

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2002

2007 SENATE APPROPRIATIONS

SB 2002

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No 2002

Senate Appropriations

Check here for Conference Committee

Hearing Date: 01/16/07

Recorder Job Number

Committee Clerk Signature

Jane Parke

Minutes:

Chairman Holmberg opened the hearing on SB 2002.

Al Jaeger, Secretary of State, distributed written testimony on SB 2002. He presented an overview of the Secretary of State's Office and its accomplishments, discussed a letter from John Olsrud, Director ND Legislative Council, the public printing division, the governor's budget for his department, the FTE's, the general services operating fund, the election reform, an optional request for Migration to SOSKB, the contractual agreement with the Association of Counties.

Chairman Holmberg compliment the department on their rapid placement of having election results on line.

Chairman Holmberg closed the hearing on SB 2002, indicating he would carry the bill.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2002

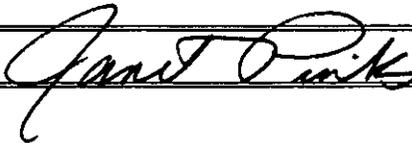
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01/25/09

Recorder Job Number: 1863

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2002, beginning with roll call.

Senator Wardner moved a **DO PASS** on SB 2002, **Senator Krebsbach** seconded the motion. No further discussion. A roll call vote was taken resulting in 13 yeas, 0 nay, 1 absent. Motion carried. **Chairman Holmberg** will carry the bill.

Hearing on SB 2002 closed.

FISCAL NOTE
 Requested by Legislative Council
 01/02/2007

Bill/Resolution No.: SB 2002

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$144,307	\$0	\$156,082	\$0	\$0	\$0
Appropriations	\$144,307	\$0	\$156,082	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 4 of SB 2002 pertains to the salary established in state law, NDCC 54-09-05, for the Secretary of State. It does not include an amount for any benefits. The required amount for the salary plus benefits is included in the salary and wages lines on the agency's budget request.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

See answer for 2A.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenue to cover the salary is appropriated from the state's general fund.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See 2A.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See 2A.

Name:	Al Jaeger	Agency:	Secretary of State
Phone Number:	328-3670	Date Prepared:	01/02/2007

Date: 1/25
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2002

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wardner Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	A		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 13 No —

Absent 1

Floor Assignment Holmberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 25, 2007 2:57 p.m.

Module No: SR-17-1263
Carrier: Holmberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2002: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2002 was placed on the
Eleventh order on the calendar.

2007 HOUSE APPROPRIATIONS

SB 2002

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2002

House Appropriations Committee
Government Operations Division

Check here for Conference Committee

Hearing Date: 2/22/07

Recorder Job Number: 3673

Committee Clerk Signature

Kanya Voegtle

Minutes:

Chairman Carlson opened the hearing on Senate Bill 2002.

Al Jaeger, Secretary of State, gave an overview of the agency. See testimony 2002.2.22.07 A.

Vice Chairman Carlisle: Is the money in hand for the Help America Vote Act position?

Al Jaeger: Yes.

Chairman Carlson: How much have you received so far?

Al Jaeger: About \$17million.

Chairman Carlson: Have we made commitments for the \$3.4million that we have not yet received?

Al Jaeger: No, not yet.

Vice Chairman Carlisle: Are there any other bills that you are tracking that will affect this budget?

Al Jaeger: 1340 and 2036.

Representative Skarphol: Do you have the manpower needed?

Al Jaeger: I will get temporary help if needed and we have the money if we need to do that.

Representative Skarphol: Would you benefit from a contingent FTE?

Al Jaeger: I really have not given it much thought. I think I would rather contract with temporary help at this point.

Vice Chairman Carlisle: Will you have any turn back?

Al Jaeger: Not much if any.

Chairman Carlson: Do you have the authority to carryover funds to the next biennium?

Al Jaeger: Most of our funds will be used.

Chairman Carlson: Do you have the authority for line item transfers?

Al Jaeger: We should have enough in operating we will not need to.

Vice Chairman Carlisle: Your optional requests, where are they on the green sheet or the bill?

Representative Skarphol: Number one on the green sheet.

Chairman Carlson: There really is not much change to your budget.

Al Jaeger: I do have one thing to bring up. The salaries that got entered into the original budget request were entered wrong. The salary line was short by \$53,598. This includes the 4 & 4 increases.

Carlisle requested a memo explaining the salary problems.

Representative Williams: So the \$53,598 is an additional request, is there anything else?

Al Jaeger: No: didn't ask for anything more. We are at 100% of the budget.

Chairman Carlson: Is your agency included in the equity pool?

Al Jaeger: I am assuming I am.

Representative Kroeber: \$19,232 from the General fund \$20,244 Total.

Chairman Carlson: Sandy. Can you explain to me how the equity pool is divided?

Sandy Paulson: It is determined by current classification, years of service, ect.

Chairman Carlson: I want to see how the Dept. of Human Services arrived at the numbers.

Representative Kroeber: The equity change would be done by the Dept. of Human Services.

Sandy Paulson: Yes.

Chairman Carlson: For example the North Dakota Highway Patrol, we put language in the bill that said that we are going to give the North Dakota Highway Patrol \$200,000 more for salary adjustments over and above the equity pool. When we asked Ken Purdy about that in the full committee, he said we will take that \$200,000 into affect when we are distributing the money. I don't want him to get his salary line to go up \$53,000 and have that adversely affect his 19,000.

Sandy Paulson: If he has increased salaries it may affect how much he receives from the equity pool.

Al Jaeger: Equity is not in my mind.

Chairman Carlson: Its going to happen and your people are going to know it is coming. You are going to want to make sure you know what is coming out of this pool.

Sandy Paulson: If he does get salary increases he may not get the whole \$19,000.

Representative Skarphol: The North Dakota Highway Patrol that the chairman referenced, and the \$200,000 that we put into their budget, says that it is not to supplant the money in the equity pool. We wanted to make sure that the Colonel could pay his officers to avoid outside sources taking them away.

Representative Kempenich: How are your turnover rates?

Al Jaeger: Our turnover rate is very low the only turnover recently has been due to retirements.

Chairman Carlson: Are these numbers for equity accurate?

Al Jaeger: Those are the numbers Tammy came up with.

Chairman Carlson requested an amendment be drafted for Representative Thoreson adding the \$53,598 for salaries.

Chairman Carlson: The Century Code Books, do we need 700 copies?

Al Jaeger: By buying the books we subsidize the free disks.

Representative Glassheim: Are all 700 books sent out?

Al Jaeger: Yes.

Chairman Carlson: What will the cost benefit be for the new computer system?

Al Jaeger: It will better serve our customers. It will also increase efficiency.

Representative Thoreson: You said North Carolina gave you access to the source code, did they develop the system?

Al Jaeger: Yes. We have an agreement with them saying that if our ITD comes up with new ideas for the system that we will share those ideas with them.

Representative Thoreson: Have you shopped around with any other states?

Al Jaeger: North Carolina gave the program to a number of different states and they held a consortium. What they found is that got taken over by a private vendor. They are supposed to all be sharing but what the private vendor did was he was going to one state and putting it into the system then go to another state and put in a system that is a little bit different and not compatible so we cut out the middle man and are working directly with North Carolina.

Representative Thoreson: Do you have the authority to change the source code?

Al Jaeger: They own the source code but we can make changes to it. We made sure that if we did make a change that we were covered.

Representative Skarphol: I think the cost associated with this project is due to the modifications that need to be made to the North Carolina system to fit North Dakota law.

Al Jaeger: It will be \$288million profit for the state.

Representative Kroeber: Are there any Secretary of State offices that are specially funded?

Al Jaeger: Yes Montana's Secretary of State Office is specially funded.

Representative Thoreson: How would the windfall work?

Al Jaeger: It would be redistributed back to the state.

Representative Thoreson: In the last Presidential election how many voted?

Al Jaeger: About 300,000.

Representative Skarphol requested a line item summary of how the \$17million was spent.

Representative Kempenich: What kind of life expectancy are we looking at for the equipment that was purchased for elections?

Al Jaeger: I think we are out several elections but I am not sure.

Sandy Paulson: Mr. Chairman, did you want the \$53,000 to be one-time?

Chairman Carlson: No. It will be for salaries so it will be ongoing.

Chairman Carlson closed the hearing.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2002

House Appropriations Committee
Government Operations Division

Check here for Conference Committee

Hearing Date: 3/12/07

Recorder Job Number: 4917

Committee Clerk Signature *Konija Voegele*

Minutes:

Vice Chairman Carlisle opened the hearing on Senate Bill 2002.

Representative Thoreson passed out amendment 78026.0101 and explained the amendment.

A motion was made by Representative Thoreson, seconded by Representative Skarphol to adopt amendment 78026.0101. Motion carried.

Al Jaeger, Secretary of State, reviewed the reclassification of employees that reflects the budget increase.

A motion was made by Representative Thoreson, seconded by Representative Glasheim for a DO PASS AS AMENDED recommendation to the full committee. The committee vote was 8 Yeas, 0 Nays and 0 Absent and Not Voting. The bill will be carried by Representative Thoreson.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2002

House Appropriations Committee

Check here for Conference Committee

Hearing Date: March 14, 2007

Recorder Job Number: 5091

Committee Clerk Signature

Holly N. Jones

Minutes:

Chm. Svedjan: This bill came to us from Government Operations. Who is carrying this bill?

Rep. Thoreson distributed amendment .0101 (Attachment A).

Rep. Thoreson motioned to adopt amendment .0101. Rep. Carlson seconded the motion.

Rep. Thoreson: This amendment does identify one time funding in the budget as we are doing throughout other budgets. It also, if you go to page 2 on the backside, it adds an additional \$53,598. This is due to an issue that arose where wage information was incorrectly keyed into bars before the budget was submitted to OMB. The error was discovered after the bill was heard and passed by the Senate. This amendment is to correct that error. I do have a memo from the Secretary of State explaining this. That is the reason for the change so we did add that additional \$53,598 to the budget to correct the error.

Chm. Svedjan: So otherwise you made no changes to the budget?

Rep. Thoreson: That is correct. The Senate did not change the budget and we felt that it was in decent shape. There was an issue with having money, about \$5 million, that would have come with the feds. If you look at your green sheet that is item 3 on there. There is an issue of

whether or not we will be getting an additional amount from the federal government. There may be some additional funds coming but they do not know for certain. We also do have a memo which was put together by the Secretary and sent to our Congressional delegation describing that (Attachment B). This is just an explanation on what ND has done in regards to that and the requests are in the bottom paragraph. He is requesting the appropriation for the fiscal year 2005. There is also an issue of some legal action being taken against the state of NY. The secretary explained to us that because we have completed the implement we could possibly receive some additional funds because the state of NY has not really done anything yet to start the process. So it is a possible litigation, if the funds are taken away from NY the states would be the benefactors. We would probably get a significant chunk of money. However, that is still a remote possibility at this time. However just for the committee's awareness that might be coming to us.

Chm. Svedjan: If it comes it will come before the emergency commission and budget sections. Just a question, there was a fiscal note prepared back in early January. It pertains to section 4 of the bill. That is a fiscal note dated January 2.

Rep. Thoreson: You will be seeing that in all of our budgets where we have to change the salaries for the elected officials. So that will be part of every bill we carry.

The motion to adopt amendment .0101 carried by voice vote and the amendment was adopted.

Rep. Thoreson motioned for a Do Pass as Amended. Rep. Carlisle seconded the motion.

The motion carried by a roll call vote of 21 ayes, 0 nays and 3 absent and not voting.

Rep. Thoreson was designated to carry the bill.

78026.0101
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Thoreson
February 23, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2002

- Page 2, line 7, replace "280,923" with "334,521"
- Page 2, line 11, replace "(\$3,142,302)" with "(\$3,088,704)"
- Page 2, line 13, replace "847,753" with "901,351"
- Page 2, line 18, replace "824,253" with "877,851"
- Page 2, line 20, replace "(\$3,165,802)" with "(\$3,112,204)"
- Page 2, line 29, replace "2,583,525" with "2,637,123"

- Page 3, line 2, replace "10,964,089" with "11,017,687"
- Page 3, line 4, replace "5,010,116" with "5,063,714"
- Page 3, line 9, replace "5,313,616" with "5,367,214"
- Page 3, line 11, replace "11,267,589" with "11,321,187"
- Page 3, after line 11, insert:

"SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$824,153 for a mainframe migration computer project which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The secretary of state shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State				
Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687
Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
Public Printing				
Total all funds	\$303,500	\$303,500	\$0	\$303,500
Less estimated income				
General fund	\$303,500	\$303,500	\$0	\$303,500
Bill Total				
Total all funds	\$11,267,589	\$11,267,589	\$53,598	\$11,321,187
Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,313,616	\$5,313,616	\$53,598	\$5,367,214

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,583,525	\$2,583,525	\$53,598	\$2,637,123
Operating expenses	2,883,334	2,883,334		2,883,334
Petition review	8,000	8,000		8,000
Election reform	<u>5,489,230</u>	<u>5,489,230</u>		<u>5,489,230</u>
Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687
Less estimated income	<u>5,953,973</u>	<u>5,953,973</u>		<u>5,953,973</u>
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
FTE	27.00	27.00	0.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	ADDS SALARY FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	\$53,598	\$53,598
Operating expenses		
Petition review		
Election reform		
Total all funds	\$53,598	\$53,598
Less estimated income		
General fund	\$53,598	\$53,598
FTE	0.00	0.00

¹ Funding is added to continue the salary levels for employees that received salary adjustments or reclassifications during the 2005-07 biennium.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

Date: 3/14/07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2002

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78026.0101

Action Taken Adopt Amendment 0101

Motion Made By Thoreson Seconded By Carlson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voices Vote - carries

House Amendments to SB 2002 (78026.0102) - Appropriations Committee 03/15/2007

Page 1, line 2, remove the second "and"

Page 1, line 3, after "state" insert "; and to provide for a report to the legislative assembly"

House Amendments to SB 2002 (78026.0102) - Appropriations Committee 03/15/2007

Page 2, line 7, replace "280,923" with "334,521"

Page 2, line 11, replace "\$3,142,302" with "\$3,088,704"

Page 2, line 13, replace "847,753" with "901,351"

Page 2, line 18, replace "824,253" with "877,851"

Page 2, line 20, replace "\$3,165,802" with "\$3,112,204"

Page 2, line 29, replace "2,583,525" with "2,637,123"

House Amendments to SB 2002 (78026.0102) - Appropriations Committee 03/15/2007

Page 3, line 2, replace "10,964,089" with "11,017,687"

Page 3, line 4, replace "5,010,116" with "5,063,714"

Page 3, line 9, replace "5,313,616" with "5,367,214"

Page 3, line 11, replace "11,267,589" with "11,321,187"

Page 3, after line 11, insert:

"SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$824,153 for a mainframe migration computer project which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The secretary of state shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687

Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
Public Printing				
Total all funds	\$303,500	\$303,500	\$0	\$303,500
Less estimated income				
General fund	\$303,500	\$303,500	\$0	\$303,500
Bill Total				
Total all funds	\$11,267,589	\$11,267,589	\$53,598	\$11,321,187
Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,313,616	\$5,313,616	\$53,598	\$5,367,214

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,583,525	\$2,583,525	\$53,598	\$2,637,123
Operating expenses	2,883,334	2,883,334		2,883,334
Petition review	8,000	8,000		8,000
Election reform	5,489,230	5,489,230		5,489,230
Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687
Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
FTE	27.00	27.00	0.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	ADDS SALARY FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	\$53,598	\$53,598
Operating expenses		
Petition review		
Election reform		
Total all funds	\$53,598	\$53,598
Less estimated income		
General fund	\$53,598	\$53,598
FTE	0.00	0.00

¹ Funding is added to continue the salary levels for employees that received salary adjustments or reclassifications during the 2005-07 biennium.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

Date: 3/14/07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2002

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78026.0101

Action Taken No Pass As Amended by .0101

Motion Made By Thoreson Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleason	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 21 No 0

Absent 3

Floor Assignment Thoreson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2002: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2002 was placed on the Sixth order on the calendar.

Page 1, line 2, remove the second "and"

Page 1, line 3, after "state" insert "; and to provide for a report to the legislative assembly"

Page 2, line 7, replace "280,923" with "334,521"

Page 2, line 11, replace "(\$3,142,302)" with "(\$3,088,704)"

Page 2, line 13, replace "847,753" with "901,351"

Page 2, line 18, replace "824,253" with "877,851"

Page 2, line 20, replace "(\$3,165,802)" with "(\$3,112,204)"

Page 2, line 29, replace "2,583,525" with "2,637,123"

Page 3, line 2, replace "10,964,089" with "11,017,687"

Page 3, line 4, replace "5,010,116" with "5,063,714"

Page 3, line 9, replace "5,313,616" with "5,367,214"

Page 3, line 11, replace "11,267,589" with "11,321,187"

Page 3, after line 11, insert:

"SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$824,153 for a mainframe migration computer project which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The secretary of state shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Secretary of State				
Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687
Less estimated income	5,953,973	5,953,973		5,953,973
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
Public Printing				
Total all funds	\$303,500	\$303,500	\$0	\$303,500
Less estimated income				

General fund	\$303,500	\$303,500	\$0	\$303,500
Bill Total				
Total all funds	\$11,267,589	\$11,267,589	\$53,598	\$11,321,187
Less estimated income	<u>5,953,973</u>	<u>5,953,973</u>		<u>5,953,973</u>
General fund	\$5,313,616	\$5,313,616	\$53,598	\$5,367,214

Senate Bill No. 2002 - Secretary of State - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,583,525	\$2,583,525	\$53,598	\$2,637,123
Operating expenses	2,883,334	2,883,334		2,883,334
Petition review	8,000	8,000		8,000
Election reform	<u>5,489,230</u>	<u>5,489,230</u>		<u>5,489,230</u>
Total all funds	\$10,964,089	\$10,964,089	\$53,598	\$11,017,687
Less estimated income	<u>5,953,973</u>	<u>5,953,973</u>		<u>5,953,973</u>
General fund	\$5,010,116	\$5,010,116	\$53,598	\$5,063,714
FTE	27.00	27.00	0.00	27.00

Dept. 108 - Secretary of State - Detail of House Changes

	ADDS SALARY FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	\$53,598	\$53,598
Operating expenses		
Petition review		
Election reform		
Total all funds	<u>\$53,598</u>	<u>\$53,598</u>
Less estimated income		
General fund	\$53,598	\$53,598
FTE	0.00	0.00

¹ Funding is added to continue the salary levels for employees that received salary adjustments or reclassifications during the 2005-07 biennium.

A section is added identifying the one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

2007 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2002

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2002

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-04-07

Recorder Job Number: 5754

Committee Clerk Signature



Minutes:

Senator Krebsbach call the conference committee to order on HB 2002 with roll call, all were present.

Senator Krebsbach indicated the main thing we want to know is the House has a request that they would like to address.

Representative Thoreson indicated the change the House made on SB 2002 with the addition of \$53,598 for the wage and salaries line and you should have a copy of the memorandum that was prepared by the Secretary of State on February 22 where there was an explanation made for this change. He indicated that inadvertently some wage information was not correctly put into the bar system prior to the budget being prepared and the error was discovered once the bill was heard and passed by the Senate. The House took this information, added that amount to the bill and that was the change made to SB 2002.

Senator Krebsbach asked for any discussion from the committee regarding the letter or to what they did to the bill when it went to the House.

Representative Thoreson indicated they also added a section in the amendments that identifies one time funding, boiler plate language, which will be reported to the 61st Legislative Assembly.

SB
2002
4-4-07

Senator Wardner indicated the only thing he did was add the money and boiler plate language and it was simply because the money was left out, we do have the memorandum here with it on.

Representative Clark indicated this was a technical error which happens in the budgeting process. There is nothing devious about it and the other change is what is added to all the bills in the House. I would suggest we accept this and we would not have to meet again.

Senator Wardner agreed.

Senator Wardner moved the Senate accede to the House amendments, Seconded by Representative Thoreson. Discussion was held

Senator Lindaas questioned how this happened.

Al Jaeger, Secretary of State, testified indicating it was an oversight because some was entered incorrectly. He didn't realize the error until after the Senate approved it and the 4/4 bill was done and he was attempting to reconcile the numbers. The error impacts the staff very directly. Fortunately we caught it.

A roll call vote was taken resulting in 6 yes votes.

Senator Krebsbach closed the conference committee and absolved the committee.

1121-1122

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 2002, as (re)engrossed):

Date: 4/4-07

Your Conference Committee _____

For the Senate:

For the House:

	<i>yes</i>					<i>yes</i>		
<i>Thoreson</i>	<input checked="" type="checkbox"/>				<i>Lindaas</i>	<input checked="" type="checkbox"/>		
<i>Carlisle</i>	<input checked="" type="checkbox"/>			<i>Choir</i>	<i>Krebs</i>	<input checked="" type="checkbox"/>		
<i>Clark</i>	<input checked="" type="checkbox"/>				<i>ward</i>	<input checked="" type="checkbox"/>		

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____ and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

HOUSE CARRIER: _____

SENATE CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT: ___ YES ___ NO ___ ABSENT

REPORT OF CONFERENCE COMMITTEE

SB 2002: Your conference committee (Sens. Krebsbach, Lindaas, Wardner and Reps. Thoreson, Carlisle, Clark) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1121-1122 and place SB 2002 on the Seventh order.

SB 2002 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

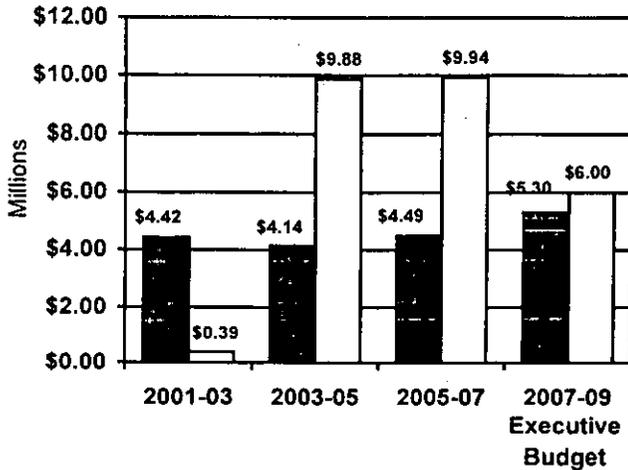
SB 2002

Department 108 - Secretary of State
Senate Bill No. 2002

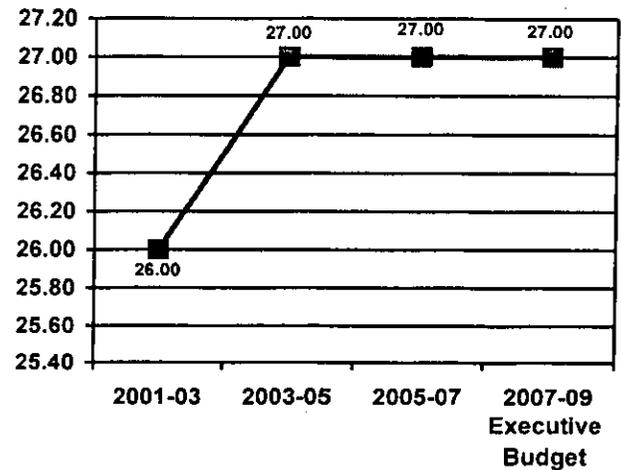
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	27.00	\$5,313,616	\$5,953,973	\$11,267,589
2005-07 Legislative Appropriations	27.00	4,489,363	9,944,028	14,433,391
Increase (Decrease)	0.00	\$824,253	(\$3,990,055)	(\$3,165,802)

NOTE: The amounts on the schedule above include funding for public printing. The 2007-09 executive budget includes \$303,500 from the general fund for public printing, \$23,500 less than the 2005-07 legislative appropriation of \$327,000.

Agency Funding



FTE Positions



■ General Fund □ Other Funds

First House Action

The Senate did not change the executive budget recommendation for the Secretary of State.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for continuing the Secretary of State's mainframe migration computer project (executive budget identified as one-time funding)	\$824,153		\$824,153
2. Removes funding provided in 2005-07 for migrating the Secretary of State's information technology data base to a more current platform	(\$125,000)		(\$125,000)
3. Reduces grants for federal election reform to \$200,000	(\$76,100)	(\$5,246,769)	(\$5,322,869)
4. Increases federal funds for data processing relating to federal election reform		\$1,200,578	\$1,200,578

Other Sections in Bill

Section 4 of this bill 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 \$73,568 to \$76,511, effective July 1, 2007, and to \$79,571, effective July 1, 2008, to reflect the 4 percent and 4 percent recommended salary increase.

Continuing Appropriations

There are no continuing appropriations for this agency.

Major Related Legislation

Senate Bill No. 2036 - This bill provides that the Secretary of State license professional employer organizations and provides that the license fee collections be deposited in the Secretary of State's general services operating fund.

House Bill No. 1340 - This bill allows for a corporate governance structure for certain publicly traded corporations and requires an annual report and fees to be filed with the Secretary of State.

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.nd.gov/sos



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

January 16, 2007

*Same
given to House*

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

FR: Al Jaeger, Secretary of State

RE: SB 2002 – Appropriation for the Secretary of State

1. Agency Overview and Accomplishments
2. Public Printing – Subdivision 2
 - 2005-2007 \$ 336,000
 - 2007-2009 \$ 303,500
3. Secretary of State – Subdivision 1
 - General Fund
 - a. FTE – 26
 - b. Contracted Employees
 - c. Revenue and Expenditure History
 - d. History of Agency Services June 1995 to June 2006
 - General Services Operating Fund (N.D.C.C. § 54-09-08)
SB 2036 HB 1340
 - Election Reform – Federal
FTE – 1
3. Optional Request – Migration to SOSKB – One Time Expenditure



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SEC. OF STATE

North Dakota Legislative Council

STATE CAPITOL, 600 EAST BOULEVARD, BISMARCK, ND 58505-0360 (701) 328-2916 TTY: 1-800-366-6888

Bob Stenehjem
State Senator
Chairman

JOHN D. OLSRUD
Director

JAY E. BURINGRUD
Assistant Director

JIM W. SMITH
Legislative Budget
Analyst & Auditor

JOHN WALSTAD
Code Revisor

June 9, 2006

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

Dear Mr. Jaeger:

As you know, the Legislative Council is responsible for preparing the material for and supervising the publication of the North Dakota Century Code, the North Dakota Administrative Code, and the North Dakota Session Laws. The purpose of this letter is to notify you of the estimated costs for the 2007-09 biennium so you can include a sufficient amount in your budget request for these purposes.

During the 2005-07 biennium, cost estimates for the North Dakota Century Code purchases in your budget were based on the state maintaining 700 sets of the code. As we are not aware of any reason to change the number of sets needed, we are continuing to base our estimates on maintaining 700 code sets for the 2007-09 biennium.

During the 2007-09 biennium, we have tentatively identified Volumes 1A, 7B, 9A, 10A, and 10B of the North Dakota Century Code for replacement. The Court Rules Annotated volume is published in a softbound volume that must be replaced each biennium. These replacement volumes must be published to avoid increased costs for supplements and the eventual need to replace the entire Century Code. Replacement of volumes also makes the Century Code more easily usable for the public. Based on cost estimates furnished by LexisNexis, \$133,000 will be needed to purchase 700 sets of replacement Volumes 1A, 7B, 9A, 10A, and 10B and \$28,000 will be needed to purchase 700 sets of the Court Rules Annotated volume.

Based on LexisNexis estimates, \$93,100 will be needed to purchase 700 sets of the 2007 pocket supplements, \$35,000 will be needed to purchase 700 sets of the 2007 general index, and \$13,650 will be needed to purchase 700 sets of the Court Rules supplements. We are recommending that the state not purchase 700 sets of the Advance Code Service, which will result in a savings of \$28,000.

The estimated costs for North Dakota Century Code updates for the 2007-09 biennium total \$302,750. In the letter of estimated costs from Ms. Leigh R. Trippe, Vice President of Government Relations and Contracts, LexisNexis (copy enclosed), it is stated that LexisNexis offers state government subscribers a 25 percent discount. Application of this discount will reduce estimated expenditures for 2007-09 North Dakota Century Code updates to \$227,062.50.

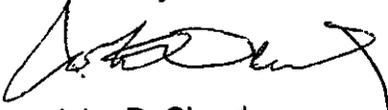
Based on the expenditures for the last two bienniums, North Dakota Administrative Code printing and mailing costs have been variable so estimating these costs is rather difficult. As you know, these costs depend on the volume of rules adopted by agencies, and there is no way to reliably predict what that will be. For the 2005-07 biennium, Administrative Code monthly average costs were \$1,533.52 for printing and \$223.53 for mailing and miscellaneous expenses. It appears costs for this biennium are somewhat reduced and we now do quarterly publication and mailing, rather than monthly. We believe it would be appropriate to reduce average cost estimates for the 2007-09 biennium by a net reduction of 20 percent in printing and mailing costs. This would mean average monthly costs would be anticipated to be \$1,226 for printing and \$178 for mailing. Based on these estimates, your budget will require Administrative Code printing costs of \$29,424 and mailing costs of \$4,272. You may want to consider whether you are comfortable with the estimated reduced costs and adjust these amounts accordingly.

We estimate that \$34,100 will be required to cover printing, binding, and mailing costs for the 2007 North Dakota Session Laws. This amount is based on the 2005 expenditure plus an increase of 10 percent and should include having Session Laws volumes mailed to purchasers by the printer to avoid the burden on your office of doing these mailings.

We respectfully request that you include \$294,859 in your budget request for the 2007-09 biennium for publication and printing costs for the North Dakota Century Code, North Dakota Administrative Code, and North Dakota Session Laws and postage and mailing costs for the North Dakota Administrative Code and North Dakota Session Laws. This is a significant reduction from the comparable amount we recommended for these expenses for the 2005-07 biennium. We are pleased to report that this is the third consecutive biennium of significantly reduced costs for these budget items. We are not in a position to make any suggestions regarding the other costs that must be included in the public printing line item of your budget, including the costs of individual volumes to update old sets of the Century Code, the new sets of the Century Code required for new members of the Legislative Assembly, and postage and mailing costs for the Century Code. Therefore, those costs are not included in our estimates.

Thank you for your attention to these matters. Please contact this office if you have any questions. We are sending a copy of this letter to Ms. Pam Sharp, Director of the Office of Management and Budget, for her information.

Sincerely,



John D. Olsrud
Director

JDO/AL

Enc.

cc: Ms. Pam Sharp
Ms. Leigh R. Trippe

PROGRAM NARRATIVE
00108 SECRETARY OF STATE

Version: 2007B0100108

12/14/2006

Page 1 of 9
Date:
Time: 14:50:15

Program: SECRETARY OF STATE OPERATIONS

Reporting Level: 00-108-100-00-00-00000000

PROGRAM PERFORMANCE MEASURES

Currently, the agency does not utilize a formal performance measuring management system. However, all of the agency's processes and programs are constantly monitored as to effectiveness, efficiency, customer service, compliance with law, etc.

PROGRAM STATISTICAL DATA

History of Revenue and Expenditures for the past six budget cycles

Revenue

1991/1993 - \$ 3,590,061
1993/1995 - \$ 4,007,416 increased 11.6% over previous biennium
1995/1997 - \$ 4,342,289 increased 8.4% over previous biennium
1997/1999 - \$ 4,912,970 increased 13.1% over previous biennium
1999/2001 - \$ 5,953,504 (general \$5,555,610; * special \$333,036) increased 21.2% over previous biennium
2001/2003 - \$ 6,277,698 (general \$5,869,160; * special \$371,868) increased 5.5% over previous biennium
2003/2005 - \$6,716,245 (general \$6,289,108; * special \$401,305) increased 7.0% over previous biennium
2005/2007 - Estimated - \$7,175,500 (general \$6,710,500, * special \$465,000) projected increase of 6.8% over previous biennium.

* The 1999 Legislative Assembly authorized a General Services Operating Fund for the agency's "retail" trade. At the end of the 2003/2005 biennium, the agency transferred \$39,452 to the state's general fund, which was the uncommitted amount over \$75,000.

Expenditures

1991/1993 - \$ 3,623,237
1993/1995 - \$ 2,781,394 decreased 23.2% from previous biennium

Program: SECRETARY OF STATE OPERATIONS

Reporting Level: 00-108-100-00-00-000000000

- 1995/1997 - \$ 2,721,385 decreased 2.2% from previous biennium
- 1997/1999 - \$ 2,839,345 increased 4.3% over previous biennium
- 1999/2001 - \$ 3,545,065 increased 24.8% over previous biennium (see note # 1)
- 2001/2003 - \$ 3,961,253 increased 11.7% over previous biennium (see note # 2)
- 2003/2005 - \$ 4,146,332 increased 4.7% over previous biennium

Note # 1 - Because of a system wide reallocation by ITD of the costs related to the statewide area network connecting the agency and the state's fifty-three counties for the operation of the central indexing system, the budget was increased by \$300,000 from \$75,000 to \$375,000, accounting for 39% of the increase. Another \$197,000, or 26% of the increase, was for salaries as approved by the legislature, emergency commission, and the budget section. Most of the remaining \$264,000, or 35% of the increase was for increased expenses related to services provided by ITD and other technology related expense as approved by the legislature, emergency commission, and the budget section. Almost half of that amount was directly related to the cost of providing the increased demand for agency information as authorized through the agency's general services operating fund, with those expenses being covered by the revenue generated to that account.

Note # 2 - ITD again reallocated costs related to the statewide area network resulting in another \$175,000 increase added to the agency's budget.

Summary: Using 1991/1993 biennium as the base year inherited by the present agency administration and through the 2003/2005 biennium, the agency's revenue has increased by 87.0%. During the same period, the expenditures increased by only 14.4%.

Demand for Services

The demand for the agency's services has grown steadily during the period beginning June 30, 1995, and ending June 30, 2006. This is in direct relationship to the net increase in filings and registrations as listed below.

	June 30, 1995	June 30, 2006	Percentage Increase/decrease
Contractors	4,701	6,866	+46%
Charitable Solicitation	559	1,926	+244%
Notary Publics	10,419	11,631	+12%
ND For-profit corporations	10,734	13,074	+22%
ND Cooperatives	434	347	-20%

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ND Professional corporation	552	854	+55%
Foreign For-profit corporations	7,307	11,682	+60%
Foreign cooperatives	45	68	+51%
Limited Liability Companies (all)	441	6,705	+1,420%
Limited Liability partnerships (all)	13	2,174	+16,623%
Limited Partnerships (all)	864	1,664	+93%
Limited Liability Limited Partnerships	0	343	+461%
Partnership Fictitious Names	1,362	1,727	+27%
Trademarks	1,286	1,504	+17%
Trade names	3,565	17,828	+400%
ND non-profit corporations *	0	7,184	+7,184%
Foreign non-profit corporations *	0	1,576	+1,576%
Total	42,282	87,153	+106%

*Prior to 1997, non-profit corporations were not required to file an annual corporate report. Therefore, the agency is processing an additional 8,012 filings that it did not process five years ago.

Even though the agency is processing an additional 35,500 documents a year since the 1995 benchmark, its FTE authorization has only increased 2.0 FTE from 24 FTE on June 30, 1995, to its present authorized FTE of 26.0 in effect since July 1, 2001.

EXPLANATION OF PROGRAM COSTS

For the 2005-2007 biennium, the appropriated salary line represented approximately 54% of the agency's total general fund spending authority.

The appropriated operating line for 2005-2007 represented approximately 41% of the agency's total general fund spending authority. Of that amount,

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00108 SECRETARY OF STATE

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approximately 72% of the operating line was budgeted for payments to the state's Information Technology Division (ITD). Another 6% of the operating line was used for expenses related to information technology, e.g., programming, software, and hardware. The remaining 22% is spread among other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency also has a general service fund, which is the retail account for information sold by the agency. Approximately 89% of that budget is to cover expenses related to the technology for providing the requested information.

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

1. The agency's budget supports the statewide Central Indexing System (CIS) area network connecting the agency and the state's fifty-three county Recorder offices. The budget supports the maintenance of the database housed on the state's mainframe computer, which database is currently being migrated to a new database. The CIS contains approximately 288,000 active files related to various personal property liens.
2. The agency's budget supports a database of approximately 160,000 names on an IBM AS/400 computer for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming, which is only available from a private vendor. For 2007-2009, the agency is submitted an optional request to allow the migration of the database to a Secretary of State Knowledge Base (SOSKB) system.
3. The agency's budget supports an Internet web site and covers associated expenses.

PROGRAM GOALS AND OBJECTIVES

To be the least complicated and most accessible agency in state government.

Chapter Six (D)

SUMMARY OF REVENUE, APPROPRIATIONS, AND EXPENDITURES - BIENNIAL HISTORY

	1993-1995	1995-1997	1997-1999	1999/2001	2001/2003	2003/2005
REVENUE – General Fund						
Administration	\$ 10,163	\$ 18,170	\$ 2,203	\$ 2,287	\$ 787	78
Business Registration	1,904,359	2,240,551	2,770,809	3,213,566	3,345,569	3,755,522
Central Indexing UCC/CNS.....	1,534,580	1,331,659	1,298,898	1,518,001	1,650,205	1,581,727
Licensing.....	556,024	749,093	839,164	820,343	870,743	944,749
Elections	<u>2,290</u>	<u>2,816</u>	<u>1,896</u>	<u>1,413</u>	<u>1,856</u>	<u>7,032</u>
Subtotal	<u>\$ 4,007,416</u>	<u>\$ 4,342,289</u>	<u>\$ 4,912,970</u>	<u>\$ 5,555,610</u>	<u>\$ 5,869,160</u>	<u>\$ 6,289,108</u>
REVENUE – General Services Operating Fund						
Business Registration/Info	0	0	0	\$ 89,596	\$ 103,198	115,840
Central Indexing.....	0	0	0	242,245	268,260	284,1400
Licensing.....	0	0	0	1,173	410	0
Elections	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>	<u>0</u>	<u>1,3250</u>
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 333,036</u>	<u>\$ 371,868</u>	<u>\$ 401,305</u>
Central Indexing Surcharge	0	192,057	0	0	0	0
Public Printing (General Fund)	<u>59,921</u>	<u>64,459</u>	<u>78,162</u>	<u>64,858</u>	<u>36,670</u>	<u>25,832</u>
Total Revenue	<u>\$ 4,067,337</u>	<u>\$ 4,598,805</u>	<u>\$ 4,991,132</u>	<u>\$ 5,953,504</u>	<u>\$ 6,277,698</u>	<u>\$ 6,716,245</u>
APPROPRIATIONS						
Salaries.....	\$ 1,448,489	\$ 1,540,419	\$ 1,692,780	\$ 1,899,778	\$ 2,120,200	\$ 2,153,618
Operating Expenses	611,489	1,203,200	1,140,190	1,713,490	2,148,290	2,070,226
Information Services Division..	1,023,938	0	0	0	0	0
Equipment.....	167,000	65,000	39,000	84,000	8,445	0
Petition Review	17,000	14,000	2,000	12,000	12,000	8,000
Limited Liability Implementation	5,000	0	0	0	0	0
Grants.....	0	0	0	0	0	0
Contingency.....	0	0	0	0	0	0
Central Indexing System.....	0	0	0	0	21,000	0
Election Reform	0	0	0	0	150,000	9,578,364
Risk Management Premium.....	<u>8,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal.....	<u>\$ 3,280,984</u>	<u>\$ 2,822,619</u>	<u>\$ 2,873,970</u>	<u>\$ 3,709,268</u>	<u>\$ 4,459,935</u>	<u>\$ 13,810,208</u>
Presidential Preference.....	0	275,000	0	0	0	0
Public Printing.....	<u>366,500</u>	<u>421,974</u>	<u>442,000</u>	<u>535,200</u>	<u>502,666</u>	<u>336,000</u>
Total Appropriations	<u>\$ 3,647,484</u>	<u>\$ 3,519,593</u>	<u>\$ 3,315,970</u>	<u>\$ 4,244,468</u>	<u>\$ 4,962,601</u>	<u>\$ 14,146,208</u>
EXPENDITURES						
Salaries.....	\$ 1,344,150	\$ 1,535,163	\$ 1,675,050	\$ 1,822,738	\$ 2,018,802	\$ 2,121,564
Operating Expenses	455,018	1,117,823	1,124,831	1,642,030	1,880,540	2,020,947
Information Services	800,841	0	0	0	0	0
Equipment.....	156,811	63,426	38,514	80,297	8,148	0
Petition Review	11,505	4,973	949	0	6,127	3,821
Grants.....	0	0	0	0	0	0
Limited Liability Implementation	5,000	0	0	0	0	0
Contingency.....	0	0	0	0	0	0
Central Indexing System.....	0	0	0	0	21,000	0
Election Reform	0	0	0	0	26,636	4,278,705
Risk Management.....	<u>8,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal.....	<u>\$ 2,781,393</u>	<u>\$ 2,721,385</u>	<u>\$ 2,839,344</u>	<u>\$ 3,545,065</u>	<u>\$ 3,961,253</u>	<u>\$ 8,425,037</u>
Central Indexing Surcharge	0	191,927	0	0	0	0
Presidential Preference.....	0	197,650	0	0	0	0
Public Printing.....	<u>351,160</u>	<u>363,972</u>	<u>441,954</u>	<u>346,722</u>	<u>416,832</u>	<u>318,082</u>
Total Expenditures	<u>\$ 3,132,553</u>	<u>\$ 3,474,934</u>	<u>\$ 3,281,298</u>	<u>\$ 3,891,787</u>	<u>\$ 4,378,085</u>	<u>\$ 8,743,119</u>

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January 16, 2007

Secretary of State Migration of Operational System – Optional Request

The Secretary of State's operational database is housed on an AS/400 operating system. Created 17 years ago, the system has an underlying operating platform (or chassis) that is no longer efficient or adaptable to today's technology.

In addition, there are only a few qualified system programmers available within the community. Therefore, the agency's present AS/400 platform is expensive to maintain and always a challenge to change when required by legislative action.

The system is not cost-effective for expanding and enhancing the services offered to the public and other state agencies. The current base platform does not have the capability of easily utilizing the latest in technology. For example, to offer Automatic Clearing House (ACH) services on the AS/400 is prohibitive.

For several legislative sessions, ITD has recommended the agency make a change in its operational platform. The cost, however, to make the switch has been prohibitive and estimated as high as several million dollars. Fortunately, that has changed. Cost has been reduced and technological options have greatly increased.

The need to migrate to a different platform is imperative if the agency is to process the increased number of filings, maintain productivity and provide its customers with the electronic services they desire. The State Information Technology Advisory Committee (SITAC) gave the project a high ranking. The project will also benefit many other state agencies and allow for innovative sharing of resources that will have economic development benefits to the state and its citizens.

The proposed replacement system is Secretary of State Knowledge Base (SOSKB). It was created by the North Carolina Secretary of State's office, which has made the source code available to North Dakota at no cost. In return, we have a joint development agreement whereby the two respective states share in all enhancements to the system. This is already being done with the transfer of the agency's Central Indexing System from ITD's mainframe computer (a mandated move) to SOSKB. The funding for the transfer was provided in the agency's current budget.

The optional request in the Governor's recommended budget will allow the agency to move the balance of its operations from the AS/400 to SOSKB. The move will allow the agency to increase productivity and provide enhanced customer services, which can be quantified.

As stated earlier, the migration would have benefit for the numerous other state agencies that regularly access and rely on the agency's database. As required by state law, all businesses have an initial filing requirement with the Secretary of State's office before they can obtain permits, licenses, etc. from other state agencies. Therefore, the new system would provide a technology base that would better allow the sharing of information with other agencies and could present a one-stop entry for citizens interacting with state agencies. Currently, several agencies are funding a feasibility study, which is scheduled for completion before adjournment, for a project titled the North Dakota Business Development Engine.

As to the agency's internal operations, it is conservatively estimated by ITD * that the agency could process an business entity annual report 25 times faster by reducing the number of times the document is physically handled in processing and filing. (* This is a conservative estimate based on ITD's experience with DOT and Tax Department processing systems.)

For example, a single annual report is now physically handled a minimum of eight times and depending on distribution of workload, it can be handled two to four additional times. A document could easily be hand-carried between 500 and 1,000 feet before required tasks necessary for the filing the documents are completed.

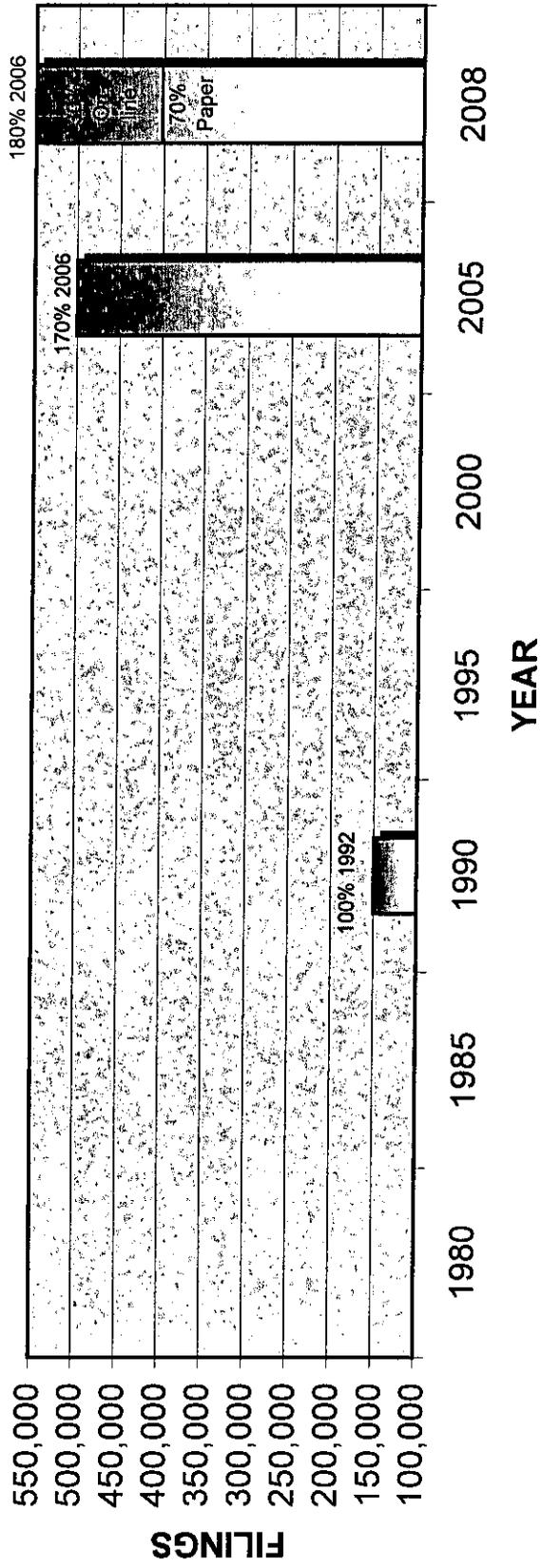
With the new system, the document would be scanned immediately upon receipt and processed electronically from any workstation located within the office. If the increased processing efficiency is multiplied by the nearly 500,000 documents that the agency processes during the biennium, the savings in time and resources become significant.

A new platform would also give customers the option of filing documents electronically and paying the applicable filing fees in a paperless manner, which also eliminates the need for any physical handling of the payment or the hard copy of a report.

The project is important for the following reasons.

1. Regardless of the system, funds will be expended. The choice is whether to maintain or upgrade the present antiquated system as best we can or invest those same funds on a new system that is faster and more adaptable.
2. Although the present system can be upgraded, its operating platform can never reach the level of efficiency, as a new platform would allow.
3. The opportunity is available now to leverage funds at a fraction of previous cost estimates in order to accomplish the migration. With the processing time being reduced with the new system, it will be possible to decrease overtime costs, which are now needed in order to meet statutory deadlines.
4. With the increased workload of 106% since the 1995 base year used in the budget request, it is becoming more difficult to process reports in a timely manner and increasing the number of FTE's is not an option because, even if it were approved, the agency would not have the space to house them.
5. A transition will take time. However, the agency has several staff members nearing retirement age and with increasing processing efficiencies, restructuring becomes a viable option.
6. In a technology audit, dated July 25, 2003, the State Auditor recommended several changes to the agency's processing procedures and database. The agency has not yet implemented many of those recommendations because the funds would be expended on an obsolete system, which are already available in SOSKB.
7. Software manufacturers recognize the importance of tracking performance. Although the present system can be used for tracking, the process is complex and convoluted. In SOSKB, the tracking is already programmed into the system.
8. It is difficult to justify spending funds on a system that is being recommended for replacement.

SECRETARY OF STATE'S BUSINESS FILINGS





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February 5, 2007

✓ The Honorable Kent Conrad
United States Senator

The Honorable Byron Dorgan
United States Senator

The Honorable Earl Pomeroy
United States Congressman

Dear Senator Conrad, Senator Dorgan, and Congressman Pomeroy,

In October 2002, the Help American Vote Act (HAVA) became law. The 2003 North Dakota Legislative Assembly was only weeks away from convening and we had to hustle to draft the bills that needed to become law in order to allow North Dakota to begin implementing the provisions of HAVA. We knew we could not wait until the 2005 session.

The legislature was very cooperative. With their support, along with that from county election officials and many others since that legislative session, North Dakota successfully implemented all of the required HAVA provisions in accordance with the applicable timelines. In 2004 and 2006 (full implementation), we had successful elections using the new voting system. However, that is no surprise. North Dakotans always work together to get the job done.

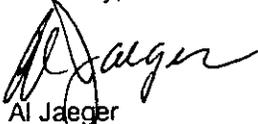
While we have done our part, Congress has yet to appropriate the FY 2005 funding included in the HAVA legislation. For North Dakota, that means the state has not received the final funding installment of \$3,403,197. That is a significant amount of money for our state and we could use it to leverage and extend the support of the voting system in our counties for many more years, if we had it.

In the meantime, some of your colleagues are intent on introducing legislation to "reform" elections even though the commitment made by Congress in HAVA has not yet been realized. Some of the proposed legislation contains timelines for 2008 and unfunded mandates, which would be impossible to meet in North Dakota since the Legislative Assembly will not meet again until 2009.

I have two requests. First, please support an appropriation for FY 2005. Second, please oppose any legislation that would be detrimental to our state. The state's county auditors and my office are ready and willing to help you identify those proposed ideas that would be obstacles to effective and reasonable election administration in North Dakota

Thank you.

Sincerely,


Al Jaeger
Secretary of State

PS: I will be in Washington DC from Thursday, February 8 through Monday, February 12 for the winter meeting of the National Association of Secretaries of State. I will try to stop by your respective offices.

HAVA Expenses - Title 1 - \$5,000,000

YEAR/ MONTH	STATE PLAN	ADMIN EXPENSES	CONSULTING SERVICES	ELECTION OFFICIAL TRAINING/ EDUCATION	VOTER EDUCATION	RULE MAKING PROCEDURE	CENTRAL VOTER FILE	VOTING SYSTEM UPGRADES	TOTAL	DEPOSIT FED. STATE COUNTY	INTEREST EARNED	ADJUSTED REMAINDER
2003												
APRIL	\$ 3,336.58	\$ 12,868.41		\$ 7,961.60					\$ 24,166.59	\$ 5,000,000.00		\$ 5,000,000.00
MAY	\$ 1,444.35	\$ 6,448.12		\$ 5,658.19					\$ 13,550.66			\$ 4,975,833.41
JUNE	\$ 3,015.98	\$ 6,408.01		\$ 55.00					\$ 9,479.99			\$ 4,962,282.75
JULY	\$ 1,238.26	\$ 6,902.68		\$ 858.35					\$ 8,999.29			\$ 4,952,802.76
AUGUST	\$ 25.46	\$ 7,902.88		\$ 288.38	\$ 124.00				\$ 8,340.52			\$ 4,943,603.47
SEPTEMBER	\$ 1,380.00	\$ 6,930.73		\$ 629.00	\$ 167.50				\$ 29,348.52			\$ 4,935,462.95
OCTOBER		\$ 7,228.76		\$ 335.66					\$ 11,372.46			\$ 4,910,114.43
NOVEMBER		\$ 51,621.11		\$ 16,732.45	\$ 281.50				\$ 377.24		\$ 14,105.00	\$ 4,898,741.97
DECEMBER									\$ 3,614.00	\$ 5,000,000.00	\$ 14,105.00	\$ 4,903,405.31
Total	\$ 10,440.63	\$ 61,621.11	\$ 18,000.00	\$ 16,732.45	\$ 281.50				\$ 110,688.68	\$ 5,000,000.00	\$ 14,105.00	\$ 4,903,405.31
2004												
JANUARY	\$ 17.36	\$ 7,353.59		\$ 7,067.97	\$ 206.65				\$ 457,818.75	\$ 5,000,000.00	\$ 14,105.00	\$ 4,903,405.31
FEBRUARY		\$ 7,230.20		\$ 4,134.37	\$ 316.60				\$ 11,681.17		\$ 1,641.44	\$ 4,432,582.43
MARCH		\$ 12,068.70		\$ 2,625.51	\$ 23.92				\$ 19.98		\$ 1,408.18	\$ 4,422,309.44
APRIL		\$ 11,912.17		\$ 5,838.09	\$ 290.54				\$ 16,296.00		\$ 1,501.99	\$ 4,409,073.32
MAY	\$ 44.94	\$ 8,856.72		\$ 1,871.76	\$ 74,428.29				\$ 85,201.71		\$ 1,630.76	\$ 4,376,367.28
JUNE		\$ 7,821.55		\$ 1,475.15	\$ 708.50				\$ 1,373,456.25		\$ 1,677.52	\$ 4,292,843.09
JULY		\$ 7,948.73		\$ 969.25	\$ 25,905.57				\$ 34,223.55		\$ 1,413.87	\$ 2,378,282.19
AUGUST	\$ 268.46	\$ 8,983.55		\$ 1,210.96	\$ 148.13				\$ 9,711.10		\$ 1,344.93	\$ 2,869,916.02
SEPTEMBER		\$ 10,569.87		\$ 97.23	\$ 56,863.10		\$ 51.43		\$ 67,466.61		\$ 1,524.28	\$ 2,803,973.69
OCTOBER		\$ 7,929.28		\$ 141.24	\$ 18,340.34				\$ 29,102.66		\$ 1,531.98	\$ 2,776,402.99
NOVEMBER		\$ 7,764.74		\$ 18.78	\$ 45,128.07				\$ 156,721.50		\$ 1,689.63	\$ 2,568,313.97
DECEMBER		\$ 107,825.18		\$ 24,860.31	\$ 222,572.14				\$ 7,975.95		\$ 2,466.19	\$ 2,562,804.21
Total	\$ 330.76	\$ 107,825.18	\$ 18,000.00	\$ 37,732.45	\$ 222,572.14		\$ 51.43	\$ 2,906,312.46	\$ 2,359,942.30	\$ 5,000,000.00	\$ 19,341.20	\$ 2,562,804.21
Total 2003 through 2004: \$ 2,470,641.99												
2005												
JANUARY		\$ 8,050.34		\$ 1,397.00					\$ 9,447.34		\$ 6,221.86	\$ 2,559,578.73
FEBRUARY		\$ 8,548.65		\$ 3,183.64					\$ 11,732.29		\$ 6,130.52	\$ 2,553,976.96
MARCH		\$ 8,472.32		\$ 1,609.02	\$ 2,435.89				\$ 7,645.45		\$ 5,799.70	\$ 2,552,131.21
APRIL		\$ 8,876.70		\$ 6,702.30	\$ 100.00				\$ 15,679.00		\$ 2,611.21	\$ 2,539,063.42
MAY		\$ 8,444.48		\$ 5,191.13					\$ 1,716,795.00		\$ 2,166.85	\$ 810,799.66
JUNE		\$ 8,623.18		\$ 1,928.70					\$ 490.84		\$ 833.99	\$ 800,591.13
JULY		\$ 8,431.21		\$ 1,312.67	\$ (73.62)				\$ 6,382.26		\$ 1,047.67	\$ 785,586.28
AUGUST		\$ 8,456.40		\$ 844.00					\$ 15,800.10		\$ 1,045.19	\$ 761,530.97
SEPTEMBER		\$ 9,566.39		\$ 3,198.40			\$ 131.85		\$ 22,916.64		\$ 1,012.76	\$ 749,627.09
OCTOBER		\$ 8,519.37		\$ 4,825.90	\$ 208,295.11				\$ 1,293.10		\$ 1,006.24	\$ 527,789.65
NOVEMBER		\$ 9,072.51		\$ 7,132.82	\$ 16,351.40				\$ 32,586.73		\$ 849.06	\$ 496,082.18
DECEMBER		\$ 9,794.24		\$ 439.36	\$ 1,087.95				\$ 485,647.53		\$ 846.90	\$ (0.00)
Total		\$ 104,935.78		\$ 37,764.94	\$ 223,324.95		\$ 131.85	\$ 2,226,318.63	\$ 2,562,376.16	\$ 5,000,000.00	\$ 63,018.15	\$
Total 2003 through 2005 \$ 5,063,018.15												

HAVA Expenses - Title 2

YEAR / MONTH	STATE PLAN	ADMIN EXPENSES	CONSULTING SERVICES	ELECTION OFFICIAL TRAINING/ EDUCATION	VOTER EDUCATION	RULE MAKING / PROCEDURE	CENTRAL VOTER FILE	VOTING SYSTEM UPGRADES	TOTAL	DEPOSIT FED. STATE COUNTY	INTEREST EARNED	ADJUSTED REMAINDER
2003												
APRIL									\$ -	\$ -	\$ -	\$ -
MAY									\$ -	\$ -	\$ -	\$ -
JUNE									\$ -	\$ -	\$ -	\$ -
JULY									\$ -	\$ -	\$ -	\$ -
AUGUST									\$ -	\$ -	\$ -	\$ -
SEPTEMBER									\$ -	\$ -	\$ -	\$ -
OCTOBER									\$ -	\$ -	\$ -	\$ -
NOVEMBER									\$ -	\$ -	\$ -	\$ -
DECEMBER									\$ -	\$ -	\$ -	\$ -
Total									\$ -	\$ -	\$ -	\$ -
2004												
JANUARY									\$ -	\$ -	\$ -	\$ -
FEBRUARY									\$ -	\$ -	\$ -	\$ -
MARCH									\$ -	\$ -	\$ -	\$ -
APRIL									\$ -	\$ -	\$ -	\$ -
MAY									\$ -	\$ -	\$ -	\$ -
JUNE									\$ -	\$ -	\$ -	\$ -
JULY									\$ -	\$ -	\$ -	\$ -
AUGUST									\$ 4,150,000.00	\$ 750.41	\$ 4,150,750.41	\$ -
SEPTEMBER									\$ 3,773.20	\$ 1,938.56	\$ 4,156,462.17	\$ -
OCTOBER									\$ 51,672.20	\$ 2,217.12	\$ 4,210,351.49	\$ -
NOVEMBER									\$ 2,988.50	\$ 2,291.03	\$ 4,215,631.02	\$ -
DECEMBER									\$ -	\$ 2,558.22	\$ 4,218,189.24	\$ -
Total									\$ 4,208,433.90	\$ 13,632.46	\$ 4,222,066.36	\$ -
Total 2003 through 2004:												
									\$ 4,208,433.90	\$ 13,632.46	\$ 4,222,066.36	\$ -
2005												
JANUARY									\$ -	\$ -	\$ -	\$ -
FEBRUARY									\$ -	\$ -	\$ -	\$ -
MARCH									\$ -	\$ -	\$ -	\$ -
APRIL									\$ -	\$ -	\$ -	\$ -
MAY									\$ -	\$ -	\$ -	\$ -
JUNE									\$ 7,446,803.00	\$ 8,223.18	\$ 11,693,468.36	\$ -
JULY									\$ -	\$ 11,895.94	\$ 11,705,364.30	\$ -
AUGUST									\$ -	\$ 15,242.66	\$ 11,720,606.96	\$ -
SEPTEMBER									\$ 11,261.20	\$ 15,242.66	\$ 11,747,110.82	\$ -
OCTOBER									\$ 16,440.60	\$ 14,750.96	\$ 11,778,302.38	\$ -
NOVEMBER									\$ 1,562.60	\$ 31,747.02	\$ 11,811,612.00	\$ -
DECEMBER									\$ -	\$ 31,281.34	\$ 11,842,893.34	\$ -
Total									\$ 2,645,499.02	\$ 2,645,499.02	\$ 2,645,499.02	\$ -
Total 2003 through 2005:												
									\$ 7,476,067.40	\$ 177,120.78	\$ 190,753.24	\$ 9,229,755.52

HAVA Expenses - Title 2

YEAR / MONTH	STATE PLAN	ADMIN EXPENSES	CONSULTING SERVICES	ELECTION OFFICIAL TRAINING/ EDUCATION	VOTER EDUCATION	RULE MAKING / PROCEDURE	CENTRAL VOTER FILE	VOTING SYSTEM UPGRADES	TOTAL	DEPOSIT FED. STATE COUNTY	INTEREST EARNED	ADJUSTED REMAINDER
2006												
JANUARY	\$ -	\$ 11,285.80	\$ -	\$ 454.36	\$ 2,726.25	\$ -	\$ -	\$ -	\$ 14,466.41	\$ 11,684,501.30	\$ 190,753.24	\$ 9,229,755.52
FEBRUARY	\$ -	\$ 12,450.07	\$ -	\$ 4,898.20	\$ 27,834.40	\$ -	\$ -	\$ 2,977.46	\$ 48,160.13	\$ -	\$ -	\$ 9,215,289.11
MARCH	\$ -	\$ 11,285.72	\$ -	\$ 9,062.23	\$ 4,248.44	\$ -	\$ 48.95	\$ -	\$ 24,645.34	\$ -	\$ 49,345.20	\$ 9,216,474.18
APRIL	\$ -	\$ 9,988.87	\$ -	\$ 13,659.77	\$ 15,155.09	\$ -	\$ 88,438.00	\$ -	\$ 127,241.73	\$ -	\$ 133,156.75	\$ 9,324,987.59
MAY	\$ -	\$ 10,209.66	\$ 600.00	\$ 976.26	\$ 86,907.14	\$ -	\$ 150.00	\$ 179,768.19	\$ 278,611.25	\$ -	\$ 27,641.66	\$ 9,226,138.21
JUNE	\$ -	\$ 10,155.95	\$ -	\$ 3,196.75	\$ 104,896.12	\$ -	\$ -	\$ 3,357.50	\$ 121,806.32	\$ -	\$ 53,831.44	\$ 8,975,168.62
JULY	\$ -	\$ 10,076.49	\$ -	\$ 228.00	\$ -	\$ -	\$ -	\$ -	\$ 10,304.49	\$ -	\$ 2,387.67	\$ 8,907,393.74
AUGUST	\$ -	\$ 11,753.74	\$ -	\$ 2,174.04	\$ -	\$ -	\$ -	\$ -	\$ 13,927.78	\$ -	\$ 28,281.39	\$ 8,913,830.53
SEPTEMBER	\$ -	\$ 11,414.30	\$ -	\$ 312.21	\$ -	\$ -	\$ 3,848.97	\$ -	\$ 15,575.48	\$ -	\$ 28,175.30	\$ 8,926,430.35
OCTOBER	\$ -	\$ 12,364.51	\$ 1,530.00	\$ 1,412.87	\$ 125,631.12	\$ -	\$ 199,967.83	\$ 301,700.00	\$ 642,806.33	\$ -	\$ 27,815.54	\$ 8,311,639.56
NOVEMBER	\$ -	\$ 15,948.11	\$ -	\$ -	\$ -	\$ -	\$ 2,210.62	\$ -	\$ 18,158.73	\$ -	\$ 30,335.18	\$ 8,323,816.01
DECEMBER	\$ -	\$ 16,165.41	\$ -	\$ 349.71	\$ 55,385.60	\$ -	\$ 2,006.99	\$ -	\$ 73,907.71	\$ -	\$ 28,318.49	\$ 8,278,226.79
Total		\$ 143,098.53	\$ 2,130.00	\$ 36,724.40	\$ 422,784.16	\$ -	\$ 296,671.36	\$ 487,803.15	\$ 1,389,211.70	\$ 11,684,501.30	\$ 628,436.21	\$ 8,278,226.79
							Total 2003 through 2006		\$ 4,034,710.72	\$ 11,684,501.30	\$ 628,436.21	\$ 8,278,226.79
2007												
JANUARY												
FEBRUARY												
MARCH												
APRIL												
MAY												
JUNE												
JULY												
AUGUST												
SEPTEMBER												
OCTOBER												
NOVEMBER												
DECEMBER												
Total							Total 2003 through 2007		\$ 4,034,710.72	\$ 11,684,501.30	\$ 628,436.21	\$ 8,278,226.79
2008												
JANUARY												
FEBRUARY												
MARCH												
APRIL												
MAY												
JUNE												
JULY												
AUGUST												
SEPTEMBER												
OCTOBER												
NOVEMBER												
DECEMBER												
Total							Total 2003 through 2008		\$ 1,389,211.70	\$ 11,684,501.30	\$ 628,436.21	\$ 10,923,725.81

HAVA Expenses - Title 2

YEAR/ MONTH	STATE PLAN	ADMIN. EXPENSES	CONSULTING SERVICES	ELECTION OFFICIAL TRAINING/ EDUCATION	VOTER EDUCATION	RULE MAKING/ PROCEDURE	CENTRAL VOTERFILE	VOTING SYSTEM UPGRADES	TOTAL	DEPOSIT- FED. STATE COUNTY	INTEREST EARNED	ADJUSTED REMAINDER
2009										\$ 11,684,501.30	\$ 628,436.21	\$ 10,923,725.81
JANUARY									\$ -	\$ -		\$ 10,923,725.81
FEBRUARY									\$ -	\$ -		\$ 10,923,725.81
MARCH									\$ -	\$ -		\$ 10,923,725.81
APRIL									\$ -	\$ -		\$ 10,923,725.81
MAY									\$ -	\$ -		\$ 10,923,725.81
JUNE									\$ -	\$ -		\$ 10,923,725.81
JULY									\$ -	\$ -		\$ 10,923,725.81
AUGUST									\$ -	\$ -		\$ 10,923,725.81
SEPTEMBER									\$ -	\$ -		\$ 10,923,725.81
OCTOBER									\$ -	\$ -		\$ 10,923,725.81
NOVEMBER									\$ -	\$ -		\$ 10,923,725.81
DECEMBER									\$ -	\$ -		\$ 10,923,725.81
Total									\$ -	\$ 11,684,501.30	\$ 628,436.21	\$ 12,312,937.51
									Total 2003 through 2009	\$ -	\$ -	\$ -
2010										\$ 11,684,501.30	\$ 628,436.21	\$ 12,312,937.51
JANUARY									\$ -	\$ -		\$ 12,312,937.51
FEBRUARY									\$ -	\$ -		\$ 12,312,937.51
MARCH									\$ -	\$ -		\$ 12,312,937.51
APRIL									\$ -	\$ -		\$ 12,312,937.51
MAY									\$ -	\$ -		\$ 12,312,937.51
JUNE									\$ -	\$ -		\$ 12,312,937.51
JULY									\$ -	\$ -		\$ 12,312,937.51
AUGUST									\$ -	\$ -		\$ 12,312,937.51
SEPTEMBER									\$ -	\$ -		\$ 12,312,937.51
OCTOBER									\$ -	\$ -		\$ 12,312,937.51
NOVEMBER									\$ -	\$ -		\$ 12,312,937.51
DECEMBER									\$ -	\$ -		\$ 12,312,937.51
Total									\$ -	\$ 11,684,501.30	\$ 628,436.21	\$ 12,312,937.51
									Total 2003 through 2010	\$ -	\$ -	\$ -
2011										\$ 11,684,501.30	\$ 628,436.21	\$ 12,312,937.51
JANUARY									\$ -	\$ -		\$ 12,312,937.51
FEBRUARY									\$ -	\$ -		\$ 12,312,937.51
MARCH									\$ -	\$ -		\$ 12,312,937.51
APRIL									\$ -	\$ -		\$ 12,312,937.51
MAY									\$ -	\$ -		\$ 12,312,937.51
JUNE									\$ -	\$ -		\$ 12,312,937.51
JULY									\$ -	\$ -		\$ 12,312,937.51
AUGUST									\$ -	\$ -		\$ 12,312,937.51
SEPTEMBER									\$ -	\$ -		\$ 12,312,937.51
OCTOBER									\$ -	\$ -		\$ 12,312,937.51
NOVEMBER									\$ -	\$ -		\$ 12,312,937.51
DECEMBER									\$ -	\$ -		\$ 12,312,937.51
Total									\$ -	\$ 11,684,501.30	\$ 628,436.21	\$ 12,312,937.51
									Total 2003 through 2011	\$ -	\$ -	\$ -

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

February 22, 2007

TO: Rep. Carlson, Chairman, and Members of the Government Operations Division of the House Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: SB 2002 – Appropriation for the Secretary of State

I respectfully request the House to amend the subject bill to add \$53,598 to the Wages and Salaries line. It includes the 4 plus 4 amount.

Inadvertently, wage information was incorrectly keyed into BARS before the budget was submitted to the Office of Management and Budget. The error was discovered after the bill was heard and passed by the Senate.

As originally intended when submitted to OMB, the agency's salary line request would have maintained the 100% gross budget request made by the Secretary of State. However, it was not realized at the time the budget was submitted that a salary input error had occurred. The mistake was discovered after SB 2189 was signed by the Governor and the Secretary of State's office was reconciling its wage records.

Without the adjustment, it will not be possible to proceed with planned pay grade reclassifications and restructuring necessitated by two retirements (both 29 years – one supervisory), the move to the SOSKB operating system (one time expenditure recommended by the Governor), and increased job responsibilities associated with the restructuring.