

HB 5035 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Gomberg

Joint Committee On Ways and Means

Action Date: 05/19/23

Action: Do pass with amendments. (Printed A-Eng.)

House Vote

Yeas: 8 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama

Nays: 3 - Breese-Iverson, Cate, Lewis

Exc: 1 - Reschke

Senate Vote

Yeas: 7 - Campos, Dembrow, Frederick, Gelsner Blouin, Hansell, Sollman, Steiner

Nays: 4 - Anderson, Findley, Girod, Knopp

Prepared By: Alicia Michelson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Secretary of State

2023-25

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 18,915,145	\$ 16,691,665	\$ 17,648,792	\$ (1,266,353)	(6.7%)
Other Funds Limited	\$ 79,761,879	\$ 84,581,235	\$ 89,044,692	\$ 9,282,813	11.6%
Federal Funds Limited	\$ 10,497,283	\$ 5,022,647	\$ 5,022,647	\$ (5,474,636)	(52.2%)
Total	\$ 109,174,307	\$ 106,295,547	\$ 111,716,131	\$ 2,541,824	2.3%

Position Summary

Authorized Positions	235	229	240	5
Full-time Equivalent (FTE) positions	232.96	228.25	239.50	6.54

⁽¹⁾ Includes adjustments through January 2023

* 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. 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. Any revenue collected by the Corporation Division that is not expended to support the division’s operations, is deposited in the state’s General Fund and is included in the state’s quarterly economic forecast.

Summary of General Government Subcommittee Action

The Secretary of State is an elected, constitutional office serving as auditor of public accounts, the 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 \$111,716,131 total funds, which includes \$17,648,792 General Fund, \$89,044,692 Other Funds expenditure limitation, \$5,022,647 Federal Funds expenditure limitation, and 240 positions (239.50 FTE). This is a 2.3 percent total funds increase from the 2021-23 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 2023-25 budget of \$36,310,229 total funds, which includes \$4,391,744 General Fund, \$31,918,485 Other Funds expenditure limitation, and 80 positions (79.50 FTE). The Subcommittee recommended the following packages:

Package 101: Procurement Contract Assistant. This package increases Other Funds expenditure limitation by \$175,865 to establish one permanent full-time Procurement & Contracts Assistant position (1.00 FTE). This position will assist the Certification Office for Business Inclusion and Diversity with procurement opportunities and with navigating OregonBuys, the new state procurement system.

Package 102: Business Services Personnel True-Up. This package makes several position related adjustments totaling an increase in Other Funds expenditure limitation of \$60,296. These adjustments include the reclassification of one Office Specialist 2 to a Supply Specialist 2, the reclassification of one Procurement & Contracts Specialist 2 to a Procurement and Contracts Specialist 3, and changes one Procurement & Contracts Specialist 3 and one Fiscal Analyst 3 from classified service to management service/non-supervisory.

Package 106: System Modernization. This package increases Other Funds expenditure limitation by \$1,524,965 to address the agency's many legacy applications written several decades ago and now need to be rebuilt and modernized. Rebuilding these unique large business systems will require additional resources to start an Application Development team. To begin this effort, an additional permanent full-time Information Systems Specialist (ISS) 8 API Developer position (1.00 FTE) and a permanent full-time ISS 7 Application Developer (1.00 FTE) are established. A permanent full-time Data Engineer ISS 8 position (1.00 FTE) is also added to implement a modern public records IT solution.

Package 107: Information Technology Security. This package increases Other Funds expenditure limitation by \$1,600,211 to improve IT security operations through upgraded firewalls, new applications, and refinements to internal networks and user protections. This package also establishes one permanent full-time Security Analyst position (1.00 FTE) and one permanent full-time Asset Manager position (1.00 FTE) to implement the new security and asset management solutions.

Package 108: Information Systems Personnel True-Up. This package reclassifies six positions in the Information Services Division to reflect the correct duties and responsibilities. The reclassifications increase Other Funds expenditure limitation by a total of \$98,602.

Package 801: LFO Analyst Adjustments. This package reduces expenditure limitation by \$55,748 General Fund and \$288,345 Other Funds to reflect a two percent vacancy factor of salaries and wages as assumed savings. This package is a reduction of \$344,093 total funds.

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 and the Help America Vote Act of 2002. For this Division, the Subcommittee recommended a 2023-25 budget of \$19,614,148 total funds, which includes \$13,257,048 General Fund, \$1,354,453 Other Funds expenditure limitation, \$5,002,647 Federal Funds expenditure limitation, and 25 positions (25.00 FTE). The Subcommittee recommended the following packages:

Package 117: Elections Oversight. This package increases General Fund by a total of \$350,695. This includes \$250,695 for the establishment of one permanent full-time Compliance Specialist 3 (1.00 FTE) to assist with complaints related to elections, and a one-time increase of \$100,000 for a pilot program to conduct post-election risk limiting audits.

Package 118: Elections Security and Public Education. This package increases General Fund by a total of \$741,804. This includes the establishment of one permanent full-time Operations and Policy Analyst 4 (1.00 FTE) to work as the Voting Systems Specialist to monitor adherence to the state's election regulations, as well as other duties. One permanent full-time Research Analyst 3 (1.00 FTE) is also established to monitor election threats and mis/dis/mal information regarding elections. Finally, \$150,000 is added for an Elections Education Project to provide factual election information.

Package 801: LFO Analyst Adjustments. This package reduces General Fund expenditure limitation by \$79,624 to reflect a two percent vacancy factor of salaries and wages as assumed savings.

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 2023-25 budget of \$28,788,454 Other Funds expenditure limitation and 72 positions (72.00 FTE). The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package reduces Other Funds expenditure limitation by \$331,237 to reflect a two percent vacancy factor of salaries and wages as assumed savings.

Archives Division

The Archives Division identifies, preserves, and provides access to the valuable permanent 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 manages the State Historical Records Advisory Board. Additionally, the division accepts for filing and is responsible for receiving, verifying, processing, publishing and maintaining all administrative rules for state agencies and boards and commissions, and publishes the Oregon Blue Book. Since 2017, the Archives Division has managed the 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 2023-25 budget of \$11,666,256 total funds, which includes \$11,646,256 Other Funds expenditure limitation, \$20,000 Federal Funds expenditure limitation, and 24 positions (24.00 FTE). The subcommittee recommended the following packages:

Package 110: Archivists. This package increases Other Funds expenditure limitation by \$509,452 to continue two limited duration Archivist 1 positions (2.00 FTE) granted in the 2021-23 biennium as permanent full-time to convert fifty years' worth of legislative recordings that are at risk of being irretrievably lost. Legislative committee hearings dating from 1957 to 2007 were recorded using propriety technology and inherently unstable media, including Sawyer Rolls, reel-to-reel tapes and audiocassette tapes. These verbatim audio recordings serve as the only complete record of the legislative committee hearings. Digitized records will be available online for easy access by those interested.

Package 111: Digitization Personnel Reclassifications. This package includes several position adjustments for a total Other Funds expenditure limitation increase of \$66,063 and an increase in 0.25 FTE. These adjustments include the reclassification of two Principal Executive Management D positions to Business Operations Manager 2 positions, one Supply Specialist 2 to an Electronic Publishing Design Specialist and increases the FTE for an existing permanent part-time Office Specialist 2 from 0.75 FTE to permanent full-time 1.00 FTE.

Package 112: Final Phase of Compact Shelving Project. This package increases Other Funds expenditure limitation by \$750,000 for the final phase of the shelf replacement project at the state Archives Building. The first phase of this project was funded in 2013.

Package 123: Archives Building Rent Increase. This package increases Other Funds expenditure limitation by \$201,497 to account for increasing the space used at the state Archives Building by the Archives Division staff.

Package 801: LFO Analyst Adjustments. This package reduces Other Funds expenditure limitation by \$81,657 to reflect a two percent vacancy factor of salaries and wages as assumed savings.

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. Additionally, 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 2023-25 budget of \$15,337,044 Other Funds expenditure limitation and 39 positions (39.00 FTE). The Subcommittee recommended the following packages:

Package 121: Transaction Charges. This package increases Other Funds expenditure limitation by \$300,000 for the transaction and services fees paid by the agency related to the use of credit card payments.

Package 122: Corporation Personnel True-up. This package reclassifies one existing Electronic Publication Design Specialist 2 position to an Operations and Policy Analyst 2 serving as the division's Application Administrator. There are no cost increases related to this reclassification for the 2023-25 biennium.

Package 801: LFO Analyst Adjustments. This package reduces Other Funds expenditure limitation by \$122,255 to reflect a two percent vacancy factor of salaries and wages as assumed savings.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Secretary of State
Alicia Michelson (971) 209-9217

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 18,915,145	\$ -	\$ 79,761,879	\$ -	\$ 10,497,283	\$ -	109,174,307	235	232.96	
2023-25 Current Service Level (CSL)*	\$ 16,691,665	\$ -	\$ 84,581,235	\$ -	\$ 5,022,647	\$ -	106,295,547	229	228.25	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 16500-001 Administrative Services Division										
Package 101: Procurement Contract Assistant										
Personal Services	\$ -	\$ -	\$ 158,441	\$ -	\$ -	\$ -	158,441	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 17,424	\$ -	\$ -	\$ -	17,424			
Package 102: Business Services Personnel True-Up										
Personal Services	\$ -	\$ -	\$ 60,296	\$ -	\$ -	\$ -	60,296	0	0.00	
Package 106: System Modernization										
Personal Services	\$ -	\$ -	\$ 803,539	\$ -	\$ -	\$ -	803,539	3	3.00	
Services and Supplies	\$ -	\$ -	\$ 721,426	\$ -	\$ -	\$ -	721,426			
Package 107: Information Technology Security										
Personal Services	\$ -	\$ -	\$ 461,051	\$ -	\$ -	\$ -	461,051	2	2.00	
Services and Supplies	\$ -	\$ -	\$ 1,139,160	\$ -	\$ -	\$ -	1,139,160			
Package 108: Information Systems Personnel True-Up										
Personal Services	\$ -	\$ -	\$ 98,602	\$ -	\$ -	\$ -	98,602	0	0.00	
Package 801: LFO Analyst Adjustments										
Personal Services	\$ (55,748)	\$ -	\$ (288,345)	\$ -	\$ -	\$ -	(344,093)	0	0.00	
SCR 16500-002 Elections Division										
Package 117: Elections Oversight										
Personal Services	\$ 229,403	\$ -	\$ -	\$ -	\$ -	\$ -	229,403	1	1.00	
Services and Supplies	\$ 121,292	\$ -	\$ -	\$ -	\$ -	\$ -	121,292			
Package 118: Elections Security and Public Education										
Personal Services	\$ 550,512	\$ -	\$ -	\$ -	\$ -	\$ -	550,512	2	2.00	
Services and Supplies	\$ 191,292	\$ -	\$ -	\$ -	\$ -	\$ -	191,292			
Package 801: LFO Analyst Adjustments										
Personal Services	\$ (79,624)	\$ -	\$ -	\$ -	\$ -	\$ -	(79,624)	0	0.00	
SCR 16500-007 Audits Division										
Package 801: LFO Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ (331,237)	\$ -	\$ -	\$ -	(331,237)	0	0.00	
SCR 16500-012 Archives Division										
Package 110: Archivists										
Personal Services	\$ -	\$ -	\$ 468,160	\$ -	\$ -	\$ -	468,160	2	2.00	
Services and Supplies	\$ -	\$ -	\$ 41,292	\$ -	\$ -	\$ -	41,292			
Package 111: Digitization Personnel Reclassifications										
Personal Services	\$ -	\$ -	\$ 66,063	\$ -	\$ -	\$ -	66,063	0	0.25	
Package 112: Final Phase of Compact Shelving Project										
Capital Outlay	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	750,000			

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 123: Archives Building Rent Increase Services and Supplies	\$ -	\$ -	\$ 201,497	\$ -	\$ -	\$ -	201,497		
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ (81,657)	\$ -	\$ -	\$ -	(81,657)	0	0.00
SCR 16500-036 Corporation Division									
Package 121: Transaction Charges Services and Supplies	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	300,000		
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ (122,255)	\$ -	\$ -	\$ -	(122,255)	0	0.00
TOTAL ADJUSTMENTS	\$ 957,127	\$ -	\$ 4,463,457	\$ -	\$ -	\$ -	5,420,584	11	11.25
SUBCOMMITTEE RECOMMENDATION *	\$ 17,648,792	\$ -	\$ 89,044,692	\$ -	\$ 5,022,647	\$ -	111,716,131	240	239.50
% Change from 2021-23 Leg Approved Budget	(6.7%)	0.0%	11.6%	0.0%	(52.2%)	0.0%	2.3%	2.1%	2.8%
% Change from 2023-25 Current Service Level	5.7%	0.0%	5.3%	0.0%	0.0%	0.0%	5.1%	4.8%	4.9%

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 5/15/2023 3:40:06 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 public records.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
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	\$20.31	\$12.00	\$12.00
3. Audit Recommendation Implementation - Percentage of audit recommendations implemented.		Approved	89%	90%	90%
4. Business registration - Document processing turnaround time from receipt.		Approved	2.60	0.60	0.60
5. Notary - Document processing turnaround time from receipt.		Approved	0.20	0.20	0.20
6. UCC - Document processing turnaround time from receipt.		Approved	0.80	0.20	0.20
7. Campaign Finance Information - Percent of committee filings determined to be sufficient.		Approved	98.80%	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	59%	62%	62%
	b) Representation of People of Color as a Percentage of SOS' Workforce		18.20%	12%	12%
	c) Representation of Persons with Disabilities as a Percentage of SOS' Workforce		4.10%	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	91%	90%	90%
	Overall		85%	90%	90%
	Accuracy		88%	90%	90%
	Timeliness		88%	90%	90%
	Helpfulness		87%	90%	90%
	Availability of Information		83%	90%	90%

LFO Recommendation:

LFO recommends approval of the Key Performance Measures and targets. The Secretary of State will also propose a performance measure related to timeliness of election law complaint investigations for consideration as part of the agency's 2025-27 budget request.

SubCommittee Action:

The General Government Subcommittee approved the LFO recommendation on Key Performance Measures.