

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

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 legislative appropriation	10.00	\$0	\$3,258,732 <sup>1</sup>	\$3,258,732 <sup>2</sup>
2021-23 legislative appropriation	<u>10.00</u>	<u>0</u>	<u>2,808,984</u>	<u>2,808,984</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	0.00	\$0	\$449,748	\$449,748

<sup>1</sup>This amount includes \$150,000 of one-time funding. Excluding this amount, the agency's ongoing appropriation is \$3,108,732.

<sup>2</sup>This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

**Item Description**

**Targeted market equity** - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

**New and vacant FTE funding pool** - The Legislative Assembly reduced \$66,162 of 2023-25 biennium other funds appropriation authority for the Securities Department for the new and vacant FTE funding pool relating to anticipated vacancy savings.

**Securities Department fund** - The 2019 Legislative Assembly amended North Dakota Century Code Section 10-04-03(5) to provide for the Securities Department to be a special funded agency by creating the Securities Department special fund and by directing all fees, civil penalties, or other money collected by the agency into the fund. The section also transfers all revenues in excess of the agency's appropriation to the general fund.

**One-time funding** - The Legislative Assembly appropriated \$150,000 of other funds for one-time funding items for the Securities Department for investigation and examination case management and for enhancements to the securities filing portal.

**Restitution assistance fund** - The Legislative Assembly, in Senate Bill No. 2325 (2023), created a restitution assistance fund to provide assistance to victims of securities violations.

**Status/Result**

The Securities Department received \$50,369 of other funds authority for targeted market equity increases. Equity increases were provided to 3 FTE examiner and attorney positions.

The Securities Department has not received any funding from the new and vacant FTE funding pool. Through January 2024, the Securities Department had estimated vacant FTE position savings of \$161,000. The office used \$155,833 of the savings for other purposes, including temporary salary funding and temporarily retaining a retiring employee to assist in training new staff. The number of vacancies in the office has remained at three for the biennium.

Through March 2024, biennium-to-date revenues collected by the department are \$11.8 million. The department estimates total 2023-25 biennium collections will meet or exceed 2021-23 biennium collections of \$25.6 million.

As of April 2024, the department is in the testing phase of the investigation and examination case management project and is in the scope of work stage for enhancements to the filing portal.

The department anticipates the fund will be established in state fiscal year 2025. The bill authorizes up to \$1 million of Securities Department revenues to be deposited in the fund which will reduce 2023-25 biennium general fund collections by \$1 million.