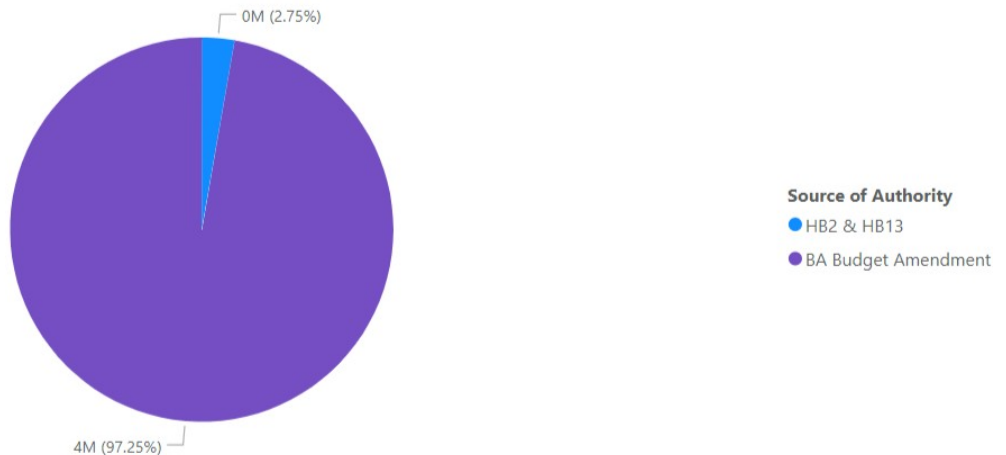


SECRETARY OF STATE (SOS)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 2.8% 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.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	100,000	37,163	37.2%
BA Budget Amendment	3,539,085	387,417	10.9%
Total	3,639,085	424,579	11.7%

FiscalMonth

☐ Select all

☒ Jul

☒ Aug

☒ Sep

☒ Oct

☒ Nov

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 2022, \$1,650,383 of the funding remains. The U.S. Election Assistance Commission has approved the following allocation of the remaining funds:

- \$11,997 in personal services
- \$1.5 million for ElectMt system development
- \$95,849 in grants to counties

The federal funds are authorized until September 2023. As of November 30, \$387,000 or 23.4% of the funds have been expended.

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 2022, \$1,871,525 of the funding remains. The U.S. Election Assistance Commission has approved the following allocation of the remaining funds:

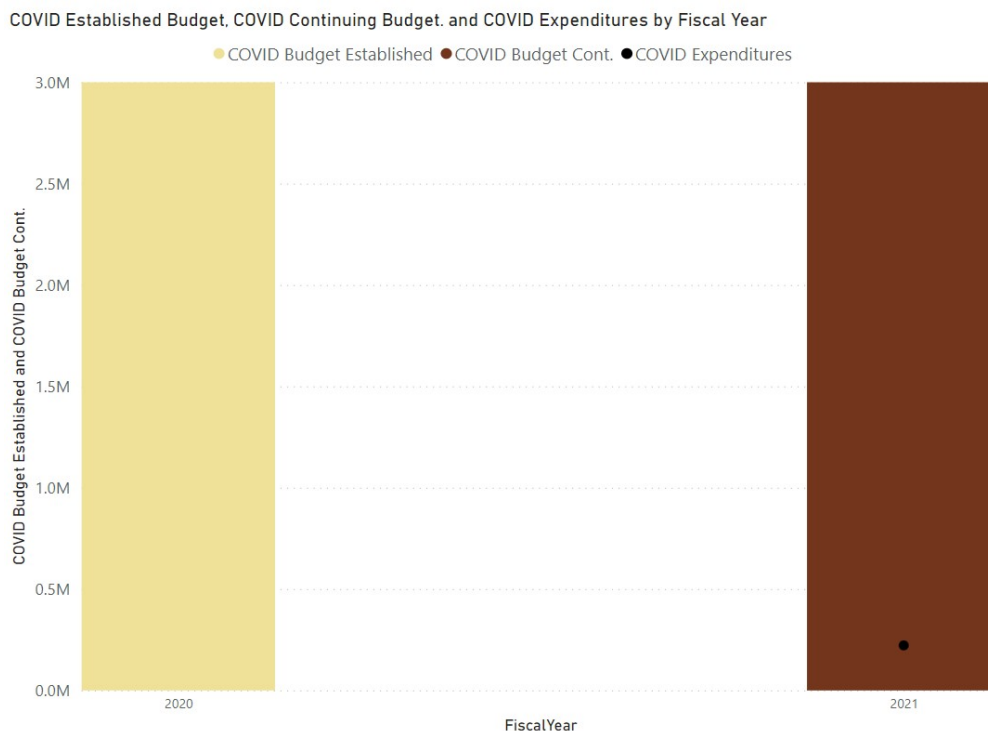
- \$254,372 in personal services
- \$896,781 in grants to counties for voting equipment replacement and upgrades, election auditing, voting registration systems and management, cyber vulnerabilities, training, and communication
- \$200,000 in operating expenses for risk assessments
- \$520,372 in operating expenses for indirect and administrative costs

The federal funds are authorized until December 2024.

Other Bills

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations were allocated to the agency by the Governor's Office. Administrative authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page.



SOS did not receive any administrative authority from the Governor's Office. 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:

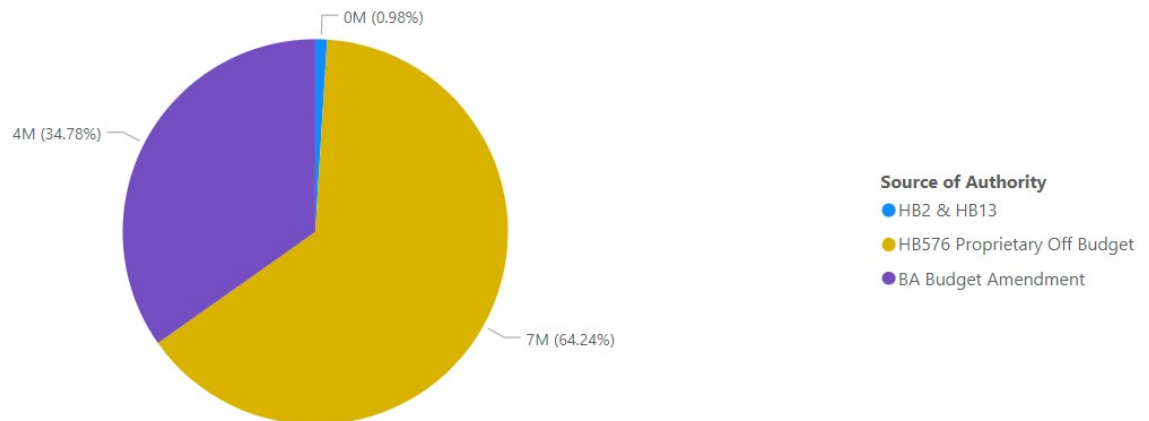
- \$43,775 in operating expenses
- \$178,598 in grants to counties

At the end of FY 2021, \$2,777,627 in unexpended CARES Act funds were returned to the U.S. Election Assistance Commission.

TOTAL EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

Modified Budget and Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended	FiscalMonth
HB2 & HB13	100,000	37,163	37.2%	<input type="checkbox"/> Select all
HB576 Proprietary Off Budget	6,536,766	2,329,478	35.6%	<input checked="" type="checkbox"/> Jul
BA Budget Amendment	3,539,085	387,417	10.9%	<input checked="" type="checkbox"/> Aug
Total	10,175,851	2,754,057	27.1%	<input checked="" type="checkbox"/> Sep
				<input checked="" type="checkbox"/> Oct
				<input checked="" type="checkbox"/> Nov
				<input type="checkbox"/> Dec
				<input type="checkbox"/> Jan

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 of 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 as of November 30, 2022.

Secretary of State	
Secretary of State Business Services	
FY 2022	
Beginning Fund Balance	\$7,595,218
Revenue	
Investment Earnings	1,885
Charges for Services	2,491,476
Grants/Transfers/Misc	933
Sale of Documents/Mdse/Prop	<u>23,612</u>
Total Revenue	2,517,906
Expenditures	
Personal Services	1,247,086
Operating Expenses	1,488,176
Debt Service	<u>1,082</u>
Total Expenditures	2,736,344
Adjustments	300
Ending Fund Balance	<u>\$7,377,080</u>

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

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through November 30, 2021. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> Secretary of State's Office	100,000	100,000	
Total	100,000	100,000	

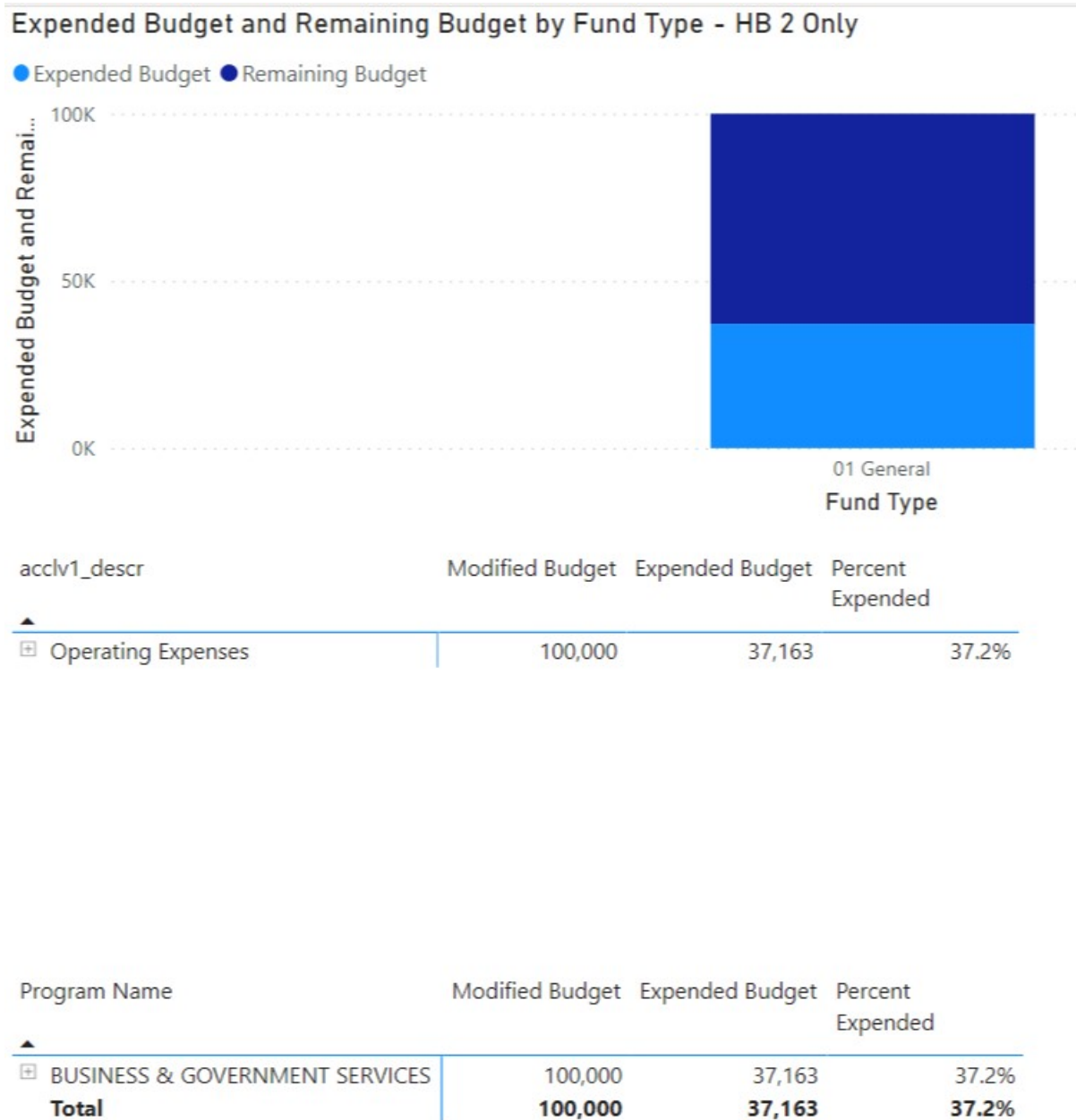
Acct & Lvl 1 DESC	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 62000 Operating Expenses	100,000	100,000	

Fund Type	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General			
<input type="checkbox"/> Secretary of State's Office	100,000	100,000	

As shown, the Secretary of State, through November 30, 2021, has not modified its HB 2 budget.

HB 2 APPROPRIATION AUTHORITY

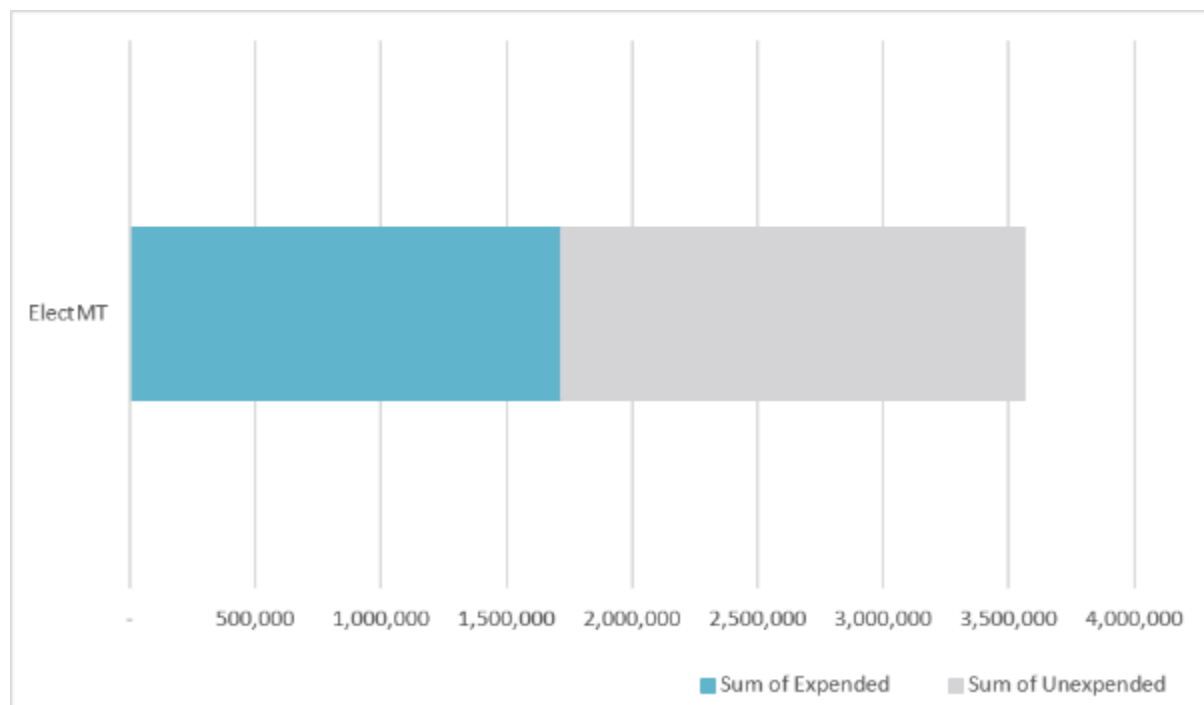
The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.



The 2021 Legislature provided the Secretary of State with \$100,000 in general fund as a restricted, biennial, one-time-only appropriation for potential litigation related to elections. Through the end of November, the Secretary of State has expended \$37,200 of the appropriation for consulting and professional services.

OTHER ISSUES

Information Technology Project Expenditures



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%

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 as the system was not ready to conduct simultaneous testing during the November 2021 elections. According to the Secretary of State's Office, as the expected completion date nears, the SOS Elections Team is focused on working with the vendor and county partners, testing the system, and refining the go-live criteria. The ElectMT start date will be a data-driven decision, which will be made by December 20th based on the system readiness after a review of the finalized go-live criteria.

Required Reports

The Secretary of State did not have any budget amendments, operating plan changes, or program transfers that require reporting to the Legislative Finance Committee.