

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Travis Miller, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Agencies: Secretary of State; Emergency Board

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 8,663,845	\$ 9,109,410	\$ 9,511,939	\$ 848,094	9.8%
Other Funds	\$ 50,265,885	\$ 49,566,983	\$ 54,768,224	\$ 4,502,339	9.0%
Federal Funds	\$ 5,045,103	\$ 5,144,079	\$ 6,251,910	\$ 1,206,807	23.9%
Total	\$ 63,974,833	\$ 63,820,472	\$ 70,532,073	\$ 6,557,240	10.2%

Position Summary

Authorized Positions	202	199	212	10
Full-time Equivalent (FTE) positions	200.61	198.19	210.71	10.10

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Emergency Board

General Fund Special Purpose Appropriation

Secretary of State Payments to Counties

for House Bill 2177 Costs

\$	-	\$	-	\$	384,000	\$	384,000	100.0%
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Revenue Summary

The Secretary of State receives General Fund appropriations to support the Elections Division and a portion of the Administrative Services Division budget. The agency's Other Funds are received primarily from business registration fees and fees for services from the Corporation Division, and from assessments charged to state agencies for the Audits Division and the Archives Division. These three divisions transfer a portion of the revenues they receive to fund the balance of the Administrative Services Division budget. The agency also collects miscellaneous fees for documents and copier charges within the Elections and Archives Divisions.

The Subcommittee recommended two revenue-only packages that have no expenditure impact. The first revenue-only package (Package 802) adjusts intra-fund transfers to the Administrative Services Division and revises Corporation Division revenues and General Fund transfers. The second revenue-only package (Package 804) supports an additional transfer of Corporation Division business registration fee revenues to the General Fund:

- Package 802 – Revenue Adjustments. This package updates internal transfers of Other Funds from agency divisions to the Administrative Services Division for support of centralized functions. First, the package increases Other Funds transfer in-intrafund within

Administrative Services by \$510,745. Second, the package reduces Other Funds transfer out-intrafund within the Audits Division by \$112,258. Third, it reduces Other Funds transfer out-intrafund within the Archives Division by \$13,197. Fourth, the package increases Other Funds Transfer out-intrafund within the Corporation Division by \$636,200.

Additionally, this package 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. The updated information generates a projected 2015-17 biennium Other Funds ending balance of \$8.9 million. The package increases the Beginning Balance Adjustment by \$2,438,043, and the amount of Corporation Division revenues retained by the agency by \$3,782,835. It also increases the amount of Corporation Division revenues collected and transferred to the General Fund by \$3,304,885.

- Package 804 – Business Registration Fee Revenues. This package transfers \$6.2 million of Corporation Division Business Registration Fee revenues to the General Fund for general purpose uses. The actual fund transfer will be included in the end-of-session program change bill. After the transfer in Package 804 is completed, the Corporation Division will retain a projected ending fund balance of \$2.7 million, sufficient to finance approximately 3.4 months of operations.

Summary of General Government Subcommittee Action

The Secretary of State is an elected, constitutional office serving as auditor of public accounts, custodian of legislative and executive public records and Chief Elections Officer. It is one of three constitutional offices established at statehood. The Subcommittee approved a budget of \$70,532,073 total funds and 212 positions (210.71 FTE). This is 10.2 percent above the 2013-15 Legislatively Approved Budget.

The Subcommittee approved the base budget and essential packages for the Secretary of State. Additionally, the Subcommittee approved, with some modifications, nine other packages that had been requested by the Secretary of State. Those packages and other actions follow.

Administrative Services Division

- Package 100 – New Information Technology Positions. This package adds \$533,529 General Fund and \$1,253,371 Other Funds expenditure limitation to support IT infrastructure security and application development and enhancements. The package adds seven full-time permanent positions and two full-time limited-duration positions (8.68 FTE) in the Information Services Division. The seven permanent positions include an Information Systems Specialist (ISS) 4, three ISS 7s, an ISS 8, a Public Affairs Specialist 2 and a Principal Executive Manager D. Four of the seven permanent positions were reduced from 1.00 FTE to 0.92 FTE each, to delay funding for the four new positions until September 1, 2015. The limited-duration positions support the Elections Division and include two Information Systems Specialist 7's.
- Package 102 – Oregon Business Registry Enhancements. This package adds \$624,000 Other Funds expenditure limitation to support 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. Funding is approved on a one-time basis and will not be included in the agency's 2017-19 biennium current service level budget.

- Package 801 – Analyst Adjustments. This package shifts \$800,000 of Personal Services expenditures in the Administrative Services Division from General Fund to Other Funds. The shift is approved on a one-biennium basis only, and the fund source for the expenditures 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.

Elections Division

- Package 201 – Oregon Centralized Voter Registration Modernization and Other Funds Limitation Increase. This package increases Federal Funds expenditure limitation by \$488,710, including \$383,710 to fix bugs in the Oregon Centralized Voter Registration (OCVR) system and \$105,000 for testing of technology improvements to OCVR. The package also retains county payments for the use of OCVR. To correctly account for the continuing county payments, the package increases Other Funds expenditure limitation by \$1,013,990 and increases 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.
- Package 202 – ORESTAR Upgrades. This package adds \$285,000 General Fund for the agency's short-term plan to address Oregon Election System for Tracking and Reporting (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.
- Package 841 – House Bill 2177 Implementation. House Bill 2177 (2015) 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 are qualified to vote, but not already registered, to the elector registration list, unless they decline registration within 21 calendar days of notification.

This package adds \$384,000 General Fund for payments to counties for costs associated with the impact of House Bill 2177 on voter registration rolls. This package further establishes a \$384,000 General Fund special purpose appropriation to the Emergency Board, for the Secretary of State, for payments to counties for additional costs incurred in implementing House Bill 2177. The Secretary may request allocation of these moneys after submitting a report to the Emergency Board on the impact of House Bill 2177 on voter registration rolls and county costs. Any portion of the special purpose appropriation remaining unallocated on December 1, 2016 will become available to the Emergency Board for any legal purpose.

This package also increases Federal Funds expenditure limitation by \$753,445, and establishes one limited-duration ISS 8 position (0.50 FTE) with the Secretary of State, for implementation of House Bill 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.

Audits Division

- Package 400 – New Auditor Positions. This package increases Other Funds expenditure limitation by \$347,928 to establish an additional Information Technology Audit team. The package adds two full-time permanent positions (1.84 FTE), including one State Auditor 2 and one State Auditor 3, with funding beginning on September 1, 2015.

Archives Division

- Package 121 – Phase 2 Compact Shelving. This package increases 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 percent over the capacity provided by the building's original shelving.
- Package 803 – Technical Adjustments. This package reduces Federal Funds expenditures and revenues by \$134,324 in order to phase out one-time grant funds and align expenditures with the \$40,000 of available funding.

Corporation Division

- Package 360 – Merchant and Treasury Fee Adjustment. This package increases 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.
- Package 361 – License Directory Modernization Subscription. This package increase Other Funds expenditure limitation by \$192,000 for a subscription to application services for modernizing and expanding Online Business Services. The subscription will be purchased in lieu of a \$1.2 million in-house system modernization approved during the 2013 Legislative Session.
- Package 362 – Permanent Financing for Positions. This package increases Other Funds expenditures by \$229,952, adds one full-time permanent Program Analyst 3 (1.00 FTE) for the Office of Small Business Assistance, increases one Public Service Representative permanent position in the Call Center from half-time to full-time (0.50 FTE), and approves a zero-net cost position reclassifications affecting 10 positions.

Emergency Board

To support implementation of House Bill 2177 (2015), a \$384,000 General Fund special purpose appropriation is made to the Emergency Board, for the Secretary of State, for payments to counties for additional costs incurred in implementing the legislation. The Secretary may request allocation of these moneys after submitting a report to the Emergency Board regarding the impact of House Bill 2177 on voter registration rolls and county costs. Any portion of the special purpose appropriation remaining unallocated on December 1, 2016 will become available to the Emergency Board for any legal purpose.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5036-A

**Secretary of State
Travis Miller - 503-703-1109**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2012 *	\$ 8,663,845	\$ -	\$ 50,265,885	\$ -	\$ 5,045,103	\$ -	\$ 63,974,833	202	200.61
2015-17 ORBITS printed Current Service Level (CSL)*	\$ 9,109,410	\$ -	\$ 49,566,983	\$ -	\$ 5,144,079	\$ -	\$ 63,820,472	199	198.19
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Administrative Services Division									
Package 100: New Information Technology Positions									
Personal Services	\$ 486,665	\$ -	\$ 1,102,332	\$ -	\$ -	\$ -	\$ 1,589,000	9	8.68
Services and Supplies	\$ 46,861	\$ -	\$ 151,039	\$ -	\$ -	\$ -	\$ 197,900		
Package 102: Oregon Business Registry Enhancements									
Services and Supplies	\$ -	\$ -	\$ 624,000	\$ -	\$ -	\$ -	\$ 624,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (800,000)	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ -	0	0.00
SCR 002 - Elections Division									
Package 201: OCVR Modernization and OF Limitation Increase									
Services and Supplies	\$ -	\$ -	\$ 1,013,990	\$ -	\$ 488,710	\$ -	\$ 1,502,700		
Package 202: ORESTAR upgrades									
Services and Supplies	\$ 285,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,000		
Package 841: HB 2177 Implementation									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 120,522	\$ -	\$ 120,522	1	0.50
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 632,923	\$ -	\$ 632,923		
Special Payments	\$ 384,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384,000		
SCR 007 - Audits Division									
Package 400: New Aditors Positions									
Personal Services	\$ -	\$ -	\$ 331,844	\$ -	\$ -	\$ -	\$ 331,844	2	1.84
Services and Supplies	\$ -	\$ -	\$ 16,084	\$ -	\$ -	\$ -	\$ 16,084		
SCR 012 - Archives Division									
Package 121: Phase 2 Compact Shelving									
Capital Outlay	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000		
Package 803: Technical Adjustments									
Services and Supplies	\$ -	\$ -	\$ 0	\$ -	\$ (134,324)	\$ -	\$ (134,324)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 036 - Corporations Division									
Package 360: Merchant and Treasury Fee Adjustment Services and Supplies	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000		
Package 361: License Directory Modernization Services and Supplies	\$ -	\$ -	\$ 192,000	\$ -	\$ -	\$ -	\$ 192,000		
Package 362: Permanent Financing for Positions Personal Services	\$ -	\$ -	\$ 211,668	\$ -	\$ -	\$ -	\$ 211,668	1	1.50
Services and Supplies	\$ -	\$ -	\$ 18,284	\$ -	\$ -	\$ -	\$ 18,284		
TOTAL ADJUSTMENTS	\$ 402,529	\$ -	\$ 5,201,241	\$ -	\$ 1,107,831	\$ -	\$ 6,711,601	13	12.52
SUBCOMMITTEE RECOMMENDATION *	\$ 9,511,939	\$ -	\$ 54,768,224	\$ -	\$ 6,251,910	\$ -	\$ 70,532,073	212	210.71

% Change from 2013-15 Leg Approved Budget
 % Change from 2015-17 Current Service Level

9.8% 0.0% 9.0% 0.0% 23.9% 0.0% 10.2%
 4.4% 0.0% 10.5% 0.0% 21.5% 0.0% 10.5%

*Excludes Capital Construction Expenditures

EMERGENCY BOARD

Special Purpose Appropriation

Secretary of State Payments to Counties for House Bill 2177 Costs

\$ 384,000 \$ - \$ - \$ - \$ - \$ 384,000

Legislatively Approved 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

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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:

The Subcommittee approved the LFO recommendation.