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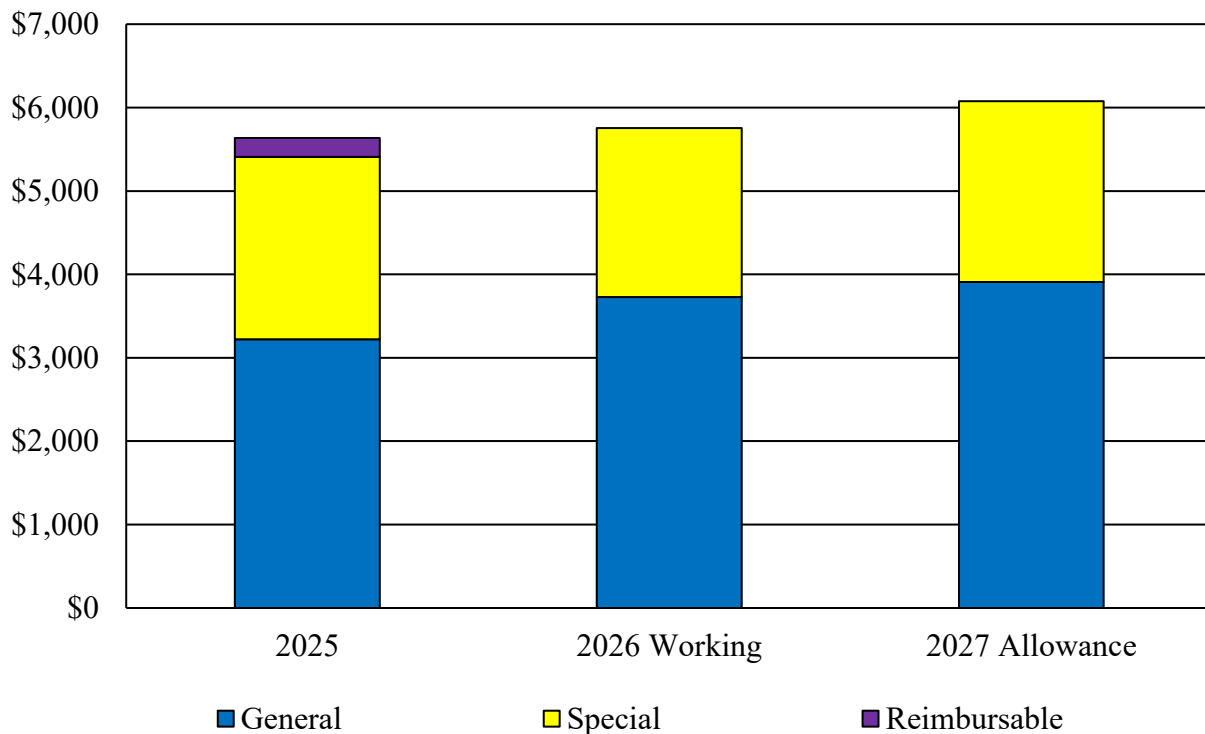
Secretary of State

Program Description

The Secretary of State is responsible for a variety of executive functions, including attesting to the Governor's signature on public documents, such as executive orders, extraditions, and pardons, and certifying candidates for nomination to appear on the presidential primary ballot. Other duties include administering the State's notary public laws and processing notary commissions, regulating charitable organizations, administering the Address Confidentiality Program (ACP), and publishing administrative regulations in the Maryland Register and the Code of Maryland Regulations (COMAR). The Secretary of State chairs the Governor's Subcabinet for International Affairs, engages with international stakeholders and the diplomatic community, and manages the Maryland Sister States Program through the International Affairs Division.

Operating Budget Summary

Fiscal 2027 Budget Increases \$319,549, or 5.6%, to \$6.1 Million (\$ in Thousands)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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Fiscal 2025 and Other Prior Year Funds

Section 21 of Chapter 716 of 2024 added \$10,000 in general funds to the Secretary of State to allocate for a grant to the Build Haiti Foundation for art exhibitions or student exchange programs. However, the Build Haiti Foundation did not have the administrative means to receive the grant due to the ongoing severe multifaceted crisis in Haiti that is preventing the organization from delivering their services. Therefore, as a result, the Secretary of State reverted the \$10,000 to the General Fund at the close of fiscal 2025.

Section 19 of the fiscal 2024 Budget Bill (Chapter 101 of 2023) provided \$982,000 in general funds for a grant to Sister States of Maryland, Inc. (SSI) for the Exploring Cultural Linkages Between Black Marylanders and Civil Rights Movements Abroad project. According to the Secretary of State, this grant was intended to match a \$1.0 million federal grant that SSI received and implemented. Initially, the Secretary of State indicated that these funds were expected to be fully utilized by June 30, 2025. As of January 13, 2026, the Secretary of State has distributed \$499,657 of the grant. According to SSI, the majority of the grant was utilized for research, educational, cultural, and travel expenses in support of the project. The Secretary of State did not grant an extension on the use of the funds and reverted the remaining \$482,343 to the General Fund at the close of fiscal 2025.

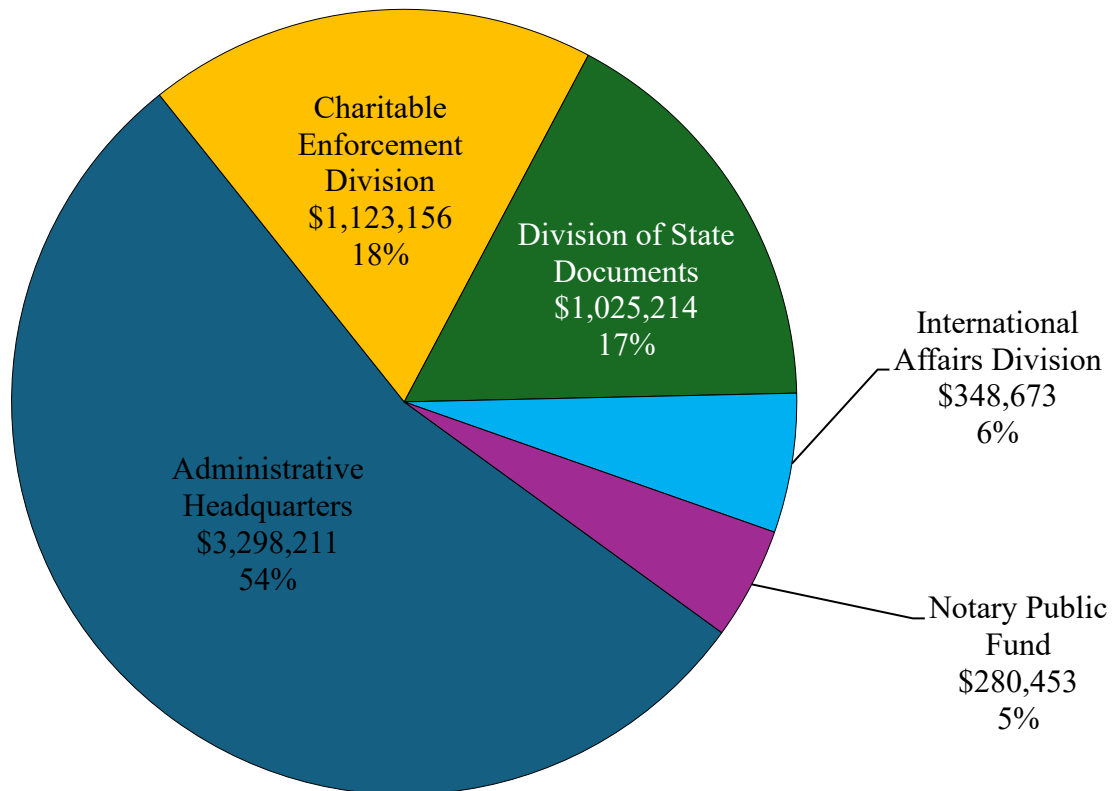
Proposed Deficiency

The Secretary of State has personnel deficiencies totaling \$156,427, which include shortfalls related to lower than expected vacancy savings.

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for the Secretary of State totals \$6.1 million. As shown in **Exhibit 1**, the Office of the Secretary of State consists of five key functional areas: (1) the Administrative Headquarters, which manages the administrative operations, trade and service mark registration, budget and finances, and certifications, comprises the majority of the allowance (\$3.3 million, or 54%); (2) the Charitable Enforcement Division, which is responsible for annually registering, regulating, and renewing annual registrations of charitable organizations in Maryland and receives around \$1.1 million, or 18%, of the allowance; (3) the Division of State Documents (DSD), which manages COMAR and the Maryland Register, comprises around \$1 million, or 17% of the allowance; (4) the International Affairs Division, which engages with the diplomatic community, manages the Sister States Program, and oversees the Subcabinet for International Affairs, receives \$348,673, or 6% of the allowance; and (5) the Notary Public Fund falls under the Charities and Legal Services Division, which processes, regulates, and renews notary commission applications for a notary public, a State-appointed public officer who is an impartial witness to certify legal documents to prevent fraud. The Notary Public Fund comprises \$280,453, or 5% of the allowance, and this fund receives revenues from fees collected for notary commissions processed.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, the Secretary of State's fiscal 2027 allowance increases by a net of \$319,549 compared to the fiscal 2026 appropriation after accounting for a proposed deficiency appropriation. The largest spending increases occur in the area of personnel costs for regular positions and contractual full-time equivalents.

Exhibit 2
Proposed Budget
Secretary of State
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2025 Actual	\$3,223	\$2,186	\$227	\$5,636
Fiscal 2026 Working	3,730	2,026	0	5,756
Fiscal 2027 Allowance	3,909	2,167	0	6,076
Fiscal 2026-2027 \$ Change	\$179	\$140	\$0	\$320
Fiscal 2026-2027 % Change	4.80%	6.93%	N/A	5.55%
Where It Goes:				<u>Change</u>
Personnel Expenses				
Salary increases and associated fringe benefits, including fiscal 2026 cost-of-living adjustments and increments				\$223
Employee and retiree health insurance				152
Deferred compensation match due to a statewide change in budgeting				10
Accrued leave payments				-25
Other Changes				
Contractual employee salary and fringe benefits				\$97
Cost allocations				30
Software licenses for Office of Secretary of State systems and databases				28
Resources to assist in collaboration with contractors				-22
Assistance in navigating foreign relations and trade/service marks for entities doing business with the State				-24
Supplies and equipment				-29
Agreements with other State agencies				-40
Travel				-67
Other changes				-13
Total				\$320

Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	29.00	29.00	29.00	0.00
Contractual FTEs	<u>11.50</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>
Total Personnel	40.50	35.00	35.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 1/14/2026	0.00	0.00%
 Vacancies Above Turnover	 0.00	

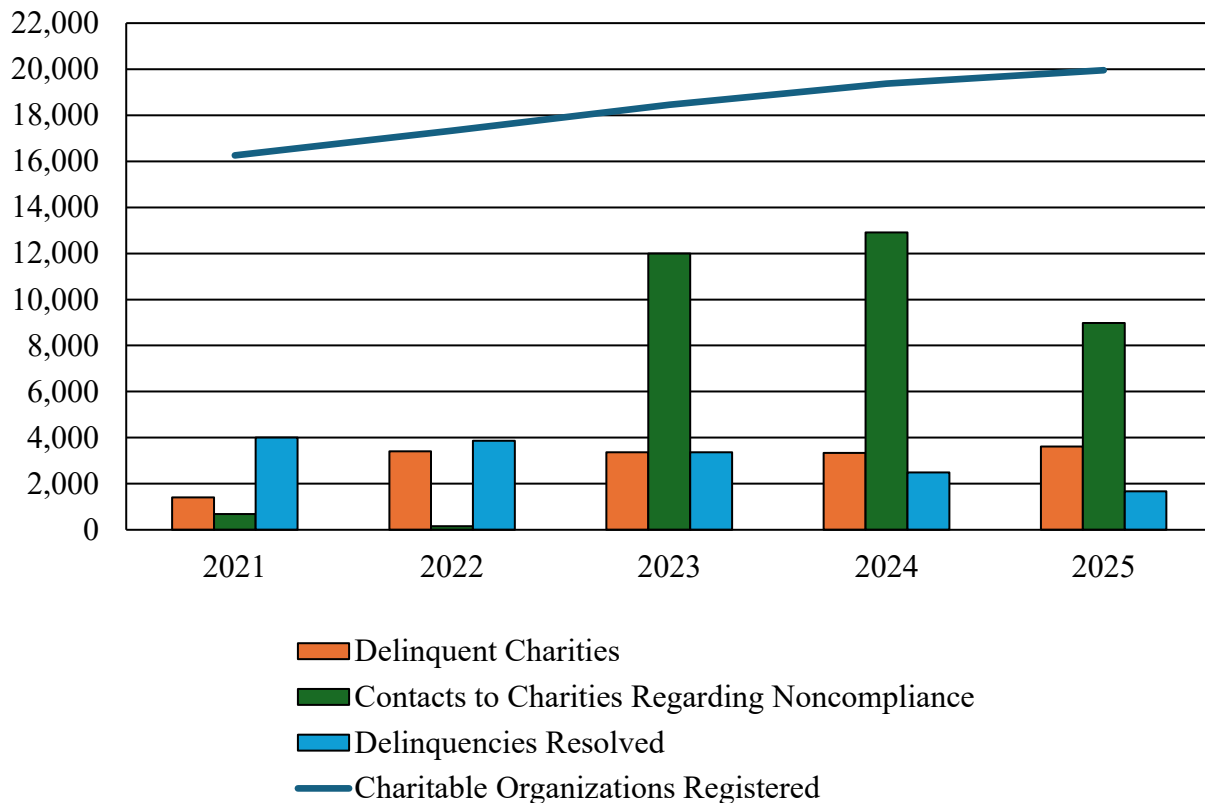
Key Observations

1. Charitable Organizations

The Secretary of State reviews a charitable organization's financial and governing documents and all fundraising contracts. The Charity Database was modernized in calendar 2022 to streamline the process for a more efficient online filing of registrations, processing of fees and payments, and live status updates.

As shown in **Exhibit 3**, in fiscal 2025 the number of registered charities increased by 578 (3%) to 19,955 compared to fiscal 2024, continuing the upward trend over the last five years. Between fiscal 2021 and 2025, the number of registered charities has increased by 23%.

Exhibit 3
Charitable Organizations Registered and Delinquencies
Fiscal 2021-2025



Source: Department of Budget and Management

Delinquent charities are organizations that fail to meet filing requirements or pay fees by the deadline. The number of delinquent charities increased by 270 (8%) to 3,614 in fiscal 2025 compared to fiscal 2024 after several years of declining delinquencies. When a charitable organization is delinquent, the Secretary of State contacts the organization to discuss their unfulfilled requirements and provide options to get the charity in good standing with the State. Despite the increase in delinquent organizations, the number of contacts to these charities decreased significantly by 3,926 (30%) in fiscal 2025 compared to fiscal 2024. Numbers during the fiscal 2021 and 2022 period were depressed, likely due to impacts of the COVID-19 pandemic.

Delinquencies resolved are the number of charities that have resolved their unfulfilled requirements to be in good standing with the State. Consistent with the declining contacts, the number of delinquencies resolved decreased significantly by 809 (33%) between fiscal 2024 and 2025, continuing the downward trend over the last five years. **The Secretary of State should**

discuss the reasons for the higher number of delinquent charities in fiscal 2025 after several years of decline. The Secretary of State should also discuss the reasons for the decline in contacts with noncompliant charities and the delinquencies resolved downward trend, despite the increase in delinquent charities.

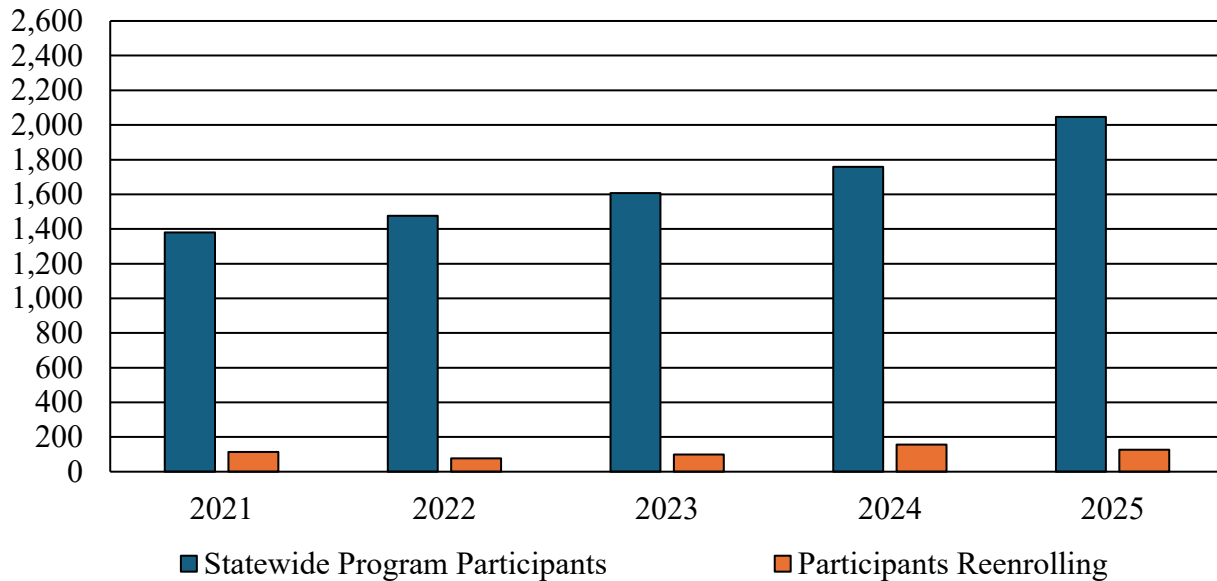
2. Address Confidentiality Program

Chapters 374 and 375 of 2006 established the Maryland Safe at Home ACP to serve survivors of domestic abuse by rerouting their mail so that their addresses can remain confidential. The Office of the Secretary of State is responsible for operating the Maryland Safe at Home ACP. Chapters 423 and 424 of 2018 enabled under certain circumstances ACP participants to also request the shielding of real property records. ACP eligibility was expanded by Chapter 124 of 2021 to include survivors of threatened, attempted, or actual domestic violence; sexual assault; stalking; harassment; human trafficking; and individuals who reside in the same household as an eligible applicant or program participant. ACP participants must reenroll in the program every four years by submitting a renewal application to explain why they continue to need ACP services.

The ACP is funded through the Victims of Crime Act (VOCA) grant from the Governor's Office of Crime Prevention and Policy (GOCPP) through either general or federal VOCA funds. GOCPP awarded the Secretary of State \$164,638 in general funds under the VOCA program for fiscal 2024, \$180,107 for fiscal 2025, and \$154,769 for fiscal 2026. The Secretary of State used the fiscal 2025 funding for direct services (\$174,107) and outreach (\$6,000). Under direct services, \$138,600 was spent on community outreach coordinator and program specialist salaries. In addition, the Secretary of State used \$6,000 for outreach, including \$3,000 in covered printing materials for public promotion of the ACP program and \$3,000 for direct communication to program participants. The remaining \$35,507 was spent on other operating expenses. The fiscal 2026 funds are expected to be used for the same purposes. The fiscal 2026 appropriation for the Secretary of State from the VOCA grant is on the agenda for the January 28, 2026 meeting of the Board of Public Works.

Exhibit 4 shows the number of program participants and the number of participants reenrolling from fiscal 2021 to 2025. In fiscal 2025, there were 2,047 participants across the State. The number of participants statewide has increased in all recent years, with an increase of 288 (16%) in fiscal 2025 compared to fiscal 2024. Despite the overall increase, the number of participants reenrolling decreased by 30 (19%) in fiscal 2025 compared to fiscal 2024. This decrease occurred after increases in the number of participants reenrolling between fiscal 2022 and fiscal 2024. In calendar 2025, 130 renewal notifications were sent, and 36 participants did not renew. The agency indicates reenrollments declined due to participants relocating out of state, failing to submit their renewal application before the expiration date, deciding they no longer need the program, or their address has become public, which means they no longer qualify.

Exhibit 4
Address Confidentiality Program Participation
Fiscal 2021-2025



Source: Department of Budget and Management

3. Maryland Register Electronic Filing System

The Secretary of State operates the Electronic Filing System (ELF), which is the system through which agencies submit proposed regulations, including emergency regulations, to DSD. Submitted regulations are then reviewed by the Joint Committee on Administrative, Executive, and Legislative Review (AELR) prior to their publication in the Maryland Register. The Secretary of State contracted with Digital Management Inc. to modernize ELF to streamline the system to make it easier for regulations to be published; however, there was no stable database for the regulations, because it was based on SharePoint and the implementation of ELF caused delays in the AELR process.

In fiscal 2025, the Secretary of State decided to move forward to a new initiative called ELF 3.0. The Department of Information Technology and DSD are working together on this initiative. ELF 3.0 is made up of two components: (1) COMAR became available online in October 2025 and was formally launched in December 2025; and (2) the Maryland Register will be in beta version during summer 2026 and officially launch in fall 2026. The Open Law Library is the nonprofit vendor being contracted to update the system.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

- ***Notary Public Commissions:*** Notary public commissions processed decreased between fiscal 2021 and 2024. However, 15,833 notary commissions were processed in fiscal 2025, an increase of 14% compared to fiscal 2024.

Appendix 1
Object/Fund Difference Report
Secretary of State

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Work Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26-27 \$ Change</u>	<u>% Change</u>
Positions					
01 Regular	29.00	29.00	29.00	0.00	0.0%
02 Contractual	11.50	6.00	6.00	0.00	0.0%
Total Positions	40.50	35.00	35.00	0.00	0.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$4,053,756	\$3,884,539	\$4,244,855	\$360,316	9.3%
02 Technical and Special Fees	499,001	425,203	525,491	100,288	23.6%
03 Communications	112,016	102,302	109,396	7,094	6.9%
04 Travel	70,067	160,044	93,098	-66,946	-41.8%
07 Motor Vehicle Operation and Maintenance	3,299	5,615	3,130	-2,485	-44.3%
08 Contractual Services	771,541	1,001,632	970,878	-30,754	-3.1%
09 Supplies and Materials	97,647	76,115	76,150	35	0.0%
10 Equipment - Replacement	1,745	27,946	7,500	-20,446	-73.2%
11 Equipment - Additional	7,689	16,400	7,800	-8,600	-52.4%
13 Fixed Charges	19,454	56,362	37,409	-18,953	-33.6%
Total Objects	\$5,636,215	\$5,756,158	\$6,075,707	\$319,549	5.6%
Funds					
01 General Funds	\$3,223,238	\$3,729,867	\$3,908,919	\$179,052	4.8%
03 Special Funds	2,186,022	2,026,291	2,166,788	140,497	6.9%
09 Reimbursable Funds	226,955	0	0	0	N/A
Total Funds	\$5,636,215	\$5,756,158	\$6,075,707	\$319,549	5.6%

Note: The fiscal 2026 working appropriation does include deficiencies. The fiscal 2027 allowance does not include salary adjustments budgeted within the Department of Budget and Management.