

**Department 414 - Securities Department  
Senate Bill No. 2011**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$0	\$3,324,894	\$3,324,894
2023-25 Base Level	0	2,808,984	2,808,984
Increase (Decrease)	\$0	\$515,910	\$515,910

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Adds funding for state employee salary and benefit increases, of which \$152,770 is for salary increases and \$36,008 is for health insurance increases		\$188,778	\$188,778
2. Adds funding for information technology rate increases		\$1,326	\$1,326
3. Adds funding for blockchain analytics software licenses		\$150,000	\$150,000
4. Adds funding for increased audit costs		\$10,000	\$10,000
5. Adds <b>one-time funding</b> for enhancements to the case management system and securities filing portal		\$150,000	\$150,000

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.

**Continuing Appropriations**

**Investor education and technology fund** - North Dakota Century Code Section 10-04-03 - This fund receives funding from tuition, grants, donations, and certain civil penalties assessed by the Securities Commissioner. The money in the fund can be used for public education services and for the technology needs of the Securities Department.

**Investor restitution fund** - Section 10-04-03 - This fund is used to deposit civil penalties collected from enforcement action to be distributed to aggrieved investors.

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**Significant Audit Findings**

There are no major audit findings for this agency.

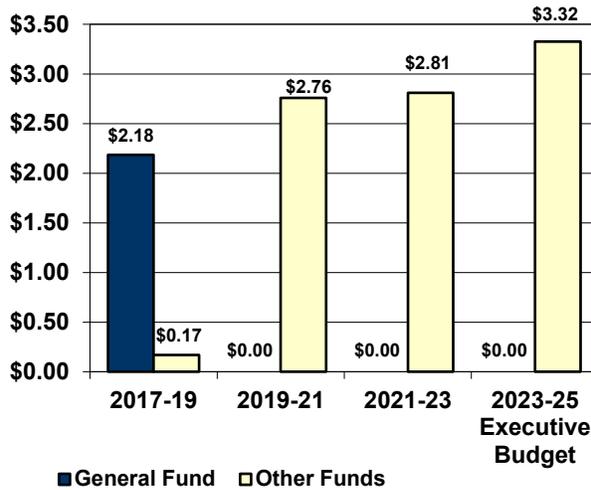
**Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.

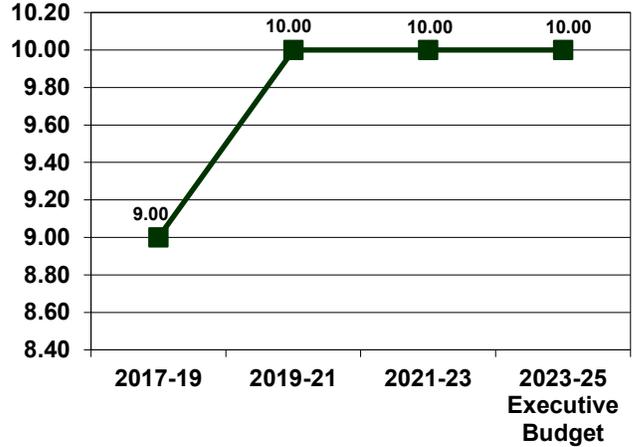
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing Agency Appropriations<sup>1</sup>

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing appropriations	\$2,237,326	\$2,184,714	\$2,757,119	\$2,808,984	\$3,174,894
Increase (decrease) from previous biennium	N/A	(\$52,612)	\$572,405	\$51,865	\$365,910
Percentage increase (decrease) from previous biennium	N/A	(2.4%)	26.2%	1.9%	13.0%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(2.4%)	23.2%	25.6%	41.9%

<sup>1</sup>The agency changed from receiving its appropriations primarily from the general fund to entirely from other funds beginning in the 2019-21 biennium.

### Major Increases (Decreases) in Ongoing Agency Appropriations

#### 2017-19 Biennium

- Restored a portion of funding from the general fund for operating expenses that was removed as a result of the August 2016 general fund budget reductions \$46,545

#### 2019-21 Biennium

- Added from the general fund for 1 FTE financial technology research and investigation position (\$209,294) and related operating expenses (\$23,000) \$232,294
- Added funding from other funds for rent and for the statewide cost allocation plan \$64,000

#### 2021-23 Biennium

- Added funding for Microsoft Office 365 licensing expenses \$1,542

#### 2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for information technology rate increases \$1,326
- Adds funding for blockchain analytics software licenses \$150,000
- Adds funding for increased audit costs \$10,000

### One-Time Agency Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time other funds appropriations	\$0	\$0	\$0	\$0	\$150,000

## Major One-Time Agency Appropriations

### 2017-19 Biennium

1. No one-time funding items \$0

### 2019-21 Biennium

1. No one-time funding items \$0

### 2021-23 Biennium

1. No one-time funding items \$0

### 2023-25 Biennium (Executive Budget Recommendation)

1. Adds **one-time funding** for enhancements to the case management system and securities filing portal \$150,000

**Securities Department - Budget No. 414**  
**Senate Bill No. 2011**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	10.00	\$0	\$2,808,984	\$2,808,984
<b>2023-25 Ongoing Funding Changes</b>				
Base payroll changes			\$15,806	\$15,806
Salary increase			152,770	152,770
Health insurance increase			36,008	36,008
Information technology rate increase			1,326	1,326
Cryptocurrency enforcement - blockchain licenses			150,000	150,000
Increased audit costs			10,000	10,000
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$365,910</b>	<b>\$365,910</b>
<b>One-time funding items</b>				
Case management and filing portal enhancements			\$150,000	\$150,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$150,000</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$0</b>	<b>\$515,910</b>	<b>\$515,910</b>
<b>2023-25 Total Funding</b>	<b>10.00</b>	<b>\$0</b>	<b>\$3,324,894</b>	<b>\$3,324,894</b>
<i>Federal funds included in other funds</i>			\$0	
<i>Total ongoing changes as a percentage of base level</i>	<i>0.0%</i>		<i>13.0%</i>	<i>13.0%</i>
<i>Total changes as a percentage of base level</i>	<i>0.0%</i>		<i>18.4%</i>	<i>18.4%</i>

**Other Sections in Securities Department - Budget No. 414**

**Executive Budget Recommendation**

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There are no other sections recommended to be added in the executive budget.

**SENATE BILL NO. 2011  
 (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 securities department.

**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 securities department special fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the securities department of the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,213,881	\$204,583	\$2,418,464
Operating Expenses	<u>595,103</u>	<u>311,327</u>	<u>906,430</u>
Total All Funds	\$2,808,984	\$515,910	\$3,324,894
Less Estimated Income	<u>2,808,984</u>	<u>515,910</u>	<u>3,324,894</u>
Total General Fund	\$ 0	\$ 0	\$ 0
Full-time Equivalent Positions	10.00	0.00	10.00

**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 and the 2023-25 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Technology investments	<u>\$ 0</u>	<u>\$150,000</u>
Total General Fund	\$0	\$0