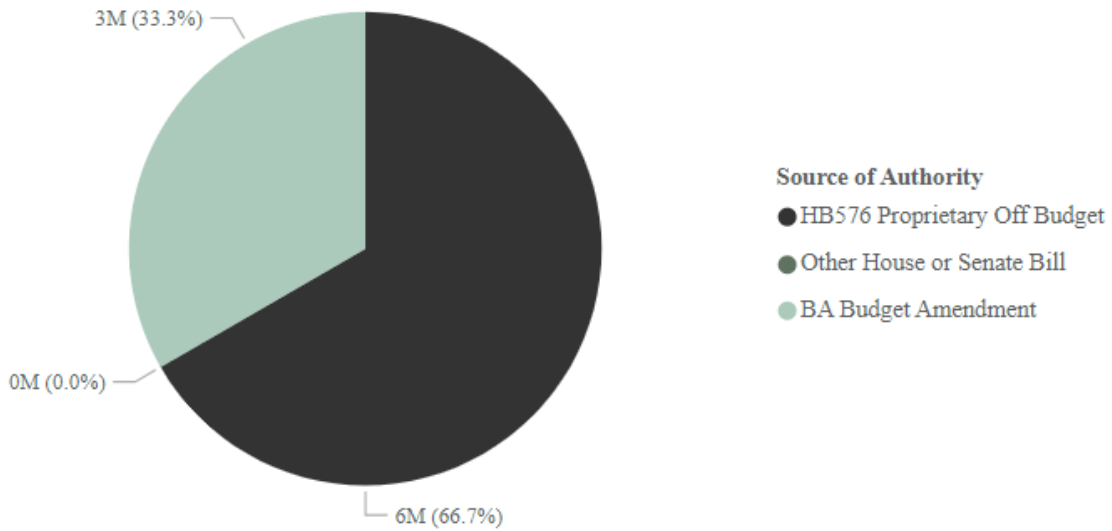


SECRETARY OF STATE

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	5,069,918	78.5%
BA Budget Amendment	3,227,843	835,535	25.9%
Other House or Senate Bill	1,000		0.0%
Total	9,683,790	5,905,453	61.0%

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 FY 2024 funds are 0.0% expended as of February 29, 2024
- 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 February 29, 2024, the Secretary of State has expended \$67,000 or 7.2% of the FY 2024 funds on personal services and indirect costs

- 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 \$262,000 or 27.5% at this point in FY 2024. Of these expenditures, \$197,000 were expended on grants to counties
- 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 \$506,000 or 56.5% at this point in FY 2024. Expenditures include \$410,000 for system development and \$96,000 for indirect costs

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 February 29, 2024, 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, including those 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. There are three divisions that provide the following major functions:

- Business Services Division – this division assists businesses with filing of their registration, articles of organization, assumed business name, and trademarks. Additionally, the division is responsible for filing and maintaining records under the Uniform Commercial Code (UCC)
- Elections and Voter Services Division – this division assists Montana voters, candidates, and election officials. The Division interprets election laws and provides guidance to ensure uniformity across Montana elections

- Operations Division – this division’s primary functions include human resources, communications, fiscal management, information technology and security, official records, records management, administrative rules, and notary services

Budget Modifications

The Secretary of State did not have any budget modifications to its proprietary fund budget between December 1, 2023 and February 29, 2024.

Expenditures

The following table shows the modified budget for the Secretary of State compared to expenditures through February 29, 2024.

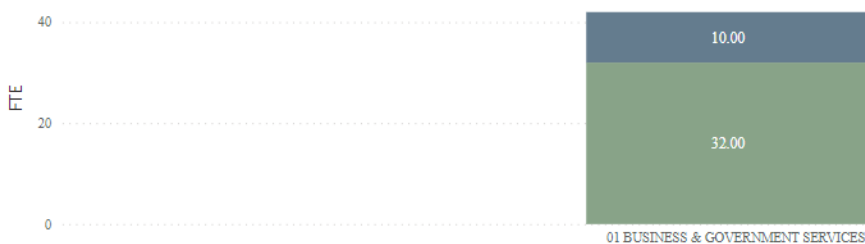
Secretary of State Secretary of State Business Services Proprietary Fund FY 2024 Expenditures through February 29, 2024			
	Modified Budget	Expenditures	% Expended
Personal Services	\$ 3,794,921	\$ 2,320,669	61.2%
Operating Expenses	2,516,026	2,687,568	106.8%
Transfers-Out	144,000	61,681	42.8%
Total	\$ 6,454,947	\$ 5,069,918	78.5%

Overall, the Secretary of State expended 78.5% of its modified proprietary fund budget through February 29, 2024. The budget for operating expenses totaled \$2.5 million and is 106.8% expended at this point in the fiscal year. Approximately \$984,000 of the operating budget was expended for software maintenance, and a significant portion was for a one-year enhanced maintenance agreement with the vendor of the election management system (ElectMT). This expenditure was made to ensure there is the support needed for critical infrastructure during this federal election year. The Secretary of State is in the process of putting together monthly projections to determine what changes need to be made to the proprietary fund authority for the remainder of FY 2024.

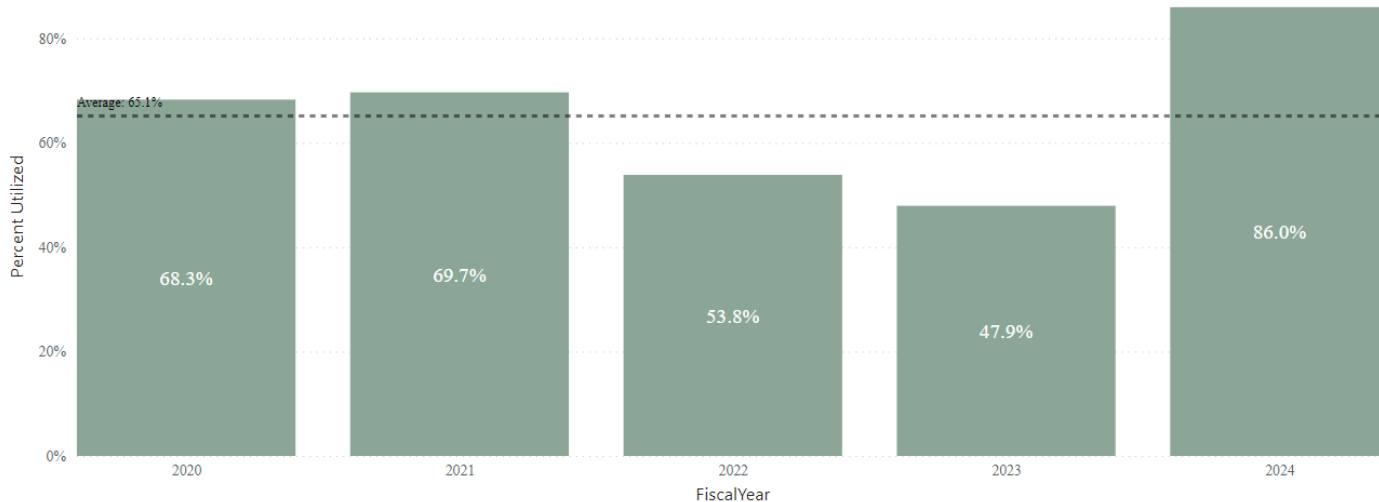
Personal Services

Personal services make up 58.8% of the FY 2024 modified proprietary fund budget for the Secretary of State with approximately \$2.3 million or 61.2% expended through February 29, 2024. The office has 43.00 non-budgeted proprietary FTE and 76.7% of these positions were filled as of February 1, 2024 (note: the charts below do not include 1.00 FTE for the elected position, which is filled). The following chart shows the filled and vacant FTE within the agency as of February 1, 2024.

Position Status ● Filled ● Vacant



The chart below shows the hourly utilization percentage for the Secretary of State between July 1 and February 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 86.0% of the hours budgeted for FY 2024. This is above the five-year average of 65.1%. 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.



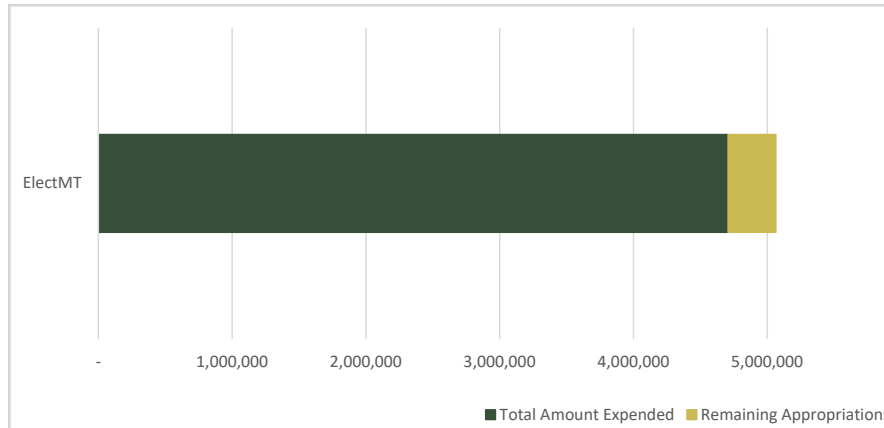
The chart below shows the vacant FTE, the number of months each position has been vacant, and the midpoint hourly pay rate. Of the 10.00 FTE that are vacant, 4.00 FTE have been vacant from the start of the fiscal year (July 2023) or less. The Secretary of State is currently in the process of reviewing vacant positions and evaluating whether further reductions will be made. The office is not currently recruiting for any of the open positions.

DEPT NUM/NAME	FTE	Median Months Vacant	Market Midpoint (Hourly)
32010 SECRETARY OF STATE	10.00	10.90	19.68
01 BUSINESS & GOVERNMENT SERVICES	10.00	10.90	19.68
Accounting Technician 1	1.00	13.02	16.23
Administrative Supervisor	1.00	76.82	40.00
Customer Service Assistant 1	2.00	28.62	13.63
Human Resources Generalist 1	1.00	7.97	23.58
Personal Staff/EO-Admin	2.00	4.93	
Program Officer 1	1.00	6.03	23.12
Program Officer 2	1.00	0.62	30.17
Program Supervisor	1.00	36.82	36.25
Total	10.00	10.90	19.68

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	54.4%

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 closeout phase.