

Agency Name:	Secretary Of State's Office		
Agency Code:	E080	Section:	96



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting General Fund Appropriations.
	X	Requesting Federal/Other Authorization.
	☐	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting Non-Recurring Appropriations.
	☐	Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting funding for Capital Projects.
	X	Not requesting any changes.
	☐	
PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"):	
	X	Requesting a new proviso and/or substantive changes to existing provisos.
	☐	Only requesting technical proviso changes (such as date references).
	☐	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT: SECONDARY CONTACT:	Melissa Dunlap	(803) 734-2157	mdunlap@sos.sc.gov
	Tracy Watford	(803) 734-1797	twatford@sos.sc.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 MARK HAMMOND 9/25/25	

This form must be signed by the agency head – not a delegate.

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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Other Funds Increase of UCC Proviso 96.1 Amendment	0	0	70,000	0	70,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Other Funds Authorization Increase	0	0	150,000	0	150,000	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Other Funds Health and Pay Allocation	0	0	70,950	0	70,950	0.00	0.00	0.00	0.00	0.00
TOTALS			0	0	290,950	0	290,950	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Increase of UCC Proviso 96.1 Amendment
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$70,000 Total: \$70,000
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☒	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☐	HR/Personnel Related
	☐	Consulted DTO during development
☐	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☒	Government and Citizens

ACCOUNTABILITY OF FUNDS	The request for additional authorization in spending authority requested for Proviso 96.1 is necessary in order to fund UCC administrations operational costs.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	The Secretary of State's Uniform Commercial Code (UCC) Division.
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FUNDS	
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The Secretary of State's Office is requesting an increase of spending authority for the proposed amendment to Proviso 96.1 to increase UCC revenue that is collected. The requested amount is \$70,000, which will help address the rising operational costs of the division and enable the agency to retain \$250,000. The last spending increase, which raised the amount to \$180,000, was requested in fiscal year 2013. In the last fiscal year, the Secretary of State's Office processed over 122,000 UCC filings. For fiscal year 2023-2024, there were 111,345 UCC filings, representing an increase of 8.4% in fiscal year 2024-2025.
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Authorization Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$150,000 Total: \$150,000
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☒	IT Technology/Security related
	☐	HR/Personnel Related
	☐	Consulted DTO during development
☐	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☒	Government and Citizens

ACCOUNTABILITY OF FUNDS	The Secretary of State's Office is requesting an additional \$150,000 in spending authority to accommodate rising operational requirements across the agency. Last fiscal year the Secretary of State's Office incurred more than \$185,000 in postage expenses; certified mail alone accounted for upwards of \$114,000. These costs reflect higher volumes of statutory notifications and secure correspondence that cannot be handled through standard postage methods. Without the requested adjustment, key services- such as certified delivery of legal notices and time-sensitive filings, could face delays or required reallocation of funds from other critical programs. Funds would also be spent on information tehcnology projects. The agency continues to expand its IT services for customers to provide up-to-date, secure, and convenient infrastructure and security. Multiple divisions in the agency would be impacted with this funding, and the increased funding would assist the agency in meeting all of its strategic goals.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

Anticipated fund recipients would include the customers of the state along with vendors for the agency.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The Secretary of State's Office is requesting an increase of spending authority in the amount of \$150,000 in other funds to help offset the continuing increase of operational costs. This funding is essential to ensure that we continue to meet our organizational goals and maintain high standards of service quality.

We believe that this investment is crucial for the sustainability and growth of our organization, enabling us to meet our objectives effectively and efficiently.

Last fiscal year, the agency returned over \$13.4 million to the State General Fund.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds Health and Pay Allocation
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$70,950 Total: \$70,950
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☒	HR/Personnel Related
	☐	Consulted DTO during development
	☐	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☒	Government and Citizens

ACCOUNTABILITY OF FUNDS	This funding request would support all divisions of the agency that are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies that the office seeks to meet would be impacted by the fulfillment of this funding request. Multiple divisions in the agency would be impacted with this funding and would assist the agency in meeting all of its strategic goals.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Fund recipients would be the Secretary of State's Office employees whose compensation is supported by other funds, and who are eligible for health insurance.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

The Secretary of State's Office has 17 FTE's supported by other funds. This funding is to support the 2025 compensation project. This funding request would support the Pay Plan Allocation along with the Health Insurance Allocations.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISIO REVISION REQUEST

NUMBER	96.1
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	UCC Filing Fees
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	I. Administration II. Employee Benefits
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	Yes, request #1.
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	No other agencies are affected.
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	Revenues from the fees raised pursuant to SC Code Section 36-9-525(a), not to exceed \$180,000, may be retained by the Secretary of State's Office for purposes of UCC administration. The Secretary of State's Office would like to increase this amount up to \$250,000 for purposes of UCC administration.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The Secretary of State's Office is requesting an increase of \$70,000 in UCC revenue budget. This request is driven by the need to address rising costs associated with UCC administration.

Currently, the Office retains the first \$180,000 of revenue generated from UCC filings. The proposed amendment to the proviso would enable the Office to retain an additional \$70,000, bringing the total retention to \$250,000.

The existing UCC proviso has remained unchanged for 12 years, highlighting the necessity for an update to ensure that the Office can effectively manage increasing operational expenses. This adjustment will provide necessary resources to maintain efficient UCC services and support the overall mission of the Secretary of State's Office.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

96.1 (SS: UCC Filing Fees) Revenues from the fees raised pursuant to Section 36-9-525(a), not to exceed ~~\$180,000~~ **\$250,000**, may be retained by the Secretary of State for purposes of UCC administration.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$48,556
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	The Secretary of State's Office will plan to reduce one State FTE in association with this General Fund reduction.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Administration and Employee Benefits are supported by these General Funds. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory mission of the agency.
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What programs or activities are supported by the General Funds identified?

SUMMARY	The agency has 19 FTE General Funded employees. Service delivery to customers would be directly impacted by the reduction of an FTE. Elimination of funding for an FTE would hinder the Secretary of State's Office in maintaining the staff levels required to fulfill the statutory mission of the agency. The 3% possible future cut would require moving a state-funded position to an other funded position. It would also prevent the office from filling any position that becomes vacant. This reduction in staff would impact the agency's ability to serve customers.
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	The Secretary of State's Office continues to reduce costs to taxpayers by working with the state portal, Tyler Technologies, to provide online filing applications to our customers, such as the Uniform Commercial Code (UCC) and Business Filings online applications.
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Fines and Fees
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Not applicable.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Repeal or revision of regulations.
	☐	Reduction of agency fees or fines to businesses or citizens.
	☐	Greater efficiency in agency services or reduction in compliance burden.
	☒	Other

METHOD OF CALCULATION	Not applicable.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	Filing fees in the Secretary of State's Office are mandated by statute. Any revisions will require statutory revisions from the General Assembly.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	No reductions of regulations at this time.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	The Secretary of State's Office has no regulations that need to be repealed at this time. The Secretary of State's Office filing fees are set by the General Assembly and cannot be reduced by the office. Additionally, most fees collected by the agency have not been increased for several decades and therefore have not maintained pace with inflation. The Secretary of State's Office returned more than 13.4 million ot the General Assemby in FY24-25 for fees collected through providing services mandated by statute.
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?