

Testimony of JoDee Hanson
In Support of
2023 SENATE BILL 2001
OFFICE OF THE GOVERNOR
Presented to
Senate Appropriations Government Operations Committee
SENATOR WANZEK, CHAIRMAN
Monday, January 23, 2023

Chairman Wanzek and members of the Government Ops Committee, I am JoDee Hanson serving as Chief Administrative Officer for the Governor and am here to ask for your support for the budget recommendation for the Office of the Governor (N.D.C.C §54.07.01-12).

We will start today by sharing more about our agency. In your packet, you'll find our one-pager that describes who we are and what we do.

Our team is made up of 17 FTEs (which includes the Governor & Lt. Governor). As requested, an org chart is in your packet.

Highlight of Accomplishments

In your packet you will find our "year in review" press release for an in-depth review. Here are a few items of special note:

- Launched the new website for Boards & Commissions. User friendly – constituents can now submit applications via mobile device, and have full visibility into upcoming appointments. Our team has gained greater efficiency in our internal process.
- Made 4 appointments for statewide vacancies – Tax Commissioner, Attorney General, Public Service Commissioner; Supreme Court Justice.
- Hired multiple cabinet leaders and Governor's Office staff due to retirements, in state promotion, and private sector opportunities.
- Provided leadership for the merger of Department of Health & Human Services.
- Issued Executive Order for Red Tape Reduction Working Group.
- Hosted several key conferences with private sector sponsorships: Recovery Reinvented, Main Street Summit; Government to Government Partnerships and Relationships, Innovative Education Summit; State of the State in Fargo – with

thousands of participants across all conferences – extending the reach of these important initiatives.

- Inducted the 47th Rough Rider – Dr. Merton Utgaard for founding the International Music Camp.

Goals For Next Biennium

- Implement CRM software to enhance constituent service responsiveness.
- Retention of staff and cabinet – as they are highly sought after by the private sector.
- Support cabinet and executive branch to fulfill respective roles in state government as prescribed by the legislature.

Budget Recommendation

The recommended budget for the Office of the Governor for the 2023-25 biennium continues existing positions and programs. The budget was prepared in accordance with the budget guidelines provided to all state agencies and is summarized on the table attached.

Salaries and wages

The base budget includes the following adjustments:

- Cost to continue salary increases from last year of \$36,440
- Governor's salary cost to continue of \$2,817
- Moved \$87,528 from operating to balance the salary budget.

In addition, the Governor's recommendation includes:

- Executive compensation plan for salary increases, health insurance changes and additional retirement contribution of \$445,202.

The optional package includes a request for two additional FTEs:

- From 17 to 19 (which includes the Governor & Lt. Governor) for communications and policy roles.
- As you may remember the Governor's Office had 1 FTE removed during last session. Prior, the Governor's Office held 18 FTE positions for 20 years, with no growth, and no reduction. Today we ask for an adjustment to account for the increasing demands on each of our team members to support our constituents. Salaries and fringe for two FTE is \$501,808 for the biennium.

Operating expenses

The base budget includes the following adjustments:

- The recommended funding for operating expenses is decreased by \$72,158
- Reduced to transfer \$87,528 to salary line to balance the budget
- Increase in NDIT fees of \$18,187.

The optional package includes:

- Proposed rent model of \$159,854
- One-time funding for Constituent Relations Management software and policy tracking software for \$130,000 to increase efficiency and improve the constituent experience.
- One-time funding for Transition In and Transition Out costs of \$65,000, which has been included in the budget every other biennium.

Amendments requested

- LINE ITEM TRANSFERS – 2023-25 BIENNIUM. Notwithstanding section 54-16-04, the Office of Management and Budget, at the request of the Office of the Governor, may transfer up to \$100,000 of appropriation authority from the operating expenses line item to the salaries and wages line item upon finding that the transfer is required to properly carry on the functions and duties of the Office of the Governor. The Office of the Governor shall notify the Office of Management and Budget and Legislative Management of any transfers made pursuant to this section.
- Continuation of GOVERNOR'S SALARY - EXEMPTION. The governor's salary line item in section 1 of this Act includes the salary of the governor for the biennium beginning July 1, 2023, and ending June 30, 2025. If the governor chooses not to accept the salary or any portion of the salary pursuant to section 54-07-04, section 54-07-04 does not apply to the portion of the salary not accepted. Notwithstanding section 54-16-04, the Office of Management and Budget may transfer appropriation authority from the governor's salary line item to other line items in section 1 of this Act.
- Amend SECTION 2. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE - BUDGET SECTION REPORT. In addition to the amounts appropriated to the Governor's Office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2023, and ending June 30, 2025. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon receipt of the funds under this section, the Governor's Office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received.

There were no findings in our financial audit report.

Mr. Chairman and members of the Government Operations Committee, I ask for your favorable consideration of this budget with our recommended amendments and am available, along with Office of Management and Budget staff, to answer any questions you may have. Thank you.

Office of the Governor Senate Appropriations Testimony, January 23, 2023

	2021-23 Legislative Base Level	Base Changes	Optional Requests	Compensation Package	2023-25 Recommendation
Salaries and Wages	\$3,861,034	123,968	501,808	398,546	\$4,885,356
Governor's Salary	284,475	2,817		46,656	333,948
Operating Expenses	421,635	(72,158)	289,854		639,331
Contingency	10,000				10,000
Transition In	0		15,000		15,000
Transition Out	0		50,000		50,000
Roughrider Awards	10,800				10,800
Total	\$4,587,944	54,627	856,662	445,202	\$5,944,435
General Fund	\$4,587,944	54,627	856,662	445,202	\$5,944,435
FTE	17.00		2.00		19.00