Table of Contents

2014-15 Governors Budget - Secretary of State

Agency Profile - Secretary of State 1

Current, Base and Governor's Recommended Expenditures 3

Sources and Uses 4

Governor's Changes 5

All Funds FTE by Program 6

Revenues Summary 7

Mission:

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.

Statewide Outcome(s):

Secretary of State supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

People in Minnesota are safe.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Office of the Secretary of State serves the people of Minnesota through several key priorities:

- to facilitate voting and civic engagement by Minnesota voters and residents;
- to provide efficient and timely services to businesses and their agents to record important business and governmental documents in the public record and retrieve or confirm data in those documents on demand;
- to provide all of these services in an ever more efficient and convenient manner, including the appropriate use of online and Internet technologies to eliminate duplicated effort; and
- to provide access at all times, not merely when the office is staffed.

Another Office priority is ensuring that Minnesotans in fear for their safety have access to the Safe at Home address confidentiality program and are well served by it.

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 provides crucial support to local officials for the operation of all elections that take place continuously in Minnesota, including special elections, school district questions, odd-year city elections and March township elections. The Office also provides an informational environment that allows the formation and operation of businesses in a legal framework. Through the Safe at Home program administered by the Office, participants are allowed to establish themselves in their communities and go about their daily lives without revealing where they live, work and go to school to those they fear. The Office's key partners are the constitutional officers, the legislature, the business and legal community, local officials who are the Office's partners in the elections function

and the Uniform Commercial Code (UCC) and lien functions, victim advocates, and entities that interact with participants in the Safe at Home program.

During the FY 2012-2013 biennium, the Secretary of State projects collecting approximately $27 million in business filing fees deposited into the state general fund. In FY 2012-2013, the general fund appropriation to the Office of the Secretary of State was about $5.5 million annually, resulting in a projected net contribution of approximately $16 million from the Office to the state general fund over the two year biennium. In addition to the fees deposited in the general fund, the office has a revolving fund of approximately $1.5 million each fiscal year for general operations.

Minnesota has received federal funds from the Help America Vote Act (HAVA), the federal law that sets national standards and imposes requirements for the conduct of federal elections. Since FY 2003, these funds have been transferred to the Office of the Secretary of State and have been critical in the continued improvement and maintenance of Minnesota's statewide voter registration system and election results reporting system, as well as the development and maintenance of online tools such as the voter registration look-up and the absentee ballot look-up. HAVA funds also fund support of local election officials and compliance with the Military and Overseas Voter Empowerment Act. HAVA funds have been zeroed out of the federal budget. The state has approximately $1 million in HAVA funds left in its possession.

In 2012, the Office also received a $226,255 grant from the U.S. Department of Defense Federal Voting Assistance Program to improve online tools for military and overseas voters, almost all of which was devoted to enhancements to the special website for Minnesota military and overseas voters found at https://minnesota.overseasvotefoundation.org.

Results:

The Office measures performance by the indicators set out in the table below. Each of these measures indicates the Office's strategies are working.

- Business transactions in Minnesota are free-flowing and are not delayed by a need to wait for information from this office. New technologies and wider public access to them have improved the administration of business transactions.
- Voters have access to information, facilitating their participation in the political process. Outreach efforts, increased availability of information, and stronger partnerships with local government units have created a more user-friendly voting system.
- Families throughout the state are safer and more stable because of the Safe at Home program. The certification of additional victim advocates as application assistants and heightened awareness are driving increased participation in the Safe at Home Program.

Performance Measures	Previous	Current	Trend
	FY2005	FY2009	
Voter turnout in comparable presidential elections	2,842,912	2,921,498	Improving
	CY2007	CY2012(Projected)	
No. of new business filings	56,000	65,000	Improving
No. of UCC/Tax Lien & Central Notification System(CNS) filings	141,000	155,000	Improving
	CY2007	CY2012(Projected)	
No. of business web filings	177,000	240,000	Improving
No. of UCC Web filings	85,000	106,000	Improving
No. of Safe at Home active participants	6/30/09	6/30/12	
	287	1,125	Improving

Performance Measures Notes:

Secretary of State
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$10,944	$6,149	$220	$17,313
Current Law Expenditures (FY 2014-15)	$10,940	$4,999	$0	$15,939
Governor's Recommended Expenditures (FY2014-15)	$11,975	$5,999	$0	$17,974
$ Change from FY 2014-15 Current Law to Governor's Rec	$1,035	$1,000	$0	$2,035
% Change from FY 2014-15 Current Law to Governor's Rec	9%	20%	0%	13%

Secretary of State
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$10		$10
REVENUE		$5,000	$0	$5,000
APPROPRIATION	$11,975	$1,000	$0	$12,975
SOURCES OF FUNDS	**$11,975**	**$6,010**	**$0**	**$17,985**
BALANCE FORWARD OUT		$10		$10
EXPENDITURES	$11,975	$5,999	$0	$17,974
PAYROLL EXPENSE	$8,320	$3,171	$0	$11,491
OPERATING EXPENSES	$3,159	$2,668		$5,827
OTHER FINANCIAL TRANSACTIONS	$497	$160		$657
USES OF FUNDS	**$11,975**	**$6,009**	**$0**	**$17,984**

Secretary of State

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

REPLACEMENT FOR FEDERAL HELP AMERICA VOTE ACT FUNDS

The Governor recommends a general fund investment of $1 million each year beginning in FY 2015 to replace federal funding that was used to support the statewide voter registration system, election results reporting system, and related online information tools for voters. The Governor also recommends using the remaining federal Help America Vote Act (HAVA) funds of approximately $1 million in FY 2014 for election system maintenance.

Performance Measures:
During a two year election cycle, county auditors update or add between 1.2 and 2 million voter registration records in the Statewide Voter Registration System. Also, county auditors and cities during a two year cycle make more than 600,000 transactions in that system related to absentee ballots. Updating these systems allows voters to check the status of their voter registration and/or absentee ballot online. The investment will allow these activities to continue as well as online election reporting.

General Fund	Expenditure	0	1,000	1,000	1,000	1,000	2,000
Other Funds	Expenditure	1,000	0	1,000	0	0	0
	Net Change	**1,000**	**1,000**	**2,000**	**1,000**	**1,000**	**2,000**

Improved Efficiencies in Business Services

The Governor recommends a $320,000 general fund reduction for the biennium to the Secretary of State's business services funding because of anticipated efficiencies related to technology upgrades.

Performance Measures:
Current business services provided by the Office of the Secretary of State will continue to be provided with reduced funding due to efficencies created through technology upgrades.

General Fund	Expenditure	(160)	(160)	(320)	(160)	(160)	(320)
	Net Change	**(160)**	**(160)**	**(320)**	**(160)**	**(160)**	**(320)**

Redistricting Lawsuit Attorneys' Fees

The Governor recommends increased funding of $355,000 to pay court-ordered attorneys' fees and interest for the redistricting lawsuit.

Performance Measures:
This funding will allow the Secretary of State to make the court-ordered payment from the redistricting case.

General Fund	Expenditure	355	0	355	0	0	0
	Net Change	**355**	**0**	**355**	**0**	**0**	**0**

Net All Change Items	General Fund	195	840	1,035	840	840	1,680
	Other Funds	1,000	0	1,000	0	0	0
	Net Change	**1,195**	**840**	**2,035**	**840**	**840**	**1,680**

Secretary of State
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Secretary Of State	63.5	61.5	61.5
Secretary of State	63.5	61.5	61.5

Secretary of State
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	28,438			28,438
	ALL OTHER	7			7
	Subtotal	28,445			28,445
Dedicated	FEDERAL GRANTS		0	0	0
	DEPARTMENTAL EARNINGS		5,000		5,000
	ALL OTHER		0		0
	Subtotal		5,000	0	5,000
	Total	**28,445**	**5,000**	**0**	**33,445**