

SB 5538 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Drew Cohen, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

**Secretary of State
2021-23**

PRELIMINARY

Budget Summary*

	2019-21 Legislatively Approved Budget⁽¹⁾	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				<u>\$ Change</u>	<u>% Change</u>
General Fund	\$ 14,203,202	\$ 14,384,268	\$ 15,263,446	\$ 1,060,244	7.5%
Other Funds Limited	\$ 67,608,013	\$ 72,352,275	\$ 76,309,810	\$ 8,701,797	12.9%
Federal Funds Limited	\$ 7,961,570	\$ 5,892,838	\$ 5,892,838	\$ (2,068,732)	-26.0%
Total	\$ 89,772,785	\$ 92,629,381	\$ 97,466,094	\$ 7,693,309	8.6%

Position Summary

Authorized Positions	224	222	229	5
Full-time Equivalent (FTE) positions	223.42	221.75	228.25	4.83

⁽¹⁾ Includes adjustments through January 2021

* 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 and the Archives Divisions. 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 \$97,466,094 total funds, which includes \$15,263,446 General Fund, \$76,309,810 Other Funds expenditure limitation, \$5,892,838 Federal Funds expenditure limitation, and 229 positions (228.25 FTE). This is an 8.6% total funds increase from the 2019-21 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 2021-23 budget of \$30,027,592 total funds, which includes \$3,968,263 General Fund, \$26,059,329 Other Funds expenditure limitation, and 72 positions (71.50 FTE). The Subcommittee recommended the following packages:

Package 099: Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 103: Human Resource Analyst 1. This package establishes a Human Resource Analyst 1 position to assist with Workday support critical to essential Agency services and operations. This position will support work on equity and inclusion efforts in anticipation of policy and law changes. In addition, the Agency has experienced a significant increase in protected leave usage requiring extensive HR staff time. This position is funded through an increase in General Fund of \$19,426, and \$174,836 Other Funds expenditure limitation, for one position (1.00 FTE).

Package 104: HR Agency Wide Training. This package adds funding to support the training and development program. A dedicated Training and Development position was approved in the 2019-21 biennium without additional services and supplies for training. This package would add an agency wide training budget for succession planning, workforce training and development, required annual training as mandated by law and policy, and manages employee training and development records. This package increases Other Funds expenditure limitation by \$240,290.

Package 105: ISD Data Center. This package adds funding to upgrade or replace equipment and programs that have reached end of lifecycle or are no longer supported. The package also includes migration of an on-site data center to a high availability and resilient co-location data center, as appropriate. This package increases Other Funds expenditure limitation by \$1,346,000.

Package 106: ISD Managed Defense and Prevention. This package provides funding to procure services of a cloud security services partner for Managed Defense and Prevention security to increase protection, defense and resiliency of the Secretary of State's information technology networks, data, and hardware assets. This package increases Other Funds expenditure limitation by \$600,000.

Package 111: BSD Staffing True-Up. This package reclassifies a Fiscal Analyst 2 to a Fiscal Analyst 3 to properly reflect the roles and responsibilities of the position. SOS conducted an audit to ensure the appropriate classification. There is no budgetary impact in the 2021-23 biennium and the package does not contain an expenditure limitation increase.

Package 118: ISD Staffing True-Up. This package reclassifies two Information Systems Specialist (ISS) positions (ISS 5 to ISS 6 and ISS 7 to ISS 8) to properly reflect the increased level of responsibilities. SOS conducted an audit to ensure the appropriate classification, and this package trues up funding for these positions. This package increases General Fund by \$1,570 and Other Funds expenditure limitation by \$15,192.

Package 801: LFO Analyst Adjustments. This package enhances the Agency’s policy, legislative, and communications capabilities through the creation of a diversity, equity, and inclusion program and by providing administrative assistance. The permanent positions are a Program Analyst 4 (Diversity, Equity and Inclusion Director, Tribal Liaison); an Operations and Policy Analyst 4 (Senior Advisor and Strategic Projects Director); a half-time Operations and Policy Analyst 2 (Legislative Analyst); an Executive Support Specialist 2 (supplemental support for Deputy); and a Public Affairs Specialist 3 (Communications Specialist). This package is \$1,370,393 Other Funds expenditure limitation, five positions (4.50 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 2021-23 budget of \$18,417,896 total funds, which includes \$11,295,183 General Fund, \$1,249,875 Other Funds expenditure limitation, \$5,872,838 Federal Funds expenditure limitation, and 23 positions (23.00 FTE). The Subcommittee recommended the following packages:

Package 099: Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 115: Continuation of Oregon Motor Voter Payments to Counties. This package completes the Legislative commitment to provide funding for eight years, or four biennia, to help offset the costs associated with the Oregon Motor Voter Law. House Bill 2177 (2015), known as the Oregon Motor Voter Law, created additional costs to Oregon’s 36 counties by increasing the number of ballots printed and mailed. The allocation of \$879,425 General Fund is the last biennial payment in this agreement.

Audits Division

The Secretary of State’s Audits Division conducts audits to protect the public interest and improve Oregon government. The goals of the audits are to 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 2021-23 budget of \$26,163,541 Other Funds expenditure limitation and 72 positions (72.00 FTE). The Subcommittee recommended the following package:

Package 099: Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Archives Division

The Archives 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 2021-23 budget of \$9,393,886 total funds, which includes \$9,373,886 Other Funds expenditure limitation, \$20,000 Federal Funds expenditure limitation, and 23 positions (22.75 FTE). The Subcommittee recommended the following packages:

Package 099: Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 107: Archives ORMS Storage. This package increases storage capacity of the Oregon Records Management System (ORMS). In order to store the previous, current, and future Governor’s electronic records, digitize legislative audio and county historical records, State Archives needs to purchase additional storage capacity within the state’s private government cloud Oregon Records Management Solution. Archives would use ORMS to push all of these historically valuable electronic records out on a public facing webdrawer for free access by all members of the public. This package would increase Other Funds expenditure limitation by \$144,000.

Package 109: Archives Limited Duration Archivist 1. This package supports a limited duration Archivist 1 position for the 2021-23 biennium. The archivist is necessary to digitize over 100,000 legislative recordings dating from 1957 to 2007 and are at risk of degradation of media and

obsolescence of hardware. This limited duration position increases Other Funds expenditure limitation by \$203,591 and adds one position (1.00 FTE) to the Division.

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 Division, the Subcommittee recommended a 2021-23 budget of \$13,463,179 Other Funds expenditure limitation and 39 positions (39.00 FTE). The Subcommittee recommended the following packages:

Package 099: Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 116: Corporations Staffing True-Up. This package reclassifies the Corporation Division Deputy Director position to appropriately reflect the duties and responsibilities of this position. SOS conducted an audit to ensure the appropriate classification. There is no budgetary impact in the 2021-23 biennium and the package does not contain an expenditure limitation increase.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Secretary of State
Drew Cohen (971) 707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 14,203,202	\$ -	\$ 67,608,013	\$ -	\$ 7,961,570	\$ -	\$ 89,772,785	224	223.42
2021-23 Current Service Level (CSL)*	\$ 14,384,268	\$ -	\$ 72,352,275	\$ -	\$ 5,892,838	\$ -	\$ 92,629,381	222	221.75
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 16500-001 - Administrative Services Division									
Package 099: Microsoft 365 Consolidation Services and Supplies	\$ (4,199)	\$ -	\$ (40,721)	\$ -	\$ -	\$ -	\$ (44,920)		
Package 103: Human Resource Analyst 1 Personal Services	\$ 17,448	\$ -	\$ 157,020	\$ -	\$ -	\$ -	\$ 174,468	1	1.00
Services and Supplies	\$ 1,978	\$ -	\$ 17,816	\$ -	\$ -	\$ -	\$ 19,794		
Package 104: HR Agency Wide Training Services and Supplies	\$ -	\$ -	\$ 240,290	\$ -	\$ -	\$ -	\$ 240,290		
Package 105: ISD Data Center Services and Supplies	\$ -	\$ -	\$ 1,346,000	\$ -	\$ -	\$ -	\$ 1,346,000		
Package 106: ISD Managed Defense and Prevention Services and Supplies	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000		
Package 118: Staffing True-Up Personal Services	\$ 1,570	\$ -	\$ 15,192	\$ -	\$ -	\$ -	\$ 16,762	0	0.00
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ 1,274,513	\$ -	\$ -	\$ -	\$ 1,274,513	5	4.50
Services and Supplies	\$ -	\$ -	\$ 95,880	\$ -	\$ -	\$ -	\$ 95,880		
SCR 16500-002 - Elections Division									
Package 099: Microsoft 365 Consolidation Services and Supplies	\$ (17,044)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,044)		
Package 115: Continuation of Oregon Motor Voter Payments to Counties Special Payments	\$ 879,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 879,425		

PRELIMINARY

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 16500-007 - Audits Division									
Package 099: Microsoft 365 Consolidation Services and Supplies	\$ -	\$ -	\$ (50,450)	\$ -	\$ -	\$ -	\$ (50,450)		
SCR 16500-012 - Archives Division									
Package 099: Microsoft 365 Consolidation Services and Supplies	\$ -	\$ -	\$ (14,999)	\$ -	\$ -	\$ -	\$ (14,999)		
Package 107: Archives ORMS Storage Services and Supplies	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ -	\$ 144,000		
Package 109: Archives Limited Duration Archivist 1 Personal Services	\$ -	\$ -	\$ 183,797	\$ -	\$ -	\$ -	\$ 183,797	1	1.00
Services and Supplies	\$ -	\$ -	\$ 19,794	\$ -	\$ -	\$ -	\$ 19,794		
SCR 16500-036 - Corporation Division									
Package 099: Microsoft 365 Consolidation Services and Supplies	\$ -	\$ -	\$ (30,597)	\$ -	\$ -	\$ -	\$ (30,597)		
TOTAL ADJUSTMENTS	\$ 879,178	\$ -	\$ 3,957,535	\$ -	\$ -	\$ -	\$ 4,836,713	7	6.50
SUBCOMMITTEE RECOMMENDATION *	\$ 15,263,446	\$ -	\$ 76,309,810	\$ -	\$ 5,892,838	\$ -	\$ 97,466,094	229	228.25

% Change from 2019-21 Leg Approved Budget	7.5%	0.0%	12.9%	0.0%	-26.0%	0.0%	8.6%	2.2%	2.2%
% Change from 2021-23 Current Service Level	6.1%	0.0%	5.5%	0.0%	0.0%	0.0%	5.2%	3.2%	2.9%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2021 - 2023 Key Performance Measures

Published: 6/3/2021 5:20:14 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 2022	Target 2023
1. Electronic Access to Public Information - Percentage of targeted records made available electronically.		Approved	99%	99%	99%
2. Audit Efficiency - Dollar savings per dollar spent on economy and efficiency audits.		Approved	\$1.87	\$12.00	\$12.00
3. Audit Recommendation Implementation - Percentage of audit recommendations implemented.		Approved	64.90%	90%	90%
4. Business registration - Document processing turnaround time from receipt.		Approved	0.80	0.60	0.60
5. Notary - Document processing turnaround time from receipt.		Approved	0.10	0.15	0.15
6. UCC - Document processing turnaround time from receipt.		Approved	0.10	0.15	0.15
7. Campaign Finance Information - Percent of committee filings determined to be sufficient.		Approved	98.30%	99%	99%
8. 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	58.50%	62%	62%
	b) Representation of People of Color as a Percentage of SOS' Workforce		14%	12%	12%
	c) Representation of Persons with Disabilities as a Percentage of SOS' Workforce		5%	5%	5%
9. 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	88%	90%	90%
	Overall		87%	90%	90%
	Accuracy		86%	90%	90%
	Timeliness		88%	90%	90%
	Helpfulness		87%	90%	90%
	Availability of Information		82%	90%	90%

LFO Recommendation:

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

SubCommittee Action:

The General Government Subcommittee adopted the LFO recommendations on Key Performance Measures.