

Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a
Personal Services	0	0	0	0	0	0	0	n/a
Operating Expenses	0	0	650,000	0	0	650,000	650,000	n/a
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Grants	0	0	750,000	0	0	750,000	750,000	n/a
Total Costs	\$0	\$0	\$1,400,000	\$0	\$0	\$1,400,000	\$1,400,000	n/a
Federal Special	0	0	1,400,000	0	0	1,400,000	1,400,000	n/a
Total Funds	\$0	\$0	\$1,400,000	\$0	\$0	\$1,400,000	\$1,400,000	n/a

Agency Description

Agency Mission: The Secretary of State’s Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process
- Facilitate public participation in governmental rulemaking
- Provide easier access to information

The Office of the Secretary of State:

- Interprets state election laws and oversees elections
- Maintains the official records of the executive branch and the acts of the legislature
- Reviews, maintains, and distributes public-interest records of businesses and nonprofit organizations
- Files administrative rules adopted by state departments, boards, and agencies
- Attests to the Governor’s signature on executive orders, proclamations, resolutions, extradition papers, and appointments
- Preserves the state seal
- Files and maintains records of secured financial transactions, such as liens
- Serves on the state Board of Land Commissioners and the Board of Examiners
- Commissions notaries public

Agency Highlights

Office of Secretary of State HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The entire HB 2 budget consists of authority to expend Help America Vote Act of 2002 funds ◆ The remainder of the office’s funding is derived from non-budgeted proprietary funds

HB 645 Highlights
<ul style="list-style-type: none"> ◆ HB 645 includes \$1.5 million general fund for a transfer to the long-range information technology projects fund appropriated in HB 10 for a project to replace the office's information technology management systems

Summary of Legislative Action

The legislative budget includes \$1.4 million in federal special revenue to expend remaining Help America Vote Act of 2002 funds. Funding in the 2009 biennium was designated as one time only, so the entire funding for the 2011 biennium shows as an increase. However, the source of revenue is the same for both biennia.

Other Legislation

HB 645

In addition to the appropriations provided in HB2, HB 645 included a \$1.5 million transfer of general fund that was freed up by federal stimulus funding. The transfer is to the long-range information technology projects fund appropriated in HB 10, the information technology capital projects bill, for a project to replace the information management systems of the Office of the Secretary of State.

SB 155 – This bill requires post-election audits of vote-counting machines and is estimated to cost the office \$10,000 annually to reimburse local governments for costs associated with conducting the required post-election audits. No additional funding was provided specifically for the impacts of SB 155. The costs would be absorbed under the federal Help America Vote Act of 2002 (HAVA) funding included in HB 2 or would be funded with the non-budgeted enterprise funds of the office if HAVA funding is determined to not be allowed for this purpose.

HB 4 - The budget amendment bill authorizes FY 2009 federal budget amendment authority for help America vote and help America vote part II grants to continue into federal fiscal year 2011.

HB 10 - The information technology capital projects bill appropriates \$1.5 million in long-range information technology projects funding for the Secretary of State information management system. The appropriation funds a project to replace the current information management systems of the office with a single web-based, image and text searchable system.

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg - Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg - Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Personal Services	0	0	0	0	0	0	0	0
Operating Expenses	0	0	650,000	650,000	0	0	0	650,000
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Grants	0	165,000	750,000	585,000	140,000	0	(140,000)	445,000
Total Costs	\$0	\$165,000	\$1,400,000	\$1,235,000	\$140,000	\$0	(\$140,000)	\$1,095,000
Federal Special	0	165,000	1,400,000	1,235,000	140,000	0	(140,000)	1,095,000
Total Funds	\$0	\$165,000	\$1,400,000	\$1,235,000	\$140,000	\$0	(\$140,000)	\$1,095,000

The legislative budget is \$1,095,000 higher in federal funds than the executive budget. The increase is for funding associated with Help America Vote Act of 2002 that, when the executive budget was submitted, was expected to be expended in the 2009 biennium. These funds are now not expected to be expended in the 2009 biennium as grant applications are falling short of previous expectations.

Funding

The following table summarizes funding for the agency, by program and source.

Program Funding Table		
Business & Government Services		
Program Funding	Budget FY 2010	% of Budget FY 2010
03000 Total Federal Special Funds	\$ 1,400,000	100.0%
03241 03241 Hava 251 Cfda 90.401	115,000	8.2%
03715 Elections Federal Grant	1,285,000	91.8%
Grand Total	\$ 1,400,000	100.0%

The operations of the Office of the Secretary of State are primarily funded with proprietary funds derived from fees for services, document sales, and other fees established in statute. In recent years, the federal Help America Vote Act of 2002 (HAVA) provided federal special revenue for election reform initiatives. Since expenditure of HAVA funds in the base was designated as one time only, these expenditures were removed from the base and no base exists. A portion of the original HAVA allocation and interest accrued on the funds remain unspent and are included for the 2011 biennium as part of HB 2. The HB 2 tables show only HAVA funds.

The remainder of the office is funded with non-budgeted enterprise type proprietary funds.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	0	0	0	0.00%	0	0	0	0.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	1,400,000	0	1,400,000	100.00%
Total Budget	\$0	\$0	\$0		\$1,400,000	\$0	\$1,400,000	

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - HAVA Interest - Bien/OTO											
01	0.00	0	0	1,400,000	1,400,000	0.00	0	0	0	0	0
Total	0.00	\$0	\$0	\$1,400,000	\$1,400,000	0.00	\$0	\$0	\$0	\$0	\$0

DP 3 - HAVA Interest - Bien/OTO - An increase of \$1.4 million federal special revenue funds grants to counties for assistance in completing election reforms of the Help America Vote Act of 2002. Revenue is from Help America Vote Act of 2002 federal grant funds and interest earned on deposit of the funds. The funding was designated as biennial and one time only.

Proprietary Rates

Proprietary Program Description

The Office of the Secretary of State conducts its daily operations through a single program, the Business and Government Services Program. The office stores, accesses, microfilms, scans, preserves, and disposes of public documents generated by state and local governments. The office administers corporate filings, registers assumed names and trademarks, processes notary public registrations, and administers the Administrative Rules of Montana (ARM) and the Montana Administrative Register (MAR). The office reviews, approves, maintains, and distributes records of business and nonprofit organizations, and registers and maintains records of secured financial transactions under the Uniform Commercial Codes, including agricultural products, in accordance with the Federal Food Security Act of 1985. The Secretary of State serves as Montana's chief election official and is responsible for the interpretation of application of election laws, except those pertaining to campaign finance. The office also qualifies candidates for the ballot, qualifies initiatives and referendums for the ballot, certifies the language and form of the ballot, publishes the official state voter-information pamphlet, conducts the official canvass of election results, and trains local election officials. The office administers the election reform requirements of the federal Help America Vote Act of 2002.

Proprietary Rate Explanation

Except for the HB 2 funding discussed above, the remainder of the office is funded with enterprise type proprietary funds. Revenues deposited into the enterprise fund are derived from fees for services, document sales, and other fees established in statute, the fees all of which are established in statute.

The legislature does not approve rates or appropriate funds for the proprietary portion of the Office of the Secretary of State. The legislature reviewed the financial report for the enterprise fund and identified no concerns with the financial position of the fund. Rates for the Secretary of State's Office are established in statute or set by administrative rule.