
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee

From: Steve Bender, Legislative Fiscal Office
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Date: June 17, 2015

Subject: Secretary of State – HB 5036
Work Session Recommendations

Secretary of State – Agency Totals

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	\$13,154,574	\$8,663,845	\$9,109,410	\$9,511,939
Lottery Funds	0	0	0	0
Other Funds	34,795,709	50,265,885	49,566,983	54,768,224
Federal Funds	5,632,259	5,045,103	5,144,079	6,251,910
Total Funds	\$53,582,542	\$63,974,833	\$63,820,472	\$70,532,073
Positions	198	202	199	212
FTE	197.30	200.61	198.19	210.71

Attached are the recommendations from the Legislative Fiscal Office for the Secretary of State. They include the following:

- Partially approve Package 100, to establish seven permanent and two limited-duration positions in the Information Services Division to support IT infrastructure security and application development and enhancements.
- Approve \$500,000 in one-time Other Funds expenditures to replace existing shelving in the Archives Building with compact shelving.
- Add one additional position to the Office of Small Business Assistance.
- Approve \$624,000 of one-time Other Funds expenditures for Oregon Business Registry upgrades.
- Approve \$488,710 Federal Funds for improvements to the Oregon Centralized Voter Registration system.

- Approve \$285,000 General Fund for improvements to the Oregon Election System for Tracking and Reporting (ORESTAR).
- Approve funds to fully support implementation of HB 2177 (Motor Voter). Funding includes \$768,000 General Fund for payments to counties for costs associated with the impact of of HB 2177 on voter registration rolls. Half of the General Fund is provided to the Secretary of State and the other half is appropriated to the Emergency Board.
- Authorize two auditor positions to assist in preparing IT audits.
- Recommend the transfer of \$6.2 million of Corporation Division business registration fee revenues to the General Fund.

Adjustments to Current Service Level:

See attached “Work Session Presentation Report” dated 6/17/15.

Accept LFO Recommendation

Motion: Move the LFO recommendations to HB 5036, or move the LFO recommendations with modifications.

Performance Measures

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form.

Motion: Move the LFO recommendations on Key Performance Measures, or move the LFO recommendation with modifications.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$9,511,939 General Fund, \$54,768,224 Other Funds, \$6,251,910 Federal Funds, and 212 positions (210.71 FTE), and that House Bill 5036 be amended by the HB 5036-1 amendments.

Motion: Move adoption of the -1 amendments to HB 5036.

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	8,476,735	-	48,895,140	7,710,474	-	-	65,082,349	202	200.61
2013-15 Ebds, SS & Admin Act	187,110	-	1,370,745	(2,665,371)	-	-	(1,107,516)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	8,663,845	-	50,265,885	5,045,103	-	-	63,974,833	202	200.61
2013-15 Leg Approved Budget (Base)	8,663,845	-	50,265,885	5,045,103	-	-	63,974,833	202	200.61
Summary of Base Adjustments	252,403	-	695,877	(49,382)	-	-	898,898	(3)	(2.42)
2015-17 Base Budget	8,916,248	-	50,961,762	4,995,721	-	-	64,873,731	199	198.19
010: Non-PICS Pers Svc/Vacancy Factor	22,364	-	133,668	(17,433)	-	-	138,599	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,267,483)	-	-	-	(2,267,483)	-	-
030: Inflation & Price List Adjustments	170,798	-	739,036	165,791	-	-	1,075,625	-	-
2015-17 Current Service Level	9,109,410	-	49,566,983	5,144,079	-	-	63,820,472	199	198.19
Adjusted 2015-17 Current Service Level	9,109,410	-	49,566,983	5,144,079	-	-	63,820,472	199	198.19
Total LFO Recommended Packages	402,529	-	5,201,241	1,107,831	-	-	6,711,601	13	12.52
2015-17 Legislative Actions	9,511,939	-	54,768,224	6,251,910	-	-	70,532,073	212	210.71
Net change from 2013-15 Leg Approved Budget	848,094	-	4,502,339	1,206,807	-	-	6,557,240	10	10.10
Percent change from 2013-15 Leg Approved Budget	9.8%	0.0%	9.0%	23.9%	0.0%	0.0%	10.3%	5.0%	5.0%
Net change from 2015-17 Current Service Level	402,529	-	5,201,241	1,107,831	-	-	6,711,601	13	12.52
Percent change from 2015-17 Current Service Level	4.4%	0.0%	10.5%	21.5%	0.0%	0.0%	10.5%	6.5%	6.3%

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 16500-001-00-00-00000
Administrative Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	1,920,138	-	15,121,799	-	-	-	17,041,937	55	54.61
2013-15 Ebds, SS & Admin Act	77,925	-	480,758	-	-	-	558,683	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	1,998,063	-	15,602,557	-	-	-	17,600,620	55	54.61
2013-15 Leg Approved Budget (Base)	1,998,063	-	15,602,557	-	-	-	17,600,620	55	54.61
Summary of Base Adjustments	48,876	-	(126,176)	-	-	-	(77,300)	(2)	(1.92)
2015-17 Base Budget	2,046,939	-	15,476,381	-	-	-	17,523,320	53	52.69
010: Non-PICS Pers Svc/Vacancy Factor	11,295	-	41,549	-	-	-	52,844	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(1,767,483)	-	-	-	(1,767,483)	-	-
030: Inflation & Price List Adjustments	13,379	-	221,050	-	-	-	234,429	-	-
2015-17 Current Service Level	2,071,613	-	13,971,497	-	-	-	16,043,110	53	52.69
Adjusted 2015-17 Current Service Level	2,071,613	-	13,971,497	-	-	-	16,043,110	53	52.69
Total LFO Recommended Packages	(266,471)	-	2,677,371	-	-	-	2,410,900	9	8.68
2015-17 Legislative Actions	1,805,142	-	16,648,868	-	-	-	18,454,010	62	61.37
Net change from 2013-15 Leg Approved Budget	(192,921)	-	1,046,311	-	-	-	853,390	7	6.76
Percent change from 2013-15 Leg Approved Budget	(9.7%)	0.0%	6.7%	0.0%	0.0%	0.0%	4.9%	12.7%	12.4%
Net change from 2015-17 Current Service Level	(266,471)	-	2,677,371	-	-	-	2,410,900	9	8.68
Percent change from 2015-17 Current Service Level	(12.9%)	0.0%	19.2%	0.0%	0.0%	0.0%	15.0%	17.0%	16.5%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 New Information Technology Positions

Package Description Establish ten permanent full-time positions (10.00 FTE) in the Information Services Division, to support IT infrastructure security and application development and enhancements. Appropriate \$559,260 General Fund and increase Other Funds expenditures by \$1,510,926 to finance the personnel and associated services and supplies costs.

LFO Recommendation Establish seven permanent full-time positions and two limited duration full-time positions in the Information Services Division, to support IT infrastructure security and application development and enhancements. Appropriate \$533,529 General Fund and increase Other Funds expenditures by \$1,253,371 to finance the personnel and associated services and supplies costs.

Position #1503015, and Enterprise Business Analyst position, is not approved. Positions associated with Elections Divisions systems (#1503008 and #1503010) are established as limited-duration positions. The following positions are each reduced from 1.00 FTE to 0.92 FTE to delay funding for the four new positions until September 1, 2015 - #1503009, #1503011, #1503012 and #1503013.

LFO Recommended

Revenues	533,529	-	-	-	-	-	533,529		
Expenditures	533,529	-	1,253,371	-	-	-	1,786,900	9	8.68

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Oregon Business Registry Enhancements

Package Description Increase Other Funds expenditures by \$624,000 for Oregon Business Registry enhancements, including: continuation of ongoing efforts to modernize the Business Entry Registration and Information (BERI) interface with browser-based platforms, expanding the online filing capability of the Oregon Central Business Registry, expanding Central Business Registry integration of local government business licenses and state agency business licensing, and other initiatives.

LFO Recommendation Approve the request. Funding is approved on a one-time basis and will not be included in the agency's 2017-19 biennium current service level budget.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	624,000	-	-	-	624,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description Package 801 transfers \$800,000 of Personal Services expenditures in the Administrative Services Division from General Fund to Other Funds. The transfer is approved on a one-biennium basis only, and the fund source for the expenditures so transferred will be restored to General Fund in the development of the agency's 2017-19 biennium current service level budget.

The package reduces the General Fund required to support the agency budget, but does not require any reduction in expenditures. The agency will use \$800,000 of accumulated Other Funds fund balances in lieu of General Fund.

LFO Recommendation Approve the package.

LFO Recommended

Revenues	(800,000)	-	-	-	-	-	(800,000)		
Expenditures	(800,000)	-	800,000	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Revenue Adjustments

Package Description Update internal transfers of Other Funds from agency divisions to Administrative Services for support of centralized agency functions.

LFO Recommendation Increase Other Funds Transfer In-Intrafund by \$510,745.

LFO Recommended

Revenues	-	-	510,745	-	-	-	510,745		
Expenditures	-	-	-	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	6,556,597	-	128,032	7,541,605	-	-	14,226,234	20	20.00
2013-15 Ebds, SS & Admin Act	109,185	-	-	(2,665,371)	-	-	(2,556,186)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	6,665,782	-	128,032	4,876,234	-	-	11,670,048	20	20.00
2013-15 Leg Approved Budget (Base)	6,665,782	-	128,032	4,876,234	-	-	11,670,048	20	20.00
Summary of Base Adjustments	203,527	-	-	(49,382)	-	-	154,145	-	-
2015-17 Base Budget	6,869,309	-	128,032	4,826,852	-	-	11,824,193	20	20.00
010: Non-PICS Pers Svc/Vacancy Factor	11,069	-	-	(17,433)	-	-	(6,364)	-	-
030: Inflation & Price List Adjustments	157,419	-	3,942	160,336	-	-	321,697	-	-
2015-17 Current Service Level	7,037,797	-	131,974	4,969,755	-	-	12,139,526	20	20.00
Adjusted 2015-17 Current Service Level	7,037,797	-	131,974	4,969,755	-	-	12,139,526	20	20.00
Total LFO Recommended Packages	669,000	-	1,013,990	1,242,155	-	-	2,925,145	1	0.50
2015-17 Legislative Actions	7,706,797	-	1,145,964	6,211,910	-	-	15,064,671	21	20.50
Net change from 2013-15 Leg Approved Budget	1,041,015	-	1,017,932	1,335,676	-	-	3,394,623	1	0.50
Percent change from 2013-15 Leg Approved Budget	15.6%	0.0%	795.1%	27.4%	0.0%	0.0%	29.1%	5.0%	2.5%
Net change from 2015-17 Current Service Level	669,000	-	1,013,990	1,242,155	-	-	2,925,145	1	0.50
Percent change from 2015-17 Current Service Level	9.5%	0.0%	768.3%	25.0%	0.0%	0.0%	24.1%	5.0%	2.5%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 201 OCVR Modernization and OF Limitation Increase

Package Description The Secretary of State requested \$1,502,700 of Federal Funds expenditure limitation, including \$383,710 to fix bugs in the Oregon Centralized Voter Registration (OCVR) system, \$105,000 for testing of technology improvements to OCVR, and \$1,013,990 to eliminate county payments for using the OCVR. The fund source would be federal HAVA funds.

LFO Recommendation Increase the Federal Funds expenditure limitation by \$488,710, including \$383,710 to fix bugs in the OCVR system and \$105,000 for testing of technology improvements to OCVR. County payments for using OCVR are retained.

To correctly account for the continuing county payments, increase the Other Funds expenditure limitation by \$1,013,990 and increase Other Revenues (county payments) by the same amount. The increases in Other Funds expenditures and revenues are technical adjustments to correctly include the ongoing county payments in the agency budget, and do not represent actual expenditure or revenue increases.

LFO Recommended

Revenues	-	-	1,013,990	-	-	-	1,013,990		
Expenditures	-	-	1,013,990	488,710	-	-	1,502,700	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 202 ORESTAR upgrades

Package Description Package 202 requests \$2,185,000 of expenditures to upgrade the Oregon Election System for Tracking and Reporting (ORESTAR) system. ORESTAR is an in-house system maintained by the Secretary of State. The package includes \$285,000 for improvements and maintenance needs to the existing system, and \$1,900,000 to outsource all or part of the maintenance and support of the system. The \$285,000 supports the agency's short-term plan for the 2016 Election. The remaining \$1,900,000 would be used to evaluate system needs, including outsourcing options, for implementation of a long-term plan for the 2018 Election and beyond.

LFO Recommendation Increase General Fund by \$285,000 for the agency's short-term plan to address ORESTAR improvements and maintenance needs for the 2016 Election. The Secretary may submit a detailed plan for long-term ORESTAR upgrades, and an associated request for funds, to the 2016 Session of the Legislative Assembly.

LFO Recommended

Revenues	285,000	-	-	-	-	-	285,000		
Expenditures	285,000	-	-	-	-	-	285,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 841 HB 2177 Implementation

Package Description Package 841 funds costs associated with implementation of HB 2177. HB 2177 allows Oregon Department of Transportation (ODOT) electronic records to be constituted as a completed voter registration card. The Secretary of State will use the ODOT records to add persons who qualified to vote, but not already registered, to the elector registration list, unless they decline registration within 21 calendar days of notification.

Counties will incur increased costs for printing, mailing, and processing of additional ballots, as voters are added to registration rolls as a result of the bill. The Elections Division projects that the measure will increase the number of registered voters by a maximum of 437,832 people in the 2015-17 biennium. The cost to counties for maintaining each additional voter on the registration list is estimated to equal approximately \$1.75 per person.

LFO Recommendation Increase the General Fund appropriation by \$384,000, for payments to counties for costs associated with the impact of HB 2177 on voter registration rolls.

Further establish a \$384,000 General Fund special purpose appropriation to the Emergency Board, for the Secretary of State, for payments to counties for costs associated with the impact of HB 2177 on voter registration rolls. The agency may request allocation of these moneys after submitting a report to the Emergency Board on the impact of HB 2177 on voter registration rolls. Any portion of the special purpose appropriation remaining unallocated on December 1, 2016 will become available to the Emergency Board for any legal purpose.

Increase the Federal Funds expenditure limitation by \$753,445, and establish one limited-duration Information Systems Specialist 8 position (0.50 FTE) with the Secretary of State, for implementation of HB 2177. The limited-duration position will serve as the project manager. These expenditures, which will be funded by federal Help America Vote Act funds, include Oregon Central Voter Registration software and hardware upgrades.

An amount of \$710,829 of the total Federal Funds expenditure limitation is approved on a one-time basis, and will be phased out in the development of the agency's 2017-19 current service level budget.

LFO Recommended

Revenues	384,000	-	-	-	-	-	384,000		
Expenditures	384,000	-	-	753,445	-	-	1,137,445	1	0.50

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	18,221,625	-	-	-	18,221,625	71	71.00
2013-15 Ebds, SS & Admin Act	-	-	631,241	-	-	-	631,241	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	18,852,866	-	-	-	18,852,866	71	71.00
2013-15 Leg Approved Budget (Base)	-	-	18,852,866	-	-	-	18,852,866	71	71.00
Summary of Base Adjustments	-	-	482,177	-	-	-	482,177	(1)	(1.00)
2015-17 Base Budget	-	-	19,335,043	-	-	-	19,335,043	70	70.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	91,520	-	-	-	91,520	-	-
030: Inflation & Price List Adjustments	-	-	208,008	-	-	-	208,008	-	-
2015-17 Current Service Level	-	-	19,634,571	-	-	-	19,634,571	70	70.00
Adjusted 2015-17 Current Service Level	-	-	19,634,571	-	-	-	19,634,571	70	70.00
Total LFO Recommended Packages	-	-	347,928	-	-	-	347,928	2	1.84
2015-17 Legislative Actions	-	-	19,982,499	-	-	-	19,982,499	72	71.84
Net change from 2013-15 Leg Approved Budget	-	-	1,129,633	-	-	-	1,129,633	1	0.84
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.0%	1.4%	1.2%
Net change from 2015-17 Current Service Level	-	-	347,928	-	-	-	347,928	2	1.84
Percent change from 2015-17 Current Service Level	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.8%	2.9%	2.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 400 New Auditor Positions

Package Description Adds one IT Audit team (one full-time State Auditor 3 and one full-time State Auditor 2), plus a second State Auditor 2 to assist in preparing performance audits.

LFO Recommendation Add one IT Audit team by establishing two full-time positions (1.84 FTE), with associated Services and Supplies costs. The added State Auditor 3 and State Auditor 2 positions are funded beginning on September 1, 2015.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	347,928	-	-	-	347,928	2	1.84

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Revenue Adjustments

Package Description Update internal transfers of Other Funds from agency divisions to Administrative Services for support of centralized agency functions.

LFO Recommendation Reduce Other Funds Transfer out-intrafund by \$112,258.

LFO Recommended

Revenues	-	-	112,258	-	-	-	112,258		
Expenditures	-	-	-	-	-	-	-	-	-

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 16500-012-00-00-00000

Archives Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	7,332,566	168,869	-	-	7,501,435	22	22.00
2013-15 Ebds, SS & Admin Act	-	-	118,095	-	-	-	118,095	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	7,450,661	168,869	-	-	7,619,530	22	22.00
2013-15 Leg Approved Budget (Base)	-	-	7,450,661	168,869	-	-	7,619,530	22	22.00
Summary of Base Adjustments	-	-	80,105	-	-	-	80,105	-	-
2015-17 Base Budget	-	-	7,530,766	168,869	-	-	7,699,635	22	22.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	20,946	-	-	-	20,946	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(500,000)	-	-	-	(500,000)	-	-
030: Inflation & Price List Adjustments	-	-	74,990	5,455	-	-	80,445	-	-
2015-17 Current Service Level	-	-	7,126,702	174,324	-	-	7,301,026	22	22.00
Adjusted 2015-17 Current Service Level	-	-	7,126,702	174,324	-	-	7,301,026	22	22.00
Total LFO Recommended Packages	-	-	500,000	(134,324)	-	-	365,676	-	-
2015-17 Legislative Actions	-	-	7,626,702	40,000	-	-	7,666,702	22	22.00
Net change from 2013-15 Leg Approved Budget	-	-	176,041	(128,869)	-	-	47,172	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	2.4%	(76.3%)	0.0%	0.0%	0.6%	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	500,000	(134,324)	-	-	365,676	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	7.0%	(77.1%)	0.0%	0.0%	5.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 121 Phase 2 Compact Shelving

Package Description Increase the Other Funds expenditure limitation by \$500,000, to complete the transition to high density/compact shelving for the remaining half of the first floor of the Archives Building. Completion of this project will increase storage capacity by 45% over the capacity provided by the building's original shelving.

LFO Recommendation Approve the request.

LFO Recommended

Revenues	-	-	500,000	-	-	-	500,000		
Expenditures	-	-	500,000	-	-	-	500,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Revenue Adjustments

Package Description Update internal transfers of Other Funds from agency divisions to Administrative Services for support of centralized agency functions.

LFO Recommendation Reduce Other Funds Transfer out-intrafund by \$13,197.

LFO Recommended

Revenues	-	-	13,197	-	-	-	13,197		
Expenditures	-	-	-	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Technical Adjustments

Package Description Reduce Federal Funds expenditures and revenues to \$40,000 to correct figure to available funding.

LFO Recommendation Approve the request.

LFO Recommended

Revenues	-	-	-	(134,324)	-	-	(134,324)		
Expenditures	-	-	-	(134,324)	-	-	(134,324)	-	-

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 16500-036-00-00-00000
Corporation Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	8,091,118	-	-	-	8,091,118	34	33.00
2013-15 Ebds, SS & Admin Act	-	-	140,651	-	-	-	140,651	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	8,231,769	-	-	-	8,231,769	34	33.00
2013-15 Leg Approved Budget (Base)	-	-	8,231,769	-	-	-	8,231,769	34	33.00
Summary of Base Adjustments	-	-	259,771	-	-	-	259,771	-	0.50
2015-17 Base Budget	-	-	8,491,540	-	-	-	8,491,540	34	33.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(20,347)	-	-	-	(20,347)	-	-
030: Inflation & Price List Adjustments	-	-	231,046	-	-	-	231,046	-	-
2015-17 Current Service Level	-	-	8,702,239	-	-	-	8,702,239	34	33.50
Adjusted 2015-17 Current Service Level	-	-	8,702,239	-	-	-	8,702,239	34	33.50
Total LFO Recommended Packages	-	-	661,952	-	-	-	661,952	1	1.50
2015-17 Legislative Actions	-	-	9,364,191	-	-	-	9,364,191	35	35.00
Net change from 2013-15 Leg Approved Budget	-	-	1,132,422	-	-	-	1,132,422	1	2.00
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	13.8%	0.0%	0.0%	0.0%	13.8%	2.9%	6.1%
Net change from 2015-17 Current Service Level	-	-	661,952	-	-	-	661,952	1	1.50
Percent change from 2015-17 Current Service Level	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	7.6%	2.9%	4.5%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 360 Merchant and Treasury Fee Adjustment

Package Description Increase Other Funds expenditure limitation by \$240,000, for increased credit card merchant fee charges. Charges are increasing as the proportion of payments made by credit cards increases.

LFO Recommendation Approve the request.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	240,000	-	-	-	240,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 361 License Directory Modernization Subscription

Package Description Increase Other Funds by \$192,000 for a subscription to application services for modernizing and expanding the Online Business Services. The subscription would be purchased in lieu of a \$1.2 million in-house system modernization approved in the 2013 Session.

LFO Recommendation Approve the request.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	192,000	-	-	-	192,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 362 Permanent Financing for Positions

Package Description Increase Other Funds expenditures by \$229,952, add one full-time Program Analyst 3 (1.00 FTE) for the Office of Small Business Assistance, and increase one Public Service Representative position in the Call Center from half-time to full-time (0.50 FTE), and approve zero-net cost position reclassifications affecting 10 positions.

LFO Recommendation Approve the request.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	229,952	-	-	-	229,952	1	1.50

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Revenue Adjustments

Package Description Package 803 revises Corporation Division revenues and fund balances to conform to amounts in the Office of Economic Analysis May 2015 revenue forecast, and to conform to current fund balance projections:

Corporation Division Beginning Balance = \$6,504,133
 Corporation Division Revenues = \$77,144,326
 Revenue Transfer to the General Fund = \$55,427,000.

The updated information generates a projected 2015-17 biennium Other Funds ending balance of \$8.9 million.

LFO Recommendation Approve. Increase the Beginning Balance Adjustment by \$2,438,043, and the amount of Corporation Division revenues retained by the agency by \$3,782,835. Increase the amount of Corporation Division revenues collected and transferred to the General Fund by \$3,304,885.

Additionally, increase Other Funds Transfer out-intrafund by \$636,200.

Budget Instructions Other Funds Beginning Balance Adjustment [0030/3400] = \$2,438,043
 Business Licenses and Fees Retained by Agency [0205/3400] = \$1,136,500
 Non-business Licenses and Fees Retained by Agency [0210/3400] = \$2,646,335
 Business Licenses and Fees for Transfer to the General Fund [0205/8800] = \$3,304,885

Transfer Out - Intrafund [2010/3400] = (\$636,200).
 Transfer to General Fund [2060/8800] = (\$3,304,885)
 Transfer Out - Intrafund [2010/3400] = (\$636,200).

LFO Recommended

Revenues	-	-	3,146,635	-	-	-	3,146,635		
Expenditures	-	-	-	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Business Registration Fee Revenues

Package Description Recommend the transfer of \$6.2 million of Corporation Division Business Registration Fee revenue to the General Fund for general purposes uses.

LFO Recommendation Approve the recommendation. The actual fund transfer will be included in the end-of-session program change bill. The action retains a projected ending fund balance of \$2.7 million, sufficient to finance approximately 3.4 months of operations.

Budget Instructions Business Licenses and Fees for Transfer to the General Fund [0205/8800] = \$6,200,000
Business Licenses and Fees Retained by the Agency [0205/3400] = (\$6,200,000)
Transfer to General Fund [2060/8800] = (\$6,200,000).

LFO Recommended

Revenues	-	-	(6,200,000)	-	-	-	(6,200,000)		
Expenditures	-	-	-	-	-	-	-	-	-

Legislatively Proposed 2015-2017 Key Performance Measures

Agency: SECRETARY of STATE

Mission: The Secretary of State is a statewide elected constitutional office under Oregon Constitution Article VI section 2. She is the keeper of Oregon’s history, the auditor of public funds, the first stop for Oregon businesses and the chief elections officer. The Secretary of State provides complete, factual information about elections, corporations, government history and government performance, and maintains secure systems and reliable operations. A government open to public inspection and review guards against fraud, corruption and excessive expense. The Secretary of State provides the public open access to the information that makes Oregon’s representative democracy work. Our Vision The Secretary of State delivers better results for Oregonians through: -More effective and efficient service delivery; -Greater transparency and accountability; Using innovation to connect Oregonians to their government.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Electronic Access to Public Information- Percentage of targeted records made available electronically.		Approved KPM	20.00	98.00	98.00
2 - Audit Cost Savings- Dollar Value of Revenue Enhancements, savings, or questioned costs in performance audit reports.		Approved KPM	35.12	30.00	30.00
3 - Audit Efficiency- Dollar savings per dollar spent on economy and efficiency audits.		Approved KPM	17.12	12.00	12.00
4 - Audit Recommendation Implementation- Percentage of audit recommendations implemented.		Approved KPM	0.00	90.00	90.00
5 - Business registration-document processing turnaround time from receipt.		Approved KPM	0.90	0.60	0.60
6 - Notary-document processing turnaround time from receipt.		Approved KPM	1.20	0.60	0.60
7 - UCC-document processing turnaround time from receipt.		Approved KPM	0.60	0.40	0.30
8 - Campaign Finance Information- Percent of committee filings determined to be sufficient.		Approved KPM	98.76	99.00	99.00
9 a - Staff Diversity- Percent of Women as a percentage of SOS workforce.		Approved KPM	58.00	62.00	62.00
9 b - Staff Diversity- Percent of People of Color as a percentage of SOS workforce.		Approved KPM	10.00	12.00	12.00
9 c - Staff Diversity – Percent of Persons with Disabilities as a percentage of SOS workforce.		Approved KPM	2.00	5.00	5.00

Agency: SECRETARY of STATE

Mission: The Secretary of State is a statewide elected constitutional office under Oregon Constitution Article VI section 2. She is the keeper of Oregon's history, the auditor of public funds, the first stop for Oregon businesses and the chief elections officer. The Secretary of State provides complete, factual information about elections, corporations, government history and government performance, and maintains secure systems and reliable operations. A government open to public inspection and review guards against fraud, corruption and excessive expense. The Secretary of State provides the public open access to the information that makes Oregon's representative democracy work. Our Vision The Secretary of State delivers better results for Oregonians through: -More effective and efficient service delivery; -Greater transparency and accountability; Using innovation to connect Oregonians to their government.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Accuracy	Approved KPM	93.00	85.00	85.00
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Availability of Information	Approved KPM	88.00	85.00	85.00
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Expertise	Approved KPM	97.00	85.00	85.00
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Helpfulness	Approved KPM	99.00	85.00	85.00
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Overall	Approved KPM	98.00	85.00	85.00
10 - Customer Satisfaction- Percent of customers rating their overall satisfaction with the agency as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise aand availability of information.	Timeliness	Approved KPM	97.00	85.00	85.00
11 - Campaign Finance Proposed Penalty Notices - Percentage of notices mailed within five months of a deficient transaction.		Approved KPM		98.00	98.00

LFO Recommendation:

Approve the Key Performance Measures and Key Performance Measure targets shown in the table above.

Sub-Committee Action:

**PROPOSED AMENDMENTS TO
HOUSE BILL 5036**

1 Delete lines 4 through 25 of the printed bill and insert:

2 **“SECTION 1. There are appropriated to the Secretary of State, for**
3 **the biennium beginning July 1, 2015, out of the General Fund, the**
4 **following amounts, for the following purposes:**

- 5 (1) **Administrative Services**
6 **Division \$ 1,805,142**
7 (2) **Elections Division \$ 7,322,797**
8 (3) **Elections Division -**
9 **Distribution to counties \$ 384,000**

10 **“SECTION 2. Notwithstanding any other law limiting expenditures,**
11 **the following amounts are established for the biennium beginning July**
12 **1, 2015, as the maximum limits for payment of expenses from fees,**
13 **moneys or other revenues, including Miscellaneous Receipts, but ex-**
14 **cluding lottery funds and federal funds, collected or received by the**
15 **Secretary of State, for the following purposes:**

- 16 (1) **Administrative Services**
17 **Division \$ 16,648,868**
18 (2) **Elections Division \$ 1,145,964**
19 (3) **Audits Division..... \$ 19,982,499**
20 (4) **Archives Division..... \$ 7,626,702**
21 (5) **Corporation Division \$ 9,364,191**

22 **“SECTION 3. Notwithstanding any other law limiting expenditures,**

1 the amount of \$6,251,910 is established for the biennium beginning July
2 1, 2015, as the maximum limit for payment of expenses from federal
3 funds collected or received by the Secretary of State.

4 **SECTION 4.** (1) In addition to and not in lieu of any other appro-
5 priation, there is appropriated to the Emergency Board, for the
6 biennium beginning July 1, 2015, out of the General Fund, the amount
7 of \$384,000, to be allocated to the Secretary of State for payments to
8 counties for the costs associated with maintaining voter registration
9 records pursuant to chapter 8, Oregon Laws 2015 (Enrolled House Bill
10 2177).

11 **“(2) If any of the moneys appropriated by subsection (1) of this**
12 **section are not allocated by the Emergency Board prior to December**
13 **1, 2016, the moneys remaining on that date become available for any**
14 **purpose for which the Emergency Board lawfully may allocate funds.**

15 **SECTION 5. This 2015 Act being necessary for the immediate**
16 **preservation of the public peace, health and safety, an emergency is**
17 **declared to exist, and this 2015 Act takes effect July 1, 2015.”.**

18
