

AGENCY NAME:	Secretary Of State's Office		
AGENCY CODE:	E080	SECTION:	96



**Fiscal Year 2020-21
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2020-21, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

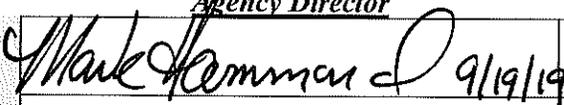
CAPITAL REQUESTS (FORM C)	For FY 2020-21, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)	For FY 2020-21, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	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:	Melissa Dunlap	803-734-2157	mdunlap@sos.sc.gov
SECONDARY CONTACT:	LaToria Williams	803-734-1723	lwilliams@sos.sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<i>Agency Director</i> 	<i>Board or Commission Chair</i>
	TYPE/PRINT NAME: Mark Hammond	

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

Fiscal Year 2020-21 Budget Request Executive Summary

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

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Other Funds Authorization			145,000		145,000					0.00
2	B1 - Recurring	Other Funds Retirement, Health and Pay Allocation			40,000		40,000					0.00
3							0					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			0	0	185,000	0	185,000	0.00	0.00	0.00	0.00	0.00

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FORM B1 – RECURRING OPERATING REQUEST

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

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Authorization Increase
--------------	---

Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other: \$145,000 Total: \$145,000
---------------	--

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
----------------------	--

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 checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	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

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

ACCOUNTABILITY OF FUNDS	<p>The requested funding is necessary for the agency to meet the goals of providing the needed information technology applications and security in order to fulfill the statutorily mandated duties of the Secretary of State's Office. The agency continues to expand its IT services for customers to provide up-to-date, secure, and convenient IT offerings for on-line customers and in-house users while maintaining necessary infrastructure and security.</p>
--------------------------------	---

What specific strategy, as outlined in the FY 2019-20 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 FUNDS	<p>Anticipated fund recipients would include information technology vendors for IT equipment and upgrades, and IT staff who provide services to the agency including working with IT vendors and project management for the agency.</p>
----------------------------	---

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	<p>The Secretary of State's Office returned over \$8,100,000 to the State General Fund last year. The agency continues to have increases in general operating expenses that are out of the agency's control. The office is seeking an increase in spending authority in order to self-fund information technology initiatives rather than requesting a large capital expenditure. The requested amount is required to accomplish the statutorily mandated duties and mission of the Secretary of State's Office, including the enforcement of the Solicitation of Charitable Funds Act, SC Code §33-56-10, et seq. An increase of \$145,000 in operating funds will be spread throughout the programs in the agency, and would encompass application support for information technology throughout the office with an emphasis on the charities database. The charities/raffles/professional fundraiser web application is presently undergoing a modernization process to provide customers with expanded online offerings to include mobile and tablet capabilities. In addition, other improvements to the charities web application are necessary to provide increased functionality for public users and charities staff. Additional existing hardware will also be replaced to ensure serviceability of the application. If the funds are not received, the necessary upgrades to the application cannot be made.</p>
---------------------------------	---

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.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FORM B1 – RECURRING OPERATING REQUEST

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

Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Retirement, Health and Pay Allocation
--------------	--

Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other:\$40,000 Total:\$40,000
---------------	--

What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.0
----------------------	------------

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"/>	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	

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

ACCOUNTABILITY OF FUNDS	<p>This funding request would 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 FY 2019-20 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 FUNDS	<p>Secretary of State's Office employees whose compensation is supported by other funds, and who are eligible for health insurance and participating in the SCRS retirement plan.</p>
----------------------------	---

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	<p>The Secretary of State's Office has 14 FTEs supported by other funds. This funding request would support the 2% Pay Plan Allocation. With increasing rates, the Secretary of State's Office needs an increase in its other funds authorization in retirement, health and dental to cover the employer portion.</p>
---------------------------------	---

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.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW
---------------	-----

Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	Charity Fine Revenue
--------------	----------------------

Provide the title from the FY 2019-20 Appropriations Act 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.

RELATED BUDGET REQUEST	1
-------------------------------	---

Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

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

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

OTHER AGENCIES AFFECTED	No other agencies are affected
--------------------------------	--------------------------------

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Currently, the Secretary of State may retain administrative fine revenue collected pursuant to SC Code §33-56-160 in the amount of \$200,000. In FY 2018-19, the agency collected \$381,910 in fine revenue. This fine revenue is collected from violations of the Solicitation of Charitable Funds Act. The agency is requesting that any additional fine revenue not to exceed \$300,000 be retained to assist with the expenses for enforcement of the Solicitation of Charitable Funds Act. Fine revenue received over \$300,000 would be forwarded to the General Fund. The Secretary of State is responsible for the regulation of charitable organizations and professional fundraisers pursuant to the Solicitation of Charitable Funds Act, and in 2015 began regulating the registration and financial reporting of certain nonprofit organizations wishing to conduct raffles in the state. The statutory language providing for the retention of \$200,000 in fine revenue has not been amended since 1998.</p> <p>There are approximately 14,000 charitable organizations, 683 raffles and 1,555 professional fundraisers registered with the office. The retention of additional funds would assist with increasing enforcement and educational efforts and increase protection for charitable donors.</p>
----------------------------------	---

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.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FISCAL IMPACT	<p>The fiscal impact on the Secretary of State's Office would depend on the amount of fine revenue collected for violations of the Solicitation of Charitable Funds Act in a fiscal year. As the number of charitable organizations and professional fundraisers increase, additional funding is needed to support the Charities Division. Any revenue collected above \$200,000, but not to exceed \$300,000, would enable the office to expand educational outreach and enforcement efforts.</p>
----------------------	--

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

PROPOSED PROVISIO TEXT	<p>The Secretary of State may retain administrative fine revenue collected pursuant to SC Code §33-56-160 up to \$300,000 to offset the expenses of enforcing the Solicitation of Charitable Funds Act.</p>
-------------------------------	---

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FORM D – PROVISO REVISION REQUEST

NUMBER	96.1
---------------	------

Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	Uniform Commercial Code (UCC) Increase in Revenue Retained from Filing Fees
--------------	--

Provide the title from the FY 2019-20 Appropriations Act 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.

RELATED BUDGET REQUEST	1
-------------------------------	---

Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	Amend
-------------------------	--------------

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

OTHER AGENCIES AFFECTED	No other agencies are affected
--------------------------------	--------------------------------

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>The amendment would allow the Secretary of State to retain an additional \$70,000 in filing fees collected for UCC filings for the administration of the UCC division. Revenues from fees raised pursuant to SC Code §36-9-525(a) for the filing of Uniform Commercial Code documents may be retained by the Secretary of State for purposes of UCC administration. This proviso was last amended in FY 2012-13, which increased the amount retained by the agency from \$120,000 to \$180,000. The agency is requesting an increase of \$70,000 to aid with supporting the costs of staff and operating the division. In FY 2019-20, the agency returned \$561,113 in revenue collected from UCC filings to the General Fund.</p>
----------------------------------	---

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.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FISCAL IMPACT	<p>There would be a reduction in the amount of revenue transferred to the General Fund in the amount of \$70,000. In FY 2019-20, the agency returned \$561,113 in revenue collected from UCC filings to the General Fund.</p>
----------------------	---

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	<p>96.1. (SS: UCC Filing Fees) Revenues from the fees raised pursuant to Section 36-9-525(a), not to exceed \$180,000<u>\$250,000</u>, may be retained by the Secretary of State for purposes of UCC administration.</p>
------------------------------	--

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

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

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
--------------	---

AMOUNT	\$37,405 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
---------------	--

ASSOCIATED FTE REDUCTIONS	<p>The Secretary Of State's Office will plan to reduce one State FTE in association with this General Fund reduction.</p> <p><i>How many FTEs would be reduced in association with this General Fund reduction?</i></p>
----------------------------------	---

PROGRAM/ACTIVITY IMPACT	<p>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.</p> <p><i>What programs or activities are supported by the General Funds identified?</i></p>
--------------------------------	--

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

SUMMARY	<p>Service delivery to customers would be directly impacted by the reduction of an FTE. 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.</p>
----------------	--

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	<p>The Secretary of State's Office continues to reduce costs to taxpayers by working with the state portal, SC.gov, to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings Online applications. No multi-million dollar capital requests were made for either project; thus, the services were provided at no cost to the taxpayers. During FY 2019-20, the office will continue to work with SC.gov on the online business filings, search and document retrieval application. The Secretary of State's Office is an integral part of conducting business in the state and constantly works to provide customers the best possible online solutions while saving taxpayers money.</p>
----------------------------------	--

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?

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

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

Provide a brief, descriptive title for this request.

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	<p>Mark "X" for all that apply:</p> <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.

REDUCTION OF FEES OR FINES	Filing fees in the Secretary of State's Office are mandated by statute. Any revisions would require statutory revisions from the General Assembly. The Secretary of State's Office returned \$8.1 million dollars to the General Fund in FY 2018-19 for fees collected.
-----------------------------------	---

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?

REDUCTION OF REGULATION	Securities Division, 113-1 through 113-26 repealed by State Register Volume 41, Issue No. 5, Doc. 4649, effective May 26, 2017.
--------------------------------	---

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

AGENCY NAME:	Secretary of State's Office		
AGENCY CODE:	E080	SECTION:	96

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 \$8.1 million dollars to the General Fund in FY 2018-19 for fees collected through providing services mandated by statute.</p>
----------------	---

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?