



Louisiana Senate Finance Committee



FY20 Executive Budget

04-139 – Department of State

May 2019

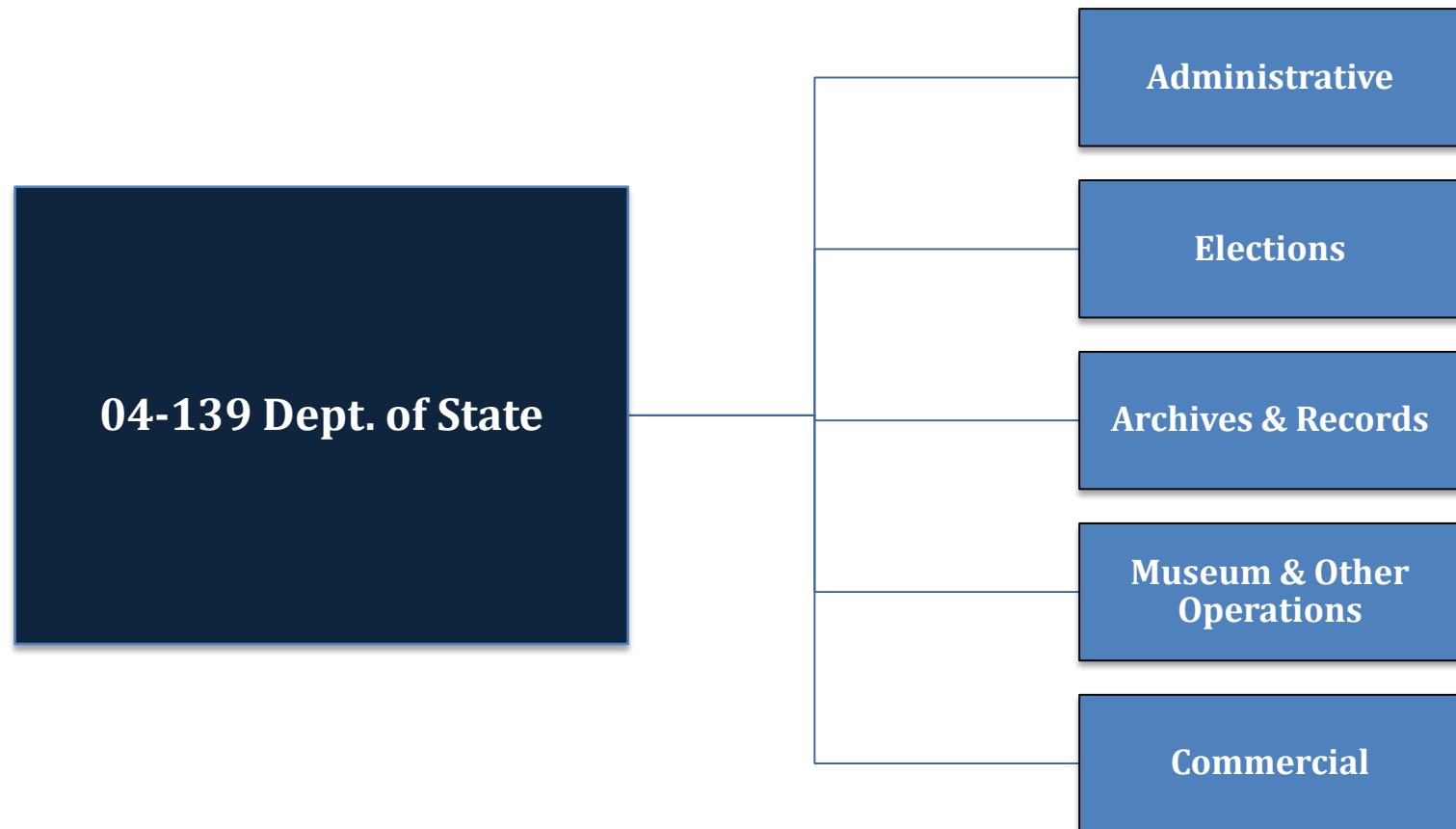
Sen. John A. Alario, President
Sen. Eric LaFleur, Chairman



FY20 Proposed Budget

Schedule 04-139 — Department of State

Departmental mission — The Department of State serves as the official keeper of the Great Seal of the State of Louisiana, the chief election officer, and the archivist of the state by preparing and certifying ballots for all elections, promulgating all election returns, and administering the election laws, including those relating to voter registration and custody of voting machines. The department countersigns and keeps an official registry of all commissions and is responsible for administering the state's corporation and trademark laws, as well as administering the Geaux Biz program which gives current and potential business owners a single place to go for all the necessary licensing information to operate within the state.





Secretary of State

FY20 Proposed Means of Finance by Agency

Agency	Program Description
Administrative	Provides the department with the leadership and management necessary to meet its objectives while performing the constitutional and statutory responsibilities of the Secretary of State and the Department of State.
Elections	Ensures the integrity of the electoral and election management process for Louisiana voters, citizens, and other interested parties in Louisiana and the United States. Encourages public participation in the election process by educating current and potential voters about the elections process through effective outreach programs.
Archives and Records	Ensures the government and the public continued access to essential information created by the state through a viable and responsive records management program and a comprehensive preservation effort, making the archival materials acquired and maintained by the program readily available for researchers and educational programs.
Museum and Other Operations	Presents exhibits, education, and other programs to the public that emphasize the political, social, and economic influences, personalities, institutions, and events that have shaped the landscape of Louisiana's colorful history and culture and its place in the world. To further this mission, the Museums Program will acquire, refurbish, and preserve artifacts and other historical relics representative of the state's past and attract exhibits of interest to the communities they serve.
Commercial	Provides for business, financial, and legal communities timely and efficient service in the certification and registration of documents relating to securing and retaining business entities and assets; the processing of legal services documents and communications of business licensing information as required by law and to make such information concerning these business entities available to the public.



Department of State Elections in 2019 and 2020

2019 Elections

	Municipal General	Gubernatorial Primary	Gubernatorial General
Date of Election	May 4	October 12	November 16
Early Voting Begins	04/20/2019	09/28/2019	11/02/2019
Early Voting Ends	04/27/2019	10/05/2019	11/09/2019

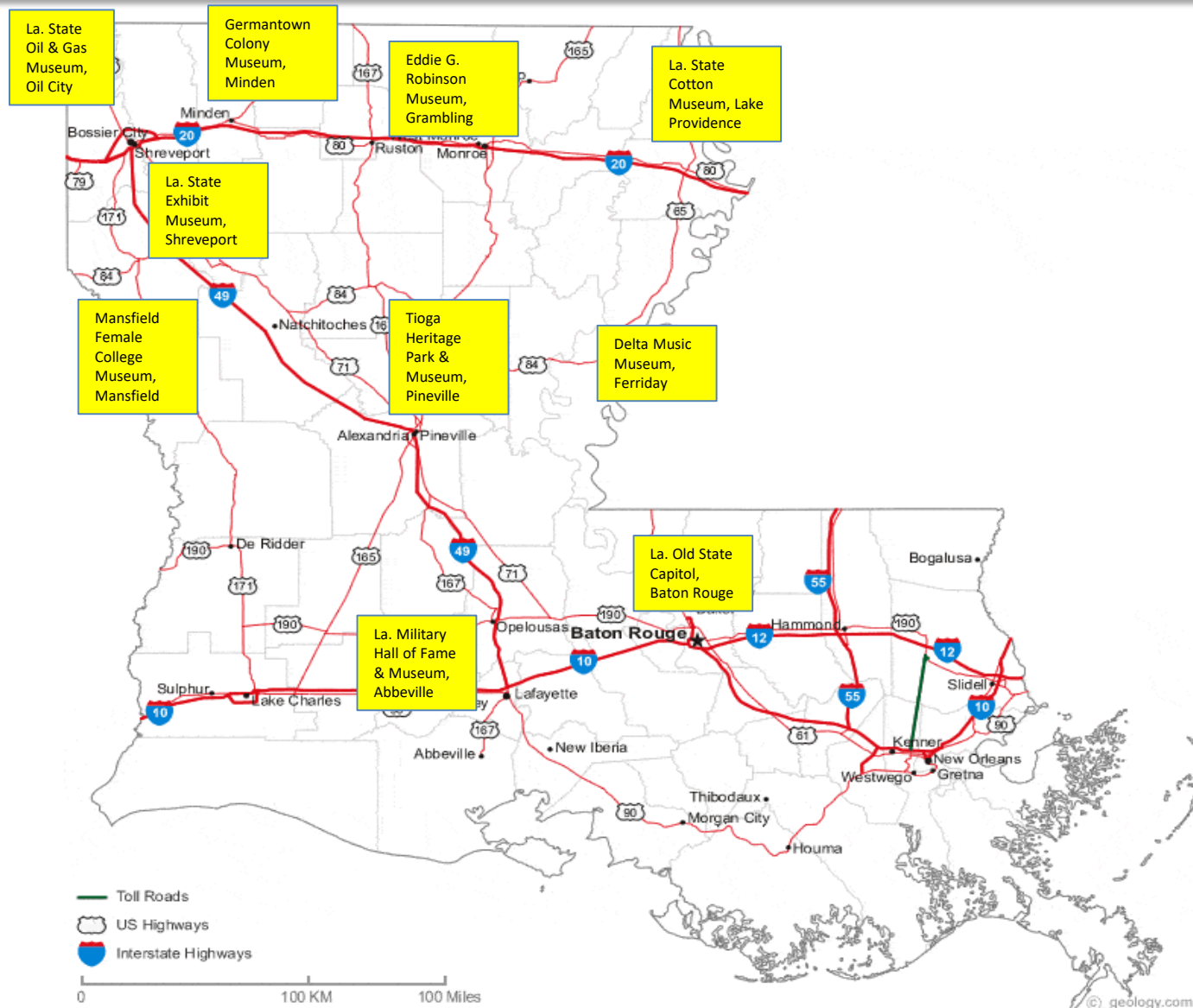
2020 Elections

	Presidential Preference Primary/Municipal Primary	Municipal General	Open Primary/Presidential /Congressional	Open General/Congressional
Date of Election	March 7	April 11	November 3	December 5
Early Voting Begins	02/21/2020	03/28/2020	10/20/2020	11/20/2020
Early Voting Ends	02/29/2020	04/04/2020	10/27/2020	11/28/2020



Department of State

State Museums





Department of State

FY18, FY19, and FY20 Comparison

Total Funding — All Means of Finance

Total Funding	FY18 Actual	FY19 Enacted	FY19 EOB as of 12-1-18	FY20 Proposed	Difference FY19 EOB HB1 vs. FY20 Proposed
Administrative	\$ 11,326,846	\$ 11,661,827	\$ 11,736,409	\$ 12,119,548	\$ 383,139
Elections	\$ 48,473,898	\$ 61,474,112	\$ 62,299,570	\$ 63,513,530	\$ 1,213,960
Archives & Records	\$ 3,628,740	\$ 4,018,197	\$ 4,119,947	\$ 4,264,057	\$ 144,110
Museum & Other Operations	\$ 2,744,078	\$ 3,026,190	\$ 2,698,781	\$ 2,921,082	\$ 222,301
Commercial	\$ 8,400,728	\$ 9,160,998	\$ 9,504,041	\$ 9,618,647	\$ 114,606
TOTAL	\$ 74,574,290	\$ 89,341,324	\$ 90,358,748	\$ 92,436,864	\$ 2,078,116
Total Authorized FTEs	314	311	311	310	(1)

FY20 Proposed Means of Financing by Agency

Total MOF by Agency for FY20	SGF	IAT	FSGR	Stat Deds	Federal	Total
Administrative	\$277,206	\$0	\$11,842,342	\$0	\$0	\$12,119,548
Elections	\$52,399,388	\$0	\$3,224,655	\$7,889,487	\$0	\$63,513,530
Archives and Records	\$0	\$118,000	\$4,146,057	\$0	\$0	\$4,264,057
Museum and Other Operations	\$2,724,882	\$0	\$83,122	\$113,078	\$0	\$2,921,082
Commercial	\$0	\$0	\$9,618,647	\$0	\$0	\$9,618,647
Department of State	\$55,401,476	\$118,000	\$28,914,823	\$8,002,565	\$0	\$92,436,864

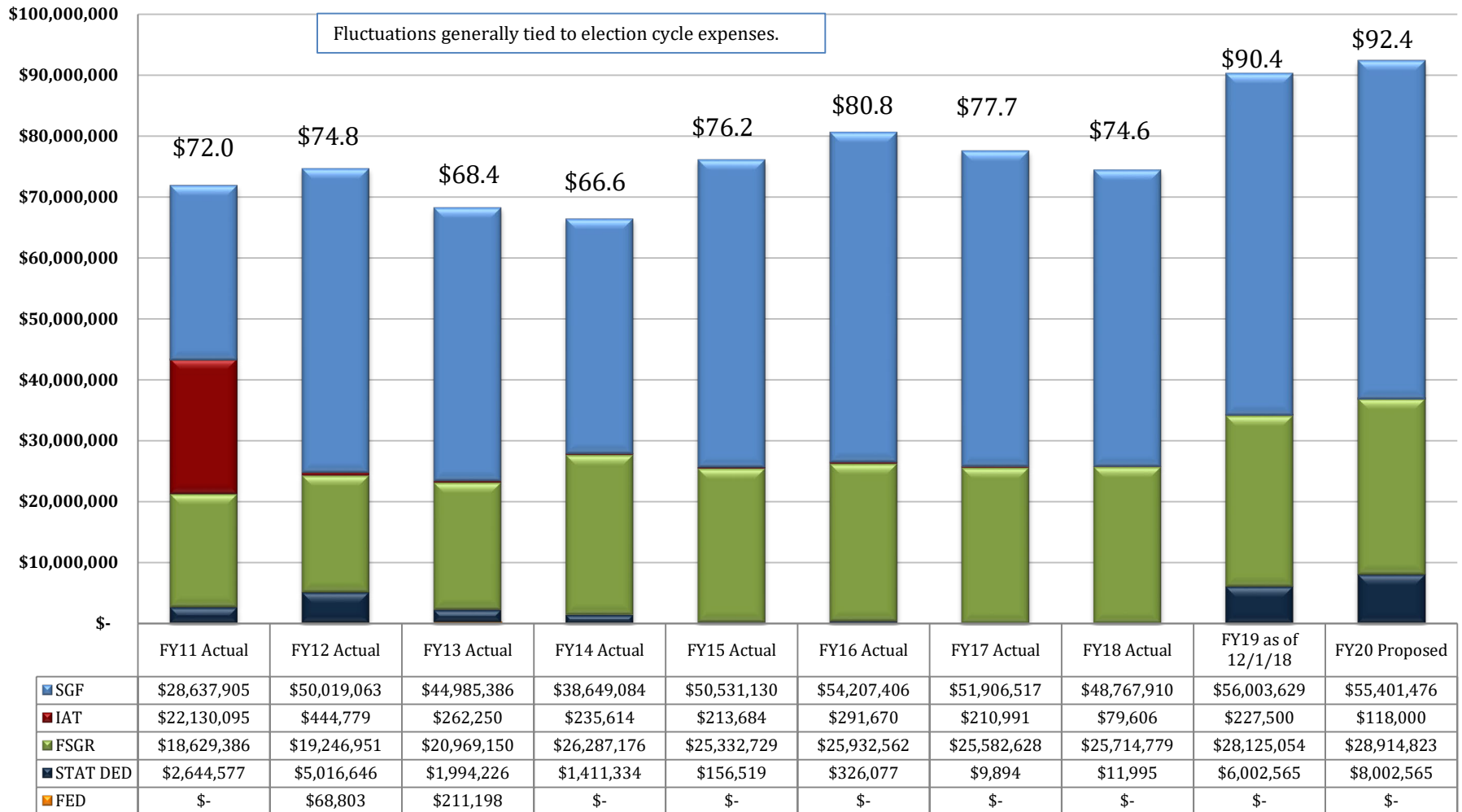


Department of State

Changes in Funding since FY11

Total Budget by Fiscal Year and Means of Finance (in \$ millions)

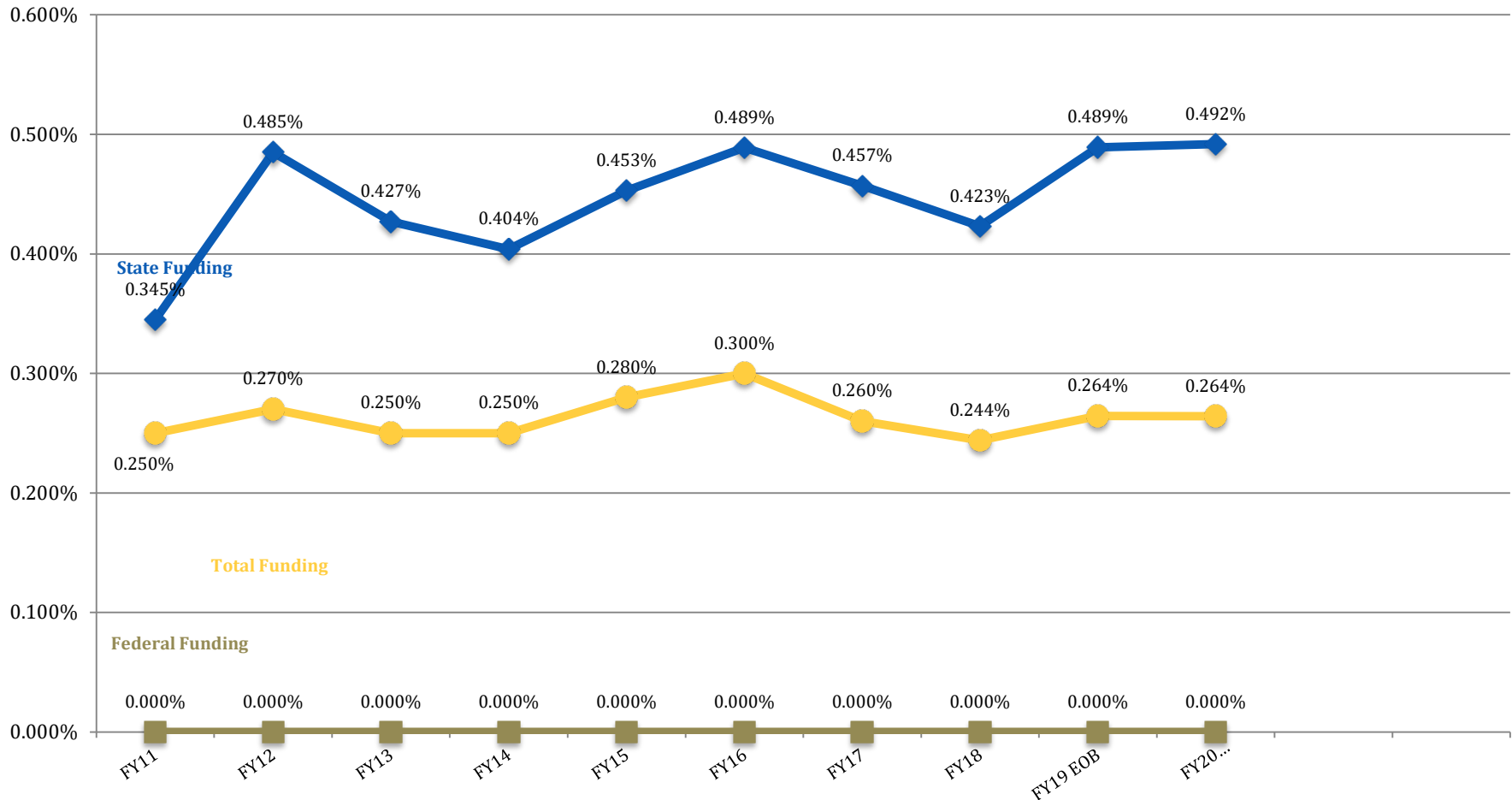
Change from FY11 to FY20 is +28.3%.





Secretary of State Changes in Funding since FY11

Secretary of State's Budget as a Portion of the Total State Budget

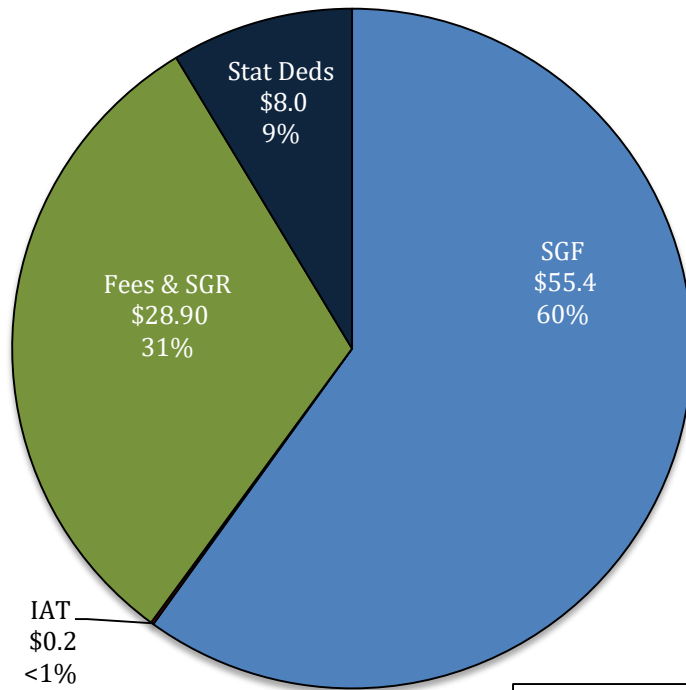




Department of State

FY20 Proposed Means of Finance

**FY20 Proposed
Total Means of Finance**
(In Millions)



Total \$92.4 m.

Non-SGF Sources of Funding:

Fees and Self-generated Revenues

(1) a \$75 filing fee relative to domestic corporations; (2) a \$125 filing fee relative to foreign corporations; (3) a \$30 filing fee for annual reports relative to domestic and foreign corporations, (4) charges for other services such as registering trademarks and partnerships, providing certificates of good standing, and providing certified copies of any requested documents.

The department also receives reimbursements from municipalities and other local governing authorities that call elections.

Statutory Dedications

The Shreveport Riverfront Convention Center & Independence Stadium Fund (S), the Voting Technology Fund (S) and the Election Administration Account (S).



Department of State Dedicated Funds FY18, FY19, and FY20

Dedicated Funds	Source of Funding	FY18 Actual	FY19 EOB	FY20 Proposed
Shreveport Riverfront Convention Center & Independence Stadium Fund	State hotel/motel occupancy taxes	\$11,995	\$113,078	\$113,078
Voting Technology Fund	Federal	\$0	\$0	\$2,000,000
Election Administration Account	Federal	\$0	\$5,889,487	\$5,889,487
TOTALS		\$11,995	\$6,002,565	\$8,002,565



Dept. of State Categorical Expenditures

FY18, FY19, and FY20

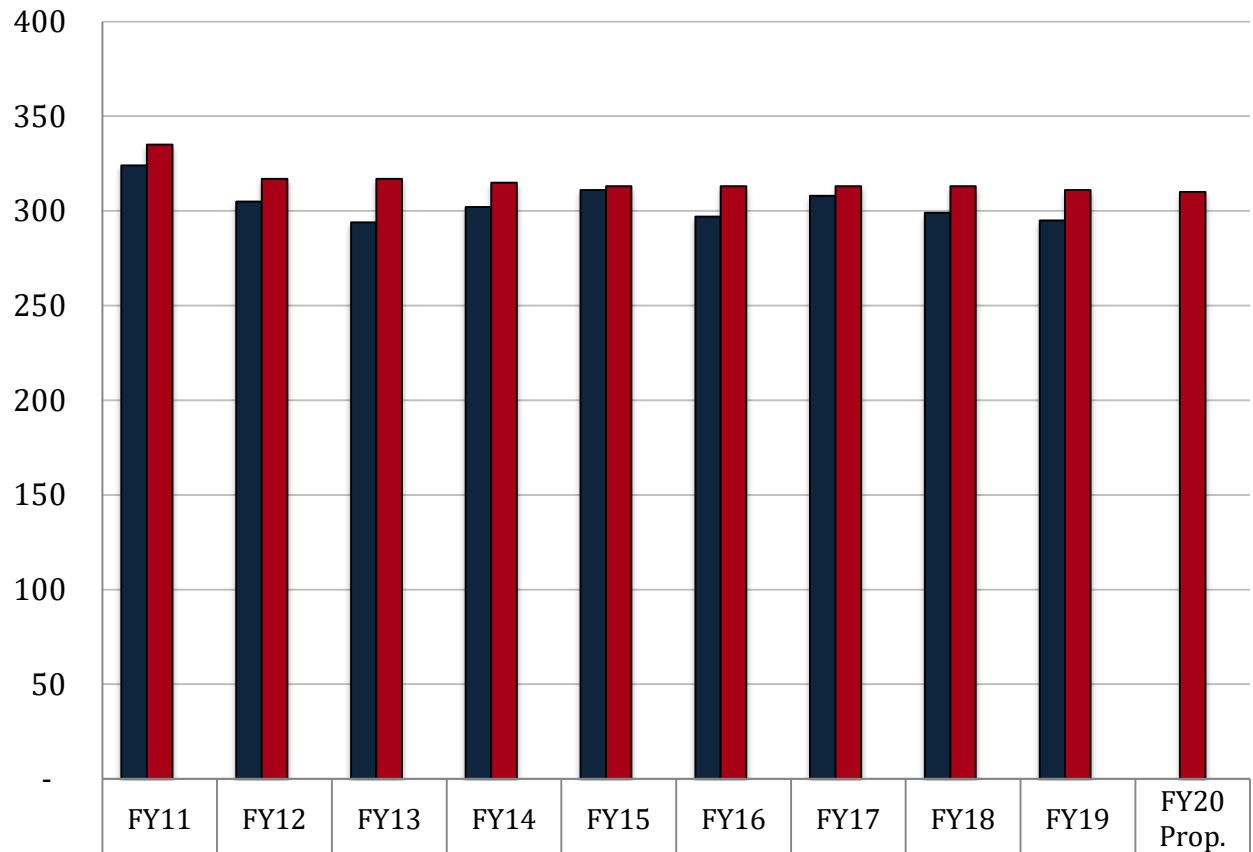
Expenditure Category	FY18 Actual	FY19 EOB (as of 12-01-18)	FY20		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$26,402,437	\$27,763,572	\$28,659,629	31.00%	\$896,057
Salaries	\$16,588,620	\$17,566,257	\$17,815,827	19.27%	\$249,570
Other Compensation	\$387,285	\$455,694	\$455,694	0.49%	\$0
Related Benefits	\$9,426,532	\$9,741,621	\$10,388,108	11.24%	\$646,487
Operating Expenses:	\$11,168,362	\$11,720,877	\$10,959,855	11.86%	(\$761,022)
Travel	\$161,740	\$155,845	\$155,845	0.17%	\$0
Operating Services	\$10,274,488	\$10,738,909	\$9,982,712	10.80%	(\$756,197)
Supplies	\$732,134	\$826,123	\$821,298	0.89%	(\$4,825)
Professional Services	\$3	\$0	\$0	0.00%	\$0
Other Charges:	\$36,653,953	\$50,531,299	\$52,216,880	56.49%	\$1,685,581
Other Charges	\$33,854,966	\$47,558,720	\$49,164,992	53.19%	\$1,606,272
Debt Service	\$0	\$0	\$0	0.00%	\$0
Interagency Transfers	\$2,798,987	\$2,972,579	\$3,051,888	3.30%	\$79,309
Acquisitions & Major Repairs:	\$349,535	\$343,000	\$600,500	0.65%	\$257,500
Acquisitions	\$319,535	\$314,500	\$560,500	0.61%	\$246,000
Major Repairs	\$30,000	\$28,500	\$40,000	0.04%	\$11,500
Total Expenditures	\$74,574,290	\$90,358,748	\$92,436,864	100.00%	\$2,078,116



Department of State

FTEs, Authorized Positions, and Other Charges Positions

Total FY20 Proposed Authorized Positions of 310 are 0.92% of Total State FY20 Proposed Authorized Positions of 33,675.



■ Total FTEs (as of July 1 of each fiscal year)	324	305	294	302	311	297	308	299	295	-
■ Total Authorized Positions (Enacted)	335	317	317	315	313	313	313	313	311	310
■ Authorized Other Charges Positions	-	-	-	-	-	-	-	-	-	-

Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

Data for Total Authorized Positions uses fiscal year enacted levels, except for FY20 Proposed.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



Department of State

FY20 Proposed Total Authorized Positions by Agency

Museum & Other Operations - Includes administration, operation, and maintenance of museums under the authority of the Secretary of State.

Museum & Other
Operations
27
9%

Commercial - Includes positions that serve the business community in timely and efficient services in business licensing.

Archives & Records
31
10%

Archives & Records - Includes positions that work to collect, preserve & maintain Louisiana records. The remaining positions administer and support the records management program for the state.

Administrative
72
23%

Administrative - Includes positions for accounting, HR, and purchasing functions. Also includes IT support for the entire department.

Elections
126
41%

Elections - Positions support election operations through maintenance and programming of voting machines and election field operations.

Dept. of State	
Administrative	72
Elections	126
Archives & Records	31
Museum & Other Operations	27
Commercial	54
TOTAL	310



Significant Budget Adjustments Proposed for FY20

Statewide Adjustments to the Dept. of State Budget

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$266,848	\$0	\$293,873	\$0	\$0	\$560,721	0	Market Rate Classified
\$30,391	\$0	\$29,524	\$0	\$0	\$59,915	0	Civil Service Training Series
\$164,296	\$0	(\$26,956)	\$0	\$0	\$137,340	0	Related Benefits Base Adjustment
\$164,390	\$0	\$254,599	\$0	\$0	\$418,989	0	Retirement Rate Adjustment
\$0	\$0	\$53,122	\$0	\$0	\$53,122	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$35,613	\$0	\$0	\$35,613	0	Group Insurance Rate Adjustment for Retirees
\$108,471	\$0	\$108,814	\$0	\$0	\$217,285	0	Salary Base Adjustment
(\$246,797)	\$0	(\$248,033)	\$0	\$0	(\$494,830)	0	Attrition Adjustment
\$0	\$0	(\$92,098)	\$0	\$0	(\$92,098)	(1)	Personnel Reductions
\$0	\$0	\$607,500	\$0	\$0	\$607,500	0	Acquisitions & Major Repairs
\$0	\$0	(\$343,000)	\$0	\$0	(\$343,000)	0	Nonrecurring Acquisitions & Major Repairs
(\$498,049)	\$0	(\$519,375)	\$0	\$0	(\$1,017,424)	0	Nonrecurring Carryforwards
\$93,123	\$0	(\$18,859)	\$0	\$0	\$74,264	0	Risk Management
\$0	\$0	(\$289)	\$0	\$0	(\$289)	0	Legislative Auditor Fees
\$0	\$0	(\$2,581)	\$0	\$0	(\$2,581)	0	Capitol Park Security
\$0	\$0	\$577	\$0	\$0	\$577	0	USPS Fees
\$0	\$0	\$2,726	\$0	\$0	\$2,726	0	Civil Service Fees
\$0	\$0	(\$7,904)	\$0	\$0	(\$7,904)	0	State Treasury Fees
\$0	\$0	\$15,764	\$0	\$0	\$15,764	0	Office of Technology Services (OTS)
\$0	\$0	(\$3,248)	\$0	\$0	(\$3,248)	0	Office of State Procurement
(\$3,000,000)	\$0	\$0	\$0	\$0	(\$3,000,000)	0	TOTAL NON-RECURRING OTHER ADJUSTMENT
\$0	(\$109,500)	\$650,000	\$2,000,000	\$0	\$2,540,500	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$2,315,174	\$0	\$0	\$0	\$0	\$2,315,174	0	TOTAL WORKLOAD ADJUSTMENT
(\$602,153)	(\$109,500)	\$789,769	\$2,000,000	\$0	\$2,078,116	(1)	Total Statewide Adjustments



Department of State

Significant Changes for FY20

Significant Decreases for FY20

Decrease	Source	T.O.	Agency	Description
(\$3,000,000)	SGF	---	Elections	Non-recurs funding associated with the acquisition of the new election voting system.

Significant Increases for FY20

Increase	Source	T.O.	Agency	Description
\$2,000,000	SGF	---	Elections	Provides for increases in elections spending. The total anticipated cost of election spending for FY20 is \$19.3 million. The year will include Gubernatorial Primary/General elections, Presidential Preference/Primary elections, and Municipal General elections.
\$2,000,000	Stat. Ded.	---	Elections	Provides funding out of the Voting Technology Fund for the new election voting system.
\$323,350	SGF	---	Elections	Provides for Registrar of Voters market adjustments, Step Increase, Certified Elections Registration Administrator (CERA) certification, and corresponding benefits.
\$500,000	FSGR	---	Archives	Provides funding for an electronic records management system. This would automate paper-based records management. Build storage for digitally created records, and begin the phase out of microfilm production services.



Comparison Adjustments to the State General Fund in the FY20 Continuation, Standstill and Proposed Budgets

SECRETARY OF STATE	FY19 EOB	FY20 Proposed Budget	FY 20 Continuation Budget	FY20 Standstill Budget	DIFFERENCE					
					CONTINUATION OVER/(UNDER) FY19 EOB	STANDSTILL OVER/(UNDER) FY19 EOB	CONTINUATION OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) CONTINUATION	PROPOSED OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) FY19 EOB
STATE GENERAL FUND	\$56,003,629	\$55,401,476	\$59,230,974	\$59,230,974	\$3,227,345	\$3,227,345	\$0	(\$3,829,498)	(\$3,829,498)	(\$602,153)

Continuation Budget, Standstill Budget, and Proposed Budget

The state general fund adjustments to the Continuation and Standstill budgets are identical. Some adjustments for elections are mandated under statutory provisions for both budgets. The difference between the Proposed Budget and the Continuation and Standstill Budgets results from variations to both statewide and agency-specific adjustments. The majority of the observed difference is due to a \$3 million reduction in state general fund in the Proposed Budget to non-recur acquisitions of new voting equipment, a \$498,000 increase in state general fund for acquisitions and major repairs in the Continuation and Standstill Budgets that is not in the Proposed Budget, a \$247,000 state general fund reduction for attrition in the Proposed Budget that is not contained in the Continuation and Standstill Budgets.

Difference between the Governor's Proposed Budget (HB 103 by Rep. Leger) and House Bill No. 105 by Rep. Henry

For this agency, there is no difference between the FY20 budget proposed by the governor and the amount contained in HB 105.

DEPARTMENT	EOB AS OF 12/01/2018	HB 103 REP. LEGER	HB 105 REP. HENRY	HB 105 OVER/(UNDER) HB 103
Secretary of State	\$56,003,629	\$55,401,476	\$55,401,476	\$0



HAC Changes to HB105 and Comparison to the Proposed FY20 Budget

House Amendments to HB105 - Department of State

HB 105	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
Original	\$55,401,476	\$118,000	\$28,914,823	\$8,002,565	\$2,000,000	\$94,436,864
Appropriations Amendments:						
For the restoration of 1 position and associated funding in the Archives & Records Program						
	\$0	\$0	\$92,098	\$0	\$0	\$92,098
Engrossed	\$55,401,476	\$118,000	\$29,006,921	\$8,002,565	\$2,000,000	\$94,528,962
Difference HB105 Original to HB105 Engrossed	\$0	\$0	\$92,098	\$0	\$0	\$92,098
FY20 Proposed	\$55,401,476	\$118,000	\$28,914,823	\$8,002,565	\$2,000,000	\$94,436,864
Difference HB105 Original to FY20 Proposed	\$0	\$0	\$0	\$0	\$0	\$0
Difference HB105 Engrossed to FY20 Proposed	\$0	\$0	\$92,098	\$0	\$0	\$92,098



Department of State – Audit Findings

Louisiana Department of State

July 11, 2018

Some limited liability corporations and nonprofits only filed and paid for their annual report fees once or twice every three years rather than every year as required by law. Based on the number of annual reports that were not filed during calendar years 2015, 2016, and 2017, the Department potentially could have collected more than \$4 million in fees.