

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2024-25

DEPARTMENT OF STATE

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

PREPARED BY:
ANDREW MCLEER, 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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How to Use this Document

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for

each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions section or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

In some of the analysis of decision items in this document, you may see language denoting certain 'levels of evidence', e.g. theory-informed, evidence-informed, or proven. For a detailed explanation of what is meant by 'levels of evidence', and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

DEPARTMENT OVERVIEW

The Secretary of State is one of five independently-elected constitutional officers and serves as the chief election official for the State of Colorado. The Department of State (DOS) is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use. The Department consists of four divisions:

ADMINISTRATION DIVISION

- Provides operational support to the Department, including human resources, finance, office management, communications, and direct support to the Office of the Secretary.

INFORMATION TECHNOLOGY DIVISION

- Provides technical and project management services, systems development, and support for information technology systems in the Department.

ELECTIONS DIVISION

- Administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process; certifies voting equipment; oversees campaign finance reporting by political candidates and committees; registers lobbyists and monitors the filing of required disclosure reports.
- Implements the provisions of the federal Help America Vote Act (HAVA), including improvements to the administration of federal elections.
- Maintains the State of Colorado Registration and Elections (SCORE) system, the State's computerized statewide voter registration system.

BUSINESS AND LICENSING DIVISION

- Collects, maintains, and provides public access to filings made by businesses and non-profit organizations (e.g. annual reports, articles of incorporation etc.); registers business names, trade names, and trademarks; registers charitable organizations and licenses entities involved in charitable bingo/raffle; licenses and regulates notaries public.
- Compiles and publishes the Code of Colorado Regulations (CCR).
- Oversees the Business Intelligence Center.

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$50,108,869	\$12,835,578	\$36,481,518	\$791,773	\$0	155.5
HB24-1200 State Supp	208,646	0	208,646	0	0	0.0
Other legislation	565,769	0	565,769	0	0	1.2
TOTAL	\$50,883,284	\$12,835,578	\$37,255,933	\$791,773	\$0	156.7
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$50,883,284	\$12,835,578	\$37,255,933	\$791,773	\$0	156.7
R1 HAVA election security grant state match	234,488	0	234,488	0	0	0.0
R2 ADA IT accessibility	241,442	0	241,442	0	0	2.5
R3 Cybersecurity defense	450,000	0	450,000	0	0	0.0
R4 Inflation adjustment for IT	316,395	0	316,395	0	0	0.0
R5 Business fraud complaint support	48,464	0	48,464	0	0	1.0
R6 ERIC dues increase	50,000	0	50,000	0	0	0.0
Annualize prior year legislation	5,319,726	6,369,203	(592,128)	(457,349)	0	1.3
Informational adjustment	1,431,055	0	1,431,055	0	0	0.0
Centrally appropriated line items	1,275,913	0	1,275,913	0	0	0.0
Non-prioritized decision item	91,250	0	91,250	0	0	0.0
Annualize prior year budget actions	(12,981,488)	(12,265,576)	(381,488)	(334,424)	0	0.0
Technical adjustments	(76,976)	(302,142)	(76,976)	302,142	0	0.0
Indirect cost assessment	(24,820)	(7,462)	(24,820)	7,462	0	0.0
TOTAL	\$47,258,733	\$6,629,601	\$40,319,528	\$309,604	\$0	161.5
INCREASE/(DECREASE)	(\$3,624,551)	(\$6,205,977)	\$3,063,595	(\$482,169)	\$0	4.8
Percentage Change	(7.1%)	(48.3%)	8.2%	(60.9%)	0.0%	3.1%
FY 2024-25 EXECUTIVE REQUEST	\$47,263,953	\$6,629,601	\$40,324,748	\$309,604	\$0	161.5
Request Above/(Below) Recommendation	\$5,220	\$0	\$5,220	\$0	\$0	(0.0)

DESCRIPTION OF INCREMENTAL CHANGES

R1 2022 HAVA ELECTION SECURITY GRANT STATE MATCH: The recommendation includes \$234,488 in one-time Department of State (DOS) Cash Fund spending authority for FY 2024-25 to match a federal HAVA grant for \$1,172,438. The State must match 20.0 percent of these funds in order to access the federal funds, and must have the spending authority by April 10, 2025. This funding is used to support improvements in federal election administration and infrastructure, including the provision of grants to counties for physical and cyber security, improvements to the Statewide Colorado Registration and Election (SCORE) system, performing election audits, and cybersecurity improvements. If this request is not approved, the Department would be required to return the \$1,172,438 in grant funding to the US Election Assistance Commission, as well as accumulated interest.

R2 AMERICANS WITH DISABILITIES ACT (ADA) IT ACCESSIBILITY: This recommendation includes \$241,442 in DOS Cash Fund spending authority for FY 2024-25 to add 2.5 FTE for ADA accessibility compliance. The recommendation annualizes to \$297,057 and 2.5 FTE in FY 2025-26 and beyond. The request and recommendation would provide resources to support 1.0 FTE for an IT Professional and 1.5 FTE for two Temporary Aides to manually review DOS content for ADA accessibility. At

present, DOS has over 30 public-facing applications, and the Department reports that automated processes are only able to detect around 30 percent of the issues related to ADA accessibility. Existing IT staffing within DOS is largely responsible for the development and updating of these proprietary applications. The Department requests the additional FTE for front-end development and review of applications to allow for continuous testing of Department content and applications to meet ADA guidelines.

R3 CYBERSECURITY DEFENSE: The recommendation includes \$450,000 in DOS Cash Fund spending authority on an ongoing basis for technical testing of election systems. The Department aims to employ a variety of cybersecurity measures to maintain election security, including detection systems, penetration testing, automated AI response to threats, incident response, and securing code vulnerabilities. The request includes funding for both software and hardware upgrades, as well as a budget set-aside for industry contractors with relevant expertise.

R4 INFLATION ADJUSTMENT FOR HARDWARE/SOFTWARE LICENSING: The recommendation includes \$316,395 in DOS Cash Fund spending authority on an ongoing basis for increased costs for hardware and software licensing. The Department last received an adjustment for market forces through a request made in November of 2021. Since then, persistent inflation has caused costs for IT services and licenses to rise. Furthermore, industry shifts in software licensing from perpetual licensing to subscription models have made it more difficult to defer upgrading software, since costs for software are increasingly annual, instead of up-front.

R5 BUSINESS FRAUD COMPLAINT SUPPORT: The recommendation includes \$48,464 in DOS Cash Fund spending authority on an ongoing basis to hire 1.0 additional FTE in the Business and Licensing Division. The recommendation annualizes to \$62,016 and 1.0 FTE in FY 2025-26 and beyond. The Department is requesting this funding to handle increased workload due to S.B. 22-034 (Business Filing Address and Name Fraud), which has induced over 1,000 complaints regarding fraudulent business filings in within the first six months of the legislation being in effect. Additionally, the Department anticipates an increase in public contacts after January 1, 2024, due to the federal Corporate Transparency Act (CTA) entering into force. At present, there are over 950,000 firms filed with the Department, and if even a small fraction of these contact the department, it is likely to cause further backlog. The additional FTE for this request would handle both business fraud filing complaints and respond to CTA questions from Colorado businesses.

R6 ERIC DUES INCREASE: The recommendation includes \$50,000 in in DOS Cash Fund spending authority to pay for increases in membership fees for the Electronic Registration Information Center (ERIC) program. ERIC is a nonprofit comprised of member states. The organization helps to maintain current voter registration information for local authorities through checks on government documents across member states (e.g. DMV records, USPS change of address forms). This funding would primarily be used to pay membership dues, which have increased \$36,000 since FY 2021-22, as well as supporting increasing operating costs.

ANNUALIZE PRIOR YEAR LEGISLATION: The recommendation includes an increase of \$5,319,726 total funds including a net increase of \$6,369,203 General Fund to reflect the out-year impacts of prior year legislation; summarized in the table below. Note that the \$6.7 million General Fund annualization of S.B. 23-276 (Modify Election Law) is discussed in greater depth as a decision item in the Elections Division section of this document.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB23-276 Modify election law	\$6,374,992	\$6,700,000	(\$325,008)	\$0	\$0	1.5
HB21-1071 Ranked choice nonpartisan elections	(784,646)	(330,797)	3,500	(457,349)	0	0.0
HB 24-1200 DOS supplemental	(208,646)	0	(208,646)	0	0	0.0
SB23-153 Notary sunset extension	(61,974)	0	(61,974)	0	0	(0.2)
TOTAL	\$5,319,726	\$6,369,203	(\$592,128)	(\$457,349)	\$0	1.3

INFORMATIONAL ADJUSTMENTS: The recommendation includes \$1,431,055 in technical adjustments to multiple informational appropriations, including a cash fund adjustment from the Electronic Recording Technology Board Fund to reflect the Electronic Recording Technology Board's adjusted balance.

CENTRALLY APPROPRIATED LINE ITEMS: The recommendation includes the following adjustments to centrally appropriated line items for FY 2024-25. Final amounts will reflect the Committee's decisions on Common Policy.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
AED and SAED adjustment*	\$1,317,890	\$0	\$1,317,890	\$0	\$0	0.0
Salary survey	487,034	0	487,034	0	0	0.0
PERA Direct Distribution	227,237	0	227,237	0	0	0.0
Step pay	215,199	0	215,199	0	0	0.0
Health, life, and dental	184,170	0	184,170	0	0	0.0
Paid Family & Medical Leave Insurance	59,305	0	59,305	0	0	0.0
Leased space	59,000	0	59,000	0	0	0.0
Workers' compensation	17,715	0	17,715	0	0	0.0
ALJ services	16,093	0	16,093	0	0	0.0
Short-term disability	2,281	0	2,281	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
CORE Operating Resources	0	0	0	0	0	0.0
AED	(582,868)	0	(582,868)	0	0	0.0
SAED	(582,868)	0	(582,868)	0	0	0.0
Risk management & property adjustment	(71,425)	0	(71,425)	0	0	0.0
Payments to OIT	(59,318)	0	(59,318)	0	0	0.0
CORE adjustment	(10,076)	0	(10,076)	0	0	0.0
Legal services	(3,456)	0	(3,456)	0	0	0.0
TOTAL	\$1,275,913	\$0	\$1,275,913	\$0	\$0	0.0

*This line item combines the AED and SAED line items, per Committee decision. This figure includes the base appropriation of \$582,868 for both line items, totaling \$1,165,736, as well as the requested increase of \$76,077 for both line items, totaling \$152,154.

NON-PRIORITIZED DECISION ITEMS: The recommendation includes an increase of \$91,250 in cash fund spending authority for the impacts of decision items in other departments, summarized in the table below. However, the actual recommendation for the NP Central Services Omnibus Request from the Department of Personnel is pending the Committee's common policy decision for that item. Staff will reflect the Committee's final decision in the Long Bill appropriation.

NON-PRIORITIZED DECISION ITEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central Services Omnibus Request	\$91,663	\$0	\$91,663	\$0	\$0	0.0
NP1 Annual Fleet Vehicle Request	(413)	0	(413)	0	0	0.0

NON-PRIORITIZED DECISION ITEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$91,250	\$0	\$91,250	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes adjustments to reflect the FY 2024-25 impacts of prior year budget actions outlined in the table below. This includes a \$13.0 million reduction in total funds and a \$12.3 million reduction in General Fund, primarily driven by the elimination of presidential primary election reimbursements to counties provided in the FY 2023-24 appropriation.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize Pres Prim Election County Reimb	(\$12,600,000)	(\$12,265,576)	\$0	(\$334,424)	\$0	0.0
Annualize HAVA Grant Match	(234,488)	0	(234,488)	0	0	0.0
FY22-23 R2 Odd year HW/SW maint decrease	(147,000)	0	(147,000)	0	0	0.0
TOTAL	(\$12,981,488)	(\$12,265,576)	(\$381,488)	(\$334,424)	\$0	0.0

TECHNICAL ADJUSTMENTS: The recommendation includes requests for technical adjustments outlined in the table below.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SWICAP common policy base adj	\$0	(\$302,142)	\$0	\$302,142	\$0	0.0
Doc solutions common policy base adj	(76,976)	0	(76,976)	0	0	0.0
TOTAL	(\$76,976)	(\$302,142)	(\$76,976)	\$302,142	\$0	0.0

INDIRECT COST ASSESSMENT: The recommendation includes a \$24,820 reduction to the Department's indirect cost assessment.

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

→ R5 BUSINESS FRAUD COMPLAINT SUPPORT

REQUEST: The request includes \$54,063 in DOS Cash Fund spending authority for FY 2024-25 and \$47,603 ongoing to hire 1.0 additional FTE in the Business and Licensing Division. The Department is requesting this funding to handle higher than expected fraud complaints due to S.B. 22-034 (Business Filing Address and Name Fraud). Additionally, the Department anticipates an increase in public contacts after January 1, 2024, due to the federal Corporate Transparency Act (CTA) entering into force.

RECOMMENDATION: **Staff recommends approval of this request.** However, staff calculates the expenditure for this request at \$48,464 in FY 24-25 and \$62,016 ongoing.

R5 Business and Licensing Staff						
	FY 2024-25 Request		FY 2023-24 Rec.		FY 2025-26 Impact	
	Cash Funds	FTE	Cash Funds	FTE	Cash Funds	FTE
Salary	\$41,016	1.0	\$35,834	0.9	\$39,816	1.0
PERA	4,717		4,161		4,623	
Medicare	595		519		577	
Subtotal-Personal Services, B&L Div.	\$46,328		\$40,514		\$45,016	
Computer Software	0	1.0	330	0.9	330	1.0
Supplies	500		500		500	
Computer	2,000		1,670		0	
Furniture	5,000		5,000		0	
Telephone	235		450		450	
Subtotal-OpEx, B&L Div.	\$5,500		\$5,500		\$1,280	
Subtotal-OpEx , IT Division	\$2,235		\$2,450		\$450	
Centrally appropriated line items	0		0		15,720	
Total-Staffing-related costs	54,063	1.0	48,464	0.9	62,016	1.0

ANALYSIS: The Department is requesting funding to hire 1.0 FTE in the Technician I classification to handle increased workload in the Business and Licensing Division. The Department contends that workload increases have grown rapidly due to the implementation of S.B. 22-034, which has seen over 1,000 complaints regarding fraudulent business filings in the first half of the fiscal year. The Department request is due to a greater than expected volume of fraud filings with the Department after the passage of S.B. 22-034. In the initial fiscal note for this legislation, the Department indicated that it would be able to absorb the increased workload with minimal disruption, estimating approximately 0.1 FTE. However, the last six months have seen over 1,000 complaints filed, and over 2,000 are expected over the current fiscal year. Meanwhile, an additional 350 complaints have been returned to filers for more information. Consequently, the demands placed on Department staff have been much larger than initially anticipated.

The Department also anticipates an increase in public contacts after January 1, 2024, due to the federal Corporate Transparency Act (CTA) entering into force. The CTA will require the Department to include information on the act with business filings and renewals, and the Department has expressed concern that this will dramatically increase workload for the Department. Presently, there are more

than 950,000 firms filed with the Department, and if even a small fraction of these contact the department about rules and requirements of the CTA, the tens of thousands of additional public contacts is likely to cause a backlog. This expected effect of the CTA, coupled with the greater than expected number of business fraud complaint filings, are the driving forces behind this request. This additional 1.0 FTE would be tasked with processing the high volume of business fraud complaints and responding to inquiries about the CTA from Colorado businesses. This will allow labor to be shifted back to other customer services, which have been impacted by this additional workload.

Staff agrees that the state policy change appears to be driving a significant increase in workload. While the impact of the federal legislation is not yet known, staff agrees that it is logical that it will also create additional work. Staff recommends approving the request.

(1) ADMINISTRATION DIVISION

The Administration Division provides general oversight and administrative support services for all divisions in the Department, including budgeting, human resources services, and public outreach. This division is entirely supported by the Department of State Cash Fund, which primarily consists of revenue from fees collected with filings submitted by businesses and non-profits.

ADMINISTRATION DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214(Long Bill)	\$14,695,168	\$0	\$14,695,168	\$0	\$0	25.1
HB24-1200 State Supp	208,646	0	208,646	0	0	0.0
TOTAL	\$14,903,814	\$0	\$14,903,814	\$0	\$0	25.1
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$14,903,814	\$0	\$14,903,814	\$0	\$0	25.1
Annualize prior year legislation	(172,668)	0	(172,668)	0	0	0.5
Informational adjustment	1,431,055	0	1,431,055	0	0	0.0
Centrally appropriated line items	783,267	0	783,267	0	0	0.0
Non-prioritized decision item	91,250	0	91,250	0	0	0.0
Indirect cost assessment	(24,820)	0	(24,820)	0	0	0.0
TOTAL	\$17,011,898	\$0	\$17,011,898	\$0	\$0	25.6
INCREASE/(DECREASE)	\$2,108,084	\$0	\$2,108,084	\$0	\$0	0.5
Percentage Change	14.1%	0.0%	14.1%	0.0%	0.0%	2.0%
FY 2024-25 EXECUTIVE REQUEST	\$16,984,089	\$0	\$16,984,089	\$0	\$0	25.6
Request Above/(Below) Recommendation	(\$27,809)*	\$0	(\$27,809)	\$0	\$0	0.0

*The recommendation is higher than the initial Department request due to common policy changes.

DECISION ITEMS – ADMINISTRATION DIVISION

The Secretary of State did not submit any decision items for only this division.

LINE ITEM DETAIL – ADMINISTRATION DIVISION

PERSONAL SERVICES

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar expenditures.

STATUTORY AUTHORITY: Section 24-50-101 *et seq.*, and 24-21-101, *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$2,826,733 cash funds and 25.6 FTE.

RECOMMENDATION: Staff recommends approving the request, which is summarized in the table below.

ADMINISTRATION DIVISION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$2,658,764	\$0	\$2,658,764	\$0	\$0	25.1
TOTAL	\$2,658,764	\$0	\$2,658,764	\$0	\$0	25.1
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$2,658,764	\$0	\$2,658,764	\$0	\$0	25.1
Centrally appropriated line items	134,741	0	134,741	0	0	0.0
Annualize prior year legislation	33,228	0	33,228	0	0	0.5
TOTAL	\$2,826,733	\$0	\$2,826,733	\$0	\$0	25.6
INCREASE/(DECREASE)	\$167,969	\$0	\$167,969	\$0	\$0	0.5
Percentage Change	6.3%	0.0%	6.3%	0.0%	0.0%	2.0%
FY 2024-25 EXECUTIVE REQUEST	\$2,826,733	\$0	\$2,826,733	\$0	\$0	25.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

HEALTH, LIFE, AND DENTAL

This line item provides funding for the Department's share of the cost of group benefit plans providing health, life, and dental insurance for state employees.

STATUTORY AUTHORITY: Sections 24-50-609, 24-50-611, and 24-50-104 (1)(a)(II), C.R.S., and defined in Section 24-50-603 (9), C.R.S.

REQUEST: The Department requests an appropriation of \$1,965,056 cash funds.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policy decisions to date. Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$1,780,886	\$0	\$1,780,886	\$0	\$0	0.0
TOTAL	\$1,780,886	\$0	\$1,780,886	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,780,886	\$0	\$1,780,886	\$0	\$0	0.0
Centrally appropriated line items	184,170	0	184,170	0	0	0.0
TOTAL	\$1,965,056	\$0	\$1,965,056	\$0	\$0	0.0
INCREASE/(DECREASE)	\$184,170	\$0	\$184,170	\$0	\$0	0.0
Percentage Change	10.3%	0.0%	10.3%	0.0%	0.0%	0.0%

ADMINISTRATION DIVISION, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 EXECUTIVE REQUEST	\$1,965,056	\$0	\$1,965,056	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SHORT-TERM DISABILITY

This line item provides funding for the Department's share of short-term disability insurance premiums for state employees. The State currently provides 100.0 percent of the premiums for this insurance.

STATUTORY AUTHORITY: Sections 24-50-611 and 24-50-603 (13), C.R.S.

REQUEST: The Department requests an appropriation of \$19,768 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions to date.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$17,487	\$0	\$17,487	\$0	\$0	0.0
TOTAL	\$17,487	\$0	\$17,487	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$17,487	\$0	\$17,487	\$0	\$0	0.0
Centrally appropriated line items	2,281	0	2,281	0	0	0.0
TOTAL	\$19,768	\$0	\$19,768	\$0	\$0	0.0
INCREASE/(DECREASE)						
Percentage Change	13.0%	0.0%	13.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$19,768	\$0	\$19,768	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PAID FAMILY AND MEDICAL LEAVE INSURANCE

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020. The newly created paid family and medical leave insurance program requires employers and employees in Colorado to pay a payroll premium to finance paid family and medical leave insurance benefits beginning January 1, 2023 in order to finance up to 12 weeks of paid family medical leave for eligible employees beginning January 1, 2024. The premium is 0.9 percent of salaries with at least half of the cost paid by the employer. Fiscal Year 2024-25 will be the first year this program appears in each department's section of the Long Bill.

STATUTORY AUTHORITY: Section 8-13.3-501 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$59,305 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions to date.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, PAID FAMILY AND MEDICAL LEAVE INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Centrally appropriated line items	59,305	0	59,305	0	0	0.0
TOTAL	\$59,305	\$0	\$59,305	\$0	\$0	0.0
INCREASE/(DECREASE)	\$59,305	\$0	\$59,305	\$0	\$0	0.0
Percentage Change	N/A	0.0%	N/A	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$59,305	\$0	\$59,305	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

UNFUNDED LIABILITY AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENTS

This line item provides funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA). The Committee has approved the addition of this line item to the FY 2024-25 Long Bill to consolidate appropriations previously provided for S.B. 04-257 Amortization Equalization Disbursement and S.B. 06-235 Supplemental Amortization Equalization Disbursement into a single line item.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department did not request an appropriation for the consolidated line item for FY 2024-25. However, the Department's request for the two existing line items totals \$1,317,890 cash funds for FY 2024-25.

RECOMMENDATION: **Staff recommends approving an appropriation of \$1,317,890 cash funds for the newly consolidated line item. The recommendation is equal to the Department's requested amount for the two previous line items.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, UNFUNDED LIABILITY AED PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0

ADMINISTRATION DIVISION, UNFUNDED LIABILITY AED PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Centrally appropriated line items	1,317,890	0	1,317,890	0	0	0.0
TOTAL	\$1,317,890	\$0	\$1,317,890	\$0	\$0	0.0
INCREASE/(DECREASE)	\$1,317,890	\$0	\$1,317,890	\$0	\$0	0.0
Percentage Change	N/A	0.0%	N/A	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$0	\$0	\$582,868	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$1,317,890	\$0	\$1,317,890	\$0	\$0	0.0

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA).

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: This Department request is reflected in the “UNFUNDED LIABILITY AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENTS” line item.

RECOMMENDATION: **As discussed above, consistent with the Committee’s common policy, staff is not recommending appropriations for this line item.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

ADMINISTRATION DIVISION, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$582,868	\$0	\$582,868	\$0	\$0	0.0
TOTAL	\$582,868	\$0	\$582,868	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$582,868	\$0	\$582,868	\$0	\$0	0.0
Centrally appropriated line items	(582,868)	0	(582,868)	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$582,868)	\$0	(\$582,868)	\$0	\$0	0.0
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$658,945	\$0	\$658,945	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$658,945	\$0	\$658,945	\$0	\$0	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: This Department request is reflected in the “UNFUNDED LIABILITY AMORTIZATION EQUALIZATION DISBURSEMENT PAYMENTS” line item.

RECOMMENDATION: **As discussed above, consistent with the Committee’s common policy, staff is not recommending appropriations for this line item.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

ADMINISTRATION DIVISION, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$582,868	\$0	\$582,868	\$0	\$0	0.0
TOTAL	\$582,868	\$0	\$582,868	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$582,868	\$0	\$582,868	\$0	\$0	0.0
Centrally appropriated line items	(582,868)	0	(582,868)	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$582,868)	\$0	(\$582,868)	\$0	\$0	0.0
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$658,945	\$0	\$658,945	\$0	\$0	0.0

PERA DIRECT DISTRIBUTION

This line item is included as a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

STATUTORY AUTHORITY: Section 24-51-414, (2) C.R.S.

REQUEST: The Department requests an appropriation of \$271,646 cash funds.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is consistent with the Committee’s common policy decisions to date.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

ADMINISTRATION DIVISION, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$42,358	\$0	\$42,358	\$0	\$0	0.0

ADMINISTRATION DIVISION, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$42,358	\$0	\$42,358	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$42,358	\$0	\$42,358	\$0	\$0	0.0
Centrally appropriated line items	227,237	0	227,237	0	0	0.0
TOTAL	\$269,595	\$0	\$269,595	\$0	\$0	0.0
INCREASE/(DECREASE)						
Percentage Change	536.5%	0.0%	536.5%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$2,051	\$0	\$2,051	\$0	\$0	0.0

SALARY SURVEY

This line item provides funding to pay for annual increases for salary survey.

STATUTORY AUTHORITY: Section 24-50-104, C.R.S.

REQUEST: The Department requests an appropriation of \$669,963 cash funds. As requested, the salary survey line item would include both the 3.0 percent across-the-board increase and increases associated with the step and step-like plans.

RECOMMENDATION: Staff recommends an appropriation of \$487,034 cash funds, which is consistent with the Committee's common policy decisions to date. Pursuant to the common policy, the salary survey appropriation does *not* include amounts associated with the step plan, as those appropriations are reflected in the "Step Pay" line item below. Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$627,387	\$0	\$627,387	\$0	\$0	0.0
TOTAL	\$627,387	\$0	\$627,387	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$627,387	\$0	\$627,387	\$0	\$0	0.0
Centrally appropriated line items	(140,353)	0	(140,353)	0	0	0.0
TOTAL	\$487,034	\$0	\$487,034	\$0	\$0	0.0
INCREASE/(DECREASE)						
Percentage Change	(22.4%)	0.0%	(22.4%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$182,929	\$0	\$182,929	\$0	\$0	0.0

STEP PAY [NEW LINE ITEM]

This line item, newly approved for the FY 2024-25 Long Bill, will provide appropriations to each department as a result of the step pay plan. The step pay plan takes effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

STATUTORY AUTHORITY: Section 24-50-1101, C.R.S., et seq.

REQUEST: The Department requested no appropriation for this line item for FY 2024-25, as appropriations associated with the step plan were included in the request for Salary Survey discussed above.

RECOMMENDATION: **Staff an appropriation of \$215,199 cash funds for FY 2024-25.**

ADMINISTRATION DIVISION, STEP PAY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Centrally appropriated line items	215,199	0	215,199	0	0	0.0
TOTAL	\$215,199	\$0	\$215,199	\$0	\$0	0.0
INCREASE/(DECREASE)	\$215,199	\$0	\$215,199	\$0	\$0	0.0
Percentage Change	N/A	0.0%	N/A	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$215,199)	\$0	(\$215,199)	\$0	\$0	0.0

WORKERS' COMPENSATION

This line item is used to pay for the Department's share of the state's workers' compensation program run by the Department of Personnel.

STATUTORY AUTHORITY: Section 24-30-1510.7, C.R.S.

REQUEST: The Department requests an appropriation of \$95,892 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions for FY 2024-25.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$78,177	\$0	\$78,177	\$0	\$0	0.0
TOTAL	\$78,177	\$0	\$78,177	\$0	\$0	0.0

ADMINISTRATION DIVISION, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$78,177	\$0	\$78,177	\$0	\$0	0.0
Centrally appropriated line items	17,715	0	17,715	0	0	0.0
TOTAL	\$95,892	\$0	\$95,892	\$0	\$0	0.0
INCREASE/(DECREASE)	\$17,715	\$0	\$17,715	\$0	\$0	0.0
Percentage Change	22.7%	0.0%	22.7%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$95,892	\$0	\$95,892	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line item provides funding for supplies and materials for the Administration Division, as well as for certain services that are not covered by other line items such as capital outlay (replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000), utilities, telecommunications, custodial services, equipment rental, storage, dues and subscription, office supplies, and printing and reproduction costs.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests an appropriation of \$536,750 cash funds.

RECOMMENDATION: **Staff recommends approving the request.**

ADMINISTRATION DIVISION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$534,000	\$0	\$534,000	\$0	\$0	0.0
TOTAL	\$534,000	\$0	\$534,000	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$534,000	\$0	\$534,000	\$0	\$0	0.0
Annualize prior year legislation	2,750	0	2,750	0	0	0.0
TOTAL	\$536,750	\$0	\$536,750	\$0	\$0	0.0
INCREASE/(DECREASE)	\$2,750	\$0	\$2,750	\$0	\$0	0.0
Percentage Change	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$536,750	\$0	\$536,750	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LEGAL SERVICES

This line item provides funding for the Department to purchase legal services from the Department of Law.

STATUTORY AUTHORITY: Sections 24-31-101 (1)(a) and 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests an appropriation of \$1,191,571 cash funds, a decrease of \$3,456 below the FY 2023-24 appropriation.

RECOMMENDATION: **The staff recommendation is pending Committee action on this common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

OUTSIDE LEGAL SERVICES

This line item provides funding for the Department to purchase legal services from attorneys outside the Attorney General's Office, when a conflict of interest occurs.

STATUTORY AUTHORITY: Sections 24-31-101 (1)(a) and 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests a continuation-level appropriation of \$25,000 cash funds, with no change from the FY 2023-24 appropriation.

RECOMMENDATION: **Staff recommends approval of the continuation request for \$25,000 cash funds.**

ADMINISTRATIVE LAW JUDGE SERVICES

This line item is used to purchase administrative law services from the Department of Personnel.

STATUTORY AUTHORITY: Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

REQUEST: The Department requests an appropriation of \$48,950 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions for FY 2024-25.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$32,857	\$0	\$32,857	\$0	\$0	0.0
TOTAL	\$32,857	\$0	\$32,857	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$32,857	\$0	\$32,857	\$0	\$0	0.0
Centrally appropriated line items	16,093	0	16,093	0	0	0.0
TOTAL	\$48,950	\$0	\$48,950	\$0	\$0	0.0
INCREASE/(DECREASE)	\$16,093	\$0	\$16,093	\$0	\$0	0.0
Percentage Change	49.0%	0.0%	49.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$48,950	\$0	\$48,950	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item is used to reimburse the Department of Personnel for the Department's share of the state's liability and property insurance.

STATUTORY AUTHORITY: Sections 24-10-116, 24-30-1510, and 24-30-1510.5, C.R.S.

REQUEST: The Department requests an appropriation of \$104,384 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions for FY 2024-25.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
HB24-1200 State Supp	\$208,646	\$0	\$208,646	\$0	\$0	0.0
SB 23-214(Long Bill)	\$175,809	\$0	\$175,809	\$0	\$0	0.0
TOTAL	\$384,455	\$0	\$384,455	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$384,455	\$0	\$384,455	\$0	\$0	0.0
Annualize prior year legislation	(208,646)	0	(208,646)	0	0	0.0
Centrally appropriated line items	(71,425)	0	(71,425)	0	0	0.0
TOTAL	\$104,384	\$0	\$104,384	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$280,071)	\$0	(\$280,071)	\$0	\$0	0.0
Percentage Change	(72.8%)	0.0%	(72.8%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$104,384	\$0	\$104,384	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VEHICLE LEASE PAYMENTS

This line item provides funding for annual payments to the Department of Personnel for the cost of administration and lease-purchase payments for new and replacement vehicles. The Department uses these vehicles for three main purposes: for election staff who support counties and local election administration and training, for the investigations team in the Business and Licensing Division for investigating charitable bingo raffles, and for miscellaneous use such as traveling to conferences, trainings, and out of town data centers that Department IT staff maintain.

STATUTORY AUTHORITY: Section 24-30-1104 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$16,363 cash funds.

RECOMMENDATION: **Staff recommends approving the request, which is consistent with the Committee's common policy decisions for FY 2024-25.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, VEHICLE LEASE PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$16,776	\$0	\$16,776	\$0	\$0	0.0
TOTAL	\$16,776	\$0	\$16,776	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$16,776	\$0	\$16,776	\$0	\$0	0.0
Non-prioritized decision item	(413)	0	(413)	0	0	0.0
TOTAL	\$16,363	\$0	\$16,363	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$413)	\$0	(\$413)	\$0	\$0	0.0
Percentage Change	(2.5%)	0.0%	(2.5%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$16,363	\$0	\$16,363	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LEASED SPACE

The line item provides funding for the Department's office space at 1700 Broadway, Denver, which houses all divisions and employees. The amount includes the Department's share of annual operating expenses for the building.

STATUTORY AUTHORITY: Section 24-30-1303, C.R.S.

REQUEST: The Department requests an appropriation of \$1,442,579 cash funds.

RECOMMENDATION: **Staff recommends approving the request.**

ADMINISTRATION DIVISION, LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$1,383,579	\$0	\$1,383,579	\$0	\$0	0.0
TOTAL	\$1,383,579	\$0	\$1,383,579	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$1,383,579	\$0	\$1,383,579	\$0	\$0	0.0
Centrally appropriated line items	59,000	0	59,000	0	0	0.0
TOTAL	\$1,442,579	\$0	\$1,442,579	\$0	\$0	0.0
INCREASE/(DECREASE)	\$59,000	\$0	\$59,000	\$0	\$0	0.0
Percentage Change	4.3%	0.0%	4.3%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$1,442,579	\$0	\$1,442,579	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PAYMENTS TO OIT

This line item provides funding for information technology services provided by the Governor's Office of Information Technology (OIT).

STATUTORY AUTHORITY: Sections 24-37.5-103, 24-37.5-506, and 24-37.5-604, C.R.S.

REQUEST: The Department requests an appropriation of \$499,386 cash funds.

RECOMMENDATION: **The staff recommendation is pending Committee action on this common policy.** The following table reflects the request. Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, PAYMENTS TO OIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$558,704	\$0	\$558,704	\$0	\$0	0.0
TOTAL	\$558,704	\$0	\$558,704	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$558,704	\$0	\$558,704	\$0	\$0	0.0
Centrally appropriated line items	(59,318)	0	(59,318)	0	0	0.0
TOTAL	\$499,386	\$0	\$499,386	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$59,318)	\$0	(\$59,318)	\$0	\$0	0.0
Percentage Change	(10.6%)	0.0%	(10.6%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$499,386	\$0	\$499,386	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

CORE OPERATIONS

The line item provides funding for the Department's share of the statewide accounting system (CORE) used by the Office of the State Controller to record all state revenues and expenditures.

STATUTORY AUTHORITY: Section 24-30-209, C.R.S.

REQUEST: The Department requests an appropriation of \$7,154 cash funds.

RECOMMENDATION: **The staff recommendation is provided in the table below and reflects Committee common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

ADMINISTRATION DIVISION, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$14,820	\$0	\$14,820	\$0	\$0	0.0
TOTAL	\$14,820	\$0	\$14,820	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$14,820	\$0	\$14,820	\$0	\$0	0.0
Centrally appropriated line items	(10,076)	0	(10,076)	0	0	0.0
TOTAL	\$4,744	\$0	\$4,744	\$0	\$0	0.0

ADMINISTRATION DIVISION, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$10,076)	\$0	(\$10,076)	\$0	\$0	0.0
Percentage Change	(68.0%)	0.0%	(68.0%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$7,154	\$0	\$7,154	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$2,410	\$0	\$2,410	\$0	\$0	0.0

ELECTRONIC RECORDING TECHNOLOGY BOARD

The appropriation associated with this line item is for informational purposes because funding for the Electronic Recording Technology Board (ERTB) is continuously appropriated, pursuant to Section 24-21-404 (1)(a), C.R.S. Statute authorizes the ERTB to operate until September 1, 2026, pending a sunset review. The ERTB is a Type 1 agency, exercising its statutory powers, duties, and functions independently of the executive director of its principal department. The ERTB is designated an enterprise and is not subject to any provision of Section 20 of Article X of the State Constitution, per Section 24-21-402 (2), C.R.S. The Board receives its appropriation from the Electronic Recording Technology Fund, which is funded by a surcharge of up to two dollars that is uniformly collected on all documents received by a county clerk and recorder for recording and filing, pursuant to Section 24-21-403 (2).

STATUTORY AUTHORITY: Section 24-21-404 *et seq.*, C.R.S.

REQUEST: The Department requests an informational appropriation of \$5,479,432 cash funds to reflect the ERTB's FY 2023-24 beginning balance.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

ADMINISTRATION DIVISION, ELECTRONIC RECORDING TECHNOLOGY BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$4,048,377	\$0	\$4,048,377	\$0	\$0	0.0
TOTAL	\$4,048,377	\$0	\$4,048,377	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$4,048,377	\$0	\$4,048,377	\$0	\$0	0.0
Informational adjustment	1,431,055	0	1,431,055	0	0	0.0
TOTAL	\$5,479,432	\$0	\$5,479,432	\$0	\$0	0.0
INCREASE/(DECREASE)	\$1,431,055	\$0	\$1,431,055	\$0	\$0	0.0
Percentage Change	35.3%	0.0%	35.3%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$5,479,432	\$0	\$5,479,432	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

INDIRECT COST ASSESSMENT

This line item funds the Department's share of statewide indirect costs. Statewide indirect costs are overhead costs associated with the operation of general government functions and recovered from cash and federal funded programs.

STATUTORY AUTHORITY: Section 24-75-1401, C.R.S.

REQUEST: The Department requests an appropriation of \$309,604 cash funds.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

ADMINISTRATION DIVISION, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$334,424	\$0	\$334,424	\$0	\$0	0.0
TOTAL	\$334,424	\$0	\$334,424	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$334,424	\$0	\$334,424	\$0	\$0	0.0
Indirect cost assessment	(24,820)	0	(24,820)	0	0	0.0
TOTAL	\$309,604	\$0	\$309,604	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$24,820)	\$0	(\$24,820)	\$0	\$0	0.0
Percentage Change	(7.4%)	0.0%	(7.4%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$309,604	\$0	\$309,604	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DISCRETIONARY FUND

Each of the five elected statewide officials receives an allowance, specified in statute, for "expenditure in pursuance of official business as each elected official sees fit." Subject to annual appropriation by the General Assembly, the Secretary of State receives \$5,000 cash funds for this purpose.

STATUTORY AUTHORITY: Section 24-9-105, C.R.S.

REQUEST: The Department requests a continuation-level appropriation of \$5,000 cash funds.

RECOMMENDATION: **Staff recommends approval of the Department's request for an appropriation of \$5,000 cash funds** in accordance with the statutory allowance for all state elected officials.

NEW LINE ITEMS PROPOSED AS PART OF THE DEPARTMENT OF PERSONNEL CENTRAL SERVICES OMNIBUS REQUEST

The next six line items have been requested as new line items for the FY 2024-25 Long Bill as part of the Department of Personnel's Central Services Omnibus Request. The staff recommendation for *all* of these line items is pending the Committee's common policy decisions for that particular request.

STATEWIDE ADMINISTRATIVE SERVICES [NEW LINE ITEM]

This line item would provide funding for payments for statewide administrative services provide by the Department of Personnel's Executive Director's Office.

STATUTORY AUTHORITY: Article 50.3 of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$16,534 cash funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

STATE AGENCY SERVICES [NEW LINE ITEM]

This line item would provide funding for payments for statewide human resource services provide by the Department of Personnel's Division of Human Resources.

STATUTORY AUTHORITY: Part 13 of Article 30 of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$22,980 cash funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

STATEWIDE TRAINING SERVICES [NEW LINE ITEM]

This line item would provide funding for payments to the Center for Organizational Effectiveness, which provides professional development and training services for state employees.

STATUTORY AUTHORITY: Section 24-50-122, C.R.S.

REQUEST: The Department requests an appropriation of \$4,632 cash funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

LABOR RELATIONS SERVICES [NEW LINE ITEM]

This line item would provide funding for payments for statewide labor relation services provide by the Department of Personnel's Division of Human Resources, Labor Relations Unit.

STATUTORY AUTHORITY: Part 11, Article 50, of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$29,434 cash funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

FINANCIAL OPERATIONS AND REPORTING SERVICES [NEW LINE ITEM]

This line item would provide funding for payments for statewide financial operations and reporting services provide by the Department of Personnel's Division of Accounts and Control.

STATUTORY AUTHORITY: Sections 24-30-201 through 24-30-207, C.R.S.

REQUEST: The Department requests an appropriation of \$11,167 cash funds for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

PROCUREMENT AND CONTRACTS SERVICES [NEW LINE ITEM]

This line item would provide funding for payments for statewide procurement and contracts services provide by the Department of Personnel's Division of Accounts and Control.

STATUTORY AUTHORITY: Sections 24-102-201 through 207 and 24-102-301, C.R.S.

REQUEST: The Department requests an appropriation of \$6,916 cash fund for creation of a new line item to accommodate a new common policy to provide annual funding for administrative services provide by the Department of Personnel.

RECOMMENDATION: The staff **recommendation is pending** the Committee common policy decision for this line item. Staff requests permission to update pending line items and apply necessary fund split adjustments once Committee policy is established.

(2) INFORMATION TECHNOLOGY DIVISION

The Information Technology Division provides technical and project management services, systems development, and support for information technology systems in the Department, including: (1) web based search and filing services used by the Business and Licensing Division to process over 2,500 web-based transactions daily; and (2) the statewide voter registration and election management system (SCORE). The ITS division is also responsible for ensuring the Department's compliance with the Colorado Information Security Act. Funding for this division is provided almost entirely by the Department of State Cash Fund.

INFORMATION TECHNOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214(Long Bill)	\$11,255,384	\$570,002	\$10,228,033	\$457,349	\$0	46.0
HB24-1200 State Supp	0	0	0	0	0	0.0
Other legislation	419,560	0	419,560	0	0	0.0
TOTAL	\$11,674,944	\$570,002	\$10,647,593	\$457,349	\$0	46.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$11,674,944	\$570,002	\$10,647,593	\$457,349	\$0	46.0
R2 ADA IT accessibility	241,442	0	241,442	0	0	2.5
R3 Cybersecurity defense	450,000	0	450,000	0	0	0.0
R4 Inflation adjustment for IT	316,395	0	316,395	0	0	0.0
R5 Business fraud complaint support	2,450	0	2,450	0	0	0.0
Annualize prior year legislation	(1,202,241)	(330,797)	(414,095)	(457,349)	0	0.0
Centrally appropriated line items	214,414	0	214,414	0	0	0.0
Annualize prior year budget actions	(147,000)	0	(147,000)	0	0	0.0
TOTAL	\$11,550,404	\$239,205	\$11,311,199	\$0	\$0	48.5
INCREASE/(DECREASE)	(\$124,540)	(\$330,797)	\$663,606	(\$457,349)	\$0	2.5
Percentage Change	(1.1%)	(58.0%)	6.2%	(100.0%)	0.0%	5.4%
FY 2024-25 EXECUTIVE REQUEST	\$11,577,619	\$239,205	\$11,338,414	\$0	\$0	48.5
Request Above/(Below) Recommendation	\$27,215	\$0	\$27,215	\$0	\$0	0.0

DECISION ITEMS - INFORMATION TECHNOLOGY DIVISION

➔ R2 AMERICANS WITH DISABILITIES ACT (ADA) IT ACCESSIBILITY

Request: This request includes \$268,872 in DOS Cash Fund spending authority for FY 2024-25 and \$247,872 ongoing to add 2.5 FTE for ADA accessibility compliance. The Department requests 1.0 FTE for an IT Professional and 1.5 FTE for two Temporary Aides to manually review DOS content for ADA accessibility.

Recommendation: **Staff recommends approval of this request** in the amount of \$241,442 for FY 2024-25 and \$297,057 ongoing to fund these FTE for ADA compliance.

R2 ADA Compliance						
	FY 2024-25 Request		FY 2023-24 Rec.		FY 2025-26 Impact	
	Cash Funds	FTE	Cash Funds	FTE	Cash Funds	FTE
Staffing-Related Costs						
Salary	217,500	2.5	195,745	2.3	217,500	2.5
PERA	25,013		19,999		21,749	
Medicare	3,154		2,838		3,154	
Subtotal-Personal Services, IT Div.	245,667	2.5	218,582	2.3	242,403	2.5
Supplies	1,500	2.5	1,500	2.3	1,500	
Computer	6,000		5,010		0	
Furniture	15,000		15,000		0	
Telephone	705		1,350		1,350	
Subtotal-Operating Expense, IT Div.	23,205	2.5	22,860	2.3	2,850	2.5
Centrally appropriated line items	0		0		51,804	
Total-Staffing-related costs	\$268,872	\$3	\$241,442	2.3	\$297,057	2.5

Analysis: The Department aims to expand its IT capabilities to meet ADA accessibility goals. At present, DOS has over 30 public-facing applications, and automated processes are only able to detect around 30% of the issues related to ADA accessibility. Existing IT staffing within DOS is largely responsible for the development and updating of these proprietary applications. The Department requests this additional FTE for front-end development and review of applications to allow for continuous testing of Department content and applications to meet ADA guidelines. Furthermore, the Department has argued that hiring for this type of development work will require hiring at a rate above the job classification minimum for all three positions.

The Department aims to hire 1.0 FTE in the IT Professional job classification and 1.5 FTE for two interns in the Temporary Aide classification. The IT Professional will be tasked with front-end development for ADA compliance, also overseeing two interns or fellows on 9 month, 40 hour per week contracts, with these Temporary Aides compensated at a rate similar to the IT professional classification. In both cases, the new FTE would be compensated at a rate slightly below the median for both job classifications. Meanwhile, these interns would be tasked with assisting the IT Professional in development of ADA compliant applications, as well as manual testing of Department resources for ADA accessibility. Staff agrees that hiring for these positions at a rate above the minimum is necessary to hire for these positions, given the management responsibilities of the IT Professional and the non-specificity of the Temporary Aide classification. Staff further notes that these Temporary Aides are ongoing, with interns hired annually to continue the ongoing manual testing necessary for ADA compliance.

The Department's need for additional staff is driven by the requirements of H.B. 21-1110 (Colorado Laws for Persons with Disabilities) and S.B. 23-244 (Technology Accessibility Cleanup), which require state agencies to reduce barriers to accessibility for citizens with disabilities, allowing broader access to state resources and information. To this end, OIT initiated a staffing request for consolidated departments to the Joint Technology Committee in February of last year, which does not include the Department. As such, this request is made to achieve parity with these other departments and bring the Department into compliance with the ADA requirements laid out in H.B. 21-1110 and S.B. 23-

244. Staff recommends approval of the request to allow the Department to meet ADA requirements under both of these bills.

→ R3 CYBERSECURITY DEFENSE

Request: The Department requests \$450,000 in one-time DOS Cash Fund spending authority for technical testing of election system security.

Recommendation: **Staff recommends approval of this request.**

Analysis: The Department has identified cybersecurity as a pressing concern for the Elections Division. Recent development of cyber technology has caused potential attacks to become more sophisticated, including the growth of conventional cyber threats and the broader adoption of artificial intelligence (AI) against state election infrastructure. While Colorado has historically had strong election security, the Department contends that more investment is necessary to combat these increasing threats.

The Department aims to employ a variety of cybersecurity measures to maintain election security, including detection systems, penetration testing, automated AI response to threats, incident response, and securing code vulnerabilities. The request includes funding for both software and hardware upgrades, as well as a budget set-aside for industry contractors with relevant expertise. The cost breakdown and need for funding is as follows:

- Penetration testing (\$80,000): The Department seeks to partner with a trusted third-party for these tests, wherein the contractor attempts to break-in to the Departments systems and applications. The Department last conducted these tests several years ago. In the intervening period, the Department has undergone several changes in technology and infrastructure which give rise to new threats, driving the need for this testing.
- Detection and Response (\$70,000): This funding will allow the implementation of detection and response technologies, which will divert potential cyber attacks from critical Department infrastructure. These technologies will also be closely monitored to allow for both analyzing and blocking potential cyber attacks before extensive damage can occur.
- AI Response (\$100,000): The advent of artificial intelligence (AI) necessitates the adoption of the technology by the Department. The goals of AI adoption are twofold. Firstly, the use of AI has the potential to exacerbate existing strategies of bad actors, such as phishing campaigns and denial of service attacks, as well as misinformation campaigns. The use of AI tools is necessary to counteract these negative uses of AI against Department infrastructure. Secondly, the Department has identified the adoption of AI as a method for improving efficiency of administrative processes.
- Incident Response/ Ransomware Defense (\$80,000): The Department desires to contract with an experienced third party for incident response services, with ransomware and malware representing persistent threats to Departmental IT infrastructure.
- Secure Code (\$120,000): Continuous Integration and Deployment (CI/CD) code is used by developers for building Departmental software. The CI/CD code is the pipeline into all IT software infrastructure, and insecurity can give unwanted access to nefarious actors. As such, the

Department seeks funding for testing of the CI/CD code for security vulnerabilities, which will make it more difficult for entities to get unauthorized access to these Departmental resources.

Staff agrees with the Department's assessment that increased IT security investment is necessary in the face of rising cyber threats. According to a recent report from Global Threat Intelligence, cyber attacks against government agencies have increased 40 percent globally in 2023, with many instances of attacks against election infrastructure. As such, improving cybersecurity for the Department is crucial for ensuring proper security of Department assets, especially election infrastructure.

→ R4 INFLATION ADJUSTMENT FOR HARDWARE/SOFTWARE LICENSING

Request: The Department request includes \$316,395 in cash fund spending authority for increased costs for hardware and software licensing.

Recommendation: **Staff recommends approval of the request** for \$316,395 in cash fund spending authority from the DOS Cash Fund.

Analysis: The Department last received an adjustment for market forces through a request made in November of 2021. Since then, persistent inflation has caused costs for IT services and licenses to rise, with CPI inflation totaling 12 percent from July 2021 to July 2023. Additionally, industry shifts in software licensing from perpetual licensing to subscription models has made it more difficult to defer upgrading software, since costs for software are increasingly annual, instead of up-front. Since these licenses are increasingly paid for annually, inflation has had greater impacts than in the past.

The requested amount of \$316,395 represents a 12 percent increase in the Department's base appropriation for Hardware and Software Maintenance of \$2.6 million. The Department has augmented this funding in two different ways. Firstly, Help America Vote Act (HAVA) Grant funds can be used to support hardware and software maintenance. However, these funds are limited in their scope, as they can only be used to augment federal elections, which typically occur in even years and hardly ever occur in odd years. This reduction in federal funding in odd years has led to the Department receiving additional state funding in odd years to support hardware and software maintenance. Despite this, in both cases this funding has not been adjusted for inflation, and the increasing costs coupled with the move toward annual subscriptions has strained the hardware and software maintenance budget, necessitating the need for increased baseline levels of spending.

LINE ITEM DETAIL - INFORMATION TECHNOLOGY DIVISION

PERSONAL SERVICES

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

STATUTORY AUTHORITY: Section 24-50-101 *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$7,389,124 total funds, including \$234,979 General Fund and \$7,154,145 cash funds, and 48.5 FTE. The request includes increases associated with both R2 (ADA IT Accessibility) and R3 (Cybersecurity Defense), discussed above.

RECOMMENDATION: The staff recommendation is detailed in the table below and includes increases associated with requests R2 and R3 outlined above. In total, the recommendation is \$27,085 cash funds below the request based on adjustments to request R2 to align with the Committee's common policies for new FTE.

INFORMATION TECHNOLOGY DIVISION, INFORMATION TECHNOLOGY, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$7,511,768	\$565,802	\$6,488,617	\$457,349	\$0	46.0
Other legislation	\$415,200	\$0	\$415,200	\$0	\$0	0.0
HB24-1200 State Supp	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$7,926,968	\$565,802	\$6,903,817	\$457,349	\$0	46.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$7,926,968	\$565,802	\$6,903,817	\$457,349	\$0	46.0
R2 ADA IT accessibility	218,582	0	218,582	0	0	2.5
R3 Cybersecurity defense	225,000	0	225,000	0	0	0.0
Centrally appropriated line items	214,414	0	214,414	0	0	0.0
Annualize prior year legislation	(1,203,372)	(330,823)	(415,200)	(457,349)	0	0.0
TOTAL	\$7,381,592	\$234,979	\$7,146,613	\$0	\$0	48.5
INCREASE/(DECREASE)	(\$545,376)	(\$330,823)	\$242,796	(\$457,349)	\$0	2.5
Percentage Change	(6.9%)	(58.5%)	3.5%	(100.0%)	0.0%	5.4%
FY 2024-25 EXECUTIVE REQUEST	\$7,408,677	\$234,979	\$7,173,698	\$0	\$0	48.5
Request Above/(Below) Recommendation	\$27,085	\$0	\$27,085	\$0	\$0	0.0

OPERATING EXPENSES

This line item provides funding for the operating expenses of the Information Technology Division, including supplies and materials, utilities, custodial services, equipment rental, storage, dues and subscriptions, office supplies, and printing expenses.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests an appropriation of \$766,699 cash funds, with increases associated with requests R2 (ADA IT accessibility), R3 (Cybersecurity Defense), and R5 (Business Fraud Complaint Support), all of which are discussed above.

RECOMMENDATION: Staff recommendation is reflected in the table below. The recommendation is \$130 below the request based on Committee guidance for calculating one-time operating expenditures.

INFORMATION TECHNOLOGY DIVISION, INFORMATION TECHNOLOGY, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$510,898	\$525	\$510,373	\$0	\$0	0.0
Other legislation	\$4,360	\$0	\$4,360	\$0	\$0	0.0
TOTAL	\$515,258	\$525	\$514,733	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$515,258	\$525	\$514,733	\$0	\$0	0.0
R3 Cybersecurity defense	225,000	0	225,000	0	0	0.0
R2 ADA IT accessibility	22,860	0	22,860	0	0	0.0
R5 Business fraud complaint support	2,450	0	2,450	0	0	0.0
Annualize prior year legislation	1,131	26	1,105	0	0	0.0
TOTAL	\$766,699	\$551	\$766,148	\$0	\$0	0.0
INCREASE/(DECREASE)	\$251,441	\$26	\$251,415	\$0	\$0	0.0
Percentage Change	48.8%	5.0%	48.9%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$766,829	\$551	\$766,278	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$130	\$0	\$130	\$0	\$0	0.0

HARDWARE/SOFTWARE MAINTENANCE

This line item provides funding for hardware and software maintenance contracts and repairs, as well as ongoing software services.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests an appropriation of \$2,953,020 cash funds. The request includes an increase of \$316,395 cash funds associated with request R4 (Inflation Adjustment for IT), discussed above.

RECOMMENDATION: Staff recommends approval of the request, including the increase for R4. Details are shown below.

INFORMATION TECHNOLOGY DIVISION, INFORMATION TECHNOLOGY, HARDWARE/SOFTWARE MAINTENANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$2,783,625	\$0	\$2,783,625	\$0	\$0	0.0
TOTAL	\$2,783,625	\$0	\$2,783,625	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$2,783,625	\$0	\$2,783,625	\$0	\$0	0.0
R4 Inflation adjustment for IT	316,395	0	316,395	0	0	0.0
Annualize prior year budget actions	(147,000)	0	(147,000)	0	0	0.0
TOTAL	\$2,953,020	\$0	\$2,953,020	\$0	\$0	0.0
INCREASE/(DECREASE)	\$169,395	\$0	\$169,395	\$0	\$0	0.0
Percentage Change	6.1%	0.0%	6.1%	0.0%	0.0%	0.0%

INFORMATION TECHNOLOGY DIVISION, INFORMATION TECHNOLOGY, HARDWARE/SOFTWARE MAINTENANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2024-25 EXECUTIVE REQUEST	\$2,953,020	\$0	\$2,953,020	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

INFORMATION TECHNOLOGY ASSET MANAGEMENT

This line item provides funding for the replacement of the Department's IT assets on a predictable schedule in order to increase asset reliability, reduce maintenance costs, and create a more predictable stream of IT expenses.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$449,093 total funds including \$3,675 General Fund, with no change from the FY 2023-24 appropriation.

RECOMMENDATION: **Staff recommends approval of the request.**

(3) ELECTIONS DIVISION

The Elections Division administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process. This includes supervising primary, general, and congressional vacancy elections; maintaining the statewide voter registration database; authorizing official recounts for federal, state, and district elections; and administering the Fair Campaign Practices Act. The Elections Division also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. Additionally, the Division administers the lobbyist program. This division is funded by the Department of State Cash Fund and the continuously-appropriated Federal Elections Assistance Fund, which was established to receive federal Help America Vote Act (HAVA) funding.

ELECTIONS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214(Long Bill)	\$20,776,987	\$12,265,576	\$8,176,987	\$334,424	\$0	43.0
Other legislation	51,906	0	51,906	0	0	0.5
TOTAL	\$20,828,893	\$12,265,576	\$8,228,893	\$334,424	\$0	43.5
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$20,828,893	\$12,265,576	\$8,228,893	\$334,424	\$0	43.5
R1 HAVA election security grant state match	234,488	0	234,488	0	0	0.0
R6 ERIC dues increase	50,000	0	50,000	0	0	0.0
Annualize prior year legislation	6,754,769	6,700,000	54,769	0	0	1.0
Centrally appropriated line items	156,896	0	156,896	0	0	0.0
Annualize prior year budget actions	(12,834,488)	(12,265,576)	(234,488)	(334,424)	0	0.0
Technical adjustments	(76,976)	(302,142)	(76,976)	302,142	0	0.0
Indirect cost assessment	0	(7,462)	0	7,462	0	0.0
TOTAL	\$15,113,582	\$6,390,396	\$8,413,582	\$309,604	\$0	44.5
INCREASE/(DECREASE)	(\$5,715,311)	(\$5,875,180)	\$184,689	(\$24,820)	\$0	1.0
Percentage Change	(27.4%)	(47.9%)	2.2%	(7.4%)	0.0%	2.3%
FY 2024-25 EXECUTIVE REQUEST	\$15,113,582	\$6,390,396	\$8,413,582	\$309,604	\$0	44.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DECISION ITEMS – ELECTIONS DIVISION

➔ R1 2023 HAVA ELECTION SECURITY GRANT STATE MATCH

REQUEST: The request includes \$234,488 in one-time DOS Cash Fund spending authority for FY 2024-25 to match a federal HAVA grant for \$1,172,438.¹ The State must match 20.0 percent of these funds in order to access the federal funds, and must have the spending authority by April 10, 2025. This funding is used to support improvements in federal election administration and infrastructure, including the provision of grants to counties for physical and cyber security, improvements to the

¹ This \$234,488 appropriation is the same as the appropriation for FY 2023-24. The Department requests this as one-time funding, rather than ongoing funding, since the request is made only after the awarding of funds from the Election Assistance Commission.

Statewide Colorado Registration and Election (SCORE) system, performing election audits, and cybersecurity improvements. If this request is not approved, the Department would be required to return the \$1,172,438 in grant funding to the US Election Assistance Commission, as well as accumulated interest.

RECOMMENDATION: Staff recommends approval of the request. The recommendation includes \$234,488 in increased cash fund spending authority in FY 2024-25 with roll-forward spending authority through the end of the grant period, FY 2026-27. As noted above, the request and recommendation actually represent a continuation level of funding, with no change from the FY 2023-24 appropriation.

ANALYSIS:

Help America Vote Act (HAVA) Program

The Help America Vote Act (HAVA) was passed in 2002 and authorizes funding to states for expenses that improve the administration of federal elections. Colorado has received over \$60 million in HAVA grants from the federal government. Almost all of the Department's currently available HAVA funding is in the form of an Election Security Grant that was first awarded in 2018, with additional tranches awarded in 2020, 2022, and 2023. HAVA funding must be used to improve the administration of federal elections, cannot be used to supplant state funds, and is subject to a number of other restrictions on use by the federal government. The Department has used HAVA Election Security Grant funds to improve election security and administration in a number of ways:

- Development and improvements of the statewide voter registration database (SCORE);
- Upgrading county voting equipment;
- Ensuring accessibility for disabled voters;
- Increasing the number of secure ballot drop boxes;
- Upgrading information technology systems to improve election security;
- A public awareness campaign on how to vote safely during the COVID-19 pandemic; and
- Election Preparedness for Infrastructure and Cybersecurity (EPIC) training for county elections staff.

2023 HAVA ELECTION SECURITY GRANT

In January 2023, the US Election Assistance Commission awarded the Department of State \$1,172,438 as an additional tranche of HAVA Election Security funds. In order for the Department to use the additional federal funding, the State must provide a match of 20.0 percent or \$234,488. The grant requires that:

- The State have legal spending authority for the matching funds within two years of the date that Congress appropriated these funds, not later than April 10, 2025; and
- The Department transfer the full amount of the match into the Federal Elections Assistance Fund in accordance with Section 104(d) of HAVA.

Funding in the Federal Elections Assistance Fund is continuously appropriated to the Department. Accrued interest on the funds must be expended for the purposes of the grant. The matching funds must be expended in full by September 30, 2027, the end of the grant budget period. Due to the timing of Colorado's budget cycle, the spending authority and the ability to transfer the matching funds to the Federal Elections Assistance Fund must be requested through the Department's FY 2024-25 Budget Request. Without approval of the request the State will forego this federal funding.

In the past, the Department has received DOS Cash Fund spending authority to match federal HAVA funding with similar conditions. The Department does not plan to charge indirect costs to the 2023 tranche of HAVA Election Security Grant funding. This is consistent with both how the Department has managed HAVA grants for many years and also with how a majority of states manage their HAVA grants.

→ R6 ERIC DUES INCREASE

Request: The department request \$50,000 in ongoing DOS Cash Fund spending authority to pay for increases in membership fees for the Electronic Registration Information Center (ERIC) program.

Recommendation: **Staff recommends approval of this request.**

Analysis: ERIC is a nonprofit comprised of 25 member states aimed at clearing outdated voter rolls. The organization helps to maintain current voter registration information for local authorities through checks on government documents across member states. This funding would primarily be used to pay membership dues, which have increased \$36,000 since FY 2021-22. The remaining \$14,000 in spending authority is for more general increases in operating costs for the Elections Division. A major driver of this is the Division's utilization of printing and mailing services from the Department of Personnel, which have increased nearly 10 percent in the last two years. This additional funding to the Division will allow them to meet statutory obligations to support counties in the administration of elections.

While ERIC dues have increased by \$36,000 over the last two years, the program remains a cost effective way to keep Colorado's voter registrations current, with the state paying \$65,000 for membership in FY 2023-24. Presently, the program updates voter registration information at least once every 60 days. Since the inception of the program in 2012, ERIC member states have identified 36 million outdated registrations through public records. Additionally, ERIC identifies instances of voters attempting to cast ballots in multiple jurisdictions. In the absence of ERIC membership, the responsibility for identifying these problems with voter registrations would fall to the Department and the counties of Colorado, likely being less comprehensive and incurring higher costs than ERIC membership.

→ DOS CASH FUND AND LOCAL ELECTION REIMBURSEMENT

REQUEST: The request is for a net increase of \$6,374,992 total funds, including an increase of \$6,700,000 General Fund that is partially offset by a decrease of \$325,008 cash funds from the DOS Cash Fund, to reflect the FY 2024-25 cost of election reimbursements to counties through S.B. 23-276.

RECOMMENDATION: **Staff recommends approval of the request.** Specifically, staff recommends an increase of \$6,374,992 total funds for reimbursements to counties for FY 2024-25. Staff is recommending approval of the request for General Fund but also notes that the Committee could consider the recommended increase in General Fund, an increase of \$6,374,992 cash funds (requiring the fee increase discussed below), or a combination of General Fund and cash funds with a smaller fee increase.

ANALYSIS: One of the most pressing issues facing the Department of State is the changes in reimbursement to counties for election costs brought about by the passage of S.B. 23-276. Current legislation authorizes the use of either General Fund or the DOS cash fund to support these reimbursements and does not specify a preferred source. As a result, the Committee must make a decision on fund sources to support any necessary increase in the FY 2024-25 Long Bill. Funding reimbursements entirely through the DOS Cash Fund would require raising fee revenue by 19.2 percent, which would impact businesses paying those fees and drive a larger TABOR refund as long as the State is above the Referendum C cap.

Presently, the Department subsidizes county costs at a rate of 80 or 90 cents per active registered voter, based on the number of eligible voters registered in each county, pursuant to Section 1-5-505.5, C.R.S. In instances, when there are odd-year elections in which the statewide ballot question is the only item on a county ballot, the Department reimburses the county for its actual direct costs. However, S.B. 23-276 will come into effect on July 1, 2024, significantly increasing county reimbursements for the 2024 General Election. The Department is requesting General Fund to cover the increased cost of these county reimbursements, rather than continuing to rely on the DOS Cash Fund. The following are the major considerations in deciding how to fund the county election reimbursements:

- The Department of State Cash Fund is not TABOR exempt, so increases in the fund's revenues would have a General Fund impact if the State is above its TABOR Referendum C cap.
- The Department is statutorily authorized to set fees at a level that approximates the total costs of departmental operations while also utilizing and maintaining reserves in the fund.
- Current fee amounts range from ten to fifty dollars per transaction, and the fee schedule for the fund has remained relatively consistent over the last ten years. To cover the increase in election reimbursement pursuant to S.B. 23-276, the department would need to increase fee revenue by 19.2 percent if the reimbursements were made from the DOS Cash Fund. The Department argues that this could have a negative impact on business filings.
- Should the Committee choose to fund these increased costs using the DOS Cash Fund, changes in the structure of reimbursement, from a "per-voter" model to a percentage of actual expenditures would have negative impacts on the solvency of the DOS Cash Fund, given current revenues. This factor may make the use of General Fund to pay increasing costs for elections more tenable than using the DOS Cash Fund, especially in the short-term.
- The Department has suggested that increasing business licensing fees to pay for increased election expenses is likely to incite legal action on the grounds that the fee increase is directly caused by the increase in election reimbursement, potentially running counter to the fee revenue requirements of TABOR.
- There are significant out-year impacts from this legislation. The Department estimates that FY 2025-26 reimbursements will total \$12.2 million. The Department has \$3.2 million in DOS Cash Fund spending authority, leaving approximately \$9.0 million in payable reimbursements.
- Department estimates for reimbursements related to FY 2024-25 and FY 2025-26 are higher than estimates from Fiscal Notes Staff analysis of SB 23-276. However, Fiscal Notes Staff also notes a high degree of uncertainty in their estimates, due to likely underreporting of actual direct costs for election administration at the county level.

DISCUSSION

LEGISLATIVE CHANGES

Prior to S.B. 23-276 taking effect, counties have been responsible for the entirety of costs to conduct all general, primary, and congressional elections in accordance with Section 1-5-505, C.R.S. Meanwhile, for Presidential Primary Elections, the Department reimburses counties for their actual direct costs from the General Fund in accordance with Section 24-21-104.5(2), C.R.S. Lastly, in elections where there is a statewide ballot question, the Department subsidizes county costs at a rate of 80 or 90 cents per active registered voter, based on the number of eligible voters registered in each county, pursuant to Section 1-5-505.5, C.R.S. In rare instances, when there are odd-year elections in which the statewide ballot question is the only item on a county ballot, the Department reimburses the county for its actual direct costs. Senate Bill 23-276 alters this reimbursement by requiring the Department to provide 45 percent reimbursement to counties for actual costs of administering any election wherein the state certifies any ballot content (Section 1-5-505.5(1), C.R.S.).

DEPARTMENT REQUEST

The Department's request includes an annualization of S.B. 23-276 from General Fund in the amount of \$6.7 million. Under the previous formula, the Department was prepared to pay approximately \$3.2 million for reimbursements from the DOS Cash Fund. However, under S.B. 23-276, the Department is required to compensate counties for 45 percent of their actual election costs. The Department estimates that the cost for these reimbursements will total \$9.9 million, resulting in an estimated \$6.7 million shortfall for FY 24-25.² The proposed annualization from General Fund would cover the difference brought about by this change in reimbursement structure.

Under current conditions, the DOS Cash Fund is unable to absorb these increased costs, with these costs estimated at approximately 263 percent of reserves for FY 2024-25. In order for the Cash Fund to absorb the reimbursement costs, revenues would need to increase by 19.23 percent. To accomplish the necessary revenue increase, the Department would need to raise fees by this amount. Depending on the fee revenue source, it is possible that this increase in fees would have detrimental impacts on Colorado businesses. However, the Department is statutorily authorized to increase fees to a level which approximates costs of Departmental operations. Thus, absent an increase in General Fund, the Department would have the authority to (and would have to) raise the necessary fee revenue.

In addition to the potentially negative economic impacts, the Department has also expressed concern about the potential for legal ramifications due to a fee increase. In the 2019 case *Griswold v. National Federation of Independent Businesses (NFIB)*, the Colorado Supreme Court granted summary judgment in favor of the Secretary. At issue in this case was how the Department utilized business filing fees to conduct operations, with the NFIB claiming that rising fees effectively constituted a new tax, rather than a fee. The plaintiffs argued that this was a violation of TABOR, since the activities of the Department, especially administration of elections, were not clearly a direct service for the businesses paying them (i.e. fees). The Supreme Court determined that "there was no evidence that any post-TABOR adjustment resulted in a new tax, tax rate increase, or tax policy change directly causing a net revenue gain. Consequently, the Supreme Court does not address whether the charges authorized by

² The Final Legislative Council Staff Fiscal Note for S.B. 23-276 estimates that the FY 2024-25 shortfall will be \$5.1 million. However, Fiscal Notes Staff also notes that county expenditures for administering elections may be underreported, since reimbursement to the counties was not directly tied to expenditures prior to S.B. 23-276 taking effect.

section 24-21-104 are taxes subject to TABOR."³ The Department has expressed concern that the substantial increase in fees to fund rising election costs could trigger fresh litigation, and that the outcome would likely be different than in the NFIB case, owing in large part to the estimated increase in necessary revenues to the Department in FY 2024-25 (\$6.7 million) and FY 2025-26 (\$9.0 million).

The Department would like to transition the statutory election payments for statewide ballot questions from the DOS Cash Fund to the General Fund.⁴ This would alleviate current pressures on reserves in the DOS cash fund caused by the increasing costs of elections. As shown in the table below, the DOS Cash Fund's historical revenue and expenditures have been relatively close, and the fund is in compliance with statutory reserve requirements.

DOS CASH FUND CASH FLOW				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Revenue	\$27,348,753	\$40,330,488	\$31,120,000	\$32,170,000
Expenses	(27,738,855)	(41,079,862)	(29,755,073)	(34,540,984)
Net cash flow	(390,102)	(749,374)	1,364,927	(2,370,984)
Reserve	4,668,167	2,750,146	4,115,073	2,548,603
Reserve %	17.1	6.8	13.2	7.9

The changes in reimbursement to counties is expected to have a substantial effect on the DOS budget moving forward, with S.B. 23-276 roughly tripling the expected election reimbursement expenditures for the Department. Based on the currently available information, staff recommends that the Committee appropriate \$6.7 million General Fund to support the projected increase in expenditures for FY 2024-25 election reimbursements.

As staff alluded to in the recommendation section above, the Department's estimates of mandatory reimbursements show a need for an increase of \$6.7 million total funds. Staff is recommending approval of the Department's request to use General. However, the Committee could also consider requiring the Department to fund some or all of that increase with fee increases.

LINE ITEM DETAIL - ELECTIONS DIVISION

PERSONAL SERVICES

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

STATUTORY AUTHORITY: Section 24-50-101 *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$3,649,125 cash funds and 44.5 FTE.

³ *Griswold v. National Federation of Independent Businesses*, 2019 CO 679, No 17SC368 (S.C. CO 2019). See https://www.courts.state.co.us/userfiles/file/Court_Probation/Supreme_Court/Opinions/2017/17SC368.pdf

⁴ Staff would like to note that, to the extent that other states have a mechanism to either fund or reimburse election costs to local jurisdictions, the majority do this from general tax revenues. Furthermore, staff has not identified any instances where a state funds elections through business filing fees.

RECOMMENDATION: Staff recommends approving the request, as detailed in the table below.

ELECTIONS DIVISION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$3,397,304	\$0	\$3,397,304	\$0	\$0	43.0
Other legislation	\$34,261	\$0	\$34,261	\$0	\$0	0.5
TOTAL	\$3,431,565	\$0	\$3,431,565	\$0	\$0	43.5
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,431,565	\$0	\$3,431,565	\$0	\$0	43.5
Centrally appropriated line items	156,896	0	156,896	0	0	0.0
Annualize prior year legislation	60,664	0	60,664	0	0	1.0
TOTAL	\$3,649,125	\$0	\$3,649,125	\$0	\$0	44.5
INCREASE/(DECREASE)						
Percentage Change	6.3%	0.0%	6.3%	0.0%	0.0%	2.3%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line item provides funding for the operational costs of the Division.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests an appropriation of \$489,989 cash funds, including an increase of \$50,000 cash funds associated with request R6 (ERIC Dues Increase), discussed above.

RECOMMENDATION: Staff recommends approving the request, as detailed in the table below.

ELECTIONS DIVISION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$428,239	\$0	\$428,239	\$0	\$0	0.0
Other legislation	\$17,645	\$0	\$17,645	\$0	\$0	0.0
TOTAL	\$445,884	\$0	\$445,884	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$445,884	\$0	\$445,884	\$0	\$0	0.0
R6 ERIC dues increase	50,000	0	50,000	0	0	0.0
Annualize prior year legislation	(5,895)	0	(5,895)	0	0	0.0
TOTAL	\$489,989	\$0	\$489,989	\$0	\$0	0.0
INCREASE/(DECREASE)						
Percentage Change	9.9%	0.0%	9.9%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

HELP AMERICA VOTE ACT PROGRAM

Congress passed the Help America Vote Act (HAVA) in 2002 to improve the administration of federal elections. In 2003, the Colorado General Assembly passed the "Colorado Help America Vote Act" which included the creation of the Federal Elections Assistance Cash Fund to receive federal and state moneys appropriated for HAVA-related purposes (H.B. 03-1356). \$10,000 of the appropriation for this line item is included for informational purposes only. Funds in the Federal Elections Assistance Cash Fund are shown for informational purposes and are continuously appropriated pursuant to Section 1-1.5-106 (2) (b), C.R.S.

STATUTORY AUTHORITY: Section 1-1.5-106 (2) (b), C.R.S.

REQUEST: The Department requests an appropriation of \$244,488 cash funds, with no net change from the FY 2023-24 appropriation because of an increase of \$234,488 cash funds associated with request R1 (HAVA Election Security Grant State Match), discussed above. The Committee should note that \$10,000 of the total amount is shown for informational purposes only.

RECOMMENDATION: **Staff recommends approval of the request, including the increase associated with request R1.** Details are shown below.

ELECTIONS DIVISION, HELP AMERICA VOTE ACT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$244,488	\$0	\$244,488	\$0	\$0	0.0
TOTAL	\$244,488	\$0	\$244,488	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$244,488	\$0	\$244,488	\$0	\$0	0.0
R1 HAVA election security grant state match	234,488	0	234,488	0	0	0.0
Annualize prior year budget actions	(234,488)	0	(234,488)	0	0	0.0
TOTAL	\$244,488	\$0	\$244,488	\$0	\$0	0.0
INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$244,488	\$0	\$244,488	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LOCAL ELECTION REIMBURSEMENT

The Secretary of State is required by statute to reimburse counties for the costs related to having a statewide issue on the ballot. Pursuant to H.B. 12-1143 (State Reimbursement of Counties), counties with fewer than 10,000 active voters are reimbursed at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter, which remains in effect until June 30, 2024. Pursuant to S.B. 23-276 (Modifications to Laws Regarding Elections), the Department will reimburse counties forty-five percent of their actual costs, effective July 1, 2024.

STATUTORY AUTHORITY: Section 1-5-505.5, C.R.S.

REQUEST: The Department requests an appropriation of \$9,900,000 total funds, including \$6,390,396 General Fund, \$3,200,000 cash funds and \$309,604 reappropriated funds. The request includes an increase of \$6.7 million General Fund associated with the requested annualization of S.B. 23-236, discussed above.

RECOMMENDATION: **Staff recommends approval of the request.** Details are provided below.

ELECTIONS DIVISION, LOCAL ELECTION REIMBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$15,800,000	\$12,265,576	\$3,200,000	\$334,424	\$0	0.0
TOTAL	\$15,800,000	\$12,265,576	\$3,200,000	\$334,424	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$15,800,000	\$12,265,576	\$3,200,000	\$334,424	\$0	0.0
Annualize prior year legislation	6,700,000	6,700,000	0	0	0	0.0
Indirect cost assessment	0	(7,462)	0	7,462	0	0.0
Technical adjustments	0	(302,142)	0	302,142	0	0.0
Annualize prior year budget actions	(12,600,000)	(12,265,576)	0	(334,424)	0	0.0
TOTAL	\$9,900,000	\$6,390,396	\$3,200,000	\$309,604	\$0	0.0
INCREASE/(DECREASE)	(\$5,900,000)	(\$5,875,180)	\$0	(\$24,820)	\$0	0.0
Percentage Change	(37.3%)	(47.9%)	0.0%	(7.4%)	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$9,900,000	\$6,390,396	\$3,200,000	\$309,604	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

INITIATIVE AND REFERENDUM

This appropriation provides funding for the Department's contract with Runbeck Election Services (RES) to automate the petition review process. RES utilizes software to scan, review, and match petition signatures and signer information with official voter registration records as part of the Department's review and validation process. Expenditures are primarily driven by the number of initiatives received during a given year, and they fluctuate because only TABOR-related initiatives are permitted on the November ballot for odd-year elections. There are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years), so even-year expenditures are generally higher. Since FY 2011-12, odd-year expenditures have averaged \$191,685 while even-year expenditures have averaged \$374,092.

STATUTORY AUTHORITY: Section 1-40-101, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$165,000 cash funds, with no change from the FY 2023-24 appropriation.

RECOMMENDATION: **Staff recommends approval of the continuation request of \$165,000 cash funds.**

DOCUMENT MANAGEMENT

This appropriation provides funding for petition verification provided by the Department of Personnel, the activities of the Ballot Title Setting Board, and the cost of translating the ballot information booklet (the "Blue Book") into Spanish. Expenditures are primarily driven by the number of initiatives received during a given year, and they fluctuate because only TABOR-related initiatives are permitted on the November ballot for odd-year elections. There are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years), so even-year expenditures are generally higher.

STATUTORY AUTHORITY: Section 1-40-101, C.R.S.

REQUEST: The Department requests an appropriation of \$664,980 cash funds, a decrease of \$76,976 below the FY 2023-24 appropriation based on technical adjustments in the request.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

ELECTIONS DIVISION, DOCUMENT MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$741,956	\$0	\$741,956	\$0	\$0	0.0
TOTAL	\$741,956	\$0	\$741,956	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$741,956	\$0	\$741,956	\$0	\$0	0.0
Technical adjustments	(76,976)	0	(76,976)	0	0	0.0
TOTAL	\$664,980	\$0	\$664,980	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$76,976)	\$0	(\$76,976)	\$0	\$0	0.0
Percentage Change	(10.4%)	0.0%	(10.4%)	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(4) BUSINESS AND LICENSING DIVISION

The Business and Licensing Division is responsible for processing filings from businesses and nonprofits and collecting the associated fees, as well as: overseeing the Business Intelligence Center; licensing entities involved in charitable gaming; registering charitable organizations; licensing and regulating notaries public; and publishing the Code of Colorado Regulations.

BUSINESS AND LICENSING DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 Appropriation						
SB 23-214(Long Bill)	\$3,381,330	\$0	\$3,381,330	\$0	\$0	41.4
Other legislation	94,303	0	94,303	0	0	0.7
TOTAL	\$3,475,633	\$0	\$3,475,633	\$0	\$0	42.1
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,475,633	\$0	\$3,475,633	\$0	\$0	42.1
R5 Business fraud complaint support	46,014	0	46,014	0	0	1.0
Annualize prior year legislation	(60,134)	0	(60,134)	0	0	(0.2)
Centrally appropriated line items	121,336	0	121,336	0	0	0.0
TOTAL	\$3,582,849	\$0	\$3,582,849	\$0	\$0	42.9
INCREASE/(DECREASE)	\$107,216	\$0	\$107,216	\$0	\$0	0.8
Percentage Change	3.1%	0.0%	3.1%	0.0%	0.0%	1.9%
FY 2024-25 EXECUTIVE REQUEST	\$3,588,663	\$0	\$3,588,663	\$0	\$0	42.9
Request Above/(Below) Recommendation	\$5,814	\$0	\$5,814	\$0	\$0	0.0

DECISION ITEMS - BUSINESS AND LICENSING DIVISION

The Secretary of State did not submit any decision items for only this division.

LINE ITEM DETAIL - BUSINESS AND LICENSING DIVISION

PERSONAL SERVICES

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

STATUTORY AUTHORITY: Section 24-50-101 *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$3,137,493 cash funds and 42.9 FTE.

RECOMMENDATION: **The staff recommendation is detailed below.** The recommendation is \$5,814 below the request based on staff's adjustments to request R5 to align with the Committee's common policies for new FTE.

BUSINESS AND LICENSING DIVISION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$2,935,910	\$0	\$2,935,910	\$0	\$0	41.4
Other legislation	\$88,953	\$0	\$88,953	\$0	\$0	0.7
TOTAL	\$3,024,863	\$0	\$3,024,863	\$0	\$0	42.1
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$3,024,863	\$0	\$3,024,863	\$0	\$0	42.1
Centrally appropriated line items	121,336	0	121,336	0	0	0.0
R5 Business fraud complaint support	40,514	0	40,514	0	0	1.0
Annualize prior year legislation	(55,034)	0	(55,034)	0	0	(0.2)
TOTAL	\$3,131,679	\$0	\$3,131,679	\$0	\$0	42.9
INCREASE/(DECREASE)	\$106,816	\$0	\$106,816	\$0	\$0	0.8
Percentage Change	3.5%	0.0%	3.5%	0.0%	0.0%	1.9%
FY 2024-25 EXECUTIVE REQUEST	\$3,137,493	\$0	\$3,137,493	\$0	\$0	42.9
Request Above/(Below) Recommendation	\$5,814	\$0	\$5,814	\$0	\$0	0.0

OPERATING EXPENSES

This line item provides funding for the operational costs of the Division.

STATUTORY AUTHORITY: Section 24-21-101, C.R.S.

REQUEST: The Department requests an appropriation of \$133,075 cash funds. The request includes an increase of \$5,500 associated with request R5.

RECOMMENDATION: **Staff recommends approval of the request, detailed below.** Staff recommends approving the request, including the increase associated with request R5.

BUSINESS AND LICENSING DIVISION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
SB 23-214(Long Bill)	\$127,325	\$0	\$127,325	\$0	\$0	0.0
Other legislation	\$5,350	\$0	\$5,350	\$0	\$0	0.0
TOTAL	\$132,675	\$0	\$132,675	\$0	\$0	0.0
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	\$132,675	\$0	\$132,675	\$0	\$0	0.0
R5 Business fraud complaint support	5,500	0	5,500	0	0	0.0
Annualize prior year legislation	(5,100)	0	(5,100)	0	0	0.0
TOTAL	\$133,075	\$0	\$133,075	\$0	\$0	0.0
INCREASE/(DECREASE)	\$400	\$0	\$400	\$0	\$0	0.0
Percentage Change	0.3%	0.0%	0.3%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	\$133,075	\$0	\$133,075	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BUSINESS INTELLIGENCE CENTER PERSONAL SERVICES

This line item provides funding for personal services expenditures for the Business Intelligence Center program. This includes funding for the BIC Program Manager salary and benefits, as well as the collection and publication of data to the Colorado Information Marketplace. The Business Intelligence Center was officially created in statute after passage of Joint Budget Committee bill H.B. 16-1014 (Secretary of State Business Intelligence Unit).

STATUTORY AUTHORITY: Section 24-21-116 (3), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$318,095 cash funds, with no change from the FY 2023-24 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

For the 2024 Long Bill, staff recommends **CONTINUING** the following footnotes:

- N Department of State, Elections Division, Local Election Reimbursement – If actual reimbursements to counties required by section 1-5-505.5, C.R.S., exceed the cash funds amount specified in this line item, the Department may spend up to 115.0 percent of the cash funds amount specified to make the required reimbursements.

COMMENT: The purpose of this footnote is to provide the Department of State with some flexibility in its appropriation for a statutorily required disbursement of funds, before it is required to come to the General Assembly for overexpenditure authority when the number of registered voters in November exceed the estimate made during the spring.

REQUESTS FOR INFORMATION

Staff recommends **CONTINUING** the following requests for information:

- 1 Department of State, Elections Division, Local Election Reimbursement – The Department is requested to submit a letter addressed to the General Assembly and to the Joint Budget Committee notifying both if, and when, it relies on footnote N to overexpend the Local Election Reimbursement line item authorized by aforementioned footnote to meet statutory requirements of Section 1-5-505.5, C.R.S.

COMMENT: This request will serve as notice when the Department of State needs to overexpend its appropriation for Local Election Reimbursement to meet the statutory requirements of Section 1-5-505.5, C.R.S. The RFI will allow JBC Staff to assess whether a staff-initiated increase to the line item is appropriate for the following fiscal year, during the year's budget cycle.

- 2 Department of State, Election Division, Local Election Reimbursement – The Department is requested to submit a report of the total annual reported costs for counties to conduct elections and the amount of funding the counties received from coordinated entities related to conducting elections in that year, by November 1st of each fiscal year.

COMMENT: This request provides the Committee with information on election costs for counties, which directly impacts election reimbursements for the Department of State, pursuant to Section 1-5-505.5, C.R.S.

- 3 Department of State, Administration Division – The Department is requested to submit a report with its annual budget request on DOS business filing fees and cash fund revenue, including data on total business filings, revenue from business filing fees, and total DOS cash fund revenue.

COMMENT: This request provides the committee with information on business filing revenues to the DOS cash fund, allowing the committee to more closely track annual revenue changes in the cash fund.

Staff recommends **DISCONTINUING** the following requests for information:

- 4 Department of State, Business and Licensing Division, Business Intelligence Center – The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year. It should also include information on each project ever funded, including public availability/access, features/purpose, and a measure to gauge its success or usage.

COMMENT: This request is made due to the sunseting of InnovateCO (formerly Go Code Colorado) within the Business Intelligence Center. The Department has collected no additional donations for FY 23-24, and has no future plans to reestablish this challenge.

INDIRECT COST ASSESSMENT

DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of State does not have an indirect cost recovery plan for departmental indirect costs because it does not receive any General Fund appropriations that need to be offset by collection from other divisions.

The Department is part of the Statewide Indirect Cost Plan, as determined by the State Controller, and there is a line item in the Administration Division that accounts for that appropriation. Recent expenditures, appropriations, and the FY 2024-25 request are detailed in the table below:

DEPARTMENT OF STATE STATEWIDE INDIRECT COST ASSESSMENT				
FY20-21 ACTUAL	FY21-22 ACTUAL	FY22-23 ACTUAL	FY23-24 REQUEST	FY24-25 REQUEST
\$198,100	\$148,425	\$259,249	\$334,424	\$309,604

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
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DEPARTMENT OF STATE
Jena Griswold, Secretary of State

(1) ADMINISTRATION DIVISION

The Administration Division provides general management and administrative support for all department divisions including budgeting, human resources services, and public outreach.

Personal Services	<u>2,166,504</u>	<u>2,178,505</u>	<u>2,658,764</u>	<u>2,826,733</u>	<u>2,826,733</u>
FTE	24.6	25.3	25.1	25.6	25.6
Cash Funds	2,166,504	2,178,505	2,658,764	2,826,733	2,826,733
Step pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>215,199</u>
Cash Funds	0	0	0	0	215,199
Health, Life, and Dental	<u>1,599,943</u>	<u>1,615,000</u>	<u>1,780,886</u>	<u>1,965,056</u>	<u>1,965,056</u>
Cash Funds	1,599,943	1,615,000	1,780,886	1,965,056	1,965,056
Short-term Disability	<u>18,277</u>	<u>19,091</u>	<u>17,487</u>	<u>19,768</u>	<u>19,768</u>
Cash Funds	18,277	19,091	17,487	19,768	19,768
Paid Family and Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,305</u>	<u>59,305</u>
Cash Funds	0	0	0	59,305	59,305
Unfunded liability AED payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,317,890</u>
Cash Funds	0	0	0	0	1,317,890
S.B. 04-257 Amortization Equalization Disbursement	<u>578,281</u>	<u>590,000</u>	<u>582,868</u>	<u>658,945</u>	<u>0</u>
Cash Funds	578,281	590,000	582,868	658,945	0

JBC Staff Figure Setting - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>578,281</u>	<u>565,000</u>	<u>582,868</u>	<u>658,945</u>	<u>0</u>
Cash Funds	578,281	565,000	582,868	658,945	0
Salary Survey	<u>378,464</u>	<u>392,180</u>	<u>627,387</u>	<u>669,963</u>	<u>487,034</u>
Cash Funds	378,464	392,180	627,387	669,963	487,034
PERA Direct Distribution	<u>255,791</u>	<u>282,593</u>	<u>42,358</u>	<u>271,646</u>	<u>269,595</u>
Cash Funds	255,791	282,593	42,358	271,646	269,595
Workers' Compensation	<u>51,618</u>	<u>75,482</u>	<u>78,177</u>	<u>95,892</u>	<u>95,892</u>
Cash Funds	51,618	75,482	78,177	95,892	95,892
Operating Expenses	<u>353,570</u>	<u>367,090</u>	<u>534,000</u>	<u>536,750</u>	<u>536,750</u>
Cash Funds	353,570	367,090	534,000	536,750	536,750
Legal Services	<u>648,827</u>	<u>877,423</u>	<u>1,195,027</u>	<u>1,191,571</u>	<u>1,191,571</u>
Cash Funds	648,827	877,423	1,195,027	1,191,571	1,191,571
Outside Legal Services	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Cash Funds	0	0	25,000	25,000	25,000
Administrative Law Judge Services	<u>16,040</u>	<u>71,968</u>	<u>32,857</u>	<u>48,950</u>	<u>48,950</u>
Cash Funds	16,040	71,968	32,857	48,950	48,950
Payment to Risk Management and Property Funds	<u>159,124</u>	<u>262,320</u>	<u>384,455</u>	<u>104,384</u>	<u>104,384</u>
Cash Funds	159,124	262,320	384,455	104,384	104,384

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
Vehicle Lease Payments	<u>10,150</u>	<u>10,144</u>	<u>16,776</u>	<u>16,363</u>	<u>16,363</u> *
Cash Funds	10,150	10,144	16,776	16,363	16,363
Leased Space	<u>1,205,433</u>	<u>1,303,579</u>	<u>1,383,579</u>	<u>1,442,579</u>	<u>1,442,579</u>
Cash Funds	1,205,433	1,303,579	1,383,579	1,442,579	1,442,579
Payments to OIT	<u>505,524</u>	<u>292,397</u>	<u>558,704</u>	<u>499,386</u>	<u>499,386</u>
Cash Funds	505,524	292,397	558,704	499,386	499,386
CORE Operations	<u>19,539</u>	<u>23,056</u>	<u>14,820</u>	<u>7,154</u>	<u>4,744</u> *
Cash Funds	19,539	23,056	14,820	7,154	4,744
Electronic Recording Technology Board	<u>2,921,397</u>	<u>534,830</u>	<u>4,048,377</u>	<u>5,479,432</u>	<u>5,479,432</u>
Cash Funds	2,921,397	534,830	4,048,377	5,479,432	5,479,432
Indirect Cost Assessment	<u>148,425</u>	<u>259,249</u>	<u>334,424</u>	<u>309,604</u>	<u>309,604</u>
Cash Funds	148,425	259,249	334,424	309,604	309,604
Discretionary Fund	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Cash Funds	0	0	5,000	5,000	5,000
DPA Administration Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,534</u>	<u>16,534</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	16,534	16,534
Office of the State Architect	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
General Fund	0	0	0	0	0

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
DHR State Agency Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,980</u>	<u>22,980</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	22,980	22,980
DHR Training Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,632</u>	<u>4,632</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	4,632	4,632
DHR Labor Relations Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,434</u>	<u>29,434</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	29,434	29,434
Financial Ops and Reporting Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,167</u>	<u>11,167</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	11,167	11,167
Procurement and Contracts Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,916</u>	<u>6,916</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	6,916	6,916
TOTAL - (1) Administration Division	11,615,188	9,719,907	14,903,814	16,984,089	17,011,898
FTE	<u>24.6</u>	<u>25.3</u>	<u>25.1</u>	<u>25.6</u>	<u>25.6</u>
General Fund	0	0	0	0	0
Cash Funds	11,615,188	9,719,907	14,903,814	16,984,089	17,011,898

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
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(2) INFORMATION TECHNOLOGY DIVISION

The Information Technology Services Division provides technical and project management services, systems development, and support for information technology systems in the Department.

Information Technology

Personal Services	<u>6,017,646</u>	<u>5,716,653</u>	<u>7,926,968</u>	<u>7,408,677</u>	<u>7,381,592</u> *
FTE	39.9	37.7	46.0	48.5	48.5
General Fund	0	16,000	565,802	234,979	234,979
Cash Funds	6,017,646	5,700,653	6,903,817	7,173,698	7,146,613
Reappropriated Funds	0	0	457,349	0	0
Operating Expenses	<u>401,137</u>	<u>359,366</u>	<u>515,258</u>	<u>766,829</u>	<u>766,699</u> *
General Fund	0	0	525	551	551
Cash Funds	401,137	359,366	514,733	766,278	766,148
Hardware/Software Maintenance	<u>2,367,749</u>	<u>2,303,291</u>	<u>2,783,625</u>	<u>2,953,020</u>	<u>2,953,020</u> *
Cash Funds	2,367,749	2,303,291	2,783,625	2,953,020	2,953,020
Information Technology Asset Management	<u>357,264</u>	<u>363,614</u>	<u>449,093</u>	<u>449,093</u>	<u>449,093</u>
General Fund	0	0	3,675	3,675	3,675
Cash Funds	357,264	363,614	445,418	445,418	445,418

TOTAL - (2) Information Technology Division	9,143,796	8,742,924	11,674,944	11,577,619	11,550,404
FTE	<u>39.9</u>	<u>37.7</u>	<u>46.0</u>	<u>48.5</u>	<u>48.5</u>
General Fund	0	16,000	570,002	239,205	239,205
Cash Funds	9,143,796	8,726,924	10,647,593	11,338,414	11,311,199
Reappropriated Funds	0	0	457,349	0	0

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
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(3) ELECTIONS DIVISION

The Elections Division oversees state elections and has exclusive responsibility for campaign finance disclosure, statewide ballot initiative certification, and lobbyist registration.

Personal Services	<u>2,984,984</u>	<u>2,954,057</u>	<u>3,431,565</u>	<u>3,649,125</u>	<u>3,649,125</u>
FTE	34.4	37.1	43.5	44.5	44.5
Cash Funds	2,984,984	2,954,057	3,431,565	3,649,125	3,649,125
Operating Expenses	<u>326,164</u>	<u>332,645</u>	<u>445,884</u>	<u>489,989</u>	<u>489,989</u> *
Cash Funds	326,164	332,645	445,884	489,989	489,989
Help America Vote Act Program	<u>1,744,609</u>	<u>881,403</u>	<u>244,488</u>	<u>244,488</u>	<u>244,488</u> *
FTE	2.4	0.4	0.0	0.0	0.0
Cash Funds	698,209	566,528	244,488	244,488	244,488
Federal Funds	1,046,400	314,875	0	0	0
Local Election Reimbursement	<u>3,141,411 0.0</u>	<u>3,118,411</u>	<u>15,800,000</u>	<u>9,900,000</u>	<u>9,900,000</u>
General Fund	0	0	12,265,576	6,390,396	6,390,396
Cash Funds	3,141,411	3,118,411	3,200,000	3,200,000	3,200,000
Reappropriated Funds	0	0	334,424	309,604	309,604
Initiative and Referendum	<u>107,860</u>	<u>107,860</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>
Cash Funds	107,860	107,860	165,000	165,000	165,000
Document Management	<u>611,283</u>	<u>684,916</u>	<u>741,956</u>	<u>664,980</u>	<u>664,980</u>
Cash Funds	611,283	684,916	741,956	664,980	664,980
Local Election Security Grants	<u>0</u>	<u>929,057</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	929,057	0	0	0

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
HAVA Federal Title I 2018	<u>0</u>	<u>1,446,720</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	0	1,446,720	0	0	0
Appropriation to the Local Elections Assistance Cash					
Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
TOTAL - (3) Elections Division	8,916,311	10,455,069	20,828,893	15,113,582	15,113,582
<i>FTE</i>	<u>36.8</u>	<u>37.5</u>	<u>43.5</u>	<u>44.5</u>	<u>44.5</u>
General Fund	0	929,057	12,265,576	6,390,396	6,390,396
Cash Funds	7,869,911	7,764,417	8,228,893	8,413,582	8,413,582
Reappropriated Funds	0	0	334,424	309,604	309,604
Federal Funds	1,046,400	1,761,595	0	0	0

JBC Staff Figure Setting - FY 2024-25
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	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 Recommendation
(4) BUSINESS AND LICENSING DIVISION					
s, promotes availability of government data, and makes performing rights society information accessible.					
Personal Services	<u>3,691,981</u>	<u>2,599,606</u>	<u>3,024,863</u>	<u>3,137,493</u>	<u>3,131,679</u> *
FTE	34.5	33.2	42.1	42.9	42.9
Cash Funds	3,691,981	2,599,606	3,024,863	3,137,493	3,131,679
Operating Expenses	<u>111,385</u>	<u>76,613</u>	<u>132,675</u>	<u>133,075</u>	<u>133,075</u> *
Cash Funds	111,385	76,613	132,675	133,075	133,075
Business Intelligence Center Personal Services	<u>568,541</u>	<u>600,829</u>	<u>318,095</u>	<u>318,095</u>	<u>318,095</u>
FTE	0.6	0.9	0.0	0.0	0.0
Cash Funds	568,541	600,829	318,095	318,095	318,095
Business Intelligence Center Operating Expenses	<u>132,150</u>	<u>36,958</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	132,150	36,958	0	0	0
TOTAL - (4) Business and Licensing Division	4,504,057	3,314,006	3,475,633	3,588,663	3,582,849
FTE	<u>35.1</u>	<u>34.1</u>	<u>42.1</u>	<u>42.9</u>	<u>42.9</u>
Cash Funds	4,504,057	3,314,006	3,475,633	3,588,663	3,582,849
TOTAL - Department of State	34,179,352	32,231,906	50,883,284	47,263,953	47,258,733
FTE	<u>136.4</u>	<u>134.6</u>	<u>156.7</u>	<u>161.5</u>	<u>161.5</u>
General Fund	0	945,057	12,835,578	6,629,601	6,629,601
Cash Funds	33,132,952	29,525,254	37,255,933	40,324,748	40,319,528
Reappropriated Funds	0	0	791,773	309,604	309,604
Federal Funds	1,046,400	1,761,595	0	0	0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Andrew McLeer, JBC Staff (303-866-4949)
DATE February 16, 2024
SUBJECT Adjustment to Staff Recommendation for Election Reimbursements

This memo is drafted to correct a recommendation in the figure setting document for Department of State regarding the increased expenditures for county election reimbursements, per S.B. 23-276 (Local Election Reimbursements). Specifically, staff wishes to reduce staff recommendation for election reimbursements by \$480,000 due to new information.

The Department's calculations for increased election reimbursement expenditure estimates included a portion for "margin of error." Staff believes this is already accounted for, in part, by footnote N, which permits the Department to expend up to 115 percent of its *cash fund* appropriation, and is requested to inform both the Joint Budget Committee and the General Assembly when it uses footnote N to expend beyond its appropriation.

The initial recommendation was for an increase of \$6,374,992 total funds, including an increase of \$6,700,000 General Fund. **Staff instead recommends an increase of \$5,894,992, including \$6,220,000 in General Fund, for county election reimbursements.** This decrease is for \$480,000, which would be the permitted limit on expenditures over appropriation, representing 15 percent of the recommended \$3.2 million in cash fund spending for election reimbursements. Staff maintains the recommendation that the increase should be from the General Fund. However, staff believes footnote N accounts for "margin of error," and wishes to reduce the initial recommendation to account for this.