

JOINT BUDGET COMMITTEE



INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2016-17

DEPARTMENT OF STATE

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
SCOTT PHILIP THOMPSON, JBC STAFF
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JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

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INTERIM SUPPLEMENTAL REQUESTS

LOCAL ELECTION REIMBURSEMENT

	REQUEST	RECOMMENDATION
TOTAL	\$200,000	\$200,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	200,000	200,000
Federal Funds	0	0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? **YES**
 [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request (1) meets interim supplemental criteria and (2) is the result of data that was not available when the original appropriation was made, specifically, the total number of active registered voters on election day.

DEPARTMENT REQUEST: The Department requests an increase of \$200,000 cash funds from the Department of State Cash Fund to fulfil its statutory obligation to provide election reimbursement to counties based on the active registered voters in each county on election day. The line item is currently funded with \$1.5 million cash funds.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department request. JBC staff is working with the Department on a potential solution to avoid the need for these type of Interim Supplemental Requests in future election years.

STAFF ANALYSIS: Pursuant Section 1-5-505.5, C.R.S., the Secretary of State is required to reimburse counties for local election costs based on a statutory formula. Now that final active registered voter counts are certified, the Department of State is requesting supplemental spending authority to achieve its directive. JBC staff briefed the Committee on this issue during the Department of State Budget Briefing on November 15, 2016.

The Department did include some new information the Committee may find interest. According to Pew Charitable Trusts, Colorado has the highest percentage of eligible voters registered in the country and another study projected Colorado to have the third highest voter participation rate in the 2016 election.

The information from the Briefing provides background on this request and is duplicated below with one exception: the chart and figures were updated to reflect actual voter count not the estimated number.

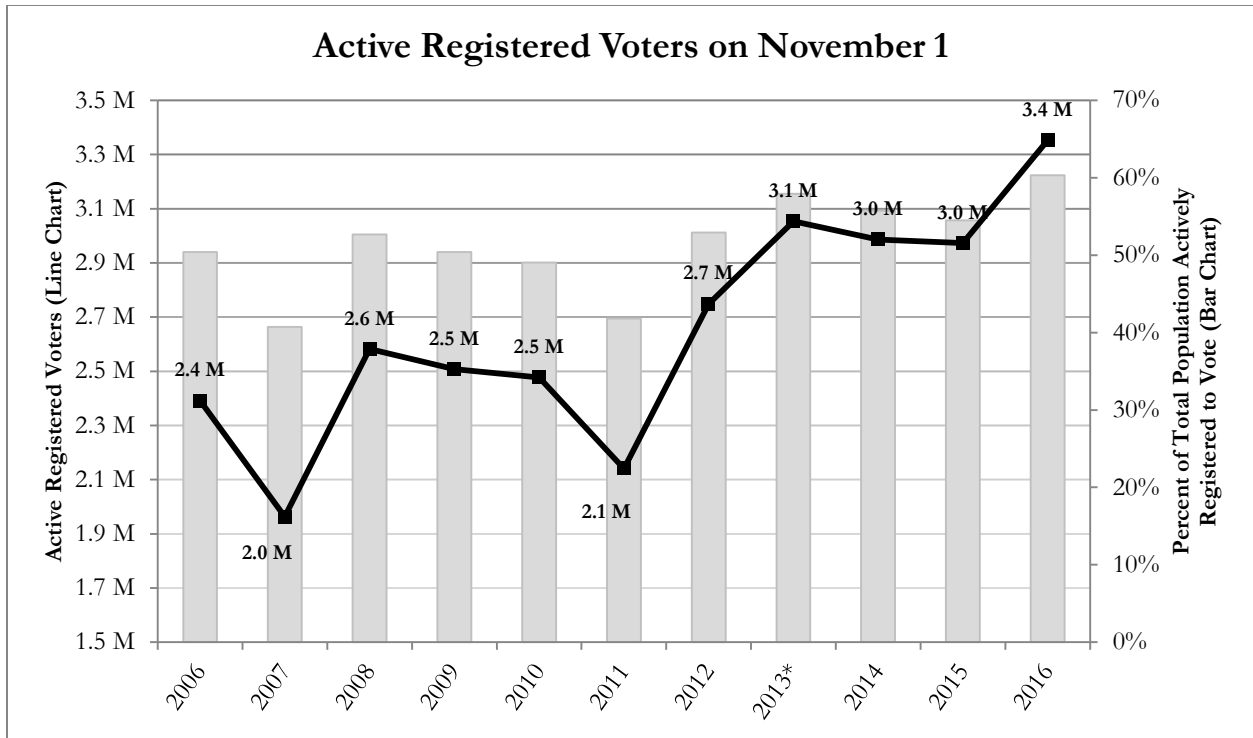
INFORMATION PREVIOUSLY PRESENTED TO THE COMMITTEE

Since FY 2000-01 the Secretary of State has provided counties with a reimbursement for costs borne by each related to a state ballot question pursuant Section 1-5-505.5, C.R.S. This practice started upon enactment of H.B. 00-1100 (Taylor/Tebedo), passed as a direct response to increased election activity as a result of passing the Taxpayer Bill of Rights (Article X, Section 20) amendment to the Colorado Constitution.

The local election reimbursement requires the Secretary of State to reimburse counties for the actual costs attributable to the state ballot question in odd-numbered election years when no other question is on the local ballot. For both odd- and even-numbered election years where a state ballot question is on a county's ballot, a statutory formula based on the active number of registered voters in the county calculates the county's reimbursement. Initially the rate paid back to county was \$0.45 and \$0.35 for counties with active registered voters under 10,000 and over 10,000, respectively.

In 2006, the General Assembly passed S.B. 06-170 (Gordon/Buescher), which included among its provisions an increase in the rate of election reimbursement. The bill increased the rate paid to counties with active registered voters less than 10,000 to \$0.80 and those over 10,000 to \$0.70. Finally, the rate increased to its current level through adoption of H.B. 12-1143 (Ferradino/Steadman), to \$0.90 and \$0.80 for counties with active registered voters under 10,000 and over 10,000, respectively.

After election results were certified in 2016, the state counted between 3.3 and 3.4 million active voters. This represents a 40.2 percent growth since 2006 while the state's population growth during this period is forecast to be approximately 17.1 percent.



* First election after enactment of H.B. 13-1303.

During this period, there was one statutory change that affected how county clerks determined whether voter status was active or inactive. House Bill 13-1303 (Hullinghorst and Pabon/Giron) made a number of changes to the elector system including removing requirements of county clerks to move an active voter to inactive status when the voter does not participate in the most recent election. After enacting this bill, the only voters whose status will change to inactive are those where the United States Postal Service have returned an election related piece of mail. Other methods by which a voter’s registration may be cancelled include a voluntary withdrawal submitted by the voter, removal after monthly comparison to the registrar of vital statistics death log, when the voter has multiple registrations, and when the voter registers in another county.

Colorado voters adopted Amendment 71 on election day, which requires those wishing to propose a constitutional amendment to collect signatures from each of the State Senate districts and requires a 55 percent supermajority of voters to approve new amendments that qualify for the ballot. It is uncertain whether the Department will see election costs reduced because fewer initiatives are being proposed or if the public will shift its activities to statutory changes that still allow signatures to be collected anywhere in the state.

The General Assembly last increased the appropriation to the Local Election Reimbursement line item in the 2015 Long Bill. As the data summarized above shows, the number of active registered voters continues to rise and was expected to continue rising through at least November 8, 2016. Changes to how county clerks designate voters as active or inactive will continue to reduce the number of voters moved from active to inactive status yearly and will continue to drive the need for increased local reimbursement for election costs.

No counties have expressed concern over the current rate at which the state reimburses their costs to the Department of State. JBC Staff is therefore inclined not to investigate a change to the rate.

The Secretary of State requests an increase of \$200,000 cash fund spending authority from the Department of State Cash Fund to fund its obligation to reimburse counties for a portion of their state ballot question-related costs.