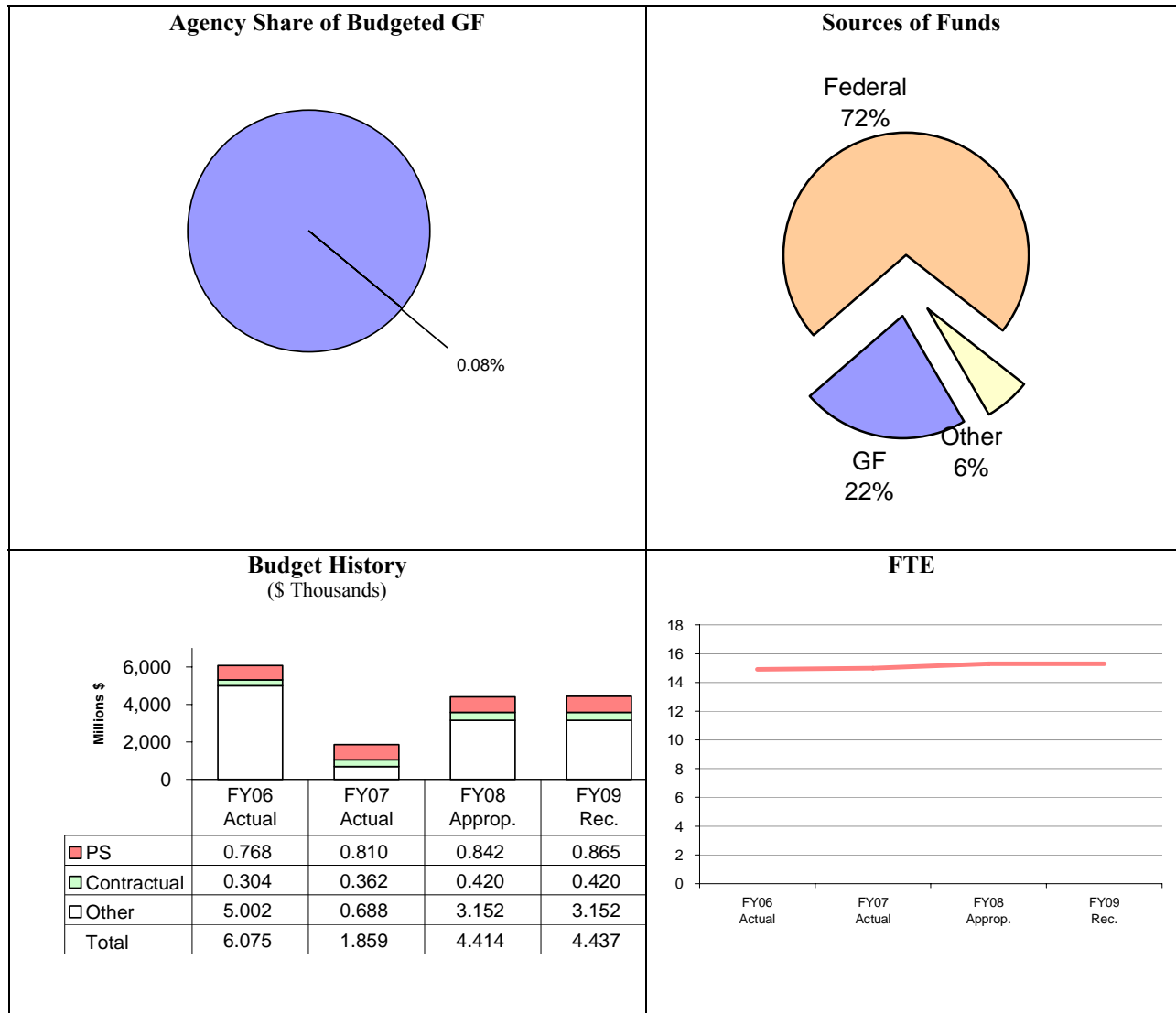


FY2009 Budget Briefing

Secretary of State



Key Responsibilities

- To promote the efficient operation of state government through the performance of statutory “secretarial duties”;
- To provide leadership and assistance in federal, state, and local elections;
- To accurately and efficiently administer the corporation and Uniform Commercial Code (UCC) functions prescribed by South Dakota and federal law; and
- To provide efficient and accurate operations in the filing and recording of all public state documents.

Key Personnel

- Secretary of State, Chris Nelson
- Deputy Secretary, Chad Heinrich
- Supervisor of Elections, Kea Warne

Secretary of State

The funding for the Office of the Secretary of State comes from the State General Fund, funding from the federal Help America Vote Act, and revenue generated from the operation of the Central Filing System (CFS) of Uniform Commercial Code (UCC) documents. For FY 2009, the Governor recommends total funding of \$974,260 from the State General Fund, \$3,191,927 federal, and \$270,394 from other funds, and 15.3 FTEs. The recommendation of \$4,436,581 is an increase of \$22,767 (0.5%) from FY 2008. Because the agency requested the same amount as budgeted in FY08, all of this increase is the result of the Governor's uniform salary policy.

	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	809,542	842,258	842,258	865,025	22,767	2.7%
Travel	20,204	14,840	14,840	14,840	-	0.0%
Contractual Services	361,610	419,816	419,816	419,816	-	0.0%
Supplies & Materials	114,706	131,800	131,800	131,800	-	0.0%
Grants And Subsidies	535,018	3,000,000	3,000,000	3,000,000	-	0.0%
Capital Outlay	17,992	5,100	5,100	5,100	-	0.0%
Other					-	0.0%
Total	1,859,072	4,413,814	4,413,814	4,436,581	22,767	0.5%
Funding Types						
General	922,696	956,710	956,710	974,260	17,550	1.8%
Federal	705,155	3,190,564	3,190,564	3,191,927	1,363	0.0%
Other	231,220	266,540	266,540	270,394	3,854	1.4%
Total	1,859,071	4,413,814	4,413,814	4,436,581	22,767	0.5%
FTE	15.0	15.3	15.3	15.3	-	0.0%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 2.5% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	0	0	0	0
2.5% Across-the-Board	14,801	1,114	3,104	19,019
Health Insurance	2,749	249	750	3,748
	17,550	1,363	3,854	22,767

Revenues

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Notaries Public	98,000	70,375	(27,625)	75,000	70,000	(5,000)	70,000
Voter Registration Lists	20,000	25,125	5,125	20,000	20,000	0	20,000
Pistol Permits	70,000	88,065	18,065	70,000	88,000	18,000	88,000
Domestic Corporations	1,500,000	1,911,788	411,788	1,500,000	1,910,000	410,000	1,910,000
Foreign Corporations	1,300,000	1,212,988	(87,012)	1,300,000	1,210,000	(90,000)	1,210,000
Business Name Registration (online only)	20,000	35,000	15,000	20,000	35,000	15,000	35,000
Trademark Registrations	50,000	69,400	19,400	50,000	69,000	19,000	69,000
Uniform Commercial Code	1,100,000	975,416	(124,584)	1,100,000	975,000	(125,000)	975,000
Copies (Except UCC)	65,000	70,307	5,307	70,000	70,000	0	70,000
Miscellaneous	60,000	34,796	(25,204)	60,000	34,000	(26,000)	34,000
Total	4,283,000	4,493,260	210,260	4,265,000	4,481,000	216,000	4,481,000

Domestic and foreign corporation revenue includes filing fees collected from all corporate entities, limited liability companies, and partnerships.

Selected Performance Indicators

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
DOMESTIC/FOREIGN:							
Corporations in File	28,220/11,500	26,737/11,039	(1,433)/(461)	30,220/11,400	26,800/11,100	(3,420)/(300)	27,000/11,200
Limited Partnerships in File	1,460/460	1,555/482	25/48	1,580/530	1,580/485	0/(45)	1,660/500
Limited Liability Companies in File	10,580/2,490	10,688/2,479	108/(11)	12,800/2,900	11,300/2,900	(1,500)/0	12,000/1,600
Limited Liability Partnerships in File	840/90	772/75	(68)/(15)	850/90	800/80	(50)/(10)	850/90
New Corporations	2,000/1,050	1,718/1,096	(282)/46	1,880/1,050	1,800/1,000	(80)/(50)	1,700/1000
New Limited Partnerships	106/80	73/29	(33)/(51)	110/80	85/35	(25)/(45)	90/40
New Limited Liability Companies	2,420/530	2,539/576	119/46	2,630/775	2,600/600	(30)/(175)	2,700/700
New Limited Liability Partnerships	110/20	98/13	(12)/(7)	100/8	100/15	0/(7)	110/20
Corporations Annual Reports	50,000	51,790	1,790	57990	54000	(3,990)	56000
UCC I Statements	35,000	26,026	(8,974)	30000	27000	(3,000)	29000
UCC II Search	4,000	2,743	(1,257)	3000	2900	(100)	3000
UCC III Continuation/Amend./Assignment	24,000	23,399	(601)	20000	24000	4,000	25000
UCC III Terminations	23,000	21,513	(1,487)	19000	22000	3,000	23000
Effective Financing Statements (EFS)	9,800	4,875	(4,925)	12000	5000	(7,000)	5500
Dakota Fast File Registrants	1,300	667	(633)	700	700	0	700
Trademark Registration	450	662	212	450	600	150	600
Pistol Permits	10,500	12,692	2,192	10500	12700	2,200	12700
Notary Commissions	3,500	2,801	(699)	3500	2500	(1,000)	2500
Financial Information Statement	106	500	394	200	200	0	200
Statewide Campaign Finance Report	500	500	0	500	500	0	500
Statewide Initiative and Referendum Petitions	-	-	0	5	5	0	0
Voter Registration List	30	30	0	30	35	5	30

Other Departmental Issues

Transfers

\$15,917 No FTE	Base transfer within the Secretary of State involving operating expenses and personal services	06/12/07
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This is a base transfer involving both operating expenses and personal services. This transfer was needed to accommodate pay and benefits for staff associated with management and development of uniform commercial code information technology projects. Authority was available due to utilization of BIT services rather than a private contract.

\$19,256 No FTE	One-time transfer within the Secretary of State involving operating expenses and personal services	06/20/07
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This is a one-time transfer involving both operating expenses and personal services. This transfer was needed to accommodate higher than anticipated expenses related to the development of the uniform commercial code online filing system. Authority was available due to utilization of BIT services, rather than a private contract.