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|--------------|-----------------------------|----------|----|
| Agency Name: | Secretary Of State's Office | | |
| Agency Code: | E080 | Section: | 96 |



Fiscal Year FY 2025-2026

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

| | | |
|---|---|---|
| OPERATING REQUESTS <i>(FORM B1)</i> | For FY 2025-2026, my agency is (mark "X"): | |
| | | Requesting General Fund Appropriations. |
| | X | Requesting Federal/Other Authorization. |
| | | Not requesting any changes. |

| | | |
|---|---|---|
| NON-RECURRING REQUESTS <i>(FORM B2)</i> | For FY 2025-2026, my agency is (mark "X"): | |
| | | Requesting Non-Recurring Appropriations. |
| | | Requesting Non-Recurring Federal/Other Authorization. |
| | X | Not requesting any changes. |

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| CAPITAL REQUESTS <i>(FORM C)</i> | For FY 2025-2026, my agency is (mark "X"): | |
| | | Requesting funding for Capital Projects. |
| | X | Not requesting any changes. |

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|------------------------------------|---|---|
| PROVISOS <i>(FORM D)</i> | For FY 2025-2026, my agency is (mark "X"): | |
| | X | Requesting a new proviso and/or substantive changes to existing provisos. |
| | | Only requesting technical proviso changes (such as date references). |
| | | Not requesting any proviso changes. |

Please identify your agency's preferred contacts for this year's budget process.

| | <u>Name</u> | <u>Phone</u> | <u>Email</u> |
|--|----------------|----------------|---------------------|
| PRIMARY CONTACT: SECONDARY CONTACT: | Melissa Dunlap | (803) 734-2157 | mdunlap@sos.sc.gov |
| | Tracy Watford | (803) 734-1797 | twatford@sos.sc.gov |

I have reviewed and approved the enclosed FY 2025-2026 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

| | | |
|--|------------------------|----------------------------------|
| SIGN/DATE: TYPE/PRINT NAME: | <u>Agency Director</u> | <u>Board or Commission Chair</u> |
| | | |

This form must be signed by the agency head – not a delegate.

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|--------------|------------------------------------|
| Agency Name: | <u>Secretary Of State's Office</u> |
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| BUDGET REQUESTS | | | FUNDING | | | | | FTES | | | | |
|-----------------|----------------|--|---------|---------|-----------|------------|---------|-------|---------|-----------|------------|-------|
| Priority | Request Type | Request Title | State | Federal | Earmarked | Restricted | Total | State | Federal | Earmarked | Restricted | Total |
| 1 | B1 - Recurring | Division of Public Charities - Administrative Assistant | 0 | 0 | 66,606 | 0 | 66,606 | 0.00 | 0.00 | 1.00 | 0.00 | 1.00 |
| 2 | B1 - Recurring | Other Funds Authorization Increase | 0 | 0 | 150,000 | 0 | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | B1 - Recurring | Other Funds Health and Pay Allocation | 0 | 0 | 55,223 | 0 | 55,223 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | B1 - Recurring | Other Funds Authorization Increase for added Proviso 96.4. | 0 | 0 | 150,000 | 0 | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTALS | | | 0 | 0 | 421,829 | 0 | 421,829 | 0.00 | 0.00 | 1.00 | 0.00 | 1.00 |

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| Agency Name: | Secretary Of State's Office | | |
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FORM B1 – RECURRING OPERATING REQUEST

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|------------------------|---|
| AGENCY PRIORITY | 1 |
|------------------------|---|

Provide the Agency Priority Ranking from the Executive Summary.

| | |
|--------------|--|
| TITLE | Division of Public Charities - Administrative Assistant |
|--------------|--|

Provide a brief, descriptive title for this request.

| | |
|---------------|---|
| AMOUNT | <p>General: \$0</p> <p>Federal: \$0</p> <p>Other: \$66,606</p> <p>Total: \$66,606</p> |
|---------------|---|

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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| NEW POSITIONS | 1.00 |
|----------------------|------|

Please provide the total number of new positions needed for this request.

| | | |
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| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: | |
| | <input type="checkbox"/> | Change in cost of providing current services to existing program audience |
| | <input checked="" type="checkbox"/> | Change in case load/enrollment under existing program guidelines |
| | <input type="checkbox"/> | Non-mandated change in eligibility/enrollment for existing program |
| | <input type="checkbox"/> | Non-mandated program change in service levels or areas |
| | <input type="checkbox"/> | Proposed establishment of a new program or initiative |
| | <input type="checkbox"/> | Loss of federal or other external financial support for existing program |
| | <input type="checkbox"/> | Exhaustion of fund balances previously used to support program |
| | <input type="checkbox"/> | IT Technology/Security related |
| | <input checked="" type="checkbox"/> | HR/Personnel Related |
| <input type="checkbox"/> | Consulted DTO during development | |
| <input type="checkbox"/> | Related to a Non-Recurring request – If so, Priority # | |

| | | |
|--|--|--|
| STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES | Mark "X" for primary applicable Statewide Enterprise Strategic Objective: | |
| | <input type="checkbox"/> | Education, Training, and Human Development |
| | <input type="checkbox"/> | Healthy and Safe Families |
| | <input type="checkbox"/> | Maintaining Safety, Integrity, and Security |
| | <input type="checkbox"/> | Public Infrastructure and Economic Development |
| | <input checked="" type="checkbox"/> | Government and Citizens |

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| ACCOUNTABILITY OF FUNDS | <p>The Secretary of State is responsible for the enforcement of the Solicitation of Charitable Funds Act. The request for an other funded FTE for an Administrative Assistant for the Division of Public Charities is necessary in order to meet the challenges with an increased volume of filings for charitable organizations and professional fundraisers. The requested \$66,606.00 includes fringe and the position would be funded with other funds and not state general funds.</p> |
|--------------------------------|---|

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

| | |
|----------------------|---|
| RECIPIENTS OF | The Secretary of State's Office Administrative Assistant FTE. |
|----------------------|---|

FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State is responsible for the enforcement of the Solicitation of Charitable Funds Act. The addition of one other funded FTE would assist the Public Charities Division with the enforcement of the Solicitation of Charitable Funds Act. In FY 2023-24, 17,463 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State's Division of Public Charities. Initial charity registrations increased by 8.7%, a 1.5% increase over the previous year. The Charities Division also filed over 3,000 professional fundraiser registrations, fundraising contracts, and joint financial reports. In FY2023-24 over 600 nonprofit organizations filed raffle registrations. The Division assisted 18,021 customers via telephone and 471 walk-in customers. The agency continued to collect fine revenue for violations of the Solicitation of Charitable Funds Act, and as a result, remitted over \$810,000 in fine revenue to the General Fund. The addition of one FTE would assist the Public Charities Division in fulfilling statutory requirements and providing customer service to assist individuals and charitable organizations filing with the agency.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

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|------------------------|---|
| AGENCY PRIORITY | 2 |
|------------------------|---|

Provide the Agency Priority Ranking from the Executive Summary.

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| TITLE | Other Funds Authorization Increase |
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Provide a brief, descriptive title for this request.

| | |
|---------------|--|
| AMOUNT | General: \$0 Federal: \$0 Other: \$150,000 Total: \$150,000 |
|---------------|--|

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

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|----------------------|------|
| NEW POSITIONS | 0.00 |
|----------------------|------|

Please provide the total number of new positions needed for this request.

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|--|--|---|
| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: | |
| | <input checked="" type="checkbox"/> | Change in cost of providing current services to existing program audience |
| | <input type="checkbox"/> | Change in case load/enrollment under existing program guidelines |
| | <input type="checkbox"/> | Non-mandated change in eligibility/enrollment for existing program |
| | <input type="checkbox"/> | Non-mandated program change in service levels or areas |
| | <input type="checkbox"/> | Proposed establishment of a new program or initiative |
| | <input type="checkbox"/> | Loss of federal or other external financial support for existing program |
| | <input type="checkbox"/> | Exhaustion of fund balances previously used to support program |
| | <input checked="" type="checkbox"/> | IT Technology/Security related |
| | <input checked="" type="checkbox"/> | HR/Personnel Related |
| <input type="checkbox"/> | Consulted DTO during development | |
| <input type="checkbox"/> | Related to a Non-Recurring request – If so, Priority # | |

| | | |
|--|--|--|
| STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES | Mark "X" for primary applicable Statewide Enterprise Strategic Objective: | |
| | <input type="checkbox"/> | Education, Training, and Human Development |
| | <input type="checkbox"/> | Healthy and Safe Families |
| | <input type="checkbox"/> | Maintaining Safety, Integrity, and Security |
| | <input type="checkbox"/> | Public Infrastructure and Economic Development |
| <input checked="" type="checkbox"/> | Government and Citizens | |

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| ACCOUNTABILITY OF FUNDS | <p>The request for an additional \$150,000 increase in spending authorization will support the agency with retention and recruitment efforts, along with information technology projects. Approximately \$120,000 of that increase would be dedicated to retaining employees. This funding will support recruitment efforts in light of several impending retirements and retention for existing employees.</p> <p>The remaining requested funding will be spent on information technology projects. The agency continues to expand its IT services for customers to provide up-to-date, secure, and convenient infrastructure and security.</p> |
|--------------------------------|--|

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

| | |
|--|--|
| | Anticipated fund recipients would include staff for retention and recruitment. Other |
|--|--|

RECIPIENTS OF FUNDS

recipients would include information technology vendors for IT equipment, upgrades, and small projects.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State's Office returned over \$13.4 million over to the State General Fund last year. The office is requesting an increase of spending authority in the amount of \$150,000 in other funds. Part of this funding increase will be used to allow the agency to compete with other government agencies and private sector employees in the retention and recruitment of qualified employees to perform significant duties of the Secretary of State's Office.

Secretary Hammond remains committed to providing online filing capabilities which are critical for our customers. With continuous enhancements to the many systems along with creating additional online services, the remaining requested funds would be committed to information technology needs of the agency.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

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|------------------------|---|
| AGENCY PRIORITY | 3 |
|------------------------|---|

Provide the Agency Priority Ranking from the Executive Summary.

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|--------------|--|
| TITLE | Other Funds Health and Pay Allocation |
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Provide a brief, descriptive title for this request.

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|---------------|--|
| AMOUNT | General: \$0 Federal: \$0 Other: \$55,223 Total: \$55,223 |
|---------------|--|

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

| | |
|----------------------|------|
| NEW POSITIONS | 0.00 |
|----------------------|------|

Please provide the total number of new positions needed for this request.

| | | |
|--|--|---|
| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: | |
| | <input checked="" type="checkbox"/> | Change in cost of providing current services to existing program audience |
| | <input type="checkbox"/> | Change in case load/enrollment under existing program guidelines |
| | <input type="checkbox"/> | Non-mandated change in eligibility/enrollment for existing program |
| | <input type="checkbox"/> | Non-mandated program change in service levels or areas |
| | <input type="checkbox"/> | Proposed establishment of a new program or initiative |
| | <input type="checkbox"/> | Loss of federal or other external financial support for existing program |
| | <input type="checkbox"/> | Exhaustion of fund balances previously used to support program |
| | <input type="checkbox"/> | IT Technology/Security related |
| | <input type="checkbox"/> | HR/Personnel Related |
| <input type="checkbox"/> | Consulted DTO during development | |
| <input type="checkbox"/> | Related to a Non-Recurring request – If so, Priority # | |

| | | |
|--|--|--|
| STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES | Mark "X" for primary applicable Statewide Enterprise Strategic Objective: | |
| | <input type="checkbox"/> | Education, Training, and Human Development |
| | <input type="checkbox"/> | Healthy and Safe Families |
| | <input type="checkbox"/> | Maintaining Safety, Integrity, and Security |
| | <input type="checkbox"/> | Public Infrastructure and Economic Development |
| <input checked="" type="checkbox"/> | Government and Citizens | |

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| ACCOUNTABILITY OF FUNDS | <p>This funding request will support all divisions of the agency that are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies that the office seeks to meet would be impacted by the fulfillment of this funding request.</p> |
|--------------------------------|--|

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

| | |
|----------------------|---|
| RECIPIENTS OF | <p>Fund recipients will be the Secretary of State's Office employees whose compensation is supported by other funds, and who are eligible for health insurance.</p> |
|----------------------|---|

FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State's Office has 16 FTEs supported by other funds. This funding request will support the Pay Plan Allocation (\$46,676) along with the increase to the employer portion of health insurance (\$8,547).

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

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|------------------------|---|
| AGENCY PRIORITY | 4 |
|------------------------|---|

Provide the Agency Priority Ranking from the Executive Summary.

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|--------------|---|
| TITLE | Other Funds Authorization Increase for added Proviso 96.4. |
|--------------|---|

Provide a brief, descriptive title for this request.

| | |
|---------------|--|
| AMOUNT | General: \$0 Federal: \$0 Other: \$150,000 Total: \$150,000 |
|---------------|--|

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

| | |
|----------------------|------|
| NEW POSITIONS | 0.00 |
|----------------------|------|

Please provide the total number of new positions needed for this request.

| | | |
|--|--|---|
| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: | |
| | <input checked="" type="checkbox"/> | Change in cost of providing current services to existing program audience |
| | <input checked="" type="checkbox"/> | Change in case load/enrollment under existing program guidelines |
| | <input type="checkbox"/> | Non-mandated change in eligibility/enrollment for existing program |
| | <input type="checkbox"/> | Non-mandated program change in service levels or areas |
| | <input type="checkbox"/> | Proposed establishment of a new program or initiative |
| | <input type="checkbox"/> | Loss of federal or other external financial support for existing program |
| | <input checked="" type="checkbox"/> | Exhaustion of fund balances previously used to support program |
| | <input type="checkbox"/> | IT Technology/Security related |
| | <input type="checkbox"/> | HR/Personnel Related |
| <input type="checkbox"/> | Consulted DTO during development | |
| <input type="checkbox"/> | Related to a Non-Recurring request – If so, Priority # | |

| | | |
|--|--|--|
| STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES | Mark "X" for primary applicable Statewide Enterprise Strategic Objective: | |
| | <input type="checkbox"/> | Education, Training, and Human Development |
| | <input type="checkbox"/> | Healthy and Safe Families |
| | <input type="checkbox"/> | Maintaining Safety, Integrity, and Security |
| | <input type="checkbox"/> | Public Infrastructure and Economic Development |
| <input checked="" type="checkbox"/> | Government and Citizens | |

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| ACCOUNTABILITY OF FUNDS | <p>The Secretary of State is responsible for the enforcement of the Solicitation of Charitable Funds Act. The request for additional authorization in spending authority for requested Proviso 96.4 is necessary in order to fund the divisions operational costs.</p> |
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

| | |
|--|---|
| | The Secretary of State's Office Division of Public Charities. |
|--|---|

RECIPIENTS OF FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State’s Office is requesting an increase of spending authority for the proposed Proviso 96.4 to increase fine revenue that is collected under the Solicitation of Charitable Funds Act. The requested amount is \$150,000, which addresses the rising operational costs of the division.

Last fiscal year, over 17,000 charities and over 1,300 professional fundraisers registered to solicit in South Carolina. These numbers have steadily increased over the past several years. Likewise, the amount of fine revenue collect has increased from approximately \$380,000 five years ago, to over \$1,000,000 in FY 2023-2024. If enacted, this proviso and the requested authorization in spending authority would help the Office fund increased administrative costs from enforcement, including those related to personnel, postage for notices of violation, and other related expenses.

The increase in postage of certified letters has greatly increased over the years. This fiscal year, the Office has spent approximately over \$62,000 on certified mail alone.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

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|---------------|-----|
| NUMBER | NEW |
|---------------|-----|

Cite the proviso according to the renumbered list (or mark "NEW").

| | |
|--------------|---|
| TITLE | Charitable Funds Act Administration & Enforcement |
|--------------|---|

Provide the title from the renumbered list or suggest a short title for any new request.

| | |
|-----------------------|--|
| BUDGET PROGRAM | I. Administration, II. Employee Benefits |
|-----------------------|--|

Identify the associated budget program(s) by name and budget section.

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| RELATED BUDGET REQUEST | None |
|-------------------------------|------|

Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.

| | |
|-------------------------|-----|
| REQUESTED ACTION | Add |
|-------------------------|-----|

Choose from: Add, Delete, Amend, or Codify.

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| OTHER AGENCIES AFFECTED | None |
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Which other agencies would be affected by the recommended action? How?

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| SUMMARY & EXPLANATION | <p>The Secretary of State's Office is requesting to add a new proviso to increase fine revenue that is collected for the administration and enforcement of the Solicitation of Charitable Funds Act. In addition to the first \$200,000 dollars in administrative fines currently retained to administer the enforcement of the Solicitation of the Charitable Funds Act, the Secretary of State may retain up to an additional \$150,000 of fine revenue collected for the same purpose to offset increased costs for enforcement of the Act, for a total of \$350,000. Last fiscal year, over 17,000 charities and over 1,300 professional fundraisers registered to solicit in South Carolina. These numbers have steadily increased over the past several years. Likewise, the amount of fine revenue collected has increased from approximately \$380,000 five years ago, to over \$1,000,000 in FY 2023-2024. If enacted, this proviso would help the Office fund increased administrative costs from enforcement, including those related to personnel, postage for notices of violation, and other related expenses. The Office returned over \$800,000 in fine revenue to the State General Fund in FY 2023-2024.</p> |
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The Secretary of State's Office is requesting an increase of up to \$150,000 in its fine revenue budget. The agency is responsible for enforcing the Solicitation of Charitable Funds Act. Over the past several years, we have observed an increase in violations of these laws due to the increased growth within the state, and in engagement with the public on wise charitable giving.

The Office currently retains the first \$200,000 of fine revenue collected. The proviso would allow the Office to retain up to an additional \$150,000 to offset increased costs for enforcement of the Act, for a total of \$350,000. The amount of fine revenue collected has increased from approximately \$380,000 five years ago, to over \$1,000,000 in FY 2023-2024. This is a result of the increase in the number of charities registered with the Office. Over 17,000 charities and over 1,3000 professional fundraisers registered to solicit charitable donations in South Carolina. This proviso would help the Office fund increased administrative costs from enforcement, including those related to personnel, postage for notices of violation, and other related expenses. The Office returned over \$800,000 in fine revenue to the State General Fund in FY 2023-2024.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

In addition to the first \$200,000 dollars in administrative fines currently retained to administer the enforcement of the Solicitation of the Charitable Funds Act, the Secretary of State may retain up to an additional \$150,000 of fine revenue collected for the same purpose.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

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| TITLE | Agency Cost Savings and General Fund Reduction Contingency Plan |
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| AMOUNT | \$47,046 |
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

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| ASSOCIATED FTE REDUCTIONS | The Secretary of State's Office will plan to reduce one State FTE in association with this General Fund reduction. |
|----------------------------------|--|

How many FTEs would be reduced in association with this General Fund reduction?

| | |
|----------------------------------|--|
| PROGRAM / ACTIVITY IMPACT | Administration and Employee Benefits are supported by these General Funds. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory mission of the agency. |
|----------------------------------|--|

What programs or activities are supported by the General Funds identified?

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| SUMMARY | The agency has 18 FTE General Funded employees. Service delivery to customers would be directly impacted by the reduction of an FTE. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory missions of the agency. The 3% possible future cut would require moving a state-funded position to an other funded position. It would also prevent the office from filling any position that becomes vacant. This reduction in staff would impact the agency's ability to serve customers. |
|----------------|--|

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

**AGENCY COST
SAVINGS PLANS**

The Secretary of State's Office continues to reduce costs to taxpayers by working with the state portal, Tyler Technologies, to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings Online applications.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

| | |
|--------------|-------------------------|
| TITLE | Reducing Fines and Fees |
|--------------|-------------------------|

Provide a brief, descriptive title for this request.

| | |
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| EXPECTED SAVINGS TO BUSINESSES AND CITIZENS | Not applicable. |
|--|-----------------|

What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

| | | | | | | | | | |
|--|---|--------------------------|------------------------------------|--------------------------|--|--------------------------|--|-------------------------------------|-------|
| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other</td> </tr> </table> | <input type="checkbox"/> | Repeal or revision of regulations. | <input type="checkbox"/> | Reduction of agency fees or fines to businesses or citizens. | <input type="checkbox"/> | Greater efficiency in agency services or reduction in compliance burden. | <input checked="" type="checkbox"/> | Other |
| <input type="checkbox"/> | Repeal or revision of regulations. | | | | | | | | |
| <input type="checkbox"/> | Reduction of agency fees or fines to businesses or citizens. | | | | | | | | |
| <input type="checkbox"/> | Greater efficiency in agency services or reduction in compliance burden. | | | | | | | | |
| <input checked="" type="checkbox"/> | Other | | | | | | | | |

| | |
|------------------------------|-----------------|
| METHOD OF CALCULATION | Not applicable. |
|------------------------------|-----------------|

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

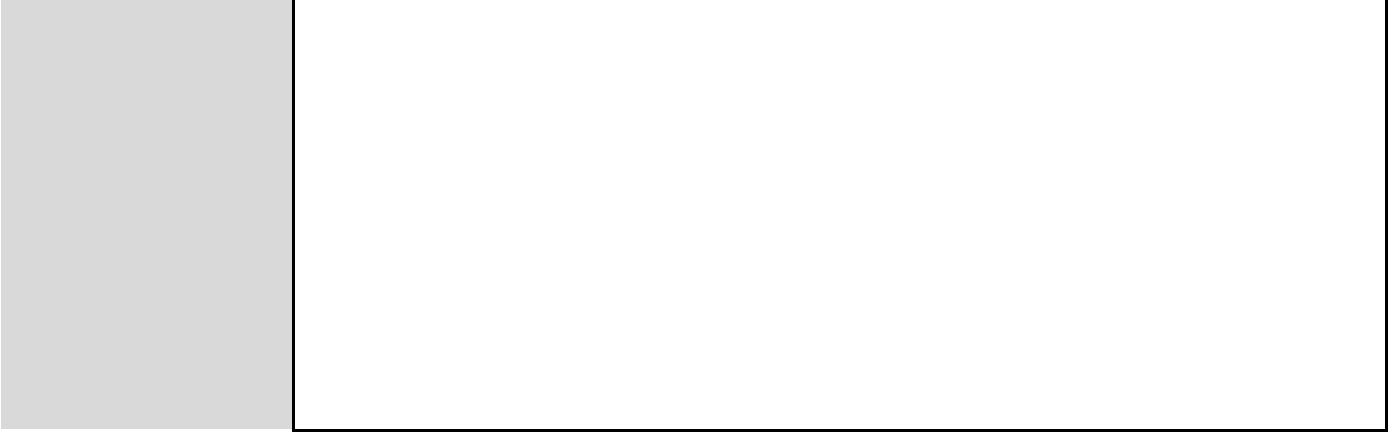
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|-----------------------------------|--|
| REDUCTION OF FEES OR FINES | Filing fees in the Secretary of State's Office are mandated by statute. Any revisions will require statutory revisions from the General Assembly. The Secretary of State's Office returned over \$13.4 million to the General Fund in FY 2023-24 for fees collected. |
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

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| REDUCTION OF REGULATION | Securities Division, 113-1 through 113-6 repealed by State Register Volume 41, Issue No. 5, Doc. 4649, effective May 26, 2017. |
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

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| SUMMARY | <p>The Secretary of State no longer administers the Securities Division, therefore the office formally began the process of repealing regulations 113-1 through 113-26 in March of 2016. The regulations were repealed effective May 26, 2017. There are no other regulations needing to be repealed at this time.</p> <p>The Secretary of State's Office filing fees are set by the General Assembly and cannot be reduced by the office. Additionally, most fees collected by the agency have not been increased for several decades and therefore have not maintained pace with inflation. The Secretary of State's Office returned more than 13.4 million to the General Assembly in FY 2023-24 for fees collected through providing services mandated by statute.</p> |
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?