

**SCOTT SCHWAB**  
Secretary of State



Memorial Hall, 1st Floor  
120 S.W. 10th Avenue  
Topeka, KS 66612-1594  
(785) 296-4564

## STATE OF KANSAS

September 15, 2023

Mr. Adam Proffitt  
Director of the Budget  
Landon State Office Building  
900 SW Jackson, Room 504  
Topeka, KS 66612

Dear Mr. Proffitt:

Attached is a copy of the Secretary of State budget narrative, including the DA-405 documents. In addition, the financial section of the budget has been submitted via IBARS.

Please let us know if you would like additional information. We look forward to working with you and your staff on the submitted budget.

Respectfully,

A handwritten signature in blue ink that reads "Scott Schwab".

Scott Schwab  
Secretary of State

cc: Stephanie Buchanan, Senior Budget Analyst, Kansas Division of the Budget  
Molly Pratt, Fiscal Analyst, Kansas Legislative Research Department

**Narrative Information—DA 400**

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Program Secretary of State \_\_\_\_\_

**Agency Mission**

The mission of the Secretary of State’s office is to provide excellent, efficient customer service by being the least complicated, most accessible agency in state government.

**Philosophy**

The agency is committed to continuously improving its practices and functions to deliver quality services in the most effective, resourceful way.

**Statutory History**

The Office of the Secretary of State is created by Article 1, § 1 of the Kansas Constitution. The Secretary serves a four-year term. The Constitution creates the office, but several hundred state laws established the duties of the agency. The agency’s organizational structure is determined primarily by statute. K.S.A. 75-412 authorizes the appointment of an assistant secretary of state and up to five deputy assistant secretaries. The deputies supervise the agency’s primary programs, including administration, elections, business services, and Help America Vote Act (HAVA).

The Secretary of State’s office was historically funded in approximately equal amounts of SGF and special revenue funds (fee funds). In 2003, the Legislature determined the Secretary of State’s office would be a fully fee-funded agency. Currently, the agency is fully fee-funded and manages its fund balances to provide adequate capital throughout the fiscal year. On occasion, the agency will request an SGF appropriation for costs associated with responsibilities requiring substantial funding such as state match dollars for HAVA federal funds.

**Programs executing agency mission:**

- Administration
- Business Services
- Elections
- Help America Vote Act (HAVA)

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<u>Program</u>	<u>FTE Positions*</u>	<u>Non-FTE Unclassified Permanent Positions</u>
Administration	21.0	0.0
Business Services	12.0	2.0
Elections Legislative Matters	5.0	0.0
Help America Vote Act - HAVA	0.0	0.0
Agency Total	38.0	2.0

\*The agency is requesting one (1) additional FTE for the Elections and Legislative Matters Division beginning in FY 2025, for a total of 41 FTEs in FY 2025.

**Administration**

The Administration Program consists of four divisions: administration, publications, legal services, and information technology.

The Administration Division provides operating services for the agency and is led by the Deputy Assistant Secretary of State for Administration. This division is responsible for overseeing human resources, payroll, financial transactions, fiscal and office management, and emergency response policies and training.

The Publications Division is led by the Director of Communications and Policy. This division is responsible for all public affairs, press inquiries, policy matters, official agency website content, and official publications including the Kansas Register (website), Kansas Administrative Rules and Regulations (website), and the Session Laws of Kansas (physical copy and website).

The Legal Services Division is led by the General Counsel. This division is responsible for overseeing office litigation, providing legal counsel to the Secretary and staff regarding office-related matters, reviewing and responding to all KORA requests, and maintaining all contracts and official documents.

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The Information Technology (IT) Division is led by the Deputy Assistant Secretary of State, Director of Information Technology. This division is responsible for developing and maintaining security and recovery plans for the agency network and data, developing and maintaining software applications, assessing and installing upgrades to the servers and workstations when appropriate, providing expert technical support to both employees and customers, and developing technical relationships with both public and private partners.

***Outcome / Performance Measures***

The agency has a goal of migrating off the AS400 operating system by FY 2025. To do this, the agency has a goal to upgrade all legacy systems currently residing on an outdated environment to modern applications using current technologies. By implementing these changes, the agency will be able to provide a more secure and improved user experience for both the public and Secretary of State employees, increase application adaptability, allow for additional online filings and services, and increase IT staff flexibility and productivity. Due to COVID-19, the agency’s goals were somewhat delayed. However, the agency met a completion goal of 50% by the end of FY 2022, 75% by the end of FY 2023, and 90% in FY 2024, with a completion goal of 100% in FY 2025.

The agency has a goal to modernize the regulatory review and approval process through an electronic regulation program. The goal would enable regulations to be reviewed/approved/stamped electronically by four Kansas agencies: Department of Administration, Attorney General, Division of Budget, and Secretary of State. This modernization will speed up the regulatory process, help with tracking of regulation status, improve transparency of the regulatory process, improve onboarding for new employees due to staff turnover, provide improved organization and logging of details and provide improved document preservation. The agency anticipates identification and selection of a vendor in FY 2024 with 25% usage by the end of FY 2024, and 100% usage in FY 2025.

	FY 23 Actual	FY 24 Estimate	FY 25 Estimate
Agency system upgrade/Migration off AS400	75%	90%	100%
Electronic Regulations	5%	25%	100%

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Previously, the agency had a goal to ensure records of inventory are accurately and appropriately logged by realigning resources to improve record modernization and maintenance within the Communications & Policy and Legal Divisions. At the end of FY 2022, this goal was 100% complete. Maintenance will be ongoing in future years, although this goal will not be included as an ongoing performance measure.

Previously, the agency had a goal to establish an online store on the agency website for constituents to order publications, Kansas flags, and obtain other services from the agency. The agency began this process, with a 20% completion rate at the end of FY 2021 – FY 2023. The agency has determined that this performance measure will be resumed once the agency completes migration off the AS400 system.

Previously, the agency had a goal to produce a full set of Kansas Administrative Regulations (KAR) in FY 2023. The goal was 100% completed by the end of FY 2023. The 2023 KAR full set was the last physical publication of Kansas Administrative Regulations, and future KARs will be available on the Secretary of State’s website. This goal was completed and will not be included as a performance measure in future years.

The Administration Program currently has 21 FTEs.

**Business Services**

The Business Services Division is primarily responsible for administering filings for Kansas business entities and the Uniform Commercial Code (UCC) and places a high value on delivering outstanding customer service. Business Services files formation, annual report, and amendment documents for corporations, limited liability companies, limited partnerships, limited liability partnerships, cooperatives, business trusts, and other entities. The division also maintains records on active, forfeited, withdrawn, merged, canceled, and dissolved business entities. In FY 2023, approximately 295,000 business documents were filed with the division, of which more than 221,000 were annual reports. Migration off the AS 400 computer system, along with legislation approved in 2023, will streamline business filings and make it possible to file additional types of filings online. The agency anticipates promotion of the new business entity filing system over the next two years through organizations, mailings, and social media.

Other documents filed by the Business Services Division include notary applications, service agents, warehouse bonds, cemetery corporation filings, and health care card suppliers. The division administers the UCC by filing financing statements, amendments, and terminations, performing searches, and issuing copies to the public. The program currently has over 322,000 active UCC filings on record. In FY 2023, over 94% of nearly 81,900 annual UCC transactions were filed electronically.

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***Outcomes / Performance Measures***

The agency has a goal to increase customer use of the existing/new online business services filing system for filing business formation documents. Currently, most business formation documents can be filed online. In FY 2019, the first year this goal was measured, 73% of business formation documents were filed online. In general, online filing has increased from year to year. In FY 2023 80% of business formation documents were filed online. The agency will continue to promote and encourage online filings with a goal of increasing online business formation filings to 83% in FY 2024 and 84% in FY 2025.

The agency has a goal to increase customer use of the existing/new online business services filing system for filing annual reports. Currently, most annual reports can be filed online. In FY 2019, the first year this goal was measured, 74% of annual reports were filed online. In general, online filing of annual reports has increased modestly from year to year. In FY 2023, 82% of annual reports were filed online. The agency will continue to promote and encourage online filings with a goal of increasing online annual report filings to 85% in FY 2024 and 86% in FY 2025. (Note: biennial report filing will replace annual report filing beginning in 2024).

The agency has a goal of achieving any necessary legislative, regulatory, and internal policy adjustments to enable at least 50% of business entity filings to be able to be submitted online by the end of FY 2023; the FY 2023 actual was 40%. With additional legislative changes the agency anticipates 80% of this goal will be achieved by the end of FY 2024. This goal is delayed due to implementation of the new business system, but the agency anticipates completion of the goal upon full implementation of the new system.

	FY 23 Actual	FY 24 Estimate	FY 25 Estimate
Percentage of annual online filings:			
Business Formation Documents	80%	83%	84%*
Annual Reports	82%	85%	86%*
Online filing availability	40%	50%	80%

\*The agency is providing a conservative estimate and will reassess once a new system is implemented based on user adoption of the system.

The Business Services Program currently has 12 FTEs.

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**Elections**

The Elections Division is primarily responsible for overseeing national and state elections, candidate filings for national and state offices, and assisting local election officers administer elections. In 2023, legislation was passed to update and streamline election statutes and clarify conflicting statutes with a goal of improving election administration and further increasing transparency in the election process. The division 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. The division also serves as a repository for statements of substantial interest for state officers and certain state employees. The division places high importance on excellent customer service and ensuring the administration and integrity of elections.

Beginning in FY 2025 and future years, the agency is requesting one additional FTE for the Elections Division. This new FTE would fill a data analyst position that would focus on making current and historical election data and voter registration data more readily available and accessible to voters and the public, in addition to assisting with administration of the 2024 and future elections and working as part of the elections team conducting procedural audits. The agency currently receives requests for specific data, which may be available as raw data, but not available in a user-friendly format. This position would be key to fulfilling these requests.

***Outcomes / Performance Measures***

The agency has a goal to increase electronic filings of statement of substantial interests [SSI] forms. Current law does not require individuals to file SSI’s electronically. Filing SSIs electronically streamlines the process and allows for efficient public access of these documents. In FY 2022, approximately 90% of SSIs were filed electronically. The agency anticipated a 95% electronic filing rate by the end of FY 2023 and exceeded that goal with 97% filing online. The agency anticipates a 100% filing rate by the end of FY 2024 and maintenance of this rate in FY 2025. In future years, the agency will work to maintain this goal as new filers use the system, although the agency will not include this goal as a performance measure after FY 2025.

The agency has a goal to increase electronic filing of campaign finance reports for state officeholders and candidates for state office. Current law only requires candidates for statewide offices to file electronically. Electronic filing of campaign finance reports reduces the amount of time and resources needed to provide campaign finance information to the public and modernizes the process. Legislation was introduced, most recently during the 2023 legislative session, to require electronic filing for all state legislative candidates. The legislation was not passed. In FY 2022, 55% of all candidates filed campaign finance reports electronically. The agency had a goal to increase electronic campaign finance report filings to 75% by the end of FY 2023. The

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agency exceeded this goal in FY 2023 with 76% of filings submitted electronically. As a result, the agency has adjusted its goal from 75% to 80% by the end of FY 2024. Migrating off the AS400 computer system will enable the agency to redesign and improve the user experience of the campaign finance system, which is anticipated to occur once the new system is implemented. The agency estimates that 90% of filings will be filed electronically once a new system is implemented.

The agency has a goal to employ a data analyst in the Elections Division to analyze and produce election data in formats that are easily accessible by the public. The goal will include the production of election data for current elections as well as historical data. Meeting this goal will be dependent on approval of an additional FTE request to fill this position. The agency anticipates filling this position, if approved, early in FY 2025, with the goal of the position beginning to produce historical and current election data for the 2024 primary and general elections in FY 2025. In subsequent years, the position would produce a combination of historical data and election data following each primary and general election.

	FY 23 Actual	FY 24 Estimate	FY 25 Estimate
SSI electronic filings	97%	100%	100%
Electronic filing of campaign finance reports	76%	80%	90%
Election Data Analyst/Election Data Production	--	10%	100%

The Elections program currently has 5 FTEs.

**Help America Vote Act (HAVA)**

The Help America Vote Act (HAVA) Program is administered by the Elections Division. The Help America Vote Act [HAVA] of 2002 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.

Since 2002, Kansas has accomplished the following objectives under HAVA:

- Designed, purchased, developed and installed a statewide computerized voter registration and election management database that is the system of record for all 105 counties;



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- Negotiated contracts with voting equipment manufacturers and oversaw the purchase of more than 2,000 voting machines to enable counties to provide at least one ADA-compliant voting machine per polling place to allow voters with disabilities, including visual impairment, to vote secret and unassisted ballots. These contracts have expired and counties now negotiate their own contracts for voting equipment;
- Received and administered more than \$30 million in federal funds.

The State receives funds for use in paying for the costs of complying with HAVA from federal grants provided by the U.S. Election Assistance Commission. In FY 2016, a new statewide voter registration and election management system was procured. The current contract ends January 18, 2026. Per federal law, the state must have a centralized voter registration system. While the program is currently focused on post-implementation responsibilities including management, oversight and upgrades, the agency will begin preparation for the expiration and replacement of the current statewide voter registration and election management system contract.

***Outcomes / Performance Measures***

The agency has a goal to purchase cyber security services within the HAVA program for counties statewide. The state, in coordination with a private vendor, worked with counties to enhance existing security profiles and network security. The agency met its 100% completion goal by the end of FY 2022. Maintenance efforts continued in FY 2023 and FY 2024. The agency will look to continue providing these cyber security services in FY 2025. This will require a purchase of services from a qualified vendor.

In FY 2024, the agency is working with county election officials to enhance the security of the storage of voting equipment as well as the security of voting equipment when it is deployed during an election. As part of this process, the agency will expend HAVA security dollars in the form of grants to local election officers, specifically for the physical security of equipment. The agency expects 95% completion of this goal in FY 2024 and 100% completion in early FY 2025.

The agency has a goal to implement a new training program for all 105 county election officers specifically for the administration of elections. K.S.A. 25-124 requires the Secretary of State to provide instruction to county election officers in a method determined by the Secretary of State. This program is in addition to other mandated annual training for county election offices. The program will include hourly sessions that will be delivered in a variety of methods. The goal is to have at least one certified election official in every county prior to the 2024 General Election. The agency has a completion goal of 50% by the end of FY

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2023 and 100% by the end of FY 2024. Training of county election officials began in FY 2023 and will continue through the end of FY 2024. The agency will maintain the program in FY 2025.

The agency has a goal to begin preparation for the expiration and replacement of the current statewide voter registration and election management system contract beginning in FY 2024. In FY 2025, the agency will begin the RFP process for the replacement of the system. Part of the process 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.

	FY 23 Actual	FY 24 Estimate	FY 25 Estimate
Cyber-security for counties	100%	100%	100%
Physical security of voting equipment	--	95%	100%
Local election official certification program	25%	50%	100%
Statewide Voter Registration Database		5%	15%

Note: The agency has a goal to work with counties to ensure paper trail ballots for voting equipment in the state. The agency achieved a 100% completion rate by the end of FY 2022. The agency will work to maintain this goal, although the agency will not include this goal as a performance measure in future years.

The agency had a goal in FY 2021 to continue its coordination with the National Guard and Department of Homeland Security to provide virtual statewide security training to all county election officials. The agency met its goal of 100% completion by the end of FY 2022. The agency is reviewing this training and will implement additional cybersecurity training as needed to maintain this goal, although it may not be included as a performance measure in future years.

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**Agency-wide overview**

**Current Year (FY 2024)**

In FY 2024, the agency requested a total of \$7,654,726. The increase is mainly attributable to an increase in HAVA grant expenditures and increases to salaries and wages. Operational costs for the agency are expected to increase slightly from FY 2023.

**Budget Year (FY 2025)**

The agency requests a total of \$7,021,584.

**Expenditure justification by object code**

Program codes:

Administration (ADM)	01030
Business Services (BS)	07400
Elections/Legislative Matters (ELM)	07500
Help America Vote Act (HAVA)	07900

**Object Code 100 Series: Salaries and Wages**

In FY 2024, the agency will administer four programs (ADM, BS, ELM, and HAVA). The agency’s approved FY 2024 budget for salaries and wages is \$2,898,675. The change is attributed to increased salary and wages as approved by the legislature for state employees during the 2023 session resulting in an increase of \$333,649 to \$3,232,324. The agency’s approved budget authorizes 40 FTEs and several part-time employees. All positions in the Secretary of State’s office are unclassified. The agency is requesting one (1) additional employee for the Elections and Legislative Matters Division in FY 2025.

In FY 2025, the agency will administer four programs (ADM, BS, ELM, and HAVA). In FY 2025, the agency requests \$3,394,027 for salaries and wages and 41 FTEs.

FY 24: \$3,232,324  
FY 25: \$3,394,027

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**Object Code 200 Series: Contractual Services**

The agency anticipates no significant new operational costs for FY 2024 or FY 2025. The increase for FY 2024 and FY 2025 is attributable to expected increases in economic costs to maintain current level operating functions.

ADM program – Major expenditures in this category include: communications \$92,668; printing \$216,796; rents (including Memorial Hall) \$377,492; fees and other services \$137,997. Expenditures for these major categories are expected to continue to increase in FY 2024 and 2025 for the Administration program.

BS program – Major expenditures in this category are routine and include: communications \$95,638, and printing and advertising \$7,521. Expenditures for this category are expected to increase in FY 2024 and 2025 for the Business Services program.

ELM program – Major expenditures in this category are freight costs associated with the shipping of legal publications \$70,000; communications \$14,871; rents \$7,352 and printing and advertising \$2,994. Expenditures for these major categories are expected to continue to increase in FY 2024 and 2025 for the Elections program.

HAVA program – Major routine expenditures for this program include fees and other services \$365,168 which includes ELVIS maintenance and support fees; repairing and servicing fees \$113,718 which includes ELVIS training for election officials and ELVIS hosting services and election tokens and maintenance; professional services fees \$68,000 which includes an elections consultant and certification training for county election officials. For FY 2024 and FY 2025, the agency anticipates continued elections maintenance costs.

FY 24: \$3,437,252  
FY 25: \$3,464,457

**Object Code 300 Series: Commodities**

The commodity expenditures for the agency were \$56,371. Major expenditures for this category include lobbyist nametags, stationary, data processing supplies and office supplies. Major routine expenditures for this category are expected to increase modestly in FY 2024 and FY 2025.

FY 24: \$77,400  
FY 25: \$75,850

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**Object Code 400 Series: Capital Outlay**

The capital outlay expenditures for the agency were \$41,722. In FY 2024, the agency requests an adjusted budget of \$98,250 to purchase information technology infrastructure, computer equipment and expected costs related to election security software. Other expenditures for this category include purchases for printers, scanners, infrastructure upgrades, and software licenses.

FY 24: \$98,250

FY 25: \$77,750

**Object Code 800 Series: Aid to Locals**

In FY 2024, the agency requests the addition of \$800,000 as a budget adjustment to utilize HAVA election security funds to assist certain counties with election security funding prior to the Presidential Preference Primary election. The funds will be used to bolster physical equipment and systems in anticipation of increased election activities. The counties will be reimbursed for purchased items related to the upgrading of their election security.

FY 24: \$800,000

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**H Sub for SB 294 – Cemetery and Funeral Audit Fee Fund:**

**Statutory History:** In 1988, HB 3043 was passed; establishing the cemetery and funeral audit fee fund in the state treasury; amending KSA 17-1312a and KSA 1987 Supp. 16-310 and 16-325. In 2001, the statute was amended. The secretary of state would no longer have to remit fees to the state treasurer *monthly*.

Today, KSA 75-441 creates in the state treasury the cemetery and funeral audit fee fund. The statute holds that all monies received by the secretary of state for auditing any person, association, partnership, firm or corporation pursuant to K.S.A. 16-310 and 16-325 and K.S.A. 17-1312a, and amendments thereto, shall be submitted to the state treasurer. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited to the secretary of state under the cemetery and funeral audit fee fund. All expenditures of money from this fund must be approved by the secretary of state or a person designated by that office.

	Estimated Receipts			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Cemetery and Funeral Audit Fee Fund (2225)	\$ 13,481	\$ 610	\$ 630	\$ 652

**H Sub for SB 294 – Information and Services Fee Fund:**

**Statutory History:** In 1982, SB 516 was passed; establishing the information and copy service fee fund and the imposition and disposition of fees; amending KSA 17-7502, 44-804, 44-806, 45-107, 46-265, 75-4336, 76-2613, 81-113, 81-115, and 82-163. In 2001, the statute was amended. The secretary of state would no longer have to remit fees to the state treasurer *monthly*. The statute was last amended in 2003 (see below).

Today, KSA 75-438 creates the information and services fee fund in the state treasury allowing the secretary of state to charge and collect an information services fee. As required by statute, the secretary adopted rules fixing these fees. If fees or charges for such information or services are legally authorized, the secretary of state may still charge these fixed fees in addition to existing fees. The statute holds that all monies received by the secretary of state under this provision shall be remitted to the state treasurer. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited

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to the secretary of state under the information and fee services fund. All expenditures of money from this fund must be approved by the secretary of state or a person designated by that office.

Receipts are tracked monthly as well as annually. Revenue projections are based on these receipt trends, the economy, law changes, fee increases/decreases, and the volume of documents filed electronically (in many cases the electronic fee is lower). It is important that the balance of this fund remain at \$600,000 or more so that the agency is sufficiently capitalized and does not encounter cash flow problems during the months that expenditures exceed revenue and in the case of an emergency. This is one of the primary funds for both agency operating expenses and salaries.

	Estimated Receipts			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Information and Services Fee Fund (2430)	\$ 3,952,071	\$ 4,181,129	\$ 4,178,260	\$ 4,322,338

**H Sub for SB 294 – State Register Fee Fund:**

**Statutory History:** In 1981, SB 2480 was passed, amending KSA 9-3101 and applying to the publication, sale, and distribution of the Kansas register. In 2001, the statute was amended providing that the secretary of state would no longer have to remit fees to the state treasurer monthly.

Today, KSA 75-433 enables the secretary of state to fix, charge, and collect publication fees from state agencies for the publication of documents and information required or authorized by law to be published in the Kansas register. The secretary of state shall sell annual subscriptions to the Kansas register and charge subscription fees. After 1984, the fees shall be fixed in amounts adequate to recover the costs of printing, binding, postage, and handling of the register. The statute holds that all monies received by the secretary of state under this provision shall be remitted to the state treasurer. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited to the secretary of state under the state register fee fund. All expenditures of money from this fund must be approved by the secretary of state or a person designated by that office.

Revenue projections are based on receipt trends from previous years. The number of paid subscribers continues to decrease as more customers use the free online version available on the agency website. The balance in this fund should be no less than \$150,000 at the end of the fiscal year.

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	Estimated Receipts			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
State Register Fee Fund (2619)	\$ 165,924	\$ 141,578	\$ 146,684	\$ 151,742

**H Sub for SB 294 – Uniform Commercial Code Fee Fund:**

**Statutory History:** SB 366 was passed in 2000; section 134 described the procedure for monetary remittance to the state treasurer by the secretary of state.

Today, KSA 75-448 creates the uniform commercial code (UCC) fee fund. The secretary of state shall remit to the state treasurer, at least monthly, all fees earned from the providing of information regarding Article 9, chapter 84 of the Kansas statutes (UCC). Upon receipt, the treasurer shall deposit the entire amount in the state treasury and credit 10% of the amount to the state general fund and the remaining balance to the secretary of state under the UCC fee fund (note: for FY 2010 and FY 2011, the split was 20% to the state general fund, but the passage of SB 229 modified the share to the current 90/10 split). All expenditures of money from the UCC fee fund must be approved by the secretary of state or a person designated by that office.

Additionally, if information regarding filings in the office of the secretary of state is provided by a register of deeds, the fee to be collected is an amount fixed by rules and regulations adopted by the secretary of state. These rules and regulations shall specify the amount the register of deeds shall remit to the county treasurer for deposit into the county general fund. The register of deeds remits at least monthly the remainder of all such fees collected to the state treasurer. The state treasurer shall deposit the entire amount in the state treasury and shall credit 10% of the amount to the state general fund and the remainder to the secretary of state under the UCC fee fund.

The economy and electronic filings have a large impact on this fund. The agency tracks the receipts on a monthly basis as well as annually and uses these trends to project the annual revenue for the budget. A balance of approximately \$400,000 in this fund is needed to protect the program during volatile economic times. It is important that additional money not be transferred to the SGF. In FY 2010, \$141,425 was transferred to the SGF and in FY 2012 another \$200,000 was transferred to the SGF as a result of legislative action. The transfer had a detrimental impact on the balance of this fund.

	Estimated Receipts			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Uniform Commercial Code Fee Fund (2664)	\$ 79,557	\$ 69,488	\$ 72,002	\$ 74,485



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**H Sub for SB 294 – Technology Communication Fee Fund:**

**Statutory History:** SB 499 was passed in 2002 which established the technology communication fee fund.

Today, KSA 75-444 creates the technology communication fee fund. The secretary of state shall charge a technology communication fee, established by rules and regulations but not exceeding \$5, in addition to any filing fees, to cover the cost of technology systems that will support services provided pursuant to the uniform electronic transactions act and amendments thereto. The statute holds that all monies received by the secretary of state under this provision shall be remitted to the state treasurer at least monthly. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited to the secretary of state under the technology communication fee fund. All expenditures of money from this fund must be approved by the secretary of state or a person designated by that office.

Receipts are tracked monthly as well as annually. Revenue projections are based on these receipt trends, the economy, and the volume of documents filed electronically (in many cases the electronic fee is lower). It is important that the balance of this fund be \$500,000 or more.

	<b>Estimated Receipts</b>			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Technology Communication Fee Fund (2672)	\$ 1,277,469	\$ 1,340,195	\$ 1,385,127	\$ 1,432,889

**Narrative Information—DA 405**

Division of the Budget  
State of Kansas

Agency Secretary of State \_\_\_\_\_  
Program Agency SOS \_\_\_\_\_

**H Sub for SB 294 – Athlete Agent Registration Fee Fund:**

**Statutory History:** SB 61 was passed in 2003, enacting the uniform athlete agents act; amending KSA 2002 Supp. 45-221 and repealing the existing section, also repealing KSA 44-1501 thru 44-1505, 44-1507 thru 44-1511, KSA 44-1513 thru 44-1515; KSA 2002 Supp. 44-1506 and KSA 44-1512.

Today, KSA 44-1533 creates the athlete agent registration fee fund. All moneys credited to the athlete agent registration fee fund shall be used for the expenses incurred for the performance of the duties and functions of the secretary of state under the uniform athlete agent act. The statute holds that all monies received by the secretary of state under this provision shall be remitted to the state treasurer. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited to the secretary of state under the athlete agent registration fee fund. All expenditures of money from this fund must be approved by the secretary of state or a person designated by that office.

Revenue projections are based on receipt trends from previous years.

	<b>Estimated Receipts</b>			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Athlete Agent Registration Fee Fund (2674)	\$ 18,497	\$ 17,738	\$ 17,297	\$ 17,894

**Narrative Information—DA 405**

Division of the Budget  
State of Kansas

Agency Secretary of State \_\_\_\_\_  
Program Agency SOS \_\_\_\_\_

**H Sub for SB 294 – State Flag and Banner Fund:**

**Statutory History:** HB 136 was passed in 1953 and initially created an act to provide for the purchase, sale, and distribution of state flags and banners by the secretary of state. The statute was amended in 2001 to comply with the provisions of KSA 75-4215: Remittance of state moneys.

Today, KSA 75-420 creates the state flag and banner fund. The statute holds that all moneys collected from the sale of Kansas state flags and banners shall be remitted by the secretary of state to the state treasurer. Upon receipt of said money, the state treasurer will then deposit the entire amount in the treasury, but the money shall be credited to the secretary of state under the state flag and banner fund. Revenue projections are based on receipt trends from previous years.

	<b>Estimated Receipts</b>			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
State Flag and Banner Fund (5130)	\$ 17,527	\$ 6,905	\$ 7,000	\$ 7,200

**Narrative Information—DA 405**

State of Kansas

Program HAVA\_\_\_\_\_

**H Sub for SB 294 – HAVA ELVIS Fund:****Statutory History:** The fund was created and implemented through a state appropriations bill for the receipt of county money relating to the statewide voter registration system (ELVIS).

<b>Estimated Receipts HAVA ELVIS Fund 2353</b>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 511	\$ 11,464	\$ 18,000	\$ 19,000
Other Income	\$ 0	\$ 0	\$ 0	\$ 0
Transfer to 2702 (Democracy Fund)	\$ 0	\$ 0	\$ 0	\$ 0

## Narrative Information—DA 405

State of Kansas

Program HAVA\_\_\_\_\_

### H Sub for SB 294 – Democracy Fund:

**Statutory History:** Federal law (Public Law 107-252, Help America Vote Act of 2002) required that a state fund be established for this provision. The fund was created and implemented through a state appropriations bill. It is for the receipt of matching monies required for the implementation of HAVA Title III activities.

Pursuant to P.L. 107-252, interest must be earned on all matching funds associated with HAVA as well as the federal dollars. In May 2008, the agency was notified by the U.S. Election Assistance Commission (“EAC”) that it was in violation because the SGF matching fund was not receiving interest. The Secretary of State’s office worked with Legislative Research, Division of Budget and Division of Accounts and Reports to correct this deficiency. Because it was not the intent of the legislature to be in violation of federal law, the remaining SGF appropriation in HAVA match fund 1000-0500 were transferred to the Democracy Fund 2702-2400 which allows interest earnings. All matching funds are now deposited in the Democracy Fund.

The state match for the 2020 HAVA Election Security grant was transferred to the Democracy Fund from SGF totaling \$981,899. An additional amount was awarded to the state, increasing the state match requirement by \$3,085. This amount was transferred to the Democracy Fund at the beginning of FY 2022. In 2022 and 2023, the agency received \$1,000,000 for each year of Election Security grants from the EAC. The \$2,000,000 amount required a state match of 20%. As of July 1, 2023, the matching funds of \$400,000 were provided by the legislature from SGF.

	Estimated Receipts Democracy Fund 2702			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 1,464	\$ 33,547	\$ 50,000	\$ 52,000
Other Income	\$ 0	\$	\$ 400,000*	\$ 0
Transfer from 2353 (HAVA ELVIS)	\$ 0	\$ 0	\$ 0	\$ 0

\*NOTE: As of the submission of this narrative, the state match of \$400,000 was provided.

**Narrative Information—DA 405**

State of Kansas

Program HAVA\_\_\_\_\_

**H Sub for SB 294 – HAVA Federal Fund – FFY 03:**

**Statutory History:** Federal law (P.L. 107-252, Help America Vote Act of 2002) required that a state fund be established for this provision. The fund was created and implemented through a state appropriations bill for the receipt of the original federal appropriation which did not require a state match.

	<b>Estimated Receipts HAVA Fed Fund 3283-3283 (was 3091-3000)</b>			
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 2,911	\$ 63,838	\$ 65,000	\$ 52,500
Other Income	\$ 0	\$ 0	\$ 0	\$ 0
<b>Effective July 1, 2010 became fund 3283-3283</b>				

**Narrative Information—DA 405**

State of Kansas

Program HAVA\_\_\_\_\_

**H Sub for SB 294 – HAVA Federal Fund – FFY 04 – Match Required:**

**Statutory History:** Federal law (P.L. 107-252, Help America Vote Act of 2002) required that a state fund be established for this provision. The fund was created and implemented through a state appropriations bill for the receipt of a federal appropriation for the implementation of Title III activities.

<b>Estimated Receipts</b>				
<b>HAVA Fed Fund FFY 04 – Match Required 3091-3010</b>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 250	\$ 5,728	\$ 5,000	\$ 4,000

**H Sub for SB 294 – HAVA Federal Fund – FFY 03 – Match Required:**

**Statutory History:** Federal law (P.L. 107-252, Help America Vote Act of 2002) required that a state fund be established for this provision. The fund was created and implemented through a state appropriations bill for the receipt of a federal appropriation for the implementation of HAVA Title III activities.

<b>Estimated Receipts</b>				
<b>HAVA Fed Fund FFY 03 – Match Required 3091-3005</b>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 319	\$ 7,303	\$ 7,000	\$ 5,000
Transfer from 3091-3015	\$ 0	\$ 0	\$ 0	\$ 0

**Narrative Information—DA 405**

State of Kansas

Program HAVA\_\_\_\_\_

**HAVA Election Security Fund – FFY 18 – Match Required:**

**Statutory History:** In 2018, Congress passed, and President Trump signed, H.R. 1625 (P.L. 115-141), the 2018 Congressional Appropriations Act. Section 501 made available to the states grant money to improve the administration of elections for Federal office, including to enhance election technology and make election security improvements, as authorized by the Help America Vote Act (sections 101, 103, and 104). The Act requires the states to create a matching fund within two years after receiving HAVA payments. Kansas’s required matching amount is \$219,180 (5% of the \$4,383,595 HAVA granted funds). The certification from Kansas is that it will use the grant for activities consistent with Section 906 of HAVA and not inconsistent with the requirements of Title III of HAVA.

In December 2019, Congress passed, and President Trump signed, H.R. 1158 (P.L. 116-93), the 2020 Congressional Appropriations Act. This act appropriated an original amount of \$4,909,494 to Kansas for election security. The original required state match requirement was \$981,899, or 20% of the grant. In August 2020, the Election Assistance Commission (EAC) awarded an additional \$15,427 in 2020 HAVA Election Security grant funding to Kansas. The revised grant total is \$4,924,921 with a revised total state match requirement of \$984,984. The Secretary of State received the original state match in FY 2021 from the Legislature in State General Funding. The remaining \$3,085 SGF was received in FY 2022.

At the beginning of FY 2021, the Election Assistance Commission (EAC) allowed for the 2018 and 2020 funds to be combined into one fund. The following shows the funds combined as the HAVA Election Security Fund. The agency received \$4.9 million in revenue for FY 2021 is the grant transfer for the combination of funds.

In 2022 and 2023, the agency received \$1,000,000 for each year of Election Security grants from the EAC. The \$2,000,000 amount required a state match of 20%. As of July 1, 2023, the matching funds of \$400,000 were provided by the legislature from SGF in the Democracy Fund.

<b>Estimated Receipts 2018 HAVA Election 3956-3956</b>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Interest	\$ 7,441	\$ 171,907	\$ 220,000	\$ 190,000
Federal Operating Grant	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0