

## Funding Issue 1

### Appropriate HAVA Grant Funds

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The Arizona Secretary of State's Office (SOS) has been awarded a total of \$17,515,974 in Election Security grant funds from the Election Assistance Commission (EAC) between fiscal years 2018 and 2022. Per the EAC, the funds are made available to states to improve the administration of elections for Federal office, including to enhance technology and make certain election security improvements. Arizona law requires these funds to be appropriated by the legislature before they can be used. Arizona has appropriated the bulk of HAVA grant funds for county subgrants, development and administration of the statewide voter registration system (AVID), and the state's portion of maintenance and operations (M&O) on AVID. Additional appropriations have been made to the Secretary of State's office for SOS level expenditures including trainings for the counties, staffing, purchasing and distributing secure USBs to counties for election night reporting, IT related security enhancements, threat liaison officer (TLO) and emergency pollworker programs for counties, and more.

In the FY23 budget the state appropriated \$483,500 to the SOS to cover half of the M&O on AVID and the \$5,352,200 FY20 county subgrant appropriation that was due to lapse at the end of FY22 was extended out to FY23. Aside from the AVID & county subgrant buckets, the SOS office was cut off from access to HAVA funds and, though our office requested an appropriation of \$1,355,000 in new, 2022 HAVA monies that were appropriated by Congress to Arizona in the spring of 2022 (included in the \$17,515,974 total above), no action was taken by the state to make those new funds available to election offices ahead of the 2022 election cycle.

Additionally, some of the county payments for AVID M&O were not made or were not paid in full in FYs 21 and 22, because some of the Recorders disagree with the formula used to determine how the counties split their share. All counties are given a vote on how to split the expense, with the majority vote determining the outcome. Historically, counties have split their half of M&O using county voter registration statistics as the basis for the formula. The methodology for how the counties split their share was called into question by some Recorders several years ago, prior to Secretary Hobbs taking office, but they were ultimately compelled to make their payments despite their disagreement with the formula. Unfortunately, as of late, some of the Recorders have been immovable on the issue and are not open to paying their full share. In FY22 our office was able to absorb the shortfall because we had access to HAVA funds, but that is not the case in FY23.

The SOS estimates a shortfall of up to \$850,000 in FY23 due to not having access to HAVA funding for the office and the counties undercutting their AVID payments.

*Proposal:* At minimum, \$600,000 should be appropriated in FY24 for the state's share of AVID M&O and potential development needed to that system as a result of changes to election law and the \$5,352,200 FY20 county subgrant appropriation should be extended out to FY24 so that counties can continue to draw down funds. We also suggest that the state consider setting the formula for the county share of AVID M&O in statute. Additionally, the state should be prepared to consider a supplemental appropriation in FY23 to cover unavoidable office expenditures that have historically been paid by HAVA and the shortfall on the county portion of AVID M&O. The outgoing administration will make a concerted effort to identify savings that can supplement the anticipated shortfall and will advise the incoming administration on ways in which they can manage the budget in the second half of the fiscal

year so that the shortfall is minimized as much as possible. We also recommend that the language under ARS § 41-129(B) stating that HAVA monies are subject to legislative appropriation and that the appropriations are subject to the lapsing provisions of section 35-190 be removed from statute. The Secretary of State, the State's Chief Election Officer, should be able to dynamically fund and respond to the needs of election offices throughout the state in a timely way, as intended by Congress, and the requirements under Arizona law significantly slow down access to and/or completely block the Secretary from the funds. If the law is not updated, then we recommend that all unappropriated HAVA balances, totaling approximately \$4,000,000 be appropriated to the office in FY24.

*Alternatives Considered and reasons for rejection:* The state could appropriate general fund monies for election security expenditures.

*Impact of not funding this fiscal year:* Federal grant monies would be inaccessible, severing the state's ability to meet its obligations, disperse county subgrants, and dynamically address election security issues, enhance existing technology, and make improvements to the administration of federal elections at both the state and county level. Most importantly, the state would not be able to meet its obligations towards maintenance and operation, as well as hosting, of the statewide voter registration database, known as AVID.

*Statutory Reference:* ARS § 41-129

*Equipment to be purchased:* None identified at this time.

*Classification of new positions:* N/A

*Annualization:* N/A

## Funding Issue 2

### Presidential Preference Election

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The Secretary of State (SOS) is required, by law, to reimburse the counties for their expenditures related to the Presidential Preference Election (PPE) and perform duties in support of the PPE.

In 2020, counties requested \$6,371,361 in reimbursements and, due to reimbursement thresholds set in legislation, were reimbursed an actual total of \$6,146,185. The report submitted to the Joint Legislative Budget Committee (JLBC) by the SOS, outlining the expenditures incurred in 2020, is attached.

In 2016, counties requested \$5,721,435 in reimbursements and were reimbursed a total of \$5,596,056; this included reimbursement to the counties for all new costs to conduct the election. The report that the SOS submitted to JLBC for 2016 expenditures is also attached.

Additionally, the SOS office incurred internal costs of \$26,231 and \$53,472 in 2020 and 2016, respectively. These amounts covered logic and accuracy testing and petition processing expenditures related to the PPE, including travel, supplies, and temporary staff.

*Proposal:* Appropriate \$7,645,000 to the SOS to carryout statutory obligations related to the 2024 PPE. This is approximately 20% above actual costs in 2020, to account for inflation.

*Alternatives Considered and reasons for rejection:* N/A

*Impact of not funding this fiscal year:* The SOS would not be able to carry out its statutory obligations or reimburse the counties for their expenditures related to the PPE, as required by statute.

*Statutory Reference:* Title 16, Article 4

*Equipment to be purchased:* N/A

*Classification of new positions:* N/A

*Annualization:* N/A

## Funding Issue 3

### Address Confidentiality Program - New Fund Source

*Description of issue and how recommending the agency's request furthers the agency's mandates:*

Address Confidentiality Programs were primarily created to protect victims of stalking, domestic violence, and sexual assault, from those who would use public records, such as voter or drivers' license registries, to locate, harass, intimidate, and/or abuse them. The first confidential address program was passed by the Washington State legislature in 1991. Survivors of domestic violence were frustrated with their inability to vote since voter registration records are public and easily available. Survivors had to decide whether to risk being found by an abuser in order to exercise their right to vote, a right that many Americans take for granted. The Washington Secretary of State proposed an innovative solution: Provide survivors with a legal substitute address, accepted by state and local agencies, and a mail forwarding service. These services provided survivors with 1) a way to register to vote and 2) a way to keep their actual address out of all public records.

In 2011, the Arizona legislature established the Address Confidentiality Program (ACP) within the Office of the Secretary of State. Arizona was the 27th state to create a confidential address program. On June 4, 2012, the program began assisting individuals and families impacted by domestic violence, sexual offenses and stalking. Part of the enabling legislation created the ACP Fund, which is made up of a \$50 fine assessed as part of court fines included when there is a conviction for domestic violence, sexual assault, or stalking. When this ACP Fund was created, the fine was used to generate funding to support the cost of providing the statutorily mandated services without relying on general funds from the legislature. At the time, it was customary that this type of fine would be used to fund such a program and some other state ACPs were similarly funded, although not all. Since then, as more is understood about the impact of fines and fees on low-income individuals, and especially on communities of color, the SOS is requesting that this practice of relying on these types of fees be discontinued. The Secretary supports efforts to reform our criminal legal systems and work towards a more restorative approach to addressing these offenses. A fine is incongruent with those efforts. Furthermore, reliance on those fines and fees, especially given the current economic situation of many Arizonans due to the COVID-19 pandemic and resulting loss of income for many of our citizens, is not sustainable. The burden to pay those fines often falls on the victims of the crimes themselves, which only further exacerbates the harm.

Additionally, the revenues generated from fines are not enough to cover the ongoing costs to administer the program. The fine revenues have averaged \$284,132 annually over the last three years, while the expenditures covered by the fines have averaged \$324,826, plus the SOS's operating lump sum is covering about \$66,000 annually. The overages over the last several years have been absorbed by a surplus of monies in the fund and there is enough padding to cover projected expenditures in FY23, despite the inevitable shortfall on fine revenues, but the fund is projected to go negative in FY24. The issue of the fines not covering the costs of the program has been worsened by increases, particularly over the last 1-2 years due to inflation, in staffing and operating expenses, including postage and envelopes (paper), which make up approximately 85% the Other Operating Expenditures line item. We

have changed envelope vendors and in doing so eliminated taxes for all printing and custom envelope costs, which has helped offset increases, but overall, the items still cost more. Costs are also going up because there has been a 55% increase in participants/applicants served since 2019.

<b>Projected Cash Flow - FY23 Fines</b>	
Beginning Balance	\$209,719
Estimated Revenue	\$264,000
Personal Services	\$211,000
Employee Related Expenses	\$83,000
Professional & Outside Services	\$15,750
Travel	\$3,750
Other Operating Expenditures	\$100,000
Equipment	\$1,000
<b>Yearend Balance</b>	<b>\$59,219</b>

<b>Projected Cash Flow - FY24 Fines</b>	
Beginning Balance	\$59,219
Estimated Revenue	\$264,000
Personal Services	\$211,000
Employee Related Expenses	\$83,000
Professional & Outside Services	\$30,000
Travel	\$3,750
Other Operating Expenditures	\$105,000
<b>Yearend Balance</b>	<b>-\$109,531</b>

<b>Applicants/Participants Served</b>			
<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
2946	3534	4037	4564

Lastly, the division uses Victims of Crime Act (VOCA) grant funding from the Department of Public Safety (DPS) to cover items including quarterly safety planning newsletters, trainings both for ACP staff and the programs participants, hotline services, follow-up contact services, case management, safety planning, personal advocacy services, and information and referral services. The current VOCA award is for \$788,171 over a three-year project period ending 9/30/23. There are indications that there will be up-to a 55% reduction in grant awards starting in FFY24. This will be a substantial hit to the division’s funding and the items and services mentioned above will have to be significantly reduced or even completely cut from the program.

*Proposal:* The Arizona Department of State proposes replacing the funding from court fines and VOCA with \$650,000 annually from the General Fund.

*Alternatives Considered and reasons for rejection:* One option would be to maintain the current source of funding, the court fines as described. This proposal is rejected in light of widespread agreement that fines imposed on criminal matters place a burden only on low-income individuals, due to the size of this fine – it is not serving a rehabilitative purpose to anyone who can afford it, yet it can create a financial burden to the family/individual that was harmed due to the nature of the relationships in these crimes. It is also rejected because the revenues from the fines don't adequately support the costs of the program. The Office would consider an alternative fund source but looks to the executive and legislature to partner to create a fee that would generate around \$650,000 a year for this purpose, that would be in line with the program's intent and goals.

The ACP has worked with the Administrative Offices of the Court and the Committee on the Impact of domestic violence and the Courts to bring awareness to the Address Confidentiality Program to Judges and court staff who assess fines to ensure that as much fine revenue as possible is being generated and directed to the fund. The fines being assessed simply are not enough to cover the costs of operating the program.

ACP staff continues to look for additional funding sources and has applied for other grant funding, however, much of the funding available is allocable only to services that we don't already provide and therefore would only be applicable to the addition of new services and/or it's only available to non-profits and faith-based service providers.

*Impact of not funding this fiscal year:* If general fund is not provided, or another fund source not identified, the fund will go negative in fiscal year 2024 and the program will be operating at a deficit.

*Statutory Reference:* ARS 41-161 – 41-169

*Equipment to be purchased:* N/A

*Classification of new positions:* N/A

*Annualization:* N/A

## Funding Issue 4

### Talking Book Library Donation Fund Replacement

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The Arizona Talking Book Library serves individuals who are unable to read or use regular print materials, including those who are blind or have low vision, those who find it hard to hold or handle a print book, and those who have a perceptual or reading disability, along with schools, libraries, nursing homes, hospitals, and other institutions serving such people. The library provides audio books and magazines, movies with audio descriptions, and braille books and magazines by postage free mail, special equipment to play audiobooks on loan, audio and braille book downloads, and access to NFB-Newsline and over 300 newspapers and magazines by phone and online. The library opened in 1970 and is a Regional Library of the National Library Service for the Blind and Print Disabled, Library of Congress.

In FY2010 the Talking Book Library received a charitable bequest of nearly \$770,000. Over the years, as costs for the branch increased, the SOS was able to utilize the donation to cover some of the library's ongoing expenditures, in lieu of asking for general fund monies to cover the costs. The donation fund balance is starting to run low, and we are projecting a shortfall of funds in FY24.

*Proposal:* Total annual costs are \$186,900 and the projected shortfall for FY24 is \$68,100. Appropriate \$68,100 and \$186,900 in fiscal years 2024 and 2025, respectively, to the Donation Fund (ST2117) or increase the Secretary of State's Operating Lump Sum appropriation so that the costs can be covered there.

#### *FY24 Estimated Shortfall*

<b>Estimated Beginning Balance</b>	<b>\$118,790</b>
Clerk Typist 3	\$37,180
Librarian 3	\$59,738
Employee Related Expenditures	\$38,768
Building Maintenance	\$51,200
<b>Shortfall</b>	<b>\$68,096</b>

#### *Annual Costs*

Clerk Typist 3	\$37,180
Librarian 3	\$59,738
Employee Related Expenditures	\$38,768
Building Maintenance	\$51,200
<b>Total</b>	<b>\$186,886</b>

*Alternatives Considered and reasons for rejection:* We have done what we can to save money under the fund, including eliminating a position and absorbing that work. It is not possible to further reduce staff and continue providing the current level of service needed by our customers. We hope to collect more donations, but we can't count on that because we do not have much capacity within the branch to devote to fundraising efforts and donations are volatile.

These positions provide core services and need to be funded by the general fund rather than being dependent on donations or grant funding that is intended for special projects.

*Impact of not funding this fiscal year:* There will be a cash shortfall of approximately \$68,100 in fiscal year 2024, and no funding at all going into fiscal year 2025. Important services and building maintenance will have no funding source.

The Clerk Typist 3 (Duplication Technician) is responsible for:

- updating the library's duplication system with local books and magazines.
- ensuring that serials are distributed to Arizona patron subscribers and libraries across the country.
- assisting in the studio as director for recordings.
- guiding volunteers in use of equipment.
- serving as backup for studio manager.
- operating braille embosser for special projects.
- inspecting and reviewing digital book cartridges for quality.
- providing backup for other critical functions, including application processing and tasks supporting the mailing of library materials.

The Librarian 3 (Youth Services & Engagement Librarian) has the following responsibilities:

- provides reference and reader advisory services to patrons of all ages.
- takes responsibility for approximately 25% of the adult readership.
- serves as a specialist in library services to children and young adults.
- coordinates Summer Reading Program annually.
- provides outreach and contact with schools and teachers of the Visually Impaired (TVI).
- acts as team leader to other Reader Advisor Librarians.

The following sampling of quotes from patrons shows the value of the services provided:

"I just wanted to let you know how much your talking books were appreciated by my wife... As her disease progressed your books were just about her only source of entertainment... You provide a great service and we thank you."

"I truly do not know what my mother ... would do without the library's resources. She loved to read before losing her eyesight so access to 'talking books' has been a blessing."

"Thank you so much for all you did to make Dad's last years enjoyable – You were always so helpful and in tune with what interested him. What important work you do."

"We want to thank this organization for the wonderful opportunity you give people who have sight loss. My mom was legally blind and missed her books so much until I found out about the Talking Book Library."

*Statutory Reference:* A.R.S. §41-151.06, §41-151.01(f)

*Equipment to be purchased:* N/A

*Classification of new positions:* Not requesting any new positions.

*Annualization:* N/A

## **Funding Issue 5**

### **Professional Employer Organization Program – Implementation Funding**

*Description of issue and how recommending the agency's request furthers the agency's mandates:* Laws 2013, 1st Special Session, Chapter 2, FY 2014 Government BRB, Section 9 require the Secretary of State (SOS) to implement the Professional Employer Organization (PEO) program, as described in title 23, chapter 3, article 4, in fiscal year 2024. A fund was established within title 23, chapter 3, article 4 where PEO fees are to be deposited and used to administer the PEO program. No fees have been collected and there are no monies in the fund since the program has not yet been implemented, therefore the program implementation will require some upfront funding.

*Proposal:* Provide \$300,000 to the SOS from the General Fund for PEO program startup costs in fiscal year 2024 - \$200,000 for system development and \$100,000 for 1 FTE to administer the program and workstation equipment for the new position.

*Alternatives Considered and reasons for rejection:* The state could further delay the implementation of the program, but the SOS will eventually need startup funding either way.

*Impact of not funding this fiscal year:* The Secretary of State's Office will not have the necessary resources to implement the program.

*Statutory Reference:* Title 23, chapter 3, article 4

*Equipment to be purchased:* Workstation setup for the new FTE

*Classification of new positions:* 1 Compliance Officer

*Annualization:* N/A

## Funding Issue 6

### Physical and Cyber Security Improvements

*Description of issue and how recommending the agency's request furthers the agency's mandates:*

Ahead of the 2022 midterm election, the federal government issued multiple warnings about increased cyber and physical threats to our elections. Threats against Arizona's election infrastructure, in particular, were high in 2022 and are expected to remain elevated due to Arizona's status as a swing state. In fact, Arizona was one of seven states listed by FBI officials during an October 2022 briefing in which election officials were facing an "unusual level" of threats.

Protecting our election infrastructure against cyberattack requires ongoing and continuous investment. Due to the ever-changing threat landscape, election security is a race without a finish line, and will require ongoing vigilance, review, and resources. While the federal government provides many free services to assist election officials with improving election security, for example, physical security assessments, the federal government does not provide the resources to address the vulnerabilities identified or implement the improvements suggested.

These threats are not hypothetical in Arizona. In 2016, the voter registration database was hacked. In 2020 and through 2022, state and local election officials faced credible threats to their physical safety. And with geopolitical turmoil increasing, the cyber threats, such as potential for malicious hacking by foreign nation state enemies, facing our election infrastructure are likely to increase as well.

*Proposal:* Provide \$1,487,600 to the SOS from the General Fund to improve physical and cyber security protection in fiscal year 2024: \$500,000 to provide around-the-clock security for the Secretary; \$250,000 to increase physical security at the Office; \$210,000 for 1 FTE to serve as Election Chief Information Security Officer and workstation equipment for the new position; \$350,000 to conduct a robust cyber security and penetration study; and \$177,600 to purchase additional software and/or licenses to enhance existing IT security.

*Alternatives Considered and reasons for rejection:*

*Impact of not funding this fiscal year:* Failure to fund this request will further expose Arizona's election infrastructure to risk of interference. Additionally, it will place the Secretary and his staff in harms way.

*Statutory Reference:* Titles 16 and 19

*Equipment to be purchased:* Physical security barriers

*Classification of new positions:* 1 Chief Information Security Officer

*Annualization:* N/A

## Funding Issue 7

### Critical Election Infrastructure

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The Office of the Secretary of State manages, among other things, the voter registration system, logic and accuracy testing for state and federal elections, election equipment certification, candidate nomination petitions and filings, initiative, referendum, and recall petitions and filings, circulator registration, campaign finance, lobbyist registration and reporting, officeholder financial disclosure statements, public records requests, and public information about elections. There are state and federal statutory and regulatory requirements, procedures, and rules that all must be met and followed. Additionally, there are significant state and federal reporting requirements and a constant flow of complicated and extensive public records requests.

In addition to meeting the statutory and requirements, the Office works in close consultation with the 15 counties that administer the elections, and works with many other local, state, and federal partners in the administration of elections. With the huge turnover in election staff at the county level, local jurisdictions, particularly in the rural areas, heavily rely on the Secretary of State's office for assistance in overseeing the myriad of complex laws and policies related to elections administration. The Office provides extensive training, technical assistance, legal compliance assistance, communications response strategy and troubleshooting to election officials at the County level now more than ever.

Election administration in Arizona has gotten significantly more complex over the years. As Arizona election officials work to balance the benefits of technology, such as speed and accuracy, they have simultaneously built-in layers of safeguards to protect elections from technological failures or intentional tampering. Technological advances have, for example, increased the accuracy of the voter registration database, but must be accompanied with increased security protocols to protect voters' private information and list accuracy. In addition, there are more petitions being filed every year, requiring increased review procedures, which are now stricter and more complicated for signatures

Not only are the demands on the current staff and infrastructure increasing as Arizona's population increases and cyberthreats increase in the face of aging infrastructure, but due to the level of responsibility every staff member in the elections division has, there is no opportunity for cross training or redundancy in positions, which creates significant hardships when people are out sick, take annual leave, or leave the agency entirely for higher paying and less stressful jobs. Current staff in the elections division routinely work 60 hours a week and forego annual vacation and leave. This situation is not sustainable and exposes Arizona's elections to unnecessary risk.

Protecting Arizona's election infrastructure is critical. The current staffing levels are insufficient to provide sufficient protection of Arizona's election infrastructure and elections in the current threat environment.

Separately, public records requests, which have spiked in the Arizona SoS's Office and in local election official offices across the country, require staff time and management. The Secretary of State prioritizes transparency and to ensure that these requests can be timely responded to, additional staff is required.

*Proposal:* Provide \$1,666,471 to the SOS from the General Fund to increase the robustness of the state's election critical infrastructure in fiscal year 2024: \$350,000 for two FTEs and workstation equipment for the new positions to provide legal counsel and reduce the backlog of public records requests; \$728,000 and eight FTEs and workstation equipment for the new positions in the Elections Division to protect against failure to comply with existing – and growing - federal and state compliance requirements; \$88,471 to adjust IT department salaries closer to market rate; and \$500,000 to contract for additional IT labor to accelerate existing IT projects.

*Alternatives Considered and reasons for rejection:*

*Impact of not funding this fiscal year:* Failure to fund this request will delay the improvement necessary for Arizona's elections to continue being secure and accurate. Further, it will be all but impossible to provide the improvements in process and timeliness desired by Arizona voters without these funds.

*Statutory Reference:* Titles 16 and 19

*Equipment to be purchased:* Workstations for the new FTEs

*Classification of new positions:* 1 Staff Attorney, 1 Paralegal, 1 Deputy Director Compliance & Quality Control, 1 Campaign Finance and Lobbyist Registration Assistant, 1 Assistant Security Lead – Logic & Accuracy, 1 Rural County Professional Development Educator, 1 County Training Specialist, 1 Project Support & County Data Coordinator, 1 Technology Specialist (AVID), and 1 Election Communications Specialists.

*Annualization* N/A

## Funding Issue 8

### Business Service Enhancement

*Description of issue and how recommending the agency's request furthers the agency's mandates:*

Businesses of all sizes across the state depend on the Office of the Secretary of State Business Services department to receive and record various filings, including Uniform Commercial Code transactions, trademark and trade name registrations, and limited partnership and limited liability partnership filings. Delays processing these records may result in businesses incurring unexpected costs. It may even result in prospective businesses seeking to locate in another state with more efficient processes.

Arizona Business One Stop is a new online portal that will allow businesses to use a streamlined process for filing government records ranging from trade names to tax IDs. It will be used by state government agencies including the Office's Business Services department and will increase the accuracy and efficiency of the existing process. However, it will be necessary to transition the department from one that processes paper records to one that operates an integrated digital document system.

A Business Process Analysis should be conducted to help identify the best structure, staff training and workflow processes to maximize the department's ability to efficiently utilize this opportunity. Additionally, the transition to a digital process will demand more from new and existing employees; unfortunately, however, this department suffers from relatively high employee turnover. The median years of services of employees in this department with a pay grade of 17 or below is 0.55 years compared to 3.85 years for similar employees office wide.

*Proposal:* Provide \$360,000 to the SOS from the General Fund to enhance operations of the Business Services department in fiscal year 2024: \$110,000 to adjust Business Services department salaries and \$250,000 to conduct a Business Process Analysis study to identify opportunities to increase speed and efficiency of department processes.

*Alternatives Considered and reasons for rejection:*

*Impact of not funding this fiscal year:* Failure to fund this request places means that existing and future Arizona businesses will likely face unplanned costs to continue, expand, or start operations.

*Statutory Reference:* Title 41, Article 2

*Equipment to be purchased:* N/A

*Classification of new positions:* N/A

*Annualization:* N/A

## Funding Issue 9

### Maximize Funding Opportunities

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The SOS State Library Archives and Public Records division rely heavily on federal grant funds that require significant compliance, management and reporting responsibilities. More grant funding for the work of this part of the agency is available at the federal level but the SOS has not pursued those funds due to a lack of resources to meet the backend management needs of the grant administration. Additionally, there are multiple federal grants which have recently been made available to election officials to cover certain election security expenses, specifically from the U.S. Department of Homeland Security and the U.S. Department of Justice. Arizona election officials may qualify for these grants, however, there are insufficient administrative resources available to apply for and ensure compliance on an ongoing basis with these newly available grant funds.

To enable the Office to pursue potentially millions of dollars in potential federal grant funds, and ensure ongoing compliance with the federal requirements attached to these grant funds, the Office must have, at minimum, one additional staff member.

Moreover, even in the absence of additional federal grant funds - and the attached administrative compliance requirements - there are insufficient full-time employees in the administrative division of the Office to ensure ongoing compliance with existing state mandates. One additional FTE is necessary to ensure that the administrative division is able to timely complete all reports, audits, and other human resource and financial documents.

*Proposal:* Provide \$84,000 to the SOS from the General Fund in fiscal year 2024 for one FTE and workstation equipment for the new position to maximize SOS's ability to receive and use federal and state funding.

*Alternatives Considered and reasons for rejection:*

*Impact of not funding this fiscal year:* The Office will miss opportunities to receive much needed federal grant funding.

*Statutory Reference:* Titles 16, 19, and 41

*Equipment to be purchased:* Workstation for new FTE.

*Classification of new positions:* 1 Budget Analyst

*Annualization:* N/A

## Funding Issue 10

### Plan For Future Facility Requirements

*Description of issue and how recommending the agency's request furthers the agency's mandates:* The Polly Rosenbaum State Archives and History Building preserves state documents, artifacts, and public records that require precise climate-controlled storage as well as additional protections from biological, environmental and mechanical hazards. It was initially estimated that its 125,000 SF of space would not be exhausted until 2032. Currently, staff are estimating the building will reach capacity in 2028.

While the state owns other properties like the Records Management Building none are currently suited for this use without extensive renovation. A building feasibility study should be conducted to identify options and plan for future state library and archives space.

*Proposal:* Provide \$100,000 to the SOS from the General Fund to conduct building feasibility study to plan for future state library and archives space.

*Alternatives Considered and reasons for rejection:*

*Impact of not funding this fiscal year:* Failure to fund this request will further delay the initial work necessary to ensure continued protection of state documents, artifacts, and public records.

*Statutory Reference:* Title 41, Article 2.1

*Equipment to be purchased:* N/A

*Classification of new positions:* N/A

*Annualization:* N/A

