

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

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2017-19 legislative appropriation	32.00	\$5,808,732	\$3,238,155	\$9,046,887
2015-17 legislative appropriation	<u>34.00</u>	<u>9,424,720</u>	<u>3,583,536</u>	<u>13,008,256</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	(2.00)	(\$3,615,988)	(\$345,381)	(\$3,961,369)

**Item Description**

**FTE positions** - The 2017 Legislative Assembly authorized 32 FTE positions, a decrease of 2 FTE positions from the 2015-17 biennium authorized level of 34 FTE positions and adjusted the funding source from the general fund to the general services operating fund for 1 FTE nonclassified position.

**Electronic payment processing system** - Senate Bill No. 2021 (2017) provides total special funds appropriations 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.

**Federal funding** - The 2017 Legislative Assembly appropriated \$403,443 of anticipated federal funds.

**Voter ID litigation** - On January 20, 2016, members of the Turtle Mountain Band of Chippewa Indians sued the Secretary of State alleging that the voter identification requirements in state law deny the right of qualified Native American electors to vote. On April 18, 2018, the attorneys for the plaintiffs asked the court to award \$1.2 million for fees attributed to the voter ID litigation.

**File 2.0 computer project** - In Section 2 of 2015 Senate Bill No. 2002, the Legislative Assembly appropriated \$3.05 million from the general fund as one-time funding to complete the File 2.0 portion of the mainframe migration computer project authorized in the 2011 and 2013 legislative sessions.

The 2017 Legislative Assembly did not provide additional funding for the project.

**Status/Result**

The Secretary of State removed the two office assistant positions. Both of the positions were vacant prior to removal.

The Information Technology Department reported that all six state agencies identified in Senate Bill No. 2021 have declined implementation of the electronic payment processing system and will not obtain loans from the Bank of North Dakota. The Secretary of State chose not to implement the payment processing system because the office will launch new software to allow online filing of business annual reports, business registrations, and licensing and renewing contractors for agency customers which is expected to increase productivity and provide cost-savings. The agency believes the electronic payment processing system would add an additional fee for online filings and encourage citizens to submit documentation by paper, causing additional time and resources by Secretary of State staff.

With Congress approving the Federal Consolidated Appropriations Act of 2018, the Secretary of State's office anticipates receiving \$3 million during the 2017-19 biennium under the Help America Vote Act through the Election Assistance Commission. The Act requires the state to provide a 5 percent match of \$150,000 within 2 years. The Secretary of State will request an increase in federal funds spending authority through the Emergency Commission and plans to request funding for the required state match from the 2019 Legislative Assembly.

The voter ID litigation, along with the litigation regarding attorney fees, is ongoing and the potential outcome is unknown.

As of March 2018 the Secretary of State has spent \$1,071,967 of the \$3.05 million appropriation, and anticipates spending a total of \$2.5 million on the project. The estimated project completion date is September 2018.