

# Louisiana Senate Finance Committee



### **FY25 Executive Budget**

### 04-139 - Department of State

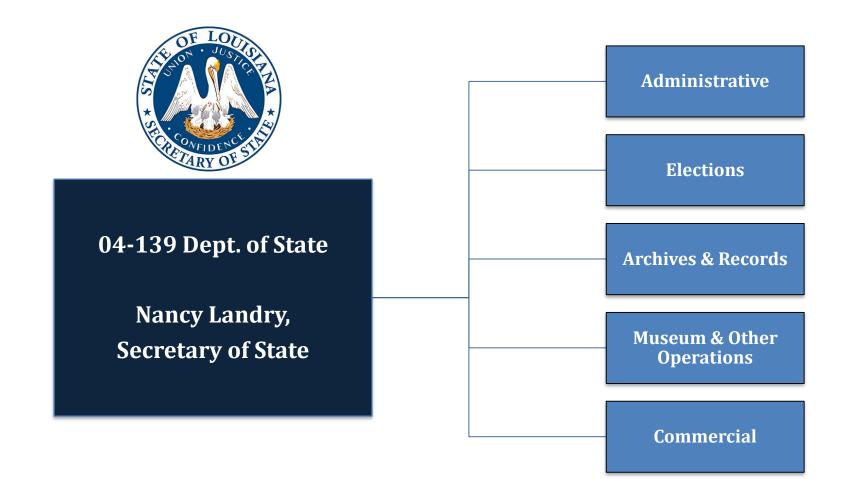
March 2024

Senator Cameron Henry, President Senator Glen Womack, Chairman



## FY25 Recommended Budget Schedule 04-139 — Department of State

Departmental mission — The mission of the Secretary of State's Office is to serve the public by meeting its legal responsibilities of collecting, securing and communicating information that enhances commerce, ensures the integrity of Louisiana's elections and preserves, presents and makes accessible government information essential to Louisiana's operations and its recorded history.



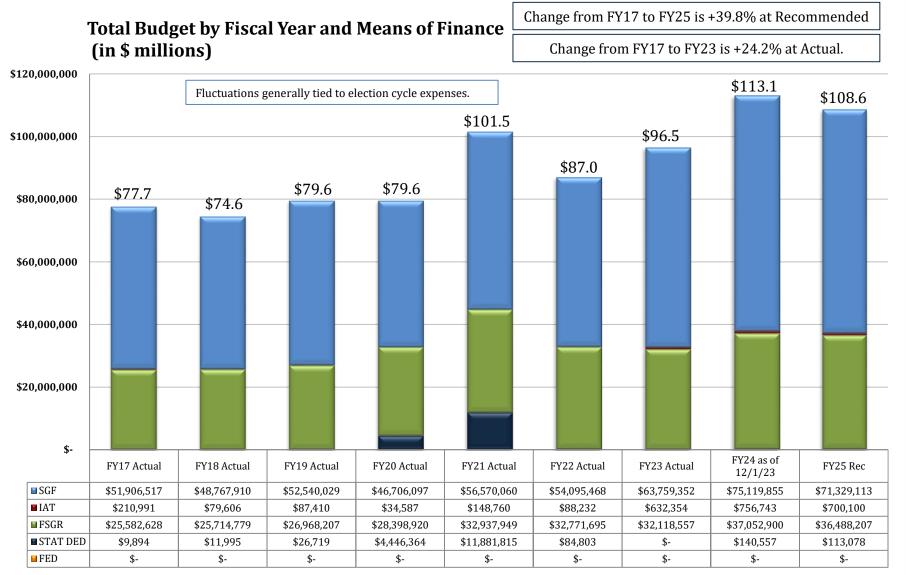


# Secretary of State Program Descriptions

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 Changes in Funding since FY17





# Significant Budget Adjustments Recommended for FY25

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	Т.О.	Adjustment	
\$75,119,855	\$756,743	\$37,052,900	\$140,557	\$0	\$113,070,055	364	FY24 Existing Operating Budget as of 12-1-23	
\$115,037	\$0	\$375,000	\$0	\$0	\$490,037	0	Acquisitions & Major Repairs	
(\$429,504)	\$0	(\$399,502)	\$0	\$0	(\$829,006)	0	Attrition Adjustment	
\$0	\$0	\$8,538	\$0	\$0	\$8,538	0	Civil Service Fees	
\$49,788	\$0	\$84,728	\$0	\$0	\$134,516	0	Civil Service Training Series	
\$56,831	\$0	\$46,641	\$0	\$0	\$103,472	0	Group Insurance Rate Adjustment for Active Employees	
\$18,529	\$0	\$33,553	\$0	\$0	\$52,082	0	Group Insurance Rate Adjustment for Retirees	
\$0	\$0	(\$1,783)	\$0	\$0	(\$1,783)	0	Legislative Auditor Fees	
\$356,445	\$0	\$406,338	\$0	\$0	\$762,783	0	Market Rate Classified	
(\$682,500)	\$0	(\$343,457)	\$0	\$0	(\$1,025,957)	0	Non-Recurring Acquisitions & Major Repairs	
(\$2,270,787)	(\$23,121)	(\$1,301,083)	(\$27,479)	\$0	(\$3,622,470)	0	Non-recurring Carryforwards	
\$0	\$0	(\$16,683)	\$0	\$0	(\$16,683)	0	Office of State Procurement	
\$0	\$0	\$26,854	\$0	\$0	\$26,854	0	Office of Technology Services (OTS)	
\$519,968	\$0	(\$175,207)	\$0	\$0	\$344,761	0	Related Benefits Base Adjustment	
(\$686,029)	\$0	(\$741,179)	\$0	\$0	(\$1,427,208)	0	Retirement Rate Adjustment	
\$62,709	\$0	\$14,429	\$0	\$0	\$77,138	0	Risk Management	
(\$739,029)	\$0	\$123,053	\$0	\$0	(\$615,976)	0	Salary Base Adjustment	
\$0	\$0	\$27,412	\$0	\$0	\$27,412	0	State Treasury Fees	
\$0	\$0	(\$1,137)	\$0	\$0	(\$1,137)	0	UPS Fees	
(\$3,628,542)	(\$23,121)	(\$1,833,485)	(\$27,479)	\$0	(\$5,512,627)	0	Total Statewide Adjustments	
\$0	(\$5,000)	\$0	\$0	\$0	(\$5,000)	0	TOTAL NON-RECURRING OTHER ADJUSTMENT	
(\$162,200)	(\$28,522)	\$1,268,792	\$0	\$0	\$1,078,070	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT	
\$71,329,113	\$700,100	\$36,488,207	\$113,078	\$0	\$108,630,498	364	Total FY25 Recommended Budget	
(\$3,790,742)	(\$56,643)	(\$564,693)	(\$27,479)	\$0	(\$4,439,557)	0	Total Adjustments (Statewide and Agency-Specific)	



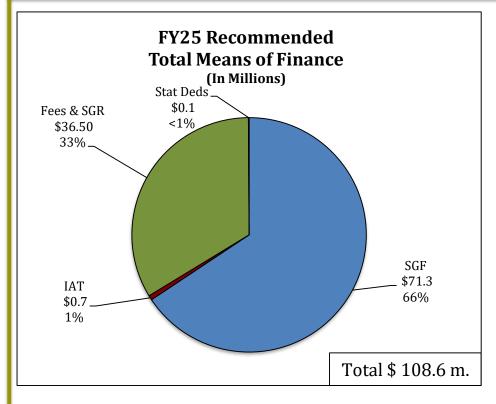
### Department of State Non-Statewide Adjustments Recommended for FY25

Other Adjustme	Other Adjustments						
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	т.о.	Adjustment
(\$2,201,366)	\$0	\$0	\$0	\$0	(\$2,201,366)	0	Aligns projected election expenses with anticipated FY 2024-2025 need. The total estimated cost of election expenses in FY 2024-2025 is \$20,895,320, and the existing operating budget in FY2023-2024 is \$23,096,686, resulting in a (\$2,201,366) adjustment. This decrease is mostly attributable to a reduction in the number of statewide elections that will be held in FY2024-2025, and the corresponding election day precinct payroll costs for that statewide election.
\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	0	Funding for redistricting litigation related to existing congressional maps.
\$12,000	\$0	\$0	\$0	\$0	\$12,000	0	Increase for an updated phone system at the Old Governor's Mansion (OGM).
\$79,396	\$0	\$0	\$0	\$0	\$79,396	0	Increase for Certified Election Registration Administrator (CERA) workshop programs to educate election directors and managers.
\$0	\$0	\$30,000	\$0	\$0	\$30,000	0	Increase for in-state and out-of-state travel so employees can attend conferences, workshops, and trainings.
\$0	\$0	\$247,092	\$0	\$0	\$247,092	0	Increase for software needed to operate three call centers and hardware for the Registrar of Voters (ROV).
\$115,000	\$0	\$0	\$0	\$0	\$115,000	0	Increase for specialized port lockers with unique serialized keys to help secure voting machines.
\$0	\$0	\$250,000	\$0	\$0	\$250,000	0	Increase for technology products and services that prevent cybersecurity threats.
\$0	\$0	\$122,000	\$0	\$0	\$122,000	0	Increase in licensing support for additional routers and software.
\$0	\$0	\$29,200	\$0	\$0	\$29,200	0	Increase to enable certain staff members to complete professional development programs.
\$832,770	\$0	\$0	\$0	\$0	\$832,770	0	Provides funding for Registrar of Voters (ROV) market rate adjustments, step increases, Certified Elections Registration Administrator (CERA) certifications and corresponding benefits.
\$0	\$0	\$590,500	\$0	\$0	\$590,500	0	Replacement of computers and software throughout the agency that are over 5 years old.
\$0	(\$28,522)	\$0	\$0	\$0	(\$28,522)	0	To adjust the means of finance for revenue received via Interagency Transfers for confirmed Interagency Agreements received from other state agencies for imaging and preservation services.
(\$162,200)	(\$28,522)	\$1,268,792	\$0	\$0	\$1,078,070	0	Total Other Adjustments

#### Non-Recurring Other

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	т.о.	Adjustment	
\$0	(\$5,000)	\$0	\$0	\$0	(\$5,000)		Non-recurs one-time funding of Interagency Transfers via sales tax dedications from the Shreveport Riverfron Convention Center and Independence Stadium Fund for the Louisiana State Oil and Gas Museum.	
\$0			\$0	\$0	(\$5,000)	0	Total Non-Recurring Adjustments	

## Department of State FY25 Recommended Means of Finance



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).

Dedicated Funds	Source of Funding	FY23 Actual	FY24 EOB	FY25 Recommended
Shreveport Riverfront Convention Center & Independence Stadium Fund	State hotel/motel occupancy taxes	\$0	\$140,557	\$113,078
Voting Technology Fund	State Funds	\$0	\$0	\$0
Election Administration Account	Federal	\$0	\$0	\$0
TOTALS		\$0	\$140,557	\$113,078
		\$0		\$113

Note: In the Governor's FY25 Executive Budget Presentation, \$10 million in FY24 Excess State General Fund (Funds Bill) is recommended for the Voting Technology Fund for new voting machines.



## Categorical Expenditures Examples of Categories

#### Departments expend funding in the five major categories listed below.

#### **Personal Services**

- Salaries Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

#### **Total Operating Expenses**

- Travel In-state and Out-of-state, including meal reimbursement.
- Operating Services Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

**Professional Services** – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

#### **Total Other Charges**

- Other Charges Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure Any expenses paid for with Interagency Transfers from commodities and services to equipment.

#### **Acquisitions and Major Repairs**

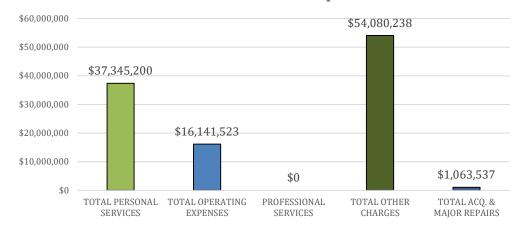
- Acquisitions Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.

## Department of State Categorical Expenditures at FY25 Recommended

The largest expenditure category in the Department of State for FY25 Recommended is Total Other Charges at 50 percent of the budget. Other Charges provides for Election Expenses: Administrative Expenses & Field Operations Administration, Voting Machines, Poll Commissioners, Ballot Printing, Registrar of Voters, GeauxBiz One-Stop Portal, etc..

Within this category, Other Charges make up 93 percent of expenditures, while Interagency Transfers contributes 7 percent.

Total Personal Services make up 34 percent of expenditures, followed by Total Operating Expenses at 15 percent.



### FY25 Recommended Expenditures

Categorical Expenditures	FY23 Actual	FY24 Enacted	FY24 EOB as of 12/01/23	FY25 Recommended	Difference FY24 EOB vs. FY25 REC
Salaries	\$20,100,651	\$24,077,635	\$24,077,635	\$23,577,444	(\$500,191)
Other Compensation	\$651,661	\$525,694	\$525,694	\$525,694	\$0
Related Benefits	\$12,555,164	\$14,216,447	\$14,216,447	\$13,242,062	(\$974,385)
TOTAL PERSONAL SERVICES	\$33,307,476	\$38,819,776	\$38,819,776	\$37,345,200	(\$1,474,576)
Travel	\$166,689	\$199,845	\$199,845	\$323,241	\$123,396
Operating Services	\$12,973,290	\$14,193,170	\$14,892,120	\$14,848,761	(\$43,359)
Supplies	\$765,271	\$854,521	\$869,044	\$969,521	\$100,477
TOTAL OPERATING EXPENSES	\$13,905,250	\$15,247,536	\$15,961,009	\$16,141,523	\$180,514
PROFESSIONAL SERVICES	\$0	\$0	\$0	\$0	<b>\$0</b>
Other Charges	\$44,344,552	\$50,590,522	\$52,903,614	\$50,201,105	(\$2,702,509)
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$3,567,667	\$3,758,794	\$3,758,794	\$3,879,133	\$120,339
TOTAL OTHER CHARGES	\$47,912,219	\$54,349,316	\$56,662,408	\$54,080,238	(\$2,582,170)
Acquisitions	\$1,176,099	\$935,957	\$1,520,566	\$938,537	(\$582,029)
Major Repairs	\$209,219	\$90,000	\$106,296	\$125,000	\$18,704
TOTAL ACQ. & MAJOR REPAIRS	\$1,385,318	\$1,025,957	\$1,626,862	\$1,063,537	(\$563,325)
TOTAL EXPENDITURES	\$96,510,263	\$109,442,585	\$113,070,055	\$108,630,498	(\$4,439,557)



### Secretary of State FY25 Recommended Categorical Expenditures

#### **Interagency Transfers**

\$163,389	Civil Service and CPTP Fees
\$47,359	State Treasurer Fees
\$39,249	Uniform Payroll System (UPS) Fees
\$57,945	Office of State Procurement (OSP)
\$44,478	Legislative Auditor Fees
\$386,839	Office of Technology Services (OTS)
\$251,907	Office of Risk Management (ORM)
\$135,000	Office of Technology Services -Telecommunications Services
\$91,932	Division of Administration - State Printing Fees
\$1,109,750	Office of Risk Management (ORM)
\$967,500	Office of Technology Services - Telecommunications Services
\$193,000	Division of Administration - Printing and Postage Services
\$4,000	Louisiana Property Assistance Agency – LPAA
\$3,550	Office of Technology Services - Telecommunications Services
\$13,625	Office of Technology Services - Telecommunications Services
\$36,423	Old Governor's Mansion Expenses
\$187	State Printing
\$9,500	Office of Technology Services - Telecommunications Services
\$323,500	Division of Administration - Mail, postage, and printing
	services
Acquisitions ar	<u>nd Major Repairs</u>
\$562,500	Replacement of approximately 306 outdated computers and

other outdated information technology equipment \$105,037 Replacement of a cargo van and a new box truck for the delivery of boxes and supplies High-volume shredding device that can shred large volumes of \$100,000 material \$120,000 Large flatbed planetary scanner \$30,000 Replacement of printed materials in the research library \$125,000 Major repairs to automate back-up power to an existing chiller and flooring replacement all at the Archives Building **Replacing office chairs** \$10,000 \$11,000 New phone system for Old Governor's Mansion

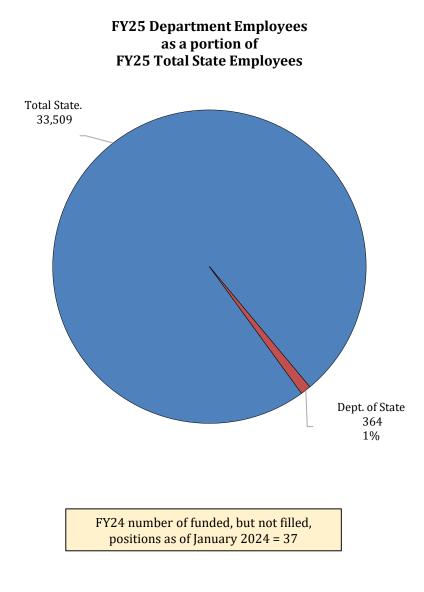
#### **Other Charges**

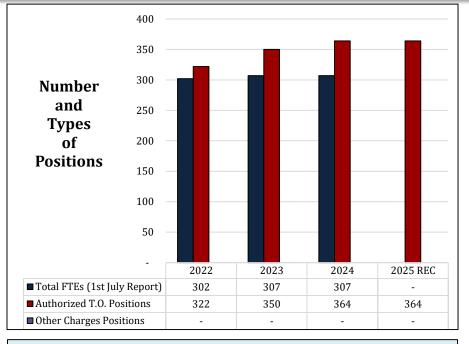
\$917,000	IT Ongoing Costs for Elections and Commercial Support
\$50,000	Contractual Services
\$26,543,942	Election Expenses: Administrative Expenses & Field
	Operations Administration, Voting Machines, Poll
	Commissioners, Ballot Printing, etc.
\$17,026,648	Registrar of Voters
\$166,249	Contracts for the microfilming of documents
\$750,000	Digital Repository
\$113,078	Shreveport Riverfront Convention Center and Stadium
	Funds for the Louisiana State Exhibit Museum & Louisiana
	State Oil and Gas Museum
\$3,000,000	GeauxBiz One Stop Portal
\$900,000	Commercial On-Line Registration Application (CORA)
	Filings
\$500,000	Central Electronic Repository
\$234,188	Commercial Miscellaneous Operating Expenses



## **Department of State**

FTEs, Authorized T.O., and Other Charges Positions





The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

**Authorized Positions** are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies included in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



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## **Department of State**

**Related Employment Information** 

Salaries and Related Benefits for the 364 Authorized Positions are listed below in Chart 1. In Chart 2, benefits are broken out to show the portion paid for active versus retired employees. This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.	Personal Services	2022 Actual	2023 Actual	2024 Enacted	2025 Recommended
	Salaries	\$18,747,566	\$20,100,651	\$24,077,635	\$23,577,444
	Other Compensation	\$557,557	\$651,661	\$525,694	\$525,694
	Related Benefits	\$10,931,351	\$12,555,164	\$14,216,447	\$13,242,062
	Total Personal Services	\$30,236,474	\$33,307,476	\$38,819,776	\$37,345,200

Related Benefits FY25 Recommended	Total Funding	%
Total Related Benefits	\$13,242,062	
UAL payments	\$6,283,354	47%
Retiree Health Benefits	\$2,136,223	
Remaining Benefits*	\$4,822,485	
Means of Finance	General Fund = 48%	Other = 52%

Average T.0 Salary = \$61,992

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

Department Demographics	Total	%
Gender		
Female	172	53
Male	155	47
Race/Ethnicity		
White	254	78
Black	62	19
Other	11	3
Currently in DROP or Eligible to Retire	68	21

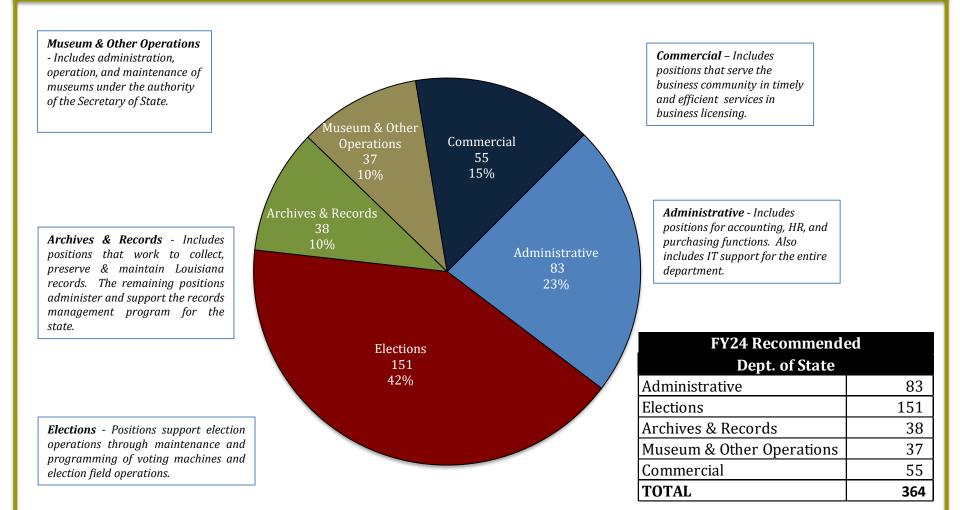
\* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits \$0



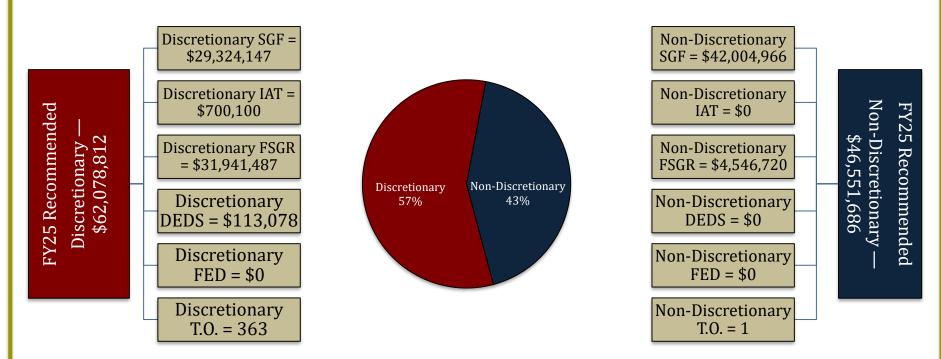
### Department of State

### FY25 Recommended Total Authorized Positions by Agency





### Department of State FY25 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office							
Administrative	\$13,595,853	22%					
Elections	\$29,037,795	47%					
Archives & Records	\$5,335,371	9%					
Museum & Other Operations	\$3,924,341	6%					
Commercial	\$10,185,452	16%					
Total Discretionary	\$ 62,078,812	100%					

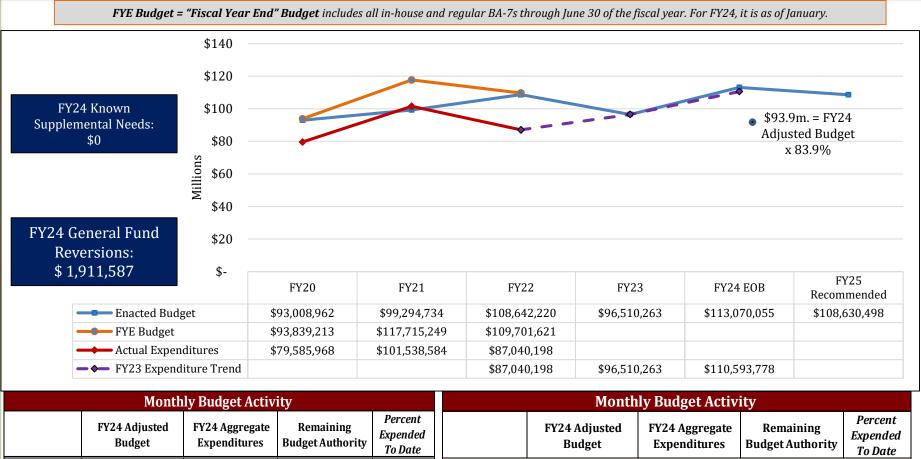
Total Non-Discretionary Funding by Type									
Constitutional Requirements	\$	27,344,337	59%						
Constitutional Subject to									
Legislative Discretion	\$	17,026,648	37%						
Unavoidable Obligations	\$	2,180,701	5%						
Total Non-Discretionary	\$	46,551,686	100%						

Constitutional Requirements-Administration of election laws; UAL. Constitutional Subject to Legislative Discretion-Administration of election laws and salaries of Registrars of Voters and their assistants.

Unavoidable Obligations = Retirees Group Insurance; Legislative Auditor fees.



### 04-139 – Secretary of State Enacted & FYE Budget vs. Actual Expenditures FY20 to FY23



	Buuget	C.	xpenultures	DU	uget Authority	To Date			Budget	EX	spenditures	вис	iget Authority	To Date
Jul-23	\$ 109,442,585	\$	4,287,910	\$	105,154,675	3.9%	(Trend based on average monthly expenditures to date)							
Aug-23	\$ 113,065,055	\$	14,043,567	\$	99,021,488	12.4%	Feb-24	\$	114,471,432	\$	73,729,185	\$	40,742,247	64.4%
Sep-23	\$ 113,070,055	\$	35,372,336	\$	77,697,719	31.3%	Mar-24	\$	114,471,432	\$	82,945,333	\$	31,526,099	72.5%
Oct-23	\$ 113,070,055	\$	42,108,606	\$	70,961,449	37.2%	Apr-24	\$	114,471,432	\$	92,161,481	\$	22,309,951	80.5%
Nov-23	\$ 113,070,055	\$	51,143,863	\$	61,926,192	45.2%	May-24	\$	114,471,432	\$	101,377,630	\$	13,093,802	88.6%
Dec-23	\$ 113,070,055	\$	56,312,225	\$	56,757,830	49.8%	Jun-24	\$	114,471,432	-	110,593,778		3,877,654	96.6%
Jan-24	\$ 114,471,432	\$	64,513,037	\$	49,958,395	56.4%	Historical Year	End Av	, ,		, ,		, ,	83.9%



# Department of State Significant Points of Interest for FY25

- FY25 election expenses including ballot printing is \$20.8 million. This is a reduction of \$2.2 million in State General Fund (Direct) from FY24.
- An increase of \$832,770 in State General Fund (Direct) is provided for Registrar of Voters market adjustments, step increases, and Certified Elections Registration Administrator (CERA) certifications and corresponding benefits.
- \$1 million in State General Fund (Direct) is provided for redistricting litigation related to existing congressional maps.
- Act 1 of the 2024 1st Extraordinary Session created a closed party primary system for congressional elections, the Louisiana Supreme Court, the Board of Elementary and Secondary Education (BESE), and Public Service Commissioners starting in Spring 2026. As a result, there will be a significant increase in State General Fund expenditures starting in FY 26 for the Secretary of State to prepare for and implement a closed party system. These costs will depend on whether and how many runoff elections, or second primary elections, will occur. To the extent any runoff elections do not require a full statewide election, maximum exposure costs for the fiscal years starting FY 26 will decrease accordingly.
- The Governor's Executive Budget recommends \$10 million in the Funds Bill for the Voting Technology Fund for new Voting machines.



Department of State Elections in CY 2024

2024 Elections								
	Presidential Preference Primary & Municipal Primary	Municipal General	Open Primary, Presidential & Congressional	Open General & Congressional				
Date of Election	March 23, 2024	April 27 , 2024	November 5, 2024	December 7, 2024				
Early Voting Begins	3/7/2024	4/13/2024	10/18/2024**	11/22/2024***				
Early Voting Ends	3/16/2024	4/20/2024	10/29/2024	11/30/2024				

\*\*Early voting extended due to Act 365 of the 2021 regular session.

\*\*\*Early voting advanced one day due to the state observed holiday for Thanksgiving and Acadian Day.



### Department of State State Museums

