

April 14, 2025

TO: Joint Committee on Ways and Means Subcommittee on General Government
FROM: Oregon Secretary of State's Office
RE: 2025-27 Secretary of State's Budget Presentation Follow-Up

Good afternoon, Co-Chair Gorsek and Smith,

We want to thank you, the full committee, and Paul S., for inviting us to present on our proposed 2025-27 budget. Please allow this correspondence to serve as a follow-up to questions and themes covered during the April 7th presentation on the Secretary of State's 2025-27 budget.

HAVA Fund Appropriation Risk

There was a question of whether current HAVA funds are in jeopardy given the volatility at the federal level. Because HAVA funding does not operate on a "reimbursable" basis, our funds have already been received and are not at risk. However, we are keeping a close pulse to any future funding that may become available, which may be in jeopardy should the Trump administration continue its current policy on federal grants.

HAVA Fund Restrictions

HAVA funds must be used to "improve the administration of elections for Federal office, including to enhance election technology and election security improvements" to the systems, equipment, and processes used in federal elections. Any expenditure under HAVA funding must meet this restriction.

"Other Funds" v. "General Funds"

During our presentation, we indicated that many of our divisions are primarily funded from Other Funds rather than General Funds (our Elections Division and internal administrative divisions partially rely on General Fund allocations). Other Funds are generated through state assessments to other agencies or revenue brought by our delivery of services to our customers. The Corporation Division retains revenue up to their approved Limitation and the remainder is transferred to the State General Fund. We are projecting to bring over \$85 million to the General Fund from the revenue gained by our Corporations Division.

Digitization of Corporations Forms

We wanted to clarify that the Corporations Division has digitized a total of 17 forms to date, not 20 forms as originally shared in the presentation. We will continue to digitize and expedite our customer experience where possible.

Translation Advisory Council (TAC)

The TAC is the result of HB 3021 passed by the State Legislature in 2021. Council members play an important role in the process of making voting accessible. The Council reviews translations to make sure they are accurate and retain the original tone and meaning in a culturally appropriate manner. The Council may also make recommendations to the Secretary on related matters as needed. Members serve two-year terms and may be reappointed for a total of six years.

The TAC works with a contractor, Barbier International, to provide translation services of 32 different languages across the state with the consultation and collaboration of the council. TAC members can get \$178 per day stipend. There are currently 4 TAC members who are state employees and don't qualify for the stipend.

Small Business Ombudsman

The Secretary of State's Office of Small Business Assistance works collaboratively and closely with the Department of Consumer and Business Services Small Business Ombudsman for Workers' Compensation. The DCBS Small Business Ombudsman has jurisdiction over issues and concerns small businesses have about the Workers' Compensation system. OSBA's jurisdiction is broader, including concerns small businesses have about their interactions with any Executive Branch agency, including DCBS. However, when it comes to issues involving Workers' Compensation, we'd refer them to staff within the DCBS Small Business Ombudsman Office to provide the customer with the best and most appropriate service and expertise.

OSBA is staffed by four individuals serving businesses with 100 or fewer employees, including zero employees or prospective startups. The DCBS Small Business Ombudsman is a team of two individuals, and though their goal is to help small businesses, they will serve businesses of any size if there is a need.

The teams work well together, recognizing each other's jurisdiction and expertise. There are frequent outreach events where both teams engage with the public, and customer service and accessibility are priorities for both offices.

Public Notice Retentions

SB 437 (2025) and HB 3431 (2025) are seeking to expand the forums where public notices may be posted. The current retention schedule for public notices for local governments is two years. We understand there have been

conversations on how the Archives Division may play a role in retaining the public notices covered under the proposed bills. The Archives Division serves best for long-term preservation of records and artifacts. Given the retention schedule for local governments on public notices, this responsibility may be best suited to the respective local jurisdiction publishing the public notice.

OLIS for OAR Process

The House Committee on Rules is currently considering HB 3382, which would require the Secretary of State's Office to maintain an online Oregon Rulemaking Information System, similarly to one like OLIS. Our Archives Division is currently responsible for publishing and retaining Oregon's administrative rules. We make information available through the Oregon Administrative Rules Database (OARD). HB 3382 would require a significant software investment and an increased capacity to maintain a delivery of service for a system similar to OLIS. While we agree that a restructuring of our administrative rules database will be a project worth exploring, we have indicated to advocates of HB 3382 that the discussion should happen after successful implementation of HB 4024.

Election Violation Restructure Post HB 4024

As mentioned during the hearing, the Elections Division will reassess its approach to election violation enforcement given the new campaign finance restrictions. This will include new capacity needs that may be presented to this committee in the 2026 and 2027 legislative sessions.

There has been significant work to bolster the current landscape of election violation investigations given previous investments by the state. In the 2024 legislative session the Legislative Assembly funded one Compliance Specialist 3 investigator position as part of one of the agency's POPs. During the May 2024 Emergency Board, the legislature funded three Compliance Specialist 2 investigator positions and one Business Operations Manager 1 manager position as part of the Secretary of State's funding ask for implementation of HB 4024 (2024).

The Elections Division recruited and trained the people hired for the investigations positions between approximately May 2024 – December 2024. The recruitment had to be staggered while we also hired staff for the other positions funded by the May 2024 E-Board.

The investigations backlog peaked around the 2024 General Election and has since dropped significantly. The backlog is now smaller than it was at the end of Quarter 1 in 2023 even though we received more complaints last year than we have in the last 15 years.

Because of the legislature's investment, we've been able to continue working to decrease the backlog while closing more cases than ever before. In 2024 we closed 578 cases, more than double the amount we closed in 2023 or 2022, and more than 4.5 times the amount we closed in 2021. We are on track to close even more in 2025 given that we have already closed more than 363 cases this year.

We truly appreciate the committee's time and consideration of our proposal. Please know we are available should there be any additional information needed.

Sincerely,

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