



Chairman Terhar, Vice Chair Lehner, Ranking member Fedor, members of the sub-committee, thank you for allowing me to testify today on behalf of the Ohio Secretary of State Frank LaRose. My name is Kimberly Burns and I serve as Assistant Secretary of State and Director of Operations.

My testimony today is based on the governor's proposed budget. While we understand the House is still working through their process, we are hopeful that our proposed budget will be recommended.

As you know, Secretary of State Frank LaRose was elected in 2018 to serve as Ohio's chief elections officer and the gateway to new businesses in our state. Prior to his election as Secretary of State, he had the pleasure of working with many of you as a member of the Ohio Senate, and we all deeply appreciate your time today to consider the proposed budget for the Secretary of State's office for Fiscal Years 2020 and 2021.

His responsibilities are many, but primarily focus on two missions: keeping our state's elections secure, accessible & accurate -- and promoting economic growth. The office requires the necessary resources to successfully carry out those duties.

Our Fiscal Years 2020-2021 budget request will ask for \$1,984,196 from the General Revenue Fund in each fiscal year. Historically, the GRF has accounted for 12.2 percent of our office's total revenue. Our budget request reduces that reliance with just 8.7 percent of our total revenue coming from GRF.

As you know, maintaining Ohio's tradition of secure elections is paramount. In January of 2017, the U.S. Department of Homeland Security designated Election Infrastructure as part of the nation's critical infrastructure. This classification is a recognition of our overarching responsibility to Ohio voters. By its very nature, each and every election system is vulnerable to ever-changing security environments. By enhancing our cyber-defense posture to serve as a model for the nation, we will be in the best possible standing to deter any threats to our election system, both foreign and domestic. After all, we know in cybersecurity – like all national security concerns – the enemy only has to be right once, and we have to be right each and every time.

That's why approximately 75 percent of our GRF request is allocated towards upgrading Ohio's cyber-defense. Included within that request are matching funds required to draw down \$12 million from the federal government via the Consolidated Appropriations Act

of 2018. This allows us to appropriately implement Title I of the Help America Vote Act of 2002 so we can enhance our technology and further improve election security. Also, for the first time in the Secretary of State's office, we are going to incorporate a Chief Information Security Officer into our holistic approach to state, federal and local partnerships and put a laser-focus on enhancing technological election security efforts both in our office and in all 88 counties.

We also must provide the necessary funds to ensure election workers are properly trained. A portion of our GRF request is designated for poll worker training. Not only is this training a statutorily required reimbursement to county board of elections, it's also the right thing to do.

In addition to our proposed budget, our office has been discussing three amendments with the House. I'd like to take this opportunity to recommend them to you today.

The first focuses on our service to businesses. A few years ago, the legislature decided to eliminate the franchise tax imposed on Ohio businesses. However, reference to such a tax still exists in Ohio code that ends up requiring us to send documentation to the statutorily agent's franchise tax address. We are simply looking to remove such references in the code for a tax which no longer exists.

Second, the revised code currently treats out-of-state non-profit corporations differently than out-of-state for-profit corporations when they register with our office to conduct business within the state of Ohio.

Currently, out-of-state for-profit corporations are not required to provide a physical address within Ohio to conduct business and -- if their name is already a registered entity here -- they have the option to choose a different name to use while conducting business. However, non-profits are required to have a physical location. If their name is already in use they don't have the option to use an assumed name. This difference in the code makes it virtually impossible for many non-profit corporations to register with our office and legally conduct business in Ohio.

There is no reason these two types of foreign entities should be treated differently. We want them to come to Ohio, register legally, pay their fee, and conduct business. To get this done, we want the standard used for out-of-state for-profit corporations to become the standard for all out-of-state corporations.

Third, we are seeking to increase the appropriation authority in our Boards of Elections Reimbursement and Training line from \$80,000 to \$200,000. This is not new GRF spending for our office, but a simple authorization to utilize additional in-house revenue

leading into the 2020 presidential election. As you know, the Secretary is putting a greater emphasis on cyber defense, and additional trainings will be necessary as we prepare for 2020 and beyond.

Thank you Chairman Terhar, and members of the committee for having me in today to testify on behalf of Secretary of State LaRose. I would be happy to answer any questions you may have.