

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**INTERIM SUPPLEMENTAL REQUEST  
FOR FY 2014-15**

**DEPARTMENT OF STATE**

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

**Prepared By:  
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November 19, 2014**

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## Prioritized Interim Supplemental Request

### INTERIM SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 LOCAL ELECTION REIMBURSEMENT

	Request	Recommendation
<b>Total</b>	<b><u>\$405,224</u></b>	<b><u>\$405,224</u></b>
FTE	0.0	0.0
Cash Funds	405,224	405,224

<b>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?</b> [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]	<b>YES</b>
<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>IN PART</b>
<p>JBC staff agrees with the Department, in part, that (1) this request meets the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) data was not available when the original appropriation was made.</p> <p>Statue requires the Department to reimburse counties on a per voter basis for costs associated with state-wide ballot issue or question (Section 1-5-505.5, C.R.S.). Without the requested increase, the Department will not have enough spending authority to meet its statutory obligations. As such, staff believes that this satisfies at least one of the interim supplemental criteria (Section 24-75-111, C.R.S.). Additionally, the Department did not know the exact number of active registered voters until November 4, 2014, which would technically constitute data that was unavailable when the original appropriation was made.</p> <p>Staff believes, however, that the circumstances surrounding this request were not unforeseen and the Department had sufficient data to make a reasonable, if not exact, estimate of the appropriation required for FY 2014-15. The Department submitted a supplemental request for FY 2013-14 to cover the increase in required reimbursements resulting from the implementation of H.B. 13-1303, but did not submit any changes to the FY 2014-15 request. Given that the bill reclassified a large group of voters as "active", it was relatively clear the Department would need to obtain an increase spending authority in future years as well.</p> <p>Additionally, the need for an increase in spending authority for reimbursements in FY 2014-15 was identified by JBC staff early in the budget process during briefing and figure setting presentations for the Department. JBC staff used data from October 2013 to project need in FY 2014-15, which indicates that an estimate of the necessary appropriation was possible, in spite of only one prior election under H.B. 13-1303. Please note, JBC staff recommended an appropriation of \$2.5 million cash funds for local election reimbursement in FY 2014-15. The General Assembly approved the Department's initial request for a continuation of funding from the prior year—\$2.0 million cash funds—which did not reflect the supplemental increase.</p>	

**Department Request:** The Department requests an increase of \$405,224 cash funds in FY 2014-15 to fully fund reimbursements to counties following the November 2014 elections, as required by statute (Section 1-5-505.5, C.R.S.).

**Staff Recommendation:** Staff recommends the Committee approve the Department's request. *The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.*

**Staff Analysis:** Statute requires the Department to provide reimbursements to counties on a per voter basis for a state-wide ballot issue or question in an election year. Pursuant to Section 1-5-505.5, C.R.S., counties with fewer than 10,000 active registered voters are to be reimbursed at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters receive \$0.80 per active registered voter. House Bill 13-1303 (Voter Access & Modernized Elections Act) eliminated the "Inactive-Failed to Vote (I-FV)" voter status designation, and 330,000 voters previously listed as I-FV were converted to active status. This increased the total amount required for reimbursements to counties, starting with the 2013 election.

The Committee approved a supplemental request for an additional \$500,000 cash funds in FY 2013-14 to cover the increase in required reimbursements resulting from H.B. 13-1303. However, while JBC staff recommended an appropriation of \$2.5 million cash funds for local election reimbursement during figure setting, the Department had not requested any changes to funding for FY 2014-15. The General Assembly ultimately approved the Department's initial FY 2014-15 request for an appropriation of \$2,004,036 cash funds, which represented a continuation of prior year funding that did not include the increased supplemental appropriation.

The Department used the actual number of active registered voters at the time of the November 2014 election (2,995,306) to calculate that a total of \$2,409,260 cash funds will be required to make reimbursements to counties in FY 2014-15. The requested increase of \$405,224 is the exact difference between the current appropriation and the amount required for reimbursements. The Department will begin making reimbursement payments to counties at the end of November, continuing into December, and requires the additional spending authority to do so. If the request is not approved, the Department will not be able make payments to counties on time or comply with statute during FY 2014-15.

Please note the Department has submitted a decision item to increase the appropriation for the Local Election Reimbursement line item to \$2.5 million cash funds for FY 2015-16, with the intent to fully fund election reimbursement payments to counties going forward. *This request is addressed in the FY 2015-16 JBC staff briefing for the Department, also presented on November 19, 2014.*

	FY 2013-14	FY 2014-15	Fiscal Year 2014-15 Interim Supplemental		
	Appropriation	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF STATE</b>					
<b>Secretary of State - Scott Gessler</b>					
<b>Interim Supplemental #1 - Local Election Reimbursement</b>					
<i>(3) Elections</i>					
Local Election Reimbursement - CF	2,504,036	2,004,036	405,224	405,224	2,409,260
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total for Supplemental</b>	2,504,036	2,004,036	405,224	405,224	2,409,260
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	2,504,036	2,004,036	405,224	405,224	2,409,260
<b>Totals</b>					
DEPARTMENT OF STATE					
TOTALS for ALL Departmental line items	23,406,861	22,136,875	405,224	405,224	22,542,099
FTE	<u>133.0</u>	<u>139.0</u>	<u>0.0</u>	<u>0.0</u>	<u>139.0</u>
General Fund	0	0	0	0	0
Cash Funds	23,406,861	22,136,875	405,224	405,224	22,542,099
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0