

Secretary of State

House Higher Education Subcommittee

*Deborah Hoffman, Budget Analyst
Legislative Service Commission*

March 28, 2007

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LSC Redbook for the Secretary of State

House Higher Education Subcommittee

Deborah Hoffman, Budget Analyst

Legislative Service Commission

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Catalog of Budget Line Items
LSC Budget Spreadsheet By Line Item

March 28, 2007

Secretary of State

- Implementation and continuation of the Help America Vote Act (HAVA) remains a top priority for SOS
- The Secretary of State is funded primarily through state special revenue, at 61%

OVERVIEW

The Office of Secretary of State (SOS) has four program areas: Elections, Business Services, Notary Services, and Law Related Education. About 136 of all SOS staff will work in the Business Services program series in the FY 2008-2009 biennium. About 27 employees work in the Elections 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

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, SOS supervises the administration of election laws, approves ballot language, and reviews statewide initiative and referendum petitions.

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. 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. The executive recommendation for this program is \$7,784,497 for each year of the upcoming biennium.

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 approves amendments to existing entities, mergers, consolidations, and dissolutions; as well as registering trademarks/service marks, trade names, and fictitious names. Additionally, 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 executive recommendation for this program is \$14,126,254 for both FY 2008 and FY 2009.

Notary Services

SOS incorporated the Notary Commission into its budget; it was previously housed in the Governor's Office. 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. The executive recommendation for this program is \$685,249 for both FY 2008 and FY 2009.

Law Related Education

This program provides a subsidy to the Ohio Center for Law Related Education in support of the national Youth for Justice Anti-Violence initiative to Ohio middle schools. Since 1995, thousands of Ohio students in grades five through eight have participated in this initiative to address issues of bullying, peer pressure, discrimination, and violence prevention. Each year, 250-350 students are selected to participate in the state's Youth Summit in Columbus, Ohio. The executive recommendation for this program is \$41,000 for both FY 2008 and FY 2009.

Summary of FYs 2008-2009 Budget Issues

Help American Vote Act

SOS has ongoing responsibilities due to the Help America Vote Act (HAVA) of 2002, such as the purchase of new voting equipment, voter registration upgrades, voter education, general HAVA grant administration, and compliance with the Americans with Disabilities Act (ADA). SOS received \$37.4 million in federal funding in FY 2006 to assist in the purchasing of optical scan devices for counties. Additionally, SOS received approximately \$79.3 million in FY 2005 for the purchase of voting machines. Comparatively, in the upcoming biennium, federal dollars have greatly decreased, from \$96.4 million in FY 2005 to an estimated \$13.9 million in both FY 2008 and FY 2009.

Additional FY 2007 Appropriations for Business Services Operating Expenses Fund 599

Due to ongoing legal matters concerning elections issues from the last biennium, SOS will potentially require an increase in Fund 599 appropriations to cover these anticipated expenses. As of March 2007, SOS has made settlements for three lawsuits with an additional 20 to 30 pending. Another necessary increased expenditure drawing on Fund 599 in the remainder of FY 2007 is unanticipated payroll expenses as a result of bonuses and early retirements occurring in the middle of FY 2007. Finally, there are the costs related to an ongoing imaging project and database expenses. All these factors will likely require additional appropriation before the close of FY 2007.

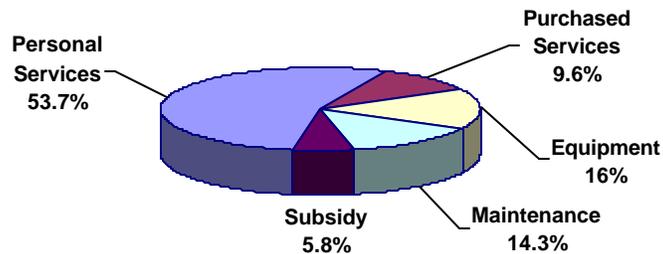
Citizen Education

Though it is not a significant source of appropriations, the Citizen Education Fund is an area of interest to SOS in the upcoming biennium. The executive recommendation for this program is \$55,712 for both FY 2008 and FY 2009.

Executive Funding Recommendations, FYs 2008-2009

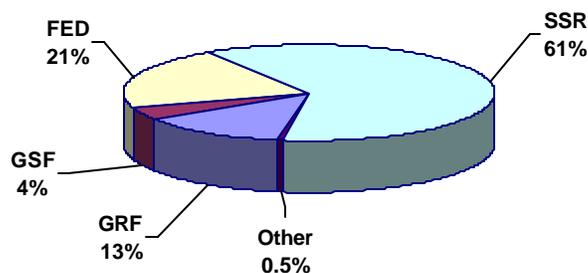
The executive recommends funding of \$22,637,000 in FY 2008 and \$22,637,000 in FY 2009. The pie chart below shows the recommended appropriations for the FY 2008-2009 biennium by expense type. "Subsidy" refers to scheduled reimbursements made to counties for the purposes of pollworker training and accompanying expenditures.

Total Budget by Object Code, FYs 2008-2009



The pie chart below shows the recommended FYs 2008-2009 funding levels by the source of funds. Approximately 61% of SOS's budget is comprised of state special revenue that is generated from the Uniform Commercial Code (UCC) and corporate filing fees. Federal funds account for 21% of SOS's budget; this is to continue fulfillment of HAVA requirements, and to comply with facility accessibility mandates.

Total Budget by Fund Group, FYs 2008-2009



Staffing Levels

Secretary of State Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Elections	28	28	30	30	27	27
Business Services	134	134	133	133	136	136
Totals	162	162	163	163	163	163

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

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.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	050-321	Operating Expenses	\$2,585,000	\$2,585,000
		<u>Program Series 1: Elections</u>		
		Program 1.01: Elections Program Management	\$2,585,000	\$2,585,000
	050-403	Election Statistics	\$103,936	\$103,936
		<u>Program Series 1: Elections</u>		
		Program 1.03: Election Statistics	\$103,936	\$103,936
	050-407	Pollworkers Training	\$277,997	\$277,997
		<u>Program Series 1: Elections</u>		
		Program 1.02: Pollworker Training	\$277,997	\$277,997
	050-409	Litigation Expenditures	\$4,652	\$4,652
		<u>Program Series 1: Elections</u>		
		Program 1.04: Litigation	\$4,652	\$4,652
General Revenue Fund Subtotal			\$2,971,585	\$2,971,585
General Services Fund Group				
412	050-609	Notary Commission	\$685,249	\$685,249
		<u>Program Series 3: Notary Services</u>		
		Program 3.01: Notary Services	\$685,249	\$685,249
413	050-601	Information Systems	\$119,955	\$119,955
		<u>Program Series 2: Business Services</u>		
		Program 2.04: Technology Improvements	\$119,955	\$119,955
414	050-602	Citizen Education Fund	\$55,712	\$55,712
		<u>Program Series 1: Elections</u>		
		Program 1.07: Citizen Education	\$55,712	\$55,712
4S8	050-610	Voting Machines Examiners	\$7,200	\$7,200
		<u>Program Series 1: Elections</u>		
		Program 1.05: Board of Voting Machine Examiners	\$7,200	\$7,200
General Services Fund Subtotal			\$868,116	\$868,116

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund Group				
3AH	050-614	Election Reform/HHS	\$1,000,000	\$1,000,000
		<u>Program Series 1: Elections</u>		
		Program 1.06: Election Reform	\$1,000,000	\$1,000,000
3AS	050-616	2005 HAVA Voting Machines	\$3,750,000	\$3,750,000
		<u>Program Series 1: Elections</u>		
		Program 1.06: Election Reform	\$3,750,000	\$3,750,000
3X4	050-612	Ohio Cntr/Law Related Educ Grant	\$41,000	\$41,000
		<u>Program Series 4: Law Related Education</u>		
		Program 4.01: Law Related Education	\$41,000	\$41,000
Federal Special Revenue Fund Subtotal			\$4,791,000	\$4,791,000
State Special Revenue Fund Group				
599	050-603	Business Services Operating Expenses	\$13,761,734	\$13,761,734
		<u>Program Series 2: Business Services</u>		
		Program 2.01: Business Services Program Management	\$13,761,734	\$13,761,734
5N9	050-607	Technology Improvements	\$129,565	\$129,565
		<u>Program Series 2: Business Services</u>		
		Program 2.04: Technology Improvements	\$129,565	\$129,565
State Special Revenue Fund Subtotal			\$13,891,299	\$13,891,299
Holding Account Redistribution Fund Group				
R01	050-605	Uniform Commercial Code Refund	\$30,000	\$30,000
		<u>Program Series 2: Business Services</u>		
		Program 2.02: Uniform Commercial Code Refund	\$30,000	\$30,000
R02	050-606	Corporate/Business Filing Refunds	\$85,000	\$85,000
		<u>Program Series 2: Business Services</u>		
		Program 2.03: Corporate Filing Fee Refund	\$85,000	\$85,000
Holding Account Redistribution Fund Subtotal			\$115,000	\$115,000
Secretary of State Total Funding			\$22,637,000	\$22,637,000

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Elections

Purpose: The Elections 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 program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
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	Pollworkers Training	\$277,997	\$277,997
GRF	050-409	Litigation Expenditures	\$4,652	\$4,652
General Revenue Fund Subtotal			\$2,971,585	\$2,971,585
Federal Special Revenue Fund				
3AH	050-614	Election Reform/HHS	\$1,000,000	\$1,000,000
3AS	050-616	2005 HAVA Voting Machines	\$3,750,000	\$3,750,000
Federal Special Revenue Fund Subtotal			\$4,750,000	\$4,750,000
General Services Fund				
414	050-602	Citizen Education Fund	\$55,712	\$55,712
4S8	050-610	Voting Machine Examiners	\$7,200	\$7,200
General Services Fund Subtotal			\$62,912	\$69,912
Total Funding: Elections			\$7,784,497	\$7,784,497

Recommended funding for this program will support 27 FTEs assigned to the following programs within the Elections program series:

- **Program 1.01: Elections Program Management**
- **Program 1.02: Pollworker Training**
- **Program 1.03: Election Statistics**
- **Program 1.04: Litigation**
- **Program 1.05: Board of Voting Machine Examiners**
- **Program 1.06: Election Reform**
- **Program 1.07: Citizen Education**

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*, *Candidate Requirement Guide*, and the *Citizen Digest*.

Funding Source: GRF

Line Items: GRF 050-321, Operating Expenses

Implication of Executive Recommendation: Recommended funding is \$2,585,000 in both FY 2008 and FY 2009. This level of funding will maintain current service levels, a staff of 19 FTEs, and information technology upgrades.

Temporary and Permanent Law Provisions

None

Pollworker Training

Program Description: Section 3501.27 of the Ohio Revised Code requires that each board of elections establish a program as prescribed by SOS for the instruction of election officers in the rules, procedures, and laws relating to elections. The statute also mandates that 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, Pollworkers Training

Implication of Executive Recommendation: Recommended funding is \$277,997 for both FY 2008 and FY 2009. This level of funding will maintain current training of pollworkers at each of the state's county boards of election as well as initial training for new pollworkers.

Temporary and Permanent Law Provisions

None

Election Statistics

Program Description: As required by section 3503.27 of the Ohio Revised Code, 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, Election Statistics

Implication of Executive Recommendation: Recommended funding is \$103,936 for both FY 2008 and FY 2009. This level of funding will maintain current staff levels of two FTEs to maintain the master file of the state's registered voters, as well as enable the electronic delivery of data to eliminate the need for manual data entry.

Temporary and Permanent Law Provisions

None

Litigation

Program Description: This program is used to cover the legal expenses incurred by 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, Litigation Expenditures

Implication of Executive Recommendation: Recommended funding is \$4,652 for both FY 2008 and FY 2009. Funding at this level will maintain current service levels and continue to provide support for potential legal expenses. SOS foresees a necessary increase in this fund to cover the potential costs incurred as a result of settlements remaining from the previous biennium. As mentioned previously, three such cases have been settled, with an additional 20-30 pending.

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, Voting Machine Examiners

Implication of Executive Recommendation: Recommended funding is \$7,200 for both FY 2008 and FY 2009. Funding at this level will maintain current service levels.

Temporary and Permanent Law Provisions

Board of Voting Machine Examiners (Section 393.10). The provision requires that 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.

Election Reform

Program Description: This program supports the purchase of new voting equipment, upgrades to the voter registration system, voter education, administration of the federal grant programs, and compliance with facility accessibility requirements. This program is fully supported by federal funds provided to ensure compliance with the Help America Vote Act (HAVA).

Funding Source: Federal Special Revenue funding

Line Items: The following line items are used to fund this program:

Line Item	FY 2008	FY 2009
3AH 050-614, Election Reform/HHS	\$1,000,000	\$1,000,000
3AS 050-616, 2005 HAVA Voting Machines	\$3,750,000	\$3,750,000
Program Total	\$4,750,000	\$4,750,000

Implication of Executive Recommendation: Recommended funding is \$4,750,000 for both FY 2008 and FY 2009. Funding at this level will maintain current service levels. This program will support SOS's highest priority, the continued implementation and oversight of HAVA.

Temporary and Permanent Law Provisions

2005 HAVA Voting Machines (Section 393.10). On July 1, 2008, or as soon as possible thereafter, any remaining unexpended, unencumbered appropriations shall be transferred to Fund 3AS, appropriation item 050-616, 2005 HAVA Voting Machines, for use in fiscal year 2009. This fund shall also receive any ongoing interest earnings.

2005 HAVA Voting Machines (Section 393.10). On July 1, 2008, or as soon as possible thereafter, any remaining unexpended, unencumbered appropriations shall be transferred to Fund 3AH, appropriation item 050-614, Election Reform/Health and Human Services Fund, for use in FY 2009. This fund shall also receive any ongoing interest earnings.

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. This non-GRF program is fully funded through contributions from private groups and individuals.

Line Items: 414 050-602, Citizen Education Fund

Implication of Executive Recommendation: Recommended funding is \$55,712 for both FY 2008 and FY 2009. SOS's office accepts contributions from private groups and individuals in order to fund the various programs for citizens' education. SOS is very interested in maintaining the funding for this program.

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 the Business Services program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
599	050-603	Business Services Operating Expenses	\$13,761,734	\$13,761,734
5N9	050-607	Technology Improvements	\$129,565	\$129,565
State Special Revenue Fund Subtotal			\$13,891,299	\$13,891,299
General Services Fund				
413	050-601	Information Systems	\$119,955	\$119,955
General Services Fund Subtotal			\$119,955	\$119,955
Holding Account Redistribution Fund				
R01	050-605	Uniform Commercial Code Refund	\$30,000	\$30,000
R02	050-606	Corporate/Business Filings Refunds	\$85,000	\$85,000
Holding Account Redistribution Fund Subtotal			\$115,000	\$115,000
Total Funding: Business Services			\$14,126,254	\$14,126,254

Funding at the recommended level will support 136 FTEs working in the following areas:

- **2.01: Business Services Program Management**
- **2.02: Uniform Commercial Code Refund**
- **2.03: Corporation Filing Fee Refund**
- **2.04: Technology Improvements**

Business Services Program Management

Program Description: 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, Business Services Operating Expenses

Implication of Executive Recommendation: Recommended funding is \$13,761,734 for both FY 2008 and FY 2009. Funding at this level will allow continuation of current service levels.

Permanent Law Provisions

R.C. 1309.528(A). This section refers to fees collected by SOS for corporate and UCC filings under Title 13 and 17 of the Revised Code. The collected fees are used to pay for the operation of SOS and for expenses related to both the processing of UCC filings and the processing of filings related to corporations and partnerships.

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 SOS or refunds made due to overpayment of filing fees.

Funding Source: Holding Account Redistribution Fund

Line Items: R01 050-605, Uniform Commercial Code Refund

Implication of Executive Recommendation: Recommended funding is \$30,000 for both FY 2008 and FY 2009. With funding at this level, SOS will be able to repay any individuals that have overpaid or have had a UCC filing rejected.

Temporary Law Provisions

Holding Account Redistribution Group (Section 393.10). This provision requires that the foregoing appropriation item 050-605, Holding Account Redistribution Fund Group, be used to hold revenues until they are directed to the appropriate accounts or until they are refunded.

Corporate and UCC Filing Fund Transfer to GRF (Section 512.09). Not later than the first day of June in each year of the biennium, \$500,000 is to be transferred from the Corporate and Uniform Commercial Code Filing Fund (Fund 599) to the General Revenue Fund. Previous transfers have been \$1 million per year.

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 SOS or refunds made due to overpayment of filing fees.

Funding Source: Holding Account Redistribution Fund

Line Items: R02 050-606, Corporate/Business Filings Refunds

Implication of Executive Recommendation: Recommended funding is \$85,000 for both FY 2008 and FY 2009. At this funding level, SOS can refund filing fees to senders in correlation with Corporation filings that are not accepted by SOS or refunds made due to overpayment of filing fees.

Temporary Law Provision

Holding Account Redistribution Group (Section 393.10). The foregoing appropriation item 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.

Technology Improvements

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

Funding Source: SSR (Fund 5N9) and GSF (Fund 413)

Line Items: The following line items are used to fund this program:

Line Item	FY 2008	FY 2009
413 050-601, Information Systems	\$119,955	\$119,955
5N9 050-607, Technology Improvements	\$129,565	\$129,565
Program Total	\$249,520	\$249,520

Implication of Executive Recommendation: Recommended funding is \$249,520 for both FY 2008 and FY 2009. This funding will allow for replacement of existing information technology hardware, enhancements to the agency's web capabilities, and upgrades to the current operating system. 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 Notary Services program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
412	050-609	Notary Commission	\$685,249	\$685,249
General Services Fund Subtotal			\$685,249	\$685,249
Total Funding: Notary Services			\$685,249	\$685,249

Funding at the recommended level will support 3 FTEs. The following is an analysis of the single program in the Notary Services program series:

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 Ohio Department of Natural Resources 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: 050-609, Notary Commission

Implication of Executive Recommendation: Recommended funding is \$685,249 for both FY 2008 and FY 2009. SOS charges fees for the issuance of Notary Commissions. The fees collected are used to support the fund.

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. 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 Law Related Education program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Services Fund				
3X4	050-612	Ohio Cntrl/Law Related Educ Grant	\$41,000	\$41,000
Federal Special Services Fund Subtotal			\$41,000	\$41,000
Total Funding: Law Related Education			\$41,000	\$41,000

There are no staff funded by this program. The following is an analysis of the single program in the Law Related Education program series:

Law Related Education

Program Description: This program series is used to support a youth-for-justice anti-violence program in middle schools across Ohio. 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: GSF

Line Items: 050-612, Ohio Center/Law Related Education Grant

Implication of Executive Recommendation: Recommended funding is \$41,000 for both FY 2008 and FY 2009. This appropriation has increased significantly; the recommended funding is approximately double that of the FY 2004-2005 biennium. 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 Secretary of State's budget request was fully funded at \$22,637,000 in FY 2008 and \$22,637,000 in FY 2009.

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General Revenue Fund

GRF 050-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,863,219	\$2,594,084	\$2,493,876	\$3,784,726	\$2,585,000	\$2,585,000
	-9.4%	-3.9%	51.8%	-31.7%	0.0%

Source: GRF

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th G.A.

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

GRF 050-403 Election Statistics

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$113,026	\$106,072	\$101,800	\$103,936	\$103,936	\$103,936
	-6.2%	-4.0%	2.1%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3503.27; Section 209.93 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to pay costs associated with maintaining a statewide voter registration database.

GRF 050-407 Poll Workers Training

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$145,771	\$277,997	\$113,683	\$277,997	\$277,997	\$277,997
	90.7%	-59.1%	144.5%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,949	\$4,652	\$4,429	\$4,652	\$4,652	\$4,652
	-6.0%	-4.8%	5.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$172,707	\$189,249	\$671,753	\$685,249	\$685,249	\$685,249
	9.6%	255.0%	2.0%	0.0%	0.0%

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

Legal Basis: ORC 147.01 and 147.37; Section 209.93 of Am. Sub. H.B. 66 of the 126th 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 in June 2001.

413 050-601 Information Systems

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$191,500	\$95,624	\$246,286	\$169,955	\$119,955	\$119,955
	-50.1%	157.6%	-31.0%	-29.4%	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 209.93 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$68,429	\$91,403	\$79,675	\$55,712	\$55,712	\$55,712
	33.6%	-12.8%	-30.1%	0.0%	0.0%

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 209.93 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$14,392	\$7,119	\$13,168	\$7,200	\$7,200	\$7,200
	-50.5%	85.0%	-45.3%	0.0%	0.0%

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

Legal Basis: ORC 3506.05, c, (2) (originally established by HB 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 or for other expenses to examine, test, report, or certify voting machine devices.

Federal Special Revenue Fund Group

3AA 050-613 Federal Election Reform

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,933,527	\$266,936	\$0	\$0	\$0	\$0
	-94.6%				

Source: FED: Federal Help America Vote Act (HAVA) of 2002, Pub. L. No. 107-252

Legal Basis: Discontinued line item; (originally established by Controlling Board action in FY 2004)

Purpose: This line item was used to pay necessary expenses resulting from requirements of the Federal Help America Vote Act (HAVA) of 2002.

3AR 050-615 2004 HAVA Voting Machines

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$126,834	\$2,753,385	\$20,352,450	\$0	\$0	\$0
	2070.9%	639.2%			

Source: FED: Federal Help America Vote Act (HAVA) of 2002, Pub. L. No. 107-252

Legal Basis: Discontinued line item (originally established in Section 5 of Sub. H.B. 262 of the 125th G.A.)

Purpose: The line item was used to purchase new Direct Recording Electronic (DRE) or optical scan voting machines in compliance with HAVA.

3AS 050-616 2005 HAVA Voting Machines

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$61,037	\$75,447,514	\$28,344,668	\$3,750,000	\$3,750,000
		123510.1%	-62.4%	-86.8%	0.0%

Source: FED: Federal Help America Vote Act (HAVA) of 2002 Pub. L. No. 107-252

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 if the 126th G.A. (originally established by Section 5 of Sub. H.B. 262 of the 125th G.A.)

Purpose: The line item was used to purchase new Direct Recording Electronic (DRE) or optical scan voting machines in compliance with the Help America Vote Act of 2002, voter registration upgrades, voter education, and administration of the federal grant program.

3AT 050-617 Voter/Poll Worker Training

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$4,551,794	\$448,206	\$0	\$0	\$0
		-90.2%			

Source: FED: Federal Help America Vote Act (HAVA) of 2002, Pub. L. No. 107-252

Legal Basis: Discontinued Line item (originally established by Section 5 of Sub. H.B. 262 of the 15th G.A.)

Purpose: This line item was used to conduct voter education programs and pollworker training in preparation for the 2004 Presidential Election.

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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$29,960	\$12,831	\$5,531	\$41,000	\$41,000	\$41,000
	-57.2%	-56.9%	641.3%	0.0%	0.0%

Source: FED: Federal grants

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 2003)

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

3AH 050-614 Election Reform/HHS

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$187,956	\$1,000,000	\$1,000,000	\$1,000,000
		N/A	432.0%	0.0%	0.0%

Source: FED: Federal Help America Vote Act (HAVA) of 2002, Pub. L. No. 107-252, Title II, Subtitle D, Section 261

Legal Basis: Fund was created by Controlling Board action November 3, 2003; SOS-043

Purpose: This line is used to meet the requirements of the Americans with Disabilities Act (ADA), in accordance with federal and state law; including but not limited to facility accessibility and voter education.

State Special Revenue Fund Group

599 050-603 Business Services Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$14,336,815	\$13,815,685	\$13,686,996	\$13,761,734	\$13,761,734	\$13,761,734
	-3.6%	-0.9%	0.5%	0.0%	0.0%

Source: SSR: Fees charged for corporate and Uniform Commercial Code filings under Titles 13 and 17 of the Revised Code

Legal Basis: ORC 111.16 to .18 and ORC 1309.528 (A)

Purpose: These moneys are used to pay for the operation of the office of the Secretary of State and for 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$91,937	\$129,197	\$139,549	\$129,565	\$129,565	\$129,565
	40.5%	8.0%	-7.2%	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 209.93 of Am. Sub. H.B. 66 of the 126th 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 of the SOS office under Titles 13 and 17 of the Revised Code (corporate and uniform commercial filing).

Holding Account Redistribution Fund Group

R01 050-605 Uniform Commercial Code Refunds

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$33,297	\$20,719	\$8,740	\$65,000	\$30,000	\$30,000
	-37.8%	-57.8%	643.7%	-53.8%	0.0%

Source: 090: Uniform Commercial Code filing fees

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$70,518	\$77,004	\$39,960	\$100,000	\$85,000	\$85,000
	9.2%	-48.1%	150.3%	-15.0%	0.0%

Source: 090: Corporate/Business filing fees

Legal Basis: Section 209.93 of Am. Sub. H.B. 66 of the 126th 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 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
SOS Secretary of State								
GRF	050-321	Operating Expenses	\$ 2,493,876	\$3,784,726	\$ 2,585,000	-31.7%	\$ 2,585,000	0.0%
GRF	050-403	Election Statistics	\$ 101,800	\$103,936	\$ 103,936	0.0%	\$ 103,936	0.0%
GRF	050-407	Poll Workers Training	\$ 113,683	\$277,997	\$ 277,997	0.0%	\$ 277,997	0.0%
GRF	050-409	Litigation Expenditures	\$ 4,429	\$4,652	\$ 4,652	0.0%	\$ 4,652	0.0%
General Revenue Fund Total			\$ 2,713,788	\$ 4,171,311	\$ 2,971,585	-28.8%	\$ 2,971,585	0.0%
412	050-609	Notary Commission	\$ 671,753	\$685,249	\$ 685,249	0.0%	\$ 685,249	0.0%
413	050-601	Information Systems	\$ 246,286	\$169,955	\$ 119,955	-29.4%	\$ 119,955	0.0%
414	050-602	Citizen Education Fund	\$ 79,675	\$55,712	\$ 55,712	0.0%	\$ 55,712	0.0%
4S8	050-610	Board of Voting Machine Examiners	\$ 13,168	\$7,200	\$ 7,200	0.0%	\$ 7,200	0.0%
General Services Fund Group Total			\$ 1,010,882	\$ 918,116	\$ 868,116	-5.4%	\$ 868,116	0.0%
3AR	050-615	2004 HAVA Voting Machines	\$ 20,352,450	\$0	\$ 0	N/A	\$ 0	N/A
3AS	050-616	2005 HAVA Voting Machines	\$ 75,447,514	\$28,344,668	\$ 3,750,000	-86.8%	\$ 3,750,000	0.0%
3AT	050-617	Voter/Poll Worker Training	\$ 448,206	\$0	\$ 0	N/A	\$ 0	N/A
3X4	050-612	Ohio Center/Law Related Educational Grant	\$ 5,531	\$41,000	\$ 41,000	0.0%	\$ 41,000	0.0%
3AH	050-614	Election Reform/HHS	\$ 187,956	\$1,000,000	\$ 1,000,000	0.0%	\$ 1,000,000	0.0%
Federal Special Revenue Fund Group Total			\$ 96,441,656	\$ 29,385,668	\$ 4,791,000	-83.7%	\$ 4,791,000	0.0%
599	050-603	Business Services Operating Expenses	\$ 13,686,996	\$13,761,734	\$ 13,761,734	0.0%	\$ 13,761,734	0.0%
5N9	050-607	Technology Improvements	\$ 139,549	\$129,565	\$ 129,565	0.0%	\$ 129,565	0.0%
State Special Revenue Fund Group Total			\$ 13,826,544	\$ 13,891,299	\$ 13,891,299	0.0%	\$ 13,891,299	0.0%
R01	050-605	Uniform Commercial Code Refunds	\$ 8,740	\$65,000	\$ 30,000	-53.8%	\$ 30,000	0.0%
R02	050-606	Corporate/Business Filing Refunds	\$ 39,960	\$100,000	\$ 85,000	-15.0%	\$ 85,000	0.0%
Holding Account Redistribution Fund Group Total			\$ 48,699	\$ 165,000	\$ 115,000	-30.3%	\$ 115,000	0.0%
Total All Budget Fund Groups			\$ 114,041,570	\$ 48,531,394	\$ 22,637,000	-53.4%	\$ 22,637,000	0.0%