

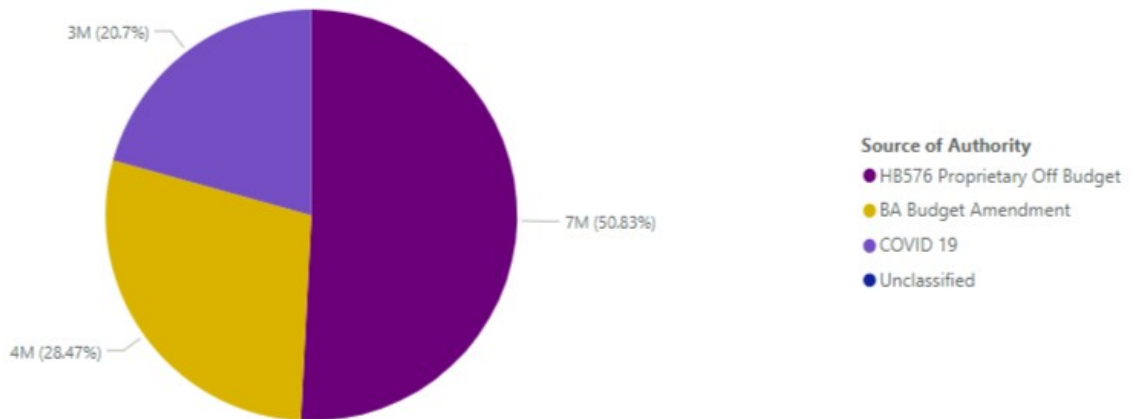
SECRETARY OF STATE (SOS)

Total Appropriation Authority

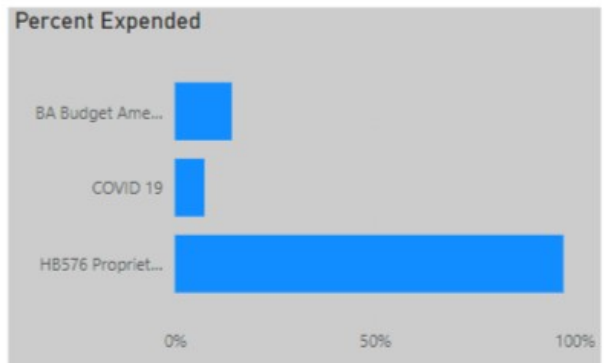
The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 0.0% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Secretary of State's Office

Total Appropriation Authority



Fiscal Year	2021		
LFD_src_auth_descr	Budget	FYE Expended	Percent Expended
BA Budget Amendment	4,127,552	588,466	14.3%
COVID 19	3,000,000	222,373	7.4%
HB576 Proprietary Off Budget	7,368,289	7,169,090	97.3%
Unclassified	0		
Total	14,495,841	7,979,929	55.0%



Budget Amendments

In June 2018, the Secretary of State was awarded \$3.0 million through the Omnibus Appropriations Act of 2018 for election security. In FY 2021, \$1,930,964 in federal appropriation from this grant was available. SOS expended \$280,580 for election security including:

- \$88,003 in personal services
- \$148,463 in operating expenses
- \$44,115 in grants to counties

At the end of FY 2021 \$1,650,383 of the funding remains. The U.S. Election Assistance Commission has approved the following allocation of the remaining funds:

- \$11,996 in personal services
- \$1.5 million for ElectMt system development
- \$95,849 in grants to counties

The federal funds are authorized until September 2023.

In January 2020, the Secretary of State was awarded \$3.1 million through the federal Omnibus Appropriations Act of 2020 for election security. In FY 2021, \$2.2 million of the funding was available for grants to counties and administration of the funding. SOS expended \$299,827 in FY 2021 including:

- \$21,182 in operating expenses
- \$278,645 in grants to counties

At the end of FY 2021, \$1,871,525 of the funding remains. The U.S. Election Assistance Commission has approved the following allocation of the remaining funds:

- \$254,372 in personal services
- \$896,781 in grants to counties
- \$200,000 in operating expenses for risk assessments
- \$520,372 in operating expenses for indirect and administrative costs

The federal funds are authorized until December 2024.

Non-Budgeted Proprietary Funding

The majority of the functions of the office are funded with enterprise type proprietary funds, which are financed through fees and charges paid by public and private entities that by law either purchase services from the department or are required to submit documents or obtain registrations with the office. Unlike internal service type proprietary programs, the rates or the fees and charges are not approved by the legislature but are instead established in statute or administrative rule.

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 Montana Administrative Register, and storage and management of public documents; 3) candidates who file for elections; and 4) Montana citizens who apply to be notaries. The following chart shows the revenues, expenditures, and fund balance for the Secretary of State business services account.

In FY 2021, SOS collected \$3.0 million more in revenues than it expended for services. In the last five years the fund balance has increased from \$643,152 in FY 2018 to \$7.6 million in FY 2021.

Secretary of State Secretary of State Business Services FY 2021	
Beginning Fund Balance	\$4,604,655
Revenue	
Investment Earnings	8,721
Charges for Services	9,104,731
Grants/Transfers/Misc	56,022
Sale of Documents/Mdse/Prop	92,956
Total Revenue	9,262,430
Expenditures	
Personal Services	2,836,088
Operating Expenses	3,514,918
Debt Service	432
Post Employment Benefits	(79,571)
Total Expenditures	6,271,867
Ending Fund Balance	\$7,595,218

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

COVID-19 Authority

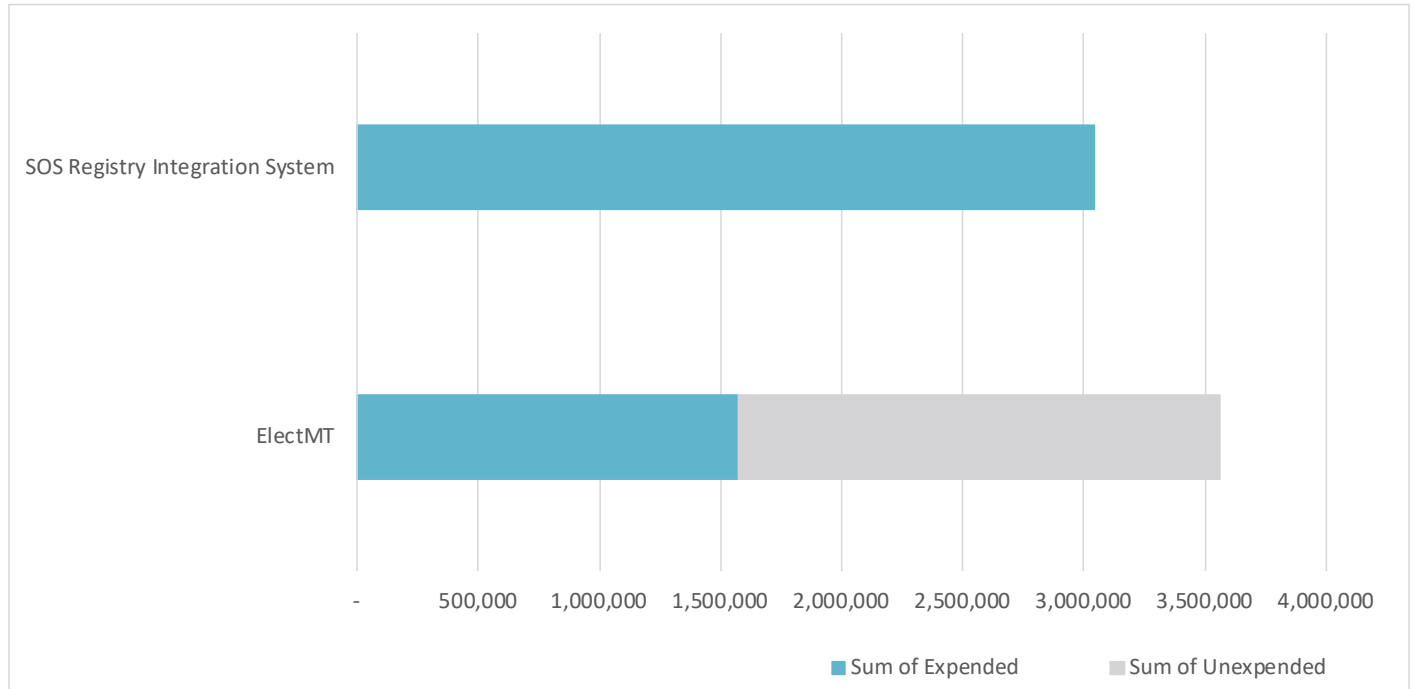
SOS received \$3.0 million in funding through the CARES Act to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 federal election cycle. In FY 2021, SOS expended \$222,373 including:

- \$43,775 in operating expenses
- \$178,598 in grants

At the end of FY 2021, \$2,777,625 in unexpended CARES Act funds were returned to the U.S. Election Assistance Commission.

OTHER ISSUES

Information Technology Project Expenditures



Large Information Technology Projects
Original and Revised Budgets

Project	Original Budget	Revised Budget	Change from Original Budget
ElectMT	3,559,682	3,559,682	0.0%
SOS Registry Integration System	1,957,000	3,045,120	55.6%

Large Information Technology Projects
Original and Revised Delivery Date

Project	Start Date	Original Delivery Date	Revised Delivery Date	Change from Original Delivery Date
ElectMT	4/26/2019	9/24/2021	1/3/2022	11.5%
SOS Registry Integration System	9/20/2018	2/28/2020	12/31/2020	58.4%

The ElectMt project will replace the existing statewide voter registration and election management system (MT Votes). The majority of the project is funded with federal US Election Assistance Commission funds. The initial completion date was revised to remove a conflict with the November 2021 municipal elections, and to allow for additional training and testing.

The SOS Registry Integration System provides a single system platform that replaced outdated and siloed systems. It also provides a single integrated system and technology platform for all business units in SOS that is intuitive and is a user-friendly experience for SOS customers.

Required Reports

The Secretary of State amended its budget for federal funds including:

- \$5,557 in personal services for activities to improve the administration of elections for federal office
- The addition of 0.50 FTE for a position to research, develop, implement, and maintain strategies, methods, policies, and procedures to safeguard information technology systems and information to ensure compliance with local, state, and federal laws and requirements