

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
Personal Services	0	0	0	0	0	0	0	n/a
Operating Expenses	0	0	0	0	0	0	0	n/a
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Grants	0	0	550,000	0	0	550,000	550,000	n/a
<b>Total Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>n/a</b>
Federal Special	0	0	550,000	0	0	550,000	550,000	n/a
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>n/a</b>

### Agency Description

**Agency Mission:** It is the mission of the Secretary of State to improve services to Montana's voters, business community, and governmental agencies through open communications, effective use of technology, and transparent accountability.

The Secretary of State's Office:

- Interprets state election laws and oversees statewide, federal, legislative, Public Service Commission, district court judge, and ballot issue 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

The Secretary of State's Office consists of one program, the Business and Government Services Program, which provides all the functions of the office.

### Agency Highlights

<b>Secretary of State's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ No base funding existed for the office as the 2009 Legislature designated the \$305,000 federal Help America Vote Act of 2002 (HAVA) funds appropriated for the 2011 biennium as one time only</li> <li>◆ HB 2 funding consists entirely of funding for grants to counties with federal HAVA funds, which adds \$550,000 for the 2013 biennium</li> <li>◆ The remainder of the office's funding is derived from non-budgeted proprietary funds</li> </ul>

### Summary of Legislative Action

The legislature approved \$550,000 of federal funding for the office to provide election reform grants to counties.

### Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
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	0	0	0	0	0	0
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Grants	0	550,000	550,000	0	0	0	0	0
<b>Total Costs</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Federal Special	0	550,000	550,000	0	0	0	0	0
<b>Total Funds</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table				
Business & Government Services				
Program Funding	Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013
03000 Total Federal Special Funds	\$ -	\$ 550,000	100.0%	\$ -
03241 03241 Hava 251 CfdA 90.401	-	550,000	100.0%	-
Grand Total	-	550,000	100.0%	-

The operations of the Secretary of State's Office 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) has provided federal special revenue for election reform initiatives. Since expenditure of HAVA interest funds in the base were designated as one time only, these expenditures were removed from the base and no base exists. Interest accrued on deposit of HAVA funds remains unspent and funding from these funds was approved for the 2013 biennium as part of HB 2. Only these HAVA funds are included in HB 2.

The remainder of the office is funded with enterprise type proprietary funds. For the 2013 biennium, proprietary funds account for \$10.7 million of nearly \$11.2 million total funds included in the budget to finance the office. The proprietary fund and supported operations are discussed below in the "Proprietary Rates" section.

### 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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	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%	550,000	0	550,000	100.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$550,000</b>	<b>\$0</b>	<b>\$550,000</b>	

### New Proposals

Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - HAVA (Biennial/OTO)										
01	0.00	0	0	550,000	550,000	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 2 - HAVA (Biennial/OTO) - The legislature approved federal special revenue to provide grants to counties for continued voting equipment improvements. Funding was designated as biennial and one time only.

### Proprietary Rates

#### Proprietary Program Description

The Secretary of State's Office conducts its daily operations through a single program, the Business and Government Services Program. It provides the following major functions:

- Election administration
- Registration and document filing of Montana businesses
- Publication and distribution of administrative rules
- Records management of public documents generated by state and local governments
- Central services for the Secretary of State's Office

#### Proprietary Revenue and Expenses

The major expenses of the office for the two years of the 2013 biennium are budgeted to be for:

- Personal services for 55.25 FTE, \$6.2 million or 58.4% of total biennium funding
- Operating costs, \$4.4 million with roughly 34% of these costs associated with providing electronic government service including:
  - \$714,000 for e-government transaction fees
  - \$387,000 for information technology consultants and professional services
  - \$391,000 for application and server hosting with the Department of Administration

Revenues are received from fees charged to: 1) businesses and corporations for corporate filings, registration of assumed business names, and trademarks; 2) state agencies and users of Administrative Rules of Montana (ARM) for publishing and distributing the ARM and the Montanan Administrative Register (MAR), and storage and management of public documents; 3) candidates who file for elections; and 4) Montana citizens who apply to be notaries. Revenues, by source, have been consistent for the past four years and are not projected to deviate from this pattern.

**Proprietary Rate Explanation**

Funding for the program is with enterprise type proprietary funds. Rates for the Secretary of State's Office are established in administrative rule.