



**IOWA SECRETARY OF STATE  
ANNUAL REPORT  
2016**

## INTRODUCTION



It is an honor to serve as Iowa's Secretary of State. When I returned to this office in January 2015, we established three main goals: offer top-notch service to the citizens of Iowa, increase voter participation, and maintain the integrity of the vote. During the past year, we accomplished all three.

The 2016 general election was a huge success in Iowa. We achieved a turnout rate of almost 73 percent, which ranks among the best in the country. More than 1.58 million Iowans made their voices heard. It was a clean, fair election and I'm proud of Iowans for turning out in such large numbers.

My office launched a new online voter registration system on January 1, 2016, and more than 60,000 Iowans successfully registered online this year. The system, created in partnership with the Iowa Department of Transportation, offers a convenient and immediate way to register to vote any time of day. Iowa remains one of the top states in the country for voter accessibility.

I was proud to join 33 other states by developing a Safe at Home program. Safe at Home is an address confidentiality program for survivors of domestic violence, sexual assault, trafficking and stalking. The program launched January 1, 2016 and has helped numerous survivors of violence get a fresh start.

Another major success for my office this year was the Caucus 101/Elections 101 curriculum and Iowa Youth Straw Polls. We conducted a caucus Youth Straw Poll in January and a general election one on November 1, with more than 55,000 students participating each time. This hands-on learning experience was a great way to engage and excite young people about the civics process and educate them about Iowa's unique role in the presidential election process.

My office is also the business portal for Iowa. Despite a record amount of new business filings this year, we maintained a processing time of just one day. My staff continues to seek methods of increasing efficiency and providing service at the speed of business.

Sincerely,

A handwritten signature in black ink that reads "Paul D. Pate". The signature is written in a cursive, flowing style.

Paul D. Pate  
Iowa Secretary of State

# 2016 ACHIEVEMENTS

## VOTING & ELECTIONS DIVISION

**Successful 2016 general election** – More than 1.58 million Iowans participated in the November election. Iowa ranks among the top six states in the nation for voter participation. It was a clean election that ran very smoothly overall.

Although, the general election culminated on November 8, the Elections Division began its focus on the election at the very beginning of the calendar year with the precinct caucuses, which generated unprecedented voter registration activity and requests for voter registration data. This continued through the primary election candidate filing period, the primary election and canvass, the general election candidate filing period and canvass, and finally the Electoral College. Over the course of the year, the Elections Division certified 262 state and federal candidates to the general election ballot and process 41 annual subscriptions of voter registration lists,, which required daily updates, as well as 148 one-time requests.

**Online Voter Registration** - One of Secretary Pate's top goals is to increase voter participation. He worked with the Iowa Department of Transportation to develop an electronic voter registration system that launched on January 1, 2016. More than 67,890 Iowans successfully registered to vote or updated their information using the online system in its first year. Our state leads the nation in accessibility to registration and voting.

**Near Record High of Active Registered Voters** – The number of active registered voters on December 1 was 2,036,062. That is the second highest total in Iowa modern history. The mark is just shy of the 2,042,997 total active voters in the database in January 2009.

**Outreach to Military Veterans and Iowans with Disabilities** – Secretary Pate launched an unprecedented effort to help military veterans and Iowans with disabilities vote. Utilizing videos and social media, revamping the Secretary of State's website, and hiring an outreach coordinator, the Secretary of State's Office reached out to Iowans all over the state to educate them on the resources available to help them vote. The Secretary of State's Office also partnered with the Iowa Developmental Disabilities Council to conduct workshops in 45 counties.

**SOS Legislation Makes It Easier for Overseas Military Members to Vote** – A bill sponsored by Secretary State making it easier for Iowa's overseas military members and citizens to vote was signed into law. The bill gives Iowans serving or living overseas an extra 30 days to request, receive, and return special absentee ballots, extending the time from 90 days to 120 days prior to an election. The legislation

also removed an obstacle in the election process that prevented some ballots cast by overseas and military voters from being counted.

**College Voter Engagement Drive/MyIowaVote.com** - Secretary Pate developed a partnership with 38 colleges and universities across the state for the inaugural Iowa College Voter Engagement Drive. Additionally, the Secretary of State's Office launched a new voter engagement tool, entitled My Iowa Vote, to remind and encourage college students and all Iowans to register and participate in the November general election and all elections in the future.

**Safe at Home** - Secretary Pate implemented Safe at Home, an address confidentiality program for victims of domestic abuse, sexual assault, trafficking and stalking. The program launched January 1, 2016. Safe at Home helps victims become survivors by giving them a way out of an abusive situation. Iowa averages more than 2,000 convictions for domestic violence and sexual assault each year. This program can save lives. Approximately 1/3 of the participants voted in the November 2016 election, with some telling us this was the first time in many years they had voted.

## **BUSINESS SERVICES**

**E-Check Saves Over 1,100 Hours in the First Year** - The SOS implemented electronic check (E-Check) services for our Biennial report process to reduce the quantity of paper checks and provide better service. Results of this one change alone were dramatic: Nearly 15,000 check payments were made online, eliminating the need to handle physical mail and endorse checks. This improvement resulted in a human effort savings of over 1,100 person hours.

**Record High for New Business Filings** - The Secretary of State's Office is the business portal for the state of Iowa. We processed more than 20,115 new business filings in Fiscal Year 2016, achieving a new record state record and surpassing the 20,000 threshold for the first time. Additionally, when Paul Pate returned to the Secretary's Office in January 2015, there was a significant backlog in the processing time for New Corporation Filings. Through hard work and due diligence, we reduced that processing time from 20 days down to one day and have maintained that level of service for more than a year.

**NASS Executive Board and Business ID Theft Task Force Appointments** - Secretary Pate was elected the Midwestern Region Vice-President and named co-chair of the National Association of Secretaries of State's (NASS) Business ID Theft Task Force. Identity theft is one of the most difficult security issues a company may face. Secretary Pate is working to develop best practices and provide guidance for businesses in Iowa and around the U.S. in how to protect their companies against ID theft scams. Pate is one of 11 members on the NASS Executive Board.

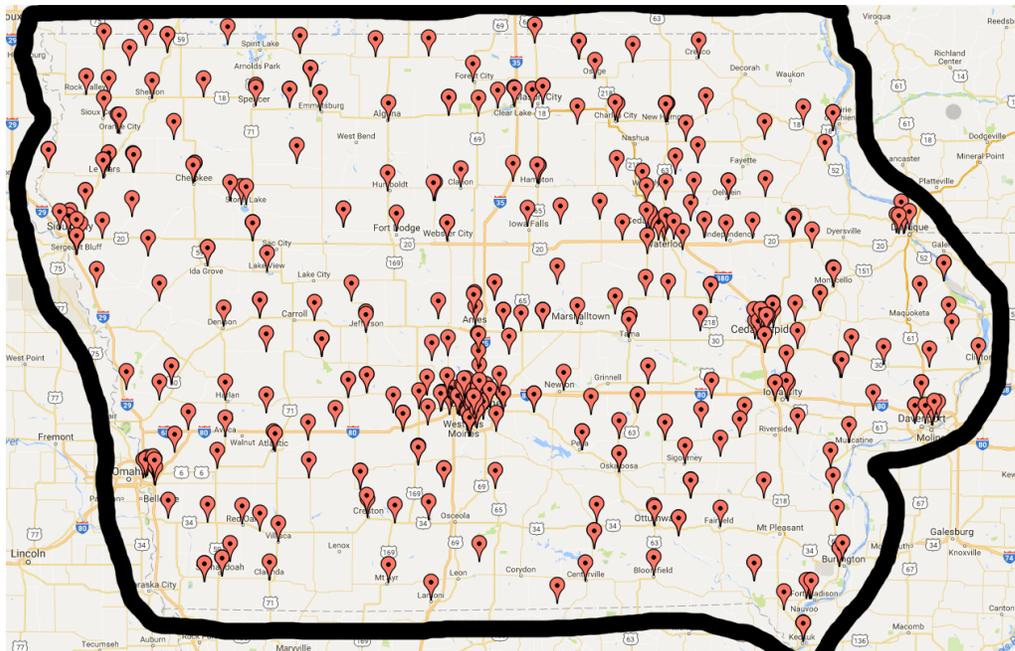
**Small Business Partnership with Google** - As part of an ongoing effort to promote and encourage entrepreneurship in Iowa, Secretary Pate announced a new

partnership with Google to help small businesses get off the ground, grow their online presence and achieve success. New businesses in Iowa can take advantage of Google's Let's Put Our Cities on the Map program after they file with the Secretary of State's Office. Existing businesses can utilize the resources to enhance their digital footprint. The Secretary of State's Office provided space for the Iowa Small Business Development Centers at the Iowa State Fair booth to help fairgoers learn about and register for the Google program.

**Efficient Processing** - The Secretary of State's Office processed more than 124,000 corporate documents in 2016.

## GENERAL

**Caucus 101/Elections 101/Iowa Youth Caucus** – Secretary Pate developed an online curriculum for Iowa high school students, designed to involve students in civic engagement while educating them about Iowa's unique role in the political process. The "Caucus 101" curriculum used in the lead-up to the Iowa Caucus was updated to "Elections 101" for the 2016 general election. The curriculum included two Iowa Youth Straw Polls. One, related to the Iowa Caucus, was held in February, and another, held in November, was related to the general election. Approximately 60,000 students and more than 260 schools across the state participated each time. Dozens of students and teachers joined Secretary Pate at the State Capitol on November 1 for an hour-long Facebook Live video stream presentation of the results. The "Caucus 101" website earned a Silver award at the 14th Annual Horizon Interactive Awards Competition. The award was in the Website Redesign & Development category for Government Agencies. A statewide map showcasing the schools that participated is below:



**Honor a Veteran with Your Vote** - The Secretary expanded the Honor a Veteran with Your Vote program to pay tribute to those who served in the military that fought for our rights to choose our representative form of government.

**State Fair Straw Poll** – More than 9,000 people voted in the Secretary’s State Fair Straw Poll. The goal was to get Iowans excited about voting and the November 2016 general election. During the State Fair, staffers at the Secretary’s booth helped hundreds of Iowans register to vote.

## VOTING & ELECTIONS DIVISION

### **National Voter Registration Act/Help America Vote Act**

The Secretary of State is designated as the Chief State Election Official for purposes of administering federal election law, such as the National Voter Registration Act (NVRA) and the Help America Vote Act (HAVA). In that role the Secretary continued implementation and review of the NVRA to ensure that all eligible Iowans are provided the opportunity to register to vote. In cooperation with Iowa public assistance agencies, at least 100,000 Iowans were offered that opportunity throughout 2016.

Additionally, the Secretary improved the program to “train the trainer” for state agencies:

- Updated NVRA training materials and forms
- Held 5 NVRA training sessions for NVRA agencies
- Established new reporting website for uniform and simplified format at lower cost.

The Iowa Secretary of State received a small HAVA grant for purposes of reaching out to voters with disabilities, which was due to expire on October 31, 2016. With these funds we produced nine videos to train voters and election workers on accessible voting equipment, produced and distributed a brochure for voters with disabilities, hired an outreach worker who held voter education workshops in 45 counties, produced and distributed several social media and PSA spots targeting voters with disabilities, and purchased notebook computers for counties to test accessibility of polling sites. These activities were performed in collaboration with disabled veterans groups, Disability Rights Iowa, and the Iowa Developmental Disabilities Council.

### **Online Voter Registration**

A collaboration with the Iowa DOT to develop online voter registration opportunities for Iowa voters was completed and deployed on January 1, 2016. This application is available to Iowa residents who have an Iowa driver’s license or non-

operators ID and wish to register to vote or to change their registration information. 67,890 Iowans registered to vote or updated their information online this year. The system resulted in significant savings in processing time for the State of Iowa.

### **State Election Administrators Training (SEAT)**

The Secretary of State, along with the Iowa State Association of County Auditors (ISACA) and the Iowa State Association of Counties, in 28E agreements, collaborates to provide training to county election officials. SEAT is a certification process for Iowa election administrators.

Four 8-hour sessions of continuing education classes were taught to Iowa County Auditors and local election administration staff. At the end of 2016 there are 294 SEAT certified officials across Iowa. The SEAT Executive Board and Curriculum Committee have launched a review of the existing SEAT curriculum and structure, with a refresh presently underway.

### **Statewide Voter Registration System (IVoters)**

The Iowa Secretary of State continues its third-party vendor contract with Arikkan, to maintain IVoters, the statewide voter registration system and the election night reporting program. Due to budgetary constraints, there was no new release in 2016. Updates were made to the system to facilitate processing online voter registrations and automatic monthly updates to the felon database. IVoters and counties process up to 500,000 voter registration forms every election year. Secretary of State staff also created, for the first time, a database of approximately 250,000 persons whose voting rights were restored by executive clemency.

The Elections Division worked with counties to conduct annual voter list maintenance, including the National Change of Address program and cross-state match. We also provided state and federal court systems a pool of registered voters to potentially serve as jurors in district, state, and federal court.

### **Safe At Home**

The first year of the Safe at Home (SAH) program helped Iowans across the state regain a sense of normalcy and shield them from harm. SAH is an address confidentiality program to protect survivors of domestic abuse, sexual assault, trafficking, and stalking from being found by their abusers. The program provides a substitute address for all SAH participants to use instead of their actual residence address, receiving and then delivering all first-class mail to SAH participants.

Additionally, the SOS houses a separate voter registration and absentee balloting system for SAH participants. Some participants informed us the November 2016 general election was the first time they had voted in many years. The protections offered by Safe at Home allowed them to vote without fear of exposing their actual

home address. Participants from approximately 30 counties across the state have entered the Safe at Home program. Over the past year, the Secretary and staff have made over 20 presentations to various organizations and agencies. Safe at Home informational materials are now on display in nearly 40 rest stops and close to 200 libraries throughout the state.

## **Annexations**

The Secretary of State's office is the filing office for all city annexations that are not filed with the City Development Board. This includes annexations that are 100% voluntary and non-urbanized. This class of annexations is presumed to require simply ministerial approval. This year the Secretary of State's office reviewed, approved and filed 91 annexations.

## **BUSINESS SERVICES DIVISION**

### **Business Entity Filings**

The Business Services Division is the business portal for the state. Among its key responsibilities are the registration and authorization of domestic and foreign entities to transact business in Iowa, filing secured transaction lines under the Uniform Commercial Code, commissioning Iowa Notaries Public. Our Online Business Center allows business to be conducted 24-hours a day, seven days a week. It provides access to over three million filed documents and a complete array of forms, applications and searchable databases for businesses, lending institutions and interested citizens.

Each business day the customer service phone line receives over 200 telephone calls and emails with business services-related questions. The Office is continually seeking to improve its service delivery to citizens and the business community.

The Business Services Division houses more than 7 million stored electronic documents. This does not include old documents that are stored on microfilm. There are over 218,769 active business entities registered in the corporation database. Corporation filings include: articles of incorporation, articles of organization and amendments, miscellaneous filings, and statements of changes of registered agents. Most entities are also required to file a biennial report with the Office. In 2016, the Office processed more than 124,000 transactions against the corporation database. Of those, 69,560 were biennial reports, 91 percent of which were filed online. The Business Services Division issued over 13,600 certificates of good standing on Iowa registered entities, accepted more than 940 original notices for service of process on Iowa registered entities and 614 trademark-related filings.

## Online Filings

The Secretary of State's Office continues to move toward paperless filings, allowing immediate communication between the office and customers. The Secretary's goal is for the office to function at the speed of business.

### 2016 Filing Transactions

|                                    |                |
|------------------------------------|----------------|
| UCC Certified Lien Reports         | 185,095        |
| Filings                            | 127,964        |
| Corporate Transactions             | 124,221        |
| Original Notices                   | 946            |
| Certificates of Good Standing      | 13,653         |
| Notary Renewals                    | 14,478         |
| New Notaries                       | 6,158          |
| Apostilles & Notary Certifications | 6,000 (est.)   |
| <b>TOTAL</b>                       | <b>478,515</b> |

## Uniform Commercial Code (UCC)

The Business Services Division is responsible for filing and maintaining lien records under the Uniform Commercial Code. The Office currently maintains over 1,019,980 lien records in our UCC database. The UCC filing system supports commerce by giving lenders a central place to file notices regarding personal property pledges as collateral for loans.

Examples include liens on: farm equipment and machinery, personal property, manufacturing equipment, inventory, crops, and livestock. Additionally, the Office files federal tax liens and other federal liens.

In 2016, the Office filed 127,964 documents, provided 185,095 certified lien search reports, and supplied thousands of copies of filed documents to customers. Virtually all certified searches and 94 percent of UCC filings are done online by customers.

## Notary Public Commissions

The Business Services Division is responsible for commissioning Iowa notaries. A notary is a person who serves the public as an impartial and unbiased witness by identifying persons who come before the notary. They are especially critical to the legal, business, financial and real estate communities of Iowa. The most common function of a notary is to witness and attest that a person signing a document is who they claim to be.

The Secretary of State's Office maintains a database of approximately 59,299 active notaries, which most often require renewal at three-year intervals. In 2016, the

Office renewed 14,478 notaries (43% renewed online) and commissioned 6,158 new notaries.

The Division is responsible for issuing apostilles and notary certifications on documents destined for foreign countries that have been notarized by an Iowa notary. These certifications from the Secretary of State confirm that the notary is an Iowa Notary Public. The Office issues more than 6,000 of these annually.

### **Miscellaneous Filings**

In addition to corporations, UCC's and notaries, the Office maintains the following:

- Agricultural Reports (9H & IOB)
- Athlete Agents (9A)
- Travel Agent & Agency Registrations (9D)
- Voluntary Annexations (368)
- Land Patents (9G)
- Oaths of Office (9.3)
- Transient Merchants Registrations (9C)
- Credit Service Organizations (538A)
- 28E Agreements (28E)
- List of Cities Incorporated in Iowa (9.2)
- Condemnation Filings (6B & 9.2A)
- Acts of Resolutions of the General Assembly (9.1)

### **INFORMATION TECHNOLOGY DIVISION**

#### **First State Office to Engage with OCIO IT Analysis**

Beginning in October 2015, the SOS was the first State of Iowa office to engage in an independent Information Technology (IT) analysis from the Iowa Office of the Chief Information Officer (OCIO), through consultant Martin Yarborough. This study identified areas of strength and opportunity for our IT operation and set a foundation for our IT operational improvements. The OCIO study initiated a Request for Information (RFI) for both the Business Services and the Elections Systems to determine the current marketplace offerings for wholesale system replacement. To validate the information from the RFI's, the SOS interviewed 34 states to understand actual system design and cost. Since a vendor's perspective may be limited, we interviewed states to determine the total cost of ownership and understand the vendors in use across the nation.

#### **OCIO Partnership Builds Secure Elections**

Working with the OCIO and their Security Operations Center (SOC), the Secretary of State (SOS) has reduced risk scores by 90 percent, through proactive system

management. During the November general election, the SOS and OCIO SOC jointly monitored systems for intrusion protection and denial of service attacks.

### **Full Staff Awareness of IT Risks**

The SOS has trained 100 percent of staff on Securing the Human Information Technology awareness through the OCIO web-based training. Employee training is a critical component to securing our IT resources, with the goal of developing a culture of information security awareness.

### **Comprehensive Technical Needs Analysis Creates Immediate Results, Plans for the Future**

The Secretary's Office needs significant technological upgrades in the coming years. There is an urgent need for digitization in the Business Services Division. Data storage capacity has been exhausted, and our systems utilize outdated application languages.

The SOS engaged in a comprehensive Technical Needs analysis for both the Business Services and Elections Divisions. This study evaluated both internal business processes and external technical needs as identified from our County Elections staff and Business Services users. Some of the key findings are below:

#### *Business Services Technical Needs Study*

- With the assistance of nationally recognized business process experts Major Oak, the SOS performed step-by-step business process modeling on eight of our high volume, high human effort driven processes. This study defined current state as well as projecting the future fully-optimized process. From this study, we know we can reduce the manual handling touch points from eight to two or less, with a technology investment.
- Identified 42 specific improvements with 24 classified as 'Quick Wins' to deliver improvements that could be achieved without new IT development or systems. These included employee cross training and metric measurement.
- Identified key technical needs for next generation Business Services applications. Some of the key deliverables were:
  - 1.) Fully automate the document submission processes electronically.
  - 2.) Implement cross training with staff so that all personnel can perform all processes and back each other up.
- Built a framework and strategy for Business Services Request for Proposal (RFP) to prepare for next steps. Through cross training our staff and making no-cost changes, we reduced filings cycle times from 27 days to one. Through further automation and system investment, we should be able to consistently provide one-day and improved customer service.

### External SOS Technical Needs Study

The SOS with the State Public Policy Group (SPPG) conducted statewide focus groups throughout August and September of 2016 and implemented a comprehensive electronic survey to gather “voice of the customer” and specific needs for system development. Over 118 County Elections Officials and 4,774 Business Services provided feedback. The responses will help us build an accurate and statistically relevant picture of where we need to go as an organization.

### **Digitizing State Records Dating Back to 1850’s**

The SOS, with worldwide digitization expert Xerox, is converting over two million microfilm and microfiche images from the 1850’s to 1990’s to an electronic format to preserve Iowa’s corporation records. These records, sometimes the only known source, serve as the basis to determine corporate ownership and formations. Preserving these images with electronic back-ups is an important step in safeguarding Iowa’s corporate history.