

Secretary of State  
 Budget No. 108  
 House Bill No. 1002 and Senate Bill No. 2021

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	32.00	\$5,808,732	\$3,238,155	\$9,046,887
2017-19 base budget	34.00	6,374,720	3,583,536	9,958,256
Legislative increase (decrease) to base budget	(2.00)	(\$565,988)	(\$345,381)	(\$911,369)

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$5,808,732	\$0	\$5,808,732
2015-17 adjusted legislative appropriations	6,374,720	3,050,000	9,424,720
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	(\$565,988)	(\$3,050,000)	(\$3,615,988)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(8.9%)	(100.0%)	(38.4%)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The Legislative Assembly did not include funding for employee salary increases.

**Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.		(\$69,361)	(\$202,484)	(\$271,845)
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.		85,159	2,651	87,810
Removed 2 FTE positions and related funding of \$211,268 from the general fund.	(2.00)	(211,268)		(211,268)
Adjusted funding source from the general fund to the general services operating fund for 1 FTE position.		(106,823)	106,823	0
Adjusted funding for overtime and temporary salaries.		(50,000)	200,000	150,000

Added funding from the general services operating fund for North Dakota central indexing system hosting and maintenance.		526,000	526,000
Adjusted funding for operating expenses, including an increase of \$343,956 from the general services operating fund, of which \$118,956 is for information technology expenses.	(262,100)	343,956	81,856
Added funding for campaign disclosure software.	50,000		50,000
Reduced funding for election reform to provide a total appropriation of \$1,192,655. Of the amount reduced, \$1,100,000 is from federal funds and the remaining amount is from the election reform matching fund.		(1,516,327)	(1,516,327)
Reduced funding for public printing to provide a total appropriation of \$288,450.	(1,595)		(1,595)
Added one-time funding for an electronic payment processing system to be implemented by the Information Technology Department, of which \$93,000 is provided from the proceeds of a loan from the Bank of North Dakota and \$101,000 is for repayment of the loan. (Senate Bill No. 2021)		194,000	194,000
Total	<u>(2.00)</u>	<u>(\$565,988)</u>	<u>(\$911,369)</u>

#### FTE Changes

The 2017-19 biennium appropriations for the Secretary of State include funding for 32 FTE positions, a decrease of 2 FTE positions from the 2015-17 biennium. The Legislative Assembly removed 1 FTE office assistant III position and 1 FTE nonclassified position. The Legislative Assembly also changed the funding source for 1 FTE nonclassified position from the general fund to the general services operating fund.

#### One-Time Funding

In Sections 10 and 11 of Senate Bill No. 2021, the Legislative Assembly authorized loans from the Bank of North Dakota to various agencies, including the Secretary of State, for implementing an electronic payment processing system. This one-time appropriation for the Secretary of State totals \$194,000, of which \$93,000 is authorized from the Bank of North Dakota loan and \$101,000 is authorized for the repayment of the loan, using special funds derived from additional revenue received as a result of the new system.

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

**Health insurance increase** - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

**Exemption - General services operating fund** - Section 4 provides any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2017, 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 2017-19 biennium.

**Subcontributor contributions** - Section 5 amends Section 16.1-08.1-03.1 related to special requirements for statements required of subcontributors engaged in activities regarding ballot measures.

**Information preparation fee** - Section 6 amends Section 54-09-04(7) to change the fee for preparation of listings and other information compilations to \$40 per request, rather than the actual cost for assembling and providing the information. If the information requested is provided in a paper format, an additional fee of \$0.50 per page may be charged. Prior to the 2013-15 biennium, the fee was set at \$35, but in 2013 was amended in House Bill No. 1340 to allow the Secretary of State to charge the actual cost of assembling and providing information for each request.

**Confidential information** - Section 7 amends Section 54-09-12 to authorize the Secretary of State or an employee, agent, or contractor of the Secretary of State's office to release social security or federal tax identification numbers to public entities if disclosure is necessary for the public entity to perform the entity's duties and responsibilities.

#### **Related Legislation**

**Revised Uniform Athlete Agents Act** - House Bill No. 1212 establishes new definitions, certificate of registration requirements, registration and renewal fees, and a civil penalty related to the Revised Uniform Athlete Agents Act.

**Session laws and Century Code distribution** - House Bill No. 1280 amends Section 46-04-05, relating to the distribution of session laws and Century Code books to county officials.

**County auditors** - House Bill No. 1363 amends various sections relating to county auditors and the Secretary of State duties.

**Statements of interest** - House Bill No. 1418 provides for a Legislative Management study of the purpose and content of statements of interests and the forms and information required to be filed, including the appropriate financial interest and other necessary content.

**Electronic payment processing system** - Senate Bill No. 2021 provides a total special fund appropriation of \$194,000 to the Secretary of State. Section 10 of the bill authorizes the Secretary of State to obtain a \$93,000 loan from the Bank of North Dakota, to be used to pay the Information Technology Department to implement an electronic payment processing system for credit card fees. Section 11 of the bill includes an appropriation of \$101,000 from special funds derived from additional revenue received as a result of the new system to repay the loan.

**Combative sports** - Senate Bill No. 2210 amends Section 53-01-07 to allow the Secretary of State to charge a fee equal to the actual cost incurred to regulate competitions and exhibitions of all boxing, kickboxing, mixed fighting style competitions, and sparring exhibitions. The Secretary of State must also adopt rules to perform screening tests for controlled substances, as defined in Section 19-03.1-01, on boxers, kickboxers, and mixed style fighters participating in a competition or an exhibition.

**Campaign finance reporting** - Senate Bill No. 2343 establishes new campaign finance reporting requirements.