

Secretary of State

House Primary and Secondary Education Subcommittee

*Terry Steele, Budget Analyst
Legislative Service Commission*

February 23, 2005

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LSC Redbook for the Secretary of State

House House Primary and Secondary Education Subcommittee

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February 23, 2005

Secretary of State

- Implementation of the Help America Vote Act (HAVA) remains the top priority for the SOS
- The SOS office has assumed the duties of the Notary Commission, which was formerly housed in the Governor's budget.
- Campaign finance requirements as a result H.B. 1 of the 125th General Assembly special session will offer budget challenges to the SOS in the upcoming biennium.

OVERVIEW

The Office of Secretary of State (SOS) has two program areas: Elections Oversight and Administration (EOA) and Business Services. About 82% or 133 of all SOS staff will work exclusively in the Business Services program series in the FY 2006-2007 biennium. About 18% or 30 employees work in the Elections Oversight and Administration program series. While the central administration and technology support positions support both program series, they primarily service the Business Services program series. Therefore, they have been included in the staffing level for that program series.

Elections

The SOS oversees Ohio elections and supervises the 88 county boards of elections in their duties related to conducting elections. As Ohio's chief election officer, the SOS supervises the administration of election laws, approves ballot language, and reviews statewide initiative and referendum petitions.

The SOS also chairs the Ohio Ballot Board, which approves ballot language for statewide issues, canvasses votes for all elected state offices and election issues, investigates election fraud, and trains election officials. Ohio's Ballot Board, in compliance with H.B. 445 of the 124th General Assembly, has new responsibilities for completing an analysis of the pros and cons on state issues and presenting those arguments for constitutional amendments, initiative petitions, and referendum petitions when persons otherwise responsible for the completion of arguments fail to prepare and file them within the required timeframe.

The Elections Division compiles and maintains election statistics, political party records, and other election-related records. The Elections Division also licenses ministers to perform marriage ceremonies and maintains certain other public records related to state and local governments.

Help America Vote Act Implementation

The SOS is also responsible for meeting the requirements of the Help America Vote Act of 2002 (HAVA). To that end, the SOS recently issued a directive that counties select an optical scan voting device from one of two vendors in an attempt to meet the implementation timelines of HAVA. The SOS will receive \$37.4 million in federal funding in FY 2006 to assist in the purchasing of these optical scan devices. This is in addition to the approximately \$79.3 million in FY 2005 for the purchase of voting machines as well. The SOS does anticipate some potential increase in costs for poll worker training as a result of the optical scan directive, since more counties use direct recording equipment (DRE) than optical scan voting machines. As a result, there will be a greater number of poll workers that will need training for the use of optical scan machines.

Campaign Finance Law Changes – H.B. 1 of the 125th Special Session

The SOS also anticipates increased costs as a result of H.B. 1 of the 125th General Assembly special session. The bill amended current campaign finance law. Several new filing requirements were created in the bill. In addition to these new filing requirements, the SOS's office will also be required to make this information available to the general public on their web site. The SOS indicated that the overall fiscal results of this legislation are not yet known. However, additional staff may be necessary to adequately fulfill the requirements of H.B. 1. Also, current staff will need to be trained. In addition, the SOS indicated that upgrades in software, as well as a potential need for new servers may be necessary to enable the office to make filing information available on its web site.

Business Services

The Business Services Division receives and approves articles of incorporation for Ohio corporations and grants licenses to out-of-state corporations seeking to do business in Ohio. Limited partnerships and limited liability companies also must file. The Corporations section keeps a registry of information about each corporation in Ohio. In order to claim an interest in collateral used for a loan and to have the claim indexed for public notice, secured parties must file financing statements with the Uniform Commercial Code section of the Business Services Division.

The SOS, in compliance with the provisions of Sub. S.B. 74 of the 124th General Assembly, which makes revisions to Article 9, reimburses county recorders in all 88 counties on a graduated scale for loss of revenue based on the Uniform Commercial Code (UCC) filings that each county filed in 1998. Counties experienced the loss of UCC filing fees for secured transactions when these fees were turned over to the SOS in FY 2002. Payments from the SOS to counties in FY 2005 will amount to \$893,667.

The Business Services Division is currently funded entirely through rotary fund revenue. In the past, various fee distribution methods have been used. Most recently, prior to the SOS's authority to retain 100% of fees collected through the Business Services Division, one half of the fees collected were allocated to the General Revenue Fund (GRF) and one half of fees collected were retained by the Business Services Division. And prior to that period, the fees were split so that 15% was directed to the Business Services Division and 85% was directed to the General Revenue Fund. In net dollars, compared with FY 2000-2001, the SOS has reduced its fiscal demand on the General Revenue Fund by approximately \$4 million per fiscal year.

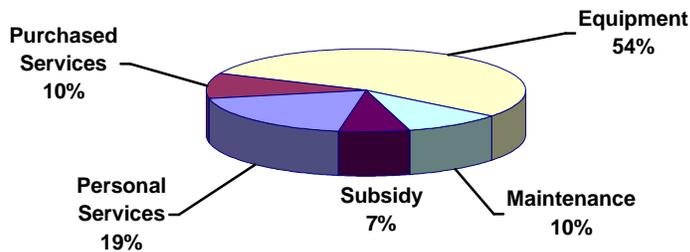
Notary Services

The SOS has also incorporated the Notary Commission into its budget. The Commission was formerly within the Governor's budget. The Notary Commission is responsible for processing applications and issuing commissions for notaries public, attorney notaries public, special police officers, and Department of Natural Resources Reserve Officers.

Executive Funding Recommendations, FYs 2006-2007

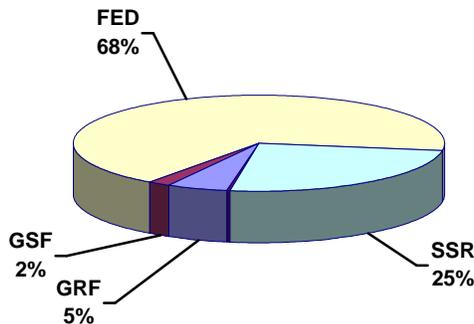
The Executive recommends funding of \$55,423,203 in FY 2006 and \$17,987,000 in FY 2007. The FY 2006 amount reflects an expected \$37.44 million for the purchase of HAVA-compliant voting machines. The pie chart below shows the recommended appropriations for the FY 2006-2007 biennium by expense type. The "Equipment" category constitutes over one-half of the SOS's appropriation for the upcoming biennium, and as mentioned above, includes the purchasing of optical scan voting machines to comply with HAVA guidelines. "Subsidy" refers to scheduled reimbursements made to counties as a result of S.B. 74 of the 124th General Assembly, for the loss in lien filing fees formerly paid to county recorders, which are now paid to the SOS.

Total Budget by Object Code, FYs 2006-2007



The pie chart below shows the recommended FYs 2006-2007 funding levels by the source of funds. Federal funding comprises over two-thirds of the SOS's funding in the upcoming biennium. Again, this reflects the \$37.44 million to be used for optical scan voting machines in FY 2006. This is primarily due to the appropriation of \$37.48 million in federal funding for the purpose of purchasing optical scan voting machines. Approximately one-fourth of the SOS's budget is comprised of state special revenue that is generated from UCC and corporate filing fees.

Total Budget by Fund Group, FYs 2006-2007



Staffing Levels

Secretary of State Staffing Levels						
Program Series/Division	2002	2003	2004	2005	<i>Estimated</i>	
					2006	2007
Elections Services	28	28	28	28	30	30
Business Services	134	134	134	134	133	133
Totals	162	162	162	162	163	163

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2006 AND FY 2007

The following table provides a comprehensive presentation of the Executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Legislative Service Commission

Executive Recommendations for FY 2006 and FY 2007, By Line Item and Program				
Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	050-321	Operating Expenses	\$ 2,585,000.00	\$ 2,585,000.00
		<u>Program Series 1: Election Oversight and Administration</u>	\$ -	\$ -
		Program 1: Elections Program Management	\$ 2,585,000.00	\$ 2,585,000.00
GRF	050-403	Election Statistics	\$ 103,936.00	\$ 103,936.00
		<u>Program Series 1: Elections Oversight and Administration</u>	\$ -	\$ -
		Program 3: Election Statistics	\$ 103,936.00	\$ 103,936.00
GRF	050-407	Pollworker Training	\$ 277,977.00	\$ 277,977.00
		<u>Program Series 1: Elections Oversight and Administration</u>	\$ -	\$ -
		Program 2: Pollworker Training	\$ 277,977.00	\$ 277,977.00
GRF	050-409	Litigation Expenditures	\$ 4,652.00	\$ 4,652.00
		<u>Program Series 1: Elections Oversight and Administration</u>	\$ -	\$ -
		Program 4: Litigation	\$ 4,652.00	\$ 4,652.00
General Revenue Fund Subtotal			\$ 2,971,585.00	\$ 2,971,585.00
General Services Fund Group				
Fund 412	050-609	Notary Services	\$ 685,250.00	\$ 685,249.00
		<u>Program Series 3: Notary Services</u>	\$ -	\$ -
		Program 1: Notary Services	\$ 685,250.00	\$ 685,249.00
Fund 413	050-601	Information Systems	\$ 169,955.00	\$ 169,955.00
		<u>Program Series 2: Business Services</u>	\$ -	\$ -
		Program 5: Corporation Information Systems	\$ 169,955.00	\$ 169,955.00
Fund 414	050-602	Citizen Education Fund	\$ 75,700.00	\$ 55,712.00
		<u>Program Series 1: Election Oversight and Administration</u>	\$ -	\$ -
		Program 7: Citizen Education	\$ -	\$ -
Fund 4S8	050-610	Board of Voting Machines Examiners	\$ 75,700.00	\$ 55,712.00
		<u>Program Series 1: Election Oversight and Administration</u>	\$ -	\$ -
		Program 5: Board of Voting Machine Examiners	\$ 7,200.00	\$ 7,200.00
General Services Fund Subtotal			\$ 938,105.00	\$ 918,116.00
Federal Special Revenue Fund Group				
Fund 3AS	050-616	2005 HAVA Voting Machines	\$ 37,436,203.00	\$ -
		<u>Program Series 1: Election Oversight and Administration</u>	\$ -	\$ -
		Program 1: Election Reform	\$ 37,436,203.00	\$ -
Fund 3X4	050-612	Ohio Cntr/Law Related Educ Grant	\$ 41,000.00	\$ 41,000.00
		<u>Program Series 4: Law Related Education</u>	\$ -	\$ -

Legislative Service Commission

Executive Recommendations for FY 2006 and FY 2007, By Line Item and Program				
Fund	ALI	Title	FY 2006	FY 2007
		Program 1: Law Related Education	\$ 41,000.00	\$ 41,000.00
Federal Special Revenue Fund Subtotal			\$ 37,477,203.00	\$ 41,000.00
State Special Revenue Fund Group				
Fund 599	050-603	Business Services Operating Expenses	\$ 13,741,745.00	\$ 13,761,734.00
		Program Series 2: Business Services	\$ -	\$ -
		Program 1: Business Services Program Management	\$ 13,741,745.00	\$ 13,761,734.00
Fund 5N9	050-607	Technology Improvements	\$ 129,565.00	\$ 129,565.00
		Program Series 2: Business Services	\$ -	\$ -
		Program 4: Technology Improvements	\$ 129,565.00	\$ 129,565.00
State Special Revenue Fund Subtotal			\$ 13,871,310.00	\$ 13,891,299.00
Holding Account Redistribution Fund Group				
Fund R01	050-605	Uniform Commercial Code Refund	\$ 65,000.00	\$ 65,000.00
		Program Series 2: Business Services	\$ -	\$ -
		Program 2: Uniform Commercial Code Refund	\$ 65,000.00	\$ 65,000.00
Fund R02	050-606	Corporate/Business Filing Refund	\$ 100,000.00	\$ 100,000.00
		Program Series 2: Business Services	\$ -	\$ -
		Program 3: Corporate Filing Fee Refund	\$ 100,000.00	\$ 100,000.00
Agency Fund Subtotal			\$ 165,000.00	\$ 165,000.00
Agency Total Funding			\$ 55,423,203.00	\$ 17,987,000.00

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 1

Elections Oversight and Administration

Purpose: The Elections Oversight and Administration program series is responsible for overseeing, administering, and upholding Ohio's election laws. Through this program series, SOS also maintains certain required records on elections and other public documents.

The following table shows the line items that are used to fund the Elections Oversight and Administration program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	050-321	Operating Expenses	\$2,585,000	\$2,585,000
GRF	050-403	Election Statistics	\$103,936	\$103,936
GRF	050-407	Poll Workers Training	\$277,997	\$277,997
GRF	050-409	Litigation Expenses	\$4,652	\$4,652
General Revenue Fund Subtotal			\$2,971,585	\$2,971,585
State Special Revenue Fund				
3AS	050-616	2005 HAVA Voting Machines	\$37,477,203	\$0
State Special Revenue Fund Subtotal			\$37,477,203	\$0
General Services Fund				
414	050-602	Citizen Education Fund	\$75,700	\$55,712
4S8	050-610	Board of Voting Machine Examiners	\$7,200	\$7,200
General Services Fund Subtotal			\$82,900	\$62,912
Total Funding: Elections Oversight and Administration			\$40,531,688	\$3,034,497

This analysis focuses on the following specific programs within the Elections Oversight and Administration program series:

- ***Election Reform***
- ***Elections Program Management***
- ***Poll Workers Training***
- ***Election Statistics***
- ***Citizen Education***
- ***Board of Voting Machine Examiners***
- ***Litigation***

Election Reform

Program Description: The Election Reform program is used for the purpose of purchasing new voting equipment, upgrading the voter registration system, and complying with accessibility issues for Ohio's counties, and any other elections systems improvements that are required for compliance with federal and state law.

Funding Source: Federal Special Revenue funding

Line Items: 3AS 050-616

Implication of Executive Recommendation: Funding will permit the SOS to purchase necessary voting equipment for compliance with HAVA and H.B. 262 of the 125th General Assembly.

Temporary and Permanent Law Provisions: None.

Elections Program Management

Program Description: This program is used to handle public requests for information, oversee publications of the Ohio Municipal Roster, Federal Roster, Ohio Session Laws and voter registration forms for the state tax booklet. These are statutorily mandated requirements. This program also issues monthly reports geared towards the 88 county boards of elections, and pamphlets such as the Voter Information Guide, Campaign Finance Handbook, and the Citizen Digest.

Funding Source: GRF

Line Items: GRF 050-321

Implication of Executive Recommendation: This program is funded at the level requested by the SOS. However, recent campaign finance legislation, H.B. 1 of the 125th General Assembly, Special Session, may impact this program. This legislation requires a greater number of filings of campaign finance documents. In addition, the SOS must make this information available to the public. Because of these requirements, the SOS may need to hire additional staff. Current staff will also have to be trained in the necessary campaign finance requirements. The SOS also anticipates the need to upgrade current software, as well as potentially purchase additional hardware to make this information available to the public on the SOS's website.

The SOS's office also experienced greater than anticipated costs as a result of the recent presidential election. To ensure that the SOS's web site could withstand the increased user traffic that would result from the election, the SOS conducted web site testing. The test was conducted to ensure that the SOS web site could withstand 250,000 hits per five seconds. The cost of the test was approximately \$40,000.

Temporary and Permanent Law Provisions: None.

Poll worker Training

Program Description: Section 3501.27 of the Ohio Revised Code requires that each board of elections establish a program as prescribed by the SOS for the instruction of election officers in the rules, procedures, and laws relating to elections. The statute also mandates that the SOS reimburse each county for the cost of these training programs once a statement of expenses is received.

Funding Source: GRF

Line Items: GRF 050-407

Implication of Executive Recommendation: This program is funded at the requested level. However, the recent directive by the SOS that counties select an optical scan voting system may lead to additional costs for this program. Currently, more counties utilize DRE voting systems than optical scan systems. These counties switching to optical scan systems may require more poll worker training than was

originally anticipated. Originally, counties were moving to a DRE voting system. This would have required fewer counties to train poll workers in a new system. The optical scan directive will now require more counties to conduct poll worker training in a new system, which may increase costs.

Temporary and Permanent Law Provisions: None.

Election Statistics

Program Description: As required by section 3503.27 of the Ohio Revised Code, the SOS must maintain a master file of all registered voters in Ohio. This program also is used to provide electronically compiled election results from legislative, statewide, presidential and congressional races, and statewide ballot issues.

Funding Source: GRF

Line Items: GRF 050-403

Implication of Executive Recommendation: This request is funded at the requested level.

Temporary and Permanent Law Provisions: None.

Citizen Education

Program Description: This program is used to provide for the preparation, printing, and distributing of educational materials. This program also conducts voter registration, educational workshops, and conferences for schools and other public groups.

Funding Source: GSF

Line Items: 414 050-602

Implication of Executive Recommendation: The SOS's office accepts contributions from private groups and individuals in order to fund the various programs for citizens' education.

Temporary and Permanent Law Provisions: None.

Board of Voting Machine Examiners

Program Description: This program is used to certify voting equipment that is to be used in Ohio elections. Compensation and expenses incurred by the board members in the certification process is paid from this program.

Funding Source: GSF

Line Items: 4S8 050-610

Implication of Executive Recommendation: This request is funded at the requested level.

Temporary and Permanent Law Provisions: **Board Of Voting Machine Examiners (Section 209.93).** The foregoing appropriation item 050-610, Board of Voting Machine Examiners, shall be used to pay for the services and expenses of the members of the Board of Voting Machine Examiners, and for other expenses that are authorized to be paid from the Board of Voting Machine Examiners Fund, which is created in section 3506.05 of the Revised Code. Moneys not used shall be returned to the person or entity submitting the equipment for examination. If it is determined that additional appropriations are necessary, such amounts are appropriated.

Litigation

Program Description: This program is used to cover the legal expenses incurred by the SOS's office in defending cases involving disputes over election of judges from at-large districts, and minority voting rights.

Funding Source: GRF

Line Items: GRF 050-409

Implication of Executive Recommendation: This request is funded at the requested level. However, there have been some greater than anticipated costs from this program as a result of the recent presidential election. Thirty-nine pre-election lawsuits were filed against the SOS's office prior to the presidential election. The anticipated costs of these lawsuits is approximately \$550,000-\$600,000 for FY 2005.

Temporary and Permanent Law Provisions: None.

Program Series 2

Business Services

Purpose: This program series is responsible for licensing and record keeping regarding corporations and commercial transactions in Ohio.

The following programs are funded in this program series.

Fund	ALI	Title	FY 2006	FY 2007
State Special Revenue Fund				
599	050-603	Business Services Operating Expenses	\$13,741,745	\$13,741,745
5N9	050-607	Technology Improvements	\$129,565	\$129,565
State Special Revenue Fund Subtotal			\$13,871,310	\$13,871,310
General Services Fund				
413	050-601	Information Systems	\$169,955	\$169,955
General Services Fund Subtotal			\$169,955	\$169,955
Holding Account Redistribution Fund				
R01	050-605	Uniform Commercial Code Refunds	\$65,000	\$65,000
R02	050-606	Corporate/Business Filings Refunds	\$100,000	\$100,000
Holding Account Redistribution Fund Subtotal			\$165,000	\$165,000
Total Funding: Business Services			\$14,206,265	\$14,206,265

This analysis focuses on the following specific programs within the program series:

- **Business Services Program Management**
- **Uniform Commercial Code Refund**
- **Corporation Filing Fee Refund**
- **Technology Improvements**

Business Services Program Management

Program Description: The SOS is required to file and maintain records relating to Ohio corporations, foreign corporations, and other business entities. This program is also used to process and maintain citizen's corporation and UCC filings in a timely fashion.

Funding Source: SSR - filing fees for each UCC document that is filed

Line Items: 599 050-603

Implication of Executive Recommendation: The SOS has asked for a reduction in appropriation this biennium. This was due to the SOS farming out some of these services to a call center on August 1, 2004. As a result of this, there were between 13 and 15 layoffs. While payroll for this program has decreased, there is an increase in the amount of the appropriation that is used for purchased services.

Temporary and Permanent Law Provisions: None.

Uniform Commercial Code Refund

Program Description: This program is used for the purpose of refunding fees to senders in correlation with UCC filings that are not accepted by the SOS or refunds made due to overpayment of filing fees.

Funding Source: Holding Account Redistribution Fund

Line Items: R01 050-605

Implication of Executive Recommendation: This program is funded at the requested level. The SOS will be able to repay any individuals that have overpaid or have had a UCC filing rejected.

Temporary and Permanent Law Provisions: **Holding Account Redistribution Group (Section 209.93)**. The foregoing appropriation items 050-605 and 050-606, Holding Account Redistribution Fund Group, shall be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it is determined that additional appropriations are necessary, such amounts are appropriated.

Corporate Filing Fee Refund

Program Description: This program is used to refund filing fees to senders in correlation with Corporation filings that are not accepted by the SOS or refunds made due to overpayment of filing fees.

Funding Source: Holding Account Redistribution Fund

Line Items: R02 050-606

Implication of Executive Recommendation: This program is used to refund filing fees to senders in correlation with Corporation filings that are not accepted by the SOS or refunds made due to overpayment of filing fees.

Temporary and Permanent Law Provisions: None

Technology Improvements

Program Description: This program is used for the storage and retrieval of all public data maintained in the SOS's office. This program also seeks to increase capabilities by providing on-line transactions, downloadable forms, and access to public records including corporate and UCC information.

Funding Source: SSR

Line Items: 5N9 050-607

Implication of Executive Recommendation: This program is funded at the requested level. Approximately 1% of the revenue collected from filing fees is kept for the purpose of supporting this fund.

Temporary and Permanent Law Provisions: None.

Program Series 3

Notary Services

Purpose: The Notary Services program series is responsible for processing applications and issuing commissions for notaries public, attorney notaries public, special police officers, and ODNR Reserve Officers.

The following table shows the line items that are used to fund the Elections Oversight and Administration program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
412	050-609	Notary Commission	\$685,250	\$685,249
General Services Fund Subtotal			\$685,250	\$685,249
Total Funding: Business Services			\$685,250	\$685,249

Notary Services

Program Description: The Notary Services program series is responsible for processing applications and issuing commissions for notaries public, attorney notaries public, special police officers, and ODNR Reserve Officers. This program is also used for the issuance of new commissions and renewals, public inquiries regarding the status of applications, and processing duplicate commissions which have been lost, or have had a legal name change.

Funding Source: GSF

Line Items: 412 050-609

Implication of Executive Recommendation: This program is funded at the requested level. The SOS charges fees for the issuance of Notary Commissions. The fees collected are used to support the fund. This line item has received an increased appropriation, which is actually a shift of cash from the business services line item.

Temporary and Permanent Law Provisions: None.

Program Series 4

Law Related Education

Purpose: This program series is used to support a youth-for-justice anti-violence program in middle schools across Ohio. The SOS serves as the sub-grantee for the federal grant awarded to the Ohio Center for Law Related Education.

The following table shows the line items that are used to fund the Elections Oversight and Administration program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
3X4	050-612	Ohio Cntrl/Law Related Educ Grant	\$41,000	\$41,000
General Services Fund Subtotal			\$41,000	\$41,000
Total Funding: Business Services			\$41,000	\$41,000

Law Related Education

Program Description: This program series is used to support a youth-for-justice anti-violence program in middle schools across Ohio. The SOS serves as the sub-grantee for the federal grant awarded to the Ohio Center for Law Related Education. This program also provides training for team advisors who teach students critical thinking skills to create safe, peaceful schools and communities.

Funding Source: FSR

Line Items: 3X4 050-612

Implication of Executive Recommendation: This program is funded through the federal Byrne Memorial Grant Program. The remainder is funded by the Office of Criminal Justice Services.

REQUESTS NOT FUNDED

The SOS's office requested a total of \$55,423,203 in FY 2006 and \$17,987,000 in FY 2007. These requests were fully funded by the Governor's recommendation. The large decrease in appropriation requests from FY 2006 to FY 2007 is due to the \$37.44 million appropriation in FY 2006 for the purchase of optical scan voting machines.

General Revenue Fund

GRF 050-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$3,228,332	\$3,229,326	\$2,863,219	\$2,585,000	\$2,585,000	\$2,585,000
	0.0%	-11.3%	-9.7%	0.0%	0.0%

Source: GRF

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: Moneys appropriated to this line item are used to pay operating expenses for the Secretary of State.

GRF 050-403 Election Statistics

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$159,169	\$78,003	\$113,026	\$103,936	\$103,936	\$103,936
	-51.0%	44.9%	-8.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3503.27; Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This line item is used to pay costs associated with maintaining a master file of currently registered Ohio voters.

GRF 050-407 Poll workers Training

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$152,518	\$268,819	\$145,771	\$277,997	\$277,997	\$277,997
	76.3%	-45.8%	90.7%	0.0%	0.0%

Source: GRF

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: These moneys are used to reimburse county boards of elections for costs associated with poll worker training programs.

GRF 050-409 Litigation Expenditures

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$5,077	\$4,949	\$4,652	\$4,652	\$4,652
	N/A	-2.5%	-6.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board in June 1995)

Purpose: This appropriation item was formerly used to pay legal expenses incurred by the Secretary of State in defending an action brought by Mallory et. al. The case, which involved a dispute over the election of judges from at-large districts and minority voting rights, was decided in 1997. Since then, this item has been used for other legal expenses.

General Services Fund Group

412 050-609 Notary Commission

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$186,048	\$172,707	\$185,249	\$685,250	\$685,249
	N/A	-7.2%	7.3%	269.9%	0.0%

Source: GSF: Fees paid by individuals for notary public licenses

Legal Basis: ORC 147.01 and 147.37; Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: Moneys deposited to this account pay for operating costs for the Notary Public Office, including the cost of issuing licenses. The Notary Commission was transferred from the budget of the Office of the Governor to the Secretary of State.

413 050-601 Information Systems

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$90,877	\$237,468	\$191,500	\$169,955	\$169,955	\$169,955
	161.3%	-19.4%	-11.3%	0.0%	0.0%

Source: GSF: Fees charged to vendors for special data requests (separate from routine information requests and document-processing); fees are paid to the Secretary of State's Information Technology Division

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This line item is used to pay for the material and production costs for printouts and tapes containing voter registration data, electronic information requests for corporation lists, Uniform Commercial Code (UCC) lists, and other special data requests from vendors. Primary users of this data are state and local political parties and candidates, labor unions, associations, advertising agencies, and issue organizations.

414 050-602 Citizen Education Fund

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$16,937	\$68,767	\$68,429	\$75,712	\$75,700	\$55,712
	306.0%	-0.5%	10.6%	0.0%	-26.4%

Source: GSF: Donations from private groups who agree to pay all or part of the costs for educational materials and services for specified voter education purposes

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This line item is used to accept and disburse funds for preparing, printing, and distributing voter registration and educational materials and for conducting related workshops and conferences for public education.

4S8 050-610 Board of Voting Machine Examiners

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$4,904	\$7,110	\$14,392	\$7,200	\$7,200	\$7,200
	45.0%	102.4%	-50.0%	0.0%	0.0%

Source: GSF: Voting machine examiner fees charged to vendors of voting machines for certifying such machines

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by H.B. 143 of the 120th G.A.)

Purpose: Moneys in this line item pay for services and expenses of the members of the Board of Voting Machine Examiners.

Federal Special Revenue Fund Group

3AA 050-613 Federal Election Reform

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$4,933,527	\$0	\$0	\$0
	N/A	N/A	-100.0%	N/A	N/A

Source: FED:

Legal Basis:

Purpose:

3AR 050-615 2004 HAVA Voting Machines

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$126,834	\$27,749,918	\$0	\$0
	N/A	N/A	21778.9%	-100.0%	N/A

Source: FED:

Legal Basis:

Purpose:

3AS 050-616 2005 HAVA Voting Machines

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$0	\$79,311,037	\$37,436,203	\$0
	N/A	N/A	N/A	-52.8%	-100.0%

Source: FED:

Legal Basis:

Purpose:

3AT 050-617 Voter/Poll Worker Training

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$0	\$5,000,000	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: FED:

Legal Basis:

Purpose:

3X4 050-612 Ohio Center/Law Related Education Grant

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$41,000	\$29,960	\$41,000	\$41,000	\$41,000
	N/A	-26.9%	36.8%	0.0%	0.0%

Source: FED: Federal grants

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board in FY 2003)

Purpose: The line item is used to distribute federal funds for law-related education.

State Special Revenue Fund Group

599 050-603 Business Services Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$11,403,270	\$14,041,586	\$14,336,815	\$14,241,966	\$13,741,745	\$13,761,734
	23.1%	2.1%	-0.7%	-3.5%	0.1%

Source: SSR: Fees charged for corporate and Uniform Commercial Code filings

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: These moneys are used to pay expenses related to both the processing of Uniform Commercial Code filings and the processing of filings related to corporations and partnerships. Previously, this line item was titled Corporations/UCC Filings.

5N9 050-607 Technology Improvements

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$87,870	\$150,778	\$91,937	\$129,565	\$129,565	\$129,565
	71.6%	-39.0%	40.9%	0.0%	0.0%

Source: SSR: One percent of the money credited to the Corporate and Uniform Commercial Code Filing Fund

Legal Basis: ORC 1309.528(B); Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This line item is used for the upkeep, improvement or replacement of equipment or for the purpose of training employees in the use of equipment used to conduct business under ORC 1309.401 (corporate and uniform commercial filing fund).

Holding Account Redistribution Fund Group

R01 050-605 Uniform Commercial Code Refunds

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$91,364	\$44,038	\$33,297	\$65,000	\$65,000	\$65,000
	-51.8%	-24.4%	95.2%	0.0%	0.0%

Source: 090: Uniform Commercial Code filing fees

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This account holds moneys that may be subject to refund or returned to senders in regard to Uniform Commercial Code filings that are not recorded or for which overpayments of filing fees are received.

R02 050-606 Corporate/Business Filing Refunds

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$89,970	\$71,041	\$70,518	\$100,000	\$100,000	\$100,000
	-21.0%	-0.7%	41.8%	0.0%	0.0%

Source: 090: Corporate/Business filing fees

Legal Basis: Section 99 of Am. Sub. H.B. 95 of the 125th G.A.

Purpose: This account holds moneys that may be subject to refund or returned to senders in regard to Corporation filings that are not recorded or for which overpayments of filing fees are received.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

Fund	ALI	ALI Title	2004	Estimated 2005	Executive 2006	% Change 2005 to 2006	Executive 2007	% Change 2006 to 2007
SOS Secretary of State								
GRF	050-321	Operating Expenses	\$ 2,863,219	\$2,585,000	\$ 2,585,000	0.0%	\$ 2,585,000	0.0%
GRF	050-403	Election Statistics	\$ 113,026	\$103,936	\$ 103,936	0.0%	\$ 103,936	0.0%
GRF	050-407	Poll workers Training	\$ 145,771	\$277,997	\$ 277,997	0.0%	\$ 277,997	0.0%
GRF	050-409	Litigation Expenditures	\$ 4,949	\$4,652	\$ 4,652	0.0%	\$ 4,652	0.0%
General Revenue Fund Total			\$ 3,126,965	\$ 2,971,585	\$ 2,971,585	0.0%	\$ 2,971,585	0.0%
412	050-609	Notary Commission	\$ 172,707	\$185,249	\$ 685,250	269.9%	\$ 685,249	0.0%
413	050-601	Information Systems	\$ 191,500	\$169,955	\$ 169,955	0.0%	\$ 169,955	0.0%
414	050-602	Citizen Education Fund	\$ 68,429	\$75,712	\$ 75,700	0.0%	\$ 55,712	-26.4%
4S8	050-610	Board of Voting Machine Examiners	\$ 14,392	\$7,200	\$ 7,200	0.0%	\$ 7,200	0.0%
General Services Fund Group Total			\$ 447,028	\$ 438,116	\$ 938,105	114.1%	\$ 918,116	-2.1%
3AA	050-613	Federal Election Reform	\$ 4,933,527	\$0	\$ 0	N/A	\$ 0	N/A
3AR	050-615	2004 HAVA Voting Machines	\$ 126,834	\$27,749,918	\$ 0	-100.0%	\$ 0	N/A
3AS	050-616	2005 HAVA Voting Machines	\$ 0	\$79,311,037	\$ 37,436,203	-52.8%	\$ 0	-100.0%
3AT	050-617	Voter/Poll Worker Training	\$ 0	\$5,000,000	\$ 0	-100.0%	\$ 0	N/A
3X4	050-612	Ohio Center/Law Related Education Grant	\$ 29,960	\$41,000	\$ 41,000	0.0%	\$ 41,000	0.0%
Federal Special Revenue Fund Group Total			\$ 5,090,321	\$ 112,101,955	\$ 37,477,203	-66.6%	\$ 41,000	-99.9%
599	050-603	Business Services Operating Expenses	\$ 14,336,815	\$14,241,966	\$ 13,741,745	-3.5%	\$ 13,761,734	0.1%
5N9	050-607	Technology Improvements	\$ 91,937	\$129,565	\$ 129,565	0.0%	\$ 129,565	0.0%
State Special Revenue Fund Group Total			\$ 14,428,752	\$ 14,371,531	\$ 13,871,310	-3.5%	\$ 13,891,299	0.1%
R01	050-605	Uniform Commercial Code Refunds	\$ 33,297	\$65,000	\$ 65,000	0.0%	\$ 65,000	0.0%
R02	050-606	Corporate/Business Filing Refunds	\$ 70,518	\$100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
Holding Account Redistribution Fund Group Total			\$ 103,815	\$ 165,000	\$ 165,000	0.0%	\$ 165,000	0.0%
Total All Budget Fund Groups			\$ 23,196,881	\$ 130,048,187	\$ 55,423,203	-57.4%	\$ 17,987,000	-67.5%