

AGENCY NAME:	Secretary of State		
AGENCY CODE:	E080	SECTION:	096



**Fiscal Year 2018-19
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS (FORM D)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Melissa Dunlap	803-734-2157	mdunlap@sos.sc.gov
SECONDARY CONTACT:	LaToria Williams	803-734-1723	lwilliams@sos.sc.gov

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	<i>Mark Hammond</i>	9/14/17
TYPE/PRINT NAME:	Mark Hammond	

This form must be signed by the agency head – not a delegate.

Fiscal Year 2018-19 Budget Request Executive Summary

Agency Code: E080
 Agency Name: Secretary of State
 Section:

BUDGET REQUESTS			FUNDING				FTES					
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Other Funds Authorization Increase			150,000		150,000					0.00
2	B1 - Recurring	Other Funds Retirement, Health and Dental Increase			20,900		20,900					0.00
3							0					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			0	0	170,900	0	170,900	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1 – Form #13053
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Authorization Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other: \$150,000 Total: \$150,000
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

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ACCOUNTABILITY OF FUNDS	<p>1.1.1 Provide 24/7 service to customers.</p> <p>1.1.2 Expand services by increasing accessibility for mobile devices.</p> <p>2.1.1 Provide data for internal and external customers.</p> <p>2.2.2 Increase the number of business filings submitted online.</p> <p>4.1.1 Participate in multi-state enforcement actions to protect the citizens of the state.</p> <p>4.2.1 Provide trainings to charity and raffle groups statewide.</p> <p>4.2.2 Publish additional reports on the agency website to educate and protect charitable donors.</p> <p>4.2.3 Develop educational material for target areas concerning charitable solicitation.</p> <p>4.3.1 Protect charitable donors in the state through filings injunctions against noncompliant organizations.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>Anticipated fund recipients would include information technology vendors for IT equipment and upgrades. Secretary of State's Office employees would also benefit.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The Secretary of State's Office returned over \$6,800,000 to the State General Fund last year. The agency continues to have increases in general operating expenses that are out of the agency's control. The office is seeking an increase in spending authority in order to self-fund several information technology initiatives rather than asking for an increase in general fund appropriations or requesting a large capital request. A review of the salaries and fringe corresponding to each employee determined that additional funding is required. The requested amount is required to accomplish the statutorily mandated duties and mission of the Secretary of State's Office, and includes the enforcement of the Solicitation of Charitable Funds Act, SC Code §3-56-10, et seq. An increase of \$150,000 in operating will be spread throughout the programs in the agency. The charities/raffles/professional fundraiser web application was built in 2007 on what is now an older and unsupported .net framework. The application must be updated to provide security, future enhancements, and upgrades to include access on mobile devices. In addition, other improvements to the charities web application must be done to provide increased functionality for public users and charities staff. Existing hardware will also be replaced to ensure serviceability of the application. If the funds are not received, necessary upgrades to the application cannot be made.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2 – Form #13054
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Retirement, Health and Dental Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other:\$20,990 Total:\$20,990
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

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ACCOUNTABILITY OF FUNDS	<ul style="list-style-type: none"> 1.1.1 Provide 24/7 service to customers. 1.1.2 Expand services by increasing accessibility for mobile devices. 2.1.1 Provide data for internal and external customers. 2.2.2 Increase the number of business filings submitted online. 4.1.1 Participate in multi-state enforcement actions to protect the citizens of the state. 4.2.1 Provide trainings to charity and raffle groups statewide. 4.2.2 Publish additional reports on the agency website to educate and protect charitable donors. 4.2.3 Develop educational material for target areas concerning charitable solicitation. 4.3.1 Protect charitable donors in the state through filings injunctions against noncompliant organizations.
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	Secretary of State's Office employees
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The Secretary of State's Office has 14 FTE's supported by other funds. In FY 2017-18, we will need \$159, 870.96 in employer contributions for health and dental, as opposed to \$152,246.64 in FY 2016-17. In FY 2017-18, we will need \$266,530.32 in employer contributions for retirement, as opposed to \$235,033.68 64 in FY 2016-17. With the rate increasing, we need to increase our other funds authorization in retirement, health and dental to cover the employer portion.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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SUMMARY	<p>Service delivery to customers would be directly impacted by the reduction of an FTE. Elimination of funding for an FTE would hinder the Secretary of State’s Office in providing staff to fulfill the statutory duties of the agency. The 3% possible future cut would require moving a state funded position to an other funded position. It would also prevent the office from filling any position that becomes vacant. This would impact the agency’s ability to serve customers.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	<p>The Secretary of State’s Office continues to reduce costs to taxpayers by working with the state portal, SC.gov, to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings online applications. No multi-million dollar capital requests were made for either project Thus the services were provided at no cost to the taxpayers. During FY 2017-18, the office will continue to work with SC.gov on the online business filings, search and document retrieval application and revise the office website. The Secretary of State’s Office is an integral part of conducting business in the state and constantly works to provide customers the best possible online solutions while saving taxpayers money.</p>
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Fines and Fees
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Not applicable.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td><input checked="" type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other</td> </tr> </table>	<input checked="" type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
<input checked="" type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								

METHOD OF CALCULATION	Not applicable.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	Filing fees in the Secretary of State’s Office are set by the General Assembly and cannot be reduced by the office. The Secretary of State’s Office returned \$6.8 million dollars to the General Fund in FY 2016-17 for fees collected.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	Securities Division, 113-1 through 113-26
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

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SUMMARY	<p>Since the Secretary of State no longer administers the Securities Division, the office formally began the process of repealing regulations 113-1 through 113-26 in March of 2016. This process was underway prior to the issuance of the Executive Order 2017-09. Document 4649, which would repeal these regulations, is currently pending in the General Assembly.</p> <p>The Secretary of State's Office Filing fees in the Secretary of State's Office are set by the General Assembly and cannot be reduced by the office. The Secretary of State's Office returned \$6.8 million dollars to the General Fund in FY 2016-17 for fees collected.</p>
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?