

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2013-14  
STAFF FIGURE SETTING RECOMMENDATIONS  
DEPARTMENT OF STATE**

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

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## **DEPARTMENT OF STATE**

### **FY 2013-14 STAFF FIGURE SETTING RECOMMENDATIONS**

#### **Department Overview**

The Secretary of State is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of State, the Secretary of State receives and makes available to the public a number of records that are mandated to be filed with the State. These filings include business entity filings, administrative rules of state agencies, and campaign finance disclosures. The Secretary of State is the State's chief election official, and the Department administers statutory and constitutional provisions that relate directly or indirectly to the conduct of elections in the State. The Department's primary responsibilities are listed below:

#### **(A) ADMINISTRATION**

**ADMINISTRATION SECTION:** Provides general management and supervision of the Department, including finance and human resources.

- Arranges for administrative hearing and responds to inquiries from the public.

#### **BUSINESS DIVISION**

- Collects, stores, and provides public access to documents such as articles of incorporation, annual reports, trade names and trademarks, and other related filings.
- Registers and stores Uniform Commercial Code documents such as security interests, liens, and other financial information important to financial institutions.

#### **LICENSING DIVISION**

- Implements the Administrative Rules Code, a body of statutes that govern rule-making.
- Regulates bingo and raffle games.
- Regulates charitable solicitations.
- Regulates notaries

#### **ELECTIONS DIVISION**

- Supervises primary and general elections
- Performs official recounts for federal, state, and district elections
- Conducts voting systems certification.
- Provides training and other support for county elections officials.
- Registers and regulates lobbyists.

The Department is primarily funded by the Department of State Cash Fund, which is funded by fees charged for business filings. The other funding source is the Federal Elections Assistance Fund, which consists of moneys the State received from the federal government from the Help America Vote Act.

## DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

### Executive Request

The Department of State requests an appropriation of \$21,060,244 cash funds and 135.0 FTE. Except for a small amount of funding from the Federal Elections Assistance Cash Fund (\$349,222), all funding for the Department is from the Department of State Cash Fund

### Committees of Reference SMART Act Recommendations

The House State, Veterans, and Military Affairs Committee did not provide a recommendation on the Department of State's FY 2013-14 budget request.

The Senate State, Veterans, and Military Affairs Committee did not provide a recommendation on the Department of State's FY 2013-14 budget request.

### Staff Recommendation

The staff recommendation is summarized in the table below, followed by brief description of each item listed.

<b>Department of State</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	18,871,474	18,871,474	133.0
2012 Session Legislation	1,021,668	1,021,668	0.0
Interim Supplemental #1 - ERIC Project	219,000	219,000	0.0
Interim Supplemental #2 - Abstract Project	69,090	69,090	0.0
Non-Prioritized Supplemental - Liability Premiums True-up	9,766	9,766	0.0
<b>TOTAL</b>	<b>\$20,190,998</b>	<b>\$20,190,998</b>	<b>133.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$20,190,998	\$20,190,998	133.0
Annualize Prior Year Legislation	(581,762)	(581,762)	0.0
Annualize Interim Supplemental # 1 - ERIC Project	(219,000)	(219,000)	0.0
Annualize Interim Supplemental # 2 - Abstract Project	(69,090)	(69,090)	0.0
Annualize Non-prioritized Supplemental - Liability Premiums Technical True-up	(9,766)	(9,766)	0.0
Common Policy Adjustments	460,587	460,587	0.0
R-1 Election Night Reporting	177,816	177,816	0.0
R-2 Sharepoint Software	329,261	329,261	1.0
R-3 Secure File Transfer	31,200	31,200	0.0
Budget Amendment # 1 - Business Intelligence Suite	0	0	0.0
JBC Staff Common Policy Recommendations	(14,107)	(14,107)	0.0

<b>Department of State</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
JBC Staff Appropriation Adjustment	167,880	167,880	0.0
JBC Initiated Salary Survey Increase	44,790	44,790	0.0
JBC Staff Initiated Department Reorganization	0	0	0.0
<b>TOTAL</b>	<b>\$20,508,807</b>	<b>\$20,508,807</b>	<b>134.0</b>
<b>Increase/(Decrease)</b>	\$317,809	\$317,809	1.0
Percentage Change	1.6%	1.6%	0.8%
<b>FY 2013-14 Executive Request:</b>	<b>\$21,060,244</b>	<b>\$21,060,244</b>	<b>135.0</b>
Request Above/(Below) Recommendation	\$551,437	\$551,437	1.0

**Issue Descriptions**

**Election night reporting:** The recommendation is to approve the request for an appropriation of \$177,816 cash funds in FY 2013-14 to implement an election night reporting system for the State of Colorado. The implementation of the system requires an appropriation of \$299,096 cash funds in FY 2014-15, and annual appropriations of \$149,548 cash funds for continued licensing, support, and maintenance in subsequent fiscal years. The cash fund source is the Department of State Cash Fund.

**Purchase and implement Microsoft SharePoint software:** The recommendation is to approve the request for an appropriation of \$329,261 cash funds and 1.0 FTE in FY 2013-14 to purchase and implement Microsoft SharePoint software for internal and external use. SharePoint software provides for the rapid creation of document and issue management systems. This will allow collaboration between internal staff and external groups in support of the programs managed by the Department. The request includes annual appropriations of \$106,818 cash funds in subsequent years for continued licensing, maintenance, and support. The cash funds source is the Department of State Cash Fund.

**Purchase and implement secure file transfer:** The recommendation is to approve the request for an appropriation of \$31,200 cash funds for FY 2013-14 to replace the Department's current secure file transfer technology with a more modern and user-friendly system. The technology provides a system for transmitting large data files between clients and customers of the Department. The request includes annual appropriations of \$26,200 cash funds in subsequent years for licensing. The cash funds source is the Department of State Cash Fund.

**Business Intelligence Center:** The recommendation is to deny the Department's request for an appropriation of \$750,000 cash funds for FY 2013-14, \$1,500,000 in FY 2014-15, and continuing appropriations of \$125,000, to establish a Business Information Center. The Center would access all state databases and aggregate data and make that data available to the business community and the general public. The cash funds source is the Department of State Cash Fund.

**Common policy adjustments:** The recommendation includes common policy adjustments as approved by the Joint Budget Committee. There are still staff recommendations on common policies that need to be considered by the JBC.

**JBC initiated salary survey increase:** – The recommendation includes approved JBC action to increase salary survey from 1.5 percent to 2.0 percent.

**JBC Staff initiated Department reorganization:** The recommendation creates two new divisions in the Department, Elections and Business and Licensing, and consolidates the Special Purpose Division in the Elections Division, creating more transparency in the Department's budget.

## INITIATIVES AFFECTING MULTIPLE LINE ITEMS

**➔ Request # 1 – Election Night Reporting**

**Request:** The Department requests an appropriation of \$177,816 cash funds from the Department of State Cash Fund to establish a statewide election night reporting system that would incorporate all county elections data. The request includes \$299,096 in FY 2014-15 and a continuation amount of \$149,548 starting in FY 2015-16.

**Recommendation:** Staff recommends approval of the Department's request. The following table provides detail for the recommendation.

<b>JBC Staff Recommendation</b>					
<b>Funding Request # 1 – Election Night Reporting</b>					
<b>(All funds appropriated from the Department of State Cash Fund)</b>					
	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Base Request</b>	<b>FY 2013-14 Change Request</b>	<b>FY 2014-15 Change Request</b>	<b>FY 2015-16 Continuation</b>
<b>(2) Information Technology Services</b>					
Personal Services	\$4,653,257	\$4,768,902	\$65,316	\$74,096	\$37,048
FTE	34.0	34.0	0.0	0.0	0.0
Hardware/Software Maintenance	<u>\$1,456,870</u>	<u>\$1,456,870</u>	<u>\$112,500</u>	<u>\$225,000</u>	<u>\$112,500</u>
Total for All Line Items	<b>\$6,110,127</b>	<b>\$6,225,772</b>	<b>\$177,816</b>	<b>\$299,096</b>	<b>\$149,548</b>
FTE	<b>34.0</b>	<b>34.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Analysis:** Election night reporting is an important tool for the public to use in following the results of elections after the polls close. County data is fed into the State's system to provide quicker dissemination of voting results. According to the Department, Colorado is one of only eight states that do not provide election night reporting.

The request is similar to S.B. 12-135 which was lost in the final week of the session. While this authority does not require statutory change, the Secretary of State determined that legislation was needed because agreement on cost sharing with the county clerks did not occur until after budget amendments were required to be submitted.

After the failure of the S.B. 12-135, the Department leased the software on a one-time basis for the 2012 general election, at a cost of \$140,000, with the proviso that the lease expense be applied to the eventual purchase, if the request is approved.

The cost elements include paying the county's share of the system that feeds the data to the State. The elements of cost include software, implementation expenses, and ongoing software support.

The current fund balance of the Department of State Cash Fund is sufficient to provide funding for this request. Staff recommends approval of the Department's request.

**➔ Request # 2 – Implement Microsoft SharePoint Software**

**Request:** The Department proposes to purchase, install, and implement Microsoft SharePoint software for internal and external use. The request will require an appropriation of \$329,261 cash funds and 1.0 FTE in FY 2013-14 and an annual appropriation thereafter of \$106,818 cash funds and 1.0 FTE. The source of the cash funds is the Department of State Cash Fund.

**Recommendation:** Staff recommends approval of the Department's request. The following table provides detail for the recommendation.

<b>JBC Staff Recommendation</b>					
<b>Funding Request # 2 – SharePoint Software</b>					
<b>(All funds appropriated from the Department of State Cash Fund)</b>					
	FY 2012-13 Appropriation	FY 2013-14 Base Request	FY 2013-14 Change Request	FY 2014-15 Change Request	FY 2015-16 Continuation
<b>(2) Information Technology Services</b>					
Personal Services	\$4,653,257	\$4,768,902	\$200,196	\$76,646	\$76,646
FTE	34.0	34.0	1.0	1.0	1.0
Hardware/Software Maintenance	\$1,456,870	\$1,456,870	\$0	\$30,172	\$30,172
Information Technology Asset Management	<u>445,418</u>	<u>445,418</u>	<u>129,065</u>	<u>0</u>	<u>0</u>
Total for All Line Items	<b>\$6,555,545</b>	<b>\$6,671,190</b>	<b>\$329,261</b>	<b>\$106,818</b>	<b>\$106,818</b>
FTE	<b>34.0</b>	<b>34.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**Analysis:** SharePoint software provides a platform for collaboration among both internal staff and internal staff and external groups. The addition of 1.0 FTE would provide expert technical support and management for the product.

An example of the kind of collaboration that is possible with this software is in an internal work group. Members of the group can make comments and see others comments as they make their comments. Previously, the comments would take the form of email chains. A member may make a comment not knowing that the comment has been addressed in another email that the member may not have access to.

Another example is in the rule-making process. Outside groups are allowed a period of time to comment on the proposed rule. This type of software allows outside groups or persons to read the comments already made and for their comments to be seen by others with an interest in the rule. Previously, without this software, this would have been only available after comments have been posted publically, usually after comments have been closed.

Using Microsoft SharePoint software will allow integration with the Department's other Microsoft products such as Office, Dynamics GP (accounting), and Dynamics CRM (customer resource management).

The current fund balance of the Department of State Cash Fund is sufficient to provide funding for this request. Staff recommends approval of the Department's request.

**➔ Request # 3 – Secure File Transfer System Replacement**

**Request:** The Department requests an appropriation of \$31,200 in FY 2013-14 to replace its current secure file transfer technology with a more modern and user-friendly system. The requests annualizes to \$26,200 in subsequent years for license fees and support.

**Recommendation:** Staff recommends approval of the Department's request. The following table provides detail for the recommendation.

<b>JBC Staff Recommendation</b>					
<b>Funding Request # 3 – Secure File Transfer System Replacement</b>					
<b>(All funds appropriated from the Department of State Cash Fund)</b>					
	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
	<b>Appropriation</b>	<b>Base Request</b>	<b>Change Request</b>	<b>Change Request</b>	<b>Continuation</b>
<b>(2) Information Technology Services</b>					
Hardware/Software					
Maintenance	\$1,456,870	\$1,456,870	\$0	\$26,200	\$26,200
Information Technology					
Asset Management	<u>445,418</u>	<u>445,418</u>	<u>31,200</u>	<u>0</u>	<u>0</u>
<b>Total for All Line Items</b>	<b>\$1,902,288</b>	<b>\$1,902,288</b>	<b>\$31,200</b>	<b>\$26,200</b>	<b>\$26,200</b>

**Analysis:** The Department's request is to replace the current secure file transfer system with a system that is more modern and user friendly. A file transfer system is the system used to download large data files to customers and clients of the Department.

The Department provides large data extracts from databases maintained by the Department. The three main categories of extracts are:

- Information of Colorado voters and elections activities to the counties for managing voters and elections processes.



- Information filed with the various program areas, such as business filings, Uniform Commercial Code filings, voter registration lists, and bingo and raffle filing data.
- Information and files provided to other government entities, including providing voter registration lists to state and federal courts for the creation of jury pools, providing business filing data to state entities for research or investigative purposes, and providing materials to the offices of the Attorney General or State Auditor for legal or audit purposes.

In order to access this system, users must install and configure client software. Configuring the client software often involves extensive support from the Department. The current system lacks features that are used in newer file transfer systems. In addition, the system is an older system and on "extended support" from the vendor meaning that security patches will be difficult to obtain as the vendor is more focused on supporting its newer products.

The new system is browser based, so clients of the Department of State do not need to install any software on their systems, while still providing the benefit of a highly secure file transfer. It is expected that the users of the system will not require as much assistance from the Department to install and use the new system.

The current fund balance of the Department of State Cash Fund is sufficient to provide funding for this request. Staff recommends approval of the Department's request.

**➔ Request # 4 (Budget Amendment) – Business Intelligence Center**

**Request:** The Department requests an appropriation of \$750,000 cash funds and 1.0 FTE from the Department of State Cash Fund to establish the Business Intelligence Center, which is a platform to aggregate public data from across state agencies. This will provide greater intelligence to business owners and provide greater transparency and accountability to the public. The following table provides the detail on the request year as well as future fiscal years. The request includes an appropriation of \$1,500,000 cash funds and 1.0 FTE in FY 2014-15 and a continuing appropriation of \$125,000 cash funds and 1.0 FTE.

<b>Department of State Funding Request Budget Amendment #1 – Business Intelligence Center (All funds appropriated from Department of State Cash Fund)</b>					
	FY 2012-13 Appropriation	FY 2013-14 Base Request	FY 2013-14 Change Request	FY 2014-15 Change Request	FY 2015-16 Continuation
<b>(1) Administration</b>					
Personal Services	\$5,858,812	\$5,858,812	\$125,000	\$125,000	\$125,000
FTE	99.0	99.0	1.0	1.0	1.0
Operating Expenses	1,032,115	813,115	50,000	50,000	0

<b>Department of State Funding Request</b>					
<b>Budget Amendment #1 – Business Intelligence Center</b>					
<b>(All funds appropriated from Department of State Cash Fund)</b>					
	FY 2012-13 Appropriation	FY 2013-14 Base Request	FY 2013-14 Change Request	FY 2014-15 Change Request	FY 2015-16 Continuation
<b>(2) Information Technology Services</b>					
Personal Services	\$4,643,257	\$4,768,902	\$450,000	\$1,000,000	\$0
FTE	34.0	34.0	0.0	0.0	0.0
Operating Expenses	<u>1,456,870</u>	<u>1,456,870</u>	<u>125,000</u>	<u>325,000</u>	<u>0</u>
Total for All Line Items	<b>\$12,991,054</b>	<b>\$12,897,699</b>	<b>\$750,000</b>	<b>\$1,500,000</b>	<b>\$125,000</b>
FTE	133.0	133.0	1.0	1.0	1.0

**Recommendation:** Staff recommends that the JBC not approve the Department's request. As discussed below, staff has a number of concerns about the request at this time, including (1) that establishment of the center might be better addressed through legislation that would spell out governance and accountability as well as other aspects of the Center, (2) that some of the costs have not been adequately delineated and (3) concerns about the legality of the use of Department of State Cash Funds for "challenge grants" to incentivize the development of applications to use the data.

**Analysis:** The Department requests this appropriation to create the Business Intelligence Center (Center). The Center is a platform to aggregate public data from across state agencies, making the data more accessible and transparent. This will provide greater intelligence to business operating in the State or considering relocation to the state, as well as to the public.

Many state agencies collect, in the normal course of their operations, data from a variety of sources. Such data might include business registration, licensing, location, revenue, and payroll. While this data public information, it is often not easily accessible. Businesses with access to this data could use the data to make the business more efficient or, in some cases, the data is necessary to the viability of the business. New and established business could use the data to make better informed decisions and entrepreneurs could use the data to make the business case for establishment of a new business.

The Department of State already houses the state business registry, which houses the high-volume state business registry, and has the resources to create a central data repository that would provide easier access to all state databases to make this data available to the public.

The Department will also create and promote a contest with a cash prize to the team that creates the most useful application, or tool, for integrating and manipulating the data to create value for the business community. The intent is that this will spur development of application that make the data more valuable to the business community.

The Department has discussed this with other state agencies, including the Office of Information Technology (OIT), the Office of Economic Development and International Trade (OEDIT), and the Statewide Internet Portal Authority (SIPA). The Department indicates that those agencies are supportive of a collaborative effort between them to create the Center; however none of them has

come forward at this time with a funding request to participate. The Department of State states that it has the resources to create the Center at this time due to the fund balance in the Department of State Cash Fund.

The Department proposes the creation of a governance board that would consist of representatives from the Secretary of State, OIT, OEDIT, SIPA, other State agencies, the private sector, and local government. The Board would oversee progress and operation of the Business Intelligence Center Project.

A number of other jurisdictions around the country have established intelligence centers, including the cities of Chicago and San Francisco. For example, the Chicago Center's top applications include a list of all city employees with their names, departments, positions and annual salaries; map of fare media sales outlets for the Chicago Transit Authority; map of crimes committed; locations of police and fire stations; building permits issued; results of food inspections; and so on.

The proposal of cost elements that are described in the following table:

<b>Business Intelligence Center Cost Overview</b>		
	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Hire executive manager: Duties will include creating the program, overseeing the creation of the Center, working with other State agencies to release the data, oversee and direct the issues related to the challenge and its planning and outreach to the community.	\$ 125,000	\$ 125,000
	1.0 FTE	1.0 FTE
Administrative costs.	50,000	50,000
IT development and consulting services to build the business information and data platform.	200,000	750,000
Legal Services to address legal issues related to the challenge, such as contractual agreement, intellectual property ownership, and data accessibility. Also address data privacy and other issues related to managing the platform.	50,000	50,000
Outreach and marketing costs to promote the challenge and plan events associated with the challenge.	100,000	100,000
Challenge awards for the winners of the competition.	100,000	100,000
Cost for IT equipment and software costs, platform maintenance and costs associated with integrating the applications from the competitions.	<u>125,000</u>	<u>325,000</u>
<b>Total</b>	<b>\$750,000</b>	<b>\$ 1,500,000</b>

**Reasoning for Recommendation:** While the overall project appears to have merit, staff has four primary concerns that lead to the recommendation to deny the request:

- The proposal has the support of a number of agencies, many of whom would be involved in the governance of the proposed Center. This proposed governance body would also include representatives from local governments and the private sector. The governing board could be unwieldy and without statutory authority, disputes that may arise could threaten the successful completion of the project. Staff recommends that a legislative solution be explored. Involving all parties in the proposal's development would provide the General

Assembly with more assurance that the project could be managed and implemented successfully.

- Along the same lines, staff has concerns about the authority of the Secretary of State to access databases for other State departments. Staff has consulted Legislative Legal Services for its advice regarding that authorization. Without statutory authority, some agencies could balk at the program.
- This funding request was presented as a budget amendment in January and staff is concerned that the requested appropriations has not been properly fleshed out and in the Department's effort to get this proposal before the General Assembly, some of the requests appear to be estimates of need that will change over time, rather than more concrete proposals. Staff understands the need for flexibility in estimating costs for such projects, but believes that more work needs to be done to fix the projected costs.
- One of the important parts of this proposal is a contest for at least the first two years (the Department calls it an *annual* challenge, but only includes funding for the first two years. This element would include \$100,000 for outreach and marketing to promote the challenge and \$100,000 for Challenge Awards for winners of the competition. Staff is concerned about the appropriateness of using State funding for this purpose. Section 24-21-104 (3) (b), C.R.S. states that the Department of State "shall adjust its fees so that the revenues generated by the fees approximate its direct and indirect costs, including the cost of maintenance and improvements necessary for the distribution of electronic records." Staff is concerned about including the challenge awards and promotion of those awards as a direct or indirect expense. Staff has consulted the Office of Legislative Legal Services (OLLS) for its advice on this matter. Discussions with OLLS have confirmed these concerns.

These four primary concerns have led Staff to recommend that the Committee not approve the request and that the Department of State, along with other stakeholders, negotiate a legislative initiative to move forward with this proposal.

### **JBC Staff Initiated Department Reorganization**

**Recommendation:** Staff recommends that the Department's Long Bill appropriations be reorganized to break out from the Administration Division the Elections and Business and Licensing functions into their own division. This change is budget neutral, but increases the transparency of the budget with regards to the amounts of moneys that are spent on the functions of the Department.

**Analysis:** The Department of State provides two major services to the public. First the Secretary of State serves as the State's chief elections official and the Department supports the Secretary in carrying out those responsibilities. Second, the Department serves as the State's record keeper, receiving and filing records and reports of businesses and other organizations that are required to be filed with the State, and making those records available for the public to access. The Department also publishes the Code of Colorado Regulations, registers and administers the lobbyist program, licenses notaries public, licenses entities involved in charitable bingo/raffle, and registers charitable organizations and solicitors.

Presently, the Department's budget is divided into three divisions, the Administration division, the Special Purpose division, and the Information Technology Services division. Administration includes four functions, department administration, elections, business filings, and regulation/licensing. Internally, the Department budgets and operates those functions as distinct divisions, even to the extent of labeling them as divisions, but in the Long Bill, these functions are consolidated. The consolidation of the entire Department's programmatic functions into one division leads to a lack of transparency for the budget.

In general, the Administration Division of an elected official's department, including the Judicial Department and the Department of Law, corresponds to the Executive Director's Office (EDO) of a department or agency under the Governor's responsibility. *[The Department of the Treasury, due to its small size, is the exception]* In these agencies, the EDO or Administration Division provides the overall management of the department, human resources, financial and budgeting services, and legal services, while providing relatively few direct services or functions of the department.

Staff proposes that the Joint Budget Committee consider the reorganization of the Department to increase the transparency of the budget. The reorganized Department would have the following structure.

- (1) **Administration** - which would include the Secretary of State, and the administrative staff including budget and financial, personnel, communications, and operations. Also included in this section are the centrally-appropriated line items, such as health, life, and dental insurance, short-term disability, etc.
- (2) **Information Technology Division** – Includes all information technology services provided by Department staff or contractors. *[Services provided to the Department of State by the Governor's Office of Information Technology (OIT) will be located in the OIT lines in the Administration Division.]* This division will provide support to the other divisions in the Department.
- (3) **Elections Division** – Includes personal services and operating expenses of elections, as well as the three line items in the previously separate Special Purpose Division that pertained to elections (Help America Vote Act Program, Local Election Reimbursement, and Initiative and Referendum).
- (4) **Business and Licensing Division** – Includes personal services related to the business reporting, licensing, and regulatory functions of the Department.

Internally, the Department of State already is using this structure, with the Department using the designations of Administration Division, Elections Division, and the Business and Licensing Division in the "Department Description" section of the annual budget submission. It has been using this structure for a number of years. Staff's recommendation is to incorporate that structure into the Long Bill.

The following table provides the detail for the recommended changes in each division:

<b>JBC Staff Recommendation for Reorganization of Long Bill</b>			
		<b>FY 2013-14</b>	
	<b>Department Base Request</b>	<b>JBC Staff Reorg.</b>	<b>Long Bill Recommendation</b>
<b>(1) Administration</b>			
Personal Services	5,858,812	(4,339,373)	1,519,439
FTE	99.0	(80.0)	19.0
Operating Expenses	813,115	(312,299)	500,816
Other Line Items	<u>3,390,639</u>	<u>0</u>	<u>3,390,639</u>
Total	10,062,566	(4,651,672)	5,410,894
<b>(2) Special Purpose</b>			
Help America Vote Act Program	349,222	(349,222)	0
Local Election Reimbursement	1,958,827	(1,958,827)	0
Initiative and Referendum	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>
Total	2,558,049	(2,558,049)	0
<b>(3) (2) Information Technology Services</b>			
Total All Line Items	8,264,629	0	8,264,629
<b>(3) Elections Division</b>			
Personal Services	0	1,962,427	1,962,427
FTE	0.0	32.0	32.0
Operating Expenses	0	149,299	149,299
Help America Vote Act Program	0	349,222	349,222
Local Election Reimbursement	0	1,958,827	1,958,827
Initiative and Referendum	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total	0	4,669,775	4,669,775
<b>(4) Business and Licensing Division</b>			
Personal Services	0	2,376,946	2,376,946
FTE	0.0	48.0	48.0
Operating Expenses	<u>0</u>	<u>163,000</u>	<u>163,000</u>
Total	0	2,539,946	2,539,946
<b>Department Total</b>	<b>\$20,885,244</b>	<b>\$0</b>	<b>\$20,885,244</b>
<b>FTE</b>	<b>134.0</b>	<b>0.0</b>	<b>134.0</b>

Staff has discussed the issue with the Department, and the Department has expressed overall support for staff's proposal. Their main concern was that the reorganization would reduce their flexibility, but that they would be able to work with that diminished flexibility.

## (1) Administration

This division provides general management supervision for the entire department, including budgeting, accounting, and human resources services. Most of the Department's functions are currently carried out by three sections within this division: (1) business filings; (2) elections; and (3) licensing and enforcement. These functions are funded by the Department of State Cash Fund.

The JBC Staff initiated request to reorganize the Department would create two new divisions (Elections Division and Business and Licensing Division), taking FTE and funding from the Administrative Division. The request was discussed in detail in the "Initiatives Affecting Multiple Line Items" section in the Department Overview Section of this document.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>Administration</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$9,601,979	\$9,601,979	99.0
2012 Session Legislation	0	0	0.0
Interim Supplemental #1 - ERIC Project	219,000	219,000	0.0
Non-Prioritized Supplemental - Liability Premiums True-up	<u>9,766</u>	<u>9,766</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,830,745</b>	<b>\$9,830,745</b>	<b>99.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$9,830,745	\$9,830,745	99.0
Annualize Prior Year Legislation	0	0	0.0
Annualize Interim Supplemental # 1 - ERIC Project	(219,000)	(219,000)	0.0
Annualize Non-prioritized Supplemental - Liability Premiums Technical True-up	(9,766)	(9,766)	0.0
Common Policy Adjustments	460,587	460,587	0.0
Budget Amendment # 1 - Business Intelligence Center	0	0	0.0
JBC Staff Common Policy Recommendations	(14,107)	(14,107)	0.0
JBC Initiated Salary Survey Increase	44,790	44,790	0.0
JBC Staff Initiated Department Reorganization	<u>(4,651,672)</u>	<u>(4,651,672)</u>	<u>(80.0)</u>
<b>TOTAL</b>	<b>\$5,441,577</b>	<b>\$5,441,577</b>	<b>19.0</b>
<b>Increase/(Decrease)</b>	<b>(\$4,389,168)</b>	<b>(\$4,389,168)</b>	<b>(80.0)</b>
Percentage Change	(44.6%)	(44.6%)	(80.8%)
<b>FY 2013-14 Executive Request:</b>	<b>\$10,237,566</b>	<b>\$10,237,566</b>	<b>100.0</b>

### Issue Descriptions

**Issue 1:** The recommendation annualizes FT 2012-13 budget actions, makes common policy adjustments, incorporates JBC Staff common policy recommendations, and a JBC initiated increase in Salary Survey.

**Issue 2:** The recommendation does not include funding for the Department's request to establish a Business Intelligence Center.

**Issue 3:** The recommendation includes a decrease in funding and FTE in this Division as part of a JBC Staff recommended Department reorganization that creates separate Elections and Business and Licensing Divisions.

## LINE ITEM DETAIL

### 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.

**Request:** The Department requests a continuation appropriation of \$5,858,812 cash funds

**Recommendation:** Staff recommends an appropriation of \$1,519,439 cash funds from the Department of State Cash Fund (DOSCF) and 19.0 FTE as detailed in the following table.

<b>Personal Services</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$5,858,812	\$5,858,812	99.0
2012 Session Legislation	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,858,812</b>	<b>\$5,858,812</b>	<b>99.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$5,858,812	\$5,858,812	99.0
Budget Amendment # 1 - Business Intelligence Suite	0	0	0
JBC Staff Initiated Department Reorganization	<u>(4,339,373)</u>	<u>(4,339,373)</u>	<u>(80.0)</u>
<b>TOTAL</b>	<b>\$1,519,439</b>	<b>\$1,519,439</b>	<b>19.0</b>
<b>Increase/(Decrease)</b>	(\$4,339,373)	(\$4,339,373)	(80.0)
Percentage Change	(74.1%)	(74.1%)	(80.8%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$4,464,373	\$4,464,373	81.0

### Health, Life, and Dental

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

**Request:** The Department requested an appropriation of \$890,374 cash funds.



**Recommendation:** The Committee adopted the JBC Staff recommendation that adjusted the request. Pursuant to that approved policy, staff recommends an appropriation of \$873,433 cash funds from the DOSCF.

**Short-term Disability**

This line item provides funding to provide for the employees' short-term disability insurance premiums. The State currently provides 100 percent of the premiums for this insurance.

**Request:** The Department requested an appropriation of \$15,275 cash funds.

**Recommendation:** The Committee adopted the JBC Staff recommendation that adjusted the request. Pursuant to that approved policy, staff recommends an appropriation of \$15,351 cash funds from the DOSCF.

**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).

**Request:** The Department requested an appropriation of \$297,124 cash funds.

**Recommendation:** The Committee adopted the JBC Staff recommendation that adjusted the request. Pursuant to that approved policy, staff recommends an appropriation of \$298,569 cash funds from the DOSCF.

**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.

**Request:** The Department requested an appropriation of \$268,237 cash funds.

**Recommendation:** The Committee adopted the JBC Staff recommendation that adjusted the request. Pursuant to that approved policy, staff recommends an appropriation of \$269,542 cash funds from the DOSCF.

**Salary Survey**

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

**Request:** The Executive request, for all Departments, included a 1.5 percent increase. The Department requested an appropriation of \$138,267 cash funds.

**Recommendation:** The Committee approved increasing the executives request from 1.5 to 2.0 percent. Pursuant to that approved policy, staff recommends an appropriation of \$183,057 cash funds from the DOSCF.

**Merit Pay**

This line item provides funding for pay for performance-based pay increases related to employee performance and evaluations.

**Request:** The Department requested an appropriation of \$114,623 cash funds.

**Recommendation:** The Committee adopted the JBC Staff recommendation that adjusted the request. Pursuant to that approved policy, staff recommends an appropriation of \$114,631 cash funds from the DOSCF.

**Workers' Compensation**

This line item provides funding for the workers' compensation program for state employees. The program is administered by the Department of Personnel and Administration (DPA), and this line reflects the billings from DPA for the Department's share of the statewide costs of the program.

**Request:** The Department requested an appropriation of \$13,969 cash funds.

**Recommendation:** Staff's recommendation is pending Committee action on this common policy. Staff will reflect Committee policy in the appropriation for this line item.

**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.

**Request:** The Department requests an appropriation of \$863,115 cash funds, the details of which are described in the following table:

**Recommendation:** Staff recommends an appropriation of \$500,816 cash funds from the DOSCF, as detailed in the following table.

<b>Operating Expenses</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$813,115	\$813,115	0.0
Interim Supplemental #1 - ERIC Project	<u>219,000</u>	<u>219,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,032,115</b>	<b>\$1,032,115</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$1,032,115	\$1,032,115	0.0
Annualize Interim Supplemental # 1 - ERIC Project	(219,000)	(219,000)	0.0
Budget Amendment # 1 - Business Intelligence Center	0	0	0.0

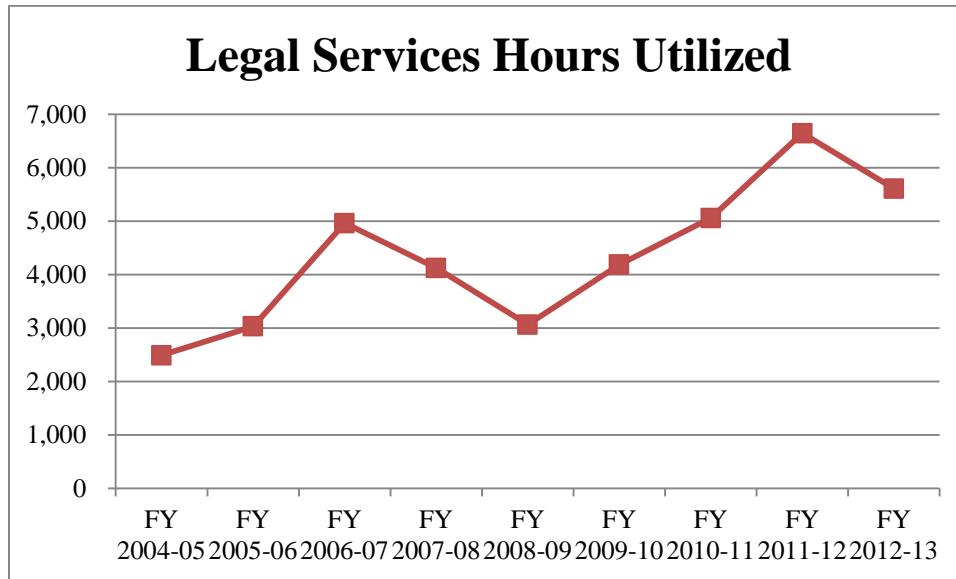
JBC Staff Initiated Department Reorganization	(312,299)	(312,299)	0.0
<b>TOTAL</b>	<b>\$500,816</b>	<b>\$500,816</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$531,299)	(\$531,299)	0.0
Percentage Change	(51.5%)	(51.5%)	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$863,115</b>	<b>\$863,115</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$362,299	\$362,299	0.0

The recommendation does not include the Department's request for an appropriation of \$50,000 cash funds from the DOSCF to fund the Business Intelligence Center and does include a decrease of \$312,299 cash funds to account for the creation of the Elections and Business and Licensing Divisions.

**Legal Services**

This line item provides funding for the Department to purchase legal services from the Department of Law. The Department requests a continuation appropriation of \$549,866 for 7,118 legal services hours.

The hours of legal services provided to the Department of State over the last eight years (along with a projection for the current year) are shown in the following chart:



Going back over the last nine years (including a projection for the current fiscal year), the number of legal services hours used by the Department of State has been trending upward, from a low of 2,490 hours and reaching a peak of 6,645 hours in FY 2011-12. Current projections for FY 2012-13 (the current year) indicate a decrease of hours from the previous fiscal year, but that projection does not account for the use of outside counsel in the Independent Ethics Commission's lawsuit against the Secretary of State, which will affect the appropriation (though not the hours). *[When a suit is brought against a state department or official that, for whatever reason, the Department of Law is unable to provide a defense, the Department may use its legal services appropriations to pay those costs.]*

**Staff recommends a continuation of funding sufficient to purchase 7,118 hours of legal services.** The requested number of hours is consistent with annual appropriations since FY 2009-10. Staff will calculate the actual appropriation when the Committee approves an hourly rate for legal services and reflect that appropriation in the Long Bill.

**Administrative Law Judge Services**

This line item funds the services of administrative law judges (ALJ) from the Department of Personnel and Administration (DPA). This appropriation for this line item can fluctuate from year to year as the number and complexity of cases adjudicated by the ALJs varies. DPA adjusts its requested billings based on actual usage.

**Request:** The Department is requesting an appropriation of \$30,797 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Purchase of Services from Computer Center**

This line item funds the Department's share of statewide computer services provided by the Governor's Office of Information Technology (OIT) and reflects amounts that have requested to be billed to the Department of State. These billings are based on past usage patterns and represent a "true-up" of prior expenditures.

**Request:** The Department requests an appropriation of \$159,578 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Multiuse Network Payments**

This line item funds the Department's share of the costs of the statewide multiuse network provided by the Governor's Office of Information Technology (OIT) and reflects amounts that have requested to be billed to the Department of State. These billings are based on past usage patterns and represent a "true-up" of prior expenditures.

**Request:** Department requests an appropriation of \$75,116 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Payment to Risk Management and Property Funds**

This line item provides funding for the Department's share of the statewide costs two programs operated by the Department of Personnel and Administration: (1) the liability program and (2) the property program. The state's liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents. These billings are based on past usage patterns and represent a "true-up" of prior expenditures.

**Request:** The Department requests an appropriation of \$41,027 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Vehicle Lease Payments**

This line item provides funding for payments to the Department of Personnel and Administration for the costs of program administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. The Department currently operates one vehicle which it uses primarily to send elections officials around the State to train local officials. The vehicle is not slated for replacement in FY 2013-14.

**Request:** The Department requests an appropriation of \$2,963 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Leased Space**

The line item funds the space the Department occupies at 1700 Broadway, Denver. This location is several blocks north of the Capitol.

**Request:** The Department requests an appropriation of \$641,271 cash funds.

**Recommendation:** Staff recommends approval of the Department's request for an appropriation of \$641,271 cash funds from the DOSCF.

**COFRS Modernization**

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

**Request:** The Department requests an appropriation of \$40,140 cash funds.

**Recommendation:** Staff's recommendation is pending Committee approval of common policy for this line item. Staff will reflect Committee policy in the appropriation for this line item.

**Indirect Cost Assessment**

Statewide indirect cost assessments are charged to cash and federal programs (where permitted by the federal government) for statewide overhead costs (such as those generated by the Department of Personnel and Administration), and then the assessments are used in administrative division to offset General Fund appropriations.

**Request:** The Department requests an appropriation of \$107,012 cash funds.

**Recommendation:** Pursuant to approved Committee policy, staff recommends an appropriation of \$105,677 cash funds.

**Discretionary Fund**

Pursuant to Section 24-9-105, C.R.S., each of five elected state officials receives an annual appropriation 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 an appropriation of \$5,000 cash funds for this purpose.

**Request:** The Department has requested an appropriation of \$5,000 cash funds.

**Recommendation:** Staff recommends approval of the Department's request for an appropriation of \$5,000 cash funds.

**(2) Special Purpose**

Staff recommends that this Division be eliminated entirely and the three line items in this Division be transferred to the newly created Elections Division.

**(3) (2) Information Technology Services Division**

This division provides most of the technology support for the Department and is responsible for the Department's compliance with the Colorado Information Security Act. The Department provides search and filing services via the internet and it processes over 12,000 web-based transactions daily. The Division also provides project direction and support for the statewide voter registration and election management system. Funding is provided by the Department of State Cash Fund.

Prior to FY 2013-14, that Division had at least some responsibility for funding and operating the Statewide Disaster Recovery Center. Pursuant to S.B. 10-148, all funding and operating responsibilities for the Center have been transferred to the Governor's Office of Information Technology. The Long Bill Division that formerly funded the Center is recommended to be eliminated for FY 2013-14.

**DIVISION REQUEST AND RECOMMENDATION SUMMARY**

<b>Information Technology</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$6,944,574	\$6,944,574	34.0
2012 Session Legislation	788,540	788,540	0.0
Interim Supplemental #2 - Abstract Project	<u>69,090</u>	<u>69,090</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,802,204</b>	<b>\$7,802,204</b>	<b>34.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$7,802,204	\$7,802,204	34.0
Annualize Prior Year Legislation	(581,762)	(581,762)	0.0
Annualize Interim Supplemental # 2 - Abstract Project	(69,090)	(69,090)	0.0

<b>Information Technology</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
R-1 Election Night Reporting	177,816	177,816	0.0
R-2 SharePoint Software	329,261	329,261	1.0
R-3 Secure File Transfer	31,200	31,200	0.0
Budget Amendment # 1 - Business Intelligence Center	0	0	0.0
<b>TOTAL</b>	<b>\$7,689,629</b>	<b>\$7,689,629</b>	<b>35.0</b>
<b>Increase/(Decrease)</b>	(\$112,575)	(\$112,575)	1.0
Percentage Change	(1.4%)	(1.4%)	2.9%
<b>FY 2013-14 Executive Request:</b>	<b>\$8,264,629</b>	<b>\$8,264,629</b>	<b>35.0</b>
Request Above/(Below) Recommendation	\$575,000	\$575,000	0.0

**Issue 1:** The recommendation annualizes FT 2012-13 budget actions and prior year legislation.

**Issue 2:** The recommendation includes an appropriation for Request #2, Election Night Reporting.

**Issue 3:** The recommendation includes an appropriation for Request #3, SharePoint software.

**Issue 4:** The recommendation includes an appropriation for Request #4, Secure File Transfer.

**Issue 5:** The recommendation does not include funding for the Department's request to establish a Business Intelligence Center.

## **LINE ITEM DETAIL**

### **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.

**Request:** The Department requests an appropriation \$5,484,414 cash funds and 35.0 FTE, which includes two decision items and a budget amendment (which are discussed in detail in a prior section of this document).

- Request #1 – Election night reporting, increases line by 65,316 cash funds.
- Request #2 – SharePoint software, increases line by \$200,196 cash funds and 1.0 FTE.
- Budget Amendment #1 – Business intelligence Center, increases line by \$450,000.

**Recommendation:** Staff recommends an appropriation of 5,484,414 cash funds from the Department of State Cash Fund (DOSCF) and 35.0 FTE as detailed in the following table.

<b>Personal Services</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$3,785,627	\$3,785,627	34.0
2012 Session Legislation	788,540	788,540	0.0
Interim Supplemental #2 - Abstract Project	69,090	69,090	0.0
<b>TOTAL</b>	<b>\$4,643,257</b>	<b>\$4,643,257</b>	<b>34.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$4,643,257	\$4,643,257	34.0
Annualize Prior Year Legislation	194,735	194,735	0.0
Annualize Interim Supplemental # 2 - Abstract Project	(69,090)	(69,090)	0.0
R-1 Election Night Reporting	65,316	65,316	0.0
R-2 SharePoint Software	200,196	200,196	1.0
Budget Amendment # 1 - Business Intelligence Center	0	0	0.0
<b>TOTAL</b>	<b>\$5,034,414</b>	<b>\$5,034,414</b>	<b>35.0</b>
<b>Increase/(Decrease)</b>	\$391,157	\$391,157	1.0
Percentage Change	8.4%	8.4%	2.9%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$450,000	\$450,000	0.0

- The recommendation annualizes prior year legislation and the Department's supplemental for the Abstract Project.
- The recommendation includes an appropriation to implement the Department's Election Night Reporting request.
- The recommendation includes an appropriation to implement the Department's SharePoint software request.
- The recommendation does not include an appropriation to fund the Department's Business Intelligence Center request.

**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. The Department requests an appropriation of \$480,162 cash funds, which includes an appropriation of \$3,800 from Decision Item #1 (Transfer HAVA expenses and FTE to DOS Cash Fund), which was discussed previously.

**Request:** The Department requests an appropriation of \$605,162 cash funds from the DOSCF, including an appropriation of \$125,000 to implement the Business Intelligence Center request.

**Recommendation:** Staff recommends an appropriation of \$480,162 cash funds from the DOSCF, as detailed in the following table:



<b>Operating Expenses</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$480,162	\$480,162	0.0
<b>TOTAL</b>	<b>\$480,162</b>	<b>\$480,162</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$480,162	\$480,162	0.0
Budget Amendment # 1 - Business Intelligence Center	0	0	0.0
<b>TOTAL</b>	<b>\$480,162</b>	<b>\$480,162</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$125,000	\$125,000	0.0

**Hardware/Software Maintenance**

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

**Request:** The Department requests an appropriation of \$1,569,370 cash funds.

**Recommendation:** Staff recommends an appropriation of \$1,569,370 cash funds from the DOSCF as detailed in the following table:

<b>Hardware/Software Maintenance</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$1,456,870	\$1,456,870	0.0
<b>TOTAL</b>	<b>\$1,456,870</b>	<b>\$1,456,870</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$1,456,870	\$1,456,870	0.0
R-1 Election Night Reporting	112,500	112,500	0.0
<b>TOTAL</b>	<b>\$1,569,370</b>	<b>\$1,569,370</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$112,500	\$112,500	0.0
Percentage Change	7.7%	7.7%	0.0%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$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.

**Request:** The Department requests an appropriation of \$605,683 cash funds, which includes an appropriation of \$129,065 for Funding Request #2 (SharePoint Software) and \$31,200 for Funding Request #3 (Secure File Transfer).

**Recommendation:** Staff recommends an appropriation of \$605,683 cash funds from the DOSCF, as detailed in the following table:

<b>Information Technology Asset Management</b>			
	Total Funds	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	\$445,418	\$445,418	0.0
<b>TOTAL</b>	<b>\$445,418</b>	<b>\$445,418</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$445,418	\$445,418	0.0
R-2 SharePoint Software	129,065	129,065	0.0
R-3 Secure File Transfer	31,200	31,200	0.0
<b>TOTAL</b>	<b>\$605,683</b>	<b>\$605,683</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$160,265	\$160,265	0.0
Percentage Change	36.0%	36.0%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$605,683</b>	<b>\$605,683</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

- The recommendation includes an increase to implement the Department's SharePoint Software request.
- The recommendation includes an increase to implement the Department's Secure File Transfer request.

### **(3) Elections Division**

The Elections Division administers and supervises statutory and constitutional provision that relate to the conduct of elections for the State of Colorado. This includes certifying the content to the ballot, publishing the abstract of vote totals, overseeing the verification of petitions for ballot issues, campaign finance filings, voting equipment certifications, requirements of the National Voter Registration Act and the Help America Vote Act, and maintaining the statewide voter registration system.

This division's responsibilities were previously carried out in the Administration Division. In order to improve the transparency of the Department's budget, JBC Staff recommended that the Elections Division be created (see JBC Staff Initiated Department Reorganization starting on page 10). In addition to new line items for personal services and operating expenses, the existing line items (Help America Vote Act Program, Local Election Reimbursement, and Initiative and Referendum) in the Special Purpose Division have been transferred to this Division, along with the existing appropriations.

## DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>Elections Division</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	2,324,921	2,324,921	0.0
2012 Session Legislation	233,128	233,128	0.0
<b>TOTAL</b>	<b>\$2,558,049</b>	<b>\$2,558,049</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$2,558,049	\$2,558,049	0.0
JBC Staff Appropriation Adjustment	167,880	167,880	0.0
JBC Staff Initiated Department Reorganization	2,111,726	2,111,726	32.0
<b>TOTAL</b>	<b>\$4,837,655</b>	<b>\$4,837,655</b>	<b>32.0</b>
<b>Increase/(Decrease)</b>	<b>\$2,279,606</b>	<b>\$2,279,606</b>	<b>32.0</b>
Percentage Change	89.1%	89.1%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,558,049</b>	<b>\$2,558,049</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$2,279,606)	(\$2,279,606)	(32.0)

### Issue Descriptions

**Issue 1:** The recommendation transferred the three lines formerly in the Special Purpose Division (Help America Vote Act Program, Local Election Reimbursement, and Initiative and Referendum) to this Division.

**Issue 2:** The recommendation adjusts the Local Election Reimbursement and Special Purpose lines to reflect projections of needed spending authority in those lines.

**Issue 3:** The recommendation transfers the Elections functions in the Administration Division to this newly created Division, increasing the appropriation by 2111,726 cash funds and 32.0 FTE.

### LINE ITEM DETAIL

#### 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.

**Request:** The Department did not request this line item. It is part of the JBC Staff Initiated Reorganization discussed starting on page 10.

**Recommendation:** The Staff recommendation for this line represents the moneys and FTE transferred from the Administrative Division as a result of the reorganization of the Department. Staff recommends an appropriation of \$1,962,427 cash funds from the DOSCF and 32.0 FTE.

<b>Personal Services</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
HB 12-1335 (FY 2012-13 Long Bill)	\$0	\$0	0.0
JBC Staff Initiated Department Reorganization	1,962,427	1,962,427	32.0
<b>TOTAL</b>	<b>\$1,962,427</b>	<b>\$1,962,427</b>	<b>32.0</b>
<b>Increase/(Decrease)</b>	\$1,962,427	\$1,962,427	32.0
Percentage Change	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$1,962,427)	(\$1,962,427)	(32.0)

**Operating Expenses**

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

**Request:** The Department did not request this line item. It is part of the JBC Staff Initiated Reorganization discussed starting on page 10.

**Recommendation:** Staff recommends an appropriation of \$149,299 cash funds from the DOSCF.

<b>Operating Expenses</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
JBC Staff Initiated Department Reorganization	\$149,299	\$149,299	0.0
<b>TOTAL</b>	<b>\$149,299</b>	<b>\$149,299</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$149,299	\$149,299	0.0
Percentage Change	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$149,299)	(\$149,299)	0.0

**Help America Vote Program**

This line item have been used to improve the administration of federal elections by: (1) replacing outdated voting technology; (2) improving voter education; (3) improving accessibility for disabled voters; and (4) establishing a statewide computerized voter registration system. Appropriation from this line is funding by the Federal Elections Assistance Fund, which, pursuant to Section 1-1.5-106 (2) (b), C.R.S., are continuously appropriated to the Department of State for the proper administration, implementation, and enforcement of the federal Help America Vote Act.

Congress passed HAVA in 2002 for the purpose of improving 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 (Section 1-1.5-106, C.R.S.). Pursuant to Section 1-1.5-106 (2), C.R.S., moneys in the Federal Elections Assistance Fund may be used only for HAVA-specified purposes and are continuously appropriated to the Department of State for the administration, implementation, and enforcement of HAVA. The HAVA line item appropriation is a projection and included for informational purposes only.

**Request:** The Department requests a continuation appropriation of \$349,222 cash funds from the Federal Elections Assistance Cash Fund.

**Recommendation:** Staff recommends reflecting the Department's request for an appropriation of \$349,222 cash funds. This line is continuously appropriation and is included for informational purposes only.

**Local Election Reimbursement**

Section 1-5-505.5, C.R.S., requires the Secretary of State to reimburse counties for the costs related to having a statewide issue on the ballot. Pursuant to H.B. 12-1143, enacted by the General Assembly in the 2013 session, 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. The rate was increased by \$0.10 per active registered voter. That bill increased the appropriation to the Department by \$233,128 cash funds, resulting in a total appropriation of \$1,958,827. The Department requested a continuation level of funding of \$1,958,827 cash funds.

The Department has requested a late supplemental (discussed later in this document) that requested an increase in this line item of \$267,880 cash funds. The supplemental request occurred because the number of registered voters increased by more than the Department had expected for the 2012 general election.

As can be seen from the following table, in 2009 the number of active voters was reduced by more than 10 percent. If that same magnitude of reduction occurs in the number of registered active voters occurs, and

<b>Statewide Registered Active Voters</b>		
<b>Year</b>	<b>Registered Active</b>	<b>Percent Change</b>
2008	2,641,671	33.4%
2009	2,362,778	-10.6%
2010	1,831,223	-22.5%
2011	2,074,950	13.3%
2012	2,737,079	31.9%
2013 /a	2,463,371	-10.0%

/a Projected based on change from 2008 to 2009

If there is a statewide ballot issue election in 2013, the Local Election Reimbursement would be based on the active registered voters as of the 2012 election, plus new residents of Colorado who register to vote, less those who are identified as having moved out of state and inactive voters removed from the active rolls. In 2009, the number of registered active voters dropped by 10.6 percent. Projecting "only" a 10.0 percent reduction in active registered voters in 2013, as shown

in the table above, will require an appropriation of \$2,004,036 cash funds, an increase of the \$45,209 from the appropriation the Department requested.

**Staff recommends approving an appropriation of \$2,004,036 cash funds.** The following table provides the detail for how staff made its recommendation.

<b>Local Election Reimbursement</b>	
FY 2012-13 Long Bill Appropriation	\$1,725,699
H.B. 12-1143 Appropriation	233,128
DOS Supplemental	<u>267,880</u>
Recommended FY 2012-13 Appropriation	\$2,226,707
Final FY 2012-13 Appropriation	\$2,226,707
Annualize FY 2012-13 Supplemental	<u>(267,880)</u>
Requested FY 2013-14 Appropriation	\$1,958,827
JBC Staff Recommended Increase	<u>45,209</u>
<b>JBC Staff Recommendation</b>	<b>\$2,004,036</b>

**Initiative and Referendum**

This appropriation provides funding for petition verification, 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 for odd-year elections, only TABOR-related initiatives are permitted on the November ballot. Typically, the Department receives at the most one initiative petition for an odd-year ballot. For even year elections (presidential and gubernatorial election years), there are no restrictions on the types of initiatives, therefore the even year expenditures are higher.

Most petitions are submitted with approximately 80,000 to 100,000 signatures, and by statute, the Secretary has only 30 days to verify the signatures (Section 1-40-116, C.R.S.). In order to accomplish this verification, the Department hires temporary workers, which can cost as much as \$50,000 per petition. Pursuant to Section 1-40-116, C.R.S., the Department may check a 5.0 percent random sample of signatures, and if this sample demonstrates that the petition has the required number of valid signatures, it is not required to verify every signature. The uncertainty about whether or not the Department will find it necessary to verify every signature contributes to the challenges in predicting this lines item's expenditures.

The JBC practice has been to appropriate \$150,000 cash funds in years with odd-year elections, and \$250,000 in years with even-year elections. Through an oversight, the Department requested an appropriation of \$250,000, consistent with the fiscal year including an even-year election. It should have requested \$150,000. **Staff recommends an appropriation of \$150,000 cash funds for FY 2013-14.**

## (4) Business and Licensing Division

This division provides document filing, records management, information retrieval, and educational services; registers business names and organization, trade names and trademarks; and files secured transaction records and notary applications; and makes these records available to the public. This Division also administers the lobbyist program, licenses entities involved in charitable bingo or raffle, registers charitable organizations, and publishes the Code of Colorado Regulation.

This division's responsibilities were previously carried out in the Administration Division. In order to improve the transparency of the Department's budget, JBC Staff recommended that the Elections Division be created (see JBC Staff Initiated Department Reorganization starting on page 10)

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>Business and Licensing Division</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
JBC Staff Initiated Department Reorganization	2,539,946	2,539,946	48.0
<b>TOTAL</b>	<b>\$2,539,946</b>	<b>\$2,539,946</b>	<b>48.0</b>
<b>Increase/(Decrease)</b>	\$2,539,946	\$2,539,946	48.0
Percentage Change	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$2,539,946)	(\$2,539,946)	(48.0)

#### Issue Descriptions

The recommendation includes the implementation of the JBC Staff initiated Department Reorganization.

#### LINE ITEM DETAIL

##### 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.

**Request:** The Department did not request this line item. It is part of the JBC Staff Initiated Reorganization discussed starting on page 10.

**Recommendation:** Staff recommends an appropriation of \$2,376,946 cash funds and 48.0 FTE.

<b>Personal Services</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
JBC Staff Initiated Department Reorganization	2,376,946	2,376,946	48.0
<b>TOTAL</b>	<b>\$2,376,946</b>	<b>\$2,376,946</b>	<b>48.0</b>
<b>Increase/(Decrease)</b>	\$2,376,946	\$2,376,946	48.0
Percentage Change	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$2,376,946)	(\$2,376,946)	(48.0)

**Operating Expenses**

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

**Request:** The Department did not request this line item. It is part of the JBC Staff Initiated Reorganization discussed starting on page 10.

**Recommendation:** Staff recommends an appropriation of \$163,000 cash funds.

<b>Operating Expenses</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
JBC Staff Initiated Department Reorganization	163,000	163,000	0.0
<b>TOTAL</b>	<b>\$163,000</b>	<b>\$163,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$163,000	\$163,000	0.0
Percentage Change	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$163,000)	(\$163,000)	0.0

**FY 2012-13 Supplemental**

On February 6, 2013, the Department submitted a supplemental request for an appropriation of \$267,880 cash funds from the Department of State Cash Fund for FY 2012-13. The request is to provide funding to address a shortfall in the Local Reimbursement line item in the Special Purpose Division.

**Recommendation:** While staff is concerned about the lack of timeliness in the Department filing this request, ultimately, statutes require the Department of State to reimburse the counties for each active registered voter in the County. The table at the end of this section shows the projected number of active registered voters in each county and the reimbursement that would have been required and the actual numbers and the reimbursements required for that number:

**Analysis:** Staff notes the date the supplemental was submitted and draws the Committee's attention to Section 24-37-304 (1) (b.5), which states:

*OSPB shall "Ensure submission, to the joint budget committee of the general assembly by January 1 of each year, of all agency requests for supplemental appropriations for the current fiscal year; however, nothing contained in this paragraph (b.5) shall be construed*



to prohibit an agency from later submitting a request for a supplemental appropriation based upon circumstances unknown to, and not reasonably foreseeable by, the requesting agency at the time of submission of the agency's original request for supplemental appropriations;"

While not clearly stated, staff believes that the legislative intent of this section was to extend these requirements to all executive agencies, not just OSPB, as stated in Section 24-37-302 (3) (a) and (b), C.R.S.:

"(3) (a) Notwithstanding any other provision of law to the contrary, the director of the office of state planning and budgeting shall require that all state agency budget submissions be distributed in an electronic format either by delivery of a compact disc or by the sending of an electronic notification that includes an attached budget submission or a hyperlink to the web site where the budget submission is posted.

(b) The department of state, the department of the treasury, the department of law, the judicial department, the office of state public defender, the office of alternate defense counsel, the independent ethics commission, and the office of the child's representative shall use the state agency budget submissions described in paragraph (a) of this subsection (3) as a guideline for the submission of their budgets to the joint budget committee."

The Department states that the information was not known to the Department until the counties submitted their requests for reimbursements. However, JBC staff notes that the Department manages the Statewide Colorado Registration and Election System (SCORE) which should have been utilized to at least estimate the number of registered active voters in each county, allowing the Department to realize that it would need the supplemental in time make a submission by January 1, 2013.

While the Department of State has not, in staff's estimation, adhered to the deadlines for submitting a supplemental budget request, Section 1-5-505.5, C.R.S., requires the State to reimburse counties "for the costs of the duties performed by the county clerk and recorder that relate to conducting the election on the ballot issue or ballot question; except that the reimbursement shall be set at the following rates:"

- \$0.90 for counties with 10,000 or fewer active registered voters.
- \$0.80 for counties with more than 10,000 active registered voters.

<b>County Reimbursement for the 2012 Coordinated Election</b>					
	<b>Projected Active Registered</b>	<b>Active Registered</b>	<b>Difference</b>	<b>Projected Reimbursement</b>	<b>Actual Reimbursement</b>
Adams	145,660	186,777	41,117	\$116,528	\$149,422
Alamosa	6,224	7,149	925	5,602	6,434
Arapahoe	257,346	310,526	53,180	205,877	248,421

<b>County Reimbursement for the 2012 Coordinated Election</b>					
	<b>Projected Active Registered</b>	<b>Active Registered</b>	<b>Difference</b>	<b>Projected Reimbursement</b>	<b>Actual Reimbursement</b>
Archuleta	6,479	6,838	359	5,831	6,154
Baca	2,293	2,143	(150)	2,064	1,929
Bent	1,966	2,000	34	1,769	1,800
Boulder	158,237	187,962	29,725	126,590	150,370
Broomfield	29,348	34,177	4,829	23,478	27,342
Chaffee	10,564	11,175	611	8,451	8,940
Cheyenne	1,190	1,167	(23)	1,071	1,050
Clear Creek	5,533	6,042	509	4,980	5,438
Conejos	4,177	4,214	37	3,759	3,793
Costilla	2,050	1,907	(143)	1,845	1,716
Crowley	1,572	1,539	(33)	1,415	1,385
Custer	2,823	2,764	(59)	2,541	2,488
Delta	15,854	16,716	862	12,683	13,373
Denver	260,662	336,830	76,168	208,530	269,464
Dolores	1,306	1,262	(44)	1,175	1,136
Douglas	153,814	177,100	23,286	123,051	141,680
Eagle	20,684	23,439	2,755	16,547	18,751
El Paso	259,482	319,341	59,859	207,586	255,473
Elbert	13,603	14,342	739	10,882	11,474
Fremont	21,204	21,911	707	16,963	17,529
Garfield	22,658	26,042	3,384	18,126	20,834
Gilpin	3,230	5,070	1,840	2,907	4,563
Grand	8,393	8,292	(101)	7,554	7,463
Gunnison	7,436	9,008	1,572	6,692	8,107
Hinsdale	682	665	(17)	614	599
Huerfano	3,778	5,053	1,275	3,400	4,548
Jackson	937	862	(75)	843	776
Jefferson	283,434	327,034	43,600	226,747	261,627
Kiowa	924	842	(82)	832	758
Kit Carson	3,825	3,892	67	3,443	3,503
La Plata	25,441	30,973	5,532	20,353	24,778
Lake	2,786	3,111	325	2,507	2,800
Larimer	171,787	195,969	24,182	137,430	156,775
Las Animas	6,523	7,014	491	5,871	6,313
Lincoln	2,314	2,416	102	2,083	2,174
Logan	9,345	9,724	379	8,411	8,752
Mesa	69,754	78,798	9,044	55,803	63,038
Mineral	694	676	(18)	625	608
Moffat	5,724	6,303	579	5,152	5,673
Montezuma	12,393	12,735	342	9,914	10,188
Montrose	19,529	21,347	1,818	15,623	17,078
Morgan	10,281	10,997	716	8,225	8,798
Otero	7,965	8,756	791	7,169	7,880
Ouray	3,137	3,324	187	2,823	2,992

<b>County Reimbursement for the 2012 Coordinated Election</b>					
	<b>Projected Active Registered</b>	<b>Active Registered</b>	<b>Difference</b>	<b>Projected Reimbursement</b>	<b>Actual Reimbursement</b>
Park	8,978	9,681	703	8,080	8,713
Phillips	2,303	2,297	(6)	2,073	2,067
Pitkin	8,725	10,413	1,688	7,853	8,330
Prowers	4,701	4,949	248	4,231	4,454
Pueblo	70,216	84,207	13,991	56,173	67,366
Rio Blanco	3,144	3,553	409	2,830	3,198
Rio Grande	5,200	5,680	480	4,680	5,112
Routt	12,816	13,520	704	10,253	10,816
Saguache	2,983	3,205	222	2,685	2,885
San Juan	583	577	(6)	525	519
San Miguel	3,827	4,534	707	3,444	4,081
Sedgwick	1,467	1,650	183	1,320	1,485
Summit	13,607	16,535	2,928	10,886	13,228
Teller	12,284	14,202	1,918	9,827	11,362
Washington	2,688	2,630	(58)	2,419	2,367
Weld	107,962	125,181	17,219	86,370	100,145
Yuma	<u>4,757</u>	<u>4,886</u>	<u>129</u>	<u>4,281</u>	<u>4,397</u>
<b>TOTAL</b>	<b>2,331,282</b>	<b>2,763,924</b>	<b>432,642</b>	<b>\$1,880,292</b>	<b>\$2,226,707</b>

## Long Bill Footnotes and Requests for Information

### LONG BILL FOOTNOTES

There are not any footnotes attached to the Department of State in the 2012 Long Bill and Staff does not recommend any for the 2013 Long Bill.

### LONG BILL FOOTNOTES

Staff recommends that the following request for information be discontinued.

#### DEPARTMENT OF STATE

- I. **Department of State, Administration, Personal Services --** The Department of State is requested to provide to the Joint Budget Committee, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed amongst the Administration, Elections, and Business sections within the Administration Division.

Comment: If the Committee adopts staff's recommendation to create the Elections and Business and Licensing Divisions from the Administration Division, this request for information will no longer be needed because the information will be readily available in the Long Bill. If the Committee does not adopt staff's recommendation, then this request for information is recommended to be continued.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**DEPARTMENT OF STATE**  
**Scott Gessler, Secretary of State**

**(1) ADMINISTRATION**

The Administration Division provides general management and supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by three sections within this Division: (1) business filings, (2) elections, and (3) licensing and enforcement. Starting in FY 2013-14, these sections are funded by the Department of State Cash Fund.

Personal Services	<u>4,921,553</u>	<u>5,409,712</u>	<u>5,858,812</u>	<u>5,983,812</u>	<u>1,519,439</u> *
FTE	80.5	82.0	99.0	100.0	19.0
Cash Funds	4,921,553	5,409,712	5,858,812	5,983,812	1,519,439
Health, Life, and Dental	<u>725,987</u>	<u>707,454</u>	<u>863,469</u>	<u>890,374</u>	<u>873,433</u>
Cash Funds	725,987	707,454	863,469	890,374	873,433
Short-term Disability	<u>10,625</u>	<u>10,415</u>	<u>13,800</u>	<u>15,275</u>	<u>15,351</u>
Cash Funds	10,625	10,415	13,800	15,275	15,351
S.B. 04-257 Amortization Equalization					
Disbursement	<u>164,523</u>	<u>171,969</u>	<u>244,953</u>	<u>297,124</u>	<u>298,569</u>
Cash Funds	164,523	171,969	244,953	297,124	298,569
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>119,965</u>	<u>129,979</u>	<u>210,507</u>	<u>268,237</u>	<u>269,542</u>
Cash Funds	119,965	129,979	210,507	268,237	269,542
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,267</u>	<u>183,057</u>
Cash Funds	0	0	0	138,267	183,057

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>	<b>FY 2013-14 Recommendation</b>
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,623</u>	<u>114,631</u>
Cash Funds	0	0	0	114,623	114,631
Workers' Compensation	<u>6,099</u>	<u>5,210</u>	<u>6,926</u>	<u>13,969</u>	<u>13,969</u>
Cash Funds	6,099	5,210	6,926	13,969	13,969
Operating Expenses	<u>679,138</u>	<u>874,804</u>	<u>1,032,115</u>	<u>863,115</u>	<u>500,816</u> *
Cash Funds	679,138	874,804	1,032,115	863,115	500,816
Legal Services	<u>436,780</u>	<u>538,296</u>	<u>549,866</u>	<u>549,866</u>	<u>549,866</u>
Cash Funds	436,780	538,296	549,866	549,866	549,866
Administrative Law Judge Services	<u>99,487</u>	<u>31,441</u>	<u>114,624</u>	<u>30,797</u>	<u>30,797</u>
Cash Funds	99,487	31,441	114,624	30,797	30,797
Purchase of Services from Computer Center	<u>51,559</u>	<u>1,640</u>	<u>102,789</u>	<u>159,578</u>	<u>159,578</u>
Cash Funds	51,559	1,640	102,789	159,578	159,578
Multiuse Network Payments	<u>318,188</u>	<u>66,234</u>	<u>0</u>	<u>75,116</u>	<u>75,116</u>
Cash Funds	318,188	66,234	0	75,116	75,116
Payment to Risk Management and Property Funds	<u>7,038</u>	<u>22,264</u>	<u>37,672</u>	<u>41,027</u>	<u>41,027</u>
Cash Funds	7,038	22,264	37,672	41,027	41,027
Vehicle Lease Payments	<u>2,969</u>	<u>2,861</u>	<u>2,963</u>	<u>2,963</u>	<u>2,963</u>
Cash Funds	2,969	2,861	2,963	2,963	2,963
Leased Space	<u>617,827</u>	<u>529,826</u>	<u>641,271</u>	<u>641,271</u>	<u>641,271</u>
Cash Funds	617,827	529,826	641,271	641,271	641,271

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>	<b>FY 2013-14 Recommendation</b>
COFRS Modernization	<u>0</u>	<u>0</u>	<u>40,140</u>	<u>40,140</u>	<u>40,140</u>
Cash Funds	0	0	40,140	40,140	40,140
Indirect Cost Assessment	<u>148,002</u>	<u>136,752</u>	<u>105,838</u>	<u>107,012</u>	<u>107,012</u>
Cash Funds	148,002	136,752	105,838	107,012	107,012
Discretionary Fund	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Cash Funds	5,000	5,000	5,000	5,000	5,000
Address Confidentiality Program	<u>126,002</u>		<u>0</u>		<u>0</u>
FTE	1.5	0.0	0.0	0.0	0.0
Cash Funds	126,002	0	0	0	0
<b>TOTAL - (1) Administration</b>	<b>8,440,742</b>	<b>8,643,857</b>	<b>9,830,745</b>	<b>10,237,566</b>	<b>5,441,577</b>
<b>FTE</b>	<b><u>82.0</u></b>	<b><u>82.0</u></b>	<b><u>99.0</u></b>	<b><u>100.0</u></b>	<b><u>19.0</u></b>
<b>Cash Funds</b>	<b>8,440,742</b>	<b>8,643,857</b>	<b>9,830,745</b>	<b>10,237,566</b>	<b>5,441,577</b>

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**(2) INFORMATION TECHNOLOGY**

The Information Technology Services division provides most of the technology support for the Department and is responsible for the Department's compliance with the Colorado Information Security Act. The Department provides search and filing services via the internet and it processes over 1,200 web-based transactions daily. The division also provides project direction and support for the statewide voter registration and election management system. Funding is provided by the Department of State Cash Fund. In prior fiscal years, the Statewide Disaster Recovery Center was at least partially funded and administered in this Division. That responsibility has been transferred to the Governor's Office of Information Technology.

**(A) Information Technology**

Provides IT support to the Department and manages the statewide voter registration database.

Personal Services	<u>3,171,049</u>	<u>2,972,174</u>	<u>4,643,257</u>	<u>5,484,414</u>	<u>5,034,414</u> *
FTE	28.0	27.6	34.0	35.0	35.0
Cash Funds	3,171,049	2,972,174	4,643,257	5,484,414	5,034,414
Operating Expenses	<u>376,807</u>	<u>470,780</u>	<u>480,162</u>	<u>605,162</u>	<u>480,162</u> *
Cash Funds	376,807	470,780	480,162	605,162	480,162
Hardware/Software Maintenance	<u>878,230</u>	<u>949,735</u>	<u>1,456,870</u>	<u>1,569,370</u>	<u>1,569,370</u> *
Cash Funds	878,230	949,735	1,456,870	1,569,370	1,569,370
Information Technology Asset Management	<u>421,294</u>	<u>441,750</u>	<u>445,418</u>	<u>605,683</u>	<u>605,683</u> *
Cash Funds	421,294	441,750	445,418	605,683	605,683
<b>SUBTOTAL - (A) Information Technology</b>	4,847,380	4,834,439	7,025,707	8,264,629	7,689,629
FTE	<u>28.0</u>	<u>27.6</u>	<u>34.0</u>	<u>35.0</u>	<u>35.0</u>
Cash Funds	4,847,380	4,834,439	7,025,707	8,264,629	7,689,629



**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**(B) Statewide Disaster Recovery Center**

Responsibility for the Statewide Disaster Recovery Center was transferred to the Office of Information Technology in FY 2011-12, though funding was transferred in one-third increments starting in FY 2011-12. For FY 2013-14, the Department of State no longer provides funding for this function.

Leased Space	<u>1,913,072</u>	<u>1,576,523</u>	<u>776,497</u>	<u>0</u>	<u>0</u>
Cash Funds	1,913,072	1,576,523	776,497	0	0
Personal Services	<u>104,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.3	0.0	0.0	0.0	0.0
Cash Funds	104,700	0	0	0	0
Operating Expenses	<u>154,993</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	154,993	0	0	0	0
Hardware/Software Maintenance	<u>41,607</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	41,607	0	0	0	0

<b>SUBTOTAL - (B) Statewide Disaster Recovery Center</b>	2,214,372	1,576,523	776,497	0	0
FTE	<u>1.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	2,214,372	1,576,523	776,497	0	0

<b>TOTAL - (2) Information Technology</b>	7,061,752	6,410,962	7,802,204	8,264,629	7,689,629
FTE	<u>29.3</u>	<u>27.6</u>	<u>34.0</u>	<u>35.0</u>	<u>35.0</u>
Cash Funds	7,061,752	6,410,962	7,802,204	8,264,629	7,689,629

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(3) ELECTIONS DIVISION</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,962,427</u>
FTE	0.0	0.0	0.0	0.0	32.0
Cash Funds	0	0	0	0	1,962,427
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>149,299</u>
Cash Funds	0	0	0	0	149,299
Help America Vote Act Program	<u>2,681,433</u>	<u>1,410,209</u>	<u>349,222</u>	<u>349,222</u>	<u>349,222</u>
FTE	7.0	0.0	0.0	0.0	0.0
Cash Funds	2,681,433	1,410,209	349,222	349,222	349,222
Local Election Reimbursement	<u>1,666,033</u>	<u>1,541,360</u>	<u>1,958,827</u>	<u>1,958,827</u>	<u>2,226,707</u>
Cash Funds	1,666,033	1,541,360	1,958,827	1,958,827	2,226,707
Initiative and Referendum	<u>40,493</u>	<u>184,253</u>	<u>250,000</u>	<u>250,000</u>	<u>150,000</u>
Cash Funds	40,493	184,253	250,000	250,000	150,000
<b>TOTAL - (3) Elections Division</b>	4,387,959	3,135,822	2,558,049	2,558,049	4,837,655
FTE	<u>7.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>32.0</u>
Cash Funds	4,387,959	3,135,822	2,558,049	2,558,049	4,837,655

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(4) BUSINESS AND LICENSING DIVISION</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,376,946</u>
FTE	0.0	0.0	0.0	0.0	48.0
Cash Funds	0	0	0	0	2,376,946
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>163,000</u> *
Cash Funds	0	0	0	0	163,000
<b>TOTAL - (4) Business and Licensing Division</b>	0	0	0	0	2,539,946
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>48.0</u>
Cash Funds	0	0	0	0	2,539,946
<b>TOTAL - Department of State</b>	19,890,453	18,190,641	20,190,998	21,060,244	20,508,807
FTE	<u>118.3</u>	<u>109.6</u>	<u>133.0</u>	<u>135.0</u>	<u>134.0</u>
Cash Funds	19,890,453	18,190,641	20,190,998	21,060,244	20,508,807

## **Appendix B: Indirect Cost Plan**

The Department of State is included in the Statewide Indirect Cost Plan and those costs are shown in the Administration section of the Long Bill. Because it is entirely cash-funded, the Department does not have a Departmental Indirect Cost Plan.