



state of the

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# SECRETARY OF STATE

2018



Corey Stapleton

MONTANA SECRETARY OF STATE

# STATE OF THE **SECRETARY OF STATE**

**The mission of the office of the Secretary of State** is to promote democracy, help commerce thrive, and record history for future generations.

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Montana Secretary of State

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# A LETTER FROM SECRETARY STAPLETON

WE ARE HONORED TO SERVE THE PUBLIC AND THE BUSINESS COMMUNITY. WE HOPE YOU WILL FIND OUR REPORT EDUCATIONAL AND INSPIRING, AS WE CONTINUE OUR QUEST TO BECOME THE BEST-RUN AGENCY IN STATE GOVERNMENT.



On behalf of the Office of the Secretary of State, I'd like to take this opportunity to welcome you to the second annual *State of the Secretary of State* report. Building on our successes and decisions from last year, we (and Montana's business customers) have begun to reap the benefits of 'going digital' across the enterprise. Additionally, we have succeeded in both increasing the integrity of mail balloting AND increasing voter participation - call it the 'sweet spot' of balancing modern security with easy voter access. Montanans can be proud of our Election system!

Please take some time and read about the great things happening in our state government. We pride ourselves in providing immaculate customer service in everything we do, and know that you will appreciate our Office's thoughtful leadership and conservative financial decisions.

Sincerely,

A handwritten signature in blue ink that reads "Corey Stapleton".

COREY STAPLETON  
Secretary of State





# RECORDS & INFORMATION MANAGEMENT



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*One of the many duties of the Secretary of State's office is to ensure the proper management and safeguarding of public records. Our office is responsible for establishing the guidelines for managing public records, assisting and informing state agencies about their records management procedures, and overseeing a records center. Years ago, this work was done by nine full time employees. Through finding and implementing efficiencies and innovative solutions with the intention of continuous improvement, four full time employees are able to continue providing immaculate customer service for state and local agencies.*

## DIGITIZE

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Creating and retaining records in a digital form is considered the nationwide industry standard. Through the State Records Committee, this industry standard has been taught to all the agencies in State government. The Records and Information Management Division has been working hand in hand with 280 of the different divisions within these agencies, helping to identify opportunities to reduce paper/microfilm/fiche footprint through digital duplication. This year our duplication team has personally digitized over 66,000 images from paper and microfilm/fiche to any digital storage venue of the agency's choice. We are trending more records being "born" digital, with a 28% downturn of new boxes of paper/film/fiche arriving at the State's Record Center for storage.

## ABOUT RIM

### DISPOSE

The Records and Information Management Division has overseen the shredding of over 450 boxes for the agencies that were stored in the record center this year, with thousands more disposed at the agency level. We have been leading the charge by following proper records retention schedules and disposing of over 3,400 of our own boxes that were duplicated digitally and/or eligible for destruction. In doing so, we reduced our own paper/microfilm/microfiche footprint by 85%.

The table below illustrates the trend of the digital era. Each box below represents a cubic foot of warehouse/storage space that hundreds of thousands of government dollars are spent storing and maintaining. When compared with the price of digital storage space, approximately \$0.12 a GB, our vision and mission are clear; let's clear out the warehouses and storage areas - DIGITIZE AND DISPOSE.



### CUSTOMER FEEDBACK

*"I have always received good customer service in my dealing with Records Management."*

*"Department is very easy to work with and quick. Thank you for all that you do over there."*

*"I always get the assistance I need."*

*"All do a great job and the people are great to work with."*



### WHAT'S NEXT FOR RIM

RIM operates with a modern and practical approach. The Records and Information Management Division focuses on a future where the antiquated practices of storing paper or microfilm/fiche in cardboard boxes or stacked on shelves in a warehouse are long forgotten.

#### THE TREND OF GOING DIGITAL

	2014	2015	2016	2017	2018
<b>State Record Center Inventory (box count)</b>	40,272	34,365	33,245	30,064	29,597

# MILESTONES IN ELECTION & VOTER SERVICES



## WE'RE IN A GOOD PLACE

A series of cyberattacks occurred in the 2016 federal election. As a result, the Department of Homeland Security (DHS) designated the election infrastructure used in federal elections as a component of U.S. critical infrastructure. The Montana Secretary of State focused on evaluating and improving the Montana Elections System.

*The Montana Secretary of State staff participated in the Defending Digital Democracy Project (D3P) Conference in March 2018 to learn from a bipartisan team of cybersecurity, political, and policy experts from the public and private sectors. Valuable information was learned about the challenges that elections face, and knowledge was gained about how to protect our state elections process.*

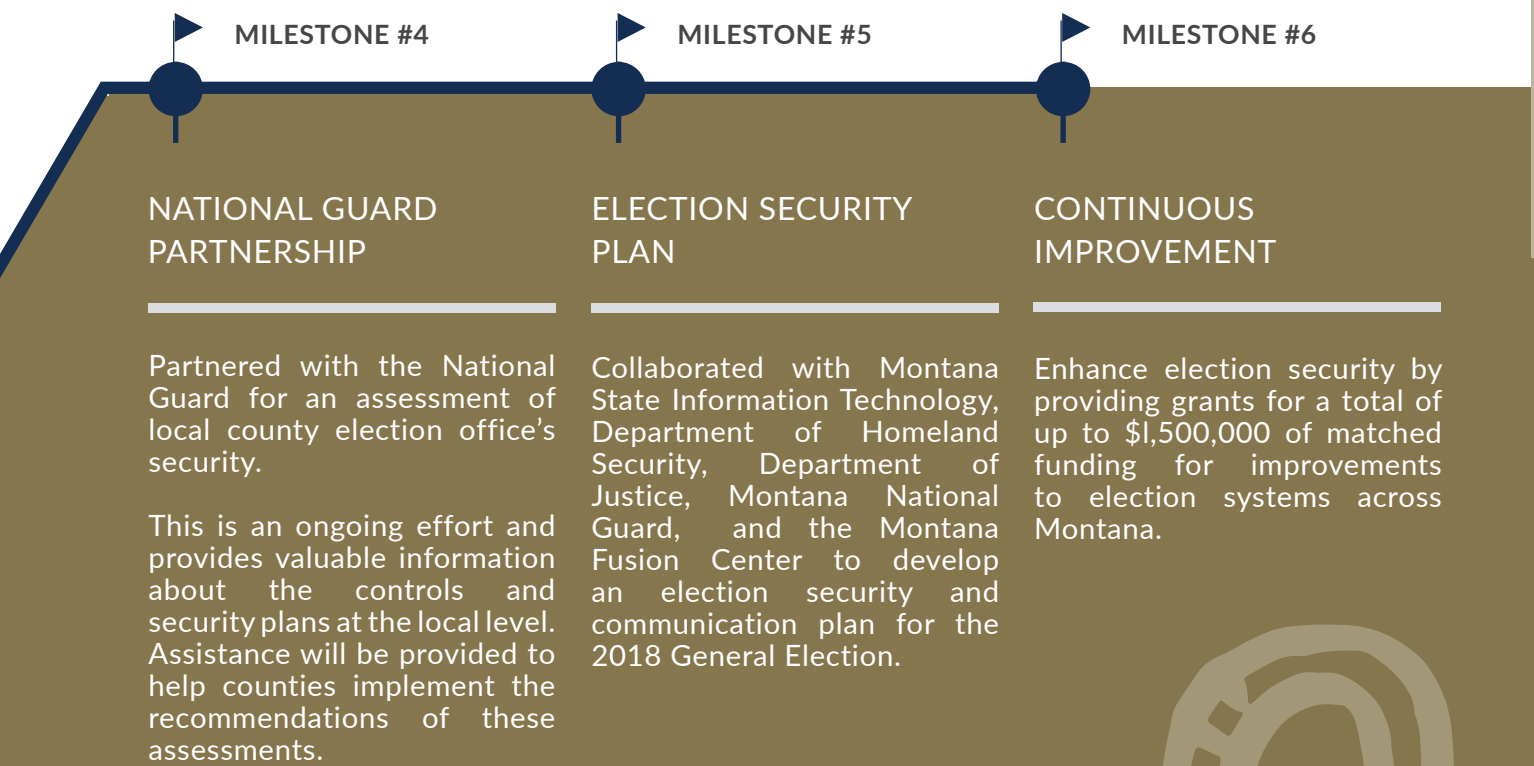






Montana was an early adopter of the Post Election Audit, which is now a nationwide best practice for ensuring the integrity of election systems. A Post Election Audit compares the results of machine tabulated votes to a hand count of the same ballots.

Every county that uses tabulation machines is required to hand count a randomly chosen set of races and precincts. The results are compared, and action is taken if a discrepancy is found.



# Security Initiatives



# TEAMWORK IS KEY ELECTION & VOTER SERVICES



## CUSTOMER FEEDBACK

*"Thanks so much for all of this information... I really appreciate it!"*

*"...really nice job tracking down the issue..."*

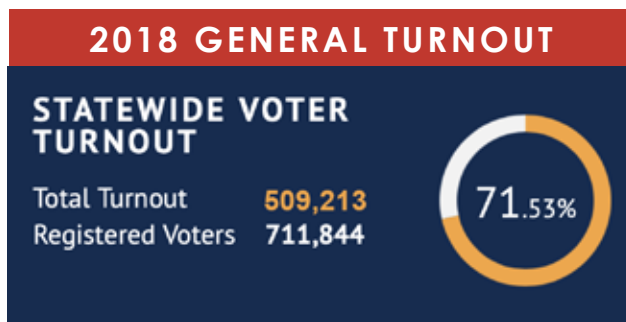
*"Thanks for all of your help...we can get him registered!"*

*"I would like to thank you for all of your assistance through this last election. You did a fantastic job and I really appreciate you." - Rina Fontana Moore, Cascade County Clerk & Recorder*

## 2018 MIDTERM ELECTION

The November 6th General Election had a record 711,844 registered voters and 71.53% voter turnout. The four marquee contests on the ballot (2 federal races, 2 Initiatives) combined spent over \$80 million. Both legislative referendums (6-mill levy for Montana University System and Prohibition of Ballot Collection by Certain Individuals) passed with 63% approval. Montanans voted down two initiatives, I-185 and I-186.

Even with all the noise and confusion that surrounds campaigns and politics, it's good to know that our system of running elections in Montana is humming right along and that we've made a number of significant improvements this year. We're in a good place.



In Montana's 2018 General Election, we witnessed more website traffic than in the 2016 General. There were over 102,000 users that visited the site, viewing over 1,713,000 pages. The average page load time decreased from 2.00 seconds to 1.56 seconds. The busiest hour on Election Night was the 9:00pm hour, with over 170,000 pageviews. Over half (50.5%) of the users visited the site on a mobile device. For the users that visited through social media, 91% were directed to the site through Facebook and 8% came via Twitter.

## MAIL BALLOT IMPROVEMENT PROJECT

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One of our major initiatives last year was the 2017 Mail Ballot Improvement Project. The project provided the baseline of information that can be used to compare other elections.

Even though the number of absentee ballots increased by almost 24% since the 2017 special election, there was a reduction in the percent of mail ballots returned without signatures and a reduced number of mail ballots returned with mismatched signatures.



# A REPORT FROM BUSINESS SERVICES

**"Customers Are Our Business"** ~ Our focus every day is you, the business owner, in meeting your needs and exceeding your expectations with immaculate customer service. As public servants, it is our honor and privilege to help Montana business owners register and maintain their business entities.

***Vision of BSD - "To enable Montana commerce by providing accurate information, timely review, and secure filings."***

## - A DAY IN THE LIFE -

*While the needs of our customers ebb and flow throughout the year, an average day looks like this:*



250

AVERAGE CALLS  
PER DAY



:20

AVERAGE TIME IN  
SECONDS TO ANSWER



270

AVERAGE FILINGS  
PER DAY



30

AVERAGE EMAILS  
PER DAY



1 DAY

AVERAGE TIME  
TO APPROVE



1 DAY

AVERAGE TIME  
TO RESPOND



# Q & A WITH BUSINESS SERVICES

**Q Is business growing in Montana?**

Businesses are thriving in Montana. Currently, there are over 223,000 businesses registered in the state of Montana. That’s an increase of 16% from 2017. Our staff works to ensure all businesses are supported with all their filing needs. For each entity type, whether it be a Limited Liability Company, Profit Corporation, Non-Profit, Assumed Business Name, or any type of partnership, the number of businesses has increased in Montana over the previous year!

**A**

**Q How do we know we are succeeding?**

Our customers’ feedback is the best indication of whether we are meeting our goals. We have started sending surveys to customers we have spoken to on the phone and have asked them to rate their experience and share comments if they wish. Customers are getting the opportunity to provide constructive feedback to make our processes even better.

**A**

**Q What have we done to make sure we achieve our goals?**

We have spent 2018 developing our Customer Service Compliance Team. Our team has engaged in crosstraining and development, so they can respond to questions on the first call. With more team members filing your documents, you also receive your communications and approvals faster than ever before. By focusing on team building, emphasizing quality customer service, and communicating personal and team goals, we are all accountable and successful in our service to you. We are always looking at ways to continuously improve our staff and our system to ensure businesses are successfully operating in Montana.

**A**

**Q Are we meeting our mission?**

By moving to a fully digital format, along with modernizing and streamlining our system and processes, we are serving more customers and responding faster than ever. The average wait times on a call are now 20 seconds or less, much less than the yearly average in 2017 which was almost 3 minutes. Filings are processed in one day or less. Prompt and accurate responses are critical to delivering on our mission and vision as we continue to strive to exceed your expectations.

**A**



## BUSINESS IS GOOD IN MONTANA

	LLCs	Corporations	Non-Profits	ABNs	Partnerships	Totals
<b>2018</b>	105,595	49,470	13,840	50,929	4,070	<b>223,904</b>
<b>2017</b>	87,806	46,306	13,033	41,713	3,646	<b>192,504</b>

# WHAT'S NEXT FOR BUSINESS SERVICES

*In the spirit of continuous improvement, we are refining the digital system making it even easier to start and maintain your business. We continue to train our Customer Service Specialists with the goal of maintaining quality service to you, the business customer. We have modernized our phones and other equipment so that every interaction results in a top-level experience.*



“The issue was described to the person answering the phone and was resolved quickly. I appreciated that the issue was resolved without transferring the call.”



“I have called three times this year to SOS for various items due to my IT shortcomings. The assistance I receive at SOS is not matched anywhere else by any government office that I have dealt with. The staff is patient, kind, knowledgeable, thorough, professional with me. Thank you.”

“My question and resolution was handled within minutes, very impressive.”

“Good step-by-step instructions on how to resolve the issue.”

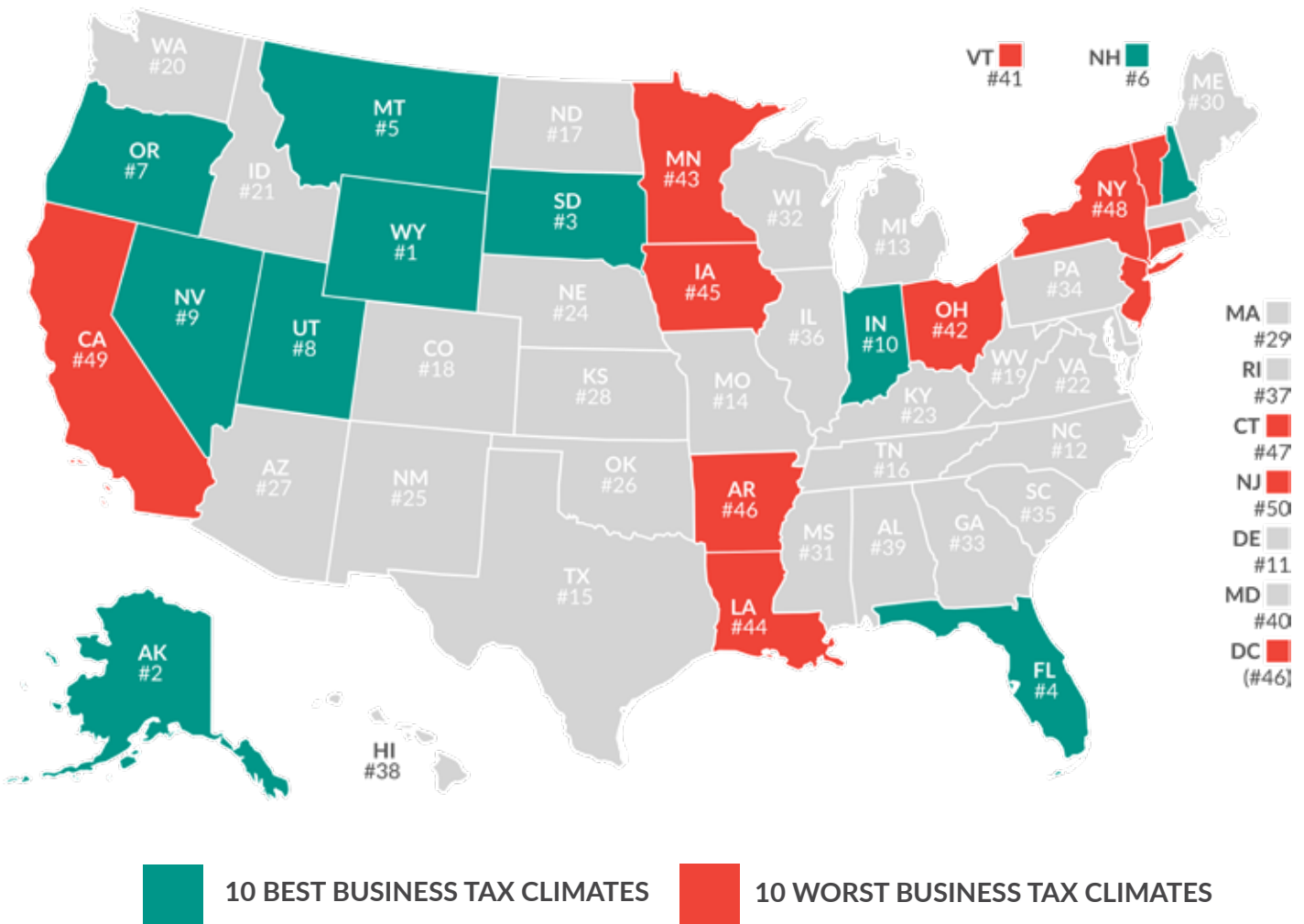
“So very polite, patient, and knowledgeable - such a rare combination these days, I'm impressed and that is not an easy thing to do.”

“Thank You for the quick responses to my inquiry!”



# 2018 State Business Tax Climate Index

Business taxes affect business decisions, job creation and retention, plant location, competitiveness, the transparency of the tax system, and the long-term health of a state’s economy. Secretary Stapleton believes that keeping fees low for registering and maintaining businesses contributes to the increase in businesses being registered in Montana. This is one of the many reasons Montana’s business economy is currently ranked 5th in the nation by The Tax Foundation.



Per [taxfoundation.org](http://taxfoundation.org), Montana’s overall State Business Tax Climate has moved up from #6 in 2017 to #5 for fiscal year 2018. Note: A rank of 1 is best, 50 is worst. Rankings do not average to the total. States without a tax rank equally as 1. D.C.’s score and rank do not affect other states. The report shows tax systems as of July 1, 2018 (the beginning of Fiscal Year 2019).

# ADMINISTRATIVE RULES SERVICES (ARS)



***Process improvements and innovation are what the future holds for this division.***

The ball has already started rolling by simplifying our billing processes and streamlining our accounts receivable procedures. We continue to make our website more efficient and user-friendly.

We are examining ways to get away from the paper subscriptions by making important information available digitally in multiple formats.

The way the State of Montana conducts its business is ever-changing. Our mission at ARS is to record, manage, and provide these changes and information to the people of Montana.

## WHAT OUR CUSTOMERS SAY

*"Staff are exceptional."*

*"They are fantastic and prompt in their responses."*

*"Very helpful while I was learning the rules process."*





# ABOUT ARS

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Another of the Secretary of State’s office duties is to publish and distribute the Montana Administrative Register and the Administrative Rules of Montana. The Register is published twice a month while the Rules are published quarterly. Reviewing the materials submitted by Montana’s various agencies and seeing that the information is made available to the people of Montana is the work of the Administrative Rules Services (ARS).



## QUANTITY

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The Administrative Rules employees are dedicated to ensuring that the material published is not only compliant with State rules and laws, but also formatted, worded, and spelled correctly.

Nearly 2,000 pages of notices have been reviewed and edited in the MAR issues since January and over 2,500 pages in the Administrative Rules.

All that work for over 1,000 rules published this year!



## QUALITY

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In 2018, the submissions have been published earlier than in the entire history of ARS.

This feat is extra impressive considering the staff assigned to complete this work went from 3.5 employees to 1.5 employees. We initiated efficiencies and have improved accuracy by early outreach to the agencies. This has resulted in a more timely and accurate process for updating the Montana Administrative Register and the Administrative Rules.

This is the kind of customer service that has State agencies providing us with compliments on our website.

# OPERATIONAL EXCELLENCE

*We are providing better service and spending less money. Creating a pro-business climate in Montana to help commerce thrive inspires us to create the same climate in our office.*

## REVENUE INCREASE



When comparing actual Jan-Sept 2017 revenues and expenditures to Jan-Sept 2018 - **Revenues increased by \$781,441**

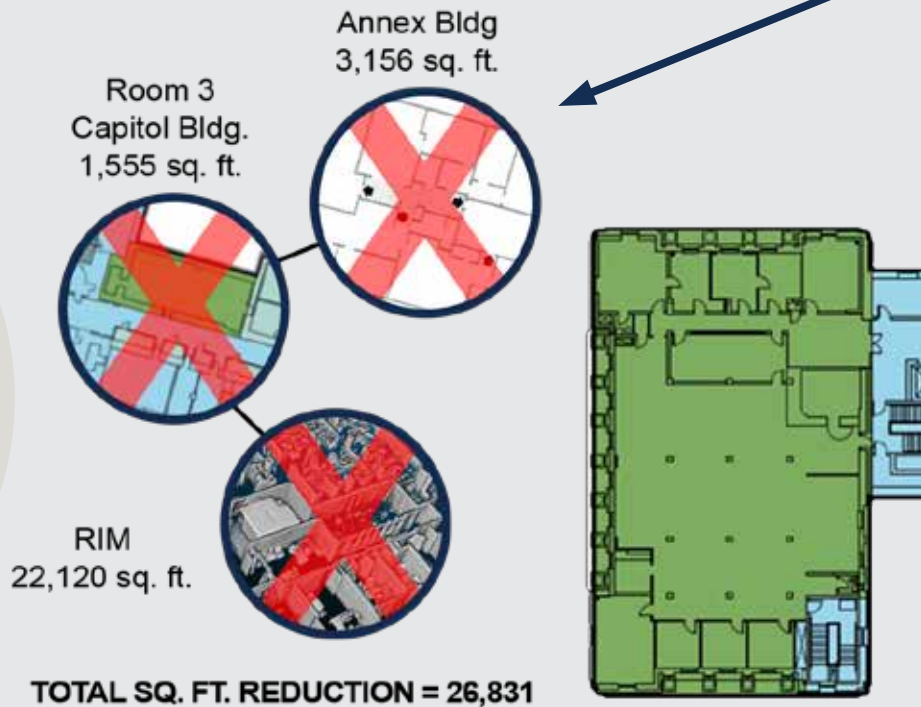
## EXPENDITURES DECREASED



Through responsible fiscal management, we helped the Governor balance his budget by transferring our operational savings of \$400,000. When comparing actual Jan-Sept 2017 revenues and expenditures to Jan-Sept 2018 - **Expenditures decreased by \$1,506,232**

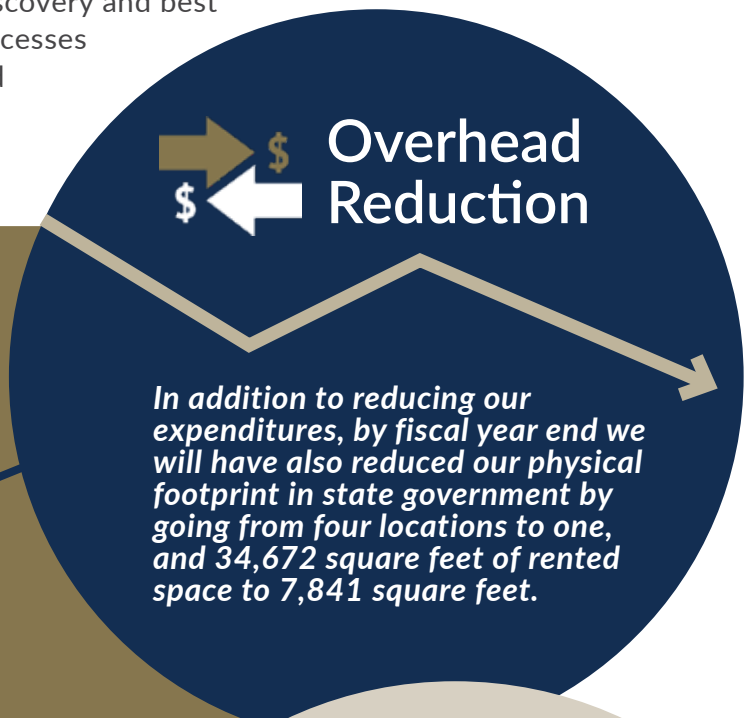
# -77%

*By fiscal year end, Secretary of State will have reduced its lease overhead by 77% by reducing our physical locations from four spaces down to one.*



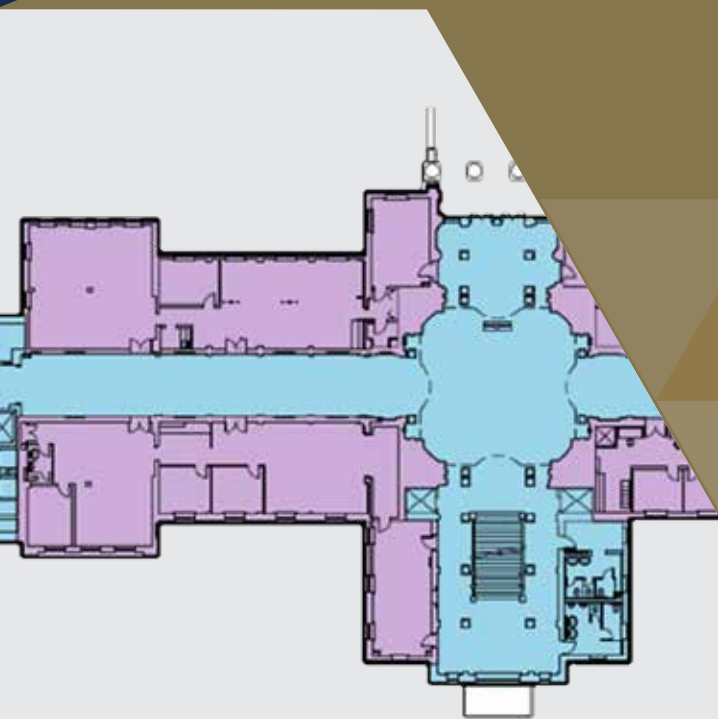
# OPERATIONS AT MONTANA SECRETARY OF STATE HAVE GONE DIGITAL.

We implemented an electronic system that captures, organizes, indexes and stores all personnel documents for Human Resources. The same system also handles automation of invoice processing for accounts payable. Through workflow discovery and best practices, we now complete accounting processes through an electronic system which created efficiencies and eliminated duplicates.



**Overhead Reduction**

*In addition to reducing our expenditures, by fiscal year end we will have also reduced our physical footprint in state government by going from four locations to one, and 34,672 square feet of rented space to 7,841 square feet.*



**CAPITOL BUILDING (CURRENT SPACE)**

**SECRETARY OF STATE - 7,841**



**Employee Engagement**

*We are the first administration of the Secretary of State to measure employee engagement. (Employees giving discretionary effort). Montana's average for highly engaged employees measures at 33%. The 2018 Secretary of State's employee engagement survey measured 89%. The success that we achieved this year is directly related to the level of our highly engaged workforce.*

# LEADERSHIP, SERVICE, & ACTION

## NOTARY & CERTIFICATIONS

*Throughout the year the Notary and Certifications Division continued to provide the level of immaculate customer service and professional leadership that has become the hallmark of the Montana Secretary of State's office.*

The Montana Notary and Certifications team consistently receives high marks for going above and beyond to guide our customers through the unfamiliar and sometimes confusing and complicated process of obtaining state certification for documents needed for a wide variety of foreign transactions. These documents are for adoptions, foreign exchange students, extended visas, destination weddings, and dual citizenship requests. Since Montana is the only state in the union that allows double proxy marriages for members of the military, our gold-standard certification service assures that our service men and women who are serving abroad can receive their marriage and spousal benefits promptly.

In April of 2018, the Secretary of State's Office hosted the Montana Notary Conference, "Conquering the Summit." This provided an unparalleled opportunity to showcase our continuing commitment and dedication to notary education that has been recognized around the nation. Approximately 200 individuals took advantage of over 50 hours of notary training presented by experts from all over the country and state. In addition, the team conducted classes in Billings, Great Falls, Kalispell, and Helena for over 100 current and aspiring notaries.



*"Leadership is practiced not so much in words as in attitude and in actions."*  
~ Harold S. Geneen





## EDUCATION & OUTREACH

Further proof of the Division's leadership in notary education and outreach, regionally and nationally, was evidenced by our presentations this past year to the Montana Clerk & Recorders' Association, the Montana Association of Municipal Court Clerks, the Idaho City Clerks' Association in Coeur d'Alene, ID., the National Notary Association's Annual Conference in Las Vegas, NV., and the National Association of Secretaries of State/Notary Public Administrator's Conference in Philadelphia, PA.

Montana continues to be a national vanguard in the evolution of remote and online notarization. As more states adopt laws enacting the use of electronic and communication technology for 21st century notarizations, Montana remains an acknowledged leader and resource for other states as they explore the feasibility of these concepts.

The gratitude of our customers and the respect of our colleagues and stakeholders around the country underscore our teamwork and commitment to excellence that the Notary and Certifications Division brings to the Secretary of State's office every day.



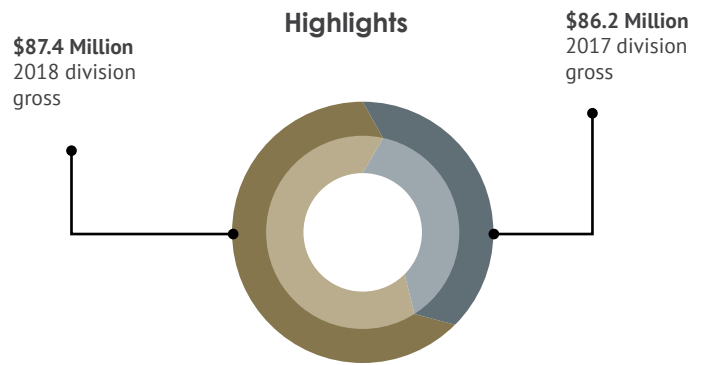
# MONTANA LAND BOARD

The Land Board supports the businesses and industries of Montana through:

- Grazing rights
- Agriculture leases
- Forest management
- Minerals
- Real estate management

# FINANCIAL SUMMARY

Secretary of State Corey Stapleton’s focus on the Land Board is to increase revenues on State trust lands for the benefit of Montana’s schools and economy. As 2018 comes to a close, revenue has risen by an additional \$1.2 million over the past year, which ends 5 years of decreasing revenues.



2017 & 2018 COMPARISON						
Trust Lands Management Division Gross	Per Student	Ag and Grazing	Mineral Activity	Forest Management	Real Estate	
<b>2017</b>	86.2 Million	\$295.00	14.2 Million	16.3 Million	10.9 Million	5.6 Million
<b>2018</b>	87.4 Million	\$286.00	14.8 Million	20.2 Million	11.3 Million	5.4 Million

**Helena, IR**  
11/27/2018

“Montana state trust lands revenue which funds K-12 education, ends 5-year slide”

**Independent Record**

**KCAP 95.9FM/950AM**  
11/27/2018

“Revenue from state trust lands rose in 2018”

**US News & World Report**  
11/26/2018

“Revenue from Montana trust lands rose in 2018”

**NEWSRADIO 95.9/950 KCAP**



# IT'S ABOUT YOU THINGS THAT MATTER TOUR

*The Things that Matter Tour isn't about our office or the people in it. It's about the people we serve every day. It's about you!*

It's about the mom and pop who work hard to keep their business going, while raising a family. It's about the high school senior who's looking out into the world ready to take his or her first steps. It's about the blue- and white-collar workers with their Montana values trying to compete in the world. When the "Things That Matter Tour" began last year, the concept was simple: Spend time where Montanans live, work, and sleep, and bring common sense solutions back to Helena.

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# IT'S ABOUT THE JOURNEY

In 2018, we logged 2,300 miles, almost 200 miles more than driving from the Yaak to Ekalaka to Lima and back to Westby, Montana. Spending a full business week behind the windshield, working 22 days outside Helena, Secretary Stapleton was honored to visit businesses from a gun manufacturer who moved his business here from California, to a community who came together to celebrate the remodeling of a family owned grocery store. One of the most interesting and inspiring aspects of the tour is meeting and visiting with high school seniors, who are our next generation of businessowners and leaders. The Things That Matter Tour will continue in 2019!





• SECRETARY OF STATE •

# Thank You

From the entire staff here at the Montana Secretary of State's Office, we thank you and look forward to serving you in the future. Please do not hesitate to contact our office at 406-444-2034 if we can answer any questions you may have.



## CONTACT US

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<https://sosmt.gov>

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# Corey Stapleton

MONTANA SECRETARY OF STATE