

**Secretary of State
Budget No. 108
Senate Bill No. 2002, House Bill Nos. 1014, 1018**

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	27.00	\$5,313,616	\$5,953,973	\$11,267,589
2007-09 legislative appropriations	27.00	5,364,692¹	8,873,865	14,238,557
Legislative increase (decrease) to executive budget	0.00	\$51,076	\$2,919,892	\$2,970,968
Legislative increase (decrease) to 2005-07 appropriations	0.00	\$875,329	(\$1,070,163)	(\$194,834)

¹This amount includes \$824,153 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$4,540,539.

NOTE: The amounts on the schedule above include funding for public printing. The 2007-09 executive budget recommended and the Legislative Assembly appropriated \$303,500 from the general fund for public printing, \$23,500 less than the 2005-07 biennium general fund appropriation of \$327,000.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Secretary of State is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding recommended in the executive budget relating to retiree health credit contributions		(\$2,522)	(\$108)	(\$2,630)
Added salaries and wages funding to continue salary levels for employees that received salary adjustments or reclassifications during the 2005-07 biennium		53,598		53,598
Appropriated funding from a Bank of North Dakota loan in House Bill No. 1018 to implement the North Dakota business development engine information technology project contingent on Budget Section approval			2,920,000	2,920,000
Total	0.00	\$51,076	\$2,919,892	\$2,970,968

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 27 FTE positions, the same as the 2005-07 biennium.

One-Time Funding

In Section 4 of Senate Bill No. 2002, the Legislative Assembly identified \$824,153 from the general fund for continuing the Secretary of State's mainframe migration computer project as a one-time funding item. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Secretary of State is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Contingent Computer Project

Section 18 of House Bill No. 1018 authorizes the Secretary of State, subject to Budget Section approval, to borrow up to \$2,920,000 from the Bank of North Dakota for implementing the North Dakota business development engine information technology project. The Secretary of State may request Budget Section approval only if the revenues projected to be generated from provisions of House Bill No. 1340 over the term of the proposed loan based on the trend of actual corporate charters granted are anticipated to exceed the revenues projected to be generated from provisions of this bill of \$720,000 per biennium by an amount sufficient to repay the proposed loan, including interest.

Other Sections in Bill

Section 5 of Senate Bill No. 2002 provides the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary is increased from the current level of \$73,568 to \$76,511, effective July 1, 2007, and to \$79,571, effective July 1, 2008.

Related Legislation

Senate Bill No. 2036 provides that the Secretary of State license professional employer organizations and provides that the license fee collections estimated to total \$3,000 for the 2007-09 biennium be deposited in the Secretary of State's general services operating fund.

House Bill No. 1340 allows for a corporate governance structure for certain publicly traded corporations and requires an annual report and fees to be filed with the Secretary of State. The fees which are deposited in the general fund are estimated to total \$720,000 for the 2007-09 biennium.