

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

**Executive Budget Comparison to Prior Biennium Appropriations**

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

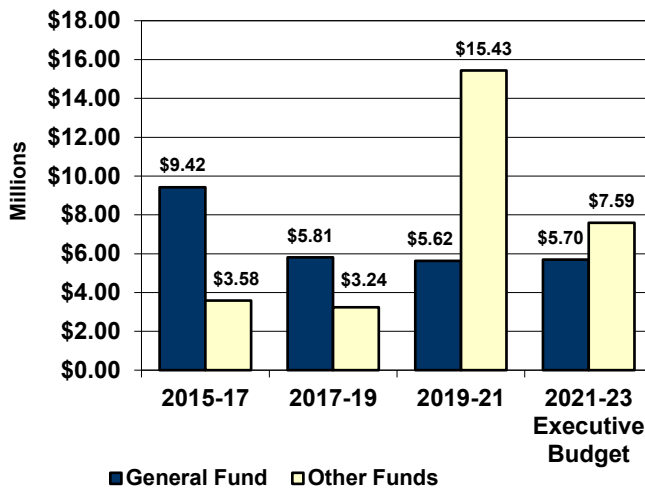
<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

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

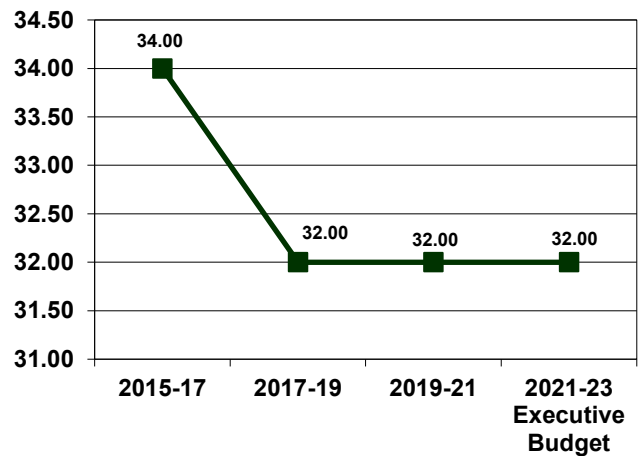
**Ongoing and One-Time General Fund Appropriations**

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

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

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

**First House Action**

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

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

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

**House did not add funding for retirement contribution increases.**

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

**Other Sections in House Bill No. 1002**

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

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

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

**Continuing Appropriations**

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

**Deficiency Appropriation**

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

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Major Related Legislation**

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

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

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

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

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

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

**Other Sections in Secretary of State - Budget No. 108**

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

**Other Sections in Secretary of State - Budget No. 108**

Tribal government administrative costs

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**Executive Budget Recommendation**

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**House Version**

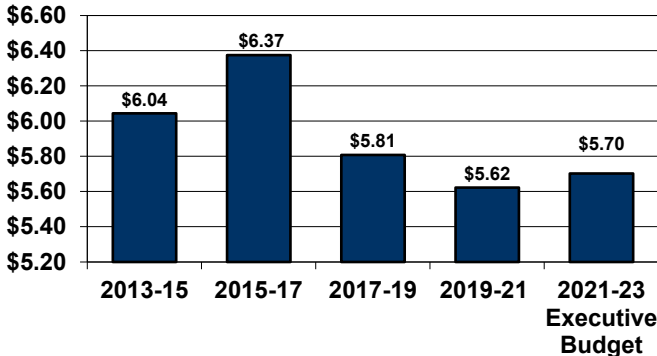
Section 5 identifies \$25,000 in the grants line item in Section 1 is from the general fund for the purpose of providing grants to each federally recognized tribal government located within the state during the 2021-23 biennium. The Secretary of State may provide grants up to \$5,000 to each tribal government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

Department 108 - Secretary of State

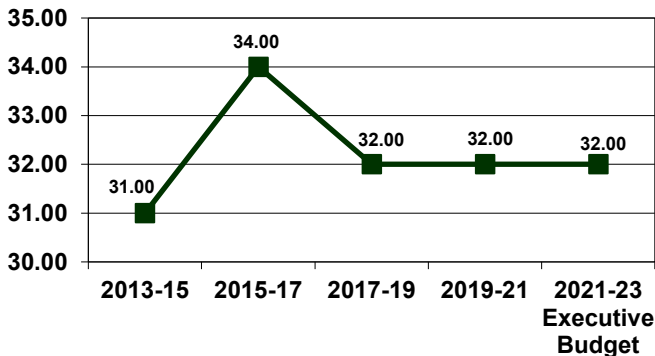
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



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

### Major Increases (Decreases) in Ongoing General Fund Appropriations

**2015-17 Biennium**

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

**2017-19 Biennium**

- 1. Removed 2 FTE positions and related funding (\$211,268)
- 2. Adjusted funding source from the general fund to the general services operating fund for 1 FTE position (\$106,823)
- 3. Adjusted funding for overtime and temporary salaries by reducing funding from the general fund but increasing special funds by \$200,000 (\$50,000)
- 4. Adjusted funding for operating expenses by \$81,856, including a decrease of \$262,100 from the general fund and increasing \$343,956 from the general services operating fund, of which \$118,956 is for information technology expenses (\$262,100)
- 5. Added funding for campaign disclosure software \$50,000

**2019-21 Biennium**

- 1. Reduced funding for public printing to provide a total of \$257,278 (\$31,172)
- 2. Adjusted funding for operating expenses by \$293,671, including a decrease of \$527,002 from the general fund and increasing \$820,673 from the general services operating fund (\$527,002)

**2021-23 Biennium (Executive Budget Recommendation)**

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

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

Subdivision 1.

SECRETARY OF STATE

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

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

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

Subdivision 3.

BILL TOTAL

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

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

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

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

**Section 54-09-05. Salary of secretary of state.** The annual salary of the secretary of state is ~~one hundred ten thousand five hundred eighty two dollars through June 30, 2020 and one hundred twelve thousand and seven hundred ninety-four dollars through June 30, 2022 and one hundred fifteen thousand fifty dollars thereafter.~~

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