



**Fiscal Year FY 2022-2023  
 Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

**OPERATING  
 REQUESTS**  
 (FORM B1)

For FY 2022-2023, 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 2022-2023, 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 2022-2023, 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 2022-2023, my agency is (mark "X"):	
<input 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 checked="" type="checkbox"/>	Not requesting any proviso changes.

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

**PRIMARY  
 CONTACT:**  
**SECONDARY  
 CONTACT:**

<i>Name</i>	<i>Phone</i>	<i>Email</i>
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 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

**SIGN/DATE:** *Mark Hammond* 9/12/21  
**TYPE/PRINT NAME:** Mark Hammond

<i>Agency Director</i>	<i>Board or Commission Chair</i>
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This form must be signed by the agency head – not a delegate.

Agency Name:	Secretary Of State's Office
Agency Code:	E080
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 Increase	0	0	165,000	0	165,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Other Funds Retirement, Health and Pay Allocation	0	0	49,650	0	49,650	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	New FTE in the Division of Public Charities - Administrative Assistant	0	0	45,000	0	45,000	0.00	0.00	1.00	0.00	1.00
TOTALS			0	0	259,650	0	259,650	0.00	0.00	1.00	0.00	1.00

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

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Other Funds Authorization Increase</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$0</b> <b>Federal: \$0</b> <b>Other: \$165,000</b> <b>Total: \$165,000</b>
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*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<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>
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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?*

<b>RECIPIENTS OF</b>	<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>
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**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 returned over \$13.4 million 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 several information technology initiatives rather than requesting a large capital request. 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 §3-56-10, et seq. An increase of \$165,000 in operating will be spread throughout the programs in the agency. This would include application support for information technology throughout the office. In addition, necessary information technology projects that would increase the number of permanent records maintained in a digital format would be initiated. Continued enhancements to the charities/raffles/professional fundraiser web application would also be possible.

*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**

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Other Funds Retirement, Health and Pay Allocation</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$0</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$49,650</b></p> <p><b>Total: \$49,650</b></p>
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*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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

<b>ACCOUNTABILITY OF FUNDS</b>	<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>
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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?*

<b>RECIPIENTS OF</b>	<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>
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**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 14 FTEs supported by other funds. This funding request would support the 2.5% 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.

*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**

<b>AGENCY PRIORITY</b>	3
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>New FTE in the Division of Public Charities - Administrative Assistant</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$0</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$45,000</b></p> <p><b>Total: \$45,000</b></p>
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*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	1.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<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 position would be funded with other funds and not state general funds.</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?*

<b>RECIPIENTS OF</b>	The Secretary of State's Office Administrative Assistant FTE.
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**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 2020-21, 15,985 charitable organizations registered or filed annual applications for exemption. This is a 13% increase over the previous year. Annual financial reports and extensions for charitable organizations increased 25% to 22,060. The agency continued to collect fine revenue for violations of the Solicitation of Charitable Funds Act, and as result, remitted over \$200,000 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 E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	\$37,405
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

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

<b>PROGRAM / ACTIVITY IMPACT</b>	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.
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	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.
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*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, NIC SC (formerly 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 2022-23, the office will continue to work with NIC SC to expand the online filing options on the business filings, search and document retrieval application and make enhancements to the UCC online search and filing 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.

*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		
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## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	Reducing Fines and Fees
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	Not applicable
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<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

<b>METHOD OF CALCULATION</b>	Not applicable.
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*


<b>REDUCTION OF FEES OR FINES</b>	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 over \$13.4 million dollars to the General Fund in FY 2020-21 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?*

<b>REDUCTION OF REGULATION</b>	Securities Division, 113-1, through 113-26 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?*

<b>SUMMARY</b>	<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 dollars to the General Fund in FY 2020-21 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?*