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Office of the Minnesota Secretary of State

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<https://sos.state.mn.us>

AT A GLANCE

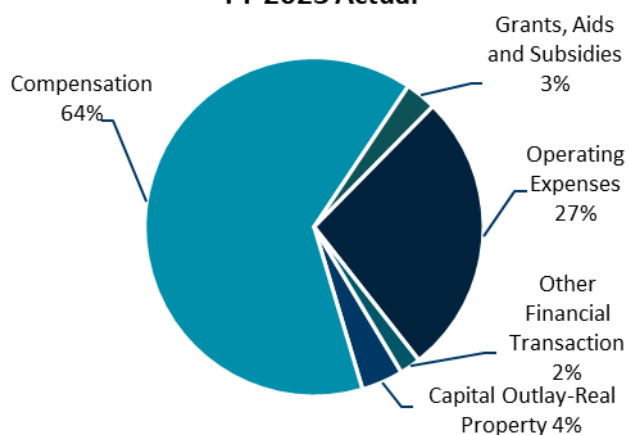
- Over 97,000 new business filings processed in FY 2024
- 3.59 million registered voters in Statewide Voter Registration System as of August 2024
- Support local election officials in conducting:
 - 2,000 township elections annually
 - 900 city elections (2 year cycle)
 - 300 school district elections (2 year cycle)
 - 200 other elections (2 year cycle)
- Over 14,000 separate applicants and participants served by Safe at Home as of July 2024
- 5,476 Official Documents filed in FY 2023
- Coordinate trainings, applications, and appointments for 288 boards and commissions spread across more than 90 agencies.
- 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 Office has made it easier for Minnesotans to interact with the Office by developing secure and accessible online services for voters, businesses, and those interested in Open Appointments. The Secretary of State serves on the State Board of Investment, the Executive Council, and other specified boards.

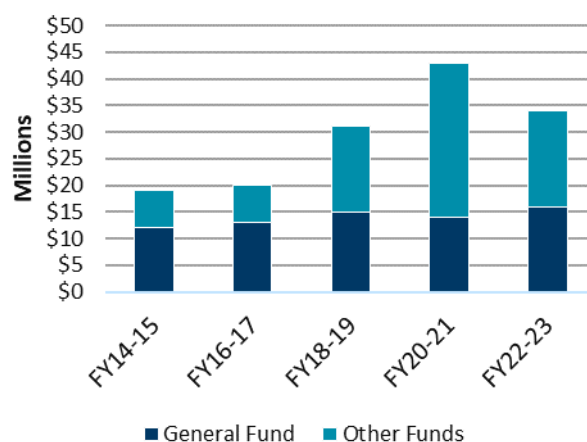
BUDGET

**Spending by Category
FY 2023 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 and provides training and support to 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 3.59 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 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. Access to these online tools expanded in 2024 to include availability in 10 additional languages. The Information Technology (IT) Division of the Office invests significant time and resources to protect these online tools and databases. More broadly, this team is responsible for providing modern, secure, and accessible IT systems that allow Minnesotans to access the key services the divisions across the Office provide.

Due to the increased cybersecurity threats to election infrastructure a dedicated IT security team was added to the Office in 2015. This past year, the team on average has blocked over 100,000 potentially malicious IP addresses a month, and over 8,000 potentially malicious behavior-based IP addresses a month. In 2017, the Department of Homeland Security designated U.S. election systems as part of the nation's critical infrastructure. This designation brings opportunities for the Office to receive support from federal partners such as the Department of Homeland Security, Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Security Agency, among others.

In order to enhance IT operations and security across the Office, the IT Division looks for opportunities to partner with external stakeholders. Some examples of this include the Office initiating a Vulnerability Disclosure Program (VDP) hosted by a vendor that specializes in these programs. The OSS has been thoughtfully and deliberately adding more of its applications to the scope of the program. To date, no major security vulnerabilities have been identified. Additionally, the Office participates regularly in Risk and Vulnerability Assessments (RVA) on our systems and infrastructure. These RVAs are provided by our federal security partners.

The Office also maintains an Election Security Navigator program to help assist counties and local governments in protecting election infrastructure at the local level. The program does this 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 federal Help America Vote Act security grants to improve the physical security, cyber security, and accessibility of local elections systems; the VOTER fund designed to supplement local election spending, an accessibility grant program for Minnesota's polling places, and a Presidential Nomination Primary reimbursement process. As of August 2024, the Office has processed and issued over \$4.5 million in funding to local governments in FY24-25 for the improvement of Minnesota's election systems and to reimburse counties, cities, and towns for the cost of the Presidential Nomination Primary.

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 who live in Minnesota or who intend to move to the state in the next 60 days.

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. Over one million pieces of mail are processed annually.

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 14,000 individual participants and applicants have been served by Safe at Home. 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 on call 24 hours a day, 7 days a week in case of a law enforcement emergency that requires a participant's true address. If there is an emergency 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.

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 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 options and in-person appointments 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. Customer service staff additionally answer public inquiries via phone and email. Business Services has increased public outreach with a new Outreach Coordinator position, as well as increased the number of documents translated into eleven different languages.

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 provided online.

The Administration Division is also where the Office provides information about the 288 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 human resources, 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	3,392,082	3,594,940	2020/2024
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
Quantity	General Absentee and Mail Ballots Returned by Election Day	638,846	672,571	11/6/2018 11/8/2022
Result	General Absentee Ballots Acceptance Rate	98.57%	98.37%	11/6/2018 11/8/2022
Quantity	Number of applicants and participants served by Safe at Home in calendar year	4,589	5,286	2021/2023
Quantity	Cost of postage to forward mail to Safe at Home participants	\$102,575	\$113,034	2021/2023
Quantity	Number of victim advocates who voluntarily partner with Safe at Home	311	340	2021/2023
Quantity	Number of active households as of last day of calendar year	1,745	1,947	2021/2023
Quantity	Number of new business filings	93,184	97,706	2021/2023
Quantity	Number of business web filings	502,571	536,004	2021/2023
Quantity	Number of business mail and counter filings	24,145	26,014	2021/2023
Quantity	Number of UCC/Tax Lien & CNS web filings	113,491	104,444	2021/2023
Quantity	Number of open appointment applications	3,269	3,431	2021/2023
Quantity	Official Documents filed	3,791	5,415	2021/2023

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

Minnesota Constitution

Minnesota Statutes, Chapter 5, 5A, 5B, 15, 201, 202A, 203B, 204B, 204C, 204D, 206, 211A, 302A, 303, 304A, 308A, 308B, 317A, 319B, 321, 322A, 322B, 322C, 323A, 333, 336, 336A, 358, 359, 549.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u>Expenditures by Fund</u>								
1000 - General	6,777	8,895	9,706	11,534	9,545	9,429	9,736	9,816
2000 - Restrict Misc Special Revenue	8,955	6,155	5,482	9,792	9,714	9,936	9,914	9,936
2001 - Other Misc Special Revenue	1,942	164	11,967	5,035	3,057	3,065	3,057	3,065
2403 - Gift	310							
4925 - Family and Medical Benefit Ins			23	4	77	77	77	77
Total	17,983	15,214	27,177	26,365	22,393	22,507	22,784	22,894
Biennial Change			20,344		(8,642)		(7,864)	
Biennial % Change			61		(16)		(15)	
Governor's Change from Base							778	
Governor's % Change from Base							2	

Expenditures by Program

Secretary of State	17,983	15,214	27,177	26,365	22,393	22,507	22,784	22,894
Total	17,983	15,214	27,177	26,365	22,393	22,507	22,784	22,894

Expenditures by Category

Compensation	8,416	9,724	11,864	16,069	15,263	15,961	15,654	16,348
Operating Expenses	4,704	4,077	13,985	5,260	4,088	3,436	4,088	3,436
Grants, Aids and Subsidies	4,637	459	1,250	5,036	3,042	3,110	3,042	3,110
Capital Outlay-Real Property		591	0					
Other Financial Transaction	226	362	78					
Total	17,983	15,214	27,177	26,365	22,393	22,507	22,784	22,894

Full-Time Equivalents

81.15	92.53	103.03	111.28	114.65	111.37	114.65	111.37
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		1,181		2,015				
Direct Appropriation	10,434	9,391	14,720	12,605	12,570	12,454	12,961	12,841
Transfers In	233	1,984						
Transfers Out	2,500	1,617	3,000	3,086	3,025	3,025	3,225	3,025
Cancellations	233	2,044						
Balance Forward Out	1,157		2,014					
Expenditures	6,777	8,895	9,706	11,534	9,545	9,429	9,736	9,816
Biennial Change in Expenditures				5,567		(2,266)		(1,688)
Biennial % Change in Expenditures				36		(11)		(8)
Governor's Change from Base								578
Governor's % Change from Base								3
Full-Time Equivalents	43.17	50.73	61.18	62.50	61.87	61.87	61.87	61.87

2000 - Restrict Misc Special Revenue

Balance Forward In	19,860	15,747	17,787	19,769	15,018	10,448	15,018	10,448
Receipts	5,074	7,734	7,464	5,041	5,144	5,143	5,144	5,143
Transfers In		461					200	
Transfers Out	233							
Balance Forward Out	15,745	17,786	19,769	15,018	10,448	5,655	10,448	5,655
Expenditures	8,955	6,155	5,482	9,792	9,714	9,936	9,914	9,936
Biennial Change in Expenditures				164		4,376		4,576
Biennial % Change in Expenditures				1		29		30
Governor's Change from Base								200
Governor's % Change from Base								1
Full-Time Equivalents	37.98	41.80	40.61	48.61	52.61	49.33	52.61	49.33

2001 - Other Misc Special Revenue

Balance Forward In	435	993	2	1,752	2		2	
Receipts			12	55	30	40	30	40
Transfers In	2,500	1,000	19,002	3,230	3,025	3,025	3,025	3,025
Transfers Out		1,828	750					
Cancellations			4,547					
Balance Forward Out	993	2	1,752	2				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Expenditures	1,942	164	11,967	5,035	3,057	3,065	3,057	3,065
Biennial Change in Expenditures				14,896		(10,880)		(10,880)
Biennial % Change in Expenditures				708		(64)		(64)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.07					

2403 - Gift

Balance Forward In	310					
Expenditures	310					
Biennial Change in Expenditures			(310)		0	0
Biennial % Change in Expenditures						
Governor's Change from Base						0
Governor's % Change from Base						

4925 - Family and Medical Benefit Ins

Direct Appropriation	384	4	77	77	77	77
Cancellations	361					
Expenditures	23	4	77	77	77	77
Biennial Change in Expenditures		27		127		127
Biennial % Change in Expenditures				471		471
Governor's Change from Base						0
Governor's % Change from Base						0
Full-Time Equivalents	0.17	0.17	0.17	0.17	0.17	0.17

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	12,605	12,605	12,605	25,210
Base Adjustments				
Current Law Base Change		(60)	(176)	(236)
Transfer Between Agencies		25	25	50
Forecast Base	12,605	12,570	12,454	25,024
Change Items				
Operating Adjustment		191	387	578
2024 HAVA Election Security Funds State Match		200		200
Total Governor's Recommendations	12,605	12,961	12,841	25,802
Fund: 4925 - Family and Medical Benefit Ins				
FY2025 Appropriations	4	4	4	8
Base Adjustments				
Current Law Base Change		73	73	146
Forecast Base	4	77	77	154
Total Governor's Recommendations	4	77	77	154
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	9,792	9,714	9,936	19,650
Forecast Base	9,792	9,714	9,936	19,650
Change Items				
2024 HAVA Election Security Funds State Match		200		200
Total Governor's Recommendations	9,792	9,914	9,936	19,850
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	5,035	3,057	3,065	6,122
Forecast Base	5,035	3,057	3,065	6,122
Total Governor's Recommendations	5,035	3,057	3,065	6,122
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	5,041	5,144	5,143	10,287
Total Governor's Recommendations	5,041	5,144	5,143	10,287

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	55	30	40	70
Total Governor's Recommendations	55	30	40	70
 <i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	23,785	18,554	18,591	37,145
Total Governor's Recommendations	23,785	18,554	18,591	37,145

Office of Minnesota Secretary of State

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	191	387	387	387
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	191	387	387	387
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$191,000 in FY 2026 and \$387,000 in each subsequent year from the general fund to help address operating cost increases at the Office of the Minnesota Secretary of State.

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

This recommendation provides additional resources to help address these cost pressures and pay for the Office of Minnesota Secretary of State's operations.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For the Office of Minnesota Secretary of State, this funding will help cover expected growth in employee compensation and insurance, IT services, and other operating costs.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	191	387	578	387	387	774
Total All Funds	191	387	578	387	387	774

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	191	387	578	387	387	774

Results:

This recommendation is intended to help the Office of Minnesota Secretary of State address rising cost pressures and mitigate impacts to current levels of service and information to the public.

Office of Minnesota Secretary of State

FY 2026-27 Biennial Budget Change Item

Change Item Title: 2024 HAVA Election Security Funds State Match

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	200	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)	200	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a one-time amount of \$200,000 in FY26 for the Office of the Secretary of State to meet the state matching requirements described in the FY2024 Further Consolidated Appropriations Act, which will allow the Office of Secretary of State (Office) to utilize \$1,000,000 in federal Help America Vote Act (HAVA) funds to secure and improve Minnesota's election systems.

Rationale/Background:

The FY2024 Further Consolidated Appropriations Act included \$55 million in grants to states and U.S. territories to improve election administration and election security. 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 system. Minnesota's share of the \$55 million is \$1,000,000.

States are required to provide a 20 percent match within two years of receiving the federal funds. Minnesota has until April 30, 2026 to receive this match. This request would fulfill Minnesota's state match.

Proposal:

The Governor recommends \$200,000 one-time in general funds to meet the 20 percent match the 2024 HAVA funds require. This matching funding will allow the Office to utilize the \$1,000,000 in federal funds. The Office proposes using the HAVA funds to continue to support its Security Navigator Team. This team works with all 87 counties to support the physical and cyber security of election operations.

Impact on Children and Families:

This recommendation does not have a direct impact on children and families. However, it will improve the security and administration of elections 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.

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:**Part A: Performance Measures**

This recommendation seeks matching funds which will allow the Office of the Secretary of State to utilize federal funds to support election administration, 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	3,392,082	3,594,940	2020/2024
Result	Voter Turnout	2,968,281 (74.72%)	3,292,997 (79.96%)	11/8/2016 11/3/2020
Quantity	General Absentee and Mail Ballots Returned by Election Day	638,846	672,571	11/6/2018 11/8/2022
Result	General Absentee Ballots Acceptance Rate	98.57%	98.37%	11/6/2018 11/8/2022

Statutory Change(s):

None.