



**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	35.00	\$9,950,046	\$12,283,018	\$22,233,064
Base level	35.00	7,141,710	9,344,171	16,485,881
Increase (decrease)	0.00	\$2,808,336	\$2,938,847	\$5,747,183
Percentage increase (decrease)	0.0%	39.3%	31.5%	34.9%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026.
- Health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee.
- Adds \$1.3 million of ongoing funding from the general fund to maintain and support information technology systems.
- Adds \$2.8 million of one-time funding from the strategic investment and improvements fund (SIIF) for election pollpad replacement.
- Adds \$700,000 of one-time funding from the general fund for information technology enhancements, including to the central indexing system.

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 from various fees when it was recorded in the state's accounting system.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 456 fees. The agency reported there is a need to simplify the current fee structure, but did not recommend any changes to the fees.

Major Related Legislation

House Bill No. 1099 - Requires the first and last name of the presidential candidate to be identified on the ballot for presidential electors.

Senate Bill No. 2026 - Prohibits the ownership of real property by countries or foreign organizations of concern and provides for the Secretary of State to accept and review statement filings from organizations certifying whether the organization is a foreign organization of concern.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Secretary of State - Budget No. 108
Agency Worksheet - House Bill No. 1002

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881
2025-27 Ongoing Funding Changes				
Base payroll changes			(\$144,339)	(\$144,339)
Salary increase		\$283,354	34,533	317,887
Health insurance increase		168,148	24,021	192,169
Adds funding to replace the 2023-25 new FTE pool		180,000	190,950	370,950
Adds funding to replace the 2023-25 vacant FTE pool		136,569	22,776	159,345
Adds funding for information technology rate increase		11,600	10,906	22,506
Adds funding to maintain and support information technology systems		1,310,000		1,310,000
Increases funding for public printing		18,665		18,665
Total ongoing funding changes	0.00	\$2,108,336	\$138,847	\$2,247,183
One-Time Funding Items				
Adds funding from SIIF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000
Adds funding for information technology enhancements, including to the central indexing system		\$700,000		700,000
Total one-time funding changes	0.00	\$700,000	\$2,800,000	\$3,500,000
Total Changes to Base Level Funding	0.00	\$2,808,336	\$2,938,847	\$5,747,183
2025-27 Total Funding	35.00	\$9,950,046	\$12,283,018	\$22,233,064
<i>Federal funds included in other funds</i>			\$4,300,258	

<i>Total ongoing changes - Percentage of base level</i>	0.0%	29.5%	1.5%	13.6%
<i>Total changes - Percentage of base level</i>	0.0%	39.3%	31.5%	34.9%

Other Sections in Secretary of State - Budget No. 108

Section Description	Executive Budget
FTE position adjustments	Section 3 would allow the Secretary of State to increase or decrease authorized FTE positions as needed, subject to the availability of funds.
Estimated income - SIIF	Section 4 would identify \$2.8 million from SIIF for election pollpads and cradle points replacement.
Exemption - Federal State Fiscal Recovery Fund	Section 5 would authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
Exemption - SIIF	Section 6 would authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated during the 2023 legislative session for a new campaign system, contracted website redesign, and other information technology enhancements.
Secretary of State salary	Section 7 would amend Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$140,608 (4 percent) effective July 1, 2025, and \$144,827 (3 percent) effective July 1, 2026.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL 1002
(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, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$6,366,407	\$ 1,292,430	\$ 7,658,837
Operating Expenses	4,984,331	1,952,506	6,936,837
Petition Review	8,000	0	8,000
Grants	25,000	0	25,000
Election Reform	<u>4,830,808</u>	<u>2,483,582</u>	<u>7,314,390</u>
Total All Funds	\$16,214,546	\$5,728,518	\$21,943,064
Less Estimated Income	<u>9,344,171</u>	<u>2,830,128</u>	<u>12,283,018</u>
Total General Fund	\$6,870,375	\$ 943,446	\$ 9,660,046
Full-Time Equivalent Positions	35.00	0.00	35.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public Printing	\$271,335	\$18,665	\$290,000
Total General Fund	\$271,335	\$18,665	\$290,000

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$7,141,710	\$ 2,808,336	\$ 9,950,046
Grand Total Special Funds	<u>9,344,171</u>	<u>2,938,847</u>	<u>12,283,018</u>
Grand Total All Funds	\$16,485,881	\$5,747,183	\$22,233,064

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-ninth legislative assembly for the 2025-27 biennium:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
New campaign system and website redesign	\$1,000,000	\$0
Election management system	5,000,000	0
First stop	1,000,000	0
IT System enhancements	500,000	700,000
HAVA	1,000,000	0
Election pollpads and cradle points	<u>0</u>	<u>2,800,000</u>
Total	\$8,500,000	\$3,050,000
Total General Fund	\$ 0	\$700,000

The 2025-27 biennium one-time funding amounts are not part of the entity's base budget for the 2027-29 biennium. The secretary of state shall report to the appropriations committee of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of the law, the secretary of state may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The secretary of state shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 4. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENT FUND. The estimated income line item in subdivision 1 of section 1 of the Act includes the sum of \$2,800,000 from the strategic investment and improvements fund for election pollpads and cradle points replacement.

SECTION 5. EXEMPTION - STATE FISCAL RECOVERY FUND. The amount of \$6,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the purposes of an election management system and to upgrade FirstStop in Section 1 of Chapter 34 of 2023 Session Laws is not subject to section 54-44.1-11 and is available to the agency for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount of \$1,500,000 appropriated from the strategic investment and improvements fund for the purpose of a new campaign system, contracted website redesign, and information technology enhancements in Section 1 of Chapter 34 of 2023 Session Laws is not subject to section 54-44.1-11 and is available to the agency for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. 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 thirty five thousand two hundred dollars through June 30, 2025 and one hundred forty thousand six hundred eight dollars through June 30, 2026 and one hundred forty four thousand eight hundred twenty seven dollars thereafter.~~