.00
722998	Tsfr To Housing & Finance	46,256.14	0.00	0.00	624,684.79
722000	Transfers Out	85,076,550.05	276,495,565.25	10,945,933.94	803,993,886.13
Total	Expenditures	461,757,171.36	1,886,073,663.86	1,467,294,821.55	2,684,252,234.37
					6,037,620,719.78

**Office of Management & Budget**  
**Statement of General Fund Revenues and Appropriated Expenditures**  
November 30, 2008

<u>Revenues and Transfers</u>	<u>Current Month</u>	<u>Biennium To Date</u>
Revenues		
Sales Tax	13,965,941.12	712,615,370.56
Motor Vehicle Excise Tax	4,015,995.48	95,474,902.27
Income Tax	5,000,000.00	421,353,608.64
Corporate Income Tax	2,000,000.00	151,108,779.76
Financial Institution Tax	(540,406.00)	6,092,095.09
Oil & Gas Production Tax	20,950,681.36	189,228,732.76
Oil Extraction Tax	13,966,424.81	128,424,351.39
Insurance Premium Tax	7,292,792.44	45,589,878.10
Cigarette, Cigar & Tobacco Tax	(2,151.24)	30,781,044.19
Liquor & Beer Tax	0.00	9,437,073.13
Department Fees & Collections	2,726,742.87	42,320,083.34
Gaming Tax	1,532,272.41	14,807,871.73
Lottery	0.00	5,300,000.00
Coal Severance Tax	0.00	0.00
Interest on Public Funds	2,035,294.24	30,850,424.89
Coal Conversion Tax	2,128,212.11	32,405,840.81
Mineral Leasing Tax	1,725,438.95	19,050,044.16
Bank of ND Profits - Transfer	0.00	0.00
Mill & Elevator Profits-Trsfr	0.00	0.00
Permanent Oil Tax Trust Fund	0.00	115,000,000.00
Other Transfers	2,731.99	1,027,586.51
<b>Total Revenues and Transfers</b>	<b>76,799,970.54</b>	<b>2,050,867,687.33</b>
<u>Appropriated Expenditures and Transfers</u>		
General Government	7,285,984.80	132,254,783.74
Higher Education	25,831,051.83	301,602,905.88
Public Instruction / Other Education	32,443,349.81	623,114,394.94
Human Services Child Coord Com	29,056,754.51	394,186,716.17
Health	750,051.82	17,487,131.04
Regulatory	674,308.96	11,171,318.36
Public Safety	7,971,620.47	121,752,678.90
Experiment Stations and Extension Div	3,360,692.29	42,678,448.64
Agriculture/Indust Devel and Promotion	876,601.19	24,680,453.07
Natural Resources	1,284,564.07	26,880,598.66
Transfer Out	0.00	60,287,176.06
<b>Total Approp. Expenditures and Transfers</b>	<b>109,534,979.75</b>	<b>1,756,096,605.46</b>

Run Date: 1/16/2009

11200 Information Technology Dept

Oper Unit: 112 ITD

**Appropriation Status Report**  
For the Month Ending 12/31/2008

Biennium 2007 - 2009

	Original Appropriation	Current Appropriation	Expenditures	Remaining Appropriation	Percent Remaining
11210 Salaries and Wages	37,682,129.00	37,813,585.00	25,426,119.77	12,387,465.23	33%
11230 Operating Expenses	57,062,912.00	57,062,912.00	38,172,219.13	18,890,692.87	33%
11250 Capital Assets	12,145,250.00	12,145,250.00	10,504,706.57	1,640,543.43	14%
11270 Center for Distance Education	6,472,457.00	6,582,596.00	4,467,635.84	2,114,960.16	32%
11271 Statewide Data System	227,954.00	227,954.00	190,606.41	37,347.59	16%
11272 Education Technology Grants	1,136,267.00	1,136,267.00	896,726.60	239,540.40	21%
11273 Edu Tech	2,722,348.00	2,722,348.00	2,342,475.10	379,872.90	14%
11274 Wide Area Network	4,066,519.00	4,066,519.00	2,895,961.36	1,170,557.64	29%
11276 Geographic Info System	798,149.00	873,149.00	512,314.32	360,834.68	41%
11278 Criminal Justice Information	2,352,196.00	3,762,356.00	1,268,561.53	2,493,794.47	66%
<b>Total Expenditures</b>	<b>124,666,181.00</b>	<b>126,392,936.00</b>	<b>86,677,326.63</b>	<b>39,715,609.37</b>	<b>31%</b>

**Expenditures by Funding Source**

General Fund	11,659,411.00	11,659,411.00	8,739,861.93	2,919,549.07	25%
Federal Fund	300,000.00	1,785,160.00	313,588.15	1,471,571.85	82%
Special Fund	112,706,770.00	112,948,365.00	77,623,876.55	35,324,488.45	31%
<b>Total Expenditures by Source</b>	<b>124,666,181.00</b>	<b>126,392,936.00</b>	<b>86,677,326.63</b>	<b>39,715,609.37</b>	<b>31%</b>



Run Date: 1/16/2009

11700 Auditors Office, ND State

Oper Unit: 117 Auditor's Office

Appropriation Status Report  
For the Month Ending 12/31/2008

Biennium 2007 - 2009

	Original Appropriation	Current Appropriation	Expenditures	Remaining Appropriation	Percent Remaining
11710 Salaries and Wages	7,321,241.00	7,404,330.00	5,062,552.28	2,341,777.72	32%
11730 Operating Expenses	810,549.00	810,549.00	417,890.89	392,658.11	48%
11750 Capital Assets	10,000.00	10,000.00	0.00	10,000.00	100%
11770 Information Tech Consultants	100,000.00	100,000.00	99,891.79	108.21	0%
<b>Total Expenditures</b>	<b>8,241,790.00</b>	<b>8,324,879.00</b>	<b>5,580,334.96</b>	<b>2,744,544.04</b>	<b>33%</b>

Expenditures by Funding Source

General Fund	5,656,016.00	5,714,677.00	4,188,234.70	1,526,442.30	27%
Federal Fund	922,296.00	929,131.00	536,461.39	392,669.61	42%
Special Fund	1,663,478.00	1,681,071.00	855,638.87	825,432.13	49%
<b>Total Expenditures by Source</b>	<b>8,241,790.00</b>	<b>8,324,879.00</b>	<b>5,580,334.96</b>	<b>2,744,544.04</b>	<b>33%</b>

Run Date: 11/13/08

10100 - Governor's Office  
 Level: 10100  
 Governor's Office

Organizational Status By Detail Account and Source  
 For the Month Ending October 31, 2008

NDS4925AA\_2009B  
 Biennium 07-09

	Current Month Activity	Biennium to Date		
		General Fund	Federal Fund	Special Funds
Revenues				Total
473030 Miscellaneous General Revenue	112.50	112.50	0.00	0.00
490316 Tsfr Fm Comm Health Trust Fund	0.00	0.00	0.00	100,000.00
<b>Total</b>	<b>112.50</b>	<b>112.50</b>	<b>0.00</b>	<b>100,112.50</b>
<b>Expenditures</b>				
511005 Salaries Full Time	73,326.43	1,132,192.61	0.00	0.00
511020 Paid Annual Leave	0.00	4,167.01	0.00	0.00
513005 Temporary Salaries	3,643.37	38,373.20	0.00	0.00
516015 Employee Assist Program	22.72	364.94	0.00	0.00
516055 Health Insurance	9,213.12	148,068.00	0.00	0.00
516075 Basic Life Insurance	4.48	71.96	0.00	0.00
516165 Section 125 Adm Fee	54.77	704.96	0.00	0.00
516170 Social Security	5,833.40	89,165.26	0.00	0.00
516175 State Retirement	6,687.37	103,256.02	0.00	0.00
516205 Unemployment Insurance	10.76	1,185.81	0.00	0.00
<b>510000 Salaries and Benefits</b>	<b>98,796.42</b>	<b>1,517,549.77</b>	<b>0.00</b>	<b>1,517,549.77</b>
521015 In State - Lodging	0.00	798.77	0.00	0.00
521020 In State - Meals	0.00	150.00	0.00	0.00
521030 In State - Vehicle Mileage	264.60	879.75	0.00	0.00
521035 Meals Taxable	0.00	42.50	0.00	0.00
521045 Motor/Aircraft Pool	315.83	2,382.53	0.00	0.00
521065 Other Transportation & Misc Ex	27.50	709.33	0.00	0.00
521070 Out of State-Air Transportatio	682.00	6,610.21	0.00	0.00
521075 Out of State - Lodging	0.00	10,877.34	0.00	0.00
521080 Out of State - Meals	128.00	2,330.65	0.00	0.00
521085 Out of State-Other Comm Transp	45.00	1,053.02	0.00	0.00
531010 IT - Equipment Under \$750	0.00	46.00	0.00	0.00
531020 Software/Licenses Under \$5,000	0.00	180.00	0.00	0.00
532090 Periodicals & Subscriptions	580.11	4,602.74	0.00	0.00
532125 Resource Materials	0.00	637.50	0.00	0.00
533030 Groceries	0.00	38.48	0.00	0.00
535060 Promotional Supply	0.00	342.00	0.00	0.00

Organizational Status By Detail Account and Source  
For the Month Ending October 31, 2008

NDS4925AA\_2009B  
Biennium 07-09

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
535085 Supplies Not Classified	0.00	6.24	0.00	0.00	6.24
536005 Central Supply	549.50	4,583.60	0.00	0.00	4,583.60
536015 Office Supplies	467.89	1,574.06	0.00	0.00	1,574.06
536060 Supplies - Special Order	0.00	33.50	0.00	0.00	33.50
541010 Mailing Services	6.20	181.23	0.00	0.00	181.23
541015 Postage And P.O. Box Rental	131.63	2,815.66	0.00	0.00	2,815.66
542005 Central Duplicating - Printing	0.00	183.19	0.00	0.00	183.19
542010 Copier Supplies	0.00	602.49	0.00	0.00	602.49
542035 Printing From Others (Non Ctrl	0.00	3,446.87	0.00	0.00	3,446.87
551005 Computer Equip under \$5,000	0.00	100.00	0.00	0.00	100.00
552075 Other Equipment	0.00	56.90	0.00	0.00	56.90
553005 Office Machines	0.00	180.00	0.00	0.00	180.00
553010 Furniture & Furnishings	0.00	149.98	0.00	0.00	149.98
571020 Other Insurance	0.00	30.00	0.00	0.00	30.00
571025 Property Insurance	0.00	195.46	0.00	0.00	195.46
571030 Risk Management Premiums	0.00	4,276.76	0.00	0.00	4,276.76
581050 Lease/Purchase - Equipment	1,690.00	12,660.00	0.00	0.00	12,660.00
582005 Booth & Room Rental	0.00	359.04	0.00	0.00	359.04
591060 Repair Equipment-Office	0.00	1,586.43	0.00	0.00	1,586.43
591120 Service Contract-Office Equip	0.00	546.00	0.00	0.00	546.00
601005 Data Processing Service	2,005.45	32,227.96	0.00	0.00	32,227.96
602005 Cellular Phones	402.31	6,724.44	0.00	0.00	6,724.44
602065 Telephone ITD	1,097.80	18,488.58	0.00	0.00	18,488.58
611005 Conference Expenses	0.00	2,685.00	0.00	0.00	2,685.00
611010 Dues & Memberships	0.00	386.00	0.00	0.00	386.00
611020 Professional Development	0.00	80.00	0.00	0.00	80.00
621060 Awards, Rewards, Prizes	0.00	3,693.41	0.00	0.00	3,693.41
621305 Misc Contractual Fees	0.00	22.00	0.00	0.00	22.00
623020 Audit	0.00	618.00	0.00	0.00	618.00
623175 Professionals Not Classified	8,025.67	89,967.62	0.00	0.00	89,967.62
<b>520000 Operating Expenses</b>	<b>16,419.49</b>	<b>220,141.24</b>	<b>0.00</b>	<b>0.00</b>	<b>220,141.24</b>
712180 Misc. Grants	5,839.00	0.00	0.00	5,839.00	5,839.00
<b>712000 Grants, Benefits &amp; Claims</b>	<b>5,839.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,839.00</b>	<b>5,839.00</b>
<b>Total Expenditures</b>	<b>121,054.91</b>	<b>1,737,691.01</b>	<b>0.00</b>	<b>5,839.00</b>	<b>1,743,530.01</b>

Run Date: 11/13/08

10100 - Governor's Office  
 Level: 10100  
 Governor's Office

**Organizational Status By Summary Account and Source  
 For the Month Ending October 31, 2008**

NDS4925BB\_2009B  
 Biennium 07-09

	Current Month Activity	Biennium to Date			Total
		General Fund	Federal Fund	Special Funds	
Revenues					
400000	Revenue				
463000	General Government	0.00	0.00	0.00	0.00
473000	Miscellaneous General Revenue	112.50	112.50	0.00	112.50
490000	Transfers In	0.00	0.00	100,000.00	100,000.00
Total	Revenue	112.50	112.50	100,000.00	100,112.50
Expenditures					
510000	Salaries and Benefits				1,136,359.62
511000	Salaries - Permanent	73,326.43	1,136,359.62	0.00	0.00
513000	Temporary Salaries	3,643.37	38,373.20	0.00	0.00
516000	Fringe Benefits	21,826.62	342,816.95	0.00	0.00
510000	Salaries and Benefits	98,796.42	1,517,549.77	0.00	1,517,549.77
520000	Operating Expenses				
521000	Travel	1,462.93	25,834.10	0.00	25,834.10
531000	Supplies - IT Software	0.00	226.00	0.00	226.00
532000	Supply/Material-Professional	580.11	5,240.24	0.00	5,240.24
533000	Food and Clothing	0.00	38.48	0.00	38.48
534000	Bldg, Grounds, Vehicle Supply	0.00	0.00	0.00	0.00
535000	Miscellaneous Supplies	0.00	348.24	0.00	348.24
536000	Office Supplies	1,017.39	6,191.16	0.00	6,191.16
541000	Postage	137.83	2,996.89	0.00	2,996.89
542000	Printing	0.00	4,232.55	0.00	4,232.55
551000	IT Equip under \$5,000	0.00	100.00	0.00	100.00
552000	Other Equip under \$5,000	0.00	56.90	0.00	56.90
553000	Office Equip & Furniture-Under	0.00	329.98	0.00	329.98
571000	Insurance	0.00	4,502.22	0.00	4,502.22
581000	Rentals/Leases-Equip & Other	1,690.00	12,660.00	0.00	12,660.00
582000	Rentals/Leases - Bldg/Land	0.00	359.04	0.00	359.04
591000	Repairs	0.00	2,132.43	0.00	2,132.43
601000	IT - Data Processing	2,005.45	32,227.96	0.00	32,227.96
602000	IT-Communications	1,500.11	25,213.02	0.00	25,213.02
611000	Professional Development	0.00	3,151.00	0.00	3,151.00
621000	Operating Fees and Services	0.00	3,715.41	0.00	3,715.41

10100 - Governor's Office

Level: 10100

Governor's Office

Organizational Status By Summary Account and Source  
For the Month Ending October 31, 2008

NDS4925BB\_2009B  
Biennium 07-09

	Current Month Activity	Biennium to Date		
		General Fund	Federal Fund	Special Funds
623000 Fees - Professional Services	8,025.67	90,585.62	0.00	0.00
520000 Operating Expenses	16,419.49	220,141.24	0.00	0.00
712000 Grants, Benefits & Claims	5,839.00	0.00	0.00	5,839.00
Total	121,054.91	1,737,691.01	0.00	5,839.00
				1,743,530.01

# North Dakota REV-E-NEWS



Pam Sharp, Director

OFFICE OF MANAGEMENT AND BUDGET  
600 EAST BOULEVARD AVE -- DEPT. 110 BISMARCK, ND 58505-0400

November 2008

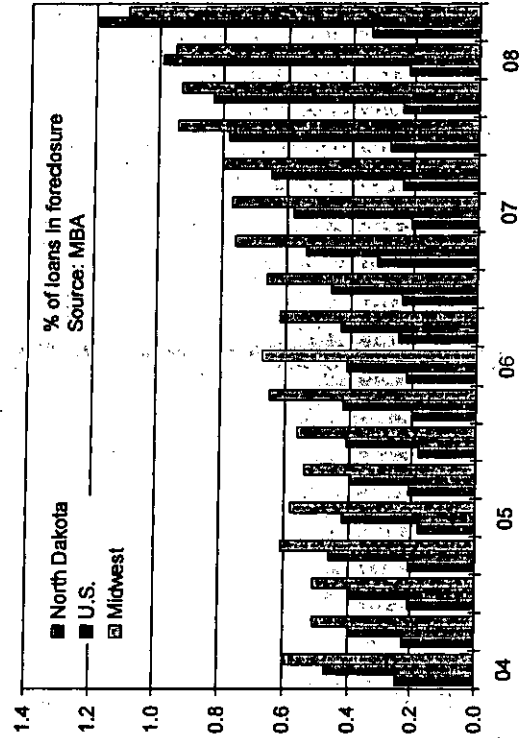
## MESSAGE FROM THE DIRECTOR

### Director's Notes

A recently completed analysis of the North Dakota economy by the state's economic forecasting consultant, *Moody's Economy.com*, provides a positive long-term outlook, but also shows concern for the immediate future. Moody's refers to employment growth in North Dakota in recent years as "spectacular," but expresses concerns that the national recession will weaken the North Dakota job market in the near future. However, Moody's acknowledges that "the state's stable government and flexible labor force will limit the increase in the unemployment rate," and expects any labor market deterioration in North Dakota to "be far less than the Midwest in general."

In addition to the national weakening of the labor market, other areas of concern for the North Dakota economy are declining commodity prices, declining oil prices, and a potential weakening in consumer confidence. However, credit quality is still good in North Dakota, due to a history conservative lending practices and the current health of the state's labor market. The foreclosure rate in North Dakota has remained flat as rates in the Midwest and the nation have moved sharply higher. Moody's reports that North Dakota enjoys the second-lowest foreclosure rate in the U.S.

Foreclosure Rate Is Among Lowest in the Nation



### OIL ACTIVITY

The revised forecast for the 2007-08 biennium is based on fiscal year 2009 oil production averaging approximately 160,000 barrels per day and price declining from \$110 per barrel at the start of the fiscal year to \$95 per barrel by June 2009. Currently, the price of North Dakota crude has fallen to around \$40 per barrel. Production continues to set new records and increased in September to 183,200 barrels per day. The current rig count is 91 rigs, 46 more than were operating in the state one year ago. Price, production, and drilling activity are summarized on the following table.

	Sept 2008	Aug 2008	July 2008
ND sweet crude price per barrel	\$94.21	\$126.54	\$125.10
Production (barrels/day)	183,200	177,700	172,900
Drilling permits	103	76	83
Producing wells	4,193	4,154	4,102
Rig count	87	82	76

### Comments or Questions?

Contact  
Pam Sharp, Director  
Phone: 701-328-2680  
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E-mail: [psharp@nd.gov](mailto:psharp@nd.gov)  
Visit the North Dakota web site  
[www.nd.gov](http://www.nd.gov)

## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2007-09 BIENNIUM October 2008

REVENUES AND TRANSFERS	FISCAL MONTH			BIENNIUM TO DATE				
	April 2007 <u>Leg. Forecast</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>	April 2007 <u>Leg. Forecast</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>
Sales Tax	42,491,000	57,019,989	14,528,989	34.2%	600,635,000	698,649,429	98,014,429	16.3%
Motor Vehicle Excise Tax	5,102,000	6,166,039	1,064,039	20.9%	76,855,000	91,458,907	14,603,907	19.0%
Individual Income Tax	22,193,000	54,329,817	32,136,817	144.8%	321,511,000	416,353,609	94,842,609	29.5%
Corporate Income Tax	7,427,000	6,216,404	(1,210,596)	-16.3%	85,910,000	149,108,780	63,198,780	73.6%
Insurance Premium Tax	68,908	110,353	41,445	60.1%	32,095,750	38,297,086	6,201,336	19.3%
Financial Institutions Tax		84,944	84,944	100.0%	4,700,000	6,632,501	1,932,501	41.1%
Oil & Gas Production Tax*					39,839,000	39,309,315	(529,685)	-1.3%
Oil Extraction Tax*	952,090	967,390	15,300	1.6%	31,161,000	31,690,685	529,685	1.7%
Gaming Tax					13,183,541	13,275,599	92,058	0.7%
Lottery					5,577,500	5,300,000	(277,500)	-5.0%
Cigarette & Tobacco Tax	2,050,000	1,997,723	(52,277)	-2.6%	32,345,000	30,783,195	(1,561,805)	-4.8%
Wholesale Liquor Tax	553,000	658,722	105,722	19.1%	8,541,000	9,437,073	896,073	10.5%
Coal Conversion Tax	2,028,000	2,128,212	100,212	4.9%	32,080,000	32,405,841	325,841	1.0%
Mineral Leasing Fees	1,000,000	2,393,062	1,393,062	139.3%	9,150,000	17,324,605	8,174,605	89.3%
Departmental Collections	1,616,000	1,687,728	71,728	4.4%	35,730,000	39,593,340	3,863,340	10.8%
Interest Income	1,375,000	1,587,775	212,775	15.5%	22,920,000	28,815,131	5,895,131	25.7%
Bank of North Dakota-Transfer								
State Mill & Elevator-Transfer								
Oil tax trust fund-Transfer								
Other Transfers	159,257	178,639	19,382	12.2%	115,000,000	115,000,000		0.0%
Total Revenues and Transfers	87,015,255	135,526,798	48,511,543	55.8%	1,468,189,333	1,764,459,951	296,270,618	20.2%

\* Oil and gas production and extraction tax collections totaled \$35.0 million in October. Because the \$71.0 million statutory cap for the 2007-09 biennium has been reached, no additional oil tax collections will be deposited in the general fund during the 2007-09 biennium. Through October, oil tax collections totaling \$343.6 have been transferred, or are available for transfer, to the permanent oil tax trust fund and are not reflected on this report.

## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Previous Biennium Revenues 2007-09 BIENNIUM October 2008

REVENUES AND TRANSFERS	FISCAL MONTH			BIENNIUM TO DATE		
	October 2006	October 2008	Variance Percent	2005-07	2007-09	Variance Percent
Sales Tax	47,770,167	57,019,989	9,249,822	551,366,511	698,649,429	147,282,918
Motor Vehicle Excise Tax	4,994,155	6,166,039	1,171,885	83,416,380	91,458,907	8,042,527
Individual Income Tax	37,394,866	54,329,817	16,934,951	373,862,893	416,353,609	42,490,716
Corporate Income Tax	385,232	6,216,404	5,831,172	130,093,989	149,108,780	19,014,790
Insurance Premium Tax	66,886	110,353	43,467	30,440,818	38,297,086	7,856,268
Financial Institutions Tax	3,818	84,944	81,126	4,284,642	6,632,501	2,347,859
Oil & Gas Production Tax*				45,970,447	39,309,315	(6,661,131)
Oil Extraction Tax*				25,029,553	31,690,685	6,661,131
Gaming Tax	759,241	967,390	208,149	11,950,253	13,275,599	1,325,346
Lottery				6,300,000	5,300,000	(1,000,000)
Cigarette & Tobacco Tax	1,978,918	1,997,723	18,805	30,179,580	30,783,195	603,616
Wholesale Liquor Tax	503,514	658,722	155,209	8,591,733	9,437,073	845,340
Coal Conversion Tax	2,078,047	2,128,212	50,165	33,244,005	32,405,841	(838,164)
Mineral Leasing Fees	1,426,503	2,393,062	966,560	9,912,987	17,324,605	7,411,619
Departmental Collections	1,623,760	1,687,728	63,969	34,121,648	39,593,340	5,471,693
Interest Income	1,484,440	1,587,775	103,335	17,631,023	28,815,131	11,184,108
Bank of North Dakota-Transfer						
State Mill & Elevator-Transfer						
Oil Tax Trust Fund-Transfer						
Other Transfers	276,104	178,639	(97,465)	30,000,000	115,000,000	85,000,000
<b>Total Revenues and Transfers</b>	<b>100,745,650</b>	<b>135,526,798</b>	<b>34,781,148</b>	<b>9,719,839</b>	<b>1,024,855</b>	<b>(8,694,984)</b>
				<b>1,436,116,301</b>	<b>1,764,459,951</b>	<b>328,343,650</b>
						<b>22.9%</b>

\* Oil and gas production and extraction tax collections totaled \$35.0 million in October. Because the \$71.0 million statutory cap for the 2007-09 biennium has been reached, no additional oil tax collections will be deposited in the general fund during the 2007-09 biennium. Through October, oil tax collections totaling \$343.6 have been transferred, or are available for transfer, to the permanent oil tax trust fund and are not reflected on this report.



# North Dakota REV-E-NEWS

November 2008

OFFICE OF MANAGEMENT AND BUDGET  
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BISMARCK, ND 58505-0400

<http://www.nd.gov/fiscal> or [www.nd.gov/omb](http://www.nd.gov/omb)

## VARIANCES

October 2008 revenues were \$135.5 million, \$48.5 million more than projected in the original legislative forecast and \$34.0 million more than estimated in the revised forecast. Biennium to date collections exceed the original forecast by 296.3 million, or 20.2 percent. Since July when the revised 2007-09 forecast was completed, actual collections have exceeded the revised forecast by \$48.5 million, or 2.8 percent. Notable variances for the month are as follows:

- **Sales tax** collections for the month of October continue to show strong growth. Contrary to much of the rest of the nation, North Dakotans are enjoying an economic expansion and as a result, consumer confidence and spending continue to grow. October sales tax collections exceeded the original forecast by \$14.5 million, or 34.2 percent. Biennium to date sales tax collections exceed the legislative forecast by 16.3 percent and the previous biennium by 26.7 percent.
- **Motor vehicle excise tax** collections continue to exceed the forecast. Collections exceed the original forecast by \$1.1 million for the month and by \$14.6 million for the biennium to date. Following steady declines during the 2005-07 biennium, collections are currently 9.6 percent higher than at the same time last biennium.
- **Individual income tax** collections exceed the original forecast by \$32.1 million for the month. A significant portion of this variance appears to be related to anticipated transfers to the refund reserve account. Original projections anticipated a transfer of \$25.0 million during October 2008. However, collections in previous months have resulted in sufficient transfers to the refund reserve account and no transfer was made during October. Biennium to date collections exceed the original forecast by \$94.8 million, or 29.5 percent.
- **Corporate income tax** collections fell short of projections by \$1.2 million for the month, but have exceeded the original forecast by \$63.2 million, so far this biennium.
- **Oil and gas tax** collections for the month were \$35.0 million, \$26.5 million more than anticipated in the original forecast and \$300,000 more than anticipated in the revised forecast. Because the \$71.0 million general fund cap was reached in November 2007, the entire \$35.0 million will be deposited into the permanent oil tax trust fund. The current price of North Dakota crude has fallen to approximately \$40 per barrel and September production averaged 186,200 barrels per day, setting a new record for North Dakota.
- **Mineral leasing fees** exceeded the forecast by \$1.4 million in October. These revenues are received by the state as a result of mineral extraction on federal lands within the boundaries of the state. These revenues have totaled \$17.3 million for the biennium, \$8.2 million more than expected. Revenues from this source are shared equally with the counties within which the minerals are produced.

Senate Appropriations Committee

Sen. Ray Holmberg, Chair

Harvest Room

Monday, March 2, 2009

**Testimony in support of HB 1377 – Government Transparency**

Chairman Holmberg and members of the Senate Appropriations Committee:

I am Representative Blair Thoreson, representing District 44 in Fargo. I testify today in support of HB 1377, which will create a database of government expenditures. This database will help to increase transparency in state expenditures.

Thomas Jefferson once said, "We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently control them." I believe that those words are as prophetic today as they were in Jefferson's era.

The goal of this bill is a simple one: **place all state expenditures on an easily searchable website.** With passage of this bill, the citizens of North Dakota will be able to quickly and easily research budget issues on their own in the comfort of their homes. They won't have to take much time out of their busy days to do a lot of research: making multiple phone calls...writing to government for information...etc. With this website, expenditure information will be at their fingertips.

In addition, by placing all expenditure data on a website, the state will show that it has nothing to hide. By requesting that this data be placed online, citizens aren't accusing the government of wrong-doing. They are giving the state the opportunity to show taxpayers

that power still does rest with the people and that the state wants citizens to be more informed.

Opponents of placing expenditure data on the internet commonly give two reasons to justify their position. They say that North Dakota already has good open records laws and that citizens are already able to get this information. They also say that the cost of building and maintaining such a website would not be worth the price.

I agree that our open records laws are good, and with passage of this legislation we will give citizens an increased level of openness.

As for the cost of building this database, most of this information is already available in one form or another electronically. The costs involved will be to develop software applications which will extract it and place it in one central "clearinghouse". This has been done in other states using off-the-shelf software solutions, in addition to the free use of software developed by a Washington-based organization "OMB Watch".

I believe that our Office of Management and Budget, along with the professionals at ITD and/or private-sector software providers, will be able to build this website for a minimal cost. The revised fiscal note you see before you today shows an amount of \$489,860, which is a reduction from the original estimate of over \$1 million. This revision was done after ITD was requested to look at the costs involved, however I am not aware if they were aware of the free software available to facilitate such a website.

Experience shows that such websites can be created at little or no cost to taxpayers:

- An unofficially floated fiscal note in Kansas put a \$40 million price tag on the creation of a searchable website for government expenditures. However, this cost was highly inflated, and incorporated the overall cost of the entire financial management system. Ultimately, the cost for creating the website was \$0, because

the vendor hired for the overall overhaul of the financial management system agreed to incorporate the database website at no cost.

- The Oklahoma website ([www.openbooks.ok.gov](http://www.openbooks.ok.gov)) initially carried a price tag of \$300,000. In the end the implementing agency reported that the website cost only \$8,000, plus expended staff time.
- The federal grant and contract website ([www.USASpending.gov](http://www.USASpending.gov)) and was estimated to cost \$19 million dollars over five years was put together at a price tag of less than \$1 million - and that covers grants and contracts of the entire federal government.

The state's budget data should be easily searchable on a website because, let's face it, it's the 21st century. Jefferson stated that the government's books should be as accessible as a merchant's. Most, if not nearly all, businesses now do their finances on computers. If we are to heed Jefferson's words, then we should keep pace with what the private sector is doing and deliver government transparency through a vehicle that citizens use and understand: the internet.

Mr. Chairman and members of the committee, government transparency through a searchable database is now being done in at least 13 other states. Kansas, through its "Kanview" website ([www.kansas.gov/kanview](http://www.kansas.gov/kanview)) was the first state to develop this window into state government. Since then, Missouri (through an executive order), Nebraska, Minnesota, and several others have followed suit. At the national level, the "Federal Funding Accountability and Transparency Act of 2006" has created a database of expenditures by federal government. Interestingly, two of the co-sponsors of this legislation had their names in the news quite a bit lately: Sen. John McCain, and President Barack Obama.

I believe, as they did, that both parties can agree that we need to be accountable to those who pay government's bills: the taxpayer. It's not a right-left issue...it's a right-wrong issue.

Furthermore, it's a common-sense idea that brings government into the 21st century and will go a long way towards curing apathy, which, in the world of politics and government, has become all too prevalent.

It has been noted that government transparency is "like an x-ray machine, allowing taxpayers to look inside government and see how the money is being spent: every check written, every contract let and every vendor receiving money." It's time to provide our citizens with receipts for the purchases made on their behalf by government. Remember, sunshine is the best disinfectant. I ask that the Senate Appropriations Committee give a DO PASS recommendation to HB 1377.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.

5

**North Dakota Legislative Council  
Senate Appropriations Committee**

**Testimony on HB 1377**

**Reported By: Randall Thursby, Interim CIO  
North Dakota University System**

Mr. Chairman: Members of the Committee: My name is Randall Thursby, CIO for the North Dakota University System. I have been asked to provide testimony regarding House Bill 1377.

The North Dakota University System stands in opposition to the bill as written but does not oppose the idea or the goal of the bill as we perceive it. Our opposition is based on the following:

1. The cost to develop and sustain the database is not funded in any bill. Our understanding is that the Information Technology Department has developed an estimate for the cost of database including the NDUS data in the ConnectND Financial system but if those costs are not funded by the legislature and the costs are billed to the agencies then it will divert resources from other critical projects.
2. The legislation requires that by the January first of each even-numbered year, the director of the budget shall add data for the previous biennium to the budget database website. However, it requires the agencies to report the data no later than thirty days after the data becomes available to the agency. We do not understand why agency reporting would need to occur more often than the end of the biennium or at least annually. The requirement to report no later than thirty days after the data becomes available to the agency while the data is only updated once a biennium by the director of budgets to the database website appears to add an unnecessary burden to the agencies. It will also add complexity to the development effort.
3. The effort may be premature. If needs are identified up-front the data can be incorporated in the NDUS data warehouse that is under design without a separate development required for NDUS in the state effort.

Mr. Chairman, that concludes my testimony.

No. 40  
April 2009

# MERCATUS ON POLICY

## THE COST OF STATE ONLINE SPENDING-TRANSPARENCY INITIATIVES

By Jerry Brito and Gabriel Okolski

MERCATUS CENTER  
GEORGE MASON UNIVERSITY

Attachment A  
4/27/09  
HB 1377  
Conf. Comm.

LEGISLATURES AROUND THE country have begun to propose spending-transparency Web sites. The most effective argument against these efforts is the potential high cost of such Web sites. We looked at ten recently established state spending sites and found that initial cost estimates often overestimated the final cost. The cost of the surveyed sites range from \$30,000 to \$300,000, and there is little correlation between the amount spent and the quality of the Web site.

### INTRODUCTION

SENATORS BARACK OBAMA and Tom Coburn sponsored legislation in 2006 to create a Web site that transparently details all of the federal government's expenditures. It can now be found at [USAspending.gov](http://USAspending.gov).

The idea is a simple one: By placing the details of every government purchase and contract online where citizens can easily review them, the government will be much more accountable. Why? First, hundreds or thousands of citizens' eyes will pore over the newly transparent data, discovering instances of previously unnoticed waste, fraud, and abuse. As a result, one can expect that these constituents will hold their elected representatives accountable and demand action. Second, once government officials become aware of the heightened scrutiny created by a transparency Web site, they will have an increased incentive to be more careful, frugal, and to think twice before making questionable expenditures.

State legislators and governors around the country have begun to follow Obama and Coburn's lead by introducing measures to create state-spending Web sites. To date, about 20 states have passed legislation or adopted executive orders creating some type of online fiscal database.

One does not have to be a cynic to recognize that a proposal to throw light on how politicians spend tax dollars—and therefore make it easier for citizens to hold them accountable—might not be a very popular idea among politicians. Of course, it is virtually impossible to oppose a transparency measure on the grounds that one prefers more government secrecy and less citizen scrutiny. As a result, the most persuasive reason to oppose online transparency legislation is the potential high cost of developing a searchable Web site.

While an online spending database may be desirable, critics could contend, it may not be feasible given a cash-strapped state budget. This is a legitimate concern. The facts show, however, that governments have often overestimated the cost of creating spending-transparency Web sites. Additionally, there is some evidence to suggest that these sites produce cost savings that may recover any initial outlay.

#### THE FEDS

WHEN SENATORS COBURN and Obama introduced the Federal Funding Accountability and Transparency Act, the Congressional Budget Office estimated that creating and maintaining the Web site the legislation mandated would cost \$15 million over five years.<sup>1</sup> It calculated that creating the Web site would cost \$10 million and maintaining it would cost \$2 million annually.<sup>2</sup> Ultimately, however, the Office of Management and Budget (OMB), which was tasked with developing the site, was able to acquire the software and consulting it needed to build the site for \$600,000.<sup>3</sup> The agency purchased it from OMB Watch, a liberal watchdog group that had developed the software for its own expenditure-tracking site. What OMB Watch understood, and luckily made clear to OMB, is that while one can certainly hire a contractor to build a \$10 million site, quality Web sites do not have to be expensive, especially when using free open-source software tools.

#### THE STATES

AS ONLINE SPENDING-TRANSPARENCY bills were introduced in legislatures around the country, state budget offices prepared estimates of what those sites might cost. In figure 1, we list ten states that have launched some type of spending transparency Web site. For each state, we list the initial budget-office estimate of how much the site would cost as well as the final actual cost. Four states on our list launched their sites as a result of executive order, so no initial budget office estimates are available for them. However, the actual cost figures for these sites are instructive.

What we find is that although the quality of these sites varies, the average actual cost for developing a spending-transparency Web site is about \$140,000. The most expensive site we looked at is Texas's at \$310,000. Additionally, the states often overestimate the cost of creating spending-transparency Web

FIGURE 1: ESTIMATED AND ACTUAL COSTS FOR STATE SPENDING-TRANSPARENCY WEB SITES

STATE	ESTIMATED COST	ACTUAL COST
Alaska <sup>4</sup>	EO	\$15,000–\$25,000 from existing budget <sup>5</sup>
Kansas <sup>6</sup>	\$280,000 to study possibility <sup>7</sup>	\$100,000 <sup>8</sup>
Louisiana <sup>9</sup>	\$1 million for initial site development <sup>10</sup>	LaTrac within existing resources <sup>11</sup>
Maryland <sup>12</sup>	\$400,000 over two fiscal years <sup>13</sup>	Less than \$100,000 <sup>14</sup>
Missouri <sup>15</sup>	EO	\$293,140 from existing budget <sup>16</sup>
Nebraska <sup>17</sup>	EO	\$38,000 <sup>18</sup>
Oklahoma <sup>19</sup>	\$40,000 for initial site development <sup>20</sup>	\$40,000 from existing budget <sup>21</sup>
South Carolina <sup>22</sup>	EO	\$25,000–\$50,000 from existing budget <sup>23</sup>
Texas <sup>24</sup>	\$405,090 <sup>25</sup>	\$310,000 <sup>26</sup>
Washington <sup>27</sup>	\$244,316 over six years <sup>28</sup>	\$300,000 <sup>29</sup>

sites. In no case has a site cost millions of dollars as some budget estimates have suggested. For example, an estimate<sup>30</sup> prepared by the Virginia Department of Planning and Budget prompted Nebraska Treasurer Shane Osborn to write to Virginia legislators:

*I heard the same arguments about the cost of a searchable database; we received an estimate of \$1.1 million at one point. In the end, we were able to shine light on Nebraska's budget at a cost to the taxpayer of \$38,000. . . . As far as the \$3 million fiscal impact statement attached to Virginia SB 936, I can't envision a situation in which a budget site would even approach that price range.<sup>31</sup>*

#### DATA AVAILABLE

NOT ALL STATE spending-transparency Web sites are created equal. While each site aims to give the public a handle on state financial activities, the breath of information provided and the presentation of that data vary greatly across each of these Web portals.

For example, Maryland's Funding Accountability & Transparency site is limited to state payments in excess of \$25,000 and does not include information on state employee compensation, which many other Web portals list. Other sites like Kansas's KanView include figures like state revenue and bond debt. In addition to showing information on state expenditures, Oklahoma's Open Books and the Missouri Accountability Portal provide searchable, but not browseable, data on tax credits for certain fiscal years. Some sites also omit data because of differences in financial reporting methods; for example, Louisiana's LaTrac site does not include information on legislative and judicial branch spending because of different financial reporting systems.



When it comes to the data that are available, certain sites provide an extremely comprehensive breakdown of spending information. Texas's Where the Money Goes page allows users to break down spending information by state agency, spending category, the vendor from whom a purchase was made, and the purchasing code. Certain databases, such as Washington State Fiscal Information, break down payments by fund or account, as opposed to by department.

## USABILITY

ULTIMATELY, REGARDLESS OF the range and categories of data being presented, ease of use is a key factor in effectively disseminating state financial data to the public. Of the 10 sites reviewed, Alaska's is the only one that provides data in downloadable Microsoft Excel or PDF files and Washington's is the only other site to offer data in Excel format. All other sites utilize some sort of data viewer imbedded in the page to show fiscal data by category. Once again, there is great variety as to the ease of use of these tools.

Web sites such as Oklahoma's Open Books, South Carolina's Spending Transparency, and Kansas's KanView allow users to browse spending by starting with a broad category (by agency, for example) and to click on each item to obtain a further breakdown of the data in each category. Washington State Fiscal Information requires users to specify the information they want from a series of drop-down menus, which is somewhat cumbersome. NebraskaSpending.com presents current fiscal year spending information in a long table listing each state agency. In general, those sites that let users click through the data provide a simple and easy-to-use model; however it often comes at the cost of having to view larger amounts of data.

While a few spending-transparency Web sites utilize a search function for certain information, such as Oklahoma Open Books's search of tax credit information and the Missouri Accountability Portal's expenditure search by vendor, many sites lack any such tool. Maryland's Funding Accountability & Transparency is one of the few standouts in this area. In addition to browsing spending by state agency, by vendor, and by vendor ZIP code, visitors can use a prominently displayed search bar to find information in each of these categories. Implementing a simple tool such as this one would help a number of states' Web sites improve ease of access to financial information. In the future, states may also consider making their sites capable of supporting structures like data feeds, which would be an effective way of keeping the public updated on government activities.<sup>32</sup>

Overall, it is not clear whether the amount of money spent on each state's Web site correlates to the quality of the Web site. Alaska, Nebraska, and South Carolina's Web sites had the lowest actual cost of those reviewed: \$15,000–\$25,000, \$38,000, and \$25,000–\$50,000, respectively. All of these sites

feature a simple design and show little more than spending data. The similarly priced Oklahoma Web site, on the other hand, includes state funding and revenue data, contains other tools such as a "Citizen Education" section and glossary and features a crisper design than those of Alaska, Nebraska, and South Carolina. The Texas site, which had the highest price tag, includes its own specialized data acquisition interface that goes above and beyond the presentations of the other Web sites; however it did not offer fundamentally different information than other sites.

As already discussed, the rest of the Web sites, all falling within the \$100,000–\$300,000 range, have a variety of strengths and weaknesses pertaining to the type of data presented, the years for which the data is offered, and the presentation to the user. The key point underscored by some of the less-expensive Web sites that provide a clean presentation of key spending data is that all states are able to mount a solid effort at making financial data more transparent through the Internet.

## CONCLUSION

THE BOTTOM LINE is that official cost estimates of spending transparency Web sites should be taken with a grain of salt—especially those that put a price tag in the millions. Additionally, the potential budget benefits of transparency should be taken into account. For example, according to Texas Comptroller Susan Combs, the state's transparency initiative has saved the state over \$5 million.<sup>33</sup> This was possible because the site facilitated the discovery of wasteful duplicative contracts for express mail, printer toner, and other goods and services that were later consolidated and renegotiated.

Because there is little correlation between the amount of money spent and the quality of the final Web sites, this leads us to conclude that the most important investment is in the design and implementation of the site. Perhaps counterintuitively, good sites can be inexpensive, but they require a knowledgeable developer using state-of-the-art technology. One simple way states can cut their costs and attract talented developers is to provide raw data feeds rather than attempting to create a user-friendly interface for the data. Third parties such as academics and watchdog groups can then take the data to build useful interfaces that citizens can use.<sup>34</sup>

## ENDNOTES

*The authors would like to thank Kevin D. Rollins for his research assistance.*

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The Mercatus Center at George Mason University is a research, education, and outreach organization that works with scholars, policy experts, and government officials to connect academic learning and real world practice.

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There is no uniform answer to the question of how much it costs to create a searchable online database for government expenditures. To a certain extent, the price tag will depend on various factors including the overall information technology infrastructure for the respective government, and the features sought after in the websites. **However, what we have found is that the actual cost of building a comprehensive searchable website for government expenditures is in most cases far lower than the initial cost estimate, and spending transparency portals can be built within existing revenues.**

#### The Cost for USAspending.gov

The Congressional Budget Office estimated that implementing the Federal Funding Accountability and Transparency Act would cost \$4 million in 2007 and about \$15 million over the 2007-2011 period, assuming appropriation of the necessary amounts. After the Office of Management and Budget purchased the underlying technology for USAspending.gov from a third-party organization, OMB Watch, which hosts a similar website at [www.FedSpending.org](http://www.FedSpending.org), OMB was able to build the website for less than \$1million. The purchase price for the software was \$600,000. OMB Watch has since offered its software to interested parties for free.

#### State Spending Transparency Cost

The cost for building the Missouri Accountability Portal has been estimated at \$293,140. However, resources and staff were merely re-allocated, so that there was no cost to taxpayers outside the existing budget framework. South Carolina, too, constructed its transparency website by reallocating existing resources and staff time. And while there has been a price tag associated with Comptroller Susan Combs's website in Texas (\$310,000), this site, too, was built within existing revenues.

In Oklahoma, the fiscal note for the legislation that created the spending transparency website estimated a total cost of \$300,000 - \$400,000 for construction and \$260,000 for maintenance and upgrades. The sponsor of the legislation has since reported, that the software was purchased for \$8,000, and the website was built and loaded by reallocating staff time at no extra cost.

Compared to these examples, some fiscal notes in other states, which run in the millions of dollars, such as in Michigan and Arizona, have been extremely high. This was the case in Kansas, too, where opponents claimed the creation of the spending transparency website would cost \$40 million. However, \$40 million was the price tag for the overhaul of the complete accounting system, the entire financial management system, which had already been decided. Ultimately, the website construction was slipped into the bigger project, and the actual price tag for implementation was \$0.

	Cost Estimate	Actual Cost
Federal	\$19 million	less than \$1 million
Oklahoma	\$300,000	\$8,000 plus staff time
Kansas	\$40 million	\$0 (because within existing program, if isolated, estimate is about \$100,000)

# FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 - ANTICIPATED FUNDS AND CURRENT APPROPRIATIONS AS OF APRIL 17, 2009

The schedule below details potential federal stimulus funds to be received by the state, federal stimulus funds appropriated, and related changes.

Bill No. - Agency	Federal Program	Anticipated ARRA Funds Available	Amounts Included in Adopted Amendments		
			ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
<b>HB 1001 - Governor</b>					
	Fiscal stabilization - Education - See HB 1013 - Department of Public Instruction	\$19,055,342	\$0		
	Fiscal stabilization - Other government services		326,348		
	Department of Public Instruction - Administrative costs relating to federal fiscal stimulus payment to schools (HB 1013)				
	Department of Public Instruction - Early Childhood Learning Council operating expenses (HB 1013)		20,000		
	University of North Dakota - Education Building (SB 2003)		11,200,000	(\$11,200,000)	
	Minot State University - Swain Hall (SB 2003)		5,000,000		
	Office of Management and Budget - Database of state expenditures (SB 2018)		400,000		
	<b>Total - Fiscal stabilization - Other government services</b>				
		\$19,055,342	\$16,946,348	(\$11,200,000)	
<b>HB 1003 - Attorney General</b>					
	Edward J. Byrne Memorial Justice Assistance Grant	\$3,162,336	\$1,652,426		
	Internet Crimes Against Children Task Force	413,449	216,174		
	Community-oriented policing services	1,244,402	864,696		
	Rural Law Enforcement Assistance Act	641,106	390,588		
	<b>Total - Attorney General</b>				
		\$5,461,293	\$3,123,884		
<b>HB 1012 - Department of Human Services</b>					
	Federal medical assistance percentage increase	\$96,800,000	\$66,500,000	(\$66,500,000)	
	Elderly nutrition services	485,000	485,000		
	Child support incentive matching funds	3,200,000	3,200,000	(2,763,082)	
	Rehabilitation services and disability assistance and independent living	2,043,000	2,043,000		
	Individuals With Disabilities Education Act - Part C	2,140,000	2,140,000		
	Supplemental nutrition assistance program	9,874,747	9,874,747		
	Temporary assistance for needy families	Unknown			
	Child care development block grant (HB 1418)	3,644,000	3,644,000		
	Senior employment program	143,288	143,288		
	Older blind	3,170	3,170		
	<b>Total - Department of Human Services</b>				
		\$118,333,205	\$88,033,205	(\$69,263,082)	
<b>HB 1013 - Department of Public Instruction</b>					
	Fiscal stabilization funds - Education	\$85,644,337	\$85,644,337		
	Title I - Part A	27,415,262	27,415,262		
	Title I - School improvement	7,145,000	7,145,000		
	Title II - Part D - Technology	3,209,375	3,209,375		
	Individuals With Disabilities Education Act	27,413,988	27,413,988		

Bill No. - Agency	Federal Program	Amounts Included in Adopted Amendments			
		Anticipated ARRA Funds Available	ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
	McKinney-Vento Homeless Assistance Act	150,000	150,000		
	National school lunch program	230,000	230,000		
	The emergency food assistance program	85,426	85,426		
	Clean diesel (from State Department of Health)		1,730,000		
	Total - Department of Public Instruction	\$151,293,388	\$153,023,388	(\$11,000,000)	
	<b>HB 1016 - Adjutant General</b>				
	Military energy-related maintenance and repairs	\$2,522,270	\$2,522,270		
	<b>HB 1020 - State Water Commission</b>		\$0		
	Bureau of Reclamation water resource projects	\$20,000,000			
	<b>SB 2004 - State Department of Health</b>				
	Water quality management 604(B)	\$194,300	\$194,300		
	Superfund arsenic trioxide project	7,000,000	7,000,000		
	Clean diesel	1,730,000	1,730,000		
	Clean water state revolving loan fund	19,239,100	769,564		
	Drinking water state revolving loan fund	19,500,000	780,000		
	Water project grants (HB 1305)		2,792,000		
	Stop Violence Against Women grant	812,159			
	Domestic violence sexual assault organizations (SB 2230)		1,000,000		\$1,000,000
	Women, infants, and children	160,265	61,800		
	Prevention and wellness fund grants	Unknown	1,200,000		1,200,000
	Immunization services (SB 2333)				
	Health information technology	Competitive	20,000,000		
	Health information technology planning and implementation grants (SB 2332)	Competitive	98,400		98,400
	Veterans' Home electronic health records system (SB 2007)				
	Total - State Department of Health	\$48,635,824	\$35,626,064		\$2,298,400
	<b>SB 2010 - Council on the Arts</b>				
	National Endowment for the Arts	\$290,000	\$290,000		
	<b>SB 2012 - Department of Transportation</b>				
	Highway infrastructure investment	\$170,126,497	\$170,126,497		
	Transit programs	5,956,174	5,956,174		
	Amount of highway infrastructure investment funds available for transportation enhancement projects - \$5,103,795				
	Parks and Recreation Department (HB 1019)				
	Turtle River State Park pedestrian bridge		300,000		
	Turtle Mountain Scenic Byway acquisition/trails		200,000		
	Fort Abraham Lincoln Civilian Conservation Corps building rehabilitation		300,000		
	State Historical Society (HB 1018)				
	Protective structure for locomotive at Camp Hancock		150,000		
	Fort Totten Commissary exhibit and signage		385,000		
	Geographic information system scanning and integration		150,000		
	Total - Department of Transportation	\$176,082,671	\$177,567,671		

Bill No. - Agency	Anticipated ARRA Funds Available	Amounts Included in Adopted Amendments		
		ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
<b>SB 2014 - Industrial Commission (Housing Finance Agency)</b>				
HOME tax credit assistance program	\$4,860,574	\$4,860,574		
Federal low-income housing tax credit exchange program	25,500,000	25,500,000		
Total - Industrial Commission	\$30,360,574	\$30,360,574		
<b>SB 2015 - Department of Corrections and Rehabilitation</b>				
Crime victims' compensation	\$78,313	\$78,313		
Crime victims' assistance	542,000	542,000		
Total - Department of Corrections and Rehabilitation	\$620,313	\$620,313		
<b>SB 2016 - Job Service North Dakota</b>				
Workforce Investment Act				
State unemployment insurance and employment services grant	\$5,068,883	\$5,068,883		
Unemployment compensation benefit increase	2,984,613	2,984,613		
Unemployment compensation benefit increase - Administration	Unknown			
Unemployment compensation modernization	1,039,443	1,039,443	(\$200,000)	
Total - Job Service North Dakota	0			
<b>SB 2018 - Department of Commerce</b>				
Community development block grant program	\$9,092,939	\$9,092,939	(\$200,000)	
Community services block grant	\$1,300,000	\$1,300,000		
State energy program	4,853,305	4,853,305		
Energy efficiency and conservation block grant program	24,585,000	24,585,000		
Industrial Commission (from Department of Commerce)	10,000,000	10,000,000	(\$2,000,000)	\$1,000,000
Renewable energy development (SB 2014)				
Department of Corrections and Rehabilitation (from Department of Commerce)				
Summer replacement boiler (SB 2015)	3,000,000	3,000,000		
Energy management system conversion (SB 2015)				
Heating and cooling equipment replacement (SB 2015)	225,041	225,041		225,041
Lake Region State College (from Department of Commerce)	18,928	18,928		18,928
Wind tower project (SB 2003)	15,574	15,574		15,574
Veterans' Home (from Department of Commerce)				
Thermal imager (SB 2007)	2,609,920	2,609,920		2,609,920
Geothermal heating system (SB 2007)				
Weatherization assistance program	5,500	5,500		5,500
Emergency shelter grants	3,039,414	3,039,414		3,039,414
Department of Corrections and Rehabilitation (from Department of Commerce)	25,266,330	25,266,330		
Temporary housing for sexual offenders	2,590,000	2,590,000		
Total - Department of Commerce	160,000	160,000		160,000
<b>Other Appropriations</b>				
SB 2005 - Indian Affairs Commission - Youth leadership program	\$68,594,635	\$77,669,012	(\$2,000,000)	\$7,074,377
SB 2007 - Veterans' Home - Utility vehicle	Competitive	\$40,000		\$40,000
SB 2021 - Information Technology Department - Statewide longitudinal data system	Competitive	14,691		
SB 2266 - University of North Dakota - Nursing Education Consortium	Competitive	2,263,883		2,263,883
Total - Other appropriations	Competitive	2,000,000		
		\$4,318,574	\$0	\$2,303,883

Bill No. - Agency	Federal Program	Anticipated ARRA Funds Available	Amounts Included in Adopted Amendments		
			ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
Total - All agencies		\$650,342,454	\$599,194,242	(\$93,663,082)	\$11,676,660
Less - Passthrough appropriations			(12,289,377)		
Less - Fiscal stimulus funds reflected as additional tumbback or continuing appropriations		(64,697,536)			
Net ARRA funds appropriated		\$585,644,918	\$586,904,865	(\$93,663,082)	\$11,676,660