

SECRETARY OF STATE
STATE OF LOUISIANA

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DATE: November 28, 2016

TO: Representative Cameron Henry,
Chairman House Committee on Appropriations

FROM: Tom Schedler, Secretary of State

RE: Response to Fiscal Year 2017-2018 Budget Request Hearings Questions

I appreciate the opportunity to provide the Appropriations Committee feedback regarding the Department of State's FY16-17 Budget and Budget request along with providing information regarding current budget as well as providing more details of our budget request for FY17-18. There isn't anything in this production of information that I haven't touched upon over the last several years except that we are working to accelerate savings within the Museum program and continued efforts towards efficiencies across our agency. However, after overseeing an election in which thirty-five thousand more citizens voted than in the 2012 Presidential election, I will continue to point out that the state must begin now preparing to embrace new election technology in the form of new voting equipment as well as increasing efforts in IT improvements to continue to secure the votes of Louisiana citizens. In addition it is important to note that Louisiana has surpassed the 3 million mark of registered voters across the state for the first time in history.

- During the 2016 sessions, what did the department testify would be the effects of the FY 17 budget on services, staffing, and contracts?
 - Reduction to the number of museums under the Secretary of State.
- Compared to FY 16, what reductions, including services, staffing, and contracts, have been made in the department in FY 17?
 - Three museums are on target to move on their own funding and direction on January 1st and, effective Oct. 1, 2016, one museum is covering its own funding by reimbursing SOS for operating expenditures.
- What reductions would the department make if there are mid-year reductions to the FY 17 budget?
 - With the FY17 Museum funding roughly at \$2.6 million of general fund, the Secretary of State will have to continue to work on reducing the museums under its direction. Discussions have taken place with Cotton, Shreveport Water Works, Spring Street, Military in Ruston, and Military Hall of Fame in Abbeville museums with a potential transfer date of January 1. At beginning of the fiscal year, discussions took place between the Secretary and local governing authorities of these museums to address the existing shortage. Therefore, there will be further reductions in operation hours at the remaining museums, including Old State Capitol and LSEM. Also, some museums will have to be shuttered and moved to caretaker status. Currently, there is very limited funds to reduce in the various operating



categories; most of the available budget is in salaries which equates to reducing WAE hours and layoffs.

Additionally, the Administrative program is appropriated general fund totaling \$361,291, as such will have to take its pro-rata share of the reduction. This portion of the reduction will mean IAT expenditures will not fully cover the DOA fees; specifically the Office of State Procurement.

- Provide a brief overview of the FY 18 budget request compared to FY 17 by budget unit. What increases are requested in FY 18 and why are the increases necessary, including any new or expanded programs or services to additional populations? Are there any reductions in the FY 18 budget requests, including those as a result of annualizing reductions made in FY 17?
 - Overall from FY17 to FY18, the Secretary of State is proposing a reduction of \$2.9 million. By means of finance, the breakdown is a request of \$970,898 in self-generated funds and returns in General Fund, Stat Ded and IAT ; (\$3,317,464), (\$401,000) and (\$178,500) respectively. None of the reductions are a result of annualizing reductions.

The \$3.3 million return in General Fund is due to the normal flow of the Election cycle. The agency will be coming out of the year of the Presidential and into the year of mostly local government elections. Additionally, the HAVA and LEAD grants are spent and ended causing the stat ded reduction in budget authority of \$401k. The IAT reduction in budget authority is due to a decline in the number of IAT agreements for microfilm services received by other state agencies; budget is reduced to match the dollar amount of signed agreements received for FY18.

Budget Unit Comparison:

Program	FY17 Budget	FY18 Request
Administrative	\$10,944,602	\$11,718,907
Elections	\$53,321,759	\$49,080,526
Archives	\$ 3,807,069	\$ 3,937,060
Museums	\$ 2,953,042	\$ 3,400,811
Commercial	\$ 8,791,476	\$ 8,804,578

In the FY18 budget request, there are no new or expanded programs or services requested. Each program has requested performance adjustments and career progression increases.

Additionally, Administrative program has requested information technology infrastructure funds as well as a security audit. As previously stated, Elections program is returning funds due to the normal election cycle but has some requests as well. The critical need of the agency's request is a state general fund investment in future voting technology. The request is vital to the Election program as the current equipment continues to age and the production of the replacement parts has slowed and stopped in some cases. Also, there are various software requests; one to handle the processing of complaints according to HCR 68 (2016). Elections program is also in need of new TO positions in the field; there is a request for six (6). The Archives program has requested some building repairs and equipment. The Museum program has requested building repairs to the Old State Capitol.



- Has the department added any positions, including classified, unclassified, and other charges positions, in FY 17? If so, how many and what positions? Did the department request additional positions in the FY 18 budget request? If so, how many and what positions?
 - No positions have been added in FY17. Positions are in the FY18 budget request; 6 TO for SOS Elections division and 6 in other charges on behalf of the ROVs.

- Provide a summary of changes in salaries from FY 16 to FY 17, including performance adjustments, promotions, or any other changes in salaries. Provide a summary of requested changes in salaries from FY 17 to FY 18, including performance adjustments, promotions, or any other changes in salaries.
 - Actual expenditure on salaries in FY16 was \$16.4 million. Appropriation / budgeted for salary in FY17 is \$16.7 million. The \$300k increase is mostly due to OPB salary base budget adjustments and to funded career progression series.
The requested changes from FY17 to FY18 are the performance adjustments, career progression group increase and the six positions for Elections. We are also required by law to request merit and step increase adjustments for ROVs and their staffs.

- What budget adjustments have been made since the initial appropriation to your department? How much in each means of finance has been appropriated to each agency since the initial appropriation?
 - Carry forward BA-7 totaling \$188,260 broken down as follows: \$116,166 SGF Elections; \$41,919 SGR Administrative; and \$30,175 SGR Commercial.
Sales tax dedication BA-7 totaling \$75,000 as appropriated in HB-1 Sch. 20-901: IAT Museums/Oil and Gas.

- Do your spending and staffing levels match the priorities of your department?
 - Yes

- Provide the top 5 performance measures that give the outcomes in your department. How do you rank nationally based on these priority measures?
 - National ranking for election performance indicators is extremely difficult considering the variations in how elections are perfected across the country. Louisiana is the only state that runs elections from top down or uniform processes and procedures across the state. Whereas, most other states have different processes and voting equipment from county to county. Because of these differences, it is impossible to provide an “apple to apple” comparison. In addition, Louisiana continues to increase voter participation during each Presidential election since 2008. It is important to note too that national reporting groups tend to calculate voter participation against the population versus voter participation against the total number of registered voters.

- Provide a list of all sources of revenue that are not appropriated. These funds could include restricted or off budget accounts. Also, please provide the amount anticipated to be used in FY17, the amount in FY18, and any balance or reserve amount for each source or revenue.

- The LSEM is appropriated \$113,078 from the Shreveport Riverfront & Convention Center stat. ded fund. The balance in the fund is currently \$123,027. The fund consists of quarterly deposits of local hotel/motel tax collections. Because collection amounts vary from year to year, monies have historically been used to fund one-time projects rather than recurring operating expenditures.

