

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

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.00	\$6,140,630	\$8,914,978	\$15,055,608
2009-11 legislative appropriations	28.00	6,111,588	12,315,676	18,427,264
Legislative increase (decrease) to executive budget	0.00	(\$29,042)	\$3,400,698	\$3,371,656
Legislative increase (decrease) to 2007-09 appropriations	1.00	\$733,175	\$3,441,196	\$4,174,371

NOTE: The amounts on the schedule above include funding for public printing. The 2009-11 executive budget recommended and the Legislative Assembly appropriated \$337,000 from the general fund for public printing, \$33,500 more than the 2007-09 biennium general fund appropriation of \$303,500.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	\$4,554,260	\$824,153	\$5,378,413
2009-11 legislative appropriations	5,306,588	805,000	6,111,588
2009-11 legislative increase (decrease) to 2007-09 appropriations	\$752,328	(\$19,153)	\$733,175
Percentage increase (decrease) to 2007-09 appropriations	16.5%	(2.3%)	13.6%
2009-11 legislative increase (decrease) to executive budget	(\$54,042)	\$25,000	(\$29,042)
Percentage increase (decrease) to executive budget	(1.0%)	3.2%	(0.5%)

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.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		(\$84,042)		(\$84,042)
Provided for a one-time transfer of \$25,000 from the general fund to the election fund for the imputed interest earnings allocable to the amount of nonfederal funds contained in the fund		25,000		25,000

Provided funding for the state's 5 percent match for approximately \$500,000 of federal funds to be deposited in the election reform fund		30,000		30,000
Appropriated funding from a Bank of North Dakota loan for implementing the North Dakota business development engine computer project contingent on Budget Section approval			\$3,400,698	3,400,698
Total	0.00	(\$29,042)	\$3,400,698	\$3,371,656

FTE Changes

The 2009-11 biennium appropriation includes funding for 28 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 27 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE account budget specialist position.

One-Time Funding

In Section 4 of House Bill No. 1002, the Legislative Assembly identified \$805,000 from the general fund, of which \$780,000 relates to continuing the Secretary of State's mainframe migration computer project and \$25,000 is for a transfer to the election fund, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Secretary of State is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Contingent Computer Project

Section 3 of House Bill No. 1002 authorizes the Secretary of State, subject to Budget Section approval, to borrow up to \$3,400,698 from the Bank of North Dakota for implementing the North Dakota business development engine computer project. The Secretary of State may request Budget Section approval only if the revenues projected to be generated as a result of provisions of Chapter 102 of the 2007 Session Laws over the term of the proposed loan based on the trend of actual corporate charters granted are anticipated to be sufficient to repay the proposed loan, including interest.

Other Sections in Bill

General services operating fund - Section 5 provides that any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2009, is not subject to the provisions of North Dakota Century Code (NDCC) Section 54-09-08, and any unexpended funds are available and may be expended by the Secretary of State during the 2009-11 biennium for the database and processing platform migration project.

Election fund - Section 6 amends NDCC Section 16.1-01-15 to provide that any interest earnings on the election fund must be used only for activities of the Help America Vote Act of 2002.

Secretary of State's salary - Section 7 provides the statutory changes increasing the Secretary of State's salary. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The Secretary of State's annual salary is increased from the current level of \$79,571 to \$83,550, effective July 1, 2009, and to \$87,728, effective July 1, 2010.

Related Legislation

Health care record registry - Senate Bill No. 2237 allows the Secretary of State to establish and maintain a health care record registry. The Secretary of State may accept gifts, grants, donations, and bequests to establish, support, promote, and maintain the registry. The Secretary of State is to charge and collect a reasonable fee for filing a health care record and a revocation of a health care record. Any funds contributed and any fees collected relating to the registry are to be deposited in the Secretary of State's general services operating fund.

Fee collections - Senate Bill No. 2392 relates to secured transaction filing fees, contractor license renewals, lobbyist registration fees, and other fees collected by the Secretary of State.