



State of Vermont
Office of the Secretary of State
128 State Street
Montpelier, VT 05633-1101

[phone] 802-828-2363
[fax] 802-828-2496
www.sec.state.vt.us

James C. Condos, Secretary of State
Christopher D. Winters, Deputy Secretary

Deputy Secretary of State Chris Winters Overview **for Senate Economic Development, Housing and General Affairs**

January 13, 2017

Thank you for the opportunity to provide you with an overview of the Secretary of State's Office and in particular the Business Portal. We have met with other committees this week and for the benefit of the many new members of the legislature and of the various committees, we have been discussing the basic functions of our office. As you may know, the Secretary of State's Office has a diverse set of responsibilities. We find that most people do not know what the Secretary of State's office does beyond elections.

As a small agency interacting with Vermonters and Vermont businesses every day, we have a great appreciation for the importance of smart government and its role in commerce and economic development. Setting the public policy is one thing, but enacting that policy in a smart way too often gets lost in the halls of state agencies and departments.

As Vermont's 38th Secretary of State, Jim Condos is proud of our track record in working toward:

- Open, transparent government, and
- Good government solutions that are
 - well-designed,
 - efficient, and
 - customer friendly
 - while still protecting the Vermonters we serve.

For example, Secretary Condos has implemented 5 IT solutions in his time as Secretary of State – a Website overhaul, Corporations (including the Business Portal), Elections, Campaign Finance, and Lobbying – all on budget and working well! You have asked that we come speak to you about our Corporations Division and the One Stop Business Portal and we're glad to have the opportunity to do so. I'll walk you through the portal by using our powerpoint presentation from about a year ago when we announced the integration with tax and labor. I have also provided background information on the rest of our divisions for your convenience.

As you may already know, we have five divisions here at the SoS Office:

- **OPR** – Protecting the public's health and safety through professional regulation and leading the way with efficient, effective licensing and enforcement systems
- **VSARA** – Preserving/protecting our state's most valued history, public records, and the access to those public records by working collaboratively with the rest of state gov't

- **Elections** – Safeguarding the integrity and accuracy of our elections while increasing voter participation and creating more effective election administration
 - **Corporations** – Ensuring proper registration & public protection while facilitating business and commerce in VT
 - **Administration/Business Office** – A fifth division of our office making sure we live within our means, provide true accounting of our budgets, and have the resources needed to provide services. Marlene Betit is the Director for these last two divisions.
-

In addition to these divisions, we have many other programs, to name a few...

- **Municipal** – Fielding inquiries every day from muni officials and from VT citizens, providing much needed guidance on how to operate within the law (1200 calls/emails last year) including publications
 - **Public records / Open meetings** – Increasing transparency in gov't by providing for free, open examination of records consistent with Chapter I, Article 6 of the VT Constitution and the public's right to observe and participate in public meetings
 - **Safe at Home** – Providing an address confidentiality for victims of DV, sexual assault, and stalking (Now more than 150 participants up from 100)
 - **Temporary Officiant Program** – Allowing individuals to register with our office to perform a single marriage (~1200 / yr)
 - **APA Rules and Legislative Clerk** – The repository for all acts and resolves passed by the legislature and the processing gatekeeper ensuring that all administrative rules filings comply with public notice and hearing requirements
-

With this in mind, here are our top Legislative priorities for 2017:

Ethics Commission – Participate in further amendments and (hopefully) passage. We appreciate the work done thus far. We will advocate for: adequate funding, independence, clear standards and definitions, education, inclusion of municipals.

Notaries – We must update ancient laws and ensure notaries are aware of their responsibilities as the first line of fraud prevention. Ensure VT's public/private sector documents can go across state lines. Allow electronic notarization. Create a user friendly and efficient commissioning process.

Open Meetings / Public Records – Participate in the discussion regarding: copies vs. inspection; charging; burden on state and municipalities vs. access by the public; serial meetings language; and possible social media language.

Annual OPR Bill – We have various updates for several professions addressing the ever-changing world of the 50 different profession regulated by OPR. Include AGO recommended language to comply with recent anti-trust court decisions.

Professional Regulation Survey – Review responses on licensing in Vermont and how it is done across several different agencies for about 40 other professions outside OPR. Identify opportunities to unify and streamline for efficiency and better service and protection.

Vermont State Archives and Records Administration (VSARA) Housekeeping – Clarify outdated state records obligations transferring from libraries to VSARA, look to simplify charter changes certifications, other filings, records management updates.

Vital Records Study Committee – Advocate an effective and centralized system meeting public health needs, with improved management of these record and reasonable security around obtaining certified copies.

Elections Housekeeping – Various fixes from lessons learned over the past election.

Elections – We expect there will be several other issues raised requiring our participation, such as:

- undue influence,
- public financing,
- campaign finance
- and recount procedures.

Corporations – A major overhaul to the operations portions of the law, making business entity filings simpler and more consistent.

Budget Bill – Since 2013, the SOS Office has received no General Fund dollars. We have three primary funds:

- The SOS Service Fund is composed primarily of Corporations fees: it pays 100% of salaries for VSARA and four positions in Elections. The SOS Service fund sweeps excess revenue at the end of each fiscal year to the GF.
- The OPR Fund is a special fund with no effect on GF. Per State statute this fund comprised of licensing fees cannot be used for costs outside of professional licensing. OPR is completely self-supporting and we adjust fees up or down depending on our costs.
- The HAVA (Help America Vote Act) Fund is separated from other funds in our office, and has no effect on GF. Per federal law to it is only to be used for specific costs related to federal elections. This funds one FTE in the Elections Division.

Corporations

(5 employees, including its director who also oversees admin services and business office)

Strive to provide a business friendly environment and facilitate doing business in Vermont through the business registration of corps, partnerships, LLCs, UCC filings, trademark and trade name registrations.

2016 Accomplishments:

- Almost 100,000 unique transactions per year.
- 51,654 Business Renewals vs 48,630 for FY15 – indicator for healthy, modestly growing economy.
- Collecting approximately \$5.9 million in annual receipts.
- Comprehensive LLC law revisions now implemented.
- New Corporations System continued from last year:
 - ~92.94% online, expecting usage to increase with time.
 - Business registration, annual reports, changes, liens, and renewals all online.
 - Previously, 30-40,000 annual reports mailed with 8-10 weeks to process --
 - Today: done in seconds online, in real time.
 - Previously: business registration in 10-12 days --
 - Today: same day and in many cases within the hour (UCC filings as well).
- One-Stop Business portal – collaboration with Tax and Labor:
 - New businesses enter their information only once and multiple agencies are able to share that data for separate functions in tax and labor.
 - A single login and inbox per business means that all of your business related compliance needs with the state are now in one place.
 - The Vermont Dep't of Tax and Labor experience very positive - user friendly and much more efficient than paper filing.

2017 Goals:

- Phase II of the One-Stop Business Portal – how else can we help make it easier to do business in Vermont while making it easier for the agencies as well?
- Revise entity registrations for consistency with updated LLC laws.
- Continue records management organization and retention schedule – increase access to agency records, improve internal efficiency in responding to requests, move to digital records.
- Continue to assist customers with online filings and comfort with the system.
- Continue to increase efficiency and reduce processing times.

2018 Goals:

- Integration to VISION finance system

Legislation:

- Corporations Filing Overhaul – for consistency and ease of use (UBOC)

Office of Professional Regulation (OPR)

(35 employees, including its director)

OPR Serves 50 professions and ~60,000 licensees and:

- Protects the public from unethical, incompetent and unprofessional behavior by licensed practitioners;
- Sets and enforces standards for licensure and for practice once licensed;
- Ensures equity in licensing, regulation & discipline;
- Fairly and responsibly administers the rules and statutes pertaining to these professions/occupations;
- Serves the public, employers and licensees in all aspects of our lives every day, from accountants to cosmetologists to nurses to veterinarians.

2016 Accomplishments:

- Continued improvements in technology allowed for increased online renewals for every profession at nearly 100%.
- ALL license types are now online for initial applications, reducing processing times dramatically.
 - 42% processed the same day,
 - 51% in 3 days or less
 - 5 years ago average processing times were 4x longer (16 days today vs. 57 – this is an average including the complex professions).
- OPR has continually reformed the hearing and enforcement process to improve the due process, ensure fair outcomes, and increase efficiency.
- Case processing times continue to drop due to streamlined process.
- Improved metrics/benchmarks - with the addition of a research & statistics analyst and a business process manager.
- Continued reorganization of staff roles and responsibilities to optimize process and efficiency.
- Intense work on the next generation licensing platform is now under way:
 - Business process manager is focused on process and best practices as the system is being designed and built
 - We have been through an extensive business analysis and requirements gathering
 - Extensive RFP process and intense contract negotiations
 - As this project is completed, it is taking OPR to the next level of service and efficiency and will position OPR to more easily onboard new professions with minimal reliance on the vendor.
- Onboarding of new professions: DEC, Foresters, LADC.
- Improved pharmacy inspection program.
- Compilation of Vermont professional regulation survey.

2017 Targets:

- Next Generation Licensing Platform complete.
- Staff trained for self-supporting onboarding new professions and system configuration.
- Paperless renewal and initial licensure at the next level of customer service allowed by the NGLP – saving money, improving efficiency equally.
- Improved reporting, and workload metrics to improve performance measurements.
- Continue reducing application and case processing times.
- Implement new professions (as Legislature deems appropriate).
- Continue to position OPR to take on additional professions from other agencies where it makes sense.

Legislation:

OPR Bill – housekeeping, anti-trust provisions,
Reporting of other state agency licensing
Notaries – possibly at OPR

Vermont State Archives and Records Administration (VSARA)

(18 employees, including its director, the State Archivist)

1. Preserving and providing access to permanent state archival records;
2. Operating State Records Center for inactive agency/department records;
3. Issuing records retention and related management requirements to state and local government;
4. Carrying out several statutory filing requirements, included APA, Leg. Clerk, etc.; and
5. Certifying vital records that five years or older on behalf of the Department of Health.

Strategic Goals:

- The public has access to authentic and reliable records for as long as needed to protect interests and to assure government accountability.
- Public agencies have the tools and resources necessary to manage their records and information in an effective and efficient manner.
- Records of continuing value are preserved and accessible to current and future generations.
- Low-cost, secure repositories for public records, regardless of format, are available at an enterprise or state level.

2016 Accomplishments:

- State Archivist became critical member of DII's Office 365 project team (state email system and most day-to-day recordkeeping activities in state agencies/depts.)
- Digital archival records in state archives now preserved and secure in a digital archives system at very little cost. Pilot version of a public access portal now available.
- Most but not all public records at Libraries at risk of destruction were transferred to VSARA. Now preserved and accessible to the public.
- Expanded education and outreach to municipalities and established records management workgroups with related local government associations.
- Significantly increased public outreach for the state archives through Archives Month activities and social media.

2017 Targets:

- Expand the State Archivist' role and responsibilities for statewide systems to assure both records management and digital preservation requirements are capable of being met.
- Revitalize the State Records Management Program under the new administration and issuing much needed information management standards and record schedules that were stalled leading up to transition.
- Increase transfers into the state archives, particularly for records currently at risk.
- Significantly streamline statutory filings between the Office of the Secretary of State and other state entities to make processes more efficient and eliminate outdated requirements.

Legislation:

- Vital Records
- Agency/Department Records Management Programs
- Libraries resolution/clean-up
- Statutory filings/Charter changes clean-up

Elections

(5 employees, including its Director)

1. To preserve the integrity of campaigns and elections;
2. To provide a customer friendly environment to educate and train citizens, voters, candidates, lobbyists and public officials by:
 - a. Administering federal and state law relating to elections
 - b. Promoting voter registration
 - c. Overseeing and assisting in the conduct of elections
 - d. Providing for campaign finance disclosure
 - e. Administering lobbyist disclosure

2016 Accomplishments:

- Design, testing and launch of a new Elections Management System (EMS), Online Voter Registration (OVR) and My Voter Page (MVP) – a massive effort.
- Completed the training and support of all 246 town clerks
- 1200 voter registrations since OLVR implementation 3 months ago
- Continued implementation of a new Campaign Finance Information System – first full cycle where it was mandatory
- Continued successful implementation of new Lobbyist Info System, registrations and renewals
- Local elections support, education and training for Town Meeting Day and three major elections including a presidential primary, statewide primary and General Election
- Joint trainings with VSBA and VLCT, including on Act 46
- Ranked as #1 Elections Division in the country for customer service and elections transparency by Ballotpedia.

2017 Targets:

- Continued Successful implementation of new VEMS – as the laws and processes change, the system does too.
- Oversee/assist clerks with implementation of both Automatic Voter Registration from DMV and Election Day Registration with updated materials and development of best practices with clerks.
- Successful annual meeting, presidential primary, statewide primary, and general elections
- Continued support/education for muni officials and VTers about election issues, including collaboration with VLCT, VSBA and AOE on school dist. mergers & ACT 46 implementation
- Voter registration initiatives, increasing voter access – encouraging registration prior to Election Day to reduce burden on clerks on Election Day.
- Expanded use of video (on website and via social media) to engage voters and other users of public facing systems.
- I look forward to continuing to work with the towns toward successfully administered elections and preparing for election day registration in 2017

Legislation:

- Elections Clean-up Bill – fairly significant but mostly non-controversial > goal is to modernize/make statutes reflect current practice.
- Separate Bill with revisions to the Recount process (informed by some of the issues that arose during this year's recounts).
- Other potential subjects: Undue influence, campaign finance

Municipal Assistance

(1 employee who is SOS General Counsel)

Vermont's communities could not function without the service and commitment of our public officials. The Secretary of State's Office believes it is important that our local leaders and the citizens of our towns have help navigating the complex and ever-changing laws that apply to them.

2016 Accomplishments:

- Completed our first year with a full time general counsel dedicated to municipal assistance.
- We respond to dozens of inquiries about our municipal and open government laws each week—over 1200 in 2016! Questions are posed by both members of the public and officials (about a 50/50 split) and cover just about every topic imaginable affecting local governments, from abatement proceedings to zoning ordinances.
- We offer free publications, intended to help local officials do their jobs and to strengthen Vermont's communities by encouraging civic participation.
- We released our revised Guide to Open Meetings which now contains guidance on complying with Vermont's open meeting laws when using social media and electronic communications. Updates to five more publications (including access to public records, burials and cemeteries, conflict of interest ordinances, the duties of justices of the peace, and property tax assessment appeals) are in the works.
- Participated in VLCT trainings and participated in educational opportunities for local boards upon request.

2017 Targets:

- Update the remainder of our publications.
- Build out the municipal section of our website and offering additional trainings for local officials.
- Revive the *Opinions* newsletter in electronic format

Legislation:

- Open meeting and public record law updates