

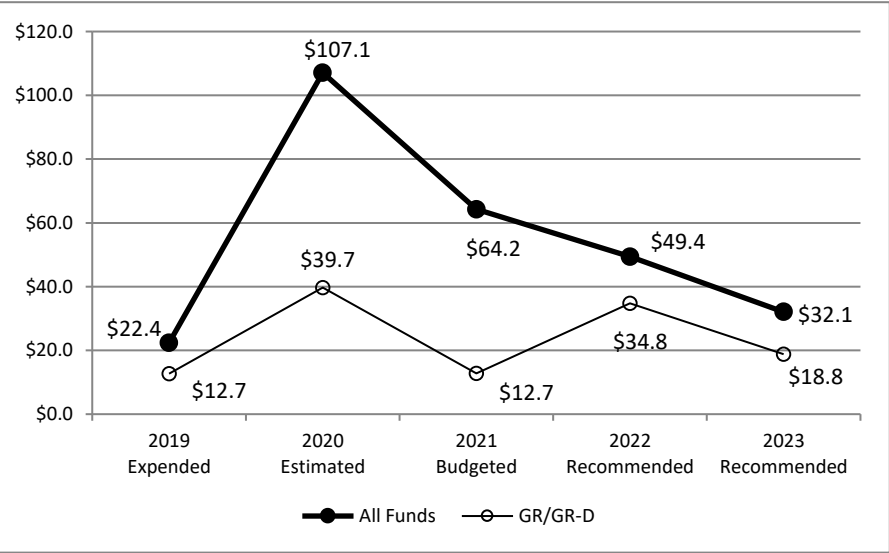
Secretary of State
Summary of Budget Recommendations - Senate

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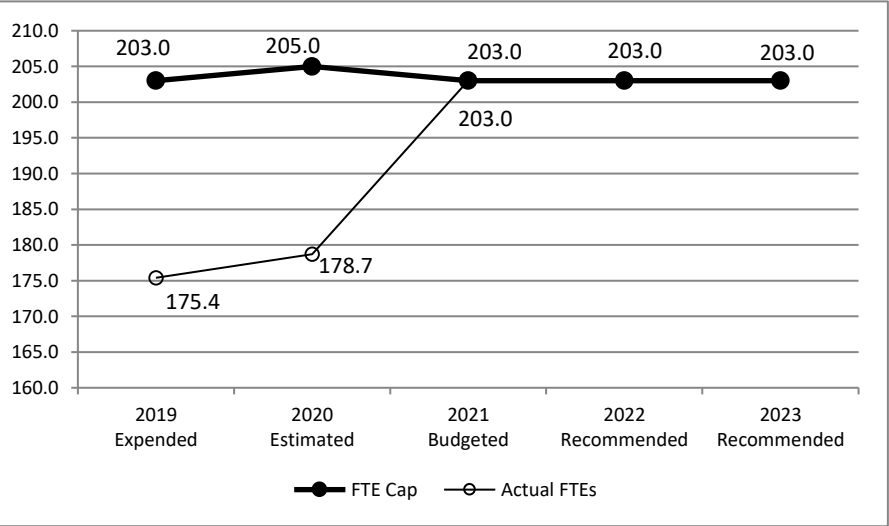
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$51,313,017	\$53,327,569	\$2,014,552	3.9%
GR Dedicated Funds	\$1,125,834	\$224,109	(\$901,725)	(80.1%)
<i>Total GR-Related Funds</i>	<i>\$52,438,851</i>	<i>\$53,551,678</i>	<i>\$1,112,827</i>	<i>2.1%</i>
Federal Funds	\$103,667,038	\$12,721,272	(\$90,945,766)	(87.7%)
Other	\$15,216,245	\$15,197,290	(\$18,955)	(0.1%)
All Funds	\$171,322,134	\$81,470,240	(\$89,851,894)	(52.4%)

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	203.0	203.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Secretary of State
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Expiration of Federal grants Help America Vote Act (HAVA), Coronavirus Relief Fund (CRF), and Election Reform.	\$0.0	\$0.0	(\$76.0)	\$0.0	(\$76.0)	2.1.4
B)	Expiration of Federal CRF grant for Census outreach.	\$0.0	\$0.0	(\$15.0)	\$0.0	(\$15.0)	4.1.1
C)	Increase in General Revenue for the TEAM voter registration database.	\$1.3	\$0.0	\$0.0	\$0.0	\$1.3	2.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

C)	Reduction in General Revenue-Dedicated Fund No. 5095, Election Improvement, due to reduced interest from Federal grants.	\$0.0	(\$0.9)	\$0.0	\$0.0	(\$0.9)	2.1.4
D)	Increase in General Revenue to offset reduction in GR-D Fund No. 5095 (Item C) due to reduced interest from Federal grants.	\$0.7	\$0.0	\$0.0	\$0.0	\$0.7	2.1.4

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$2.0	(\$0.9)	(\$91.0)	\$0.0	(\$89.9)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	(\$0.9)	(\$91.0)	\$0.0	(\$91.9)	As Listed

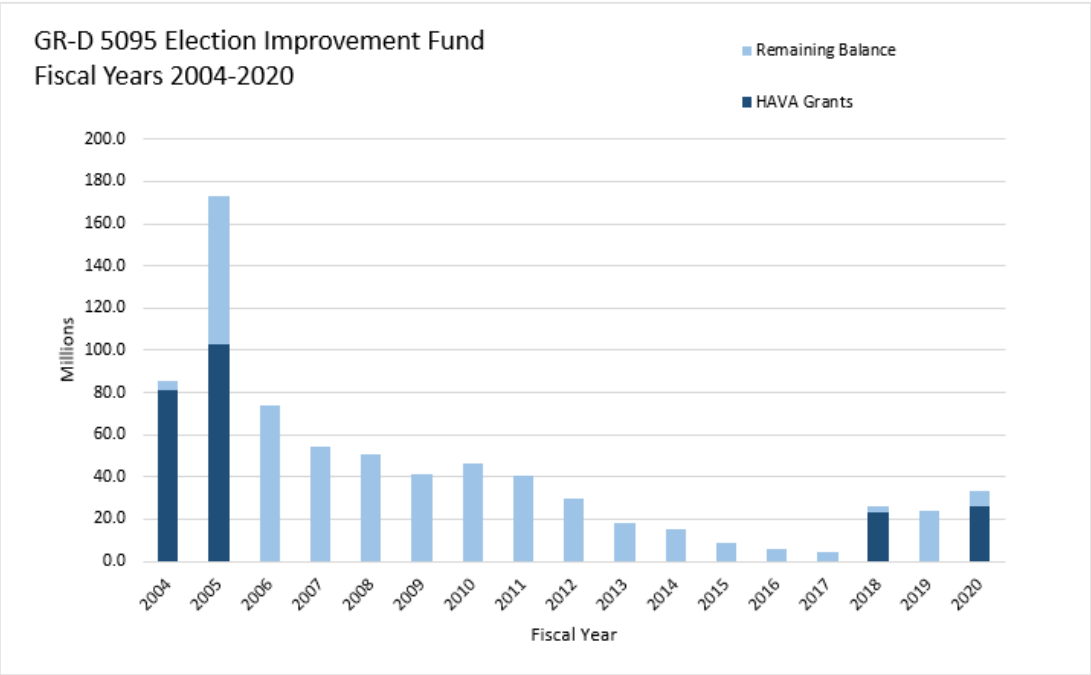
NOTE: Totals may not sum due to rounding.

Secretary of State
Selected Fiscal and Policy Issues - Senate

1. **Help America Vote Act (HAVA) Funding**

The federal Help America Vote Act (HAVA), passed in 2002, provides resources to assist states with improving the administration of Federal elections. HAVA funds can be used as reimbursements for grants to counties, voter education, state plan administration, and statewide voter registration systems. Federal HAVA grants are deposited to General Revenue-Dedicated Fund No. 5095, Election Improvement Fund. The chart to the right shows HAVA grants that Texas has received and the balance of Fund 5095 over time.

These recommendations include \$0.9 million in General Revenue (GR) to continue to provide a five percent state match toward the \$23.3 million 2018 HAVA election security grant. This is a reduction of \$0.2 million in funds provided for this purpose in the 2020-21 biennium. These recommendations also address an Exceptional Item request by the agency for a twenty percent match for the new \$26.1 million HAVA election security grant awarded to Texas in fiscal year 2020. Because SOS distributed \$20.0 million of this new grant to counties (making those jurisdictions responsible for that portion of the match) the total match requirement for the state is \$1.2 million. The agency is directed to use the additional funds provided to the Texas Election Administration Management (TEAM) system as the match for this new grant in Rider 17 (see Section 4).



The TEAM system is the agency’s federally-mandated electronic voter registration database, funded by the original HAVA grant in 2002. TEAM maintenance has been partly paid out of General Revenue-Dedicated Fund No. 5095, Election Improvement Fund, from carried-forward balances and interest earned on those funds. As previously mentioned, included in the recommendations is an additional \$1.3 million in GR for TEAM maintenance in the 2022-22 biennium. This request brings the total GR cost of the TEAM system to \$4.3 million during the 2022-23 biennium.

2. **CARES Act Coronavirus Relief Fund (CFR) Grants**

In response to the COVID-19 crisis, the Federal government has provided states with a variety of grants through the Coronavirus Relief Fund (CRF) established in the CARES Act. The agency has received funds from the CRF for two programs. In April 2020, with an amendment in September 2020, the agency received a direct grant from the United States Election Assistance Commission of \$24.5 million with a required 20 percent match. The purpose of this grant is “to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle.” Because SOS designated counties as sub-grantees, those counties will be responsible for the required match. Should any funds not be expended by counties, the agency plans to return these funds rather than request an appropriation for a state match.

In addition to the direct grant, in August 2020 the SOS received \$15.0 million in CARES Act funds from the Office of the Governor to boost the Census response rate. The agency conducted an emergency procurement to conduct a competitively bid contract in late August and signed a contract with the Atkins Group to conduct a media outreach campaign on September 10 which resulted in the “Let’s Count Texas” campaign.

3. Voter Education Related to Voter Identification

Beginning with the passage of voter identification requirements in the 82nd Legislature, SOS has been appropriated funds for voter education to educate the public regarding the required documents for voting and the general voting process. The agency first launched a Voter Education Campaign in 2006 and has continued the program for every federal election cycle since that time. While initially funded from HAVA grant funds, since fiscal year 2016 the program has been funded with \$4.0 million in General Revenue in each biennia. The introduced General Appropriations Bill includes the agency's request to reduce that level of funding for this program to \$3.5 million for the 2020-21 biennium and includes a conforming rider change.

**Secretary of State
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** The bill revises this rider to remove one-time capital funding for a study to replace the Business Entity Secured Transaction (BEST) system. In addition, one-time capital funding for CAPPS Accounting implementation provided for the 2020-21 biennium is removed.
9. **Voter Identification Education.** The bill revises this rider at agency request to reduce the amount of General Revenue for the program from \$4.0 million to \$3.5 million.
17. **Funding Increases for the 2022-23 Biennium.** The bill revises this rider to direct that the agency use additional funding provided for TEAM database maintenance as as a five percent match toward the federal Help America Vote Act (HAVA) election security grant received by the Secretary of State in 2020

Secretary of State
Items Not Included in Recommendations - Senate

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Restoration of portion of 5 percent GR reduction. This request is for the reductions implemented in Strategies A.1.1, A.1.2, B.1.1, B.1.2, and C.1.1 for salaries, travel, operating expenses and primary election voter registration postage. In Strategy D.1.1, Indirect Administration, this request does not include restoration of cuts related to the Business Entity Secured Transaction (BEST) study or acquisitions of resource technologies.	\$2,345,143	\$2,345,143	0.0	No	No	\$2,345,143
2)	Replacement of legacy BEST system, requested from GR.	\$37,783,797	\$37,783,797	0.0	Yes	Yes	\$0
3)	Four additional FTEs to conduct county election security training requested from GR.	\$1,400,000	\$1,400,000	4.0	No	No	\$1,400,000
4)	Four new administration FTEs, 10 position reclassifications, 15 salary adjustments, and benefit increases reflecting these changes all funded from GR.	\$1,350,000	\$1,350,000	4.0	No	No	\$1,350,000
TOTAL Items Not Included in Recommendations		\$42,878,940	\$42,878,940	8.0			\$5,095,143

**Secretary of State
Appendices - Senate**

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* Appendix is not included - no significant information to report

Secretary of State
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
DOCUMENT FILING A.1.1	\$12,678,180	\$13,407,127	\$728,947	5.7%	Increase in General Revenue reflects reallocated funds from Strategies 2.1.2, 2.1.4, and 4.1.1 to restore cuts from 5 percent reduction.
DOCUMENT PUBLISHING A.2.1	\$862,926	\$872,412	\$9,486	1.1%	Increase in General Revenue reflects reallocated funds from Strategies 2.1.2, 2.1.4, and 4.1.1 to restore cuts from 5 percent reduction.
Total, Goal A, INFORMATION MANAGEMENT	\$13,541,106	\$14,279,539	\$738,433	5.5%	
ELECTIONS ADMINISTRATION B.1.1	\$11,261,995	\$13,144,694	\$1,882,699	16.7%	Increase in General Revenue reflects \$1.3 million in additional funding for maintenance of the TEAM voter database. In addition, the increase in this strategy reflects reallocated funds from Strategies 2.1.2, 2.1.4, and 4.1.1 to restore cuts from 5 percent reduction.
PRIMARY FUNDING/VR POSTAGE B.1.2	\$18,978,590	\$16,778,590	(\$2,200,000)	(11.6%)	Decrease in General Revenue represents differences in timing on reimbursement payments to local jurisdictions and reallocated to other strategies.
CONSTITUTIONAL AMENDMENTS B.1.3	\$1,593,299	\$1,593,299	\$0	0.0%	
ELECTIONS IMPROVEMENT B.1.4	\$90,921,186	\$17,945,381	(\$72,975,805)	(80.3%)	Decrease of (\$76.0 million) in one-time Federal grants: (\$24.6 million) Coronavirus Relief Fund, (\$50.0 million) HAVA Election Security, (\$1.4 million) HAVA Election Reform. Additional decrease of (\$0.9 million) in General Revenue-Dedicated Fund 5095 (Election Improvement) as a result of reduced interest from these grant funds. This decrease is balanced by a requested increase of \$0.7 million in General Revenue as a swap from General Revenue-Dedicated Fund 5095 as well as \$3.2 million in General Revenue reallocated from Strategies B.1.2 and B.1.4.
FINANCING VOTER REGISTRATION B.1.5	\$7,777,500	\$5,777,500	(\$2,000,000)	(25.7%)	Decrease in General Revenue due to timing differences in reimbursement payments to counties and reallocated to other strategies.
Total, Goal B, ADMINISTER ELECTION LAWS	\$130,532,570	\$55,239,464	(\$75,293,106)	(57.7%)	
PROTOCOL/BORDER AFFAIRS C.1.1	\$440,607	\$500,828	\$60,221	13.7%	Increase in General Revenue reflects reallocated funds from Strategies 2.1.2, 2.1.4, and 4.1.1 to restore cuts from 5 percent reduction.
Total, Goal C, INTERNATIONAL PROTOCOL	\$440,607	\$500,828	\$60,221	13.7%	

Secretary of State					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION D.1.1	\$26,807,851	\$11,450,409	(\$15,357,442)	(57.3%)	Decrease reflects expiration of a one-time \$15.0 million CRF Federal grant from FY 2021, reductions in the costs associated with the initial response to COVID-19 and reallocations of General Revenue from Strategy 4.1.1 to various other strategies to restore 5 percent reductions.
Total, Goal D, INDIRECT ADMINISTRATION	\$26,807,851	\$11,450,409	(\$15,357,442)	(57.3%)	
Grand Total, All Strategies	\$171,322,134	\$81,470,240	(\$89,851,894)	(52.4%)	

Secretary of State
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
HAVA Election Security Grants	\$34.8	\$27.9	\$6.3	\$6.4	\$62.7	\$12.7	100.0%	(\$50.0)	(79.7%)
COVID19 CARES Act ¹	\$23.5	\$16.0	\$0.0	\$0.0	\$39.5	\$0.0	0.0%	(\$39.5)	(100.0%)
Election Reform Payments	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4	\$0.0	0.0%	(\$1.4)	(100.0%)
TOTAL:	\$59.7	\$43.9	\$6.3	\$6.4	\$103.7	\$12.7	100.0%	(\$90.9)	(87.7%)

¹ Includes \$24.5 million for election security and \$15.0 million from the Coronavirus Relief Fund for U.S. census advertising in FY 2020-21 base.

Secretary of State
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	203.3	205.0	203.0	203.0	203.0
Actual/Budgeted	175.4	178.7	203.0	NA	NA

Schedule of Exempt Positions (Cap)					
Secretary of State, Group 5	\$132,924	\$197,415	\$197,415	\$197,415	\$197,415

- Notes:
- a) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.
 - b) The State Auditor's Office Report Executive Compensation at State Agencies (Report 20-706, August 2020) does not report market average salary for executive officer positions. The salary for the Secretary of State is a public policy decision that is not tied directly to the market average for similar professional positions. The agency is not requesting a change in salary for this position.