

**State Treasurer  
Budget No. 120  
House Bill Nos. 1005, 1015, and 1395**

|  | <b>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b>  | <b>Total</b>        |
|--|----------------------|---------------------|---------------------|---------------------|
| <b>2021-23 legislative appropriations</b>      | <b>7.00</b>          | <b>\$1,705,918</b>  | <b>\$70,160,000</b> | <b>\$71,865,918</b> |
| 2021-23 base budget                            | 7.00                 | 1,746,370           | 0                   | 1,746,370           |
| Legislative increase (decrease) to base budget | 0.00                 | (\$40,452)          | \$70,160,000        | \$70,119,548        |

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

|   | <b>Ongoing<br/>General Fund<br/>Appropriation</b> | <b>One-Time<br/>General Fund<br/>Appropriation</b> | <b>Total<br/>General Fund<br/>Appropriation</b> |
|---|---|--|---|
| <b>2021-23 legislative appropriations</b>                         | <b>\$1,705,918</b>                                | <b>\$0</b>   | <b>\$1,705,918</b>                              |
| 2019-21 legislative appropriations                                | 1,746,370   | 0  | 1,746,370                                       |
| 2021-23 legislative increase (decrease) to 2019-21 appropriations | (\$40,452)  | \$0  | (\$40,452)                                      |
| Percentage increase (decrease) to 2019-21 appropriations          | (2.3%)  | N/A  | (2.3%)  |

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS  
Changes to Base Budget**

|  | <b>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b> | <b>Total</b> |
|--|----------------------|---------------------|--------------------|--------------|
| The legislative action:  |                      |                     |                    |              |
| Adjusted funding for base payroll changes  |                      | \$13,259            |                    | \$13,259     |
| Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022            |                      | 33,753              |                    | 33,753       |
| Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month   |                      | 342                 |                    | 342          |
| Decreased funding for operating expenses primarily related to information technology costs   |                      | (47,577)            |                    | (47,577)     |
| Increased funding for Microsoft Office 365 licensing expenses (\$771) and for membership dues (\$12,000).  |                      | 12,771              |                    | 12,771       |
| Decreased funding for coal severance shortfall payments related to changes in the coal severance tax revenue allocation formula pursuant to House Bill No. 1005 (2017) |                      | (53,000)            |                    | (53,000)     |

|   |             |                   |                     |                     |
|---|-------------|-------------------|---------------------|---------------------|
| Added <b>one-time funding</b> from the state disaster relief fund (\$8.2 million) and the tax relief fund (\$11.8 million) for allocations to townships located in non-oil-producing counties for township road and bridge projects (House Bill No. 1015) |             |                   | \$20,000,000        | 20,000,000          |
| Added one-time funding from federal local fiscal recovery funds for distributions to political subdivisions (House Bill No. 1395)   |             |                   | 50,160,000          | 50,160,000          |
| Total   | <u>0.00</u> | <u>(\$40,452)</u> | <u>\$70,160,000</u> | <u>\$70,119,548</u> |

#### FTE Changes

The Legislative Assembly approved 7 FTE positions for the State Treasurer for the 2021-23 biennium, the same as the 2019-21 biennium.

#### One-Time Funding

In House Bill No. 1015, the Legislative Assembly provided \$20 million of one-time funding from the state disaster relief fund (\$8.2 million) and the tax relief fund (\$11.8 million) for allocations to townships located in non-oil-producing counties. In House Bill No. 1395, the Legislative Assembly appropriated \$50.16 million of one-time funding from federal local fiscal recovery funds for distributions to political subdivisions.

#### Federal COVID-19 Funding - 2019-21 Biennium

In House Bill No. 1395, the Legislative Assembly appropriated \$123,280,256 of federal coronavirus relief funds to the State Treasurer for the 2019-21 biennium for distributions to political subdivisions for COVID-19-related expenses.

#### Federal COVID-19 Funding - 2021-23 Biennium

In House Bill No. 1395, the Legislative Assembly appropriated \$50.16 million of federal local fiscal recovery funds to the State Treasurer for the 2021-23 biennium for distributions to non-entitlement local government agencies, which primarily include smaller cities.

#### Township Road Funding

In House Bill No. 1015, the Legislative Assembly appropriated \$30 million of state funding and \$30 million of federal match funding for township road and bridge projects to provide total funding of \$60 million. Of the state's \$30 million, \$20 million is appropriated to the State Treasurer for allocations to townships located in non-oil-producing counties, including \$10 million for equal allocations to each township and \$10 million for allocations based on township road miles. The remaining \$10 million of state funding is appropriated to the Department of Transportation for township road and bridge projects as determined by the department, including projects in oil-producing counties.

The funding sources for the \$20 million of allocations by the State Treasurer include \$8.2 million from the state disaster relief fund and \$11.8 million from the tax relief fund. The \$10 million appropriated to the Department of Transportation is derived from legacy fund earnings transferred to the highway fund at the end of the 2019-21 biennium. House Bill No. 1015 (2021) transfers \$100 million of legacy fund earnings to the highway fund for the Department of Transportation to match federal discretionary funding, and the department is required to use \$10 million for township road and bridge projects.

In addition to the \$30 million of state funding, the Legislative Assembly appropriated \$30 million of federal funding to match the state's funding. The Department of Transportation may spend up to \$30 million from federal funding to the extent the department is able to access federal matching funds for township road and bridge projects. To meet the federal matching requirements, the department is authorized to enter into cooperative agreements with townships pursuant to a newly created section to North Dakota Century Code Chapter 24-02.

#### Other Sections in Senate Bill No. 2005

**Salary of State Treasurer** - Section 3 provides the statutory changes necessary to increase the State Treasurer's salary from the current salary of \$110,582 to \$112,241 (1.5 percent) effective July 1, 2021, and to \$114,486 (2 percent) effective July 1, 2022.

### **Related Legislation**

**House Bill No. 1211- Investments** - This bill authorizes the State Treasurer to invest the veterans' aid fund and veterans' postwar trust fund in the same manner as the funds invested by the State Investment Board.

**House Bill No. 1379 - State aid distribution fund allocations** - This bill changes the timing of the allocations made by the State Treasurer from the state aid distribution fund from quarterly to monthly.

**House Bill No. 1380 - Legacy fund earnings** - This bill establishes a percent of market value method for determining the amount of legacy fund earnings available to be spent each biennium and requires the State Treasurer to transfer earnings of the legacy fund to a newly created legacy earnings fund and to allocate the earnings to various state funds.

**House Bill No. 1395 - COVID-19** - This bill appropriates federal coronavirus relief funds, including funds previously authorized by the Emergency Commission and Budget Section.

**House Bill No. 1412 - Coal conversion tax** - This bill provides a coal conversion tax exemption reducing general fund revenues and creates a new lignite research tax, which the State Treasurer must transfer to the lignite research fund, to maintain the current level of allocations to the lignite research fund.

**House Bill No. 1449 - County aid distribution fund** - This bill creates a county aid distribution fund, allocates revenues from sales taxes and motor vehicle taxes to the new fund, and requires the State Treasurer to distribute the funding to the county with the lowest ratio of property values per capita and a population of more than 10,000.