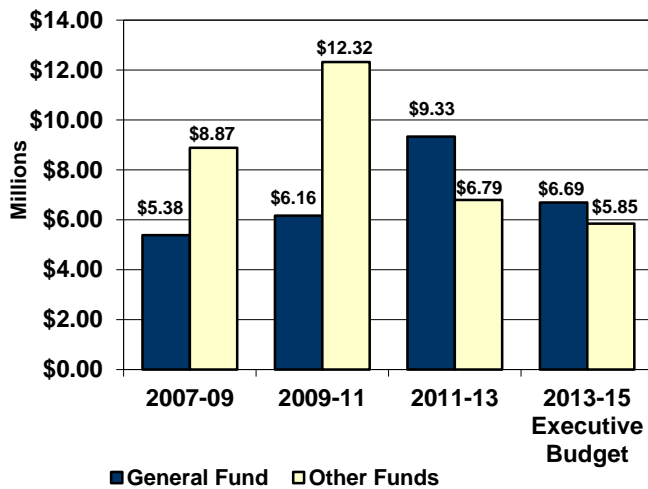


**Department 108 - Secretary of State
 House Bill No. 1002**

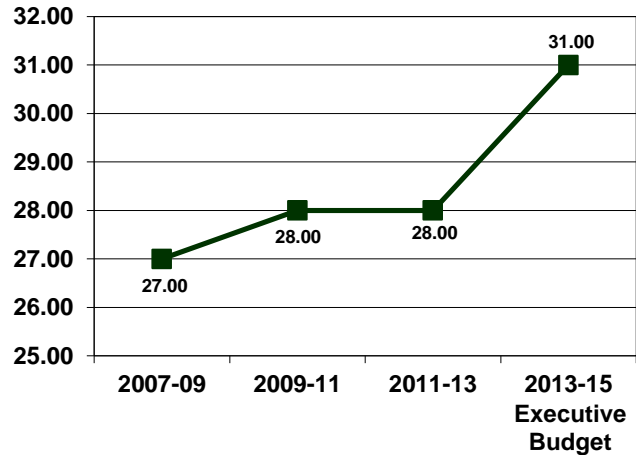
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	31.00	\$6,691,408	\$5,845,849	\$12,537,257
2011-13 Legislative Appropriations	28.00	9,326,160	6,786,984	16,113,144 ¹
Increase (Decrease)	3.00	(\$2,634,752)	(\$941,135)	(\$3,575,887)

¹The 2011-13 appropriation amounts do not include \$78,000 continued from the agency's 2009-11 biennium general fund appropriation relating to the mainframe migration computer project or \$102,526 of additional special funds authority available for carryover from the 2009-11 biennium pursuant to Section 4 of 2011 Senate Bill No. 2002 for the mainframe migration computer project. In addition, the 2011-13 appropriation amounts do not include \$196,000 of additional special funds authority for salaries and wages, transfers from the operating expense line item to the salaries and wages line item, including 3 FTE positions, and \$11,300 from the contingencies fund for initiated petition review resulting from Emergency Commission action during the 2011-13 biennium.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$6,597,408	\$94,000	\$6,691,408
2011-13 Legislative Appropriations	5,783,121	3,543,039	9,326,160
Increase (Decrease)	\$814,287	(\$3,449,039)	(\$2,634,752)

First House Action

Attached is a summary of first house changes.

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

	General Fund	Other Funds	Total
1. Removes 2011-13 one-time funding provided for the database migration project	(\$3,500,000)		(\$3,500,000)
2. Removes 2011-13 one-time funding for an online public meeting notification system	(\$43,039)		(\$43,039)
3. Provides one-time funding for the replacement of a multipurpose copier	\$10,000		\$10,000
4. Provides one-time funding to maintain the AS400 system until the agency's information technology project is fully implemented	\$84,000		\$84,000
5. Decreases federal election reform operations to reflect the projected 2013-15 election costs and more accurately reflect remaining federal funding		(\$2,047,414)	(\$2,047,414)

6. Increases federal funds for purchasing an enhancement for the electronic pollbooks in counties (The state will purchase the equipment for counties using federal Help America Vote Act funds available in the state's election fund. Counties will repay the state's election fund within five years.)		\$1,000,000	\$1,000,000
7. Adds funding and 3 FTE positions authorized by the Budget Section during the 2011-12 interim for the business registration unit (2 FTE positions) and the business information unit (1 FTE position). The House provided this as one-time funding. In addition, \$225,600 from the general fund provided for overtime was identified as one-time funding.	\$283,754		\$283,754
8. Increases funding for costs related to credit card usage fees. The House removed this funding.	\$100,000		\$100,000
9. Decreases funding for information technology - data processing expense	(\$86,879)		(\$86,879)
10. Adds funding for information technology hosting charges related to the open meeting application implemented during the 2011-13 biennium	\$17,000		\$17,000
11. Provides funding for state employee salary increases of which \$176,966 relates to performance increases and \$77,237 is for market equity adjustments. The House added funding of \$14,820 to correct the executive compensation package and reduced funding by \$108,245 for performance and market equity adjustments.	\$246,577	\$7,626	\$254,203
12. Increases funding for public printing	\$10,500		\$10,500

Other Sections in Bill

General services operating fund - Section 3 provides that any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2013, is not subject to the provisions of North Dakota Century Code Section 54-09-08, and any unexpended funds are available and may be spent by the Secretary of State during the 2013-15 biennium for the database and processing platform migration project.

Secretary of State's salary - Section 4 provides the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary is increased from the current level of \$93,071 to \$96,794, effective July 1, 2013, and to \$100,666, effective July 1, 2014, to reflect the 4 percent and 4 percent recommended salary increase. The House reduced the salary of the Secretary of State to provide for 3 percent annual salary increases.

Amendment of 2011 Session Laws - Funding limitation - Section 5 amends 2011 Session Laws with the intent to extend the one-time funding of \$3.5 million from the general fund for the mainframe migration computer project included in the operating expenses line item of 2011 Senate Bill No. 2002 to June 30, 2015. However, unless an exemption to Section 54-44.1-11 is approved, the appropriation will expire 30 days after the close of the 2011-13 biennium. The House replaced Section 5 of the bill to provide an exemption to Section 54-44.1-11 and allow the Secretary of State to continue up to \$1,750,000 of the funding provided for the mainframe migration computer project during the 2011-13 biennium into the 2013-15 biennium.

Limited authorization of new FTE positions - The House added a section to provide the three new FTE positions are authorized only for the 2013-15 biennium and must be reevaluated after the completion of the mainframe migration computer project to determine if the positions should be included in the agency's 2015-17 biennium budget request as optional items.

Continuing Appropriations

Athletic commission fund - Section 53-01-09 - Appropriates any funding received by the Secretary of State for license fees for all boxers, kickboxers, mixed style fighters, promoters, managers, judges, timekeepers, cornerpersons, knockdown counters, matchmakers, and referees or other participants and fees based on the percentage of gross revenues from any boxing, kickboxing, mixed fighting style competition, or sparring exhibition held in this state to pay for the expenses of members of the Commission of Combative Sports.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1207 - Notaries public database - Amends Section 44-06.1-22 to require that when the technology becomes available, the Secretary of State maintain an electronic database of notaries public.

House Bill No. 1340 - Fees charged - Amends Section 54-09-04(7) relating to charges made by the Secretary of State for information recorded or filed in the office of the Secretary of State

House Bill No. 1447 - Campaign reports - Requires the Secretary of State to implement an electronic filing system for campaign reports by May 1, 2014. A fiscal note prepared by the Secretary of State estimates an electronic filing system currently being developed by the agency will be complete in spring 2014.

Senate Bill No. 2144 - Nonprofessional ownership of professional organizations - Modifies the ownership of professional organizations by allowing ownership by nonprofessional participants. The change from existing law changes the scope of the agency's comprehensive software project currently being developed. A fiscal note prepared by the Secretary of State estimates additional costs of \$106,152 for the change. (The Information Technology Department has estimated combining the requirements of Senate Bill Nos. 2144 and 2152 into one project would cost \$127,848).

Senate Bill No. 2152 - Nonprofessional ownership of professional organizations - Allows the owner of a professional organization to own a professional organization under different professional licensing categories. The change from existing law changes the scope of the agency's comprehensive software project currently being developed. A fiscal note prepared by the Secretary of State estimates additional costs of \$102,072 for the change. (The Information Technology Department estimates combining the requirements of Senate Bill Nos. 2144 and 2152 into one project would cost \$127,848).

ATTACH:1