

Department 108 - Secretary of State
House Bill No. 1002

Executive Budget Comparison to Prior Biennium Appropriations

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

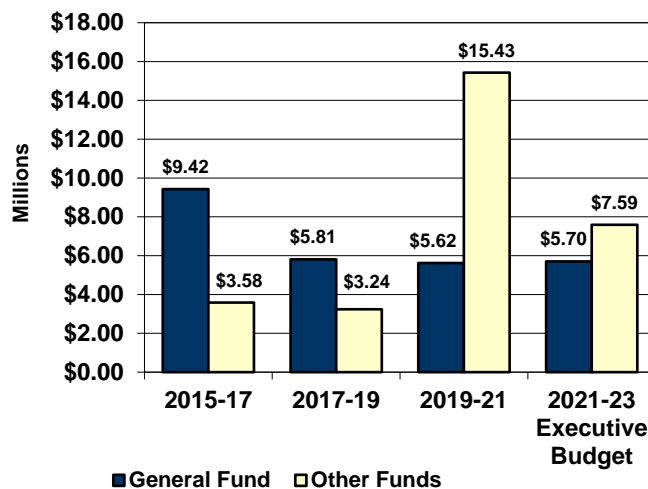
¹The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

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

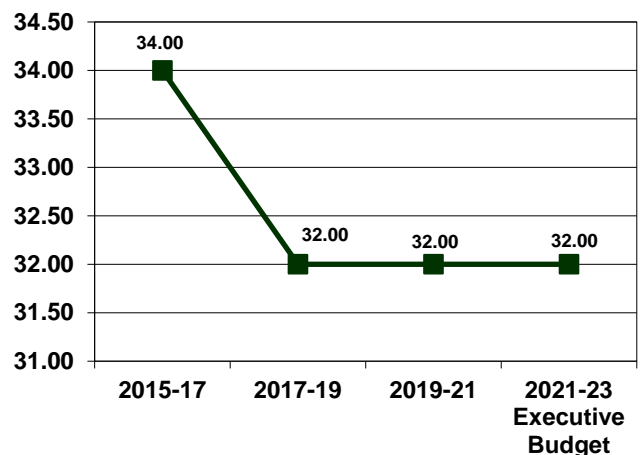
Ongoing and One-Time General Fund Appropriations

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

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

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

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

Executive Budget Highlights

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

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

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

Secretary of State's salary - Section 3 would provide the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective July 1, 2022, to reflect the 2 percent annual recommended salary increase.

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

Continuing Appropriations

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

Deficiency Appropriation

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

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

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

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

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

Other Sections in Secretary of State - Budget No. 108

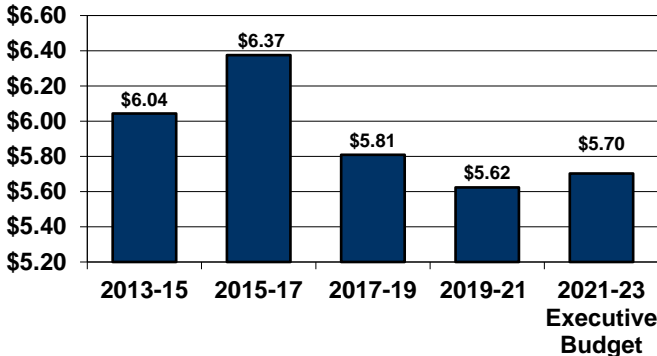
	Executive Budget Recommendation
Salary of Secretary of State	Section 3 would provide the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary would increase from the current level of \$110,582 to \$112,794, effective July 1, 2021, and to \$115,050, effective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

Department 108 - Secretary of State

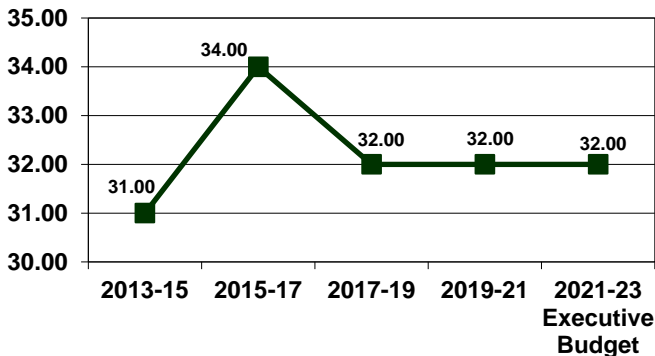
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 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 (\$255,425)
- 2. Adds funding for the proposed Capitol grounds state agency rent model change \$192,861

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

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

Subdivision 1.

SECRETARY OF STATE

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

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public Printing	\$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.