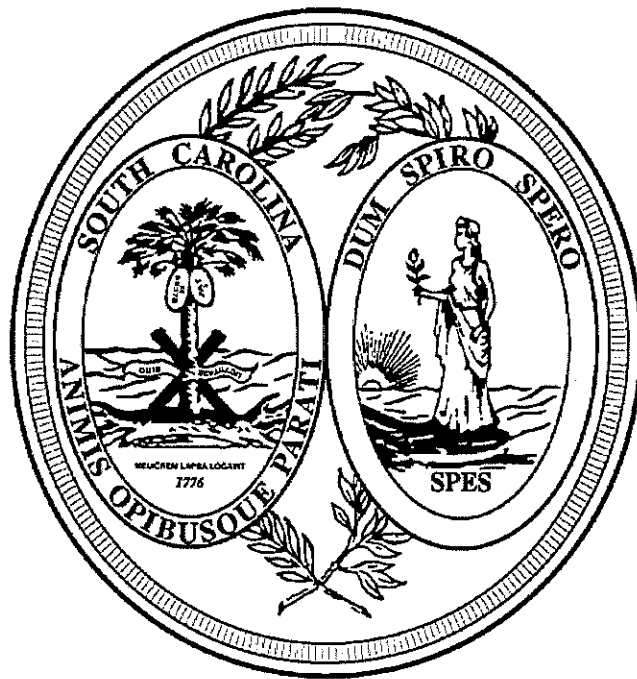


SECRETARY OF STATE'S  
OFFICE  
BUDGET REQUEST 2019-  
2020



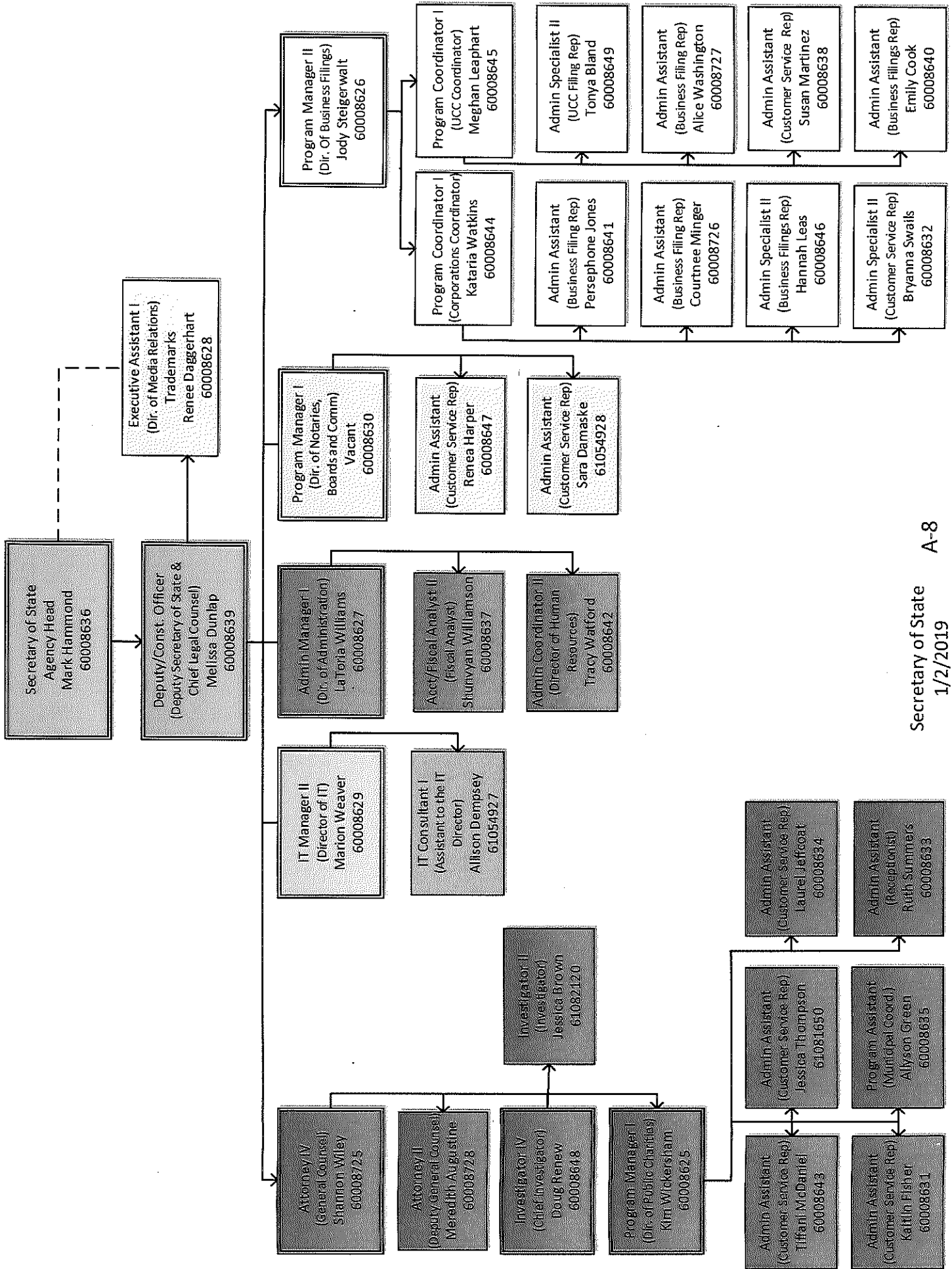
JANUARY 16, 2019

# Secretary of State's Office Budget Request Fiscal Year 2019-2020

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## Secretary of State's Office Key Officials Fiscal Year 2019-2020

- **Mark Hammond, Secretary of State**  
[Mhammond@sos.sc.gov](mailto:Mhammond@sos.sc.gov)  
803-734-2156
- **Melissa Dunlap, Deputy Secretary of State and Chief Legal Counsel**  
[Mdunlap@sos.sc.gov](mailto:Mdunlap@sos.sc.gov)  
803-734-2157
- **LaToria Williams, Director of Administration**  
[Lwilliams@sos.sc.gov](mailto:Lwilliams@sos.sc.gov)  
803-734-1723





## Office of the Secretary of State – Mark Hammond

**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.

**Duties:** Mandated by the South Carolina Code of Laws and include the following:

- Corporate Business Filings
- Uniform Commercial Code Filings
- State Boards and Commissions
- Trademarks and Service Marks
- Enforcement of the Solicitation of Charitable Funds Act
- Investigations including Charities and Trademarks
- Notaries Public
- Authentications and Apostilles
- Municipal Annexations and Incorporations
- Service of Process
- Special Purpose Districts
- Business Opportunities
- Cable Franchise Authority
- Employment Agencies
- Electoral College

**Budget:** In FY 2017-2018, the Secretary of State's Office returned \$7,660,345 to the State General Fund, while receiving state appropriations of only \$1,143,160.

### Budget Request Summary:

- **Employee Recruitment and Retention-\$70,000**
  - The office is seeking an increase in general fund appropriations to retain current employees and recruit new employees when a vacancy occurs. A review of the salaries and fringe corresponding to employees determined that additional funding is required to properly recruit and retain qualified employees in the current market, as the office does not receive adequate general fund appropriations to cover adjustments for employees in state funded positions.
- **Other Funds Authority-\$150,000**
  - The office is seeking an increase in spending authority in order to self-fund several information technology initiatives rather than asking for an increase in General Fund appropriations or 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 in operating spending authority would be utilized throughout the programs in the agency encompassing application support for information technology throughout the office with an emphasis on the charities database.
- **Other Funds Retirement, Health and Dental Increase-\$15,000**
  - The Secretary of State's Office has 14 FTEs supported by other funds. In FY 2018-19, \$230,611 is needed in employer contributions to fund these positions, which is an increase over the \$215,611 needed in FY 2017-18. With increasing rates, the Secretary of State's Office needs an increase in its other funds authorization in retirement, health and dental benefits to cover the employer portion.

Secretary of State's Office Accountability Report Summary  
Fiscal Year 2017-2018

- In FY 2017-2018, the Secretary of State's Office returned \$7,660,345 to the State General Fund, while receiving only \$1,143,160 in General Fund appropriations.
- 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 May 2018, Secretary Hammond received the IACA Merit Award from the International Association of Commercial Administrators for the Business Filings Online application. This application provides the public access to file, search, and retrieve corporate documents electronically. This award recognized jurisdictions that developed innovative technology.
- In FY 2017-2018, 545 organizations filed raffle registrations with the Division, and nearly 49% of these organizations filed their raffle registration forms online.
- In FY 2017-2018, 13,544 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State's Division of Public Charities. Fifty-eight percent of these registrations and exemption applications were filed using the Secretary of State's Online Charities System.
- The Secretary of State's Office collected \$307,552.00 in fine revenue for violations of the Solicitation of Charitable Fund Act—a 5 percent increase over FY 2016-2017.
- The number of Uniform Commercial Code filings increased by 9 percent from the previous year, from 93,462 filed in FY 2016-2017 to 100,879 filed in FY 2017-2018. The number of corporate filings also increased by 9 percent, from 75,693 filed in FY 2016-2017 to 85,347 filed in FY 2017-2018. The total number of business filings for FY 2017-2018 was 186,226 as compared to 169,955 in FY 2016-2017—also a 9 percent increase.
- In FY 2017-2018, the corporate phone room assisted 76,146 customers. This was down 9 percent from 84,613 in FY 2016-2017, which our office attributes to the benefits of our

new Business Filings Online application. The Secretary of State's Office also assisted over 13,000 walk-in customers, down from 17,253 from FY 2016-2017.

- In FY 2017-2018, the Secretary of State's Office facilitated 35 counterfeit raids during this fiscal year that led to 13 arrests, 27 cease-and-desist orders, and the seizure of \$1,822,204.00 in counterfeit merchandise.
- In FY 2017-2018, the Secretary of State commissioned over 15,000 notaries public.
- The Secretary of State's Office offers a notary public webinar that is now available on its website.

FY 19-20 Budget Priorities Summary

Agency Name: Secretary of State

Budget Priorities		Funding						FTEs				
Priority No.	Priority Type (non-recurring/other funds adjustment/federal funds adjustment)	Priority Title	Priority Description	Non - Recurring	Recurring	Other	Federal	Total	State	Other	Federal	Total
1	Recurring	Employee Recruitment and Retention	General fund increase in classified positions to support all divisions with the ability to equally provide staff retention and recruitment.		\$70,000			\$70,000				
2	Recurring	Other Funds Authority	Other funds authorization increase of \$150,000 to assist with operating throughout all programs in the agency.		\$150,000			\$150,000				
3	Recurring	Other Funds Retirement, Health and Dental Increase	Other funds increase to support the employer portion increase in retirement, health and dental.		\$15,000			\$15,000				





<b>AGENCY NAME:</b>	Secretary Of State's Office		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96



**Fiscal Year 2019-20  
Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS (FORM B1)</b>	<b>For FY 2019-20, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS (FORM B2)</b>	<b>For FY 2019-20, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>CAPITAL REQUESTS (FORM C)</b>	<b>For FY 2019-20, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS (FORM D)</b>	<b>For FY 2019-20, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	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>
<b>PRIMARY CONTACT:</b>	Melissa Dunlap	803-734-2157	mdunlap@sos.sc.gov
<b>SECONDARY CONTACT:</b>	LaToria Williams	803-734-1723	lwilliams@sos.sc.gov

I have reviewed and approved the enclosed FY 2019-20 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b>	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	Mark Hammond	

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

<b>AGENCY NAME:</b>	Secretary Of State's Office		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96

## FORM B1 – RECURRING OPERATING REQUEST

<b>AGENCY PRIORITY</b>	1
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Employee Recruitment and Retention
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$70,000</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$70,000</b>
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*What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.0
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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

<b>AGENCY NAME:</b>	Secretary Of State's Office		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96

This funding request would support all divisions in the agency with the ability to equally provide for staff retention and recruitment for the 19 positions funded by general fund appropriations. Therefore, all goals and strategies that the office seeks to meet would be impacted with staff in place to meet the measures. The use of funds would be evaluated by the number of staff the office retains long-term as well as provide the ability to hire qualified staff in entry-level positions.

*What specific strategy, as outlined in the FY 2018-19 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 FUNDS**

Secretary of State's Office employees would benefit.

*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 \$7,600,000 to the State General Fund last year. The office is seeking an increase in general fund appropriations to retain current employees and recruit new employees when a vacancy occurs. Currently, the office does not receive adequate general fund appropriations to cover adjustments for employees in state funded positions. This creates an inequity in the ability to retain and recruit for positions funded with general funds versus other-funded positions. The office has 14 other-funded positions. A review of the salaries and fringe corresponding to each employee determined that additional funding is required to properly recruit and retain qualified employees in the current market. Turnover is costly. Studies show it costs three times an employee's salary to replace someone, which includes recruitment, severance, lost productivity, and lost opportunities. It is difficult to retain lower level positions with the current state salaries, as well as to attract qualified applicants for entry level positions with lower salaries. The majority of employees who have left the agency have taken similar jobs with different agencies due to higher pay. In an effort to recruit and retain qualified applicants, the Secretary of State's Office is requesting an increase of \$70,000 in general fund appropriations.

*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.*

<b>AGENCY NAME:</b>	Secretary Of State's Office		
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<b>AGENCY NAME:</b>	Secretary Of State's Office		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96

**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>2</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Other Funds Authority</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General:</b> <b>Federal:</b> <b>Other: \$150,000</b> <b>Total: \$150,000</b>
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*What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.0</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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
	Related to a Non-Recurring request – If so, Priority # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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

<b>AGENCY NAME:</b>	Secretary Of State's Office		
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<b>ACCOUNTABILITY OF FUNDS</b>	<p>The requested funding is necessary for the agency to meet the goals of providing the needed IT applications and security in order to fulfill the statutorily mandated duties of the Secretary of State's Office. These goals include the following:</p> <ul style="list-style-type: none"> <li>• Expanding functionality and enhancements to online business filings and document request system.</li> <li>• Expanding functionality and enhancements to the charities, professional fundraisers, and raffles online filing system.</li> <li>• Expanding in-house applications to facilitate the ability to meet statutory requirements and protect permanent state records.</li> <li>• Providing public awareness with information on the agency website, including the annual professional solicitor report and suspended charities list.</li> </ul>
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*What specific strategy, as outlined in the FY 2018-19 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?*

<b>RECIPIENTS OF FUNDS</b>	<p>Anticipated fund recipients would include information technology vendors for IT equipment and upgrades.</p>
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*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?*

<b>JUSTIFICATION OF REQUEST</b>	<p>The Secretary of State's Office returned over \$7,600,000 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 \$150,000 in operating will be spread throughout the programs in the agency, and would encompass application support for information technology throughout the office with an emphasis on the charities database. The charities/raffles/professional fundraiser web application was built in 2007 on what is now an older and unsupported .net framework. The application is in the process of being updated to provide security and other enhancements for customers, but funding is needed to complete the necessary upgrades. In addition, other improvements to the charities web application are necessary to provide increased functionality for public users and charities staff. Additional existing hardware will also be replaced to ensure serviceability of the application. If the funds are not received, the necessary upgrades to the application cannot be made.</p>
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<b>AGENCY NAME:</b>	Secretary Of State's Office		
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*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.*

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<b>AGENCY NAME:</b>	Secretary Of State's Office		
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**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>3</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Other Funds Retirement, Health and Dental Increase</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General:</b> <b>Federal:</b> <b>Other: \$15,000</b> <b>Total: \$15,000</b>
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*What is the net change in requested appropriations for FY 2019-20? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.0</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>AGENCY NAME:</b>	<b>Secretary Of State's Office</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<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 FY 2018-19 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?*

<b>RECIPIENTS OF FUNDS</b>	<p>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.</p>
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*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?*

<b>JUSTIFICATION OF REQUEST</b>	<p>The Secretary of State's Office has 14 FTEs supported by other funds. In FY 2018-19, we will need \$230,611 in employer contributions to fund these positions, which is an increase over the \$215,611 needed in FY 2017-18. 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.</p>
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*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.*

<b>AGENCY NAME:</b>	Secretary Of State's Office		
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**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION  
CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	<b>\$34,295</b> <i>What is the General Fund 3% reduction amount (minimum based on the FY 2018-19 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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<b>ASSOCIATED FTE REDUCTIONS</b>	The Secretary Of State's Office will plan to reduce 1 State FTE in association with this General Fund reduction.
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM/ACTIVITY IMPACT</b>	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 providing staff to fulfill the statutory mission of the agency.
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*What programs or activities are supported by the General Funds identified?*

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**SUMMARY**

Service delivery to customers would be directly impacted by the reduction of an FTE. Elimination of funding for an FTE would hinder the Secretary of State's Office in providing staff to fulfill the statutory duties of the agency. 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 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, 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 2018-19, the office will continue to work with SC.gov on the online business filings, search and document retrieval application and revise the office website. 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?*

<b>AGENCY NAME:</b>	Secretary Of State's Office		
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**FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	Reducing Fines and Fees
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	Not applicable.
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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

<b>METHOD OF CALCULATION</b>	Not applicable.
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	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 \$7.6 million dollars to the General Fund in FY 2017-18 for fees collected.
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*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?*

<b>REDUCTION OF REGULATION</b>	Securities Division, 113-1 through 113-26 repealed by State Register Volume 41, Issue No. 5, Doc. 4649, effective May 26, 2017.
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>AGENCY NAME:</b>	Secretary Of State's Office		
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**SUMMARY**

Since the Secretary of State no longer administers the Securities Division, 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.

The Secretary of State's Office filing fees are set by the General Assembly and cannot be reduced by the office. The Secretary of State's Office returned \$7.6 million dollars to the General Fund in FY 2017-18 for fees collected.

*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 2019/20**

Proviso # in FY 18-19 Act	Renumbered FY 19-20 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
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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

117.74

GP: Fines and Fees  
Report

Keep

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.



# Secretary of State's Office Provisos

## Fiscal Year 2019-2020

### Proviso #1- Keep

**96.1.** (SS: 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.

### Proviso #2- Keep

**96.2.** (SS: 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.

### Proviso #3- Keep

**96.3.** (SS: 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.


### Proviso #4- Keep

**117.20-** (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.

### Proviso #5- Keep

**117.74 -** (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.

## Secretary of State's Office Carryforward Fiscal Year 2017-2018

Account Number	1000000000 CASH DUE TO/FROM			
to	1299999999			
Company Code	SC01	State of South Carolina		
Fiscal Year	2018			
<input type="checkbox"/> Display More Chars				
All Documents in Currency	*	Display Currency	USD Company code current	
				
Period	Debit	Credit	Balance	Cumulative balance
Bal. Carryfor...				1,102,561.30
1	3,852,019.38	2,440,992.14	1,411,027.24	2,513,588.54
2	2,701,858.30	2,158,820.32	543,037.98	3,056,626.52
3	1,962,634.05	1,628,979.01	333,655.04	3,390,281.56
4	2,272,937.17	1,609,500.28	663,436.89	4,053,718.45
5	2,311,329.45	1,846,502.71	464,826.74	4,518,545.19
6	1,558,389.48	1,213,382.78	345,006.70	4,863,551.89
7	2,467,840.76	1,746,255.18	721,585.58	5,585,137.47
8	2,775,005.15	2,150,480.81	624,524.34	6,209,661.81
9	2,579,499.00	1,999,353.73	580,145.27	6,789,807.08
10	2,693,157.21	1,963,566.78	729,590.43	7,519,397.51
11	2,856,977.10	2,100,283.03	756,694.07	8,276,091.58
12	3,476,735.75	2,960,910.60	515,825.15	8,791,916.73
13	30,848,242.27	38,497,312.08	7,649,069.81-	1,142,846.92
14				1,142,846.92
15				1,142,846.92
16				1,142,846.92
<b>Total</b>	<b>62,356,625.07</b>	<b>62,316,339.45</b>	<b>40,285.62</b>	<b>1,142,846.92</b>

**Secretary of State's Office FTEs  
Fiscal Year 2019-2020**

**Authorized FTEs- 33**

**Filled FTEs- 32**

**Vacant FTEs- 1**

Office of the Secretary of State  
 Other Funds Authorization Increase for FY 2019-2020  
 Requested Amount \$150,000  
 Breakdown of Proposed Possible Expenditures

Item 1	Application support & licensing including support & licensing for security software, Cisco switch support, VMware, etc.	\$101,100
Item 2	Charities, Professional Fundraisers & Raffles Application Upgrade to complete project to provide conversion of documents to a readable PDF format for mobile devices	\$100,000
Item 3	Application development	\$47,000
Item 4	IT Projects to include server room security improvements, upgraded storage offsite at DSIT and intrusion testing	\$25,000
	Total	\$273,000

The total of all items is \$273,000. An increase in other funds authorization in the amount of \$150,000 would allow the Secretary of State's Office to provide many of the requested items that need funding. The increase in other funds authorization would allow ongoing support for IT hardware, software, equipment and security. Additionally, it would allow the office to continue to provide online solutions to our customers, including necessary updates to our website and databases, as well as the creation of new applications.