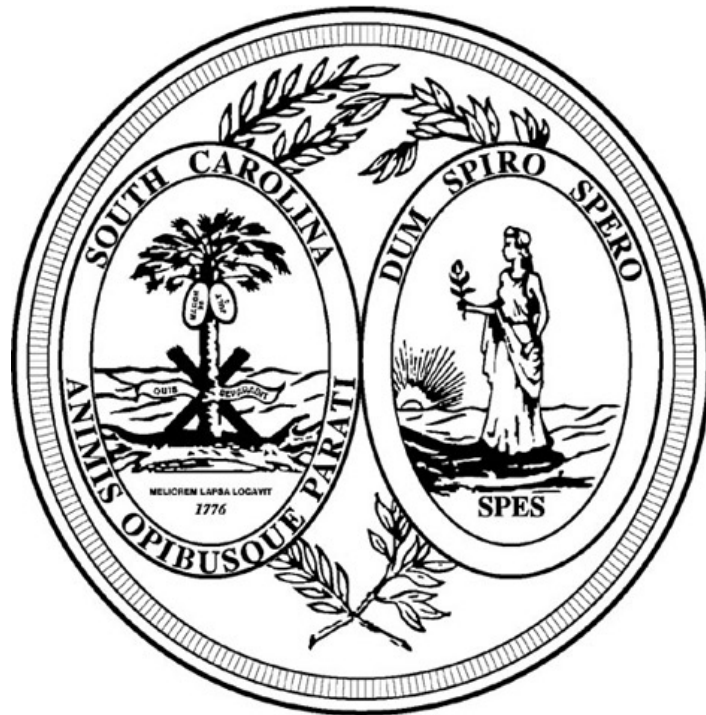


**SECRETARY OF STATE'S
OFFICE BUDGET REQUEST
2022-2023**

HOUSE OF REPRESENTATIVES



JANUARY 12, 2022

Secretary of State's Office Budget Request

Fiscal Year 2022-2023

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Secretary of State's Office Key Officials

Fiscal Year 2022-2023

Mark Hammond, Secretary of State

Mhammond@sos.sc.gov 803-734-2156

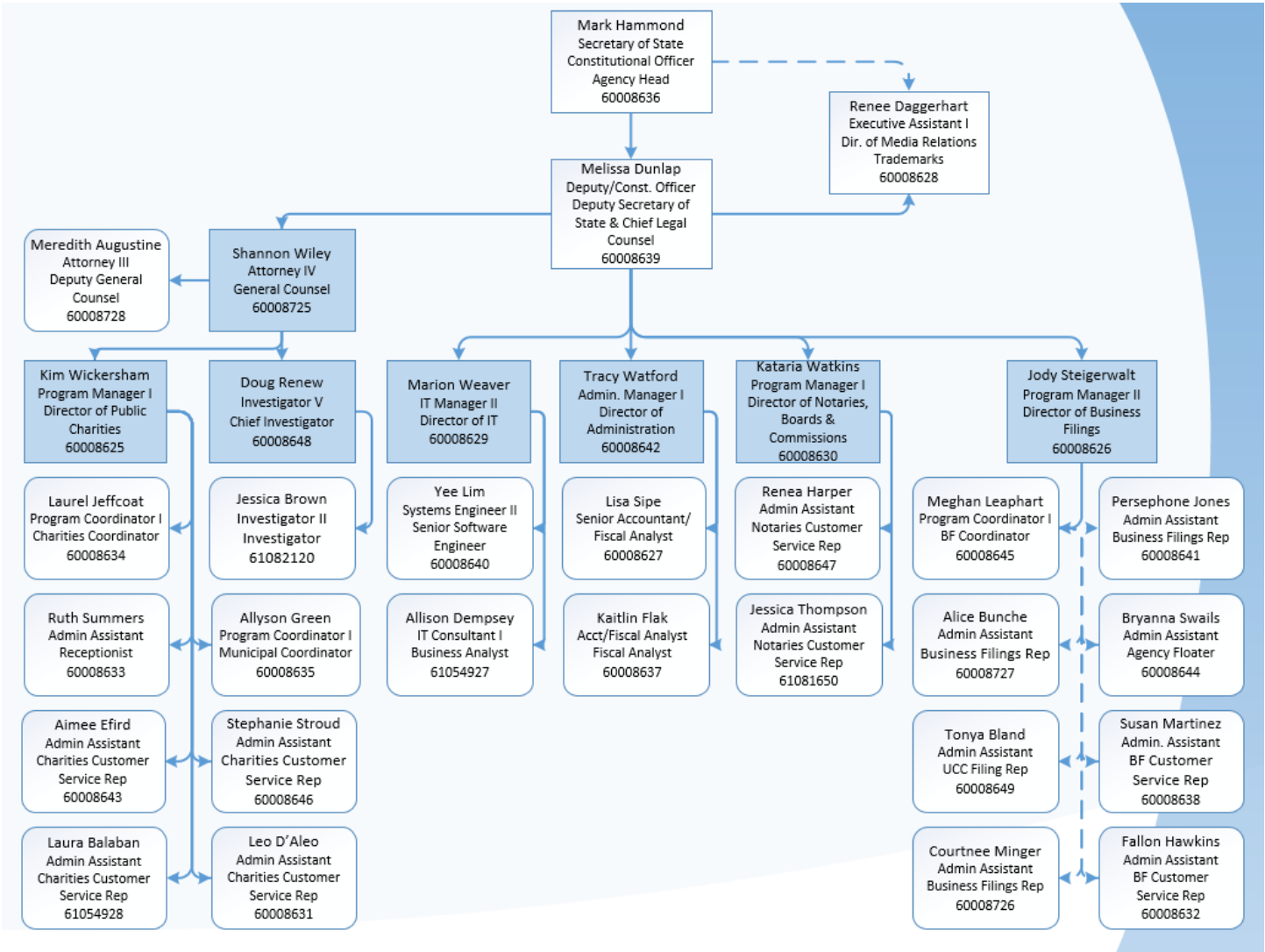
Melissa Dunlap, Deputy Secretary of State and Chief Legal Counsel

Mdunlap@sos.sc.gov 803-734-2157

Tracy Watford, Director of Administration

Twatford@sos.sc.gov 803-734-1797

Secretary of State's Office Organizational Chart Fiscal Year 2022-2023



Secretary of State's Office Budget Summary

Fiscal Year 2022-2023

Secretary of State's Office Mission Statement

The mission of the Secretary of State's Office is to provide innovative technology to enhance the transaction of business in the state, to serve the business community and members of the public with prompt and efficient customer service, to protect the charitable donors of South Carolina, and to fulfill all other statutory duties of the office.

Budget Request Summary

I. Other Funds Authorization Increase - \$165,000

- The office is seeking an increase in spending authority to self-fund several information technology initiatives rather than requesting a large capital request. The requested amount is required to accomplish the statutorily mandated duties and mission of the Secretary of State's Office, including the enforcement of the Solicitation of Charitable Funds Act, SC Code §3-56-10, et seq.
- An increase of \$165,000 operating will be spread throughout the programs in the agency.
 - This would include application support for the information technology throughout the office.
 - In addition, necessary information technology projects which would increase the number of permanent records maintained in a digital format would be initiated.
 - Furthermore, continued enhancements to the charities web application is necessary to provide increased functionality for public users and staff.

II. Other Funds Retirement, Health, and Pay Allocation - \$49,650

- The requested funding would support all divisions of the agency which are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies the office seeks to meet would be impacted by the fulfillment of this funding request.
- The Secretary of State's Office has 14 FTEs supported by other funds. This funding request would support the 2.5% Pay Plan Allocation. With increasing rates, the Secretary of State's Office needs an increase in its other funds authorization in retirement, health, and dental to cover the employer portion.

III. New FTE – Charities Division – Administrative Assistant - \$45,000

- The Secretary of State's Office has the responsibility of enforcing the Solicitation of Charitable Funds Act.
- In FY 2020-21, 15,985 charitable organizations registered or filed annual applications for exemption. This is a 13% increase over the previous year, along with a 25% increase in annual financial reports and extensions.
- As a result of continued collection of fine revenue for violations of the Solicitation of Charitable Funds, the office remitted over \$200,000 in fine revenue to the General Fund.
- An Administrative Assistant FTE is needed for the Division of Public Charities in order to meet the challenges of this increase in volume, in fulfilling statutory requirements, and providing customer service to assist individuals and charitable organizations filing with the agency.

Secretary of State's Office Budget Requests

Fiscal Year 2022-2023

FY 22-23 Budget Priorities Summary												
Secretary of State's Office												
Budget Priorities				Funding					FTEs			
Priority No.	Priority Type	Priority Title	Priority Description	Recurring	Non - Recurring	Other	Federal	Total	State	Other	Federal	Total
1	B1-Recurring	Other Funds Authorization Increase	IT services for customers to have up-to-date, convenient, and secure access while employees are able to maintain necessary infrastructure and security.	\$ -	\$ -	\$ 165,000.00	\$ -	\$ 165,000.00	0	0	0	0
2	B1-Recurring	Other Funds Retirement, Health, & Pay Allocation	Support for all divisions of the agency which are staffed by employees whose compensation is supported by other funds.	\$ -	\$ -	\$ 49,650.00	\$ -	\$ 49,650.00	0	0	0	0
3	B1-Recurring	New FTE in the Division of Public Charities - Administrative Assistant	New FTE for Charities Division to meet needs of an increase in filings for charitable organizations and professional fundraisers. To be funded out of Other Funds and not General Funds.	\$ -	\$ -	\$ 45,000.00	\$ -	\$ 45,000.00	0	1	0	1
Totals				\$ -	\$ -	\$ 259,650.00	\$ -	\$ 259,650.00	0	1	0	1

Secretary of State's Office Accountability Report

Fiscal Year 2020-2021

- In FY 2020-21, the Secretary of State returned \$13,356,429.11 to the State General Fund, while receiving state appropriations of only \$1,246,839.
- The Secretary of State's Office is integral in the transaction of business in the state and duties of the office are mandated by statute.
- Failing to accomplish our goals and objectives would have a detrimental impact on business and the economy in South Carolina, since articles forming, amending, and dissolving businesses are filed in the Secretary of State's Office.
- The customers we serve include individual members of the public, business entities, nonprofits, charitable organizations, lending institutions, the legal community, accountants, state agencies, and members of the legislative and executive branches of government.

Accountability Report Highlights

- In FY 2020-21, IT staff finished the second phase of the Charities Division Enhancement project, which upgraded the internal side of the application.
- As the COVID-19 pandemic continued into FY 2020-21, the Secretary of State's Office saw an increase in the usage of online applications. For example, online adoption for business filings rose from 81.4% at the end of FY 2019-20 to 90% in FY 2020-21.
- In FY 2020-21, the Secretary of State's Office opened 32 counterfeit investigations, and participated in investigations which led to 2 arrests, 15 cease-and-desist orders, and the seizure of \$2,068,920 in counterfeit merchandise. As a result of the efforts from the Secretary of State's Office working with the US Department of Homeland Security, the Investigations Division was able to assist with the interception of \$455,265 in counterfeit goods before they were circulated in South Carolina.
- The Secretary of State's Office is responsible for Uniform Commercial Code Article 9 secured transaction filings and the agency saw a significant increase in the number of these business filings during FY 2020-21. The number of Uniform Commercial Code filings increased by 12% percent from the previous year, from 117,819 filed in FY 2019-20 to 132,271 filed in FY 2020-21.
- The number of corporate filings increased by 58% percent, from 98,077 filed in FY 2019-20, to 155,449 filed in FY 2020-21. The total number of business filings for FY 2020-21 was 287,720, up 33% from the 215,896 filed in FY 2019-20.
- In FY 2020-21, 15,987 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State's Division of Public Charities. Of these registration filings, 71% were filed using the Secretary of State's Online Charities System.
- The Charities Division also filed 4,178 professional fundraiser registrations, fundraising contracts, and joint financial reports. The Charities Division assisted 18,470 customers via telephone.
- The Secretary of State's Office collected \$402,995 in fine revenue for violations of the Solicitation of Charitable Fund Act in FY 2020-21. This was a 5% increase over the previous fiscal year.
- In FY 2020-21, the Secretary of State commissioned 18,776 notaries public. As of June 30, 2021, there are 147,179 commissioned notaries public in South Carolina who play an important role in the prevention of fraud.

Secretary of State's Office Official Budget Request Fiscal Year 2022-2023



**Fiscal Year FY 2022-2023
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2022-2023, my agency is (mark "X"):	
		Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
		<input type="checkbox"/>
		Not requesting any changes.
NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2022-2023, my agency is (mark "X"):	
		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
		<input checked="" type="checkbox"/>
		Not requesting any changes.
CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2022-2023, my agency is (mark "X"):	
		Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
		<input type="checkbox"/>
		Not requesting any changes.
PROVISOS <i>(FORM D)</i>	For FY 2022-2023, my agency is (mark "X"):	
		Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
		<input checked="" type="checkbox"/>
		Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Melissa Dunlap	(803) 734-2157	mdunlap@sos.sc.gov
SECONDARY CONTACT:	Tracy Watford	(803) 734-1797	twatford@sos.sc.gov

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

Agency Name:	<u>Secretary Of State's Office</u>
Agency Code:	E080
Section:	96

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Other Funds Authorization Increase	0	0	165,000	0	165,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Other Funds Retirement, Health and Pay Allocation	0	0	49,650	0	49,650	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	New FTE in the Division of Public Charities - Administrative Assistant	0	0	45,000	0	45,000	0.00	0.00	1.00	0.00	1.00
TOTALS			0	0	259,650	0	259,650	0.00	0.00	1.00	0.00	1.00

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Authorization Increase
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$0</p> <p>Federal: \$0</p> <p>Other: \$165,000</p> <p>Total: \$165,000</p>
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>The requested funding is necessary for the agency to meet the goals of providing the needed information technology applications and security in order to fulfill the statutorily mandated duties of the Secretary of State's Office. The agency continues to expand its IT services for customers to provide up-to-date, secure, and convenient IT offerings for on-line customers and in-house users while maintaining necessary infrastructure and security.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Anticipated fund recipients would include information technology vendors for IT equipment and upgrades, and IT staff who provide services to the agency including working with IT vendors and project management for the agency.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State’s Office returned over \$13.4 million to the State General Fund last year. The agency continues to have increases in general operating expenses that are out of the agency’s control. The office is seeking an increase in spending authority in order to self-fund several information technology initiatives rather than requesting a large capital request. The requested amount is required to accomplish the statutorily mandated duties and mission of the Secretary of State’s Office, including the enforcement of the Solicitation of Charitable Funds Act, SC Code §3-56-10, et seq. An increase of \$165,000 in operating will be spread throughout the programs in the agency. This would include application support for information technology throughout the office. In addition, necessary information technology projects that would increase the number of permanent records maintained in a digital format would be initiated. Continued enhancements to the charities/raffles/professional fundraiser web application would also be possible.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Retirement, Health and Pay Allocation
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$49,650 Total: \$49,650
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This funding request would support all divisions of the agency that are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies that the office seeks to meet would be impacted by the fulfillment of this funding request.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Secretary of State's Office employees whose compensation is supported by other funds, and who are eligible for health insurance and participating in the SCRS retirement plan.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

The Secretary of State's Office has 14 FTEs supported by other funds. This funding request would support the 2.5% Pay Plan Allocation. With increasing rates, the Secretary of State's Office needs an increase in its other funds authorization in retirement, health and dental to cover the employer portion.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	New FTE in the Division of Public Charities - Administrative Assistant
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$45,000 Total: \$45,000
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	1.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # 0	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>The Secretary of State is responsible for the enforcement of the Solicitation of Charitable Funds Act. The request for an other funded FTE for an Administrative Assistant for the Division of Public Charities is necessary in order to meet the challenges with an increased volume of filings for charitable organizations and professional fundraisers. The position would be funded with other funds and not state general funds.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>The Secretary of State's Office Administrative Assistant FTE.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State is responsible for the enforcement of the Solicitation of Charitable Funds Act. The addition of one other funded FTE would assist the Public Charities Division with the enforcement of the Solicitation of Charitable Funds Act. In FY 2020-21, 15,985 charitable organizations registered or filed annual applications for exemption. This is a 13% increase over the previous year. Annual financial reports and extensions for charitable organizations increased 25% to 22,060. The agency continued to collect fine revenue for violations of the Solicitation of Charitable Funds Act, and as result, remitted over \$200,000 in fine revenue to the General Fund. The addition of one FTE would assist the Public Charities Division in fulfilling statutory requirements and providing customer service to assist individuals and charitable organizations filing with the agency.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE Agency Cost Savings and General Fund Reduction Contingency Plan

AMOUNT \$38,418

What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS The Secretary of State's Office will plan to reduce one State FTE in association with this General Fund reduction.

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT Administration and Employee Benefits are supported by these General Funds. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory mission of the agency.

What programs or activities are supported by the General Funds identified?

SUMMARY Service delivery to customers would be directly impacted by the reduction of an FTE. The 3% possible future cut would require moving a state-funded position to an other-funded position. It would also prevent the office from filling any position that becomes vacant. This reduction in staff would impact the agency's ability to serve customers.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.


AGENCY COST SAVINGS PLANS

The Secretary of State's Office continues to reduce costs to taxpayers by working with the state portal, NIC SC (formerly SC.gov), to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings Online applications. No multi-million dollar capital requests were made for either project; thus, the services were provided at no cost to the taxpayers. During FY 2022-23, the office will continue to work with NIC SC to expand the online filing options on the business filings, search and document retrieval application and make enhancements to the UCC online search and filing application. The Secretary of State's Office is an integral part of conducting business in the state and constantly works to provide customers the best possible online solutions while saving taxpayers money.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	<p>Reducing Fines and Fees</p> <p><i>Provide a brief, descriptive title for this request.</i></p>								
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>Not applicable</p> <p><i>What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.</i></p>								
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input checked="" type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input checked="" type="checkbox"/>	Other								
METHOD OF CALCULATION	<p>Not applicable.</p> <p><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>								
REDUCTION OF FEES OR FINES	<p>Filing fees in the Secretary of State's Office are mandated by statute. Any revisions would require statutory revisions from the General Assembly. The Secretary of State's Office returned over \$13.4 million dollars to the General Fund in FY 2020-21 for fees collected.</p> <p><i>Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?</i></p>								
REDUCTION OF REGULATION	<p>Securities Division, 113-1, through 113-26 repealed by State Register Volume 41, Issue No. 5, Doc. 4649, effective May 26, 2017.</p> <p><i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i></p>								
SUMMARY	<p>The Secretary of State no longer administers the Securities Division, therefore the office formally began the process of repealing regulations 113-1 through 113-26 in March of 2016. The regulations were repealed effective May 26, 2017. There are no other regulations needing to be repealed at this time.</p> <p>The Secretary of State's Office filing fees are set by the General Assembly and cannot be reduced by the office. Additionally, most fees collected by the agency have not been increased for several decades and therefore have not maintained pace with inflation. The Secretary of State's Office returned more than \$13.4 million dollars to the General Fund in FY 2020-21 for fees collected through providing services mandated by statute.</p>								



Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?

Constitutional Subcommittee Proviso Request Summary FY 2022-23			
Proviso # in FY 21-22 Act	Renumbered FY 22-23 Proviso #	Proviso Title	Agency Recommended Action (keep, change, delete, add)

96.1		UCC Filing Fees	Revenues from the fees raised pursuant to SC Code Section 36-9-525(a), not to exceed \$180,000, may be retained by the Secretary of State for purposes of UCC administration.	Keep
96.2		Charitable Funds Act Disclosure Violations	The Secretary of State shall refer to the Attorney General for investigation under SC Code Section 33-56-145 of the Solicitation of Charitable Funds Act any person who is alleged to have violated the mandatory disclosure requirements of Section 33-56-90 of the Act, and who has been fined \$10,000 or more for those violations.	Keep
96.3		Charitable Funds Act Misrepresentation Violations	The Secretary of State shall refer to the Attorney General for investigation under SC Code Section 33-56-145 of the Solicitation of Charitable Funds Act any person who is alleged to have violated the misrepresentation provisions of Section 33-56-120 of the Act, and who has been fined \$10,000 or more for those violations.	Keep
117.2		GP: Travel - Subsistence Expenses & Mileage	Travel and subsistence expenses, whether paid from state appropriated, federal, local or other funds, shall be allowed in accordance with the following provisions: (C) The Governor, Lieutenant Governor, Secretary of State, Comptroller General, Attorney General, State Treasurer, Adjutant General, Superintendent of Education and the Commissioner of Agriculture shall be reimbursed actual expenses for subsistence.	Keep
117.71		GP: Fines and Fees Report	In order to promote accountability and transparency, each state agency must provide and release to the public via the agency's website, a report of all aggregate amounts of fines and fees that were charged and collected by that state agency in the prior fiscal year. The report shall include, but not be limited to: (1) the code section, regulation, or proviso that authorized the fines and fees to be charged, collected, or received; (2) the amount of the fine or fee; (3) the amount received by source; (4) the purpose for which the funds were expended by the agency; (5) the amount of funds transferred to the general fund, if applicable, and the authority by which the transfer took place; and (6) the amount of funds transferred to another entity, if applicable, and the authority by which the transfer took place, as well as the name of the entity to which the funds were transferred.	Keep

Secretary of State's Office Carryforward Fiscal Year 2020-2021

Account Number	1000000000 CASH DUE TO/FROM			
to	1299999999			
Company Code	SC01	State of South Carolina		
Fiscal Year	2021			
<input type="checkbox"/> Display More Chars				
All Documents in Currency * Display Currency USD Company code currenc				
Period	Debit	Credit	Balance	Cumulative balance
Bal. Carryfor...				1,737,913.55
1	6,417,657.37	4,050,225.85	2,367,431.52	4,105,345.07
2	3,930,912.02	3,025,658.67	905,253.35	5,010,598.42
3	4,922,677.49	4,043,365.64	879,311.85	5,889,910.27
4	3,871,151.74	2,990,529.03	880,622.71	6,770,532.98
5	3,473,736.52	2,569,818.01	903,918.51	7,674,451.49
6	3,323,211.72	2,517,774.09	805,437.63	8,479,889.12
7	4,283,601.69	3,190,401.80	1,093,199.89	9,573,089.01
8	4,255,536.38	3,187,445.48	1,068,090.90	10,641,179.91
9	4,763,877.08	3,405,422.15	1,358,454.93	11,999,634.84
10	5,395,224.67	4,076,640.24	1,318,584.43	13,318,219.27
11	4,839,959.19	3,381,625.05	1,458,334.14	14,776,553.41
12	5,838,913.45	4,470,865.73	1,368,047.72	16,144,601.13
13	13,356,429.11	26,712,858.22	13,356,429.11-	2,788,172.02
14				2,788,172.02
15				2,788,172.02
16				2,788,172.02
Total	68,672,888.43	67,622,629.96	1,050,258.47	2,788,172.02

Secretary of State's Office FTEs Fiscal Year 2022-2023

Authorized FTEs - 33

Filled FTEs - 33

Vacant FTEs - 0

Secretary of State's Office

Fiscal Year 2022-2023

Requested Amount \$165,000
Breakdown of Proposed Possible Expenditures

Item 1	IT Security Project focusing on infrastructure upgrades including switches/routers, and methods for back-up power/redundancy	\$50,000
Item 2	Implementation of requirements of the SC Electronic Notary Public Act (S.631) and subsequent regulations	\$50,000
Item 3	Continued Charities, Professional Fundraisers & Raffles Application Upgrade Project in order to complete project to provide needed updates to in-house application for registration, filing of financial reports and accessing information on charitable organizations to match newly updated public interface application	\$50,000
Item 4	Digital Records Retention Project for permanent state records not yet digitized such as railroad, landlord tenant, and cooperative filings	\$ 70,000
	Total for all projects *Funding of \$165,000 would allow for partial completion of the projects.	\$235,000

An increase in other funds authorization in the amount of \$165,000 would allow the Secretary of State's Office to provide many of the requested items that need funding during FY2022-23.