

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**INTERIM SUPPLEMENTAL REQUESTS  
FOR FY 2013-14**

**DEPARTMENT OF STATE**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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September 20, 2013**

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## TABLE OF CONTENTS

	<b>Narrative Page</b>	<b>Numbers Page</b>
<b>Non-prioritized Interim Supplementals</b>		
Supplemental – Election Night Reporting	3	6
Totals for All Interim Supplementals	N.A.	6

## Non-prioritized Interim Supplemental Request

### NON-PRIORITIZED INTERIM SUPPLEMENTAL, ELECTION NIGHT REPORTING

	Request	Recommendation
<b>Total</b>	<b><u>\$448,644</u></b>	<b><u>\$448,644</u></b>
FTE	0.0	0.0
Cash Funds	\$448,644	\$448,644

<p><b>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?</b> [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	<b>YES</b>
<p><b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	<b>YES</b>
<p>JBC staff and the Department agree that (1) this request meets the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) this request is the result of a technical error in calculating the original appropriation.</p>	

**Department Request:** The Department requests that its cash fund appropriation be increased by \$448,644 for FY 2013-14 to pay for election night reporting. The fund source is the Department of State Cash Fund.

**Staff Recommendation:** Staff recommends that the Committee approve the Department's request.

*The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.*

**Staff Analysis:** During Figure Setting last February, the JBC approved the Department's FY 2013-14 request for a \$112,500 cash fund appropriation for an election night reporting system that was to be provided by SOE. The Department had previously used SOE's "Clarity e-Election Platform" to report November 2012 election results. This product is described at SOE's website, <http://www.software.com/>.

The \$112,500 FY 2013-14 appropriation was part of a series of appropriations required to pay for the continuing use of the SOE system. In its FY 2013-14 budget submission, the Department requested the following cash fund appropriations to pay for the product:

Table 1  
Appropriation Timeline Presented to the JBC in February 2013

Fiscal Year	Appropriation
FY 2013-14	\$177,816
FY 2014-15	\$299,096
FY 2015-16	\$149,548
FY 2016-17	\$149,548
Subsequent years	\$149,548 annually
Total Appropriations over first 4 fiscal years	\$776,008

The Department notes that these appropriations reflect a discount that the Department received because it had used and paid for the SOE software on election night 2012 – SOE reduced the price by the amount paid at that time.

After the 2013 session ended, the Department discovered that it had made a mistake. SOE's written proposal clearly specified that the Department was to make a payment of \$626,460 in FY 2013-14, which equals the sum of the three payments that the Department previously believed were to be spread over FY 2013-14, FY 2014-15 and FY 2015-16 ( $\$626,460 = \$177,816 + \$299,096 + \$177,816$ ). The Department indicates that it, not SOE, made the mistake.

SOE has remained adamant that it must receive a payment of \$626,460 during FY 2013-14 if the Department is to continue using its product. As a consequence, the Department now requests the following appropriations for FY 2013-14 and subsequent fiscal years.

Table 2  
Revised Appropriation Timeline for this Interim Supplemental

Fiscal Year	Appropriation
FY 2013-14	\$626,460
FY 2014-15	\$0
FY 2015-16	\$0
FY 2016-17	\$149,548
Subsequent years	\$149,548 annually
Total Appropriations over first 4 fiscal years	\$776,008

Note that total appropriations over the period shown in this table are unchanged, but the payments have been accelerated. The following table shows the change to the appropriations, relative to amount approved in February:

Table 3  
Appropriation Changes for Each Fiscal Year

Fiscal Year	Appropriation Change
FY 2013-14	+\$448,644
FY 2014-15	-\$299,096
FY 2015-16	-\$149,548
FY 2016-17	\$0
Subsequent years	\$0
Total change over first 4 fiscal years	\$0

The \$448,644 increase in the FY 2013-14 row is the supplemental appropriation for this request.

The Department states that similar election night reporting software is available from another vendor, but the alternate software would cost more and it would be extremely difficult to have it ready by November 2013. It's easier to ready the SOE software because it was used in November 2012.

A staff review of the projected balance in the Department of State Cash Fund, indicates that sufficient fund balance will be available to pay for the increased FY 2013-14 appropriation. Staff notes, however, that the balance in this fund is getting low (the projected ending balance will equal \$143,458 at the end of FY 2013-14 if this supplemental is approved) and the Committee may wish to talk to the Department about the fund this fall.

Staff recommends that the Committee approve this request.

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	FY 2012-13	FY 2013-14	Fiscal Year 2013-14 Interim Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF STATE</b>					
<b>Secretary of State - Scott Gessler</b>					
<b>Non-prioritized Interim Supplemental - Election Night Reporting</b>					
<i>(3) Information Technology Services</i>					
Personal Services - CF	4,643,257	5,683,326	111,144	111,144	5,794,470
FTE	<u>34.0</u>	<u>36.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Hardware/Software Maintenance - CF	1,456,870	1,569,370	337,500	337,500	1,906,870
<b>Total for Supplemental</b>	6,100,127	7,252,696	448,644	448,644	7,701,340
FTE	<u>34.0</u>	<u>36.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	6,100,127	7,252,696	448,644	448,644	7,701,340
<b>Totals</b>					
DEPARTMENT OF STATE					
TOTALS for ALL Departmental line items	20,458,878	22,908,217	448,644	448,644	23,356,861
FTE	<u>133.0</u>	<u>139.0</u>	<u>0.0</u>	<u>0.0</u>	<u>139.0</u>
General Fund	0	0	0	0	0
Cash Funds	20,458,878	22,908,217	448,644	448,644	23,356,861
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0