

HB 5034 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Ken Rocco, Legislative Fiscal Office

**Secretary of State
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 14,357,322	\$ 11,261,921	\$ 12,291,066	\$ (2,066,256)	(14.4%)
Other Funds Limited	\$ 58,170,519	\$ 62,088,686	\$ 64,569,389	\$ 6,398,870	11.0%
Federal Funds Limited	\$ 8,132,619	\$ 4,960,337	\$ 5,393,665	\$ (2,738,954)	(33.7%)
Total	\$ 80,660,460	\$ 78,310,944	\$ 82,254,120	\$ 1,593,660	2.0%

Position Summary

Authorized Positions	217	212	222	5
Full-time Equivalent (FTE) positions	215.03	211.64	221.67	6.64

⁽¹⁾ Includes adjustments through December 2018

* 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 Department’s Other Funds are received primarily from business registration fees, 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 Department 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 the Chief Elections Officer. It is one of three constitutional offices established at statehood. The Secretary is also a member of the State Land Board sharing responsibility with the Governor and State Treasurer for supervising management of state-owned lands and the Department of State Lands. The Subcommittee recommended a budget of \$82,254,120 total funds, which includes \$12,291,066 General Fund, \$64,569,389 Other Funds, \$5,393,665 Federal Funds, and 222 positions (221.67 FTE). This is a 2.0 percent total funds increase from the 2017-19 Legislatively Approved Budget.

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 recommended a 2019-21 budget of \$22,909,371 total funds, which includes \$3,483,773 General Fund, \$19,425,598 Other Funds, and 66 positions (65.92 FTE). The following adjustments are recommended from the current service level:

Package 101, ASD Pay Equity Adjustments. This package provides \$59,737 total funds to re-class 10 positions in the Executive Office, including the Chief of Staff, Procurement Officer, Budget Officer, and seven Information Systems positions. The reclasses are pay equity adjustments and also align the positions with budgeted responsibilities.

Package 102, ASD Staffing Needs. This package makes a Training and Development Specialist 2 in Human Resources (limited duration in 2017-19) permanent. The package also establishes a new Principal Executive Manager (PEM) C within Information Systems to act as a Service Desk Manger for the Network Operations Security Center.

Package 204, Exec Services and Supplies requests. This package appropriates \$20,000 General Fund for instate and out of state travel for the Secretary.

Package 205, IT Cloud Migration. This package increases Other Funds expenditure limitation by \$271,528 to finalize the migration of business information systems to the Cloud. The project began in 2017-19.

Package 206, IT Security. This package increases Other Funds expenditure limitation by \$80,700 for maintenance of new security systems put into place in the 2017-19 biennium. The systems include: network access control, web security gateway, multifactor authentication, and a network full packet capture system.

Package 801, LFO Analyst Adjustments. This package eliminates \$250,000 Other Funds expenditure limitation for one-time expenditures for an IT security project in 2017-19. These funds should have been phased-out in the current service level development.

Package 802, LFO Technical Adjustment. This package makes an existing Human Resource Analyst 3 position full-time (1.00 FTE) by adding 0.03 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) of 2002. For this Division, the Subcommittee recommended a 2019-21 budget of \$15,364,883 total funds, which includes \$8,807,293 General Fund, \$1,183,925 Other Funds, \$5,373,665 Federal Funds, and 23 positions (23.00 FTE). The following adjustments are recommended from the current service level:

Package 080, May 2018 E-Board. This package increases Federal Funds expenditure limitation by \$465,550 to continue two IT security positions (2.00 FTE) approved at the May 2018 meeting of the Emergency Board. These positions are funded as part of the Help America Vote Act to ensure voting system security.

Package 105, Elections Staffing Needs. This package appropriates \$197,841 General Fund for one Operations and Policy Analyst 2 position (1.00 FTE) to work with counties on the Oregon Centralized Voter Registration system and organize enhancement requests by operating a call center help desk.

Package 202, Continuation of Oregon Motor Voter Payments to Counties. This package appropriates \$879,248 General Fund for the Oregon Motor Voter Law, which became effective January 1, 2016. An increase in voter registrants added costs at the county level to pay for additional ballots and election costs. To offset the costs, the Legislature approved annual county payment for an eight-year phase-in period. This appropriation represents the third two-year cycle payment.

Package 801, LFO Analyst Adjustments. This package reduces General Fund by \$75,000 through elimination of the Oregon Motor Voter return letters and replacing those with a postcard that does not have a return envelope option.

Audits Division

The Secretary of State's Audits Division conducts audits to protect the public interest and improve Oregon government. The goals of audits are ensure public funds are properly accounted for, spent in accordance with legal requirements, and used to the best advantage. The Audits Division and the Secretary of State as Auditor of Public Accounts operate under the authority of the Oregon Constitution, Article VI, section 2, and ORS 297.010 through 297.990. For this Division, the Subcommittee recommended a 2019-21 budget of \$23,300,010 Other Funds and 72 positions (72.00 FTE). The following adjustments are recommended from the current service level:

Package 103, Audits Pay Equity Adjustments. This package increases Other Funds expenditure limitation by \$58,604 to reclass four entry level State Auditor positions to the State Auditor 2 level. This package aligns the budget with actual hiring practices.

Archives Division

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. The Archives Division also

accepts for filing the State’s “Official Documents” required to be filed with the Secretary of State and manage the State Historical Records Advisory Board. Additionally, the Archives Division accepts for filing and is responsible for receiving, verifying, processing, publishing and maintaining all State agencies’ and boards’ and commissions’ administrative rules, and publishes the Oregon Blue Book. Since 2017, the Archives Division has managed Oregon’s Kid Governor Program, a civics education tool available to all Oregon fifth graders. The Archives Division operates under the authority of ORS 192.001-192.170; ORS 357.805-357.895; ORS 171.407, 171.420-171.430; ORS 177.120; and ORS 183.325-183.362. For this Division, the Subcommittee recommended a 2019-21 budget of \$8,635,793 total funds, which includes \$8,615,793 Other Funds, \$20,000 Federal Funds, and 22 positions (21.75 FTE). The following adjustments are recommended from the current service level:

Package 108, Archives Pay Equity Adjustments. This package increases Other Funds expenditure limitation by \$4,148 to reclass four positions. The package reclasses an Electronic Design Specialist 2 to an Operations and Policy Analyst 1, two Electronic Design Specialist 1 positions to the Public Service Representative 4 classification, and one Program Analyst 2 to a Records Management Analyst 3.

Package 203, Archives Bldg. – Compact Shelving. This packages increases Other Funds expenditure limitation by \$500,000 for phase three of the compact shelving project. These funds are currently collected from agencies. The Subcommittee did not approve a new \$750,000 agency assessment for phase four (the final phase) of the project, as such the 2019-21 Secretary of State assessment on the price list has been adjusted accordingly.

Package 209, Archives Generator. The Archives Division requested funding for the purchase of a generator for the Archives Building. The Subcommittee did not approve funding for this request and directed the Secretary of State to work with Enterprise Asset Management of the Department of Administrative Services (DAS) to find a solution to provide backup power for only the climate controlled stacks in the Archives Building and should the project be feasible, it should be included on a DAS list of projects to be funded through uniform rent.

Package 801, LFO Analyst Adjustments. This package eliminates \$23,222 Federal Funds expenditure limitation to true up the Federal Funds budget for this unit. Funding from a previous federal grant is no longer available.

Corporation Division

The Corporation Division assists the public in registering business entities, filing public notice of records of debt, commission of notaries public, and provides certification of records and notarized documents. The Division 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. The Office of Small Business Assistance exists within the Corporation Division. The Office acts as an ombudsman to help resolve problems between businesses and state agencies or local government. The Corporation Division and Office of Small Business Assistance operate under the authority of Oregon Revised Statutes Chapters 56, 58, 60, 62, 63, 65, 67, 68, 79, 80, 87, 128, 194, 554, 647, and 648. For this unit, the Subcommittee approved a 2019-21 budget of \$12,044,063 Other Funds and 39 positions (39.00 FTE). The following adjustments are recommended from current service level:

Package 106, Corporations Pay Equity Adjustments. This package increases Other Funds expenditure limitation by \$33,065 to reclass three positions. The package reclasses a Public Services Representative 4 to a PEM B, a Public Services Representative 4 to a Program Analyst 3, and a Program Analyst 4 to a PEM D.

Package 107, Corporations Staffing Needs. This package increases Other Funds expenditure limitation by \$727,933 to add five positions (5.00 FTE). Five Public Service Representative 4 positions are added with four of the positions eliminating double-filled positions and true up the positions necessary for the Corporation Division call center. One of the positions is added to assist the Office of Small Business Assistance and as a back-up for the Corporation Division call center.

Package 201, Corporations Merchant Fees. This package increases Other Funds expenditure limitation by \$500,000 as a result of an increase in business registrations, reporting filing and the payment fees online through credit cards, which have increased the fees on those credit card purchases.

Summary of Performance Measure Action

See attached “Legislatively Approved 2019-2021 Key Performance Measures.”

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Secretary of State
 Tamara Brickman -- 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 14,357,322	\$ -	\$ 58,170,519	\$ -	\$ 8,132,619	\$ -	80,660,460	217	215.03
2019-21 Current Service Level (CSL)*	\$ 11,261,921	\$ -	\$ 62,088,686	\$ -	\$ 4,960,337	\$ -	78,310,944	212	211.64
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 16500-001 - Administrative Services Division									
Package 101: ASD Pay Equity Adjustments									
Personal Services	\$ 5,269	\$ -	\$ 43,294	\$ -	\$ -	\$ -	48,563	0	0.00
Services and Supplies	\$ 1,787	\$ -	\$ 9,387	\$ -	\$ -	\$ -	11,174		
Package 102: ASD Staffing Needs									
Personal Services	\$ -	\$ -	\$ 464,088	\$ -	\$ -	\$ -	464,088	2	2.00
Services and Supplies	\$ -	\$ -	\$ 37,956	\$ -	\$ -	\$ -	37,956		
Package 204: Exec S&S requests									
Services and Supplies (Travel)	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	20,000		
Package 205: IT Cloud Migration									
Services and Supplies	\$ -	\$ -	\$ 271,528	\$ -	\$ -	\$ -	271,528		
Package 206: IT Security									
Services and Supplies	\$ -	\$ -	\$ 80,700	\$ -	\$ -	\$ -	80,700		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ -	\$ -	\$ (250,000)	\$ -	\$ -	\$ -	(250,000)		
Package 802: LFO Technical Adjustments									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0	0.03
SCR 16500-002 - Elections Division									
Package 080: May 2018 E-Board									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 456,550	\$ -	456,550	2	2.00
Package 105: Elections Staffing Needs									
Personal Services	\$ 178,863	\$ -	\$ -	\$ -	\$ -	\$ -	178,863	1	1.00
Services and Supplies	\$ 18,978	\$ -	\$ -	\$ -	\$ -	\$ -	18,978		
Package 202: Continuation of Oregon Motor Voter Payments to Counties									
Special Payments (Dist. to Counties)	\$ 879,248	\$ -	\$ -	\$ -	\$ -	\$ -	879,248		
Package 801: LFO Adjustments									
Services and Supplies	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	(75,000)		
SCR 16500-007 - Audits Division									
Package 103: Audits Pay Equity Adjustments									
Personal Services	\$ -	\$ -	\$ 58,604	\$ -	\$ -	\$ -	58,604	0	0.00
SCR 16500-012 - Archives Division									
Package 103: Archives Pay Equity Adjustments									
Personal Services	\$ -	\$ -	\$ 4,148	\$ -	\$ -	\$ -	4,148	0	0.00

PRELIMINARY

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 203: Archives Bldg. - Compact Shelving									
Services and Supplies	\$ -	\$ -	\$ (750,000)	\$ -	\$ -	\$ -	\$ (750,000)		
Capital Outlay	\$ -	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ 1,250,000		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ (23,222)	\$ -	\$ (23,222)		
SCR 16500-036 - Corporation Division									
Package 106: Corporations Pay Equity Adjustments									
Personal Services	\$ -	\$ -	\$ 27,137	\$ -	\$ -	\$ -	\$ 27,137	0	0.00
Services and Supplies	\$ -	\$ -	\$ 5,928	\$ -	\$ -	\$ -	\$ 5,928		
Package 107: Corporations Staffing Needs									
Personal Services	\$ -	\$ -	\$ 647,863	\$ -	\$ -	\$ -	\$ 647,863	5	5.00
Services and Supplies	\$ -	\$ -	\$ 80,070	\$ -	\$ -	\$ -	\$ 80,070		
Package 201: Corporations Merchant Fees									
Services and Supplies	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000		
TOTAL ADJUSTMENTS	\$ 1,029,145	\$ -	\$ 2,480,703	\$ -	\$ 433,328	\$ -	\$ 3,943,176	10	10.03
SUBCOMMITTEE RECOMMENDATION *	\$ 12,291,066	\$ -	\$ 64,569,389	\$ -	\$ 5,393,665	\$ -	\$ 82,254,120	222	221.67
% Change from 2017-19 Leg Approved Budget	(14.4%)	0.0%	11.0%	0.0%	(33.7%)	0.0%	2.0%	2.3%	3.1%
% Change from 2019-21 Current Service Level	9.1%	0.0%	4.0%	0.0%	8.7%	0.0%	5.0%	4.7%	4.7%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/12/2019 1:50:14 PM

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 2020	Target 2021
1. Electronic Access to Public Information - Percentage of targeted records made available electronically.		Approved	97%	98%	98%
3. Audit Efficiency - Dollar savings per dollar spent on economy and efficiency audits.		Approved	\$14.00	\$12.00	\$12.00
4. Audit Recommendation Implementation - Percentage of audit recommendations implemented.		Approved	68.30%	90%	90%
5. Business registration - Document processing turnaround time from receipt.		Approved	0.50	0.60	0.60
6. Notary - Document processing turnaround time from receipt.		Approved	0.05	0.20	0.20
7. UCC - Document processing turnaround time from receipt.		Approved	0.02	0.20	0.20
8. Campaign Finance Information - Percent of committee filings determined to be sufficient.		Approved	99.09%	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	56%	62%	62%
	b) Representation of People of Color as a Percentage of SOS' Workforce		15%	12%	12%
	c) Representation of Persons with Disabilities as a Percentage of SOS' Workforce		5%	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	96%	90%	90%
	Overall		94%	90%	90%
	Accuracy		95%	90%	90%
	Timeliness		96%	90%	90%
	Helpfulness		96%	90%	90%
	Availability of Information		90%	90%	90%

LFO Recommendation:

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

SubCommittee Action:

The Subcommittee approved the key performance measures and targets as recommended by the Legislative Fiscal Office.

PRELIMINARY