



# **Secretary of State**

*2013-15 Joint Committee on  
Ways and Means  
Budget Presentation*

# Our Presentation

- Agency overview
- Overview of each division's budget request
  - Description of core business functions
  - Key Performance Measures
  - Focus on strategic initiatives
- Appendix
  - Attachment A—Annual Performance Progress Report
  - Attachment B—Program Prioritization
  - Attachment C—Agency New Hires
  - Attachment D—Proposed Legislation

# Our Work

*The Secretary of State is the keeper of Oregon's history, the auditor of public funds, the first stop for Oregon businesses and the state's chief elections officer.*

# Our Strategic Initiatives

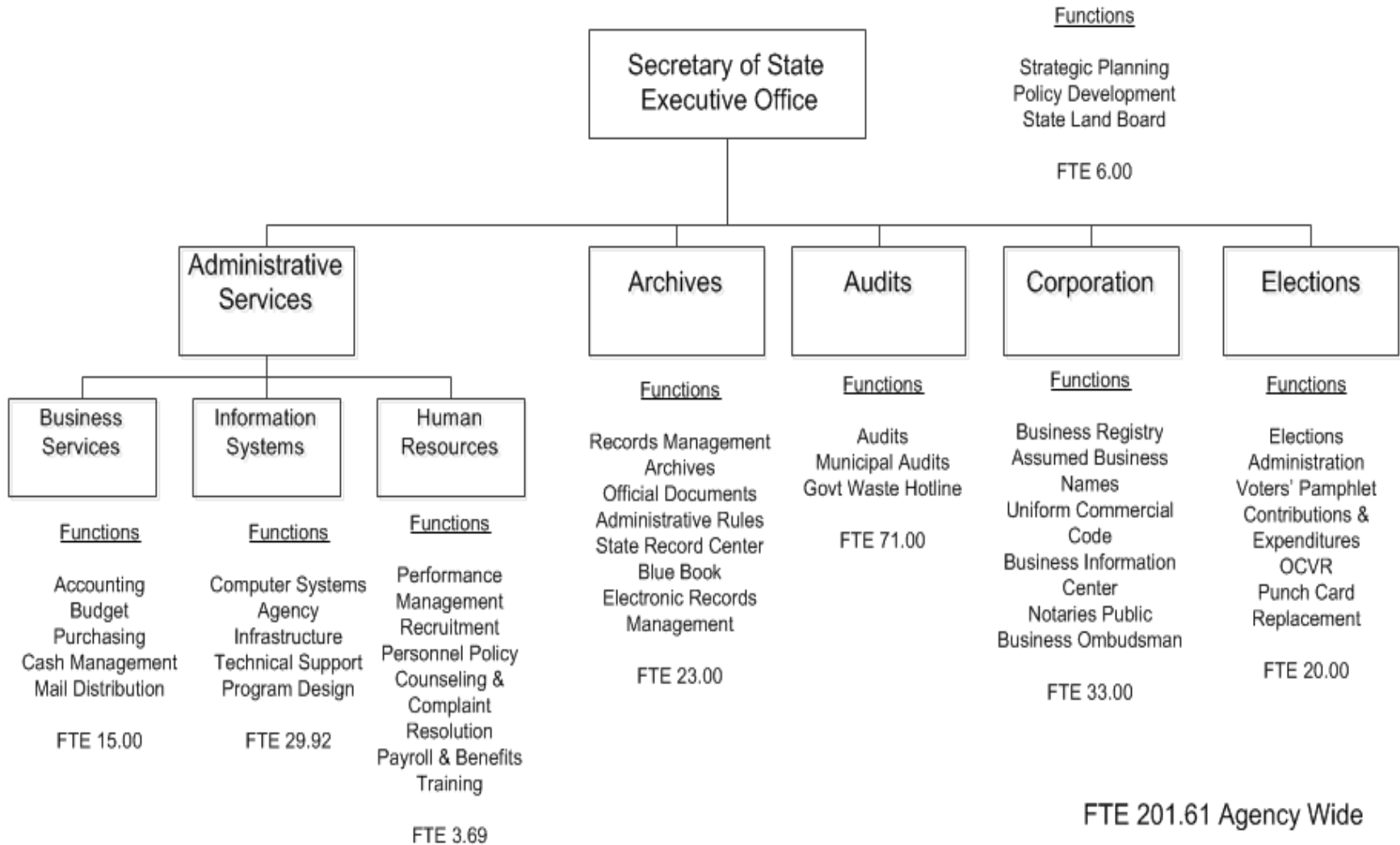
*Engage Oregonians*

*Innovate for the Future*

*Deliver Results*

ENGAGE OREGONIANS -- INNOVATE FOR THE FUTURE -- DELIVER RESULTS

**OFFICE OF THE SECRETARY OF STATE**  
**Organizational Chart**  
**2013-15 Biennium**



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# Secretary of State

	2013-15 GBB Revised	2013-15 GBB	2011-13 Leg. Approved	\$ Change 2013-15 Revised vs. 2011-13 Leg. Approved
General Fund	\$8,846,089	\$8,846,089	\$12,500,468	(\$3,654,379)
Other Funds	\$49,635,070	\$50,770,080	\$42,099,026	\$7,536,044
Federal Funds	\$7,715,111	\$7,715,111	\$7,559,402	\$155,709
Total Funds	\$66,196,270	\$67,331,280	\$62,158,896	\$4,037,374
Positions	203	206	196	7
FTE	201.61	204.37	195.19	6.42

# Secretary of State

## Budget Reductions 2009-11

### 2009 Legislative Session

- 12.2% Total Funds decrease (\$7.7 million) from 2007-09 Legislatively Adopted Budget
- 19.1% General Fund decrease (\$2.7 million) from 2007-09 Legislatively Adopted Budget
- 12 furlough days implemented for staff agency-wide
- Eliminated 4 positions (4.20 FTE), primarily from Corporation Division

### May 2010 E-Board Action

- Increase in GF for one-time costs of Jan 2010 Special Election (\$2.0 million—\$1,987,826 was passed through to counties)

# Secretary of State

## Budget Reductions 2009-11, cont.

### Voluntary General Fund “Allotment” Reductions

*While these reductions were mandated for DAS agencies, Secretary of State participated voluntarily.*

### June 2010 Voluntary Reduction Impacts

*(4.63% of General Fund—\$650,000)*

- Work delayed on information technology projects
  - Central Business Registry
  - Notary Public System Upgrade and Enhancements
  - Business Wizard Modifications

### September 2010 Voluntary Reduction Impacts

*(3.02% of General Fund—\$412,372)*

- Eliminated printing of Oregon Business Guide and began producing an electronic version only
- Reduced number of temporary employees for signature verification process
- Less funding available for continuing education and training of staff
- Reduced staffing in the Executive Office to provide policy research
- Substantially reduced Secretary’s travel budget



# Secretary of State

## Budget Reductions 2011-13

### 2011 Legislative Session

- 3.5 % Total Funds increase (\$2.0 million) from 2009-11 Legislatively Approved Budget
- 10.6% General Fund decrease (\$1.4 million) from 2009-11 Legislatively Approved Budget
- Up to 14 furlough days implemented for staff agency-wide
- Eliminated 2 positions (2.0 FTE), including one of two investigator positions in Elections Division
- Held positions vacant—including the other elections investigator—and made other one-time reductions to services and supplies

# Secretary of State

## Budget Reductions 2011-13, cont.

### 2012 Legislative Session

- 1.3% General Fund reduction (\$128,710) from 2011-13 Legislatively Adopted Budget
- Reorganized Information Systems Division, reclassifying a management position downward, resulting in \$94,331 GF savings
- Held positions vacant and made other one-time reductions to achieve remaining \$34,560 GF savings

### May 2012 E-Board Action

- Increase in GF for one-time costs of Nov 2011 Special Primary Election and Jan 2012 Special General Election  
(\$593,497 total—\$547,000 of which was passed through to counties)

# Secretary of State

## Budget Reductions 2011-13, cont.

Corporation Division special transfers to General Fund of \$5.2 M above and beyond forecast

- 2011 Legislative Session: \$4,700,000
- 2012 Legislative Session: \$500,000

# Voluntary Compliance with HB 2020 (2011) and HB 4131 (2012)

The Secretary of State was exempted from HB 2020 and HB 4131; however, we continue to take voluntary steps to achieve the intent of the legislation.

- In Audits Division, we removed 26 State Auditors from management service, shifting them into non-management positions
- Reclassifications underway across other divisions, changing positions from management service to non-management wherever appropriate to achieve the staffing ratio target

# Secretary of State

## 2013-15 Key Performance Measures

Number	Description
1	Electronic Access to Public Information—Percentage of targeted records made available electronically.
2	Audit Cost Savings—Dollar Value of Revenue Enhancements, savings or questioned costs in performance audit reports.
3	Audit Efficiency—Dollar savings per dollar spent on economy and efficiency audits.
4	Audit Recommendation Implementation—Percentage of audit recommendations implemented.
5	Business Registration—document processing turnaround time from receipt.
6	Notary—document processing turnaround time from receipt.
7	UCC—document processing turnaround time from receipt.
8	Petition Validity Rate—Percentage of assessed petition signatures that are validated. <b>(We are requesting approval to remove this measure as a Key Performance Measure.)</b>

# Secretary of State

## 2013-15 Key Performance Measures

Number	Description
9	Campaign Finance Information—Percentage of committee filings determined to be sufficient.
10	Voter’s Pamphlet Satisfaction—Percent of customers who rate the Voter’s Pamphlet as useful or very useful. <b>(We are requesting approval to remove this measure as a Key Performance Measure.)</b>
11	Staff Diversity—Percent of women, people of color, and persons with disabilities as a percentage of SOS workforce.
12	Customer Satisfaction—Percent of customers rating their overall satisfaction with the agency as “good” or “excellent”; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
<b>New</b>	<b>Campaign Finance Proposed Penalty Notices—Percentage of notices mailed within five months of a deficient transaction. (We are requesting approval of this new Key Performance Measure.)</b>

# Secretary of State

## Notable Improvements for 2011-13

- **Corporation:** Business Xpress Portal
- **Elections:** Use of Tablet Technology for Disabled Voters & Online Voter Registration
- **Audits:** “System” Approach to Performance Auditing
- **Archives:** Oregon Records Management Solution
- **Administrative Services:** 17 employees across the agency certified as LEAN facilitators to push continuous improvement

# Secretary of State

## Major Challenges for 2013-15

- Rapid growth in demand for online service offerings and fast access to public information, such as election results
- Continuing need to increase and modernize voter registration
- Increasing requests for audits, particularly performance audits
- Archives nearing physical capacity for records storage
- Continued aging of public records in audio/video formats in need of conversion to more stable media



# Audits Division

*Auditing to protect the public interest  
and improve Oregon government*

# Audits Division

## 2013-15 Governor's Balanced Budget

- Other Funds: \$18,183,958 and 71 FTE
- Charges to all state officers, departments, boards and commissions for a share of audit costs. (Except School Fund and Trust Funds)
- Based upon expenditures, revenues, cash and FTE
- Expect to generate \$22.8 million in total revenues
- Assessments to agencies are reduced if original estimates are too high.

# Audits Division

- We conduct our audits in accordance with **Government Auditing Standards**, which are developed and used by the United States Government Accountability Office, the GAO.
- These standards require that we maintain **independence in our work**, that we exercise **professional judgment and care**, that we hire and train our **staff to be highly competent**, and that we **take steps to assure the quality of our work**.

# Audits Division

## Financial and IT Audits

### Financial and Compliance Audits – 50% of our efforts

- Determine whether state agencies **properly prepared their financial records and statement**. FY2012 - 200 different accounts in detail, representing \$16.3 billion in revenues, \$16.5 billion in expenditures, \$16.6 billion in assets and \$7.7 billion in liabilities.
- Determine whether agencies **complied with applicable state and federal requirements**.
- **Mandated**, in order to receive federal funding, or by credit-rating agencies for state borrowing.

### Information Technology Audits – 8%

- Determine whether the state's computer **systems adequately protect public funds and electronic information, and whether they operate as intended**. Recommendations are directed **at improving electronic information security, practices and procedures**.

# Audits Division

## Performance Audits

### Performance Audits – 38%

- An **independent assessment** of the **performance and management** of a program
- Expanded the scope of our audits to **also identify ways that an agency can better achieve its mission** and objectives, through better management practices and procedures to increase efficiencies, generate savings, and produce better results.
- We **analyze performance and compare to best practices**, to show how it can improve. We guide agencies toward sustained improvements by using tools such as **performance measurement and performance management**.
- The Secretary of State wants us to **ensure we are auditing the issues that most need improvement**. We are constantly looking for **potential audit areas** and we accumulate many more than we could ever complete.

# Audits Division

## Other audit-related work – 4%

### **Municipal audit monitoring**

- Help ensure that **local governments receive consistent, professional audit services from their contracted CPAs.**
- Establish **requirements for municipal audits** and **review private CPA audit reports** and selected working papers, **discuss issues with them.**
- **Mandated** by statute, and covers approximately 1,700 municipalities in Oregon.
- In contrast, **Washington State Auditor's Office conducts all the municipal financial audits** with about 300 staff.
- Recently issued a **financial condition review** of the 36 counties

### **Hotline Investigations**

- Government Waste Hotline is **set in statute** as a way **for public employees and citizens to report fraud, waste or abuse in state programs.**
- **Investigate calls**, while providing confidentiality for the caller. We **issue reports** on problems we find, and an annual report summarizing the calls

# Audits Division

## New Budget Drivers

- New legislation passed last session requiring annual audits of the Oregon Travel Information Council caused a slight workload increase. One audit completed and next audit will soon begin.
- The Legislature also asked for annual financial audits of Cover Oregon, the health exchange under development, and biennial performance audits, starting in FY2014.

# Audits Division

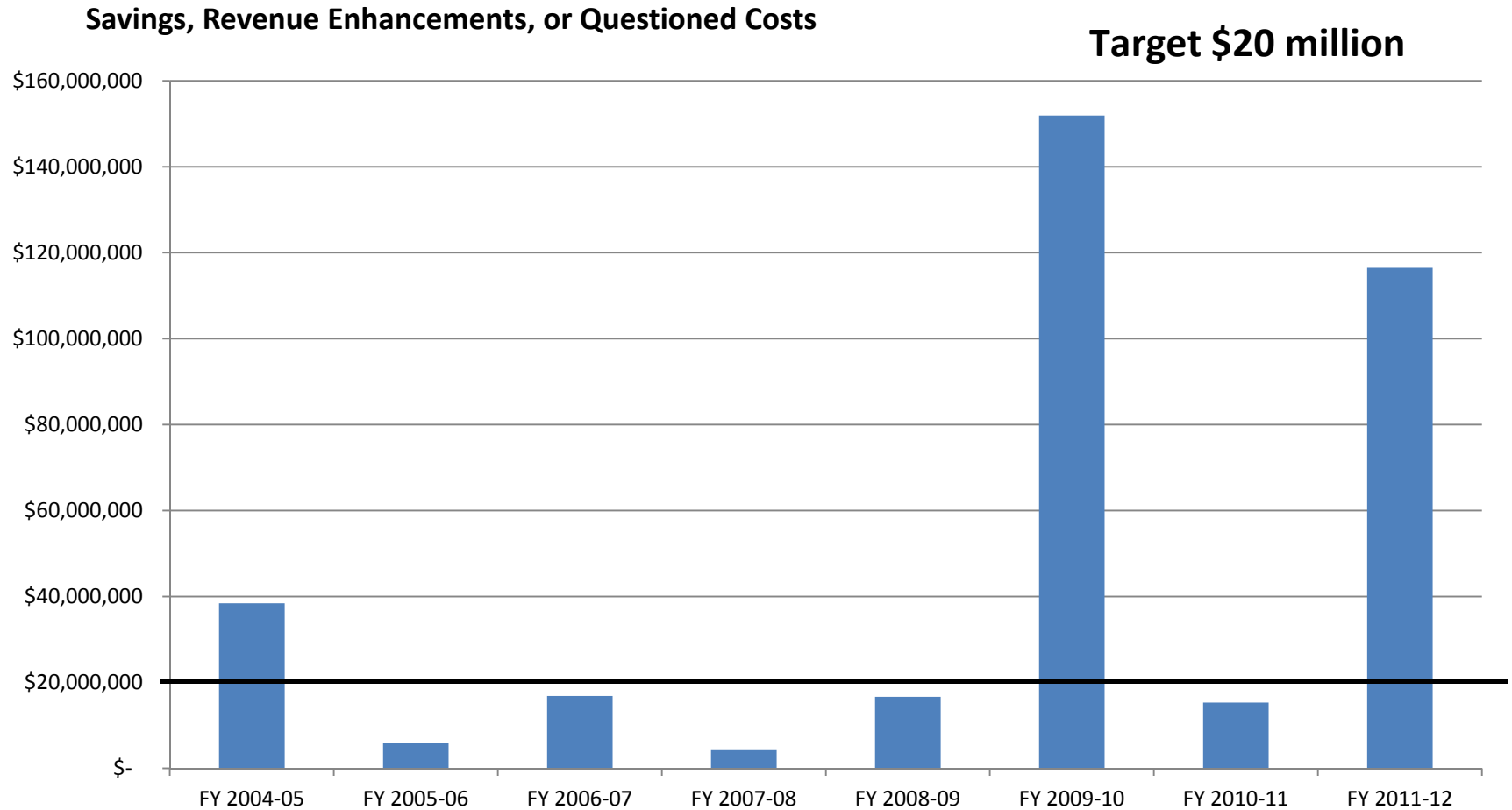
## Budget Challenges

- Removing the Oregon University System as a state agency increases our budget challenge since we must direct bill it for our work upon completion. Estimating future audit costs for direct bill agencies is challenging as we are required to estimate billings up to 3 years in advance without knowing the audit need or topic.
- Financial audit costs are more predictable but performance and IT audit needs and costs fluctuate. This limits our responsiveness to emerging audit needs in these direct bill agencies if an audit is not already budgeted, or conversely requires us to commit our audit resources when it may not be as cost-effective as other audits.



# Audits Division

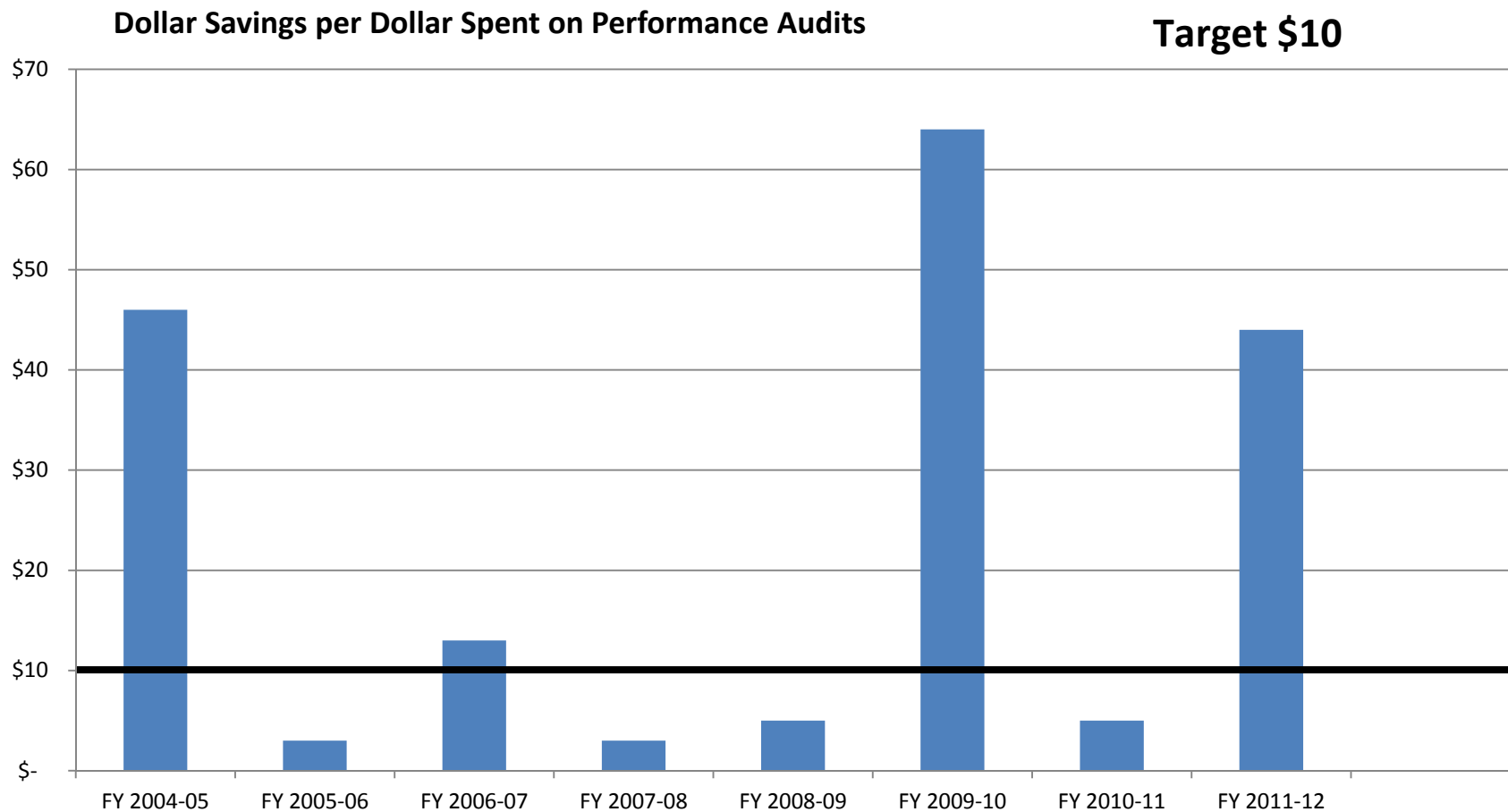
## KPM #2: Dollar impact of audits



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# Audits Division

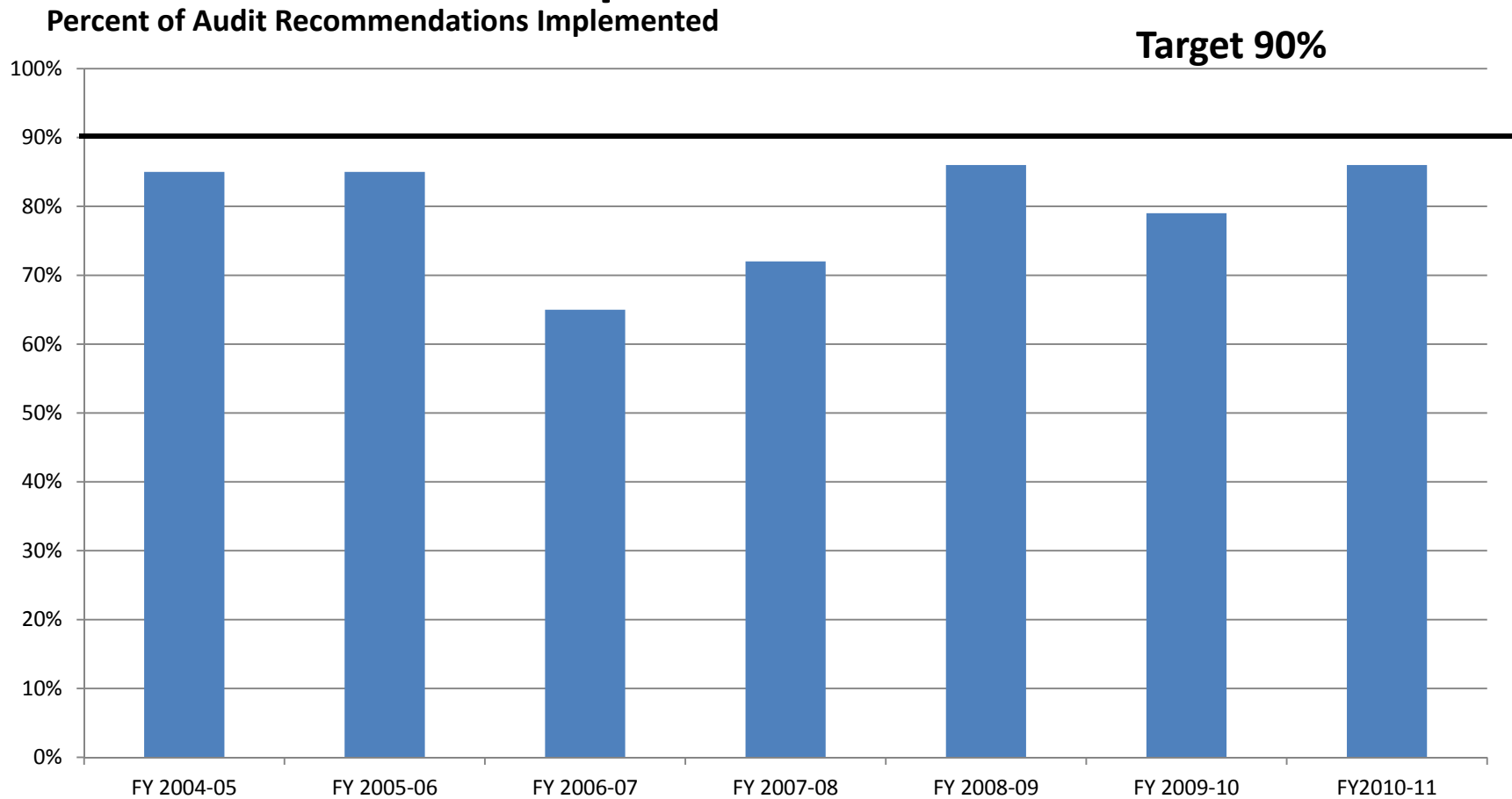
## KPM #3: Return on performance audit costs



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# Audits Division

## KPM #4: % of recommendations implemented



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## Audits Division

### Ways we are engaging Oregonians

- Auditing topics that matter most to Oregonians
- Increasing the breadth and depth to our audit reports
- Increasing our promotion of the Government Waste Hotline

## Audits Division

Ways we are innovating for the future

- Using the most modern audit tools and methods
- Emphasizing performance management for long-term agency benefits
- Continuous streamlining of our audit processes
- Auditing across agencies and governments to improve results, reduce costs and improve oversight

# Audits Division

## Ways we are delivering results

- Auditing to improve services to Oregonians
- Auditing to better inform decision-makers and the public
- Responding efficiently, flexibly to financial auditing needs, such as ARRA funding
- Increasing our follow-up to report on agency efforts to implement our recommendations

# Audits Division

## Rethinking our efforts

- Attracting and retaining many high-performing bright professionals in the Audits Division, continuously seeking improvement.
- Examining what we audit and how we audit – to produce the greatest benefit for Oregonians.

# Audits Division

## Major Program Changes

- We expanded our audits to also identify ways that an agency can better achieve its mission and objectives.
- Our audits promote better management practices to increase efficiencies, generate savings, and produce better results.
- We use performance measurement and performance management to guide agencies toward sustained improvements.



# Audits Division

## Example: SB1149 Energy Surcharge

- School districts could have realized about \$40 million in additional energy and 70% utility cost savings by better using energy surcharge funds.
- Our analysis of 6,859 energy efficiency measures from 2002-2010 found that school districts did not consistently implement the most cost-effective measures or realize the greatest energy savings.
- We also identified \$800,000 in misallocated funds.

# Audits Division

## Child Protective Services

- In reviewing district practices, we found caseworkers struggle with high workload. In all of the districts we visited, Child Welfare caseworkers and other stakeholders noted the amount and quality of parent-child visits was rarely adequate.
- We recommend that better guidance on work priorities, assistance with administrative tasks, and performance evaluations could help caseworkers reunite more children with their families.

# Audits Division

## Increasing adults with GEDs

- About 340,000 adult Oregonians are without a high school diploma or equivalent. We found that current strategies do not sufficiently address the education needs of adults who have already dropped out of school, nor do they address the needs of those who may drop out in the future.
- Better sharing of student drop out information with community colleges, more marketing, and student support could help build a better Oregon workforce.

In FY13-15, with less resources than 25 years ago,

Audits Division FTEs in 1985-87: **75**

Audits Division FTEs in 2013-15: **71**

We will continue to conduct our work in compliance with audit standards while completing:

- All mandated financial audits on time
- Performance audits with timely information and greater impacts
- IT audits that focus on the most critical state needs and vulnerabilities
- Municipal reviews that consider financial condition
- Hotline investigations that stop government waste, fraud, and abuse

# Archives Division

*The State's Information Manager and  
Information Broker*

# Archives Division

## 2013-15 Governor's Balanced Budget

- Other Funds: \$7,976,957

Note: Factors moving Archives out of GF (Pkg 121)

- Federal Funds: \$168,869
- 23 FTE

# Archives Division

If 2013-15 policy packages are not approved:

- General Fund: \$3,617,922
- Other Funds: \$3,294,578
- Federal Funds: \$168,869
- 22 FTE

# Archives Division

The Archives Division manages and provides access to the state's information by:

- Identifying, preserving and providing access to the permanently valuable records of Oregon Government
- Managing government information through records retention schedules to facilitate the prompt disposition of public records and by providing advice and assistance on records related issues
- Managing the Oregon Records Management Solution
- Creating standards for the appropriate use of technology to ensure that public records are accessible



# Archives Division

The Archives Division manages and provides access to the state's information by (con't.):

- Operating the State Records Center and Security Copy Depository
- Accepting for filing, verifying, publishing and maintaining Administrative Rules
- Compiling and publishing the Oregon Blue Book
- Accepting for filing the state's Official Documents
- Administering the State Historical Records Advisory Board

# Archives Programs

## Reference Unit

- **Is the state's information broker. Provides access to the permanent records of Oregon's government and directs the public to the proper agency for more current records.**

- Customers include:

General public	Agencies
Attorneys	Genealogists
Students	Historians

- Records used include those from:

Legislature	State and Local Government Agencies
Elected Officials	

- Information is used to:

Determine Legislative Intent	Trace Family Histories
Market Oregon	Write or Illustrate Books
Help other states develop legislation first passed by Oregon (i.e. Forest Practices Act, Beach and Bottle Bills, Health Care, etc.)	

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# *Archives Programs con't.*

## **Reference Unit**

- **Activities are driven by demand for services which is a result of customer need and awareness of available services. Reference creates demand by putting as much information about our holdings and services on the internet. Examples include:**

- Legislative Audio and Bill Tracings
- Early Oregonians Database
- Oregon Historical Records Index
- Web Drawer Application
- Exhibits
- Governor's Web Pages
- OR-Roots List Serv
- Social Media (Facebook and Twitter)

- **Archives stacks are nearing capacity (POP 123)**

***All of the Reference Unit's Services are designed to promote  
Government Transparency***

# *Archives Programs con't.*

## **Records Management Unit**

**Is the state's information manager. They do this by providing the approximately 3,000 government entities in Oregon with:**

- Advice and assistance on a variety of records related issues
- Write and keep current retention schedules to ensure that the state and its political subdivisions are mitigating storage costs and legal risks by actively managing their information which in turn makes remaining records more accessible
- Standards development that relates to technology
- Web-based training applications and webinars on disaster preparedness, basic archives and records management principles and ORMS demos

# *Archives Programs con't.*

## **Records Management Unit (con't.)**

- **Instrumental in developing a statewide electronic records management system called the Oregon Records Management Solution (ORMS) available and affordable to all levels of government in Oregon**
- **Operates the State Records Center providing inexpensive storage and service of state agency records that have not met their authorized retention period**
  - 2 FTE service requests for 98,000 boxes with a 24-hour turnaround and a 100% accuracy rate. Facility is at capacity (POP 122)
- **Operates the Security Copy Depository**
  - 1 FTE provides storage for and manages 175,000 reels of microfilm in an environmentally secure vault for state and local government agencies

## *Archives Programs con't.*

### **Publications Unit**

- **Files, verifies and publishes Oregon's Administrative Rules**
- **Provides access to Administrative Rules and rulemaking activities by:**
  - Publishing online, the monthly Oregon Bulletin
  - Updating monthly, any changes, additions or deletions to an agency's administrative rules
  - Compiling annually, a compilation of Oregon's Administrative Rules
  - Providing access to the Administrative Orders
  - Providing advice, assistance and training to all agency rule coordinators
- **Compiles and publishes the Oregon Blue Book and keeps current the free, enhanced, online version**

# Archives Division

## Budget Drivers/Challenges

- Workload increases
  - **Oregon Records Management Solution (ORMS)** started with 3 agencies now have 14. Continues to generate interest not only from other state and local government agencies, but nationally and internationally as well. Staff must juggle regular records management work with ORMS implementation.
  - **Rulemaking activity** increased from 14,815 instances for 2009-11 to approx. 19,550 for 2011-13 biennium
- Upgrading technology
- Reductions to the General Fund - no budget for office supplies, training and travel
- Further reductions to the General Fund mean eliminating programs or vacating the Archives Building. Uniform rent costs makes up 30% of the Archives General Fund Appropriation.

# Archives Division

## Cost Control Actions

### Oregon Records Management Solution (ORMS)

- Streamlined processes to manage electronic and paper records more efficiently
- Provides better access to agency information
  - Request for Secretary of State, Kate Brown's email - 80,000+ emails took 90 seconds to retrieve in ORMS
- Helps prepare for the long term storage of records in electronic form
- Helps agencies reduce server storage space needs by destroying electronic records once authorized retention have been met



# Archives Division

## Cost Control Actions Cont.

### Reference Unit

- Networked copier/scanner allowing staff to scan and email results to requestors resulting in faster turn around times and reduced paper consumption nearly 75%
- Scanned records are put into ORMS making them more accessible to the public

### Administrative Rules

- Our new online rules filing application has:
  - Eliminated the need for state agencies to hand-deliver or mail filings
  - Eliminated data entry by staff which was time consuming and increased the potential for errors
  - Reduced amount of paper used
  - Allowed agencies to use our database internally to prepare rules for filing

# Archives 13-15 Packages

## **Package 121- Archives Assessment -\$3,781,879 OF**

- This package would remove the Archives Division from the Central Government Service Charge and change its funding from GF to and FTE-based assessment on all agencies. The Archives Division would have a separate portion of the State Price List.

## **Package 122- Records Center Expansion – Request Budget Note**

- The Archives Division’s State Records Center has been operating at or near capacity for the past 5 years. This package originally estimated at \$300,000 would expand the storage space of the current facility allowing more state agencies to store their inactive records in a secure and cost effective space until the authorized retention of the records has been met.

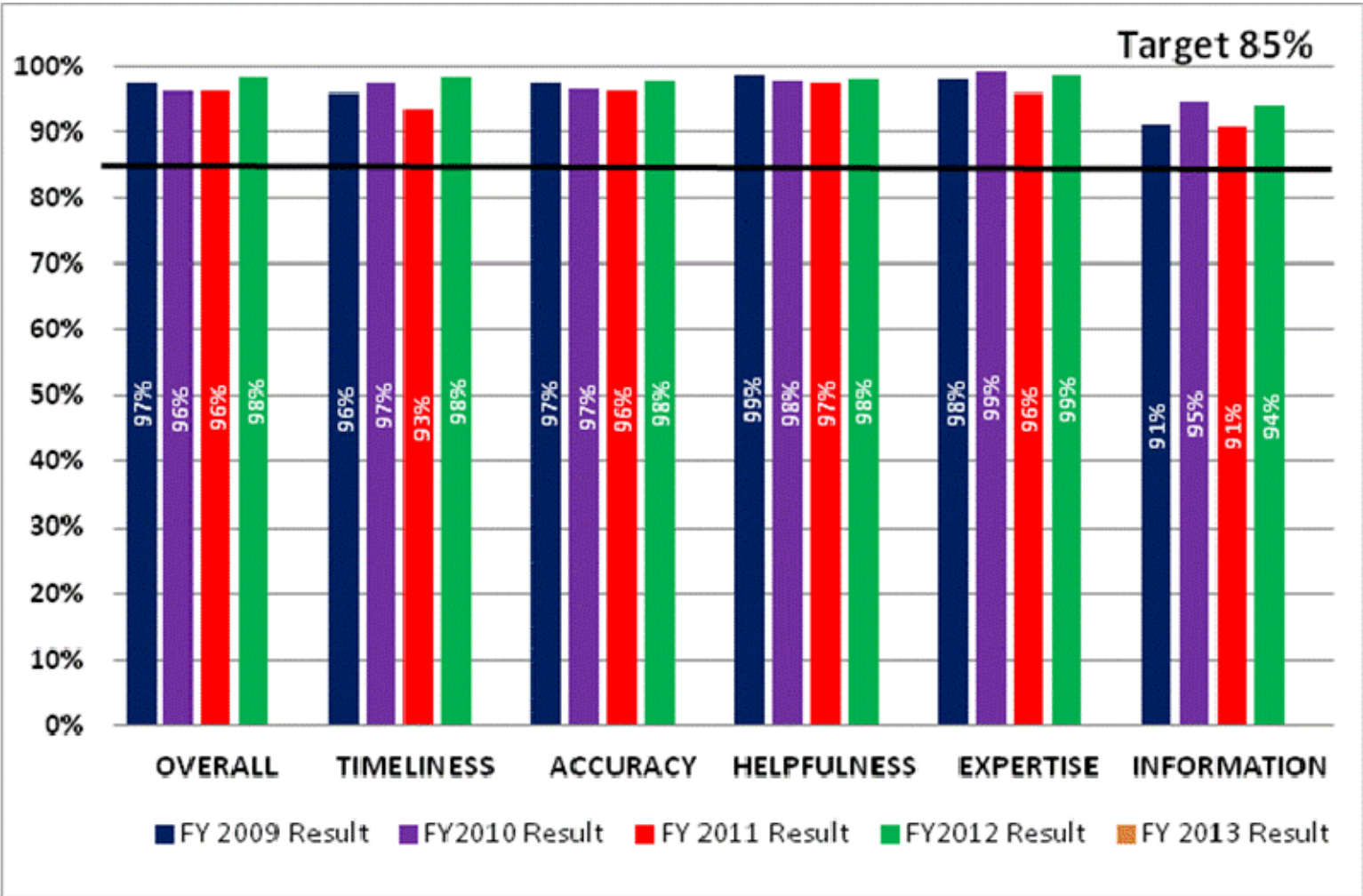
We are in current negotiations with the property owners and we have not finalized a final project plan and cost. We would like to request a budget note directing SoS to report back to the 2014 February Session for consideration and approval.

## **Package 123 – Archives Compact Shelving-\$1,000,000 OF**

- The State Archives is nearing capacity. This package would expand the storage space of the current facility by switching out switching out standard shelving with compact shelving, eventually more than doubling the space for storing the State’s historical records. This project can be completed in multiple phases.

# Archives Division

## KPM #12 – Archives Customer Satisfaction Survey Results



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# Archives Division

## KPM #1: Electronic Access to public Information

### 2012 Statistics

- Total Number of Web pages (as of 2/01/2013) – 37,912
- Total Number of Web files and web pages (as of 2/01/2013) - 87,481
- Monthly Avg. Hits – (1/2011 – 1/2013) – 240,000 (176,500 unique page views)
- Survey Results of Web Information – 2012
  - 92% of respondents had used our Website; 8% had not – a 6% increase in use since 2010
  - Of the 92% using the website, 98% found the information to be helpful and easy to access and use; 2% were not satisfied with the information on our website
- Added Facebook and Twitter accounts in 2012 with Photo/Document of the Day

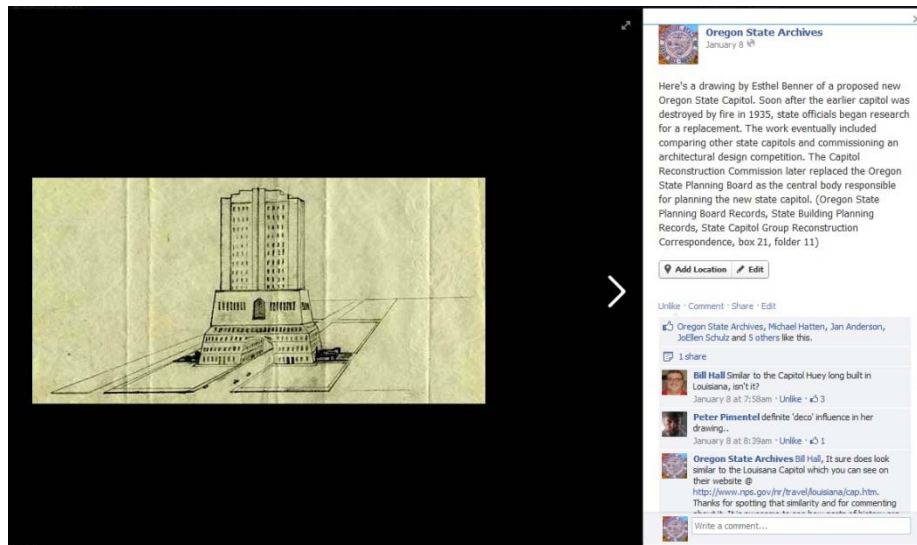
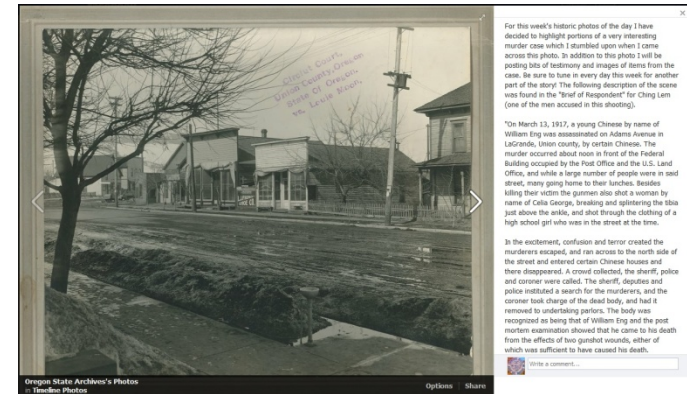
# Archives Division

## New ways we are engaging Oregonians

- Making more information about Oregon Government available on the Internet
  - ORMS
  - Exhibits
  - Training
- Taking advantage of Web 2.0 Technology
  - Twitter
  - Facebook
  - Web-based training
- New Ways to Use Deliver Administrative Rules and the Blue Book
  - QR Codes
  - Online, searchable database for Administrative Rules

# Archives Division

## New ways we are engaging Oregonians



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# Archives Division

## New ways we are innovating for the future

- **Oregon Records Management Solution**
  - One system to be used by all creating economies of scale, savings from effectively managing information and providing better access to that information. Currently have 14 participating agencies
- **Web Drawer**
  - Ability to access information quickly
  - Making more Archives holdings accessible online and tying it to agency store for one stop shopping capability
- **Blue Book Development**
  - QR Codes
  - Blue Book Apps for Smartphones, Ipad, and Tablet
- **Further Streamlining Rulemaking Process**
  - Searchable database
  - Notifications service

# Archives Division

## New ways we are delivering results

- **Oregon Records Management Solution**
  - Retention and Disposition - Asset Classification
  - Access to public records
- **Reference Services**
  - WebDrawer
- **Web 2.0 Technology**
  - Training Applications - Communicating with our Patrons
- **Electronic Publications**
  - Apps for Administrative Rules and Blue Book



# Archives Division

## Major Program Changes

- **Records Management Focus**

- ORMS
- Government accountability
- Updating Public Records Definition
- Standards and Technology

- **Reference Focus**

- Engaging more Oregonians in their government
- Access to public records
- Western Oregon Class and Internships
- Government transparency and accountability

- **Publications Focus**

- Streamlining business processes for filing and noticing Administrative Rules
- Blue Book information distribution

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In FY13-15, with less resources than 20 years ago,

Archives Division FTEs in 1991-93: **24**

Archives Division FTEs in 2013-15: **21.5**

We will continue to do our work in compliance with archives and records management standards while:

- Answering requests according to established standards
- Filing Official Documents within 24 hours of receipt
- Receiving and making accessible the permanently valuable records of Oregon in a timely manner
- Taking the Oregon Records Management Solution from a Pilot Project to full blown system for all government entities to use
- Keeping current retention schedules, standards and policies and procedures
- Ensuring publications are produced & posted according to set standards
- Updating the Oregon Blue Book every 2 years and keeping the online version current.
- Making more information accessible online and looking at new ways to deliver our products that are efficient and cost effective

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# Elections Division

*Ensuring Accurate, Secure, Efficient,  
Transparent, and Accessible  
Elections in Oregon*

# Elections Division

## 2013-15 Governor's Balanced Budget

- General Fund: \$6,873,661
- Other Funds: \$128,052
- Federal Funds: \$7,546,242
- 20 FTE

# Elections Division

- The Elections Division interprets, applies and enforces election laws, provides election information to the public, and maintains all documents related to elections.
- The Elections Division operates under the authority of the Oregon Constitution and ORS Chapters 246-260.
- The Division is also responsible for implementation in Oregon of federal election law, including the National Voter Registration Act (NVRA) and the Help America Vote Act (HAVA).

# Elections Division

## Key Activities

- Conduct of Elections
- Initiative & Referendum
- Campaign Finance Reporting
- Voter Registration
- Election Law Enforcement
- Candidate Services
- Training for Counties, Candidates, and Committees
- Statewide Voters' Pamphlet
- Election Information and Publications

# Elections Division

## Budget Drivers & Challenges

- The number of elections we have in a biennium;
- The number of candidates, the number of measures, and the number of arguments submitted regarding those measures;  
    These variables have a significant impact on the size of the voter's pamphlet and the staff and resources;
- Lawsuits we are involved in. We are unable to control the number of times we are sued, or how long and costly some of those suits may be;

# Elections Division

## Budget Drivers & Challenges Cont.

- Response time to complaints of election law violations has suffered dramatically, our resources are strained making it difficult to meet our statutory obligations;
- We no longer have the resources to perform background checks on petition circulators.
  - We are introducing legislation this session to require chief petitioners to have the background checks performed to standards we set before they submit the petition circulators name for registration.



# Elections Division

## Budget Drivers & Challenges Cont.

### Help America Vote Act (HAVA)

- With respect to funds received from the federal Help America Vote Act, we anticipate these funds will be exhausted in the first year of the 2015-17 biennium;
- Staff currently paid with these federal funds will need to transition to being paid out of general fund dollars to maintain our centralized voter registration database (OCVR).

# Elections Division

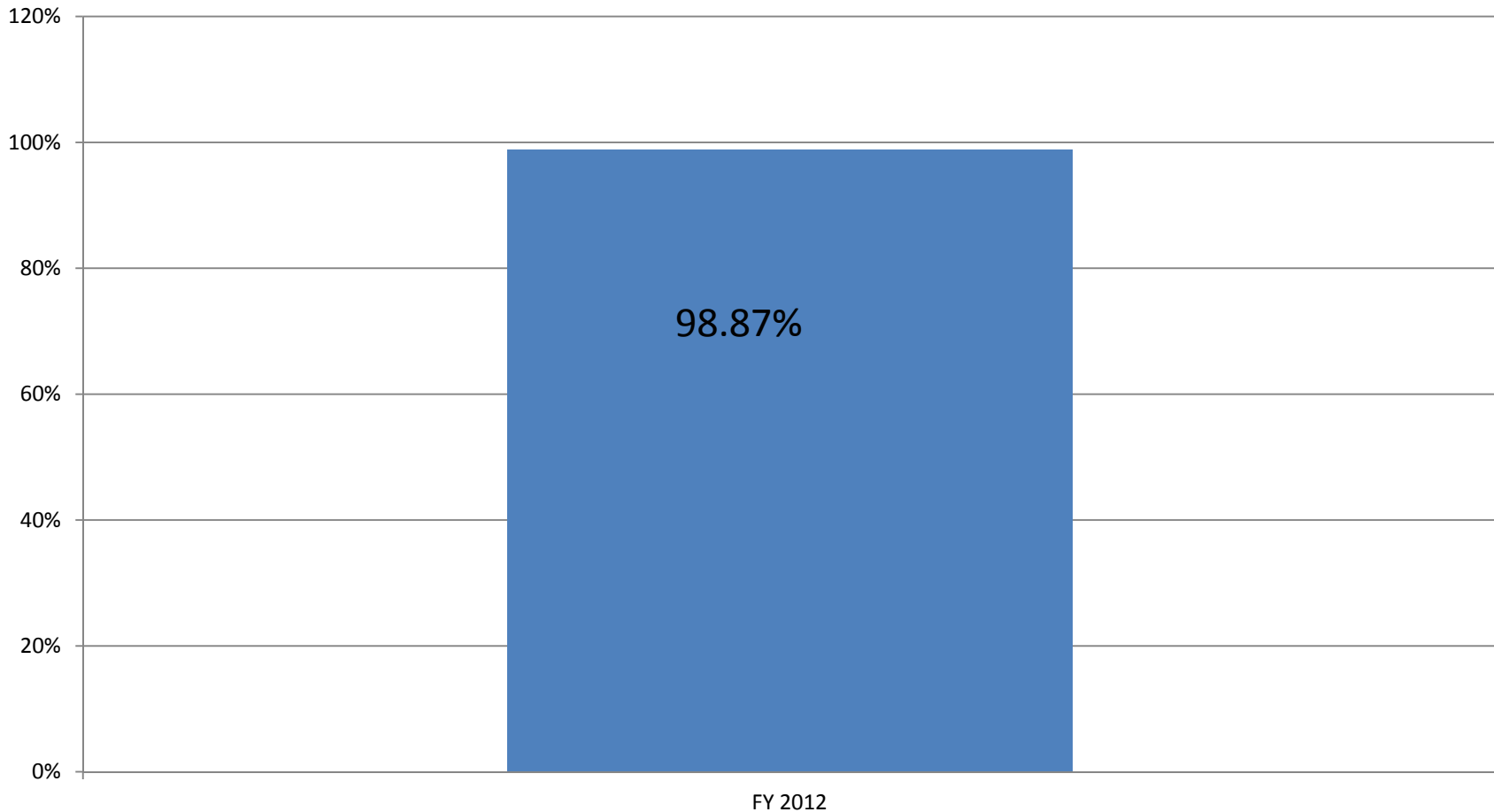
## Key Performance Measures

- KPM #8 Petition Validity
  - % of petition signatures that are validated.
    - Target for 2012 was 65%
    - Average validity rate for measures that qualified for the ballot was 66.31%
    - Average validity rate for measures that did not qualify for the ballot was 53.68%

**We are requesting approval to remove this measure as a Key Performance Measure**

# Elections Division

## KPM #9: % of Committee Filings determined to be sufficient



# Election Division

## Key Performance Measures

- KPM #9 Campaign Finance Information
  - % of committee filings determined to be insufficient.
    - 1.1% of committee filings were deemed insufficient.
    - This is the base year.
- KPM #10 Voters Pamphlet Satisfaction
  - % who rate the VP as useful or very useful.

**We are requesting approval to remove this measure as a Key Performance Measure.**
- We are requesting approval of a new KPM:  
% of campaign finance proposed penalty notices mailed within 5 months of the deficient transaction

# Election Division

## New ways we are engaging Oregonians

- Upgrading [oregonvotes.gov](https://oregonvotes.gov)
- Reaching out to each high school senior to encourage them to register to vote online
- Providing more online tools for voters to be able to gather personal election information.

# Election Division

## New ways we are innovating for the future

- Improvements to My Vote
  - Personalized voter pamphlet info
  - Personalized ballot facsimile
- Using technology to comply with federal “motor voter” law at DMV and social service agencies.
- Electronic filing of Voter Pamphlet Statements
- Modernizing Voter Registration

# Election Division

## New ways we are delivering results

- Utilizing tablet technology to serve voters with disabilities.
- Establishing a single ballot system that will serve vote by mail voters, military and overseas voters, and disabled voters, wherever they are in the world.
- National Voter Registration Day activities to register eligible Oregonians.

# Corporation Division

*Providing timely document processing services and convenient access to information about businesses, notaries, secured transactions, and government resources for a prosperous Oregon.*



# Corporation Division

## 2013-15 Governor's Balanced Budget

- Other Funds: \$8,116,201
  - 33 FTE
- 
- User fees paid by business to register a business, file a secured transaction, commission a notary, or obtain public records and certificates
  - Expect to generate \$66.8 million in total revenues
  - Expect to transfer \$48.0 million to the state General Fund

# Corporation Division

The Corporation Division's programs increase certainty in business transactions by providing information that enables commerce between strangers

- Business Information Center provides one-stop access to government services and requirements for business
- Business Registry provides essential business information to promote public trust for parties in contracts and commerce
- Notary preserves the integrity of an agreement and ensures the authenticity of a transaction
- Uniform Commercial Code reduces risk for creditors, allowing small business greater access to credit financing

# Corporation Division

## Business Information Center

- **Call Center** – answers from a real person
- Guide to **How to Start a Business in Oregon**
- **Employer's Guide for Doing Business in Oregon**
- **Business Wizard** – Online help for entrepreneurs
- **License Directory** – Information about 1,100 licenses, permits, and registrations
- **Business Xpress** – Oregon's new one-stop business portal to cut across agency silos

# Corporation Division Business Xpress Business Portal

**BUSINESS Xpress**

Search

Registrations   Permits & Licenses   Employers   Taxes   Financing   Relocate & Expand

**Open for Business!**

*Come in We're OPEN*

Business Xpress - Oregon's One Stop Business Portal  
Whether you're just a startup or if you've been in business for a while, the Oregon.gov Business Xpress can help you get where you want to go.

- ▶ Minority Business Owners
- ▶ Women Business Owners
- ▶ Small Business Owners
- ▼ Veteran Business Owners
  - Center for Veterans Enterprise
  - National Veteran Owned Business Association
  - Office of Veterans Business Development - SBA
  - Oregon SBDC Veterans Business Management Program
  - VetBiz.gov
  - Veteran Fast Launch Initiative

[View more resources](#) >>>

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**Startup Toolkit**

- Business Name Search
- File Your Business Online
- License, Permit & Registration Directory
- Start a Business Wizard
- Start a Business Guide
- Register my Business Name
- Health Insurance Basics for Small Employers
- Business Finance Widget
- Build Your Business Plan

Find out more about starting a business ▶

**Am I Compliant?**

- License, Permit & Registration Directory
- Health & Safety Requirements
- Workplace Health & Safety Posters
- Protecting Employees' Personal Information
- Small Business Ombudsman for Workers' Compensation
- Withholding Tax Compliance (tax tables, forms and laws)
- Poster Requirements for Employers

Find out more about staying compliant ▶

**Contracting With Oregon**

- Doing Business with Oregon (ORPIN)
- Department of Transportation Contracting
- Highway Construction Portal
- Guide to Doing Business with Oregon
- General Information Contracting with Oregon
- Oregon University Contracting Opportunities
- Contractor Guide to Registration

Find out more about working with Oregon ▶

**Training & Events**

- Oregon Employer Council Seminars & Events
- Trade Shows and Missions
- Occupational Safety & Health Training
- Employment Law Training Seminars
- Small Business Development Center
- Small Business Administration
- Business Oregon & Infrastructure Finance Authority Events

Find out more about training & events ▶

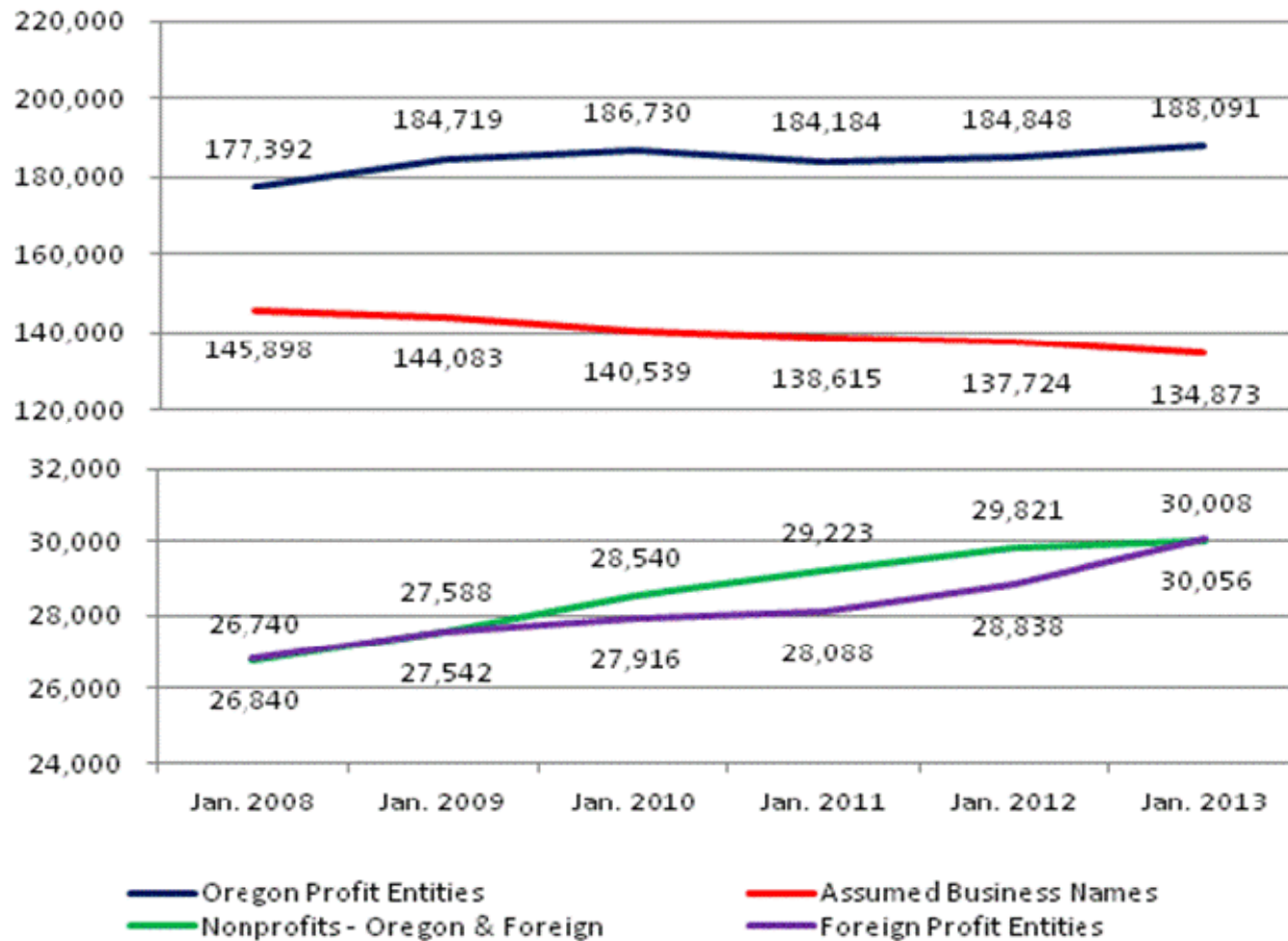
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# Corporation Division Business Registry

- Entrepreneurs register to help establish a business identity, pool resources as shareholders or partners, limit personal liability, gain access to credit and financing, have access to the courts to enforce and defend company interests, and comply with laws
- Provides essential business information to promote public trust for parties in contracts and commerce
- 380,000 active business registrations
- 29,000 business filings per month

# Corporation Division

## Active business registrations



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# Corporation Division

## Central Business Registry - *today*



- Center for Digital Government award
- Oregon's vision of a "one-stop" shop for business
- Saves time for business (minutes vs. days or weeks)
- Improves data quality
- Share information across agency silos
- New assumed business name (dba), Oregon business corporation, nonprofit, LLC, foreign business corporation, annual reports with Secretary of State
- New employer registration and updates at Revenue, Employment

# Corporation Division

## Central Business Registry – *coming soon*



- Improved user interface to simplify customer workflow
- Address validation to reduce mailing errors
- Foreign language presentation capability
- Customer email notice opt-in for renewals
- Electronic notification of registration changes
- City of Portland business license registration





# Corporation Division

## Notary Public

- A Notary detects and deters fraud by serving as an impartial witness to a legal proceeding
- Makes sure the person signing a document knows what is being signed, understands the action being taken, and is the person whose signature is on the document
- We authenticate documents for international use
- We educate and provide training to notaries
- 39,000 active notaries
- 4,500 filings per month

# Corporation Division Authentication simplified

State of Oregon Secretary of State	
<b>APOSTILLE</b> (Convention de La Haye du 5 octobre 1961)	
<b>1. Country:</b> Pays / País:	United States of America
<b>This public document</b> Le présent acte public / El presente documento público	
<b>2. has been signed by</b> a été signé par ha sido firmado por	THOMAS M MOT
<b>3. acting in the capacity of</b> agissant en qualité de quien actúa en calidad de	Notary Public
<b>4. bears the seal / stamp of</b> est revêtu du sceau / timbre de y está revestido del sello / timbre de	the said notary
<b>Certified</b> Attesté / Certificado	
<b>5. at</b> à / en	Salem, Oregon
<b>6. the</b> le / el day	Friday, January 13, 2012
<b>7. by</b> par / por	Secretary of State, State of Oregon
<b>8. N°</b> sous n° bajo el número	994754W5
<b>9. Seal / Stamp</b> Sceau / timbre: Sello / timbre:	
<b>10. Signature:</b> Signature: Firma:	 Kate Brown

This Apostille only certifies the authenticity of the signature and the capacity of the person who has signed the public document, and, where appropriate, the identity of the seal or stamp which the public document bears.

This Apostille does not certify the content of the document for which it was issued.

This Apostille is not valid for use anywhere within the United States of America, its territories or possessions.

To verify the issuance of this Apostille, call (503) 986-2593 or email [corporation.division@state.or.us](mailto:corporation.division@state.or.us).

This certificate does not constitute an apostille under the Hague Convention of October 5, 1961 for those countries that have not acceded to that Convention.

SR- Apostille 2012-01

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# Corporation Division

## Uniform Commercial Code

- UCC facilitates lending and credit to Oregon business, farmers, and consumers
- Creates a public notice of records of debt on personal or moveable property, commodities, services rendered, and tax obligations
- Establishes priority of claim for the secured party in the event of a bankruptcy by the debtor
- 216,000 active lien filings
- 5,000 filings per month

# Corporation Division UCC online filing

Oregon  
Secretary of State  
Kate Brown



Corporation Home Business Registry Notary UCC Support

UCC Search UCC Filing Copy Request Forms UCC News

## UCC e-Filing System

UCC Filing Home

**Select Filing Type**

UCC Initial Filing  
 UCC Amendment Filing

Filing Date 02/08/2013

**Debtor Information**

Next

Name	Address	Actions
------	---------	---------

**Secured Party Information**

Next

Name	Address	Actions
------	---------	---------

**Collateral Description**

Do not enter any personally identifiable information.

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# Corporation Division

## Contain Costs and Improve Program Delivery

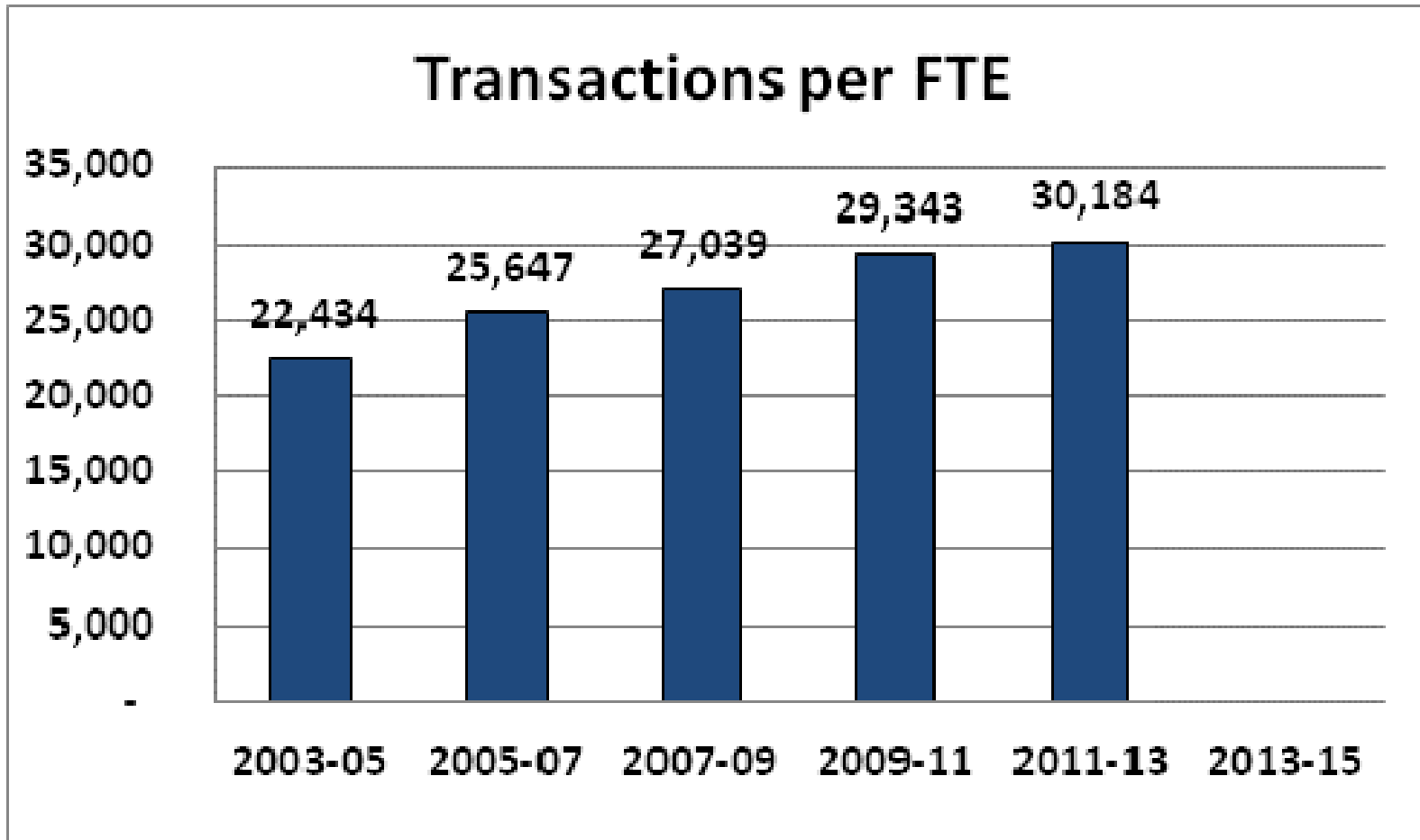
- Expanded the Central Business Registry
- Implemented the Business Xpress one-stop business portal
- New Uniform Commercial Code application with online filing
- Streamline work processes
- Improved transparency of public records
- Implemented legislative changes (HB 2253, HB 2254, HB 3247, HB 4035, HB 4108)

# Corporation Division

## Effective & efficient service delivery

- Providing services the business community wants, has requested, is willing to pay for through user fees
- Save time for Oregon business through expansion of e-government services to simplify interactions and reduce processing delays (e.g. Central Business Registry)
- Implement new UCC system with electronic filing
- Collaborate with other agencies like SBDC & MWESB to support and help small businesses grow and thrive

# Corporation Division Staff efficiency

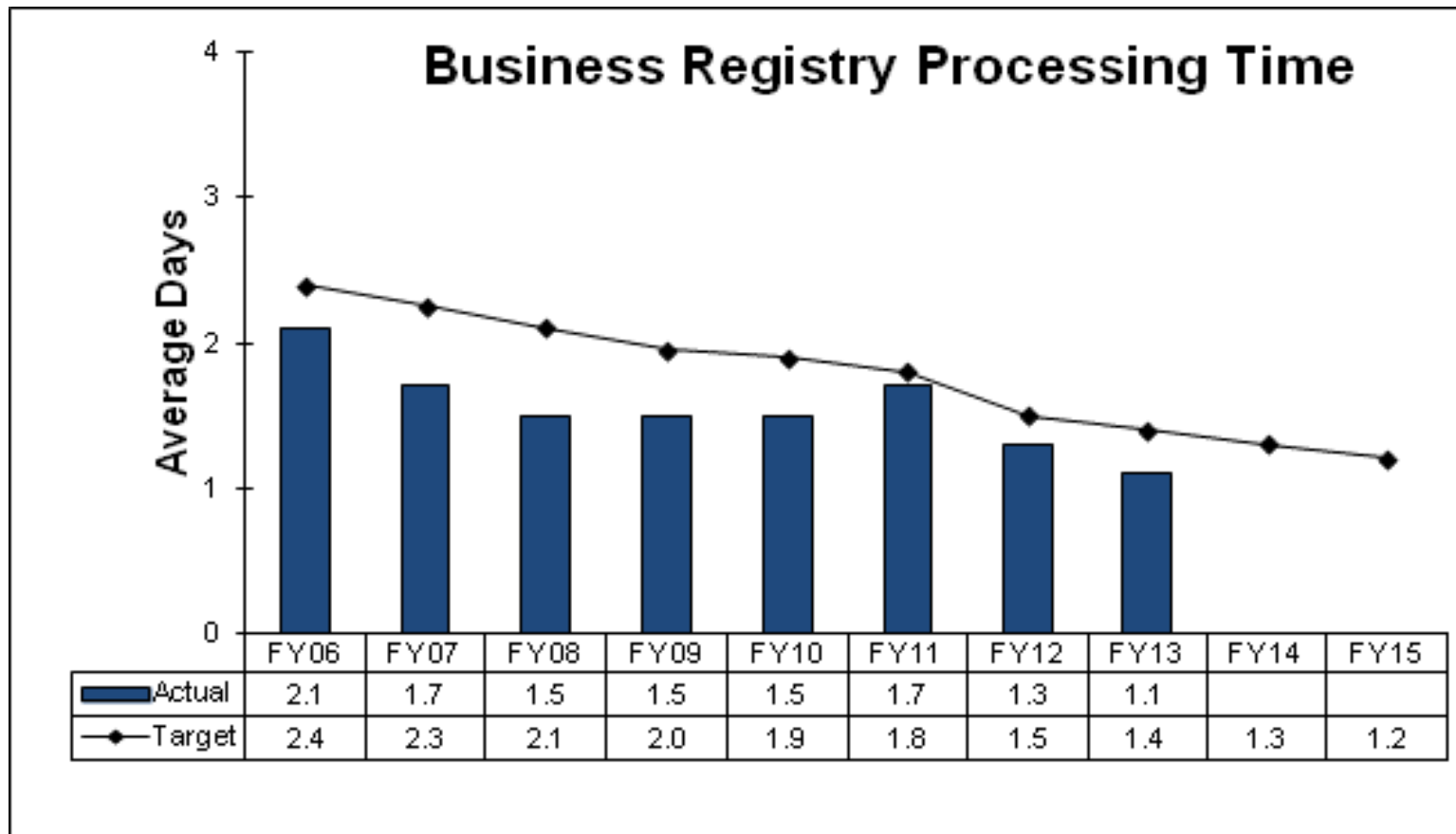


Transactions	908,588	910,466	959,893	924,294	<i>965,875</i>
Budget FTE	40.5	35.5	35.5	31.5	<i>32.0</i>

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# Corporation Division

## KPM#5: Timely document processing

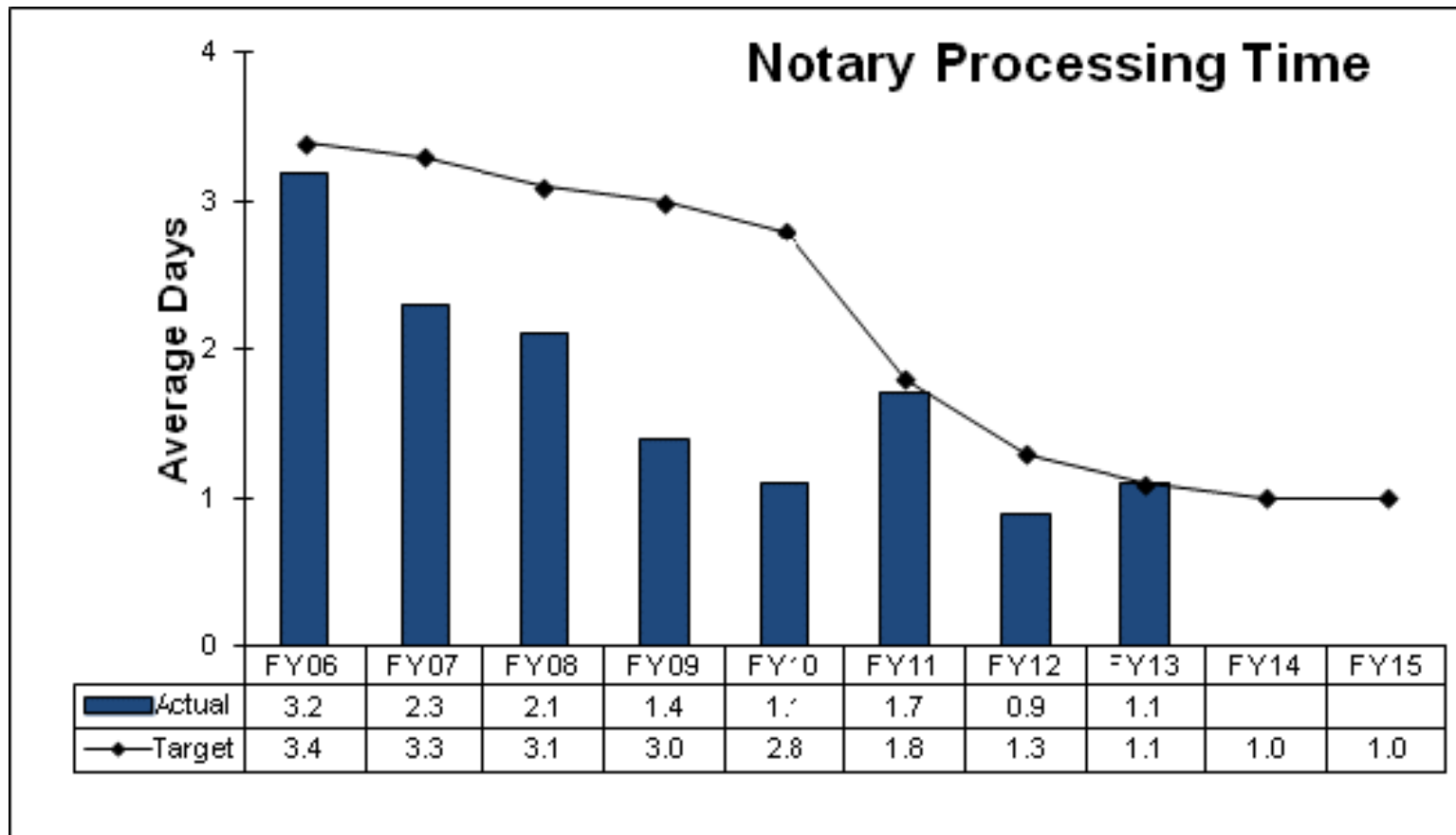


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# Corporation Division

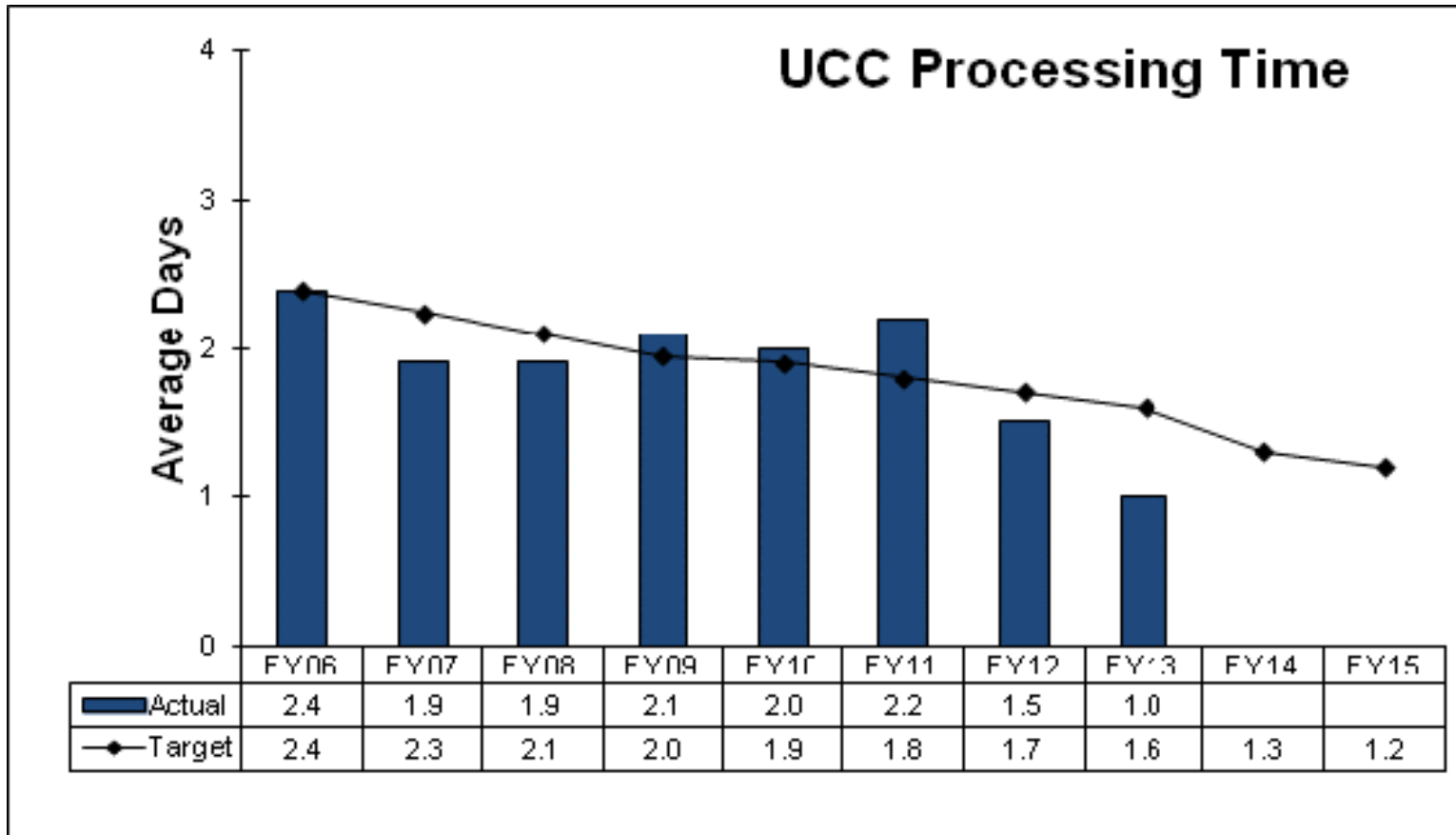
## KPM#6: Timely document processing



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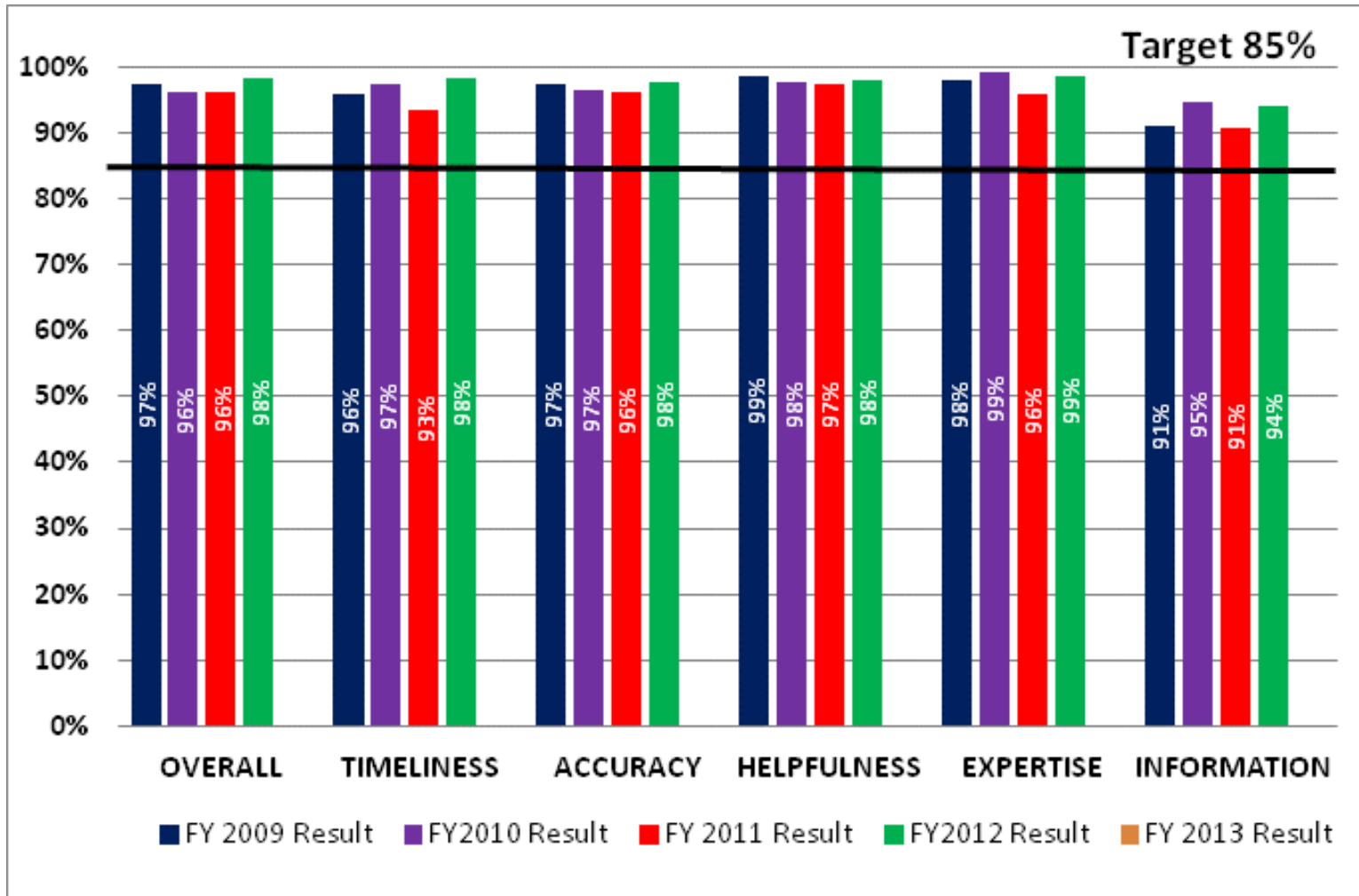
# Corporation Division

## KPM#7: Timely document processing



# Corporation Division

## KPM#12: Customer satisfaction



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# Corporation Division

## Budget Drivers

- Customer demands-
  - Documents- Business Registry, Notary, Uniform Commercial Code
  - Access- Public Records, Certification of Records and Authenticating Public Acts
  - Customer Service and Education
- Technology and legislative changes
  - Continuously Improving Services
  - Changes in legal interpretation of existing laws
- National Trends

# Corporation Division Budget Challenges

- Timely Document Processing
- Streamlined Business Registration
- Personalization of Services
- Transparent Access to Public Records
- Personally Identifiable Information

# Corporation Division Major Program Changes

- **Central Business Registry online filing**
  - 69% of new businesses filed online
  - 49% of business renewals filed online
- **UCC online filing**
  - 36% of Uniform Commercial Code filed online
- **Public record images online**
  - Over 1.4 million documents available to the public online

# Corporation Division

## Innovation to connect with Oregonians

- Implement electronic notices to allow businesses to receive email notification of updates, changes, or events in registrations and filings
- Convert microfilm to digital images available online
- Publish searchable notary database online to verify active notary commissions
- Publish searchable authentication database online to verify official authenticated records

# 2011-13 - half the staff of 20 years ago

Corporation Division FTE in 1991-93: **62.0**

Corporation Division FTE in 2011-13: **32.0**

We will continue to make it easier to do business in Oregon:

- Save time for business by using technology and streamlining processes to do our work faster
- Increase transparency by providing more public records online
- Exceed customer service expectations by delivering services that the business community wants, values, and is willing to pay to support
- Improve information resources available to help start and grow a business in Oregon, and understand regulatory requirements for business
- Transfer \$48 million in revenue to support the state's General Fund



# Policy Package 151 (Senate Bill 143)

## **Office of Small Business Assistance (SB 143) -\$253,936 (OF)**

Funding and two positions to assist Oregon small businesses when they encounter government red tape.

- 1 – Program Analyst 4  
(0.75 FTE for 2013-15 phased in January 1, 2014)
- 1 – Public Service Representative 4  
(0.75 FTE for 2013-15 phased in January 1, 2014)

# Policy Package 171

## **ISD Succession & Sustaining Positions - \$727,313 (OF)**

The original request of seven positions has been reduced to four positions to help sustain current service offerings to the business community and the public.

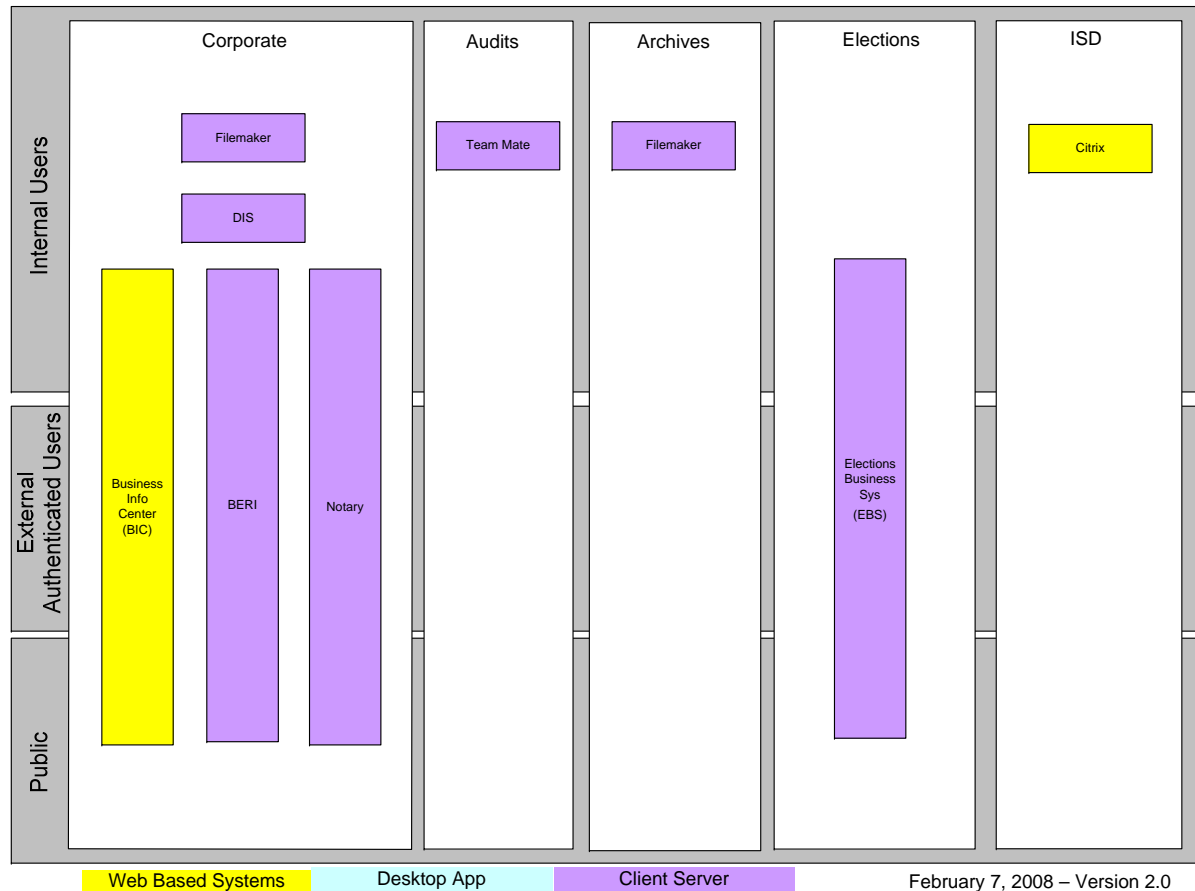
- 1 – Information System Specialist 4 – Field Support Technician
- 1 – Information System Specialist 7 – Developer  
*(Limited Duration—funded by Corporation Division OF)*
- 1 – Information System Specialist 4 – Web Usability Tester
- 1 – Operation and Policy Analyst 2 – Technical Doc Specialist

# Policy Package 171- Technology Staffing

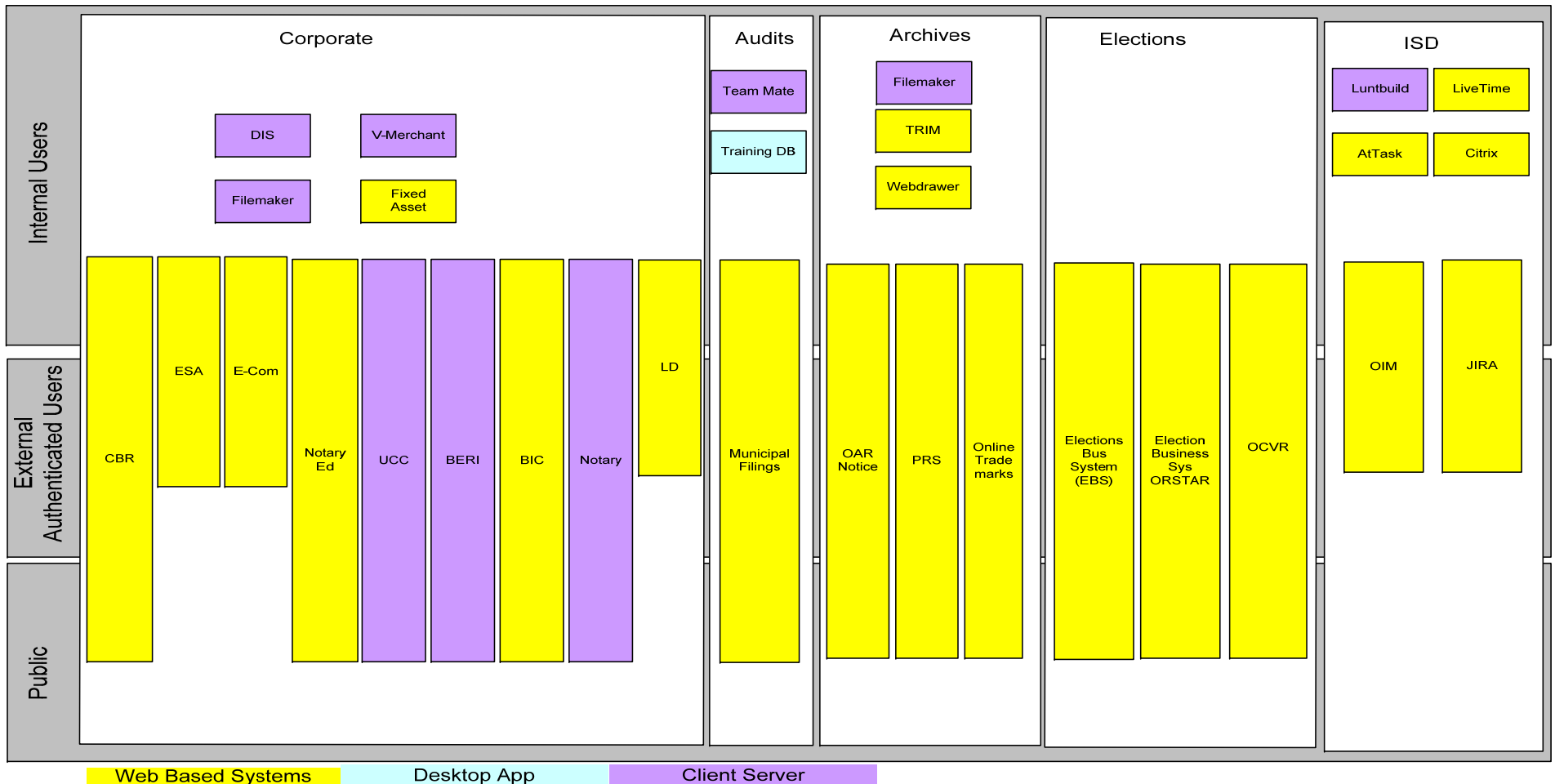
## ISD Succession & Sustaining Positions

- In the 2011-13 biennium 54 projects have been completed, 35 are in progress and 18 are approved to move forward.
- These projects include public-serving applications, which help other state and local agencies, as well as private partnerships to gain efficiencies and save the state thousands of dollars while improving our services to the business community and the public.
- To stay on top of the heavy workload and our customers desire for more online services to be offered, approval of POP 171 will be a more cost effective solution than current use of high cost contract developers.
- This package requests permanent authority for three new positions, and limited duration authority for one new position.

# Secretary of State Applications 2005



# Secretary of State Applications 2013



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# Policy Package 172

## **Central Business Registry – \$567,463 (OF)**

New development to enhance Central Business Registry:

- **City business license** – provide all Oregon cities an option for online business licensing
- **State business licensing** – pilot project with state agency to complete state licensing requirements online
- **Existing business Opt-In** – allow businesses registered with the state through paper filing to use the Central Business Registry to update registration information online
- **BERI Interface Rewrite** –modernize the Business Entity Registration and Information (BERI) system to a supported platform, and enable additional online business registration

# Policy Package 172, Con't.

## **Business Xpress, Phase 2 – \$1,200,000 (OF)**

New development to modernize and enhance the online License Directory, Business Wizard, and Business Information Center applications into a single, easy to use online application.

The new, combined application will streamline the process to update and support all content and information, improving the quality and usability of information provided to business and help them grow and succeed by understanding appropriate requirements, regulations and services.

# Administrative Services

*The Administrative Services Division (ASD) consists of the Executive Office, Business Services, Human Resources and Information Systems.*

*ASD provides administrative support services to all divisions of the Secretary of State.*



# Administrative Services

## 2013-15 Governor's Balanced Budget

The Administrative Services operations are financed by a GF appropriation combined with revenue transfers from those divisions operating with OF limitations as follows:

- General Fund: \$1,972,427
- Other Funds: \$15,229,902
- 54.61 FTE

# Administrative Services

Administrative Services support all divisions in the agency through the following programs:

## **Executive Office (6.0 FTE)**

- **Agency Management:** General oversight of the work of each division; managing external communications, including relations with other governments, other agencies of state government, the Legislature, the media and our customers.
- **Other Secretary of State Functions:** The Executive Office performs statutory and constitutional functions not assigned to any division, such as supporting the work of the State Land Board, accepting and filing original bills during the legislative session, and lending of the state flag and. The Secretary is also the custodian of the State Seal.

# Administrative Services

## **Business Services (15.0 FTE)**

- **Administration:** Strategic development & execution; financial management; policies and procedures; administrative support and safety and risk management
- **Accounting:** Financial reporting; accounts receivables and payables; and financial transaction processing
- **Budget:** Budget analysis; budget development; budget execution; fiscal impact statement preparation and Emergency Board
- **Business and Cash Management Services:** Blue Book sales and distribution; cash and cash equivalents processing; accounting assistance and mail distribution
- **Purchasing and Contracts:** Contract administration; formal & informal procurement; contract risk assessment; fixed asset tracking and storeroom and inventory management

# Administrative Services

## Information Systems (29.92 FTE)

- **Administration:** Strategic planning & execution; business continuity, policy and state and industry standards, governmental IT partnerships, IT contract administration
- **Technical Support:** Helpdesk administration, hardware & software purchase and distribution, end-user support, service level monitoring
- **Infrastructure Support:** Database administration & management, quality assurance testing , configuration and system document management
- **Application and Development Support:** Project management, business analysis, application development, quality assurance

# Administrative Services

## **Human Resources Services (3.69 FTE)**

- **Compliance:** Interpretation, application and compliance of state and federal laws as well policies, procedures and rules
- **Payroll:** Payroll and benefits administration; compensation and classification
- **Recruitment & Training:** Recruitment; employee orientation; employee training
- **Personnel Management:** Performance management; counseling; complaint resolution; progressive disciplinary action; employee reduction, layoff and outplacement assistance

# Administrative Services Budget Drivers

The Administrative Services Division's primary customers are the divisions of the agency. Other customers include state agencies, municipalities, elected officials, contractors, and the general public. The business needs of agency divisions drive the workload of ASD, which can include:

- Demand for online services to the public; increasing reliance on technology; continued increase in our customer and partnership base; and development for "*any data, any device, anywhere*" (applications must be tested for different devices and ever-changing Internet browsers)
- Impacts of new legislation; financial year-end reporting; agency division contracting needs; corporation and business registry filings.
- Number of recruitments, resignations, retirements, dismissals, and layoffs.

# Administrative Services 2013-15 Packages

- Package 171 – Information Technology Staffing
  - \$727,313 OF
  - 4 FTE
- Package 172 – Continuation & Expansion of Online Business Services
  - \$1,767,463 OF

# Administrative Services

## KPM #11: Staff Diversity

(06/30/12 data)

### HOW WE ARE DOING

**Women** represent 61% of the Agency workforce. Nine individuals were hired and one promoted in the representation of **people of color** and **persons with disabilities** representation remained steady.

### HOW WE COMPARE

Our representation of **women** *exceeds* the statewide workforce. Our representation of **persons with disabilities** *parallels* the State's representation. Our representation of **people of color** *trails behind* the statewide workforce by 5%.

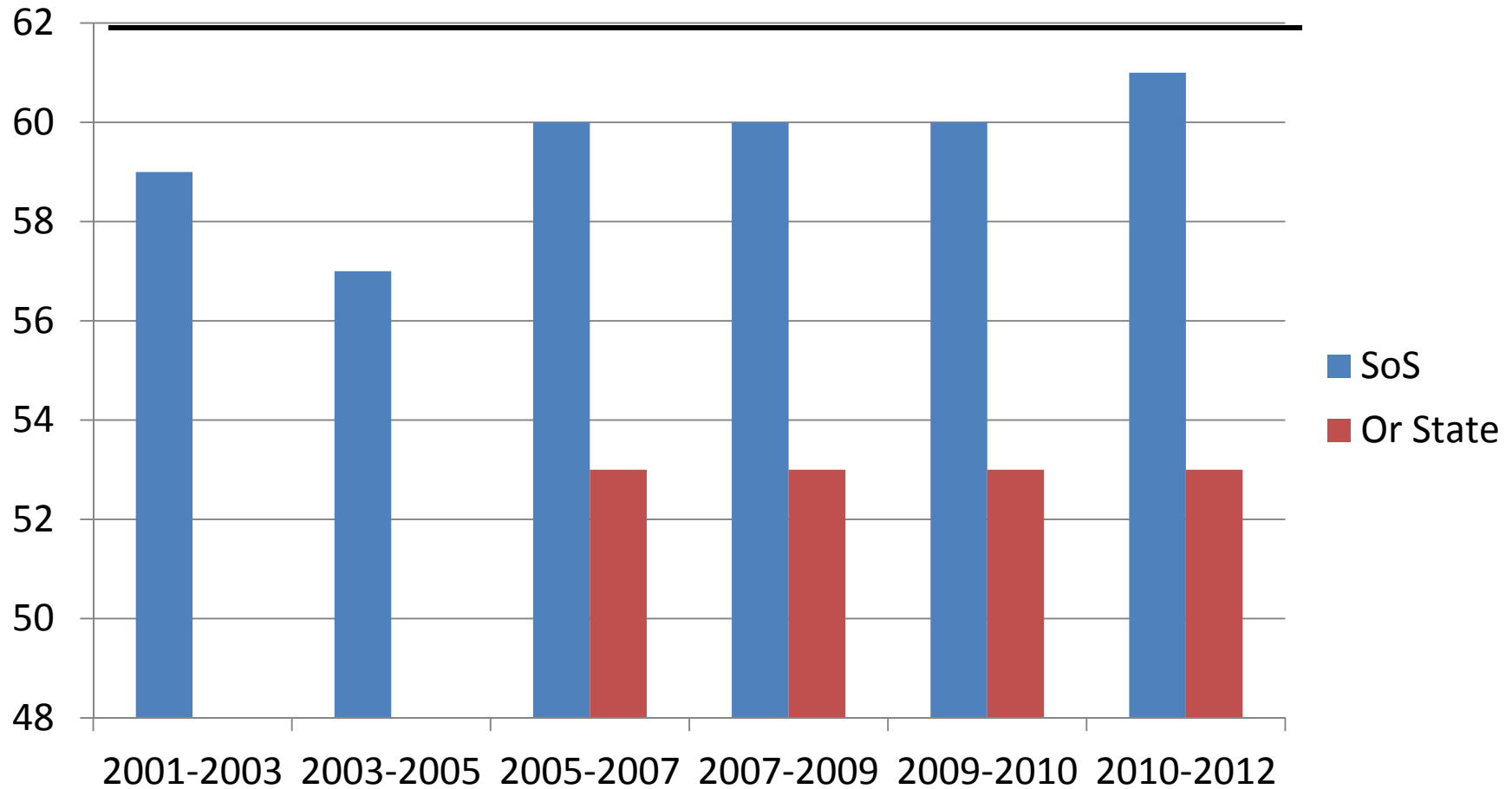
### WHAT NEEDS TO BE DONE

Continue efforts to attract job applicants and retain employees that are representative of the diversity of the local workforce. Strive to maintain our gains and gradually increase representation in each job category. Diligently work toward achieving AA/EEO objectives. Maintain the requirement that 100% of all open competitive vacancies be advertised on diversity websites.



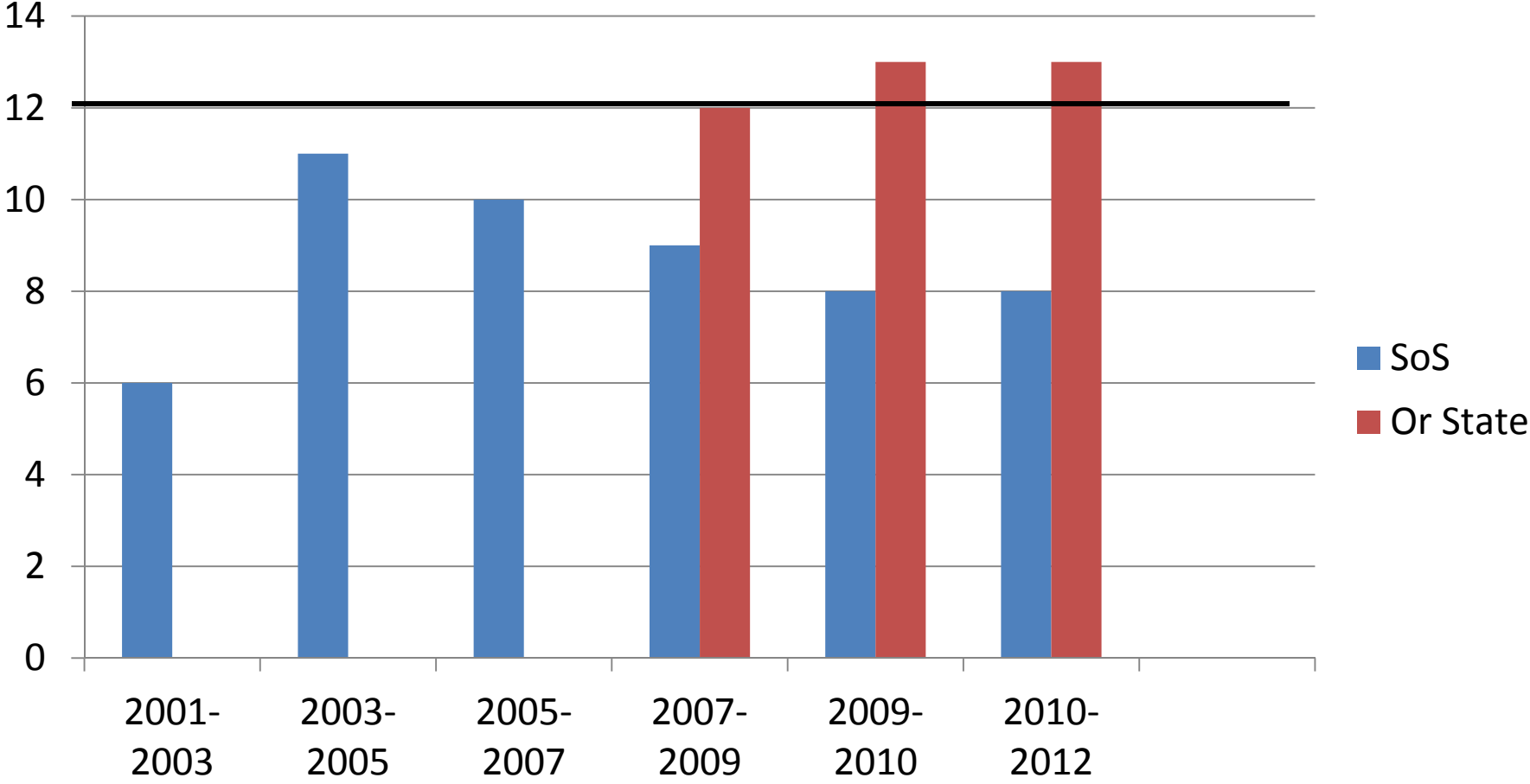
# KPM #11-Staff Diversity Percent of Women

Target 62%



# KPM #11- Staff Diversity People of Color

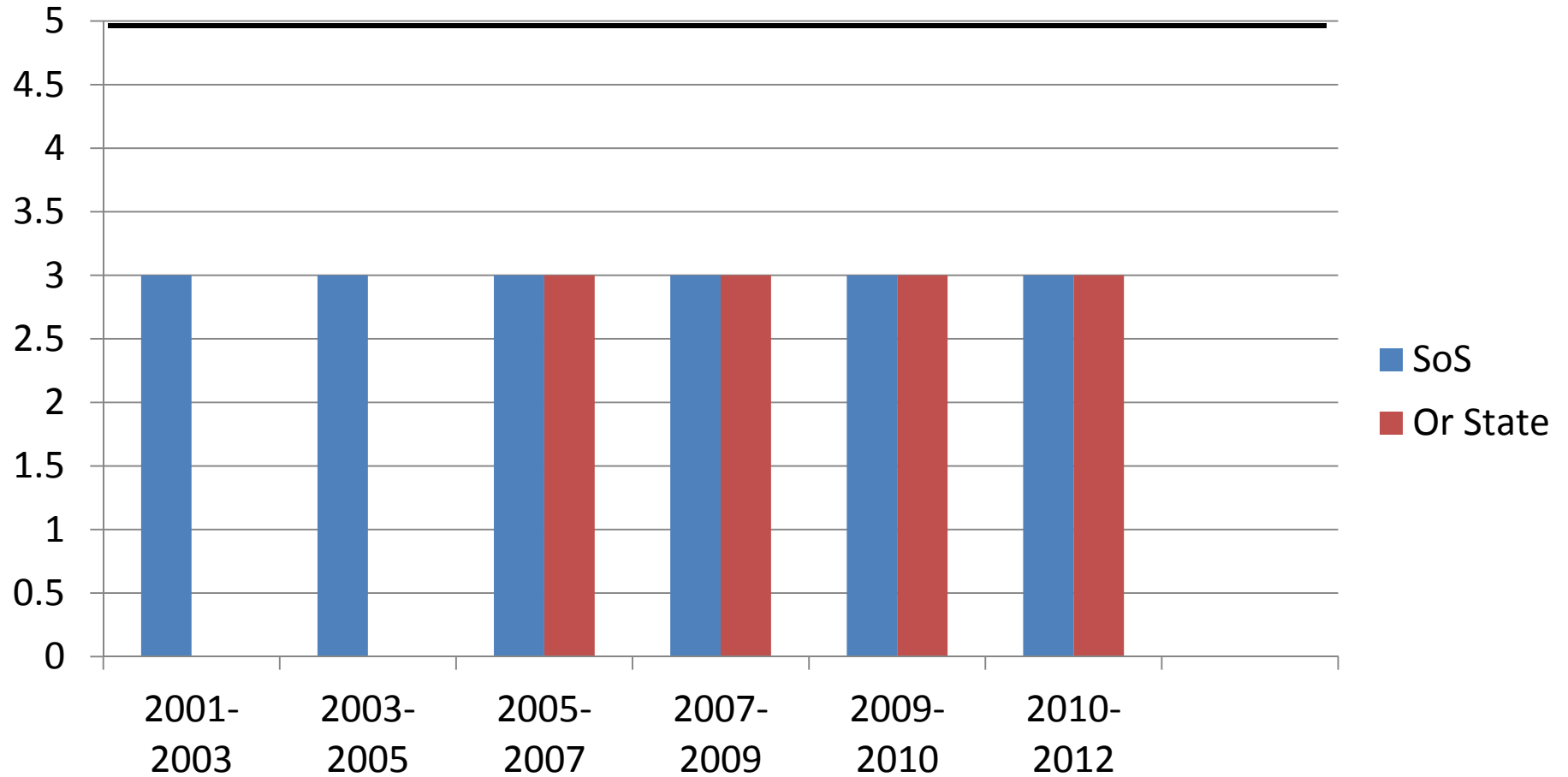
Target 12%



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# KPM#11- Staff Diversity Persons with Disabilities

Target 5%



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THE FUTURE -- DELIVER RESULTS

# Appendix

- Attachment A—Annual Performance Progress Report
- Attachment B—Program Prioritization
- Attachment C—Agency New Hires
- Attachment D—Proposed Legislation

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