

2021 HOUSE APPROPRIATIONS

HB 1002

Department 108 - Secretary of State
House Bill No. 1002

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	32.00	\$5,702,347	\$7,593,114	\$13,295,461
2019-21 Legislative Appropriations ¹	32.00	5,623,063	15,431,641	21,054,704
Increase (Decrease)	0.00	\$79,284	(\$7,838,527)	(\$7,759,243)

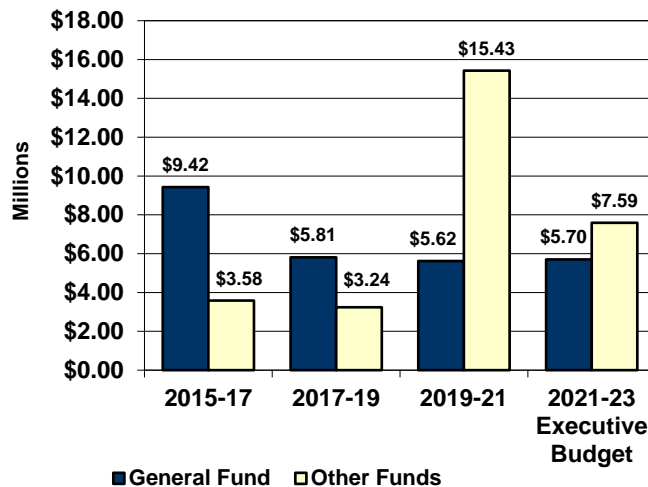
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional special funds authority of \$3,000,000 resulting from Emergency Commission action during the 2019-21 biennium for election reform.
- Additional federal Coronavirus (COVID-19) funds authority of \$3,049,216 resulting from Emergency Commission action during the 2019-21 biennium for election reform (\$3,000,000) and personal protective equipment (\$49,216).

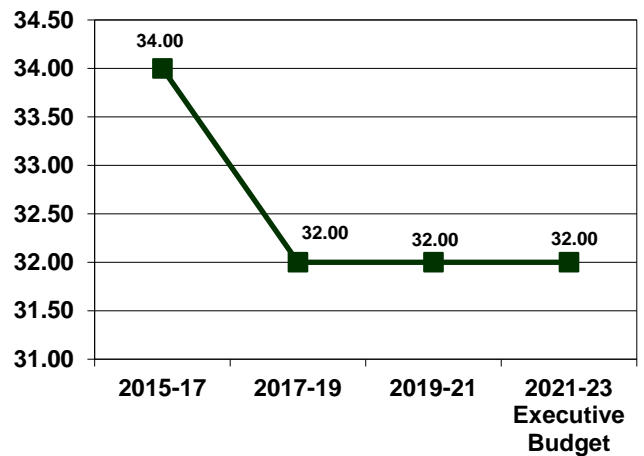
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$5,702,347	\$0	\$5,702,347
2019-21 Legislative Appropriations	5,623,063	0	5,623,093
Increase (Decrease)	\$79,284	\$0	\$79,284

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$5,702,347	\$7,593,114	\$13,295,461
2021-23 Base Level	5,623,063	4,231,641	9,854,704
Increase (Decrease)	\$79,284	\$3,361,473	\$3,440,757

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$123,547 is for salary increases, \$1,558 is for health insurance increases, and \$25,415 is for retirement contribution increases	\$137,604	\$12,916	\$150,520
2. Increases funding for temporary salaries to provide a total of \$200,000	\$0	\$150,000	\$150,000
3. Increases federal funds authority for election reform to provide a total of \$3,203,880 from federal funds	\$0	\$3,000,000	\$3,000,000

4. Reduces funding for operating expenses as part of the agency's 10 percent general fund budget reduction	(\$255,425)	\$0	(\$255,425)
5. Adds funding for the proposed Capitol grounds state agency rent model change	\$192,861	\$0	\$192,861
6. Reduces funding for data processing to provide a total of \$861,483	\$0	(\$40,676)	(\$40,676)
7. Adds funding for Microsoft Office 365 license expenses	\$3,591	\$705	\$4,296
8. Increases funding for public printing to provide a total of \$257,931	\$653	\$0	\$653

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Secretary of State's salary - Section 3 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 \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective July 1, 2022, to reflect the 2 percent annual recommended salary increase.

Exemption - Technology project - Section 4 would provide that any unexpended funds from the technology project in Section 2 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of North Dakota Century Code Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.

Continuing Appropriations

Athletic commission fund - 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 Appropriation

The executive budget recommendation includes a \$97,500 deficiency appropriation from the general fund for litigation related to Self Advocacy Solutions ND.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1078 - Amends various sections of the Century Code relating to presidential elections and the adoption of the Uniform Faithful Presidential Electors Act; nominating presidential electors and alternate electors, and presidential electors' roles and procedures; and the filling of a vacancy of a presidential elector and voting of new and former residents at presidential elections.

Secretary of State - Budget No. 108
House Bill No. 1002
Base Level Funding Changes

Executive Budget Recommendation				
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	32.00	\$5,623,063	\$4,231,641	\$9,854,704
2021-23 Ongoing Funding Changes				
Base payroll changes			\$238,528	\$238,528
Salary increase		\$112,946	10,601	123,547
Health insurance increase		1,424	134	1,558
Retirement contribution increase		23,234	2,181	25,415
Increases funding for temporary salaries			150,000	150,000
Increases federal funds authority for election reform			3,000,000	3,000,000
Reduces funding for operating expenses		(255,425)		(255,425)
Adds funding for rent model change		192,861		192,861
Reduces funding for data processing			(40,676)	(40,676)
Adds funding for Microsoft Office 365 licensing expenses		3,591	705	4,296
Increases funding for public printing		653		653
Total ongoing funding changes	0.00	\$79,284	\$3,361,473	\$3,440,757
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$79,284	\$3,361,473	\$3,440,757
2021-23 Total Funding	32.00	\$5,702,347	\$7,593,114	\$13,295,461
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.4%	79.4%	34.9%
<i>Total changes as a percentage of base level</i>	0.0%	1.4%	79.4%	34.9%

Other Sections in Secretary of State - Budget No. 108

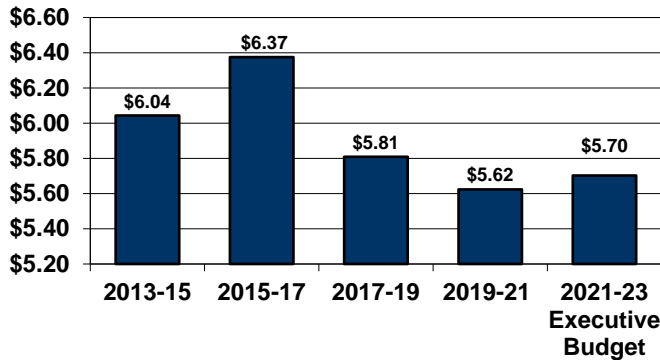
Executive Budget Recommendation	
Salary of Secretary of State	Section 3 would provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective July 1, 2022, to reflect the 2 percent annual recommended salary increase.
Exemption - Techonolgy project	Section 4 would provide that any unexpended funds from the technology project in Section 2 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.

Department 108 - Secretary of State

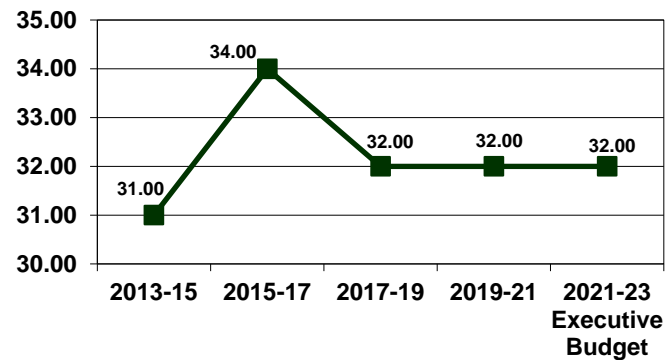
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$6,043,495	\$6,374,720	\$5,808,732	\$5,623,063	\$5,702,347
Increase (decrease) from previous biennium	N/A	\$331,225	(\$565,988)	(\$185,669)	\$79,284
Percentage increase (decrease) from previous biennium	N/A	5.5%	(8.9%)	(3.2%)	1.4%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	5.5%	(3.9%)	(7.0%)	(5.6%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- Added 6 FTE positions, including 3 office assistant positions and continued 3 positions authorized during the 2013-15 biennium from one-time funding \$597,840

2017-19 Biennium

- Removed 2 FTE positions and related funding (\$211,268)
- Adjusted funding source from the general fund to the general services operating fund for 1 FTE position (\$106,823)
- Adjusted funding for overtime and temporary salaries by reducing funding from the general fund but increasing special funds by \$200,000 (\$50,000)
- 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 information technology expenses (\$262,100)
- Added funding for campaign disclosure software \$50,000

2019-21 Biennium

- Reduced funding for public printing to provide a total of \$257,278 (\$31,172)
- 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 (Executive Budget Recommendation)

- Reduces funding for operating expenses as part of the agency's 10 percent general fund budget reduction (\$255,425)
- Adds funding for the proposed Capitol grounds state agency rent model change \$192,861

GOVERNOR'S RECOMMENDATION FOR THE SECRETARY OF STATE AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

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, 2021, and ending June 30, 2023, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$4,978,126	\$ 439,676	\$ 5,417,802
Operating Expenses	3,009,553	(98,944)	2,910,609
Petition Review	8,000	0	8,000
Election Reform	<u>1,601,747</u>	<u>3,099,372</u>	<u>4,701,119</u>
Total All Funds	\$9,597,426	\$3,440,104	\$13,037,530
Less Estimated Income	<u>4,231,641</u>	<u>3,361,473</u>	<u>7,593,114</u>
Total General Fund	\$5,365,785	\$ 78,631	\$ 5,444,416
Full-Time Equivalent Positions	32.00	0.00	32.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public Printing	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
Total General Fund	\$257,278	\$653	\$257,931

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$5,623,063	\$ 79,284	\$ 5,702,347
Grand Total Special Funds	<u>4,231,641</u>	<u>3,361,473</u>	<u>7,593,114</u>
Grand Total All Funds	\$9,854,704	\$3,440,757	\$13,295,461

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Voting System and E-Poll Books	\$11,200,000	\$ 0
Total General Fund	\$ 0	\$ 0

SECTION 3. 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 ten thousand five hundred eighty-two dollars through June 30, 2020 and one hundred twelve thousand and seven hundred ninety-four dollars through June 30, 2022 and one hundred fifteen thousand fifty dollars thereafter.~~

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002

1/8/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Chairman David Monson called the meeting to order at 8:40 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

Discussion Topics:

- Overview of Budget Policies for the Secretary of State
- Delayed county voting results
- How votes are counted in ND
- Security of voting and voting machines
- Voting sticks for voting machines and computers
- Stringers
- Combatting voter fraud
- Voting applications
- Overview of Office of Management and Budget

Secretary of State Alvin A. Jaeger testified in favor. Testimony #1131

Deputy Secretary of State Jim Silrum answered questions.

Larry Martin testified in favor. Testimony #1130

Chairman David Monson adjourned the meeting at 11:22 a.m.

Klarissa Pudwill, Committee Clerk

ALVIN A. JAEGER
SECRETARY OF STATE

WEBSITE sos.nd.gov



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

PHONE (701) 328-2900
EMAIL sos@nd.gov

January 8, 2021

**TO: Representative David Monson, Chairman, and Members of the Education and Environment
Division of the House Appropriations Committee**

FR: Al Jaeger, Secretary of State

RE: HB 1002 – Appropriation for Office of Secretary of State

Page 1 – Audit Findings

Pages 1 and 2 – Major Accomplishments

Page 2 – Future Critical Issues

Page 3 – Program Costs and Public Printing

Page 4 – General Fund Revenue Tracking

Page 5 – General Service Revenue Tracking

Page 6 – Comparison of Agency's Request/Recommendation Totals

Page 7 – Agency's 10% Budget reduction and 5% Budget reprioritization submitted to Governor

Pages 7 and 8 – Agency's requested Optional Adjustments with Governor's recommendation

Page 9 – Other Agency requests recommended by the Governor

Page 10 – Agency Change Request to Executive Budget recommendation

Page 11 – Update on One-time Funding for 2019/2021 biennium

Page 12 – COVID-19 funding, agency performance measures, statutory authority, description, mission

Page 13 – Historical Program Statistical Data

Page 14 – Agency Organizational Chart

Page 15 – Public Printing Communication from Legislative Council

Agency Audit Findings

2018 Operational Audit had no findings.

Agency Major Accomplishments

1. Enhanced agency website, which received more than 1.5 million-page views over the 12-month period ending June 30, 2020, which is the same number of views from the same 12-month period two years prior.
2. Continued use of the North Dakota Central Indexing System (NDCIS), which was launched on March 1, 2016. All central indexing filings and searches are now completed online and all reports from the lending community of the state indicate the system is greatly appreciated.

The NDCIS received 873,942 page views over the 12-month period ending June 30, 2020.

3. Continued to enhance the agency's Election Management System (EMS), which provides election information on the agency's website about elections, candidates, campaign contributions, voter precinct finder, polling location details, and the reporting of election night returns. It also assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting.

Completed an enhancement to the state's EMS that guides a candidate through the process of completing and filing the necessary paperwork to run for public office. When the questions are answered by the candidate, the necessary forms are generated, which can then be submitted electronically or sent to the Secretary of State's office via US Mail.

4. Continued to enhance the Central Voter File used by the SOS office and the counties to update voter records for address and name changes upon receipt of notices from the DOT and the courts, and death notices from vital statistics, issue and track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.
5. Continued to be ranked as one of the top states for election administration by The PEW Charitable Trusts and the Massachusetts Institute of Technology in the Election Performance Index that has been conducted since it was first launched in 2008 and ranked number one five times during the past six election cycles.
6. Continued to enhance election applications accessible from Vote.ND.Gov to make them web responsive so that they format appropriately depending on the size of the computer, laptop, tablet, or smartphone being used to access them.

Vote.ND.Gov continues to be a popular website for voters, candidates, political parties, and political organizations. The site received 328,919 page views over the 12-month period ending June 30, 2020 during which there has only been one statewide election.

7. Our digital and social campaigns reached 462,916 voters in the two months leading up to the general election along with the facts that our:
 - a. Click rates were 20% higher than the national average.
 - b. Video views were 33% higher than the national average.
8. Purchased and implemented a new statewide voting system from Election Systems and Software (ES&S) and an electronic pollbook system from KNOWiNK.

9. Maintained the necessary security clearances for Secretary Jaeger, Deputy Secretary Jim Silrum, and State Elections Director Brian Newby to receive cybersecurity updates and notices from the Department of Homeland Security (DHS), FBI, and other agencies responsible for cybersecurity to protect our elections infrastructure, which has now been classified by DHS as critical infrastructure.
10. A settlement was reached for the two voter ID lawsuits in which the state has been engaged since January of 2016.
11. Administrative Rules for the tribal IDs for voting were promulgated making it clear what constitutes a valid tribal ID as well as several other features making it easier for Native Americans to vote.
12. Neared completion of the FirstStop software system through which most of the office functions will be handled and available to the customers of our office in an online environment. The system will handle such things as registering new businesses for operation in the state, the filing of the various amendments and annual reports of these businesses, the licensing of occupations such as contractors and home inspectors, issuing and maintaining notary commissions, registering and regulating the activity of lobbyists, registering charitable organizations and professional fundraisers, and providing lists, subscriptions, and information that is available to the public.
13. Administrative Rules were promulgated to enable the business entity known as Series Limited Liability Company that allows an LLC to further limit the exposure of liability of assets by forming "child" entities that are separate from the "parent" Series LLC and other "children" of the same.
14. Amended Administrative Rules for combative sports effective October 1, 2020.

Agency Future Critical Issues

In the statistical data section of the program narrative, the data reveals that since 1995-97 and through the 2017-19 biennium, the agency's revenue has steadily increased. The increased revenue relates to the increase in the number of registrations, filings, and increased demand for the services provided by the agency. To respond to this increased demand, the agency is substantially dependent on the use of information technology (e.g., software, hardware, Internet, etc.), which it uses to provide the timely, accurate, and efficient services expected by the public, businesses, and customers of the agency.

To provide services in a cost effective and efficient manner for the public, it is vitally important that the agency receive support for technology initiatives and maintains its current FTE authorization to handle the increase in workload.

Business in North Dakota begins with the Secretary of State's office, with business formation documents being filed with the office. The agency has a key role in the state's e-government initiatives making it imperative the agency has adequate funding and support to implement the appropriate technology to meet these goals and provide services the public is requesting.

The Secretary of State's office continues to encounter challenges with adequate FTEs and the ability to offer competitive salaries. The agency needs to offer competitive salaries to address compression issues and pay competitive salaries for agency staff.

The Secretary of State's office fully supports a comprehensive e-government structure because of the efficiencies it will bring to the residents and businesses in North Dakota as well as to government. For this to occur, the state needs to make this a critical initiative and our office is ready to assist.

Secretary of State Operations

Explanation of Program Costs

For the 2019-2021 biennium, the appropriated salary line represented approximately 84 percent of the agency's total general fund spending authority.

The appropriated operating line for 2019-2021 represented approximately 11 percent of the agency's total general fund spending authority. Of that amount, approximately 12 percent of the general fund operating line was budgeted for the agency's data processing and the remaining 88 percent is spread among other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency also has a general service fund, which is the retail account for information sold by the agency.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example:

1. The agency's budget supports the statewide Central Indexing System (CIS), which includes approximately 350,000 files. On March 1, 2016, the North Dakota Central Indexing System (NDCIS) was launched allowing all filings related to various personal property liens to be completed electronically online. The budget supports the ongoing costs and maintenance of the NDCIS.
2. The agency's budget supports FirstStop, which is a database of approximately 265,000 names for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming.
3. The agency's budget supports an Internet web site and covers associated expenses.
4. The agency's budget supports the state's Central Voter File, ND Voting Information and Centralized Election Systems, electronic pollbooks, and a separate website dedicated to voting and election information. These systems maintain critical information of all of the state's residents, allows them access to voting, and is used extensively by all 53 counties.

Public Printing

The agency distributes the publications to elected officials, legislators, legislative council, state agencies, county agencies, judicial system, and libraries as prescribed by law.

Explanation of Program Costs

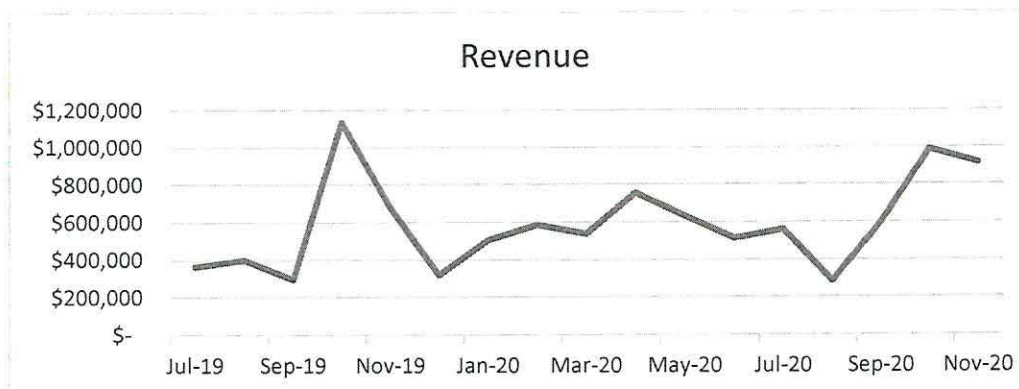
Under state law, the agency is responsible for the distribution of publications known as "public printing" that includes the North Dakota Century Code, the North Dakota Administrative Rules, Session Law Books, etc. Although the appropriation to cover the cost of publishing and distribution is included in the agency's budget, it is based on a recommendation from the Legislative Council, which has the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications. The major portion of the appropriation is directly related to the cost of printing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code. The remaining portion of the appropriation is used by the agency to cover costs related to programming database records, shipping, mailing, supplies, etc.

Based on the letters from the Legislative Council at the end of this testimony, the budget requested by the agency and recommended by the Governor for \$257,931 is adequate.

2019/2021 Biennium - General Fund Revenue

November 30, 2020 - 29.17% Biennium Remaining

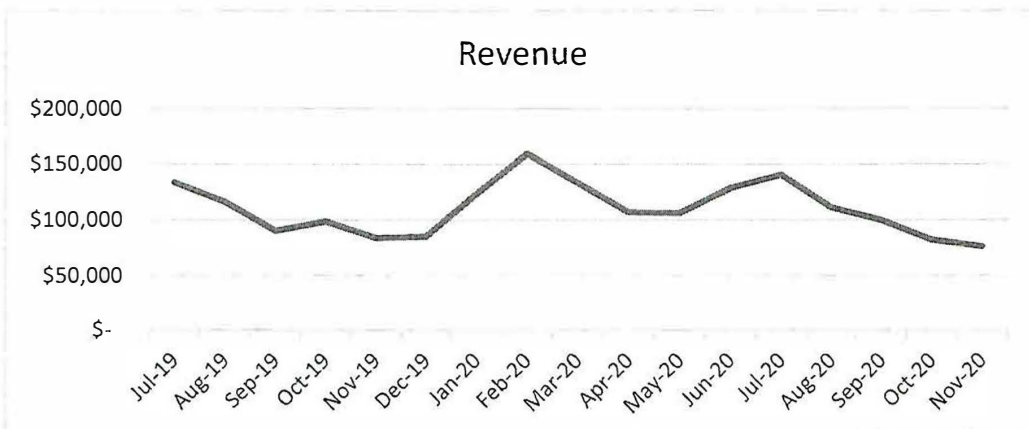
	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	\$ 12,500,000			
Jul-19	\$ 361,958	\$ 520,833	\$ 361,958	\$ 520,833	\$ (158,876)
Aug-19	\$ 398,407	\$ 520,833	\$ 760,364	\$ 1,041,667	\$ (281,302)
Sep-19	\$ 294,621	\$ 520,833	\$ 1,054,986	\$ 1,562,500	\$ (507,514)
Oct-19	\$ 1,134,136	\$ 520,833	\$ 2,189,122	\$ 2,083,333	\$ 105,788
Nov-19	\$ 674,569	\$ 520,833	\$ 2,863,691	\$ 2,604,167	\$ 259,524
Dec-19	\$ 318,870	\$ 520,833	\$ 3,182,560	\$ 3,125,000	\$ 57,560
Jan-20	\$ 504,127	\$ 520,833	\$ 3,686,688	\$ 3,645,833	\$ 40,854
Feb-20	\$ 583,858	\$ 520,833	\$ 4,270,546	\$ 4,166,667	\$ 103,879
Mar-20	\$ 537,181	\$ 520,833	\$ 4,807,727	\$ 4,687,500	\$ 120,227
Apr-20	\$ 754,240	\$ 520,833	\$ 5,561,966	\$ 5,208,333	\$ 353,633
May-20	\$ 630,485	\$ 520,833	\$ 6,192,451	\$ 5,729,167	\$ 463,285
Jun-20	\$ 512,258	\$ 520,833	\$ 6,704,709	\$ 6,250,000	\$ 454,709
Jul-20	\$ 558,909	\$ 520,833	\$ 7,263,618	\$ 6,770,833	\$ 492,785
Aug-20	\$ 285,654	\$ 520,833	\$ 7,549,273	\$ 7,291,667	\$ 257,606
Sep-20	\$ 595,592	\$ 520,833	\$ 8,144,864	\$ 7,812,500	\$ 332,364
Oct-20	\$ 986,851	\$ 520,833	\$ 9,131,715	\$ 8,333,333	\$ 798,382
Nov-20	\$ 915,481	\$ 520,833	\$ 10,047,196	\$ 8,854,167	\$ 1,193,030



2019/2021 Biennium - General Services Revenue

November 30, 2020 - 29.17% Biennium Remaining

	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	1,500,000			
Jul-19	\$ 133,488	\$ 62,500	\$ 133,488	\$ 62,500	\$ 70,988
Aug-19	\$ 115,833	\$ 62,500	\$ 249,321	\$ 125,000	\$ 124,321
Sep-19	\$ 89,978	\$ 62,500	\$ 339,298	\$ 187,500	\$ 151,798
Oct-19	\$ 98,418	\$ 62,500	\$ 437,716	\$ 250,000	\$ 187,716
Nov-19	\$ 83,775	\$ 62,500	\$ 521,491	\$ 312,500	\$ 208,991
Dec-19	\$ 85,033	\$ 62,500	\$ 606,523	\$ 375,000	\$ 231,523
Jan-20	\$ 123,050	\$ 62,500	\$ 729,573	\$ 437,500	\$ 292,073
Feb-20	\$ 159,462	\$ 62,500	\$ 889,035	\$ 500,000	\$ 389,035
Mar-20	\$ 133,130	\$ 62,500	\$ 1,022,165	\$ 562,500	\$ 459,665
Apr-20	\$ 106,662	\$ 62,500	\$ 1,128,827	\$ 625,000	\$ 503,827
May-20	\$ 105,948	\$ 62,500	\$ 1,234,775	\$ 687,500	\$ 547,275
Jun-20	\$ 128,513	\$ 62,500	\$ 1,363,287	\$ 750,000	\$ 613,287
Jul-20	\$ 140,526	\$ 62,500	\$ 1,503,813	\$ 812,500	\$ 691,313
Aug-20	\$ 110,891	\$ 62,500	\$ 1,614,704	\$ 875,000	\$ 739,704
Sep-20	\$ 99,589	\$ 62,500	\$ 1,714,293	\$ 937,500	\$ 776,793
Oct-20	\$ 82,156	\$ 62,500	\$ 1,796,449	\$ 1,000,000	\$ 796,449
Nov-20	\$ 76,076	\$ 62,500	\$ 1,872,525	\$ 1,062,500	\$ 810,025



Comparison of Agency's Request/Recommendation Totals

	2019-2021 Biennium	2021-2023 Executive Recommendation	Incr(Decr)
By Major Program			
Secretary of State Operations	7,995,679	8,336,411	340,732
Public Printing Leg Law Books	257,278	257,931	653
Federal Election Reform	1,601,747	4,701,119	3,099,372
Total Major Programs	9,854,704	13,295,461	3,440,757
By Line item			
Salaries and Wages	4,978,126	5,417,802	439,676
Operating Expenses	3,009,553	2,910,609	(98,944)
Petition Review	8,000	8,000	-
Election Reform	1,601,747	4,701,119	3,099,372
Public Printing	257,278	257,931	653
Total Line Items	1,867,025	13,295,461	3,440,757
By Funding Source			
General Funds	5,623,063	5,702,347	79,284
Federal Funds		3,204,330	3,204,330
Special Funds	4,231,641	4,388,784	157,143
Total Funding Source	9,854,704	13,295,461	3,440,757
FTE	32	32	-

By Major Program

Secretary of State Operations..... \$ 8,336,411
 (General Fund - \$ 5,444,416; Special Fund 2,891,995)

Public Printing..... \$ 257,931
 (General Fund - \$ 257,931)

Federal Election Reform..... \$ 4,701,119
 (Federal Fund - \$ 3,204,330; Special Fund 1,496,789)

Agency's 10% Budget reduction and 5% Budget reprioritization submitted to Governor.

Operating:
Travel.....\$40,000
Office Supplies\$3,389
Postage\$150,000
Office Equip & Furniture Supplies\$37,000
IT –Data Processing\$74,736
IT – Communications\$61,600
Professional Development\$20,000
Operating Fees and Services.....\$26,500
Fees – Professional Services.....\$123,353
(General Fund \$ 536,578;)

Public Printing.....\$ 25,728
(General Fund \$ 25,728)

IT – Contractual Services and Repairs - Decrease.....\$211,582
Operating Fees and Service - Increase\$211,582

Total 10% reduction\$ 562,306
Total 5% reprioritization.....\$211,582

(General Fund \$562,306; Special Fund \$ 211,582)

Agency's requested Optional Adjustments compared to the Governor's recommendation.

Optional Request # 1 Operating Line

Secretary of State Request.....\$ 536,578
(General Fund - \$ 536,578)

Governor Recommendation.....\$ 281,153

Agency Request

Restore the Agency's request for \$536,578 for the General Fund and the associated spending authority. When removing budget reductions from the operational costs, the result is a reduction of 83% for general fund operating line.

Optional Request # 2 Increase Special Fund Authority

Secretary of State Request\$ 746,578
(Special Fund \$ 746,578)

Governor Recommendation.....\$ 0.00

Agency Request

Non approval of the \$536,578 for the General Fund would reduce all but 17% of the operating line for general office operations. The remaining amount for office operating expenses will need to be covered by the General Services Fund. The additional \$210,000 is to cover ongoing maintenance costs for the new business and licensing system technology project (FirstStop) deployed January 2019.

Optional Request # 3 Election Reform

Secretary of State Request for FTE\$ 121,865
(Federal Fund \$ 121,865)

Governor Recommendation\$ 0.00
(General Fund \$ 0.00)

Agency Request

Currently is a full-time temporary employee and the agency is requesting it be authorized as an FTE position.

Optional Request # 4 Election Reform Federal Funds

Secretary of State Request\$ 3,000,000
(Federal Fund \$ 3,000,000)

Governor Recommendation\$ 3,000,000
(Federal Fund \$ 3,000,000)

Agency Request

Federal Fund to align with available election reform funding.

Optional Request # 5 Increase Special Fund Authority

Secretary of State Request
Temporary Salaries and Benefits\$ 150,000
(Special Fund \$ 150,000)

Governor Recommendation\$150,000
(Special Fund \$150,000)

Agency Request

Due to continued upward demand for service, increase the Agency's salaries line \$150,00 for the Special Fund and the associated spending authority.

Other Agency Requests Recommended by the Governor

Request # 1 – The Governor recommended a salary adjustment for the Secretary of State.

SECTION 2. ONE TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Voting System and E-Poll Books	\$ 11,200,000	\$ 0
Total General Fund	\$ 0	\$ 0

SECTION 3. AMENDMENT. SALARY OF SECRETARY OF STATE. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

The annual salary of the secretary of state is ~~and one hundred ten thousand five hundred eighty-two dollars through June 30, 2020 and one hundred twelve thousand seven hundred ninety-four dollars through June 30, 2022~~ and one hundred fifteen thousand fifty dollars thereafter.

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1.11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

Secretary of State
Change Request to Executive Budget

Request # 1

In Optional Request # 2, the amount requested was \$746,578 in the General Services Fund spending authority, which was to cover the \$576,578 requested in Optional Request # 1, if it was not recommended by Governor (the Governor recommended \$281,153), plus \$210,000.

Therefore, based on the Executive Recommendation, the agency requests increased spending authority of \$465,425 for the General Services Fund. This is the difference between the original request of \$576,578 and what the Governor recommended, plus the \$210,000 requested in Optional Request # 2. The spending authority is needed cover the costs related to hosting, maintenance, updates, and enhancements of the new business and licensing system technology project (FirstStop) deployed in January of 2019 and the Central Indexing System deployed in 2016. These expenditures are as authorized last session in N.D.C.C. § 54-09-11-(4). That is, "Fees collected by the secretary of state under this section may be used for the programming and maintenance of information technology systems administered by the secretary of state."

Request # 2

In Optional Request # 3, the agency requested the addition of one FTE, which the Governor did not recommend. This position is essential to the maintenance of the Central Voter File. It has existed for several years and has been and is currently filled by a full-time temporary employee, who is paid with federal funds. Because of its importance, the agency is requesting the addition of one FTE in the amount of \$121,865.

Update on One Time Request Funding for 2019/2021 biennium

Secretary of State Request

Statewide Voting System and Electronic Pollbooks.....\$12,000,000
(General Fund \$9,000,000; Federal Fund \$3,000,000 (already received))

Governor Recommendation.....\$11,000,000

(From Special Funds \$8,000,000; Federal Fund \$3,000,000 - already received)

SECTION 6. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of \$8,000,000, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the secretary of state for a statewide voting system and e-poll book projects during the biennium beginning July 1, 2019 and ending June 30, 2021.

The new voting system was purchased from Election Systems and Software and deployed to the state's 53 counties in 2019. The electronic pollbooks were purchased from KNOWiNK in 2019 and deployed to the counties in 2020. Both systems were used in the 2020 election cycle and were of incredible value as the elections needed to be run during the pandemic. Administering the elections in 2020 were successful because of the new equipment.

Coronavirus (COVID-19) Pandemic

Coronavirus Relief Funds CRF) – OMB

The agency received \$ 49,216.16. The funds were expensed on salaries: overtime for elections and managers and operating for masks, cleaning supplies and wellness barriers for customer service areas.

Coronavirus Aid, Relief and Economic Security Act Funds (CARES) – Election Assistance Commission

The agency received \$ 3,000,000, funds were expensed on items and services that made voting possible during a pandemic. For example, with the anticipated increase in the number of absentee ballots that would be submitted because voters might not want to go to a polling place to vote, extra central count tabulators were purchased for our larger population counties. Single use pens were purchased for the protection of those voters who did vote in person. And an ad campaign was funded with the intent of informing voters of their voting options during the pandemic.

Agency Performance Measures

Although the Secretary of State's office does not have a formal written program, the agency's management team and unit leads have access to various processes for tracking productivity, effectiveness, efficiency, quality of customer service, and compliance with laws. It is anticipated the statistical tracking of information will be improved with the agency's migration to a new database and document processing platform, for which funding was approved in a previous biennium.

Agency Statutory Authority

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45-22, 45-23, 47-22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

Agency Description

The Secretary of State's office is the office of record for certain legal documents generated by the executive and legislative branches of state government; public records and notices including various business entities; and performs a wide range of licensing, regulatory, registration, and administrative functions within five operating units. The agency performs these functions in accordance with the requirements of the state's constitution and laws.

Agency Mission Statement

The office will:

- Serve the people of the State of North Dakota and its guests;
- Execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code;
- Collect and preserving the records of the State as defined by the law; and
- Act as an ambassador for the State of North Dakota, its people, and its way of life.

This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

Program Statistical Data

History of Revenue and Expenditures for the past ten budget cycles

Revenue

- 2001/2003 \$6,277,698 (general \$5,869,160; * special \$371,868) increased 5.5percent over previous biennium.
- 2003/2005 \$6,716,245 (general \$6,289,108, * special \$401,305) increased 7.0percent over previous biennium.
- 2005/2007 \$7,289,015 (general \$6,815,185, * special \$454,445) increased 8.5percent over previous biennium.
- 2007/2009 \$7,949,077 (general \$7,432,582, * special \$516,495) increased 9.1percent over previous biennium.
- 2009/2011 \$9,058,760 (general \$8,543,052, * special \$515,708) increased 14percent over previous biennium.
- 2011/2013 \$12,384,546 (general \$11,782,731, * special \$601,815) increased 36.7percent over previous biennium.
- 2013/2015 \$12,917,111 (general \$12,252,412, * special \$664,699) increased 4.3percent over previous biennium.
- 2015/2017 \$14,104,318 (general \$12,486,458, *special \$1,617,861) increased 9.2percent over previous biennium.
- 2017/2019 \$ 14,107,425 (general \$ 12,248,194, * special \$ 1,859,231 increased 0.2percent over previous biennium.
- 2019/2021 Estimated: \$ 14,000,000 (Estimated: general \$12,500,000, * special \$1,500,000)

Expenditures

- 2001/2003 - \$3,961,253 increased 11.7percent over previous biennium (see note # 1)
- 2003/2005 - \$4,146,332 increased 4.7percent over previous biennium
- 2005/2007 - \$4,536,178 increased 9.4percent over previous biennium (see note # 2)
- 2007/2009 - \$5,666,247 increased 24.9percent over previous biennium (see note #3)
- 2009/2011 - \$6,168,973 increased 8.9percent over previous biennium (see note #4)
- 2011/2013 - \$8,383,125 increased 35.9percent over previous biennium (see note #5)
- 2013/2015 - \$9,018,517 increased 7.58percent over previous biennium (see note #6)
- 2015/2017 - \$8,340,716 decreased 7.52percent over previous biennium (see note #7)
- 2017/2019 - \$7,370,635 decreased 11.63percent over previous biennium (see note #8)

Note 1: ITD again reallocated costs related to the statewide area network resulting in another \$175,000 increase added to the agency's budget.

Note 2: The expenditures included a one-time amount of \$125,000 for migration of database.

Note 3: The expenditures included a one-time amount of \$825,000 for migration of database.

Note 4: The expenditures included a one-time amount of \$702,000 for migration of database (One-time funding was \$780,000 total, we requested \$78,000 in carryover to 11-13 Biennium).

Note 5: The expenditures included one-time amounts of \$3,500,000 for migration of database and \$43,039 for online public meeting system. In addition, the one-time funding carryover of \$78,000 for migration of database. (We requested \$1,351,035 in carryover to 13-15 for migration of database).

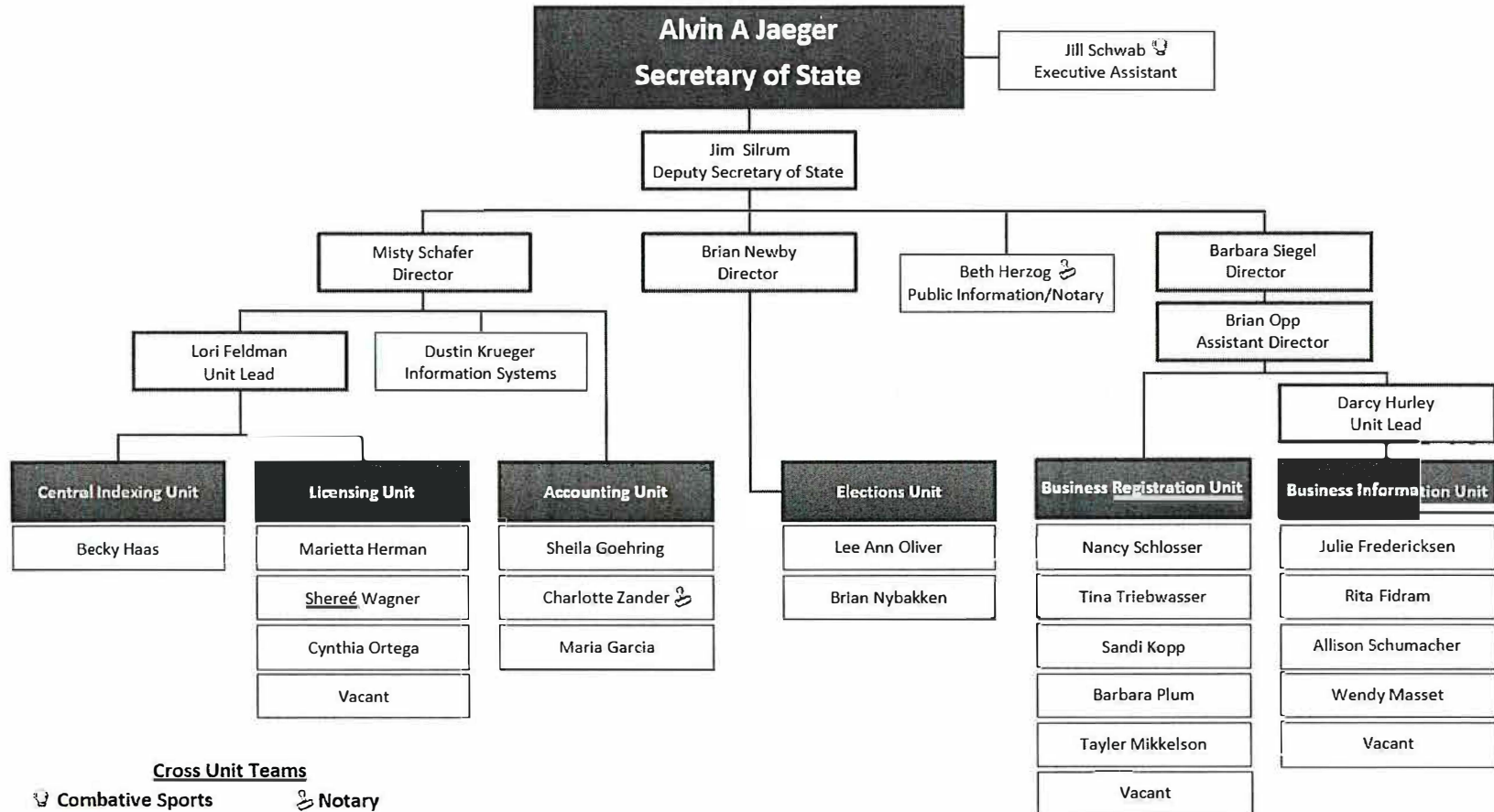
Note 6: The expenditures included one-time amounts of \$2,048,352 for migration of database and \$109,794 for business process mapping project. (We requested carryover to 15-17 for the remaining migration of database and business process mapping).

Note 7: The expenditures for IT data processing decreased by \$727,796 from the 13-15 biennium to the 15-17 biennium.

Note 8: The expenditures for IT data processing decreased by \$286,553, IT contractual services decreased by \$363,651, printing decreased by \$136,701 and salaries and wages decreased by \$396,040 from the 15-17 biennium to the 17-19 biennium.

**North Dakota Secretary of State
Staff Organizational Chart**

Updated November 2020





North Dakota Legislative Council

STATE CAPITOL, 600 EAST BOULEVARD, BISMARCK, ND 58505-0360

Phone: 701.328.2916

Fax: 701.328.3615

www.legis.nd.gov

lcouncil@nd.gov

August 4, 2020

Honorable Alvin A. Jaeger
Secretary of State
State Capitol
Bismarck, ND 58505

Dear Mr. Jaeger:

As you know, the Legislative Council is responsible for preparing the material for and supervising the publication of the North Dakota Century Code, North Dakota Administrative Code, and North Dakota Session Laws. The purpose of this letter is to notify you of the estimated costs for the 2021-23 biennium so you can include a sufficient amount in your budget request for these purposes.

During the 2019-21 biennium, cost estimates for Century Code purchases in your budget were based on the state maintaining 550 sets of the code. Your staff has not advised us to change the number of sets needed, so we are basing our estimates on 550 code sets for the 2021-23 biennium.

During the 2021-23 biennium, we have tentatively identified Volumes 2A, 2C, 6, 8A, and 10B of Century Code for replacement. These replacement volumes must be published to avoid increased costs for supplements and the eventual need to replace the entire Century Code. Replacement of volumes also makes the Century Code more easily usable for the public. The Court Rules Annotated volume is published in a softbound volume that must be replaced each biennium. Based on cost estimates furnished by LexisNexis, \$141,487.50 will be needed to purchase 550 sets of replacement Volumes 2A, 2C, 6, 8A, and 10B and \$45,375 will be needed to purchase 550 sets of the Court Rules Annotated volume and two supplements to that volume.

Based on LexisNexis estimates, \$98,450 will be needed to purchase 550 sets of the 2021 pocket supplements, and \$37,262.50 will be needed to purchase 550 sets of the 2021 general index.

The estimated costs for Century Code updates for the 2021-23 biennium total \$322,575. In the letter (copy enclosed) of estimated costs from Ms. Leslie Metheney, Director, Government Content Acquisition, LexisNexis, it is stated that LexisNexis offers state government subscribers a 25 percent discount. Application of this discount will reduce estimated expenditures for 2021-23 Century Code updates to \$241,931.

The Legislative Assembly passed House Bill No. 1422 (2019), which replaced the CD-ROM publication of the Administrative Code with an electronic notification process, therefore eliminating any preparation and distribution costs for the Administrative Code.

We estimate that \$16,000 will be required to cover printing, binding, and mailing costs for the 2021 North Dakota Session Laws.

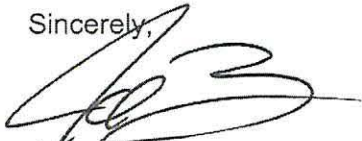
We respectfully suggest that you include \$257,931 in your budget request for the 2021-23 biennium for publication and printing costs for the North Dakota Century Code and North Dakota Session Laws and

postage and mailing costs for the Session Laws. This is a .25 percent increase from the comparable amount we recommended for these expenses for the 2019-21 biennium.

We are not in a position to make any suggestions regarding the other costs that must be included in the public printing line item of your budget, including the costs of individual volumes to update old sets of Century Code, the new sets of Century Code required for new members of the Legislative Assembly, and postage and mailing costs for Century Code. Therefore, those costs are not included in our estimates.

Thank you for your attention to these matters. Please contact this office if you have any questions. We are sending a copy of this letter to Mr. Joe Morrisette, Director, Office of Management and Budget, for his information.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a long horizontal stroke extending to the right.

John Bjornson
Director

JB/JJB

Enc.

cc: Mr. Joe Morrisette
Ms. Leslie Metheney

July 31, 2020

John Bjornson
Vonette Richter
North Dakota Legislative Council
State Capitol, 600 East Boulevard
Bismarck, ND 58505

Dear John & Vonette:

I am pleased to provide the following estimated prices for the North Dakota Century Code 2021-2022 upkeep service. The following prices reflect slight increases from the pricing levels offered for 2019-2020. The cost of production has increased over the past two years and although the Producer Price Index for Book Publishers has risen almost 13% over the last two years, I have kept the requested increases significantly lower than that amount.

As requested, I have included the base estimates on options for four or five replacement volumes in the two-year period.

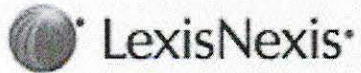
Cumulative Supplement The price of the 2021 Supplement will depend on the number of volumes replaced. If five volumes are replaced, the price of the Supplement is \$179.00. If four volumes are replaced, the price of the Supplement is \$200.45.

Index The price of the Index will be \$67.75 with the publication of five Replacement volumes. The price increases to \$71.75 with four Replacement volumes.

Replacement Volumes Our recommendation is for the replacement of five volumes, two in one year and three in the next. After consulting with our editorial department, our recommendation is to replace Volume 2A (2012 volume with 247 page supp); Volume 2C (2012 volume with 155 page supp); Volume 6 (2010 volume with 149 page supp); Volume 8A (2006 volume with 153 page supp) and Volume 10B (2014 volume with 227 page supp.) If five volumes are replaced, the price for each copy of each replacement volume will be \$51.45. If four volumes are replaced, the price for each copy of each replacement volume will be \$53.80.

Package Prices For comparison purposes, the various options with prices and the total package price of Supplement, Replacement Volumes and Index are as follows:

<u>Option</u>	<u>No. Repl. Vols.</u>	<u>Price of Supp.</u>	<u>Price of Volumes</u>	<u>Price of Index</u>	<u>Total</u>	<u>Increase</u>
1	5	\$179.00	\$51.45	\$67.75	\$504.00	5.0 %
2	4	\$200.45	\$53.80	\$71.75	\$487.40	5.5%



Court Rules Volumes and Supplements. The next edition of the Court Rules volume is currently scheduled for publication in early 2022. The price of that edition will be \$54.00, a 5% increase in the price of \$51.75 from the 2020 Edition. The first two supplements to the 2020 Edition will increase to \$14.00 and \$14.50 respectively.

Government Discount We will continue to offer state government subscribers a 25% discount on its purchases of the North Dakota Century Code for the 2021 - 2022 biennium.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Metheney".

Leslie Metheney
Director
Government Content Acquisition

BUDGET DOCUMENTS

2021 – 2023 Executive State Budget Summary

- <https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/state-budgets/docs/budget/executivebudgetsummary2021-23.pdf>
- Appropriation summary by agency, including 2019-21 Legislative Base Budget, 2021-23 Base Budget Request, and 2021-23 Executive Budget Recommendation - pg. 1-3
- General fund status statement – pg. 24
- General fund revenues – pg. 25
- Status statements for major special funds - pgs. 27-46
- FTEs - pg. 47-49
- Compensation package explanation - pg. 50; and amounts by agency - pg. 51-52
- Capital budget - pgs. 59-79
- Large IT project recommendations – pg. 80
- Agency summaries, including 2019-21 Legislative Base Budget, 2021-23 Base Budget Request, and 2021-23 Executive Budget Recommendation – pgs. 82-233
- Optional adjustment requests – pgs. 234-248
- Special and federal funding sources by agency – pgs. 249-268

2021 – 2023 Budget Detail

- <https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/state-budgets/docs/budget/2021-23-detail-book/MVBA2021R02.pdf>
- Detailed schedules of each agency's budget request and recommendation

Budget Request Reports

Overview Reports

- Agency Overview
- Request Summary
- Request Detail
- Change Package Agency Summary

Program Reports

- Program Narrative
- Request Detail by Program
- Change Package Program Summary

Recommendation Reports

Request & Recommendation Comparison Reports

- Agency Summary
- Agency Detail
- Change Package Summary
- Detail by Program
- Supporting Schedules
- Grants Summary
- Equipment over \$5,000
- IT Equipment over \$5,000
- Other Capital Payments
- Extraordinary Repairs
- Capital Projects
- Capital Projects Detail
- General Fund Collections
- Licensing, Regulation and Inspection
- Lease Purchase Agreements
- Special Fund Balance
- Budget Changes Narrative

2021 – 2023 Supplemental Budget Documents

- <https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/state-budgets/docs/budget/2021-23-budget-supporting-schedules.pdf>
- Special Fund Statements
- Continuing Appropriations

2021 – 2023 GOVERNOR'S RECOMMENDATION APPROPRIATION BILLS

- <https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/appropbills/2021-govs-budget-rec-approps-bills.pdf>

FISCAL AND ADMINISTRATIVE POLICIES

- <https://www.nd.gov/omb/agency/financial/fiscal-policies>
- Current expenditure and revenue policies (including payroll, purchasing and travel) used by state agencies

REV-E-NEWS

- <https://www.nd.gov/omb/public/news>
- Monthly newsletter showing variances between projected and actual general fund revenues

NORTH DAKOTA TRANSPARENCY

- <https://www.nd.gov/omb/public/transparency>
 - Checkbook
 - Employee Compensation
 - Daily Cash Balance
 - State Revenues
 - Funds
 - State Appropriations
 - Monthly report
 - CARES Act

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

- <https://www.nd.gov/omb/agency/financial/comprehensive-annual-financial-report-cafr/cafr-reports>

ANALYST ASSIGNMENTS

- <https://www.nd.gov/omb/sites/omb/files/documents/agency/financial/state-budgets/docs/budget-analysts.pdf>

Website:

www.nd.gov/omb

Budget Documents:

www.nd.gov/omb/agency/financial/state-budget

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
1/18/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Chairman David Monson called the meeting to order at 2:54 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

Discussion Topics:

- ND Auditors Association
- Voting tabulators – DS200 machines
- County election voting results reporting process
- Stringers vs. public information and open records
- Security concerns

Donnell Preskey (2:54 p.m.) testified neutral. Testimony #1588

Additional written testimony: #1591

Chairman David Monson closed the meeting at 3:30 p.m.

Klarissa Pudwill, Committee Clerk

Testimony to
House Appropriations – E&E Division
Donnell Preskey Hushka
NDACo



Regarding Election Results Reporting Process

Good Afternoon Mr. Chairman and committee members, I'm Donnell Preskey with the North Dakota Association of Counties. One of my roles at NDACo is to serve as Executive Director of the ND Auditors Association. I understand you have questions regarding the process of reporting election results. I can help step you through the process from the county perspective.

Let's start with when polls close at 7 p.m. Across the state depending on the number of polling locations and the distance they are from the courthouse it can take anywhere from an hour to 2.5 hours to close down the voting location and bring the results to the courthouse. With that said, let's say there is a vote by mail county with a voting location in the courthouse. They could close down the poll and walk steps to hand in the tabulation materials shortly after 7 p.m.

It is required for the inspector and two judges together to bring the seal from the DS200 which is the voting tabulator, the tape with the results printed from the tabulator and the USB with the results from the tabulator. That packet is handed to the Auditor.

The Auditors Office then follows these steps – these steps will not only provide you insight to the results process but also the security measure that are in place to ensure that North Dakota's elections have high integrity. The Auditors Office has two computers used ONLY for the election and results process.

1. The USB with the results is put into a stand-alone computer – which is "hardened" and has many extra security features. It is NOT and has NEVER been connected to the internet. This step is where the info from the tabulator is transferred into the election reporting software to "read" the results.
2. Another employee compares the info in the election reporting software to the totals on the tape from the tabulator to validate that the totals are the same.
3. The file is exported to a single use "RESULTS USB".
4. The RESULTS USB is put into the ELECTION LAPTOP that is also only used on election day and ONLY has internet access to the central voter file where the information is uploaded to the state. This computer is maintained by ND IT. This is the only piece of election equipment that is connected to the internet. The RESULTS USB is a one time use – because it was used in a computer connected to the internet it is not used again and NEVER goes back into the stand-alone computer.
5. This process to extract and upload the results takes approximately 15 minutes per USB. Several counties will upload info from several DS200 USB's into the election reporting software before doing the export to the RESULTS USB and final upload to the central voter file.

It's important to know that the SOS doesn't go "Live" with the results website until 8 p.m. CT, due to polls closing later in the mountain time zone. Therefore, it could be possible, but probably not very likely that a county could have their results into the courthouse and uploaded prior to the website going "live".

From what I gather from Auditors, most local media rely on the SOS website for the reporting of results. But it is common for stringers from the Associated Press to be in larger counties or counties with big races/issues. As a county loads their election data, they are able to print a report to provide to the media. In some cases, they are provided to the stringer before they are uploaded to the central voter file.

Following the request from this committee to appear here today, I sent a survey to county auditors to gather more information. As today is a holiday, I didn't hear back from many counties. But if this committee would like an update with further clarity, I would be happy to later this week. Here are the questions I asked them to answer in relation to your inquiry.

1. What time do your polls close?
2. On average what time is your first upload of results to the SOS website?
3. What time was your last upload to the SOS website?
4. IF you have AP stringers, when are you providing them the election reporting, before or after your upload to the state?
5. What is the average length of time from when polls close to when you have the DS200 USB totals tape brought in by the inspector/judges?
6. Did you notice a delay from when you uploaded the results to when they were on the SOS website?

Prepared by the Legislative Council staff
for

January 18, 2021

**HOUSE BILL NO. 1002
LISTING OF PROPOSED CHANGES TO BILL**

Department - 108 - Secretary of State

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Insert section appropriating \$25,000 from the general fund to the Secretary of State for the purpose providing grants to each federally recognized tribal government located within the state for administrative costs incurred to issue addresses and identifications for voting purposes.		\$25,000		\$25,000
2 Add 1 FTE and federal funding authority in salaries and wages for election reform	1.00		\$121,865	\$121,865
3 Increase special fund spending authority in place of restoring general fund			\$536,578	\$536,578
4				
5				
Total proposed funding changes	1.00	\$25,000	\$658,443	\$683,443

Other proposed changes:

- 1 Add sections from Governor's bill recommendation
- 2 Add section amending statute to restrict the reporting of election results until the SOS reports the outcome or a specific time
- 3
- 4

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002

2/1/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Chairman David Monson called the meeting to order at 9:03 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt		A
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

Discussion Topics:

- Proposed changes to the bill
- Contingency fund request for grants to each tribal government in the state to identify voting issues
- Special funds

Al Jaeger, Secretary of State (9:10 a.m.) testified in favor. Testimony #4588

Misty Schafer (9:33 a.m.) testified in favor. Testimony #4588

Jim Silrum (9:43 a.m.) testified in favor. Testimony #4588

Additional written testimony: #4586

Chairman David Monson closed the meeting at 10:01 a.m.

Klarissa Pudwill, Committee Clerk

ND Secretary of State
ND IT Services - July 1, 2019 - December 31, 2020

Fund	General / Special 001 / 263	Project 001-1100	HAVA Special 283	Elections Federal G2589	Total
601005 - Data Processing Service					-
Project Management		49,191.00	60,705.00		109,896
Desktop Support	102,490.00				102,490
Hosting	107,392.94	68,400.00	95,120.00		270,913
Disk Storage/Back Up	21,840.73	39,849.50	3,893.07		65,583
Technology Fee	38,160.00				38,160
Analyst I/II/Senior or Consulting	4,151.00		1,518.00		5,669
Software	9,683.28		156,493.00		166,176
AS400 - software being retired	56,990.62				56,991
Voter File Wireless Connection				20,300.00	20,300
Misc.	5,069.38		2,303.96		7,373
Total	345,777.95	157,440.50	320,033.03	20,300.00	843,551.48
602065 - Telephone ITD					
Basic Phone Service/Voice Mail/Long distance	43,730.90				43,731
Voter File Wireless Connection			72,470.17	22,715.27	95,185
Total	43,730.90	-	72,470.17	22,715.27	138,916.34
Total by Fund	389,508.85	157,440.50	392,503.20	43,015.27	982,467.82

NOTES:

We have appropriation in both general and special funds for Data Processing

We have appropriation only general for Telephone Services

Once project funds are depleted, hosting and storage expenses will have to be covered by general /special funds

Once HAVA Special funds are depleted, hosting, storage and software expenses will have to be covered by general /special or federal funds

HB 1002

[illegible]

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Text that must be included in Legislative Bill Draft

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1.11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

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Agency's Requested Optional Adjustments:

Optional Request # 2 Increase Special Fund Authority

Secretary of State Request - Special Fund Operating Line \$ 210,000
IT Software/Supplies

Agency Request

The spending authority is needed cover the costs related to hosting, maintenance, updates, and enhancements of the new business and licensing system technology project (FirstStop) deployed in January of 2019 and the Central Indexing System deployed in 2016. These expenditures are as authorized last session in N.D.C.C. § 54-09-11-(4). That is, "Fees collected by the secretary of state under this section may be used for the programming and maintenance of information technology systems administered by the secretary of state."

Optional Request # 5 Increase Special Fund Authority

Secretary of State Request – Special Fund Salary line..... \$ 150,000
Temporary Salaries and Benefits

Agency Request

Due to continued upward demand for service, increase the Agency's salaries line \$150,00 for the Special Fund and the associated spending authority.

Gross total increased Special Fund Authority \$360,000

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Optional Request # 4 Election Reform Federal Funds

Secretary of State Request\$ 3,000,000
(Federal Fund \$ 3,000,000)

Agency Request

Federal Fund to align with available election reform funding. The funds and Emergency Commission approval to receive those funds was completed in March 2020.

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Optional Request # 3 Election Reform FTE Request

Secretary of State Request for FTE\$ 121,865
(Federal Fund \$ 121,865)

Agency Request

Currently is a full-time temporary employee paid with Federal Funds and the agency is requesting it be authorized as an FTE position.

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Additional General Fund Authority

Secretary of State Request

Tribal Grants: Admin Costs for Voting Purposes\$ 25,000
(General Fund \$ 25,000)

Agency Request

The funding shall be used to provide grants to each federally recognized tribal government located within the state of North Dakota for administrative costs incurred to issue addresses and identifications for voting purposes.

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Recommended by the Governor

SECTION 1. APPROPRIATION – SALARIES AND WAGES LINE. Increase funding for compensation package adjustments.

SECTION 3. AMENDMENT. SALARY OF SECRETARY OF STATE. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

~~The annual salary of the secretary of state is and one hundred ten thousand five hundred eighty-two dollars through June 30, 2020 and one hundred twelve thousand seven hundred ninety-four dollars through June 30, 2022 and one hundred fifteen thousand fifty dollars thereafter.~~

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SECTION 2. ONE TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Voting System and E-Poll Books	\$ 11,200,000	\$ 0
Total General Fund	\$ 0	\$ 0

Prepared by the Legislative Council staff
for

January 18, 2021

HOUSE BILL NO. 1002
LISTING OF PROPOSED CHANGES TO BILL

Department - 108 - Secretary of State

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Insert section appropriating \$25,000 from the general fund to the Secretary of State for the purpose providing grants to each federally recognized tribal government located within the state for administrative costs incurred to issue addresses and identifications for voting purposes.		\$25,000		\$25,000
2 Add 1 FTE and federal funding authority in salaries and wages for election reform	1.00		\$121,865	\$121,865
3 Increase special fund spending authority in place of restoring general fund			\$536,578	\$536,578
4				
5				
Total proposed funding changes	1.00	\$25,000	\$658,443	\$683,443

Other proposed changes:

- 1 Add sections from Governor's bill recommendation
- 2 Add section amending statute to restrict the reporting of election results until the SOS reports the outcome or a specific time
- 3
- 4

Secretary of State - Budget No. 108
House Bill No. 1002
Base Level Funding Changes

	Executive Budget Recommendation				House Version				House Changes to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	32.00	\$5,623,063	\$4,231,641	\$9,854,704	32.00	\$5,623,063	\$4,231,641	\$9,854,704	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes			\$238,528	\$238,528				\$0			(\$238,528)	(\$238,528)
Salary increase		\$112,946	10,601	123,547				0		(112,946)	(10,601)	(123,547)
Health insurance increase		1,424	134	1,558				0		(1,424)	(134)	(1,558)
Retirement contribution increase		23,234	2,181	25,415				0		(23,234)	(2,181)	(25,415)
Increases funding for temporary salaries			150,000	150,000				0			(150,000)	(150,000)
Increases federal funds authority for election reform			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Reduces funding for operating expenses		(255,425)		(255,425)				0		255,425		255,425
Adds funding for rent model change		192,861		192,861				0		(192,861)		(192,861)
Reduces funding for data processing			(40,676)	(40,676)				0			40,676	40,676
Adds funding for Microsoft Office 365 licensing expenses		3,591	705	4,296				0		(3,591)	(705)	(4,296)
Increases funding for public printing		653		653				0		(653)		(653)
Total ongoing funding changes	0.00	\$79,284	\$3,361,473	\$3,440,757	0.00	\$0	\$0	\$0	0.00	(\$79,284)	(\$3,361,473)	(\$3,440,757)
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$79,284	\$3,361,473	\$3,440,757	0.00	\$0	\$0	\$0	0.00	(\$79,284)	(\$3,361,473)	(\$3,440,757)
2021-23 Total Funding	32.00	\$5,702,347	\$7,593,114	\$13,295,461	32.00	\$5,623,063	\$4,231,641	\$9,854,704	0.00	(\$79,284)	(\$3,361,473)	(\$3,440,757)
Total ongoing changes as a percentage of base level	0.0%	1.4%	79.4%	34.9%	0.0%	0.0%	0.0%	0.0%				
Total changes as a percentage of base level	0.0%	1.4%	79.4%	34.9%	0.0%	0.0%	0.0%	0.0%				

Other Sections in Secretary of State - Budget No. 108

	Executive Budget Recommendation	House Version
Salary of Secretary of State	Section 3 would provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective July 1, 2022, to reflect the 2 percent annual recommended salary increase.	
Exemption - Techonolgy project	Section 4 would provide that any unexpended funds from the technology project in Section 2 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.	

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
2/10/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Chairman David Monson called the meeting to order at 3:43 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

Discussion Topics:

- Base level funding review
- Federally funded FTE

Jim Silrum (3:46 p.m.) testified in favor.

Chris Kadrmas (3:52 p.m.) discussed amendment 21.0261.01001

Representative Bob Martinson made a motion to approve the amendment subject to review when seen

Vice Chairman Jim Schmidt seconded the motion

Roll call vote taken:

Representative	Yea	Nay	Absent
Chairman Monson	X		
Vice Chairman Schmidt	X		
Representative Martinson	X		
Representative Nathe	X		
Representative Sanford	X		
Representative Schatz	X		
Representative Boe			X

Motion Passed 6 Yea, 0 Nay, 1 Absent

Representative Bob Martinson made a motion Do Pass as Amended

Representative Mark Sanford seconded the motion

Roll call vote taken:

Representative	Yea	Nay	Absent
Chairman Monson	X		
Vice Chairman Schmidt	X		
Representative Martinson	X		
Representative Nathe	X		
Representative Sanford	X		
Representative Schatz	X		
Representative Boe			X

Motion Passed 6 Yea, 0 Nay, 1 Absent

Additional written testimony: #6300

Chairman David Monson adjourned the meeting at 4:02 p.m.

Klarissa Pudwill, Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1002

Page 1, line 2, after "printing" insert "; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide an exemption"

Page 1, replace lines 11 through 20 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants	0	25,000	25,000
Petition review	8,000	0	8,000
Election reform	<u>1,601,747</u>	<u>3,097,721</u>	<u>4,699,468</u>
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Total general fund	\$5,365,785	(\$97,515)	\$5,268,270
Full-time equivalent positions	32.00	1.00	33.00"

Page 2, replace lines 1 through 4 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Public printing	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
Total general fund	\$257,278	\$653	\$257,931"

Page 2, replace lines 6 through 10 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,623,063	(\$96,862)	\$5,526,201
Grand total special funds	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Grand total all funds	\$9,854,704	\$3,978,061	\$13,832,765"

Page 2, after line 15, insert:

"SECTION 3. EXEMPTION - TECHNOLOGY PROJECT. Any unexpended funds from the \$3,050,000 general fund appropriation for a technology project in the operating expenses line item in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws and continued into the 2017-19 and 2019-21 bienniums is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021, and ending June 30, 2023.

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

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred ~~seventy-two~~ thousand ~~eight~~^{two} hundred ~~eighty-five~~^{forty-one} dollars through June 30, ~~2020~~²⁰²¹, and one hundred ~~ten~~^{thirteen} thousand ~~five~~^{nine} hundred ~~eighty-two~~^{twenty-five} dollars thereafter.

SECTION 5. TRIBAL GOVERNMENT ADMINISTRATIVE COSTS. Of the funds appropriated in the grants line item in subdivision 1 of section 1 of this Act, \$25,000 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state for the biennium beginning July 1, 2021, and ending June 30, 2023. The secretary of state may provide grants in an amount up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of House Action

	Base Budget	House Changes	House Version
Secretary of State			
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	<u>\$5,365,785</u>	<u>(\$97,515)</u>	<u>\$5,268,270</u>
FTE	32.00	1.00	33.00
Public Printing			
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$9,854,704	\$3,978,061	\$13,832,765
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	<u>\$5,623,063</u>	<u>(\$96,862)</u>	<u>\$5,526,201</u>
FTE	32.00	1.00	33.00

House Bill No. 1002 - Secretary of State - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants		25,000	25,000
Petition review	8,000		8,000
Election reform	<u>1,601,747</u>	<u>3,097,721</u>	<u>4,699,468</u>
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	<u>\$5,365,785</u>	<u>(\$97,515)</u>	<u>\$5,268,270</u>
FTE	32.00	1.00	33.00

Department 108 - Secretary of State - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Convert a Temporary to FTE Position ³	Increases Funding for Temporary Salaries ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Grants ⁶
Salaries and wages	\$145,186	\$138,765	\$121,865	\$150,000		
Operating expenses					\$298,871	
Grants						\$25,000
Petition review						
Election reform	93,342	4,379				
Total all funds	\$238,528	\$143,144	\$121,865	\$150,000	\$298,871	\$25,000
Less estimated income	238,528	13,825	121,865	150,000	550,705	0
General fund	\$0	\$129,319	\$0	\$0	(\$251,834)	\$25,000
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Increases Funding for Election Reform ⁷	Total House Changes
Salaries and wages		\$555,816
Operating expenses		298,871
Grants		25,000
Petition review		
Election reform	\$3,000,000	3,097,721
Total all funds	\$3,000,000	\$3,977,408
Less estimated income	3,000,000	4,074,923
General fund	\$0	(\$97,515)
FTE	0.00	1.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$127,895	\$13,691	\$141,586
Health insurance increase	1,424	134	1,558
Total	\$129,319	\$13,825	\$143,144

³ Funding is added from federal funds to convert 1 full-time temporary election reform position to an FTE position.

⁴ Funding is increased for temporary salaries to provide a total of \$200,000.

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Funding source change to general services fund	(\$255,425)	\$255,425	\$0
IT operating expenses	0	210,000	210,000
Other operating expenses	0	84,575	84,575
Microsoft Office 365 license expenses	3,591	705	4,296
Total	(\$251,834)	\$550,705	\$298,871

⁶ Funding of \$25,000 from the general fund is added for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. A section is added providing the Secretary of State may provide grants up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes.

⁷ Funding from federal funds is increased for election reform.

This amendment also adds a section to:

- Provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect the 1.5 percent annual salary increase.
- Allow funding approved for an information technology project in the 2015-17 biennium to be continued into the 2021-23 biennium.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public printing	<u>\$257,278</u>	\$653	<u>\$257,931</u>
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	<u>0</u>	0	<u>0</u>
General fund	<u>\$257,278</u>	\$653	<u>\$257,931</u>
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Increases Funding For Public Printing ¹	Total House Changes
Public printing	<u>\$653</u>	\$653
Total all funds	\$653	\$653
Less estimated income	<u>0</u>	0
General fund	<u>\$653</u>	\$653
FTE	0.00	0.00

¹ Funding is increased for public printing to provide a total of \$257,931 from the general fund.

State Historical Society - Budget No. 701
House Bill No. 1018
Base Level Funding Changes

Committee discussion through 2/3/2021

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	75.00	\$17,368,691	\$3,194,252	\$20,562,943	75.00	\$17,368,691	\$3,194,252	\$20,562,943	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes		(\$1)	\$2	\$1		(\$1)	\$2	\$1				\$0
Salary increase		299,367	24,229	323,596		310,612	23,311	333,923		11,245	(918)	10,327
Health insurance increase		3,466	281	3,747		3,270	281	3,551		(196)		(196)
Retirement contribution increase		61,575	4,984	66,559				0		(\$61,575)	(\$4,984)	(66,559)
Transfers the Lewis and Clark Interpretive Center operations	3.75	840,595	587,999	1,428,594				0	(3.75)	(840,595)	(587,999)	(1,428,594)
Adjusts funding for temporary salaries		(202,319)		(202,319)		400,000	191,425	591,425		602,319	191,425	793,744
Reduce salaries and wages federal funds spending authority			(276,235)	(276,235)			(276,235)	(276,235)				0
Increases funding for capital assets		25,473		25,473		25,473		25,473				0
Adds ongoing funding to upgrade the SADR		125,000		125,000		125,000		125,000				0
Reduces funding for operating expenses		(411,096)		(411,096)				0		411,096		411,096
Adds funding for extraordinary repairs at historic sites		500,000		500,000				0		(500,000)		(500,000)
Removes funding for cultural heritage grants		(500,000)		(500,000)				0		500,000		500,000
Adds funding for Microsoft Office 365 license expenses		7,578		7,578		7,578		7,578				0
Total ongoing funding changes	3.75	\$749,639	\$341,259	\$1,090,898	0.00	\$871,932	(\$61,216)	\$810,716	(3.75)	\$122,293	(\$402,475)	(\$280,182)
One-time funding items												
Adds one-time funding for the SADR upgrade		\$25,000		\$25,000		\$25,000		\$25,000		\$0		\$0
Adds one-time funding from SIIF for historical site and extraordinary repairs				0			\$1,400,000	1,400,000			1,400,000	1,400,000
Total one-time funding changes	0.00	\$25,000	\$0	\$25,000	0.00	\$25,000	\$1,400,000	\$1,425,000	0.00	\$0	\$1,400,000	\$1,400,000
Total Changes to Base Level Funding	3.75	\$774,639	\$341,259	\$1,115,898	0.00	\$896,932	\$1,338,784	\$2,235,716	(3.75)	\$122,293	\$997,525	\$1,119,818
2021-23 Total Funding	78.75	\$18,143,330	\$3,535,511	\$21,678,841	75.00	\$18,265,623	\$4,533,036	\$22,798,659	(3.75)	\$122,293	\$997,525	\$1,119,818
Total ongoing changes as a percentage of base level	5.0%	4.3%	10.7%	5.3%	0.0%	5.0%	(1.9%)	3.9%				
Total changes as a percentage of base level	5.0%	4.5%	10.7%	5.4%	0.0%	5.2%	41.9%	10.9%				

Other Sections in State Historical Society - Budget No. 701

	Executive Budget Recommendation	House Version
Appropriation - Revolving fund	Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.	Section 3 would appropriate all fees collected and deposited in the revolving fund to the State Historical Society.
Appropriation - Gifts, grants, and bequests	Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.	Section 4 would appropriate all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society to the State Historical Society.
Estimated income - Strategic investment and improvements fund		Section 5 identifies \$1,400,000 in the estimated income line item in Section 1 is from the strategic investment and improvements fund for historical site and extraordinary repairs.
Exemption - Conveyance of land and buildings - Lewis and Clark Interpretive Center	Section 5 transfers the Lewis and Clark Interpretive Center and surrounding real property from the Parks and Recreation Department to the State Historical Society and exempts the transfer from Sections 54-01-05.2 and 54-01-05.5.	
Estimated income - Department of Transportation	Section 6 would identify that \$100,000 of funding in the estimated income line item is from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2021-23 biennium.	

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1002
2/17/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

9:26 Chairman Delzer Opens the meeting for HB 1002;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	A
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Amendment

9:27 Representative Sanford- Reviews the budget and the amendment 21.0261.01001

9:42 Representative Sanford Makes a motion to move the amendment

Representative Monson- Second

9:42 Voice Vote- Motion Carries

9:46 Representative Sanford Make a motion Do Pass as Amended

Representative Monson Second

Further Discussion

9: 47 Roll Call vote was taken;

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	A
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigasaa	Y

Motion Carries, 20-0-1 Representative Sanford will carry the bill

Additional written testimony: No written testimony

9:48 Chairman Delzer Closes the meeting for HB 1002

Risa Berube,

House Appropriations Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1002

Page 1, line 2, after "printing" insert "; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide an exemption"

Page 1, replace lines 11 through 20 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants	0	25,000	25,000
Petition review	8,000	0	8,000
Election reform	<u>1,601,747</u>	<u>3,097,721</u>	<u>4,699,468</u>
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Total general fund	\$5,365,785	(\$97,515)	\$5,268,270
Full-time equivalent positions	32.00	1.00	33.00"

Page 2, replace lines 1 through 4 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
Total general fund	\$257,278	\$653	\$257,931"

Page 2, replace lines 6 through 10 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,623,063	(\$96,862)	\$5,526,201
Grand total special funds	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Grand total all funds	\$9,854,704	\$3,978,061	\$13,832,765"

Page 2, after line 15, insert:

"SECTION 3. EXEMPTION - TECHNOLOGY PROJECT. Any unexpended funds from the \$3,050,000 general fund appropriation for a technology project in the operating expenses line item in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws and continued into the 2017-19 and 2019-21 bienniums are not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021, and ending June 30, 2023.

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

54-09-05. Salary of secretary of state.

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2/17/21

The annual salary of the secretary of state is one hundred ~~seventy-two~~ thousand eight ~~two~~ hundred eighty-five ~~forty-one~~ dollars through June 30, 2020 ~~2021~~, and one hundred ~~ten~~ thirteen thousand ~~five~~ nine hundred eighty-two ~~twenty-five~~ dollars thereafter.

SECTION 5. TRIBAL GOVERNMENT ADMINISTRATIVE COSTS. Of the funds appropriated in the grants line item in subdivision 1 of section 1 of this Act, \$25,000 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state for the biennium beginning July 1, 2021, and ending June 30, 2023. The secretary of state may provide grants in an amount up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1002 - Summary of House Action**

	Base Budget	House Changes	House Version
Secretary of State			
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00
Public Printing			
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$9,854,704	\$3,978,061	\$13,832,765
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,623,063	(\$96,862)	\$5,526,201
FTE	32.00	1.00	33.00

House Bill No. 1002 - Secretary of State - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants		25,000	25,000
Petition review	8,000		8,000
Election reform	1,601,747	3,097,721	4,699,468
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00

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2/17/21

Department 108 - Secretary of State - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Convert a Temporary to FTE Position ³	Increases Funding for Temporary Salaries ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Grants ⁶
Salaries and wages	\$145,186	\$138,765	\$121,865	\$150,000		
Operating expenses					\$298,871	
Grants						\$25,000
Petition review						
Election reform	93,342	4,379				
Total all funds	\$238,528	\$143,144	\$121,865	\$150,000	\$298,871	\$25,000
Less estimated income	238,528	13,825	121,865	150,000	550,705	0
General fund	\$0	\$129,319	\$0	\$0	(\$251,834)	\$25,000
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Increases Funding for Election Reform ⁷	Total House Changes
Salaries and wages		\$555,816
Operating expenses		298,871
Grants		25,000
Petition review		
Election reform	\$3,000,000	3,097,721
Total all funds	\$3,000,000	\$3,977,408
Less estimated income	3,000,000	4,074,923
General fund	\$0	(\$97,515)
FTE	0.00	1.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$127,895	\$13,691	\$141,586
Health insurance increase	1,424	134	1,558
Total	\$129,319	\$13,825	\$143,144

³ Funding is added from federal funds to convert 1 full-time temporary election reform position to an FTE position.

⁴ Funding is increased for temporary salaries to provide a total of \$200,000.

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Funding source change to general services fund	(\$255,425)	\$255,425	\$0
IT operating expenses	0	210,000	210,000
Other operating expenses	0	84,575	84,575
Microsoft Office 365 license expenses	3,591	705	4,296
Total	(\$251,834)	\$550,705	\$298,871

⁶ Funding of \$25,000 from the general fund is added for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. A section is added providing the Secretary of State may provide grants up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes.

⁷ Funding from federal funds is increased for election reform.

This amendment also adds a section to:

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2/17/21

- Provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect the 1.5 percent annual salary increase.
- Allow funding approved for an information technology project in the 2015-17 biennium to be continued into the 2021-23 biennium.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public printing	\$257,278	\$653	\$257,931
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Increases Funding For Public Printing ¹	Total House Changes
Public printing	\$653	\$653
Total all funds	\$653	\$653
Less estimated income	0	0
General fund	\$653	\$653
FTE	0.00	0.00

¹ Funding is increased for public printing to provide a total of \$257,931 from the general fund.

REPORT OF STANDING COMMITTEE

HB 1002: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 2, after "printing" insert "; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide an exemption"

Page 1, replace lines 11 through 20 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants	0	25,000	25,000
Petition review	8,000	0	8,000
Election reform	<u>1,601,747</u>	<u>3,097,721</u>	<u>4,699,468</u>
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Total general fund	\$5,365,785	(\$97,515)	\$5,268,270
Full-time equivalent positions	32.00	1.00	33.00"

Page 2, replace lines 1 through 4 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
Total general fund	\$257,278	\$653	\$257,931"

Page 2, replace lines 6 through 10 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,623,063	(\$96,862)	\$5,526,201
Grand total special funds	<u>4,231,641</u>	<u>4,074,923</u>	<u>8,306,564</u>
Grand total all funds	\$9,854,704	\$3,978,061	\$13,832,765"

Page 2, after line 15, insert:

"SECTION 3. EXEMPTION - TECHNOLOGY PROJECT. Any unexpended funds from the \$3,050,000 general fund appropriation for a technology project in the operating expenses line item in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws and continued into the 2017-19 and 2019-21 bienniums are not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021, and ending June 30, 2023.

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

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The annual salary of the secretary of state is one hundred ~~seventy-two~~ thousand ~~eight~~ two hundred ~~eighty-five~~ forty-one dollars through June 30, ~~2020~~ 2021, and one hundred ~~ten~~ thirteen thousand ~~five~~ nine hundred ~~eighty-two~~ twenty-five dollars thereafter.

SECTION 5. TRIBAL GOVERNMENT ADMINISTRATIVE COSTS. Of the funds appropriated in the grants line item in subdivision 1 of section 1 of this Act,

\$25,000 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state for the biennium beginning July 1, 2021, and ending June 30, 2023. The secretary of state may provide grants in an amount up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of House Action

	Base Budget	House Changes	House Version
Secretary of State			
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00
Public Printing			
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$9,854,704	\$3,978,061	\$13,832,765
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General fund	\$5,623,063	(\$96,862)	\$5,526,201
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House Bill No. 1002 - Secretary of State - House Action

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Petition review	8,000		8,000
Election reform	1,601,747	3,097,721	4,699,468
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
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General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00

Department 108 - Secretary of State - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Convert a Temporary to FTE Position ³	Increases Funding for Temporary Salaries ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Grants ⁶
Salaries and wages	\$145,186	\$138,765	\$121,865	\$150,000		
Operating expenses					\$298,871	
Grants						\$25,000
Petition review						
Election reform	93,342	4,379				
Total all funds	\$238,528	\$143,144	\$121,865	\$150,000	\$298,871	\$25,000
Less estimated income	238,528	13,825	121,865	150,000	550,705	0
General fund	\$0	\$129,319	\$0	\$0	(\$251,834)	\$25,000
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Increases Funding for Election Reform ¹	Total House Changes
Salaries and wages		\$555,816
Operating expenses		298,871
Grants		25,000
Petition review		
Election reform	\$3,000,000	3,097,721
Total all funds	\$3,000,000	\$3,977,408
Less estimated income	3,000,000	4,074,923
General fund	\$0	(\$97,515)
FTE	0.00	1.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$127,895	\$13,691	\$141,586
Health insurance increase	1,424	134	1,558
Total	\$129,319	\$13,825	\$143,144

³ Funding is added from federal funds to convert 1 full-time temporary election reform position to an FTE position.

⁴ Funding is increased for temporary salaries to provide a total of \$200,000.

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Funding source change to general services fund	(\$255,425)	\$255,425	\$0
IT operating expenses	0	210,000	210,000
Other operating expenses	0	84,575	84,575
Microsoft Office 365 license expenses	3,591	705	4,296
Total	(\$251,834)	\$550,705	\$298,871

⁶ Funding of \$25,000 from the general fund is added for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. A section is added providing the Secretary of State may provide grants up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes.

⁷ Funding from federal funds is increased for election reform.

This amendment also adds a section to:

- Provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect the 1.5 percent annual salary increase.
- Allow funding approved for an information technology project in the 2015-17 biennium to be continued into the 2021-23 biennium.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public printing	\$257,278	\$653	\$257,931
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Increases Funding For Public Printing ¹	Total House Changes
Public printing	\$653	\$653
Total all funds	\$653	\$653
Less estimated income	0	0
General fund	\$653	\$653
FTE	0.00	0.00

¹ Funding is increased for public printing to provide a total of \$257,931 from the general fund.

2021 SENATE APPROPRIATIONS

HB 1002

Department 108 - Secretary of State
House Bill No. 1002

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	32.00	\$5,702,347	\$7,593,114	\$13,295,461
2019-21 Legislative Appropriations ¹	32.00	5,623,063	15,431,641	21,054,704
Increase (Decrease)	0.00	\$79,284	(\$7,838,527)	(\$7,759,243)

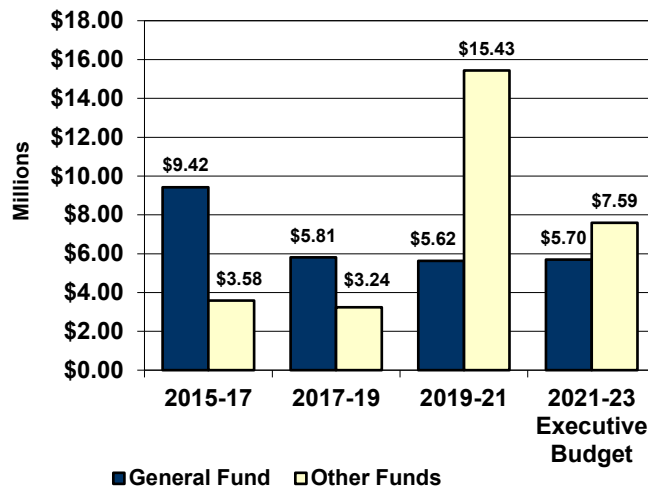
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional special funds authority of \$3,000,000 resulting from Emergency Commission action during the 2019-21 biennium for election reform.
- Additional federal Coronavirus (COVID-19) funds authority of \$3,049,216 resulting from Emergency Commission action during the 2019-21 biennium for election reform (\$3,000,000) and personal protective equipment (\$49,216).

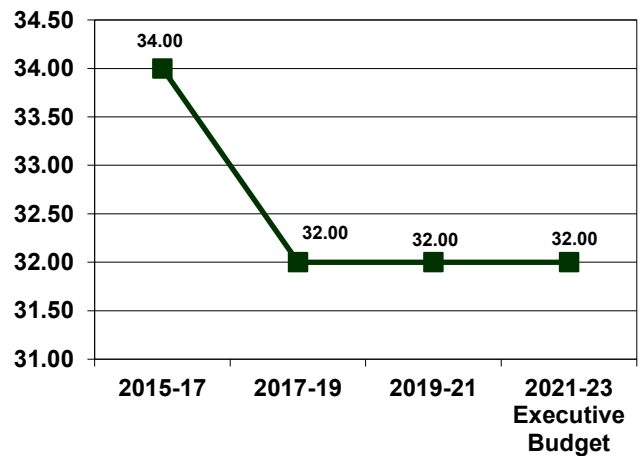
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$5,702,347	\$0	\$5,702,347
2019-21 Legislative Appropriations	5,623,063	0	5,623,093
Increase (Decrease)	\$79,284	\$0	\$79,284

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$5,702,347	\$7,593,114	\$13,295,461
2021-23 Base Level	5,623,063	4,231,641	9,854,704
Increase (Decrease)	\$79,284	\$3,361,473	\$3,440,757

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$123,547 is for salary increases, \$1,558 is for health insurance increases, and \$25,415 is for retirement contribution increases. The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance premiums from \$1,427 to \$1,429 per month. The	\$137,604	\$12,916	\$150,520

House did not add funding for retirement contribution increases.

2. Increases funding for temporary salaries to provide a total of \$200,000	\$0	\$150,000	\$150,000
3. Increases federal funds authority for election reform to provide a total of \$3,203,880 from federal funds	\$0	\$3,000,000	\$3,000,000
4. Reduces funding for operating expenses as part of the agency's 10 percent general fund budget reduction. The House reduced funding from the general fund and increased funding for operating expenses from other funds by \$550,000.	(\$255,425)	\$0	(\$255,425)
5. Adds funding for the proposed Capitol grounds state agency rent model change. The House did not add funding for the state agency rent model change.	\$192,861	\$0	\$192,861
6. Reduces funding for data processing to provide a total of \$861,483. The House did not reduce funding for data processing.	\$0	(\$40,676)	(\$40,676)
7. Adds funding for Microsoft Office 365 license expenses	\$3,591	\$705	\$4,296
8. Increases funding for public printing to provide a total of \$257,931	\$653	\$0	\$653

Other Sections in House Bill No. 1002

Exemption - Technology project - Section 3 provides that any unexpended funds from the technology project in Section 2 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of North Dakota Century Code Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.

Secretary of State's salary - Section 4 provides the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect a 1.5 percent annual salary increase.

Tribal government administrative costs - Section 5 identifies \$25,000 in the grants line item from the general fund is for providing grants to each tribal government the state.

Continuing Appropriations

Athletic commission fund - 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 Appropriation

House Bill No. 1025 includes a \$97,587 deficiency appropriation from the litigation funding pool in Senate Bill No. 2015 (2019) for litigation related to Self Advocacy Solutions ND.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1078 - Amends various sections of the Century Code relating to presidential elections and the adoption of the Uniform Faithful Presidential Electors Act; nominating presidential electors and alternate electors, and presidential electors' roles and procedures; and the filling of a vacancy of a presidential elector and voting of new and former residents at presidential elections.

House Bill No. 1253 - Amends various sections of the Century Code relating to election administration.

House Bill No. 1256 - Creates a new section to Chapter 16.1-01 restricting the use of nonpublic funds for elections operations.

House Bill No. 1295 - Allows the Secretary of State or the Ethics Commission to arrange for an audit of a candidate's personal use of contributions upon having substantial reason to believe any person has knowingly made a violation.

Secretary of State - Budget No. 108
House Bill No. 1002
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	32.00	\$5,623,063	\$4,231,641	\$9,854,704	32.00	\$5,623,063	\$4,231,641	\$9,854,704
2021-23 Ongoing Funding Changes								
Base payroll changes			\$238,528	\$238,528			\$238,528	\$238,528
Salary increase		\$112,946	10,601	123,547		\$127,895	13,691	141,586
Health insurance increase		1,424	134	1,558		1,424	134	1,558
Retirement contribution increase		23,234	2,181	25,415				0
Adds funding and converts a temporary position to 1 FTE				0	1.00		121,865	121,865
Increases funding for temporary salaries			150,000	150,000			150,000	150,000
Increases federal funds authority for election reform			3,000,000	3,000,000			3,000,000	3,000,000
Reduces funding for operating expenses		(255,425)		(255,425)		(255,425)	550,000	294,575
Adds funding for rent model change		192,861		192,861				0
Reduces funding for data processing			(40,676)	(40,676)				0
Adds funding for Microsoft Office 365 licensing expenses		3,591	705	4,296		3,591	705	4,296
Increases funding for public printing		653		653		653		653
Adds funding for grants to tribal governments				0		25,000		25,000
Total ongoing funding changes	0.00	\$79,284	\$3,361,473	\$3,440,757	1.00	(\$96,862)	\$4,074,923	\$3,978,061
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$79,284	\$3,361,473	\$3,440,757	1.00	(\$96,862)	\$4,074,923	\$3,978,061
2021-23 Total Funding	32.00	\$5,702,347	\$7,593,114	\$13,295,461	33.00	\$5,526,201	\$8,306,564	\$13,832,765
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.4%	79.4%	34.9%	3.1%	(1.7%)	96.3%	40.4%
<i>Total changes as a percentage of base level</i>	0.0%	1.4%	79.4%	34.9%	3.1%	(1.7%)	96.3%	40.4%

Other Sections in Secretary of State - Budget No. 108

	Executive Budget Recommendation	House Version
Exemption - Techonolgy project	Section 4 would provide that any unexpended funds from the technology project in Section 2 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.	Section 3 provides that any unexpended funds from the technology project in subdivision 1 of Section 1 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of Section 54-11.1-11, and any unexpended funds may be expended during the 2021-23 biennium.
Salary of Secretary of State	Section 3 would provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective July 1, 2022, to reflect the 2 percent annual recommended salary increase.	Section 4 provides the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect the 1.5 percent annual salary increase.

Other Sections in Secretary of State - Budget No. 108

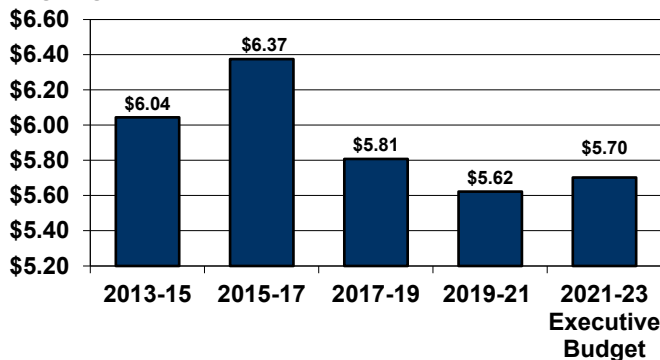
	Executive Budget Recommendation	House Version
Tribal government administrative costs		Section 5 identifies \$25,000 in the grants line item in Section 1 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. The Secretary of State may provide grants up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes.

Department 108 - Secretary of State

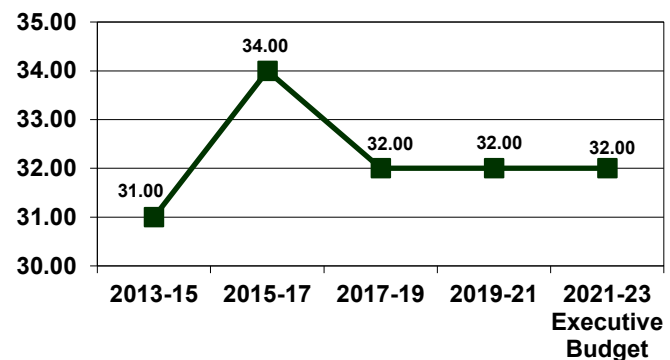
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$6,043,495	\$6,374,720	\$5,808,732	\$5,623,063	\$5,702,347
Increase (decrease) from previous biennium	N/A	\$331,225	(\$565,988)	(\$185,669)	\$79,284
Percentage increase (decrease) from previous biennium	N/A	5.5%	(8.9%)	(3.2%)	1.4%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	5.5%	(3.9%)	(7.0%)	(5.6%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- Added 6 FTE positions, including 3 office assistant positions and continued 3 positions authorized during the 2013-15 biennium from one-time funding \$597,840

2017-19 Biennium

- Removed 2 FTE positions and related funding (\$211,268)
- Adjusted funding source from the general fund to the general services operating fund for 1 FTE position (\$106,823)
- Adjusted funding for overtime and temporary salaries by reducing funding from the general fund but increasing special funds by \$200,000 (\$50,000)
- 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 information technology expenses (\$262,100)
- Added funding for campaign disclosure software \$50,000

2019-21 Biennium

- Reduced funding for public printing to provide a total of \$257,278 (\$31,172)
- 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 (Executive Budget Recommendation)

- Reduces funding for operating expenses as part of the agency's 10 percent general fund budget reduction **The House reduced operating expenses from the general fund and increased funding by \$255,425 from the general services operating fund for operating expenses.** (\$255,425)
- Adds funding for the proposed Capitol grounds state agency rent model change. **The House did not add funding for the state agency rent model change.** \$192,861

GOVERNOR'S RECOMMENDATION FOR THE SECRETARY OF STATE AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

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, 2021, and ending June 30, 2023, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$4,978,126	\$ 439,676	\$ 5,417,802
Operating Expenses	3,009,553	(98,944)	2,910,609
Petition Review	8,000	0	8,000
Election Reform	<u>1,601,747</u>	<u>3,099,372</u>	<u>4,701,119</u>
Total All Funds	\$9,597,426	\$3,440,104	\$13,037,530
Less Estimated Income	<u>4,231,641</u>	<u>3,361,473</u>	<u>7,593,114</u>
Total General Fund	\$5,365,785	\$ 78,631	\$ 5,444,416
Full-Time Equivalent Positions	32.00	0.00	32.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public Printing	<u>\$257,278</u>	<u>\$653</u>	<u>\$257,931</u>
Total General Fund	\$257,278	\$653	\$257,931

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$5,623,063	\$ 79,284	\$ 5,702,347
Grand Total Special Funds	<u>4,231,641</u>	<u>3,361,473</u>	<u>7,593,114</u>
Grand Total All Funds	\$9,854,704	\$3,440,757	\$13,295,461

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Voting System and E-Poll Books	\$11,200,000	\$ 0
Total General Fund	\$ 0	\$ 0

SECTION 3. 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 ten thousand five hundred eighty-two dollars through June 30, 2020 and one hundred twelve thousand and seven hundred ninety-four dollars through June 30, 2022 and one hundred fifteen thousand fifty dollars thereafter.~~

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1002
3/3/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Senator Holmberg opened the hearing at 2:01 pm.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Sorvaag, Mathern, and Heckaman.** Senator Hogue was absent.

Discussion Topics:

- National Covid Relief bill
- Printing costs

Al Jaeger, North Dakota Secretary of State testified in favor and submitted testimony #7228.

Senator Holmberg closed the hearing at 2:34 pm.

Rose Laning, Committee Clerk

7228

ALVIN A. JAEGER
SECRETARY OF STATE

WEBSITE sos.nd.gov



SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

PHONE (701) 328-2900
EMAIL sos@nd.gov

March 3, 2021

TO: Senator Holmberg, Chairman, and Members of the Senate Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: HB 1002 – Appropriation for Office of Secretary of State

Page 1 Audit Findings

Page 1 Major Accomplishments

Page 2 Major Accomplishments (continued)

Page 2 Future Critical Issues

Page 3 Program Costs Agency Operations and Public Printing

Page 4 General Fund Revenue Tracking July 2020 through January 2021

Page 5 General Services Fund Tracking July 2020 through January 2021

Page 6 Historical Program Statistical Data

Page 7 Comparison of Agency's Base Appropriation with Executive Recommendation

Page 8 Agency's 10% Budget reduction and 5% Budget reprioritization submitted to Governor

Page 8 Agency Requests and House Action

Page 9 Agency Requests and House Action (continued)

Page 10 Update on One Time Funding for 2019/2021 Biennium

Page 10 Update on Coronavirus (COVID-19 Pandemic Funds

Page 11 Agency Performance Measures, Statutory Authority, Agency Description, Agency Mission

Page 12 Agency Organization Chart

Pages 13 through 15 House Journal February 18, 2021, with amendments made to HB 1002

Pages 16 through 19 Public Printing Communication from Legislative Council

Agency Audit Findings

Operational Audit for Two-Year Period Ended June 30, 2018 – No findings

Operational Audit for Two-Year Period Ended June 30, 2020 – Audit started March 1, 2021

Agency Major Accomplishments

1. Enhanced agency website, which received in excess of 1.5 million-page views during 12-month period ending June 30, 2020.
2. The North Dakota Central Indexing System (NDCIS), launched March 1, 2016, continues to function very well. It contains approximately 350,000 files. All central indexing filings and searches are completed online. There were 873,942 page views during 12-month period ending June 30, 2020.
3. Continued to enhance the Election Management System (EMS), which provides election information on the agency's website related to elections, candidates, campaign contributions, voter precinct finder, polling location details, and the reporting of election night returns. It also assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting.

Completed an enhancement to the EMS that guides a candidate through the process of completing and filing the required documents to run for public office. After the candidate answers the questions, the necessary forms are generated, which can then be submitted electronically or sent to the Secretary of State's office via US Mail.

4. Continued to enhance the Central Voter File used by the SOS office and the counties to update voter records for address and name changes upon receipt of notices from the DOT and the courts, and death notices from vital statistics, issue and track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.
5. Maintained national ranking of number one for the fifth time in the past six election cycles since the Election Performance Index for election administration was launched in 2008 and as conducted by The PEW Charitable Trusts and the Massachusetts Institute of Technology.
6. Continued to enhance Vote.ND.Gov election applications to allow viewing regardless of the format and size of the computer, laptop, tablet, or smartphone being used to access them.

Vote.ND.Gov is a "go to" website for voters, candidates, political parties, and political organizations. It had 328,919 page views during the 12-month period ending June 30, 2020, which included the June statewide election. For the period July 1 to December 21, 2020, which included the November general election, it had 779,052 page views.

7. The agency's digital and social campaigns reached 462,916 voters during the two months leading up to the November general election:
 - a. Click rates were 20% higher than national average.
 - b. Video views were 33% higher than national average.
8. Purchased and implemented a new statewide voting system from Election Systems and Software (ES&S) and an electronic pollbook system from KNOWINK.
9. Maintained security clearances for Secretary Jaeger, Deputy Secretary Jim Silrum, and State Elections Director Brian Newby to receive cybersecurity updates and notices from the Department of Homeland Security (DHS), FBI, and other agencies responsible for cybersecurity to protect our elections infrastructure, which has now been classified by DHS as critical infrastructure.
10. A settlement agreement was approved by the Federal Court for two voter ID lawsuits, with the first lawsuit having been initiated January 2016.

11. Administrative Rules were promulgated for tribal IDs that can be used for voting as to what constitutes a valid tribal ID, along with other features to support the voting process for Native Americans.
12. Neared completion of the FirstStop software system on which most of office functions are and will be processed and available to agency customers in an online environment. The system will process the registering of new businesses, the filing of the various amendments and the annual reports for various business entities, the licensing of contractors and home inspectors, issuing and maintaining notary commissions, registering lobbyists, registering charitable organizations and professional fundraisers, and providing lists, subscriptions, and information that is available to the public.
13. Administrative Rules were promulgated to enable the business entity known as Series Limited Liability Company that allows an LLC to further limit the exposure of liability of assets by forming "child" entities that are separate from the "parent" Series LLC and other "children" of the same.
14. Drafted new Administrative Rules for combative sports (boxing and mixed fighting style competition) that were effective October 1, 2020.

Agency Future Critical Issues

In the historical statistical data section on page of the program narrative, the data reveals that since 1995-97 and through the 2017-19 biennium, the revenue received by the agency has steadily increased. It is the result of increased registrations, filings, and overall demand for agency services. To accommodate the demand, the agency is significantly dependent on information technology (e.g., software, hardware, Internet, etc.) to provide timely, accurate, functionality, and efficient services to the public, businesses, and customers of the agency.

To provide these services in a cost effective and efficient manner, it is vitally important that the agency technology is supported with funding and that its current FTE authorization is maintained.

Because of the requirements of state law, business in North Dakota begins with the Secretary of State's office. Therefore, the agency has a key role in the state's e-government initiatives involving many agencies, and it is imperative the agency has adequate funding and support to implement the appropriate technology to meet these goals and provide services the public.

The Secretary of State's office encounters challenges with having adequate FTEs and offering competitive salaries to retain and attract skill levels as the agency moves from a paper processing agency to a service agency.

Because the agency is a critical component, it strongly supports a comprehensive cross agency e-government structure because of the efficiencies it will provide residents and businesses in North Dakota as well as to government operations.

Secretary of State Operations

Explanation of Program Costs

For the 2019-2021 biennium, the appropriated salary line represented approximately 84 percent of the agency's total general fund spending authority.

The appropriated general fund operating line for 2019-2021 represents approximately 11 percent of the agency's total general fund spending authority. Of that amount, approximately 12 percent of the general fund operating line was budgeted for the agency's data processing and the remaining 88 percent is spread among other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency also has a general services fund (special fund), which is the retail account supported by a certain percentage by revenue received from licensing, filings, and for information sold by the agency.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example, the general services fund supports the following:

1. Ongoing costs and maintenance of the statewide Central Indexing System (CIS) (which includes approximately 350,000 files). On March 1, 2016, the CIS was launched allowing all filings related to various personal property liens to be completed electronically online.
2. Ongoing programing, enhancements, and maintenance of FirstStop, which is the processing database of approximately 265,000 names for approximately 100 diverse and varied categories related to the duties of the agency.
3. Internet web site maintenance and enhancements.
4. The Central Voter File, ND VOTing Information and Centralized Election Systems (ND VOICES), electronic pollbooks, and a separate website dedicated to voting and election information. These systems maintain critical information of all of the state's residents, allows them access to voting, and is used extensively by all 53 counties.

Public Printing

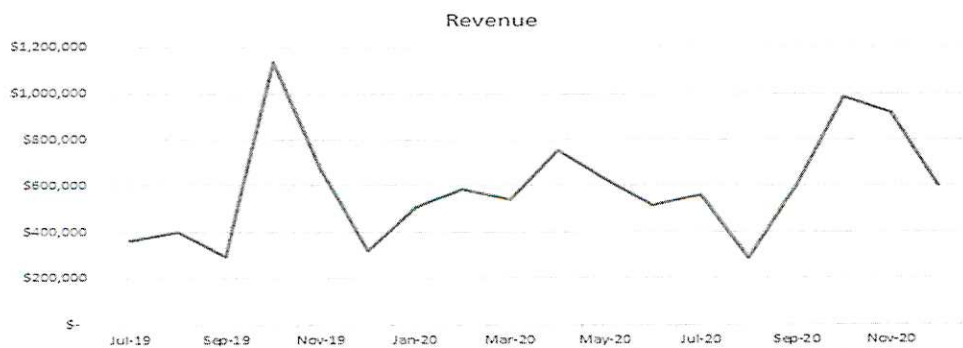
The agency distributes the publications to elected officials, legislators, legislative council, state agencies, county agencies, judicial system, and libraries as prescribed by law.

Explanation of Program Costs

Under state law, the agency is responsible for the distribution of publications known as "public printing" that includes the North Dakota Century Code, the North Dakota Administrative Rules, Session Law Books, etc. Although the appropriation to cover the cost of publishing and distribution is included in the agency's budget, it is based on a recommendation from the Legislative Council, which has the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications. The major portion of the appropriation is directly related to the cost of printing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code. The remaining portion of the appropriation is used by the agency to cover costs related to programming database records, shipping, mailing, supplies, etc.

Based on documentation from the Legislative Council included at the end of this testimony, the budget of \$257,931 requested by the agency and approved by the House is adequate.

2019/2021 Biennium - General Fund Revenue					
January 31, 2021 - 20.83% Biennium Remaining					
	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	\$ 12,500,000			
Jul-19	\$ 361,958	\$ 520,833	\$ 361,958	\$ 520,833	\$ (158,876)
Aug-19	\$ 398,407	\$ 520,833	\$ 760,364	\$ 1,041,667	\$ (281,302)
Sep-19	\$ 294,621	\$ 520,833	\$ 1,054,986	\$ 1,562,500	\$ (507,514)
Oct-19	\$ 1,134,136	\$ 520,833	\$ 2,189,122	\$ 2,083,333	\$ 105,788
Nov-19	\$ 674,569	\$ 520,833	\$ 2,863,691	\$ 2,604,167	\$ 259,524
Dec-19	\$ 318,870	\$ 520,833	\$ 3,182,560	\$ 3,125,000	\$ 57,560
Jan-20	\$ 504,127	\$ 520,833	\$ 3,686,688	\$ 3,645,833	\$ 40,854
Feb-20	\$ 583,858	\$ 520,833	\$ 4,270,546	\$ 4,166,667	\$ 103,879
Mar-20	\$ 537,181	\$ 520,833	\$ 4,807,727	\$ 4,687,500	\$ 120,227
Apr-20	\$ 754,240	\$ 520,833	\$ 5,561,966	\$ 5,208,333	\$ 353,633
May-20	\$ 630,485	\$ 520,833	\$ 6,192,451	\$ 5,729,167	\$ 463,285
Jun-20	\$ 512,258	\$ 520,833	\$ 6,704,709	\$ 6,250,000	\$ 454,709
Jul-20	\$ 558,909	\$ 520,833	\$ 7,263,618	\$ 6,770,833	\$ 492,785
Aug-20	\$ 285,654	\$ 520,833	\$ 7,549,273	\$ 7,291,667	\$ 257,606
Sep-20	\$ 595,592	\$ 520,833	\$ 8,144,864	\$ 7,812,500	\$ 332,364
Oct-20	\$ 986,851	\$ 520,833	\$ 9,131,715	\$ 8,333,333	\$ 798,382
Nov-20	\$ 915,481	\$ 520,833	\$ 10,047,196	\$ 8,854,167	\$ 1,193,030
Dec-20	\$ 600,608	\$ 520,833	\$ 10,647,804	\$ 9,375,000	\$ 1,272,804
Jan-21	\$ 646,715	\$ 520,833	\$ 11,294,520	\$ 9,895,833	\$ 1,398,686
Feb-21	\$ -	\$ 520,833	\$ 11,294,520	\$ 10,416,667	\$ 877,853
Mar-21	\$ -	\$ 520,833	\$ 11,294,520	\$ 10,937,500	\$ 357,020
Apr-21	\$ -	\$ 520,833	\$ 11,294,520	\$ 11,458,333	\$ (163,814)
May-21	\$ -	\$ 520,833	\$ 11,294,520	\$ 11,979,167	\$ (684,647)
Jun-21	\$ -	\$ 520,833	\$ 11,294,520	\$ 12,500,000	\$ (1,205,480)



2019/2021 Biennium - General Services Revenue					
January 31, 2021 - 20.83% Biennium Remaining					
	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	1,500,000			
Jul-19	\$ 133,488	\$ 62,500	\$ 133,488	\$ 62,500	\$ 70,988
Aug-19	\$ 115,833	\$ 62,500	\$ 249,321	\$ 125,000	\$ 124,321
Sep-19	\$ 89,978	\$ 62,500	\$ 339,298	\$ 187,500	\$ 151,798
Oct-19	\$ 98,418	\$ 62,500	\$ 437,716	\$ 250,000	\$ 187,716
Nov-19	\$ 83,775	\$ 62,500	\$ 521,491	\$ 312,500	\$ 208,991
Dec-19	\$ 85,033	\$ 62,500	\$ 606,523	\$ 375,000	\$ 231,523
Jan-20	\$ 123,050	\$ 62,500	\$ 729,573	\$ 437,500	\$ 292,073
Feb-20	\$ 159,462	\$ 62,500	\$ 889,035	\$ 500,000	\$ 389,035
Mar-20	\$ 133,130	\$ 62,500	\$ 1,022,165	\$ 562,500	\$ 459,665
Apr-20	\$ 106,662	\$ 62,500	\$ 1,128,827	\$ 625,000	\$ 503,827
May-20	\$ 105,948	\$ 62,500	\$ 1,234,775	\$ 687,500	\$ 547,275
Jun-20	\$ 128,513	\$ 62,500	\$ 1,363,287	\$ 750,000	\$ 613,287
Jul-20	\$ 140,526	\$ 62,500	\$ 1,503,813	\$ 812,500	\$ 691,313
Aug-20	\$ 110,891	\$ 62,500	\$ 1,614,704	\$ 875,000	\$ 739,704
Sep-20	\$ 99,589	\$ 62,500	\$ 1,714,293	\$ 937,500	\$ 776,793
Oct-20	\$ 82,156	\$ 62,500	\$ 1,796,449	\$ 1,000,000	\$ 796,449
Nov-20	\$ 76,076	\$ 62,500	\$ 1,872,525	\$ 1,062,500	\$ 810,025
Dec-20	\$ 92,275	\$ 62,500	\$ 1,964,800	\$ 1,125,000	\$ 839,800
Jan-21	\$ 133,689	\$ 62,500	\$ 2,098,488	\$ 1,187,500	\$ 910,988
Feb-21	\$ -	\$ 62,500	\$ 2,098,488	\$ 1,250,000	\$ 848,488
Mar-21	\$ -	\$ 62,500	\$ 2,098,488	\$ 1,312,500	\$ 785,988
Apr-21	\$ -	\$ 62,500	\$ 2,098,488	\$ 1,375,000	\$ 723,488
May-21	\$ -	\$ 62,500	\$ 2,098,488	\$ 1,437,500	\$ 660,988
Jun-21	\$ -	\$ 62,500	\$ 2,098,488	\$ 1,500,000	\$ 598,488



Program Statistical Data

History of Revenue and Expenditures for the past ten budget cycles

Revenue

- 2001/2003 \$6,277,698 (general \$5,869,160; * special \$371,868) increased 5.5percent over previous biennium.
- 2003/2005 \$6,716,245 (general \$6,289,108, * special \$401,305) increased 7.0percent over previous biennium.
- 2005/2007 \$7,289,015 (general \$6,815,185, * special \$454,445) increased 8.5percent over previous biennium.
- 2007/2009 \$7,949,077 (general \$7,432,582, * special \$516,495) increased 9.1percent over previous biennium.
- 2009/2011 \$9,058,760 (general \$8,543,052, * special \$515,708) increased 14percent over previous biennium.
- 2011/2013 \$12,384,546 (general \$11,782,731, * special \$601,815) increased 36.7percent over previous biennium.
- 2013/2015 \$12,917,111 (general \$12,252,412, * special \$664,699) increased 4.3percent over previous biennium.
- 2015/2017 \$14,104,318 (general \$12,486,458, *special \$1,617,861) increased 9.2percent over previous biennium.
- 2017/2019 \$ 14,107,425 (general \$ 12,248,194, * special \$ 1,859,231 increased 0.2percent over previous biennium.
- 2019/2021 Estimated: \$ 14,000,000 (Estimated: general \$12,500,000, * special \$1,500,000)

Expenditures

- 2001/2003 - \$3,961,253 increased 11.7percent over previous biennium (see note # 1)
- 2003/2005 - \$4,146,332 increased 4.7percent over previous biennium
- 2005/2007 - \$4,536,178 increased 9.4percent over previous biennium (see note # 2)
- 2007/2009 - \$5,666,247 increased 24.9percent over previous biennium (see note #3)
- 2009/2011 - \$6,168,973 increased 8.9percent over previous biennium (see note #4)
- 2011/2013 - \$8,383,125 increased 35.9percent over previous biennium (see note #5)
- 2013/2015 - \$9,018,517 increased 7.58percent over previous biennium (see note #6)
- 2015/2017 - \$8,340,716 decreased 7.52percent over previous biennium (see note #7)
- 2017/2019 - \$7,370,635 decreased 11.63percent over previous biennium (see note #8)

Note 1: ITD again reallocated costs related to the statewide area network resulting in another \$175,000 increase added to the agency's budget.

Note 2: The expenditures included a one-time amount of \$125,000 for migration of database.

Note 3: The expenditures included a one-time amount of \$825,000 for migration of database.

Note 4: The expenditures included a one-time amount of \$702,000 for migration of database (One-time funding was \$780,000 total, we requested \$78,000 in carryover to 11-13 Biennium).

Note 5: The expenditures included one-time amounts of \$3,500,000 for migration of database and \$43,039 for online public meeting system. In addition, the one-time funding carryover of \$78,000 for migration of database. (We requested \$1,351,035 in carryover to 13-15 for migration of database).

Note 6: The expenditures included one-time amounts of \$2,048,352 for migration of database and \$109,794 for business process mapping project. (We requested carryover to 15-17 for the remaining migration of database and business process mapping).

Note 7: The expenditures for IT data processing decreased by \$727,796 from the 13-15 biennium to the 15-17 biennium.

Note 8: The expenditures for IT data processing decreased by \$286,553, IT contractual services decreased by \$363,651, printing decreased by \$136,701 and salaries and wages decreased by \$396,040 from the 15-17 biennium to the 17-19 biennium.

Comparison of Agency's Request/Recommendation Totals

	2019-2021 Biennium	2021-2023 Executive Recommendation	Incr(Decr)
By Major Program			
Secretary of State Operations	7,995,679	8,336,411	340,732
Public Printing Leg Law Books	257,278	257,931	653
Federal Election Reform	1,601,747	4,701,119	3,099,372
Total Major Programs	9,854,704	13,295,461	3,440,757
By Line item			
Salaries and Wages	4,978,126	5,417,802	439,676
Operating Expenses	3,009,553	2,910,609	(98,944)
Petition Review	8,000	8,000	-
Election Reform	1,601,747	4,701,119	3,099,372
Public Printing	257,278	257,931	653
Total Line Items	1,867,025	13,295,461	3,440,757
By Funding Source			
General Funds	5,623,063	5,702,347	79,284
Federal Funds		3,204,330	3,204,330
Special Funds	4,231,641	4,388,784	157,143
Total Funding Source	9,854,704	13,295,461	3,440,757
FTE	32	32	-

By Major Program

Secretary of State Operations \$ 8,336,411
 (General Fund - \$ 5,444,416; Special Fund 2,891,995)

Public Printing \$ 257,931
 (General Fund - \$ 257,931)

Federal Election Reform \$ 4,701,119
 (Federal Fund - \$ 3,204,330; Special Fund 1,496,789)

Agency's 10% Budget reduction and 5% Budget reprioritization submitted to Governor.

Operating:
Travel.....\$40,000
Office Supplies\$3,389
Postage\$150,000
Office Equip & Furniture Supplies\$37,000
IT –Data Processing\$74,736
IT – Communications\$61,600
Professional Development\$20,000
Operating Fees and Services.....\$26,500
Fees – Professional Services.....\$123,353
(General Fund \$ 536,578;)

Public Printing.....\$ 25,728
(General Fund \$ 25,728)

IT – Contractual Services and Repairs - Decrease.....\$211,582
Operating Fees and Service - Increase\$211,582

Total 10% reduction\$ 562,306
Total 5% reprioritization.....\$211,582

(General Fund \$562,306; Special Fund \$ 211,582)

Agency's requested Optional Adjustments compared to the Governor's recommendation.

Request # 1 Operating Line General Funds

Secretary of State Request.....\$ 536,578

Governor Recommendation.....\$ 281,153

The House reduced the agency's general fund appropriation by \$255,425 from current biennium base budget to match the Governor's Recommendation

Request # 2 Increase Special Fund Authority

The House increased the agency's spending authority for the general services fund by \$1,074,923, which covered all agency requests (included in special funds on page 2, line 10)

Request # 3 Election Reform Federal Funds

The House increased spending authority for \$3,000,000 in federal funds received March 2020, and approved by the Emergency Commission and Budget Section (included in special funds on page 2, line 10)

Request # 4 Election Reform Federal Funds

The House approved the agency's request to move one long time full-time temporary employee position that is paid with federal funds to FTE status and continue to be paid with federal funds \$121,865

Request # 5 Exemption – Technology Project

The House approved the addition of the following text on page 2 lines 17 through 22.

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1.11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

Request # 6 Tribal Government

The House approved \$25,000 for Grants line in response to the following stipulation in consent decree approved by the federal court on April 27, 2020.

12. The Secretary of State shall work in good faith with the Office of Management and Budget and the Governor's Office to identify existing appropriations to reimburse Tribal Governments in North Dakota for the administrative costs of issuing addresses and IDs for voting purposes for the 2020 election cycle in the amount up to \$5,000 for actual cost incurred per Tribal Government. The Secretary of State will work in good faith with the Plaintiffs to seek an ongoing legislative appropriation to reimburse Tribal Governments for the administrative costs of issuing addresses and IDs for voting purposes in the next legislative assembly for the amount up to \$5,000 for actual costs incurred per Tribal Government for each statewide election cycle.

Update on One Time Request Funding for 2019/2021 biennium

Secretary of State Request

Statewide Voting System and Electronic Pollbooks\$12,000,000
(General Fund \$9,000,000; Federal Fund \$3,000,000 (already received))

Governor Recommendation\$11,000,000

(From Special Funds \$8,000,000; Federal Fund \$3,000,000 - already received)

SECTION 6. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of \$8,000,000, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the secretary of state for a statewide voting system and e-poll book projects during the biennium beginning July 1, 2019 and ending June 30, 2021.

The new voting system was purchased from Election Systems and Software and deployed to the state's 53 counties in 2019. The electronic pollbooks were purchased from KNOWiNK in 2019 and deployed to the counties in 2020. Both systems were used in the 2020 election cycle and were of incredible value as the elections needed to be run during the pandemic. Administering the elections in 2020 were successful because of the new equipment.

Update on Coronavirus (COVID-19) Pandemic Funds

Coronavirus Relief Funds CRF) – OMB

The agency received \$ 49,216.16. The funds were expensed on salaries: overtime for elections and managers and operating for masks, cleaning supplies and wellness barriers for customer service areas.

Coronavirus Aid, Relief and Economic Security Act Funds (CARES) – Election Assistance Commission

The agency received \$ 3,000,000, funds were expensed on items and services that made voting possible during a pandemic. For example, with the anticipated increase in the number of absentee ballots that would be submitted because voters might not want to go to a polling place to vote, extra central count tabulators were purchased for our larger population counties. Single use pens were purchased for the protection of those voters who did vote in person. And an ad campaign was funded with the intent of informing voters of their voting options during the pandemic.

Agency Performance Measures

Although the Secretary of State's office does not have a formal written program, the agency's management team and unit leads have access to various processes for tracking productivity, effectiveness, efficiency, quality of customer service, and compliance with laws. It is anticipated the statistical tracking of information will be improved with the agency's migration to a new database and document processing platform, for which funding was approved in a previous biennium.

Agency Statutory Authority

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45-22, 45-23, 47-22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

Agency Description

The Secretary of State's office is the office of record for certain legal documents generated by the executive and legislative branches of state government; public records and notices including various business entities; and performs a wide range of licensing, regulatory, registration, and administrative functions within five operating units. The agency performs these functions in accordance with the requirements of the state's constitution and laws.

Agency Mission Statement

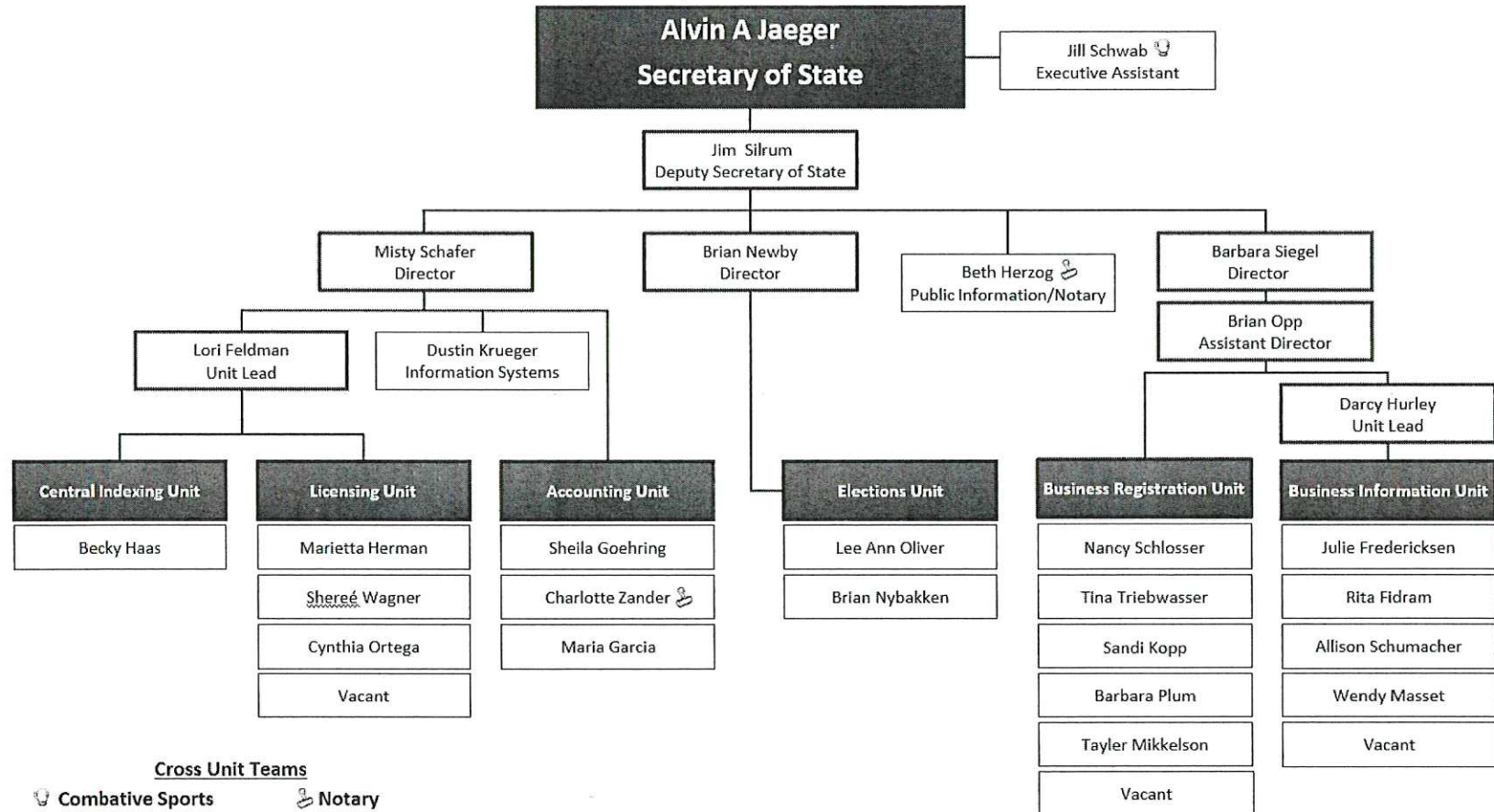
The office will:

- Serve the people of the State of North Dakota and its guests;
- Execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code;
- Collect and preserving the records of the State as defined by the law; and
- Act as an ambassador for the State of North Dakota, its people, and its way of life.

This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

**North Dakota Secretary of State
Staff Organizational Chart**

Updated November 2020



REPORT OF STANDING COMMITTEE

HB 1002: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 2, after "printing" insert "; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide an exemption"

Page 1, replace lines 11 through 20 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants	0	25,000	25,000
Petition review	8,000	0	8,000
Election reform	1,601,747	3,097,721	4,699,468
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564

Total general fund	\$5,365,785	(\$97,515)	\$5,268,270
Full-time equivalent positions	32.00	1.00	33.00"

Page 2, replace lines 1 through 4 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	\$257,278	\$653	\$257,931
Total general fund	\$257,278	\$653	\$257,931"

Page 2, replace lines 6 through 10 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,623,063	(\$96,862)	\$5,526,201
Grand total special funds	4,231,641	4,074,923	8,306,564
Grand total all funds	\$9,854,704	\$3,978,061	\$13,832,765"

Page 2, after line 15, insert:

"SECTION 3. EXEMPTION - TECHNOLOGY PROJECT. Any unexpended funds from the \$3,050,000 general fund appropriation for a technology project in the operating expenses line item in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws and continued into the 2017-19 and 2019-21 bienniums are not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021, and ending June 30, 2023.

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

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is one hundred ~~seventy-two~~ thousand ~~eighty-two~~ hundred ~~eighty-five~~ ~~forty-one~~ dollars through June 30, ~~2020~~2021, and one hundred ~~ten~~thirteen thousand ~~five~~nine hundred ~~eighty-two~~twenty-five dollars thereafter.

SECTION 5. TRIBAL GOVERNMENT ADMINISTRATIVE COSTS. Of the funds appropriated in the grants line item in subdivision 1 of section 1 of this Act, \$25,000 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state for the biennium beginning July 1, 2021, and ending June 30, 2023. The secretary of state may provide grants in an amount up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of House Action

	Base Budget	House Changes	House Version
Secretary of State			
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00
Public Printing			
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	0	0	0
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$9,854,704	\$3,978,061	\$13,832,765
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,623,063	(\$96,862)	\$5,526,201
FTE	32.00	1.00	33.00

House Bill No. 1002 - Secretary of State - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$4,978,126	\$555,816	\$5,533,942
Operating expenses	3,009,553	298,871	3,308,424
Grants		25,000	25,000
Petition review	8,000		8,000
Election reform	1,601,747	3,097,721	4,699,468
Total all funds	\$9,597,426	\$3,977,408	\$13,574,834
Less estimated income	4,231,641	4,074,923	8,306,564
General fund	\$5,365,785	(\$97,515)	\$5,268,270
FTE	32.00	1.00	33.00

Department 108 - Secretary of State - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Convert a Temporary to FTE Position ³	Increases Funding for Temporary Salaries ⁴	Adjusts Funding for Operating Expenses ⁵	Adds Funding for Grants ⁶
Salaries and wages	\$145,186	\$138,765	\$121,865	\$150,000		
Operating expenses					\$298,871	
Grants						\$25,000
Petition review						
Election reform	93,342	4,379				
Total all funds	\$238,528	\$143,144	\$121,865	\$150,000	\$298,871	\$25,000
Less estimated income	238,528	13,825	121,865	150,000	550,705	0
General fund	\$0	\$129,319	\$0	\$0	(\$251,834)	\$25,000
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Increases Funding for Election Reform ⁷	Total House Changes
Salaries and wages		\$555,816
Operating expenses		298,871
Grants		25,000
Petition review		
Election reform	\$3,000,000	3,097,721
Total all funds	\$3,000,000	\$3,977,408
Less estimated income	3,000,000	4,074,923
General fund	\$0	(\$97,515)
FTE	0.00	1.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$127,895	\$13,691	\$141,586
Health insurance increase	<u>1,424</u>	<u>134</u>	<u>1,558</u>
Total	\$129,319	\$13,825	\$143,144

³ Funding is added from federal funds to convert 1 full-time temporary election reform position to an FTE position.

⁴ Funding is increased for temporary salaries to provide a total of \$200,000.

⁵ Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total
Funding source change to general services fund	(\$255,425)	\$255,425	\$0
IT operating expenses	0	210,000	210,000
Other operating expenses	0	84,575	84,575
Microsoft Office 365 license expenses	<u>3,591</u>	<u>705</u>	<u>4,296</u>
Total	(\$251,834)	\$550,705	\$298,871

⁶ Funding of \$25,000 from the general fund is added for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. A section is added providing the Secretary of State may provide grants up to \$5,000 to each tribal government to reimburse administrative costs incurred by each tribal government to issue addresses and identifications for voting purposes.

⁷ Funding from federal funds is increased for election reform.

This amendment also adds a section to:

- Provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$113,925, effective July 1, 2022, to reflect the 1.5 percent annual salary increase.
- Allow funding approved for an information technology project in the 2015-17 biennium to be continued into the 2021-23 biennium.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public printing	\$257,278	\$653	\$257,931
Total all funds	\$257,278	\$653	\$257,931
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$257,278	\$653	\$257,931
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Increases Funding For Public Printing ¹	Total House Changes
Public printing	\$653	\$653
Total all funds	\$653	\$653
Less estimated income	<u>0</u>	<u>0</u>
General fund	\$653	\$653
FTE	0.00	0.00

¹ Funding is increased for public printing to provide a total of \$257,931 from the general fund.



North Dakota Legislative Council

STATE CAPITOL, 600 EAST BOULEVARD, BISMARCK, ND 58505-0360

Phone: 701.328.2916

Fax: 701.328.3615

www.legis.nd.gov

lcouncil@nd.gov

August 4, 2020

Honorable Alvin A. Jaeger
Secretary of State
State Capitol
Bismarck, ND 58505

Dear Mr. Jaeger:

As you know, the Legislative Council is responsible for preparing the material for and supervising the publication of the North Dakota Century Code, North Dakota Administrative Code, and North Dakota Session Laws. The purpose of this letter is to notify you of the estimated costs for the 2021-23 biennium so you can include a sufficient amount in your budget request for these purposes.

During the 2019-21 biennium, cost estimates for Century Code purchases in your budget were based on the state maintaining 550 sets of the code. Your staff has not advised us to change the number of sets needed, so we are basing our estimates on 550 code sets for the 2021-23 biennium.

During the 2021-23 biennium, we have tentatively identified Volumes 2A, 2C, 6, 8A, and 10B of Century Code for replacement. These replacement volumes must be published to avoid increased costs for supplements and the eventual need to replace the entire Century Code. Replacement of volumes also makes the Century Code more easily usable for the public. The Court Rules Annotated volume is published in a softbound volume that must be replaced each biennium. Based on cost estimates furnished by LexisNexis, \$141,487.50 will be needed to purchase 550 sets of replacement Volumes 2A, 2C, 6, 8A, and 10B and \$45,375 will be needed to purchase 550 sets of the Court Rules Annotated volume and two supplements to that volume.

Based on LexisNexis estimates, \$98,450 will be needed to purchase 550 sets of the 2021 pocket supplements, and \$37,262.50 will be needed to purchase 550 sets of the 2021 general index.

The estimated costs for Century Code updates for the 2021-23 biennium total \$322,575. In the letter (copy enclosed) of estimated costs from Ms. Leslie Metheney, Director, Government Content Acquisition, LexisNexis, it is stated that LexisNexis offers state government subscribers a 25 percent discount. Application of this discount will reduce estimated expenditures for 2021-23 Century Code updates to \$241,931.

The Legislative Assembly passed House Bill No. 1422 (2019), which replaced the CD-ROM publication of the Administrative Code with an electronic notification process, therefore eliminating any preparation and distribution costs for the Administrative Code.

We estimate that \$16,000 will be required to cover printing, binding, and mailing costs for the 2021 North Dakota Session Laws.

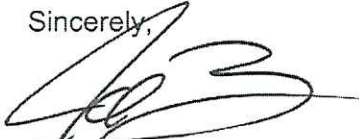
We respectfully suggest that you include \$257,931 in your budget request for the 2021-23 biennium for publication and printing costs for the North Dakota Century Code and North Dakota Session Laws and

postage and mailing costs for the Session Laws. This is a .25 percent increase from the comparable amount we recommended for these expenses for the 2019-21 biennium.

We are not in a position to make any suggestions regarding the other costs that must be included in the public printing line item of your budget, including the costs of individual volumes to update old sets of Century Code, the new sets of Century Code required for new members of the Legislative Assembly, and postage and mailing costs for Century Code. Therefore, those costs are not included in our estimates.

Thank you for your attention to these matters. Please contact this office if you have any questions. We are sending a copy of this letter to Mr. Joe Morrisette, Director, Office of Management and Budget, for his information.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a long horizontal flourish extending to the right.

John Bjornson
Director

JB/JJB

Enc.

cc: Mr. Joe Morrisette
Ms. Leslie Metheney

July 31, 2020

John Bjornson
Vonette Richter
North Dakota Legislative Council
State Capitol, 600 East Boulevard
Bismarck, ND 58505

Dear John & Vonette:

I am pleased to provide the following estimated prices for the North Dakota Century Code 2021-2022 upkeep service. The following prices reflect slight increases from the pricing levels offered for 2019-2020. The cost of production has increased over the past two years and although the Producer Price Index for Book Publishers has risen almost 13% over the last two years, I have kept the requested increases significantly lower than that amount.

As requested, I have included the base estimates on options for four or five replacement volumes in the two-year period.

Cumulative Supplement The price of the 2021 Supplement will depend on the number of volumes replaced. If five volumes are replaced, the price of the Supplement is \$179.00. If four volumes are replaced, the price of the Supplement is \$200.45.

Index The price of the Index will be \$67.75 with the publication of five Replacement volumes. The price increases to \$71.75 with four Replacement volumes.

Replacement Volumes Our recommendation is for the replacement of five volumes, two in one year and three in the next. After consulting with our editorial department, our recommendation is to replace Volume 2A (2012 volume with 247 page supp); Volume 2C (2012 volume with 155 page supp); Volume 6 (2010 volume with 149 page supp); Volume 8A (2006 volume with 153 page supp) and Volume 10B (2014 volume with 227 page supp.) If five volumes are replaced, the price for each copy of each replacement volume will be \$51.45. If four volumes are replaced, the price for each copy of each replacement volume will be \$53.80.

Package Prices For comparison purposes, the various options with prices and the total package price of Supplement, Replacement Volumes and Index are as follows:

<u>Option</u>	<u>No. Repl. Vols.</u>	<u>Price of Supp.</u>	<u>Price of Volumes</u>	<u>Price of Index</u>	<u>Total</u>	<u>Increase</u>
1	5	\$179.00	\$51.45	\$67.75	\$504.00	5.0 %
2	4	\$200.45	\$53.80	\$71.75	\$487.40	5.5%

Court Rules Volumes and Supplements. The next edition of the Court Rules volume is currently scheduled for publication in early 2022. The price of that edition will be \$54.00, a 5% increase in the price of \$51.75 from the 2020 Edition. The first two supplements to the 2020 Edition will increase to \$14.00 and \$14.50 respectively.

Government Discount We will continue to offer state government subscribers a 25% discount on its purchases of the North Dakota Century Code for the 2021 - 2022 biennium.

Please let me know if you have any questions.

Sincerely,



Leslie Metheney
Director
Government Content Acquisition

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1002

3/22/2021

Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing.

Senator Holmberg opened the hearing at 8:55 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Salary package

Senator Wanzek moved to accept amendment [LC 21.0261.02001] - #10288

Senator Dever second.

Senators		Senators	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote - 14-0-0. Motion Passed.

Senator Wanzek moved Do Pass As Amended on HB 1014.

Senator Dever second.

Senators		Senators	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call Vote - 14-0-0.

Motion passed.

Senator Rust will carry the bill.

Senator Holmberg closed the hearing at 8:59 AM.

Rose Laning, Committee Clerk

March 19, 2021

3/22/21

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1002

Page 1, replace line 15 with:

"Salaries and wages	\$4,978,126	\$549,956	\$5,528,082"
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Page 1, replace lines 19 through 22 with:

"Election reform	<u>1,601,747</u>	<u>3,097,942</u>	<u>4,699,689</u>
Total all funds	\$9,597,426	\$3,971,769	\$13,569,195
Less estimated income	<u>4,231,641</u>	<u>4,073,933</u>	<u>8,305,574</u>
Total general fund	\$5,365,785	(\$102,164)	\$5,263,621"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$5,623,063	(\$101,511)	\$5,521,552
Grand total special funds	<u>4,231,641</u>	<u>4,073,933</u>	<u>8,305,574</u>
Grand total all funds	\$9,854,704	\$3,972,422	\$13,827,126"

Page 2, line 27, replace "thirteen" with "fourteen"

Page 2, line 28, replace "nine" with "four"

Page 2, line 28, replace "twenty-five" with "eighty-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Secretary of State				
Total all funds	\$9,597,426	\$13,574,834	(\$5,639)	\$13,569,195
Less estimated income	<u>4,231,641</u>	<u>8,306,564</u>	(990)	<u>8,305,574</u>
General fund	\$5,365,785	\$5,268,270	(\$4,649)	\$5,263,621
FTE	32.00	33.00	0.00	33.00
Public Printing				
Total all funds	\$257,278	\$257,931	\$0	\$257,931
Less estimated income	<u>0</u>	<u>0</u>	0	<u>0</u>
General fund	\$257,278	\$257,931	\$0	\$257,931
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$9,854,704	\$13,832,765	(\$5,639)	\$13,827,126
Less estimated income	<u>4,231,641</u>	<u>8,306,564</u>	(990)	<u>8,305,574</u>
General fund	\$5,623,063	\$5,526,201	(\$4,649)	\$5,521,552
FTE	32.00	33.00	0.00	33.00

House Bill No. 1002 - Secretary of State - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,978,126	\$5,533,942	(\$5,860)	\$5,528,082
Operating expenses	3,009,553	3,308,424		3,308,424
Grants		25,000		25,000
Petition review	8,000	8,000		8,000
Election reform	1,601,747	4,699,468	221	4,699,689
Total all funds	\$9,597,426	\$13,574,834	(\$5,639)	\$13,569,195
Less estimated income	4,231,641	8,306,564	(990)	8,305,574
General fund	\$5,365,785	\$5,268,270	(\$4,649)	\$5,263,621
FTE	32.00	33.00	0.00	33.00

Department 108 - Secretary of State - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Total Senate Changes
Salaries and wages	(\$5,860)	(\$5,860)
Operating expenses		
Grants		
Petition review		
Election reform	221	221
Total all funds	(\$5,639)	(\$5,639)
Less estimated income	(990)	(990)
General fund	(\$4,649)	(\$4,649)
FTE	0.00	0.00

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

This amendment also provides the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,241, effective July 1, 2021, and to \$114,486, effective July 1, 2022, to reflect the 1.5 percent and 2 percent salary increase respectively. The House provided for a 1.5 percent annual salary increase.

REPORT OF STANDING COMMITTEE

HB 1002, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1002
was placed on the Sixth order on the calendar.

Page 1, replace line 15 with:

"Salaries and wages	\$4,978,126	\$549,956	\$5,528,082"
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Page 1, replace lines 19 through 22 with:

"Election reform	1,601,747	3,097,942	4,699,689
Total all funds	\$9,597,426	\$3,971,769	\$13,569,195
Less estimated income	4,231,641	4,073,933	8,305,574
Total general fund	\$5,365,785	(\$102,164)	\$5,263,621"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$5,623,063	(\$101,511)	\$5,521,552
Grand total special funds	4,231,641	4,073,933	8,305,574
Grand total all funds	\$9,854,704	\$3,972,422	\$13,827,126"

Page 2, line 27, replace "thirteen" with "fourteen"

Page 2, line 28, replace "nine" with "four"

Page 2, line 28, replace "twenty-five" with "eighty-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
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General fund	\$5,365,785	\$5,268,270	(\$4,649)	\$5,263,621
FTE	32.00	33.00	0.00	33.00
Public Printing				
Total all funds	\$257,278	\$257,931	\$0	\$257,931
Less estimated income	0	0	0	0
General fund	\$257,278	\$257,931	\$0	\$257,931
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$9,854,704	\$13,832,765	(\$5,639)	\$13,827,126
Less estimated income	4,231,641	8,306,564	(990)	8,305,574
General fund	\$5,623,063	\$5,526,201	(\$4,649)	\$5,521,552
FTE	32.00	33.00	0.00	33.00

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Grants		
Petition review		
Election reform	221	221
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21.0261.02001
Title.

Prepared by the Legislative Council staff for
Senator Holmberg

March 19, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1002

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Bill total				
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