



2016 SUPPLEMENTAL OPERATING BUDGET

October 1, 2015



Secretary of State

Kim Wyman

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October 1, 2015

The Honorable Jay Inslee
Governor of Washington
P. O. Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

Enclosed, please find the 2016 Supplemental Operating Budget requests from the Office of the Secretary of State.

Our proposals are necessary for the effective operation of the divisions in the Secretary of State's Office. Within these requests are three Maintenance Level decision packages. These packages include one odd-year election reimbursement package, one lease adjustment package and one technical adjustment to budgeted FTE package. Please give these proposals your careful consideration.

If you have any questions, please don't hesitate to contact my Assistant Secretary of State, Mark Neary, at (360) 902-4186. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Kim Wyman".

Kim Wyman
Secretary of State



2016 SUPPLEMENTAL OPERATING BUDGET

October 1, 2015

❖ **Cover Letter**

❖ **TAB A**

- **Recommendation Summary**

❖ **TAB B**

- **Maintenance Decision Packages**
 - M1-EC Odd-Year Election Costs (Restore State Share of 2015 Election Costs)
 - M2-8V Lease Adjustments > 20,000 sq. ft.
 - M2-FT Technical Adjustment to FTE Levels
- **Policy and Performance Decision Packages**
 - No requests included in this budget

State of Washington
Recommendation Summary

2:45:45PM

Agency: 085 Office of the Secretary of State

10/1/2015

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total	310.1	38,666	61,715	100,381
Total Carry Forward Level	310.1	38,666	61,715	100,381
Percent Change from Current Biennium				
M1 EC Odd Year Election Costs		268		268
Carry Forward plus Workload Changes	310.1	38,934	61,715	100,649
Percent Change from Current Biennium		.7%		.3%
M2 8V Lease Adjustments > 20,000 sq ft.			48	48
M2 FT Technical Adjustment to FTE Levels	(34.1)			
Total Maintenance Level	276.0	38,934	61,763	100,697
Percent Change from Current Biennium	(11.0)%	.7%	.1%	.3%
Subtotal - Performance Level Changes	0.0			
2015-17 Total Proposed Budget	276.0	38,934	61,763	100,697
Percent Change from Current Biennium	(11.0)%	.7%	.1%	.3%

M1 EC Odd Year Election Costs

The State of Washington is required to assume a prorated share of the costs of the state Primary and General Election in odd numbered years (RCW 29A.04.420). The Office of the Secretary of State's (OSOS) budget includes a \$3,301,000 proviso to reimburse counties for the state's share of 2015 election costs. This proviso is not enough to cover the state's share of estimated costs. Estimates indicate that the OSOS will need an additional \$267,505 to cover the state's share.

M2 8V Lease Adjustments > 20,000 sq ft.

The Office of the Secretary of State leases several facilities which are negotiated through the Department of Enterprise Services (DES). The current lease on 7821 Arab Drive SE Tumwater, WA is an annual lease that will end December 31, 2015. Records Center overflow is moving from this facility to a larger facility at 8009 River Drive SE, Unit D, Olympia, WA 98512. The lease increase is approximately \$24,000 per year. This package will make the necessary lease adjustments starting January 1, 2016 on this facility as well as cover the carry forward lease increase.

M2 FT Technical Adjustment to FTE Levels

The Office of the Secretary of State (OSOS) has experienced many changes with the absorption of programs as well as significant budget cuts to all programs within the OSOS. Now that the budget is more stable, we believe that this is the best time to align our FTE count to our funding levels. For this reason we are submitting a technical adjustment to decrease our FTE count from biennial average of 310.1 to 276.

Agency: 085 Office of the Secretary of State
Decision Package Code/Title: EC Odd Year Election Costs
Budget Period: 2015-17
Budget Level: M1 - Mandatory Caseload and Enrollment Changes

Recommendation Summary Text:

The State of Washington is required to assume a prorated share of the costs of the state Primary and General Election in odd numbered years (RCW 29A.04.420). The Office of the Secretary of State's (OSOS) budget includes a \$3,301,000 proviso to reimburse counties for the state's share of 2015 election costs. This proviso is not enough to cover the state's share of estimated costs. Estimates indicate that the OSOS will need an additional \$267,505 to cover the state's share.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	267,505	0	267,505
Total Cost	267,505		267,505

Package Description:

As required by RCW 29A.04.420, whenever state officers or measures are voted upon at a state primary or general election held in an odd numbered year, the state of Washington shall assume a prorated share of the costs of that state primary and general election.

There is no reliable way to predict in advance how many state offices or ballot measures may appear on the ballot in an odd numbered year.

The 2015 election cycle required the Office of the Secretary of State to open filing and conduct primaries for two legislative district positions to fill seats for unexpired terms in Legislative District No. 9 and Legislative District No. 30. Legislative District No. 9 encompasses Adams, Asotin, Franklin, Garfield, Spokane, and Whitman Counties; and Legislative District 30 encompasses portions of both King and Pierce Counties. In addition, the Legislative District No. 9 seat required a mandatory recount.

The OSOS requests an additional \$267,505 in FY16 to cover the state's share.

Agency Contact:
Allyson Ruppenthal
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allyson.ruppenthal@sos.wa.gov

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The outcome of this request will be that the state will perform its legal obligation to reimburse counties for the state's share of the odd year election costs. There is no specific performance measure tied to this package.

Performance Measure Detail

Activity: A014 State Share Election Cost Reimbursements

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request is essential to implementing a strategic priority in OSOS's strategic plan because reimbursing the counties for the state's odd numbered year costs meets four out of five goals of the Elections Division:

Goal 1: Improve processes to protect and increase accuracy in elections administration.

Goal 2: Maximize the informed participation of all eligible voters in elections.

Goal 3: Safeguard the transparency of elections in Washington.

Goal 4: Increase accessibility of elections to all who are eligible.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This request provides essential support to the Governor's Results Washington Goal 5: Efficient, Effective, and Accountable Government by ensuring voters of the State of Washington have access to the state's democratic processes and government accountability for elections related information.

What are the other important connections or impacts related to this proposal?

All 39 counties will be reimbursed a prorated share of the costs of primary and general elections in odd numbered years. Overall, the state does not reimburse counties for most state election costs since the state does not reimburse for even numbered year elections. The even numbered year is when all state and federal candidates appear on the ballot, making even numbered years more costly.

County governments, particularly County Auditors, would strongly support a proposal that required the state to continue to pay the state's share in the odd numbered years.

What alternatives were explored by the agency, and why was this alternative chosen?

The state is required to pay its share as determined by each county. If not paid within 30 days of invoice, the state will pay interest on delayed payments.

The only other alternative for reducing expenditures for the state's share of election costs that does not risk the state incurring interest charges is to eliminate the requirement that the state reimburse counties for its share. The Secretary will not propose such a change.

Counties cannot absorb the full cost of the 2015 Primary and General in their budgets this late in their budget year. The state already does not reimburse counties for most state election costs because the state does not reimburse for even numbered year elections, when all state and federal candidates appear on the ballot. County governments, and County Auditors in particular, would strongly oppose a proposal that repeals the requirement that the state pay its share in the odd numbered year.

What are the consequences of adopting or not adopting this package?

The Office of the Secretary of State does not have the funds in its base budget of \$3,301,000 to reimburse the counties. The Secretary (and the State of Washington) would be in violation of RCW 29A.56.060. If not paid within 30 days of invoice, the state will pay interest on delayed payments.

This request is essential to implementing the strategic priorities in the Office of the Secretary of State's strategic plan because it ensures counties will be reimbursed for the state's share of the cost of conducting odd numbered year Primary and General Election.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

This supplemental request is solely to reimburse the counties for their election and/or recount costs. Estimates as provided by each county for these reimbursements total \$267,505, and break out as follows:

****See Attached Table****

The following represents the state's share in past odd numbered year elections:

2013 General:	\$3,147,465
2013 Primary:	\$277,638
2011 General:	\$2,580,907
2011 Primary:	\$1,304,638
2009 General:	\$2,223,553
2009 Primary:	\$1,356,193

Funds in this decision package are appropriated in a proviso.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The requested funds will not carry forward to the 2017 2019 biennium; this is a "one time" request that will be made in each biennium to cover odd year election costs.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Benefits & Client Services	267,505		267,505



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County	District/Position	Registered Voters in District	Cost Estimate
Adams	9 th Leg. Dist. Rep. Pos. 1	6,275	\$18,200
Asotin	9 th Leg. Dist. Rep. Pos. 1	13,417	\$13,000
Franklin	9 th Leg. Dist. Rep. Pos. 1	21,348	\$52,000
Garfield	9 th Leg. Dist. Rep. Pos. 1	1,522	\$1,000
King	30 th Leg. Dist. Rep. Pos. 2	63,629	\$100,000
Pierce	30 th Leg. Dist. Rep. Pos. 2	3,472	\$4,305
Spokane	9 th Leg. Dist. Rep. Pos. 1	5,678	\$15,000
Whitman	9 th Leg. Dist. Rep. Pos. 1	20,552	\$64,000
Total Estimated Costs			\$267,505

Agency: 085 Office of the Secretary of State
Decision Package Code/Title: 8V Lease Adjustments > 20,000 sq ft.
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Office of the Secretary of State leases several facilities which are negotiated through the Department of Enterprise Services (DES). The current lease on 7821 Arab Drive SE Tumwater, WA is an annual lease that will end December 31, 2015. Records Center overflow is moving from this facility to a larger facility at 8009 River Drive SE, Unit D, Olympia, WA 98512. The lease increase is approximately \$24,000 per year. This package will make the necessary lease adjustments starting January 1, 2016 on this facility as well as cover the carry forward lease increase.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
006-1 Public Records Efficiency, Preserva-State	23,827	24,154	47,981
Total Cost	23,827	24,154	47,981

Revenue	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
Fund Source			
006-1 Public Records Effic 0420 Charges for Services	23,827	24,154	47,981
Total Revenue	23,827	24,154	47,981

Package Description:

The Archives division of the Secretary of State's Office utilizes 7821 Arab Drive SE Tumwater, WA as an overflow records storage facility because the State Records Center is full. The Arab Drive facility is being replaced by a more efficient storage facility located at 8009 River Drive SE, Unit D, Olympia, WA 98512.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To have adequate funds to pay the facilities leases.

Performance Measure Detail

Activity: A024 Coordinate the Cost-Effective Management of State and Local Records

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request is essential to implementing several strategic priorities in the Office of the Secretary of State's strategic plan because the Archives building has been full since 2005 and the State Records Center has filled up quickly with both archival and short term records.

Our previous alternative storage location used an inefficient storage model, therefore we identified comparable facilities with more efficient space utilization. The goal of the Secretary of State is to encourage agencies to move towards electronic records and records storage, but during this transitional time, additional space is needed.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This request provides essential support to the Governor's Results Washington Goal 5: Efficient, Effective, and Accountable Government by providing records storage space for essential state records.

What are the other important connections or impacts related to this proposal?

The Archives Division Records Center is essential as a storage facility for imperative government documents. Without the Archives Division Records Center, the state agencies would be required to store their own records which would be very costly for the state. The high bay storage that the Records Center offers is radically less expensive than typical office or warehouse storage.

What alternatives were explored by the agency, and why was this alternative chosen?

The Office (OSOS) planned to build a Library/Archives Building with dedicated fees to house both the State Library and State Archives. However, the COP to finance was not issued and the Office is exploring alternative locations for construction.

What are the consequences of adopting or not adopting this package?

Without adequate funding to pay the leases, the Archives records center would not have adequate storage space for agencies records. Requiring agencies to store their own records is inefficient and more expensive than the records center mass storage facility.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

See the Facilities Lease Related worksheet attached for calculations.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs would be ongoing at the fiscal year 2017 amount per year into future biennia and any changes made by DES to the lease would be made in a budget request.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	23,827	24,154	47,981

	Code	Title
AGENCY	085	Secretary of State (OSOS)

**CURRENT AND PROJECTED LEASED FACILITY COSTS
FOR FACILITY LEASE-RELATED DECISION PACKAGE 8V**

DATE

ACTION	STREET ADDRESS	CITY	SPACE TYPE	SQUARE FEET	LEASE START DATE	LEASE END DATE	SERVICES INCLUDED IN THE LEASE	FY16 FUNDED LEVEL	RENEWAL INCREASE	PROJECTED COSTS FY16	PROJECTED COSTS FY17	FY16 NEED	FY17 NEED	REQUESTED ONE-TIME COSTS	NOTES/ ASSUMPTIONS
Facility Move (new building)	8009 River Drive SE, Unit D, Olympia, WA 98512	Tumwater	730	25,000	7/1/2015	6/30/2020		\$47,001		\$129,251	\$141,000	\$82,250	\$141,000		One-time funding was appropriated in BI 13-15 and moved to BI 15-17 for the move itself and part of the additional lease costs. First month's lease was \$1 and \$11,750 per month thereafter.
Facility Move (old building)	7821 Arab Drive SE	Tumwater	730	20,956	7/1/2015	12/31/2015		\$116,846		\$58,423	\$0	-\$58,423	-\$116,846		Moving into alternate records center overflow facility.

\$23,827 \$24,154

\$47,981 BI 15-17 Total

Agency: 085 Office of the Secretary of State
Decision Package Code/Title: FT Technical Adjustment to FTE Levels
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Office of the Secretary of State (OSOS) has experienced many changes with the absorption of programs as well as significant budget cuts to all programs within the OSOS. Now that the budget is more stable, we believe that this is the best time to align our FTE count to our funding levels. For this reason we are submitting a technical adjustment to decrease our FTE count from biennial average of 310.1 to 276.

Fiscal Detail

Operating Expenditures				<u>Total</u>
Total Cost				
Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs		-33.2	-35.0	-34.1

Package Description:

This package is to make a technical adjustment to the OSOS FTE levels to a biennial average of 276.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This package will allow OSOS to align our budgeted FTE with our current levels.

Performance Measure Detail

Activity:	A002 Executive and Administrative Services	Incremental Changes
	No measures submitted for package	
Activity:	A011 Corporations, Partnerships, and Apostilles Services	Incremental Changes
	No measures submitted for package	

Activity: A012 Archives Collections and Services

Incremental Changes

No measures submitted for package

Activity: A019 Improve Access to State and Local Government Records

Incremental Changes

No measures submitted for package

Activity: A024 Coordinate the Cost-Effective Management of State and Local Records

Incremental Changes

No measures submitted for package

Activity: A029 Voter Registration and Initiative Services

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This package is a technical adjustment to align our budgeted FTE to our actual FTE plan.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This request provides essential support to the Governor's Results Washington Goal 5: Efficient, Effective, and Accountable Government by better aligning our budget FTE in our office.

What are the other important connections or impacts related to this proposal?

If this decision package is not adopted, then the OSOS will continue to have higher than necessary FTE-related central services charges.

What alternatives were explored by the agency, and why was this alternative chosen?

N/A.

What are the consequences of adopting or not adopting this package?

This decision package does not contain a funding component.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

N/A.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Technical FTE adjustment creates a new on-going FTE count.