

Table of Contents
Office of the Minnesota Secretary of State

<i>Agency Profile</i>	1
<i>Agency Expenditure Overview</i>	6
<i>Agency Financing by Fund</i>	7
<i>Agency Change Summary</i>	9
<u>Additional Documents</u>	10
<i>Change Item Request - Operating Adjustment</i>	10
<i>Change Item Request - Election Administration and Voter Information</i>	13
<i>Change Item Request - Costs Associated with Safe at Home Division Growth</i>	16
<i>Change Item Request - Expanding Business Services Customer Communication and Outreach</i>	19
<i>Change Item Request - Enhancing Office Physical Security</i>	22
<i>Change Item Request - Diversity, Equity, Accessibility, and Inclusion Coordinator</i>	24
<i>Change Item Request - 2022 HAVA Election Security Funds State Match</i>	26
<i>Change Item Request - Redistricting Litigation Fees</i>	28

<http://www.sos.state.mn.us/>

AT A GLANCE

- Over 92,000 new business filings processed in FY 2021
- 3.56 million registered voters in Statewide Voter Registration System as of August 2022
- Support local election officials in conducting:
 - 2,000 township elections annually
 - 900 city elections (2 year cycle)
 - 300 school district elections (2 year cycle)
 - 200 other elections (2 year cycle)
- 13,000 applicants and participants served by the Safe at Home program as of July 2022
- 4,186 Official Documents filed in FY 2021
- Contribute nearly \$27 million to the general fund each biennium

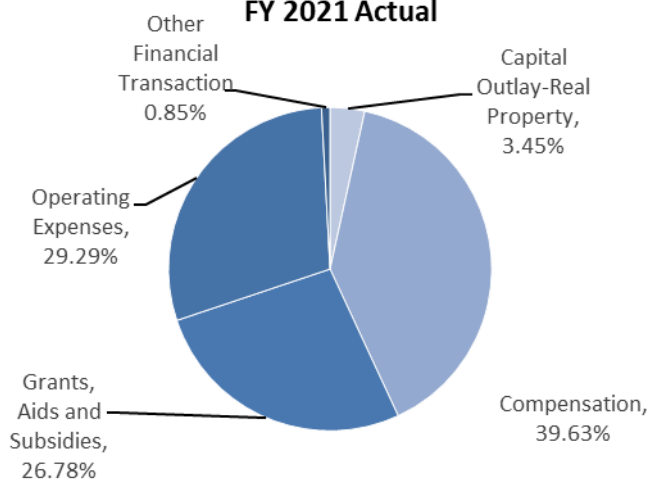
PURPOSE

The Office of the Secretary of State is a constitutional office headed by the independently-elected Secretary of State. As the chief election official in Minnesota, the Secretary of State oversees the administration of elections, and promotes voting and civic engagement. The Secretary of State also facilitates commerce, maintains the records of the state, and provides key services for those who fear for their safety through administering Safe at Home address confidentiality services. The Secretary of State serves on the State Board of Investment, the Executive Council, and other specified boards.

The Secretary of State partners with local election officials to conduct elections that are fair, accurate, secure, and transparent by providing quality customer service and making it easy to search records of active businesses in Minnesota. The Office has made it easier for citizens and businesses to interact with the Office by developing online services for voters, businesses, and those interested in Open Appointments. The Address Confidentiality Division, known as Safe at Home, provide critical services to survivors of domestic violence and others who fear for their safety.

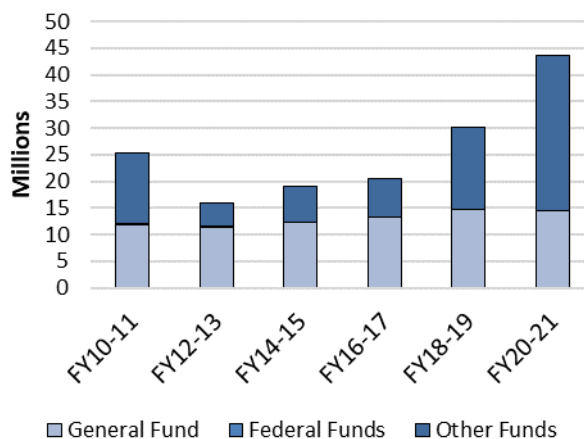
BUDGET

**Spending by Activity
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

The core functions of the Office are:

- **Election Administration:** Administer and oversee Minnesota's elections
- **Safe at Home:** Administer Minnesota's address confidentiality services
- **Business Services:** File business documents, record liens, and retrieve both on demand; issue notary public commissions
- **Administration:** Safeguard, record, and retrieve government documents; run the State of Minnesota's Open Appointments process

Election Administration

A core function of the Office of the Secretary of State is to administer and oversee elections statewide. There are approximately 2,700 elections held annually in Minnesota, serving over three and a half million registered voters. In partnership with local election officials, the Office's Elections Division works to ensure that every eligible vote is properly cast, counted, and reported.

The Office partners with local election officials at the county, city, school district, and township levels to conduct elections in the state. Prior to the adoption, use, or purchase of voting equipment, the Office must examine and certify each type of voting system. The Office's Elections Division is responsible for conducting the examination and providing this certification. In addition, the Office provides the backbone of the elections system by developing and securing key election databases, specifically the Statewide Voter Registration System, which includes records for all of the state's over 3.56 million registered voters and the Election Reporting System, through which vote totals are reported. At the conclusion of any multi-county election, county canvassing board reports are reported to the State Canvassing Board for certification. The Secretary of State serves as chair of the board, with the Office's Elections Division preparing the canvassing board report, and testifying on the results before the board.

The Office provides training and support to local election officials and has developed online tools, including online voter registration, online absentee ballot requests, and online lookup tools, to provide convenience to voters and cost savings to local election officials. The Office also invests significant time and resources to protect these online tools and databases, particularly in light of the increased cybersecurity threats to election infrastructure and the designation of elections infrastructure as critical infrastructure following the 2016 election. In 2015, the Office established an IT security team, which has on average blocked over 27,000 potentially malicious IP addresses a month, and over 100 potentially malicious behavior-based IP addresses a month. The Office also maintains an Election Security Navigator program to help assist counties and local governments in protecting election infrastructure at the local level, by providing both IT security and physical security resources, guidance, and financial support through the administration of federal grants.

Every ten years, the Elections and Administration Divisions play an integral role in the redistricting process. The Elections Division provides extensive technical guidance and support to counties to facilitate the redistricting process at the local level. Additionally, the Office provides instructions and support to counties to reconfigure the state voter registration database to reflect the boundary changes made in redistricting. The Administration division participates in redistricting by filing the resolutions and maps received by local governments of their final redistricting plan.

Increasingly, the Elections Division has overseen the creation of multiple grant programs to improve Minnesota's election system. These grant programs include Help America Vote Act security grants to improve the physical security, cyber security, and accessibility of local elections systems; a drop box grant program to facilitate the establishment of secure absentee and mail drop boxes; and two separate grant programs to fund the replacement of outdated elections equipment at the local level. The Office processed and issued over \$4.5 million in grant funding to local governments in FY22 for the improvement of Minnesota's election systems.

Finally, to ensure voters have the information necessary to participate in Minnesota's election system, the Office engages in extensive efforts to provide information to Minnesotans about registration and voting by working with businesses, non-profits, service organizations, schools, and others throughout the state.

Safe at Home

The Address Confidentiality Services Division managed by the Office of the Minnesota Secretary of State is commonly known as Safe at Home. Designed to help people who fear for their safety, especially survivors of domestic violence and stalking, Safe at Home has been helping people maintain a confidential address since September 1, 2007. It is open to survivors of domestic violence, sexual assault, stalking, and those who otherwise fear for their safety, including law enforcement and judicial personnel.

People enrolled in Safe at Home are assigned a PO Box address to be used as their legal address. It is a tool for their safety. All private and public entities in the state of Minnesota must accept the Safe at Home PO Box address as a participant's actual address per M.S. 5B.05(a). Using the assigned PO Box, Safe at Home provides a mail forwarding service. Safe at Home receives participants' mail and forwards all First Class Mail to their physical address. Safe at Home also assists participants with their interactions with third parties should problems arise when giving the Safe at Home address to others. To facilitate this, staff work with third party stakeholders, such as county offices, utility companies, banks, and schools, to ensure legal compliance and to ensure their business practices accommodate the safety needs of Safe at Home participants. Since the program's inception, more than 13,000 participants and applicants have been served by Safe at Home and over 1,200 victim advocates have been trained by Safe at Home staff to assist with the application process.

Because the Safe at Home address is a participant's legal address, the Office accepts legal service of process for all participants. A participant's true address is known only to Safe at Home. Because of this, staff are available after hours in case of a law enforcement emergency that requires a participant's true address. If there is an emergency situation where law enforcement needs a participant's physical address, the law enforcement agency can make a data disclosure request through the Duty Officer at the Minnesota Bureau of Criminal Apprehension. Safe at Home staff are on call 24 hours a day, 7 days a week to respond to such a request if the need arises.

Minnesota's address confidentiality services are considered the strongest in the country; a position solidified when the legislature made it possible for Safe at Home participants to purchase property confidentially. As additional states establish address confidentiality services, several states, they have looked to Minnesota's services as a model.

Business Services

The Secretary of State's Business Services Division makes up more than half of the Office of the Secretary of State and provides customer service and filing services to those conducting business in Minnesota. This includes all businesses, nonprofits, newspapers, and notaries. Fees for these services add approximately \$27 million to the General Fund each biennium.

The Office's Business Services Division approves and files articles of incorporation and amendments for all business and nonprofit organizations operating in the state. It provides both online and walk-in services for those filing a business, articles, and renewals. Additionally, staff are available to assist those conducting business searches, and those ordering copies of filings and certificates. Due to the COVID-19 pandemic, in March 2020 many of the public services that were typically handled at the business services public counter transitioned to online, by mail, or paper filing. In July of 2021, the public counter reopened fully, and an appointment system was implemented to better serve Minnesotans. Following the full opening of the public counter, staff assisted over 500 customers in-person per month for the remainder of 2021. The Office has seen an increase in web filings of 18% from 410,446 filings to 485,868 filings during CY2021, as customers continue to exhibit the increase in online activity witnessed during the pandemic.

The Business Services Division records documents filed under the Uniform Commercial Code (UCC) regarding collateral pledged to secure loans and administers the Central Notification System (CNS) for farm product liens. The Division also serves to file and maintain statewide federal tax liens.

In September 2016, Secretary of State Steve Simon launched the Minnesota Business Snapshot, an initiative designed to serve Minnesotans by providing the public with data and information on the economic and demographic make-up of Minnesota's businesses. The Minnesota Business Snapshot (MBS) is a voluntary, five-question survey offered to new and existing businesses in Minnesota as they file an original filing and subsequent annual renewals or annual reinstatements. The survey was put together with the input of individual business owners, business organizations, nonprofits, and researchers from across the state.

Administration

The Secretary of State's Administration Division serves to assist the Secretary with his constitutional duties, including the administration of the Open Appointments process, certification of Official Documents, maintenance of original Chapter Laws, and service on the Executive Council, State Board of Investment, and Board of the Minnesota Historical Society.

As keeper of the Great Seal of the State of Minnesota, the Secretary certifies the authenticity of official documents, such as acts of the Legislature, and proclamations and executive orders issued by the Governor. All Official Documents are signed by the Secretary and filed by the Administration Division.

The Administration Division is the forward facing division, it communicates with the public, elected officials, and other business and advocacy groups on behalf of the Secretary of State. This includes the creation and distribution of items such as the Legislative Manual (Blue Book) and flag etiquette guide. Items such as these are provided both physically and electronically. Maintaining the Office's website is a priority of the Office, and the Office has continued to increase the number of services and information provide online.

The Administration Division is also where the Office provides information about the 256 State Boards, Commissions, Councils, Work Groups, and Task Forces that work to advise policy makers and regulate professionals. The Office communicates vacancies through a monthly Open Positions Notice which is sent to over 25,450 email addresses, and through the maintenance of an online portal for Minnesota residents to gather information and apply for vacant positions.

In addition to the work the Administration Division does to assist the Secretary and constituents, the Administration Division also provides support to the Office's other divisions in the form of scheduling, research, counseling direction, project management, record maintenance, and more.

RESULTS

The Office measures its performance by the indicators set out in the table below. Each of these measures indicates the Office's strategies are working.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of registered voters	3,529,626	3,848,041	2018/2020
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
Quantity	General Absentee Ballots Returned by Election Day	614,037	1,725,715	11/8/2016 11/3/2020
Result	General Absentee Ballots Acceptance Rate	98.64%	98.96%	11/8/2016 11/3/2020
Quantity	Number of applicants and participants served by Safe at Home in calendar year	4,351	4,589	2019/2021
Quantity	Number of underage children in Safe at Home	1,646	1,951	2019/2021
Quantity	Number of victim advocates who voluntarily partner with Safe at Home	315	311	2019/2021
Quantity	Number of active households as of last day of calendar year	1,437	1,745	2019/2021
Quantity	Number of new business filings	72,716	92,411	2019/2021
Quantity	Number of business web filings	410,446	485,868	2019/2021
Quantity	Number of business mail and counter filings	39,976	23,764	2019/2021
Quantity	Number of UCC/Tax Lien & CNS web filings	116,342	113,880	2019/2021
Quantity	Number of open appointment applications	4,871	3,578	2019/2021
Quantity	Official Documents filed	4,639	4,186	2019/2021

The following statutes provide the legal authority for the Office of the Secretary of State:

Minnesota Constitution

Minnesota Statutes, Chapter 5, 5A, 5B, 201, 202A, 203B, 204B, 204C, 204D, 206, 211A, 302A, 303, 304A, 308A, 308B, 317A, 319B, 321, 322A, 322B, 323A, 333, 336, 336A, 549.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	6,962	7,491	6,777	8,577	7,405	7,405
2000 - Restrict Misc Special Revenue	4,823	12,031	8,955	8,158	8,072	7,858
2001 - Other Misc Special Revenue	9,527	1,565	1,942	1,993	11,440	1,750
2403 - Gift		1,210	310			
Total	21,312	22,298	17,983	18,728	26,917	17,013
Biennial Change				(6,899)		7,219
Biennial % Change				(16)		20

<u>Expenditures by Program</u>						
Secretary of State	21,312	22,298	17,983	18,728	26,917	17,013
Total	21,312	22,298	17,983	18,728	26,917	17,013

<u>Expenditures by Category</u>						
Compensation	8,678	8,836	8,416	11,711	12,138	12,236
Operating Expenses	11,985	6,531	4,704	4,713	12,629	3,027
Grants, Aids and Subsidies	(163)	5,972	4,637	2,297	2,150	1,750
Capital Outlay-Real Property	677	770				
Other Financial Transaction	137	189	226	7		
Total	21,312	22,298	17,983	18,728	26,917	17,013

<u>Full-Time Equivalents</u>	85.52	86.62	81.15	93.32	93.52	93.52
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(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		209		1,156		
Direct Appropriation	10,812	8,678	10,434	8,421	9,155	9,155
Transfers In	45	220	233		122	124
Transfers Out	3,686	1,606	2,500	1,000	1,872	1,874
Cancellations		10	233			
Balance Forward Out	209		1,157			
Expenditures	6,962	7,491	6,777	8,577	7,405	7,405
Biennial Change in Expenditures				900		(544)
Biennial % Change in Expenditures				6		(4)
Full-Time Equivalents	49.97	47.60	43.17	46.67	46.87	46.87

2000 - Restrict Misc Special Revenue

Balance Forward In	9,598	25,269	19,860	15,745	12,019	8,494
Receipts	18,853	5,234	5,074	4,432	4,547	4,627
Transfers In	1,641	1,386				
Transfers Out			233			
Balance Forward Out	25,269	19,857	15,745	12,019	8,494	5,263
Expenditures	4,823	12,031	8,955	8,158	8,072	7,858
Biennial Change in Expenditures				258		(1,183)
Biennial % Change in Expenditures				2		(7)
Full-Time Equivalents	35.18	38.57	37.98	46.65	46.65	46.65

2001 - Other Misc Special Revenue

Balance Forward In	2	2,000	435	993		
Transfers In	13,941		2,500	1,000	11,440	1,750
Balance Forward Out	4,416	435	993			
Expenditures	9,527	1,565	1,942	1,993	11,440	1,750
Biennial Change in Expenditures				(7,157)		9,255
Biennial % Change in Expenditures				(65)		235
Full-Time Equivalents	0.37	0.02				

2403 - Gift

Balance Forward In			310			
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(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25	
Receipts		1,520				
Balance Forward Out		310				
Expenditures		1,210	310			
Biennial Change in Expenditures				(901)		(310)
Biennial % Change in Expenditures						
Full-Time Equivalents		0.43				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	8,421	8,421	8,421	16,842
Base Adjustments				
Current Law Base Change		(16)	(16)	(32)
Biennial Appropriations		750	750	1,500
Forecast Base	8,421	9,155	9,155	18,310
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	8,158	8,072	7,858	15,930
Forecast Base	8,158	8,072	7,858	15,930
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	4,432	4,547	4,627	9,174
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	19,468	18,721	20,039	38,760

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	316	448	316	448
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	316	448	316	448
FTEs	0	0	0	0

Request:

The Office of the Secretary of State seeks an additional \$764,000 in the FY2024-25 biennium to maintain existing staffing levels and allow the Office to continue to provide current levels of service and information to the public. This would result in a 5.2% increase to the Office’s biennial general fund appropriation.

Rationale/Background:

Each year, operating costs such as rent and lease, utilities, and IT continue to grow. In addition to these operating costs, salary and compensation-related costs and healthcare contributions increase annually. In addition, costs related to materials and supplies, such as postage and paper, continue to rise. Since 2019, the volume of mail that Safe at Home processes has increased 22%. Because mail volume increases, postage costs increase annually. Additionally, postage rates set by USPS rise twice a year. The estimated cumulative increase for postage costs is 3.5% each year.

Over the years, the Office has been able to work with less, maintaining the services Minnesotans have come to expect of the Office. But growth in these costs has reached a point where the Office will not be able to maintain current levels of service without additional resources.

If an operational increase is not provided, the services the Office provides to Minnesotans will be impacted. Some examples include:

- Fewer staff resources available to help Minnesota business owners register their business, resulting in a possible decrease of the Office’s net contribution of over \$27 million to the General Fund each biennium.
- Fewer staff resources available to assist counties, cities, and townships conduct their elections.
- Insufficient resources in the Safe at Home Program, resulting in reduced capacity to assist those who fear for their safety.
- Decreased capacity to safeguard, record, and retrieve government documents in a timely manner.

Proposal:

The Office of the Secretary of State proposes an operating increase of \$764,000 in the FY2024-25 biennium to maintain the Office’s delivery of current services.

The proposed budget increase is intended to address inflation and other economic factors that drive the Office’s costs and allow the Office of the Secretary of State to continue to provide the quality experience, services, programs, and information that Minnesotans expect. This funding would cover current employee compensation

growth, including anticipated compensation increases, statutorily mandated employer-paid pension costs, and unavoidable health insurance premium increases. It will also provide for the increase in postage and paper costs.

Additionally, this increase will allow the Office to continue providing services at the level that result in the Office contributing over \$27 million to the General Fund above the Office’s appropriation.

Impact on Children and Families:

While this proposed operating increase does not directly impact children and families, it serves to provide resources and information to Minnesotans.

Equity and Inclusion:

This proposed item increases equity and inclusion by providing allowing the Office to continue to provide resources and information in multiple languages. This will continue to support access for those communities who may not speak English as their first language.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

This proposal does not have an impact on IT costs via MNIT.

Results:

This request is sought to allow the Office of the Secretary of State to continue to provide current levels of service and information to the public. Examples of current performance measures are shown below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of registered voters	3,529,626	3,848,041	2018/2020
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
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<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of open appointment applications	4,871	3,578	2019/2021
Quantity	Official Documents filed	4,639	4,186	2019/2021

Statutory Change(s):

No statutory changes are needed for this change item. The following statutes provide the legal authority for the Office of the Secretary of State: Minnesota Constitution, Minnesota Statutes, Chapter 5, 5A, 5B, 201, 202A, 203B, 204B, 204C, 204D, 206, 211A, 302A, 303, 304A, 308A, 308B, 317A, 319B, 321, 322A, 322B, 323A, 333, 336, 336A, 549.

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Election Administration and Voter Information

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	559	559	559	559
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	559	559	559	559
FTEs	6	6	6	6

Request:

The Office of the Secretary of State requests additional funding to increase the capacity of the Elections Administration Division and Voter Outreach to support the increasing needs of county and municipal elections administrators, to further support voters, and to respond to an increase in election related data practices requests. This increase in funding would support the hiring of six staff, including three Elections Administrators (3.0 FTEs in the State Program Administrator Class), one Voter Outreach professional (1.0 FTE in the State Program Administrator Class), one Information Officer (1.0 FTE in the Information Officer Class), and one Attorney (1.0 FTE in the Attorney Class). The total amount needed for this increase in staffing is \$1,118,000 in the FY2024-FY2025 biennium and would continue in an ongoing basis.

Rationale/Background:

The Elections Division of the Office of the Minnesota Secretary of State is responsible for the administration of election law and supports the work of all 87 county auditors, as well as the hundreds of city, township, and school district officials in the administration of elections. The division operates the Statewide Voter Registration System and prepares the official roster of voters for each election. Importantly, this division also:

- Provides information on voter registration, elections, military/overseas voting, absentee ballots, polling place locations and elections results
- Certifies voting systems
- Conducts administrative recounts
- Accepts filings by candidates for federal and state offices
- Trains local election officials
- Creates training material for election judges
- Administers federal and state grants to counties and municipalities for the improvement of elections systems
- Responds to data requests for public voter registration lists, absentee voting data, and other data related to the administration of elections

Over the past decade, the work performed by the Elections Division has increased significantly. The higher workload is due to many factors, including higher rates of local election administrator turnover necessitating additional training, more grant administration and certification of voting equipment, and, importantly, a rise in requests from the public to provide additional information and data about the elections system. Examples of this increase include:

- Increase in Training and Resources for New Elections Administrators: one out of every five county auditors or chief county elections officials are new to their role since the 2020 election. The Elections Division needs to increase training, guidance, and support in order to ensure that these new head elections officials, as well as their more veteran administrators, have the resources they need and are supported in their work. This support can be labor intensive for staff, particularly if a transition happens after the bi-annual county auditor training. It is important that the Elections Division continue to meet the increasing training and support needs of local elections administrators. This will ensure voters receive consistent and high-quality voting experiences, as well as ensure that elections administrators feel prepared and supported in their work such that the rapid turnover can be reduced.
- Increase in Voting Equipment Testing and Certification Demands: The number and type of voting systems that require certification in the state has increased from a single vendor a decade ago, to four separate vendors with 12 pieces of technology requiring testing and certification by the Elections Division. The process for testing and certifying voting systems is staff intensive and can take weeks to complete. The quadrupling of the number of voting vendors certified in the State of Minnesota is ultimately a benefit to local elections administrators and increases competition but has placed a strain on the Election Division by diverting significant resources to the testing and certification process that would otherwise go to supporting elections administrators and voters.
- Grants Administration: Since 2017, the Elections Division has overseen the distribution and management of state and federal grant funds to county and municipal governments totaling over \$20 million. This is in addition to the over \$9.5 million of reimbursements processed by the Elections Division to support the administration of the Presidential Nominating Primary. These fiscal processes are time intensive, require significant oversight, legal and regulatory guidance, and require ongoing federal and state reporting requirements. Nearly \$30 million dollars have passed through the Elections Division to local governments since 2017. To provide context, between 2011 and 2017, the office administered grants totaling less than \$1 million.
- Increase in data practices requests and other requests for election related data and information: In the past several years, there has been an increased interest in the elections administration process. Correspondingly, the Office of the Secretary of State has seen a dramatic increase in the number of data practices requests and other requests for information. While the Office has fulfilled its legal obligation to respond to all requests under the Minnesota Government Data Practices Act, the requests are time consuming and resource intensive.

In addition, the Office of Secretary of State provides voter outreach and information to voters and nonpartisan organizations throughout Minnesota. The Office is seen as a trusted source of information related to our elections, and it's important that the Office deliver a consistent, proactive campaign of messaging to reinforce that trust. As voters have more questions about the voting process, and as disinformation spreads about elections systems, the need for information sharing has increased significantly. The addition of an Information Officer will ensure that the Office is able to provide timely information to voters, to support election administrators, and to support the expanding information sharing and communication needs of the Office.

With respect to outreach, during the past general election years, the Office has engaged in education and outreach work with youth at the secondary and post-secondary level, as well as other communities in Minnesota. However, at the beginning of each election year, the office receives feedback that the Office is only engaging with students and various other communities just prior to elections. A full time, year-round additional Voter Outreach staff would allow the outreach and education program to function every year, rather than every other year. This position would be able to work with secondary schools and universities to engage students in both general election years and odd-year elections. Currently, the Office is only engaged with students in general election years, meaning that the Office is only working to educate and engage with every other graduating high school class. Expanding the voter education and outreach program beyond general election years would allow the Office

to engage in consistent and ongoing civic outreach and education, which will provide youth in Minnesota with the resources and tools to become lifelong voters.

Proposal:

The Office of the Secretary of State is proposing hiring six additional staff to support Voter Outreach and the Elections Division. Three staff would be dedicated Elections Division State Program Administrators, supporting the grants administration functions, providing county and municipal election official training and resource materials, and supporting the statutory requirements of the Elections Division including equipment testing and certification. The proposal includes one Information Officer staff to support the Communications Department in its work to provide information to voters, elections administrators, and the public about voting systems and processes, as well as other functions of the Office. Finally, the proposal also includes hiring one Attorney to support the elections division, particularly as it relates to responding to data practices requests, providing guidance to counties and municipal election officials, and ensuring proper grant oversight and reporting. The three new Elections Division State Program Administrators would join the current team of nine full-time election administrators in the Election Division, and two additional federally-funded staff serving as Election Security Navigators. The Attorney position would serve as a Deputy General Counsel to the Office of Secretary of State’s General Counsel. The additional Information Officer would join the Communications Division with two current staff, and voter outreach staff would join the Voter Outreach Director to double the number of voter outreach staff.

Equity and Inclusion:

The Office of Secretary of State is committed to diversity, equity, accessibility, and inclusion in its hiring process. In particular, the additional voter outreach position proposal would have a particular impact addressing the disparities in voter participation throughout Minnesota. In addition to age disparities in participation, voter outreach efforts of the Office of Secretary of State also seek to address the participation disparities among communities of color, persons with disabilities, veterans, and new citizen communities. In developing voter education and outreach programs to attempt to address these disparities, the Office partners with both public and private organizations serving the targeted communities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

This proposal does not have an impact on IT costs via MNIT.

Results

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of registered voters	3,529,626	3,848,041	2018/2020
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
Quantity	General Absentee Ballots Returned by Election Day	614,037	1,725,715	11/8/2016 11/3/2020
Result	General Absentee Ballots Acceptance Rate	98.64%	98.96%	11/8/2016 11/3/2020

Statutory Change(s): N/A

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Costs Associated with Safe at Home Division Growth

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	380	380	380	380
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	380	380	380	380
FTEs	5	5	5	5

Request:

The Office of the Secretary of State seeks an additional \$760,000 in the FY2024-2025 biennium to accommodate the growth in participant interactions and mail volume in Safe at Home, Minnesota’s address confidentiality services division, and to establish an IT resource that is dedicated solely to the division. This change item is equal to 5.1% of the general fund biennial appropriation for the Office of the Secretary of State.

Rationale/Background:

Safe at Home is the address confidentiality services division of the Office of the Minnesota Secretary of State. Services, which began September 1, 2007, are designed to help people with extreme safety needs, especially survivors of domestic violence and stalking, maintain a confidential address. It is open to survivors of domestic violence, sexual assault, stalking, and those who otherwise fear for their safety, including law enforcement and judicial personnel.

Participants enrolled in Safe at Home are assigned a PO Box address to be used as their legal address. All private and public entities in the state of Minnesota must accept the Safe at Home address as a participant’s actual address and cannot require a participant to disclose their real address. Using the assigned PO Box, Safe at Home provides a mail forwarding service. Safe at Home receives participants’ mail and forwards all First-Class Mail to each participant’s physical address. Safe at Home staff also assist participants with their interactions with third parties should problems arise when giving the Safe at Home address to others. To facilitate this, staff work with third party stakeholders, such as county offices, utility companies, banks, and schools, to ensure legal compliance and to ensure their business practices accommodate the safety needs of Safe at Home participants. Since the program’s inception, more than 12,000 participants and applicants have been served by the Safe at Home division.

With more and more applicants and participants using Safe at Home to forward their mail and help them keep their address confidential, Safe at Home Division services continue to increase. From 2019 to 2021, the number of active Safe at Home participants grew by 18% and the number of active households grew by 21%. A funding increase for Safe at Home is necessary to accommodate for the continued increase in growth. Specific drivers of this need are additional applicants and participants served, inflation of postage, increase in violent crime, and the need for more modern security for staff and data maintained by Safe at Home.

Proposal:

The Office of the Secretary of State proposes adding five FTEs to the Safe at Home Division to accommodate growth, to provide enhanced, dedicated IT support, and to adequately accommodate assistance requests from program participants and public and private stakeholders who interact with program participants.

In the event these funds are not received, the Safe at Home Division will be unable to maintain its current level of service to participants and stakeholders, potentially endangering the lives of people who depend on Safe at Home to keep their addresses confidential and out of the hands of those they fear, and it will struggle to meet its statutory obligations.

Due to growth in the usage of services, the expansion in the volume of mail processed, increasing mail costs, and technical needs to maintain sensitive, private data, the division requires additional resources for:

- Since 2019, the Safe at Home Division has experienced a constant increase in applications received for processing. The division no longer has enough staff to perform application certifications and intakes in a timely manner. Historically, certification always occurred within three business days. Certification of applications now takes two or three times longer, sometimes almost two weeks, which is a public safety concern. When people apply to and initially enroll in Safe at Home they are at a point of safety crisis in their lives. The Office requests adding two FTEs to assist with application processing and new participant intake calls to aid in public safety.
- Since 2019 the volume of outgoing mail has increased 22 percent, and the Office no longer has enough staff to process all the mail. Daily, other staff who are not assigned to the Mail Services Unit must assist in order to get the mail processed to meet statutory requirements for mail turnaround time. The Division proposes to add two positions to the Mail Services Unit.
- To further address database development adequately, Safe at Home needs a dedicated IT staff member, like other divisions in the Office. This FTE would be responsible for developing, updating, and maintaining the database used by the Safe at Home Division.

These additional resources are necessary in order to accommodate the growth of the program in a safe and secure manner. This is not a new initiative, but a necessary funding increase to ensure that Minnesotans continue to receive the level of service they have come to expect and rely on from Safe at Home Division services and to ensure public safety throughout Minnesota.

This proposal will help ensure a safe and secure environment for staff and the private information participants trust the office to maintain, ensuring that Safe at Home continues to be a viable public safety tool.

Equity and Inclusion:

The Safe at Home Division works with a very diverse population in terms of race, ethnicity, gender, sexual orientation, and disability. This request specifically does not directly impact any identified groups, nor is it aimed at reducing or eliminating any disparities for identified groups. However, this request will ensure that the Safe at Home Division continues providing quality service to all Minnesotans who seek assistance.

Results:

This request is sought to allow the Office of the Secretary of State's Address Confidentiality Division, Safe at Home, to continue to provide current levels of service and information to the Minnesotans and those who interact with Safe at Home participants. Examples of current performance measures for Safe at Home are shown below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of applicants and participants served by Safe at Home in calendar year	4,351	4,589	2019/2021
Quantity	Number of active households as of last day of calendar year	1,437	1,745	2019/2021
Quantity	Number of active participants as of last day of calendar year	3,234	3,828	2019/2021
Quantity	Number of applications certified (2.32 enrollees per application)	760	921	2019/2021
Quantity	Total postage costs	\$72,537	\$102,572	2019/2021

Statutory Change(s):

N/A

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Expanding Business Services Customer Communication and Outreach

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	127.5	107.5	107.5	107.5
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	1	1	1	1

Request:

The Office of the Secretary of State requests \$215,000 for the FY24-25 biennium to add one FTE to the Business Services Division and to expand our translation services and materials available in print and on the division’s section of the website. The requested position will be dedicated to customer education and outreach to improve the customer service experience for business owners and all Minnesotans.

This change represents approximately 1.5% of the Office’s FY24-25 biennial base budget.

Rationale/Background:

The Business Services Division comprises more than half of the Office of the Minnesota Secretary of State and provides customer service and filing services to those conducting business in Minnesota. This includes all businesses, nonprofits, newspapers, and notaries. There are currently over 600,000 active filings with the Office and there were over 92,000 new business filings processed in FY 2021.

While there are many government agencies that play a role in establishing a business in Minnesota, the Office of the Secretary of State is not only the first step in this process, but also the most essential. Without filing, a business would not be properly formed in the state, and therefore would not receive certain protections and advantages. Providing more robust materials about the first steps could streamline the process for Minnesotans as they embark on the journey. This could be accomplished through videos available on our website; proactive exhibiting at business fairs and expos across the state; and outreach to economic development groups to provide information. Dedicated education and outreach to those who need to do business with our Office could improve their experience and help Minnesotans better understand what our Office can do for them.

To help serve as many Minnesotans as possible, the Office has translated five different “How-To” PDFs into eight different languages: Spanish, Hmong, Somali, Vietnamese, Russian, Chinese, Lao, and Karen. These materials are in language hubs on the “Business & Liens” section of the Office’s website, with an accompanying welcome message from the Secretary. The Office would like to increase the number of translated materials as well as increase the available languages to include Amharic, Oromo, and Khmer to reach more potential business-owners. This will help eliminate potential language barriers to starting a business. To ensure that this work is comprehensive and accurate, an ongoing appropriation for support and maintenance of translated materials is needed.

Proposal:

The Office of the Minnesota Secretary of State requests \$215,000 for the FY24-25 biennium to add one FTE to the Business Services Division and to expand our translation services and materials available in print and on the division's section of the website. This position will be dedicated to customer education and outreach to improve the customer service experience for business owners and all Minnesotans. For FY24-25, \$175,500 will be dedicated to FTE salary and \$40,000 for translation services and materials. The Office is requesting an ongoing annual appropriation of \$87,500 for the FTE and \$20,000 for support and maintenance of translated materials.

Dedicated staffing to increase and expand the outreach of the Business Services Division of the Office of the Minnesota Secretary of State will improve the experience of Minnesotans starting a business. Knowing what our Office can do for business-owners will help streamline the process of filing a new business with our Office. This would be a new position and an effort to serve Minnesotans better.

This FTE will create outreach and education materials for print and to be made available on our website. This could include videos in multiple languages about what our Office does and what our Office can do for businesses. Additionally, this FTE will meet with local business and economic development groups and other stakeholders in the community to provide education about the Business Services Division of the Office of the Minnesota Secretary of State. Utilizing the materials translated by the Office, this outreach will be able to serve Minnesotans who have found language to be a barrier to doing business thus far. As the administrator of the first step in starting a business in Minnesota, the Office wants to be as welcoming as possible to all those interested in starting a business.

By increasing the number of translated materials and languages available, our Office will be able to serve more Minnesotans in starting a business. Current materials include how to navigate the Office's customer-facing web system for online filings, the Minnesota Business and Lien System (MBLS) Portal, and how to request authentications and copies of a business's filings, as well as convenient information for recent-filers to reference once they have filed. Additional materials would include how to take advantage of other services the Office provides such as retrieval of corporate documents and scheduling in-person appointments. A comprehensive translated guide to the Office of the Minnesota Secretary of State could be created and distributed on an annual basis.

The documents translated so far have averaged costs of \$0.27 per word, and each document has an average word count of just over 1,100 words, for roughly \$297 per document, per language. Each document will be translated into the 11 languages, for a total of \$3,200 per document, plus additional fees to make the documents web-accessible for screen readers.

Impact on Children and Families:

While this proposed position does not directly impact children and families, it serves to provide additional resources and information to Minnesotans and business owners using the filing systems offered by the Office of the Secretary of State. The Office has a 66% response rate for the Minnesota Business Snapshot, a voluntary survey the Office created and maintains. Of all completed surveys, over 92% of businesses self-report that they have less than five employees, as well as 50% of businesses self-report a yearly gross income of under \$10,000, and 66% report under \$50,000. Most businesses in Minnesota are small businesses, with 57% self-reporting that their business is their full-time endeavor, and without properly filing with the Office, businesses may lack the legal and tax protections a business structure provides. Small businesses are often family businesses.

Equity and Inclusion:

This proposed item increases equity and inclusion by providing resources and information in multiple languages. This will lead to increased access for those communities who may not speak English as their first language.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

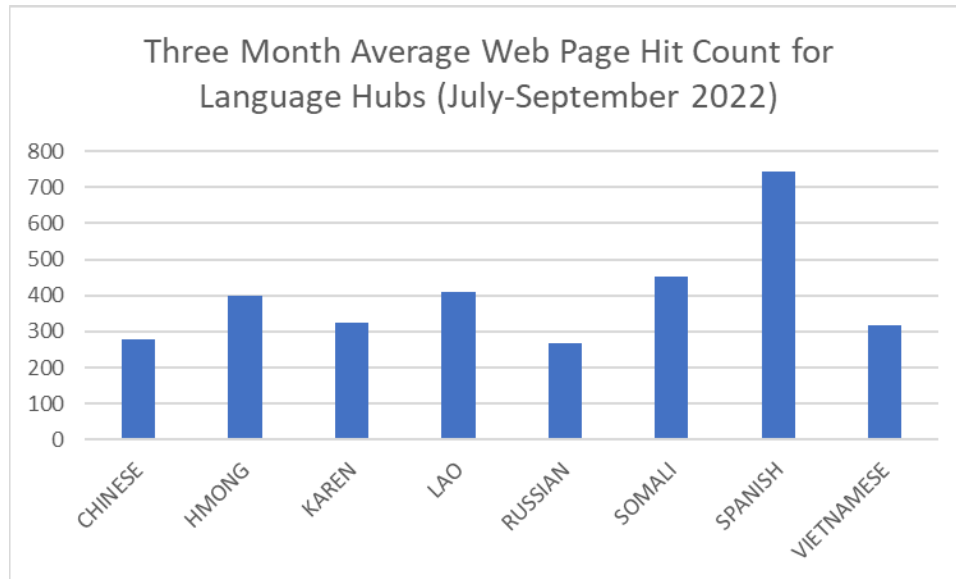
- Yes
- No

IT Costs

This proposal does not have an impact on IT costs via MNIT.

Results:

The Office has translated some materials already, and the impact has been evident. Visits to each language web hub averaged in the hundreds during a three-month period of 2022.



While the Office cannot track the number of customers using the services offered who may not have without the materials, thousands of Minnesotans are using the materials monthly, and this number will grow as customers return to do additional business with the Office. The requested FTE will be able to better track usage and demand as well as leverage other avenues of interaction with the public to gauge need.

In addition to the translated materials, the FTE will make advances in the education and outreach for the Office. Just over 110,000 entities were administratively dissolved due to non-renewal of their active status in 2022. Renewal is quick, easy, and free on the MBLS web portal the Office offers. In 2022, there have been over 40,000 reinstatements of entities, many of which were just dissolved. Most reinstatements require a fee to return to active status. A dedicated FTE to focus on outreach and education means more entities maintain their desired active status, saving Minnesotan small business owners time and money.

Statutory Change(s):

This proposal will not require statutory changes.

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Enhancing Office Physical Security

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	200	200	200	200
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	200	200	200	200
FTEs	0	0	0	0

Request:

The Office of the Secretary of State requests \$400,000 in the FY 2024 – 2025 biennium to address ongoing office security concerns. These funds will be used to secure the Office’s multiple locations, making them safer for both employees and the public conducting business with the Office. This request is approximately 2.7% of the Office’s base budget for FY 2024 – 2025.

Rationale/Background:

The Office of the Secretary of State has three primary divisions: Elections, which is housed on the first floor of the State Office Building, and Business Services and Safe at Home Division, which are both housed at the First National Bank Building.

Both the Elections and the Business Services Divisions have public facing counters that routinely interact with constituents, including those who identify as “sovereign citizens” and as such oppose taxation, question the legitimacy of our government, and believe that they are not subject to the law. The FBI classifies sovereign citizens as domestic terrorists.

As the office of the state’s Chief Election Administrator, the elections division at the State Office Building oversees Minnesota’s elections. The Office operates the Statewide Voter Registration, provides information on voter registration, elections, military/overseas voting, absentee ballots, polling place locations, and election results. Additionally, the Office certifies voting systems, conducts administrative recounts, trains local election officials, and creates training materials for election judges. Importantly, the Secretary of State oversees chairs the state canvassing board and leads Minnesota’s Electoral College Assembly.

The 2020 and 2022 election cycles saw an increase in disinformation about our country’s democracy, voting, and the validity of the election results. Protests were seen around the nation and at the Minnesota State Capitol as a result of this disinformation, and ultimately the United States Capitol was stormed, leading to the death of both protestors and law enforcement.

The culmination of this put Secretaries and public employees in danger, with Secretaries, employees, and their family members being threatened by citizens and foreign actors alike. Secretaries of State who were not working remotely had to temporarily move their offices out of the Capitol complexes during protests so they could safely continue conducting business. Minnesota may have needed to do the same if employees were working in the Capitol Complex, especially without the security enhancements requested within this change item.

Proposal:

The Office of the Secretary of State proposes \$200,000 to hire two additional security guards, one at each office location, to address security needs identified by staff.

The Office would benefit from additional security guards at each office location to monitor, assess, and respond to various security situations. The current level of security does not appear to reflect the number of public citizens visiting every day and number of staff in each building.

Impact on Children and Families:

This proposed item does not have an impact on children and families and serves to provide additional security for all Minnesotans interacting with the Office of the Secretary of State.

Equity and Inclusion:

This proposed item does not have a direct impact on issues of equity and inclusion.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

This request seeks to enhance security for employees and constituents interacting with existing programs. As an example of the work the Office engages in that this request seeks to safeguard, a sample of officewide results are below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of Registered Voters	3,623,913	3,848,041	2016/2020
Result	Overall Voter Turnout Percentage	74.72%	79.96%	2016/2020
Quantity	Number of new business filings	72,716	92,411	2019/2021
Quantity	Number of business mail and counter filings	39,976	23,764	2019/2021

Statutory Change(s): None.

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Diversity, Equity, Accessibility, and Inclusion Coordinator

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	87.5	87.5	87.5	87.5
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	87.5	87.5	87.5	87.5
FTEs	1	1	1	1

Request:

The Office of the Secretary of State requests \$175,000 for the FY24-25 biennium to add one FTE to the Administration Division. The requested position will strengthen the Office of Secretary of State’s mission to create a supportive and inclusive work environment for all employees through recruitment, training, and development. This will also strengthen our service to Minnesotans by increasing cultural awareness and competence.

This change represents approximately 1.2% of the Office’s FY2024-2025 biennial base budget.

Rationale/Background:

The Office of the Secretary of State created a Diversity, Equity, Accessibility, and Inclusion (DEAI) committee in July of 2021. The committee has laid the groundwork for a permanent position to lead the DEAI efforts of the Office.

Additionally, the Office of the Secretary of State previously contracted with the Department of Administration’s Small Agency Resource Team Program for human resource services dating back to 2011. As of June 2022, an internal Human Resources Director position was created and filled and beginning September 30, 2022, the Office of the Minnesota Secretary of State completed the transition to internal human resources. In building out this function and team, the Office has identified the need for a dedicated, full time human resources team member to focus on DEAI.

Proposal:

The Office of the Minnesota Secretary of State requests \$175,000 for the FY24-25 biennium to add one FTE to strengthen the Office’s mission of creating a supportive and inclusive work environment for all employees. This position will serve as the Office’s champion for diversity and inclusion by providing expert advice, consultation, and training, and will ensure that the critical work of the DEAI committee is continued and expanded. Internally, under the direction of the Human Resources Director, this position will develop and implement recruitment and retention strategies to better reflect the diversity of Minnesota citizens. Training and awareness initiatives will develop and foster an open and inclusive culture further strengthening the Office as an employer of choice.

Externally, the increased recruitment, retention, and training of staff will also strengthen our service to Minnesotans, upholding the mission of the Office. The work of the Office of the Secretary of State reaches Minnesotans in every corner of the state. Whether through elections administration, business services, or through our address confidentiality program protecting those who fear for their safety, we engage the full diversity of all

Minnesotans. By cultivating cultural competency across the Office, our diverse population of customers will be bettered served.

Impact on Children and Families:

While this proposed position does not directly impact children and families, it serves to provide additional resources to staff who are serving all Minnesotans. Additionally, the recruitment and retention work done with the Human Resources Director will expand the diversity in the Office.

Equity and Inclusion:

This proposed item increases equity and inclusion by providing a dedicated staff member to assist all employees at the Office of Secretary of State in diversity, equity, accessibility, and inclusion practices.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

This proposal does not have an impact on IT costs via MNIT.

Results:

This will not only ensure that the critical work of the DEAI committee is continued and sustained, but targeted DEAI efforts will also lead to increased retention, recruitment, and training of all staff to better serve Minnesotans.

Statutory Change(s):

This proposal will not require statutory changes.

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: 2022 HAVA Election Security Funds State Match

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	230	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	230	0	0	0
FTEs	0	0	0	0

Request:

The Office of the Secretary of State is seeking a one-time amount of \$230,224 in FY24 to meet the state matching requirements described in the federal Consolidated Appropriations Act of 2022, which will allow the Office of Secretary of State to utilize \$1,151,122 in federal Help America Vote Act (HAVA) funds to secure and improve Minnesota’s election systems.

Rationale/Background:

The Consolidated Appropriations Act of 2022 included \$75 million in grants to states to improve the administration of elections for Federal office. These grants are authorized under Title I, Section 101 of the Help America Vote Act (HAVA) of 2002 and are designed to provide states with additional resources to secure and improve their election systems. Minnesota’s federal share of the \$75 million is \$1,151,122.

States are required to provide a 20 percent match within two years of receiving federal funds. Minnesota is required to spend \$230,224 in state matching funds.

Proposal:

The Office of the Secretary of State requests \$230,224 in general funds to meet the 20 percent match the 2022 HAVA funds require. This matching funding will allow the Office to utilize the \$1,151,122 in federal funds after legislative appropriation. Once the federal funds are appropriated by the legislature, the Office proposes using the HAVA funds to issue grants to local jurisdictions to improve cyber security, physical security, and accessibility.

In order to use the 2022 HAVA funds to strengthen Minnesota’s elections, the Legislature needs to authorize use of federal funds under Minn. Stat. § 5.30 and the state must provide the state matching funds at 20 percent of the total 2022 HAVA award.

Impact on Children and Families:

This proposal does not have a direct impact on children and families. However, it will improve administration of voting for future generations.

Equity and Inclusion:

The security and integrity of Minnesota elections benefits all voters. Securing our elections with the funds provided may prevent bad actors from disenfranchising select voters. Additionally, these funds could be utilized by local jurisdictions to improve the accessibility of voting processes.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

This proposal does not have an impact on IT costs via MNIT.

Results:

This request seeks matching funds which will allow the Office of the Secretary of State to utilize federal funds to improve the administration of elections for Federal office, with the goal of securing our elections and maintaining public confidence in Minnesota’s election system. Examples of current performance measures for Minnesota’s elections are shown below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of registered voters	3,529,626	3,848,041	2018/2020
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
Quantity	General Absentee Ballots Returned by Election Day	614,037	1,725,715	11/8/2016 11/3/2020
Result	General Absentee Ballots Acceptance Rate	98.64%	98.96%	11/8/2016 11/3/2020

Statutory Change(s):

None. The legislature needs to authorize the use of the federal 2022 HAVA funds under Minn. Stat. § 5.30.

Office of the Minnesota Secretary of State

FY 2024-25 Biennial Budget Change Item

Change Item Title: Redistricting Litigation Fees

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	477	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	477	0	0	0
FTEs	0	0	0	0

Request:

This is a one-time request for approximately \$477,006.16, in addition to any accrued interest, for the payment of court-ordered attorney fees as a result of the Minnesota Special Redistricting Panel’s resolution of redistricting matters. Following the release of the court-ordered redistricting plan, the plaintiffs and Peter Watson, et al, Frank Sachs, et al, and Paul Anderson et al, moved to recover attorney fees and costs. The recovery of these fees is split between the two defendants, Secretary of State Steve Simon and Carver County Elections and Licensing Manager Kendra Olson. The Office seeks these funds for the payment of court-ordered fees and costs in FY 2024.

Rationale/Background:

In 2020, the decennial Census was conducted. As a result of the Census, the legislature was tasked with reapportioning the state’s congressional and state legislative districts. Unfortunately, the legislature did not meet the statutory deadline and so the Minnesota Supreme Court appointed a Special Redistricting Panel to complete this activity so 2022 elections could be conducted.

Under federal law, plaintiffs are entitled to seek reimbursement for attorney fees and costs associated with redistricting litigation. The court has granted reimbursement based upon their judgement of reasonable fees.

Proposal:

The Office of the Secretary of State is proposing a one-time payment from the general fund to cover the costs of litigation fees relating to decennial redistricting that was ordered by the State of Minnesota Special Redistricting Panel.

This is not a new initiative, a change to an existing program, or an ongoing request. This will simply cover court ordered attorney fees and costs.

Peter Watson, et al.: \$141,279.64 for attorney fees and \$1,035.07 for costs

Paul Anderson, et al.: \$149,627.53 for attorney fees and \$43.97 for costs

Frank Sachs, et al.: \$185,019.95 for attorney fees

Total: \$477,006.16 plus interest

Equity and Inclusion:

This request is not aimed at reducing or eliminating any disparities for identified groups. There are no potential positive or negative impacts on the identified groups.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs:

This proposal does not have an impact on IT costs via MNIT.

Results:

Receiving additional funds to pay court ordered litigation fees will allow the Office to meet the terms of the court order to continue to provide current levels of service and information to the public.

Statutory Change(s):

N/A