



**Submitted by Susan C. Lee, Secretary of State**

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Good day, I appreciate the opportunity to present the budget of the Office of the Secretary of State for Fiscal Year 2025.

Our mission is to provide the citizens of Maryland with information, services and assistance relating to the constitutional, statutory and regulatory functions assigned to the agency.

Before responding to the DLS analysis from Mr. Michah Richards, I would like to highlight some of the accomplishments of our divisions over the past fiscal year. From the certification of documents for international use to the production of official publications containing Maryland regulations, to the registration of charitable organizations and the processing of applications for Notary Publics, the Office of the Secretary of State manages a broad scope of duties with superior customer service at its core. Additionally, the office provides support to promote Maryland's expanding role in international affairs by representing the Executive Department and the State in diplomatic and related duties.

**Division of State Documents (DSD):**

- System modernization efforts are ongoing for the Electronic Filing System (ELF) to enhance the process of submitting, reviewing, approving, and publishing administrative regulations including the Code of Maryland Regulations (COMAR).
- DSD offers electronic subscriptions to COMAR in addition to the print subscriptions.
- Versions of the Maryland Register and COMAR are online for free.

**Charities and Legal Services:**

**Notaries Public**

- The Division processed 14,085 new and renewing applications for notary public during FY 2023.
- New Notary database modernization is live, but we are fixing some bugs.

### **Charity Division**

- The division registers and regulates charities and professional fundraisers under the Maryland Solicitations Act.
- FY23 there were 18,458 registered charities. These charities range from small, volunteer run organizations to large, multi-million dollar nonprofit institutions.
- There were 11,996 enforcement actions for charities with delinquent registrations in FY23.
- New Charity database for online registration has been completed and is operating.

The Maryland Charity Campaign, the State's workplace giving program, raised nearly \$2M during the 2023 campaign.

Among other accomplishments, the agency processed Extraditions, Commutations and Pardons for the Governor. 394 extraditions were processed during FY23.

### **Address Confidentiality Program (ACP):**

- Active program participants - 1670
  - Shielded deeds - 89
  - Certified Application Assistants (professional victim service providers trained by ACP staff to prequalify and refer Program applicants) 874 active to date.
  - In FY23, ACP eligibility expanded to include any threatened Maryland resident regardless of their relationship to the would-be perpetrator. At least 5 applicants have been approved for Program participation under the new provision.
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### **Operating Budget Recommended Actions:**

#### **1. Concur with Governor's allowance**

#### ***Office of the Secretary of State response:***

*The Office agrees with the recommendation*

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## **Charitable Enforcement**

The number of contacts made to charities regarding noncompliance with registration increased dramatically in the 2023 fiscal year as a result of the new registration system for charitable organizations. The system sends automated notices of noncompliance to charitable organizations via email, to the email address of record for the charitable organization. We can send more notifications regarding noncompliance because the system sends them automatically at designated times. This allows more notices to be sent without increasing the burden on our staff. While using the previous charity registration system, we would have to create, print, and mail a letter individually for each organization when they were not compliant. The number for future fiscal years should be more in line with the FY 2023 figure.

## **Electronic Filing System 2.0 (ELF 2.0)**

### **Current Status:**

- The lack of a database doesn't allow DSD to track the adoption of new regulations with confidence.
- AELR staff has inefficient processing of the review due to failure to identify new proposed regulations that have not yet been reviewed.
- DSD staff is not provided with sufficient staff support to apply the workarounds currently required to publish regulations in a timely manner.

### **Outstanding Issues:**

- Files are not properly formatted, causing more work for DSD staff.
- Files did not properly convert from the old system, with many characters and symbols not appearing correctly.
- DSD staff must manually correct each of these instances.
- DSD still does not have a method to typeset files into the booklets that are sold.
- No method in place to handle expired emergency regulations.
- No automated assembly of the Maryland Register.
- Regulation abstract on COMAR online is not updating with amended regulation.
- Agencies cannot generate their transmittal sheet or notice prior to submitting to AELR.
- It was promised to DSD that the Word files agencies use to prepare their submission would already be formatted, but this has not occurred after more than a year of operation.
- The logs indicating a file has been published are not reliable, requiring additional manual checks.
- The serious failure to debug ELF 2.0 before it launched has raised several concerns about the accuracy and completeness of published Maryland regulations under the statutorily required process, not to mention creating a persistent, inefficient process for DSD staff.
- The vendor is still unable to prove it can resolve the bugs it created with a poor product design.
- As retirements loom in DSD, our agency is suffering without a predictable, error-free system on which to train the next generation of DSD personnel. In short, there is clear support for the prompt establishment of a new database as an independent DoIT analysis recognized.