

**Secretary of State
Budget No. 108
House Bill No. 1002**

	FTE Positions	General Fund	Other Funds	Total
2013-15 executive budget (bills as introduced)	31.00	\$6,691,408	\$5,845,849	\$12,537,257
2013-15 legislative appropriations	31.00	6,646,849	5,844,417	12,491,266
Legislative increase (decrease) to executive budget	0.00	(\$44,559)	(\$1,432)	(\$45,991)
Legislative increase (decrease) to 2011-13 appropriations	3.00	(\$2,679,311)	(\$942,567)	(\$3,621,878)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 legislative appropriations	\$5,783,121	\$3,543,039	\$9,326,160
2013-15 legislative appropriations	6,043,495	603,354	6,646,849
2013-15 legislative increase (decrease) to 2011-13 appropriations	\$260,374	(\$2,939,685)	(\$2,679,311)
Percentage increase (decrease) to 2011-13 appropriations	4.5%	(83.0%)	(28.7%)
2013-15 legislative increase (decrease) to executive budget	(\$553,913)	\$509,354	(\$44,559)
Percentage increase (decrease) to executive budget	(8.4%)	541.9%	(0.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Secretary of State is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. Consistent with the guidelines, a portion of salaries and wages funding from the general fund (\$78,184) and from other funds (\$4,647) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying accrued annual leave and sick leave for eligible employees.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for state employee salaries and benefits consistent with the legislative compensation package guidelines included in House Bill No. 1015.		(\$44,559)	(\$1,432)	(\$45,991)
Total	0.00	(\$44,559)	(\$1,432)	(\$45,991)

FTE Changes

The Legislative Assembly did not change the executive recommendation to add 3 FTE positions authorized by the Budget Section during the 2011-12 interim for the Business Registration Unit (2 FTE positions) and the Business Information Unit (1 FTE position). The Legislative Assembly identified \$283,754 from the general fund related to the 3 new FTE positions as one-time funding and provided that the 3 new FTE positions are authorized only for the 2013-15 biennium and must be reevaluated after the completion of the mainframe migration computer project to determine if the positions should be included in the agency's 2015-17 biennium budget request as optional items.

One-Time Funding

In Section 2 of House Bill No. 1002, the Legislative Assembly identified \$603,354 from the general fund as one-time funding for the 2013-15 biennium. The Legislative Assembly did not change the executive recommendation for one-time funding from the general fund for a multipurpose copier (\$10,000) and information technology hosting charges (\$84,000). In addition, the Legislative Assembly identified \$283,754 related to the 3 new FTE positions and \$225,600 for overtime salaries and wages as one-time funding from the general fund. These amounts are not to be considered part of the agency's base budget for preparing the 2015-17 executive budget, and the Secretary of State is to report to the Appropriations Committees during the 2015 legislative session on the use of this funding.

Other Sections in Bill

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

Secretary of State's salary - Section 4 provides the statutory changes increasing the Secretary of State's salary by 4 percent for the first year of the biennium and 3 percent for the second year. The Secretary of State's annual salary is increased from the current level of \$93,071 to \$96,794 effective July 1, 2013, and to \$99,698 effective July 1, 2014.

Exemption - Mainframe migration computer project - Section 5 provides an exemption to Section 54-44.1-11 to allow the Secretary of State to continue up to \$1,750,000 of the funding provided for the mainframe migration computer project during the 2011-13 biennium into the 2013-15 biennium.

Limited authorization of new FTE positions - Section 6 provides the 3 new FTE positions are authorized only for the 2013-15 biennium and must be reevaluated after the completion of the mainframe migration computer project to determine if the positions should be included in the agency's 2015-17 biennium budget request as optional items.

Credit card fees - Budget Section reports - Section 7 requires the Secretary of State report to the Budget Section semiannually regarding credit card usage rates and credit card fees paid by the Secretary of State.

Related Legislation

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

Nonprofessional ownership of professional organizations - Senate Bill No. 2144 modifies requirements relating to the ownership of professional organizations by allowing ownership by nonprofessional participants and authorizes the Secretary of State to charge organizations with a minority owner a fee. A fiscal note prepared by the Secretary of State indicates revenue, deposited into the agency's general services operating fund, will be sufficient to pay expenses related to the change.

Nonprofessional ownership of professional organizations - Senate Bill No. 2152 allows the owner of a professional organization to own a professional organization under different professional licensing categories and authorizes the Secretary of State to charge organizations that have ownership that renders more than one professional service a fee. A fiscal note prepared by the Secretary of State indicates revenue, deposited into the agency's general services operating fund, will be sufficient to pay expenses related to the change.