

OFFICE OF THE SECRETARY OF STATE

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ 4,700,000	\$ -	\$ -
Federal Funds	763,551	2,631,770	2,631,770	1,897,170	1,897,170
All Other Funds	3,840,623	5,013,456	5,013,456	5,114,914	5,114,914
<i>Subtotal</i>	<i>\$ 4,604,174</i>	<i>\$ 7,645,226</i>	<i>\$ 12,345,226</i>	<i>\$ 7,012,084</i>	<i>\$ 7,012,084</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 4,604,174	\$ 7,645,226	\$ 12,345,226	\$ 7,012,084	\$ 7,012,084
Percentage Change:					
State General Fund	(100.0) %	-- %	100.0 %	-- %	(100.0) %
All Funds	(28.6) %	66.0 %	168.1 %	(8.3) %	(43.2) %
FTE Positions	38.0	40.5	40.5	41.5	41.5

The Office of the Secretary of State is created by Article 1, § 1 of the *Kansas Constitution*. The Secretary of State (Secretary) is an elected official who serves a four-year term. The Secretary is authorized to appoint an Assistant Secretary of State and up to five deputy assistant secretaries. The *Kansas Constitution* requires the Secretary to countersign commissions of the Governor, file declarations of candidacies, file and index charter ordinances, and publish regulations for constitutional amendments. The Office of the Secretary of State is charged with many other responsibilities, including administering elections, collecting certain records of Kansas businesses, and publishing the official publications for the State of Kansas, including the *Kansas Statutes Annotated* (KSA) and its supplements and the *Session Laws of Kansas*.

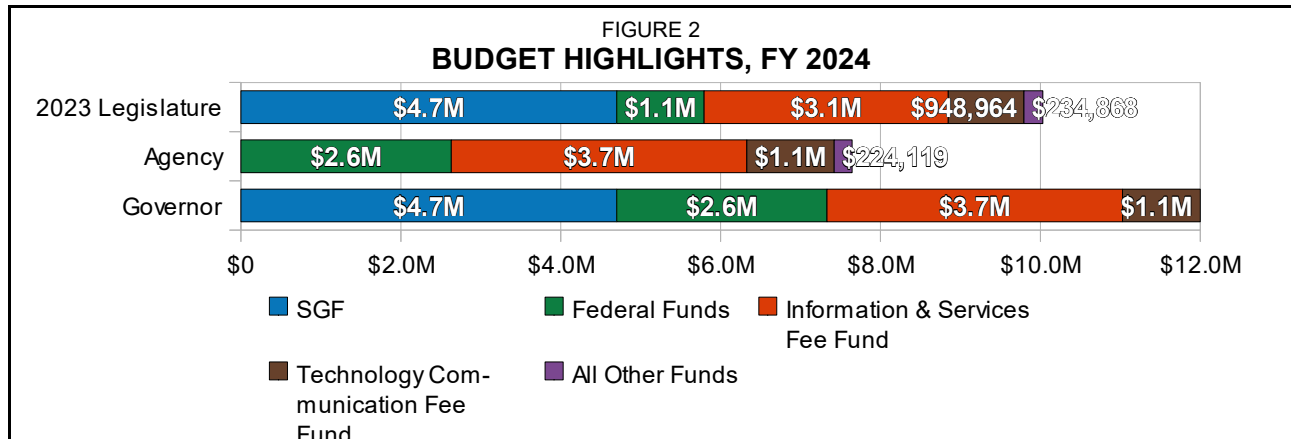
To carry out its duties, the Office of the Secretary of State is organized into the following three divisions:

- **ADMINISTRATION.** The Administration Division consists of four subdivisions: administration, publications, legal services, and information technology. As a whole, the Administration Division is responsible for providing operating services for the agency.
- **BUSINESS SERVICES.** The Business Services Division is primarily responsible for administering filings for Kansas business entities and the Uniform Commercial Code (UCC). The division not only maintains records on all entities registered in the state, but it also files formation, annual report, and amendment documents for all entities registered in the state.
- **ELECTIONS.** The Elections Division is primarily responsible for overseeing national and state elections and candidate filings for national and state offices, and assisting local election officers administer elections. The division is also tasked with maintaining lobbyist registrations, providing public access to state campaign finance documents and public disclosure documents, implementing federal legislation pertaining to election administration, and selling Kansas flags. In addition, the division also serves as a repository for Statements of Substantial Interest for state officers and certain state employees.

Each division is tasked with administering a corresponding program that executes the agency's mission to provide excellent and efficient service to all Kansans. In addition, the Elections Division is responsible for the administration of the Help America Vote Act (HAVA) Program, which was implemented by the agency to comply with the federal Help America Vote Act of 2002.

EXECUTIVE SUMMARY

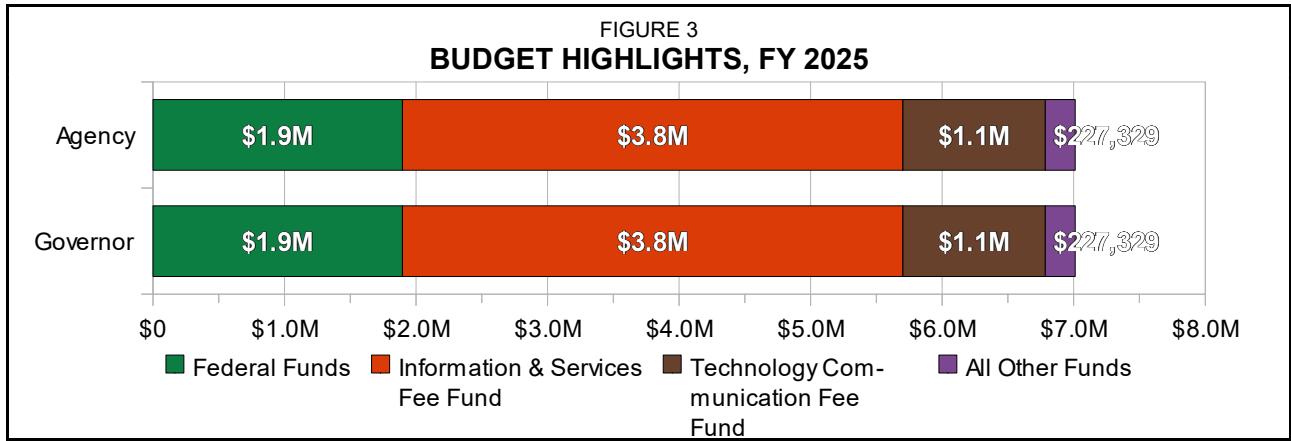
The 2023 Legislature approved a budget of \$10.0 million, including \$4.7 million from the State General Fund (SGF), for the Office of the Secretary of State for FY 2024. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$7.6 million, all from special revenue funds, in expenditures and 40.5 FTE positions in FY 2024. This is an all funds decrease of \$2.4 million, or 23.8 percent, and an SGF decrease of \$4.7 million, or 100.0 percent, below the FY 2024 approved amount. The 2023 Legislature appropriated \$4.7 million SGF for FY 2024 to implement 2023 Senate Sub. for HB 2053, which authorizes one or both registered political parties in the state to hold a presidential preference primary in calendar year (CY) 2024. However, the agency removed the \$4.7 million SGF from their revised estimate because, at the time of the budget submission, the agency had not received notice from either party that a presidential preference primary would be held in Kansas in CY 2024.

In addition to the SGF decrease, the revised estimate includes a reduction of \$180,040 in all other funds to account for a decrease in the cost of communication services, in addition to other expenses, such as postage, printing, and advertising. However, the overall decrease in the revised estimate is partially offset by an increase of \$1.5 million in all other funds. This adjustment is represented by an increase of \$1.2 million in contractual services, which would go primarily toward paying fees and other services to administer the HAVA program, and an increase of \$220,097 in salaries and wages to account for increased employer contributions for fringe benefits, such as group health insurance.

The **Governor** recommends \$12.3 million, including \$4.7 million SGF, in expenditures and 40.5 FTE positions in FY 2024. This is an SGF increase of \$4.7 million, or 100.0 percent, above the agency's revised estimate. The recommended increase is to remove the agency's lapse of \$4.7 million SGF that was appropriated by the 2023 Legislature to implement 2023 HB 2053.



The **agency** requests \$7.0 million, all from special revenue funds, in expenditures and 41.0 FTE positions for FY 2025. This is a decrease of \$633,142, or 8.3 percent, below the FY 2024 revised estimate. The decrease is primarily due to the agency's belief that it will have completed its goals of (1) training county election officers on the administration of elections, and (2) enhancing the security of the storage of voting equipment, as well as the security of voting equipment when it is deployed during an election, by the beginning of FY 2025. The decrease is partially offset by the agency's enhancement request of \$90,646 and one additional FTE position to hire a data analyst in the Elections Division for FY 2025. If approved, the agency anticipates hiring a data analyst in early FY 2025 to analyze and produce current and historical election data in formats that are easily accessible by the public.

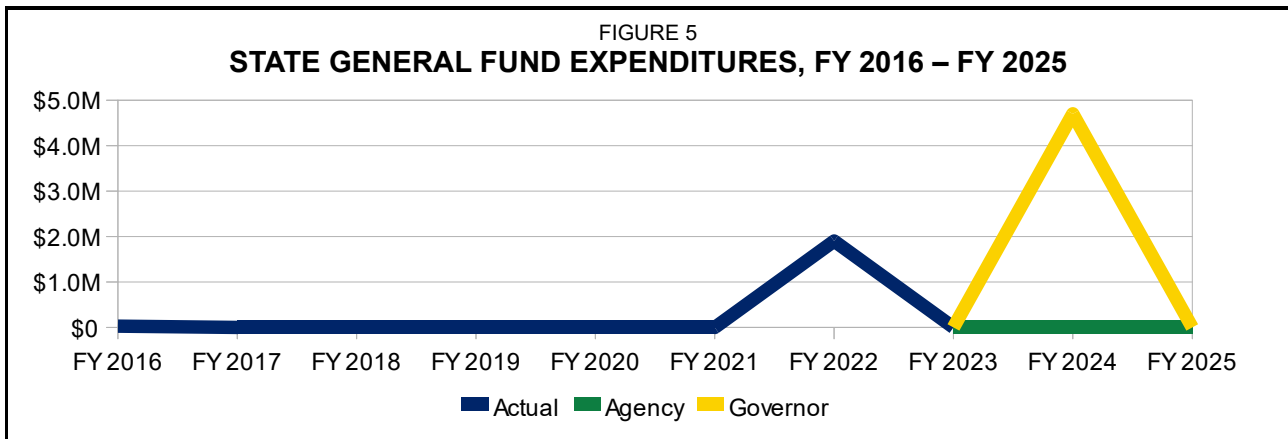
The **Governor** concurs with the agency's revised estimate for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 2,696,216	\$ 3,232,324	\$ 3,232,324	\$ 3,394,027	\$ 3,394,027
Contractual Services	1,809,865	3,437,252	3,437,252	3,464,457	3,464,457
Commodities	56,371	77,400	77,400	75,850	75,850
Capital Outlay	41,722	98,250	98,250	77,750	77,750
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 4,604,174</u>	<u>\$ 6,845,226</u>	<u>\$ 6,845,226</u>	<u>\$ 7,012,084</u>	<u>\$ 7,012,084</u>
Aid to Local Units	-	800,000	5,500,000	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 4,604,174</u>	<u>\$ 7,645,226</u>	<u>\$ 12,345,226</u>	<u>\$ 7,012,084</u>	<u>\$ 7,012,084</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 4,604,174</u>	<u>\$ 7,645,226</u>	<u>\$ 12,345,226</u>	<u>\$ 7,012,084</u>	<u>\$ 7,012,084</u>
Financing:					
State General Fund	\$ -	\$ -	\$ 4,700,000	\$ -	\$ -
Information & Services Fee Fund	2,904,082	3,696,151	3,696,151	3,805,143	3,805,143
Technology Communication Fee Fund	945,997	1,093,186	1,093,186	1,082,442	1,082,442
Federal Funds	763,551	2,631,770	2,631,770	1,897,170	1,897,170
All Other Funds	(9,456)	224,119	224,119	227,329	227,329
TOTAL	<u>\$ 4,604,174</u>	<u>\$ 7,645,226</u>	<u>\$ 12,345,226</u>	<u>\$ 7,012,084</u>	<u>\$ 7,012,084</u>
FTE Positions	38.0	40.5	40.5	41.5	41.5

STATE GENERAL FUND

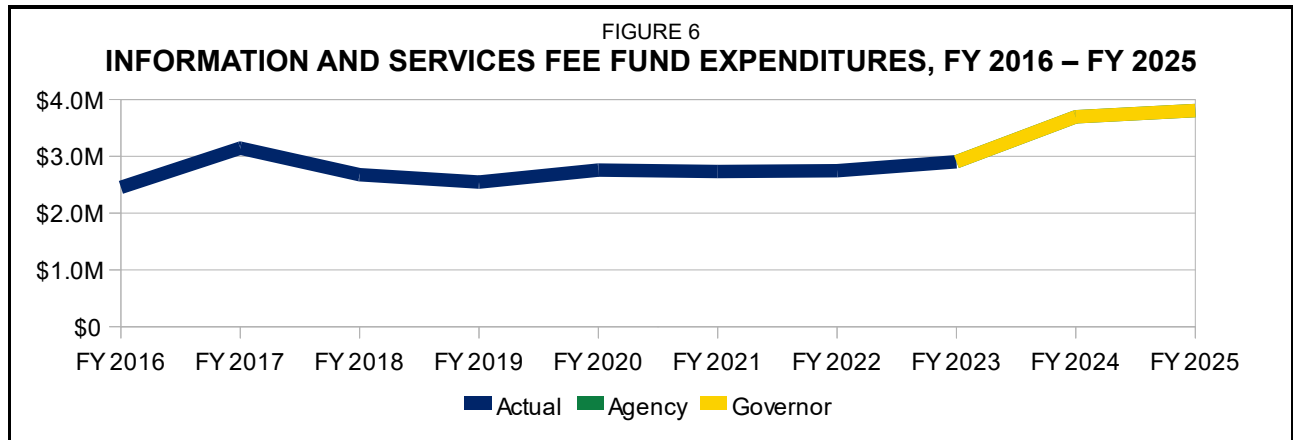


The Office of the Secretary of State was historically funded in approximately equal amounts of SGF and special revenue funds until the 2003 Legislature determined that the agency would be fully fee-funded. On occasion, the agency will request an SGF appropriation for costs associated with responsibilities that require substantial funding. For example, the 2023 Legislature appropriated the agency \$4.7 million SGF for FY 2024 to implement 2023 Senate Sub. for HB 2053, which authorizes one or both political parties in the state to hold a presidential preference primary in CY 2024. However, the agency removed the \$4.7 million SGF from their revised estimate because, at the time of the budget submission, the agency had not received notice from either party that a presidential preference primary would be held in CY 2024. Moreover, the 2022

Legislature appropriated \$1.9 million SGF in FY 2022 for payment on a claim related to voter fraud litigation that was recommended by the Joint Committee for Special Claims Against the State.

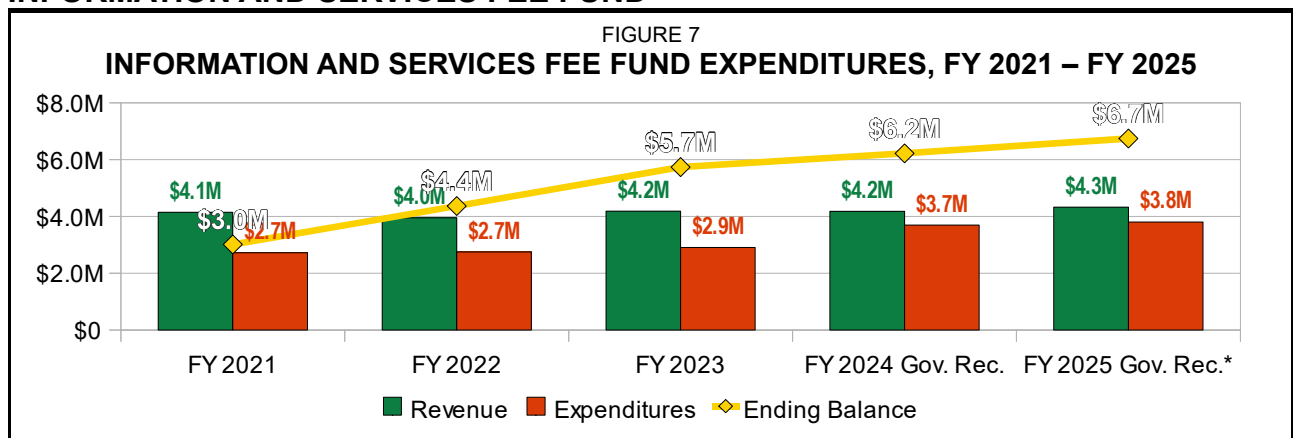
The agency also receives SGF matching funds from the Legislature in order to remain compliant with federal HAVA provisions. In August 2020, the U.S. Election Assistance Commission (EAC) awarded the agency a total of \$4.9 million in grant monies for election security. The grant was contingent on the State providing a match of \$984,984 SGF, or 20.0 percent, which was deposited into the Democracy Fund. The EAC granted the agency an additional \$1.0 million in Election Security grants in both federal fiscal year (FFY) 2022 and in FFY 2023. Prior to the beginning of FY 2024, the required match of \$400,000 SGF was transferred into the agency's Democracy Fund.

INFORMATION AND SERVICES FEE FUND



The Information and Services Fee Fund allows the Office of the Secretary of State to charge and collect an information services fee. Per statute, all monies received by the agency are remitted to the State Treasurer. Upon receipt of said money, the State Treasurer deposits the entire amount in the treasury, but the money is credited to the Office of the Secretary of State under the Information and Services Fee Fund.

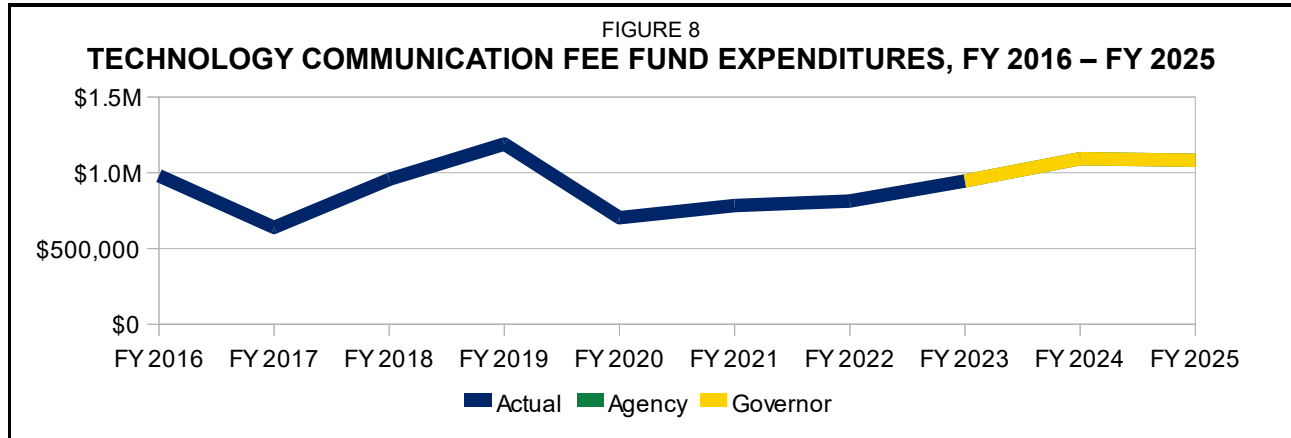
INFORMATION AND SERVICES FEE FUND



* For FY 2025, the lowest month ending balance for the Information and Services Fee Fund will occur in July, with a balance of \$6.5 million.

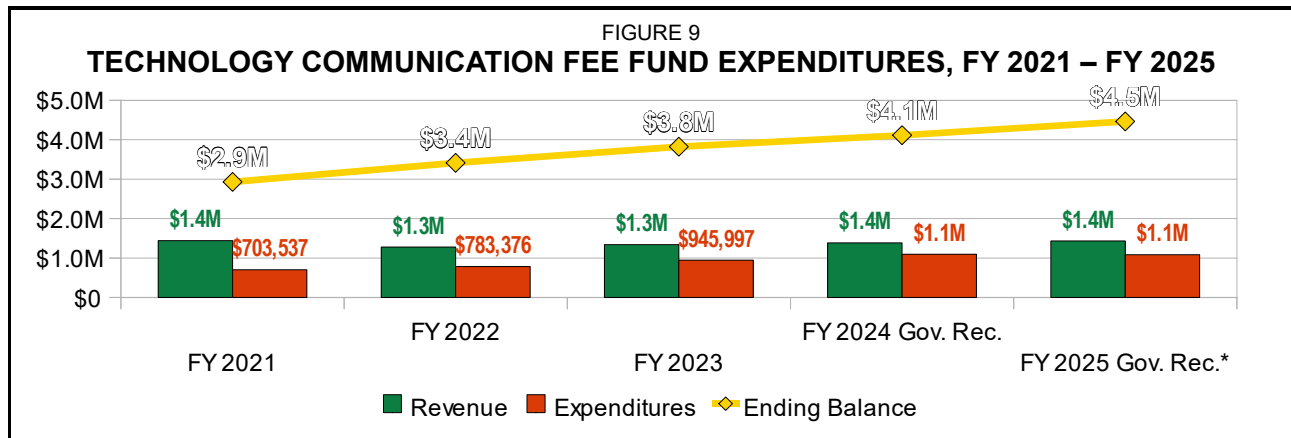
Revenue projections for the Information and Services Fee Fund are based on receipt trends, the economy, changes in law, fee increases and decreases, and the volume of documents filed electronically. (In many cases, the electronic fee is lower.) The Information and Services Fee Fund is one of the primary funds for both agency operating expenses and salaries.

TECHNOLOGY COMMUNICATION FEE FUND



The Technology Communication Fee Fund was established to cover the cost of technology systems that support services provided by the agency, such as the electronic filing of business forms. The revised estimate includes \$1.1 million in expenditures for the Technology Communication Fee Fund in FY 2024, which is an increase of \$147,189, or 15.6 percent, above the FY 2023 actual expenditures.

TECHNOLOGY COMMUNICATION FEE FUND



* For FY 2025, the lowest month ending balance for the Technology Communication Fee Fund will occur in December, with a balance of \$4.4 million.

The Technology Communication Fee Fund earns revenue through a technology communication fee that may not exceed \$5, in addition to filing fees. The revenue collected through the technology communication fee is to cover the cost of technology systems that support services provided pursuant to the Uniform Electronic Transactions Act. The collected fees are remitted to the State Treasurer, who then credits the monies to the Office of the Secretary of State. Revenue projections are based on receipt trends, the economy, and the volume of documents filed electronically. (In many cases, the electronic fee is lower.) Expenditures from the Technology Communication Fee Fund increased by \$147,189, or 15.6 percent, from FY 2023 to FY 2024.

FY 2024 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ 4,700,000	\$ 10,031,121	41.0
1. No Changes	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,700,000</i>	<i>\$ 10,031,121</i>	<i>41.0</i>
Agency Revised Estimate:			
2. Presidential Preference Primary	\$ (4,700,000)	\$ (4,700,000)	--
3. Voter Registration and Election Management System	-	1,025,192	--
4. Federal HAVA Aid Payments	-	800,000	--
5. All Other Adjustments	-	488,913	(0.5)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 7,645,226</i>	<i>40.5</i>
Governor’s Recommendation:			
6. Presidential Preference Primary Reimbursement	\$ 4,700,000	\$ 4,700,000	--
TOTAL	\$ 4,700,000	\$ 12,345,226	40.5

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, no adjustments were made to the \$10.0 million, including \$4.7 million SGF, appropriated to the Office of the Secretary of State for FY 2024.

1. **NO CHANGES.** No adjustments were made to the \$10.0 million appropriated to the agency for FY 2024.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$7.6 million, all from special revenue funds, for expenditures in FY 2024. This represents an all funds decrease of \$2.4 million, or 23.8 percent, below the FY 2024 approved amount, including a decrease of \$4.7 million SGF.

Significant adjustments are as follows:

2. **PRESIDENTIAL PREFERENCE PRIMARY.** The revised estimate includes an SGF reduction of \$4.7 million, or 100.0 percent, below the FY 2024 approved amount. The 2023 Legislature appropriated the agency \$4.7 million SGF in FY 2024 to implement 2023 Senate Sub. for HB 2053, which authorizes one or both registered political parties in the state to hold a presidential preference primary in CY 2024. However, the agency removed the \$4.7 million SGF from their revised estimate because, at the time of the budget submission, the agency had not received notice from either party that a presidential preference primary would be held in Kansas in CY 2024.
3. **VOTER REGISTRATION AND ELECTION MANAGEMENT SYSTEM.** The revised estimate includes \$1.6 million in special revenue funds for fees and other services in FY 2024. This is an increase of \$1.0 million above the FY 2024 approved amount for fees and other services. The increase is so the agency can begin preparing for the expiration and replacement of the current statewide voter registration and election management system. The contract for the current system expires in January 2026. Federal law requires the State to have a centralized voter registration system.

4. **FEDERAL HAVA AID PAYMENTS.** The revised estimate includes \$800,000 in special revenue funds for federal HAVA aid payments to local election offices in FY 2024. The agency will use HAVA election security monies to provide grants to local election offices to enhance the security of the storage of voting equipment prior to the presidential preference primary, as well as to enhance the security of voting equipment while it is deployed during an election.
5. **ALL OTHER ADJUSTMENTS.** The revised estimate includes \$488,913 in all other adjustments in FY 2024. Approximately half of this amount is to account for an increase in salaries and wages, specifically an increase in employer contributions for fringe benefits, such as group health insurance. Other adjustments are attributable to increased costs for services such as printing and advertising, as well the agency's purchase of software and other supplies and materials.

The **agency's** estimate also includes 40.5 FTE positions, which is the same number of positions as the amount approved by the 2023 Legislature.

GOVERNOR'S RECOMMENDATION

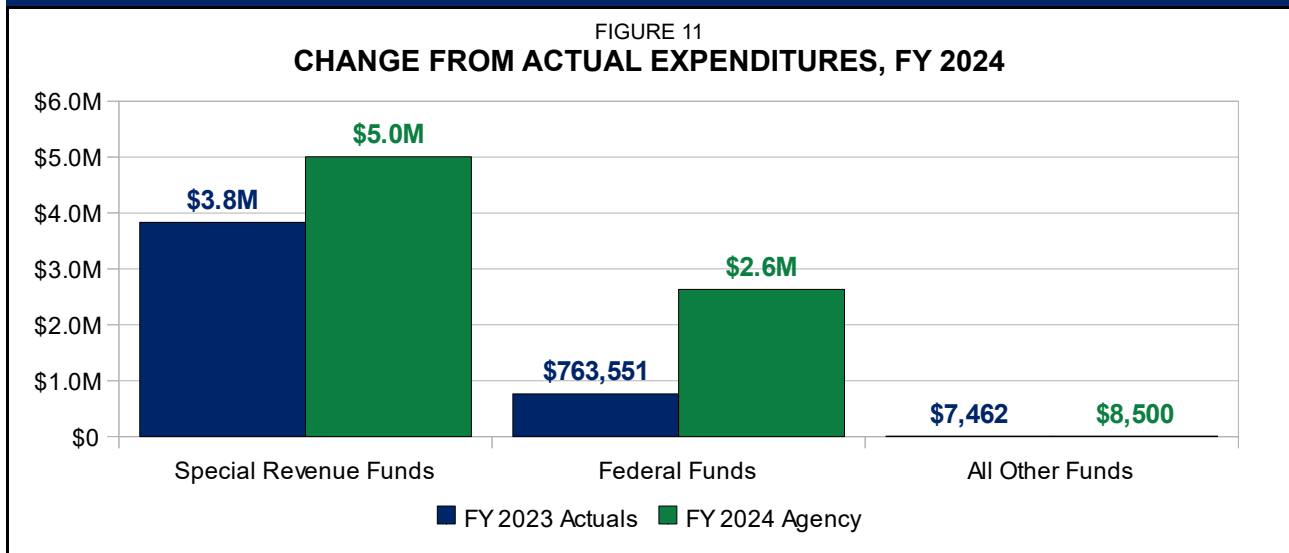
The **Governor** recommends \$12.3 million, including \$4.7 million SGF, in expenditures and 40.5 FTE positions in FY 2024. This is an SGF increase of \$4.7 million, or 100.0 percent, above the agency's revised estimate. The recommended increase is to account for the agency's lapse of \$4.7 million SGF that was appropriated by the 2023 Legislature to implement 2023 HB 2053.

The **Governor's** recommendation includes the following adjustments:

6. **PRESIDENTIAL PREFERENCE PRIMARY REIMBURSEMENT.** The Governor's recommendation includes \$4.7 million SGF to account for the agency's lapse of the same amount that was appropriated by the 2023 Legislature to implement 2023 HB 2053. The enacted legislation requires the agency to reimburse county election offices for costs associated with a presidential preference primary. In early December 2023, the agency learned that both registered political parties would hold a presidential preference primary in CY 2024.

The **Governor's** recommendation also includes 40.5 FTE positions, which is the same number of positions as the agency's revised estimate.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$7.6 million, all from special revenue funds, in FY 2024. This is an increase of \$3.0 million, or 66.0 percent, above the FY 2023 actual expenditures. The increase is partially due to the agency's request of an additional \$1.0 million, all from special revenue funds, for fees and other services so it can begin preparing for the expiration and replacement of the current statewide voter registration and election management system. The increase is also due to the agency expending HAVA election security monies to provide grants to local election offices to enhance the security of voting equipment in FY 2024. Finally, the difference between the agency's revised estimate in FY 2024 and the agency's actual expenditures in FY 2023 is attributable to an increase in salaries and wages, specifically an increase in employer contributions for fringe benefits, such as health insurance.

FY 2025 ANALYSIS

FIGURE 12

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Request:			
Request without Major Changes	\$ -	\$ 7,721,438	40.5
Enhancement Requests:			
1. Elections Data Analyst	\$ -	\$ 90,646	1.0
<i>Subtotal—Enhancement Requests Only</i>	\$ -	\$ 90,646	1.0
2. Federal HAVA Aid Payments	\$ -	\$ (800,000)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 7,012,084	41.5
Governor’s Recommendation:			
3. No Changes	-	-	--
TOTAL	\$ -	\$ 7,012,084	41.5

AGENCY REQUEST

The **agency** requests \$7.0 million, all from special revenue funds, in expenditures for FY 2025. This is a decrease of \$633,142, or 8.3 percent, below the FY 2024 revised estimate.

The request includes \$90,646 for the following enhancement requests:

- ELECTIONS DATA ANALYST.** The request includes \$90,646, all from special revenue funds, and one additional FTE position for the Elections Division. According to the agency, the analyst would make current election data and voter registration data, as well as historical election data and voter registration data, more accessible to voters. The agency notes that it often receives requests for specific data that is not available in a user-friendly format. The data analyst would answer requests for specific data, as well as assist with the administration of future elections.

Absent the enhancement requests, the request includes a decrease of \$800,000 in base budget expenditures. The one significant adjustment is as follows:

- FEDERAL HAVA AID PAYMENTS.** The request includes a decrease of \$800,000, all from special revenue funds, below the FY 2024 revised estimate. The reduction is attributable to the agency's belief that by early FY 2025, it will complete its goal to enhance the security of voting equipment in the state. Thus, the agency does not plan to provide federal HAVA aid payments to local election officers for FY 2025.

The **agency’s** request also includes 41.5 FTE positions, which is an increase of 1.0 FTE position above the FY 2024 revised request due to the agency's plan to hire an Elections Data Analyst

GOVERNOR’S RECOMMENDATION

The **Governor** recommends \$7.0 million, all from special revenue funds, in expenditures for FY 2025.

- NO CHANGES.** The Governor concurs with the agency's request of \$7.0 million for FY 2025.

The **Governor’s** recommendation also includes 41.5 FTE positions, which is the same number of positions as the agency's request.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 13
SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
Request	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2024 Supplementals:						
1. Presidential Preference Primary Reimbursement	\$ -	\$ -	-	\$ 4,700,000	\$ 4,700,000	-
TOTAL	\$ -	\$ -	-	\$ 4,700,000	\$ 4,700,000	-
FY 2025 Enhancements:						
2. Elections Data Analyst	\$ -	\$ 90,646	1.0	\$ -	\$ 90,646	1.0
TOTAL	\$ -	\$ 90,646	1.0	\$ -	\$ 90,646	1.0

- PRESIDENTIAL PREFERENCE PRIMARY REIMBURSEMENT.** The Governor recommends \$4.7 million SGF to account for the agency's lapse of the same amount that was appropriated by the 2023 Legislature to implement 2023 HB 2053. The enacted legislation requires the agency to reimburse county election offices for costs associated with a presidential preference primary. In early December 2023, the agency learned that both registered political parties would hold a presidential preference primary in CY 2024.

The Governor recommends adoption of this request.

- ELECTIONS DATA ANALYST.** The request includes \$90,646, all from special revenue funds, and one additional FTE position for the Elections Division. According to the agency, the analyst would make current election data and voter registration data, as well as historical election data and voter registration data, more accessible to voters. The agency notes that it often receives requests for specific data that is not available in a user-friendly format. The data analyst would answer requests for specific data, as well as assist with the administration of future elections.

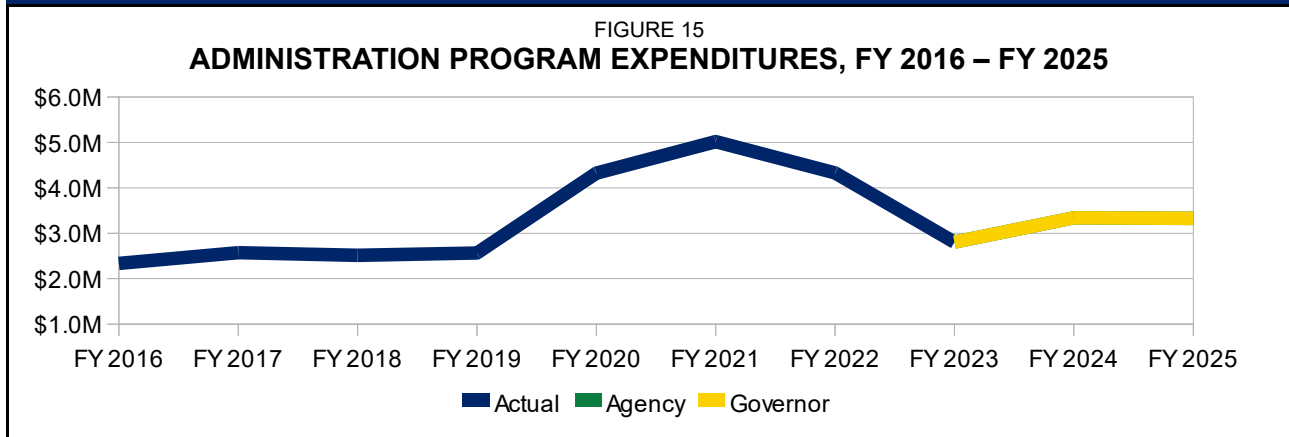
The Governor recommends adoption of this request.

PROGRAM OVERVIEW

FIGURE 14
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:					
Administration Program	\$ 2,804,090	\$ 3,341,581	\$ 3,341,581	\$ 3,328,205	\$ 3,328,205
Business Services Program	824,596	959,466	959,466	976,165	976,165
Elections and Legislative Matters Program	428,602	448,129	5,148,129	548,264	548,264
Help America Vote Act Program	546,886	2,896,050	2,896,050	2,159,450	2,159,450
TOTAL	\$ 4,604,174	\$ 7,645,226	\$ 12,345,226	\$ 7,012,084	\$ 7,012,084
FTE Positions:					
Administration Program	21.0	21.5	21.5	21.5	21.5
Business Services Program	12.0	14.0	14.0	14.0	14.0
Elections and Legislative Matters Program	5.0	5.0	5.0	6.0	6.0
Help America Vote Act Program	-	-	-	-	-
TOTAL	38.0	40.5	40.5	41.5	41.5

ADMINISTRATION PROGRAM



STATUTORY BASIS: • KSA 45-106, 45-107, and 45-401 *et seq.*; KSA 75-438, 75-444; and KSA 77-415, *et. seq.*

PROGRAM GOALS: • To modernize the regulatory review and approval process through an electronic regulation program.
• To provide a more secure and improved user experience for both the State and the public by migrating off of the AS400 operating system.

The Administration Program effectuates operating services for the agency. The Program is made up of four divisions: Administration, Publications, Legal services, and Information Technology.

The Administration Division is responsible for overseeing human resources, payroll, financial transactions, fiscal and office management, and emergency response policies and training.

The Publications Division is responsible for all public affairs, press inquiries, policy matters, official agency website content, and official publications.

The Legal Services Division, led by the General Counsel, is responsible for overseeing office litigation, providing legal counsel to the Secretary and staff, reviewing and responding to all Kansas Open Records Act requests, and maintaining all contracts and official documents.

Finally, the Information Technology (IT) Division is responsible for developing and maintaining security and recovery plans for the agency network and data, developing and maintaining software, assessing and installing upgrades to the servers and workstations, providing expert technical support to both employees and customers, and developing technical relationships with both public and private partners.

Through the Administration Program, the agency has a goal of migrating off of the AS400 operating system in order to provide a more secure and improved user experience for the State and the public. Another goal the agency hopes to accomplish through this program is to modernize the regulatory review and approval process through an electronic regulation program.

FIGURE 16
ADMINISTRATION PROGRAM FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	2,804,090	3,341,581	3,341,581	3,328,205	3,328,205
TOTAL	\$ 2,804,090	\$ 3,341,581	\$ 3,341,581	\$ 3,328,205	\$ 3,328,205
Percent Change:					
SGF	100.0 %	-- %	-- %	-- %	-- %
All Funds	28.6 %	19.2 %	-- %	(0.4) %	-- %
FTE Positions	21.0	21.5	21.0	21.5	21.0

BUDGET ANALYSIS

The Administration Program is funded entirely through special revenue funds, including the Information and Services Fee Fund and the Technology Communication Fee Fund.

The **Governor** concurs with the agency's revised estimate of \$3.3 million, all from special revenue funds, for the Administration Program in FY 2024.

FY 2024

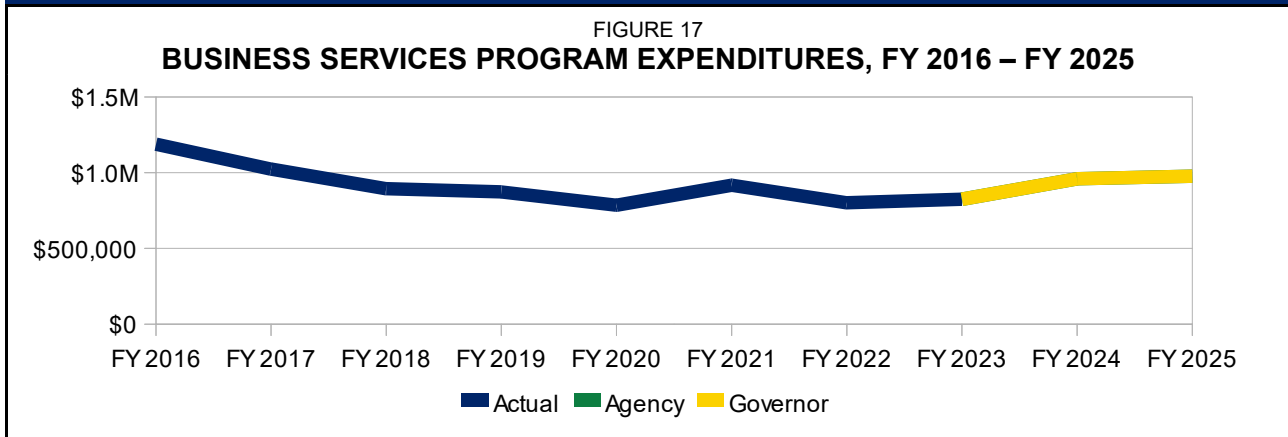
The agency submits a revised estimate of \$3.3 million, all from special revenue funds, in expenditures for the Administration Program in FY 2024. This is an increase of \$690,573, or 26.0 percent, above the amount approved by the 2023 Legislature, and an increase of \$537,491, or 19.2 percent, above the FY 2023 actual expenditures. The increase is primarily due to costs associated with printing, rent, fees, and other services.

FY 2025

The agency requests \$3.3 million, all from special revenue funds, in expenditures for the Administration Program for FY 2025. This is a decrease of \$13,376, or 0.4 percent, below the FY 2024 revised request. The decrease is primarily due to fewer costs associated with contractual services.

The **Governor** concurs with the agency's request of \$3.3 million, all from special revenue funds, for the Administration Program for FY 2025.

BUSINESS SERVICES PROGRAM



STATUTORY BASIS: • KSA 17-7903 *et. seq.*

PROGRAM GOALS:

- To achieve any necessary internal policy adjustments to enable at least 50.0 percent of business entity filings to be submitted online by the end of FY 2024.
- To increase customer use of the existing and new online business services filing system for filing business formation documents and business annual reports.

The Business Services Program is primarily responsible for administering filings for Kansas business entities, such as formation, annual report, and amendment documents for entities registered in Kansas. The program is also charged with maintaining records on active, forfeited, withdrawn, merged, canceled, and dissolved business entities. In FY 2023, approximately 295,000 business documents were filed with the division, most of which were annual reports. The agency anticipates migration off of the AS 400 computer system

will streamline the filing process and make it possible to file additional types of filings online.

Other documents filed by the Business Services Division include notary applications, service agents, warehouse bonds, cemetery corporation filings, and health care card suppliers. In addition, the program is responsible for the administration of the UCC by filing financing statements, amendments, and terminations, performing searches, and issuing copies to the public.

FIGURE 18
BUSINESS SERVICES PROGRAM FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	824,596	959,466	959,466	976,165	976,165
TOTAL	\$ 824,596	\$ 959,466	\$ 959,466	\$ 976,165	\$ 976,165
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	2.9 %	16.4 %	-- %	1.7 %	-- %
FTE Positions	12.0	14.0	14.0	14.0	14.0

BUDGET ANALYSIS

The Business Services Program is funded entirely by special revenue funds, including the Information and Services Fee Fund and the Technology Communication Fee Fund.

FY 2024
The agency submits a revised estimate of \$959,466, all from special revenue funds, for the Business Services Program in FY 2024.

This is a decrease of \$154,620, or 13.9 percent, below the amount approved by the 2023 Legislature, and an increase of \$134,870, or 16.4 percent, above the FY 2023 actual expenditures. The increase above the FY 2023 actual expenditures is primarily due to increased employer contributions for fringe benefits, such as group health insurance.

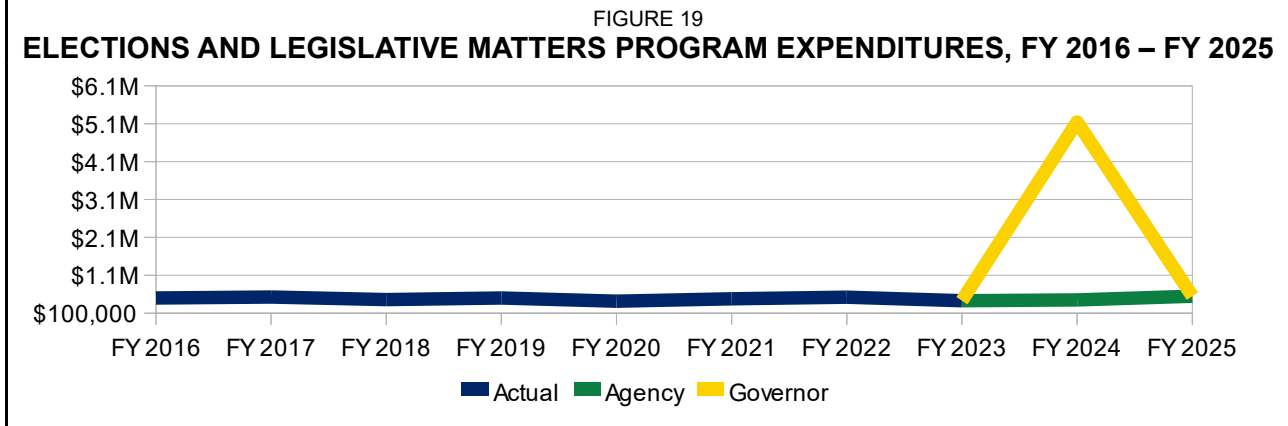
The Governor concurs with the agency's revised estimate of \$959,466, all from special revenue funds, for the Business Services Program in FY 2024.

FY 2025

The agency requests \$976,165, all from special revenue funds, for the Business Services Program for FY 2025. This increase of \$16,699, or 1.7 percent, above the FY 2024 revised estimate is primarily due to increased employer contributions for fringe benefits, such as group health insurance.

The Governor concurs with the agency's request of \$976,165, all from special revenue funds, for the Business Services Program for FY 2025.

ELECTIONS AND LEGISLATIVE MATTERS PROGRAM



STATUTORY BASIS: • KSA 25-124, and 25-2504.

PROGRAM GOALS:

- To increase electronic filings of Statement of Substantial Interest forms, as well as campaign finance reports for state officeholders and candidates for state office.
- To analyze and produce election data in formats that are easily accessible to the public.

The Elections and Legislative Matters Program is administered by the Elections Division, which is responsible for overseeing national and state elections and candidate filings for national and state offices, and assisting local election officers administer elections. The program is also responsible for lobbyist registrations, issuing lobbying badges, providing public access to state campaign finance documents and public disclosure documents, implementing federal legislation pertaining to election administration, and selling Kansas flags. In addition, the program acts as a

repository for Statements of Substantial Interest for state officers and certain state employees.

The agency has a goal to increase electronic filings of Statement of Substantial Interest forms, as current law does not require individuals to file the forms electronically. The agency notes electronic filing streamlines the process and allows for efficient public access of these documents, which is why it has an additional goal to increase electronic filing of campaign finance reports for state officeholders and candidates for state office.

FIGURE 20
ELECTIONS AND LEGISLATIVE MATTERS PROGRAM FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ 4,700,000	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	428,602	448,129	448,129	548,264	548,264
TOTAL	\$ 428,602	\$ 448,129	\$ 5,148,129	\$ 548,264	\$ 548,264
Percent Change:					
SGF	-- %	-- %	--	-- %	-- %
All Funds	(18.1) %	4.6 %	1,048.8 %	22.3 %	-- %
FTE Positions	5.0	5.0	5.0	6.0	6.0

BUDGET ANALYSIS

The Elections and Legislative Matters funds, including the State Flag and Banner Program is funded entirely by special revenue Fund.

FY 2024

The agency submits a revised estimate of \$448,129, all from special revenue funds, for the Elections and Legislative Matters Program in FY 2024. This is a decrease of \$4.7 million, or 91.3 percent, below the amount approved by the 2023 Legislature, and an increase of \$19,527, or 4.6 percent, above the FY 2023 actual expenditures. The reason for the dramatic decrease below the approved amount is due to the agency not requesting SGF monies to implement the presidential preference primary in CY 2024.

The Governor recommends \$5.1 million, including \$4.7 million SGF, for the Elections and Legislative Matters Program in FY 2024. This is an SGF increase of \$4.7 million, or 100.0 percent, above the agency's revised estimate.

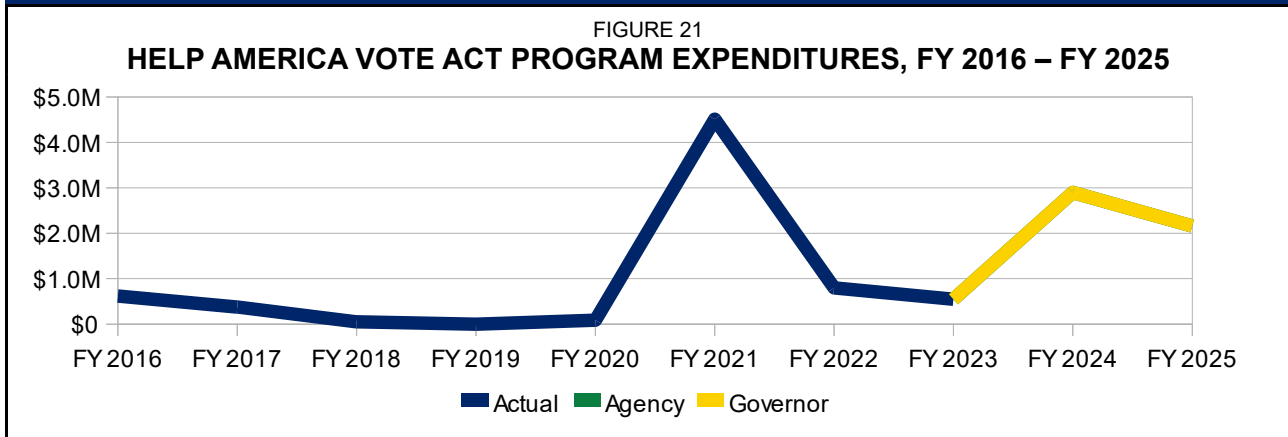
The recommended increase is to account for the agency's lapse of \$4.7 million SGF that was appropriated by the 2023 Legislature to implement 2023 HB 2053.

FY 2025

The agency requests \$548,264, all from special revenue funds, for the Elections and Legislative Matters Program for FY 2025. The increase of \$100,135, or 22.3 percent, above the FY 2024 revised estimate is due to the agency's enhancement request for one additional FTE position, who would be employed as an elections data analyst.

The Governor concurs with the agency's request of \$548,264, all from special revenue funds, for the Elections and Legislative Matters Program for FY 2025.

HELP AMERICA VOTE ACT PROGRAM



STATUTORY BASIS: • P.L. 107-252; KSA 25-124, and 25-2504.

- PROGRAM GOALS:**
- To begin preparation for the expiration and replacement of the current statewide voter registration and election management system contract.
 - To continue providing cybersecurity services within the HAVA Program for counties statewide.
 - To enhance the security of the storage of voting equipment, as well as the security of voting equipment while it is deployed during an election.
 - To implement a new training program for all county election officers that focuses on the administration of elections.

The Help America Vote Act Program is administered by the Elections Division. The federal HAVA created new mandatory minimum standards for states to follow in several key areas of election administration. These areas included provisional voting, providing voting information to the public, updating and upgrading voting equipment, creating a statewide list of registered voters, creating a process to file administrative complaints, and developing voter identification procedures.

The State receives funds from federal grants provided by the U.S. EAC to pay for the costs of complying with HAVA. In FY 2016, a new statewide voter registration and election management system was procured, though the contract ends in January 2026. Per federal law, the State must have a centralized voter

registration system. While the HAVA Program is currently focused on post-implementation responsibilities, including management, oversight, and upgrades, the agency has a goal to begin preparation for the expiration and replacement of the current statewide voter registration and election management system contract. Part of the preparation will include appointing a group of county election officials to work with the agency on the parameters of the system as well as funding options.

In addition to the above goal, the agency plans to continue maintaining cybersecurity services for counties throughout the state. The agency notes that it will also continue working with county election officials to enhance the security of voting equipment, and to train the officials on the administration of elections.

FIGURE 22
HELP AMERICA VOTE ACT PROGRAM FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	546,886	2,631,770	2,631,770	1,897,170	1,897,170
All Other Funds	-	264,280	264,280	262,280	262,280
TOTAL	\$ 546,886	\$ 2,896,050	\$ 2,896,050	\$ 2,159,450	\$ 2,159,450
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(31.5) %	429.6 %	-- %	(25.4) %	-- %
FTE Positions	-	-	-	-	-

BUDGET ANALYSIS

The Help America Vote Act Program is primarily funded through federal funds, some of which require the State to provide a portion of matching funds.

The Governor concurs with the agency's revised estimate of \$2.9 million, all from special revenue funds, for the HAVA Program in FY 2024.

FY 2024

The agency submits a revised estimate of \$2.9 million, all from special revenue funds, for the HAVA Program in FY 2024. This is an increase of \$1.8 million, or 164.4 percent, above the amount approved by the 2023 Legislature, and \$2.4 million, or 429.6 percent, above FY 2023 actual expenditures. The increase is partially due to the agency beginning preparations for the expiration and replacement of the current statewide voter system. The increase is also attributable to the agency providing grants to local election offices to enhance the security of the voting equipment, and the agency providing training to all county election officials.

FY 2025

The agency requests \$2.2 million, all from special revenue funds, for the HAVA Program for FY 2025. This is a decrease of \$736,600, or 25.4 percent, below the FY 2024 revised estimate. The decrease is attributable to the agency's belief that it will complete the security enhancement of voting equipment in the state by early FY 2025.

The Governor concurs with the agency's request of \$2.2 million, all from special revenue funds, for the HAVA Program for FY 2025.