

Office of the Vermont Secretary of State Fiscal Year 2018 Proposed Budget



James C. Condos
Secretary of State

Our Mission Statement:

Democracy that delivers! We are problem solvers.

The Secretary of State's office promotes public trust and enables good government by:

- Protecting, preserving, providing and promoting Vermont public records through **Vermont State Archives and Records Administration (VSARA)**.
- Preserving the integrity of campaigns, voter registration, and elections through the **Elections Division**.
- Providing the business community and public with easy access to information about business registration and doing business in Vermont through the **Corporations Division**.
- Protecting the public through streamlined, focused regulation of licensed professionals to prevent unethical, incompetent or unprofessional practitioners through the **Office of Professional Regulation (OPR)**.
- Promoting and strengthening positive state-local interactions by providing information, assistance, and educational materials related to municipal and open government laws through **Municipal Programs**.



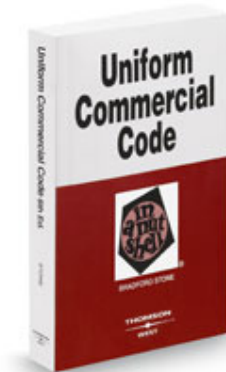
•Office of Professional Regulation

- Protects the public through the effective regulation of 50 professions and approximately 65,000 licensees
- Investigates and prosecutes complaints of unlicensed or unprofessional conduct
- Assures that licensing standards are current and promote safe & effective practice



•Corporations and Business Registration

- Business registration and filing office for secured transactions under UCC
- Accomplished 93,430 unique transactions in FY16
- Collected \$6.122 million revenue in FY16



- **State Archives & Records Administration**

- Preserve and provide access to permanent state records regardless of format
- Issue records retention and management requirements to state and local public agencies
- Set information management standards for public records and data
- Operate State Records Center for inactive state paper records
- Administer various filing requirements related to APA, legislative acts, deeds, etc.



- **Elections & Campaign Finance**

- Oversight of state and federal elections in concert with local election officials
- Promotes voter registration and participation
- Administers campaign finance and lobbyist disclosure laws



•Safe at Home

- Serves 160 individuals protecting individuals seeking to escape from actual or threatened domestic violence, sexual assault and stalking.
- Address confidentiality program provides client with a substitute mailing address for use when creating records with local and state agencies.



•Municipal and Civics Education

- Provides information and education to local officials and members of the public regarding municipal matters. Municipal inquiries average 100+ per month.
- Publishes municipal handbooks and *Opinions*. Updates to six of these guides are in the works!
- Promotes civics education and civic participation by citizens of all ages.



Secretary of State Source & Use of Funds

Since FY14, we receive NO General funds (GF).

- We have three primary Funds:
 - 1) **21928 SOS Service is composed primarily of Corporations fees:** pays 100% of salaries for VSARA and four positions in Elections; and 43% of Executive and Administrative Services staff and administration. SOS Service fund sweeps excess revenue at the end of each fiscal year to the GF.
 - 2) **21150 OPR:** separate from, and no effect on GF. Per State statute cannot be used for costs outside of professional licensing. Funds the OPR Division and 48% of Executive & Administrative Services staff and administration.
 - 3) **22025 HAVA:** separate from, and no effect on GF. Per Federal law to be used for specific costs related to federal elections. Funds one FTE in the Elections Division and .9% of Executive & Administrative Services staff and administration.

Secretary of State Temporary Positions

Fiscal Year	# of State Temporaries	# of Kelly Temps	Total
2009	7	21	28
2010	7	9	16
2011	14	5	19
2012	12	3	15
2013	6	4	10
*2014	4	3	7
*2015	3	0	3
*2016	3	0	3

** includes one intern who works 3 hrs. weekly*

Overtime	Hours	Amount
FY12	1771	51,978
FY13	1707	49,315
FY14	1756	51,711
FY15	1780	51,950
FY16	1745	53,733



FY18 Budget Pressures affecting SoS Service Fund

1) **Corporations IT Project:**

- a) 100% SoS Service Fund
- b) Implementation began in FY13 – costs spread out through FY18, costs peak in FY18 and then decrease eventually becoming maintenance/service/hosting; and
- c) Upgrades in FY18: automate 92,000 payment transactions to VISION. Currently payments flow directly to bank account, however, resulting transactions do not. Digitizing of corporations records allowing access online and eliminating the need for paper copies and staff time researching and sending to Business Services customers.

2) **Elections IT Project:**

- a) 70% Federal (HAVA) & 30% SOS Services Fund split; and
- b) Implementation costs spread through FY18.

FY18 Budget Pressures affecting OPR Fund

1) **Next Generation Licensing Project (NGLP):** We have utilized the State of Vermont procurement process and are in the implementation stage. The implementation costs will be paid over two years.

- a) FY17 (\$750,000 from operating budget & \$1.477M from OPR Fund) & FY18 (\$694,943 from operating budget);
- b) Annual maintenance for the first year with new vendor @ \$279,000; with capacity for new professions built into existing contract.
- c) Two years from FY17 through FY18 continued maintenance with Micropact (existing vendor) until new solution is fully in place.

Elections Applications Suite Implementation Update

As of December 2015, the Elections Division completed implementation of an integrated elections software suite to ensure transparent and secure elections data for Vermont citizens. This software is critical to meeting state and federal election criteria.

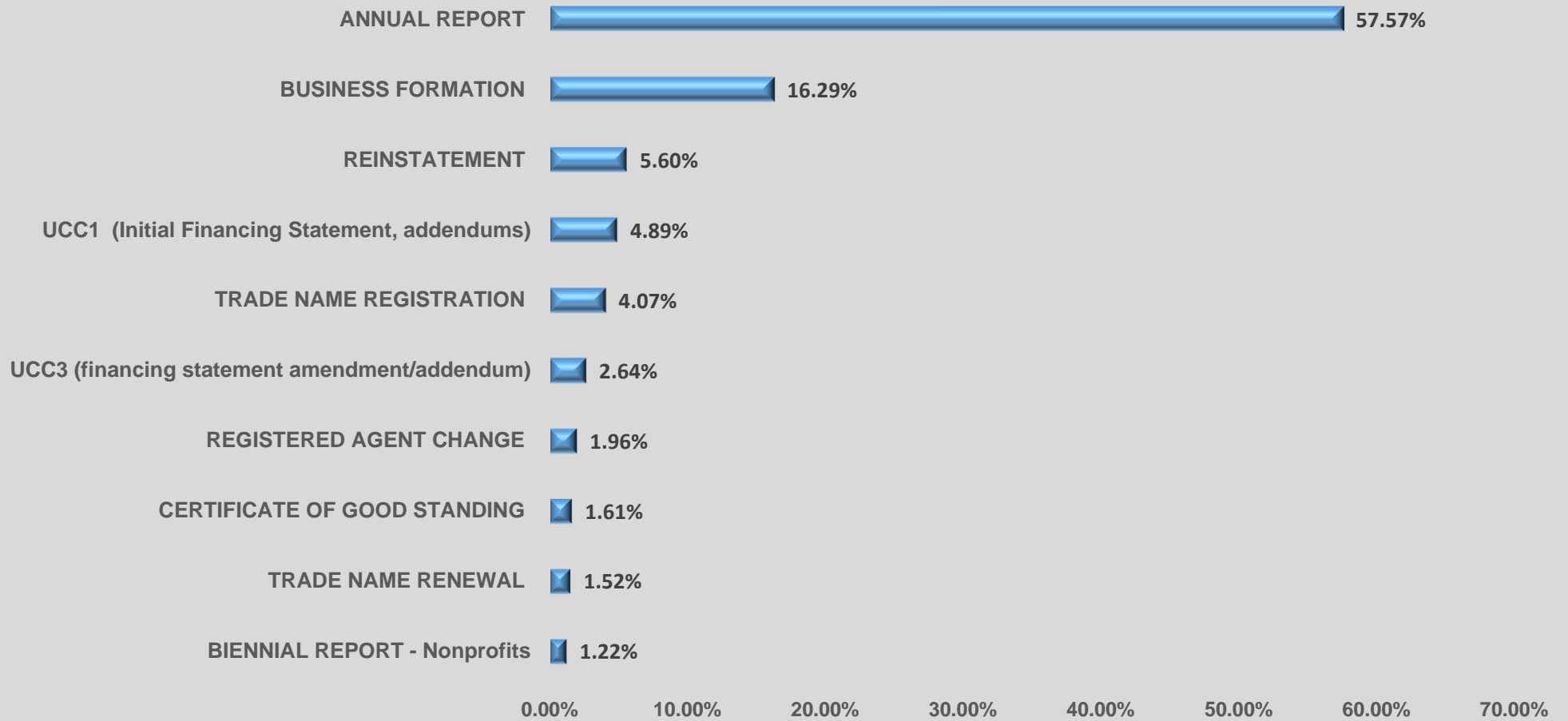
The project was funded with 70% Help America to Vote Act (HAVA) (Federal) funds and 30% from the SOS special Fund.

The application systems included are:

- Vermont's statewide voter registration checklist;
- Absentee ballot tracking;
- Election management;
- Campaign finance reporting (went live in FY2014);
- Lobbyist disclosure (went live in FY2015)



Fiscal Year 2016 Corporations/Business Services Top 10 Revenue Generators



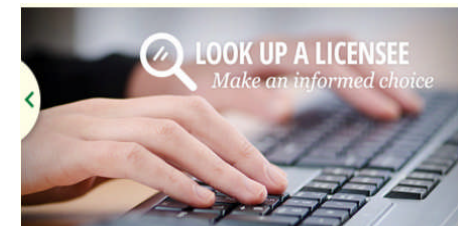
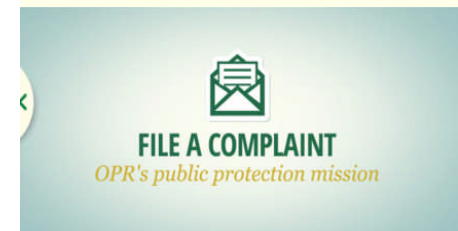
Next Generation Licensing Platform

OPR is in process of re-engineering its operations including:

- organizational model,
- associated business processes, and
- supporting technologies

To achieve the following key business objectives:

- On-boarding new professions easily and efficiently;
- On-boarding new professions with a high degree of quality and consistency;
- Providing regulated professionals with self-service access to all required information;
- Providing profession boards with self-service access to all required information;
- Providing self-service functions for licensees; and
- Ability to create, extend, and maintain all of OPR's required capabilities using state-of-the-art business modelling.



FY17 Department Request - Secretary of State	21928 Sec State Fund	21150 (OPR) Regulatory Fee Fund	21595 VSARA Public Records Fund	21500 IDT	22025 Federal (HAVA) Fund	TOTAL	NOTES:
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FY2017 As Passed	4,617,697	5,915,161	12,000	75,000	1,661,704	12,281,562	AHS reimbursement for Nursing Program Mgr.
FY2017 Labor and Operations Savings							
FY2017 Budget after Labor & Operation Savings	4,617,697	5,915,161	12,000	75,000	1,661,704	12,281,562	
FY18 Changes							
Personal Services:							
Salary & Fringe Benefit	343,632	253,421	0	0	2,417	599,470	
Per Diem and Other Personal Services	202	(5,003)	0	0	1	(4,800)	
Contracted & 3rd Party Services - IT Systems Maintenance and Upgrades (Corps System, Elections, OPR NGLP, IT Security, Web 2.0)	(261,853)	118,269	0	0	(738,851)	(882,435)	Elections & Corporations system implementation payments decreased.
Operating Expenses:							
WC/DII/DHR/Single Audit Chargebacks - 505200, 505010, 516000,516010,516671,516685,519006, 523620, Other purchased services	(7,804)	(48,865)			34,458	(22,211)	Realigning budget estimates with FY16 actuals
Equipment	(9,019)	915			67,882	59,778	
IT/Telecom Services and Equipment	42,536	36,176			162,040	240,752	
Travel	1,946	17,969			3,584	23,499	
Supplies	(21,973)	(9,305)			2,038	(29,240)	Realigning budget estimates with FY16 actuals
Rental Other	6,112	0			3,954	10,066	
Rental Property - Other than FFS - OPR Office Space, Civics Storage Rental	13,794	(33,368)			698	(18,876)	Realigning budget estimates with FY16 actuals
Property and Maintenance	35,627	14,630			7,075	57,332	
Bank Service Charges	9,103	(35,000)			0	(25,897)	Realigning budget estimates with FY16 actuals
FY18 Changes	152,303	309,839	0	0	(454,704)	7,438	
FY18 Gov Recommended	4,770,000	6,225,000	12,000	75,000	1,207,000	12,289,000	
FY18 Subtotal of Legislative Changes	0	0	0	0	0	0	
FY18 As Passed - Dept ID 2230010000	4,770,000	6,225,000	12,000	75,000	1,207,000	12,289,000	

FISCAL YEAR 2018 DEPARTMENT PROFILE

DEPARTMENT: SECRETARY OF STATE

Name and brief narrative description of program (not to exceed 2 sentences for each)	Spec F \$\$	Fed F \$\$	Other funds \$\$	Total funds \$\$	Authorized positions	
VERMONT STATE ARCHIVES & RECORDS ADMINISTRATION						
This division advises and guides public agencies in records and information management; appraises and schedules public records so they are preserved only as long as they have a legal or administrative value; preserves and enhances access to the State government's archival records; and operates a secure record center for non-permanent and inactive agency records.	FY 2016 expenditures	1,690,732	0	12,000	1,702,732	17
	FY 2017 estimated expenditures	1,762,521	0	12,000	1,774,521	18
	FY 2018 budget request	2,120,184		12,000	2,132,184	18
PROFESSIONAL REGULATION						
The Office of Professional Regulation protects the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; and to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations.	FY 2016 expenditures	4,497,380	0	75,000	4,572,380	37
	FY 2017 estimated expenditures	5,915,161	0	75,000	5,990,161	33
	FY 2018 budget request	6,225,000	0	75,000	6,300,000	34
CORPORATIONS						
This division administers state law with respect to the registration and maintenance of foreign and domestic corporations, partnerships, limited liability companies, and sole proprietorships doing business in Vermont. Furthermore, the division acts as the State repository for trademarks and trade names registrations, and Uniform Commercial Code liens and related filings.	FY 2016 expenditures	703,948	0	0	703,948	6
	FY 2017 estimated expenditures	988,203	0	0	988,203	4
	FY 2018 budget request	992,201	0	0	992,201	4.5
ELECTIONS & CAMPAIGN FINANCE						
This division provides administration and support for the orderly conduct of elections, administers the campaign finance and lobbyist disclosure laws, and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.	FY 2016 expenditures	1,039,613	955,324	0	1,994,937	7
	FY 2017 estimated expenditures	698,454	1,446,828	0	2,145,282	5
	FY 2018 budget request	617,999	988,993	0	1,606,992	4
MUNICIPAL & CIVICS EDUCATION						
This program provides advice and assistance to municipal officials and promotes civics education.	FY 2016 expenditures	4,752	0	0	4,752	0.5
	FY 2017 estimated expenditures	10,205	0	0	10,205	0.5
	FY 2018 budget request	6,600	0	0	6,600	0.5
SAFE AT HOME						
This address confidentiality program helps victims of domestic violence, sexual assault, and stalking by providing a substitute address to be used when creating or updating records with state or local government agencies.	FY 2016 expenditures	30,070	0	0	30,070	0.5
	FY 2017 estimated expenditures	32,219	0	0	32,219	0.5
	FY 2018 budget request	38,071	0	0	38,071	0.5
SOS Admin						
Secretary of State, Deputy Secretary of State, General Counsel, Executive Assistant and Division of Administrative Services (Information Technology, Human Resources, Finance, Contracting, Business Office, Purchasing, Facilities, COOP, Temporary Officiant Registrations, Reception and switchboard)	Breaking out separately for Program Profile this year. FY16 Administration Staff #'s were spread out amongst other divisions.	764,313	166,784	0	931,097	
	FY 2017 estimated expenditures	1,126,095	214,876	0	1,340,971	13
	FY 2018 budget request	994,947	218,007	0	1,212,954	12
Total Department						
	FY 2016 expenditures	8,730,807	1,122,108	87,000	9,939,915	13
	FY 2017 estimated expenditures	10,532,858	1,661,704	87,000	12,281,562	74
	FY 2018 budget request	10,995,000	1,207,000	87,000	12,289,000	74

Program Performance & Results Based Program Budgets

- Secretary of State Division Performance Measures VSARA – separate document.
- Program Performance Measures (Results Based) for Corporations & HAVA - separate documents.

FY 2018 GOVERNOR'S BUDGET RECOMMENDATIONS - PROGRAM PERFORMANCE MEASURES

AGENCY NAME:	Secretary of State's Office	
DEPARTMENT NAME:		
DIVISION NAME:	Elections & Campaign Finance	
PRIMARY APPROPRIATION #	2230014000	
PROGRAM NAME	Help America to Vote Act (HAVA) Election Assistance Commission (EAC) - Federal Funds	
PROGRAM NUMBER (if used)	29040	
FY 2018 Appropriation \$\$	\$ 988,993.00	
Budget Amounts in Primary appropriation not related to this program:	\$ -	
		SECONDARY APPROPRIATION #
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
TOTAL PROGRAM BUDGET FY 2017	\$ 988,993.00	n/a

POPULATION-LEVEL OUTCOME:	(9) Vermont has open, effective, and inclusive government.	Population-Level Outcomes Drop Down (scroll and select): (6) Vermont's children and young people achieve their potential, including: (6)(A) Pregnant women and young people thrive. (6)(B) Children are ready for school. (6)(C) Children succeed in school. (6)(D) Youths choose healthy behaviors. (7) Vermont's seniors live with dignity in settings they prefer. (8) Vermonters with disabilities live in dignity in settings they prefer. (9) Vermont has open, effective, and inclusive government. (10) Vermont's State Infrastructure meets the needs of Vermonters, the economy and the
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POPULATION-LEVEL INDICATOR:	Percentage of Voter Turnout	An Indicator is: A measurable condition of well-being for children, adults, families, communities. Examples: violent crime rate; median house price; unemployment rate; % of electric generation from renewable sources; % registered voters voting in general election; % structurally deficient bridges; etc. Not all performance measures have measurable Indicators, although the performance measure may well inform the ultimate Outcome and/or the state of the Outcome..
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		Performance Measure Data				
		FY 2015	FY 2016	FY 2017 Budget	FY 2017 BAA	FY 2018 Budget
Performance Measure A:	(scroll down and select) 1. How much did we do? (a.k.a. quantity or output) (Good PM) 2. How well did we do it? (a.k.a. quality or efficiency) (Better PM) 3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)					
	Percentage of 246 Municipalities with Town Clerks (and Assistants) who received training on Elections Management suite since 2015 and ongoing.	25	99%	99%	99%	100%
Type of PM A:	2. How well did we do it? (a.k.a. quality or efficiency) (Better PM)					
Performance Measure B:	(scroll down and select) 1. How much did we do? (a.k.a. quantity or output) (Good PM) 2. How well did we do it? (a.k.a. quality or efficiency) (Better PM) 3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)					
	Electronic Voting Tabulators purchased and maintenance paid by HAVA - owned by municipalities - eliminates errors and delay caused by manual counting of ballots. We are striving for 100% placement of electronic tabulators, however, ultimately it is up to the municipality to accept.	26	81%	89%	89%	100%
Type of PM B:	1. How much did we do? (a.k.a. quantity or output) (Good PM)					

FY 2018 GOVERNOR'S BUDGET RECOMMENDATIONS - PROGRAM PERFORMANCE MEASURES

AGENCY NAME:	Secretary of State's Office
DEPARTMENT NAME:	
DIVISION NAME:	Elections & Campaign Finance

Performance Measure C:	Registered Voters
Type of PM C:	1. How much did we do? (a.k.a. quantity or output) (Good PM)

(scroll down and select)

1. How much did we do? (a.k.a. quantity or output) (Good PM)

2. How well did we do it? (a.k.a. quality or efficiency) (Better PM)

3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)

	FY 2015	FY 2016	FY 2017 Budget	FY 2017 BAA	FY 2018 Budget
27	436,367	447,539	475,000		485,000

NARRATIVE/COMMENTS/STORY: Describe the program. Who/what does it serve? Are there any data limitations or caveats? Explain trend or recent changes. Speak to new initiatives expected to have future impact.

As of the 2010 census there were 496,508 citizens of voting age in Vermont, and as of November 8, 2016, there were 471,619 registered voters and 67.9% voting (turnout) in the 2016 general election. In 2014 turnout was 45%, 2012 (presidential) turnout was 65.4%. In 2015 we completed an integrated election suite with five modules including voter registration. The HAVA fund paid for 70% of the implementation and maintenance costs. We are one of few states with a fully integrated elections IT solution. The Voter Registration module has interaction with Town Clerks, they must approve registrations, allowing for the review and elimination of duplicate registrations, thus improving the integrity of Vermont's election processes. Vermont compares well with the national average of registered voters at 53.6% (2012 Pew Charitable Trust Study). Presidential Election years have higher voter turnout and registration. The Help America to Vote Act of 2002 (HAVA) created the U.S. Election Assistance Commission (EAC) and required election officials throughout the country to implement various election administration reforms. To assist with these efforts, Congress authorized and appropriated more than \$3 billion. One of the primary responsibilities of the EAC is to provide the states, insular territories and the District of Columbia with the funding appropriated under HAVA and to provide information and training on the appropriate management and use of those funds. There are eight specific election uses allowed under the act for these funds. In addition to the Elections Suite and associated Training, and Tabulators, the Elections Division plans to provide pollbooks (tablets) to Vermont Municipalities. The pollbooks will allow for immediate integration into the Elections Management System to update voter check in and results (when connected via internet) or download to the system when internet access is not available. We have also purchased an election result automated audit system and this was used successfully for the first time in 2015. Future expectations will include purchase of the next generation of voting machine technology for municipalities.

FY 2018 GOVERNOR'S BUDGET RECOMMENDATIONS - PROGRAM PERFORMANCE MEASURES

AGENCY NAME:	Secretary of State's Office	
DEPARTMENT NAME:		
DIVISION NAME:	Corporations/Business Services Division	
PRIMARY APPROPRIATION #	2230013000	
PROGRAM NAME	Corporations	
PROGRAM NUMBER (if used)	29600	
FY 2018 Appropriation \$\$	\$ 992,201.00	
Budget Amounts in Primary appropriation not related to this program:	\$ -	
		SECONDARY APPROPRIATION #
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
Program Budget Amounts from other appropriation:	\$ -	
TOTAL PROGRAM BUDGET FY 2017	\$ 992,201.00	n/a

Population-Level Outcomes Drop Down (scroll and select):

- (6) Vermont's children and young people achieve their potential, including:
 - (6)(A) Pregnant women and young people thrive.
 - (6)(B) Children are ready for school.
 - (6)(C) Children succeed in school.
 - (6)(D) Youths choose healthy behaviors.
- (7) Vermont's seniors live with dignity in settings they prefer.
- (8) Vermonters with disabilities live in dignity in settings they prefer.
- (9) Vermont has open, effective, and inclusive government.

POPULATION-LEVEL OUTCOME: (10) Vermont's State Infrastructure meets the needs of Vermonters, the economy and the environment.

POPULATION-LEVEL INDICATOR: Business renewals, corporations/business services revenue are measures that evaluate business climate and commercial retention rate. Number of online transactions evaluates the ease in which businesses can interact with the State.

An Indicator is: A measurable condition of well-being for children, adults, families, communities. Examples: violent crime rate; median house price; unemployment rate; % of electric generation from renewable sources; % registered voters voting in general election; % structurally deficient bridges; etc. Not all performance measures have measurable Indicators, although the performance measure may well inform the ultimate Outcome and/or the state of the Outcome..

		Performance Measure Data				
		FY 2015	FY 2016	FY 2017 Budget	FY 2017 BAA	FY 2018 Budget
Performance Measure A:	(scroll down and select)					
Number of business renewals.	1. How much did we do? (a.k.a. quantity or output) (Good PM)					
Type of PM A:	2. How well did we do it? (a.k.a. quality or efficiency) (Better PM)					
	3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)					
		25	48,630	51,654	50,000	53,000
Performance Measure B:	(scroll down and select)					
Corporations/Business Service Revenue	1. How much did we do? (a.k.a. quantity or output) (Good PM)					
Type of PM B:	2. How well did we do it? (a.k.a. quality or efficiency) (Better PM)					
	3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)					
		26	5,936,069	6,122,754	5,936,069	6,122,754
Performance Measure C:	(scroll down and select)					
Number of online transactions.	1. How much did we do? (a.k.a. quantity or output) (Good PM)					
Type of PM C:	2. How well did we do it? (a.k.a. quality or efficiency) (Better PM)					
	3. Is anyone better off? (a.k.a. effectiveness or result/outcome) (Best PM)					
		27	90.74%	92.94%	95%	97%

FY 2018 GOVERNOR'S BUDGET RECOMMENDATIONS - PROGRAM PERFORMANCE MEASURES

AGENCY NAME:	Secretary of State's Office
DEPARTMENT NAME:	
DIVISION NAME:	Corporations/Business Services Division
NARRATIVE/COMMENTS/STORY: Describe the program. Who/what does it serve? Are there any data limitations or caveats? Explain trend or recent changes. Speak to new initiatives expected to have future impact.	
CORPORATIONS RECEIVES NO GENERAL FUNDS. Notes: Non-profits have biennial reporting vs. annual - for profits. FY16 had more non-profits register biennial reports. The online system has been in place since 2014 with continued refinements to reporting and additional entities added. Fees were last increased in 2014, therefore revenue changes are due to increased volume of transactions. In FY14 there were a total of 87,509 unique transactions compared to FY15 at 82,146 and FY16 of \$93,430. The Corporations Division consists of four full time specialists, a temporary and 50% of a Division Director. FY17 is the final year where implementation costs for the online system will be paid. FY18 and beyond will be maintenance as well as upgrades, such as mobile application for renewals, and integration of financial transactions to the State Finance System VISION (we are also implementing this with our online NGLP to eliminate the manual time to create and enter \$10,000,000 of transactions).	