

Office of the Vermont Secretary of State Fiscal Year 2019 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:

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



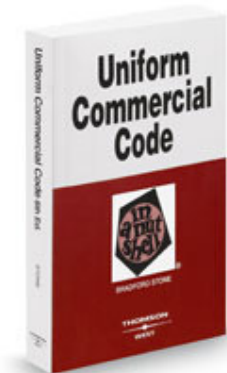
- **Office of Professional Regulation**

- Protects the public through the effective regulation of 50 profession types 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 103,000 unique transactions in FY17
- Collected \$7 million revenue in FY17



- **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 & 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 many 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 Fund is composed primarily of Corporations fees:

Pays 100% of salaries for VSARA; four positions in Elections; and 43% of Executive and Administrative Services staff and administration. The estimated FY19 budget is \$4,936,085, an increase of 3.5% over FY18, all of which is salary and benefit contractual increases.

The SOS Service Fund sweeps excess revenue at the end of each fiscal year to the GF.

2) 21150 – OPR Fund:

Separate from with no effect on GF. Per statute, cannot be used for costs outside of professional licensing. Funds the OPR Division and 48% of Executive & Administrative Services staff and administration.

Estimated budget for FY19 is \$5,505,528, a 11.6% decrease from FY18, due to completion of the NGLP implementation and associated costs.

3) 22025 – HAVA Fund:

Separate from with 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. The estimated FY19 budget is \$1,220,416, which is a 1.1% increase from FY18. Planning for municipal election needs is part of our process for the next 4-5 years. For example, 1/3 (or more) of the current HAVA fund balance will be required to purchase tabulators by 2020.

There is no replenishment of HAVA funds from Congress expected in the near future.

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
2017	3	0	3

2013-2017 includes one paid intern who works 5 hrs. weekly

SoS Overtime	Hours	Amount
FY12	1771	51,978
FY13	1707	49,315
FY14	1756	51,711
FY15	1780	51,950
FY16	1745	53,733
FY17	600	21,595



FY19 Budget Pressures affecting all Funds

- **Salary and benefit increases.**

FY19 Budget Pressures affecting SoS Service Fund

- **Corporations IT Project:**
 - 100% SoS Service Fund - maintenance, hosting and enhancements through contract term;
 - Upgrades in FY19: VISION transaction integration, digitizing of corporations records, other enhancements.
- **Elections IT Project:**
 - 70% Federal (HAVA) & 30% SOS Services Fund split for maintenance, hosting and enhancements through contract term.

FY19 Budget Pressures affecting HAVA (Federal) Fund

- **Voter Accessibility Project:**
 - Federally mandated requirement;
 - 100% Federal funds at a cost of \$1,282,650.00, from 01/16/2018, through 01/15/2023;
 - We have utilized the State of Vermont procurement process and are in the beginning phases of implementation, with an expected completion in FY2019.

FY19 Budget Pressures affecting OPR Fund

- **Next Generation Licensing Project (NGLP)**
 - Utilized the State of Vermont procurement process
 - In the final stages of implementation.
 - Project implementation, and associated payment, to be completed in FY18.
 - Annual maintenance for the first year;
 - Placeholder for capacity to add additional professions to NGLP; and
 - Last two months of overlap with existing vendor paid in FY19.

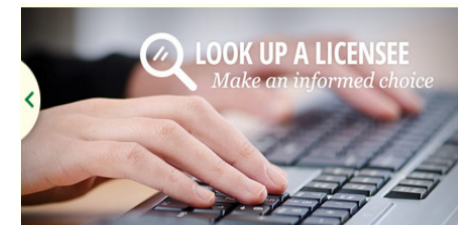
Next Generation Licensing Platform

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;
 - With 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 modeling.



Voter Accessibility Project

- Elections Division is in the beginning stages of replacing the current accessible voting system for individuals with disabilities, including the blind and visually impaired.
- 100% HAVA EAC Fund (Federal).
- New system will provide the individuals with the ability to:
 - Vote in the polling place, print their ballots from the system and place the ballot in the tabulator or ballot box just like any other voter; and
 - Allow for an early/absentee voting option via a web-based solution, which provides the user with ability to vote independently and privately from their home.



FY19 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:
							IDT AHS reimbursement for Nursing Program Mgr. Has been \$75,000 since 2004, will be requesting increase to \$125,000 from DAIL for FY20 to cover costs.
FY18 As Passed	4,770,000	6,225,000	12,000	75,000	1,207,000	12,289,000	
FY19 Changes							
Personal Services:							
Salary & Fringe Benefit	166,085	56,063	0	0	(5,152)	216,996	Salary & benefits per contract for all funds including reclassifications.
Per Diem and Other Personal Services	0	(2,813)	0	0	0	(2,813)	Realign FY19 budget request to FY17 budget actuals.
Contracted & 3rd Party Services - IT Systems Maintenance and Upgrades (Corps System, Elections, OPR NGLP, IT Security, Web 2.0)	0	(735,047)	0	0	17,929	(717,118)	OPR's Next Generation Licensing Platform (NGLP) transitions from implementation to maintenance and enhancement mode.
Operating Expenses:							
WC/DII/DHR/Single Audit Chargebacks - 505200, 505010, 516000, 516010, 516671, 516685, 519006, 523620, Other purchased services	0	(62,667)	0	0	117	(62,550)	OPR's NGLP transitions from implementation to maintenance and enhancement mode.
Equipment	0	(2,887)	0	0	0	(2,887)	Realign FY19 budget request to FY17 budget actuals.
IT/Telecom Services and Equipment	0	59,913	0	0	522	60,435	Realign FY19 budget request to FY17 budget actuals.
Travel	0	(35,004)	0	0	0	(35,004)	Realign FY19 budget request to FY17 budget actuals.
Supplies	0	2,374	0	0	0	2,374	Realign FY19 budget request to FY17 budget actuals.
Rental Other	0	(271)	0	0	0	(271)	Realign FY19 budget request to FY17 budget actuals.
Rental Property - Other than FFS - OPR Office Space, Civics Storage Rental	0	3,190	0	0	0	3,190	Realign FY19 budget request to FY17 budget actuals.
Property and Maintenance	0	(2,323)	0	0	0	(2,323)	Realign FY19 budget request to FY17 budget actuals.
Grants Out						0	
FY19 Changes	166,085	(719,472)	0	0	13,416	(539,971)	
FY19 Gov Recommended	4,936,085	5,505,528	12,000	75,000	1,220,416	11,749,029	
FY19 Subtotal of Legislative Changes	0	0	0	0	0	0	
FY19 As Passed - Dept ID 2230010000	4,936,085	5,505,528	12,000	75,000	1,220,416	11,749,029	

FISCAL YEAR 2019 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 gove	FY 2017 expenditures	1,924,349	0	12,000	1,936,349	18
	FY 2018 estimated expenditures	1,840,887	0	12,000	1,852,887	18
	FY 2019 budget request	1,740,204	0	12,000	1,752,204	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 pract	<i>FY Appr. = \$5,965,161 + \$700,000 ERR</i>					
	FY 2017 expenditures	6,615,161	0	75,000	6,690,161	33
	FY 2018 estimated expenditures	6,225,000	0	75,000	6,300,000	33
	FY 2019 budget request	5,505,528	0	75,000	5,580,528	33
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	FY 2017 expenditures	997,003	0	0	997,003	4
	FY 2018 estimated expenditures	588,203	0	0	588,203	4
	FY 2019 budget request	756,294	0	0	756,294	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 Vermon	FY 2017 expenditures	661,305	453,477	0	1,114,782	5
	FY 2018 estimated expenditures	442,999	992,124	0	1,435,123	5
	FY 2019 budget request	431,139	1,002,409	0	1,433,548	5
	MUNICIPAL & CIVICS EDUCATION					
This program provides advice and assistance to municipal officials and promotes civics education.	FY 2017 expenditures	4,752	0	0	4,752	0.5
	FY 2018 estimated expenditures	10,205	0	0	10,205	0.5
	FY 2019 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 2017 expenditures	28,724	0	0	28,724	0.5
	FY 2018 estimated expenditures	32,219	0	0	32,219	0.5
	FY 2019 budget request	33,351	0	0	33,351	0.5
	SOS Administration					
Secretary of State, Deputy Secretary of State, General Counsel, Executive Assistant. Division of Administrative Services (Information Technology, Human Resources, Finance, Contracting, Business Office, Purchasing, Facilities, Continuity of Operations,	FY 2017 expenditures	1,828,143	186,649	0	2,014,792	13
	FY 2018 estimated expenditures	1,855,487	214,876	0	2,070,363	13
	FY 2019 budget request	1,968,499	218,007	0	2,186,506	13
	Total Department					
FY 2017 expenditures includes \$650K pre-approved 21150 ERR	12,059,436	640,126	87,000	12,786,562	74	
FY 2018 estimated expenditures	10,995,000	1,207,000	87,000	12,289,000	74	
FY 2019 budget request	10,441,613	1,220,416	87,000	11,749,029	75	
21928 \$145K unexpended			0			
21928 \$130K preapproved ERR from FY17 for FY18 - not in totals						