

DEPARTMENT OF STATE
FY 2018-19 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, November 28, 2017

1:30 pm – 3:00 pm

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-2:10 ELECTION INFORMATION TECHNOLOGY (IT) AND CYBERSECURITY

1 Discuss each of the elections-related IT systems, their function, and their user-base.

The Department manages several elections-related systems, almost all of which leverage technology:

- *The state voter registration database (known as SCORE): this system provides the core voter registration and election management functions used by the state and all sixty-four counties of Colorado. It supports everything from maintaining the state’s eligible voter list to precinct and political district boundary management to tracking active ballots for elections to providing early voting and Election Day voter management functions. The user base of this system largely consists of county local election officials and a dozen staff in the Department who oversee the state’s operational execution under Title 1. This user base fluctuates from a few hundred year-round users to a couple thousand users during peak election periods.*
- *The online voter registration and lookup application is closely related to SCORE, although technically it is a separate system. Registered voters use this web-based application to review their registration details, view sample ballots, and check the status of mail ballots. Unregistered citizens with a valid driver’s license may also submit a voter registration application online using this system. The application was originally deployed in April 2010 and since that time has been used for 1.66 million registration changes and nearly 300,000 new registrations¹.*
- *A variety of voting and tabulation systems are used by counties in Colorado, with at least 57 counties replacing legacy systems within the past two years. The new systems in these counties produce a voter verifiable paper ballot for all voters. Voting and tabulation systems are NOT connected to the internet and are kept secured and air-gapped. These systems are used by counties to allow casting of votes, scanning paper ballots, and tabulating the results. The Department oversees the testing and certification of these systems, installs the certified “trusted build” of software for county use, and catalogues equipment in use by counties. Currently certified systems for*

¹ As of November 1, 2017

purchase include Dominion, with one other vendor seeking certification at this time. Legacy systems still in use in Colorado include Hart and Premier.

- *The Department provides a system for delivery of ballots to uniformed and overseas civilians (UOCAVA voters). Counties are required to use this system to ensure that UOCAVA voters receive election materials in a timely manner under state and federal law. This system is used by all sixty-four counties in the state. For the 2016 Presidential Election, there were 38,625 UOCAVA voters in Colorado.*
- *The Department also provides a system (known as the Secure Ballot Return system, or SBR) for the secure electronic return of ballots from UOCAVA voters. This system provides a means for UOCAVA voters to upload ballots to a secure portal for processing by county election administrators. In 2016, approximately 47% of the 23,190 ballots received from UOCAVA voters were returned using this system.*
- *Unofficial election night results are collected from counties and published online using an Election Night Reporting (ENR) system. County officials copy tabulated results to secure USB drives, upload these totals to the ENR portal, and Department staff review and then publish the results. The unofficial results are then available to members of the public and media outlets.*
- *Colorado is the first state in the country to require a specific form of post-election audit, known as a risk-limiting audit or RLA, prior to certification of official results. This type of audit has been touted as the most evidence-based means of verifying, to a statistical certainty, that election outcomes are accurate. This RLA system is used by county audit administrators and audit board members to validate paper ballots against optically-scanned totals.*
- *The SCORE system interfaces with several systems as part of legally-required list maintenance functions. These interfaces include:*
 - *The Colorado Department of Revenue for driver's license, state identification card, citizenship verification, and Social Security Administration verification;*
 - *The Colorado Department of Corrections for convicted felons and current felony parolees;*
 - *The Colorado Department of Public Health and Environment for deceased individuals; and,*
 - *The Electronic Registration Information Center or ERIC for comparison with the National Change of Address system, the Social Security Death Master File, and driver's license and voter registration information from other ERIC member states.*
- *The Department provides systems for use in signature verification processes for initiative and petition processing required under Colorado law. These systems are used by election officials and their staffs to verify that signatures match the official signature of the voter.*
- *The Department also supports the TRACER system used for filing and publication of campaign finance disclosures and the "Ballot Access" system used to track filings by*

candidates for offices. Candidates and committees across the state use these systems to meet their obligations under Article 28 of the Colorado Constitution and Title 1 of the Colorado Revised Statutes.

2 Discuss current security protocols for the statewide voter registration database (SCORE)

The Department continues to have a strong relationship with US Department of Homeland Security (US DHS), the Federal Bureau of Investigations (FBI), and the Governor's Office of Information Technology (OIT) to ensure that its security protocols reflect the most current and sophisticated systems and procedures. Some of the core technology components to secure elections systems include intrusion prevention and intrusion detection systems, firewalls (both perimeter and internal), web application firewalls (to detect and prevent anomalous behavior of web application sessions), blocking of access to SCORE from computers outside the United States using geo-IP blocking, regular patching of all software and devices in the SCORE infrastructure, and real-time data mining detection systems.

In addition, other practices and systems are in place to secure legitimate access and use of election-related systems. Users of the system are required to complete and pass annual security awareness training and are subject to acceptable use policies governing use of systems and regular site audits to review compliance with those policies. The Department regularly conducts access control reviews of user accounts, and all users of the system are required to use multi-factor authentication systems to minimize exposure of systems to compromised user account credentials. Secure file transfers are used for all data and reports provided from and submitted to elections-related systems. The Department conducts internal and external vulnerability scans of all systems on an ongoing basis, in addition to periodic internal and third-party penetration testing of systems.

Within the past twelve months, the Department has upgraded network security devices supporting SCORE, upgraded devices supporting its Security Incident & Event Monitoring (SIEM) systems, and have upgraded its perimeter firewalls.

3 What activities have the Department undertaken to improve usability of TRACER, the state campaign finance tracking system? What activities are planned for its improvement in the future?

The Department is committed to providing excellent customer service and has worked to improve TRACER as resources have allowed. Currently, the Department proactively notifies candidates and committees of upcoming campaign finance report due dates via automatic system reminders in TRACER that are delivered at the end of each reporting period and again on the day before a report is due. Staff also directly message candidates and committees subject to supplemental reports, such as major contributor and electioneering reports, notifying them of upcoming reporting periods. Campaign finance reporting calendars are also available in each committee and candidate workspaces in the TRACER system and are published on the Department's website.

In fiscal year 2016-17, the Department contracted with the system vendor to build and deploy the following system enhancements specifically focusing on enhancing penalty processing, communications, and automatic messaging to candidates and committees related to the status of penalties:

- *Two new types of auto-generated confirmation e-mails in plain text format to be sent to candidate/committee officers.*
- *New process to resend contribution expenditure and personal financial disclosure penalty letters every 60 days, starting from the day the letter was first sent, for all late-filing penalties in which the associated report has still not been filed.*
- *New administrative functionality for generating invoices for open penalties.*
- *Modified Delinquency Summary Report that includes all penalty types and adds a date parameter. In addition, new information will be added to the report, including Candidate/Committee ID, Penalty Type, and the report name and dates.*
- *New administrative functionality to year-end penalty letters to add:*
 - *A data grid that will show all penalties added on or before a specific date.*
 - *Administrator capability to add text to printed letters to provide information about the candidate/committee penalties for the year.*

4 Describe any lessons the Department has learned related to election cybersecurity from the 2016 and 2017 election cycles.

In 2016, the Department expanded its efforts and placed an even higher priority on information sharing and situational awareness with respect to its cyber security posture and emerging threats. The Department partnered with the Governor's Office, OIT, US DHS, the state Department of Public Safety, the Multi-State Information Sharing & Analysis Center (MS-ISAC), the FBI, the Colorado National Guard, City & County of Denver, Jefferson County, and others to rally around protection, monitoring, detection and response in the face of known and unknown threats. The Department stood up joint fusion centers on Election Day 2016 to share information quickly and securely across jurisdiction boundaries.

The Department also joined with US DHS, the MS-ISAC, and the FBI to share and act on threat information seen in other jurisdictions across the country. The Department enrolled its systems in the continuous vulnerability scanning service offered by US DHS and took steps to prevent access to the state voter registration database by malicious actors responsible for other security incidents across the US.

The Department continued and enhanced this collaboration in 2017, holding multiple training sessions for individuals who expected to assist with monitoring key elections systems on Election Day and also invited federal, state, and local technical and cyber resources to participate in election preparedness consultations to validate response plans and to identify points of emphasis.

The Department has also joined with state and local cybersecurity professionals to create the Colorado Threat Intelligence Sharing network (CTIS). This group accepts nominations for

membership from staff of Colorado state and local organizations to create a forum for rapid information sharing and threat notifications among Colorado state, county, municipal, and tribal agencies.

Colorado plays a key role in contributing to efforts to improve cybersecurity for elections-related systems across the nation, as detailed in the response to Question 6. Personnel within the Department are obtaining federal security clearances to enable them to receive classified information about cybersecurity and other threats. In addition, Colorado State Elections Director Judd Choate serves on the US DHS Government Coordinating Council with Secretary Williams serving as an alternate member.

In September 2017, the US DHS did inform the Department of State that Colorado systems were targeted by malicious actors associated with cyberattacks against other state elections systems. According to US DHS, this activity consisted only of scanning internet-facing systems and nothing more. No penetration or breach occurred. After the initial notification, the Department learned that Colorado's inclusion on the initial list of 21 states was due to its self-reporting of scanning activity to the MS-ISAC, FBI, and US DHS.

5 Describe how the Department intends to bolster its cybersecurity with funding provided by approval of the September emergency supplemental request.

The Department is working closely with representatives of the US DHS and the MS-ISAC since the designation of elections systems as Critical Infrastructure of the United States. Even though US DHS have not yet formulated specific recommendations on elections cybersecurity, the Department requested funding in September 2017 to improve the security posture of Colorado's systems. The Department's emergency supplemental request was requested to fund several initiatives, including: adding a centralized risk management platform to protect, monitor, and report on access to the state voter registration system; upgrading its existing firewalls to improve this layer of defense of the system; adding distributed denial of service (DDoS) protection to minimize the potential impact of distributed denial of service attacks; and, adding integrated data identification and masking tools to provide defense-in-depth for voter registration and elections data.

6 Describe any long-term plans the Department envisions it will undertake to protect election system integrity.

The Department is pursuing several initiatives to protect the integrity of election systems:

- A Government Coordinating Council or GCC has been formed as a consequence of the designation of elections systems as Critical Infrastructure of the country. Colorado's State Elections Director Judd Choate serves as one of the members of the GCC, and Secretary Williams serves as an alternate, as it works with the US DHS to define and implement this new Critical Infrastructure subsector.
- Colorado became the first state in the country to require the use of risk-limiting audits. This type of audit is regarded as the most effective post-election audit to be conducted in the

elections domain. It randomly selects original ballots for audit against tabulated records to verify election outcomes.

- The Department is engaged with the Defending Digital Democracy project or D3P founded in the Belfer Center for Science and International Affairs at Harvard University. D3P expects to sponsor several projects of use to the elections community in defending against challenges to free and fair elections. Colorado hosted a team from D3P as they are creating materials for table-top exercises to be drafted and distributed for use by elections officials and technical, cyber, and policy support resources. Table-top exercises, while widely used in military and intelligence circles to assist in preparing organizations for real-life situations, have not been used broadly in the elections community. By properly training for scenarios and contingencies officials and their support teams are better prepared for some of the situations that can arise during election cycles.*
- The MS-ISAC is currently working on a pilot project with the GCC to serve as the ISAC for the elections Critical Infrastructure subsector. GCC has entered into this pilot agreement because the MS-ISAC already has deep experience working with state, local, tribal, and territorial jurisdictions in the cybersecurity arena. The MS-ISAC is gearing some resources to directly supporting elections, such as adding a dedicated elections analyst to their staff and creating specific security products for the elections community. Colorado is one of seven jurisdictions across the country involved in the pilot.*
- The Center for Internet Security or CIS is creating a Handbook on Election Security Best Practices. The CIS initiated this project shortly after the publication of a report on the Voting Village at the 2017 DefCon conference. CIS is bringing together a variety of resources and experts to contribute to the drafting of the Handbook, and expects to cover best practices for most if not all areas of election-related technology systems. Department CIO Trevor Timmons participated in the initial planning meeting and will contribute going forward.*
- The National Association of Secretaries of State (NASS) & the National Association of State Election Directors (NASED) continue to provide key leadership and engagement with national groups and lawmakers across the country. Secretary of State Wayne Williams has moved into a leadership position with NASS and Colorado's State Election Director currently serves as President of NASED. As the federal government continues to consider new programs and potentially new funding for elections security needs, these organizations provide significant value to member states.*
- The Department has also partnered with local government cybersecurity and technical resources to improve security capabilities, information sharing, and incident response between jurisdictions, with the partnership extending beyond elections where necessary. In addition to the CTIS network mentioned earlier, the Department also provides endpoint protection software to counties at no cost. This anti-malware software helps protect against ransomware and other zero-day threats. This software has identified and prevented some infections of county workstations during the time it has been deployed.*

7 To the Department's knowledge, did any user experience any difficulty accessing information in SCORE during the 2017 election cycle?

The Department is aware that users experienced the following issues during the 2017 election cycle.

- *Three users reported receiving the Access Denied error. This was due to one of the server's CPU utilization being too high to allow new connections. This issue was resolved in less than 10 minutes.*
- *Multiple counties did not provide current user IP addresses as the state requested for security purposes, so these workstations were blocked from accessing SCORE until county IT staff or a user contacted customer support and provided their IP address.*
- *Multiple users reported connection to the system or database issues. When researched, the Department determined it was a county network issue or a local site/workstation issue, not a system or database issue.*
- *All other reported issues were user error, such as expired grid card or forgotten password.*

2:10-2:30 IMPLEMENTATION OF DEVOPS MODEL FOR ELECTIONS AND BUSINESS FILING IT SYSTEMS

8 Without duplicating answers from the previous agenda item, discuss any other activities undertaken by the Department since approval of the September emergency supplemental request.

The Department has conducted a competitive solicitation process and selected a vendor to develop the media campaign to educate and to raise voter awareness of the effects of Propositions 107 and 108 which allow unaffiliated voters to participate in primary elections. The Department anticipates that the contract with the vendor will be finalized by the end of the month and that work on the campaign will commence immediately thereafter.

The September 20th emergency supplemental provided funding to replace and upgrade the Department's storage infrastructure. This equipment has been received and the Department is in the process of installing and placing the equipment into service.

The Elections Division is currently recruiting two business analyst positions in support of the DevOps software development model. The Department has posted a continuous posting until all of the business analyst positions are filled. Staff are currently reviewing applications and scheduling the first round of interviews. The division expects that both resources will play key roles in support of transition to the new development model by supporting the sustained requirements gathering and more frequent testing cycles that are required and partnering with the IT Services security team to assist in implementing cybersecurity protocols arising from the Department's work to safeguard election systems and protect the personally identifiable data of Colorado's voters.

The Business and Licensing Division is currently recruiting two business analyst positions in support of the DevOps software development model. The division anticipates that one of these

analysts will onboard in February 2018 with the second analyst onboarding in March 2018. The division expects that both resources will play key roles in support of the business system rewrite efforts, which will be a major overhaul of the department's number one revenue producing application.

9 **Discuss the Department's relationship with the Governor's Office of Information Technology (OIT). How does the Department determine when to discuss, interact, and cooperate with the OIT?**

The Department has a productive and collaborative relationship with the OIT. Even though there is minimal overlap between operational programs of the Department and the OIT, there are multiple areas of shared or common interest. For example, the Department has worked closely with the Department of Revenue (DOR), FAST Enterprises, and the OIT teams supporting DOR during the DRIVES project. The Department also collaborated with OIT's contracts and database teams with negotiations on an enterprise contract for database software products and services.

Decisions to discuss, interact, and cooperate together with OIT generally occur at a senior level. The Department's Chief of Staff has been a member of the Colorado Business Express executive team since that project revitalization in the past year. The Department's Director of Business & Licensing serves as a member of OIT's Government Data Advisory Board. Two members of the Department serve on the Colorado Information Security Advisory Board. The Department's Chief Information Security Officer and other cybersecurity staff participate regularly in policy discussions, product analyses, and information sharing discussions with OIT's security operations team.

10 **Does the Department have knowledge concerning whether OIT or other agencies in Colorado have implemented the DevOps model?**

The Department contacted OIT who responded that they have been doing some training on DevOps, but are not moving to implementation of DevOps currently. Organizations moving to DevOps as a model is a growing trend in technology-leveraged companies. According to Gartner Inc. in 2016, 38% of software companies had embraced DevOps. Companies moving to DevOps generally expect this close alignment of infrastructure and development resources to result in faster cycle times, quicker realization of customer value, improved release success rates, and improved employee and customer satisfaction.

The Department has provided links to several DevOps resources below, but there are a many other DevOps resources and white papers available online.

Puppet and DevOps Research & Assessment: 2017 State of DevOps Report²
<https://puppet.com/resources/whitepaper/state-of-devops-report>

² This is the most recent report, but similar State of DevOps Reports are available going back to 2013.

Software Engineering Institute at Carnegie Mellon University: DevOps Trainings and Workshops

<https://www.cert.org/digital-intelligence/research/devops-solutions.cfm>

U.S. Digital Service's Playbook: the playbook incorporates DevOps principles at the core of its Digital Service "Plays" to help government build effective digital services.

<https://playbook.cio.gov/>

11 Discuss how the General Assembly can support the Department's continued development of its elections and business filing system and be assured the state is not duplicating work or implementing incompatible systems or procedures.

The Department's systems for elections and business & licensing are largely separate and self-contained from other state systems. The primary touchpoints between Department of State systems and those of other state agencies are through data interfaces, whether they are implemented through real-time APIs or through secure file transfers from and to other state systems.

Modernization and enhancement of department systems thus presents little risk of duplicating work or creating incompatibilities with other state systems. On the contrary, integrating more modern technology foundations and implementing more efficient and collaborative approaches increase the potential of department systems' interoperability with other state programs. By adopting more agile development processes, reducing cycle times, and increasing software quality, the Department should be able to more rapidly react and respond positively to new opportunities to coordinate and collaborate as needs and mandates evolve over time.

One key goal of modernizing the Department's business registrations system—which supports the program which brings in the vast majority of the Department's annual revenue—is to bring its core technology current to today's standards. The business registration system is built on an older Java framework, and newer frameworks are more efficient, more secure, and more extensible. This modernization will not only bring the foundation of this system up-to-date and make it easier to modify and enhance in the future, but should also make it easier to recruit individuals to work on this critical system as it is moved to more current Java technology.

The Department and the General Assembly also have worked to make processes easier for Coloradans by eliminating duplicative work required by citizens. For example, the new DRIVES system makes registering to vote an automatic process that no longer requires citizens to re-enter the same information in order to register. Other changes allow SCORE changes based on citizen-initiated changes to driver's license records. One integration that has not taken place yet is to provide that citizens' responses to jury summons, such as a change of address, be shared with SCORE so that voters will not need to notify the government more than once of a relevant change.

2:30-2:40 Go CODE

12 Discuss how the Department accounts for donations made by sponsors and supporters of Go Code. Provide the legal authority for such expenditures.

The Department receives both monetary and in-kind donations to the Business Intelligence Center (BIC) to support the Go Code Colorado app challenge. These donations accomplish two objectives. First, many of the sponsors are leaders in technology and the business community and their financial association with the challenge boosts its prestige and increases participation. Secondly, the contributions reduce the financial cost to the State of administering the challenge and expand opportunity to challenge participants by keeping the challenge free and reducing associated costs to participate.

For the past two budget cycles, the JBC has issued a formal RFI to the Department for information on the receipt and expenditure of donations to the BIC program. The Department's most recent response to this RFI is included as Appendix E in the State Budget Briefing packet from the Department's Analyst Briefing on November 15, 2017.

§24-21-116(8) C.R.S. (2017) grants the BIC program the authority to accept gifts, grants, and donations. Specifically, the statute reads:

“The secretary of state may seek, accept, and expend gifts, grants, or donations from private or public sources for direct and indirect program costs [of the BIC program]. Any state money received in accordance with this subsection (8) is deposited into the department of state cash fund created in section 24-21-104(3) and continuously appropriated to the department for direct and indirect program costs.”

13 Discuss any additional information about Go Code the Department the Department finds important.

The Department is currently in the planning phase for the fifth Go Code Colorado app challenge in FY2018. The challenge will take place in the second half of the fiscal year (February – June). The Department is working to finalize the challenge calendar, research business problems that can be addressed using public data, and recruiting private sector partners to support the 2018 challenge, in addition to publishing data to the state's open data platform—the Colorado Information Marketplace.

Additional details about the 2017 challenge are available in the program annual report, which is available at

<http://www.sos.state.co.us/pubs/newsRoom/BICboard/GoCodeAnnualReport2017.pdf>. For reference each of the prior annual reports are also available online at:

2016: <http://www.sos.state.co.us/pubs/newsRoom/BICboard/GoCodeAnnualReport2016.pdf>

2015: <http://www.sos.state.co.us/pubs/newsRoom/BICboard/GoCodeAnnualReport2015.pdf>

2014: <http://www.sos.state.co.us/pubs/newsRoom/BICboard/GoCodeAnnualReport2014.pdf>

- 14 **Discuss how the Department intends to deploy new software in connection with the Department of Personnel to increase the efficiency of signature verification in such a limited time frame.**

In June, the Department contracted with Runbeck Election Services (Runbeck) to customize Runbeck's existing petition management software to meet Colorado's needs. Since then, Runbeck has been modifying the software to meet the Department's requirements.

Throughout the process, the Department has been in communications with Integrated Document Solutions (IDS) staff to ensure that they are able to have the hardware installed that is required for Runbeck's software. The Runbeck software will use the existing scanners at IDS, which will be an integral part of increasing efficiency. The Department's petition team has travelled to the IDS site in Pueblo twice to test the new software and petition review process. Runbeck continues software development and enhancements based on what was learned during those visits. The Department is confident that the software will be ready when candidate petitions are submitted for review in late February or early March 2018.

- 15 **Which state entity will control, own, and operate the signature verification software solution?**

The Department of State will control and own the signature verification software. The Department will train its own staff and also the IDS staff in Pueblo to operate the software.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

- 16 **Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.**

HB17-1088: Candidate Petition Signature Verification. The law requires the Department to conduct signature verification on candidate petitions beginning in the 2018 primary election. The Department is seeking to use signature verification software to accomplish this task. The Department is still testing the software, but is confident that it will be able to implement this law for the 2018 primary.

SB17-132: Revised Uniform Law on Notarial Acts. The law has an effective date of July 1, 2018. The Department is working on the rulemaking that will be necessary to implement this law and is confident that the law will be implemented by the effective date.

HB17-1158: Regulation of Charitable Solicitations. The law has an effective date of October 1, 2018 and requires the Department to make some programming changes to its database of charitable entities. The Department is confident that the law will be implemented by the effective date.

- 17 **Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2017 (link below)? What is the Department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.**

<http://leg.colorado.gov/audits/annual-report-status-outstanding-audit-recommendations-june-30-2017>

The Department does not have any high priority outstanding audit recommendations.

- 18 **If the Department receives federal funds of any type, please respond to the following:**
- a. **Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2017-18 or 2018-19.**

None.

b. Are you expecting any changes in federal funding with the passage of the FFY 2017-18 or 2018-19 federal budget? If yes, in which programs, and what is the match requirement for each program?

The Department's only federal funding is from its Title I and Title II Help America Vote Act (HAVA) grants. The federal government has advanced the Department these funds, so there is minimal risk that these funds would be clawed back.

c. Does the Department have a contingency plan if federal funds are eliminated?

The Department's FY 2018-19 budget request plans for no federal fund revenue.

19 **Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?**

The Department will conduct one public awareness campaign: a statewide communications campaign on the impacts of Propositions 107 and 108, which allow unaffiliated voters to participate in primary elections. While propositions 107 and 108 allow for a major expansion in primary election participation, they also require new behaviors never before required. For example, many unaffiliated voters will receive both a Democratic and Republican Party primary ballot. Voters must not cast votes on both ballots, as in so doing, both ballots become void. Hence, the Department feels strongly that a robust communications and education effort is necessary.

The JBC approved a September 20th supplemental request that provides funding for the \$900,000 public awareness campaign. The entire amount will be paid from the Department of State cash fund.

The goals of the campaign are to assist unaffiliated voters by informing them:

- *What a primary election is and why it is important.*
- *They are now able to participate in primary elections.*
- *How to properly cast a primary election ballot without spoiling it.*

The Department has conducted a competitive solicitation process and selected a vendor to develop the media campaign to educate and to raise voter awareness. The successful vendor (which happens to be on the state price agreement list) is working through contractual details as of this writing, so the Department is not yet prepared to make public announcement. The Department intends to work closely with the Department of Revenue, as its DMV Division is the biggest source of voter registrations. Further, the Department expects through its staff and vendor planning that the Governor and other elected officials will be identified to assist in calling attention to the campaign.

The first phase of the campaign project is a micro-targeting analysis. This will identify populations of unaffiliated voters and will inform the media strategy deployed. A substantial

component of the outreach strategy involves maximization of earned media³. The vendor has resources and strategies developed to drive earned media. The campaign project plan includes \$600,000 for media buying, and the Department anticipates that sum will be spent across all media formats (digital, TV, radio, print, mail, etc.).

The primary results metrics for the campaign are:

- The number or percentage of unaffiliated voters who participate in the 2018 primary election.
- The percentage of spoiled unaffiliated ballots that result from voters incorrectly casting votes on both the Democratic and Republican Party ballots.

20 **Based on the Department’s most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy? Do the statewide compensation policies administered by the Department of Personnel help or hinder in addressing vacancy or turnover issues?**

The Department’s FTE and Turnover Rates for FY 2016-17 are shown by division in the table below.

Division	Vacancy Rate	Turnover Rate
Administration	21.1%	4.88%
Business & Licensing	20.8%	30.30%
Elections	11.7%	10.34%
IT Services	8.3%	9.09%
Total Overall	15.3%	14.23%

The statewide compensation policies make it difficult to fill certain positions and state-required processes cause delay in filling vacant positions. For example, the Department has posted IT positions, Business Analyst positions, and Election positions multiple times in order to fill a single vacancy. The Department often loses candidates because the offered salary is well below the expectations of the candidate and the salary range available in the market. The compensation policies do allow for some flexibility, but only in certain circumstances. Overall, the compensation policies hinder the Department’s ability to hire candidates into specialized roles.

The statewide compensation policies also make it difficult to retain employees over time. Additional mechanisms are needed to adjust salary based on acquired skills and expertise. At this time, employees often raise their salary by seeking a comparable position at another state

³ Earned media is “[m]edia activity related to a company or brand that is not directly generated by the company or its agents, but rather by other entities such as customers or journalists.” Definition taken from: Andrew T. Stephen, Jeff Galak (2012) The Effects of Traditional and Social Earned Media on Sales: A Study of a Microlending Marketplace. Journal of Marketing Research: October 2012, Vol. 49, No. 5, pp. 624-639.

agency or outside of the state system.

- 21 **Please provide an update on the Department's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Chief Information Security Office (CISO) in the Office of Information Technology (OIT)? Have your information technology infrastructure and policies been audited for cybersecurity capabilities? If so, was the audit completed by the legislative auditor or an outside entity? Do you have dedicated cybersecurity personnel? How do your cybersecurity staff interact with the CISO in OIT? What unique security issues does your Department have? Do you handle private or sensitive data? What unique cybersecurity processes or tools do you use to protect this data?**

The Department works closely with the CISO and OIT's Office of Information Security (OIS). Staff from the Department work as part of the cybersecurity policy review and drafting team as the CISO and OIS update Colorado Information Security Policies (CISP) based on changes to the Center for Internet Security's Critical Controls and NIST's Special Publication 800-53. The Department's annual cybersecurity plan includes performing a crosswalk of the CISP, CIS' Critical Controls, and the NIST framework and documenting its current posture and key initiatives for improving its cybersecurity profile.

The most recent audit activity by the State Auditor's Office that considered agency cybersecurity was completed in December 2015. Since that time, the Department has continued to update and mature its cyber practices and policies. The importance of robust cybersecurity capabilities was highlighted during the 2016 Presidential election season, when heightened targeting of election systems was the subject of considerable attention. The Department used threat intelligence provided by US DHS, the MS-ISAC and the FBI to monitor for malicious activity from outside groups and prevent interference with Colorado elections-related systems.

The Department does have dedicated cybersecurity personnel consisting of a Chief Information Security Officer and multiple staff with primary responsibilities for security functions. In addition, all development staff of the agency must complete annual training in secure development practices in addition to regular cybersecurity awareness training. As mentioned earlier, the Department's cybersecurity staff regularly engage with the OIS team in policy development, product evaluations, and periodic team meetings.

The Department does not believe there are many security issues unique to the Department even though media attention to specific areas such as elections may be more prominent. Several programs of the agency do handle sensitive data (PII in voter registration and the notary public program; FTI in charitable solicitations and charitable gaming regulation) and the Department also is subject to Payment Card Industry (PCI) compliance because of online payment processing. The processes and tools used to secure, protect, and monitor storage and access to that data are documented in its Agency Cyber Security Plans submitted to the CISO and OIS.

Following the designation of elections infrastructure as Critical Infrastructure (CI) under the National Protection and Programs Directorate, the Department is working with the U.S. Office of Infrastructure Protection as the DHS continues to work with the elections community across the country to implement the CI designation. The Department provided additional detail on this evolving area in response to specific questions to the agency in this document.

22 What impact do the SMART Act and Lean processes have on your budget requests? Could they be used more effectively?

The SMART Act itself does not have an effect on the Department's budget request. Generally, the Department prepares its SMART Act strategic plan/performance plan in conjunction with its annual budget request in order to review its responsibilities and goals and ensure that these two documents are supportive of each other, but budget requirements are driven more by legislation signed into law than by the SMART Act itself.

The Department uses the LEAN-based improvement and mapping initiative in an effort to find opportunities and efficiencies in the tasks it is required to perform, but again these do not have a direct impact on the budget request.

23 Does your Department use evidence-based analysis as a foundation for your budget request? If so, please provide a definition for your use of "evidence-based," indicate which programs are "evidence-based," and describe the evidence used to support these programs.

The Department does not currently use a formal evidenced-based analysis as the foundation of its budget request.

24 Please identify how many rules you have promulgated in the past two years (FYs 2015-16 and 2016-17). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

The Department of State issues rules in order to implement legislation, establish uniformity, and assist Coloradans. Rules with amendments that became permanently effective FY 2015-16 = 5

FY 2015-16 Regulatory Analysis = 1

FY 2015-16 Cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S. = 0

Rules with amendments that became permanently effective FY 2016-17 = 2

FY 2016-17 Regulatory Analysis = 0

FY 2016-17 Cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S. = 0

FY 2015-16 (7/1/15 - 6/30/16)

Rules adopted in FY 2014-15 that became effective fiscal year 2015-16:

- *CCSA Rules; adopted 6/10/15; effective 12/17/15; CCR Tracking #2015-00208*
- *CPF Rules; adopted 6/10/15; effective 7/30/15; CCR Tracking #2015-00213*

FY 2015-16 rulemaking:

- *Election rules, adopted 8/6/15; effective 9/30/15; CCR Tracking #2015-00313*
- *CPF Rules; adopted 10/26/15; effective 12/15/15; CCR Tracking #2015-00574*
- *Election rules, regulatory analysis 1/7/16; adopted 2/19/16; effective 3/30/16; CCR Tracking #2015-00846*

FY 2016-17 (7/1/16 - 6/30/17)

Rules proposed in FY 2015-16 and adopted/effective in FY 2016-17:

- *CPF Rules; notice 6/15/16; adopted 8/11/16; effective 9/30/16; CCR Tracking #2016-00294*
- *Election rules, notice 6/15/16; adopted 8/11/16; effective 9/30/16; CCR Tracking #2016-00295*

Rules proposed in FY 2016-17 and adopted/effective in FY 2017-18:

- *Election rules, notice 5/31/17; adopted 8/11/17; effective 9/30/17; CCR Tracking #2017-00221*
- *Bingo Rules; notice 6/14/17; adopted 8/7/17; effective 9/30/17; CCR Tracking #2017-00362*

Mandatory Rule Reviews:

FY 2015-16 (7/1/15 - 6/30/16)

- *UCC Filing Office Rules*
- *Bingo Rules*
- *CCSA Rules*

FY 2016-17 (7/1/16 - 6/30/17)

- *Lobbyist Rules*
- *Election Rules*
- *Notary Program Rules*

The Department has not conducted a cost-benefit analysis of its rules as a whole.

25 **Describe the expected fiscal impact of proposed changes to PERA made by both the Governor's Office and the PERA Board of Directors. In addition to direct budgetary impacts, please describe any anticipated secondary impacts of an increase in employee contribution rates. For instance, does the Department anticipate a need to increase employee salaries to compensate for the increase in PERA contributions?**

Both the Governor's and the PERA Board's plans aim to increase the amount of money going to the PERA Trust Fund. The differences between the two plans are in the magnitude of the increase and the split between employee and employer contributions.

If State employees are required to increase their PERA contribution rate, their net pay will decrease, absent a corresponding (or greater as the Governor has proposed) increase in salaries. Precisely how state employees would respond to this depends upon their intertemporal preferences, that is, how they value this investment in their retirement future at the expense of current consumption. In addition to employees' intertemporal preferences, their reaction also depends upon the extent to which they trust that PERA will be able to meet its benefit payment obligations in the future. However, many employees might equate a reduction in net pay to a salary cut, which would adversely impact employee morale. Furthermore, a reduction in net pay would have a tangible, and potentially acute, impact on employees with limited discretionary income due to existing financial commitments (e.g., lease or mortgage payments, child support, tuition payments, etc.). In addition, this could increase employee turnover, particularly in fields where the labor market is tight, as employees are induced to seek job opportunities that would allow them to maintain or exceed their current living standards.

Increasing employee salaries to meet or exceed the cost of the increased employee PERA contributions mitigates the morale issue, but has its own set of secondary costs. Greater salaries also increase the State's costs for any payment that is calculated as a percentage of employee wages (e.g., the employer PERA base contribution, AED, and SAED contributions, short-term disability costs, Medicare, workers compensation, unemployment, etc.). Furthermore, the formula for PERA benefits is based on a calculation of an employee's highest average salary, so salary increases also effectively increase the amount of PERA benefits that must be paid out in the long-term.

In analyzing the annual fiscal impact of the PERA Board and the Governor's competing plans, the Department made some simplifying assumptions:

- Any increase in the employee contributions would be offset by a salary increase.*
- Salary increases would have no impact on employee contributions to Section 125 plans (e.g., pre-tax dollars paid for health, dental, and vision premiums).*
- In analyzing the PERA Board's proposal, the Department did not attempt to account for the proposed different contribution rates for current members and future members (effective January 1, 2020), as in the medium-term, this would have only a minimal impact on costs as most Department employees will have started prior to January 1, 2020.*

- *The Department did not analyze the proposed changes to annual increases or the highest average salary calculation for PERA retirees.*
- *All figures were rounded up to the nearest hundred dollars.*

Based on these simplifying assumptions, the PERA Board's Plan would be significantly more expensive on an annual basis as shown in the table below.

Plan/Item	PERA Board Plan	Governor's Plan
Incremental Employer Contribution	\$ 212,234.00	\$ -
Incremental Employee Contributions (assuming offset by salary increase)	\$ 319,000.00	\$ 212,234.00
Incremental Short-Term Disability (0.19%)	\$ 700.00	\$ 500.00
Incremental Medicare (1.45%)	\$ 4,700.00	\$ 3,100.00
Incremental PERA (10.15%)	\$ 32,400.00	\$ 21,600.00
Incremental AED (5.00%)	\$ 16,000.00	\$ 10,700.00
Incremental SAED (5.00%)	\$ 16,000.00	\$ 10,700.00
Total Annual Incremental Cost of Plan	\$ 601,034.00	\$ 258,834.00

If the goal is to increase the amount of funding to the PERA Trust Fund, then a more cost effective way of accomplishing this is simply to increase the employer contribution into the PERA trust fund as there are fewer secondary costs. The Department does not oppose a salary increase for State employees, however, it should be noted that it is disingenuous to suggest that increasing the employee contribution rate ensures that employees, rather than tax and fee payers, are shouldering the cost of bolstering the PERA Trust Fund if employees are simultaneously receiving a corresponding salary increase from the State to offset the cost of the additional contribution amount.

26 Senate Bill 17-267 required Departments, other than Education and Transportation, that submit budgets to OSPB to propose a budget that is 2.0 percent below the total funds budget in FY 2017-18. Please highlight the following regarding the 2.0 percent reduction:

- **Where these reductions can be found in the Department's request;**
- **What programs are impacted by the reduction; and**
- **Total amount of the reduction.**

This question does not apply to the Department of State as it does not submit its budget to OSPB.

27 **Please provide the following information for the Department's custodial funds and continuously appropriated funds:**

- **Name of the fund;**
- **Amount of funds received;**
- **Whether the revenues are one-time or multi-year;**
- **Current cash fund balance;**
- **Source(s) of the funds;**
- **A list of FY 2015-16 and FY 2016-17 expenditures from these funds;**
- **Expected uses of the funds in FY 2017-18 and FY 2018-19; and**
- **Legal authorization and restrictions/limitations on the Department's use of these funds.**

The table on the following pages provides the requested data. Additional detail is provided in Appendix A.

Name of the fund:	Department of State Cash Fund	Federal Elections Assistance Fund ⁴	Electronic Recording Technology Fund ⁵
Amount of funds received:			
FY 2015-16	\$21,462,890	\$54,481	\$0
FY 2017-17	\$22,446,407	\$18,499	\$1,346,026
Revenues one-time or multi-year:	Multi-year	One-time ⁶	Multi-year
Current⁷ cash fund balance:	\$6,039,945	\$782,200	\$2,069,065
Source(s) of the funds:	<ul style="list-style-type: none"> • Business fees • Charity fees • Bingo-Raffle fees • DME fees • Voter confidentiality request fees • BIC donations 	<ul style="list-style-type: none"> • Federal government • State Treasury (accumulated interest) 	<ul style="list-style-type: none"> • Colorado counties • State Treasury (accumulated interest)
List of expenditures:	See Appendix A for detailed breakdown		
FY 2015-16	\$20,429,464	\$535,694	\$0
FY 2017-17	\$21,768,718	\$437,617	\$14,198

⁴ Also known as the Help America Vote Act (HAVA) Fund

⁵ Created by SB16-115. The Electronic Recording Technology Fund (ERTF) did not have any activity prior to State Fiscal Year 2016-17.

⁶ The federal government distributed HAVA grants for different purposes (e.g., Title I, Title II, Colorado Risk Limiting Audit (a.k.a., CORLA or Logic & Accuracy), and Accessibility) in tranches to the Federal Elections Assistance Fund. The Department last received funds from the federal government for: Title I in FY 2004, Title II in FY 2012, CORLA in FY 2014, and Accessibility in FY 2016. The only revenue the Department expects to continue earning in this fund is from accrued interest.

⁷ As of November 16, 2017

Name of the fund:	Department of State Cash Fund	Federal Elections Assistance Fund ⁴	Electronic Recording Technology Fund ⁵
Expected uses of the funds in: FY 2017-18	<ul style="list-style-type: none"> • Direct & indirect costs of the Department of State in accordance with appropriations made by the general assembly 	<ul style="list-style-type: none"> • Payments to counties for ballot drop box construction and security costs • Payments to counties for training, implementation and project management costs associated with the Colorado Voting System • Contractor development support for modifications to SCORE • Payments to CDPHE for regular provision of deceased resident data 	<ul style="list-style-type: none"> • Grants to counties • Direct and indirect administrative expenses of the board
	FY 2018-19	<ul style="list-style-type: none"> • Direct & indirect costs of the Department of State in accordance with appropriations made by the general assembly 	<ul style="list-style-type: none"> • Ongoing contractor development support for modifications to SCORE • Payments to CDPHE for regular provision of deceased resident data

Name of the fund:	Department of State Cash Fund	Federal Elections Assistance Fund⁴	Electronic Recording Technology Fund⁵
Legal authorization and restrictions/limitations on the use of these funds:	<p>The fund was created by §24-21-104(3)(b) C.R.S.</p> <p>“The moneys credited to the department of state cash fund shall be available for appropriation by the general assembly to the department of state in the general appropriation bill or pursuant to section 24-9-105(2) C.R.S.” (ibid).</p>	<p>The fund was created by §1-1.5-106(1)(a) C.R.S.</p> <p>Funds must be expended “for the purposes specified by the provisions of HAVA under which the moneys were provided (§1-1.5-106(2)(a) C.R.S.).</p>	<p>The fund was created by §24-21-404(1)(a) C.R.S.</p> <p>“[T]he fund is continuously appropriated to the [Electronic Recording Technology] board to award grants under subsection (2) of this section and for any other purpose authorized by this part 4, including any direct and indirect administrative expenses” (ibid).</p>

28 What is the Department's process for engaging in (or disputing) federal land, environmental, jurisdictional, and/or water policy issues? How do you coordinate with other departments, the Governor's Office, local governments, and/or citizens?

The Department has not engaged land, environmental, and/or water policy issues at the federal level.

With respect to jurisdictional issues, Colorado's Secretary of State works with his colleagues in other states and with elected and appointed federal officials to ensure that the federal government stays within its jurisdiction in the area of elections and corporate filings. For example, Secretary of State Williams was one of the primary authors of the bipartisan NASS Resolution Reaffirming Commitment to Strengthening Elections (<http://www.nass.org/node/99>) that was adopted unanimously by the National Association of Secretaries of States on July 10, 2017. This resolution emphasizes that states, rather than the federal government, have primary responsibility for elections. Other resolutions adopted by NASS may be found at <http://www.nass.org/initiatives/nass-resolutions>.

Appendix A – FY 2015-16 and FY 2016-17 Expenditure Data by Object by Fund

Object/Fiscal Year	FY 2015-16		FY 2016-17		
	DOS Cash Fund	HAVA Fund	DOS Cash Fund	HAVA Fund	ERTF
1110 - Statutory Personnel & Payroll System Regular Full-Time Wages	\$ 7,865,009.34	\$ -	\$ 7,860,347.19	\$ -	\$ -
1111 - Statutory Personnel & Payroll System Regular Part-Time Wages	\$ -	\$ -	\$ 5,797.50	\$ -	\$ -
1120 - Statutory Personnel & Payroll System Temp. Full-Time Wages	\$ 10,488.00	\$ -	\$ 47,431.01	\$ -	\$ -
1121 - Statutory Personnel & Payroll System Temp. Part-Time Wages	\$ -	\$ -	\$ 24,246.00	\$ -	\$ -
1130 - Statutory Personnel & Payroll System Overtime Wages	\$ 8.63	\$ -	\$ -	\$ -	\$ -
1140 - Statutory Personnel & Payroll System Annual Leave Payments	\$ 23,112.23	\$ -	\$ 4,801.85	\$ -	\$ -
1141 - Statutory Personnel & Payroll System Sick Leave Payments	\$ 141.29	\$ -	\$ -	\$ -	\$ -
1210 - Contractual Employee Regular Full-Time Wages	\$ 673,919.18	\$ -	\$ 750,352.44	\$ -	\$ -
1330 - Board Member Compensation	\$ 200.00	\$ -	\$ -	\$ -	\$ -
1340 - Employee Cash Incentive Awards	\$ 157,658.32	\$ -	\$ 169,091.66	\$ -	\$ -
1350 - Employee Non-Cash Incentive Awards	\$ 4,523.00	\$ -	\$ -	\$ -	\$ -
1360 - Non-Base Building Performance Pay	\$ 19,950.50	\$ -	\$ -	\$ -	\$ -
1510 - Statutory Personnel & Payroll System Dental Insurance	\$ 50,702.66	\$ -	\$ 49,853.00	\$ -	\$ -
1511 - Statutory Personnel & Payroll System Health Insurance	\$ 962,851.05	\$ -	\$ 947,152.12	\$ -	\$ -
1512 - Statutory Personnel & Payroll System Life Insurance	\$ 12,620.20	\$ -	\$ 12,548.89	\$ -	\$ -
1513 - Statutory Personnel & Payroll System Disability	\$ 16,154.70	\$ -	\$ 16,296.96	\$ -	\$ -

Object/Fiscal Year	FY 2015-16		FY 2016-17		
	DOS Cash Fund	HAVA Fund	DOS Cash Fund	HAVA Fund	ERTF
1520 - Statutory Personnel & Payroll System FICA-Medicare Contrib.	\$ 120,294.11	\$ -	\$ 123,259.92	\$ -	\$ -
1521 - Statutory Personnel & Payroll System Other Retirement Plans	\$ 112,320.02	\$ -	\$ 95,263.27	\$ -	\$ -
1522 - Statutory Personnel & Payroll System PERA	\$ 732,256.53	\$ -	\$ 761,255.68	\$ -	\$ -
1524 - Statutory Personnel & Payroll System PERA - AED	\$ 366,038.53	\$ -	\$ 405,204.89	\$ -	\$ -
1525 - Statutory Personnel & Payroll System PERA - Supplemental AED	\$ 353,535.95	\$ -	\$ 401,023.35	\$ -	\$ -
1530 - Statutory Personnel & Payroll System Other Employee Benefits	\$ 55,977.50	\$ -	\$ 61,897.00	\$ -	\$ -
1910 - Personal Services - Temporary	\$ 66,489.95	\$ -	\$ 267,309.49	\$ -	\$ -
1920 - Personal Services - Professional	\$ 389,444.50	\$ -	\$ 529,078.90	\$ -	\$ 12,765.40
1930 - Purchased Services - Litigation	\$ 43,241.81	\$ -	\$ -	\$ -	\$ -
1935 - Personal Services - Legal Services	\$ 10,372.00	\$ -	\$ 21,467.54	\$ -	\$ -
1950 - Personal Services - Other State Departments	\$ 13,931.88	\$ (276.00)	\$ 2,579.55	\$ -	\$ -
1960 - Personal Services - Information Technology	\$ 1,151,589.97	\$ -	\$ 1,360,073.86	\$ -	\$ -
2160 - Custodial/Cleaning/Waste Disposal Services	\$ 1,172.00	\$ -	\$ 350.00	\$ -	\$ -
2210 - Other Maintenance	\$ 48,702.78	\$ -	\$ 40,276.99	\$ -	\$ -
2220 - Building Maintenance	\$ 8,746.34	\$ -	\$ 678.75	\$ -	\$ -
2230 - Equipment Maintenance	\$ 795.00	\$ -	\$ 599.99	\$ -	\$ -
2231 - Information Technology Maintenance	\$ 1,700,206.85	\$ 48,919.68	\$ 1,703,393.62	\$ -	\$ -
2240 - Motor Vehicle Maintenance	\$ -	\$ -	\$ 42.99	\$ -	\$ -
2250 - Miscellaneous Rentals	\$ 397.12	\$ -	\$ 4,664.33	\$ -	\$ -
2251 - Rental/Lease Motor Pool Vehicle	\$ 360.00	\$ -	\$ 240.00	\$ -	\$ -
2252 - Rental/Motor Pool Mile Charge	\$ 15,162.22	\$ -	\$ 10,281.75	\$ -	\$ -
2253 - Rental of Equipment	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -
2254 - Rental of Motor Vehicles	\$ 753.42	\$ -	\$ 1,907.17	\$ -	\$ 41.74

Object/Fiscal Year	FY 2015-16		FY 2016-17		
	DOS Cash Fund	HAVA Fund	DOS Cash Fund	HAVA Fund	ERTF
2255 - Rental of Buildings	\$ 621,711.52	\$ -	\$ 707,310.21	\$ -	\$ -
2258 - Parking Fees	\$ 4,681.00	\$ -	\$ 4,680.00	\$ -	\$ -
2259 - Parking Fee Reimbursement	\$ 46.00	\$ -	\$ 85.66	\$ -	\$ 60.00
2260 - Rental - Information Technology	\$ 33,234.66	\$ -	\$ 16,579.83	\$ -	\$ -
2310 - Purchased Construction Services	\$ 27,574.02	\$ -	\$ 54,122.34	\$ -	\$ -
2510 - In-State Travel	\$ 13,503.04	\$ -	\$ 23,077.36	\$ -	\$ -
2511 - In-State Common Carrier Fares	\$ 959.53	\$ -	\$ 812.99	\$ -	\$ -
2512 - In-State Personal Travel Per Diem	\$ 6,107.00	\$ -	\$ 9,060.10	\$ -	\$ -
2513 - In-State Employee Mileage Reimbursement	\$ 5,103.93	\$ 163.28	\$ 12,956.83	\$ -	\$ -
2520 - In-State Travel/Non-Employee	\$ 26,613.07	\$ -	\$ 22,250.19	\$ -	\$ -
2521 - In-State/Non-Employee - Common Carrier	\$ -	\$ -	\$ 140.00	\$ -	\$ 724.19
2522 - In-State/Non-Employee - Personal Per Diem	\$ 96.00	\$ -	\$ -	\$ -	\$ 17.00
2523 - In-State/Non-Employee - Personal Vehicle Reimbursement	\$ 7,180.84	\$ -	\$ 7,074.08	\$ -	\$ 8.77
2530 - Out-of-State Travel	\$ 51,368.82	\$ -	\$ 41,620.56	\$ -	\$ -
2531 - Out-of-State Common Carrier Fares	\$ 35,322.54	\$ -	\$ 28,284.22	\$ -	\$ -
2532 - Out-of-State Personal Travel Per Diem	\$ 13,236.11	\$ -	\$ 10,276.89	\$ -	\$ -
2533 - Out-Of-State Employee Mileage Reimbursement	\$ 1,929.95	\$ -	\$ 1,985.45	\$ -	\$ -
2540 - Out-of-State Travel/Non-Employee	\$ 1,102.03	\$ -	\$ -	\$ -	\$ -
2541 - Out-of-State/Non-Employee - Common Carrier	\$ 534.63	\$ -	\$ 4,871.54	\$ -	\$ -
2550 - Out-of-Country Travel	\$ -	\$ -	\$ 5,377.56	\$ -	\$ -
2551 - Out-of-Country Common Carrier Fares	\$ -	\$ -	\$ 155.98	\$ -	\$ -
2610 - Advertising and Marketing	\$ 51,145.75	\$ 6,000.00	\$ 34,485.11	\$ 21,000.00	\$ 517.80
2630 - Communication Charges - Office of Information Technology	\$ 12,379.49	\$ -	\$ 9,297.18	\$ -	\$ -
2631 - Communication Charges - External	\$ 44,104.05	\$ -	\$ 38,414.50	\$ -	\$ -

Object/Fiscal Year	FY 2015-16		FY 2016-17		
	DOS Cash Fund	HAVA Fund	DOS Cash Fund	HAVA Fund	ERTF
2641 - Other Automated Data Processing Billings-Purchased Services	\$ -	\$ 2,340.00	\$ 48.20	\$ 2,340.00	\$ -
2650 - Office of Information Technology Purchased Services	\$ -	\$ -	\$ 271,218.96	\$ -	\$ -
2655 - DPA - Information Technology Services	\$ 17,031.00	\$ -	\$ 15,906.00	\$ -	\$ -
2660 - Insurance for Other Than Employee Benefits	\$ 73,880.00	\$ -	\$ 108,229.00	\$ -	\$ -
2680 - Printing and Reproduction Services	\$ 60,417.86	\$ -	\$ 40,233.37	\$ -	\$ -
2690 - Legal Services	\$ 366,371.40	\$ -	\$ 407,609.57	\$ -	\$ -
2810 - Freight	\$ 3,837.00	\$ -	\$ 2,932.31	\$ 437.00	\$ -
2820 - Purchased Services	\$ 45,944.61	\$ -	\$ 45,068.40	\$ 18,124.00	\$ -
3110 - Supplies and Materials	\$ 25,748.89	\$ -	\$ 19,388.43	\$ -	\$ 62.65
3112 - Automotive Supplies	\$ 18.25	\$ -	\$ -	\$ -	\$ -
3118 - Food and Food Service Supplies	\$ -	\$ -	\$ 5,034.06	\$ -	\$ -
3120 - Books/Periodicals/Subscriptions	\$ 38,736.98	\$ -	\$ 36,621.36	\$ -	\$ -
3121 - Office Supplies	\$ 16,946.29	\$ -	\$ 17,547.26	\$ -	\$ -
3123 - Postage	\$ 51,213.58	\$ 0.78	\$ 78,508.84	\$ -	\$ -
3126 - Repair and Maintenance	\$ -	\$ -	\$ 1,249.21	\$ -	\$ -
3128 - Noncapitalizable Equipment	\$ 269,618.74	\$ -	\$ 149,068.73	\$ 9,536.00	\$ -
3132 - Noncapitalizable Furniture and Office Systems	\$ 10,745.21	\$ -	\$ 11,666.88	\$ -	\$ -
3140 - Noncapitalizable Information Technology	\$ 224,406.29	\$ -	\$ 174,166.75	\$ -	\$ -
3940 - Electricity	\$ 41,507.87	\$ -	\$ 45,674.26	\$ -	\$ -
3950 - Gasoline	\$ 50.98	\$ -	\$ 200.73	\$ -	\$ -
4100 - Other Operating Expenses	\$ 6,338.65	\$ -	\$ 4,262.47	\$ -	\$ -
4111 - Prizes and Awards	\$ 6,371.51	\$ -	\$ 8,242.76	\$ -	\$ -
4140 - Dues and Memberships	\$ 71,427.00	\$ -	\$ 49,807.72	\$ -	\$ -
4150 - Interest Expense	\$ -	\$ 148.00	\$ -	\$ -	\$ -
4151 - Interest - Late Payments	\$ 10.04	\$ -	\$ -	\$ -	\$ -
4170 - Miscellaneous Fees And Fines	\$ 23.25	\$ -	\$ 20.00	\$ 86.00	\$ -

Object/Fiscal Year	FY 2015-16		FY 2016-17		
	DOS Cash Fund	HAVA Fund	DOS Cash Fund	HAVA Fund	ERTF
4180 - Official Functions	\$ 13,105.79	\$ -	\$ 22,565.83	\$ -	\$ -
4220 - Registration Fees	\$ 179,094.66	\$ -	\$ 148,529.64	\$ -	\$ -
5120 - Grants - Counties	\$ -	\$ 26,430.85	\$ -	\$ 386,094.03	\$ -
5520 - Distributions - Counties	\$ 2,398,623.17	\$ -	\$ 2,694,921.00	\$ -	\$ -
5891 - Distributions To Individuals	\$ -	\$ -	\$ -	\$ -	\$ -
5895 - Unemployment Benefit Payments	\$ 7,407.13	\$ -	\$ 10,203.96	\$ -	\$ -
6211 - Information Technology - Direct Purchase	\$ 313,232.50	\$ 451,967.06	\$ 356,005.56	\$ -	\$ -
6222 - Office Furniture and Systems - Direct Purchase	\$ 64,082.85	\$ -	\$ -	\$ -	\$ -
6280 - Other Capital Equipment - Direct Purchase	\$ 6,153.00	\$ -	\$ 112,968.00	\$ -	\$ -
6511 - Capitalized Personal Services - Information Technology	\$ 13,750.00	\$ -	\$ -	\$ -	\$ -
700A - Operating Transfers to Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
7200 - Transfers Out For Indirect Costs - Cash	\$ 156,308.00	\$ -	\$ 184,132.00	\$ -	\$ -
Total by Fund by Fiscal Year	\$ 20,429,464.06	\$ 535,693.65	\$ 21,768,717.50	\$ 437,617.03	\$ 14,197.55

DEPARTMENT OF STATE
FY 2018-19 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, November 28, 2017
1:30 pm – 3:00 pm

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-2:10 ELECTION INFORMATION TECHNOLOGY (IT) AND CYBERSECURITY

- 1 Discuss each of the elections-related IT systems, their function, and their user-base.
- 2 Discuss current security protocols for the statewide voter registration database (SCORE)
- 3 What activities have the Department undertaken to improve usability of TRACER, the state campaign finance tracking system? What activities are planned for its improvement in the future?
- 4 Describe any lessons the Department has learned related to election cybersecurity from the 2016 and 2017 election cycles.
- 5 Describe how the Department intends to bolster its cybersecurity with funding provided by approval of the September emergency supplemental request.
- 6 Describe any long-term plans the Department envisions it will undertake to protect election system integrity.
- 7 To the Department's knowledge, did any user experience any difficulty accessing information in SCORE during the 2017 election cycle?

2:10-2:30 IMPLEMENTATION OF DEVOPS MODEL FOR ELECTIONS AND BUSINESS FILING IT SYSTEMS

- 8 Without duplicating answers from the previous agenda item, discuss any other activities undertaken by the Department since approval of the September emergency supplemental request.
- 9 Discuss the Department's relationship with the Governor's Office of Information Technology (OIT). How does the Department determine when to discuss, interact, and cooperate with the OIT?
- 10 Does the Department have knowledge concerning whether OIT or other agencies in Colorado have implemented the DevOps model?
- 11 Discuss how the General Assembly can support the Department's continued development of its elections and business filing system and be assured the state is not duplicating work or implementing incompatible systems or procedures.

2:30-2:40 GO CODE

- 12 Discuss how the Department accounts for donations made by sponsors and supporters of Go Code. Provide the legal authority for such expenditures.
- 13 Discuss any additional information about Go Code the Department the Department finds important.

2:40-3:00 INITIATIVE AND REFERENDUM SIGNATURE VERIFICATION

- 14 Discuss how the Department intends to deploy new software in connection with the Department of Personnel to increase the efficiency of signature verification in such a limited time frame.
- 15 Which state entity will control, own, and operate the signature verification software solution?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

- 16 Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.
- 17 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2017 (link below)? What is the Department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations? [Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.](#)

<http://leg.colorado.gov/audits/annual-report-status-outstanding-audit-recommendations-june-30-2017>

- 18 If the Department receives federal funds of any type, please respond to the following:
 - a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2017-18 or 2018-19.
 - b. Are you expecting any changes in federal funding with the passage of the FFY 2017-18 or 2018-19 federal budget? If yes, in which programs, and what is the match requirement for each program?
 - c. Does the Department have a contingency plan if federal funds are eliminated?
- 19 Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media.

Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?

- 20 Based on the Department's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy? Do the statewide compensation policies administered by the Department of Personnel help or hinder in addressing vacancy or turnover issues?
- 21 Please provide an update on the Department's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Chief Information Security Office (CISO) in the Office of Information Technology (OIT)? Have your information technology infrastructure and policies been audited for cybersecurity capabilities? If so, was the audit completed by the legislative auditor or an outside entity? Do you have dedicated cybersecurity personnel? How do your cybersecurity staff interact with the CISO in OIT? What unique security issues does your Department have? Do you handle private or sensitive data? What unique cybersecurity processes or tools do you use to protect this data?
- 22 What impact do the SMART Act and Lean processes have on your budget requests? Could they be used more effectively?
- 23 Does your Department use evidence-based analysis as a foundation for your budget request? If so, please provide a definition for your use of "evidence-based," indicate which programs are "evidence-based," and describe the evidence used to support these programs.
- 24 Please identify how many rules you have promulgated in the past two years (FYs 2015-16 and 2016-17). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.
- 25 Describe the expected fiscal impact of proposed changes to PERA made by both the Governor's Office and the PERA Board of Directors. In addition to direct budgetary impacts, please describe any anticipated secondary impacts of an increase in employee contribution rates. For instance, does the Department anticipate a need to increase employee salaries to compensate for the increase in PERA contributions?
- 26 Senate Bill 17-267 required Departments, other than Education and Transportation, that submit budgets to OSPB to propose a budget that is 2.0 percent below the total funds budget in FY 2017-18. Please highlight the following regarding the 2.0 percent reduction:
 - Where these reductions can be found in the Department's request;
 - What programs are impacted by the reduction; and
 - Total amount of the reduction.

- 27 Please provide the following information for the Department's custodial funds and continuously appropriated funds:
- Name of the fund;
 - Amount of funds received;
 - Whether the revenues are one-time or multi-year;
 - Current cash fund balance;
 - Source(s) of the funds;
 - A list of FY 2015-16 and FY 2016-17 expenditures from these funds;
 - Expected uses of the funds in FY 2017-18 and FY 2018-19; and
 - Legal authorization and restrictions/limitations on the Department's use of these funds.
- 28 What is the Department's process for engaging in (or disputing) federal land, environmental, jurisdictional, and/or water policy issues? How do you coordinate with other departments, the Governor's Office, local governments, and/or citizens?