

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2009-10 STAFF FIGURE SETTING

DEPARTMENT OF STATE

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

**Prepared By:
Caroline Smith, JBC Staff
February 12, 2009**

For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

**FY 2009-10 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF STATE

TABLE OF CONTENTS

Numbers Pages	1
Summary of Significant Staff Recommendations	7
Narrative	8
Requests for Information	21

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

TABLE OF CONTENTS			
Long Bill Sections	Description of Major Program Areas	Page References	
		Figures	Narrative
ADMINISTRATION	Business Division; Elections; Licensing; Charitable Solicitations; Notaries Public	1	7
SPECIAL PURPOSE	Help America Vote Act; Local Election Reimbursement; Initiative and Referendum	3	15
INFORMATION TECHNOLOGY SERVICES	Cyber-Security; SCORE; IT Support; Statewide Disaster Recovery Center	4	17

FY 2009-10 Joint Budget Committee Staff Figure Setting

	FY 2006-07	FY 2007-08	FY 2008-09		FY 2009-10	FY 2009-10	Change
	Actual	Actual	Approp.		Request	Recomm.	Requests

DEPARTMENT OF STATE
Secretary of State - Bernie Buescher

(1) Administration

Primary Functions: Administer election laws; administer public official, lobbyist, and business entity filing laws; license notaries public and charitable solicitors; regulate bingo and raffles charitable gaming.

Personal Services	4,816,557	4,688,050	5,107,788	S	5,481,393	5,313,373	
FTE	<u>83.5</u>	<u>74.0</u>	<u>85.5</u>	S	<u>89.5</u>	<u>85.5</u>	
Cash Funds	4,813,238	4,688,050	5,107,788	S	5,481,393	5,313,373	
FTE	82.5	74.0	0.0		0.0	0.0	
Cash Funds Exempt / Reappropriated Funds	3,319	0	0		0	0	
FTE	1.0	0.0	0.0		0	0	
Health, Life and Dental	<u>401,793</u>	<u>456,590</u>	<u>566,848</u>		<u>676,089</u>	<u>676,089</u>	
Cash Funds	366,415	456,590	566,848		676,089	676,089	
Cash Funds Exempt / Reappropriated Funds	35,378	0	0		0	0	
Short-term Disability	<u>6,304</u>	<u>7,416</u>	<u>9,485</u>		<u>9,489</u>	<u>9,146</u>	
Cash Funds	5,757	7,416	9,485		9,489	9,146	
Cash Funds Exempt / Reappropriated Funds	547	0	0		0	0	
Amortization Equalization Disbursement	<u>54,272</u>	<u>67,217</u>	<u>116,741</u>		<u>146,561</u>	<u>118,018</u>	
Cash Funds	50,159	67,217	116,741		146,561	118,018	
Cash Funds Exempt / Reappropriated Funds	4,113	0	0		0	0	
SAED		<u>14,098</u>	<u>54,722</u>		<u>90,332</u>	<u>73,761</u>	
Cash Funds		14,098	54,722		90,332	73,761	

FY 2009-10 Joint Budget Committee Staff Figure Setting

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>		<u>FY 2009-10</u>	<u>FY 2009-10</u>	<u>Change</u>
	<u>Actual</u>	<u>Actual</u>	<u>Approp.</u>		<u>Request</u>	<u>Recomm.</u>	<u>Requests</u>
Salary Survey and Senior Executive Service	<u>235,212</u>	<u>249,489</u>	<u>266,908</u>		<u>0</u>	<u>0</u>	
Cash Funds	209,640	249,489	266,908		0 A	0	
Cash Funds Exempt / Reappropriated Funds	25,572	0	0		0	0	
Performance-Based Pay Awards	<u>88,437</u>	<u>98,697</u>	<u>97,114</u>		<u>0</u>	<u>0</u>	
Cash Funds	78,402	98,697	97,114		0	0	
Cash Funds Exempt / Reappropriated Funds	10,035	0	0		0	0	
Workers' Compensation - Cash Funds	4,513	4,862	6,201		6,210	Pending	
Operating Expenses - Cash Funds	589,147	625,556	825,243	S	837,926	821,443	
Legal Services - Cash Funds	<u>264,785</u>	<u>341,431</u>	<u>389,536</u>	S	<u>534,536</u>	<u>Pending</u>	
<i>Hours Equivalent</i>	<u>4,108</u>	<u>4,740</u>	<u>5,187</u>	S	<u>7,118</u>	<u>7,118</u>	
Administrative Law Judge Services - Cash Funds	134,277	143,601	86,417		88,409	Pending	
Purchase of Services from Computer Center - CF	829	31,218	44,341		44,341	Pending	
Multiuse Network Payments - Cash Funds	474,099	550,747	569,609		569,609	Pending	
Payments to Risk Management and Property Funds - CF	33,365	17,674	23,303		23,303	Pending	
Vehicle Lease Payments - Cash Funds	2,487	2,714	2,714		2,714	Pending	
Leased Space - Cash Funds	363,125	597,230	709,669		639,747	639,747	
Indirect Cost Assessment - Cash Funds	113,610	165,717	224,409		224,409	89,807	

FY 2009-10 Joint Budget Committee Staff Figure Setting

	FY 2006-07	FY 2007-08	FY 2008-09		FY 2009-10	FY 2009-10	Change
	Actual	Actual	Approp.		Request	Recomm.	Requests
Discretionary Fund - Cash Funds	4,643	5,000	5,000		5,000	5,000	
Address Confidentiality Program		65,000	78,215	S	75,337	78,215	
FTE		<u>1.0</u>	<u>1.0</u>		<u>1.0</u>	<u>1.0</u>	
Cash Funds (ACP Cash Fund)		65,000	78,215		75,337	78,215	
TOTAL - ADMINISTRATION	7,587,455	8,132,307	9,184,263		9,455,405	7,824,599	
FTE	<u>83.5</u>	<u>75.0</u>	<u>86.5</u>	S	<u>90.5</u>	<u>86.5</u>	
Cash Funds	7,508,491	8,132,307	9,184,263	S	9,455,405	7,824,599	
FTE	82.5	81.0	0.0		0.0	0.0	
Cash Funds Exempt / Reappropriated Funds	78,964	0	0		0	0	
FTE	1.0	0.0	0.0		0.0	0.0	

(2) Special Purpose

Primary Function: Implement the Help America Vote Act; reimburse counties for elections and ballot initiatives; administer the initiative and referendum laws.

Help America Vote Act	18,628,609	9,405,515	6,976,940		2,356,286	2,356,286	
FTE	<u>9.0</u>	<u>9.5</u>	<u>7.5</u>		<u>10.0</u>	<u>10.0</u>	
Cash Funds (Federal Elections Assistance Fund)	0	0	6,976,940		2,356,286 a/	2,356,286	
FTE	0.0	0.0	7.5		10.0	10.0	
Cash Funds Exempt / Reappropriated Funds	18,628,609	9,405,515	0		0	0	
FTE	9.0	9.5	0.0		0.0	0.0	
Federal Elections Assistance Fund - Cash Funds	0	89,229	0		0	0	
Local Election Reimbursement - Cash Funds	1,681,178	914	2,179,923		1,729,923	1,729,923	

FY 2009-10 Joint Budget Committee Staff Figure Setting

	FY 2006-07	FY 2007-08	FY 2008-09		FY 2009-10	FY 2009-10	Change
	Actual	Actual	Approp.		Request	Recomm.	Requests
Electronic Filing Grants to Counties - Cash Funds	635,742	0	0		0	0	
Initiative and Referendum - Cash Funds	0	50,000	345,000	S	50,000	50,000	
Master List Distribution Contract - Cash Funds	58,382	0	0		0	0	
TOTAL - SPECIAL PURPOSE	21,003,911	9,545,658	9,501,863		4,136,209	4,136,209	
FTE	<u>9.0</u>	<u>9.5</u>	<u>7.5</u>		<u>10.0</u>	<u>10.0</u>	
Cash Funds	2,375,302	140,143	9,501,863		4,136,209	4,136,209	
FTE	0.0	0.0	0.0		0.0	0.0	
Cash Funds Exempt / Reappropriated Funds	18,628,609	9,405,515	0		0	0	
FTE	9.0	9.5	0.0		0.0	0.0	

a/ Pursuant to Section 1-1.5-106, C.R.S., these amounts are continuously appropriated from the Federal Elections Assistance Fund and are shown for informational purposes only.

(3) Information Technology Services

Primary Function: Provides IT support to the Department, including support of all online filings and functions. Line items are cash funded from the Department of State Cash Fund.

(A) Information Technology

Personal Services	3,934,853	2,877,270	4,863,513	S	3,289,789	3,190,680
FTE	<u>32.0</u>	<u>25.2</u>	<u>31.1</u>	S	<u>32.1</u>	<u>31.1</u>
Cash Funds	3,934,853	2,877,270	4,863,513	S	3,289,789	3,190,680
Operating Expenses - Cash Funds	1,290,280	457,076	766,480	S	475,260	474,310
Hardware/Software Maintenance - Cash Funds	796,136	540,884	878,230		878,230	878,230

FY 2009-10 Joint Budget Committee Staff Figure Setting

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Recomm.	Requests
Information Technology Asset Management - Cash Funds	409,439	427,009	445,418	445,418	445,418	
(3) Information Technology Services						
Subtotal - (A) Information Technology	6,430,708	4,302,239	6,953,641	5,088,697	4,988,638	
FTE	<u>32.0</u>	<u>25.2</u>	<u>31.1</u>	<u>32.1</u>	<u>31.1</u>	
Cash Funds	6,430,708	4,302,239	6,953,641	5,088,697	4,988,638	
(B) Statewide Disaster Recovery Center						
Personal Services		173,939	115,144 S	185,619	120,387	
FTE		<u>2.0</u>	<u>2.0</u> S	<u>3.0</u>	<u>2.0</u>	
Cash Funds		173,939	115,144 S	185,619	120,387	
Operating - Cash Funds		73,882	246,050 S	247,000	246,050	
Hardware/Software Maintenance - Cash Funds		47,000	47,000	47,000	47,000	
Leased Space- Cash Funds		1,749,000	1,749,000	1,857,348	1,857,348	
(3) Information Technology Services						
Subtotal - (B) Statewide Disaster Recovery Center		2,043,821	2,157,194	2,336,967	2,270,785	
FTE		<u>2.0</u>	<u>2.0</u>	<u>3.0</u>	<u>2.0</u>	
Cash Funds		2,043,821	2,157,194	2,336,967	2,270,785	

FY 2009-10 Joint Budget Committee Staff Figure Setting

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2009-10	Change
	Actual	Actual	Approp.	Request	Recomm.	Requests
TOTAL - INFORMATION TECHNOLOGY SERVICES	6,430,708	6,346,060	9,110,835	7,425,664	7,259,423	
FTE	<u>32.0</u>	<u>27.2</u>	<u>33.1</u>	<u>35.1</u>	<u>33.1</u>	
Cash Funds	6,430,708	6,346,060	9,110,835	7,425,664	7,259,423	
DEPARTMENT OF STATE TOTALS	35,022,074	24,024,025	27,796,961	21,017,278	19,220,231	
FTE	<u>124.5</u>	<u>111.7</u>	<u>127.1</u>	<u>135.6</u>	<u>129.6</u>	
Cash Funds	16,314,501	14,618,510	27,796,961	21,017,278	19,220,231	
FTE	114.5	81.0	0.0	0.0	0.0	
Cash Funds Exempt / Reappropriated Funds	18,707,573	9,405,515	0	0	0	
FTE	10.0	9.5	0.0	0.0	0.0	

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Summary of Significant Staff Recommendations in This Packet		
Recommended Changes from FY 2008-09 Appropriation:		
Description	Cash Funds¹	FTE
Contracted Increase in Leased Space for E-Fort	\$108,348	
FY 2008-09 Base-building Performance-based Pay and Salary Survey	361,653	
Campaign Finance (H.B. 08-1109)	(28,000)	
Decrease in Leased Space for Elections	(69,922)	
Base Reduction for Personal Services ≥ 20.0 FTE	(76,644)	
Initiative and Referendum	(295,000)	
Eliminate Performance-based Pay and Salary Survey for FY 2009-10	(364,022)	
Annualize Accounting System Funds	(420,000)	
Annualize Colorado Information Security Act Funds	(442,326)	
Voter Information Cards (H.B. 08-1401)	(450,000)	
Information Technology (S.B. 07-259)	(1,410,000)	
Help America Vote Act (HAVA) ²	(4,660,745)	2.5
Total	(\$7,746,658)	2.5

¹ The Department is primarily funded by the Department of State Cash Fund (see Section 24-21-104, C.R.S.). The FY 2008-09 appropriation also includes approximately \$7.0 million from the Federal Elections Assistance Fund for HAVA-related purposes [see Section 1-1.5-106 (1) (a), C.R.S.], approximately \$790,000 from the Notary Administration Cash Fund [see Section 12-55-102.5 (1), C.R.S.], and approximately \$75,337 from the Address Confidentiality Program Surcharge Fund [see Section 24-21-214 (4) (a), C.R.S.].

² HAVA funds are continuously appropriated and provided in this document for informational purposes only.

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

(1) ADMINISTRATION

Administration

- The Administration section provides general management supervision, including finance and human resources, for the Business, Elections, and Licensing divisions within the Department.
- Arranges for administrative hearings 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.
- Files and certifies Effective Financing Statements and distributes master lists in an electronic format.
- Registers and stores Uniform Commercial Code (UCC) documents such as security interests, liens, and other financial information that is important to lending institutions.
- The Department of State is required to charge fees for its business filings, which comprise the majority of the Department's cash fund revenue.³

Licensing Division

- Implements the Administrative Rules Code, a body of statutes that govern rule-making.
- Regulates bingo and raffles.⁴
- Regulates charities and fraudulent charitable solicitations.
- Regulating notaries public pursuant to Sections 12-55-101 through 211, C.R.S.

Elections Division

- Supervises primary and general elections.
- Performs official recounts for federal, state, and district elections.
- Conducts the voting systems certification program.
- Provides training and other support for county election officials.
- Regulates lobbyists pursuant to Sections 24-6-301 through 309, C.R.S.

Address Confidentiality Program (ACP)

- Keeps confidential the address of victims of certain crimes by receiving mail at a substitute address and then forwarding it to the participant.

³ Pursuant to Section 24-21-104, C.R.S.

⁴ See Article XVIII, Section 2 of the State Constitution

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Administration Division Staffing Summary					
Division	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10 Request	FY 2009-10 Recomm.
Administration	11.0	12.5	14.5	14.5	14.5
Business Filings	40.9	27.0	30.0	30.0	30.0
Licensing	20.6	20.5	20.5	20.5	20.5
Elections	11.0	14.0	20.5	24.5	20.5
ACP	0.0	1.0	1.0	1.0	1.0
Total	83.5	75.0	86.5	90.5	86.5

Administration Division Staffing Detail				
Division / Position	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request	FY 2009-10 Recomm.
Administration				
Accountant / Accounting Technician	3.0	3.0	3.0	3.0
Administrative / Program Assistant	2.0	3.0	3.0	3.0
Budget & Policy Analyst III & IV	0.5	0.5	0.5	0.5
Controller II	1.0	1.0	1.0	1.0
Deputy Secretary of State	1.0	1.0	1.0	1.0
Management / HR Director	3.0	4.0	4.0	4.0
Public Information Officer	1.0	1.0	1.0	1.0
Secretary of State	1.0	1.0	1.0	1.0
Subtotal	12.5	14.5	14.5	14.5
Business				
Analyst	1.0	1.0	1.0	1.0
Call Center / Help Desk	7.0	10.0	10.0	10.0
Document Processing	10.0	6.5	6.5	6.5
Legal	4.0	7.0	7.0	7.0

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Administration Division Staffing Detail				
Division / Position	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request	FY 2009-10 Recomm.
Management	4.0	3.0	3.0	3.0
State Services Trainee IV	1.0	2.5	2.5	2.5
Subtotal	27.0	30.0	30.0	30.0
Elections				
Administrative Assistant II & III	4.0	4.5	4.5	4.5
Deputy Division Director	1.0	1.0	1.0	1.0
Division Director	1.0	1.0	1.0	1.0
Legal	2.0	3.0	3.0	3.0
Program Coordinator / Specialist	6.0	6.0	6.0	6.0
Voter Database Manager		1.0	1.0	1.0
Voting Equipment Certification		4.0	8.0	4.0
Subtotal	14.0	20.5	24.5	20.5
Bingo / Raffle/ Charitable / Licensing / Notary/ ACP				
Administrative Assistant II & III	5.5	5.5	5.5	5.5
Assistant Director	1.0	1.0	1.0	1.0
Compliance Investigator I & II	6.0	6.0	6.0	6.0
Division Director	1.0	1.0	1.0	1.0
Program Assistant / Coordinator	8.0	8.0	8.0	8.0
Subtotal	21.5	21.5	21.5	21.5
Total	75.0	86.5	90.5	86.5

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Personal Services

The Department requests a \$5,481,393 cash funds appropriation for the Personal Services line item. **Staff recommends an appropriation of \$5,313,373 cash funds and 85.5 FTE.** This amount reflects the FY 2008-09 Long Bill appropriation and the base-building salary survey and performance-based pay that were awarded for FY 2008-09. It also includes the FY 2008-09 supplemental that reduced the appropriation for the voting equipment certification (VEC) program by \$123,605 cash funds and 4.0 FTE, as well as the 1.0 percent base reduction pursuant to Committee common policy. The following table outlines how staff calculated the FY 2009-10 appropriation.

Summary of Recommendation: Personal Services FY 2009-10		
Item	Amount	FTE
FY 2008-09 Long Bill appropriation	5,257,626	89.5
Salary survey awarded in FY 2008-09	154,824	
80.0% performance-based pay awarded in FY 2008-09	68,943	
Supp. #2, reduce VEC appropriation	(123,605)	(4.0)
Supp. #4, temporarily reduce spending authority	(250,000)	
Final FY 2008-09 Appropriation	5,107,788	85.5
Reinstate FY 2008-09 spending authority	250,000	
1.0% base reduction for lines ≥ 20.0 FTE ^{1/}	(44,415)	
FY 2009-10 Recommendation	5,313,373	85.5
1/ Staff exempted \$916,265 for contract services prior to applying the base reduction, because contract services are not eligible for vacancy savings.		

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Health, Life, and Dental

Staff recommends an appropriation of \$676,089 for the Health, Life, and Dental line item, pursuant to Committee-approved common policy.

Short-term Disability

Staff recommends an appropriation of \$9,146 for the Short-term Disability line item, pursuant to Committee-approved common policy.

Amortization Equalization Disbursement

Staff recommends an appropriation of \$118,018 for Amortization Equalization Disbursement, pursuant to Committee-approved common policy.

Supplemental Amortization Equalization Disbursement

Staff recommends an appropriation of \$73,761 for Supplemental Amortization Equalization Disbursement, pursuant to Committee-approved common policy.

Salary Survey and Senior Executive Service

The Department's November 1, 2008 budget request included \$167,077 for salary survey. However, in accordance with statewide common policy, the Department submitted a budget amendment that eliminated salary survey and senior executive service from its FY 2009-10 budget request. **Staff recommends \$0 for salary survey for FY 2009-10.**

Performance-Based Pay Awards

In accordance with statewide common policy, the Department's November 1, 2008 budget request did not include performance-based pay. **Staff recommends \$0 for performance-based pay awards for FY 2009-10.**

Workers' Compensation

Staff recommendation is pending committee approval of a common policy for Workers' Compensation. Staff requests permission to apply common policy once it has been determined.

Operating Expenses

The Department requests \$837,296 for operating expenses. **Staff recommends \$821,443 cash funds for the operating expenses line item.** This amount is based on the FY 2008-09 appropriation and incorporates a FY 2008-09 supplemental that reduced the line item by \$3,800 to account for operating savings related to the reduction of 4.0 FTE.

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Legal Services

The Legal Services line item appropriation increased to \$534,536 cash funds for FY 2008-09 in anticipation of the November, 2008 election. Actual expenditures were less than anticipated, so the Department requested a FY 2008-09 supplemental that transferred \$145,000 from Legal Services to the Initiative and Referendum line item.

The Department's legal expenditures have fluctuated in recent years. They are driven by factors outside of the Department's control, primarily by the number of legal actions brought against the Department. This is one of the reasons that the Department requests to restore the appropriation to the initial FY 2008-09 amount, because it is difficult to anticipate the expenses that the Department will incur. **The Department requests, and staff recommends, 7,118 legal services hours for FY 2008-09.** The associated dollar amount is pending Committee approval of common policy. Staff requests permission to apply common policy once it has been determined.

Administrative Law Judge Services

The Department requests \$86,417 cash funds for administrative law judge services. Staff recommendation is **pending Committee approval of common policy**, and staff requests permission to apply this policy once it has been determined.

Purchase of Services from Computer Center

The Department requests \$44,341 cash funds for this line item. Staff recommendation is **pending Committee approval of a common policy** for Purchases of Services from the Computer Center. Staff requests permission to apply common policy once it has been determined.

Multiuse Network Payments

The Department requests \$569,609 cash funds for Multiuse Network Payments. **Staff recommendation is pending Committee approval of a common policy.** Staff requests permission to apply common policy once it has been determined.

Payment to Risk Management and Property Funds

The Department requests an appropriation of \$23,303 cash funds for this line item. **Staff recommendation is pending Committee approval of a common policy for Payment to Risk Management and Property Funds.** Staff requests permission to apply common policy once it has been determined.

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Vehicle Lease Payments

The Department requests an appropriation of \$2,714 cash funds for Vehicle Lease Payments. **Staff recommendation is pending Committee approval of a common policy for Vehicle Lease Payments.** Staff requests permission to apply common policy once it has been determined.

Leased Space

The Department requests \$639,747 cash funds for leased space. This amount reflects a \$69,922 reduction from the FY 2008-09 Long Bill appropriation because the Department's voting systems certification program does not require as much space as initially anticipated. **Staff recommends a \$639,747 cash funds appropriation for the Leased Space line item.**

Indirect Cost Assessment

Pursuant to Committee common policy, **staff recommends an \$89,807 cash funds appropriation for the Indirect Cost Assessment line item.**

Discretionary Fund

In accordance with Section 24-9-105 (d), C.R.S., the Secretary of State may receive \$5,000 per year for expenditures related to official business. **The Department requests, and staff recommends, a \$5,000 cash funds appropriation for the Discretionary Fund line item.**

Address Confidentiality Program

The Address Confidentiality Program (ACP) keeps confidential the address of a relocated victim of domestic violence, stalking, sexual offense, or similar crime by receiving mail at a substitute address and then forwarding it to the participant (see Section 24-21-104, C.R.S.). The program was created with its own fund source, a \$28 surcharge levied on offenders who are convicted of certain crimes such as domestic violence or stalking. The ACP received a FY 2008-09 supplemental appropriation of \$2,878 for unanticipated costs for postage, travel, and printing expenses. **Staff recommends \$78,215 cash funds and 1.0 FTE for the Address Confidentiality Program line item.** The fund source is the Address Confidentiality Surcharge Fund.

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

(2) SPECIAL PURPOSE

The Special Purpose section includes the Help America Vote Act, the Local Election Reimbursement, and the Initiative and Referendum line items.

Help America Vote Act (HAVA)

Congress passed the Help America Vote Act (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 creating the Federal Elections Assistance Fund to receive federal and state monies appropriated for HAVA-related purposes (see Section 1-1.5-106, C.R.S.). It is estimated that by the end of FY 2008-09, the Fund will have received \$44.0 million federal dollars, \$1.5 million state matching funds, and generated \$5.3 million in interest on these funds.

Pursuant to Section 1-1.5-106 (2), C.R.S., monies in the Federal Elections Assistance Fund may be used only for HAVA-specified purposes and are continuously appropriated to the Department for the administration, implementation, and enforcement of HAVA. The HAVA line item appropriation is a projection and included for informational purposes only. The funds have been used to improve the administration of federal elections by replacing outdated voting technology, improving voter education, improving accessibility for disabled voters, and instituting a statewide computerized voter registration system. **The Department requests, and staff recommends, an informational appropriation of \$2,356,286 and 10.0 FTE for the Help America Vote Act line item.** This amount is \$4,620,654 less than the FY 2008-09 appropriation because the majority of the expenses associated with HAVA, such as the voting system improvements and the development and implementation of the statewide computerized voter registration database, will be complete by FY 2009-10.

Local Election Reimbursement

Section 1-5-505.5, C.R.S., requires the Secretary of State to reimburse counties for a portion of the costs related to having a statewide issue on the ballot. Counties with fewer than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.70 per each of these voters. This is the only State reimbursement to the counties for election costs.

House Bill 08-1401 required County Clerks to mail a voter information card to all voters who became inactive since the 2006 general election, and appropriated an additional \$450,000 to the Local Election Reimbursement line item to reimburse the counties for associated costs. This requirement is repealed July 1, 2009, so the associated appropriation is not included in staff's FY

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

2009-10 recommendation. **The Department requests, and staff recommends, an appropriation of \$1,729,923 for FY 2009-10.**

Initiative and Referendum

This appropriation funds 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 fluctuate widely 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. In even year elections (general elections), there are no restrictions on the types of initiatives, which is why the expenditures are significantly greater during these years.

Most petitions are submitted with approximately 80,000 - 100,000 signatures, and by statute the Secretary has only 30 days to verify the signatures. In order to achieve this, the Department hires temporary workers, which can cost as much as \$50,000 per petition. 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 doesn't have to verify every signature. This is one of the variables that makes it difficult to accurately forecast expenditures for this line item. The Department received an unprecedented number of initiatives for the November, 2008 election, which resulted in greater costs. A FY 2008-09 supplemental transferred \$145,000 from the Legal Services line item to the Initiative and Referendum line item for these additional expenditures. Staff does not anticipate this same level of expenditures in FY 2009-10 because it is an odd-year election. **The Department requests, and staff recommends, a \$50,000 cash funds appropriation for the Initiative and Referendum line item.** Staff's calculations are displayed in the following table.

Initiative and Referendum	
Item	Amount
FY 2008-09 Long Bill approp.	\$200,000
FY 2008-09 supplemental	145,000
Total FY 2008-09 appropriation	345,000
Annualize FY 2008-09 supp.	(145,000)
Adjust for odd-year election	(150,000)
Total FY 2009-10 recommendation	\$50,000

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

(3) INFORMATION TECHNOLOGY (IT) SERVICES

(A) Information Technology

The Information Technology section provides technical services and support for the Department. It maintains the Department's data center and website, and supports many of the Business division's online activities.

Personal Services

The Department requests a \$3,289,789 cash funds appropriation and 31.1 FTE for the Information Technology, Personal Services line item. **Staff recommends an appropriation of \$3,190,680 cash funds and 31.1 FTE** for Information Technology, Personal Services. Staff's calculations are reflected in the table below, followed by the division's staffing summary.

Information Technology, Personal Services		
Item	Amount	FTE
FY 2008-09 Long Bill	\$5,177,393	32.1
Special Bill H.B. 08-1109	28,000	
FY 2008-09 supp., eliminate long-term vacancy	(66,880)	(1.0)
FY 2008-09 supp., temporarily reduce appropriation	(275,000)	
Salary survey awarded in FY 2008-09	65,876	
Performance-based pay awarded in FY 2008-09	26,676	
Total FY 2008-09 Appropriation	\$4,956,065	31.1
Reinstate spending authority	275,000	
Annualize H.B. 08-1109	(28,000)	
Annualize FY 2008-09 CISA decision item	(265,156)	
Annualize FY 2008-09 accounting decision item	(305,000)	
Annualize S.B. 07-259	(1,410,000)	
1.0% Base reduction ≥ 20 FTE	(32,229)	
Total FY 2009-10 Recommendation	\$3,190,680	31.1

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
 JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Information Technology Staffing Summary				
Position	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request	FY 2009-10 Recomm.
Administrative Assistant	2.0	2.0	2.0	2.0
Deputy & Chief Information Officer	2.0	2.0	2.0	2.0
Chief Security Officer	0.0	1.0	1.0	1.0
Database Specialist	2.2	3.0	3.0	3.0
Programmer	8.0	10.1	10.1	10.1
JAVA Administrator	2.0	3.0	3.0	3.0
Operations	3.0	4.0	5.0	4.0
Security Specialist	2.0	3.0	3.0	3.0
System Administrator / Supervisor	3.0	3.0	3.0	3.0
Total	24.2	31.1	32.1	31.1

Operating Expenses

The Department requests a \$475,260 cash funds appropriation for the Information Technology, Operating Expenses line item. **Staff recommends an appropriation of \$474,310 cash funds.** This amount reflects the FY 2008-09 supplemental that reduced the operating expenses by \$950, and annualizes two FY 2008-09 decision items.

Information Technology - Operating Expenses	
Item	Cash Funds
FY 2008-09 Long Bill	\$767,430
FY 2008-09 supp., eliminate vacant FTE	(950)
Total FY 2008-09 Appropriation	\$766,480
Annualize CISA decision item	(177,170)
Annualize accounting decision item	(115,000)
Total FY 2009-10 Recommendation	\$474,310

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Hardware/Software Maintenance

This line item funds hardware and software maintenance contracts and repairs as well as software purchases. The line differs from the Information Technology Asset Management because computer equipment is not purchased with this appropriation. However, expenditures are related between the two lines. For example, when the Department purchases a new piece of computer equipment, when the warranty period ends the Department assumes responsibility for maintaining the equipment. **The Department requests, and staff recommends, an appropriation of \$878,230 cash funds** for the Hardware/Software Maintenance line item. This is a continuation level of funding from FY 2008-09.

Information Technology Asset Management

This line item funds the replacement of the Department's IT assets on a predictable schedule. When properly implemented, such strategies can increase asset reliability, reduce maintenance costs, and create a more predictable stream of IT expenses. A more predictable, which allows the Department to more accurately set its business fees. **The Department requests, and staff recommends, an appropriation of \$445,418 cash funds** for this line item. This is a continuation level of funding from FY 2008-09.

(B) Statewide Disaster Recovery Facility

Personal Services

The Department requests \$185,619 cash funds and 3.0 FTE for the Disaster Recovery Facility's Personal Services line item. **Staff recommends an appropriation of \$120,387 cash funds and 2.0 FTE for FY 2009-10.** This line item had a long-term vacancy of 1.0 FTE, which was eliminated as part of a staff-initiated FY 2008-09 supplemental. Staff's recommendation is comprised of the continuation salaries for the two remaining FTE, plus \$4,349 for salary survey and \$894 for performance-based pay that were awarded in FY 2008-09. Staff did not apply the base reduction because this line item includes fewer than 20.0 FTE.

Operating Expenses

The Department requests \$247,000 cash funds for the disaster recovery facility's operating expenses. **Staff recommends an appropriation of \$246,050 cash funds.** This amount incorporates a \$950 reduction for operating savings due to the reduction of a vacant FTE position.

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Hardware/Software Maintenance

The Department requests, and staff recommends, an appropriation of \$47,000 cash funds for hardware/software maintenance expenses. This amount represents a continuation level of funding from FY 2008-09.

Leased Space

The Department requests \$1,857,348 for the disaster recovery facility's Leased Space line item. This is an increase of \$108,348 from the FY 2008-09 appropriation, as per a contractual agreement with ViaWest. **Staff recommends a \$1,857,348 cash funds appropriation for the Leased Space line item.**

DEPARTMENT OF STATE
FY 2009-10 Staff Figure Setting
JBC Working Document: Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Requests for Information

Staff recommends that the following requests be **amended and continued**:

(1) Department of State, Administration, Personal Services -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2008, 2009, AS PART OF THE DEPARTMENT'S ANNUAL BUDGET REQUEST, A BREAKDOWN OF HOW FTE AND FUNDS ARE DISTRIBUTED AMONGST THE SECTIONS WITHIN THE ADMINISTRATION DIVISION. ~~the Administration Division. It should report how information concerning the Administration, Licensing, and Business sections of its Administration Division. The report should include how funds and FTE are appropriated amongst the various sections of the Administration Division.~~

(2) Department of State, Administration, Address Confidentiality Program -- The Department of State is requested TO PROVIDE TO THE JOINT BUDGET COMMITTEE BY NOVEMBER 1, 2009, AN ANNUAL BUDGET REPORT FOR THE ADDRESS CONFIDENTIALITY PROGRAM. ~~submit quarterly budget reports to the Joint Budget Committee for the Address Confidentiality Program. The reports should reflect MONTHLY expenditures, for the prior quarter, a budget for the upcoming quarter, the number of participants served, and the number of pieces of PARTICIPANTS' mail processed weekly.~~ monthly.

(3) Department of State, Information Technology Services, Information Technology, Personal Services -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2008, 2009, information concerning expenditures related to the Department's new accounting system. The report should include the status ~~of the RFP and anticipated or actual costs~~ of the new accounting system AND ITS COSTS. The requested information should be submitted as part of the Department of State's annual budget request.