

SB 5536 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Anthony Medina, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Secretary of State

2017-19

PRELIMINARY

Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 10,286,479	\$ 10,082,165	\$ 10,773,265	\$ 486,786	4.7%
Other Funds Limited	\$ 56,315,860	\$ 57,686,035	\$ 57,871,511	\$ 1,555,651	2.8%
Federal Funds Limited	\$ 6,278,282	\$ 5,194,107	\$ 5,194,107	\$ (1,084,175)	(17.3%)
Total	\$ 72,880,621	\$ 72,962,307	\$ 73,838,883	\$ 958,262	1.3%

Position Summary

Authorized Positions	213	209	212	(1)
Full-time Equivalent (FTE) positions	210.96	208.89	211.89	0.93

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

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 agency also collects miscellaneous fees for documents and copier charges within the Elections and Archives Divisions.

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. He is one of three constitutional offices established at statehood. The Subcommittee approved a budget of \$73,838,883 total funds (\$10,773,265 General Fund, \$57,871,511 Other Funds expenditure limitation, \$5,194,107 Federal Funds expenditure limitation) and 212 positions (211.89 FTE). This is a 1.3 percent increase above the 2015-17 Legislatively Approved Budget.

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

Administrative Services Division

The Administrative Services Division is comprised of the Executive Office, Business Services, Human Resources and Information Systems. The Administrative Services Division provides support services to all divisions of the Secretary of State and operates under the authority of the Oregon Constitution and ORS 177.050, 177.120, 240.160, and 359.400 to 359.444. For this unit, the Subcommittee approved a 2017-19 budget of \$20,325,522 total funds (\$2,662,569 General Fund and \$17,662,953 Other Funds limitation) and 63 positions (62.89 FTE). The following adjustments have been made to the current service level:

Package 101, ASD Staffing Needs. This package provides \$500,000 General Fund, \$201,429 Other Funds limitation and three positions (3.00 FTE) to increase the office's capacity in the areas of policy analysis and information systems.

Package 102, ASD Positions True Up. This package provides \$19,621 Other Funds limitation to reconcile current staffing patterns with current demands in the Executive Office, Business Services, and Information Systems in a reclassification package reflecting the current position responsibilities and job requirements. The package approves reclassification of six positions.

Package 103, OregonBuys eProcurement System. This package increases Other Funds expenditure limitation by \$90,000 for procurement and implementation of OregonBuys eProcurement System.

Package 116, Technology Pkg – Ongoing Cost for Election Night Reporting (ENR). This package provides \$83,000 General Fund for the ongoing biennial costs of maintaining and supporting the Election Night Reporting system installed in 2016.

Package 801, LFO Analyst Adjustments. This package increases Other Funds limitation by \$250,000 to acquire and implement three new security systems and to engage a third-party security company to conduct a full information security assessment and penetration test of the agency's infrastructure and applications. The limitation is approved on a one-time basis and will be phased out in the development of the agency's 2019-21 biennium current service level budget.

Package 802, Technical and Revenue Adjustments. This package reduces General Fund by \$347,900 to phase out one-time funding provided to acquire the Election Night Reporting system and reduces Other Funds limitation by \$624,000 to phase out one-time support for Oregon Business Registry enhancements. Ongoing maintenance costs for the Election Night Reporting system are provided in Package 116.

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 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) of 2002. For this unit, the Subcommittee approved a 2017-19 budget of

\$14,399,837 total funds (\$8,110,696 General Fund, \$1,136,593 Other Funds limitation and \$5,152,548 Federal Funds limitation) and 20 positions (20.00 FTE). The following adjustments have been made to the current service level:

Package 105, Elections Positions True Up. This package authorizes reclassification of three Elections Division positions. The reclassifications reflect current position responsibilities and job requirements. There are no budget adjustments associated with the package.

Package 106, Continuation of Oregon Motor Voter payments to Counties. This package provides \$706,000 General Fund to counties for Motor Voter-related costs, to assist counties in meeting additional costs accruing from establishment of the Motor Voter program.

Package 801, LFO Analyst Adjustments. This package reduces General Fund Services & Supplies by \$250,000 to balance the statewide General Fund budget with the level of available resources.

Audits Division

The Audits Division conducts audits to protect the public interest and improve Oregon government. The division ensures public funds are properly accounted for, spent in accordance with legal requirements and used to the best advantage. For this unit, the Subcommittee approved a 2017-19 budget of \$21,468,989 Other Funds limitation and 72 positions (72.00 FTE). No adjustments have been made to the current service level.

Archives Division

The Archives Division manages and provides access to the State's information. The division identifies, preserves and provides access to the permanently valuable records of Oregon government and provides records management advice and assistance to all levels of Oregon government to facilitate the prompt disposition of records. For this unit, the Subcommittee approved a 2017-19 budget of \$7,625,636 total funds (\$7,584,077 Other Funds limitation and \$41,559 Federal Funds limitation) and 22 positions (22.00 FTE). The following adjustments have been made to the current service level:

Package 110, Blue Book – Secure stable funding source. This package increases Other Funds limitation by \$50,000 for costs of publishing the paper copies of the Oregon Blue Book.

Package 111, Archives Division Position True Up. This package authorizes reclassification of one Archives Division position to reflect the current responsibilities and job requirements associated with the position.

Corporation Division

The Corporation Division is guided by its mission to help startup and existing businesses grow and thrive in Oregon. The division assists the public in registering business entities, filing public notice of records of debt, commissions notaries public and provides certification of records

and notarized documents. The division also provides access to public record information in the form of copies, certificates, lien searches, computer reports and on-line database access to allow the public and businesses to know with whom they are doing business. For this unit, the Subcommittee approved a 2017-19 budget of \$10,018,899 Other Funds and 35 positions (35.00 FTE). The following adjustment has been made to the current service level:

Package 801, LFO Analyst Adjustments. This package increases Other Funds limitation by \$240,000 for credit card merchant fees to offset underfunding in the current service level budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Secretary of State
Anthony Medina -- 971-209-9980

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ 10,286,479	\$ -	\$ 56,315,860	\$ -	\$ 6,278,282	\$ -	\$ 72,880,621	213	210.96
2017-19 Current Service Level (CSL)*	\$ 10,082,165	\$ -	\$ 57,686,035	\$ -	\$ 5,194,107	\$ -	\$ 72,962,307	209	208.89
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Administrative Services									
Package 101: ASD Staffing Needs									
Personal Services	\$ 499,308	\$ -	\$ 201,429	\$ -	\$ -	\$ -	\$ 700,737	3	3.00
Services and Supplies	\$ 692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692		
Package 102: ASD Positions True Up									
Personal Services	\$ -	\$ -	\$ 19,621	\$ -	\$ -	\$ -	\$ 19,621	0	0.00
Package 103: OregonBuys eProcurement System									
Services and Supplies	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000		
Package 116: Technology Pkg - Ongoing Cost for Election Night Reporting									
Services and Supplies	\$ 83,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,000		
Package 801: LFO Adjustment									
Services and Supplies	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000		
Package 802: Technical and Revenue Adjustments									
Services and Supplies	\$ (347,900)	\$ -	\$ (624,000)	\$ -	\$ -	\$ -	\$ (971,900)		
SCR 002 - Elections Division									
Package 070: Revenue Shortfalls									
Services and Supplies	\$ -	\$ -	\$ (41,574)	\$ -	\$ -	\$ -	\$ (41,574)		
Package 106: Continuation of Oregon Motor Voter Payments to Counties									
Special Payments (Dist. to Counties)	\$ 706,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,000		
Package 801: LFO Adjustment									
Services and Supplies	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)		
SCR 012 - Archives Division									
Package 110: Blue Book - Secure stable funding source									
Services and Supplies	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000		
SCR 036 - Corporation Division									
Package 801: LFO Analyst Adjustment									
Services and Supplies	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000		
TOTAL ADJUSTMENTS	\$ 691,100	\$ -	\$ 185,476	\$ -	\$ -	\$ -	\$ 876,576	3	3.00
SUBCOMMITTEE RECOMMENDATION *	\$ 10,773,265	\$ -	\$ 57,871,511	\$ -	\$ 5,194,107	\$ -	\$ 73,838,883	212	211.89
% Change from 2015-17 Leg Approved Budget	4.7%	0.0%	2.8%	0.0%	(17.3%)	0.0%	1.3%	(0.5%)	0.4%
% Change from 2017-19 Current Service Level	6.9%	0.0%	0.3%	0.0%	0.0%	0.0%	1.2%	1.4%	1.4%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Secretary of State

Mission Statement:

The Secretary of State is Oregon's chief elections officer, auditor of public funds, first stop for Oregon businesses, and keeper of our shared public records. As servant leaders, we apply our experience, knowledge, and abilities to improve transparency, accountability, and integrity in Oregon government. The Secretary of State is committed to: serving our community by building relationships and focusing on equity for all Oregonians; upholding the Constitution and the laws of the state of Oregon; encouraging voter participation and maximizing access while ensuring election integrity; ensuring taxpayers receive maximum value for their tax dollars and protection of their privacy and personal information; building Oregon's economy by making it easier to start and do business in Oregon, removing barriers, providing small business assistance, and creating an environment where new businesses can grow, prosper, and create family-wage jobs; preserving and promoting accessibility to Oregon's public records for the benefit of all peoples; and empowering Oregonians by providing timely and accurate information about their government, connecting through outreach activities, and protecting whistle blowers.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. Electronic Access to Public Information - Percentage of targeted records made available electronically.		Approved	96%	98%	98%
3. Audit Efficiency - Dollar savings per dollar spent on economy and efficiency audits.		Approved	\$2.09	\$12.00	\$12.00
4. Audit Recommendation Implementation - Percentage of audit recommendations implemented.		Approved	88%	90%	90%
5. Business registration - Document processing turnaround time from receipt.		Approved	0.60	0.60	0.60
6. Notary - Document processing turnaround time from receipt.		Approved	0.02	0.20	0.20
7. UCC - Document processing turnaround time from receipt.		Approved	0.07	0.20	0.20
8. Campaign Finance Information - Percent of committee filings determined to be sufficient.		Approved	98.91%	99%	99%
9. Staff Diversity - Employment of Women, People of Color, and Persons with Disabilities as a percentage of the SOS workforce.	a) Representation of Women as a Percentage of the SOS Workforce	Approved	57%	62%	62%
	b) Representation of People of Color as a Percentage of SOS' Workforce		13.50%	12%	12%
	c) Representation of Persons with Disabilities as a Percentage of SOS' Workforce		2%	5%	5%
10. 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.	Expertise	Approved	88%	90%	90%
	Overall		90%	90%	90%
	Accuracy		90%	90%	90%
	Timeliness		92%	90%	90%
	Helpfulness		91%	90%	90%
	Availability of Information		85%	90%	90%
2. Audit Cost Savings - Dollar Value of Revenue Enhancements, savings, or questioned costs in performance audit reports.		Legislatively Deleted	\$6.75	\$30.00	\$30.00
11. Campaign Finance Proposed Penalty Notices - Percentage of notices mailed within five months of a deficient transaction.		Legislatively Deleted	No Data	98%	TBD

LFO Recommendation:

Approve the Key Performance Measures, and the Key Performance Measure targets, identified in the above table. The Secretary of State plans to review Key Performance Measures and targets in the coming year, and may propose KPM changes with his 2019-21 biennium budget request.

SubCommittee Action:

The Subcommittee modified the LFO recommendations to also delete Key Performance Measure #2 - Audit Cost Savings.