

**Secretary of State
Budget 108
Senate Bill No. 2002**

	FTE Positions	General Fund	Other Funds	Total
2011-13 legislative appropriation	28.00	\$9,326,160 ¹	\$6,786,984	\$16,113,144
2009-11 legislative appropriation	<u>28.00</u>	<u>6,161,588</u>	<u>12,315,676</u>	<u>18,477,264</u>
2011-13 appropriation increase (decrease) to 2009-11 appropriation	0.00	\$3,164,572	(\$5,528,692)	(\$2,364,120)

¹This amount includes \$3,543,039 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$5,783,121.

Item Description

Full-time equivalent positions - The Secretary of State is authorized 28 FTE positions, the same as the 2009-11 biennium. The Secretary of State did not request any additional FTE positions for the 2011-13 biennium.

One-time funding - In Section 2 of 2011 Senate Bill No. 2002, the Legislative Assembly identified \$3,543,039 from the general fund, of which \$3.5 million relates to continuing the Secretary of State's mainframe migration computer project (also known as the database and processing platform migration project) and \$43,039 is for an online public meeting system, as one-time funding for the 2011-13 biennium.

Mainframe migration computer project - The Legislative Assembly provided one-time funding of \$3.5 million from the general fund to the Secretary of State for the agency's mainframe migration computer project.

In addition, the Legislative Assembly in Section 4 of 2011 Senate Bill No. 2002 provided that any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2011, is not subject to the provisions of North Dakota Century Code Section 54-09-08, and any

Status/Result

The Secretary of State has experienced significant increases in the number of business registrations and contractor license applications. In September 2011 the Secretary of State received Emergency Commission approval to transfer \$175,000 from the operating expenses line item to the salaries and wages line item to allow the Secretary of State to hire temporary employees rather than contracting with private staffing firms. The temporary staff is assisting in meeting the increased demand for agency services and allowing permanent staff to assist in the agency's technology project. In addition, the Secretary of State may request a deficiency appropriation from the Legislative Assembly in 2013 of approximately \$150,000 from the general fund to provide additional funding for overtime and temporary salary costs incurred as a result of the increased workload. In April 2012 the Secretary of State reduced the number of hours the agency is open to the public each week to provide staff uninterrupted time to process registrations and applications.

The following is a summary of the status of the Secretary of State's one-time funding:

Mainframe migration computer project	See the Mainframe migration computer project section below
Online public meeting system	The Secretary of State is working with the Information Technology Department (ITD) to implement a system similar to a system currently in use in Utah.

General services operating funds in excess of \$75,000 at the end of the 2009-11 biennium totaled \$27,526. These funds became available for the mainframe migration computer project during the 2011-13 biennium. In addition, the Secretary of State received approval, pursuant to Section 54-44.1-11, to continue \$78,000 of the agency's remaining 2009-11 biennium general fund appropriation relating to the mainframe migration computer project during the 2011-13 biennium. These funds combined with \$3.5 million of one-time funding

unexpended funds are available and may be expended by the Secretary of State during the 2011-13 biennium for the mainframe migration computer project. Section 54-09-08 requires the Secretary of State transfer all unobligated funds over \$75,000 remaining in the general services operating fund at the close of each biennium to the general fund.

Section 3 of 2011 Senate Bill No. 2002 provides the one-time funding of \$3.5 million from the general fund for the mainframe migration computer project may not be used for any other purpose and the appropriation authority must be canceled on June 30, 2013.

from the general fund provide a total of \$3,605,526 for the mainframe migration computer project, of which \$3,578,000 is from the general fund.

The Secretary of State is working with ITD on the mainframe migration computer project. The Secretary of State anticipates the \$3,605,526 of current funding available to be sufficient to complete the project; however, the Legislative Assembly may need to address the need to carry over funds for the project into the 2013-15 biennium as the project is anticipated to be completed in April 2014.