

Secretary of State (SOS)

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
General Fund	14,010,930	14,158,129	14,203,202	14,384,268	13,855,207
Other Funds	53,558,916	63,888,057	67,608,013	72,352,275	79,359,351
Federal Funds	3,452,394	5,387,041	7,961,570	5,892,838	5,886,909
Total Funds	71,022,240	83,433,227	89,772,785	92,629,381	99,101,467
Positions	215	224	224	222	231
FTE	212.86	223.42	223.42	221.75	230.75

* Includes Emergency Board and administrative actions through January 2021.

Program Description

The Office of the Secretary of State is one of three constitutional offices established at statehood. The Secretary is the auditor of public accounts, the chief elections officer, and the manager of the state's records, a role that includes preserving official acts of the Legislative Assembly and the Executive Branch. The Secretary of State serves with the Governor and State Treasurer on the State Land Board which manages state-owned lands.

The agency's major divisions include the: **1) Elections Division**, which administers state and federal elections laws, provides training to county and city election officials, political party representatives, and candidates; publishes statewide voter's pamphlets; and administers the filing and verification of initiative, referendum, and recall petitions; **2) Audits Division**, which carries out the Secretary's constitutional duties as auditor of public accounts to assure that public funds are properly accounted for and spent in accordance with legal requirements; the Division performs, or contracts for, financial and compliance audits and performance audits of state agencies; **3) Archives Division**, which stores public records and protects and provides public access to Oregon's documentary heritage; the Division provides records management advice and assistance to state and local agencies and publishes the state's administrative rules; and **4) Corporation Division**, which is responsible for three major programs: Business Registry – the filing of business names, Uniform Commercial Code (UCC) – the filing of secured transactions, and Notary Public – commissioning and regulating notaries. The agency also has an Administrative Services Division that provides central administrative support services and includes the Executive Office of the Secretary, Business Services, Human Resources, and Information Systems.

CSL Summary and Issues

The Secretary of State's proposed budget is not subject to Governor's Office review or oversight. This means that what is included in the printed Governor's budget is basically just a placeholder. For the 2021-23 biennium, the amount included a \$6 million General Fund unspecified reduction to bring the General Fund total to 2% less than current service level. The amounts included in the printed Governor's

budget for the Secretary of State are \$13.6 million General Fund, \$79.4 million Other Funds, and \$5.9 million Federal Funds for a total budget of \$99.1 million.

Other Significant Issues and Background

The Archives and Audits Divisions are largely financed by assessments to state agencies for specified services. These assessments are included in the 2021-23 Price List of Goods and Services. As with other state agency assessments such as the Department of Administrative Services assessment for State Government Service Charges and the Department of Justice Attorney General rate, these assessments are based on the Secretary of State's agency request budget and may see adjustments based on the actual legislatively adopted budget.

Information Technology - The Agency Request Budget (ARB) contains a number of requests for funding information technology initiatives. The largest of these funding requests is to make changes to one of the Elections Divisions two main systems - ORESTAR. ORESTAR is the system used for campaign finance reporting. Due to anticipated changes in campaign finance regulations, the agency is anticipating needing to make modifications to the ORESTAR system and included an associated placeholder budget request of \$5 million General Fund to accomplish this work. The agency is also proposing moving its data center off-site due to obsolete equipment and unstable environment, with an estimated cost of \$3.8 million Other Funds. The agency is also asking for \$600,000 Other Funds expenditure limitation to contract for Managed Defense and Prevention IT security services.

Audits - The Audits Division Request Budget proposed adding two positions to its Information Technology Audit Team for a cost of \$581,350 Other Funds. These new positions would allow the Division to complete one to two additional IT audits a year. There is an additional proposal to add three positions to create a Medicaid Audit Team to identify ineligible Medicaid recipients in Oregon. This proposal was considered for the 2019-21 biennium and not funded.

Archives - The Archives Division is requesting the final \$750,000 Other Funds needed to complete the transition from traditional shelving to high density compact shelving. This transition will increase the ability to archive materials at the existing Archives Building by 45%. The Division is also requesting the addition of one Limited Duration position to transfer old recordings of legislative hearing to digital media. Archives reports some of these recordings date back to 1957 and are on media that is degrading, and they will be lost if not transferred to another more secure recording.

Potential Budget Request Revisions - It has been the practice of the Legislature to allow a newly elected statewide office holder to make suggested changes to the budget submitted by the former office holder. Therefore, there will likely be revisions to the existing requests made by the new Secretary of State.