



Chairwoman Manning, Ranking Member Jarrells, and members of the committee, thank you for the opportunity to testify today on our office's budget request for the upcoming biennium.

As Secretary of State, I have two main duties under the law: to help Ohioans build a business and to help all eligible voters participate in our democracy. I'm happy to report that we've been successful in that mission, but there's more work to do. Like many in public office, our first term was marked by unprecedented challenges over the last four years, from the enormous uncertainties of a global pandemic and the ongoing legal battle over redistricting, to the impacts of an inflationary economy on new business growth. As you would expect, like all Ohioans, our office has been resilient under the circumstances.

We've set records in everything from voter participation to new business filings. In fact, last year marked the second-highest year on record for Ohioans starting a new business, topped only by the previous year's all-time record. Just last week, we announced the largest number of new Ohio businesses ever created in the month of January. During our first term, Ohio has set records for voter registration and participation with the historic 2020 election breaking every previous record as Ohioans took advantage of our convenient and secure options for voting. We've been successful in our mission because we haven't stopped innovating and improving our operation. We've made it easy to vote and hard to cheat. We've worked to modernize and streamline our services so business creation can happen faster than ever before, without the bureaucracy of paper records and long trips to a government office.

We've worked with this General Assembly to pass the most significant business modernization reform in nearly 30 years. We created the first-ever Public Integrity Division in the Secretary of State's office to keep elections and business filings honest. We've invested in critical infrastructure, cyber security, and poll worker recruitment and training. This week, I'll be announcing a major initiative – the first of its kind in the nation – to archive and analyze election data.

As you consider where to invest Ohio's resources in this next fiscal year, you have my renewed commitment to fiscal discipline and wise stewardship. In fiscal year 2020, my office voluntarily reduced its General Revenue Fund appropriations by approximately 20 percent. In fiscal year 2021, we again voluntarily returned one million dollars in GRF appropriations, relying instead on our internal operating fund to sustain our operations. As we embark on another biennium, my office again will not request an increase in GRF, instead following Governor DeWine's proposed budget that maintains our appropriation level from the previous fiscal year. We are one of only two statewide executive offices under the proposed budget that would not receive a GRF increase. While this funding model is sustainable in the short-term through conservative management and a reliance on other revenue sources into our office, particularly business filing fees, it is arguably not sustainable long-term. This topic should be revisited and reconsidered within the next two years, as business filing revenue could be impacted by a downturn in the national economy.

Our Priorities

Even as we maintain our fiscally conservative approach, my office has an ambitious agenda, one that's critical to the integrity of our elections and the growth of our economy. I'm honored to say that many of

our initiatives are already included in Governor Mike DeWine's proposed budget, and I'd like to briefly address some of our top priorities.

Investing in Cybersecurity and Election Infrastructure

Building confidence in our elections is one of my most important duties. Technology has produced great advancements in the voting process, but it requires our constant vigilance. The emerging threat posed by cyber criminals, rogue nation-states, and other malicious actors should not be ignored or underestimated. I am regularly briefed on potential threats to our infrastructure, including classified briefings from the Department of Homeland Security, and my team is constantly working to stay one step ahead of the next vulnerability. Vigilance is our watchword as the bad guys only have to be right once and we have to be right every day.

During my administration, we have issued successive Security Directives applicable to both our office and the county boards of elections. These directives have created a highly resilient system against domestic and foreign attackers – one that has served as a model for other states across the nation. Those who intend to interfere with our elections constantly evolve their strategies and tactics. As these bad actors continue to change, we must be dynamic in our approach to election security.

Our budget request prioritizes a historic and ongoing investment in platforms that have provided excellent tracking, blocking, and monitoring of malicious attempts to enter our network systems and those of our 88 county boards of elections. These services, in the past paid for with federal Help America Vote Act (HAVA) funds, are transitioning to our office's General Revenue operating budget, as we work to reduce reliance on uncertain federal support. In addition to these cyber and technology resources, our budget also supports a regional cyber security team that works directly with county boards of elections on mitigating their vulnerabilities and making them more resilient against emerging tech threats.

Expanding Public Integrity, Data and Transparency

Building confidence in our elections also means keeping them honest and accountable. Our budget request expands on our announcement last year of the office's first-ever Public Integrity Division – one that this General Assembly is already considering codifying into permanent law.

This division unifies and manages many of the office's investigative functions, including campaign finance reporting, voting system certification, voter registration integrity, investigation of election law violations, data retention and transparency and cybersecurity protocols, as well as several important operations run by our business division. By supporting these priorities, we'll be able to fully operationalize the new division and make it a model for other states to follow. As I mentioned, we plan to announce in the coming days a major initiative to archive and analyze Ohio's elections data, which will require a significant investment as we look to gather that information from the counties, archive it for posterity, and make it available for public transparency and analysis.

On the business services side of our operation, we plan to work with this General Assembly to codify and promote important safeguards against the growing threat of business identity theft. We also intend to prioritize the training and transparency of Ohio's notary services, an important but often overlooked function of our office.

Keeping Vulnerable Voters Safe at Home

Finally, we ask for the General Assembly's partnership as we work to expand a program designed to protect Ohio's most vulnerable voters. The Safe at Home program ensures that victims of domestic abuse, stalking, human trafficking, and other violent offenses can exercise their right to vote without revealing their physical location. We can and should do more to encourage participation in this confidentiality program so no Ohioan has to choose between their personal safety and their right to vote.

Those are just a few of our most urgent priorities in the upcoming year. I want to thank the members of this General Assembly for your continued partnership in helping Ohioans build a business and participate in democracy. You have truly allowed us to make our state the gold standard and a leader in that important mission.

Conclusion

Thank you, Chairwoman Manning and members of the committee, for allowing me to testify on behalf of the Office of the Secretary of State. I look forward to answering any questions you may have about our budget request.

Yours In service,



Frank LaRose

Ohio Secretary of State