

**Department 120 - State Treasurer
Senate Bill No. 2005**

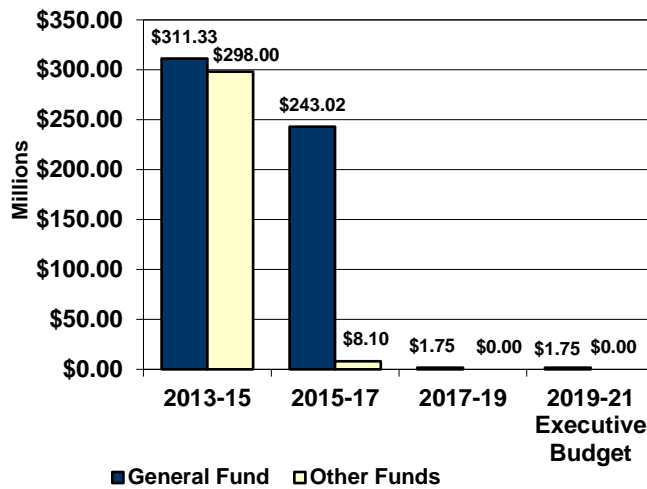
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	7.00	\$1,748,039	\$0	\$1,748,039
2017-19 Legislative Appropriations	7.00	1,747,399	0	1,747,399
Increase (Decrease)	0.00	\$640	\$0	\$640

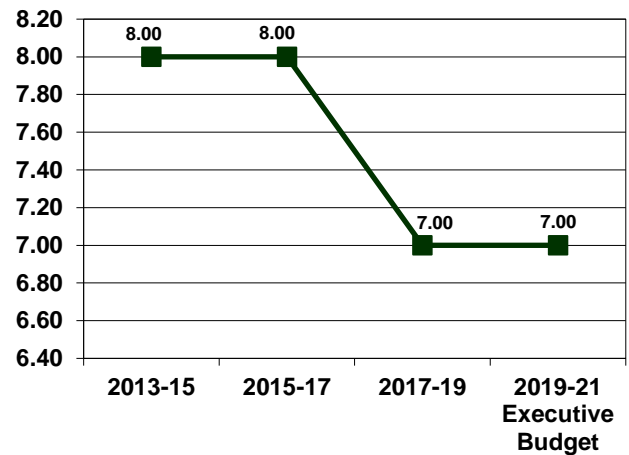
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$1,748,039	\$0	\$1,748,039
2017-19 Legislative Appropriations	1,747,399	0	1,747,399
Increase (Decrease)	\$640	\$0	\$640

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$1,748,039	\$0	\$1,748,039
2019-21 Base Level	1,747,399	0	1,747,399
Increase (Decrease)	\$640	\$0	\$640

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$54,456 is for salary increases, \$26,450 is for health insurance increases, and \$7,104 is for retirement increases	\$88,010	\$0	\$88,010
2. Reduces funding for operating expenses primarily related to information technology costs	(\$59,031)	\$0	(\$59,031)
3. Reduces funding for the estimated coal severance payments related to the allocation formula change in Section 4 of House Bill No. 1005 (2017)	(\$9,000)	\$0	(\$9,000)

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Salary of State Treasurer - Section 2 would provide the statutory changes necessary to increase the State Treasurer's salary. The executive budget recommends a 4 percent increase effective July 1, 2019, and a 2 percent increase effective July 1, 2020. The State Treasurer's annual salary would increase from the current salary of \$99,881 to \$103,876 effective July 1, 2019, and to \$105,954 effective July 1, 2020.

Significant Audit Findings

The operational audit for the State Treasurer's office conducted by the State Auditor's office during the 2017-18 interim identified no significant audit findings.

Major Related Legislation

House Bill No. 1066 - Changes the oil and gas tax revenue allocation formulas and creates two infrastructure funds for grants to non-oil-producing counties, cities, and townships for infrastructure projects.

House Bill No. 1074 - Authorizes additional background checks for employees of the State Treasurer's office related to federal requirements.

Senate Bill No. 2036 - Removes obsolete language related to the coal conversion tax allocations made by the State Treasurer.

Senate Bill No. 2104 - Changes the oil and gas tax revenue allocation formulas to increase the allocation to the general fund from \$300 million to \$1 billion.

State Treasurer - Budget No. 120
Senate Bill No. 2005
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	7.00	\$1,747,399	\$0	\$1,747,399
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$19,339)		(\$19,339)
Salary increase		54,456		54,456
Health insurance increase		26,450		26,450
Retirement contribution increase		7,104		7,104
Reduces funding for information technology costs		(59,031)		(59,031)
Adjusts funding for coal severance payments		(9,000)		(9,000)
Total ongoing funding changes	0.00	\$640	\$0	\$640
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$640	\$0	\$640
2019-21 Total Funding	7.00	\$1,748,039	\$0	\$1,748,039

Other Sections for State Treasurer - Budget No. 120

Salary of State Treasurer

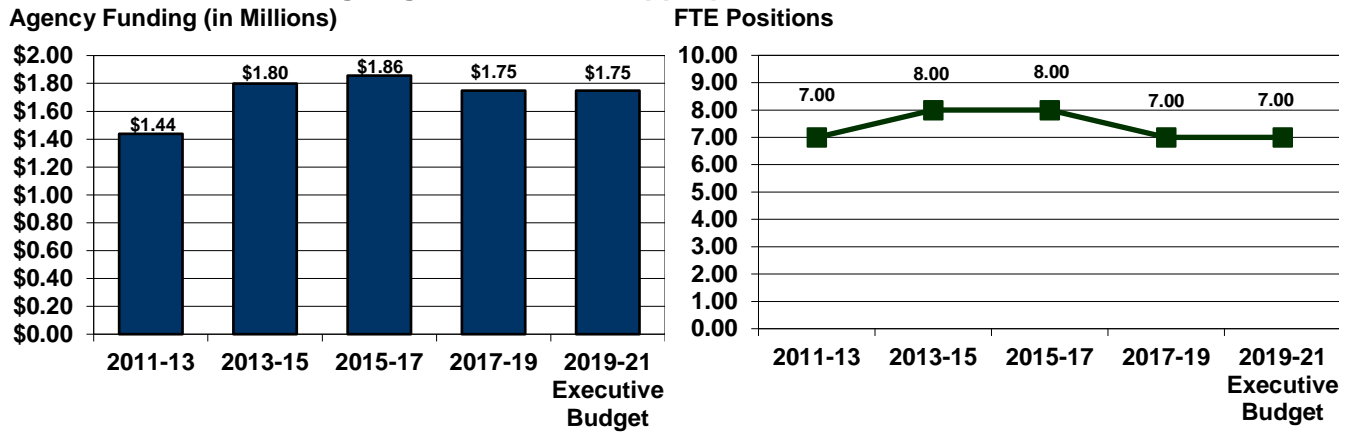
Executive Budget Recommendation

Section 2 would provide the statutory changes necessary to increase the State Treasurer's salary from the current salary of \$99,881 to \$103,876 (4 percent) in fiscal year 2020 and to \$105,954 (2 percent) in fiscal year 2021.

Department 120 - State Treasurer

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,438,802	\$1,797,631	\$1,856,899	\$1,747,399	\$1,748,039
Increase (decrease) from previous biennium	N/A	\$358,829	\$59,268	(\$109,500)	\$640
Percentage increase (decrease) from previous biennium	N/A	24.9%	3.3%	(5.9%)	0.0%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	24.9%	29.1%	21.4%	21.5%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

- Removed 1 FTE deputy state treasurer position and reduced funding for temporary staff (\$132,696)
- Added funding for operating expenses primarily related to information technology costs \$50,646
- Reduced funding for coal severance shortfall payments (\$48,952)

2019-21 Biennium (Executive Budget Recommendation)

- Reduces funding for operating expenses primarily related to information technology costs (\$59,031)
- Reduces funding for the estimated coal severance payments related to the allocation formula change in Section 4 of House Bill No. 1005 (2017) (\$9,000)

**GOVERNOR'S RECOMMENDATION FOR THE
STATE TREASURER AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,316,139	\$68,671	\$1,384,810
Operating expenses	251,260	(59,031)	192,229
Coal severance payments	180,000	(9,000)	171,000
Total general fund	\$1,747,399	\$640	\$1,748,039
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~ninety-six thousand nine hundred seventy-two dollars through June 30, 2016, and ninety-nine thousand eight hundred eighty-one~~ one hundred three thousand eight hundred seventy six dollars through June 30, 2018 and one hundred five thousand nine hundred fifty four dollars thereafter.