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2016-17 Governor's Budget – Secretary of State, Office of the

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AT A GLANCE

- 3 million filings from businesses, Uniform Commercial Code (UCC), Tax Liens, Effective Financing Statements (EFS) and notaries in database
- 58,000 new business filings in CY2013
- 3.1 million registered voters in Statewide Voter Registration System (80% of all eligible voters)
- Support local election officials in conducting:
 - 2,000 township elections annually
 - 900 city elections (2 year cycle)
 - 300 school district elections (2 year cycle)
 - 200 other elections (2 year cycle)
- More than 1,800 participants in Safe at Home address confidentiality program
- Contribute nearly \$20 million (net) to the General Fund each biennium

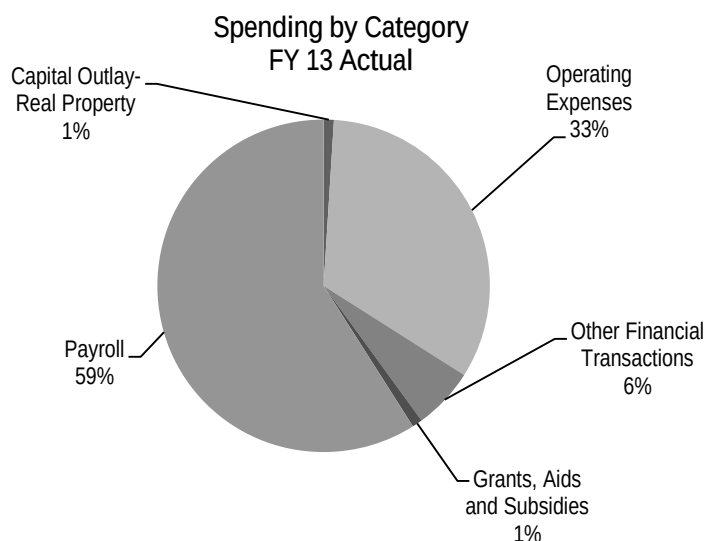
PURPOSE

The Office of the Secretary of State is a constitutional office headed by the independently-elected Secretary of State, who is the chief election official in Minnesota. The Secretary of State promotes voting and civic engagement, facilitates commerce, maintains the records of the state, and provides key services for those who fear for their safety through administering the Safe at Home address confidentiality program. The Secretary of State also serves on the State Board of Investment, the Executive Council and other specified boards.

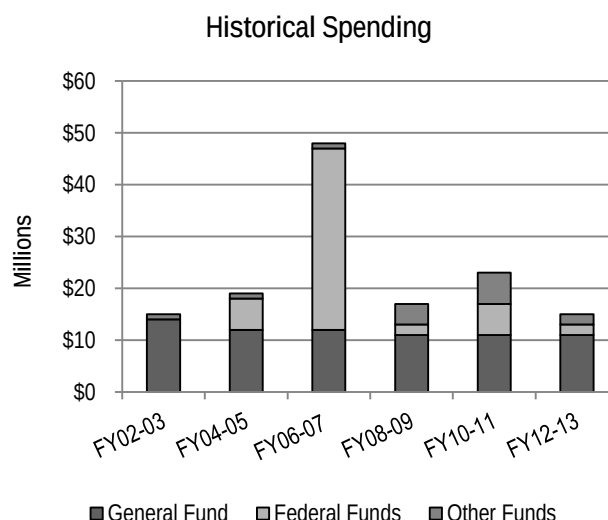
The Secretary of State partners with local election officials to conduct fair and transparent elections, thereby providing **efficient and accountable government services**. By providing great customer service and making it easy to search records of active businesses in Minnesota and by keeping records of liens, the Secretary of State helps promote a **thriving economy that encourages business growth and**

employment opportunities. The Office has made it easier for citizens and businesses to interact with the office by developing online services for voters, businesses and those interested in Open Appointments, which ensures **sustainable outcomes to safely move information**. The Safe at Home address confidentiality program provides a critical service to survivors of domestic violence and others who fear for their safety, which in turn helps promote **strong and stable families and communities** and helps ensure that **people in Minnesota are safe**.

BUDGET



Source: BPAS



Source: SWIFT & MAPS

The Office of the Secretary of State has a biennial budget of approximately \$20 million. The general fund appropriation is supplemented by approximately \$3 million per year in a revolving fund derived from a portion of the fees the office collects. Federal funds from the Help America Vote Act, which subsidized the office's budget for the last decade, are now gone and were replaced by an increase to the office's base general fund appropriation. The Office projects that it will collect \$32 million in fees during the 2016 - 2017 biennium that will be deposited into the General Fund.

STRATEGIES

The core functions of the Office are:

- Administer elections
- Safeguard, record, and retrieve government documents
- File business documents, record liens, and retrieve both on demand
- Issue notary public commissions
- Administer Safe at Home, Minnesota's address confidentiality program

The Office partners with local election officials at the county, city, school district and township levels to conduct elections in the state. The Office provides the backbone of the elections system by developing and maintaining key election databases, specifically the Statewide Voter Registration System, which includes records for all of the state's 3.1 million registered voters and the Election Reporting System, through which vote totals are reported. The Office provides training and support to local election officials and has developed online tools, including online voter registration, online absentee ballot requests and online lookup tools, to provide convenience to voters and cost savings to local election officials.

Similarly, the Office is in the midst of a multi-year project to allow as many business filings as possible to be made online in real time, providing more efficient and responsive service to our customers. Many new business filings went online in 2011. Uniform Commercial Code (UCC) filings, which have had some online capability for years, will be fully online as of December of 2014. Any customer who wishes can still file their business and UCC documents in person or by mail.

The Safe at Home address confidentiality program provides those who fear for their safety, especially survivors of domestic violence, with a way to go about their daily lives without leaving traces of where they really live. The Office provides a mail-forwarding service to the 1,800 participants (900 households), assists them in interactions with businesses or government entities who are unfamiliar with the program and trains and supports 200 application assistants who are employed by victim service agencies throughout the state. Minnesota was the first, and is still the only, state to require both public and private entities to accept Safe at Home participants' designated address. In 2013, Minnesota's program became the first to uniformly allow Safe at Home participants to purchase property confidentially. A significant amount of time has gone into working with County Recorders and others involved in the purchase of real property to help ensure that the new process works as smoothly as possible.

RESULTS

The Office measures performance by the indicators set out in the table below. Each of these measures is aligned with the Office's strategies.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Voter turnout in comparable presidential elections	2,921,498	2,950,780	FY2009 & FY2013
Quantity	No. of new business filings	56,000	58,000	CY2007 & CY2013
Quantity	No. of UCC/Tax Lien & Central Notification System (CNS) filings	141,000	174,000	CY2007 & CY2013
Quantity	No. of business web filings	177,000	271,000	CY2007 & CY2013
Quantity	No. of UCC Web filings	85,000	122,000	CY2007 & CY2013
Quantity	No. of Safe at Home active participants	287	1,600	6/30/09 & 6/30/14

The following statutes provide the legal authority for the Office of the Secretary of State:
Minnesota Constitution

Minnesota Statutes, Chapters 5, 5A, 5B, 201, 202A, 203B, 204B, 204C, 204D, 206, 211A, 302A, 303, 304A, 308A, 308B, 317A, 319B, 321, 322A, 322B, 323A, 333, 336, 336A. <https://www.revisor.mn.gov/statutes/?id=5>

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	5,002	6,315	5,510	6,862	6,631	6,631	6,631	6,631
2000 - Restricted Misc Special Rev	2,730	1,647	3,229	4,762	3,635	3,669	3,635	3,669
2001 - Other Misc Special Rev	7	0	0	0	0	0	0	0
3000 - Federal	210	89	9	0	0	0	0	0
Total	7,949	8,051	8,748	11,623	10,266	10,300	10,266	10,300
Biennial Change				4,372		195		195
Biennial % Change				27		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Program

Program: Secretary Of State	7,949	8,051	8,748	11,623	10,266	10,300	10,266	10,300
Total	7,949	8,051	8,748	11,623	10,266	10,300	10,266	10,300

Expenditures by Category

Compensation	4,689	4,795	5,773	7,229	7,374	7,753	7,374	7,753
Operating Expenses	2,594	2,668	2,245	4,395	2,877	2,547	2,877	2,547
Other Financial Transactions	212	516	206					
Grants, Aids and Subsidies	454	13	111	0	15	0	15	0
Capital Outlay-Real Property	0	59	413					
Total	7,949	8,051	8,748	11,623	10,266	10,300	10,266	10,300

Full-Time Equivalents

64.1	63.7	71.2	83.2	87.3	87.3	87.3	87.3
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(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		492		278				
Direct Appropriation	5,474	5,825	5,805	6,583	6,631	6,631	6,631	6,631
Net Transfers		(1)						
Cancellations		2	17					
Expenditures	5,002	6,315	5,510	6,862	6,631	6,631	6,631	6,631
Balance Forward Out	472		278					
<i>Biennial Change in Expenditures</i>				1,055		890		890
<i>Biennial % Change in Expenditures</i>				9		7		7
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	50.3	50.8	47.5	52.9	56.4	56.4	56.4	56.4

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	1,399	455	2,251	2,996	1,515	1,000	1,515	1,000
Receipts	1,770	2,689	2,882	3,281	3,120	3,170	3,120	3,170
Net Transfers	10	748	1,093					
Expenditures	2,730	1,647	3,229	4,762	3,635	3,669	3,635	3,669
Balance Forward Out	448	2,245	2,996	1,515	1,000	500	1,000	500
<i>Biennial Change in Expenditures</i>				3,613		(687)		(687)
<i>Biennial % Change in Expenditures</i>				83		(9)		(9)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	13.9	12.9	23.7	30.4	30.9	30.9	30.9	30.9

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	7	0	0	0	0	0	0	0
Expenditures	7	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(7)		0		0
<i>Biennial % Change in Expenditures</i>				(100)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

(Dollars in Thousands)

2001 - Other Misc Special Rev**3000 - Federal**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	210	89	9	0	0	0	0	0
Expenditures	210	89	9	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(289)		(9)		(9)
<i>Biennial % Change in Expenditures</i>				(97)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.0	0.1						