# 2025-2029

Strategic Plan

Secretary of State
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North Carolina
Department of the Secretary of State
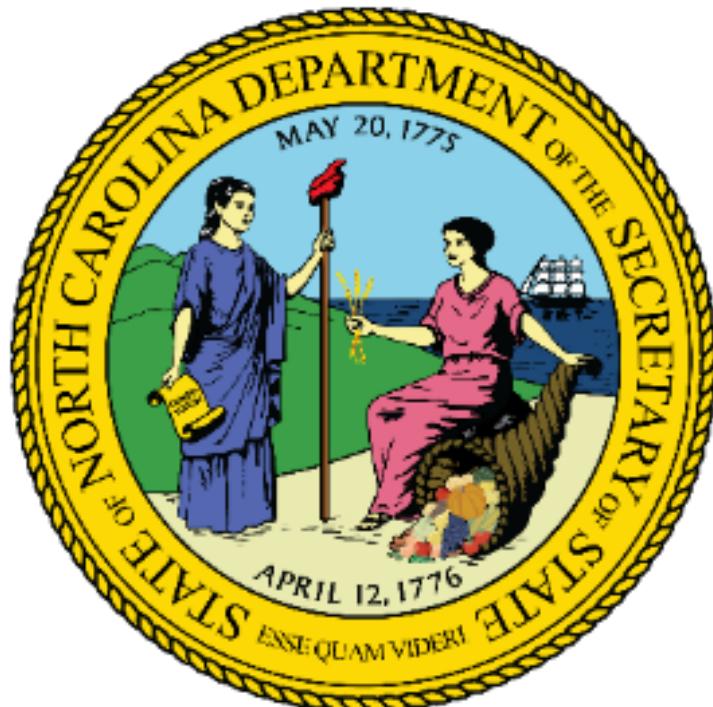
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Strategic Plan Executive Summary

The Department of the Secretary of State (NCSOS) plays a vital role in promoting economic growth and protecting the public from financial harm, as outlined in its mission and statutory authority. Though small in size, the Department is essential to North Carolina's economic infrastructure—supporting the state's dynamic business environment and safeguarding the public from financial risk.

Our mission is to facilitate economic growth and capital formation by delivering transparent, reliable, and accessible business information; administering state securities laws; authenticating critical transactions; and protecting intellectual property.

NCSOS strives to make North Carolina the preferred state in which to invest capital and conduct business by: a) reducing transactional inefficiencies; b) providing timely and transparent information; and c) assuring the accuracy of the information provided within the means available to the agency. Customers and agency peers across the nation consistently rate NCSOS as one of the best performing and most efficient secretaries of state in the nation.

NCSOS services touch millions of buy, sell, lend, borrow, and investment transactions annually as investors determine who is authorized to transfer control or otherwise speak for the utilization of business assets. For this prosperity to endure, the business community needs predictability. Predictability requires a reliable, well-resourced Secretary of State's Office.

The information businesses must disclose to the NCSOS is a legislative decision. Historically the General Assembly has directed the agency to collect and structure this information in a way that permits business and capital to flow easily across state lines. Typically, the General Assembly places upon the agency the responsibility to craft efficient methods to receive the information and distribute it. This basic information includes who owns a business, who has authority to bind the business contractually, how to establish contact with the business, and how to provide the capacity to prevent fraud or remedy fraud after the fact. This information promotes efficient capital markets that allow individuals to become funded to combine their energy, expertise and entrepreneurial spirit and then convert them into marketable services and products.

Strategic Focus

The Department's strategic plan centers on four key priorities:

- Our Customers
- Our People
- Fiscal Sustainability
- Technological Innovation

These focus areas are essential to fulfilling our mission and sustaining high-quality service delivery.

Fiscal Sustainability

Between 2019 and 2024, business registration document filings (a subset of all filings with the Department) increased 57.5%. Over the same period, the Department has registered more than 910,000 new businesses and processed more than 3.3 million annual business renewals. The Department's contribution to the General Fund has increased even more rapidly, from $125.8 million in the fiscal year ended 2019 to $219 million in the fiscal year ended 2025, a 74% increase. These numbers underscore the growing demand for our services as North Carolina experiences historic levels of business formation.
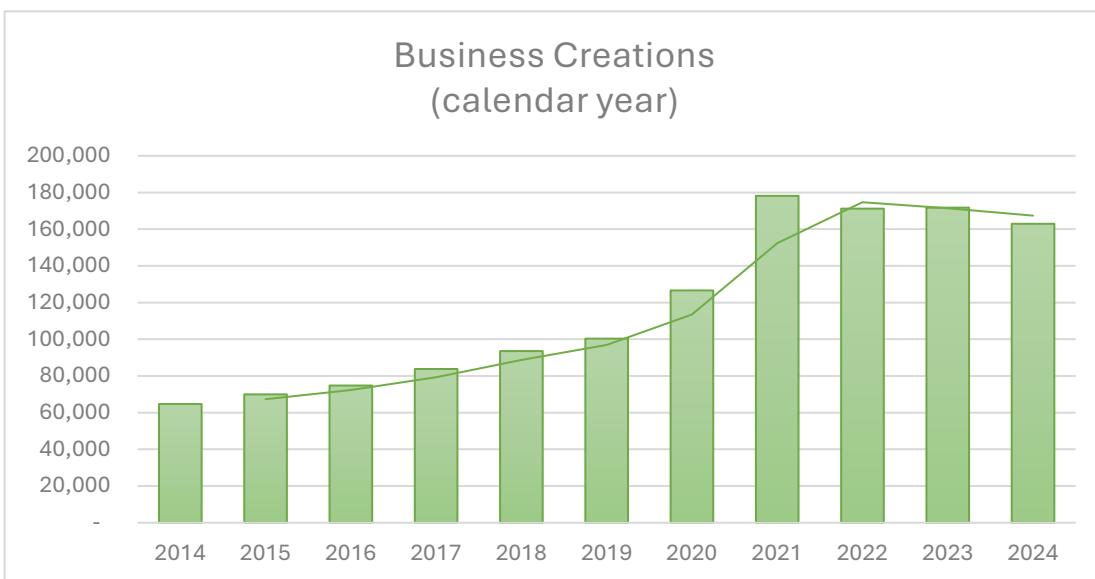
Figure 1 - Business Creations Trend Data

Service Delivery

The agency has not received staffing resources to keep up with its duties. The General Assembly appropriated $13.5 million to the Department in fiscal year 2019; for the fiscal year ended 2025 (SFY2025), recurring appropriations increased only 42%, to $19.2 million. These appropriations went primarily to legislative pay increases and did not reflect an increase in the staffing resources needed to match the increased

customer demand. Longstanding budget allocations have required more than 53% of the Department staff to be paid in the bottom quartile of their classification, with less than 20% paid at or above the midpoint.

 The long-term trend has been for the Department to remit ever increasing funds to the General Assembly, and to be allocated an ever-decreasing portion of those funds for recurring expenses. In 2008, the Department was appropriated 19% of the total fees remitted to the General Fund. In the years following, that percentage has declined steadily and now at FY 2025 stands at 8.8% of the fees remitted. See Figure 2 below.
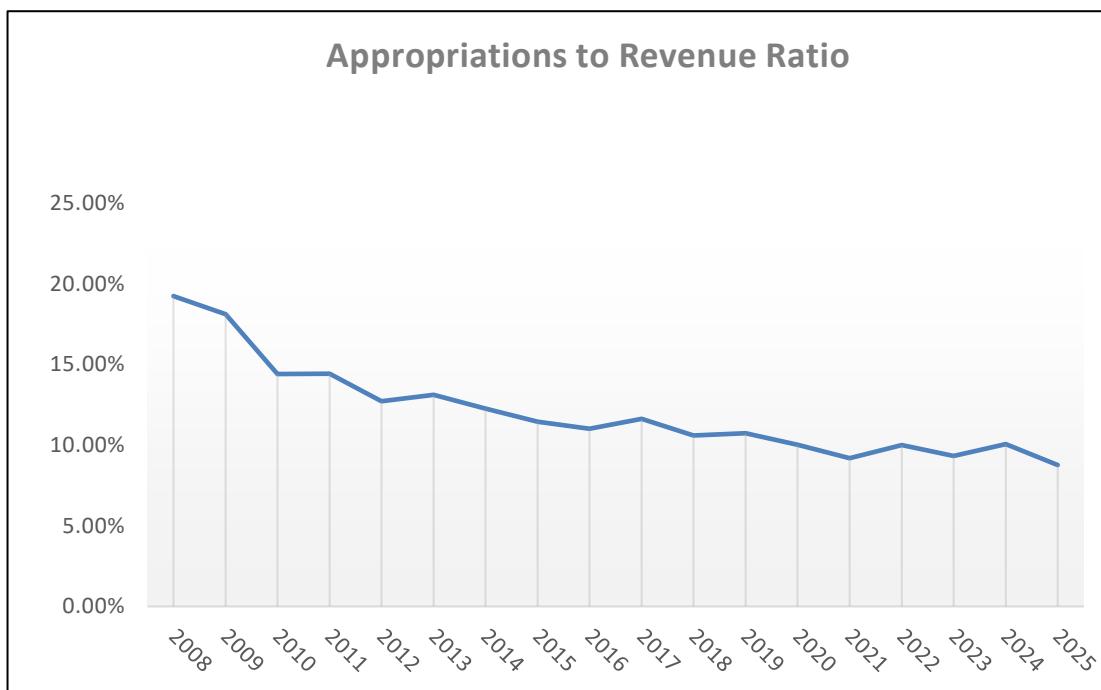

Figure 2 - Recurring Appropriations vs. Non-Tax, Fee for Service Revenue Delivered to General Assembly through transfer to the NC Department of the Treasurer

Without additional resources, turnaround times have slipped, threatening North Carolina's competitive advantage in business formation and capital creation.

Technological Innovation

To meet increasing demand, the Department has invested in technology and process improvements, including modernizing online filing systems, "web wizards" to reduce customer errors, and internal dashboards to monitor real-time trends. A "web wizard" is a step-by-step process that allows users to input information in a prescribed order and in which subsequent steps may depend on information entered in previous ones. These tools have improved efficiency, but they do not eliminate the need for additional staffing.

Workforce Sustainability

The Department is also facing a critical workforce challenge. More than 25% of staff are eligible to retire in the next year, and a third of staff by 2030. This imminent loss of institutional knowledge is compounded by the lack of funding for recruitment, retention, and process training and documentation—despite repeated requests to the General Assembly. Replacing experienced personnel will be challenging in a competitive labor market where appropriations compress Department salaries, thus making them substantially lower than comparable positions in other state agencies and the private sector.

Strategic Priorities for the Next Four Years

Over the next four years, the Department must prioritize maintaining and improving service levels through strategic investments in people, technology, and processes.

Key goals include:

- Addressing unprecedented levels of new business formation in the state and ensuring that our systems and processes can support this growth while maintaining accuracy, compliance, and efficiency.
- Continue making data-driven decisions by leveraging advanced performance management tools and analytics to improve internal operations and service delivery.
- Ensuring workforce sustainability through salary improvement and other actions that support recruitment, retention, and professional development initiatives.
- Continuing to provide critical business and financial information that underpins decision-making across the state's economy.
- Strengthening the Department's role as a primary communication channel to North Carolina's business community.

Through these efforts, the Department reaffirms its commitment to ensuring North Carolina's economy remains strong, competitive, and resilient, by providing exceptional service to businesses, investors, and the public.

Mission, Vision, and Values

Agency Mission Statement

The mission of the NC Department of the Secretary of State is "***To promote economic growth and protect the public from financial harm.***" The Department implements its mission by providing transparent, reliable, and accessible business information, administering state securities laws, authenticating crucial transactions, and protecting intellectual property.
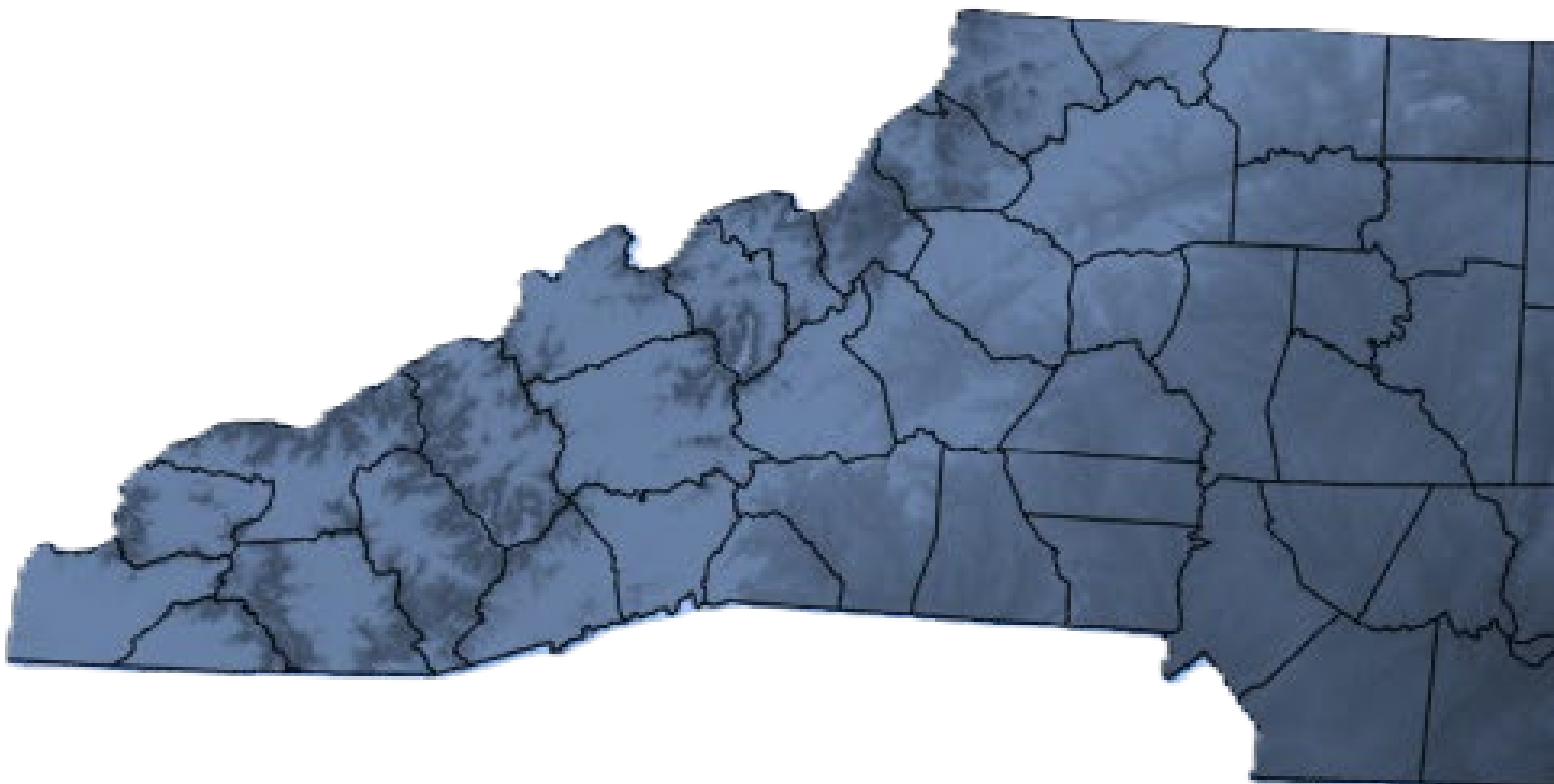
Agency Vision Statement

The vision of the NC Department of the Secretary of State is *"To be a national leader in facilitating financial capital, business and intellectual property formation; and enhancing E-Commerce services, all for the benefit and protection of the public and to support a robust state economy."*
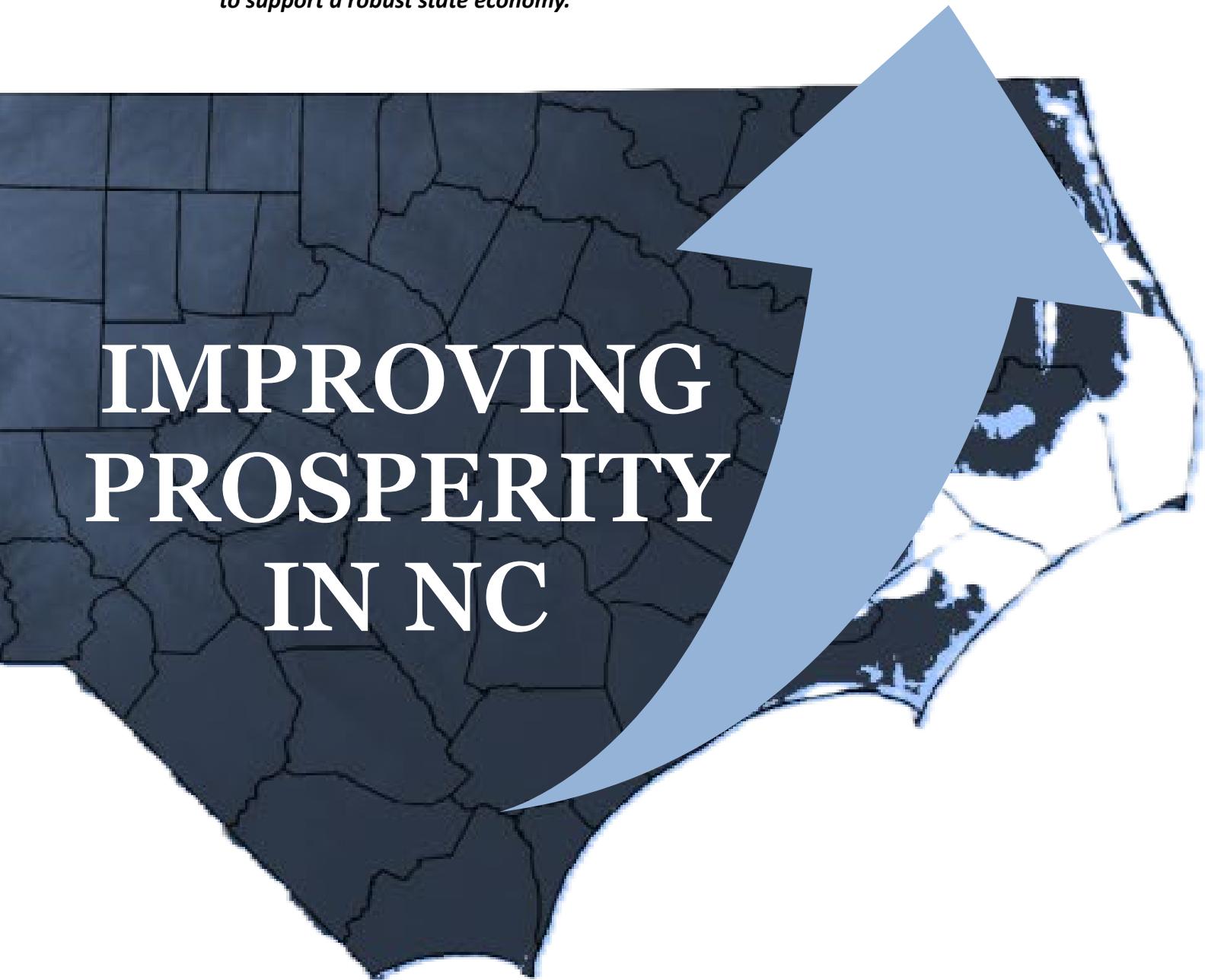
IMPROVING PROSPERITY IN NC

Agency Values

The values of the Department of Secretary of State are the guiding principles and ethical standards that shape how the Department serves the public, manages resources, and treats employees. We are committed to serving the public with integrity, professionalism, and respect. We hold ourselves accountable for our actions and uphold the highest ethical standards in all we do. Through expertise, innovation, and adaptability, we strive for excellence and embrace new opportunities to improve our work. We are dedicated to providing clear communication and responsive customer service that meets the needs of our communities. By fostering teamwork, collaboration, and wellbeing, we create an environment where people can thrive and succeed together in support of our mission.

Integrity and Professionalism

- Accountability
- Professionalism

We endeavor to own our decisions, actions, and results. We uphold the highest standards of conduct and ethics.

Service & Communication

- Customer Service
- Clear Communication

We strive to deliver courteous, responsive, and solution-oriented service to the public. We share information openly, honestly, and respectfully.

People & Collaboration

- Wellbeing
- Teamwork & Collaboration

We are dedicated to a safe, supportive, and balanced environment. We build trust and work across teams, agencies, and communities.

Excellence & Innovation

- Competence & Expertise
- Innovation & Adaptability
- Positive Mindset

We bring knowledge, skill, and sound judgement to all we do. We continuously seek better ways of working and foster the flexibility to respond to change. We approach challenges with optimism and a can-do attitude.

Goals, Objectives, and Performance Measures

The Goals, Objectives, and Measures section of this strategic plan outlines the Department's roadmap for advancing its mission to promote economic opportunity, safeguard public records, and ensure transparency and accountability in government. Each goal reflects a strategic priority aligned with the Department's core responsibilities and values, while the supporting objectives provide direction for implementation. Performance measures are included to track progress, ensure accountability, and drive continuous improvement across all service areas. This framework is further supported by the graphic below and the Balanced Scorecard presented in Attachment A, which provides a visual summary of strategic alignment of goals to each perspective and to the agency mission and vision. Together, these elements form a cohesive structure that guides decision-making, resource allocation, and service delivery in support of North Carolina's citizens and businesses.

Goal	Objective	Measure
1. Deliver Exceptional Service *Deliver exceptional service by ensuring all filings, registrations, and customer interactions are addressed promptly, accurately, and transparently. This commitment supports fraud prevention, system reliability, and public trust through knowledgeable and courteous service.*	Process filings and requests promptly, accurately, and transparently to reduce fraud risk and ensure system reliability.	Change in information from help desk analytics, data dashboards, and surveys.
		Change in volume and turnaround times of filings processed
	Manage statutory program filings and registrations transparently to ensure compliance and public trust.	Change in feedback and scoring related to this objective from customer service surveys.
	Deliver exceptional customer service that is prompt, accurate, knowledgeable, and courteous.	Change in information from help desk analytics, internal data dashboards, internal surveys, and regular cross unit collaborative meetings.
2. Foster Economic Growth & Sustainability *Foster economic growth and sustainability by equipping businesses and policymakers with data-driven insights, educational resources, and strategic partnerships that enhance capitalization, reduce risk, and promote long-term success. Special emphasis is placed on expanding access to rural support programs and strengthening statewide collaboration to drive inclusive investment and self-sufficiency.*	Expand access to Rural RISE NC resources to help small businesses in rural counties achieve self-sufficiency.	Number of businesses accessing the resource database.
		Number of business round tables and other RISE events conducted annually.
		Number of partners and small business resources compiled.
	Strengthen partnerships with public, private, and nonprofit entities to promote statewide business growth and investment.	Change in number of new or expanded collaborations with economic development partners, universities, industry associations, and chambers of commerce, with documented outcomes such as joint events, resource sharing, or co-branded initiatives.
	Educate businesses and policymakers on leveraging Departmental data to enhance capitalization, mitigate risk, and increase self-sufficiency.	Change in number users of large data repository.
		Number of media attention events that reference, cite, or call attention to the economically significant data contained in the repository.
	Educate businesses on available resources to strengthen survivability, creditworthiness, and long-term economic contribution.	Number of RISE events and/or RISE communications
		Number of educational related videos produced

Goal	Objective	Measure
3. Combat Fraud & Protect Trust *Promote ethics and integrity by enforcing laws, strengthening oversight, and partnering with stakeholders to combat fraud, protect intellectual property, and uphold investor and public trust. These steps will help to ensure confidence in commercial transactions and support the growth of fair and competitve capital formation in the state.*	Partner with local, state, federal, and multistate task forces to investigate and enforce laws related to notarial misconduct.	Change in number of multi-agency investigations. The Department will track and report on the number of enforcement actions against notaries that are coordinated with multiple entities including the Department.
	Ensure commissioned notaries receive training that reinforces professionalism, ethics, and legal compliance.	Change in number of notaries trained annually. The Department will track and report on the number of notaries trained throughout the year.
	Implement and sustain a remote electronic notarization program that meets statutory requirements and sets national standards.	Change in number of electronic notary provider applications reviewed/approved
		Change in number of electronic notaries authorized.
	Enforce and administer state laws governing investments to protect investors and uphold market integrity.	Aggregate number of investment products, registered individuals and entities analyzed for regulatory compliance.
		Aggregate number of fraud complaints, investigations, charges and prosecution, where appropriate.
	Enforce and administer state laws to safeguard against fraud and unethical practices in charitable solicitation and lobbying through enforcement, technology, and stakeholder partnerships.	Aggregate number of investigations completed for the fiscal year with data elements including violation letters, administrative orders, number of violations corrected, systemic reviews, etc.
	Enforce intellectual property laws to combat counterfeiting and protect businesses and consumers.	Aggregate number of seizures, warnings, arrests, charges and prosecution, where appropriate.
	Protect citizens by sustaining an IP Prosecutor and statewide Counterfeit Trademark Task Force to investigate and prosecute counterfeit crimes.	Change in aggregate number of Counterfeit Trademark taskforce law enforcement members, operations, requests for assistance, investigative referrals, training, requests for assistance, and prosecutions.
	Provide sophisticated investigative support by sustaining the Digital Forensic Laboratory's accreditation and capabilities.	Continuation of national DFL accreditation.
		Change in number and complexity (including number of devices evaluated) of cases supported by the DFL

Goal	Objective	Measure
4. Strengthen Public & Business Outreach *Enhance business success through communication and outreach. Educate businesses, policymakers, and the public on available resources, fraud prevention, and economic opportunities. Strengthen engagement through expanded rural access, media relations, and public awareness initiatives.*	Expand access to Rural RISE NC resources to help small businesses in rural counties increase survivability.	Number of attendees at Rural Rise events in counties where presented.
		Change in Constant Contact email analytic measures.
	Educate businesses and policymakers on leveraging Departmental data to enhance capitalization, mitigate risk, and increase self-sufficiency.	Change in number of attendees (businesses, policy makers & professional individuals) participating in Department educational presentations or receiving Department educational materials.
	Educate businesses on available resources to strengthen survivability, creditworthiness, and long-term economic success.	Number of businesses attending a RISE event and/or opening RISE communications.
		Change in relevant website clicks, social media contacts, and open e-mail success rates.
		Number of attendees at panels for financial readiness.
	Educate the public to prevent financial fraud, mitigate risk, and foster economic development.	Change in relevant website clicks, social media contacts, and open e-mail success rates.
		Number of attendees at sponsored events.
	Strengthen public outreach and awareness to improve understanding and engagement with Department services.	Change in relevant website clicks, social media contacts, and open e-mail success rates.
		Number of attendees at sponsored events.
	Strengthen media and stakeholder relations to build trust, transparency, and engagement.	Maintain proactive relationships with media outlets, industry groups, and community organizations. Provide consistent, accurate, and rapid responses to inquiries, with service benchmarks reviewed annually.

Goal	Objective	Measure
5. Increase Transparency & Foster Relations *Promote transparency and global engagement by enhancing lobbyist disclosures, fostering international partnerships and investment, and safeguarding electoral processes.*	Improve lobbyist registration transparency by enhancing timely disclosures and increasing public access to data.	Change in rates of compliance with lobbyist registration.
		Change in rates of user engagement with data.
	Foster international relations and foreign investment through strategic partnerships and global outreach	Number of meetings with international groups.
		Change in volume of direct engagement with foreign affairs, international dignitaries, and international delegations.
		Change in number of media attention events and social media analytics relevant to international affairs.
	Administer and safeguard the North Carolina Electoral College process.	The Department performs the task of hosting and administering the Electoral College every four years. The Department will document this event with video recordings of the Electoral College proceedings and comply with all statutorily required communications and procedures outlined in Federal Code and NC General Statutes.
		Coordinate Electoral College compliance and security procedures with Governor's Office, Attorney General, National Archives, State Capitol Police, and State Capitol staff.
6. Ensure Resource Effectiveness & Optimization *Maximize the use of available fiscal resources and prevent waste by aligning spending and resource allocation with agency priorities through data-driven planning to achieve the best outcomes.*	Maximize the use of existing fiscal resources by implementing data-driven resource allocation models to ensure alignment with agency priorities and outcomes.	Amount of current state fiscal year appropriations reverted at year-end.
		Number of dashboards available to the Fiscal and Business Management Division, how easy they are to use, and how reliably they provide the information needed to both the division and management for use in decision making.

Goal	Objective	Measure
7. Secure Sufficient & Reliable Funding *Secure sufficient and reliable funding to support critical operations and service quality in the face of declining legislative appropriations and increasing demand. This includes pursuing a more effective funding model, exploring alternative revenue sources, and addressing structural barriers through strategic analysis, stakeholder engagement, and evidence-based advocacy.*	Evaluate, and if feasible, pursue and secure sufficient and reliable fee-based funding models that align resources with state growth, customer expectations, and statutory service obligations.	Number of employees and programs funded by fee-based revenue generated by that program and employees.
		Change in ratio of non-tax fee for service revenue generated to appropriations and receipts available for expenditures (including salaries and benefits).
	Evaluate feasibility of budget realignment to align with economic development agencies and enhance resource allocation. If feasible, pursue a change for the 2027-28 biennial budget.	Establish meetings with appropriate budget staff at OSBM and the General Assembly to establish protocols for making a budget realignment change.
	Develop evidence-based budget proposals that clearly demonstrate the agency's impact and resource needs to policymakers.	Change in number and/or amount of budgetary requests which are accepted into either the governor's budget, a house proposal, or a senate proposal as measured by recurring and non-recurring funds and FTEs.
	Strengthen relationships with legislative and executive stakeholders to ensure alignment of funding requests with statewide priorities.	Change in number and/or amount of budgetary requests which are accepted into either the governor's budget, a house proposal, or a senate proposal as measured by recurring and non-recurring funds and FTEs.
		Number of meetings with appropriate budget staff at OSBM and at the General Assembly to foster relationships and understanding of the Department and its needs and importance to the state.
	Diversify funding sources by pursuing use of the department's receipts, grants, partnerships, and cost-sharing opportunities where permissible.	Change in total amount of funds made available to the department by type.

Goal	Objective	Measure
8. Maintain Excellence in Fiscal Governance *Ensure fiscal excellence through proactive risk management, ethical practices, modernized reporting, and strong internal controls that support transparency and compliance.*	Strengthen internal controls and oversight mechanisms to ensure transparency, accountability, and compliance with state and federal requirements.	Change in number of internal controls implemented.
		Change in number of employees trained on internal controls.
		Change in control weaknesses identified in EAGLE or other audits or reviews.
	Standardize and modernize fiscal reporting systems to improve accuracy, timeliness, and accessibility of financial data.	Change in number of internal fiscal reports produced
		Change in number of substantive findings in EAGLE or other audit/compliance processes
		Change in instances of statutory non-compliance identified in EAGLE or other audit/compliance processes
	Foster a culture of fiscal integrity and ethics through ongoing training and clear accountability structures.	Number of trainings established and shared across the Department
	Conduct regular risk assessments and audits to proactively identify and mitigate vulnerabilities in fiscal operations.	Number of risk assessments, reviews, or audits performed for units of the Department annually.
9. Safeguard Trusted Records & Data *Ensure the security, accessibility, and integrity of the Department's data systems by maintaining a reliable, high-quality repository of economically significant information. This includes continuously improving system functionality and protecting critical data to support transparency, compliance, and public trust.*	Manage statutory program filings and registrations transparently to ensure compliance and public trust.	Feedback and metrics related to this objective from customer service surveys.
	Ensure critical online data and information is consistently available, reliable, and accessible.	Change in availability percentages on the monthly site availability reports.
	Provide and safeguard a reliable repository of high-quality, economically significant Departmental data.	The agency modernization of its primary business database system architecture (SOSKB) is an 18-24 month software modernization project that will broaden the availability and speed of data delivery to customers; enhance data accuracy and reliability; promote processing efficiency; and permit broader use of the data for research and policy analysis.
	Continuously improve the functionality and security of the Department's core applications, including SOSKB.	Change in number of functional enhancement and modernization projects completed will be measured via Agile User Story reports.

Goal	Objective	Measure
10. Optimize Operational Efficiency & Effectiveness *Optimize operational excellence by continuing to streamline processes and leverage technology to meet rising customer demand despite ongoing limited staffing and resource constraints. The Department is committed to short turnaround times, sustaining service quality, and preserving North Carolina's competitive edge through innovation and cross-functional collaboration. This includes optimizing operations to reduce costs, improve productivity, and ensure the greatest possible impact with existing assets.*	Continuously improve the functionality and security of the Department's core applications, including SOSKB.	Number of functional enhancement and modernization projects undertaken and completed will be measured via Agile User Story reports.
	Leverage technology and innovation to streamline business interactions and enhance customer experience.	Number of major digital service enhancements that improve processing times or expand self-service options, as determined by customer feedback and analytics.
	Continuously monitor and enhance online customer services and electronic interfaces.	The Agency uses internal data dashboards to monitor progress and find potential roadblocks to efficient filings. Externally, the agency uses multiple feedback loops including customer service surveys, call center analytics, social media feedback, and webpage analytics.
	Provide and promote electronic solutions that enable efficient, cost-effective customer transactions.	Percentage of online filings and customer error rates provided by internal data dashboards.
	Increase cross-unit understanding of activities, goals, and obligations to enhance process and knowledge integration across functions to strengthen accountability, organizational performance, alignment and collaboration.	Number of errors/complaints that spread across divisions. Feedback from meeting attendees. Streamlined and improved processes as a result of these communications generated from feedback from meeting attendees.
	Optimize internal processes through continuous evaluation and automation to reduce costs and improve productivity.	Number of person/hour savings related to automated processes.

Goal	Objective	Measure
11. Enhance Internal Communication & Collaboration *Foster a collaborative and aligned workplace by improving cross-unit understanding, integrating knowledge and processes, and strengthening internal communication to support organizational performance.*	Increase cross-unit understanding of activities, goals, and obligations to enhance alignment and collaboration.	Feedback from meeting attendees. Number of cross unit collaboration meetings of supervisors and lead workers.
	Promote process and knowledge integration across functions to strengthen accountability and organizational performance.	Number of cross-collaborative presentations at the supervisor/lead worker level
	Improve internal communication and collaboration to strengthen coordination and organizational performance.	Establish regular two-way communication mechanisms (newsletters, feedback surveys, regular staff and cross divisional meetings, lunch and learns, or something similar). Improve the internal intranet site to support communication and collaboration.
12. Increase e-Government Services *Promote utilization of e-Government services by ensuring reliable access to online data and promoting efficient, cost-effective digital solutions, including compliant electronic notarization.*	Ensure critical online data and information is consistently available, reliable, and accessible.	Monthly site availability and utilization percentages.
	Provide and promote electronic solutions that enable efficient, cost-effective customer transactions.	Percentage of online filings and customer error rates. Information provided by internal data dashboards.
	Review and approve electronic notarization solutions in compliance with North Carolina standards.	Number of electronic notary software solutions that are submitted for agency review and approval.

Goal	Objective	Measure
13. Foster a High Performing Workforce *Build a high-performing workforce by recruiting and retaining qualified staff, planning for succession, and supporting professional growth through fair compensation, education, and wellness.*	Improve workforce sustainability through salary adjustments to ensure all staff are paid a fair wage.	Change in average Current Ratio of agency staff salaries. (Current Ratio = Budgeted Salary ÷ Classification Midpoint)
	Proactively plan for succession by addressing potential knowledge loss from projected retirements.	Number of processes and procedures which are documented and current.
		Number of trainings developed for NCSOS specific processes to include the use of analytics and IT systems deployed by the agency.
	Promote process and knowledge integration across functions to strengthen accountability and organizational performance.	Number of staff with skills and knowledge applicable to more than one division.
	Establish and promote promotion tracks/career roadmaps for staff to grow within the agency.	Number of positions which a career-roadmap/ promotion-track evaluation performed
		Number of positions with a career-roadmap/ promotion-track
	Recruit and retain qualified staff committed to advancing the Department's mission.	Vacancy and turnover rates.
		Number of times positions must be posted before selecting a candidate.
		Average number of days from posting to filling.
	Develop and implement an Employee Education Assistance Program to strengthen workforce development.	Change in number of employees participating in the employee education assistance program.
	Develop and implement wellness program to sustain morale, encourage retention, and improve the overall wellness of agency staff	Number of wellness program activities developed and implemented in response to staff requests.
		Number of participants in wellness activities

Goal	Objective	Measure
14. Expand Data-Driven Decision Making *Advance strategic communication and outreach by leveraging data analytics to improve effectiveness and inform decision-making.*	Continue making data-driven management decisions by leveraging advanced performance management tools and analytics to improve internal operations and service delivery.	Availability, utility, and reliability of dashboards for each division to evaluate internal business processes for efficiencies.
		Number of analytics developed and utilized to analyze processes and identify bottlenecks.
	Use data analytics to strengthen education strategies and improve outreach effectiveness.	Availability, utility, and reliability of analytics from websites, social media, bulk email, call center metrics, surveys to evaluate and refine outreach.
15. Modernize & Secure Technology & Infrastructure *Modernize and secure IT systems to meet evolving needs, support investigations, and enhance performance, scalability, and user experience across the Department.*	Deploy and sustain modernized IT infrastructure to meet evolving privacy, security, and availability needs.	Results of semi-annual architectural reviews, annual disaster recovery exercises, and monthly security reporting.
	Sustain and enhance technological and forensic capabilities to support investigations and prosecutions.	Number of investigations supported annually.
	Research, evaluate, select, implement tools and technology to support improvements in divisional processes office-wide.	Number of IT solutions evaluated.
		Number of IT solutions implemented.
	Continue to modernize core technology systems and infrastructure to improve performance, scalability, and user experience.	Decrease in number of end-of-life end user systems.
		Change in system performance and user satisfaction.
	Strengthen IT security and compliance by enhancing system safeguards, user access controls, and data protection protocols.	Change in number of security incidents and non-compliance findings.

Priority Questions

The following priority questions align with the Department's most critical strategic objectives. While not exhaustive, answering these questions will significantly influence resource allocation and strategic direction. Focusing on them will enhance planning efforts and support the development of evidence needed to improve programs and operations.

Question 1 –

What strategies can the Department employ to obtain and manage adequate resources to sustain critical operations and service quality in the face of increasing demand for services, acknowledging that inadequate legislative funding poses significant challenges to fulfilling its mission?

The Department's Appropriation-to-Revenue Ratio, the share of legislative appropriations received relative to non-tax, fee-for-service revenues contributed to the General Fund, has fallen from 19.24% in 2008 to less than 9% in 2025. Adjusted for inflation, the 2025 ratio is effectively 5.84% in 2008 dollars, representing a 69.65% decline in purchasing power in comparison to the work performed. This significant shortfall highlights how inadequate legislative funding is constraining the Department's ability to fulfill its mission and maintain the timely, high-quality service delivery that is expected by constituents, even as constituent demand is increasing.

Historically, the Department has focused on submitting evidence-based, prioritized budget requests designed to maximize impact and clarity for the legislature, with the goal of securing inclusion in the Appropriations Act to ensure adequate resources to meet the Department's mission and vision. While methodical, rational, and aligned with budgetary best practices, this approach has not succeeded in obtaining the necessary funding to sustain the timeliness and quality of services in the face of growing demand.

Following a thorough internal review, the Department has identified several critical questions that warrant strategic exploration. Addressing these questions will help inform a comprehensive approach to securing and managing the resources necessary to sustain operations and uphold service quality:

1. What factors have contributed to the Department's recent lack of success in securing requested budget allocations?

2. Is the Department appropriately aligned with the relevant appropriations committee to advocate effectively for funding?

3. What proportion of the Department's generated revenue should reasonably be returned to it through appropriations?

4. Should the Department's funding model be primarily based on appropriations, receipts, or a hybrid approach?

5. What statutory or regulatory changes could enhance the Department's funding flexibility and operational capacity?

A deliberate and coordinated effort to address these questions will position the Department to more effectively secure necessary resources to ensure the continued delivery of high-quality services.

Question 2 –

How can the Department continue to strategically harness emerging and existing technologies, including AI, to optimize workforce capacity, enhance operational efficiency, and elevate service delivery, while safeguarding the integrity and security of its critical data and infrastructure?

In response to a dramatic increase in workload over the past decade—without corresponding increases in staffing or appropriations—the Department has proactively implemented numerous initiatives to automate and streamline its processes. This innovative and agile approach has enabled the Department to remain at the forefront of technological advancement compared to other Secretary of State offices.

Crucially, these efforts have prevented operational collapse despite skyrocketing demand for services. Nearly all filings may be submitted electronically through the Department's newly redesigned and modernized website, reducing customer errors and increasing processing efficiency. As a result, approximately 85% of all filings are now submitted digitally, with the remainder paper-based.

Recognizing both the transformative potential of AI and the growing gap between available resources and increasing customer demands, the Department is actively exploring opportunities to leverage machine learning, robotic process automation, and agentic AI while continuing to maintain appropriate guardrails and security over highly sensitive data.

These technologies offer the potential to augment staff capacity, automate routine and repetitive tasks, assist customers with non-complex needs, and support leadership in analyzing departmental data to uncover insights that could inform or drive economic change. The primary obstacle to AI adoption and realizing its potential productivity benefits, is the Department's lack of resources available to dedicate to the evaluation, testing, and determination of how best to properly deploy AI products within the agency.

Question 3 –

How will the Department manage its increased oversight responsibility of Investment Advisers as a result of anticipated federal regulatory policy changes?

The U.S. Securities and Exchange Commission is responsible for the registration, oversight and examination of Investment Advisory (IA) firms with assets under management (AUM) more than $100M. The Department is responsible for the registration, oversight and examination of IA firms less than the $100M threshold. This division of governmental responsibility is designed to protect investors and to avoid duplicative regulatory oversight. The federal registration AUM threshold is expected to rise to as high as $500M within the next 2-4 years. An increased threshold would result in an increase in state-registered IA Firms and fees to the General Fund. However, without adequate appropriations to support the 36-150 additional state-registered IA firms resulting from such a threshold change (adding the equivalent of 1-3 FTE of work), there would be a corresponding risk of misconduct and fraud to the investing public. The Department would seek to retain the registration fees of the transferred federal IA Firms to employ the staff necessary to examine and file action against those who fail to register with the state or remain compliant with state Investment Adviser laws.

Question 4 –

How will the Department manage, maintain and support its investigative obligations should the federal government no longer offer grants for the prosecution of Intellectual Property crimes?

The potential loss of grant funding after October 1, 2025, will directly impact the Department's ability to provide training, education, and prosecutorial support to its 140 federal, state, and local taskforce members and 40 law enforcement agencies. The federal DOJ IP Prosecutorial Grant provides 100% funding of the Intellectual Property Prosecutor

and partial funding of digital tools within the Digital Forensic Laboratory, training of the taskforce members, and storage of counterfeit trademark evidence.

Question 5 –

What strategies can the Department implement to attract, retain, and develop a highly skilled, engaged, and adaptable workforce capable of driving innovation and meeting both current and future organizational demands?

Agencies across North Carolina continue to face significant challenges in recruitment, retention, and succession planning. Rising salary expectations, coupled with a depressed salary scale, have intensified these issues for the Department.

The Department is particularly affected in highly specialized fields such as law, finance, and information technology. These positions require advanced expertise and, in many cases, advanced degrees. Qualified candidates often pursue opportunities elsewhere in government or the private sector, where compensation is substantially higher than the salaries and benefits appropriated to the Department by the General Assembly.

At the same time, the Department has benefitted from a long-serving group of dedicated document examiners and other front-line staff. Their roles require legal expertise beyond typical administrative positions, and many have remained with the agency for years, motivated by loyalty to the Secretary and her commitment to fostering a positive workplace culture that values employee contributions to the State of North Carolina.

However, because this group has had limited opportunities for advancement and has chosen to not move frequently within state government, their salaries have remained stagnant. This, along with historically insufficient appropriations from the General Assembly, has contributed to both long-term salary compression and widespread salary budgets well below market rates. Additionally, this has placed strain on the Department's overall compensation budget, eliminating hiring and promotional flexibility due to the absence of adequate salary reserves. As a result, the loyalty, dedication, and service of these employees means that Department staff continue to be among the lowest-paid employees in state government.

A significant portion of this workforce is approaching retirement age, and the effects of this "silver tsunami" are already evident. Much of the Department's operational stability depends on this experienced and committed group, yet replacing them with the existing depressed salary appropriations has proven difficult.

To strengthen recruitment, retention, and succession planning, the Department has implemented recommendations from the North Carolina Office of State Human Resources (OSHR), including:

- Evaluating classifications for appropriateness
- Offering sign-on and retention bonuses
- Adjusting salaries toward the midpoint of pay ranges, to the extent possible given insufficient appropriations (despite these efforts, most remain below the first quartile)
- Flexible workplace models
- Addressing pay equity concerns
- Increasing access to training and professional development

The Department is also adopting additional strategies to enhance workforce sustainability, including:

- Strengthening workplace culture through improved communication
- Creating an educational reimbursement policy and program
- Establishing a wellness program to support staff well-being through on-site and virtual activities

To support succession planning, the Department has:

- Prioritized documenting procedures in multiple formats to streamline onboarding
- Implemented hiring overlaps, when feasible, to ensure effective knowledge transfer

By assessing the impact of these strategies, the Department seeks to build a skilled, engaged, and future-ready workforce capable of meeting evolving organizational needs.

North Carolina Department of Secretary of State
Secretary Elaine F. Marshall

Strategic Plan Strategy Map

The mission of the NC Department of the Secretary of State is "*To promote economic growth and protect the public from financial harm.*" The Department implements its mission by providing transparent, reliable, and accessible business information, administering state securities laws, authenticating crucial transactions, and protecting intellectual property.

The vision of the NC Department of the Secretary of State is "*To be a national leader in facilitating financial capital, business and intellectual property formation; and enhancing E-Commerce services, all for the benefit and protection of the public and to support a robust state economy.*"

Agency Values

Integrity and Professionalism
- Accountability
- Professionalism

Service & Communication
- Customer Service
- Clear Communication

People & Collaboration
- Teamwork & Collaboration
- Wellbeing

Excellence & Innovation
- Competence & Expertise
- Innovation & Adaptability
- Positive Mindset

Stakeholder Perspective
- Deliver Exceptional Service
- Combat Fraud & Protect Trust
- Foster Economic Growth & Sustainability
- Strengthen Public & Business Outreach
- Increase Transparency & Foster Relations

Financial Stewardship Perspective
- Maintain Excellence in Fiscal Governance
- Secure Sufficient & Reliable Funding
- Ensure Resource Effectiveness & Optimization

Internal Processes Perspective
- Increase e-Government Services
- Safeguard Trusted Records & Data
- Optimize Operational Efficiency & Effectiveness
- Enhance Internal Communication & Collaboration

People and Innovation Perspective
- Modernize & Secure Technology & Infrastructure
- Expand Data-Driven Decision Making
- Foster a High Performing Workforce