

**Department 120 - State Treasurer  
House Bill No. 1005**

**Dalrymple Executive Budget Comparison to Prior Biennium Appropriations**

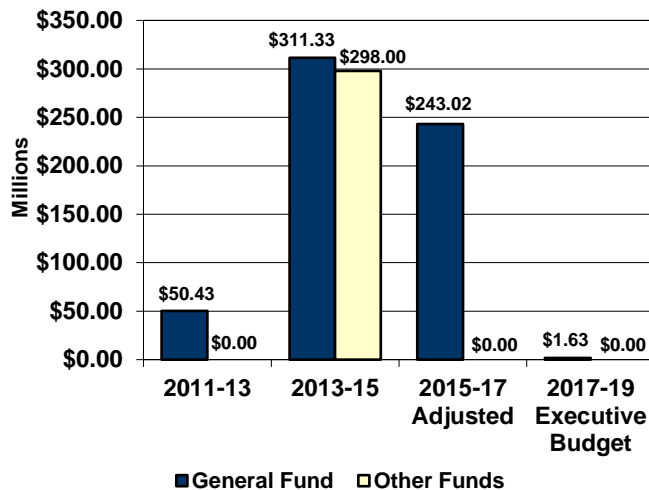
|  | FTE Positions | General Fund    | Other Funds | Total           |
|--|---------------|-----------------|-------------|-----------------|
| 2017-19 Dalrymple Executive Budget                       | 8.00          | \$1,634,231     | \$0         | \$1,634,231     |
| 2015-17 Adjusted Legislative Appropriations <sup>1</sup> | 8.00          | 243,023,598     | 0           | 243,023,598     |
| Increase (Decrease)                                      | 0.00          | (\$241,389,367) | \$0         | (\$241,389,367) |

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

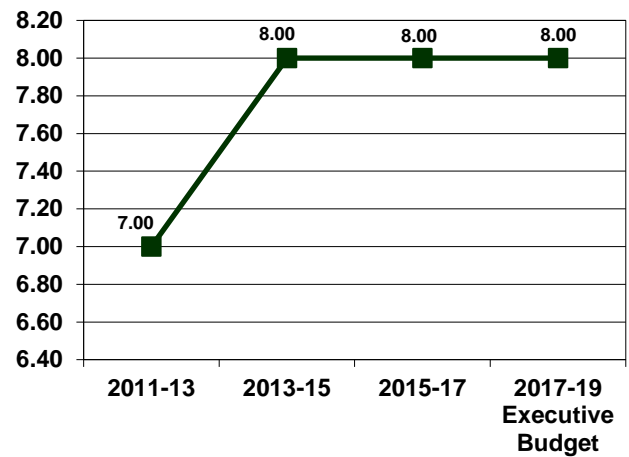
**Ongoing and One-Time General Fund Appropriations**

|   | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|------------------------------------|-------------------------------------|----------------------------------|
| 2017-19 Dalrymple Executive Budget          | \$1,634,231                        | \$0                                 | \$1,634,231                      |
| 2015-17 Adjusted Legislative Appropriations | 1,856,899                          | 241,166,699                         | 243,023,598                      |
| Increase (Decrease)                         | (\$222,668)                        | (\$241,166,699)                     | (\$241,389,367)                  |

**Agency Funding**



**FTE Positions**



**Dalrymple Executive Budget Comparison to Base Level**

|                                    | General Fund | Other Funds | Total       |
|------------------------------------|--------------|-------------|-------------|
| 2017-19 Dalrymple Executive Budget | \$1,634,231  | \$0         | \$1,634,231 |
| 2017-19 Base Level                 | 1,856,899    | 0           | 1,856,899   |
| Increase (Decrease)                | (\$222,668)  | \$0         | (\$222,668) |

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Dalrymple and Burgum Executive Budget Highlights  
(With First House Changes in Bold)**

|   | General Fund | Other Funds | Total      |
|---|--------------|-------------|------------|
| 1. Provides a salary equity increase for the State Treasurer related to Section 6 of 2013 House Bill No. 1005. <b>The House did not add funding for a salary equity increase.</b>   | \$14,123     |             | \$14,123   |
| 2. Provides funding for state employee salary and benefit increases of which \$7,745 is for salary increases and \$22,898 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) <b>The House removed funding for the salary increases.</b> | \$30,643     |             | \$30,643   |
| 3. Reduces funding for temporary staff and for an FTE position that had duties reassigned. <b>The House reduced funding for temporary staff by \$44,696.</b>  | (\$89,391)   |             | (\$89,391) |

|   |             |             |
|---|-------------|-------------|
| 4. Adds funding for operating expenses primarily related to information technology costs  | \$50,646    | \$50,646    |
| 5. Removes funding for coal severance shortfall payments. <b>The House adjusted the coal severance tax allocations and shortfall payments resulting in a reduction of \$48,952 from the base level.</b> | (\$228,952) | (\$228,952) |
| 6. The Burgum budget removed 1 FTE position   | (\$88,000)  | (\$88,000)  |

**Other Sections in House Bill No. 1005**

**Health insurance increase** - Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.

**Coal severance shortfall payments** - Section 4 amends North Dakota Century Code Section 57-62-02 to change the distribution of coal severance tax to counties and to reduce the reimbursement to coal-producing counties related to coal severance tax revenue paid to non-coal-producing counties.

**Significant Audit Findings**

The operational audit for the State Treasurer's office conducted by the State Auditor's office during the 2015-16 interim identified no significant audit findings.

**Major Related Legislation**

**House Bill No. 1384** - Transfers the unclaimed property administration from the Department of Trust Lands to the State Treasurer's office.

**State Treasurer - Budget No. 120  
House Bill No. 1005  
Base Level Funding Changes**

|  | <b>Burgum Executive Budget Recommendation<br/>(Changes to Dalrymple Budget in Bold)</b> |                         |                    |                 | <b>House Version</b>     |                         |                    |              |
|--|---|-------------------------|--------------------|-----------------|--------------------------|-------------------------|--------------------|--------------|
|  | <b>FTE<br/>Positions</b>  | <b>General<br/>Fund</b> | <b>Other Funds</b> | <b>Total</b>    | <b>FTE<br/>Positions</b> | <b>General<br/>Fund</b> | <b>Other Funds</b> | <b>Total</b> |
| <b>2017-19 Biennium Base Level</b>                                   | 8.00  | \$1,856,899             | \$0                | \$1,856,899     | 8.00                     | \$1,856,899             | \$0                | \$1,856,899  |
| <b>2017-19 Ongoing Funding Changes</b>                               |   |                         |                    |                 |                          |                         |                    |              |
| Base payroll changes   |   | \$263                   |                    | \$263           |                          | \$263                   |                    | \$263        |
| State Treasurer salary equity increase                               |   | 14,123                  |                    | 14,123          |                          |                         |                    | 0            |
| <b>Salary increase - Performance</b>                                 |   |                         |                    | <b>0</b>        |                          |                         |                    | <b>0</b>     |
| Health insurance increase  |   | 22,898                  |                    | 22,898          |                          | 22,898                  |                    | 22,898       |
| <b>Employee portion of health insurance<br/>Removes FTE position</b> | <b>(1.00)</b>   | <b>(88,000)</b>         |                    | <b>(88,000)</b> | (1.00)                   | (88,000)                |                    | (88,000)     |
| Reduces funding for temporary staff                                  |   | (89,391)                |                    | (89,391)        |                          | (44,696)                |                    | (44,696)     |
| Adds funding for information technology costs                        |   | 50,646                  |                    | 50,646          |                          | 50,646                  |                    | 50,646       |
| Adjusts coal severance payments                                      |   | (228,952)               |                    | (228,952)       |                          | (48,952)                |                    | (48,952)     |
| Total ongoing funding changes  | (1.00)  | (\$328,909)             | \$0                | (\$328,909)     | (1.00)                   | (\$107,841)             | \$0                | (\$107,841)  |
| <b>One-time funding items</b>  |   |                         |                    |                 |                          |                         |                    |              |
| No one-time funding items  |   |                         |                    | \$0             |                          |                         |                    | \$0          |
| Total one-time funding changes                                       | 0.00  | \$0                     | \$0                | \$0             | 0.00                     | \$0                     | \$0                | \$0          |
| <b>Total Changes to Base Level Funding</b>                           | (1.00)  | (\$328,909)             | \$0                | (\$328,909)     | (1.00)                   | (\$107,841)             | \$0                | (\$107,841)  |
| <b>2017-19 Total Funding</b>   | 7.00  | \$1,527,990             | \$0                | \$1,527,990     | 7.00                     | \$1,749,058             | \$0                | \$1,749,058  |

**Other Sections in State Treasurer - Budget No. 120**

|                           | <b>Burgum Executive Budget Recommendation<br/>(Changes to Dalrymple Budget in Bold)</b>  | <b>House Version</b>   |
|---------------------------|--|--|
| Health insurance increase |  | Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation. |
| Salary of State Treasurer | Section 3 provides the statutory changes to increase the State Treasurer's annual salary by \$5,889 in the first year of the 2017-19 biennium related to Section 6 of 2013 House Bill No. 1005 and by 1 percent in the second year. <b>(The Burgum budget recommendation removes the 1 percent salary increase.)</b> |  |

**Other Sections in State Treasurer - Budget No. 120**

**Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)**

Coal severance shortfall payments

Section 4 amends Section 57-62-02 to remove the provision for the State Treasurer to reimburse coal-producing counties for coal severance tax revenue paid to non-coal-producing counties.

**House Version**

Section 4 amends Section 57-62-02 to change the distribution of coal severance tax to counties and to reduce the reimbursement to coal-producing counties related to coal severance tax revenue paid to non-coal-producing counties.

## Department 120 - State Treasurer

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

|  | Ongoing     | One-Time      | Total         |
|--|-------------|---------------|---------------|
| 2015-17 original general fund appropriations | \$1,983,656 | \$258,073,699 | \$260,057,355 |
| General fund reductions                      | (126,757)   | (16,907,000)  | (17,033,757)  |
| Adjusted 2015-17 appropriations              | \$1,856,899 | \$241,166,699 | \$243,023,598 |
| Dalrymple Executive Budget changes           | (222,668)   | (241,166,699) | (241,389,367) |
| 2017-19 Dalrymple Executive Budget           | \$1,634,231 | \$0           | \$1,634,231   |

### Summary of August 2016 General Fund Budget Reductions

|  | Ongoing     | One-Time       | Total          |
|--|-------------|----------------|----------------|
| Vacant positions and reallocation of duties  | (\$74,309)  |                | (\$74,309)     |
| Operating expense reductions related to travel, office equipment, and professional development | (36,400)    | (\$8,000)      | (44,400)       |
| Coal severance shortfall payments  | (16,048)    |                | (16,048)       |
| Property tax relief credit program   |             | (16,575,000)   | (16,575,000)   |
| Township road funding distributions  |             | (324,000)      | (324,000)      |
| Total reductions   | (\$126,757) | (\$16,907,000) | (\$17,033,757) |
| Percentage reduction to ongoing and one-time general fund appropriations                       | 6.39%       | 6.55%          | 6.55%          |

### 2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

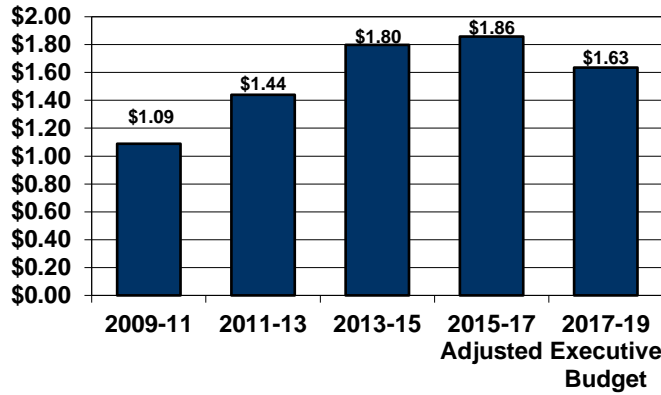
|   | Changes to<br>Original Budget | Budget Reduction<br>Adjustments | Changes to<br>Adjusted Budget |
|---|-------------------------------|---------------------------------|-------------------------------|
| Base payroll changes  | \$263                         |                                 | \$14,386                      |
| Adds funding for State Treasurer salary equity increase                               | 14,123                        |                                 | 14,123                        |
| Adds funding for state employee salary and benefit increases                          | 30,643                        |                                 | 30,643                        |
| Adjusts funding for vacant FTE positions and FTE position duty reallocation           | (163,700)                     | \$74,309                        | (89,391)                      |
| Adds funding for operating expenses primarily related to information technology costs | 14,246                        | 36,400                          | 50,646                        |
| Adjusts funding for coal severance payments   | (245,000)                     | 16,048                          | (228,952)                     |
| Total   | (\$349,425)                   | \$126,757                       | (\$222,668)                   |

Department 120 - State Treasurer

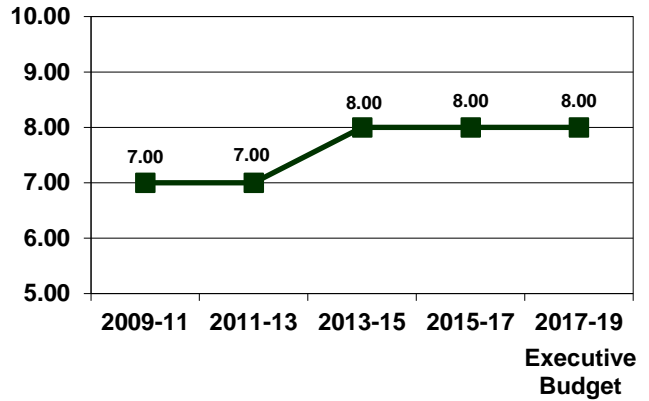
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



| Ongoing General Fund Appropriations                             |                          |             |             |                  |                                    |
|---|--------------------------|-------------|-------------|------------------|------------------------------------|
|   | 2009-11                  | 2011-13     | 2013-15     | 2015-17 Adjusted | 2017-19 Dalrymple Executive Budget |
| Ongoing general fund appropriations                             | \$1,087,985 <sup>1</sup> | \$1,438,802 | \$1,797,631 | \$1,856,899      | \$1,634,231                        |
| Increase (decrease) from previous biennium                      | N/A                      | \$350,817   | \$358,829   | \$59,268         | (\$222,668)                        |
| Percentage increase (decrease) from previous biennium           | N/A                      | 32.24%      | 24.94%      | 3.30%            | (11.99%)                           |
| Cumulative percentage increase (decrease) from 2009-11 biennium | N/A                      | 32.24%      | 65.23%      | 70.67%           | 50.21%                             |

<sup>1</sup>This amount excludes \$1,151,000 for payments to counties in lieu of property taxes on carbon dioxide pipeline property. The 2011 Legislative Assembly removed the payments.

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2011-13 Biennium

- Added funding to reimburse coal-producing counties for coal severance tax revenue paid to non-coal-producing counties pursuant to Section 57-62-02 \$252,800
- Added funding for position reclassifications for two accounting positions \$24,000

#### 2013-15 Biennium

- Added funding for 1 FTE accounting manager position \$195,223
- Added funding for temporary salaries \$60,000

#### 2015-17 Biennium

- Added funding for information technology costs, including desktop support services \$101,658
- Reduced funding for salaries and wages related to the August 2016 budget reductions (\$74,309)

#### 2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- Reduces funding for temporary positions and an FTE position that had duties reassigned. **The House reduced funding for temporary staff by \$44,696.** (\$89,391)
- Adds funding for operating expenses primarily related to information technology costs \$50,646
- Removes funding for coal severance shortfall payments. **The House adjusted the coal severance tax allocations and shortfall payments resulting in a reduction of \$48,952 from the base level.** (\$228,952)
- The Burgum budget removed 1 FTE position (\$88,000)