Secretary of State

2015-17

Joint Committee on Ways and Means

Budget Presentation

Innovation & Security Budget

- Agency overview

- Overview of each division's budget request
  - Focus on strategic initiatives
  - Division presentations of core business functions
  - Key Performance Measures

Innovation & Security Budget

Appendix

- Attachment A—Annual Performance Progress Report
- Attachment B—Program Prioritization
- Attachment C—Agency New Hires and Reclasses
- Attachment D—Proposed Legislation
- Attachment E—HB 4131
- Attachment F—Proposed Technology Projects
- Attachment G—Order of Priority and Risk Evaluation
- Attachment H— 10% Reductions and Vacancy Report
- Attachment I — Ending Balance Form

Our Work

The Secretary of State is Oregon's:

➢ *Chief elections officer,*

➢ *Auditor of public funds,*

➢ *First stop for Oregon businesses, and*

➢ *Keeper of our shared history.*

Our Strategic Initiatives

Engage Oregonians

Innovate for the Future
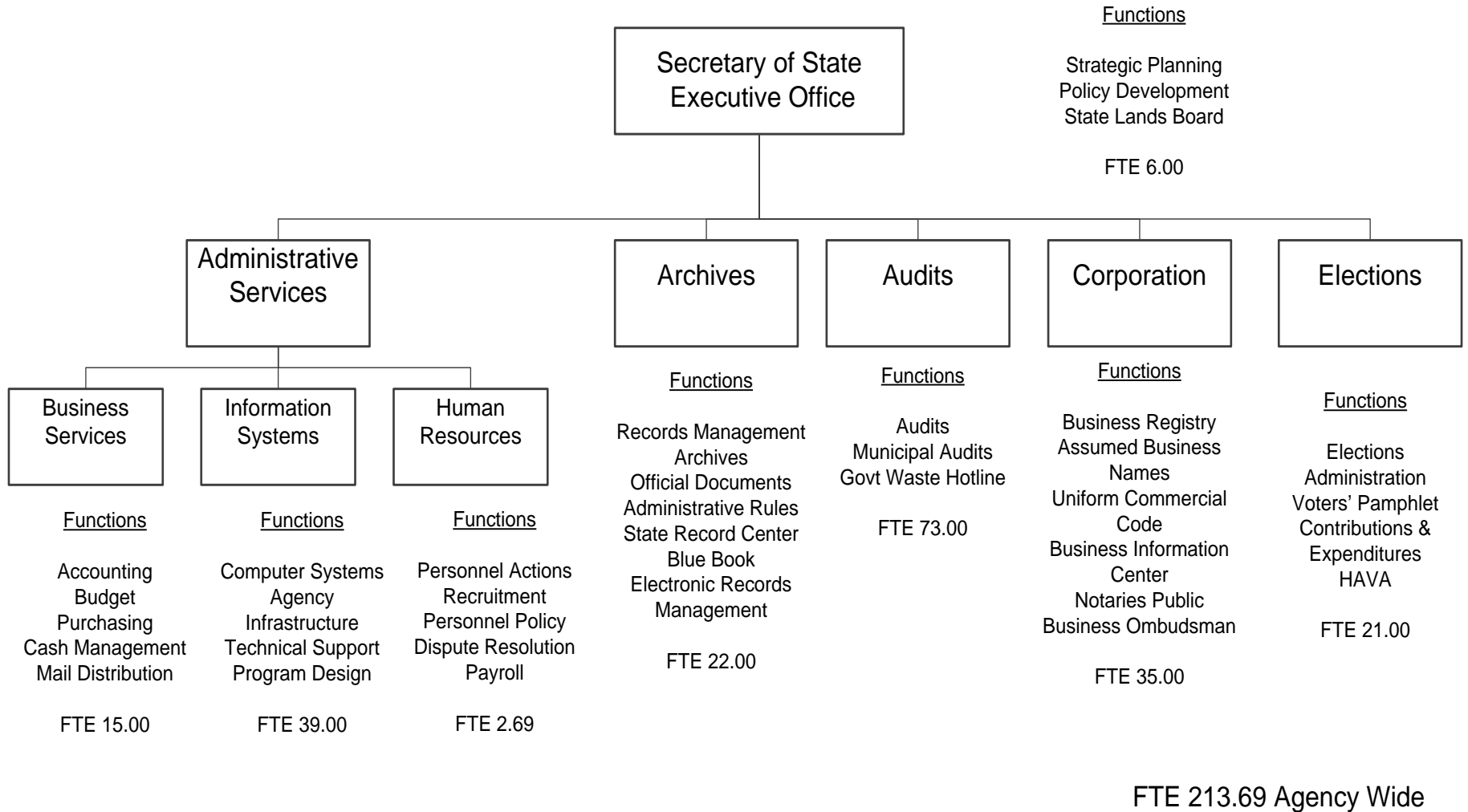
Deliver Effective Results

OFFICE OF THE SECRETARY OF STATE
Organizational Chart
2015-17 Biennium

Secretary of State Executive Office

Functions

Strategic Planning
Policy Development
State Lands Board

FTE 6.00

Administrative Services

Archives

Audits

Corporation

Elections

Business Services

Functions

Accounting
Budget
Purchasing
Cash Management
Mail Distribution

FTE 15.00

Information Systems

Functions

Computer Systems
Agency
Infrastructure
Technical Support
Program Design

FTE 39.00

Human Resources

Functions

Personnel Actions
Recruitment
Personnel Policy
Dispute Resolution
Payroll

FTE 2.69

Archives

Functions

Records Management
Archives
Official Documents
Administrative Rules
State Record Center
Blue Book
Electronic Records
Management

FTE 22.00

Audits

Functions

Audits
Municipal Audits
Govt Waste Hotline

FTE 73.00

Corporation

Functions

Business Registry
Assumed Business
Names
Uniform Commercial
Code
Business Information
Center
Notaries Public
Business Ombudsman

FTE 35.00

Elections

Functions

Elections
Administration
Voters' Pamphlet
Contributions &
Expenditures
HAVA

FTE 21.00

FTE 213.69 Agency Wide

INNOVATION & SECURITY BUDGET
Engage Oregonians – Innovate for the Future – Deliver Effective Results

Secretary of State

	2015-17 ARB	2013-15 Leg. Approved	$ Change 2015-17 vs. 2013-15 Leg. Approved
General Fund	$11,132,679	$8,663,845	$2,468,834
Other Funds	$54,294,731	$50,265,885	$4,028,846
Federal Funds	$6,646,779	$5,045,103	$1,601,676
Total Funds	$72,074,189	$63,974,833	$8,099,356
Positions	214	199*	15
FTE	213.69	198.19*	15.50
*Based on current 13-15 Position totals.			

INNOVATION & SECURITY BUDGET
Engage Oregonians – Innovate for the Future – Deliver Effective Results

Secretary of State
2015-17 Key Performance Measures

Number	Description
1	Electronic Access to Public Information—Percentage of targeted records made available electronically.
2	Audit Cost Savings—Dollar Value of Revenue Enhancements, savings or questioned costs in performance audit reports.
3	Audit Efficiency—Dollar savings per dollar spent on economy and efficiency audits.
4	Audit Recommendation Implementation—Percentage of audit recommendations implemented.
5	Business Registration—document processing turnaround time from receipt.
6	Notary—document processing turnaround time from receipt.
7	UCC—document processing turnaround time from receipt.

Secretary of State
2015-17 Key Performance Measures

Number	Description
8	Campaign Finance Information—Percentage of committee filings determined to be sufficient.
9	Staff Diversity—Percent of women, people of color, and persons with disabilities as a percentage of SOS workforce.
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.
11	Campaign Finance Proposed Penalty Notices—Percentage of notices mailed within five months of a deficient transaction.

INNOVATION & SECURITY BUDGET
Engage Oregonians – Innovate for the Future – Deliver Effective Results

Secretary of State
Notable Improvements for 2013-15

- **Administrative Services:** Emphasizing the correct balance between Innovation and Security throughout all applications

- **Archives:** Phase 1 compact shelving

- **Corporation:** Oregon Business Registry upgrade

- **Audits:** Implementing a "system" approach to performance auditing through Capstone and other audits

- **Elections:** Reorganization of division to improve customer service; coordinated a statewide hand recount of 1.5 million ballots

INNOVATION & SECURITY BUDGET
Engage Oregonians – Innovate for the Future – Deliver Effective Results

Secretary of State
Major Challenges 2015-17

- **Administrative Services:** Obtaining the necessary resources to fortify and secure our information technology applications

- **Archives:** Phase 2 compact shelving

- **Corporation:** Continuing to meet the growing customer demand for timely, online business registrations and filings

- **Audits:** Having and retaining sufficient audit personnel to handle all the necessary audit topics throughout the state

- **Elections:** Budgeting and planning for the unpredictable nature of elections; managing and maintaining our election information technology

Innovation & Security
Administrative Division - Package 100

IT Security Hacking – A Global Condition

- Cyber incidents involving government agencies jumped 35% from 2013 to 2014 (34,000 to 46,000 organizations).

- In 2014, the average organization's cost of a data breach was $12.7 million.

- 40 million credit cards stolen from **Target**. Other major organizations: **Sony Studios**, **Facebook**, **Yahoo**, **Apple**, **Microsoft**, **U.S. Dept. of Energy**, **Whitehouse Unclassified Network**, all with millions invested in security.

- 1.5 million cyber security victims per day (worldwide).

- In a recent survey of 583 companies, 90% said their systems had been hacked in the last 12 months.

Innovation & Security –Administrative Division

Package 100 – IT Staffing: Purpose

This package:

- Adds needed positions to respond adequately to the security breach and assessment conducted by a third party, including required fortification and modifications of infrastructure and applications.

- Ensures continued support of application enhancements, development, and sustainment of existing and future public-facing applications.

- Provides mobile and emerging technology research and services to maintain the existing service levels.

- Addresses succession planning and risk mitigation to help ensure on-going services are provided securely, timely, and within budget to our customers and the public.

- Eliminates the need to double-fill the current position and allows resources to focus on upgrading our hardware platforms to meet industry best practices for network, database, security and systems architecture.

Innovation & Security – Administrative Division

Package 100 – IT Staffing: Support Overview

Audits

Teammate

Municipal (MUNI)

Admin

DIS

ESA

OIM

Archives

OHRI

OAR

ORS

ISD

Corporation

OBR, BERI

Notary, UCC

BIC

Business Express

Elections

OCVR, ORESTAR: Campaign Finance, Candidate Filing, My Vote, Voter Pamphlet,

Compliance,

Contact Tracking

Innovation & Security-Administrative Division

Package 100 – IT Staffing: Project Load

Division	Number of Ongoing Active Projects	Examples
Administrative	26	Infrastructure upgrades, Security Assessment/Compliance, Storage Area Network Replacement
Archives	12	Web Presence Improvements, Web Search Modernization
Audits	11	Online Fee Payment, Improved Online Report Filing
Corporation	21	Application Upgrades, Enhanced Security/Authentication, City Licenses
Elections	16	ORESTAR Performance, Voter's Pamphlet Improvements, Election Night Reporting Solution

Innovation & Security – Administrative Division

Package 100 – IT Staffing: Order of Priority & Risk Evaluation FTE

Innovation & Security – Administrative Division

Package 100 – IT Staffing: $559,260 GF and $1,510,926 OF

Please see our document titled "Order of Priority and Risk Evaluation" in Attachment G in the Appendix.

Each FTE is designed to address a specific need and risk identified in our agency. All risks identified are <u>not acceptable </u>to our agency and should be addressed by these additional requested FTEs:

1. **Security Analyst** - Information Systems Specialist 7 (1503011)
2. **Systems Architect** - Information Systems Specialist 8 (1503012)
3. **Enterprise Java Developer** - Information Systems Specialist 7 (1503014)
4. **Elections Java Developer** - Information Systems Specialist 7 (1503015)
5. **Web Project Lead** - Public Affairs Specialist 2 (1503007)
6. **Elections Business Analyst** - Information Systems Specialist 7 (1503006)
7. **CORP Applications Developer** - Information Systems Specialist 7 (1503008)
8. **Infrastructure Manager** - Principal Executive Manager D (1503013)
9. **Enterprise Business Analyst** - Information Systems Specialist 7 (1503010)
10**. Web Usability Tester** - Information Systems Specialist 4 (1503009)

Corporation Division

Help startup and existing businesses grow and thrive by using faster and smarter business processes.

Provide timely document processing services, business advocacy and convenient access to information about businesses, notaries, secured transactions, and government resources for a prosperous Oregon.

Corporation Division
2015-17 Agency Request Budget

- Other Funds: $9,364,191
- 35 FTE

➢ User fees paid by business to register a business, file a secured transaction, commission a notary, or obtain public records and certificates

➢ Expect to generate $73.7 million in total revenues

➢ Expect to transfer $52.8 million to the state General Fund

Corporation Division

The Corporation Division's programs increase certainty in business transactions by providing information that enables commerce between strangers

- Business Information Center provides one-stop access to government services and requirements for business

- Office of Small Business Assistance is an independent voice for small business within state government

- Business Registry provides essential business information to promote public trust for parties in contracts and commerce

- Notary preserves the integrity of an agreement and ensures the authenticity of a transaction

- Uniform Commercial Code reduces risk for creditors, allowing small business greater access to credit financing

20

Corporation Division
Business Information Center

- **Call Center** – answers from a real person
- Guide to **How to Start a Business in Oregon**
- **Employer's Guide** for Doing Business in Oregon
- **Business Wizard** – Online help for entrepreneurs
- **License Directory** – Information about 1,400 licenses, permits, and registrations
- **Business Xpress** – Oregon's one-stop business portal to cut across agency silos

Corporation Division
Business Xpress Business Portal

Corporation Division
Oregon License Directory *(new prototype)*

Corporation Division
Policy Package 361

License Directory Subscription - $192,000 OF

Continued development to modernize and enhance the online License Directory, Business Wizard, and Business Information Center applications into a single, easy to use online application.

Creative software-as-a-service procurement model saves state on upfront capital construction costs of $850,000 to update and modernize the Oregon License Directory online one-stop database of over 1,400 Licenses, Permits and Registrations.

Corporation Division
2013-15 SB 5539 Budget Note

The Secretary of State is requested to report on efforts to include information and access to state agency programs within the functions of the Central Business Registry and the One-Stop Business Portal. The report shall identify any specific state agency objections to these efforts, and suggest, if appropriate, legislative actions to assist.

The Secretary of State has not encountered any resistance from state agencies about partnering with in the Central Business Registry or One-Stop Business Portal.

Corporation Division
Office of Small Business Assistance

BUSINESS SOS

Trouble with a state agency?
Let us help cut through the red tape!

Help for Oregon Entrepreneurs

The Oregon Small Business Advocate is an independent voice for small business within state government.

Corporation Division
Office of Small Business Assistance

Corporation Division
Office of Small Business Assistance

- **House Bill 3459 (2013)** created office to help small business cut through red tape with state agencies

- January 2014 - office opened, advocate with 18 years of small business experience and 9 years legislative experience hired

- 140 cases worked for small businesses in 2014

- Licensing and certification issues represent over one third of all cases handled by the Advocate

- Problems with communication were a root cause of 100% of the cases worked, which presents an opportunity for improvement

Corporation Division
Office of Small Business Assistance

Cases by Licensing Agency

ODOT 6%
OLCC 8%
DCBS 11%
AG 11%
CCB 17%
OMWESB 19%
OHA 28%
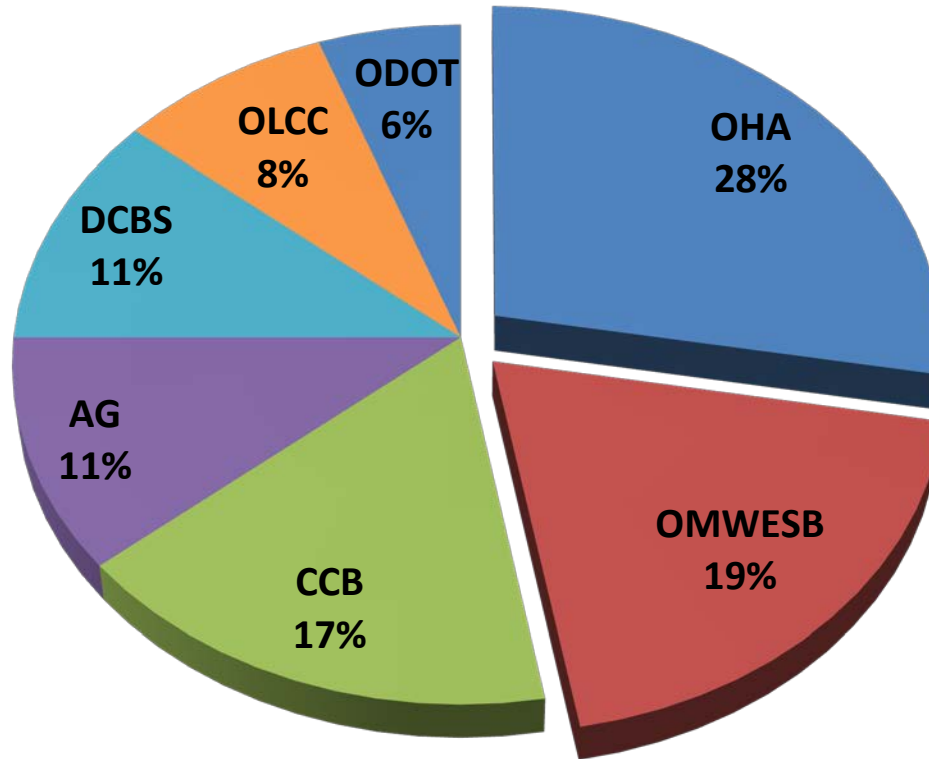
Corporation Division
Policy Package 362

Permanent Financing Positions- $229,952 OF, 1.5 FTE

- **1 - Program Analyst 3**

  1 FTE for second Small Business Advocate position phased-in February 2016 to support anticipated program growth

- **.50 – Public Service Representative 4**

  .50 FTE to support Business Call Center, Business Registry, Notary and UCC filing making current position Full-Time

- **10 - Public Service Representative 4**

  Reclassify 10 positions to support Business Call Center, Business Registry, Notary and UCC filing

Corporation Division
Business Registry Program

- Entrepreneurs register to help establish a business identity, pool resources of shareholders or partners, limit personal liability, gain access to credit and financing, have access to the courts to enforce and defend company interests, and comply with laws

- Provides essential business information to promote public trust for parties in contracts and commerce

- 393,000 active business registrations

- 29,000 business filings per month

Corporation Division
Active business registrations
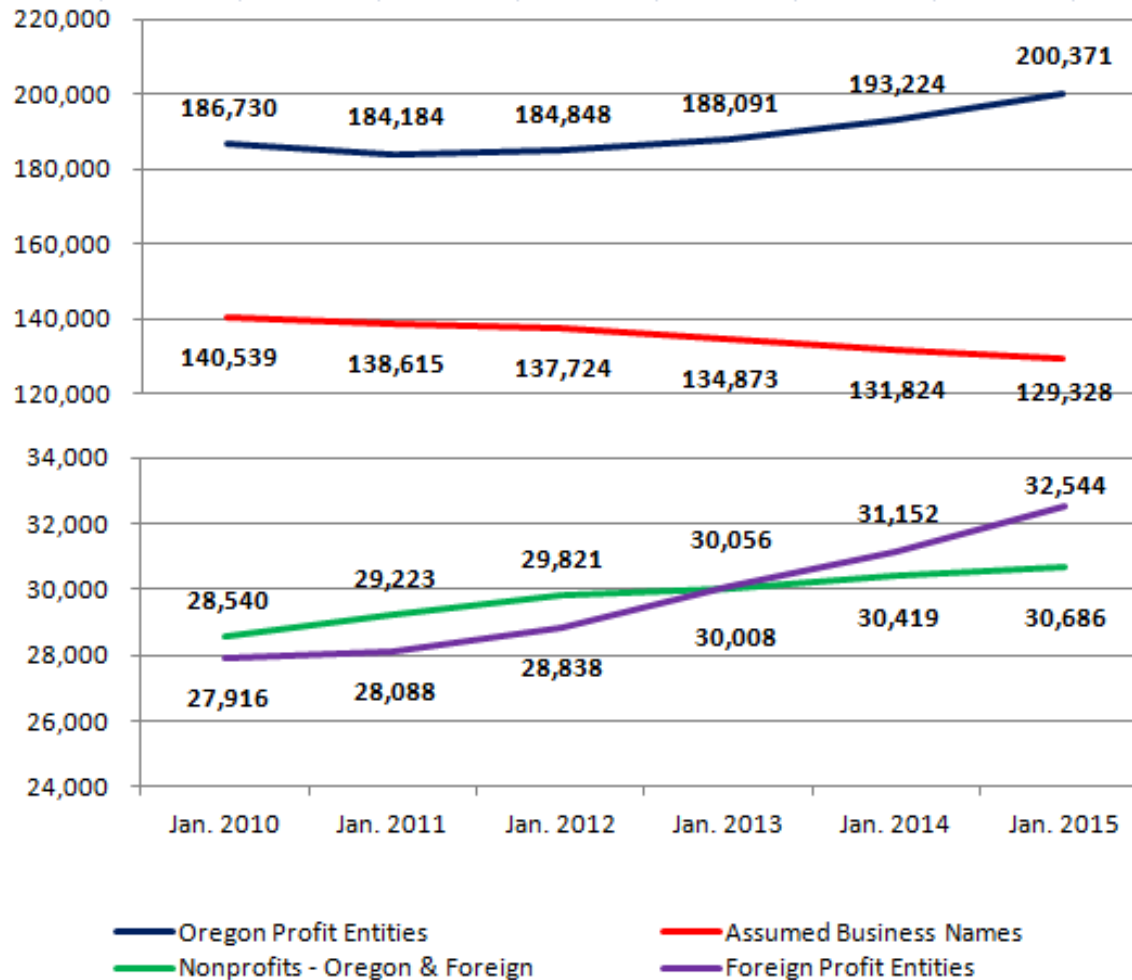
Corporation Division
Oregon Business Registry

- New, Improved, Re-branded - faster, more streamlined
- Oregon's vision of a "one-stop" shop for business
- Saves time for business (minutes vs. days or weeks)
- Improves data quality
- Share information across agency silos
- New assumed business name (dba), Oregon business corporation, nonprofit, LLC, foreign business corporation,
- Annual reports and Reinstatements with Secretary of State
- New employer registration and updates at Revenue, Employment

Corporation Division
Business Registry Online Filing Adoption
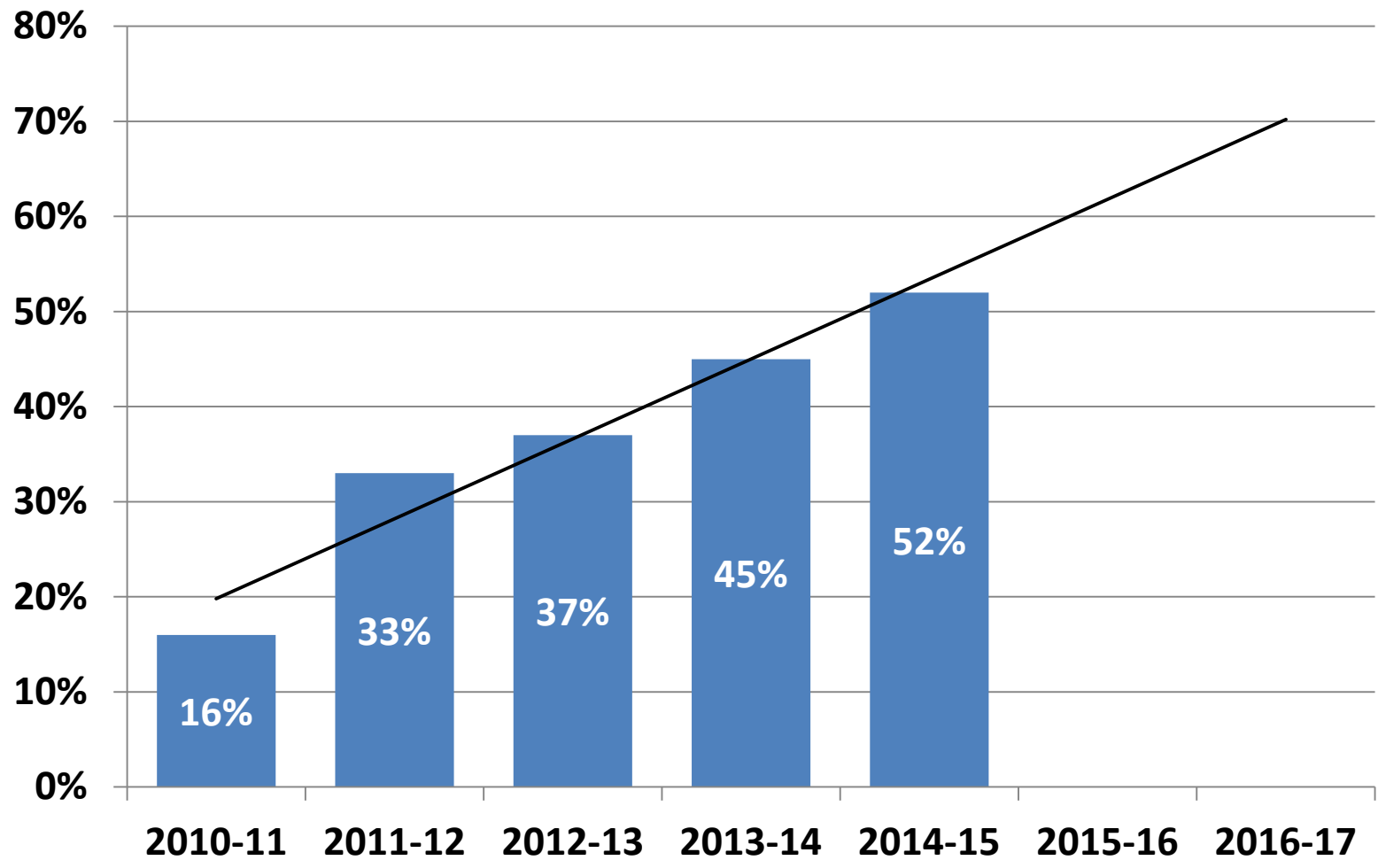
Corporation Division
Policy Package 360

Merchant Fee Adjustment - $240,000 OF

True-up Division budget to account for higher Credit Card Merchant fees resulting from 80% increase in adoption of online filing for Business Registry and Uniform Commercial Code.

Corporation Division
Oregon Business Registry

A service of the
Oregon Secretary of State
Corporation Division

Log In

Oregon Business Registry

Online Renewal   Tools   Help

Welcome to the Oregon Business Registry
Oregon's one-stop shop for business registration

Existing User?   Log In Here

New User?   New User Sign Up

Our goal is to make more online services available, to make it easier for you to do business with the State of Oregon.

Along with a new name, the new Oregon Business Registry has a new interface to make filing online easier.

Additional future features to include; local government business licensing, state agency licensing, additional filings (reinstatements, reactivation, amendments, dissolutions, etc.), a new payment screen, and expanded services for frequent filers like law firms and accountants.

Corporation Division
Oregon Business Registry – *coming soon*

- City of Portland business license registration
- Construction Contractors Board state license registration
- Expand Local business license to Bend and other cities
- Expand state licensing registration
- Expand Corporation Division business registration filings
- Online Certificates of Existence (Business Registration)
- Customer email notice opt-in for renewals
- Electronic notification of registration changes
- Continue modernizing BERI Interface to supported system
- Trademarks filing and Search online

Corporation Division
Policy Package 102

Oregon Business Registry Enhancements - $624,000 OF

Continued new development to enhance Oregon Central Business Registry:

- **BERI Interface Rewrite** –modernize the Business Entity Registration and Information (BERI) system to a supported platform, and enable additional online business registration

- **City business license** – provide all Oregon cities an option for online business licensing

- **State business licensing** – pilot project with state agency to complete state licensing requirements online

Corporation Division
Policy Package 102, continued

- **Existing business Opt-In** – allow businesses registered with the state through paper filing to use the Oregon Central Business Registry to update registration information online

- **Expand Secretary of State Business Filings Online** - allow online filing for remaining Secretary of State business filings

- **Trademarks Online -** Modernize the Trademark application to allow online filing and online search

Corporation Division
Notary Public Program

- A Notary detects and deters fraud by serving as an impartial witness to a legal proceeding

- Makes sure the person signing a document knows what is being signed, understands the action being taken, and is the person whose signature is on the document

- We authenticate documents for international use

- We educate and provide training to notaries

- 41,000 active notaries

- 3,000 filings per month

Corporation Division
Notary Public Seminar Attendance

Bar chart showing attendance by year: 2011 = 1160, 2012 = 1265, 2013 = 1280, 2014 = 1379.
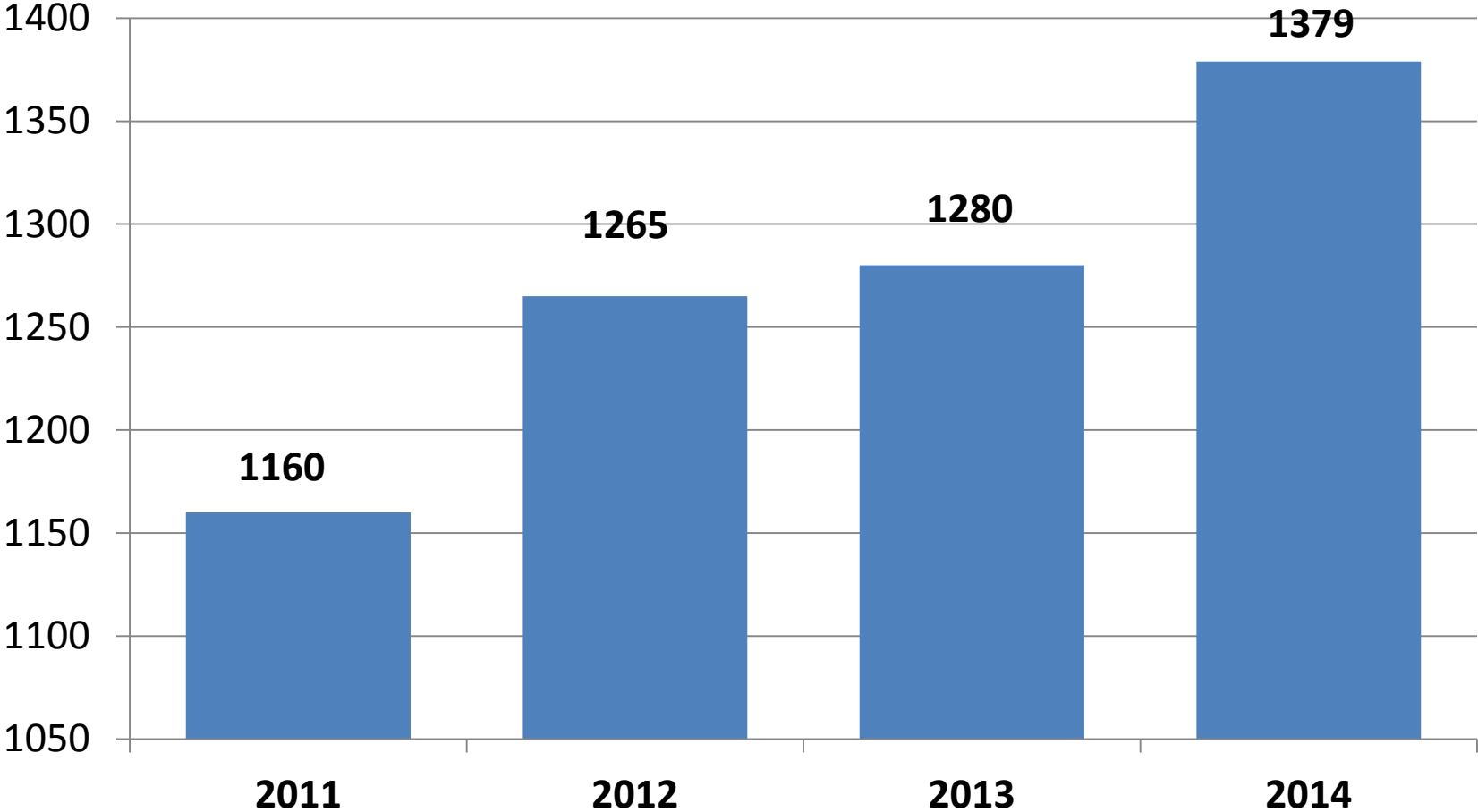
Corporation Division
Uniform Commercial Code Program

- UCC facilitates lending and credit to Oregon business, farmers, and consumers

- Creates a public notice of records of debt on personal or moveable property, commodities, services rendered, and tax obligations

- Establishes priority of claim for the secured party in the event of a bankruptcy by the debtor

- 209,000 active lien filings

- 5,200 filings per month

Corporation Division
UCC Online Filing Adoption
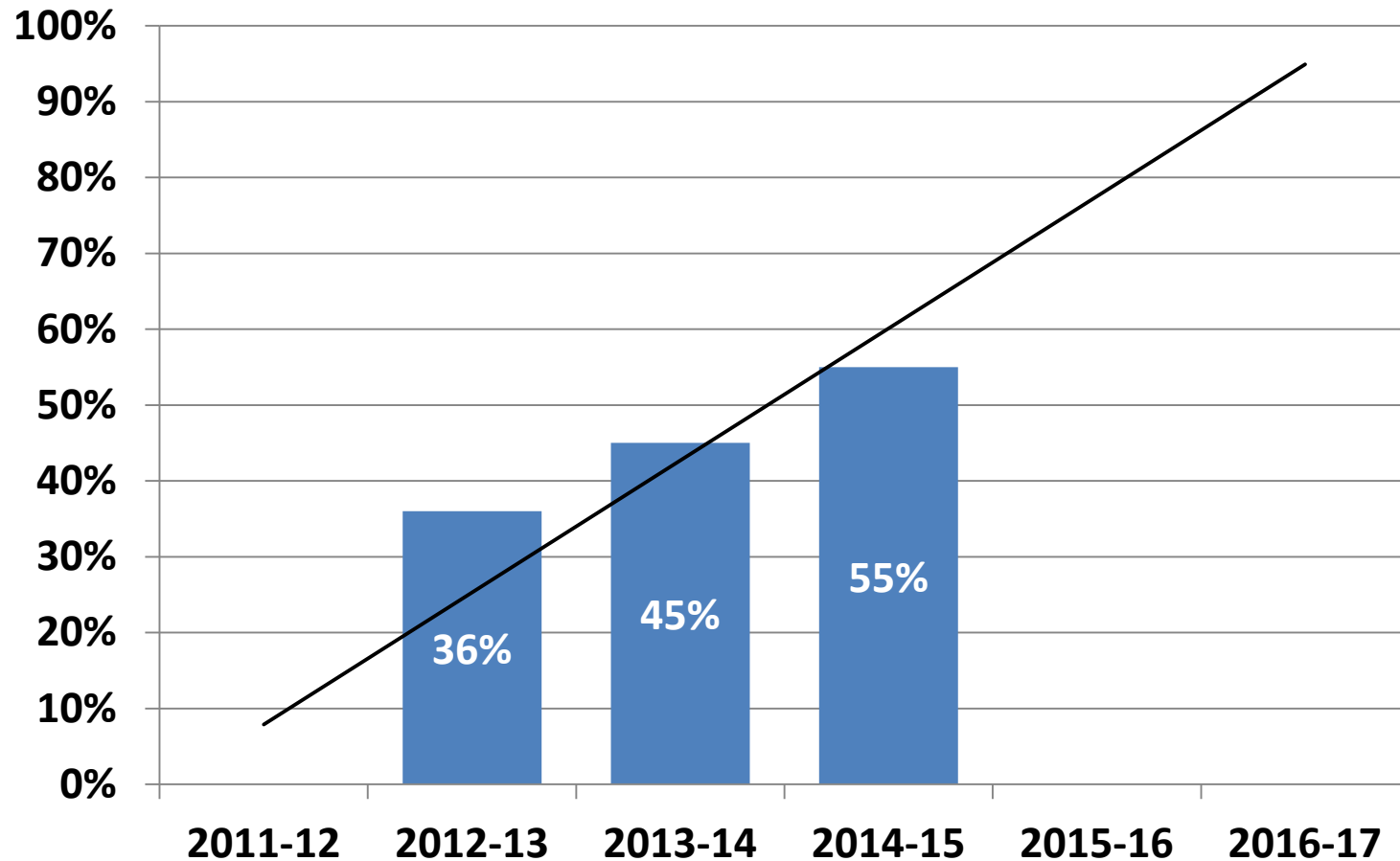
Corporation Division
Contain costs and improve program delivery

Impact of Technology Automation Investments

- **Oregon Central Business Registry online filing**
  - 52% of new businesses & renewals filed online
- **UCC online filing**
  - 55% of Uniform Commercial Code filed online
- **Public record images online**
  - Over 1.5 million documents available online
- **Online Search**
  - Over 300,000 online Business searches per month
  - Over 20,000 online UCC searches per month

Corporation Division
Effective & efficient service delivery

- Providing services the business community wants, has requested, is willing to pay for through user fees

- Save time for Oregon business through expansion of e-government services to simplify interactions and reduce processing delays (e.g. Oregon Business Registry, UCC eFiling)

- Implemented new Notary system

- Streamlined and simplified document certificate processes to reduce complexity and improve quality and consistency

- Relocated Call Center in-house utilizing staff rotations, knowledgebase and customer relationship tracking system

Corporation Division
Staff efficiency
Transactions per FTE
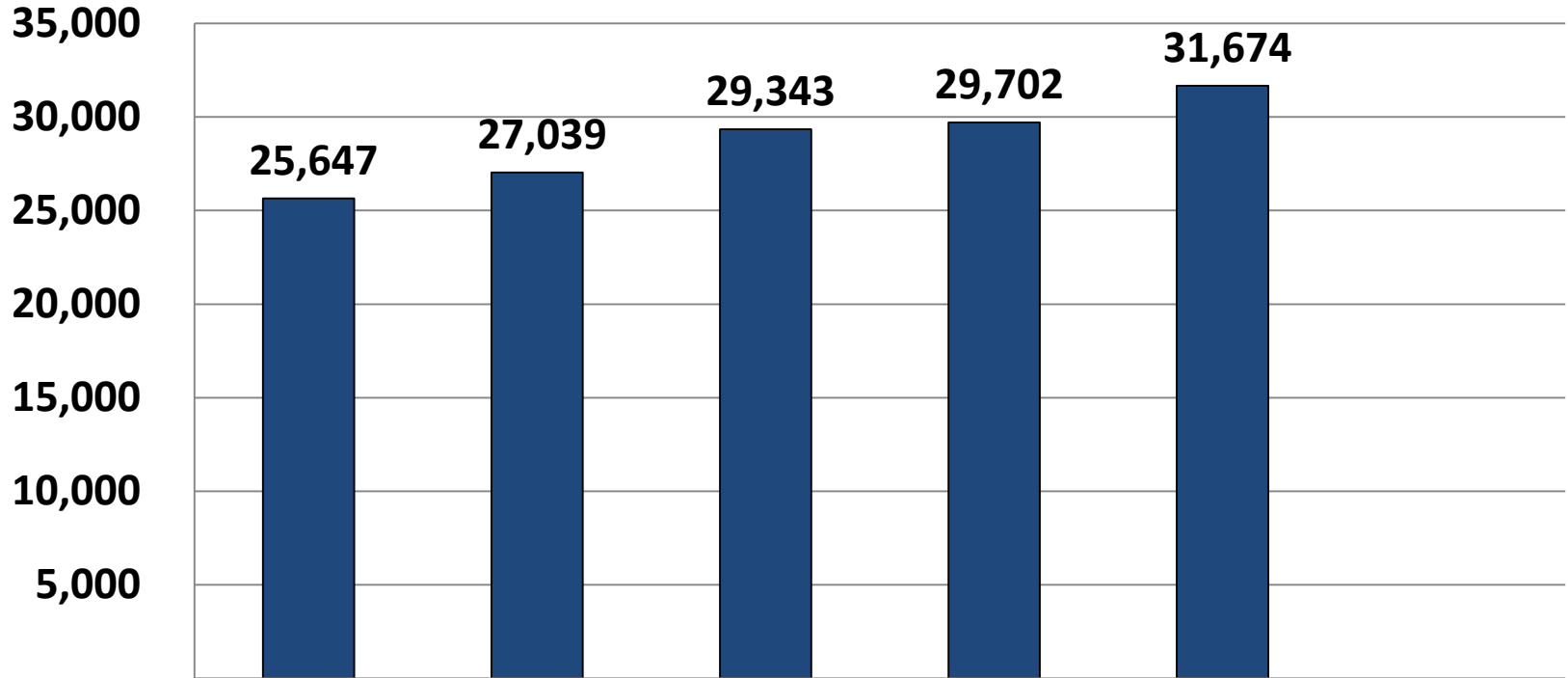
	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17
Transactions	910,466	959,893	924,294	950,458	*997,718*	
Budget FTE	35.5	35.5	31.5	32.0	*31.5*	

Chart bar values: 25,647 | 27,039 | 29,343 | 29,702 | 31,674

Corporation Division
KPM#5: Timely document processing

Business Registry Processing Time

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
■ Actual	1.5	1.7	1.3	1.2	0.9	0.7		
◆ Target	1.9	1.8	1.5	1.4	1.3	1.2	1.0	1.0

Average Days (y-axis: 0 to 4)
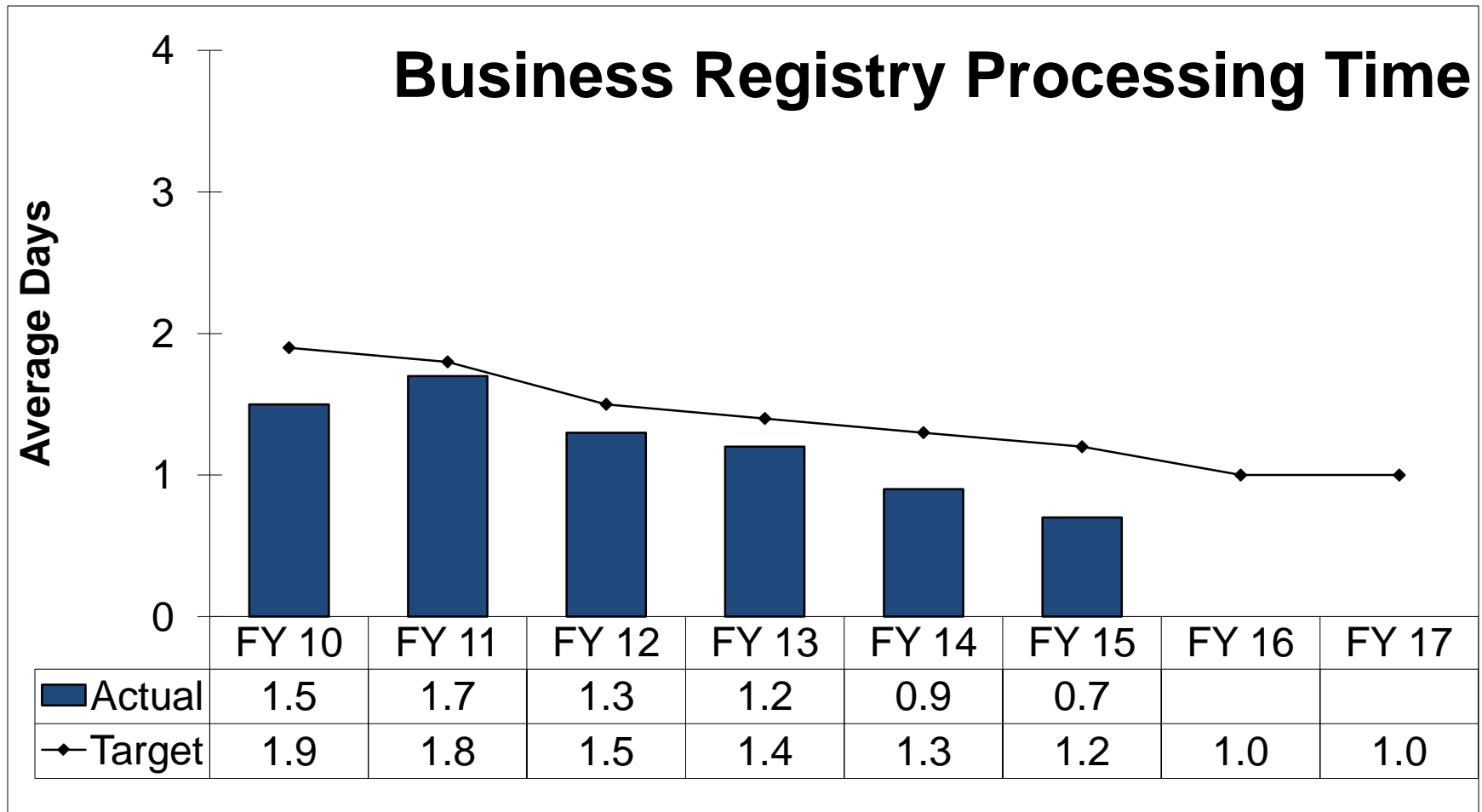
Corporation Division
KPM#6: Timely document processing

Notary Processing Time

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Actual	1.1	1.7	0.9	1.2	1.2	0.1		
Target	2.8	1.8	1.3	1.1	1.0	1.0	1.0	1.0

Y-axis: Average Days
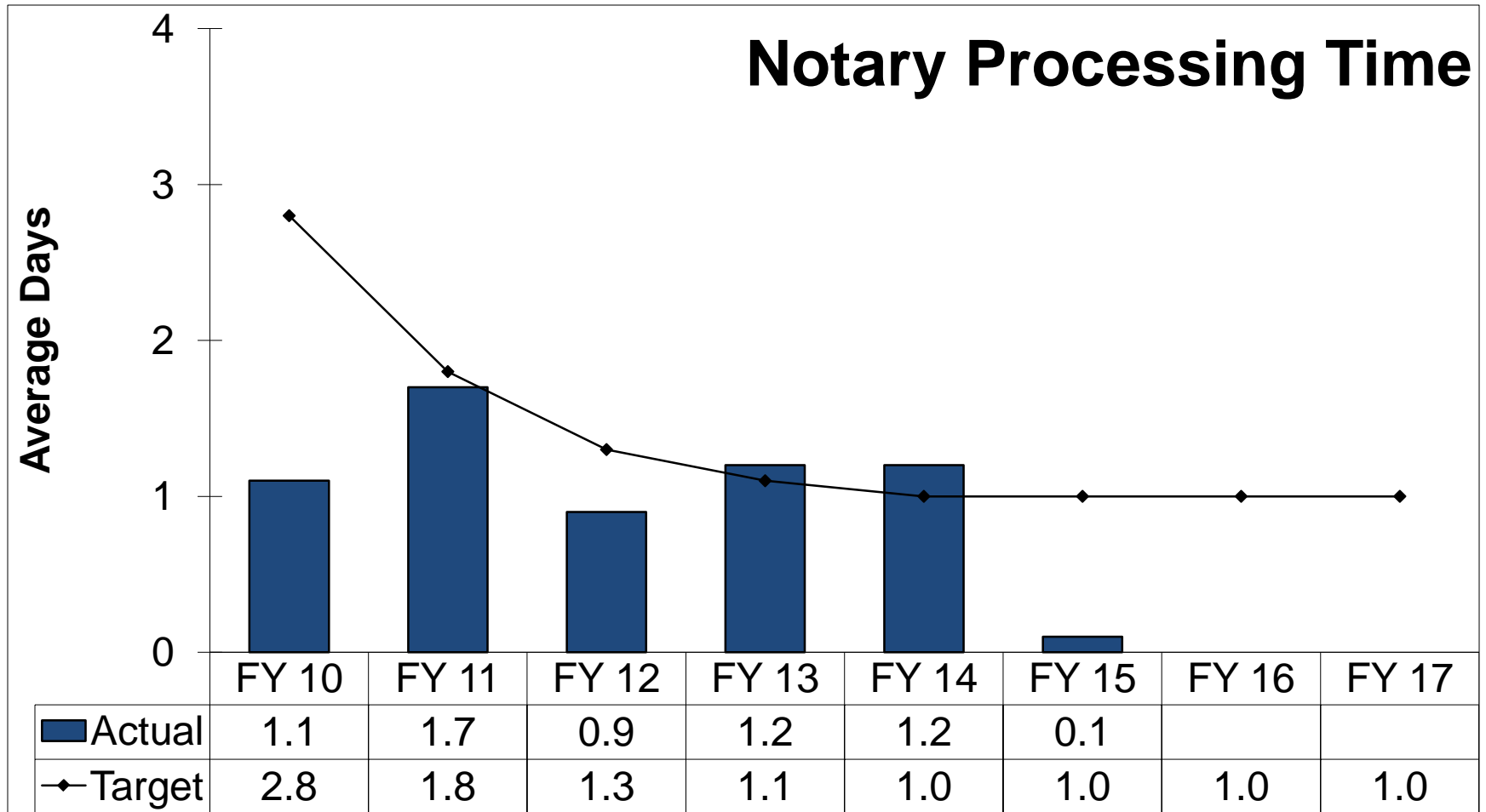
Corporation Division
KPM#7: Timely document processing

UCC Processing Time

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
■Actual	2.0	2.2	1.5	0.9	0.6	0.0		
◆Target	1.9	1.8	1.7	1.6	1.3	1.2	1.0	1.0

Average Days

KPM#10: Customer Satisfaction

Target 85%

	OVERALL	TIMLINESS	ACCURACY	HELPFULNESS	EXPERTISE	INFORMATION
FY 2010 Result	96%	97%	97%	98%	99%	95%
FY 2011 Result	96%	93%	96%	97%	96%	91%
FY 2012 Result	98%	98%	98%	98%	99%	94%
FY 2013 Result	98%	99%	97%	98%	100%	97%
FY 2014 Result	98%	97%	93%	99%	97%	88%
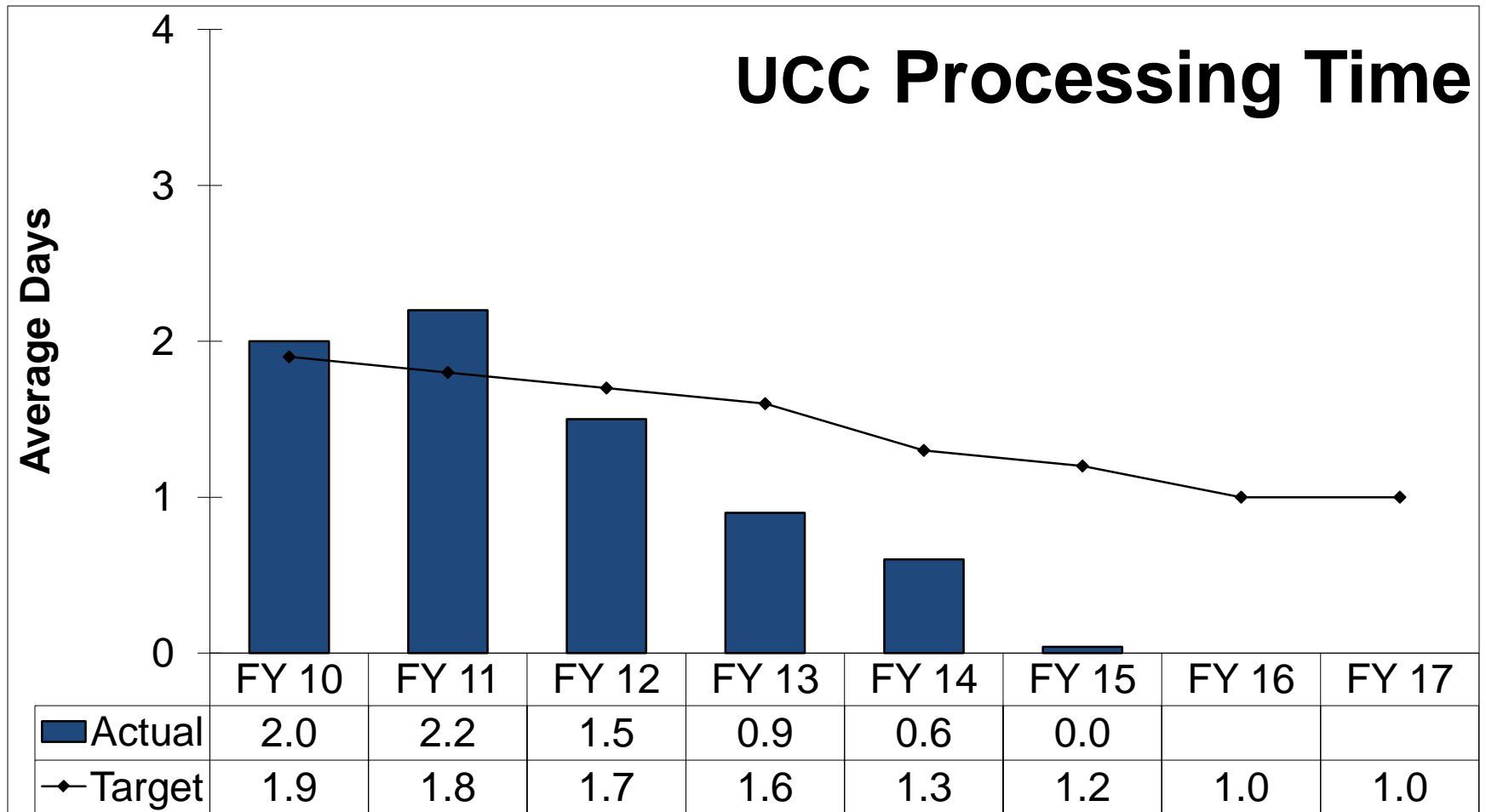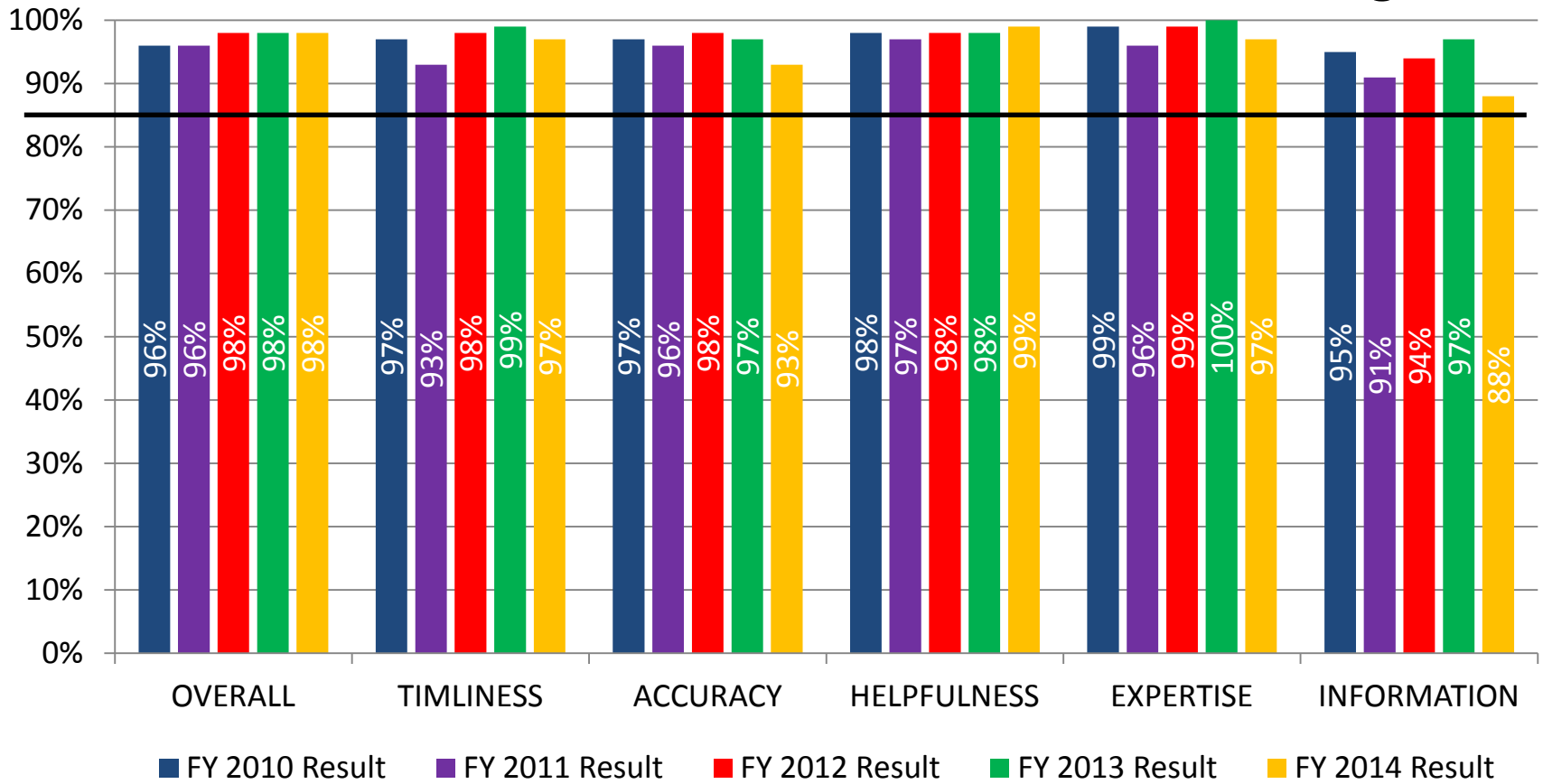
Corporation Division
Budget Drivers

- Customer demands-
  - Document Filing - Business Registry, Notary, Uniform Commercial Code
  - Access to Public Records and Information, Certification of Records and Authenticating Public Acts
  - Customer Service and Education
- Technology and legislative changes
  - Online Security
  - Continuously Improving Services
  - Changes in legal interpretation of existing laws

Corporation Division
Budget Challenges

- Timely Document Processing

- Streamlined Business Registration

- Transparent Access to Public Records

- Personalization of Services

- Continuously improving services

- Government red tape

- Personally identifiable information

- Online Security

- Legislative changes

Corporation Division
Major Program Changes

- Improved the Oregon Central Business Registry
- New Notary application to support HB 2834 (2013)
- Improved transparency of public records
- Relocated & Improved Call Center operations
- Streamlined & Improved work processes and services
- Implemented Office of Small Business Assistance (HB 3459)
- Implemented 2013 legislative changes (SB 141, SB 142, HB 2296, HB 2643, HB 2834, HB 3459)

Corporation Division
Proposed Legislation

- **SB 76 – Simplify Requirements for Business Filings**

  Repeals and streamlines unnecessary, obscure, or seldom-used business laws to lessen the burden on Oregon businesses

- **SB 77 – Corporation Soles**

  Eliminates an obscure type of tax-free nonprofit going forward that is often used by tax evaders

Corporation Division
Innovation to connect with Oregonians

- Implement electronic notices to allow businesses to receive email notification of updates, changes, or events in registrations and filings

- Convert microfilm to digital images available online

- Publish searchable notary database online to verify active notary commissions

- Publish searchable authentication database online to verify official authenticated records

Corporation Division
2015-17 – fewer staff than 20 years ago

Corporation Division FTE in 1995-97: **45.0**

Corporation Division FTE in 2015-17: **35.0**

We will continue to make it easier to do business in Oregon:

- Save time for business using technology to do our work faster

- Increase transparency by providing more public records online

- Exceed customer service expectations by delivering services that the business community wants, values, and pays for

- Improve technology resources to help start and grow a business, and understand regulatory requirements

- Help business owners cut through government red-tape

- Transfer $52 million to support the state's General Fund

Archives Division

The State's Information Manager and Information Broker

Archives Division
2015-17 Agency Request Budget

- Other Funds: $7,626,702

- Federal Funds: $174,324

- 22 FTE

Archives Division

The Archives Division manages and provides access to the state's information by:

- Identifying, preserving and providing access to the permanently valuable records of Oregon Government

- Managing government information through records retention schedules to facilitate the prompt disposition of public records and by providing advice and assistance on records related issues

- Managing the Oregon Records Management Solution

- Creating standards for the appropriate use of technology to ensure that public records are accessible

Archives Division

The Archives Division manages and provides access to the state's information by (con't.):

- Operating the State Records Center and Security Copy Depository

- Accepting for filing, verifying, publishing and maintaining Administrative Rules

- Compiling and publishing the Oregon Blue Book

- Accepting for filing the state's Official Documents

- Administering the State Historical Records Advisory Board

Archives Programs

Reference Unit

Is the state's information broker. Provides access to the permanent records of Oregon's government while protecting and celebrating Oregon's historical legacy. Directs the public to the proper agency for more current records.

Customers: General public; Agencies; Students; Attorneys; Genealogists; Historians

Records: Provisional and Territorial; Constitution; Legislative; State and Local Government Agencies; Elected Officials; maps; photos; audio; video

Information: Determine Legislative Intent; Market Oregon; Trace Family Histories; Write or Illustrate Books; Help other states develop legislation first passed by Oregon (i.e. Forest Practices Act, Beach and Bottle Bills, Health Care, etc.)

<u>Reference Unit</u>

Activities are driven by demand for services. Reference creates demand by putting as much information about our holdings and services on the internet. Examples include:

Legislative Audio and Bill Tracings	Exhibits
Early Oregonians Database	Governor's Web Pages
Oregon Historical Records Index	OR-Roots List Serv
Web Drawer Application	Social Media (Facebook and Twitter)

Archives stacks transition to compact shelving (POP 121)

All of the Reference Unit's Services are designed to promote Government Transparency

Archives Programs con't.

Records Management Unit

Is the state's information manager. They do this by providing the approximately 3,000 government entities in Oregon with:

- Advice and assistance on a variety of records related issues

- Write and keep current retention schedules ensuring the state and its political subdivisions are mitigating storage costs and legal risks by actively managing their information which in turn makes remaining records more accessible

- Standards development relating to technology

- Web-based training applications and webinars

Archives Programs con't.

Records Management Unit (con't.)

- **Instrumental in developing a statewide electronic records management system called the Oregon Records Management Solution (ORMS) available and affordable to all levels of government in Oregon**

- **Operates the State Records Center providing inexpensive storage and service of state agency records that have not met their authorized retention period**
    - 2 FTE service requests for 98,000 boxes with a 24-hour turnaround and a 100% accuracy rate.

- **Operates the Security Copy Depository**
    - 1 FTE provides storage for and manages roughly 185,000 reels of microfilm in an environmentally secure vault for state and local government agencies

Archives Programs con't.

Publications Unit

Files, verifies and publishes Oregon's Administrative Rules and provides access to Administrative Rules and rulemaking activities by:

Publishing online, the monthly Oregon Bulletin and makes changes, additions or deletions to an agency's administrative rules

Publishing annually, a compilation of Oregon's Administrative Rules

Providing access to the Administrative Orders

Providing advice, assistance and training to all agency rule coordinators

Compiles and publishes the Oregon Blue Book and keeps current the free, enhanced, online version

Archives Division
Budget Drivers/Challenges

- Workload increases
  - **Oregon Records Management Solution (ORMS)** started with <u>3 agencies now have 22</u> . Continues to generate interest not only from other state and local government agencies, but nationally and internationally as well. Staff must juggle regular records management work with ORMS implementation.
  - **Rulemaking activity** increased from <u>14,763 instances </u>for 2011-2013 to approx. <u>15,500</u> for 2013-2015 biennium
  - **Non-Traditional Demand for Archives Services or "Mainstream Archives"** Ancestry.com, "Who Do You Think You Are?" OPB, Pennsylvania television

- Upgrading technology
- Succession Planning

Archives Division
Cost Control Actions

Oregon Records Management Solution (ORMS)

- Continue to automate business processes using ORMS (i.e. Business Services Procurement Workflow)

- Streamlined ORMS on boarding process and worked with business partner to offer incentives for large agencies to use ORMS

- Provide better access to agency information by upgrading web portal

Archives Division
Cost Control Actions Cont.

Reference Unit

- Phase 1 of Compact Shelving completed – 44% space increase over shelving replaced

- Legislative records

- "Leaned" transfer processes

- ROLs audio

Administrative Rules

- "Leaned" internal business process to eliminate redundancies and inefficiencies
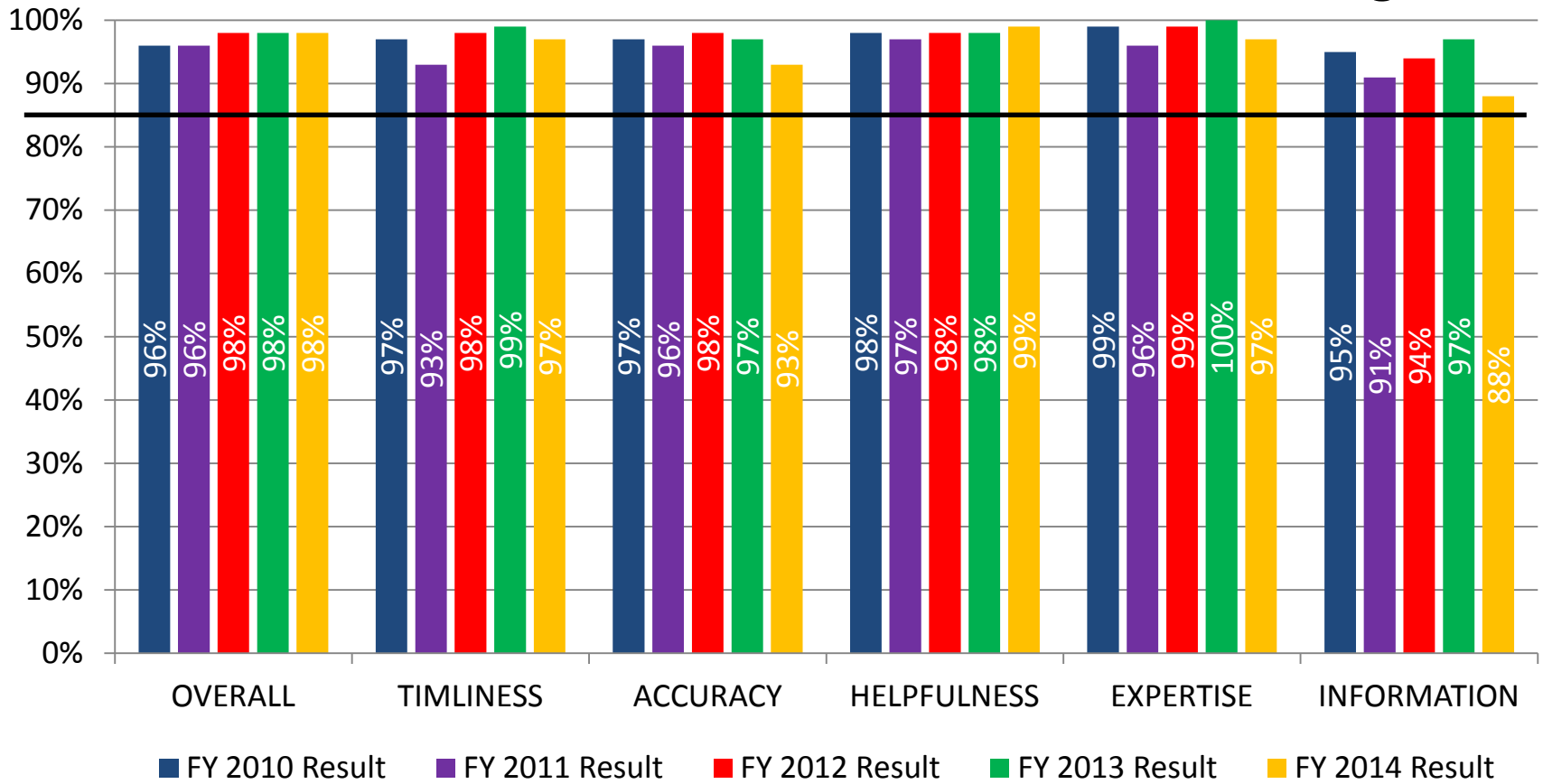
Archives Division
Policy Package

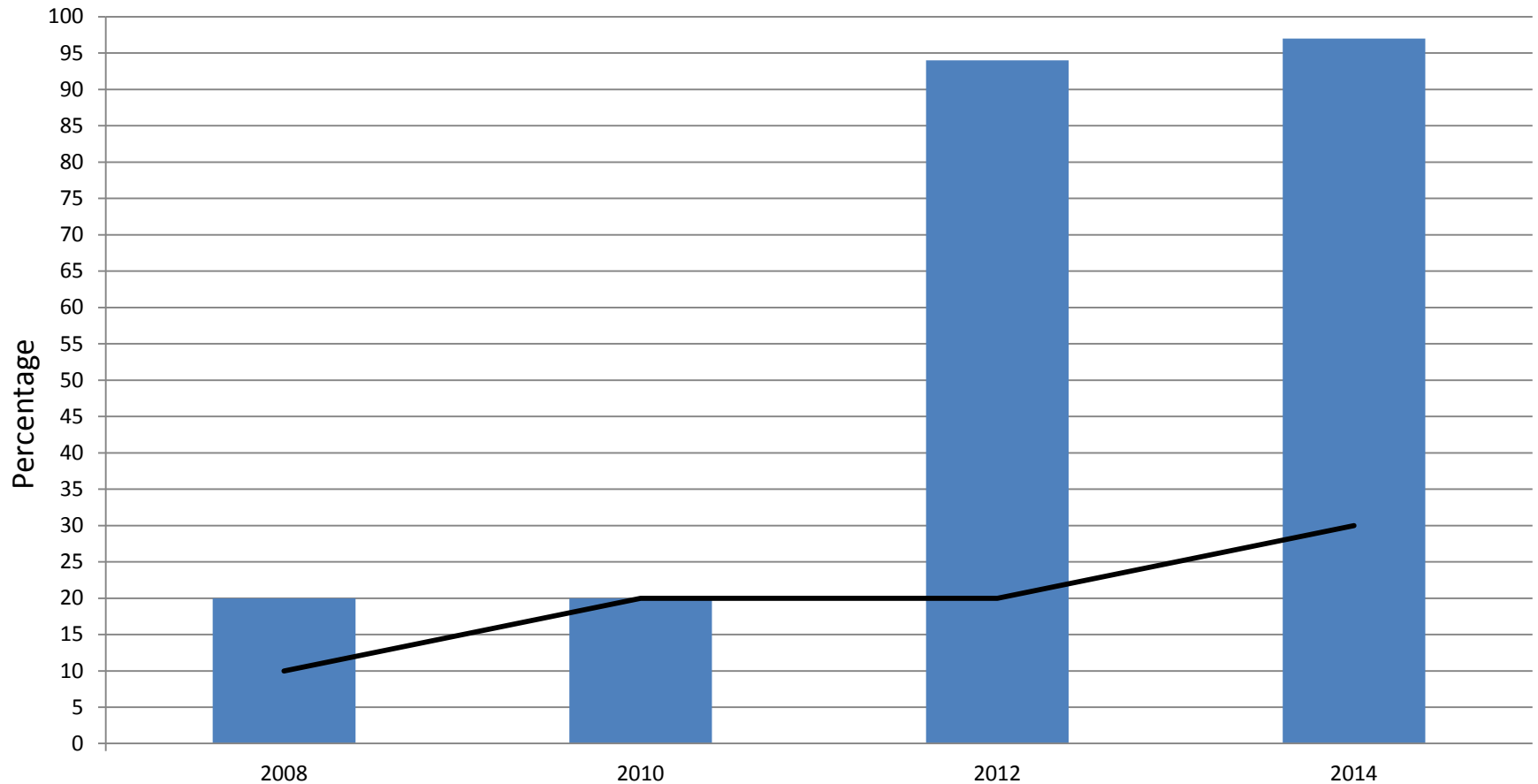**Package 121 – Phase 2 Archives Compact Shelving**

$500,000 OF

KPM#10: Customer satisfaction

Target 85%

	OVERALL	TIMLINESS	ACCURACY	HELPFULNESS	EXPERTISE	INFORMATION
FY 2010 Result	96%	97%	97%	98%	99%	95%
FY 2011 Result	96%	93%	96%	97%	96%	91%
FY 2012 Result	98%	98%	98%	98%	99%	94%
FY 2013 Result	98%	99%	97%	98%	100%	97%
FY 2014 Result	98%	97%	93%	99%	97%	88%

Archives Division
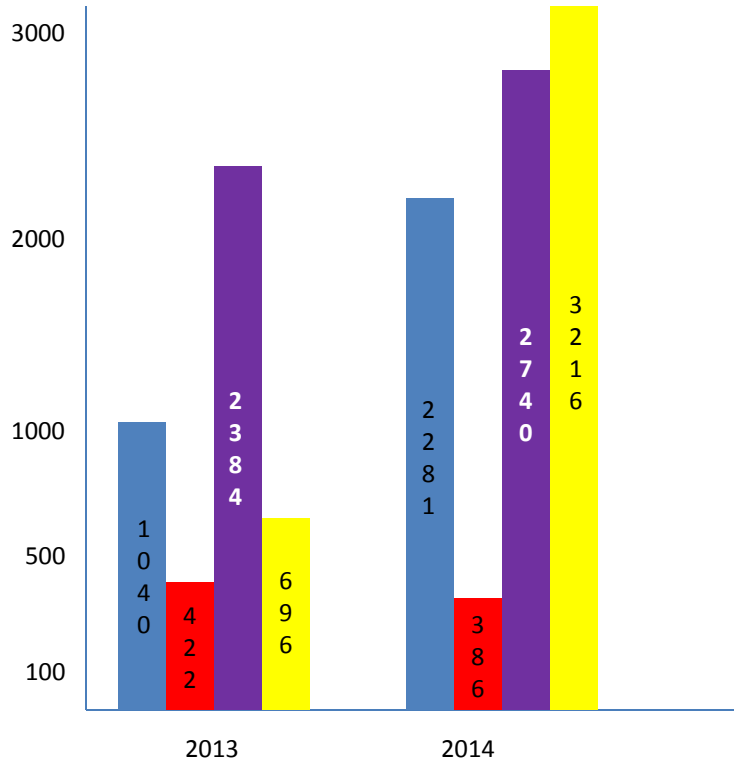# KPM #1 – Electronic Access to Public Information-

INNOVATION & SECURITY BUDGET
ENGAGE OREGONIANS -- INNOVATE FOR THE FUTURE -- DELIVER RESULTS
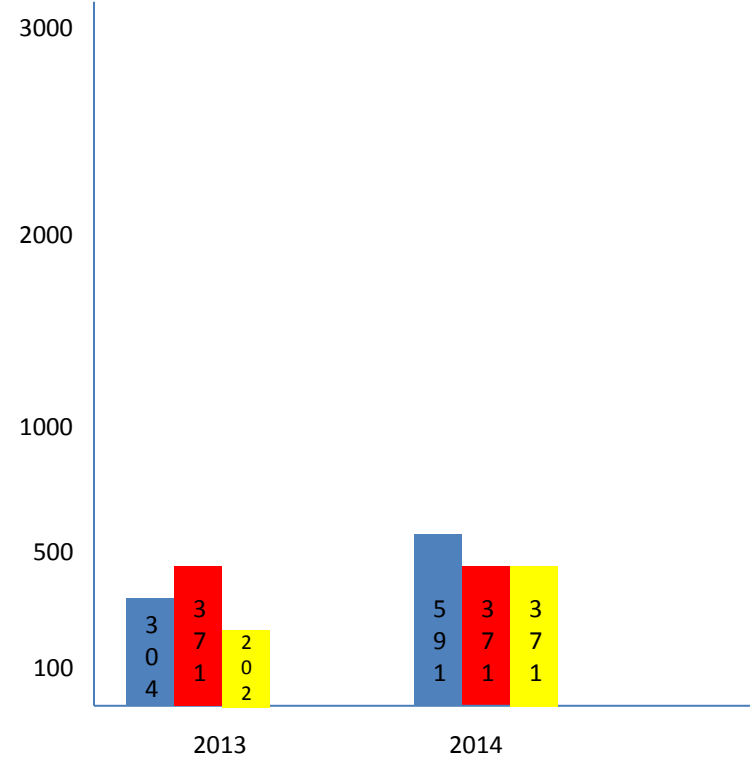
Archives Division
KPM #1 – Electronic Access to Public Information- Social Media

Facebook

| Followers | Posts | Comments | Shares |

Twitter

| Followers | Tweets | Retweets |

72

Archives Division
New ways we are engaging Oregonians

- Making more information about Oregon Government available on the Internet

ORMS (Web Drawer)

Exhibits
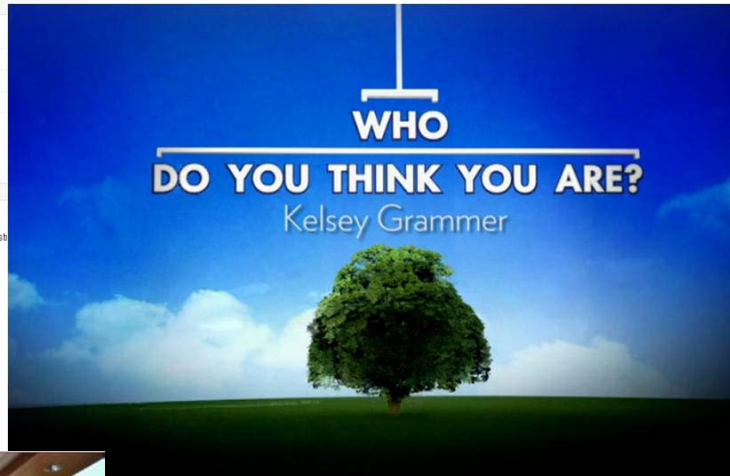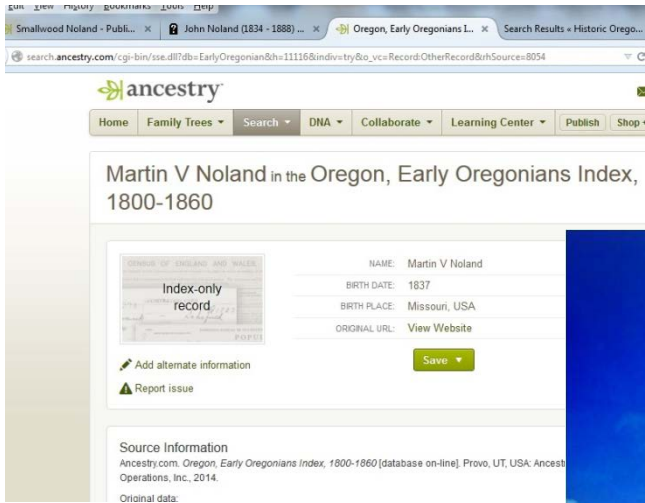
Training

Twitter

Facebook

Web-based training

Television

Ancestry.com

Archives Division
New ways we are engaging Oregonians

Archives Division
New ways we are innovating for the future

- **Oregon Records Management Solution**
- **Web Drawer**
- **Transferring information from obsolete technologies to digital format**
- **Blue Book Development**
- **Further Automation of Administrative Rules**

Archives Division
New ways we are delivering results

- **Oregon Records Management Solution**

   On boarding

   Incentives

- **Reference Services**

   Legislative Records

- **Web 2.0 Technology**

   Training Applications   and Communicating with our Patrons

- **Electronic Publications**

   Go from traditional print to print on demand

Archives Division
Major Program Changes

- **Records Management Focus**
  - ORMS
  - Government accountability
  - Standards and Technology

- **Reference Focus**
  - Engaging more Oregonians in their government
  - Access to public records
  - Western Oregon Class and Internships
  - Government transparency and accountability

- **Publications Focus**
  - Streamlining internal business processes for Administrative Rules
  - Blue Book upgrade

Audits Division

Auditing to protect the public interest and improve Oregon government

Audits Division
2015-17 Agency Request Budget

- Other Funds: $20,183,511 and 73 FTE

- Charges to all state officers, departments, boards and commissions for a share of audit costs. (Except School Fund and Trust Funds)

- Based upon expenditures, revenues, cash and FTE

- Expect to generate $26.3 million in total revenues

- Assessments to agencies are reduced if original estimates are too high.

Audits Division

- We conduct our audits in accordance with **Government Auditing Standards**, which are developed and used by the United States Government Accountability Office, the GAO.

- These standards require that we maintain **independence in our work**, that we exercise **professional judgment and care**, that we hire and train our **staff to be highly competent**, and that we **take steps to assure the quality of our work**.

Audits Division
Financial and IT Audits

Financial and Compliance Audits – 50% of our efforts

- Determine whether state agencies **properly prepared their financial records and statements. FY2014 – over 400 different accounts in detail, representing $22.9 billion in revenues, $21.9 billion in expenditures, $40.2 billion in assets and $12.9 billion in liabilities.**

- Determine whether agencies **complied with applicable state and federal requirements**.

- **Mandated**, in order to receive federal funding, or by credit-rating agencies for state borrowing.

Information Technology Audits – 8%

- Determine whether the state's computer **systems adequately protect public funds and electronic information, and whether they operate as intended**. Recommendations are directed **at improving electronic information security, practices and procedures**.

Audits Division
Performance Audits

Performance Audits – 38%

- An **independent assessment** of the **performance and management** of a program

- Expanded the scope of our audits to **also identify ways that an agency can better achieve its mission** and objectives, through better management practices and procedures to increase efficiencies, generate savings, and produce better results.

- We **analyze performance and compare to best practices**, to show how it can improve. We guide agencies toward innovation and improvement by using tools such as **performance measurement and performance management**.

- The Secretary of State wants us to **ensure we are auditing the issues that most need improvement.** We are constantly looking for **potential issues that we can audit** and we accumulate many more than we could ever complete.

Audits Division
Other audit-related work – 4%

Municipal audit monitoring

- Help ensure that **local governments receive consistent, professional audit services from their contracted CPAs**.
- Establish **requirements for municipal audits** and **review private CPA audit reports** and selected working papers, **discuss issues with them**.
- **Mandated** by statute, and covers approximately 1,800 municipalities in Oregon.
- In contrast, **Washington State Auditor's Office conducts all the municipal financial audits** with about 300 staff.
- Recently issued a **financial condition review** of the 36 counties.

Hotline Investigations

- Government Waste Hotline is **set in statute** as a way **for public employees and citizens to report fraud, waste or abuse in state programs**.
- **Investigate calls**, while providing confidentiality for the caller. We **issue reports** on problems we find, and an annual report summarizing the calls.

Audits Division
Budget Challenges

- Estimating future audit costs for direct bill agencies is challenging as we are required to estimate billings up to 3 years in advance without knowing the audit need or topic.

- Financial audit costs are more predictable but performance and IT audit needs and costs fluctuate. This limits our responsiveness to emerging audit needs in these direct bill agencies if an audit is not already budgeted, or conversely requires us to commit our audit resources when it may not be as cost-effective as other audits.

Audits Division
Policy Package 400

Auditor Positions- $548,940 OF 3 FTE

The purpose of this package is to align our organization with present-day audit needs by requesting:

- The reclass of three positions to higher than entry level; and

- Permanent position authority for three new positions.

This package will better address the demands for complex analytical audit techniques, as well as the increased need for information systems audits.

Audits Division
Policy Package 400-Con't

- This package would fund an additional 2-person information systems audit team, and one additional performance auditor position to address our larger scope audits. (Though, expanded auditing rules may require us to fill this position with a financial auditor.)

- The addition of three new positions would reverse a 20-year trend in audit staffing.

Audits Division

Secretary of State Audits Division - Staffing

Positions

Period	Positions
85-87	75
	79
89-91	81
	84
93-95	90
	84.5
97-99	80.5
	79.5
01-03	78
	76
05-07	72
	72
09-11	72
	71
13-15	70
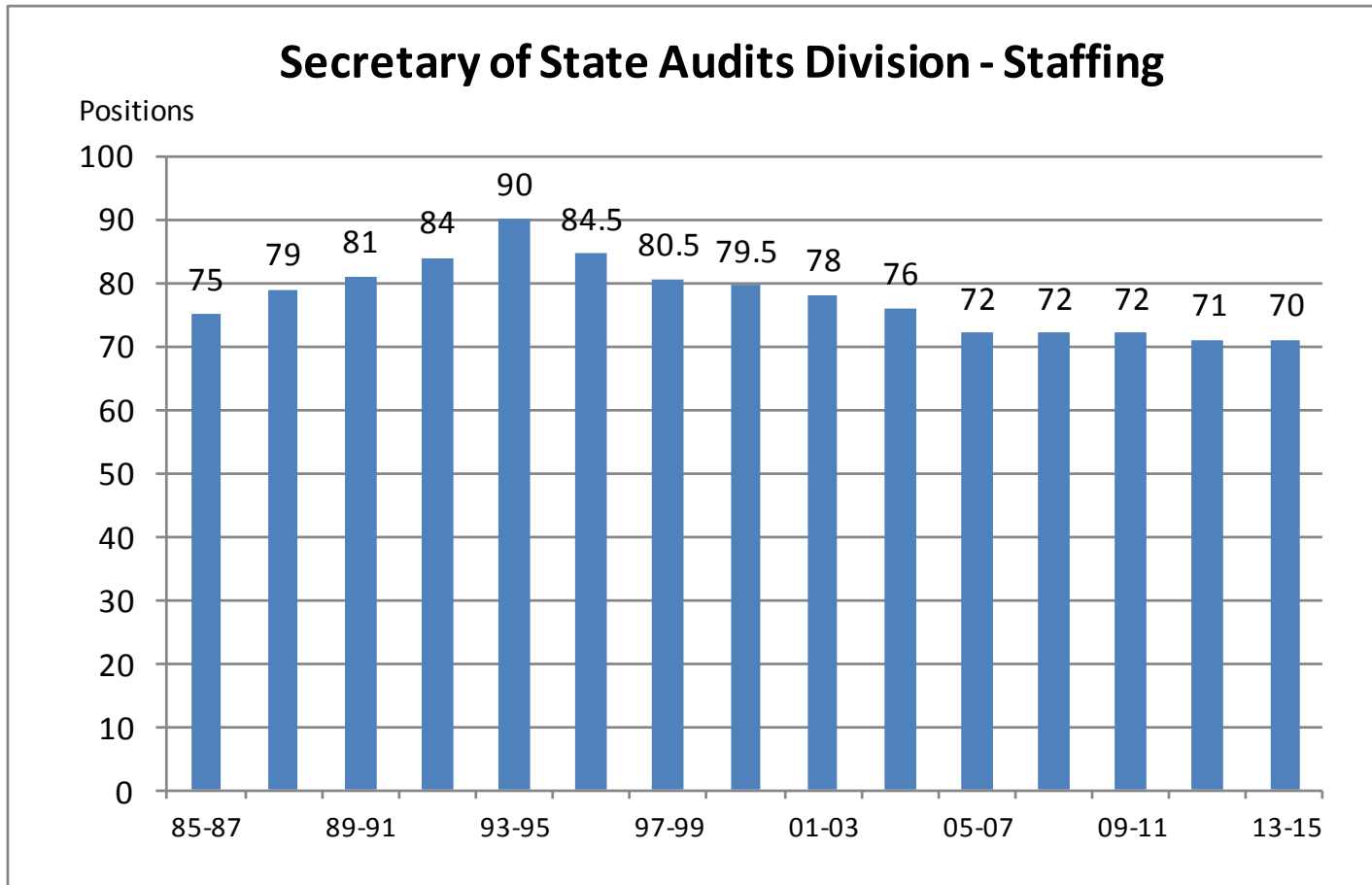
Audits Division
KPM #2: Dollar impact of audits

Savings, Revenue Enhancements, or Questioned Costs

Target $20 million
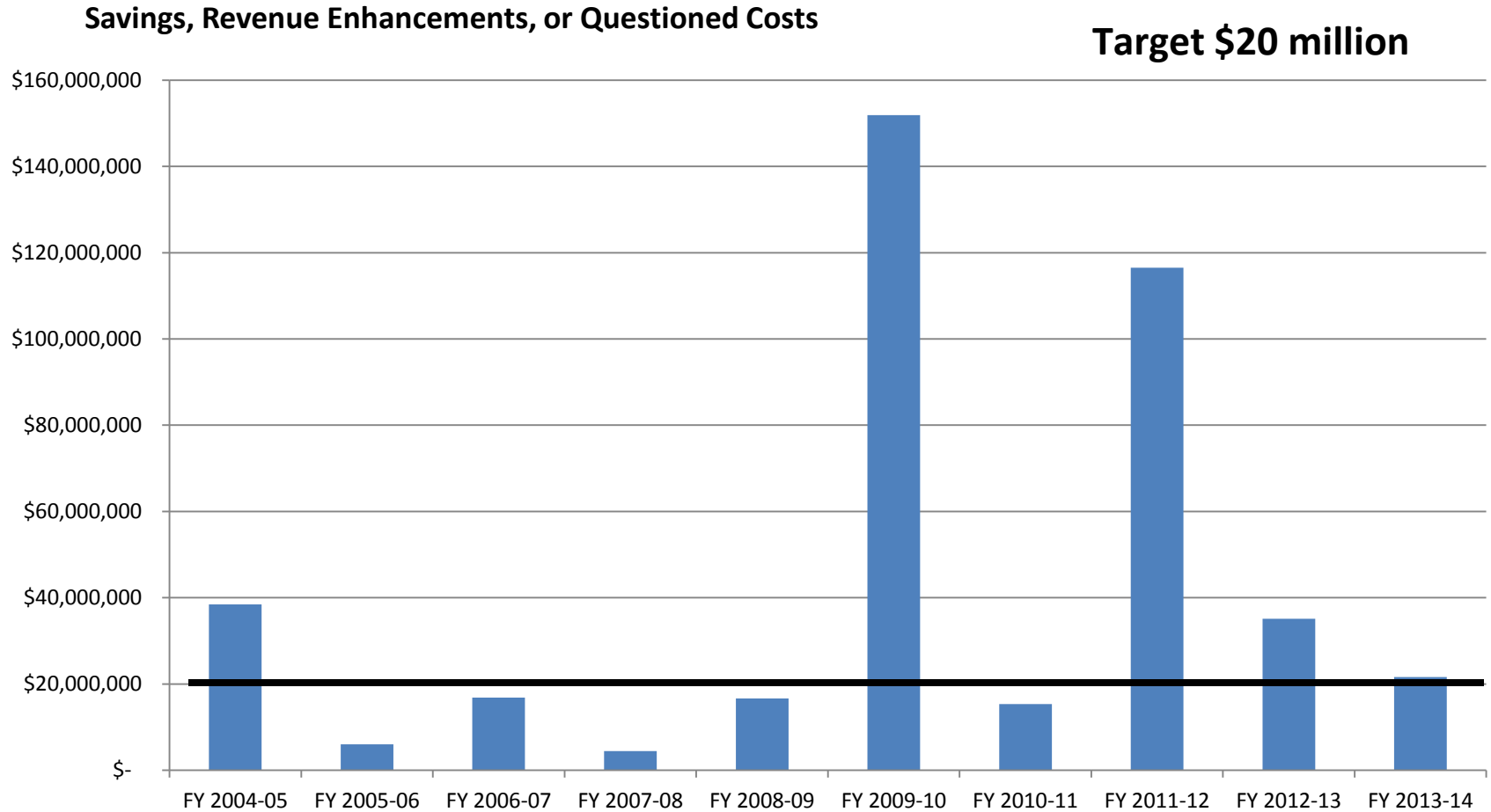
Audits Division
KPM #3: Return on performance audit costs

Dollar Savings per Dollar Spent on Performance Audits

Target $10
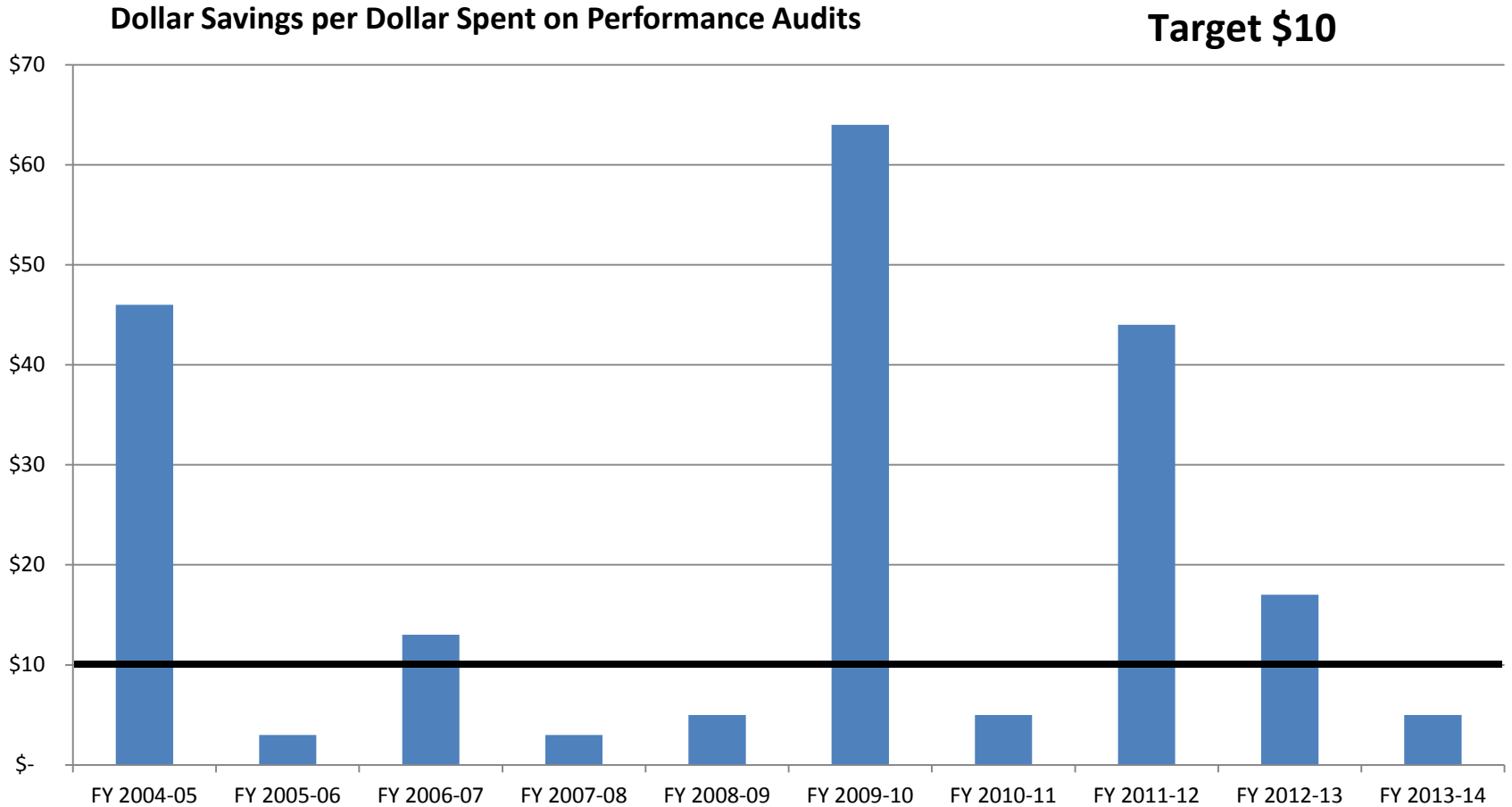
Audits Division
KPM #4: % of recommendations implemented

Percent of Audit Recommendations Implemented

Target 90%
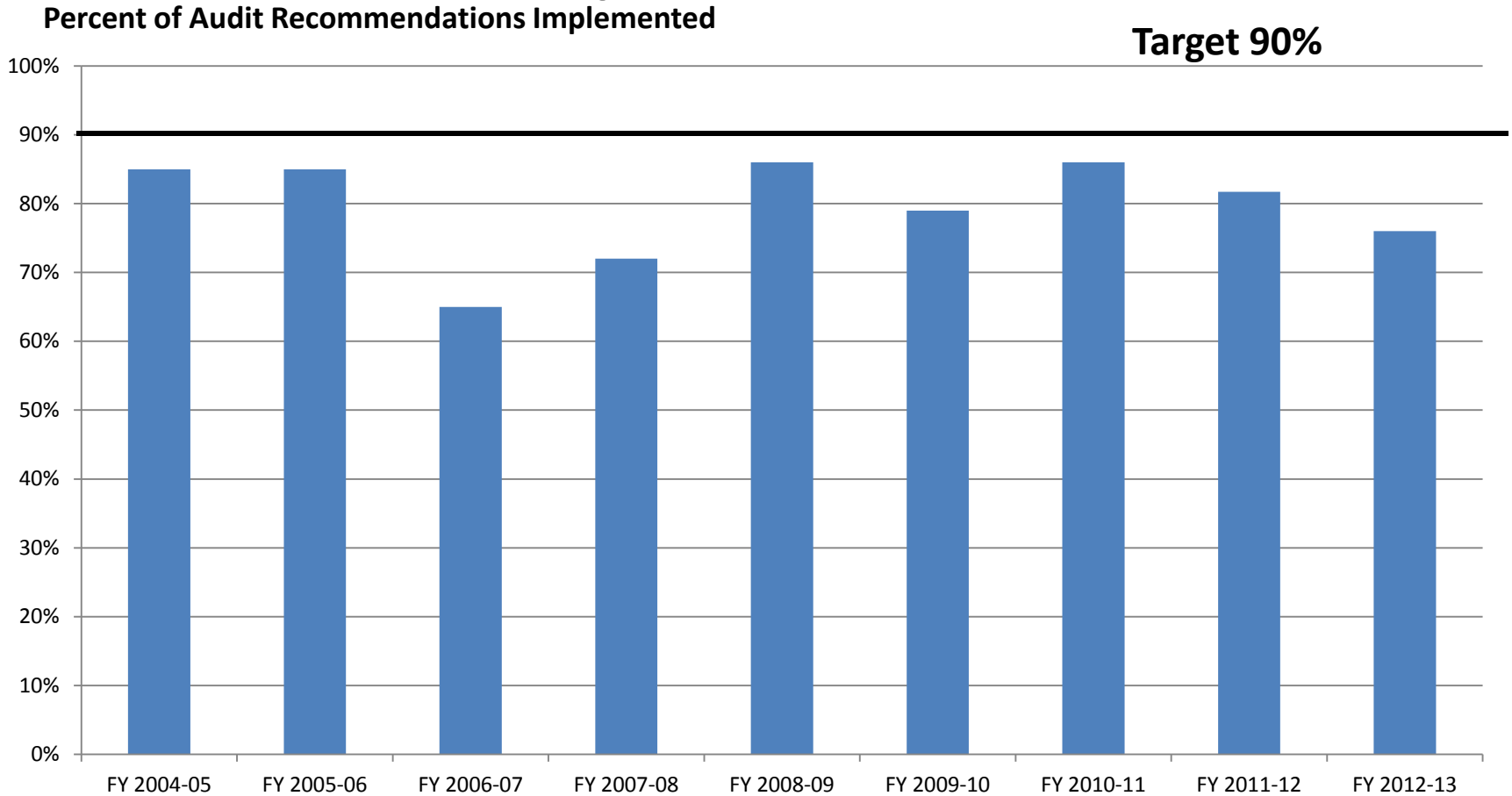
Audits Division
Ways we are innovating for the future

- Using the most modern audit tools and methods

- Emphasizing performance management for long-term agency benefits

- Continuous streamlining of our audit processes

- Auditing across agencies and governments to improve results, reduce costs and improve oversight

Audits Division
Ways we protect the state's resources

- Examining the security of state computer applications and controls

- Auditing agency internal controls to ensure that money is properly managed

- Responding to Fraud Hotline calls with investigations when losses occur

- Staying vigilant for fraud in all our audit efforts

- Selecting audit topics to address public safety risks

Audits Division
Example: Emergency Management

- Our audit noted that Oregon did not have a formal Relief and Recovery Plan. Further, the Emergency Operations Plan had missing sections.

- We noted organizational issues may have adversely affected the agency's efforts and accomplishments.

- We recommended the agency set better expectations, improve policies, work processes, and communications strategies.

- We are planning another audit to gauge agency progress on its organizational issues and emergency plans.

Audits Division
Example: Health Regulatory Boards

- The audit examined whether Oregon's 17 health professional regulatory boards protect the public health, safety and welfare.

- No significant issues arose in our review in the licensing of health professionals, or handling of complaints against them.

Audits Division
Example: Housing and Community Development

- We identified 71 programs administered by 16 other state agencies that demonstrate duplication, overlap or fragmentation with the Department's 49 programs.

- Audits Division was the first agency in the country to use the GAO methodology to assess its own programs.

Audits Division
EROAD System

- We found that the EROAD system accurately and reliably captures and calculates Oregon weight-mile tax information from commercial motor carriers. We also found the company provides a secure and stable environment for transmitting, processing, and storing motor carrier weight-mile tax information.

In AY 13-15, with less resources than 30 years ago,

Audits Division FTEs in 1993-95: **90**

Audits Division FTEs in 2015-17 ARB: **73**

We will continue to conduct our work in compliance with audit standards while completing:

- All mandated financial audits on time
- Performance audits that promote innovative change and improvement
- IT audits that focus on the most critical state needs and vulnerabilities
- Hotline investigations that helps stop government waste, fraud, and abuse

Elections Division

Ensuring Accurate, Secure, Efficient, Transparent, and Accessible

Elections in Oregon

Elections Division
2015-17 Agency Request Budget

- General Fund: $8,501,806
- Other Funds: $1,013,904
- Federal Funds: $6,472,455
- 21 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).

Elections Division Key Activities

➢Conduct of Elections

➢Initiative & Referendum

➢Campaign Finance Reporting

➢Voter Registration

➢Election Law Enforcement

➢Candidate Services

➢Training for Cities, Districts, Counties, Candidates, and Political Committees

➢Statewide Voters' Pamphlet

➢Election Information and Publications

Elections Division
Budget Drivers & Challenges

- The number of elections we have in a biennium.

- The number of candidates, the number of measures, and the number of arguments submitted regarding those measures; these variables have a significant impact on the size of the voters' pamphlet and the staff and resources.

- Elections Law Complaints and Campaign Finance Complaints. We are unable to control the number of complaints we are required to investigate.

- Response time to complaints of election law violations has suffered dramatically, our resources are strained making it difficult to meet our statutory obligations.

Elections Division
Budget Drivers & Challenges Cont.

- Lawsuits we are involved in. We are unable to control the number of times we are sued, or how long and costly those suits may be.

- With respect to funds received from the federal Help America Vote Act, we anticipate these funds to remain available throughout the 2015-17 biennium before exhausting in the next biennium.

- Staff and programs currently paid for with these Federal Funds will need to transition to being paid out of General Fund dollars to maintain our centralized voter registration database (OCVR).

Elections Division
Policy Packages

Package 200 – New Elections Position $160,939 GF, 1 FTE

This position is to provide systems support for the ORESTAR application. The system has grown and requires additional staff resources. This position enhances the security and sustainability of the system.

Elections Division
Policy Packages

Package 201– OCVR Modernization $1,502,700 FF

The Elections Division continues to evaluate, maintain and monitor the sustainability of OCVR in advance of the transition to state general funding.

Most of this package is to relieve the counties of their obligation to pay for OCVR, which would remove a financial obstacle to the state assuming full ownership and direction of the database.

Elections Division
Policy Packages

Package 202– ORESTAR upgrades $1,303,070 GF, $881,930 OF

The demands of the ORESTAR application have increased significantly as the agency moves from a paper system to a modern, electronic system.   ORESTAR began in 2007 with two modules. It is now 8 years old with 8 existing modules and another two modules needed. This package also requests approval for the division retain fees collected for candidates and statements that currently are transferred to the GF.

We have hired a consultant to help evaluate the application and make recommendations for its future. We will report back later in the session to share the consultant's recommendations. This package enables us to implement any such recommendations.

Elections Division
Key Performance Measures

- KPM #8 – Sufficiency of Campaign Finance filings

  98.77% of committee filings determined to be sufficient

  ORESTAR provides information to committees instantly when they file their transactions to help ensure sufficiency of the filings.

Elections Division
KPM #8: % of Committee Filings determined to be sufficient

Target 98%

Chart showing percentage of committee filings determined to be sufficient:
- FY 2008: ~93.1%
- FY 2012: ~98.85%
- FY2013: ~98.75%
- FY2014: ~98.75%

Target line at 98%.
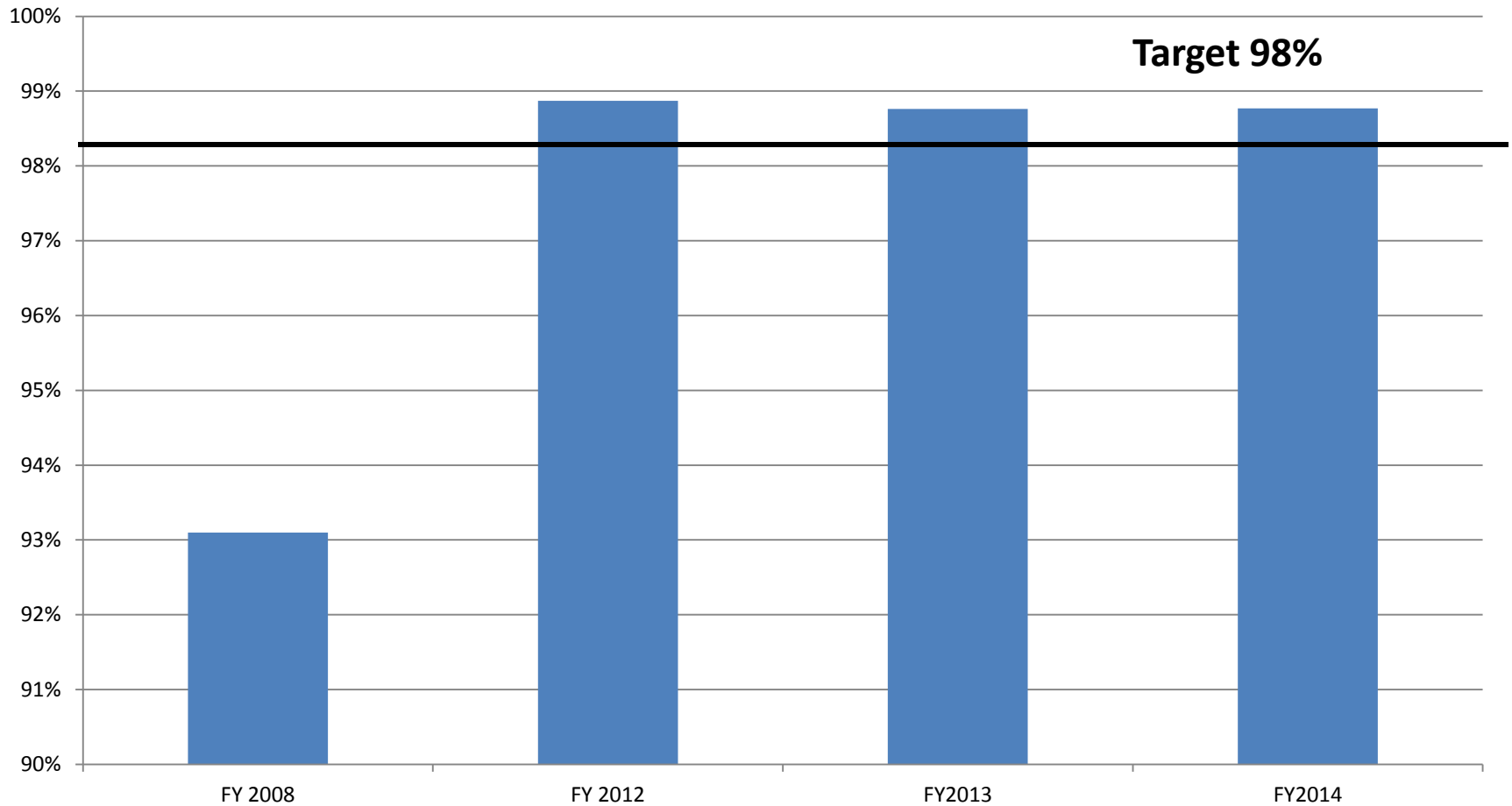
Elections Division
Key Performance Measures

- KPM #10 – Customer Satisfaction

  % who rate the VP as useful or very useful.

  Elections Division is planning a comprehensive survey for fall 2015 .

Elections Division
KPM #11-Campaign Finance Proposed Penalty Notices
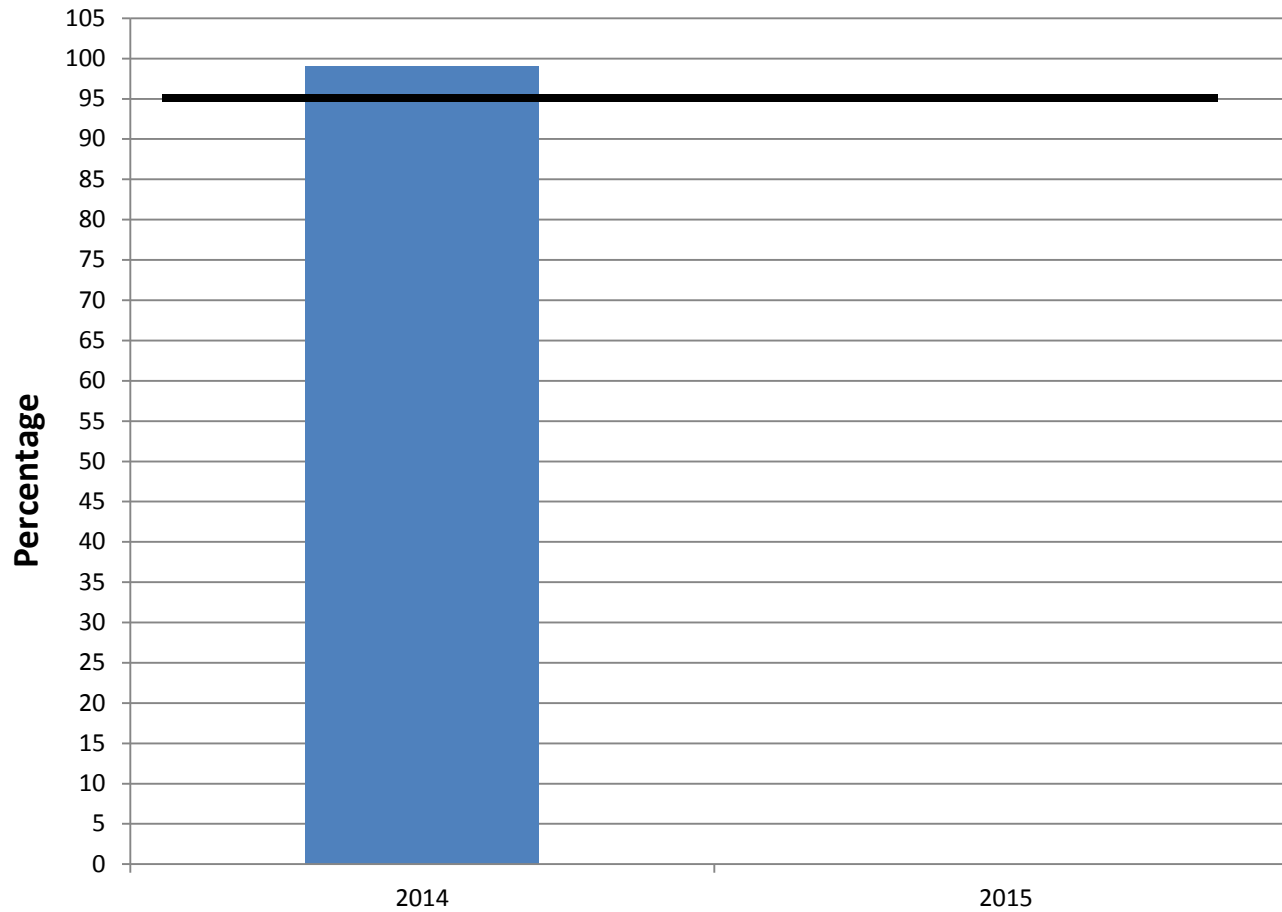
Elections Division
New ways we are engaging Oregonians

- Partnering with groups to produce and distribute voting materials for disabled voters.

- Expanding voter outreach and voter engagement activities through civics education.

Elections Division
New ways we are delivering results

- Offering military, overseas, and disabled voters an online ballot that is accessible wherever the voter is in the world.

- Transitioning from a paper system to an electronic system for candidate filings and voters' pamphlet statements.

Elections Division
New ways we are innovating for the future

- Using technology to improve the accuracy and integrity of our voter rolls.

- Implementing new motor voter registration to everyone interacting with the DMV to provide more access to election ballots.

Administrative Services

The Administrative Services Division (ASD) consists of the Executive Office, Business Services, Human Resources and Information Systems.

ASD provides administrative support services to all divisions of the Secretary of State.

Administrative Services
2015-17 Agency Request Budget

The Administrative Services operations are financed by a GF appropriation combined with revenue transfers from those divisions operating with OF limitations as follows:

- General Fund: $2,630,873
- Other Funds: $16,160,423
- 62.69 FTE

Administrative Services

Administrative Services support all divisions in the agency through the following programs:

Executive Office (6.0 FTE)

- **Agency Management**: General oversight of the work of each division; managing external communications, including relations with other governments, other agencies of state government, the Legislature, the media and our customers.

- **Other Secretary of State Functions**: The Executive Office performs statutory and constitutional functions not assigned to any division, such as supporting the work of the State Land Board, accepting and filing original bills during the legislative session, and lending of the state flag and. The Secretary is also the custodian of the State Seal.

Administrative Services

Business Services (15.0 FTE)

- **Administration**: Strategic development & execution; financial management; policies and procedures; administrative support and safety and risk management

- **Accounting:** Financial reporting; accounts receivables and payables; and financial transaction processing

- **Budget:** Budget analysis; budget development; budget execution; fiscal impact statement preparation and Emergency Board

- **Business and Cash Management Services:** Blue Book sales and distribution; cash and cash equivalents processing; accounting assistance and mail distribution

- **Purchasing and Contracts:** Contract administration; formal & informal procurement; contract risk assessment; fixed asset tracking and storeroom and inventory management

Administrative Services

Information Systems (39.00 FTE)

- **Administration:** Strategic planning & execution; business continuity, policy for state and industry standards, governmental IT partnerships, IT contracts administration, security policy and compliance

- **Technical Support:** Service Desk administration; hardware & software purchase, distribution, and inventory; end-user support; service level monitoring; system baselines

- **Infrastructure Support:** Network support, security intrusion detection/protection, database administration & management, server administration, web services, quality assurance and testing, configuration and system document management

- **Application and Development Support:** Project management, business analysis, application development and security, quality assurance and testing

Administrative Services

Human Resources Services (2.69 FTE)

- **Compliance:** Interpretation, application and compliance of state and federal laws as well as policies, procedures and rules

- **Payroll:** Payroll and benefits administration; compensation and classification

- **Recruitment & Training:** Recruitment; employee orientation; employee training

- **Personnel Management:** Performance management; counseling; complaint resolution; progressive disciplinary action; employee reduction, layoff and outplacement assistance

Administrative Services Budget Drivers

The Administrative Services Division's primary customers are the divisions of the agency. Other customers include state agencies, municipalities, elected officials, contractors, and the general public.

The business needs of agency divisions drive the workload of ASD, which can include:
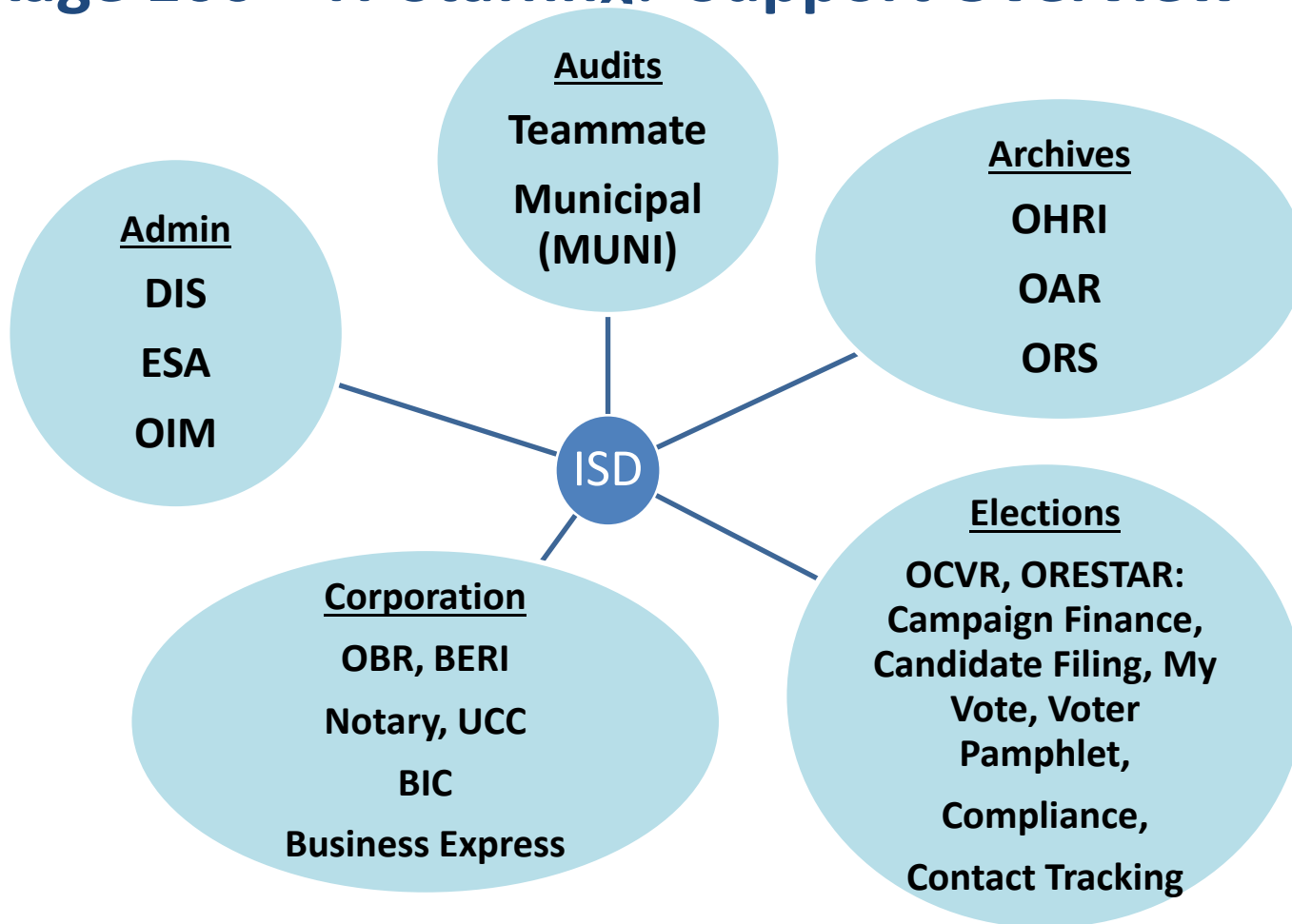
- Demand for online services to the public; increasing reliance on technology; continued increase in our customer and partnership base; and development for "*any data, any device, anywhere*" (applications must be tested for different devices and ever-changing Internet browsers)
- Impacts of new legislation; financial year-end reporting; agency division contracting needs; corporation and business registry filings.
- Number of recruitments, resignations, retirements, dismissals, and layoffs.

Administrative Services
Policy Packages

- Package 100 – Information Technology Staffing
  - $559,260 GF, $1,510,926 OF
  - 10 FTE

- Package 102 – Oregon Business Registry Enhancements
  - $624,000 OF

Innovation & Security – Administrative Division

Package 100 – IT Staffing: Support Overview

Audits

Teammate

Municipal (MUNI)

Admin

DIS

ESA

OIM

Archives

OHRI

OAR

ORS

ISD

Corporation

OBR, BERI

Notary, UCC

BIC

Business Express

Elections

OCVR, ORESTAR: Campaign Finance, Candidate Filing, My Vote, Voter Pamphlet,
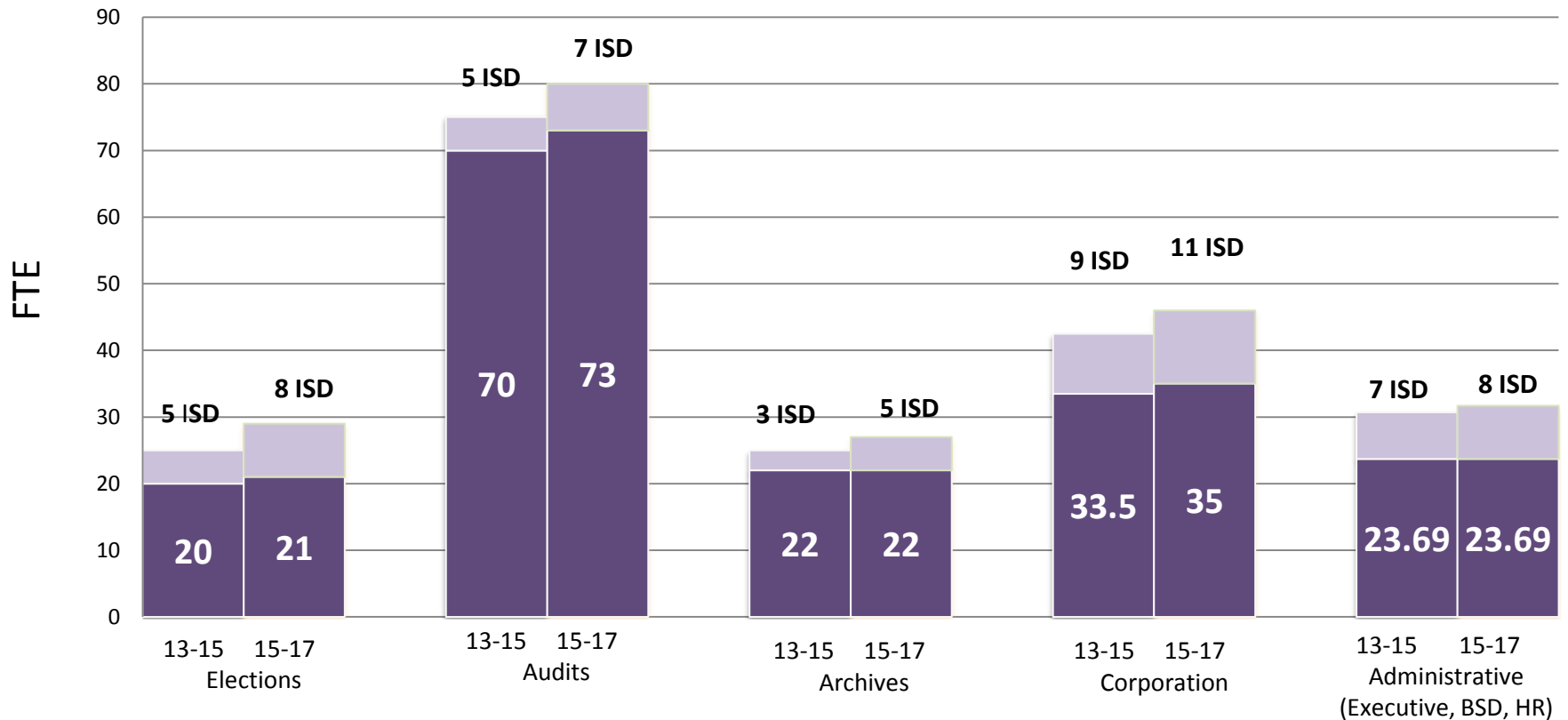
Compliance,

Contact Tracking

Innovation & Security-Administrative Division

Package 100 – IT Staffing: Project Load

Division	Number of Ongoing Active Projects	Examples
Administrative	26	Infrastructure upgrades, Security Assessment/Compliance, Storage Area Network Replacement
Archives	12	Web Presence Improvements, Web Search Modernization
Audits	11	Online Fee Payment, Improved Online Report Filing
Corporation	21	Application Upgrades, Enhanced Security/Authentication, City Licenses
Elections	16	ORESTAR Performance, Voter's Pamphlet Improvements, Election Night Reporting Solution

Innovation & Security – Administrative Division

Package 100 – IT Staffing: Order of Priority & Risk Evaluation FTE

Innovation & Security – Administrative Division

Package 100 – IT Staffing: $559,260 GF and $1,510,926 OF

Please see our document titled "Order of Priority and Risk Evaluation" in Attachment G in the Appendix.

Each FTE is designed to address a specific need and risk identified in our agency. All risks identified are <u>not acceptable</u> to our agency and should be addressed by these additional requested FTEs:

1. **Security Analyst** - Information Systems Specialist 7 (1503011)
2. **Systems Architect** - Information Systems Specialist 8 (1503012)
3. **Enterprise Java Developer** - Information Systems Specialist 7 (1503014)
4. **Elections Java Developer** - Information Systems Specialist 7 (1503015)
5. **Web Project Lead** - Public Affairs Specialist 2 (1503007)
6. **Elections Business Analyst** - Information Systems Specialist 7 (1503006)
7. **CORP Applications Developer** - Information Systems Specialist 7 (1503008)
8. **Infrastructure Manager** - Principal Executive Manager D (1503013)
9. **Enterprise Business Analyst** - Information Systems Specialist 7 (1503010)
10. **Web Usability Tester** - Information Systems Specialist 4 (1503009)

Administrative Services
KPM #9: Staff Diversity

(12/31/14 data)

HOW WE ARE DOING

Women represent 58% of the Agency workforce. Three individuals were hired in the representation of people of color and persons with disabilities representation remained steady.

HOW WE COMPARE

Our representation of women *exceeds* the statewide workforce. Our representation of persons with disabilities slightly trails the State's representation. Our representation of people of color *trails behind* the statewide workforce by 5%.

WHAT NEEDS TO BE DONE

Continue efforts to attract job applicants and retain employees that are representative of the diversity of the local workforce. Strive to maintain our gains and gradually increase representation in each job category. Diligently work toward achieving AA/EEO objectives. Maintain the requirement that 100% of all open competitive vacancies be advertised on diversity websites.

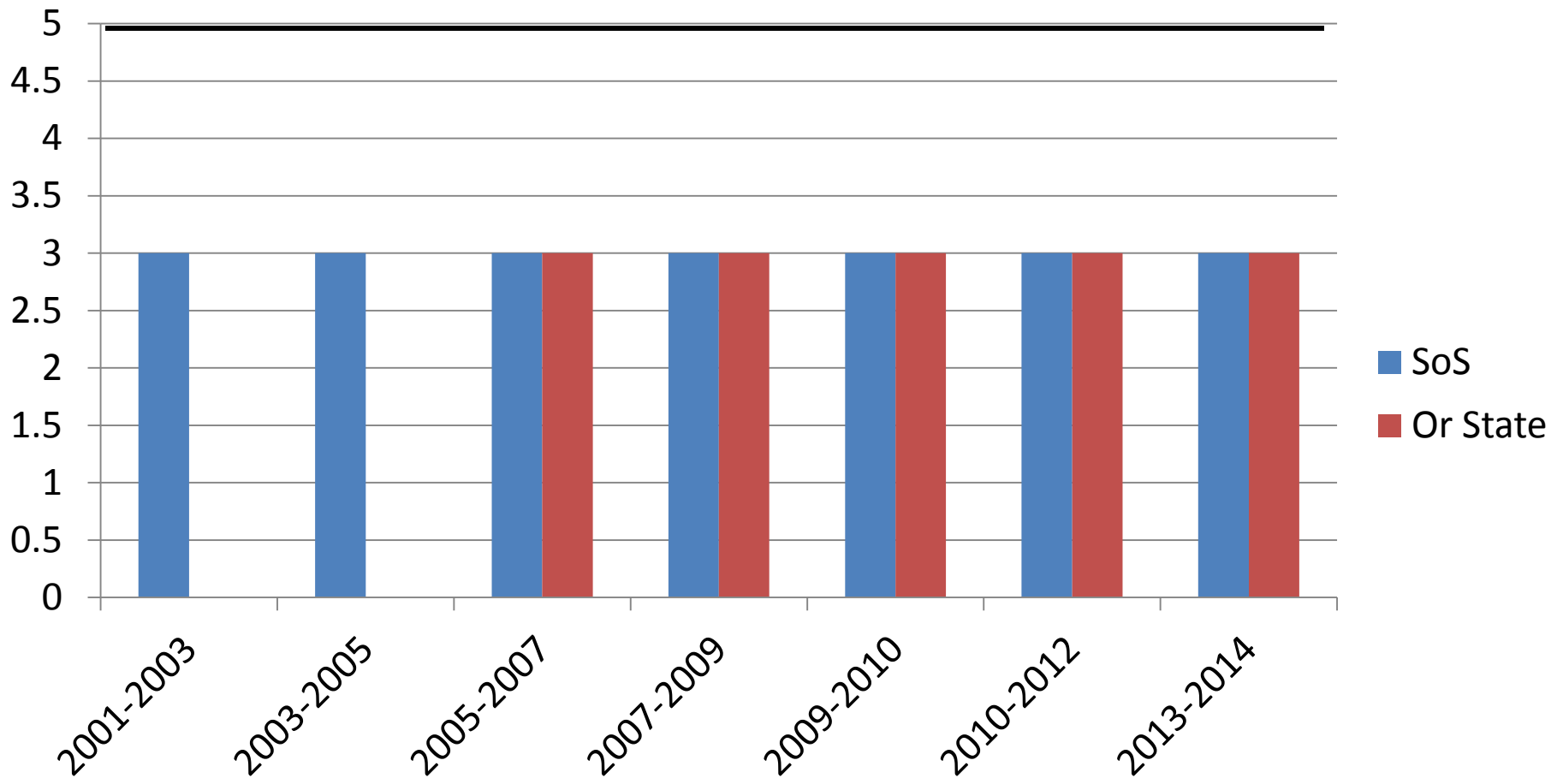# KPM #9-Staff Diversity
Percent of Women
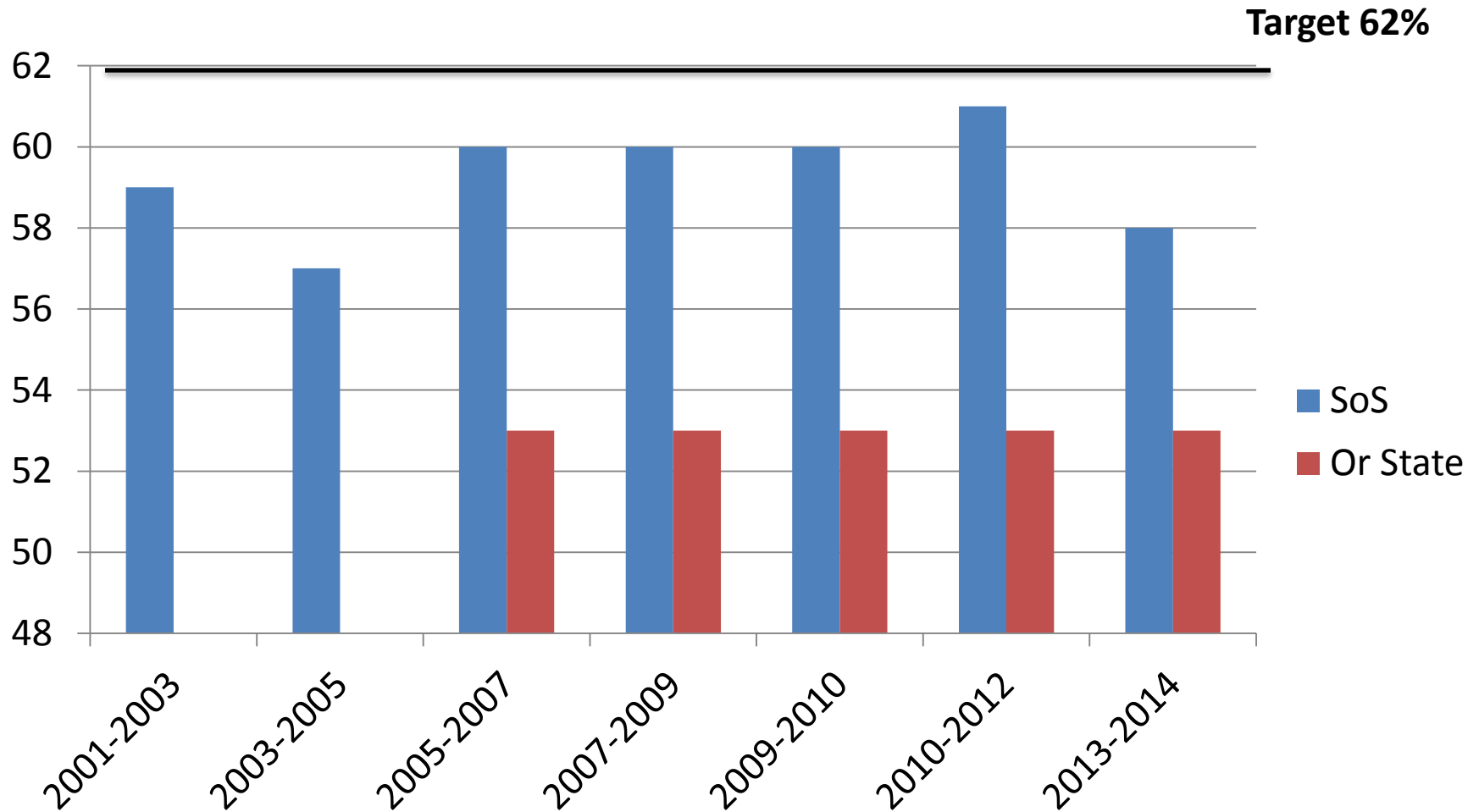
KPM #9- Staff Diversity
People of Color
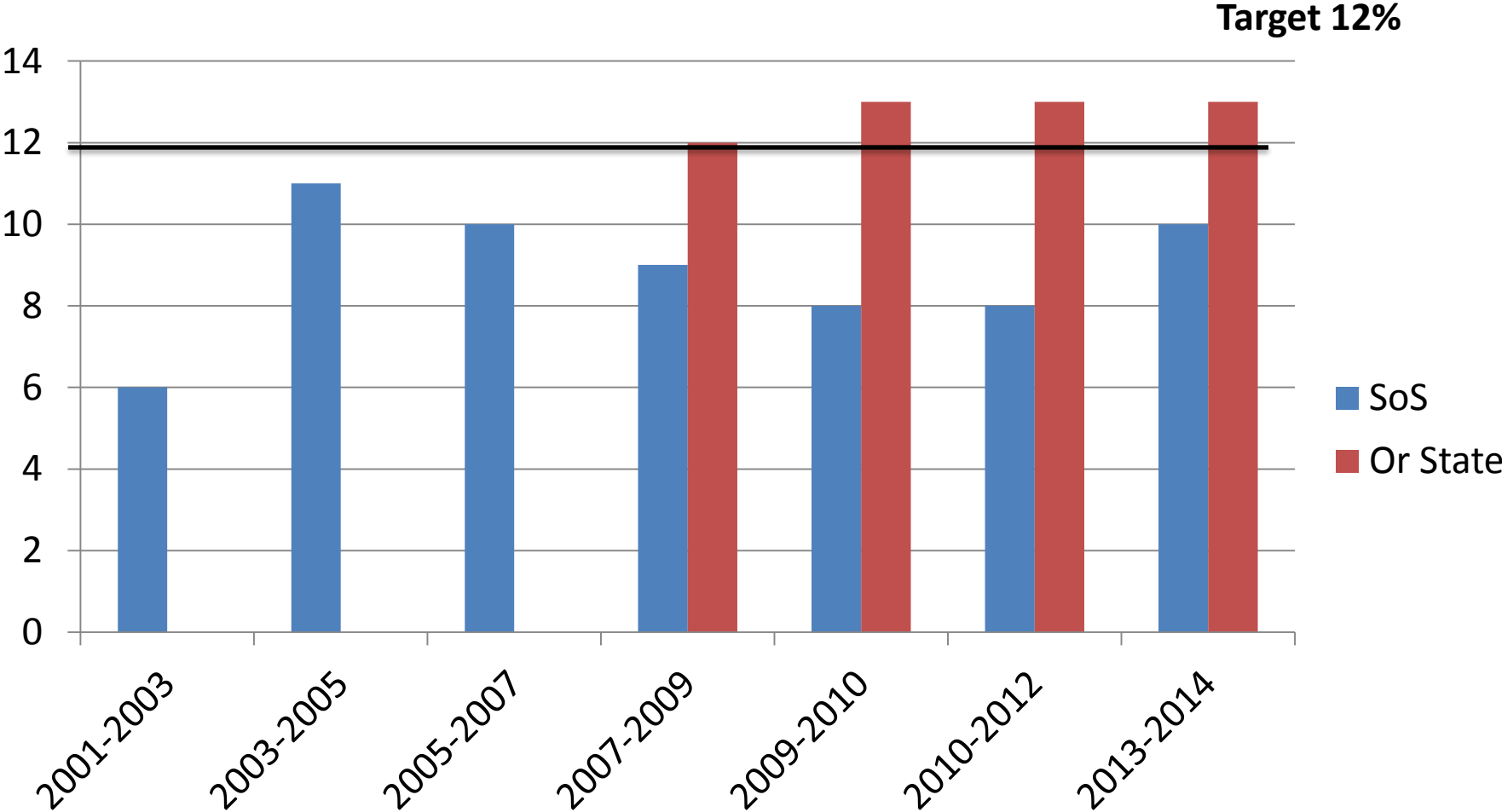
Target 12%

KPM#9- Staff Diversity
Persons with Disabilities

Target 5%

Appendix

➢Attachment A—Annual Performance Progress Report

➢Attachment B—Program Prioritization

➢Attachment C—Agency New Hires and Reclasses

➢Attachment D—Proposed Legislation

➢Attachment E—HB 4131 Actions

➢Attachment F—Proposed Technology Projects

➢Attachment G—Order of Priority and Risk Evaluation

➢Attachment H —10% Reductions and Vacancy Report

➢Attachment I — Ending Balance Form

ENGAGE OREGONIANS -- INNOVATE FOR THE FUTURE -- DELIVER RESULTS