

2025-27 Budget Review

Secretary of State

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
General Fund	19,720,149	24,899,548	20,817,032	26,753,001
Other Funds	77,315,042	97,793,249	101,931,451	101,764,575
Federal Funds	4,877,510	5,050,327	5,202,599	5,596,154
Total Funds	101,912,701	127,743,124	127,951,082	134,113,730
Positions	235	268	244	244
FTE	233.14	254.65	244.00	244.00

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The Office of the Secretary of State (SOS) is one of three constitutional offices established at statehood. The Secretary is the auditor of public accounts, the chief elections officer, and the manager of the state's records, a role that includes preserving official acts of the Legislative Assembly and the executive branch. The Secretary of State serves with the Governor and State Treasurer on the State Land Board which manages state-owned lands.

The agency's major divisions include the: **1) Elections Division**, which administers state and federal elections laws, provides training to county and city election officials, political party representatives, and candidates; publishes statewide voter's pamphlets; and administers the filing and verification of initiative, referendum, and recall petitions; **2) Audits Division**, which carries out the Secretary's constitutional duties as auditor of public accounts to assure that public funds are properly accounted for and spent in accordance with legal requirements; the Division performs, or contracts for, financial and compliance audits and performance audits of state agencies; **3) Archives Division**, which stores public records and protects and provides public access to Oregon's documentary heritage; and **4) Corporation Division**, which has three major programs: Business Registry – the filing of business names, Uniform Commercial Code – the filing of secured transactions, and Notary Public – commissioning and regulating notaries. The agency also has an Administrative Services Division that provides central administrative support services and includes the Executive Office of the Secretary, Business Services, Human Resources, and Information Technology Systems.

Although considered an executive branch agency, as a separately elected constitutional office, SOS operates independently of the Governor and the rest of the executive branch. The executive branch makes no recommendation and exercises no budgetary control over the Secretary of State's budget.

That responsibility falls solely to the Legislature. In addition, SOS is exempt from many administrative statutes that apply to executive branch agencies, such as those governing human resources, procurement, and information technology policies.

BUDGET ENVIRONMENT

Potential Budget Request Revisions - It has been the practice of the Legislature to allow a newly elected statewide office holder to make suggested changes to the budget request submitted by the former office holder. Therefore, there will likely be revisions to the existing requests made by the new Secretary of State.

Overseeing elections is a primary responsibility of the Secretary of State. Recent challenges, questions, and concerns regarding election security and legitimacy are a continued problem identified by the agency. The Audits Division has been flat staffed for many years despite the size of state government growing significantly over that same period of time, resulting in static audit capacity to address increasing potential audit subjects.

CURRENT SERVICE LEVEL

The Secretary of State has been tasked with implementing HB 4024 (2024), which makes significant changes to election finance laws and regulations. Because HB 4024 passed very late in the 2024 session, no implementation funding was included in the measure and the agency was instructed to request necessary funding from the Emergency Board at their first regular meeting. Accordingly, SOS requested and was granted \$5.4 million General Fund and authorization to establish 17 permanent and 4 limited duration positions to implement the campaign finance reforms established in HB 4024. The agency's 2025-27 ARB contains a placeholder package that includes \$6 million General Fund and the continuation of the 17 permanent positions to continue work on implementing election finance reform. Agency staff are waiting for the newly elected Secretary of State to review implementation options before finalizing a 2025-27 funding request.

The agency has received federal Help America Vote Act (HAVA) funds since 2002 and has used this funding to support positions in the Elections Division. The federal government has not made new HAVA funds available to states in recent years; however, transfers of funds unused by other states have come to Oregon on occasion, allowing some positions to continue to be federally supported. It is anticipated that no additional HAVA funds will be available in 2025-27 to support all previously supported work, therefore SOS is requesting two elections positions be shifted to General Fund support for the next biennium at a cost of \$692,367 General Fund.

GOVERNOR'S BUDGET SUMMARY

The Secretary of State's proposed budget is not subject to Governor's Office review or oversight. This means that what is included in the printed Governor's budget is characterized as a placeholder. For the 2025-27 biennium, the amounts included in the printed Governor's budget for the Secretary of State are \$26.8 million General Fund, \$101.8 million Other Funds, and \$4.6 million Federal Funds for a total

budget of \$133.1 million. The Governor’s budget included Other Funds expenditure limitation increases for the Secretary’s budget requests that are funded with Other Funds.

The newly elected Secretary of State has made some modifications to the agency’s original request budget. \$710,000 General Fund is requested to address long-standing shortfalls in funding for producing the State voters’ pamphlet, along with \$600,000 General Fund to expand threat monitoring services to all 36 County Clerks. \$500,000 General Fund is requested to enhance the agency’s cyber security infrastructure. An Internal Auditor position (1.00 FTE) is requested that would be funded using administrative indirect charges at a cost of \$405,067 Other Funds.

KEY PERFORMANCE MEASURES

A copy of the Secretary of State’s Annual Performance Progress Report can be found on the LFO website: https://www.oregonlegislature.gov/lfo/APPR/APPR_SOS_2024-09-16.pdf

Contact Information

Paul Siebert, Deputy Legislative Fiscal Officer

Legislative Fiscal Office

900 Court Street NE, Room H-178, Salem, Oregon 97301

Oregon State Capitol | (503) 986-1828 | www.oregonlegislature.gov/lfo