

2025 HOUSE APPROPRIATIONS

HB 1002

DEPARTMENT 108 - SECRETARY OF STATE 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$6,366,407
Operating expenses	4,984,331
Grants	25,000
Petition review	8,000
Election reform	4,830,808
Public printing	<u>271,335</u>
Total all funds	\$16,485,881
Less other funds	<u>9,344,171</u>
Total general fund	\$7,141,710
Full-time equivalent (FTE) positions	35.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salaries and benefits for 34 FTE positions (\$6,099,127), temporary salaries (\$167,280), and overtime (\$100,000)	\$5,892,462	\$473,945	\$6,366,407
2. Includes funding for operating expenses, including information technology (IT) costs (\$3,827,101)	\$744,913	\$4,239,418	\$4,984,331
3. Includes funding for tribal administrative voting cost grants	\$25,000	\$0	\$25,000
4. Includes funding for petition review, including \$4,000 for postage and \$4,000 for printing	\$8,000	\$0	\$8,000
5. Includes funding for election reform, including miscellaneous operating expenses for an FTE election specialist position (\$10,000) and IT costs (\$4,219,390)	\$200,000	\$4,630,808	\$4,830,808
6. Includes funding for public printing, including the cost of printing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code	\$271,335	\$0	\$271,335

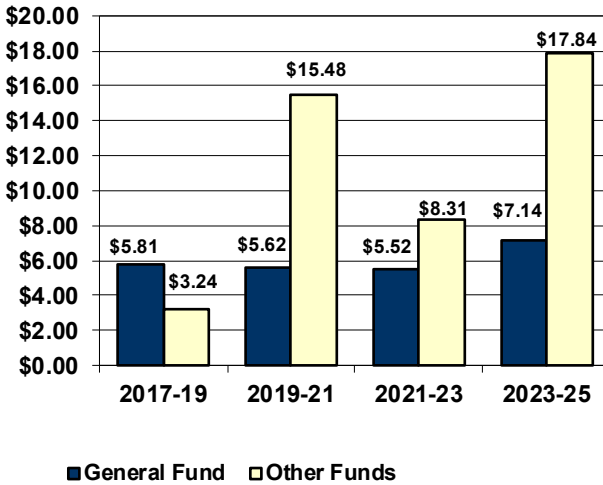
Continuing Appropriations

Athletic commission fund - North Dakota Century Code 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.

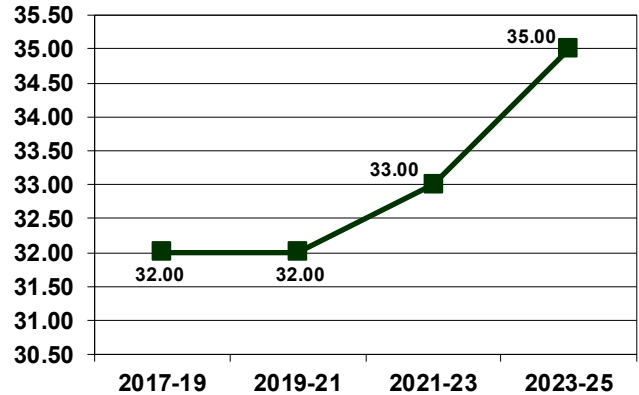
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$6,374,720	\$5,808,732	\$5,623,063	\$5,521,552	\$7,141,710
Increase (decrease) from previous biennium	N/A	(\$565,988)	(\$185,669)	(\$101,511)	\$1,620,158
Percentage increase (decrease) from previous biennium	N/A	(8.9%)	(3.2%)	(1.8%)	29.3%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(8.9%)	(11.8%)	(13.4%)	12.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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 and 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 an increase of \$343,956 from the general services operating fund, of which \$118,956 was for IT 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 an increase of \$820,673 from the general services operating fund (\$527,002)

2021-23 Biennium

- Reduced funding for operating expenses (\$251,834)

2023-25 Biennium

- Adjusted salaries and wages funding from special funds to the general fund \$479,143
- Added funding for changes in employee responsibilities and duties \$100,000
- Added 1 new FTE technology support position \$180,000
- Added funding to match federal Help America Vote Act funds \$200,000
- Added funding for text messaging software and ongoing maintenance \$165,000

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time general fund appropriations	\$3,050,000	\$0	\$0	\$0	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium					
None					\$0
2019-21 Biennium					
None					\$0
2021-23 Biennium					
None					\$0
2023-25 Biennium					
None					\$0



**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

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

NOTE:

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

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

Selected Highlights

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Secretary of State did not appropriately reconcile revenue from various fees when it was recorded in the state's accounting system.

Agency Fees

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

Major Related Legislation

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

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

NOTE:

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



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

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

Federal funds included in other funds \$4,300,258

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

Other Sections in Secretary of State - Budget No. 108

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

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL 1002
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

SECRETARY OF STATE

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

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

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

Subdivision 3.

BILL TOTAL

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

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

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

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

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

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

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

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

SECTION 7. AMENDMENT. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

Section 54-09-05. Salary of secretary of state. The annual salary of the secretary of state is ~~one hundred thirty five thousand two hundred dollars through June 30, 2025 and one hundred forty thousand six hundred eight dollars through June 30, 2026 and one hundred forty four thousand eight hundred twenty seven dollars thereafter.~~



**Secretary of State
Department No. 108
2025 House Bill No. 1002**

**REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	35.00	\$9,950,046	\$12,283,018	\$22,233,064
Revisions - Increase (decrease)	(2.00)	(936,722)	493,686	(443,036)
Armstrong budget recommendation	33.00	\$9,013,324	\$12,776,704	\$21,790,028
Base level	35.00	7,141,710	9,344,171	16,485,881
Increase (decrease)	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147
Percentage increase (decrease)	(5.7%)	26.2%	36.7%	32.2%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Secretary of State did not appropriately reconcile revenue from various fees when it was recorded in the state's accounting system.

Agency Fees

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

Major Related Legislation

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

House Bill No. 1165 - Amends law relating to elections, including the printing of ballots.

House Bill No. 1287 - Provides for the Secretary of State to adopt rules relating to the registration of qualified voters.

House Bill No. 1424 - Provides for complaint and investigation procedures relating to the placement of endorsed candidates on the primary ballot.

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

Senate Bill No. 2144 - Removes certain fees charged by the Secretary of State relating to paper copy requests and the appointment of an attorney.

Senate Bill No. 2178 - Amends law relating to primary election ballots and the retention of voter history information.

Senate Bill No. 2230 - Ballot measure education - Appropriates funding for the Secretary of State to create and distribute educational materials relating to statewide ballot measures.

NOTE:

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



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

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881
2025-27 Ongoing Funding Changes				
Base payroll changes			(\$144,339)	(\$144,339)
Salary increase		\$231,638	28,225	259,863
Health insurance increase		168,148	24,021	192,169
Adds funding to replace the 2023-25 new FTE pool		180,000	190,950	370,950
Adds funding to replace the 2023-25 vacant FTE pool		136,569	22,776	159,345
Removes FTE positions	(2.00)	(185,006)	(200,006)	(385,012)
Adds funding for IT rate increase		11,600	10,906	22,506
Adds funding to maintain and support IT systems		1,310,000		1,310,000
Increases funding for public printing		18,665		18,665
Total ongoing funding changes	(2.00)	\$1,871,614	(\$67,467)	\$1,804,147
One-Time Funding Items				
Adds funding from SIIF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000
Adds funding from SIIF for IT enhancements, including to the central indexing system			700,000	700,000
Total one-time funding changes	0.00	\$0	\$3,500,000	\$3,500,000
Total Changes to Base Level Funding	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147
2025-27 Total Funding	33.00	\$9,013,324	\$12,776,704	\$21,790,028

Federal funds included in other funds

\$4,095,629

Total ongoing changes - Percentage of base level

(5.7%)

26.2%

(0.7%)

10.9%

Total changes - Percentage of base level

(5.7%)

26.2%

36.7%

32.2%

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
1/13/2025
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.

8:30 a.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford and Hanson.

Discussion Topics:

- FTE increase
- Help America Vote Act

9:00 a.m. Michael Howe, Secretary of State, testified in favor and submitted testimony # 28628 and #28630.

10:08 a.m. Chairman Nathe closed the meeting.

Steven Riehl, Committee Clerk

BUDGET PRESENTATION

HOUSE APPROPRIATIONS COMMITTEE – EDUCATION & ENVIRONMENT DIVISION
REPRESENTATIVE MIKE NATHE, CHAIRMAN

TESTIMONY PRESENTED BY

MICHAEL HOWE, SECRETARY OF STATE

Chairman Nathe and members of the committee, I'm Michael Howe, Secretary of State. I am here to provide you greater insights into our budget and provide information on areas where we are asking for potential changes.

AGENCY OVERVIEW

The Office of the Secretary of State is the starting point for democracy and transparency. We serve, guide, and engage citizens, through elections, business, and official records. My team conducts a wide range of licensing, regulatory, registration, and administrative functions. We are the office of record for certain legal documents generated by the executive and legislative branches of state government, as well as public records and notices involving various business.

We also serve as North Dakota's trusted source for election information, and along with North Dakota's 53 counties, work to administer and protect the integrity of our election process. Statewide election results are made available through the Secretary of State's elections website – Vote.ND.Gov.

STATUTORY AUTHORITY

Our statutory authority can be found in North Dakota Century Code:

- Title 10 Corporations;
- Title 16.1 Elections;
- Licensing of athlete agents – 9-15.2
- Serve on Board of University and School Lands – 15-01-01;
- Patents for public lands – 15-08-16;
- Administration of varied liens – 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31;
- Oversight of Uniform Commercial Code – 41-09;
- Licensing of contractors – 43-07;
- Registration of notaries – 44-06.1;
- Registration of partnerships – 45-10.2, 45-11, 45-22, 45-23;
- Registration of trademarks and trade names – 47-22, 47-25;
- Registration of charitable organizations – 50-22;
- Serve as commissioner of combative sports – 53-01;
- Registration of lobbyists – 54-05.1;
- Documents recorded by the office – 54-09;
- Biennial reports received – 54-06-04;

- Secretary of Emergency Commission – 54-16;
- Serve on State Historical Board – 55-01;

AGENCY FUNCTION & ORGANIZATIONAL STRUCTURE

The Office of the Secretary of State is responsible for over 40 functions, here is a breakdown of the key programs.

ELECTIONS

The Secretary of State serves as North Dakota’s chief election officer, maintaining the integrity of the election process as provided in the constitution and laws of the state. This division is responsible for the administration of election law and partners with county auditors in the administration of statewide elections and provides training and guidance.

BUSINESS SERVICES

Business Services grants authority to do business in North Dakota and oversees 46 different entities/records. It processes documents related to the creation and registration of businesses, including business name filings and searches, filing articles and renewals, and copies and certificates. Most of these filings take place through the agency’s business portal, FirstStop.

LICENSING & NOTARY

Licensing and Notary oversees a variety of functions related to licensing and registration of certain professions, and commissioning notaries public.

CENTRAL INDEXING

Central Indexing maintains records filed under UCC (Uniform Commercial Code) regarding collateral pledged to secure loans. It also administers the Central Notification System (CNS) for farm product liens and files and maintains statewide federal tax liens. The North Dakota Central Indexing System allows for any statement required under these systems to be filed and searched online. Most of these filings take place through the Office of the Secretary of State’s Central Indexing System.

INFORMATION MANAGEMENT

Information Management is responsible for maintaining software systems used by agency to perform its duties and to interact with the public. These systems manage both business, licensing and election functions and require robust functionality with workflows, comprehensive reporting, and user-friendly public facing platforms.

FISCAL & ADMIN SERVICES

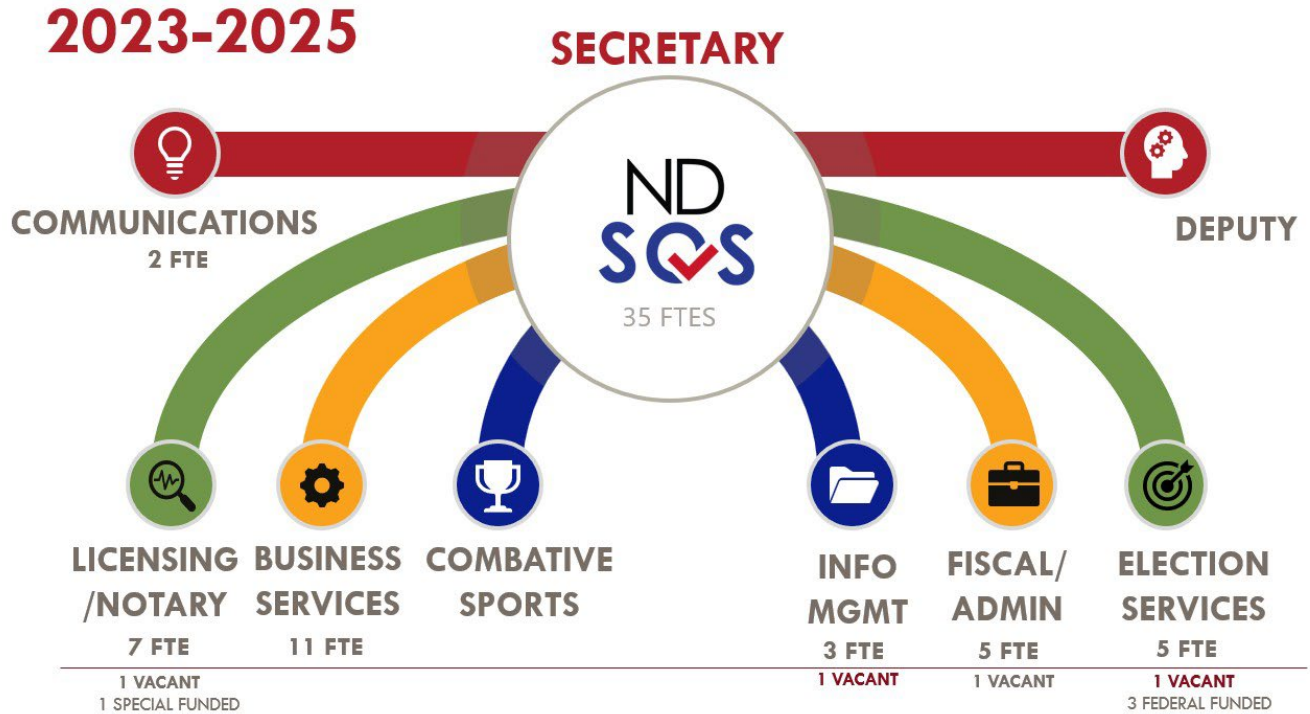
Fiscal Services oversees the Office of the Secretary of State’s finance and operations activities. This includes the management of the office’s fiscal operations such as budget, revenue tracking, accounts payable, audit, procurement, grants, reporting, human resources and payroll. This team also has duties related to the legislative processes, acts by the Governor, maintenance of certain records, and administrative responsibilities.

COMBATIVE SPORTS

The Secretary of State oversee the Commission of Combative Sports and sanctions all combative events, such as boxing and MMA (mixed martial arts), held within the state. Events held on tribal reservations are only under the agency’s oversight at the request of tribal government.

ORGANIZATIONAL STRUCTURE

The Office of the Secretary of State is currently authorized for 35 full-time equivalent (FTE) employees (31 FTEs – general fund supported, 4 FTEs – special/federal fund supported). A breakout of positions is provided in the below organizational chart.



AUDIT FINDINGS

Operational Audit for the Two-Year Period Ended June 30, 2020

- Finding Resolved: Lack of revenue reconciliation.

The Office of the Secretary of State has met compliance with the reconciliation requirement in FY2023. Since March 2023, the agency has been successful in fully reconciling daily deposit reports for each system to ConnectND general ledger reports for all three revenue recording systems.

A monthly reconciliation has also been implemented for all deposits across payments types and systems to ConnectND GL data to ensure review and approval of transactions over longer duration.

Operational Audit for Two-Year Period Ended June 30, 2024 – Audit not yet scheduled.

CURRENT ACCOMPLISHMENTS/CHALLENGES & NEXT BIENNIUM GOALS

The Office of the Secretary of State has worked to engage stakeholders and grow awareness and synergies for the agency. This has included identifying areas for greater efficiency or process improvements, upgrades/enhancements to technology, greater visibility with stakeholders, and supporting awareness efforts through dedicated communications staffing.

CURRENT ACCOMPLISHMENTS/CHALLENGES

Highlights of a few accomplishments over the 2023-2025 biennium include:

- Election Awareness Efforts – growing public knowledge about election processes and security
 - Successful 2024 presidential election cycle
 - Supported county auditors and pollworkers in administration of elections through increased training and new and updated materials
 - Elections 101 information presented across the state to multiple groups
 - Conducted a targeted awareness campaign around election security
 - Attended naturalization ceremonies to inform new citizens of voting requirements in North Dakota
- Serving Business Better – creating efficiencies in service and improving filing turn-around
 - 54% reduction in processing time – 3 days on average for processing of filings in 2024 (decrease from 6.65 days in 2022)
 - 51,600+ total business filings in 2024 (17,000+ new filings)
 - Efficiencies gained in online licensing, notaries public, and UCC process improvements

One of the biggest challenges for the agency has been addressing updates to existing technology. The 2023 Legislative Session supported key updates and replacements to critical systems, including:

- Election Management System – nerve center for the state’s election administration - \$5 M ARPA
 - Procurement 2024, January 2025 project launch with completion set by January 2026
- Campaign Finance System – online system for campaign finance reporting – \$1 M SIIF
 - Procurement 2024, January 2025 project launch with completion set by January 2026
- Technology Enhancements – updates to systems to improve usability - \$500,000 SIIF
 - Presently on hold – funds are being redirected to support existing platform security and upgrades rather than investment in existing software versions (due to upgrades)
- FirstStop Business System – portal for business filings, licensing, notary publics, etc. – \$1 M ARPA
 - Procured in 2023, January 2024 project launch with completion set by March 2026

All funds for these projects have been committed and the agency is asking for carry-over authority into the 2025-2027 biennium.

NEXT BIENNIUM GOALS

Building on the successes of the 2023-2025 biennium, the Office of the Secretary of State plans to continue outreach and awareness efforts, while seeking continued support to address needed technology upgrades and maintenance. Goals for the 2025-2027 include:

ELECTION TECHNOLOGY/STAFFING SUPPORT – Successful implementation of the election management and campaign finance system prior to the 2026 election cycle will be a priority (funded in the 2023-2025 session). The agency will also be requesting funding to replace election PollPads used across the state for voter check in. These systems have reached their end of life as they are no longer upgradable to meet ongoing security updates.

The Office of the Secretary of State also believes that funding for critical systems and staffing in election administration should be supported by general fund dollars. Currently, two FTEs and maintenance/licensing for election systems is maintained with uncertain funding from federal Help America Vote Act (HAVA) grants. The duties of these federally supported employees will not go away and are critical to administering North Dakota elections. If the state of North Dakota provides no additional support, HAVA dollars will be expended by 2028. Critical election staffing and the continued maintenance of election systems and equipment – PollPads, ballot scanners, cradle points, etc. – currently costs about \$1.7 million each biennium.

Education, training, and materials to support our election officials and growing voter knowledge and confidence will be a focus of this administration into the future. These efforts will help create transparency and further protect election security.

BUSINESS PORTAL EXPANSION – Successful implementation of the FirstStop 5.0 upgrade will eliminate the use of AS400 (set for retirement by NDIT), as well as provide system updates for key security features and assist in modernization of communication with customers, and processes.

UCC/CENTRAL INDEXING TECHNOLOGY SUPPORT – The agency will be seeking support to upgrade the UCC/Central Indexing platform implemented in 2016 (upgrade from 1.0 to 4.0), as the vendor is phasing out support for version 1.0. This system is used extensively by banks and lenders.

IMPLEMENTATION OF CUSTOMER MESSAGE PLATFORM – The agency has begun implementing a system that will allow text and email messaging to customers in the future. This will coincide with updates to systems to collect data and permissions needed to begin using this communication tool.

OPERATIONAL SUPPORT – Greater operational funds are needed to support technology maintenance and enhancements, as well as awareness and outreach efforts. The agency hopes to explore business intelligence dashboarding options to provide greater public access to information in the future.

2025-2027 REVISED BUDGET REQUEST As Compared to 2023-2025 Biennium Appropriation

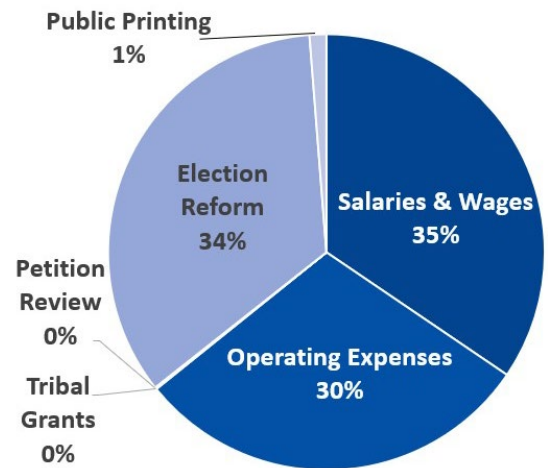
The Office of the Secretary of State relies on people and technology to perform the work the legislature has directed. The agency’s appropriation for the 2023-2025 biennium was \$24.8 million with 88 percent of the general fund authority directed towards salaries and wages. Learn more about special funds used in the agency at: page 9 – Federal Funds; page 12 – Agency Fee Collections – special funds (general services fund).

The 2023-2025 appropriation includes one-time funding of \$8.5 million. The agency is seeking \$7.5 million in carry-over authority into the 2025-2027 biennium for the below:

- \$6 million ARPA – FirstStop Upgrade (\$1M), Election Management System (\$5M)
- \$1.5 million SIFF – Campaign Finance System and IT enhancements

Spreadsheet can be found in [APPENDIX A \(pg. 14\) – Secretary of State Legislative Request Comparison](#)

2025-27 SOS REVISED - \$23.3 M



	2023-2025 Legislative Appropriation*	Adjustments for Base Budget (*One-Time)
Salaries and Wages	6,254,725	111,682
Operating Expenses	7,484,331	(2,500,000) (1)
Grants	25,000	
Petition Review	8,000	
Election Reform	10,830,808	(6,000,000) (2)
Public Printing	271,335	
Total Line Items	24,874,199	(8,500,000)

By Funding Source		
General Funds	7,042,124	
Federal Funds	11,183,559	(7,000,000)
Special Funds	6,648,516	(1,500,000)
Total Funding Source	24,874,199	(8,500,000)

	2025-2027 Legislative Base Level	2025-2027 Burgum Recommendation	2025-2027 Revised Agency Request**
Salaries and Wages	6,366,407	7,658,837	8,054,837
Operating Expenses	4,984,331	6,936,837	6,936,837
Grants	25,000	25,000	25,000
Petition Review	8,000	8,000	8,000
Election Reform	4,830,808	7,314,390	8,032,437
Public Printing	271,335	290,000	290,000
Total Line Items	16,485,881	22,233,064	23,347,111

By Funding Source			
General Funds	7,141,710	9,950,046	11,183,964
Federal Funds	4,195,655	4,300,258	4,400,617
Special Funds	5,148,516	7,982,760	7,762,530
Total Funding Source	16,485,881	22,233,064	23,347,111

FTE	35	35	33
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STAFFING – FTES APPROVED IN 2023-2025 BIENNIUM

The agency is authorized for 35 full-time equivalent (FTE) positions for the 2023-25 biennium, of which 31 FTEs were supported through general funds, and 4 FTEs which have no general fund support (1 FTE through special funds, and 3 FTEs through federal funds).

- Due to the critical nature of all positions, we are seeking general fund support in the amount of \$581,000 for 4 FTEs that receive no general fund dollars.
- Based on efficiencies gained from process improvements and staff restructuring, the Office of the Secretary of State intends to return 1 FTE general funded and 1 FTE federal funded position.

The Office of the Secretary of State was granted two FTEs in the 2023-2025 biennium:

- Election Education Position (#31519) – Federal Funds - \$190,950
 - Filled November 2023
 - Amount appropriated and transferred from pool - \$159,125
- Information Management Services Position (#315180) – General Funds - \$180,000
 - Filled January 2024
 - Amount appropriated and transferred from pool - \$135,000

Total amount transferred from OMB FTE Pool - \$294,125

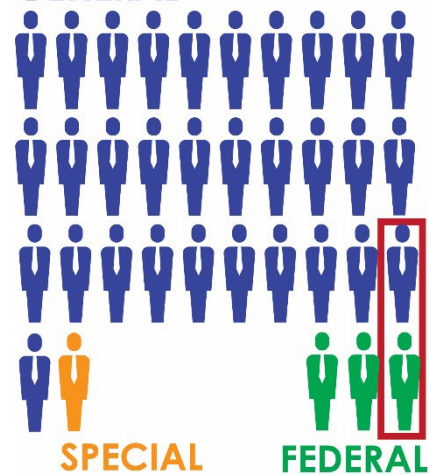
Total amount held for positions in OMB FTE Pool \$455,396 – amount remaining \$151,271

STAFFING – VACANCIES & TURN-OVER

- Number of vacant positions – a total of 12 vacancies during the biennium to date
- 35 FTE – 34% turnover in staff
 - From 2-6 vacancies at any given time
 - Average 3.8 vacancies per month - $3.8/35 = 10\%$
- Approximate savings from vacancies = \$468,190
- FTE Pool Reduction = \$445,396
- \$114,510 in savings have been spent on accrued leave payouts, salary increases, and reclassifications.
- Requests from the pool = \$294,125

SOS FTE REQUEST*

GENERAL



Agency request includes increase of \$581,000 to general fund all positions.

FUNDING PURPOSES – BASE BUDGET & REQUESTED CHANGES

BASE BUDGET PURPOSES & USE

The Office of the Secretary of State base budget provides general support for all functions across the agency. A brief explanation of each line item and its purpose is provided below.

- **Salaries and Wages – \$6,366,407** – general funds for 31 FTEs, special and federal funds for 4 FTEs, and associated benefit funding.
- **Operating Expenses – \$4,984,331** – supports functions across the agency – travel, NDI costs, printing/postage, etc. – as well as technology systems and support used to support functions.
- **Grants – \$25,000** – available for requests from North Dakota’s tribal governments to support tribal activities related to assisting tribal members gain access to voting.
- **Petition Review – \$8,000** – funding to support outreach to citizens in petition review efforts to validate a sampling of signatures (postage/mailling). The agency needed to seek emergency commission support for additional costs in 2024. Costs for 2023-2025 biennium were about \$12,000 - \$13,000.
- **Election Reform – \$4,830,808** – state general fund match, state special funds allocated to elections, and federal HAVA grant dollars which are used to support election administration, technology, equipment and maintenance.
- **Public Printing – \$217,335** – cost of printing and producing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code. This office recommends moving this function to Legislative Council. The appropriation is based on a recommendation from Legislative Council, which has the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications. A small portion of funding is used to cover costs related to mailing, supplies, etc., which are the only services provided by this agency.

Spreadsheet insert can be found in [APPENDIX A \(pg. 14\) – Secretary of State Legislative Request Comparison](#)

	C	E	F
	2025-2027 Legislative Base Level	2025-2027 Revised Agency Request**	\$ Increase/ (Decrease) Compared to Legislative Base
Salaries and Wages	6,366,407	8,054,837 (4)	1,688,430
Operating Expenses	4,984,331	6,936,837 (3)	1,952,506
Grants	25,000	25,000	-
Petition Review	8,000	8,000	-
Election Reform	4,830,808	8,032,437 (5)	3,201,629
Public Printing	271,335	290,000 (6)	18,665
Total Line Items	16,485,881	23,347,111	6,861,230
By Funding Source			
General Funds	7,141,710	11,183,964	4,042,254
Federal Funds	4,195,655	4,400,617	204,962
Special Funds	5,148,516	7,762,530	2,614,014
Total Funding Source	16,485,881	23,347,111	6,861,230
FTE	35	33	(2)

Federal Funds - \$4,195,655 – approximately \$4,000,000 of Help America Vote Act federal funds are available for the 2025-2027 biennium, and the anticipated opportunity to access an additional \$1,000,000 with a \$200,000 general fund match in March 2025. The purpose of the funds is to improve the administration of elections for Federal office, including to enhance election technology and make election security improvements” to the systems, equipment and processes used in federal elections.

A breakdown of federal Help America Vote Act federal funds and expenses to date and state matches is below.

	Federal Advance	Interest	Expenses to Date	Balance	State Match
2018 HAVA	\$ 3,000,000	\$ 26,156	\$ 3,026,156	\$ -	\$ 150,000
2020 HAVA	\$ 3,000,000	\$ 20,940	\$ 904,728	\$ 2,116,212	\$ 600,000
2022 HAVA	\$ 1,000,000	\$ 5,339		\$ 1,005,339	\$ 200,000
2023 HAVA	\$ 1,000,000	\$ 3,963		\$ 1,003,963	\$ 200,000
2024 HAVA	\$ 1,000,000	\$ 826		\$ 1,000,826	\$ 200,000
Total Remaining	\$ 9,000,000	\$ 57,225	\$ 3,930,884	\$ 5,126,341	\$ 1,350,000
Anticipated dollars available with 20% match in March 2025.					
2025 HAVA	\$ 1,000,000				\$ 200,000

Spending projections for the currently available \$4,000,000 in HAVA funds are broken down below. If general fund support for staffing is provided, staff dollars will be redirected to education/training efforts.

- 2025-27 Biennium - \$3.7 million (estimated)
 - Elections software/equipment
 - Staffing
 - Supplies/Support
- 2027-29 Biennium - \$3.7 million (estimated)
 - Elections software/equipment
 - Staffing
 - Supplies/Support

The Office of the Secretary of State is anticipating needing to request funds for replacement of election equipment (ballot tabulators and ballot marking devices) during the 2029 Session. This equipment is purchased and owned by the state and did not include HAVA funding.

AGENCY REQUESTED CHANGES FROM BASE BUDGET

The Office of the Secretary of State is requesting the following changes to legislative base budget. Greater explanation of one-time requests are included in the One-Time Funds section later in this testimony.

Salaries & Wages - Position Support – Due to the critical nature of our staffing to our ability to serve North Dakota, this agency continues to seek general fund support for all positions – currently 4 FTEs are supported by special (1) or federal (3) funds. These positions support licensing functions and election administration. We were also able to gain efficiencies over the last biennium and are requesting to reduce staffing by 2 FTEs. Other increases in this area are related to FTE funding pool add back or planned benefit/salary increases.

Operating Expenses - Technology Support – The agency relies on technology to conduct core functions. This administration is working to upgrade systems to continue to provide greater access, transparency, and a user-friendly experience. We are seeking \$1.3 million in general fund support for annual maintenance/licensing and continued enhancements to ensure these systems provide the best citizen experience. NDIT increased costs to the agency are also included.

Election Reform - Federal Authority/Match – The agency is anticipating additional federal grants in the 2025-2027 biennium. A Department of Homeland Security grant was awarded to the agency in late 2024 and we are seeking \$100,359 in federal authority to receive these dollars with no match needed. The agency is also anticipating a 2025 HAVA grant award of likely \$1 million which would require an increase in federal authority and a \$200,000 general fund match. Greater information about federal funds is provided in the Funding Purposes section of this testimony.

Public Printing – The \$18,665 increase is related to the cost of printing the North Dakota

SOS REQUESTED ONGOING CHANGES

Requested changes from base budget:

POSITION SUPPORT

- **General fund support for all FTEs**
 - \$581,000 for 3 FTEs (1 special/2 federal)
 - Restore \$530,295 from FTE funding pool
- **Reduction of 2 FTEs**
 - \$200,000 shift to election reform (FED)
 - \$185,000 returned to general fund

TECHNOLOGY SUPPORT

- **\$1.3M - General fund support for technology support, maintenance and planned NDIT cost increases**

PUBLIC PRINTING

- **\$18,665 – increase in public printing**

SOS ONE-TIME REQUESTS

Requested one-time funding:

TECHONOLOGY SUPPORT

- **\$2.8M - Replacement of election PollPads and cradlepoints – used for voter check in**
- **\$500,000 – Upgrade of central indexing system from 1.0 to 4.0**
- **\$200,000 – Server costs for AS400 (set to be retired in 2026)**

FEDERAL AUTHORITY/MATCH

- **\$100,359 - increase federal authority for Election Awareness/Security Grant Award**
- **\$200,000 – Anticipated increased federal authority for \$1M 2025 HAVA award + \$200,000 one-time general fund match and transfer authority**

Century Code, Session Laws, and the North Dakota Administrative Code, with a small portion covering mailing, supplies, etc. The request is based on a recommendation from the Legislative Council. This office recommends moving this function to Legislative Council as they have the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications.

ONE-TIME FUNDING REQUESTS

2023-25 One-Time Funding Requests

The agency is requesting carry-forward authority for the following one-time funds into the 2025-2027 biennium.

- **Campaign Finance** – contract executed with implementation scheduled for January 2026 – \$1M (SIIF) allocated – no expenditures to date.
- **Election Management System** – contract executed with implementation scheduled for 2026 election cycle - \$5M (ARPA) allocated – \$12,654 spent to date
- **First Stop Upgrade** – contract executed with implementation in March 2026 – project was delayed 10 months due to state related delays – \$1M (ARPA) - \$258,468 spent to date
- **IT Enhancements** – on hold or funds being redirected to support existing platform security and upgrades rather than investment in existing software versions – \$500,000 (SIIF) \$8,750 spent to date

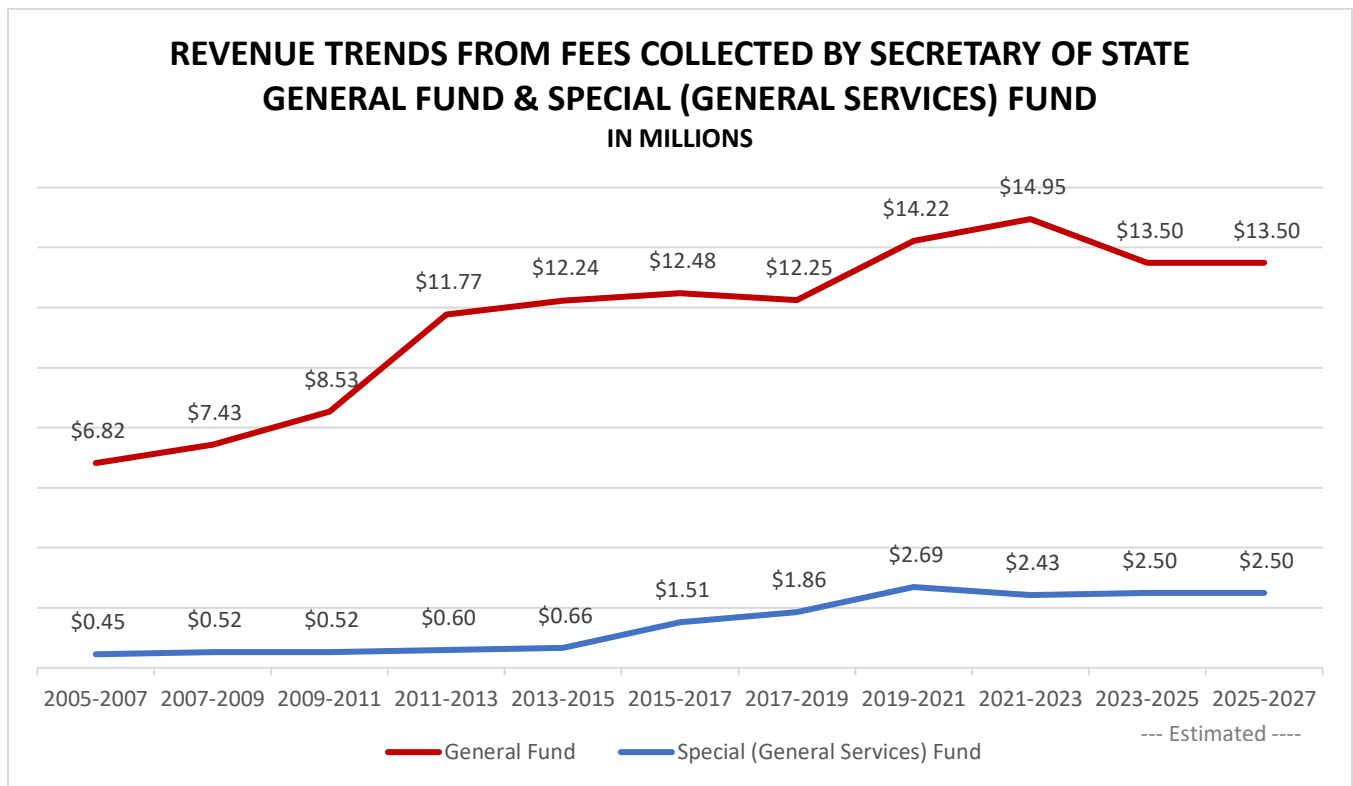
2025-27 One-Time Funding Requests

- **PollPad/Cradlepoint Replacement** – \$2.8M of one-time funds are being requested from general fund and have been included in the Burgum Recommendation/Agency Request from Strategic Investment Fund (SIIF) for election PollPads and cradlepoints in all polling locations to establish a secure statewide network and platform for voter check in. These systems have reached their end of life as they are no longer able to be upgraded to meet ongoing security updates.
- **Central Indexing Upgrade** – \$500,000 of one-time funds are being requested from general fund and included in Burgum Recommendation/Agency Request to upgrade the Central Indexing System from 1.0 to 4.0
- **AS400 Server Costs** – \$200,000 of one-time funds are being requested from the general fund and included in the Burgum Recommendation/Agency Request to support NDIIT hosting costs until migration off of the AS400 server occurs. The server hosting cost for the AS400 is split between two agencies – SOS and DHHS – and could be greater if one agency is the sole user of the device. The AS400 will be retired for SOS at the launch of FirstStop 5.0.
- **HAVA Match for 2025 Federal Award** – anticipated one-time funds will be requested for federal match for HAVA 2025 Award - \$200,000 general fund anticipated (unknown at this date).

AGENCY FEE COLLECTIONS – GENERAL & SPECIAL (GENERAL SERVICES FUND)

The Office of the Secretary of State generates approximately \$17 million in general fund revenues across 450+ fees, and of this about \$2.5 million is retained by the agency which is transferred to the special (general services) fund to support technology needs. Fees retained include a portion of central indexing fees, and revenue gained from the sales of lists or records.

Revenues forecasts for the 2023-2025 biennium were increased based on historical trends and the general fund was increased from \$12.5 million to \$13.5 million, and the special (general services) fund was increased from \$1.5 million to \$2.5 million. These estimates were used again for 2025-2027. Below is 20+ year look at revenue trends from the Office of the Secretary of State.



The Office of the Secretary of State has over 450+ fees associated with its functions. The appropriateness of fees seems in alignment with what most states are charging. Here's a summarized breakdown:

- Central Indexing – 40 lien or report filing fees – last updated 2016
 - Lien fees range from \$30 – \$40;
 - Report fees range from \$1 – \$500
- Business – Licensing – Elections – 415 fees – last updated varies
 - Fees range from \$.50 – \$1,440
 - 40 types of business entity registrations
 - Varied licensing
 - Sale of election lists for election purposes to candidates/committees

A comparative look at the common types of filings this office processes is included below. These numbers include results of both new and renewals of certain licensing, registrations, etc.

**SECRETARY OF STATE FILINGS
10-YEAR COMPARISON – 2013 – 2023**

	2013	2023	2013-2023 Increase	Percentage Change
Licensing Unit				
**Active at end of biennium or issued during biennium				
Contractor Licenses	11,701	12,170	469	4%
Home Inspector Licenses	124	231	107	86%
Lobbyists (for biennium)	736	708	(28)	-4%
Charitable/Prof. Fundraisers	1,343	3,022	1,679	125%
Notary Commissions	13,873	14,559	686	5%
Official Acts of Governor	493	1,371	878	178%
Authentications/Apostilles		1,968		
Central Indexing Unit				
Total Filings - UCC/Liens/etc.	50,055	126,461	76,406	153%
Business Registration/Information Unit				
Corporations	50,882	42,736	(8,146)	-16%
Limited Liability Companies/Partnerships	33,097	60,233	27,136	82%
Other	30,796	34,142	3,346	11%

FEDERAL STATE FISCAL RELIEF FUNDS

The Office of the Secretary of State received \$6 million in ARPA funding to support technology projects in the 2023-2025 biennium. All funds are committed and the agency is requesting carry-over authority for the below:

- **\$5 million – Election Management System** – contract is executed with implementation scheduled for 2026 election cycle; \$12,654 spent to date
- **\$1 million – FirstStop 5.0 Upgrade** – contract is executed with implementation scheduled for March 2026; \$258,468 spent to date

AMENDMENT FOR HB 1002 - ADDITIONAL BILL REQUESTS

The Office of the Secretary of State seeks the following amendment requests for HB1002.

- **Support of 3 FTEs with General Funds** – Increase in general fund Salaries and Wages line of \$581,000.
- **Removal of 2 FTEs** –Remove 2 FTEs, return \$185,000 to the general fund from Salaries and Wages line, and shift federal fund authority to Election Reform line.
- **Election Awareness/Security Grant** – Federal authority increase of \$100,359 for Department of Homeland Security grant with no state match.
- **2024 Help America Vote Act Award – Transfer Authority** – ability to transfer \$200,000 general fund to Election Reform line to meet 2024 HAVA match requirements.
- **2025 Help America Vote Act Anticipated Award** – Authority for anticipated federal HAVA grant award of \$1 million in March 2025, associated 20% state general fund match of \$200,000, and ability to transfer this \$200,000 general fund to Election Reform line to meet 2025 HAVA match requirements.

LEGISLATIVE BILLS WITH POTENTIAL BUDGETARY IMPACT

There are no bills with a determined impact at this point.

BURGUM RECOMMENDATION REQUESTED CHANGES


The Burgum recommendation supported most of the Office of the Secretary of State’s priorities. The agency is requesting the following additions to the Burgum recommendation:

- \$581,000 general fund increase in the salaries and wages line for 4 FTEs (1 special/3 federal)
- \$185,000 returned to general fund for removal of 1 FTE
- \$200,000 shift to federal funds for removal of 1 FTE
- \$200,000 general fund transfer authority to the Election Reform line to meet match requirements for 2024 HAVA federal grant
- \$100,359 authority increase in federal funds for a Department of Homeland Security grant award for election awareness/security
- \$1M in federal authority for anticipated federal HAVA grant award of \$1 million in March 2025, associated 20% state general fund match of \$200,000, and ability to transfer this \$200,000 general fund to Election Reform line to meet 2025 HAVA match requirements.

Spreadsheet with increase/decrease amounts can be found in [APPENDIX A \(pg. 14\) – Secretary of State Legislative Request Comparison.](#)

APPENDIX A

Secretary of State Legislative Request Comparison

	A	B		C	D	E	\$ Increase/ (Decrease) compared to Executive Recommendation
	2023-2025 Legislative Appropriation*	Adjustments for Base Budget (*One-Time)		2025-2027 Legislative Base Level	2025-2027 Burgum Recommendation	2025-2027 Revised Agency Request**	
Salaries and Wages	6,254,725	111,682	Salaries and Wages	6,366,407	7,658,837	8,054,837 (4)	396,000
Operating Expenses	7,484,331	(2,500,000) (1)	Operating Expenses	4,984,331	6,936,837	6,936,837 (3)	-
Grants	25,000		Grants	25,000	25,000	25,000	-
Petition Review	8,000		Petition Review	8,000	8,000	8,000	-
Election Reform	10,830,808	(6,000,000) (2)	Election Reform	4,830,808	7,314,390	8,032,437 (5)	718,047
Public Printing	271,335		Public Printing	271,335	290,000	290,000 (6)	-
Total Line Items	24,874,199	(8,500,000)	Total Line Items	16,485,881	22,233,064	23,347,111	1,114,047
By Funding Source							
General Funds	7,042,124		General Funds	7,141,710	9,950,046	11,183,964	1,233,918
Federal Funds	11,183,559	(7,000,000)	Federal Funds	4,195,655	4,300,258	4,400,617	100,359
Special Funds	6,648,516	(1,500,000)	Special Funds	5,148,516	7,982,760	7,762,530	(220,230)
Total Funding Source	24,874,199	(8,500,000)	Total Funding Source	16,485,881	22,233,064	23,347,111	1,114,047
FTE			FTE	35	35	33	(2)

* 2023-2025 Legislative Appropriation includes:

- (1) One-Time Funds - \$1.5M SIF - Campaign Finance, IT Enhancements; \$1M ARPA - FirstStop Upgrade
- (2) One-Time Funds - \$1M HAVA Federal Grant; \$5M ARPA - Election Management System

** 2025-2027 Revised Agency Request includes:

- (3) Ongoing technology support (FirstStop, Central Index., Elec. Mgmt., Camp. Fin.); \$2.8M one-time for replacement of PollPads/cradlepoints; NDIT cost increases, increases costs print/mail.
- (4) Reduces Salaries & Wages for 2 FTE -- 1 FTE (Gen Fund) \$185,000; 1 FTE (Fed Fund) reduces \$200,000 (restores to Election Reform); increases general fund \$396,000 to replace non-gen.fund salaries, includes Burgum recommendation salary/benefit increases
- (5) Increases Election Reform for 1) \$100,359 for DHS Election Awareness/Security Grant Award; 2) \$200,000 Fed Funds restored from Salaries & Wages
- (6) Increase for printing of session books and laws and distribution.

NORTH DAKOTA
SECRETARY OF STATE
MICHAEL HOWE

HB 1002 TESTIMONY

HOUSE APPROPRIATIONS – EDUCATION & ENVIRONMENT

Michael Howe, Secretary of State

1/13/2025



THE STARTING POINT FOR DEMOCRACY & TRANSPARENCY

We Serve, Guide, & Engage Citizens Through
Elections, Business, & Official Records

AGENCY FUNCTIONS

DIVISIONS & SERVICES



ELECTIONS

- Election Administration Oversight
- Campaign Finance

BUSINESS SERVICES

- File Point for 46 Entity/Records
- Public Search

LICENSING & NOTARY

- License/Register Professions
- Commission Notaries Public

CENTRAL INDEXING

- Lien Filing & Search

INFORMATION MANAGEMENT

- System Support & Interfaces

FISCAL & ADMINISTRATIVE

- Official Records – Lobbyists
- Fiscal & Operations

COMBATIVE SPORTS

- Oversight of Combative Contests



WE'VE
BEEN
BUSY



WHO WE SERVE

- Voters
- Candidates
- Local Government
- Business
- Licensees
- Lending Community
- All Citizens



2023-2025

SECRETARY



LAST SESSION – ONE-TIME ASKS

CONTINUED WORK ON ONE-TIME PROJECTS

\$7.5M Carry-Forward One-Time

- Continuation of one-time funds – projects in progress
 - Election Management System - \$5,000,000 (ARPA)
 - FirstStop Upgrade - \$1,000,000 (ARPA)
 - Campaign Finance System - \$1,000,000 (SIIF)
 - IT System Enhancements - \$500,000 (SIIF)



2025-2027 ONE-TIME ASKS

UPDATING TECHNOLOGY & HAVA GRANT SUPPORT

\$2.8M – PollPad/Cradlepoint Replacement

- Included in Burgum Recommendation from SIIF
 - PollPad OS will no longer be able to get security updates
 - Cradlepoints model no longer available

ELECTION EQUIPMENT

SECRETARY OF STATE APPROVES VOTING SYSTEMS



POLLPADS – ELECTRONIC POLLBOOKS

Vendor - KNOWiNK

CHECKS VOTER IN AT POLLING LOCATION

Ensures One Person = One Vote

Updates Central Voter File – Checks in Voter

Knows which voters voted by mail

Sends check-in info to PollPads in the State



PRINTS BALLOT TICKET

Voter uses ticket to get correct ballot



CONNECTED TO OTHER POLLING LOCATIONS IN NORTH DAKOTA =

→ SECURE portal - encryption

→ SIGNAL ACTIVE with secure access

2025-2027 ONE-TIME ASKS

UPDATING TECHNOLOGY

\$500,000 – Central Indexing Upgrade

- Included in Burgum GF Recommendation
 - Seeking to upgrade from 1.0 to 4.0
 - Version 1.0 support phasing out



NORTH DAKOTA
CENTRAL INDEXING
SYSTEM



\$200,000 – AS400 Server Costs

- Included in Burgum GF Recommendation

2025-2027 ONGOING

POSITION SUPPORT – TECHNOLOGY SUPPORT - PRINTING

General Fund Position Support

- \$581,000 for 3 FTEs (1 Special/2 Federal)

\$1.3M – Technology Support

- Maintenance/Support for core systems
- NDIT increased costs

Public Printing

- \$18,665 increase – request move to Legislative Counsel

ADDITIONAL ASKS - FEDERAL

AUTHORITY & MATCH

Election Security Grant

- DES Federal Grant \$100,359 – no match

Help America Vote Act - Anticipated

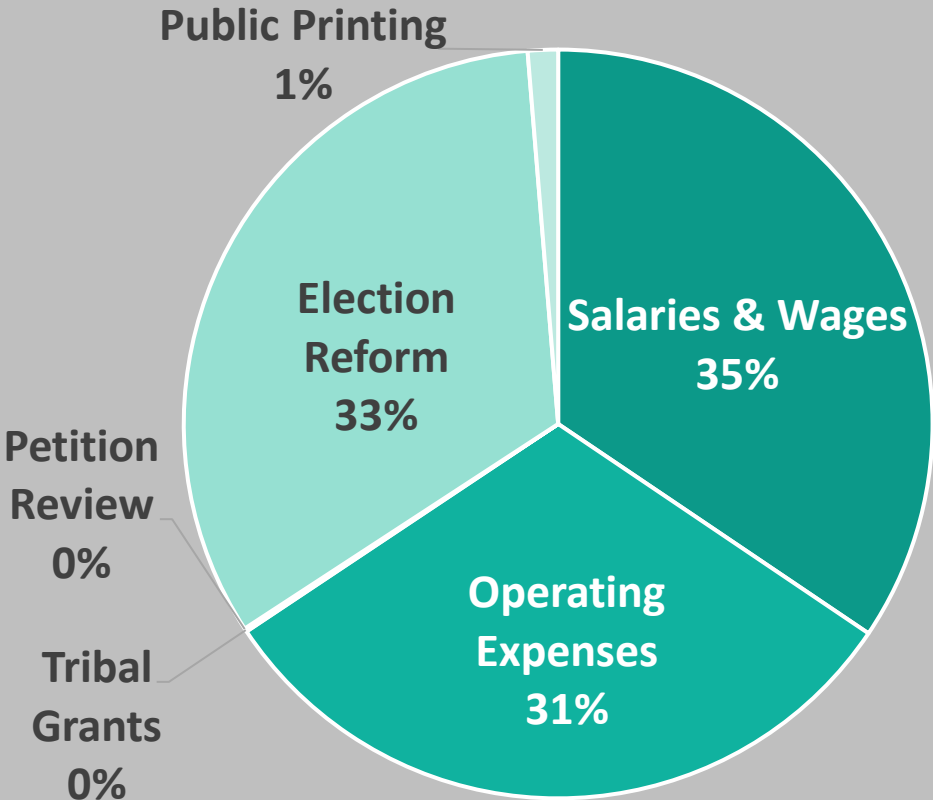
- 2025 Federal Award and associated state match
- Max award \$1 million w/ \$200,000 match

Transfer Authority

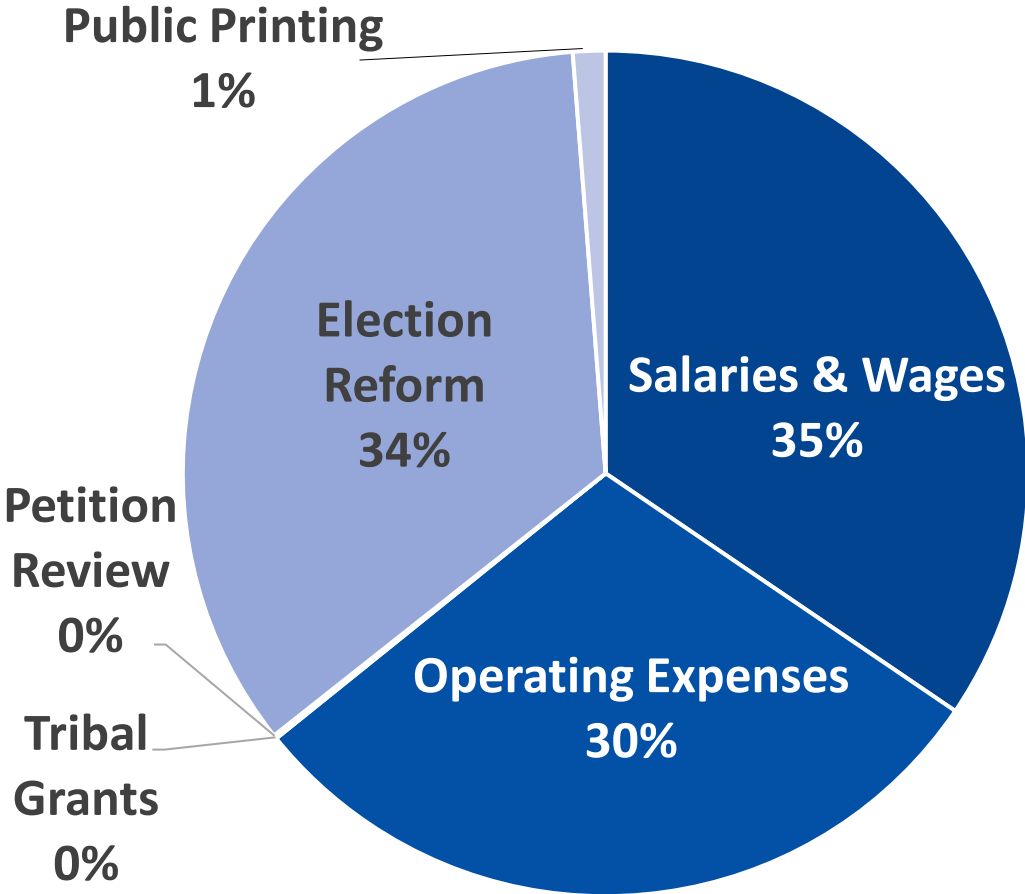
- Transfer \$200,000 General to Federal for 2024 HAVA match

BUDGET COMPARISON BY LINE 2025-2027

2025-27 BURGUM RECOMMENDATION - \$22.2 M



2025-27 SOS REVISED - \$23.3 M





	2025-2027 Legislative Base Level	2025-2027 Burgum Recommendation	2025-2027 Revised Agency Request**	\$ Increase/ (Decrease) compared to Executive Recommendation
Salaries and Wages	6,366,407	7,658,837	8,054,837 (4)	396,000
Operating Expenses	4,984,331	6,936,837	6,936,837 (3)	-
Grants	25,000	25,000	25,000	-
Petition Review	8,000	8,000	8,000	-
Election Reform	4,830,808	7,314,390	8,032,437 (5)	718,047
Public Printing	271,335	290,000	290,000 (6)	-
Total Line Items	16,485,881	22,233,064	23,347,111	1,114,047
By Funding Source				
General Funds	7,141,710	9,950,046	11,183,964	1,233,918
Federal Funds	4,195,655	4,300,258	4,400,617	100,359
Special Funds	5,148,516	7,982,760	7,762,530	(220,230)
Total Funding Source	16,485,881	22,233,064	23,347,111	1,114,047
FTE	35	35	33	(2)

NORTH DAKOTA
SECRETARY OF STATE
MICHAEL HOWE

ND
SQS

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
1/21/2025

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

2:01 p.m. Vice Chairman Swiontek called the meeting to order.

Members present: Vice Chairman Swiontek, Representatives Louser, Martinson,

Richter Members absent: Chairman Nathe and Representatives Sanford and Hanson

Discussion Topics:

- PSC Public Meetings

2:01 p.m. Michael Howe, ND Secretary of State spoke in favor of.

2:06 p.m. Representative Martinson moved to proceed with amendments to be drafted.

2:06 p.m. Representative Richter seconded.

2:06 p.m. Roll Call vote

Representatives	Vote
Representative Mike Nathe	A
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	A
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	A

2:06 p.m. Motion passed 4-0-3

2:07 p.m. Vice Chairman Swiontek closed the meeting.

Steven Riehl, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
1/28/2025

Relating to public printing and the salary of the secretary of state; to provide for a transfer; and to provide an exemption.

9:02 a.m. Chairman Nathe opened the hearing.

Members Present: Chairman Nathe, Vice Chairman Swiontek, Representatives Hanson, Louser, Martinson, Richter, Sanford

Discussion Topics:

- Budget shifts
- Election reform budgeting
- Fiscal transfer

9:03 a.m. Sandra McMerty, Deputy Secretary of State, stood for questions, submitted testimony in favor #32233.

Additional Written Testimony:

Levi Kinnishchtzke, Senior Fiscal Analyst, ND Legislative Council, submitted neutral testimony #32158.

9:41 a.m. Chairman Nathe closed the hearing.

Steven Riehl, Committee Clerk by Janae Pinks



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

	Burgum Budget				Armstrong Budget				Armstrong Budget Compared to Burgum Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881	35.00	\$7,141,710	\$9,344,171	\$16,485,881	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$144,339)	(\$144,339)			(\$144,339)	(\$144,339)				\$0
Salary increase		\$283,354	34,533	317,887		\$231,638	28,225	259,863		(\$51,716)	(\$6,308)	(58,024)
Health insurance increase		168,148	24,021	192,169		168,148	24,021	192,169				0
Adds funding to replace the 2023-25 new FTE pool		180,000	190,950	370,950		180,000	190,950	370,950				0
Adds funding to replace the 2023-25 vacant FTE pool		136,569	22,776	159,345		136,569	22,776	159,345				0
Removes FTE positions				0	(2.00)	(185,006)	(200,006)	(385,012)	(2.00)	(185,006)	(200,006)	(385,012)
Adds funding for information technology rate increase		11,600	10,906	22,506		11,600	10,906	22,506				0
Adds funding to maintain and support information technology systems		1,310,000		1,310,000		1,310,000		1,310,000				0
Increases funding for public printing		18,665		18,665		18,665		18,665				0
Total ongoing funding changes	0.00	\$2,108,336	\$138,847	\$2,247,183	(2.00)	\$1,871,614	(\$67,467)	\$1,804,147	(2.00)	(\$236,722)	(\$206,314)	(\$443,036)
One-Time Funding Items												
Adds funding from SIFF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000			\$2,800,000	\$2,800,000				\$0
Adds funding for information technology enhancements, including to the central indexing system		\$700,000		700,000			700,000	700,000		(\$700,000)	\$700,000	0
Total one-time funding changes	0.00	\$700,000	\$2,800,000	\$3,500,000	0.00	\$0	\$3,500,000	\$3,500,000	0.00	(\$700,000)	\$700,000	\$0
Total Changes to Base Level Funding	0.00	\$2,808,336	\$2,938,847	\$5,747,183	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147	(2.00)	(\$936,722)	\$493,686	(\$443,036)
2025-27 Total Funding	35.00	\$9,950,046	\$12,283,018	\$22,233,064	33.00	\$9,013,324	\$12,776,704	\$21,790,028	(2.00)	(\$936,722)	\$493,686	(\$443,036)
<i>Federal funds included in other funds</i>			\$4,300,258				\$4,095,629				(\$204,629)	
<i>Total ongoing changes - Percentage of base level</i>	0.0%	29.5%	1.5%	13.6%	(5.7%)	26.2%	(0.7%)	10.9%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	0.0%	39.3%	31.5%	34.9%	(5.7%)	26.2%	36.7%	32.2%	N/A	N/A	N/A	N/A

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

	Greensheet				Purplesheet				House Version			
	Burgum Budget Recommendation				Armstrong Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-2027 Biennium Base Level	35.00	\$ 7,141,710	\$ 9,344,171	\$ 16,485,881	35.00	\$ 7,141,710	\$ 9,344,171	\$ 16,485,881	35.00	\$ 7,141,710	\$ 9,344,171	\$ 16,485,881
2025-2027 Ongoing Funding Changes												
Base Payroll Changes		\$ -	\$ (144,339)	\$ (144,339)		\$ -	\$ (144,339)	\$ (144,339)		\$ -	\$ (144,339)	\$ (144,339)
Salary Increase		\$ 283,354	\$ 34,533	\$ 317,887		\$ 231,638	\$ 28,225	\$ 259,863		\$ 231,638	\$ 28,225	\$ 259,863
Health Insurance Increase		\$ 168,148	\$ 24,021	\$ 192,169		\$ 168,148	\$ 24,021	\$ 192,169		\$ 168,148	\$ 24,021	\$ 192,169
Adds funding to replace the 2023-25 new FTE pool		\$ 180,000	\$ 190,950	\$ 370,950		\$ 180,000	\$ 190,950	\$ 370,950		\$ 180,000	\$ 190,950	\$ 370,950
Adds funding to replace the 2023-25 vacant FTE Pool		\$ 136,569	\$ 22,776	\$ 159,345		\$ 136,569	\$ 22,776	\$ 159,345		\$ 136,569	\$ 22,776	\$ 159,345
Removes 1 Federal FTE		\$ -	\$ -	\$ -	(1.00)	\$ -	\$ (200,006)	\$ (200,006)	(1.00)	\$ -	\$ -	\$ -
Removes 1 General Fund FTE		\$ -	\$ -	\$ -	(1.00)	\$ (185,006)	\$ -	\$ (185,006)	(1.00)	\$ (185,006)	\$ -	\$ (185,006)
Adjusts salaries and wages funding from special funds to general funds		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ 581,000	\$ -	\$ 581,000
Adjusts funding for information technology rate increase		\$ 11,600	\$ 10,906	\$ 22,506		\$ 11,600	\$ 10,906	\$ 22,506		\$ 11,600	\$ 10,906	\$ 22,506
Adds funding to maintaing and support information technology		\$ 1,310,000	\$ -	\$ 1,310,000		\$ 1,310,000	\$ -	\$ 1,310,000		\$ 1,310,000	\$ -	\$ 1,310,000
Increases funding for public printing		\$ 18,665	\$ -	\$ 18,665		\$ 18,665	\$ -	\$ 18,665		\$ 18,665	\$ -	\$ 18,665
Adds funding to match Federal Help America Vote Act Funds (200,000)		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total ongoing funding changes	-	2,108,336.00	138,847	2,247,183	(2.00)	1,871,614.00	(67,467)	1,804,147	(2.00)	\$ 2,452,614	\$ 132,539	\$ 2,585,153
One-time funding items												
Adds funding from SIIF for Election Pollpads & Cradlepoint Updates		\$ -	\$ 2,800,000	\$ 2,800,000		\$ -	\$ 2,800,000	\$ 2,800,000		\$ -	\$ 2,800,000	\$ 2,800,000
Adds funding from SIIF for IT system enhancements including the Central Indexing System		\$ 700,000	\$ -	\$ 700,000		\$ -	\$ 700,000	\$ 700,000		\$ -	\$ 700,000	\$ 700,000
Adds Funding for DES Election Security Grant		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ 100,359	\$ -	\$ 100,359
Adds funding from federal Help America Vote Act (1 million)		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total One-Time Funding Items	0.00	\$ 700,000	\$ 2,800,000	\$ 3,500,000	0.00	\$ -	\$ 3,500,000	\$ 3,500,000	0.00	\$ -	\$ 3,600,359	\$ 3,600,359
Total Changes to Base Level Funding	-	\$ 2,808,336	\$ 2,938,847	\$ 5,747,183	(2.00)	\$ 1,871,614	\$ 3,432,533	\$ 5,304,147	(2.00)	\$ 2,452,614	\$ 3,732,898	\$ 6,185,512
2025-27 SOS Total Funding Request	35.00	\$ 9,950,046	\$ 12,283,018	\$ 22,233,064	33.00	\$ 9,013,324	\$ 12,776,704	\$ 21,790,028	33.00	\$ 9,594,324	\$ 13,077,069	\$ 22,671,393
<i>Federal funds included in other funds</i>			\$ 4,300,258	\$ 22,233,064			\$ 4,095,629	\$ 21,790,028			\$ 4,395,994	\$ 22,671,393
											\$ 881,365	

General Fund Special Funds

Restores Federal Funding Armstrong took away(shifts from salary to election reform)

*Adds funding for DES Election Security

Adjusts salaries and wages funding from special funds to general funds

\$ 581,000

Shifts Federal Increases-ongoing equity -FTE pool return from salary line to election reform

This would not shift if we don't get the 581,000

\$ (413,059)

Shifts Federal Increases-ongoing equity -FTE pool return from salary line to election reform	This would not shift if we don't get the 581,000	\$	413,059		
Shifts Special increases-ongoing equity - FTE pool return from salaries to operating	This would not shift if we don't get the 581,000	\$	(218,545)		
Shifts Special increases-ongoing equity - FTE pool return from salaries to operating	This would not shift if we don't get the 581,000	\$	218,545		
		\$	581,000	\$	300,365
				\$	881,365

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
1/30/2025

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

3:18 p.m. Chairman Nathe called the meeting to order.

Members present: Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Hanson and Sanford.

Discussion Topics:

- Budget Changes
- Fund Public Printing

3:22 p.m. Repetitive Louser explains amendment 25.0146.01002(testimony # 33729) to take out the language "Secretary of State", replacing with "legislative counsel"

3:23 p.m. Representative Martinson Moved to adopt amendment # 25.0146.01002

3:23 p.m. Representative Swiontek seconded the motion.

3:24 p.m. Roll Call vote

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

3:24 p.m. Motion passed 7-0-0

3:31 p.m. Chairman Nathe closed the meeting.

Steven Riehl, Committee Clerk by Risa Berube

25.0146.01002
Title.
Fiscal No. 2

Prepared by the Legislative Council
staff for Representative Louser

January 29, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1002

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 secretary of state ~~and public printing; and to amend and reenact sections 46-03-11, 46-04-01,~~
3 ~~46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, and 46-04-19 of the North Dakota Century~~
4 ~~Code, relating to public printing.~~

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the secretary of state for the purpose of defraying the expenses of the
10 secretary of state and public printing, for the biennium beginning July 1, 2025, and ending
11 June 30, 2027, as follows:

~~SECRETARY OF STATE~~

~~Subdivision 1.~~

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
16 Salaries and wages	\$6,366,407	\$0	\$6,366,407
17 Operating expenses	4,984,331	0	4,984,331
18 Grants	25,000	0	25,000
19 Petition review	8,000	0	8,000
20 Election reform	<u>4,830,808</u>	<u>0</u>	<u>4,830,808</u>

Sixty-ninth
Legislative Assembly

1	Total all funds	\$16,214,546	\$0	\$16,214,546
2	Less other funds	<u>9,344,171</u>	<u>0</u>	<u>9,344,171</u>
3	Total general fund	\$6,870,375	\$0	\$6,870,375
4	Full-time equivalent positions	35.00	0.00	35.00
5	Subdivision 2.			
6	SECRETARY OF STATE - PUBLIC PRINTING			
7	Adjustments or			
8		Base Level	Enhancements	Appropriation
9	Public printing	\$271,335	\$0	\$271,335
10	Total general fund	\$271,335	\$0	\$271,335
11	Subdivision 3			
12	TOTAL - SECTION 1			
13	Adjustments or			
14		Base Level	Enhancements	Appropriation
15	Grand total all funds	\$16,485,881	\$0	\$16,485,881
16	Grand total other funds	9,344,171	0	9,344,171
17	Grand total general fund	\$7,141,710	\$0	\$7,141,710

SECTION 2. AMENDMENT. Section 46-03-11 of the North Dakota Century Code is amended and reenacted as follows:

46-03-11. Publication of session laws and pocket supplements.

The ~~secretary of state and the~~ legislative council shall correct ministerial or clerical errors and supervise the publication of the session laws and pocket part supplements to this code in a manner and form prescribed by the legislative council, correlating each year's laws with this code.

SECTION 3. AMENDMENT. Section 46-04-01 of the North Dakota Century Code is amended and reenacted as follows:

46-04-01. Official distribution of state laws - ~~Secretary of state~~ Legislative council to control.

Each member of the legislative assembly ~~and each~~, constitutional officer of the state, and ~~each~~ judge of the supreme and district courts for the use of their respective offices and departments is entitled to receive from the state a copy of any publication of the laws of the

1 state and of any compilation or codification ~~thereof~~of the laws of the state published under
2 authority of the state. The district court in every county in the state is entitled to a copy of
3 ~~such~~the publications. The codification of laws of the state received by each member of the
4 legislative assembly is subject to section 54-03-23. The ~~secretary of state~~legislative council
5 shall designate other offices and agencies of the state that are entitled to receive copies of ~~any~~
6 ~~such~~a publication of the laws for the use of ~~such~~the state offices and agencies and also shall
7 determine the number of copies of any publication to be received by any recipient in a
8 distribution under the provisions of this section, if more than one copy is needed by ~~such~~the
9 recipient for official use. All agencies that are funded entirely from special state funds or federal
10 funds must be charged for the actual cost of each copy of ~~such~~the publications that the agency
11 requests.

12 **SECTION 4. AMENDMENT.** Section 46-04-03 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **46-04-03. Distribution of session laws, compilations, and codifications by ~~secretary~~**
15 **~~of state~~legislative council.**

16 The ~~secretary of state, as soon as conveniently can be done after~~legislative council shall
17 distribute as provided in sections 46-04-01 and 46-04-02 the publication of any session laws,
18 compilations, or codifications, ~~shall cause copies thereof to be distributed as provided in~~
19 ~~sections 46-04-01 and 46-04-02~~and copies of those documents, as soon as practicable. The
20 ~~secretary of state, in addition,~~legislative council shall furnish to the legislative assembly ~~such~~
21 additional copies as ~~are~~ necessary upon resolution of the respective branches or committees
22 ~~thereof~~of the legislative assembly and shall furnish to each member of the legislative assembly,
23 upon ~~demand therefor~~request, ~~such~~ current volumes of laws ~~as have not been~~ obtained by the
24 member through service in previous sessions.

25 **SECTION 5. AMENDMENT.** Section 46-04-04 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **46-04-04. Session laws, compilations, and codifications remain property of state.**

28 Except as otherwise provided by law, each copy of laws, compilations, or codifications
29 furnished to any officer, department, or agency of the state, or to the legislative assembly, its
30 officers, or committees is ~~and must remain~~ the property of the state and must be surrendered to
31 the ~~secretary of state~~legislative council or to the recipient's successor in office.

1 **SECTION 6. AMENDMENT.** Section 46-04-10 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **46-04-10. Duties of ~~secretary of state~~legislative council - Exchange of laws with other**
4 **states.**

5 The ~~secretary of state~~legislative council may distribute copies of all laws passed by each
6 legislative assembly and all compilations or codifications of ~~the same, whenever it seems-~~
7 ~~desirable~~laws passed by each legislative assembly:

- 8 1. In exchange for like publications of other states.
- 9 2. To replace copies lost or damaged in official use.
- 10 3. To provide copies as needed to state officers, boards, commissions, institutions, or
11 agencies of the state.
- 12 4. To provide copies as needed to the national conference of commissioners on uniform
13 state laws.

14 **SECTION 7. AMENDMENT.** Section 46-04-14 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **46-04-14. ~~Secretary of state~~Legislative council to forward laws to counties.**

17 As soon as the laws of each session of the legislative assembly are printed and ready for
18 distribution, the ~~secretary of state~~legislative council shall forward ~~those~~the laws to which each
19 county is entitled to the county auditor of the county.

20 **SECTION 8. AMENDMENT.** Section 46-04-18 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **46-04-18. ~~Secretary of state~~Legislative council to sell certain laws.**

23 During the biennium immediately after publication, the ~~secretary of state~~legislative council
24 ~~must~~shall sell copies of the session laws for the cost of publication and handling plus ten
25 percent. In subsequent bienniums, the ~~secretary of state~~legislative council may determine and
26 set a price for the copies of the session laws not sold in the biennium immediately after their
27 publication. The price set should maximize the recovery of the cost of publication and handling
28 and minimize the number of volumes subject to disposal under section 46-04-19. All moneys
29 received under ~~the provisions of~~this section must be paid ~~over~~to the state treasurer and
30 credited to the general fund.

1 **SECTION 9. AMENDMENT.** Section 46-04-19 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **46-04-19. ~~Secretary of state~~Legislative council may dispose of laws.**

4 The ~~secretary of state~~legislative council may dispose of all volumes of the laws that are ten
5 or more years old, except one volume of each ~~that~~, which must be retained for historical
6 purposes.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
2/3/2025

Relating to public printing and the salary of the secretary of state; to provide for a transfer; and to provide an exemption.

10:54 a.m. Chairman Nathe opened the hearing.

Discussion Topics:

- Transfer of funds

11:01 a.m. Alex Cronquist, Senior Fiscal Analyst, Legislative Council, provided testimony #33853.

11:01 a.m. Representative Louser proposed amendment, testimony #33949.

11:25 a.m. Chairman Nathe closed the meeting.

Janae Pinks for Steven Riehl, Committee Clerk



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

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881	35.00	\$7,141,710	\$9,344,171	\$16,485,881	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$144,339)	(\$144,339)			(\$144,339)	(\$144,339)				\$0
Salary increase		\$231,638	28,225	259,863		\$231,638		231,638			(\$28,225)	(28,225)
Health insurance increase		168,148	24,021	192,169		168,148		168,148			(24,021)	(24,021)
Removes FTE positions	(2.00)	(185,006)	(200,006)	(385,012)	(2.00)	(185,006)	(200,006)	(385,012)				0
Adds funding to replace the 2023-25 new FTE pool		180,000	190,950	370,950		180,000	190,950	370,950				0
Adds funding to replace the 2023-25 vacant FTE pool		136,569	22,776	159,345		136,569	22,776	159,345				0
Transfers funding for 2025-27 new and vacant FTE pool				0		(63,505)		(63,505)		(\$63,505)		(63,505)
Provides funding from the general fund for positions currently funded from other funds				0	<i>It is not a diff</i>	581,000	(581,000)	0		581,000	(581,000)	0
Adds funding for IT rate increase		11,600	10,906	22,506		11,600	10,906	22,506				0
Adds funding to maintain and support IT systems		1,310,000		1,310,000		1,310,000		1,310,000				0
Increases funding for public printing		18,665		18,665				0		(18,665)		(18,665)
Restores other funds salary savings to the operating expenses and election reform line items				0			833,252	833,252			833,252	833,252
Adds matching funds for the Help America Vote Act				0		200,000		200,000		200,000		200,000
Transfers public printing to the Legislative Council				0		(271,335)		(271,335)		(271,335)		(271,335)
Total ongoing funding changes	(2.00)	\$1,871,614	(\$67,467)	\$1,804,147	(2.00)	\$2,299,109	\$132,539	\$2,431,648	0.00	\$427,495	\$200,006	\$627,501
One-Time Funding Items												
Adds funding from SIIF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000			\$2,800,000	\$2,800,000				\$0
Adds funding from SIIF for IT enhancements, including to the central indexing system			700,000	700,000			700,000	700,000				0
Adds federal funds for election security grant				0			100,359	100,359			\$100,359	100,359
Adds federal funds for the Help America Vote Act				0			1,000,000	1,000,000			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$3,500,000	\$3,500,000	0.00	\$0	\$4,600,359	\$4,600,359	0.00	\$0	\$1,100,359	\$1,100,359
Total Changes to Base Level Funding	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147	(2.00)	\$2,299,109	\$4,732,898	\$7,032,007	0.00	\$427,495	\$1,300,365	\$1,727,860
2025-27 Total Funding	33.00	\$9,013,324	\$12,776,704	\$21,790,028	33.00	\$9,440,819	\$14,077,069	\$23,517,888	0.00	\$427,495	\$1,300,365	\$1,727,860
<i>Federal funds included in other funds</i>			<i>\$4,095,629</i>				<i>\$5,395,994</i>				<i>\$1,300,365</i>	
<i>Total ongoing changes - Percentage of base level</i>	<i>(5.7%)</i>	<i>26.2%</i>	<i>(0.7%)</i>	<i>10.9%</i>	<i>(5.7%)</i>	<i>32.2%</i>	<i>1.4%</i>	<i>14.7%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>Total changes - Percentage of base level</i>	<i>(5.7%)</i>	<i>26.2%</i>	<i>36.7%</i>	<i>32.2%</i>	<i>(5.7%)</i>	<i>32.2%</i>	<i>50.7%</i>	<i>42.7%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

Other Sections in Secretary of State - Budget No. 108

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool		Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.
Estimated income - SIF		Section 4 identifies \$3.5 million from SIF for election pollpads and cradle points replacement and for information technology enhancements.
Transfer - General Fund - Election Fund		Section 5 authorizes the transfer of up to \$600,000 from the general fund, included in the agency's election reform line item, to the state's election fund.
Public printing		Sections 6 through 13 provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.
Secretary of State salary		Section 14 amends Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and \$143,434 (3 percent) effective July 1, 2026.
Exemption - Federal State Fiscal Recovery Fund		Section 15 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
Exemption - SIF		Section 16 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated from SIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other information technology enhancements.

25.0146.01003
Title.
Fiscal No. 3

Prepared by the Legislative Council
staff for House Appropriations -
Education and Environment Division
Committee

January 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1002

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 secretary of state ~~and public printing; to amend and reenact sections 46-03-11, 46-04-01,~~
3 ~~46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota~~
4 ~~Century Code, relating to public printing and the salary of the secretary of state; to provide for a~~
5 ~~transfer; and to provide an exemption.~~

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the secretary of state for the purpose of defraying the expenses of the
11 secretary of state and public printing, for the biennium beginning July 1, 2025, and ending
12 June 30, 2027, as follows:

SECRETARY OF STATE

13 Subdivision 1.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
16 Salaries and wages	\$6,366,407	\$0	\$6,366,407
17 Operating expenses	4,984,331	0	4,984,331
18 Grants	25,000	0	25,000
19 Petition review	8,000	0	8,000

Sixty-ninth
Legislative Assembly

1	Election reform	<u>4,830,808</u>	<u>0</u>	<u>4,830,808</u>
2	Total all funds	<u>\$16,214,546</u>	<u>\$0</u>	<u>\$16,214,546</u>
3	Less other funds	<u>9,344,171</u>	<u>0</u>	<u>9,344,171</u>
4	Total general fund	<u>\$6,870,375</u>	<u>\$0</u>	<u>\$6,870,375</u>
5	Full-time equivalent positions	<u>35.00</u>	<u>0.00</u>	<u>35.00</u>
6	Salaries and wages	<u>\$6,366,407</u>	<u>\$587,108</u>	<u>\$6,953,515</u>
7	New and vacant FTE pool	<u>0</u>	<u>148,177</u>	<u>148,177</u>
8	Operating expenses	<u>4,984,331</u>	<u>2,171,051</u>	<u>7,155,382</u>
9	Grants	<u>25,000</u>	<u>0</u>	<u>25,000</u>
10	Petition review	<u>8,000</u>	<u>0</u>	<u>8,000</u>
11	Election reform	<u>4,830,808</u>	<u>4,397,006</u>	<u>9,227,814</u>
12	Total all funds	<u>\$16,214,546</u>	<u>\$7,303,342</u>	<u>\$23,517,888</u>
13	Less other funds	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
14	Total general fund	<u>\$6,870,375</u>	<u>\$2,570,444</u>	<u>\$9,440,819</u>
15	Full-time equivalent positions	<u>35.00</u>	<u>(2.00)</u>	<u>33.00</u>

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
20	Public printing	<u>\$271,335</u>	<u>\$0</u>
21	Total general fund	<u>\$271,335</u>	<u>\$0</u>
22	Public printing	<u>\$271,335</u>	<u>(\$271,335)</u>
23	Total general fund	<u>\$271,335</u>	<u>\$0</u>

Subdivision 3

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
28	Grand total all funds	<u>\$16,485,881</u>	<u>\$0</u>
29	Grand total other funds	<u>9,344,171</u>	<u>0</u>
30	Grand total general fund	<u>\$7,141,710</u>	<u>\$0</u>
31	Grand total all funds	<u>\$16,485,881</u>	<u>\$7,032,007</u>

1	<u>Grand total other funds</u>	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
2	<u>Grand total general fund</u>	<u>\$7,141,710</u>	<u>\$2,299,109</u>	<u>\$9,440,819</u>

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items included in the appropriation in section 1 of this Act which are not included in the entity's
6 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>Other Funds</u>
9	Election pollpads and cradle points	\$2,800,000
10	Information technology enhancements	700,000
11	Election security grant	100,359
12	Help America Vote act	<u>1,000,000</u>
13	Total other funds	\$4,600,359

14 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
15 secretary of state may not spend funds appropriated in the new and vacant FTE pool line item
16 in section 1 of this Act, but may request the office of management and budget to transfer funds
17 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
18 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
19 sixty-ninth legislative assembly.

20 **SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
21 The other funds line item in section 1 of this Act includes the sum of \$3,500,000 from the
22 strategic investment and improvements fund for election pollpad and cradle points replacement
23 and information technology system enhancements for the secretary of state.

24 **SECTION 5. TRANSFER - GENERAL FUND - ELECTION FUND.** The office of
25 management and budget may transfer up to \$600,000 from the general fund, appropriated in
26 the election reform line item in section 1 of this Act, to the election fund to match federal funds
27 received by the state, as requested by the secretary of state, during the biennium beginning
28 July 1, 2025, and ending June 30, 2027.

29 **SECTION 6. AMENDMENT.** Section 46-03-11 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **46-03-11. Publication of session laws and pocket supplements.**

2 The ~~secretary of state and the~~ legislative council shall correct ministerial or clerical errors
3 and supervise the publication of the session laws and pocket part supplements to this code in a
4 manner and form prescribed by the legislative council, correlating each year's laws with this
5 code.

6 **SECTION 7. AMENDMENT.** Section 46-04-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-01. Official distribution of state laws - ~~Secretary of state~~Legislative council to**
9 **control.**

10 Each member of the legislative assembly ~~and each~~, constitutional officer of the state, and
11 ~~each~~ judge of the supreme and district courts for the use of their respective offices and
12 departments is entitled to receive from the state a copy of any publication of the laws of the
13 state and of any compilation or codification ~~thereof~~ of the laws of the state published under
14 authority of the state. The district court in every county in the state is entitled to a copy of
15 ~~such~~ the publications. The codification of laws of the state received by each member of the
16 legislative assembly is subject to section 54-03-23. The ~~secretary of state~~ legislative council
17 shall designate other offices and agencies of the state that are entitled to receive copies of ~~any~~
18 ~~such~~ a publication of the laws for the use of ~~such~~ the state offices and agencies and also shall
19 determine the number of copies of any publication to be received by any recipient in a
20 distribution under the provisions of this section, if more than one copy is needed by ~~such~~ the
21 recipient for official use. All agencies that are funded entirely from special state funds or federal
22 funds must be charged for the actual cost of each copy of ~~such~~ the publications that the agency
23 requests.

24 **SECTION 8. AMENDMENT.** Section 46-04-03 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **46-04-03. Distribution of session laws, compilations, and codifications by ~~secretary~~**
27 **~~of state~~ legislative council.**

28 The ~~secretary of state, as soon as conveniently can be done after~~ legislative council shall
29 distribute as provided in sections 46-04-01 and 46-04-02 the publication of any session laws,
30 compilations, or codifications, ~~shall cause copies thereof to be distributed as provided in~~
31 ~~sections 46-04-01 and 46-04-02~~ and copies of those documents, as soon as practicable. The

1 ~~secretary of state, in addition,~~ legislative council shall furnish to the legislative assembly ~~such~~
2 additional copies as are necessary upon resolution of the respective branches or committees
3 ~~thereof of the legislative assembly~~ and shall furnish to each member of the legislative assembly,
4 upon ~~demand therefor~~ request, ~~such~~ current volumes of laws ~~as have not been obtained by the~~
5 ~~member~~ through service in previous sessions.

6 **SECTION 9. AMENDMENT.** Section 46-04-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-04. Session laws, compilations, and codifications remain property of state.**

9 Except as otherwise provided by law, each copy of laws, compilations, or codifications
10 furnished to any officer, department, or agency of the state, or to the legislative assembly, its
11 officers, or committees is ~~and must remain~~ the property of the state and must be surrendered to
12 the ~~secretary of state~~ legislative council or to the recipient's successor in office.

13 **SECTION 10. AMENDMENT.** Section 46-04-10 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **46-04-10. Duties of ~~secretary of state~~ legislative council - Exchange of laws with other**
16 **states.**

17 The ~~secretary of state~~ legislative council may distribute copies of all laws passed by each
18 legislative assembly and all compilations or codifications of ~~the same, whenever it seems~~
19 ~~desirable~~ laws passed by each legislative assembly:

- 20 1. In exchange for like publications of other states.
- 21 2. To replace copies lost or damaged in official use.
- 22 3. To provide copies as needed to state officers, boards, commissions, institutions, or
23 agencies of the state.
- 24 4. To provide copies as needed to the national conference of commissioners on uniform
25 state laws.

26 **SECTION 11. AMENDMENT.** Section 46-04-14 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **46-04-14. ~~Secretary of state~~ Legislative council to forward laws to counties.**

29 As soon as the laws of each session of the legislative assembly are printed and ready for
30 distribution, the ~~secretary of state~~ legislative council shall forward ~~those~~ the laws to which each
31 county is entitled to the county auditor of the county.

1 **SECTION 12. AMENDMENT.** Section 46-04-18 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **46-04-18. ~~Secretary of state~~Legislative council to sell certain laws.**

4 During the biennium immediately after publication, the ~~secretary of state~~legislative council
5 ~~must~~shall sell copies of the session laws for the cost of publication and handling plus ten
6 percent. In subsequent bienniums, the ~~secretary of state~~legislative council may determine and
7 set a price for the copies of the session laws not sold in the biennium immediately after their
8 publication. The price set should maximize the recovery of the cost of publication and handling
9 and minimize the number of volumes subject to disposal under section 46-04-19. All moneys
10 received under ~~the provisions of~~this section must be paid ~~over~~to the state treasurer and
11 credited to the general fund.

12 **SECTION 13. AMENDMENT.** Section 46-04-19 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **46-04-19. ~~Secretary of state~~Legislative council may dispose of laws.**

15 The ~~secretary of state~~legislative council may dispose of all volumes of the laws that are ten
16 or more years old, except one volume of each ~~that, which~~ must be retained for historical
17 purposes.

18 **SECTION 14. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-09-05. Salary of secretary of state.**

21 The annual salary of the secretary of state is ~~one hundred thirty thousand dollars through~~
22 ~~June 30, 2024, and one hundred thirty five thousand two hundred dollars~~one hundred
23 thirty-nine thousand two hundred fifty-six dollars though June 30, 2026, and one hundred
24 forty-three thousand four hundred thirty-four dollars thereafter.

25 **SECTION 15. EXEMPTION - STATE FISCAL RECOVERY FUND.** The amount of
26 \$6,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the
27 purposes of an election management system and to upgrade FirstStop in section 1 of
28 chapter 34 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended
29 funds from these projects are available to the secretary of state for costs relating to an election
30 management system and to upgrade FirstStop during the biennium beginning July 1, 2025, and
31 ending June 30, 2027.

1 **SECTION 16. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

2 The amount of \$1,500,000 appropriated from the strategic investment and improvements fund
3 for the purposes of a new campaign system, contracted website redesign, and information
4 technology enhancements in section 1 of chapter 34 of the 2023 Session Laws is not subject to
5 section 54-44.1-11 and any unexpended funds from these projects are available to the secretary
6 of state for costs relating to a new campaign system, contracted website redesign, and
7 information technology enhancements during the biennium beginning July 1, 2025, and ending
8 June 30, 2027.

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	\$16,214,546	\$7,303,342	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$6,870,375	\$2,570,444	\$9,440,819
FTE	35.00	(2.00)	33.00
Public Printing			
Total all funds	\$271,335	(\$271,335)	\$0
Less estimated income	0	0	0
General fund	\$271,335	(\$271,335)	\$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$16,485,881	\$7,032,007	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$7,141,710	\$2,299,109	\$9,440,819
FTE	35.00	(2.00)	33.00

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

	Base Budget	House Changes	House Version
Salaries and wages	\$6,366,407	\$587,108	\$6,953,515
New and vacant FTE pool		148,177	148,177
Operating expenses	4,984,331	2,171,051	7,155,382
Grants	25,000		25,000
Petition review	8,000		8,000
Election reform	4,830,808	4,397,006	9,227,814
Total all funds	\$16,214,546	\$7,303,342	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$6,870,375	\$2,570,444	\$9,440,819
FTE	35.00	(2.00)	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 Replace 2023-25 New and Vacant FTE Pool ³	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁴	Removes FTE Positions ⁵	Adjusts Funding for Salaries and Wages ⁶
Salaries and wages	\$253,721	\$399,786	\$530,295	(\$211,682)	(\$385,012)	
New and vacant FTE pool				148,177		
Operating expenses						
Grants						
Petition review						
Election reform	(398,060)					
Total all funds	(\$144,339)	\$399,786	\$530,295	(\$63,505)	(\$385,012)	\$0
Less estimated income	(144,339)	0	213,726	0	(200,006)	(581,000)
General fund	\$0	\$399,786	\$316,569	(\$63,505)	(\$185,006)	\$581,000
FTE	0.00	0.00	0.00	0.00	(2.00)	0.00

	Restores Other Funds Salary Savings ¹	Adds Funding for Information Technology Costs ²	Adds Funding to Match Federal Funds ³	Adds One- Time Funding for Election Reform ⁴	Adds One-Time Funding for IT Enhancements ⁵	Total House Changes
Salaries and wages						\$587,108
New and vacant FTE pool						148,177
Operating expenses	\$218,545	\$1,252,506			\$700,000	2,171,051
Grants						
Petition review						
Election reform	614,707	80,000	200,000	3,900,359		4,397,006
Total all funds	\$833,252	\$1,332,506	\$200,000	\$3,900,359	\$700,000	\$7,303,342
Less estimated income	833,252	10,906	0	3,900,359	700,000	4,732,898
General fund	\$0	\$1,321,600	\$200,000	\$0	\$0	\$2,570,444
FTE	0.00	0.00	0.00	0.00	0.00	(2.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund
Salary increase	\$231,638
Health insurance increase	168,148
Total	\$399,786

³ Funding is added to replace the 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	\$136,569	\$22,776	\$159,345
New FTE positions	180,000	190,950	370,950
Total	\$316,569	\$213,726	\$530,295

⁴ Funding of \$211,682 is removed for estimated savings from vacant 2025-27 FTE positions and \$148,177 is added for a new and vacant FTE pool line item for an estimated savings of \$63,505.

⁵ Funding of \$385,012, including \$185,006 from the general fund and \$200,006 from federal funds, and 2 FTE positions are removed.

⁶ Funding of \$581,000 from the general fund is added for the salaries and wages of 3 FTE positions previously paid from other funds.

⁷ Other funds salary savings are restored to the operating expenses (\$218,545) and election reform (\$614,707) line items.

⁸ Funding is added for IT rate increases and to maintain and support IT systems.

⁹ Ongoing funding of \$200,000 from the general fund is added to match federal Help America Vote Act funds. This amount is in addition to \$200,000 of ongoing funding from the general fund appropriated by the 68th Legislative Assembly to match federal Help America Vote Act funds.

¹⁰ One-time funding is added for election reform as follows:

	Federal Funds	Strategic Investment and Improvements Fund	Total Other Funds
Election pollpad and cradle points replacement	\$0	\$2,800,000	\$2,800,000
Election security grant	100,359	0	100,359
Help America Vote Act	1,000,000	0	1,000,000
Total	\$1,100,359	\$2,800,000	\$3,900,359

¹¹ One-time funding of \$700,000 from the strategic investment and improvements fund (SIIF) is added for IT enhancements, including to the central indexing system.

This amendment also:

- Adds a section to provide language regarding the use of funding in the new and vacant FTE pool line item.
- Adds a section to identify \$3.5 million from SIIF, including \$2.8 million for election pollpad and cradle points replacement and \$700,000 for IT enhancements.
- Adds a section to authorize the transfer of \$600,000 from the general fund, included in the agency's election reform line item, to the election fund.
- Adds a section to amend Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and \$143,434 (3 percent) effective July 1, 2026.
- Adds a section to authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
- Adds a section to authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated from SIIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other IT enhancements.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public Printing	\$271,335	(\$271,335)	
Total all funds	\$271,335	(\$271,335)	\$0
Less estimated income	0	0	0
General fund	\$271,335	(\$271,335)	\$0
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Removes Funding for Public Printing ¹	Total House Changes
Public Printing	(\$271,335)	(\$271,335)
Total all funds	(\$271,335)	(\$271,335)
Less estimated income	0	0
General fund	(\$271,335)	(\$271,335)
FTE	0.00	0.00

¹ Public printing base budget funding of \$271,335 is removed from the Secretary of State.

This amendment also adds sections to provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1002
2/4/2025

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

10:11 a.m. Chairman Nathe opened hearing.

Members Present: Chairman Nathe, Representatives: Hanson, Loudrt, Martinson, Richter, and Sanford.

Members Absent: Representative Swiontek

Discussion Topics:

- Committee Action

10:11 a.m. Representative Louser reviewed the long sheet and presented testimony #34520.

10:17 a.m. Representative Louser moved to adopt the amendment as presented.

10:17 a.m. Representative Richter seconded the motion.

10:17 a.m. Roll call vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	A
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Motion passed 6-0-1.

10:17 a.m. Representative Louser moved for a Do Pass as amended.

10:18 a.m. Representative Richter seconded the motion.

10:18 a.m. Roll call vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	A
Representative Karla Rose Hanson	Y

Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Motion passed 6-0-1.

10:18 a.m. Representative Louser will carry the bill.

10:18 a.m. Chairman Nathe Closed the hearing.

Steven Riehl, Committee Clerk



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

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			Total
									FTE Positions	General Fund	Other Funds	
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881	35.00	\$7,141,710	\$9,344,171	\$16,485,881	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes												
Salary increase		\$231,638	(\$144,339)	(\$144,339)		\$231,638	(\$144,339)	(\$144,339)				\$0
Health insurance increase		168,148	28,225	259,863		168,148	28,225	231,638			(\$28,225)	(28,225)
Removes FTE positions	(2.00)	(185,006)	24,021	192,169	(2.00)	(185,006)	(200,006)	(385,012)			(24,021)	(24,021)
Adds funding to replace the 2023-25 new FTE pool		180,000	(200,006)	(385,012)		180,000	(200,006)	(385,012)				0
Adds funding to replace the 2023-25 vacant FTE pool		180,000	190,950	370,950		180,000	190,950	370,950				0
Transfers funding for 2025-27 new and vacant FTE pool		136,569	22,776	159,345		136,569	22,776	159,345				0
Provides funding from the general fund for positions currently funded from other funds				0		(63,505)		(63,505)		(\$63,505)		(63,505)
Adds funding for IT rate increase				0		581,000	(581,000)	0		581,000	(581,000)	0
Adds funding to maintain and support IT systems		11,600	10,906	22,506		11,600	10,906	22,506				0
Increases funding for public printing		1,310,000		1,310,000		1,310,000		1,310,000				0
Restores other funds salary savings to the operating expenses and election reform line items		18,665		18,665				0		(18,665)		(18,665)
Adds matching funds for the Help America Vote Act				0			833,252	833,252			833,252	833,252
Transfers public printing to the Legislative Council				0		200,000		200,000		200,000		200,000
Total ongoing funding changes	(2.00)	\$1,871,614	(\$67,467)	\$1,804,147	(2.00)	\$2,299,109	\$132,539	\$2,431,648	0.00	\$427,495	\$200,006	\$627,501
One-Time Funding Items												
Adds funding from SIFF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000			\$2,800,000	\$2,800,000				\$0
Adds funding from SIFF for IT enhancements, including to the central indexing system			700,000	700,000			700,000	700,000				0
Adds federal funds for election security grant				0			100,359	100,359			\$100,359	100,359
Adds federal funds for the Help America Vote Act				0			1,000,000	1,000,000			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$3,500,000	\$3,500,000	0.00	\$0	\$4,600,359	\$4,600,359	0.00	\$0	\$1,100,359	\$1,100,359
Total Changes to Base Level Funding	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147	(2.00)	\$2,299,109	\$4,732,898	\$7,032,007	0.00	\$427,495	\$1,300,365	\$1,727,860
2025-27 Total Funding	33.00	\$9,013,324	\$12,776,704	\$21,790,028	33.00	\$9,440,819	\$14,077,069	\$23,517,888	0.00	\$427,495	\$1,300,365	\$1,727,860
<i>Federal funds included in other funds</i>			\$4,095,629				\$5,395,994				\$1,300,365	
<i>Total ongoing changes - Percentage of base level</i>	(5.7%)	26.2%	(0.7%)	10.9%	(5.7%)	32.2%	1.4%	14.7%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	(5.7%)	26.2%	36.7%	32.2%	(5.7%)	32.2%	50.7%	42.7%	N/A	N/A	N/A	N/A

Other Sections in Secretary of State - Budget No. 108

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool		Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.
Estimated income - SIF		Section 4 identifies \$3.5 million from SIF for election pollpads and cradle points replacement and for information technology enhancements.
Transfer - General Fund - Election Fund		Section 5 authorizes the transfer of up to \$600,000 from the general fund, included in the agency's election reform line item, to the state's election fund.
Public printing		Sections 6 through 13 provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.
Secretary of State salary		Section 14 amends Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and \$143,434 (3 percent) effective July 1, 2026.
Exemption - Federal State Fiscal Recovery Fund		Section 15 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
Exemption - SIF		Section 16 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated from SIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other information technology enhancements.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1002
2/10/2025

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

8:47 a.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members Absent: Representatives Anderson, Mitskog

Discussion Topics:

- Secretary Funds
- General Funds North Dakota Government

8:47 a.m. Representative Louser introduced the Amendmen testimony #36581.

8:56 a.m. Representative Louser moved to adopt the amendment LC #25.0146.01003.

8:56 a.m. Representative Hanson seconded the motion.

8:56 a.m. Roll Call Vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	A
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:57 a.m. Motion Passed 21-0-2.

8:58 a.m. Representative Louser moved a Do Pass as amended.

8:59 a.m. Representative Hanson seconded the motion.

8:59 a.m. Roll Call Vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	A
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	A
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:04 a.m. Motion passed 21-0-2.

Representative Louser will carry the bill.

9:04 a.m. Chairman Vigesaa closed the meeting.

Sierra Schartz, Committee Clerk

RS 2/10/25
1 of 7

January 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1002

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 secretary of state ~~and public printing~~; to amend and reenact sections 46-03-11, 46-04-01,
3 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota
4 Century Code, relating to public printing and the salary of the secretary of state; to provide for a
5 transfer; and to provide an exemption.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the secretary of state for the purpose of defraying the expenses of the
11 secretary of state and public printing, for the biennium beginning July 1, 2025, and ending
12 June 30, 2027, as follows:

SECRETARY OF STATE

13 Subdivision 1.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
16 Salaries and wages	\$6,366,407	\$0	\$6,366,407
17 Operating expenses	4,984,331	0	4,984,331
18 Grants	25,000	0	25,000
19 Petition review	8,000	0	8,000

1	Election reform	4,830,808	0	4,830,808
2	Total all funds	\$16,214,546	\$0	\$16,214,546
3	Less other funds	9,344,171	0	9,344,171
4	Total general fund	\$6,870,375	\$0	\$6,870,375
5	Full-time equivalent positions	35.00	0.00	35.00
6	Salaries and wages	\$6,366,407	\$587,108	\$6,953,515
7	New and vacant FTE pool	0	148,177	148,177
8	Operating expenses	4,984,331	2,171,051	7,155,382
9	Grants	25,000	0	25,000
10	Petition review	8,000	0	8,000
11	Election reform	4,830,808	4,397,006	9,227,814
12	Total all funds	\$16,214,546	\$7,303,342	\$23,517,888
13	Less other funds	9,344,171	4,732,898	14,077,069
14	Total general fund	\$6,870,375	\$2,570,444	\$9,440,819
15	Full-time equivalent positions	35.00	(2.00)	33.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	Base Level	Adjustments or Enhancements	Appropriation	
20	Public printing	\$271,335	\$0	\$271,335
21	Total general fund	\$271,335	\$0	\$271,335
22	Public printing	\$271,335	(\$271,335)	\$0
23	Total general fund	\$271,335	(\$271,335)	\$0

Subdivision 3

TOTAL - SECTION 1

	Base Level	Adjustments or Enhancements	Appropriation	
28	Grand total all funds	\$16,485,881	\$0	\$16,485,881
29	Grand total other funds	9,344,171	0	9,344,171
30	Grand total general fund	\$7,141,710	\$0	\$7,141,710
31	Grand total all funds	\$16,485,881	\$7,032,007	\$23,517,888

1	<u>Grand total other funds</u>	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
2	<u>Grand total general fund</u>	<u>\$7,141,710</u>	<u>\$2,299,109</u>	<u>\$9,440,819</u>

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items included in the appropriation in section 1 of this Act which are not included in the entity's
6 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>		<u>Other Funds</u>
9	Election pollpads and cradle points		\$2,800,000
10	Information technology enhancements		700,000
11	Election security grant		100,359
12	Help America Vote act		<u>1,000,000</u>
13	Total other funds		\$4,600,359

14 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
15 secretary of state may not spend funds appropriated in the new and vacant FTE pool line item
16 in section 1 of this Act, but may request the office of management and budget to transfer funds
17 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
18 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
19 sixty-ninth legislative assembly.

20 **SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
21 The other funds line item in section 1 of this Act includes the sum of \$3,500,000 from the
22 strategic investment and improvements fund for election pollpad and cradle points replacement
23 and information technology system enhancements for the secretary of state.

24 **SECTION 5. TRANSFER - GENERAL FUND - ELECTION FUND.** The office of
25 management and budget may transfer up to \$600,000 from the general fund, appropriated in
26 the election reform line item in section 1 of this Act, to the election fund to match federal funds
27 received by the state, as requested by the secretary of state, during the biennium beginning
28 July 1, 2025, and ending June 30, 2027.

29 **SECTION 6. AMENDMENT.** Section 46-03-11 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **46-03-11. Publication of session laws and pocket supplements.**

2 The ~~secretary of state and the~~ legislative council shall correct ministerial or clerical errors
3 and supervise the publication of the session laws and pocket part supplements to this code in a
4 manner and form prescribed by the legislative council, correlating each year's laws with this
5 code.

6 **SECTION 7. AMENDMENT.** Section 46-04-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-01. Official distribution of state laws - ~~Secretary of state~~ Legislative council to**
9 **control.**

10 Each member of the legislative assembly ~~and each~~ constitutional officer of the state, and
11 ~~each~~ judge of the supreme and district courts for the use of their respective offices and
12 departments is entitled to receive from the state a copy of any publication of the laws of the
13 state and of any compilation or codification ~~thereof~~ of the laws of the state published under
14 authority of the state. The district court in every county in the state is entitled to a copy of
15 ~~such~~ the publications. The codification of laws of the state received by each member of the
16 legislative assembly is subject to section 54-03-23. The ~~secretary of state~~ legislative council
17 shall designate other offices and agencies of the state that are entitled to receive copies of ~~any~~
18 ~~such~~ a publication of the laws for the use of ~~such~~ the state offices and agencies and also shall
19 determine the number of copies of any publication to be received by any recipient in a
20 distribution under the provisions of this section, if more than one copy is needed by ~~such~~ the
21 recipient for official use. All agencies that are funded entirely from special state funds or federal
22 funds must be charged for the actual cost of each copy of ~~such~~ the publications that the agency
23 requests.

24 **SECTION 8. AMENDMENT.** Section 46-04-03 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **46-04-03. Distribution of session laws, compilations, and codifications by ~~secretary~~**
27 **~~of state~~ legislative council.**

28 The ~~secretary of state, as soon as conveniently can be done after~~ legislative council shall
29 distribute as provided in sections 46-04-01 and 46-04-02 the publication of any session laws,
30 compilations, or codifications, ~~shall cause copies thereof to be distributed as provided in~~
31 ~~sections 46-04-01 and 46-04-02~~ and copies of those documents, as soon as practicable. The

1 ~~secretary of state, in addition,~~ legislative council shall furnish to the legislative assembly ~~such~~
2 additional copies as ~~are~~ necessary upon resolution of the respective branches or committees
3 ~~thereof of the legislative assembly~~ and shall furnish to each member of the legislative assembly,
4 upon ~~demand therefor~~ request, ~~such~~ current volumes of laws ~~as have not been~~ obtained by the
5 member through service in previous sessions.

6 **SECTION 9. AMENDMENT.** Section 46-04-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-04. Session laws, compilations, and codifications remain property of state.**

9 Except as otherwise provided by law, each copy of laws, compilations, or codifications
10 furnished to any officer, department, or agency of the state, or to the legislative assembly, its
11 officers, or committees is ~~and must remain~~ the property of the state and must be surrendered to
12 the ~~secretary of state~~ legislative council or to the recipient's successor in office.

13 **SECTION 10. AMENDMENT.** Section 46-04-10 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **46-04-10. Duties of ~~secretary of state~~ legislative council - Exchange of laws with other**
16 **states.**

17 The ~~secretary of state~~ legislative council may distribute copies of all laws passed by each
18 legislative assembly and all compilations or codifications of ~~the same, whenever it seems~~
19 ~~desirable~~ laws passed by each legislative assembly:

- 20 1. In exchange for like publications of other states.
- 21 2. To replace copies lost or damaged in official use.
- 22 3. To provide copies as needed to state officers, boards, commissions, institutions, or
23 agencies of the state.
- 24 4. To provide copies as needed to the national conference of commissioners on uniform
25 state laws.

26 **SECTION 11. AMENDMENT.** Section 46-04-14 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **46-04-14. ~~Secretary of state~~ Legislative council to forward laws to counties.**

29 As soon as the laws of each session of the legislative assembly are printed and ready for
30 distribution, the ~~secretary of state~~ legislative council shall forward ~~those~~ the laws to which each
31 county is entitled to the county auditor of the county.

1 **SECTION 12. AMENDMENT.** Section 46-04-18 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **46-04-18. ~~Secretary of state~~ Legislative council to sell certain laws.**

4 During the biennium immediately after publication, the ~~secretary of state~~ legislative council
5 ~~must~~ shall sell copies of the session laws for the cost of publication and handling plus ten
6 percent. In subsequent bienniums, the ~~secretary of state~~ legislative council may determine and
7 set a price for the copies of the session laws not sold in the biennium immediately after their
8 publication. The price set should maximize the recovery of the cost of publication and handling
9 and minimize the number of volumes subject to disposal under section 46-04-19. All moneys
10 received under ~~the provisions of~~ this section must be paid ~~over~~ to the state treasurer and
11 credited to the general fund.

12 **SECTION 13. AMENDMENT.** Section 46-04-19 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **46-04-19. ~~Secretary of state~~ Legislative council may dispose of laws.**

15 The ~~secretary of state~~ legislative council may dispose of all volumes of the laws that are ten
16 or more years old, except one volume of each ~~that, which~~ which must be retained for historical
17 purposes.

18 **SECTION 14. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-09-05. Salary of secretary of state.**

21 The annual salary of the secretary of state is ~~one hundred thirty thousand dollars through~~
22 ~~June 30, 2024, and one hundred thirty-five thousand two hundred dollars~~ one hundred
23 thirty-nine thousand two hundred fifty-six dollars through June 30, 2026, and one hundred
24 forty-three thousand four hundred thirty-four dollars thereafter.

25 **SECTION 15. EXEMPTION - STATE FISCAL RECOVERY FUND.** The amount of
26 \$6,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the
27 purposes of an election management system and to upgrade FirstStop in section 1 of
28 chapter 34 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended
29 funds from these projects are available to the secretary of state for costs relating to an election
30 management system and to upgrade FirstStop during the biennium beginning July 1, 2025, and
31 ending June 30, 2027.

1 **SECTION 16. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
2 The amount of \$1,500,000 appropriated from the strategic investment and improvements fund
3 for the purposes of a new campaign system, contracted website redesign, and information
4 technology enhancements in section 1 of chapter 34 of the 2023 Session Laws is not subject to
5 section 54-44.1-11 and any unexpended funds from these projects are available to the secretary
6 of state for costs relating to a new campaign system, contracted website redesign, and
7 information technology enhancements during the biennium beginning July 1, 2025, and ending
8 June 30, 2027.

**REPORT OF STANDING COMMITTEE
HB 1002**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0146.01003](#)) and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1002 was placed on the Sixth order on the calendar.

25.0146.01003
Title.
Fiscal No. 3

Prepared by the Legislative Council
staff for House Appropriations -
Education and Environment Division
Committee

January 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1002

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 secretary of state ~~and public printing~~; to amend and reenact sections 46-03-11, 46-04-01,
3 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota
4 Century Code, relating to public printing and the salary of the secretary of state; to provide for a
5 transfer; and to provide an exemption.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the secretary of state for the purpose of defraying the expenses of the
11 secretary of state and public printing, for the biennium beginning July 1, 2025, and ending
12 June 30, 2027, as follows:

SECRETARY OF STATE

13 Subdivision 1.

	Base Level	Adjustments or Enhancements	Appropriation
16 Salaries and wages	\$6,366,407	\$0	\$6,366,407
17 Operating expenses	4,984,331	0	4,984,331
18 Grants	25,000	0	25,000
19 Petition review	8,000	0	8,000

Sixty-ninth
Legislative Assembly

1	Election reform	<u>4,830,808</u>	<u>0</u>	<u>4,830,808</u>
2	Total all funds	<u>\$16,214,546</u>	<u>\$0</u>	<u>\$16,214,546</u>
3	Less other funds	<u>9,344,171</u>	<u>0</u>	<u>9,344,171</u>
4	Total general fund	<u>\$6,870,375</u>	<u>\$0</u>	<u>\$6,870,375</u>
5	Full-time equivalent positions	<u>35.00</u>	<u>0.00</u>	<u>35.00</u>
6	Salaries and wages	<u>\$6,366,407</u>	<u>\$587,108</u>	<u>\$6,953,515</u>
7	New and vacant FTE pool	<u>0</u>	<u>148,177</u>	<u>148,177</u>
8	Operating expenses	<u>4,984,331</u>	<u>2,171,051</u>	<u>7,155,382</u>
9	Grants	<u>25,000</u>	<u>0</u>	<u>25,000</u>
10	Petition review	<u>8,000</u>	<u>0</u>	<u>8,000</u>
11	Election reform	<u>4,830,808</u>	<u>4,397,006</u>	<u>9,227,814</u>
12	Total all funds	<u>\$16,214,546</u>	<u>\$7,303,342</u>	<u>\$23,517,888</u>
13	Less other funds	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
14	Total general fund	<u>\$6,870,375</u>	<u>\$2,570,444</u>	<u>\$9,440,819</u>
15	Full-time equivalent positions	<u>35.00</u>	<u>(2.00)</u>	<u>33.00</u>

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
20	Public printing	<u>\$271,335</u>	<u>\$0</u>	<u>\$271,335</u>
21	Total general fund	<u>\$271,335</u>	<u>\$0</u>	<u>\$271,335</u>
22	Public printing	<u>\$271,335</u>	<u>(\$271,335)</u>	<u>\$0</u>
23	Total general fund	<u>\$271,335</u>	<u>(\$271,335)</u>	<u>\$0</u>

Subdivision 3

TOTAL - SECTION 1

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
28	Grand total all funds	<u>\$16,485,881</u>	<u>\$0</u>	<u>\$16,485,881</u>
29	Grand total other funds	<u>9,344,171</u>	<u>0</u>	<u>9,344,171</u>
30	Grand total general fund	<u>\$7,141,710</u>	<u>\$0</u>	<u>\$7,141,710</u>
31	Grand total all funds	<u>\$16,485,881</u>	<u>\$7,032,007</u>	<u>\$23,517,888</u>

1	Grand total other funds	9,344,171	4,732,898	14,077,069
2	Grand total general fund	\$7,141,710	\$2,299,109	\$9,440,819

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items included in the appropriation in section 1 of this Act which are not included in the entity's
6 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>Other Funds</u>
9	Election pollpads and cradle points	\$2,800,000
10	Information technology enhancements	700,000
11	Election security grant	100,359
12	Help America Vote act	<u>1,000,000</u>
13	Total other funds	\$4,600,359

14 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
15 secretary of state may not spend funds appropriated in the new and vacant FTE pool line item
16 in section 1 of this Act, but may request the office of management and budget to transfer funds
17 from the new and vacant FTE pool line item to the salaries and wages line item in accordance
18 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
19 sixty-ninth legislative assembly.

20 **SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
21 The other funds line item in section 1 of this Act includes the sum of \$3,500,000 from the
22 strategic investment and improvements fund for election pollpad and cradle points replacement
23 and information technology system enhancements for the secretary of state.

24 **SECTION 5. TRANSFER - GENERAL FUND - ELECTION FUND.** The office of
25 management and budget may transfer up to \$600,000 from the general fund, appropriated in
26 the election reform line item in section 1 of this Act, to the election fund to match federal funds
27 received by the state, as requested by the secretary of state, during the biennium beginning
28 July 1, 2025, and ending June 30, 2027.

29 **SECTION 6. AMENDMENT.** Section 46-03-11 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **46-03-11. Publication of session laws and pocket supplements.**

2 The ~~secretary of state and the~~ legislative council shall correct ministerial or clerical errors
3 and supervise the publication of the session laws and pocket part supplements to this code in a
4 manner and form prescribed by the legislative council, correlating each year's laws with this
5 code.

6 **SECTION 7. AMENDMENT.** Section 46-04-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-01. Official distribution of state laws - ~~Secretary of state~~ Legislative council to**
9 **control.**

10 Each member of the legislative assembly ~~and each~~ constitutional officer of the state, and
11 ~~each~~ judge of the supreme and district courts for the use of their respective offices and
12 departments is entitled to receive from the state a copy of any publication of the laws of the
13 state and of any compilation or codification ~~thereof~~ of the laws of the state published under
14 authority of the state. The district court in every county in the state is entitled to a copy of
15 ~~such~~ the publications. The codification of laws of the state received by each member of the
16 legislative assembly is subject to section 54-03-23. The ~~secretary of state~~ legislative council
17 shall designate other offices and agencies of the state that are entitled to receive copies of any
18 ~~such a~~ publication of the laws for the use of ~~such~~ the state offices and agencies and also shall
19 determine the number of copies of any publication to be received by any recipient in a
20 distribution under the provisions of this section, if more than one copy is needed by ~~such~~ the
21 recipient for official use. All agencies that are funded entirely from special state funds or federal
22 funds must be charged for the actual cost of each copy of ~~such~~ the publications that the agency
23 requests.

24 **SECTION 8. AMENDMENT.** Section 46-04-03 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **46-04-03. Distribution of session laws, compilations, and codifications by ~~secretary~~**
27 **~~of state~~ legislative council.**

28 The ~~secretary of state, as soon as conveniently can be done after~~ legislative council shall
29 distribute as provided in sections 46-04-01 and 46-04-02 the publication of any session laws,
30 compilations, or codifications, ~~shall cause copies thereof to be distributed as provided in~~
31 ~~sections 46-04-01 and 46-04-02~~ and copies of those documents, as soon as practicable. The

1 ~~secretary of state, in addition,~~ legislative council shall furnish to the legislative assembly such-
2 additional copies as ~~are~~ necessary upon resolution of the respective branches or committees
3 ~~thereof~~ of the legislative assembly and shall furnish to each member of the legislative assembly,
4 upon ~~demand therefor~~ request, such current volumes of laws as ~~have not been~~ obtained by the
5 member through service in previous sessions.

6 **SECTION 9. AMENDMENT.** Section 46-04-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **46-04-04. Session laws, compilations, and codifications remain property of state.**

9 Except as otherwise provided by law, each copy of laws, compilations, or codifications
10 furnished to any officer, department, or agency of the state, or to the legislative assembly, its
11 officers, or committees is ~~and must remain~~ the property of the state and must be surrendered to
12 the ~~secretary of state~~ legislative council or to the recipient's successor in office.

13 **SECTION 10. AMENDMENT.** Section 46-04-10 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **46-04-10. Duties of ~~secretary of state~~ legislative council - Exchange of laws with other**
16 **states.**

17 The ~~secretary of state~~ legislative council may distribute copies of all laws passed by each
18 legislative assembly and all compilations or codifications of ~~the same, whenever it seems~~
19 ~~desirable~~ laws passed by each legislative assembly:

- 20 1. In exchange for like publications of other states.
- 21 2. To replace copies lost or damaged in official use.
- 22 3. To provide copies as needed to state officers, boards, commissions, institutions, or
23 agencies of the state.
- 24 4. To provide copies as needed to the national conference of commissioners on uniform
25 state laws.

26 **SECTION 11. AMENDMENT.** Section 46-04-14 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **46-04-14. ~~Secretary of state~~ Legislative council to forward laws to counties.**

29 As soon as the laws of each session of the legislative assembly are printed and ready for
30 distribution, the ~~secretary of state~~ legislative council shall forward ~~these~~ the laws to which each
31 county is entitled to the county auditor of the county.

1 **SECTION 12. AMENDMENT.** Section 46-04-18 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **46-04-18. ~~Secretary of state~~ Legislative council to sell certain laws.**

4 During the biennium immediately after publication, the ~~secretary of state~~ legislative council
5 ~~must~~ shall sell copies of the session laws for the cost of publication and handling plus ten
6 percent. In subsequent bienniums, the ~~secretary of state~~ legislative council may determine and
7 set a price for the copies of the session laws not sold in the biennium immediately after their
8 publication. The price set should maximize the recovery of the cost of publication and handling
9 and minimize the number of volumes subject to disposal under section 46-04-19. All moneys
10 received under ~~the provisions of this section~~ must be paid ~~over~~ to the state treasurer and
11 credited to the general fund.

12 **SECTION 13. AMENDMENT.** Section 46-04-19 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **46-04-19. ~~Secretary of state~~ Legislative council may dispose of laws.**

15 The ~~secretary of state~~ legislative council may dispose of all volumes of the laws that are ten
16 or more years old, except one volume of each ~~that~~ which must be retained for historical
17 purposes.

18 **SECTION 14. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-09-05. Salary of secretary of state.**

21 The annual salary of the secretary of state is ~~one hundred thirty thousand dollars through~~
22 ~~June 30, 2024, and one hundred thirty five thousand two hundred dollars~~ one hundred
23 thirty-nine thousand two hundred fifty-six dollars though June 30, 2026, and one hundred
24 forty-three thousand four hundred thirty-four dollars thereafter.

25 **SECTION 15. EXEMPTION - STATE FISCAL RECOVERY FUND.** The amount of
26 \$6,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the
27 purposes of an election management system and to upgrade FirstStop in section 1 of
28 chapter 34 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended
29 funds from these projects are available to the secretary of state for costs relating to an election
30 management system and to upgrade FirstStop during the biennium beginning July 1, 2025, and
31 ending June 30, 2027.

1 **SECTION 16. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

2 The amount of \$1,500,000 appropriated from the strategic investment and improvements fund
3 for the purposes of a new campaign system, contracted website redesign, and information
4 technology enhancements in section 1 of chapter 34 of the 2023 Session Laws is not subject to
5 section 54-44.1-11 and any unexpended funds from these projects are available to the secretary
6 of state for costs relating to a new campaign system, contracted website redesign, and
7 information technology enhancements during the biennium beginning July 1, 2025, and ending
8 June 30, 2027.

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	\$16,214,546	\$7,303,342	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$6,870,375	\$2,570,444	\$9,440,819
FTE	35.00	(2.00)	33.00
Public Printing			
Total all funds	\$271,335	(\$271,335)	\$0
Less estimated income	0	0	0
General fund	\$271,335	(\$271,335)	\$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$16,485,881	\$7,032,007	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$7,141,710	\$2,299,109	\$9,440,819
FTE	35.00	(2.00)	33.00

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

	Base Budget	House Changes	House Version
Salaries and wages	\$6,366,407	\$587,108	\$6,953,515
New and vacant FTE pool		148,177	148,177
Operating expenses	4,984,331	2,171,051	7,155,382
Grants	25,000		25,000
Petition review	8,000		8,000
Election reform	4,830,808	4,397,006	9,227,814
Total all funds	\$16,214,546	\$7,303,342	\$23,517,888
Less estimated income	9,344,171	4,732,898	14,077,069
General fund	\$6,870,375	\$2,570,444	\$9,440,819
FTE	35.00	(2.00)	33.00

Department 108 - Secretary of State - Detail of House Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding to Replace 2023-25 New and Vacant FTE Pool³	Transfers Funding for 2025-27 New and Vacant FTE Pool⁴	Removes FTE Positions⁵	Adjusts Funding for Salaries and Wages⁶
Salaries and wages	\$253,721	\$399,786	\$530,295	(\$211,682)	(\$385,012)	
New and vacant FTE pool				148,177		
Operating expenses						
Grants						
Petition review						
Election reform	(398,060)					
Total all funds	(\$144,339)	\$399,786	\$530,295	(\$63,505)	(\$385,012)	\$0
Less estimated income	(144,339)	0	213,726	0	(200,006)	(581,000)
General fund	\$0	\$399,786	\$316,569	(\$63,505)	(\$185,006)	\$581,000
FTE	0.00	0.00	0.00	0.00	(2.00)	0.00

	Restores Other Funds Salary Savings ⁷	Adds Funding for Information Technology Costs ⁸	Adds Funding to Match Federal Funds ⁹	Adds One- Time Funding for Election Reform ¹⁰	Adds One-Time Funding for IT Enhancements ¹¹	Total House Changes
Salaries and wages						\$587,108
New and vacant FTE pool						148,177
Operating expenses	\$218,545	\$1,252,506			\$700,000	2,171,051
Grants						
Petition review						
Election reform	614,707	80,000	\$200,000	\$3,900,359		4,397,006
Total all funds	\$833,252	\$1,332,506	\$200,000	\$3,900,359	\$700,000	\$7,303,342
Less estimated income	833,252	10,906	0	3,900,359	700,000	4,732,898
General fund	\$0	\$1,321,600	\$200,000	\$0	\$0	\$2,570,444
FTE	0.00	0.00	0.00	0.00	0.00	(2.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund
Salary increase	\$231,638
Health insurance increase	168,148
Total	\$399,786

³ Funding is added to replace the 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	\$136,569	\$22,776	\$159,345
New FTE positions	180,000	190,950	370,950
Total	\$316,569	\$213,726	\$530,295

⁴ Funding of \$211,682 is removed for estimated savings from vacant 2025-27 FTE positions and \$148,177 is added for a new and vacant FTE pool line item for an estimated savings of \$63,505.

⁵ Funding of \$385,012, including \$185,006 from the general fund and \$200,006 from federal funds, and 2 FTE positions are removed.

⁶ Funding of \$581,000 from the general fund is added for the salaries and wages of 3 FTE positions previously paid from other funds.

⁷ Other funds salary savings are restored to the operating expenses (\$218,545) and election reform (\$614,707) line items.

⁸ Funding is added for IT rate increases and to maintain and support IT systems.

⁹ Ongoing funding of \$200,000 from the general fund is added to match federal Help America Vote Act funds. This amount is in addition to \$200,000 of ongoing funding from the general fund appropriated by the 68th Legislative Assembly to match federal Help America Vote Act funds.

¹⁰ One-time funding is added for election reform as follows:

	Federal Funds	Strategic Investment and Improvements Fund	Total Other Funds
Election pollpad and cradle points replacement	\$0	\$2,800,000	\$2,800,000
Election security grant	100,359	0	100,359
Help America Vote Act	1,000,000	0	1,000,000
Total	\$1,100,359	\$2,800,000	\$3,900,359

¹¹ One-time funding of \$700,000 from the strategic investment and improvements fund (SIIF) is added for IT enhancements, including to the central indexing system.

This amendment also:

- Adds a section to provide language regarding the use of funding in the new and vacant FTE pool line item.
- Adds a section to identify \$3.5 million from SIIF, including \$2.8 million for election pollpad and cradle points replacement and \$700,000 for IT enhancements.
- Adds a section to authorize the transfer of \$600,000 from the general fund, included in the agency's election reform line item, to the election fund.
- Adds a section to amend Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and \$143,434 (3 percent) effective July 1, 2026.
- Adds a section to authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
- Adds a section to authorize the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated from SIIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other IT enhancements.

House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public Printing	\$271,335	(\$271,335)	
Total all funds	\$271,335	(\$271,335)	\$0
Less estimated income	0	0	0
General fund	\$271,335	(\$271,335)	\$0
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of House Changes

	Removes Funding for Public Printing ¹	Total House Changes
Public Printing	(\$271,335)	(\$271,335)
Total all funds	(\$271,335)	(\$271,335)
Less estimated income	0	0
General fund	(\$271,335)	(\$271,335)
FTE	0.00	0.00

¹ Public printing base budget funding of \$271,335 is removed from the Secretary of State.

This amendment also adds sections to provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.

2025 SENATE APPROPRIATIONS

HB 1002

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1002
3/6/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state; to amend and reenact sections 46-03-11, 46-04-01, 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota Century Code, relating to public printing and the salary of the secretary of state; to provide for a transfer; and to provide an exemption.

8:03 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Duties of the Office
- Limitations with Federally funded full-time employees (FTE)
- Information Technology (IT) cost
- Election and campaign finance reforms
- Election security
- Help America Vote Act (HAVA) authority
- Poll pad and cradle points - one-person-one-vote insurance
- Cost of voter-information bill
- Public printing costs
- Carry-forward language

8:04 a.m. Michael Howe, ND Secretary of State, testified in favor and submitted testimony #39094 and #39217.

8:31 a.m. Alex Cronquist, LC Senior Fiscal Analyst, answered a budget question and submitted testimony #39184 and #39234.

8:32 a.m. Sandra McMerty, ND Deputy Secretary of State, testified in favor.

8:33 a.m. Secretary Howe continued testimony in favor.

8:53 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

BUDGET PRESENTATION

SENATE APPROPRIATIONS – GOVERNMENT OPERATIONS COMMITTEE
SENATOR TERRY WANZEK, CHAIRMAN

TESTIMONY PRESENTED BY

MICHAEL HOWE, SECRETARY OF STATE

Chairman Wanzek and members of the committee, I'm Michael Howe, North Dakota Secretary of State. I am here to provide insights into our budget – Engrossed House Bill 1002. I'd like to give you a brief overview of our agency and then walk you through each section of the engrossed bill to provide information on what is included and how it supports our work for the citizens of North Dakota.

AGENCY OVERVIEW

The Office of the Secretary of State is the starting point for democracy and transparency. We serve, guide, and engage citizens through elections, business, and official records. My team conducts a wide range of licensing, regulatory, registration, and administrative functions. We are the office of record for certain legal documents generated by the executive and legislative branches of state government, as well as public records and notices involving various business.

We also serve as North Dakota's trusted source for election information, and along with North Dakota's 53 counties, work to administer and protect the integrity of our election process. Statewide election results are made available through the Secretary of State's elections website – Vote.ND.Gov.

AGENCY FUNCTION

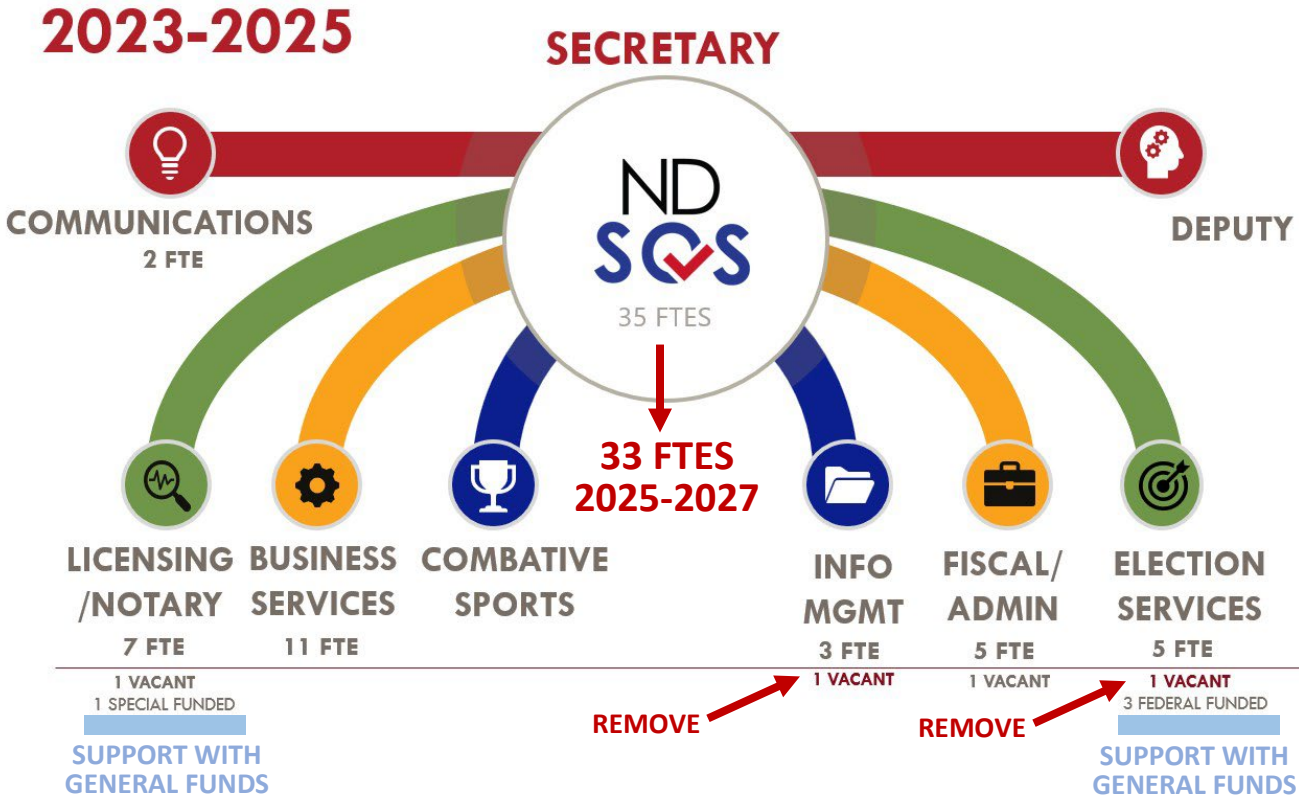
The Office of the Secretary of State is responsible for over 40 functions, here is a breakdown of the key programs.

- **ELECTIONS** – Election administration oversight; campaign finance
- **BUSINESS SERVICES** – Filing point for 46 entities/records – FirstStop Portal; public search of records
- **LICENSING & NOTARY** – License/Register professions; commission notaries public
- **CENTRAL INDEXING** – Lien filing and search
- **INFORMATION MANAGEMENT** – System support and interfaces; records management
- **FISCAL & ADMIN SERVICES** – Fiscal and operations; official records; lobbyist registration
- **COMBATIVE SPORTS** – Oversight of combative contests

ORGANIZATIONAL STRUCTURE

The Office of the Secretary of State is currently authorized for 35 full-time equivalent (FTE) employees (31 FTEs – general fund supported, 4 FTEs – special/federal fund supported). A breakout of positions is provided in the below organizational chart.

Currently with 4 FTEs not funded through general funds, that limits what those positions can do for our office. Example: Our federally funded election team FTEs can only perform work that involves federal elections. They are not allowed to work on campaign finance or any petition review. In the first half we requested general funding for all special and federal funded positions. The House agreed to that in exchange for giving back 2 vacant FTEs (1 general fund and 1 special fund). The House supported this and provided general funding for 33 FTEs. To review, the base budget had 35 FTEs (31 general funded, 4 special and federal funded). Engrossed HB 1002 has 33 FTEs, all general funded.



HOUSE BILL 1002 - OVERVIEW

SECTION 1 – APPROPRIATION

If I can now turn your attention to the First Engrossment version of HB 1002, (version .2000). I'd like to walk through the adjustments and enhancements as proposed to our base budget.

SALARIES & WAGES - \$587,108

The proposed \$587,108 increase to the salary and wage line includes:

Removal of 2 FTEs – (\$385,012) – Our team has been able to increase efficiencies in areas over the last two-years, which has allowed us to return 2 FTEs, a:

- 1) general funded position in our information management area, and a
- 2) Federal funded position in election education.

General Fund Support for Special Fund FTEs – As

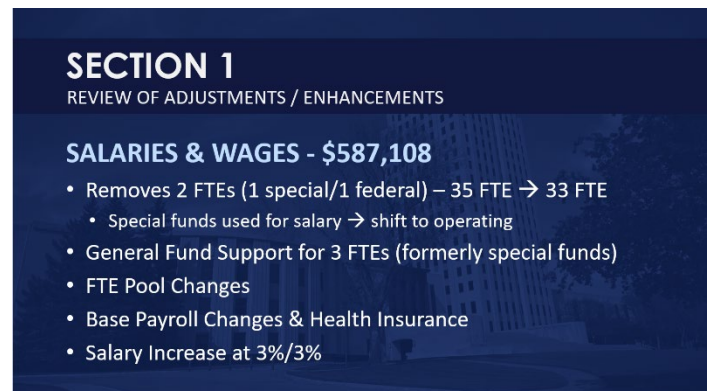
mentioned earlier, general fund support of all positions – such as the critical positions in elections – was a request this agency made and received from the House. This increase includes \$581,000 to support 3 FTEs with general funds. The special funds that previously supported these positions will shift in other sections of this bill.

Vacant FTE Pool Changes – This restores funding taken from the salary line last biennium for the Vacant FTE Pool and makes reductions as proposed by the House. The House reduced total salary funding by 3% and then restored a portion of that into a new budget line item later in the bill.

Base Payroll Changes – Includes adjustments to the base payroll for the new biennium, as well as health insurance adjustments, and the 3%/3% salary increases proposed by the House - \$653,507

NEW & VACANT FTE POOL - \$148,177

This is a new line item created for a New & Vacant FTE Pool within our budget. The House restored 70% of what was cut in the 3% overall salary reduction into this line, which for our agency was \$148,177. This line is only accessible for new or vacant FTE use and must be approved by OMB and Legislative Council.



SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

SALARIES & WAGES - \$587,108

- Removes 2 FTEs (1 special/1 federal) – 35 FTE → 33 FTE
 - Special funds used for salary → shift to operating
- General Fund Support for 3 FTEs (formerly special funds)
- FTE Pool Changes
- Base Payroll Changes & Health Insurance
- Salary Increase at 3%/3%



SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

NEW & VACANT FTE POOL - \$148,177

- 70% of FTE Pool Moves to New Line

OPERATING EXPENSES - \$2,171,051

Much of the \$2.1 million increase in this line is related to continued technology improvements and maintenance for core agency systems.

Salary Shift for 1 FTE – \$218,545 – Due to the general fund support provided for FTEs in this bill, there is a shift of \$218,545 of agency special funds from salary back to the operating line.

One-Time Funding – \$700,000 General Fund –

This one-time funding supports the following:

- \$500,000 for an upgrade to the Central Indexing System from 1.0 to 4.0. This system is our lien filing and search site and our vendor is limiting support for 1.0 in the future due to the age of the system.
- \$200,000 to support NDIT hosting costs until migration off the AS400 server occur. The server hosting cost for the AS400 is split between two agencies – SOS and DHHS – and could be greater if one agency is the sole user of the device. The AS400 will be retired for the SOS at the launch of FirstStop 5.0.

IT License/Maintenance Support – \$1.06 M –

The agency relies on technology to conduct core functions, and this administration is working to upgrade systems to continue to provide greater access, transparency, and a user-friendly experience. This general fund support for annual maintenance/licensing and continued enhancements to these systems ensures we continue to provide the best citizen experience.

- \$650,000 – FirstStop, Election Management, Campaign Finance
- \$410,000 – Central Indexing

NDIT Increases – \$192,507 – NDIT increased a number of its fees for next biennium, especially in the area of hosting for our systems. OMB provided an increase of \$22,506 in our base budget, and we requested an additional \$170,000 to cover the data hosting cost increases which the House supported.

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

OPERATING EXPENSES - \$2,171,051

- → Restores Special Fund Salary to Operating Line
- One-Time – \$700,000
 - AS400 Server Costs – \$200,000
 - Central Indexing Upgrade 1.0 to 4.0 – \$500,000

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

OPERATING EXPENSES - \$2,171,051

- IT License/Maintenance Support - \$1.06M
 - FirstStop, Election Mgmt, Camp. Finance - \$650,000
 - Central Indexing - \$410,000
- NDIT Funded Increase - \$22,506
- NDIT Data Hosting Increase - \$170,000

GRANTS & PETITIONS

These are static lines in our budget and have no changes.

Grants – These are grants available to North Dakota Tribes for reimbursement of up to \$5,000 for expenses related to voter ID efforts.

Petitions – This \$8,000 is an estimated cost for the review of one statewide petition. This funding is for postcards and mailings that are part of the review process. If multiple petitions are turned in, additional funding is requested through the emergency commission as needed.

SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

GRANTS – NO CHANGE

- \$25,000 – Grants Available to Tribes for ID Efforts for Voting

PETITIONS – NO CHANGE

- \$8,000 – Petition Review – postcards/postage (est. for 1)
- Request Funding through Emergency Commission as Needed

ELECTION REFORM - \$4,397,006

The increase in the election reform line is mainly due to one-time funding for replacement of election equipment and needed authority for anticipated federal grants.

Salary Shift for 2 FTE – \$614,707 – Due to the general fund support provided for FTEs provided in this bill, there is a shift of \$614,707 of federal funds from salary back to the election reform line.

SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

ELECTION REFORM - \$4,397,006

- → Restores Federal Fund Salary to Election Reform Line
- One-Time Funding/Authority
 - SIF – Replace Poll Pads & Cradle Points – \$2.8 M
 - Authority – DES Election Security Grant – \$100,359
 - Authority – HAVA 2025 Anticipated Award – \$1 M

One-Time Authority/Funding – This area includes both one-time funding and authority changes to this line.

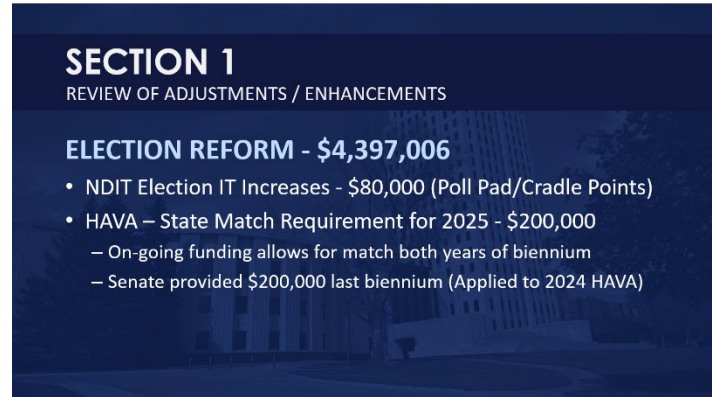
- \$100,359 – DES Election Security Grant – This is added authority for a grant received for a DES Election Security Grant for election security awareness funding.
- \$1 M – This is authority for an anticipated federal HAVA award that is scheduled to occur sometime in spring 2025. North Dakota has received \$1 million in HAVA awards for the past three years and anticipates a similar award.
- \$2.8 M – SIF – Poll Pad/Cradle Point Replacement – One-time funds from the Strategic Investment Fund (SIF) are included for replacement of the election Poll Pads and cradle points in all polling locations to establish a secure statewide network and platform for voter check in. These systems have reached their end of life as they are no longer able to be upgraded to meet ongoing security updates.
 - Original purchase 2019
 - Replacing 1,100 Poll Pads, stands and storage cases; 170 cradle points (creates network)

NDIT Election IT Increase – An \$80,000 increase in NDIT technology costs for hosting Poll Pads and Cradle Points.

HAVA – State Match for 2025 – \$200,000 of ongoing funding for state match requirements related to Federal HAVA grant awards. The Senate provided \$200,000 ongoing funding in our budget last biennium which was applied to the 2024 award as match, however that funding is only enough for one-year of award in the biennium.

PUBLIC PRINTING - \$271,335

This adjustment moves the funding for public printing out of the Office of the Secretary of State’s budget. The agency’s responsibilities in this area are limited as most of the duties are the responsibility of Legislative Council. The House visited with Legislative Council who was receptive of this move.



SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

ELECTION REFORM - \$4,397,006

- NDIT Election IT Increases - \$80,000 (Poll Pad/Cradle Points)
- HAVA – State Match Requirement for 2025 - \$200,000
 - On-going funding allows for match both years of biennium
 - Senate provided \$200,000 last biennium (Applied to 2024 HAVA)



SECTION 1
REVIEW OF ADJUSTMENTS / ENHANCEMENTS

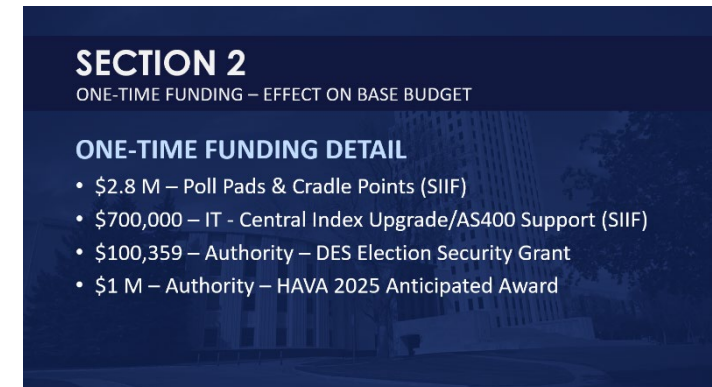
PUBLIC PRINTING - \$271,335

- Removes \$271,335 from NDSOS
 - → Shifts Funding to Legislative Council Budget

SECTION 2 – ONE-TIME FUNDING – EFFECT ON BASE BUDGET

One-time funding requests included in HB 1002 are as follows:

- \$2.8 M – Poll Pads & Cradle Points
- \$700,000 – IT Enhancements – Central Index Upgrade/AS400 Support
- \$100,359 – DES Election Security Grant – Authority Only
- \$1 M – HAVA 2025 Anticipated Award – Authority Only



SECTION 2
ONE-TIME FUNDING – EFFECT ON BASE BUDGET

ONE-TIME FUNDING DETAIL

- \$2.8 M – Poll Pads & Cradle Points (SIIF)
- \$700,000 – IT - Central Index Upgrade/AS400 Support (SIIF)
- \$100,359 – Authority – DES Election Security Grant
- \$1 M – Authority – HAVA 2025 Anticipated Award

SECTION 3 – NEW AND VACANT FTE POOL

This section creates a new budget line item for the New and Vacant FTE Pool and establishes the processes for use of these funds.

SECTION 4 – OTHER FUNDS – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND

Section 4 calls out items that received one-time funding from the Strategic Investment and Improvements Fund:

- \$2.8 M – Poll Pad & Cradle Point Replacement
- \$500,000 – Central Indexing Upgrade
- \$200,000 – AS400 Server Support



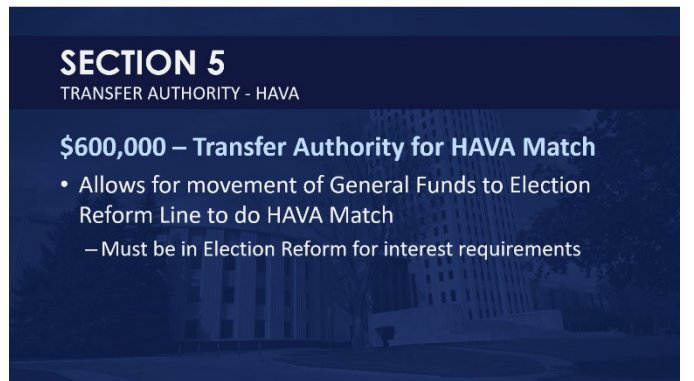
SECTION 4
STATE INVESTMENT AND IMPROVEMENTS FUNDING

\$3.5 M – TOTAL SIIF FUNDING

- \$2.8 M – Poll Pad & Cradle Point Replacement
- \$500,000 – Central Indexing Upgrade
- \$200,000 – AS400 Server Support

SECTION 5 – TRANSFER – GENERAL FUND

Section 5 creates transfer authority language to allow the Office of the Secretary of State to move funding to the appropriate election fund. HAVA Federal grant match is required to be in an interest-bearing line, so movement of these match dollars is needed by the agency.



SECTION 5
TRANSFER AUTHORITY - HAVA

\$600,000 – Transfer Authority for HAVA Match

- Allows for movement of General Funds to Election Reform Line to do HAVA Match
 - Must be in Election Reform for interest requirements

SECTION 6 – 13 – AMENDMENTS

Section 6 through Section 13 all relate to moving public printing from the Office of the Secretary of State’s budget to Legislative Council’s budget and the policy changes needed in statute for this shift. These sections simply present these amendments to code.



SECTIONS 6 THRU 13
STATUTE CHANGE – PUBLIC PRINTING TO LEGISLATIVE COUNCIL

Updates Statute to Transfer Public Printing

- Moves \$271,335 to Legislative Council
- Updates statute references to “Legislative Council” rather than Secretary of State

SECTION 14 – AMENDMENT

Section 14 is the adjustment for the Secretary of State’s salary.

SECTION 15 – EXEMPTION – STATE FISCAL RECOVERY FUND

Section 15 is carry-forward language for one-time funds of \$6 M received from the state fiscal recovery fund (ARPA) from last biennium for technology projects.

- \$5 M – Election Management System
- \$1 M – FirstStop Upgrade

SECTION 16 – EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS

Section 16 is carry-forward language for one-time funds of \$1.5 M received from the strategic investment and improvements funds (SIIF) from last biennium for technology projects.

- \$1 M – Campaign Finance System
- \$500,000 – IT System Enhancements

SECTIONS 15 & 16

CARRY-FORWARD ONE-TIME ITEMS – LAST BIENNIUM

ARPA – SECT. 15 - \$6 M

- Election Management System - \$5,000,000 (Jan. '26)
- FirstStop Upgrade - \$1,000,000 (Mar. '26)

SIIF – SECT. 16 - \$1.5 M

- Campaign Finance System - \$1,000,000 (Jan. '26)
- IT System Enhancements - \$500,000 (May '26)

PROPOSED BUDGET HB 1002

	2025-2027 Legislative Base Level	House Version 1002	\$ Increase/ (Decrease) Compared to Legislative Base
Salaries and Wages	6,366,407	6,953,515	587,108
New & Vacant FTE Pool	-	148,177	148,177
Operating Expenses	4,984,331	7,155,382	2,171,051
Grants	25,000	25,000	-
Petition Review	8,000	8,000	-
Election Reform	4,830,808	9,227,814	4,397,006
Public Printing	271,335	-	(271,335)
Total Line Items	16,485,881	23,517,888	7,032,007
By Funding Source			
General Funds	7,141,710	9,440,819	2,299,109
Federal Funds	4,195,655	5,395,994	1,200,339
Special Funds	5,148,516	8,681,075	3,532,559
Total Funding Source	16,485,881	23,517,888	7,032,007
FTE	35	33	(2)

CURRENT LEGISLATIVE BILLS WITH POTENTIAL BUDGET IMPACTS

The following bills could have fiscal impact to the Office of Secretary of State's budget:

- SB 2230 – includes \$600,000 to support voter education on measures



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

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$7,141,710	\$9,344,171	\$16,485,881	35.00	\$7,141,710	\$9,344,171	\$16,485,881	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes			(\$144,339)	(\$144,339)			(\$144,339)	(\$144,339)				\$0
Salary increase		\$231,638	28,225	259,863		\$231,638		231,638			(\$28,225)	(28,225)
Health insurance increase		168,148	24,021	192,169		168,148		168,148			(24,021)	(24,021)
Removes FTE positions	(2.00)	(185,006)	(200,006)	(385,012)	(2.00)	(185,006)	(200,006)	(385,012)				0
Adds funding to replace the 2023-25 new FTE pool		180,000	190,950	370,950		180,000	190,950	370,950				0
Adds funding to replace the 2023-25 vacant FTE pool		136,569	22,776	159,345		136,569	22,776	159,345				0
Transfers funding for 2025-27 new and vacant FTE pool				0		(63,505)		(63,505)		(\$63,505)		(63,505)
Provides funding from the general fund for positions currently funded from other funds				0		581,000	(581,000)	0		581,000	(581,000)	0
Adds funding for IT rate increase		11,600	10,906	22,506		11,600	10,906	22,506				0
Adds funding to maintain and support IT systems		1,310,000		1,310,000		1,310,000		1,310,000				0
Increases funding for public printing		18,665		18,665				0		(18,665)		(18,665)
Restores other funds salary savings to the operating expenses and election reform line items				0			833,252	833,252			833,252	833,252
Adds matching funds for the Help America Vote Act				0		200,000		200,000		200,000		200,000
Transfers public printing to the Legislative Council				0		(271,335)		(271,335)		(271,335)		(271,335)
Total ongoing funding changes	(2.00)	\$1,871,614	(\$67,467)	\$1,804,147	(2.00)	\$2,299,109	\$132,539	\$2,431,648	0.00	\$427,495	\$200,006	\$627,501
One-Time Funding Items												
Adds funding from SIIF for election pollpad and cradle points replacement			\$2,800,000	\$2,800,000			\$2,800,000	\$2,800,000				\$0
Adds funding from SIIF for IT enhancements, including to the central indexing system			700,000	700,000			700,000	700,000				0
Adds federal funds for election security grant				0			100,359	100,359			\$100,359	100,359
Adds federal funds for the Help America Vote Act				0			1,000,000	1,000,000			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$3,500,000	\$3,500,000	0.00	\$0	\$4,600,359	\$4,600,359	0.00	\$0	\$1,100,359	\$1,100,359
Total Changes to Base Level Funding	(2.00)	\$1,871,614	\$3,432,533	\$5,304,147	(2.00)	\$2,299,109	\$4,732,898	\$7,032,007	0.00	\$427,495	\$1,300,365	\$1,727,860
2025-27 Total Funding	33.00	\$9,013,324	\$12,776,704	\$21,790,028	33.00	\$9,440,819	\$14,077,069	\$23,517,888	0.00	\$427,495	\$1,300,365	\$1,727,860
<i>Federal funds included in other funds</i>			\$4,095,629				\$5,395,994				\$1,300,365	
<i>Total ongoing changes - Percentage of base level</i>	(5.7%)	26.2%	(0.7%)	10.9%	(5.7%)	32.2%	1.4%	14.7%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	(5.7%)	26.2%	36.7%	32.2%	(5.7%)	32.2%	50.7%	42.7%	N/A	N/A	N/A	N/A

Other Sections in Secretary of State - Budget No. 108

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool		Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.
Estimated income - SIF		Section 4 identifies \$3.5 million from SIF for election pollpads and cradle points replacement and for information technology enhancements.
Transfer - General Fund - Election Fund		Section 5 authorizes the transfer of up to \$600,000 from the general fund, included in the agency's election reform line item, to the state's election fund.
Public printing		Sections 6 through 13 provide for the transfer of public printing duties from the Secretary of State to the Legislative Council.
Secretary of State salary		Section 14 amends Section 54-09-05 to increase the salary of the Secretary of State from \$135,200 to \$139,256 (3 percent) effective July 1, 2025, and \$143,434 (3 percent) effective July 1, 2026.
Exemption - Federal State Fiscal Recovery Fund		Section 15 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$6 million appropriated from the federal State Fiscal Recovery Fund during the 2023 legislative session for an election management system and to upgrade the FirstStop system.
Exemption - SIF		Section 16 authorizes the Secretary of State to continue unspent funds into the 2025-27 biennium from the \$1.5 million appropriated from SIF during the 2023 legislative session for a new campaign system, contracted website redesign, and other information technology enhancements.

NORTH DAKOTA
SECRETARY OF STATE
MICHAEL HOWE

HB 1002

SENATE APPROPRIATIONS – GOVERNMENT OPERATIONS COMMITTEE

Michael Howe, Secretary of State

3/6/2025



THE STARTING POINT FOR DEMOCRACY & TRANSPARENCY

We Serve, Guide, & Engage Citizens Through
Elections, Business, & Official Records

AGENCY FUNCTIONS

DIVISIONS & SERVICES



ELECTIONS

- Election Administration Oversight
- Campaign Finance

BUSINESS SERVICES

- File Point for 46 Entity/Records
- Public Search

LICENSING & NOTARY

- License/Register Professions
- Commission Notaries Public

CENTRAL INDEXING

- Lien Filing & Search

INFORMATION MANAGEMENT

- System Support & Interfaces

FISCAL & ADMINISTRATIVE

- Official Records – Lobbyists
- Fiscal & Operations

COMBATIVE SPORTS

- Oversight of Combative Contests



WE'VE
BEEN
BUSY

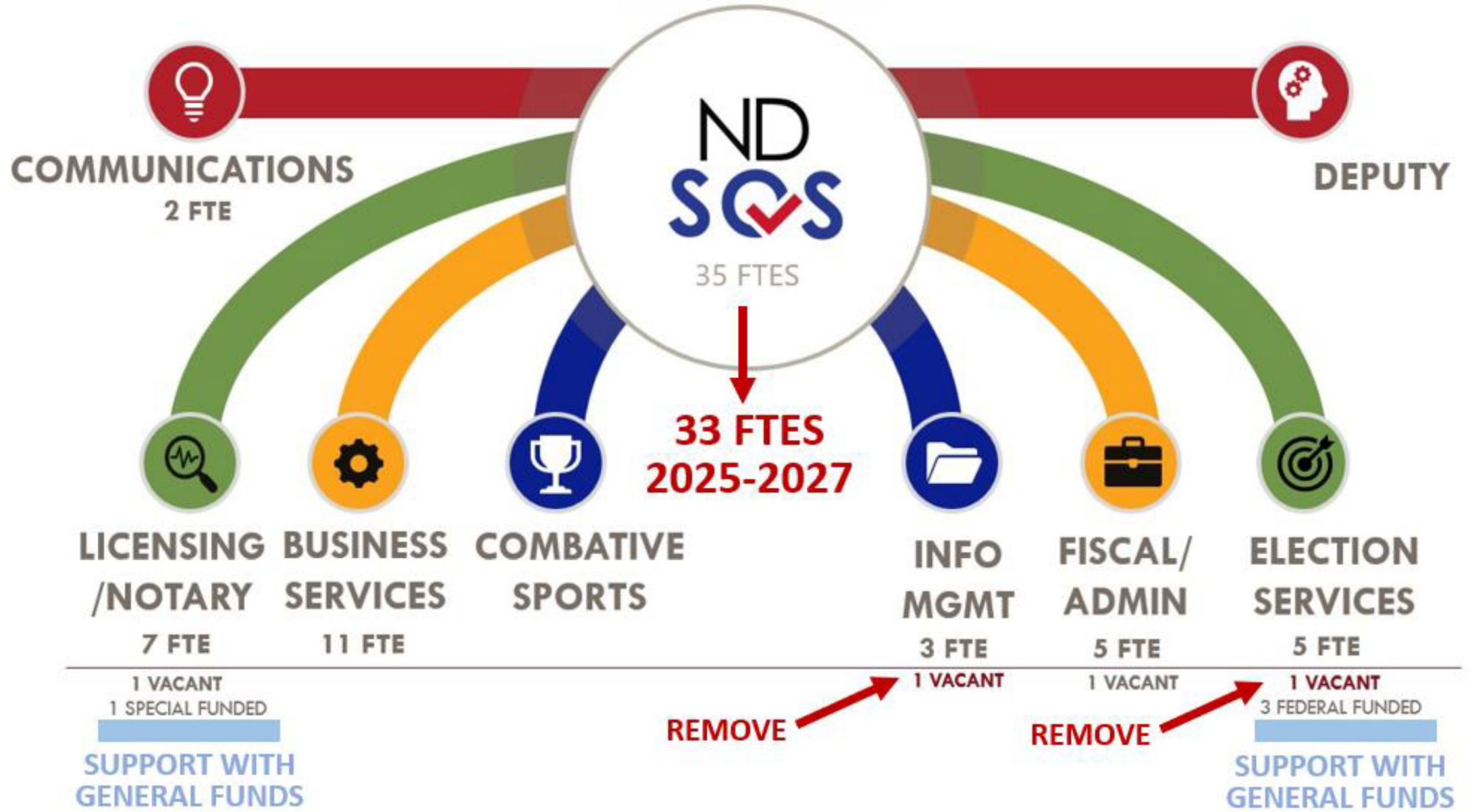


WHO WE SERVE

- Voters
- Candidates
- Local Government
- Business
- Licensees
- Lending Community
- All Citizens

2023-2025

SECRETARY



SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

SALARIES & WAGES - \$587,108

- Removes 2 FTEs (1 special/1 federal) – 35 FTE → 33 FTE
 - Special funds used for salary → shift to operating
- General Fund Support for 3 FTEs (formerly special funds)
- FTE Pool Changes
- Base Payroll Changes & Health Insurance
- Salary Increase at 3%/3%

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

NEW & VACANT FTE POOL - \$148,177

- 70% of FTE Pool Moves to New Line

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

OPERATING EXPENSES - \$2,171,051

- → Restores Special Fund Salary to Operating Line
- One-Time – \$700,000
 - AS400 Server Costs – \$200,000
 - Central Indexing Upgrade 1.0 to 4.0 – \$500,000

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

OPERATING EXPENSES - \$2,171,051

- IT License/Maintenance Support - \$1.06M
 - FirstStop, Election Mgmt, Camp. Finance - \$650,000
 - Central Indexing - \$410,000
- NDIT Funded Increase - \$22,506
- NDIT Data Hosting Increase - \$170,000

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

GRANTS – NO CHANGE

- \$25,000 – Grants Available to Tribes for ID Efforts for Voting

PETITIONS – NO CHANGE

- \$8,000 – Petition Review – postcards/postage (est. for 1)
- Request Funding through Emergency Commission as Needed

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

ELECTION REFORM - \$4,397,006

- → Restores Federal Fund Salary to Election Reform Line
- One-Time Funding/Authority
 - SIF – Replace Poll Pads & Cradle Points – \$2.8 M
 - Authority – DES Election Security Grant – \$100,359
 - Authority – HAVA 2025 Anticipated Award – \$1 M

ELECTION EQUIPMENT

SECRETARY OF STATE APPROVES VOTING SYSTEMS



POLLPADS – ELECTRONIC POLLBOOKS

Vendor - KNOWiNK

CHECKS VOTER IN AT POLLING LOCATION

Ensures One Person = One Vote

Updates Central Voter File – Checks in Voter

Knows which voters voted by mail

Sends check-in info to PollPads in the State



PRINTS BALLOT TICKET

Voter uses ticket to get correct ballot



CONNECTED TO OTHER POLLING LOCATIONS IN NORTH DAKOTA =

→ SECURE portal - encryption

→ SIGNAL ACTIVE with secure access

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

ELECTION REFORM - \$4,397,006

- NDIT Election IT Increases - \$80,000 (Poll Pad/Cradle Points)
- HAVA – State Match Requirement for 2025 - \$200,000
 - On-going funding allows for match both years of biennium
 - Senate provided \$200,000 last biennium (Applied to 2024 HAVA)

SECTION 1

REVIEW OF ADJUSTMENTS / ENHANCEMENTS

PUBLIC PRINTING - \$271,335

- Removes \$271,335 from NDSOS
 - → Shifts Funding to Legislative Council Budget

SECTION 2

ONE-TIME FUNDING – EFFECT ON BASE BUDGET

ONE-TIME FUNDING DETAIL

- \$2.8 M – Poll Pads & Cradle Points (SIIF)
- \$700,000 – IT - Central Index Upgrade/AS400 Support (SIIF)
- \$100,359 – Authority – DES Election Security Grant
- \$1 M – Authority – HAVA 2025 Anticipated Award

SECTION 3

CREATES NEW BUDGET LINE ITEM

NEW AND VACANT FTE POOL

- Creates New Line Item for FTE Pool
- Must Request from OMB to Use

SECTION 4

STATE INVESTMENT AND IMPROVEMENTS FUNDING

\$3.5 M – TOTAL SIIF FUNDING

- \$2.8 M – Poll Pad & Cradle Point Replacement
- \$500,000 – Central Indexing Upgrade
- \$200,000 – AS400 Server Support

SECTION 5

TRANSFER AUTHORITY - HAVA

\$600,000 – Transfer Authority for HAVA Match

- Allows for movement of General Funds to Election Fund to meet HAVA Match
 - Must be in Election Fund for interest requirements

SECTIONS 6 THRU 13

STATUTE CHANGE – PUBLIC PRINTING TO LEGISLATIVE COUNCIL

Updates Statute to Transfer Public Printing

- Moves \$271,335 to Legislative Council
- Updates statute references to “Legislative Council” rather than Secretary of State

SECTIONS 14

SALARY ADJUSTMENT FOR SOS

UPDATES THE SALARY FOR SECRETARY OF STATE



SECTIONS 15 & 16

CARRY-FORWARD ONE-TIME ITEMS – LAST BIENNIUM

ARPA – SECT. 15 - \$6 M

- Election Management System - \$5,000,000 (Jan. '26)
- FirstStop Upgrade - \$1,000,000 (Mar. '26)

SIIF – SECT. 16 - \$1.5 M

- Campaign Finance System - \$1,000,000 (Jan. '26)
- IT System Enhancements - \$500,000 (May '26)

	2025-2027 Legislative Base Level	House Version 1002	\$ Increase/ (Decrease) Compared to Legislative Base
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Special Funds	5,148,516	8,681,075	3,532,559
Total Funding Source	16,485,881	23,517,888	7,032,007
FTE	35	33	(2)

POTENTIAL BUDGET IMPACT BILLS

BILLS WITH APPROPRIATIONS FOR NDSOS

SB 2230

– \$600,000 to Support Voter Education on Measures

HB 1507

– \$53,000 to Create New Entity – Coop. Financial Inst.

NORTH DAKOTA
SECRETARY OF STATE
MICHAEL HOWE

ND
SQS



North Dakota Legislative Council

Prepared for the Senate Appropriations Committee
March 6, 2025

MAJOR RELATED LEGISLATION AFFECTING THE SECRETARY OF STATE AS OF CROSSOVER

This memorandum provides information on major related legislation affecting the Secretary of State as of Crossover:

House Bill No. 1469 - This bill provides for the Secretary of State to publish online the statements of interest filed by candidates for elective office.

Senate Bill No. 2069 - This bill provides for the Secretary of State to file and post government publications.

Senate Bill No. 2144 - This bill removes certain fees charged by the Secretary of State relating to paper copy requests and the appointment of an attorney.

Senate Bill No. 2230 - This bill appropriates \$600,000 from the general fund to the Secretary of State to create and distribute educational materials relating to statewide ballot measures.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1002
3/11/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state; to amend and reenact sections 46-03-11, 46-04-01, 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota Century Code, relating to public printing and the salary of the secretary of state; to provide for a transfer; and to provide an exemption.

10:33 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Employees funded with Federal funds or State funds
- Fees distributed to General Fund and fees retained
- Information technology
- Help America Vote Act (HAVA) and election equipment costs
- Matching funds
- 5-year strategic plans review
- New online program for campaign finance
- Public notices - public meeting notices

10:34 a.m. Adam Mathiak, LC Senior Fiscal Analyst, supplied budget information and referenced testimony #39184, distributed 3/6/2025.

10:37 a.m. Michael Howe, ND Secretary of State, testified in favor and referenced testimony #39094, distributed on 3/6/2025.

10:42 a.m. Sandra McMerty, ND Deputy Secretary of State, answered a question.

10:45 a.m. Adam Mathiak supplied budget information.

10:47 a.m. Michael Howe resumed testimony.

10:56 a.m. Sandra McMerty answered a question.

10:10 a.m. Senator Dwyer moved a Do Pass for HB 1002.

10:11 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y

Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

Senator Erbele will carry the bill.

11:12 a.m. Chairman Wanzek adjourned the meeting.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1002
3/17/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state; to amend and reenact sections 46-03-11, 46-04-01, 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota Century Code, relating to public printing and the salary of the secretary of state; to provide for a transfer; and to provide an exemption.

3:55 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Thomas, Wanzek.

Members Absent: Senators Davison, Sorvaag.

Discussion Topics:

- New iPads for Voting Check-Ins
- Increased User Friendliness
- Salary Increase

3:55 p.m. Senator Erbele introduced the bill.

4:01 p.m. Senator Erbele moved a Do Pass.

4:01 p.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	A
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Senate Appropriations Committee
HB 1002
03/17/2025
Page 2

Motion Passed 14-0-2.

4:01 p.m. Michael Howe, ND Secretary of State, testified in favor.

Senator Erbele will carry the bill.

4:08 p.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1002 ([25.0146.02000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). HB 1002 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.