



Iowa Secretary of State

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Presentation to Administration and Regulation
Appropriations Subcommittee (Joint)
FY 2018-2019 Budget Narrative

February 2017

Service Participation Integrity

What We Do:

Commissioner of Elections and State Registrar of Voters

- Coordinate and Supervise over 260 elections annually throughout Iowa with 99 County Auditors
- Maintain the Statewide IVoters Registration System linked with the Auditors and IDOT
- Oversee the Iowa registered voter list of 2.1 Million voters
- Maintain and update the felon and restoration databases of 400,000 records
- Administration of Federal Programs: UOCAVA, HAVA, MOVE, NVRA
- Voting Systems Examining Board

Safe at Home

- Address Confidentiality Program for survivors of domestic violence, sexual assault, trafficking, stalking, or violent crimes



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What We Do:

Iowa's Business Portal

- File Corporation Documents, Limited Liability Corporations (LLC), Limited Liability Partnerships (LLP), Cooperative Associations, Uniform Commercial Code (UCC), Mechanic's Liens, Notaries & Service/Trade Marks
- Serve as a repository for 3.5 million corporate filings
- Secure and manage 7 million + data files and images
- Process on average 800-1000 filings daily by 11 processors
- Annually receive 61,000 calls and process 500,000 searches and filing requests
- Provide customer service for 12,500 walk-in customers
- Process 81,000 credit card transactions and 55,000 paper checks and ACH transactions



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Elections and Voter Registration Requests

- Continue Base appropriation of \$1.44 million with associated FTEs
- Ongoing operational support to fund annual shortfall of \$575,000



Service

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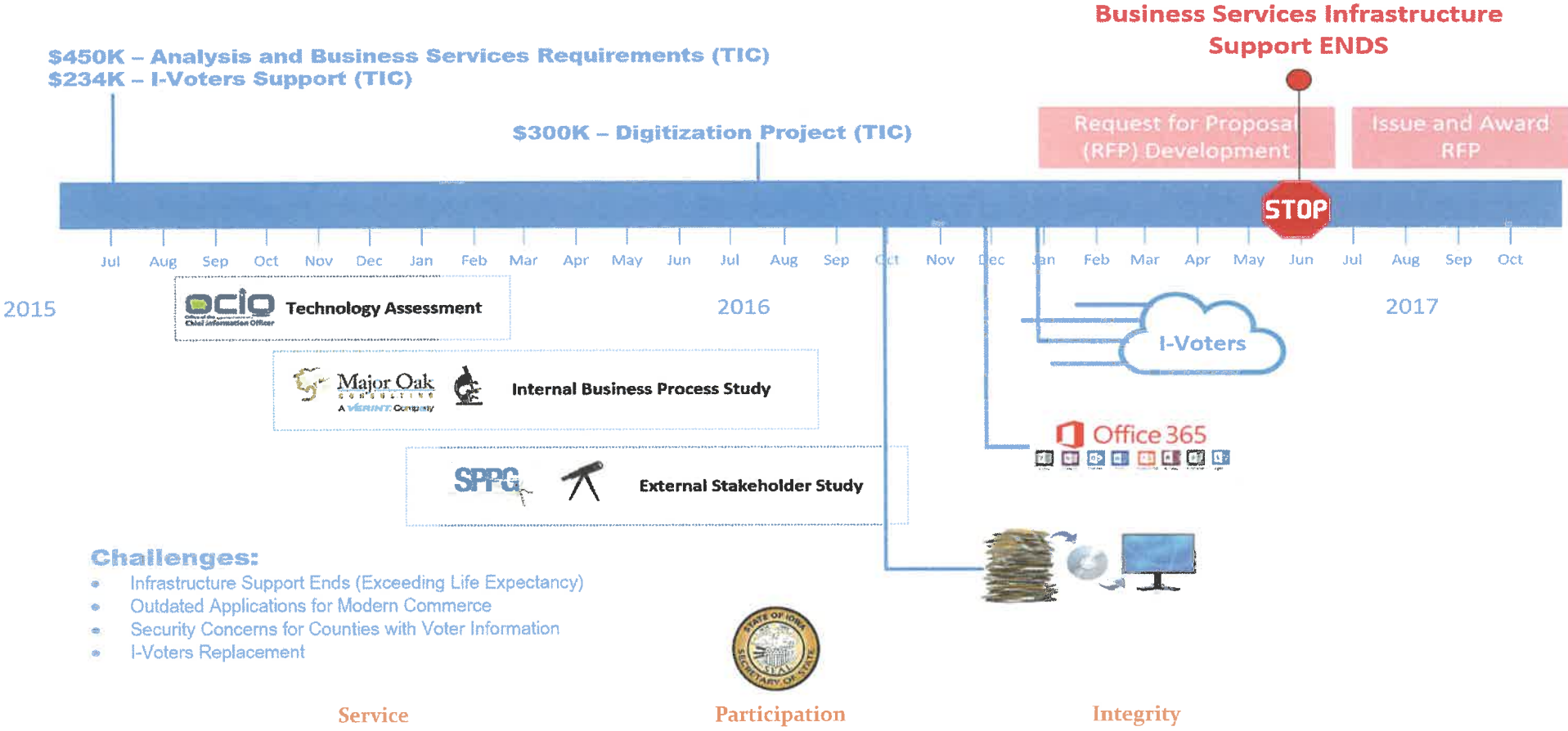
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Elections Expenditure by Year and Funding Source



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
General Fund Appropriation	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890	\$ 1,440,890
County Maintenance Revenue	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 354,000	\$ 354,000	\$ 354,000	\$ 354,000	\$ 354,000
State Elections Fund	\$ 451,000	\$ 451,000	\$ 451,000	\$ 217,000	\$ 531,170				
Supplemental Appropriation				\$ 234,000					
Needed SOS Appropriation						\$ 775,270	\$ 581,170	\$ 595,270	\$ 581,170
Total	\$ 2,166,890	\$ 2,166,890	\$ 2,166,890	\$ 2,166,890	\$ 2,326,060	\$ 2,570,160	\$ 2,376,060	\$ 2,390,160	\$ 2,376,060
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Timeline for IT Analysis, Planning and Implementation



Current State Action Steps

- Research and planning has been completed over the past 18 months
- IVoters migration to private hosted solution in process (May 2017 completion)
- Migration of email and communications systems to private hosted solution underway (February 2017 completion)
- Digitization Project begun – converting 2.12 million microfilm images to digital format
- Preparing development of Business Services RFP for replacement solution (May 2017 completion) Priority systems to be addressed are: UCC, cash register, Customer service response system



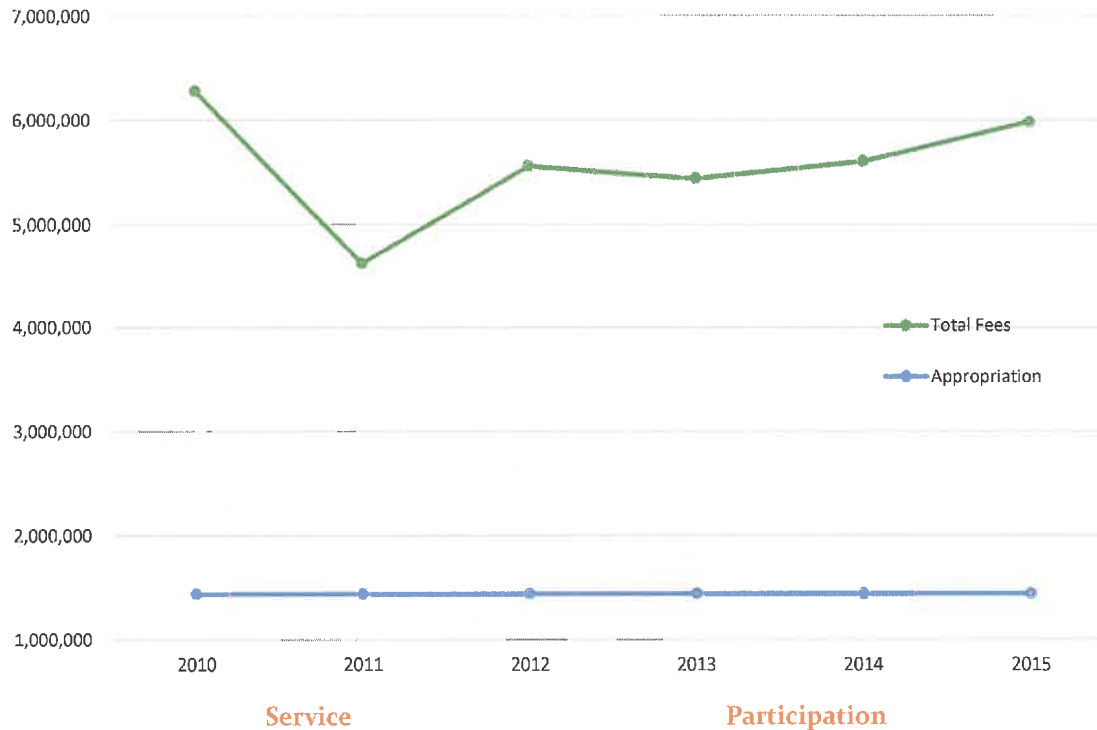
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Iowa's Business Portal – Secretary of State's Office

- Revenue Generation - \$5.2 million from fees for business services
- General Fund appropriation is \$1.4 million



72% of each dollar paid by Iowa Businesses is diverted

Challenges

- Hardware end of life expectancy and support services suspension (May 31, 2017)
- Business Services applications are not able to migrate to private hosted solutions
- Business Services will experience system shutdown without investment in replacement solutions
- Financial resources to purchase Business Services replacement solution



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Business Services Budget Requests

- Establish Business Services Revolving Fund
- Continue Base appropriation of \$1.44 million with associated FTEs
- Ongoing operational support increase of \$300,000 for status quo staffing and increases in operating pass thru expenses



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Secretary of State Budget Request Summary

Operations Budget		Authorized
Business Services	FY 18	FTEs
Base appropriation	\$1,440,000	16
Operations (status quo)	300,000	
Elections & Voter Registration		
Base appropriation	1,440,000	15
Operations (status quo)	<u>575,000</u>	
Total General Fund	\$3,750,000	
Safe at Home (Revolving Fund)	<u>120,400</u>	<u>1</u>
Total Operations and Safe at Home	\$3,870,400	32



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Iowa Secretary of State Budget Narratives for New Packages

FY 2018 – 2019

New Package 1

Appropriation: D71 Secretary of State Elections/Voter Registration

Fund: 1 General Fund

FY 18 Request Amount: \$575,000

FY 19 Request Amount: \$575,000

Title: Elections and Voter Registration

Description: Continues required commitments to I-Voters and Elections Division

Justification: This package maintains current basic functions in the division of elections and voter registration. Operating at the current level without additional resources constitutes an annual deficit of \$575,000. This request simply funds the operational deficit for the existing state cost of conducting elections, above the baseline appropriation of \$1,440,890. The state voter registration system, I-Voters, was previously funded by HAVA, which is now depleted. Because I-Voters functions are mandated by federal laws (HAVA, MOVE, NVRA, ADA and UOCAVA*) and state laws (47.3, 47.7), ongoing future funding has to come from the state general fund.

Over the last 4 years personnel expense for existing positions has increased 34%. Pass-through costs for Capitol Complex Association fees, I.T. expenses and other shared services have increased at a similar rate. Built-in salary and insurance increases, in addition to additional pass-through capitol complex association fee increases, total \$150,000. After eight years of frozen appropriation levels in the Elections and Voter Registration Division, these mandated automatic increases will result in a reduction in services, unless we receive additional funding.

We also ask for \$75,000 to fund state-mandated election night reporting and for licenses that accompany the I-Voters application. The state's contract just to maintain I-Voters totals \$650,000, of which \$350,000 will be annually offset by the county maintenance fees. Therefore we request \$300,000 to make up the difference. Finally, this package includes basic equipment replacement and maintenance for security measures and current service levels.

Moneys presently remaining in the State Election Fund have been previously raised through county maintenance fees. These remaining funds must be committed to necessary I-Voters system updates, security protocols, emergency repairs, and new federal requirements, not ongoing maintenance of I-Voters. The State Elections Fund balance is rapidly decreasing and is projected to be in a negative position within the first half of FY 2019 unless additional funding is appropriated for the Elections Division.

*HAVA – Help America Vote Act (2002)

MOVE – Military and Overseas Voter Empowerment Act (2009)

NVRA – National Voter Registration Act (1993)

ADA – Americans with Disabilities Act

UOCAVA – Uniformed and Overseas Citizens Absentee Voting Act (1986)

Iowa Secretary of State Budget Narratives for New Packages

FY 2018 – 2019

New Package 1

Appropriation: D73 Secretary of State Business Services

Fund: 1 General Fund

FY 18 Request Amount: \$302,600

FY 19 Request Amount: \$334,955

Title: Support for Existing Staffing and Service Levels

Description: Appropriation maintains current Business Services production and customer service levels for staffing and increasing administrative pass-through costs.

Justification: The Business Services Division of the Iowa Secretary of State's Office generates between \$5.2 and \$5.6 million annually in fees collected from business services provided according to Iowa Code sections: 9B, 486, 486A, 488, 489, 490, 496C, 497, 498, 499, 501, 501A, 501B, 504, 548 and 554. These funds are deposited in the general fund and an appropriation of \$1.44 million is made by the Iowa Legislature to fund business service operations to collect and administer the requirements as stated in Iowa law. Only \$303,000 of the \$5.2 million in fees collected is retained and reimbursed to the office.

The general fund appropriation amount has remained the same for the past 8 years while personnel and pass-through expenses have increased. Over the last 4 years personnel expense for existing positions has increased 34%. Pass-through costs for Capitol Complex Association fees, I.T. expenses and other shared services have increased at a similar rate.

Existing personnel including contract-covered and necessary temporary staff account for 102% of the general fund appropriation. Retained and reimbursed fees provide the operations support for I.T. systems and daily office operations other than personnel expense.

Requested funding is necessary in order to continue mission critical production and customer service levels. Reductions in services will result if funding is not provided as requested. Examples of reductions in service include no same day processing for corporation filings and longer processing times going from days to weeks.

This office already generates the requested amount through fees that users already pay, but unfortunately user fees in this instance are going to the general fund and not being appropriated to this office. A department bill establishing a revolving fund for the collection of Business Services Division customer fees will be submitted to the Legislature. It will request that 100% of the fees collected be used for the services that are intended, including those described in this request.

Safe at Home Update February 2017

Protective orders, school registration, utility bills...This is only the beginning of a very long list that survivors of domestic and sexual violence need to consider when leaving an abusive situation. In the past, this list would be a reason to fear being found, as each of these items requires that they provide a physical address. Now because of Safe at Home, survivors don't have to be concerned that their abuser will discover them through those means.

Domestic violence advocacy programs and Safe at Home participants have both praised the effectiveness of the program during its first year. One participant said, "My safe address has been a great help to me and my children. When the man I married saw my driver's license, it did not matter, because he only found my Safe at Home address. I actually felt safe. Thank You."

Advocates and participants have been impressed with the fast turnaround time to enroll clients in SAH, according to Deb Cordell, a victim advocate for Waypoint Service. That can be especially important to clients that are ready to relocate from temporary shelters. The ability to access an application online to assist clients with the process has also been utilized.

Over one-third of participants voted during the November general election, with some voting for the first time in many years. Some survivors avoided casting votes in the past for fear of their addresses becoming part of public voter registration records.

One challenge is continuing to educate advocacy groups, government agencies, and the general public about Safe at Home so that those who need the program are aware of it. The number of participants enrolled during the first year is in line with early expectations, with enrollees residing in more than 30 counties, both rural and urban. Safe at Home informational materials including posters and brochures are now on display in nearly 40 rest stops and close to 200 libraries throughout the state. Business card sized informational cards are also available, so that a victim could easily conceal one by slipping it into a pocket.

Advocates stress the need for victims of violent crimes to have a good safety plan in order to move forward with their lives. Safe at Home has proven to be an effective part of that plan for many.

"There are a lot of very tech savvy, really good, suave, manipulative abusers out there that can get information better and faster than anybody else. So this program at least puts a roadblock for them being able to get to the victim. Any tool that we can use or give clients to use is helpful and it could mean their safety," Cordell said.



Safe at Home Spending FY16

Category	Amount	Description
Personnel	\$32,248	Oct-June
Mailing supplies	\$1919	Envelopes, stamps
IT	\$32,160	Database development, participant card printer
Advertising	\$4036	Brochures, graphic design, e-mail domain
Total	\$70,363	

Safe at Home Revenue FY16

Category	Amount	Description
Financial Assistance	\$34,200	Grant from IA DOJ, Crime Assistance Division
Court Surcharges	\$27,150	Domestic violence convictions, violations of protective orders (Aug-Jun)
Total	\$61,350	

Safe at Home Budget FY17

Category	Amount	Description
Personnel	\$52051	
Mailing supplies	\$40472	Envelopes, stamps, absentee ballots
IT	\$19877	Database maintenance, office equipment
Advertising	\$8000	Brochures, graphic design, e-mail domain, travel for promotion
Total	\$120,400	