

DEPARTMENT OF STATE - SECRETARY OF STATE

A.R.S. § 41-121

The Honorable Betsey Bayless, Secretary of State

JLBC Analyst: Lynne Smith

General Fund	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
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Program Summary

Constitution and Administration	674,900	705,000	719,100	732,400
Business Services	450,200	574,900	599,900	598,700
Public Services	781,200	768,600	805,300	793,800
Elections	666,400	2,374,300	3,972,900	3,889,100
Total Appropriations	2,572,700	4,422,800	6,097,200	6,014,000

Expenditure Detail

FTE Positions	38.0	38.0	39.0 ^{1/}	39.0 ^{1/}
Personal Services	857,000	972,600	1,006,600	1,026,600
Employee Related Expenditures	180,500	197,500	209,900	220,500
Professional and Outside Services	75,300	78,000	98,000	78,000
Travel - In State	1,400	4,500	4,500	4,500
Travel - Out of State	8,300	9,500	9,500	9,500
Other Operating Expenditures	751,300	746,400	785,800	785,800
Equipment	32,500	40,000	10,000	0
Operating Subtotal	1,906,300	2,048,500	2,124,300	2,124,900
Elections	666,400	2,374,300	3,972,900 ^{2/}	3,668,800
Total	2,572,700	4,422,800	6,097,200	5,793,700

Additional Appropriations -

Ballot Pamphlets; Judicial				
Performance Reviews, Ch. 268	0	0	0	220,300 ^{3/}
Total Appropriations	2,572,700	4,422,800	6,097,200^{4/}	6,014,000^{4/}

Agency Description — *The Secretary of State is an elected Constitutional Officer. The Department of State is responsible for recordings and filings under the Uniform Commercial Code (U.C.C.); coordinating statewide elections; receiving required filings from legislators, state officials, judges, candidates for office, campaign committees, and lobbyists; training county elections officials; implementing the requirements of Proposition 200 regarding campaign contributions; receiving filings of administrative rules, intergovernmental agency agreements, and official executive orders/proclamations; registering trade names, trademarks and limited partnerships; appointing notaries public; and certifying certain telemarketing and charitable solicitation organizations.*

Workload — The approved FY 2000 amount includes an increase of \$2,200 for operating costs associated with issuing notary commissions and \$35,000 for printing and postage. These amounts are continued in FY 2001. Over the last 4 years, the number of notary commissions annually issued by the department has approximately tripled, from 6,600 to 19,600. In addition, the number of

Landlord-Tenant Act copies distributed by the department has increased by 68%, from 65,600 to 110,000.

Blue Book — The FY 2000 amount includes one-time funding of \$35,000 for the periodic reprinting of the Arizona Blue Book.

^{1/} Includes 8 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

^{2/} Laws 1999, Chapter 268 transfers \$19,500 from the Supreme Court to the Secretary of State. The amount shown reflects the appropriation after the transfer. The \$19,500 is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (See the *Additional Appropriations discussion for information*.)

^{3/} Laws 1999, Chapter 268 exempts this appropriation from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

^{4/} Funds are appropriated as an Operating Lump Sum with Special Line Items by Agency by Laws 1999, Chapter 330. This replaces funding originally appropriated in Section 92 of the General Appropriation Act, which was line item vetoed by the Governor.

DEPARTMENT OF STATE – SECRETARY OF STATE (Cont'd)

<u>Elections Special Line Item</u>	<u>FY 2000 Appropriation</u>	<u>FY 2001 Appropriation</u>
Elections Program Operating Budget	\$ 944,300	\$ 955,300
Replace High Volume Copier	-0-	100,000
Subtotal Elections Operating Budget	944,300	1,055,300
Presidential Preference Primary (Feb. 2000)	3,009,100	-0-
State Elections (Sept. 2000 Primary and Nov. 2000 General)	-0-	1,457,700
Mailing Pamphlets (Chapter 268)	19,500	220,300
Demographic Increase	-0-	754,500
Open Primary Cost Increase	-0-	401,300
Subtotal Statewide Primary and General Election	19,500	2,833,800
Total - Elections Special Line Item	\$3,972,900	\$3,889,100

Elections — The Special Line Item funds the state’s costs for primary and general elections, including overtime, temporary personnel, printing and mailing publicity pamphlets for ballot proposals, and printing and mailing sample ballots. This line also funds the Presidential Preference Primary every 4 years.

The table above shows the costs associated with the Elections Special Line Item. These costs are further discussed in the “Presidential Preference Primary,” “State Elections,” “Equipment,” and “Additional Appropriations” descriptions that follow.

Presidential Preference Primary — The FY 2000 appropriation includes one-time funding of \$3,009,100 for a Presidential Preference Primary, as required by A.R.S. § 16-241. The approved amount includes \$2,531,000 for reimbursement of county expenses and \$478,100 for direct expenditures by the Secretary of State’s office. This is based on the Republican and Democratic parties participating in the primary and an estimated 2 million total voters registered in these parties.

State Elections — Due to the biennial election cycle, the FY 2000 appropriation includes a reduction of \$(1,457,700) to eliminate FY 1999 election costs for the primary and general election in 1998. For FY 2001, the amount restores the \$1,457,700, adds \$401,300 for increased reimbursements to counties resulting from the new open primary system, and adds \$754,500 to allow for a 9.5% annual increase in voters and related expenditures for the primary and general election in 2000.

The FY 2000 appropriation also adds 1 FTE Position and \$94,300 for a Voter Outreach Director. This amount is continued in FY 2001.

Equipment — The FY 2000 appropriation includes a total of \$10,000 to replace a 6-year-old fax/copy machine. This will enable the Business Services Division to provide documents requested by the public. This FY 2000 amount represents a decrease of \$(30,000) after the elimination of one-time FY 1999 equipment. In addition to the appropriated amount, the department will use approximately \$60,000 from its non-appropriated Data Processing Acquisition Fund to connect its copier to the network.

For FY 2001, the appropriation includes one-time funding of \$100,000 to replace a 6-year-old high volume copier for the Election Services program. The current copier is unable to produce under heavy workloads. After elimination of one-time FY 2000 equipment, this reflects an increase of \$90,000.

Additional Appropriations: Ballot Pamphlets; Judicial Performance Reviews, (Chapter 268) — This bill changes the distribution method for election publicity pamphlets. The Secretary of State is required to mail a pamphlet to each household with a registered voter. The pamphlet will include the report of the Commission on Judicial Performance Review for Supreme, Superior, and Appellate Court justices who are on the ballot for retention. To fund these changes, the bill transfers \$19,500 to the Secretary of State from the Supreme Court’s FY 2000 appropriation and appropriates \$220,300 from the General Fund to the Secretary of State in FY 2001. These appropriations are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

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