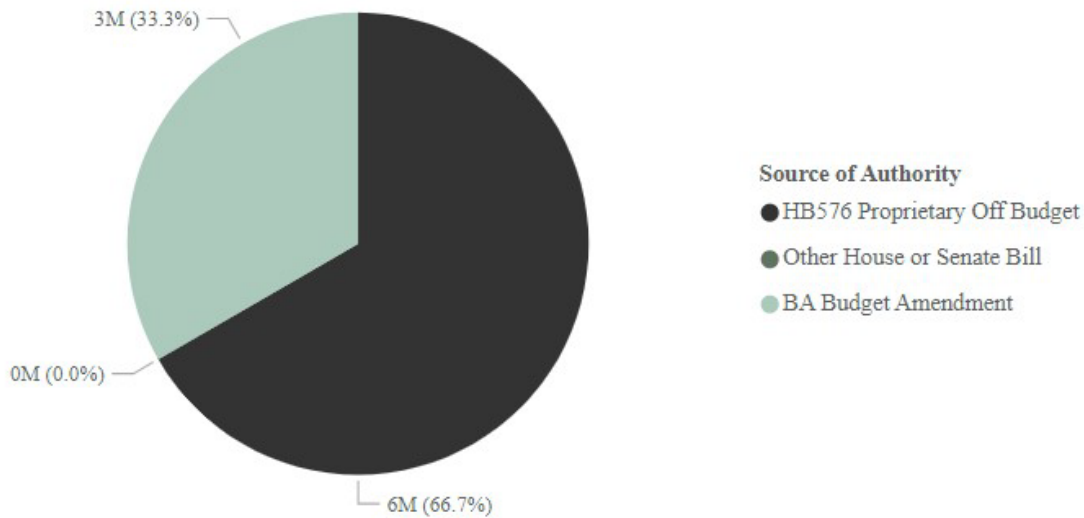


SECRETARY OF STATE

TOTAL EXPENDITURE AUTHORITY

The total expenditure authority for the Secretary of State is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding, budget amendments, and other bills. There is no HB 2 and HB 13 authority in FY 2024.

Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB576 Proprietary Off Budget	6,454,947	2,649,884	41.1%
BA Budget Amendment	3,227,844	346,537	10.7%
Other House or Senate Bill	1,000	0	0.0%
Total	9,683,791	2,996,422	30.9%

Budget Amendments

The Secretary of State has authority for several budget amendments, which total approximately \$3.2 million in FY 2024 and all of these funds are available until they are expended. This includes:

- In FY 2018, the Secretary of State was awarded \$3.0 million of federal funds through the Omnibus Appropriations Act of 2018 for election security. Unspent authority has continued forward into FY 2024. Available appropriations in FY 2024 total approximately \$444,000 and are anticipated to be expended on ElectMT system development and grants to counties. The available funds in FY 2024 are 0.0% expended as of November 30, 2023
- In FY 2020, the Secretary of State was awarded approximately \$3.1 million of federal funds through the Omnibus Appropriations Act of 2020 for election security. Unspent authority has continued forward into FY 2024. Available appropriations in FY 2024 total approximately \$934,000 and are anticipated to

be expended on personal services, operating expenses, and grants to counties. As of November 30, 2023, the Secretary of State has expended \$67,000 or 7.2% of the available funds in FY 2024

- In FY 2022, the Secretary of State was awarded \$1.0 million through the Consolidated Appropriations Act of 2022. Unspent authority has continued forward and available appropriations in FY 2024 total approximately \$955,000. Funding is anticipated to be expended on grants to counties, software and/or system enhancements, and indirect and administrative costs. The Secretary of State expended approximately \$99,000 or 10.4% at this point in FY 2024
- In FY 2023, the Secretary of State was awarded \$1.0 million of federal funds for election security. Unspent authority has continued forward and available appropriations in FY 2024 total approximately \$895,000. Funding is anticipated to be expended on grants to counties, software and/or system enhancements, and indirect and administrative costs. The Secretary of State expended approximately \$180,000 or 20.1% at this point in FY 2024

Other Bills

HB 892 (An Act Revising Voting Limits) included a general fund appropriation of \$1,000 to the Secretary of State for the implementation of provisions included in the bill. As of November 30, 2023, this appropriation is 0.0% expended.

Non-Budgeted Proprietary Fund Authority

Overview

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:

- Businesses and corporations for corporate filings, registration of assumed business names, and trademarks
- 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
- Candidates who file for elections
- Montana citizens who apply to be notaries

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
- General operations

Budget Modifications

The Secretary of State had two budget modifications to its proprietary fund budget between July 1, 2023 and November 30, 2023, which include:

- Transferring \$134,000 from personal services to transfers-out for a memorandum of understanding with the Montana State Library (MSL) related to geographic information systems (GIS) services. The Secretary of State uses the MSL GIS and Montana spatial state infrastructure data to better validate and locate voters' addresses and appropriately assign districts and precinct splits for elections
- Transferring \$10,000 from personal services to transfers-out to the Legislative Branch and the Department of Justice related to the implementation of SB 93 (An Act Generally Revising Ballot Issue Laws) from the 2023 Legislative Session

Expenditures

The following table shows the modified budget for the Secretary of State compared to expenditures through November 30, 2023.

Secretary of State Secretary of State Business Services Proprietary Fund FY 2024 Expenditures through November 30, 2023			
	Modified Budget	Expenditures	% Expended
Personal Services	\$ 3,794,921	\$ 1,381,317	36.4%
Operating Expenses	2,516,026	1,256,568	49.9%
Transfers-Out	144,000	12,000	8.3%
Total	<u>\$ 6,454,947</u>	<u>\$ 2,649,884</u>	<u>41.1%</u>

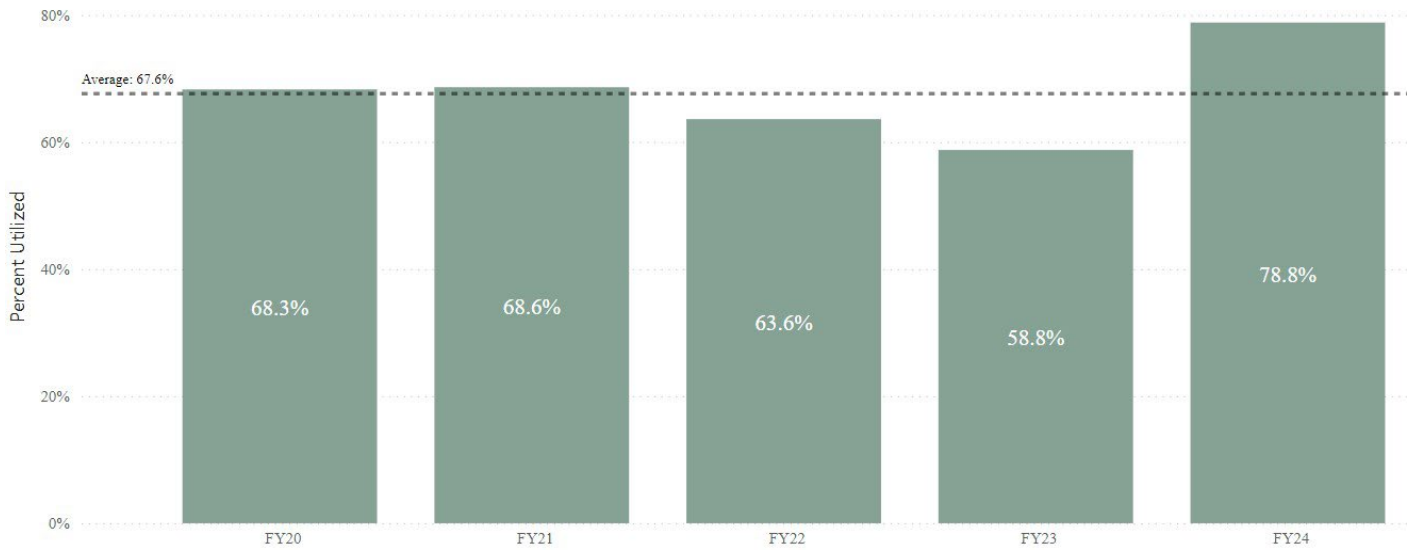
The Secretary of State expended 41.1% of its modified proprietary fund budget through November 30, 2023. This is in line with anticipated expenditures at this point in the fiscal year.

Personal Services

Personal services make up 58.8% of the FY 2024 modified proprietary fund budget in the Secretary of State with approximately \$1.4 million or 36.4% expended through November 30, 2023. The office has 42.00 non-budgeted proprietary FTE and 78.6% of these positions were filled as of November 1, 2023. The following chart shows the filled and vacant FTE within the agency as of November 1, 2023.



The chart below shows the hourly utilization percentage for the Secretary of State between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 78.8% of the hours budgeted for FY 2024. This is above the five-year average of 67.6%. The Secretary of State reduced 11.00 FTE at the start of the 2025 biennium because of operational efficiencies, which has increased its utilization of available hours in FY 2024.



The chart below shows the vacant FTE, the number of months each position has been vacant, and the midpoint hourly pay rate. Of the 9.00 FTE that are vacant, 5.00 FTE have been vacant from the start of the calendar year (January 2023) or less. As of November 1, 2023, the department was in the process of recruiting for the program officer positions.

	FTE	Median Months Vacant	Market Midpoint (Hourly)
32010 SECRETARY OF STATE	9.00	10.00	23.12
01 Business & Government Services	9.00	10.00	23.12
Accounting Technician 1	1.00	10.00	16.23
Administrative Supervisor	1.00	73.80	40.00
Customer Service Assistant 1	2.00	25.61	13.63
Human Resources Generalist 1	1.00	4.95	23.58
Personal Staff/EO-Admin	1.00	5.77	
Program Officer 1	2.00	3.98	23.12
Program Supervisor	1.00	33.80	36.25
Total	9.00	10.00	23.12

OTHER ISSUES

Information Technology Project Expenditures

The following figures show the budget and delivery dates for the ElectMT information project.

Large Information Technology Projects			
Original and Revised Budgets			
Project	Original Budget	Revised Budget	Change from Original Budget
ElectMT	3,559,682	5,064,620	1,504,938

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	1/17/2023	38.3%

The ElectMT project replaces the statewide voter registration and election management system (MT Votes). This project was funded with \$3.2 million of federal funds from the United States Election Assistance Commission and \$1.8 million of the Secretary of State’s non-budgeted proprietary fund. The proprietary funding is being used for contracted project management, internal staff, and administrative overhead. The Secretary of State revised the delivery date of the project from September 2021 to January 2023. According to the Secretary of State, the elections team worked closely with the vendor and county partners to finish testing the system, which was completed and put into service in January 2023. The project is currently in the closing phase.