

SB 5537 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Chaichi

Joint Committee On Ways and Means

Action Date: 06/06/25

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 10 - Bowman, Breese-Iverson, Cate, Evans, Levy E, Owens, Ruiz, Sanchez, Smith G, Valderrama

Exc: 2 - Drazan, Gomberg

Senate Vote

Yeas: 10 - Anderson, Bonham, Broadman, Campos, Frederick, Lieber, McLane, President Wagner, Smith DB, Sollman

Nays: 1 - Girod

Exc: 1 - Manning Jr

Prepared By: Kendra Beck, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Secretary of State

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 24,899,548	\$ 20,817,032	\$ 26,879,532	\$ 1,979,984	8.0%
Other Funds Limited	\$ 97,793,249	\$ 101,931,451	\$ 102,523,489	\$ 4,730,240	4.8%
Federal Funds Limited	\$ 5,050,327	\$ 5,202,599	\$ 5,202,599	\$ 152,272	3.0%
Total	\$ 127,743,124	\$ 127,951,082	\$ 134,605,620	\$ 6,862,496	5.4%

Position Summary

Authorized Positions	268	244	255	(13)
Full-time Equivalent (FTE) positions	254.65	244.00	255.00	0.35

⁽¹⁾ Includes adjustments through January 2025

* 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 and fees for services for 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 \$134,605,620 total funds, which includes \$26,879,532 General Fund, \$102,523,489 Other Funds expenditure limitation, \$5,202,599 Federal Funds expenditure limitation, and 255 positions (255.00 FTE). This is a 5.4% total funds increase from the 2023-25 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 division, the Subcommittee recommended a 2025-27 budget of \$44,934,235 total funds, which includes \$8,271,325 General Fund, \$36,662,910 Other Funds expenditure limitation, and 84 positions (84.00 FTE). The Subcommittee recommended the following packages:

Package 081: May 2024 Emergency Board. This package adds \$2,727,296 General Fund and two positions (2.00 FTE) to continue work on the implementation of House Bill 4024 (2024), which makes changes to campaign financing. Funding for this work was first provided at the May 2024 meeting of the Emergency Board.

Package 100: HR Position True-Up. This package is a net zero adjustment for the reclassification of a Human Resources Analyst 3 to a Business Operations Manager 2.

Package 101: ISD Position True-Up. This package adds \$55,778 Other Fund expenditure limitation to reclassify a Chief Technology Officer position to an Information Technology Manager 2 and a Project Manager position for Archives and Audits to an Information Systems Specialist 8.

Package 805: Constitutionally Elected Officials Adjustments. This package adds \$405,067 Other Funds expenditure limitation to create a permanent, full-time Internal Auditor Chief Executive 1 position (1.00 FTE). No internal auditors are currently authorized for the Secretary of State, but the agency meets the statutory requirements to have an internal auditor. The position will be supported with Other Funds revenues generated from administrative indirect charges.

This package also includes \$500,000 General Fund to enhance cybersecurity infrastructure, focusing on strengthening endpoint alerting and reporting that will help protect SOS's networks against advanced threats. Additionally, the funding will support improved monitoring to proactively identify and remediate weaknesses in agency IT systems. The total includes \$165,000 in one-time funding, which will phase-out at the end of the 2025-27 biennium.

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 2025-27 budget of \$25,234,229 total funds, which includes \$18,608,207

General Fund, \$1,443,423 Other Funds expenditure limitation, \$5,182,599 Federal Funds expenditure limitation, and 34 positions (34.00 FTE). The Subcommittee recommended the following packages:

Package 081: May 2024 Emergency Board. This package adds \$2,255,481 General Fund and seven positions (7.00 FTE) to continue work on the implementation of House Bill 4024 (2024), which makes changes to campaign financing. Funding for this work was first provided at the May 2024 meeting of the Emergency Board.

Package 104: Translation Advisory Council. This package includes \$619,723 General Fund and continues a limited duration, full-time Operations and Policy Analyst 3 position (1.00 FTE) that supports the work of the Translation Advisory Council. The package total includes \$244,406 General Fund for services and supplies costs associated with voters' pamphlet translation.

Package 801: LFO Analyst Adjustments. This package reduces return postage funding by \$750,000 General Fund. Return postage costs have been running below projections as voters continue to return ballots in person at a rate higher than originally projected.

Package 805: Constitutionally Elected Officials Adjustments. This package adds \$710,000 General Fund to help address growing underfunding for costs related to producing the state's voters' pamphlets. This addition should support the average cost of production of the voters' pamphlet during non-presidential election cycles.

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 2025-27 budget of \$32,965,791 Other Funds expenditure limitation and 72 positions (72.00 FTE). This represents current service level for the division. There are no packages associated with this division.

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 2025-27 budget of \$12,932,387 total funds, which includes \$12,912,387 Other Funds expenditure limitation, \$20,000 Federal Funds expenditure limitation, and 24 positions (24.00 FTE). The Subcommittee recommended the following package:

Package 102: Archives Position True-Up. This package reclassifies an Operations and Policy Analyst 1 position to an Operations and Policy Analyst 2, an Electronic Publishing Design Specialist 2 position to an Operations and Policy Analyst 2, and a Public Services Representative 4 position to a Public Affairs Specialist 1. Other Funds expenditure limitation of \$47,031 is added to support these position actions.

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 2025-27 budget of \$18,538,978 Other Funds expenditure limitation and 41 positions (41.00 FTE). The Subcommittee recommended the following package:

Package 103: Corporation Position True-Up. This package adds \$84,162 Other Funds expenditure limitation to reclassify two Program Analyst 1 positions to Compliance Specialist 2 positions and one Training & Development Specialist 1 position to a Compliance Specialist 3.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Secretary of State
Kendra Beck – 503-400-4747

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 24,899,548	\$ -	\$ 97,793,249	\$ -	\$ 5,050,327	\$ -	\$ 127,743,124	268	254.65
2025-27 Current Service Level (CSL)*	\$ 20,817,032	\$ -	\$ 101,931,451	\$ -	\$ 5,202,599	\$ -	\$ 127,951,082	244	244.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 001 - Administrative Services Division									
Package 081: May 2024 Emergency Board									
Personal Services	\$ 655,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,296	2	2.00
Services and Supplies	\$ 2,072,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,072,000		
Package 101: ISD Position True-Up									
Personal Services	\$ -	\$ -	\$ 55,778	\$ -	\$ -	\$ -	\$ 55,778	0	0.00
Package 805: Constitutionally Elected Officials Adjustments									
Personal Services	\$ -	\$ -	\$ 405,067	\$ -	\$ -	\$ -	\$ 405,067	1	1.00
Services and Supplies	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000		
SCR 002 - Elections Division									
Package 081: May 2024 Emergency Board									
Personal Services	\$ 2,108,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,108,110	7	7.00
Services and Supplies	\$ 147,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,371		
Package 104: Translation Advisory Council									
Personal Services	\$ 375,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,317	1	1.00
Services and Supplies	\$ 244,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,406		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ (750,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (750,000)		
Package 805: Constitutionally Elected Officials Adjustments									
Services and Supplies	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000		
SCR 012 - Archives Division									
Package 102: Archives Position True-Up									
Personal Services	\$ -	\$ -	\$ 47,031	\$ -	\$ -	\$ -	\$ 47,031	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 036 - Corporation Division									
Package 103: Corporation Position True-Up									
Personal Services	\$ -	\$ -	\$ 84,162	\$ -	\$ -	\$ -	\$ 84,162	0	0.00
TOTAL ADJUSTMENTS	\$ 6,062,500	\$ -	\$ 592,038	\$ -	\$ -	\$ -	\$ 6,654,538	11	11.00
SUBCOMMITTEE RECOMMENDATION *	\$ 26,879,532	\$ -	\$ 102,523,489	\$ -	\$ 5,202,599	\$ -	\$ 134,605,620	255	255.00
% Change from 2023-25 Leg Approved Budget	8.0%	0.0%	4.8%	0.0%	3.0%	0.0%	5.4%	(4.9%)	0.1%
% Change from 2025-27 Current Service Level	29.1%	0.0%	0.6%	0.0%	0.0%	0.0%	5.2%	4.5%	4.5%

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

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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 2026	Target 2027
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	\$60.98	\$20.00	\$20.00
3. Audit Recommendation Implementation - Percentage of audit recommendations implemented.		Approved	96%	95%	95%
4. Business registration - Document processing turnaround time from receipt.		Approved	0.76	0.75	0.75
5. Notary - Document processing turnaround time from receipt.		Approved	0.30	0.20	0.20
6. UCC - Document processing turnaround time from receipt.		Approved	0.10	0.20	0.20
7. Campaign Finance Information - Percent of committee filings determined to be sufficient.		Approved	97.94%	99%	99%
8. Elections Investigations - Percentage of investigations opened - Investigation opened July-June that had a finding made within 120 days		Approved		80%	80%
9. 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	62%	62%	62%
	b) Representation of People of Color as a Percentage of SOS' Workforce		23.20%	15%	15%
	c) Representation of Persons with Disabilities as a Percentage of SOS' Workforce		5%	5%	5%
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.	Expertise	Approved	97%	95%	95%
	Overall		94%	95%	95%
	Accuracy		95%	95%	95%
	Timeliness		97%	95%	95%
	Helpfulness		94%	95%	95%
	Availability of Information		90%	95%	95%

LFO Recommendation:

LFO recommends approval of the Key Performance Measures and targets.

SubCommittee Action:

The General Government Subcommittee approved the Key Performance Measures and targets, as presented.