

**Office of the Vermont Secretary of State  
Fiscal Year 2020 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.
- **Municipal & Civics Education**
  - Promoting and strengthening positive state-local interactions by providing information, assistance, and educational materials related to municipal and open government laws through Municipal Programs.



## Vermont State Archives & Records Administration

- **Administers a Statewide Records & Information Management Program for all public agencies.**
- **Directs public agencies on the life cycle management, retention, & disposition of public records & data.**
- **Manages three low-cost, secure repositories & systems for public records: the State Records Center; the State Archives; & the Digital State Archives – VT Re-tain.**



Photo credit: JEB WALLACE-BRODEUR

## 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.**



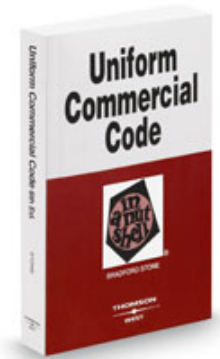
## Office of Professional Regulation

- Protects the public through the effective regulation of 50 profession types and approximately 70,000 licensees, 10,000 new applications in FY18
- Investigates and prosecutes complaints of unlicensed or unprofessional conduct, 890 complaints in FY18.
- Assures licensing standards are current and promotes safe & effective practice.



## Corporations and Business Registration

- Business registration and filing office for secured transactions under UCC.
- Accomplished 105,000 unique transactions in FY18, 96% were online.
- In FY18 we collected \$6.89 million in revenue and 58,000 business renewals.
- FY18 implementation of Blockchain, LLC subtype, & Data Brokers.



## Municipal and Civics Education

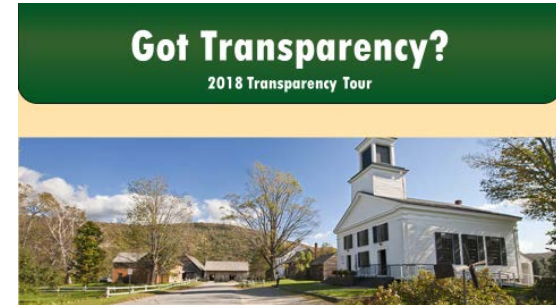
- Provides information & education to local officials and members of the public regarding open government municipal matters.
- Municipal inquiries average 100+ per month.
- Publishes municipal handbooks and provides trainings. Coming soon: updated Justice of the Peace and Open Meeting Law guides!
- Promotes civics education and civic participation by citizens of all ages.

## Safe at Home

- Serves 160 individuals by 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.

## Temporary Officiant Program

- 18 V.S.A. § 5144a allows the Vermont Secretary of State to authorize individuals to officiate at specific marriages in Vermont. 1500 applicants in FY18 and implementation of online portal in December 2018.



## 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
2018	2	0	2

*2013 – 2018 includes one intern who works 5 hrs. weekly*

Overtime	Hours	Amount
FY12	1771	51,978
FY13	680	18,055
FY14	844	24,892
FY15	591	19,517
FY16	668	35,178
FY17	600	21,595
FY18	1085	40,656

## 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 salary and benefits for VSARA's 19 FTE's; four positions in Elections; and 43% of Executive and Administrative Services staff and administration

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

FY20 Budget Pressures - The estimated FY20 budget is \$5,096,708, an increase of 3.25% due to:

- Salary and benefit contractual increases; and
- 5% Elections match of \$150,000 required by 2018 HAVA EAC Security Grant by 3/23/20.

Grants received in FY18 & FY19 for VSARA:

1) Federal - National Historical Publications and Records Grants - \$40K:

To improve public access to, and engagement with, Vermont historical records and encourage and facilitate collaborative efforts among Vermont historical records repositories.

2) Performing Arts Readiness New Network Grant Program - \$15K:

In collaboration with the Vermont Arts Council, facilitate lead representatives from a diverse range of organizations through the process of developing a statewide emergency preparedness and response network for performing arts and cultural heritage organizations.

## Secretary of State Source & Use of Funds Continued

- 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 & Division of Administrative Services staff and administration.

FY20 Budget Pressures - The estimated FY20 budget is \$6,285,337, a 14.16% increase from FY19 due to:

- Salary and benefit contractual increases; and
- Next Generation Licensing Platform (NGLP) enhancements, including placeholder for capacity for additional professions.

Federal Grant received in FY19 from the Department of Labor for \$450K, over three years:

The grant supports Vermont's analysis of relevant licensing criteria, potential portability issues, and whether licensing requirements are overly broad or burdensome. Excessive licensing can create economic barriers for job seekers including veterans, military personnel and their families.

**FY20 Legislative Session: OPR Bill 1 FTE and Home Improvement Contractors Bill 1 FTE.**



## Secretary of State Source & Use of Funds Continued

### 3) 2025 – HAVA EAC Funds – 2 Grants:

- Separate from with no effect on GF;
- Per Federal law to be used for specific costs related to federal elections and security; and
- The FY20 budget request for both grant funds = 64% increase from FY19.



#### a) Title II Sec. 251 (balance approximately \$6M):

- Planning for municipal election needs for the next 4-5 years. For example, 1/3 (or more) of the current HAVA Sec 251 fund balance will be required to purchase tabulators by end of 2020;
- Annual operating & maintenance costs on our comprehensive election management system, including our statewide voter checklist, candidate management, and election results processing & reporting systems.
- Upgrades to system including “two-factor authorization” login process for the statewide voter checklist and election management system; and
- Funds one FTE.

#### b) NEW 2018 Security Grant \$3,000,000 to be used over five years, requires 5% state match.

- 2018 Security Grant provides 100% funding of Voter Accessibility Project, federally mandated, at a cost of \$1,282,650.00, from 1/16/2018, through 01/15/2023;
  - Saving the state money versus the previous old antiquated analog system.
- Funded post-election audit of the November 6, 2018, Federal Election;
- Pre-Federal Election penetration testing;
- Accessible voting system training regionally to municipal officials; and
- Secure the human online cyber-security webinars for town and city clerks.

**FISCAL YEAR 2020 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	
<b>VERMONT STATE ARCHIVES &amp; RECORDS ADMINISTRATION</b>						
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 2018 expenditures	1,834,428	0	12,000	1,846,428	18
	FY 2019 estimated expenditures	2,083,955	0	12,000	2,095,955	19
	FY 2020 budget request	2,232,678	0	12,000	2,244,678	19
<b>PROFESSIONAL REGULATION</b>						
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 2018 expenditures	6,224,483	0	75,000	6,299,483	34
	FY 2019 estimated expenditures	5,505,528	0	0	5,505,528	35
	FY 2020 budget request	6,285,337	150,000	0	6,435,337	35
<b>CORPORATIONS</b>						
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 2018 expenditures	879,220	0	0	879,220	4
	FY 2019 estimated expenditures	1,035,308	0	0	1,035,308	5
	FY 2020 budget request	1,131,886	0	0	1,131,886	5
<b>ELECTIONS &amp; CAMPAIGN FINANCE</b>						
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. FY16 includes last year of implementation costs for new Elections suite.	FY 2018 expenditures	549,808	860,302	0	1,410,110	4
	FY 2019 estimated expenditures	634,381	1,220,416	0	1,854,797	4
	FY 2020 budget request	638,268	1,785,517	0	2,423,785	4
<b>MUNICIPAL &amp; CIVICS EDUCATION</b>						
This program provides advice and assistance to municipal officials and promotes civics education.	FY 2018 expenditures	216	0	0	216	1
	FY 2019 estimated expenditures	6,600	0	0	6,600	1
	FY 2020 budget request	6,600	0	0	6,600	1
<b>SAFE AT HOME</b>						
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 2018 expenditures	30,041	0	0	30,041	0.5
	FY 2019 estimated expenditures	33,351	0	0	33,351	0.5
	FY 2020 budget request	34,945	0	0	34,945	0.5
<b>SOS Administration &amp; Division of Administrative Services</b>						
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, Temporary Officiant Registration, Reception).	FY 2018 expenditures	883,103	192,495	0	1,075,598	12.5
	FY 2019 estimated expenditures	1,170,369	214,876	0	1,385,245	12.5
	FY 2020 budget request	1,052,333	218,007	0	1,270,340	12.5
<b>Total Department</b>						
	<b>FY 2018 expenditures</b>	10,401,299	1,052,797	87,000	11,541,096	74
	<b>FY 2019 estimated expenditures</b>	10,469,492	1,435,292	12,000	11,916,784	77
	<b>FY 2020 budget request</b>	<b>\$ 11,382,045</b>	<b>\$ 2,153,524</b>	<b>\$ 12,000</b>	<b>\$ 13,547,569</b>	<b>77</b>

FY20 Department Request - Secretary of State	21928 Sec State Fund	21150 (OPR) Regulatory Fee Fund	21595 VSARA Public Records Fund	21500 IDT	22005 Federal Revenue	22025 Federal (HAVA) Fund	TOTAL	NOTES:
<b>FY19 As Passed</b>	<b>4,936,085</b>	<b>5,505,528</b>	<b>12,000</b>	<b>75,000</b>	<b>0</b>	<b>1,220,416</b>	<b>11,749,029</b>	
<b>FY20 Changes</b>								
<b>Personal Services:</b>								
Salary & Fringe Benefit	160,594	379,681	0	0	0	18,473	<b>558,748</b>	Salary & Benefit Increases due to contract
Contracted & 3rd Party Services - IT Systems Maintenance and Upgrades (Corps System, Elections, OPR NGLP, IT Security, Web 2.0)	0	342,464	0	0	0	447,927	<b>790,391</b>	Elections Security Implementation & OPR NGLP Upgrades
<b>Operating Expenses:</b>								
WC/DII/DHR/Single Audit Chargebacks - 505200, 505010, 516000,516010,516671,516685,519006, 523620, Other purchased services	29	33	0	0	0	79,286	<b>79,348</b>	Admin Allocate (Indirect)
Equipment	0	0	0	0	0	69,744	<b>69,744</b>	Elections Implementation
IT/Telecom Services and Equipment	0	0	0	0	0	141,384	<b>141,384</b>	Elections IT
DAIL IDT for Nursing Education	0	0	0	(75,000)	0	0	<b>(75,000)</b>	DAIL MOU no longer in effect - training done by DAIL
Travel	0	0	0	0	0	18,383	<b>18,383</b>	Elections Regional Municipal Officials Training
Supplies	0	0	0	0	0	4,101	<b>4,101</b>	Elections Regional Municipal Officials Training
Rental Other	0	0	0	0	0	3,810	<b>3,810</b>	Elections Regional Municipal Officials Training
Rental Property - Other than FFS - OPR Office Space	0	57,631	0	0	0	0	<b>57,631</b>	
Property and Maintenance	0	0	0	0	0	0	<b>0</b>	
Grants:					150,000		<b>150,000</b>	
<b>FY20 Changes</b>	<b>160,623</b>	<b>779,809</b>	<b>0</b>	<b>(75,000)</b>	<b>150,000</b>	<b>783,108</b>	<b>1,798,540</b>	
<b>FY20 Gov Recommended</b>	<b>5,096,708</b>	<b>6,285,337</b>	<b>12,000</b>	<b>0</b>	<b>150,000</b>	<b>2,003,524</b>	<b>13,547,569</b>	
<b>FY20 Subtotal of Legislative Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>FY20 As Passed - Dept ID 2230010000</b>	<b>5,096,708</b>	<b>6,285,337</b>	<b>12,000</b>	<b>0</b>	<b>150,000</b>	<b>2,003,524</b>	<b>13,547,569</b>	

## Secretary of State Services Fund 21928 Revenue & GF Sweep - FY15 thru FY20

<b>SOS Revenues</b>	<b>FY 15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>TOTAL FY15-FY18</b>
Estimated Sweep (Fy15, FY16, FY17, FY18, FY19 all revised up)	1,589,704	1,476,902	1,866,069	2,149,364	<b>7,082,039</b>
Plus FY18 Department of Finance transfer out of APPROP on 12/16/17	-	-	-	281,364	<b>281,364</b>
Actual Revenue Sweep after appropriation	<u>2,481,531</u>	<u>2,408,072</u>	<u>2,959,656</u>	<u>2,751,537</u>	<b><u>10,600,796</u></b>
<b>Total Excess Sweep</b>	<b>891,827</b>	<b>931,170</b>	<b>1,093,587</b>	<b>602,173</b>	<b>3,518,757</b>
Less: FY18 End of Year Balance after sweep that will be used for FY19 Primary & General overage (95K), and Corporations system enhancements due to statute revision; Blockchain (40K), Data Broker (60K), and Amusement Rides.				-203,180	-203,180
<b>Total ACTUAL Excess Sweep FY15-FY18 transferred:</b>	<b><u>891,827</u></b>	<b><u>931,170</u></b>	<b><u>1,093,587</u></b>	<b><u>398,993</u></b>	<b><u>3,315,577</u></b>
	<u><b>FY19</b></u>	<u><b>FY20</b></u>			
Projected EOY Revenue Sweep	2,607,923	2,032,817			

## Secretary of State Sponsored Statewide Initiatives

### Business Portal

- Pursuant to S.85 (Act 196) of the 2018 legislative session:  
“A steering committee composed of the Secretary of State, the Secretary of Commerce and Community Development, and the Secretary of Digital Services shall review and consider the necessary procedural and substantive steps to enhance the Secretary of State’s one-stop business portal for businesses, entrepreneurs, and citizens to provide information about starting and operating a business in Vermont; and Submit a design proposal that includes a project scope, timeline, roadmap, cost projections, and any statutory or regulatory changes needed to implement the proposal.”
- December 2018: *The Vermont Business Portal* report was published. The conclusion indicates the State of Vermont needs to invest in streamlining agency programs and business processes to enable a smooth experience for the small business owner. For the portal to be successful, there must be strong leadership from the top level of state government, strong support from the business community, and agreed upon governance structure, a solid project management plan, and a funding allocation. It is the recommendation of the Steering Committee to fund a new Portal immediately and to begin soliciting bids for solution implementation in fiscal year 2020.

State of Vermont

VTPB-11-BUDRLLUP

Organization: 2230010000 - Secretary of state

Budget Object Group: 1. PERSONAL SERVICES

Budget Object Rollup Name	FY2018 Actuals	FY2019 Original As Passed Budget	FY2019 Governor's BAA Recommended Budget	FY2020 Governor's Recommended Budget	Difference Between FY2020 Governor's Recommend and FY2019 As Passed	Percent Change FY2020 Governor's Recommend and FY2019 As Passed
Salaries and Wages	4,504,395	4,882,959	4,882,959	5,066,475	183,516	3.8%
Fringe Benefits	2,142,078	2,313,468	2,313,468	2,613,700	300,232	13.0%
Contracted and 3rd Party Service	2,221,096	1,976,686	1,976,686	2,767,006	790,320	40.0%
PerDiem and Other Personal Services	43,346	74,387	74,387	74,458	71	0.1%
<b>Budget Object Group Total: 1. PERSONAL SERVICES</b>	<b>8,910,916</b>	<b>9,247,500</b>	<b>9,247,500</b>	<b>10,521,639</b>	<b>1,274,139</b>	<b>13.8%</b>

Budget Object Group: 2. OPERATING

Budget Object Rollup Name	FY2018 Actuals	FY2019 Original As Passed Budget	FY2019 Governor's BAA Recommended Budget	FY2020 Governor's Recommended Budget	Difference Between FY2020 Governor's Recommend and FY2019 As Passed	Percent Change FY2020 Governor's Recommend and FY2019 As Passed
Equipment	548,285	144,041	144,041	213,785	69,744	48.4%
IT/Telecom Services and Equipment	295,374	573,086	573,086	716,877	143,791	25.1%
Travel	121,236	155,744	155,744	174,127	18,383	11.8%
Supplies	77,300	103,136	103,136	107,237	4,101	4.0%
Other Purchased Services	412,203	537,746	537,746	599,676	61,930	11.5%
Other Operating Expenses	237,940	227,751	227,751	228,143	392	0.2%
Rental Other	33,892	40,952	40,952	44,762	3,810	9.3%
Rental Property	657,804	616,962	616,962	683,290	66,328	10.8%
Property and Maintenance	22,819	102,111	102,111	108,033	5,922	5.8%
Rentals	549,801	0	0	0	0	0.0%
Repair and Maintenance Services	62,829	0	0	0	0	0.0%
<b>Budget Object Group Total: 2. OPERATING</b>	<b>3,019,482</b>	<b>2,501,529</b>	<b>2,501,529</b>	<b>2,875,930</b>	<b>374,401</b>	<b>15.0%</b>

Budget Object Group: 3. GRANTS

Budget Object Rollup Name		FY2019 Original As Passed Budget	FY2019 Governor's BAA Recommended Budget	FY2020 Governor's Recommended Budget	Difference Between FY2020 Governor's Recommend and FY2019 As Passed	Percent Change FY2020 Governor's Recommend and FY2019 As Passed
Grants Rollup	0	0	0	150,000	150,000	0.0%
<b>Budget Object Group Total: 3. GRANTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>150,000</b>	<b>0.0%</b>

<b>Total Expenses</b>	<b>11,930,398</b>	<b>11,749,029</b>	<b>11,749,029</b>	<b>13,547,569</b>	<b>1,798,540</b>	<b>15.3%</b>
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Fund Name	FY2018 Actuals	FY2019 Original As Passed Budget	FY2019 Governor's BAA Recommended Budget	FY2020 Governor's Recommended Budget	Difference Between FY2020 Governor's Recommend and FY2019 As Passed	Percent Change FY2020 Governor's Recommend and FY2019 As Passed
General Funds	0	0	0	0	0	0.0%
Special Fund	10,802,602	10,453,613	10,453,613	11,394,045	940,432	9.0%
Federal Funds	1,052,796	1,220,416	1,220,416	2,153,524	933,108	76.5%
IDT Funds	75,000	75,000	75,000	0	(75,000)	-100.0%
<b>Funds Total</b>	<b>11,930,398</b>	<b>11,749,029</b>	<b>11,749,029</b>	<b>13,547,569</b>	<b>1,798,540</b>	<b>15.3%</b>

Position Count				77		
FTE Total				77		