

Secretary of the State SOS12500

Position Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Permanent Full-Time - GF	85	84	85	85	85	0

Budget Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Personal Services	998,696	2,712,404	2,865,243	2,865,243	2,845,820	(19,423)
Other Expenses	467,646	1,564,207	1,424,207	1,414,207	1,781,836	367,629
Equipment	0	1	1	1	1	0
Other Current Expenses						
Commercial Recording Division	5,174,055	5,444,606	5,533,021	5,362,596	5,339,580	(23,016)
Board of Accountancy	283,806	270,251	282,167	282,167	281,025	(1,142)
Nonfunctional - Change to Accruals	0	73,633	34,060	24,857	34,701	9,844
Agency Total - General Fund	6,924,203	10,065,102	10,138,699	9,949,071	10,282,963	333,892
Additional Funds Available						
Carry Forward Funding	0	0	0	60,000	60,000	0
Agency Grand Total	6,924,203	10,065,102	10,138,699	10,009,071	10,342,963	333,892

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Current Services

Reduce Funding for Software Support for CONCORD

Commercial Recording Division	0	(170,425)	0	(170,425)	0	0
Total - General Fund	0	(170,425)	0	(170,425)	0	0

Background

The Secretary of the State's Commercial Recording Division is responsible for maintaining certain records concerning the formation and changes to business entities in the state. The division holds that information in the CONCORD system.

Governor

Reduce funding by \$170,425 to reflect reduced software support costs for the CONCORD system due to recent upgrades.

Legislative

Same as Governor

Adjust Funding for Revised Estimated GAAP Requirements

Nonfunctional - Change to Accruals	0	(9,203)	0	(9,203)	0	0
Total - General Fund	0	(9,203)	0	(9,203)	0	0

Background

Each agency's budget includes a line item account called "Nonfunctional - Change to Accruals." This line item represents the estimate of the difference between an agency's cash-basis budget amount and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

Governor

Reduce funding by \$9,203 to reflect updated estimates of accruals to comply with GAAP. Across all appropriated funds, there is a net GAAP reduction of \$33.8 million.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Legislative
Same as Governor

Policy Revisions

Provide Funding for ERIC Project

Other Expenses	0	0	0	237,000	0	237,000
Total - General Fund	0	0	0	237,000	0	237,000

Background

The Electronic Registration Information Center (ERIC) is a non-profit organization that works with state governments on voter registration issues.

Legislative

Provide funding of \$237,000 for mailings, membership dues, and other costs associated with participation in the ERIC program.

Provide Funding for Electronic Voting Systems

Other Expenses	0	0	0	150,000	0	150,000
Total - General Fund	0	0	0	150,000	0	150,000

Legislative

Provide funding of \$150,000 to allow the certification of electronic devices for use by registrars of voters during the voter check-in process. Sections 23-26 of PA 14-217, the General Government Implementer, allow for the use of such devices.

Reduce Funding for Printing Costs

Other Expenses	0	(10,000)	0	(10,000)	0	0
Total - General Fund	0	(10,000)	0	(10,000)	0	0

Governor

Reduce funding by \$10,000 to reflect lower printing costs of the State Register and Manual.

Legislative

Same as Governor

Distribute Lapses

Personal Services	0	0	0	(19,423)	0	(19,423)
Other Expenses	0	0	0	(19,371)	0	(19,371)
Commercial Recording Division	0	0	0	(23,016)	0	(23,016)
Board of Accountancy	0	0	0	(1,142)	0	(1,142)
Total - General Fund	0	0	0	(62,952)	0	(62,952)

Background

The Governor's Revised FY 15 budget included a bottom line General Lapse of \$14,243,700, a General Other Expenses Lapse of \$4,000,000, and a Statewide Hiring Reduction Lapse of \$6,796,754. These lapse amounts would have been determined and distributed to agencies by OPM at the beginning of FY 15.

Legislative

Reduce funding by \$42,149 to reflect distribution of the General Lapse, \$12,813 for the General Other Expense Lapse, and \$7,990 for the Statewide Hiring Reduction Lapse.

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	0	0	9,844	0	9,844
Total - General Fund	0	0	0	9,844	0	9,844

Legislative

Provide funding of \$9,844 in FY 15 to reflect changes to GAAP accruals as a result of a policy change.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Carry Forward

Carry Forward Funding for CONCORD Programming

Other Expenses	0	60,000	0	60,000	0	0
Total - Carry Forward Funding	0	60,000	0	60,000	0	0

Background

Sections 140-154 of PA 14-217, the General Government Implementer, established a new type of business entity, Benefit Corporations, within the state. Such entities are required to register with the Secretary of the State's Commercial Recording Division through the CONCORD system.

Governor

Section 8 of PA 14-47, the revised FY 15 budget, carries forward \$60,000 from Personal Services in FY 14 into Other Expenses in FY 15 for programming costs for the online CONCORD business registration system to enable the creation and registration of Benefit Corporations.

Legislative

Same as Governor

Totals

Budget Components	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$
Original Appropriation - GF	85	10,138,699	85	10,138,699	0	0
Current Services	0	(179,628)	0	(179,628)	0	0
Policy Revisions	0	(10,000)	0	323,892	0	333,892
Total Recommended - GF	85	9,949,071	85	10,282,963	0	333,892

Other Significant Legislation

PA 14-154, An Act Concerning the Integrity of the Business Registry

The act eliminates fees associated with the termination or dissolution of certain business entities and allows the SOTS to administratively dissolve certain business entities that fail to file an annual report. The act is anticipated to result in a revenue loss to the SOTS of greater than \$400,000 in FY 16. This revenue loss is anticipated to be partially offset by process changes enabled by the act which are anticipated to result in lower costs to the SOTS.

PA 14-47, An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2015

Sections 30 and 31 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 15 appropriation levels will be reduced by the amounts shown in the table to achieve the lapses included in PA 14-47. This includes a General Lapse of \$35,881 and a Statewide Hiring Reduction Lapse of \$13,857. See the FY 15 Holdbacks schedule in Section VI of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	2,845,820	(24,066)	2,821,754	0.85%
Other Expenses	1,781,836	(6,423)	1,775,413	0.36%
Commercial Recording Division	5,339,580	(19,249)	5,320,331	0.36%