Department 108 - Secretary of State
Senate Bill No. 2002

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	$6,478,402	$11,135,702	$17,614,104
2023-25 Base Level	5,521,552	8,305,574	13,827,126
Increase (Decrease)	$956,850	$2,830,128	$3,786,978

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which $367,934 is for salary increases and $144,032 is for health insurance increases	$438,798	$73,168	$511,966
2. Adjusts funding for election reform, including an increase of $669,390 from federal funds and a decrease of $1,144,689 from special funds from the election fund	$0	($475,299)	($475,299)
3. Adds funding for text messaging software and ongoing maintenance, including funding from the general services operating fund	$165,000	$165,000	$330,000
4. Adds **one-time funding** from the strategic investment and improvements fund (SIIF) for a new campaign finance system, contracted IT services, and a website redesign	$0	$1,000,000	$1,000,000
5. Adds **one-time funding** from SIIF for IT system enhancements	$0	$500,000	$500,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Line item transfers - Section 3 would provide authority for the Secretary of State to transfer funding between line items.

Secretary of State's salary - Section 4 would provide the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of $114,486 to $121,355, effective July 1, 2023, and to $126,209, effective July 1, 2024, to reflect the 6 percent and 4 percent recommended salary increases.

Continuing Appropriations

Athletic commission fund - North Dakota Century Code Section 53-01-09 - Appropriates any funding received by the Secretary of State for license fees for all boxers, kickboxers, mixed style fighters, promoters, managers, judges, timekeepers, cornerpersons, knockdown counters, matchmakers, and referees or other participants and fees based on the percentage of gross revenues from any boxing, kickboxing, mixed fighting style competition, or sparring exhibition held in this state to pay for the expenses of members of the Commission of Combative Sports.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Secretary of State did not appropriately reconcile revenue. There was a difference of $75,211 from revenue generated through various citizen fees through the Secretary of State's office IT systems when compared to ConnectND, the state's accounting system.

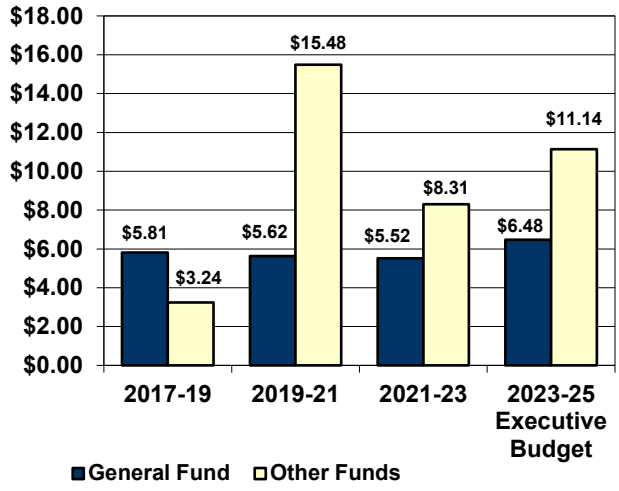
Major Related Legislation

At this time, there is no major related legislation for this agency.

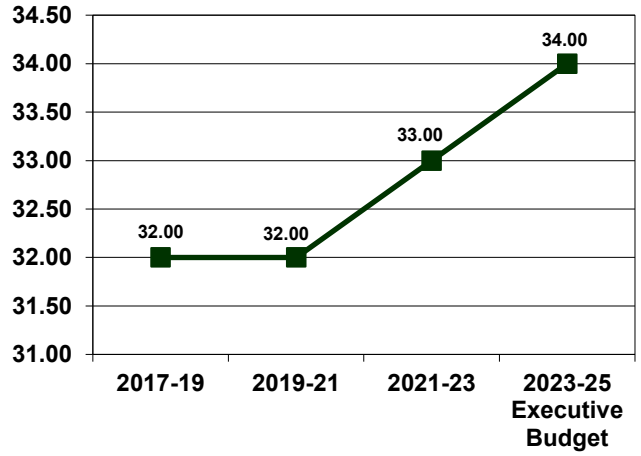
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	$6,374,720	$5,808,732	$5,623,063	$5,521,552	$6,478,402
Increase (decrease) from previous biennium	N/A	($565,988)	($185,669)	($101,511)	$956,850
Percentage increase (decrease) from previous biennium	N/A	(8.9%)	(3.2%)	(1.8%)	17.3%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(8.9%)	(11.8%)	(13.4%)	1.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 2 FTE positions and related funding	($211,268)
2. Adjusted funding source from the general fund to the general services operating fund for 1 FTE position	($106,823)
3. Adjusted funding for overtime and temporary salaries by reducing funding from the general fund and increasing special funds by $200,000	($50,000)
4. Adjusted funding for operating expenses by $81,856, including a decrease of $262,100 from the general fund and increasing $343,956 from the general services operating fund, of which $118,956 is for IT expenses	($262,100)
5. Added funding for campaign disclosure software	$50,000

2019-21 Biennium

1. Reduced funding for public printing to provide a total of $257,278	($31,172)
2. Adjusted funding for operating expenses by $293,671, including a decrease of $527,002 from the general fund and increasing $820,673 from the general services operating fund	($527,002)

2021-23 Biennium

1. Reduced funding for operating expenses	($251,834)

2023-25 Biennium (Executive Budget Recommendation)

1. Adds funding for changes in employee responsibilities and duties	$100,000
2. Adds funding to implement a new Capitol space rent model	$201,331
3. Adds funding for text messaging software and ongoing maintenance	$165,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	$3,050,000	$0	$0	$0	$0

Major One-Time General Fund Appropriations

2017-19 Biennium

None $0

2019-21 Biennium

None $0

2021-23 Biennium

None $0

2023-25 Biennium (Executive Budget Recommendation)

None $0

Secretary of State - Budget No. 108
Senate Bill No. 2002
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	33.00	$5,521,552	$8,305,574	$13,827,126
2023-25 Ongoing Funding Changes				
Base payroll changes		$51,305	$208,745	$260,050
Salary increase		315,342	52,592	367,934
Health insurance increase		123,456	20,576	144,032
Adds 1 FTE election specialist position and related operating expenses	1.00		200,950	200,950
Adds funding for changes in employee responsibilities and duties		100,000		100,000
Adjusts funding for operating expenses, including an increase in IT expenses and a decrease in postage		(12,988)	1,157,564	1,144,576
Adjusts funding for election reform			(475,299)	(475,299)
Increases funding for public printing		13,404		13,404
Adds funding to implement a new Capitol space rent model		201,331		201,331
Adds funding for text messaging software and ongoing maintenance		165,000	165,000	330,000
Total ongoing funding changes	1.00	$956,850	$1,330,128	$2,286,978
One-time funding items				
Adds funding from SIIF for a new campaign finance system, contracted IT services, and a website redesign			$1,000,000	$1,000,000
Adds funding from SIIF for IT system enhancements			500,000	500,000
Total one-time funding changes	0.00	$0	$1,500,000	$1,500,000
Total Changes to Base Level Funding	1.00	$956,850	$2,830,128	$3,786,978
2023-25 Total Funding	34.00	$6,478,402	$11,135,702	$17,614,104
Federal funds included in other funds			*$4,245,109*	
Total ongoing changes as a percentage of base level	*3.0%*	*17.3%*	*16.0%*	*16.5%*
Total changes as a percentage of base level	*3.0%*	*17.3%*	*34.1%*	*27.4%*

Other Sections in Secretary of State - Budget No. 108

	Executive Budget Recommendation
Line item transfers	Section 3 would provide authority for the Secretary of State to transfer funding between line items.
Secretary of State's salary	Section 4 would provide the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of $114,486 to $121,355, effective July 1, 2023, and to $126,209, effective July 1, 2024, to reflect the 6 percent and 4 percent recommended salary increases.

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL 2002
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

SECRETARY OF STATE

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	$5,528,082	$ 859,358	$ 6,387,440
Operating Expenses	3,308,424	3,175,907	6,484,331
Petition Review	8,000	0	8,000
Grants	25,000	0	25,000
Election Reform	4,699,689	(261,691)	4,437,998
Total All Funds	$13,569,195	$3,773,574	$17,342,769
Less Estimated Income	8,305,574	2,830,128	11,135,702
Total General Fund	$5,263,621	$ 943,446	$ 6,207,067
Full-Time Equivalent Positions	33.00	1.00	34.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	Base Level	Adjustments or Enhancements	Appropriation
Public Printing	$257,931	$13,404	$271,335
Total General Fund	$257,931	$13,404	$271,335

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand Total General Fund	$5,521,552	$ 956,850	$ 6,478,402
Grand Total Special Funds	8,305,574	2,830,128	11,135,702
Grand Total All Funds	$13,827,126	$3,786,978	$17,614,104

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

One-Time Funding Description	2021-23	2023-25
IT System Investments	$0	$ 1,500,000
Total General Fund	$ 0	$ 0

SECTION 3. **LINE ITEM TRANSFERS**. Notwithstanding section 54-16-04, the secretary of state may transfer between line items within section 1 of this Act during the biennium beginning July 1, 2023 and ending June 30, 2025. The secretary of state shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 4. AMENDMENT. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

Section 54-09-05. Salary of secretary of state. The annual salary of the secretary of state is ~~one hundred fourteen thousand four hundred eighty-six dollars through June 30, 2023 and~~ one hundred twenty one thousand three hundred fifty five dollars through June 30, 2024 and one hundred twenty six thousand two hundred nine dollars thereafter.