

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2009-10 STAFF BUDGET BRIEFING

DEPARTMENT OF STATE

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

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

DEPARTMENT OF STATE

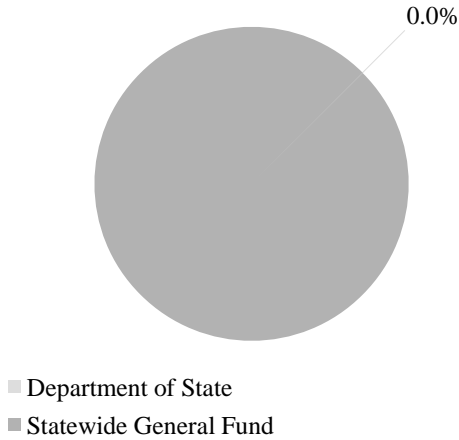
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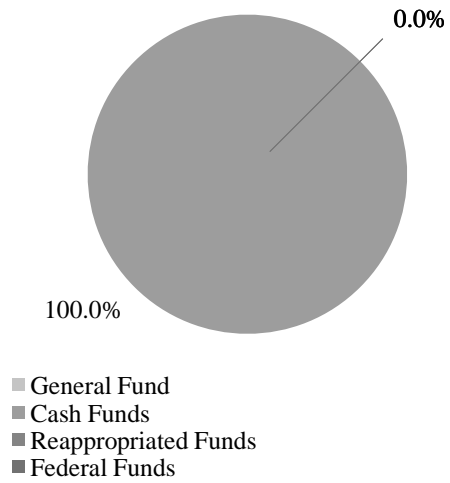
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GRAPHIC OVERVIEW

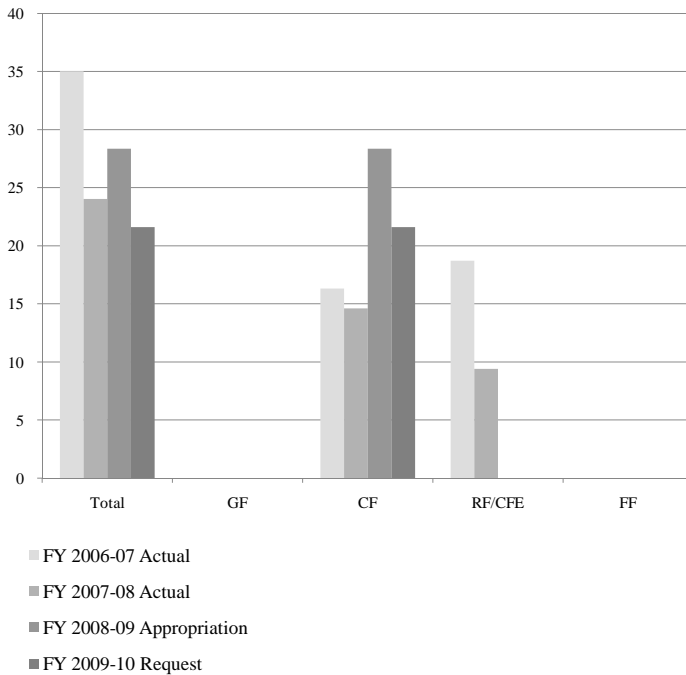
Department's Share of Statewide General Fund



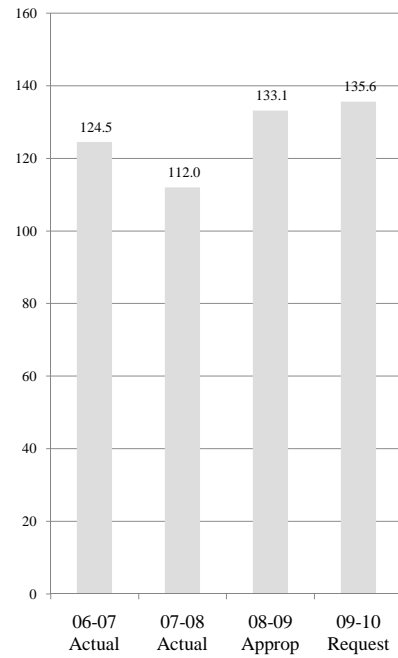
Department Funding Sources



**Budget History
(Millions of Dollars)**



FTE History

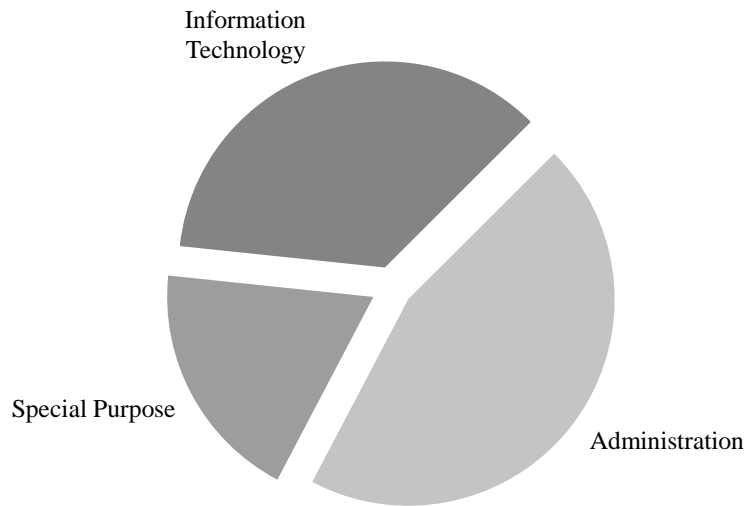


Unless otherwise noted, all charts are based on the FY 2008-09 appropriation.

Distribution of General Fund by Division

The Department of State received no General Fund appropriation in FY 2008-09.

Distribution of Total Funds by Division



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DEPARTMENT OVERVIEW

Key Responsibilities

Elections

- Administers statewide statutory provisions that relate to elections, including the preparation and conduct of elections and the initiative and referendum process
- Certifies voting equipment
- Implements the provisions of the federal Help America Vote Act (HAVA), including the improvement of the administration of federal elections
- Registers lobbyists and monitors the filing of required disclosure reports
- Manages the computerized statewide voter registration system

Business

- Collects, maintains and provides public access to business filings such as annual reports, articles of incorporation, liens, and other documents filed by businesses
- Registers business names, tradenames and trademarks
- Licenses entities that engage in charitable gaming and enforces related laws
- Regulates notaries public and administers related laws

Administrative

- Compiles, publishes, and posts online the Code of Colorado Regulations

Technology

- Manages the state disaster recovery data facility known as the Enterprise Facility for Readiness/Response/Recovery and Transition Services (e-FOR³T)
- Maintains the computerized statewide voter registration system
- Provides information technology services to the Department

Factors Driving the Budget

Revenue from Business Filings

The Department is cash-funded, with the exception of federal funds that the state received to administer the Help America Vote Act. The primary cash fund is the Department of State Cash Fund, which earns revenue from fees charged for business-entity filings such as articles of incorporation, articles of organization, annual reports, and Uniform Commercial Code (UCC) filings. The Business Division's filing fees contribute to approximately 95.0% of the Department's revenue.

Election-Related Expenditures

Many of the Department's election-related expenditures are not expressly labeled as such in the Long Bill. They are contained in line items such as Personal Services, Operating Expenses, and Legal Services. Only three line items in the Long Bill - Help America Vote Act (HAVA), Initiative and Referendum, and Local Election Reimbursement - pertain solely to elections. The Initiative and Referendum line item funds responsibilities such as verifying signatures on initiative petitions. During odd years the initiatives are limited to TABOR-related matters, but during even years there are no restrictions on the type of initiatives on the ballot. The Local Election Reimbursement program reimburses counties for some of the costs related to statewide ballot initiatives. These expenditures are driven by the number of eligible registered voters in each county, and are expected to increase in FY 2008-09 as a result of the voter registration drives that preceded the 2008 election.

Over the past several years there has been increasing scrutiny surrounding election activities, especially on the security and reliability of electronic voting equipment. A 2006 court order required the state to recertify its voting systems, and the recertification process required additional state expenditures. Funding has also increased for legal services for the Department to address associated lawsuits. The Initiative and Referendum row reflects the spending fluctuation that occurs between the even- and odd-year elections. The FY 2008-09 appropriation for the Local Election Reimbursement line item increased by \$450,000 as the result of H.B. 08-1401, which reimbursed counties for the costs of mailing voter information cards to persons who had become inactive since the 2006 general election.

Election-Related Expenditures

	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp	FY 09-10 Request
Local Election Reimbursement	\$867,393	\$867,393	\$1,681,178	\$914	\$2,179,923	\$1,729,923
Initiative and Referendum	33,063	83,417	0	50,000	200,000	50,000
Total	\$900,456	\$950,810	\$1,681,178	\$50,914	\$2,379,923	\$1,779,923

Information Technology Services

Information Technology Services supports the core technology operations at the Department. The Department continues to move toward an electronic government model of delivering services, and businesses, public officials, charitable solicitors, and others may file many of their documents online. The Division also serves as the managing partner for the state's enterprise disaster recovery facility, known as e-FOR³T. It is also responsible for implementing the federally mandated centralized, computerized statewide voter registration system, known as the State of Colorado Registration and Elections (SCORE) system.

Information Technology Expenditures

	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp	FY 09-10 Request
IT Division Total	\$5,740,013	\$7,656,412	\$6,430,708	\$6,346,060	\$9,519,847	\$7,742,869
IT Division FTE	22.3	29.5	32.0	26.2	35.1	35.1

Help America Vote Act Program

The federal Help America Vote Act of 2002 (HAVA) required the state to replace outdated voting technology, to ensure accessibility for disabled voters, and to institute a statewide voter registration system. Pursuant to Section 1-1.5-106 (1) (a), C.R.S., the Federal Elections Assistance Fund was established to receive \$43.3 million of federal HAVA grants and \$1.9 million was appropriated from the Department of State Cash Fund as the state's matching contribution. The State does not anticipate additional federal funding, and HAVA funds are expected to be exhausted by FY 2010-11. The following table shows recent expenditures and appropriations; HAVA funds are not subject to legislative authority and thus appropriations are shown in the Long Bill for informational purposes only.

HAVA Expenditures

	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp	FY 09-10 Request
Program Expenditures	\$5,497,564	\$3,032,976	\$18,760,700	\$9,405,515	\$6,976,940	\$2,316,915
FTE	8.6	15.0	9.0	9.5	7.5	10.0

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DECISION ITEM PRIORITY LIST

Decision Item	GF	CF	RF	FF	Total	FTE
The Department did not submit any decision items for FY 2009-10.						
Total	0	0	0	0	0	0.0

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OVERVIEW OF NUMBERS PAGES

The following table highlights changes contained in the Department's FY 2009-10 budget request, as compared with the FY 2008-09 appropriation. For additional detail, see the numbers pages in Appendix A.

Total Requested Change, FY 2008-09 to FY 2009-10 (millions of dollars)

Category	GF	CF	RF	FF	Total	FTE
FY 2008-09 Appropriation	\$0.0	\$28.4	\$0.0	\$0.0	\$28.4	133.0
FY 2009-10 Request	0.0	21.6	0.0	0.0	21.6	135.5
Increase / (Decrease)	\$0.0	(\$6.8)	\$0.0	\$0.0	(\$6.8)	2.5
Percentage Change	n/a	-23.8%	n/a	n/a	-23.8%	1.9%

Requested Changes, FY 2008-09 to FY 2009-10

Category	GF	CF	RF	FF	Total	FTE
Benefits	\$0	\$348,104	\$0	\$0	\$348,104	0.0
E-For ³ t Leased Space	0	108,348	0	0	108,348	0.0
Operating	0	12,683	0	0	12,683	0.0
Administrative Law Judge Services	0	1,992	0	0	1,992	0.0
Help America Vote Act (HAVA)	0	(4,660,745)	0	0	(4,660,745)	2.5
One-time contracting costs for campaign finance filing	0	(1,415,000)	0	0	(1,415,000)	0.0
One-time costs for mailing voter information cards	0	(450,000)	0	0	(450,000)	0.0
Annualize FY 2008-09 Decision Item for CISA	0	(442,326)	0	0	(442,326)	0.0
Initiative and Referendum	0	(150,000)	0	0	(150,000)	0.0
Decrease in Department lease space		(69,921)	0	0	(69,921)	0.0
One-time contracting costs for online charitable solicitations filing	0	(28,000)	0	0	(28,000)	0.0
Total Change	\$0	(\$6,744,865)	\$0	\$0	(\$6,744,865)	2.5

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BRIEFING ISSUE

ISSUE: Address Confidentiality Program (ACP)

During FY 2007-08 the program's intended funding source generated less revenue than anticipated, and there were differing interpretations as to the program's intended scope. The Committee adjusted the program's budget and requested that it be administered as efficiently as possible. This briefing issue provides an update on the program and information on its budget and revenue.

SUMMARY:

- The Department has submitted the program's monthly expenditure reports, budget projections, and revenue updates. Staff also received updates on the program's activities and performance measures.
- The funding source has stabilized, and staff is able to more accurately estimate the fund's annual revenue. The program has adjusted its activities and is operating more efficiently. Staff is working with the Department to develop a small supplemental request, from the ACP surcharge fund, for purposes that will support the program's efficacy.

DISCUSSION:

Background: Pursuant to Section 24-21-204, C.R.S., the Address Confidentiality Program (ACP) keeps confidential the address of a relocated victim of domestic violence, sexual offense, or similar crime by providing participants with a substitute mail address. Participants may use the substitute address for public records, and the program also receives mail at this location and then forwards it to the participant. The legislature intended for the program to be funded by a new \$28 surcharge, levied on offenders convicted of stalking or domestic violence (Section 24-21-214, C.R.S.).

During the ACP's first year, the revenue was less than anticipated, and there were discussions about appropriate activities and expenditures. The program's scope was revised so that it did not require a secondary funding source. There were also discussions about how to encourage the ACP's efficiency without compromising the core services to victims of domestic violence. Staff recommended that the Department submit a monthly budget and provide quarterly expenditure reports. Staff also recommended that beginning in July, 2008, the Department was to submit data on the number of participants, the pieces of mail processed, and similar measures of its activities.

Budget Update: Since January, 2008, the Department has provided staff with monthly updates on the ACP's expenditures, budget projections, and the surcharge fund's revenue. It appears that the program has adjusted its scope and improved its efficiency. For instance, during FY 2007-08, the Department reduced the lease space allocation from \$24,000 to \$6,240 per year, reduced the FTE by 0.5, and reduced other expenses such as funds for training and capital outlay. The FY 2007-08 expenditures from the ACP surcharge fund totaled \$64,987 (see Table 1). An additional \$1,700 was transferred to the program from the Secretary's discretionary fund for printing expenses.¹ As reflected in Table 2, the ACP's FY 2008-09 budget continues to incorporate these initial reductions. The ACP began accepting participants during FY 2008-09, and this year's appropriation of \$75,337 includes costs for postage, printing, outreach, etc.

Table 1: Address Confidentiality Program Expenditures FY 2007-08						
	Personal Services¹	Supplies	Leased Space	Travel	Printing	Total
July	\$0	\$0	\$0	\$0	\$0	\$0
August	3,996	0	520	0	0	4,516
September	4,899	1,091	520	862	0	7,372
October	4,899	0	520	1,059	0	6,478
November	4,899	0	520	522	0	5,941
December	4,900	0	520	0	0	5,420
January	4,935	0	520	80	0	5,535
February	4,935	1,121	520	0	0	6,576
March	4,935	0	520	0	0	5,455
April	4,936	0	520	0	0	5,456
May	4,936	0	520	0	1,700	7,156
June	4,971	1,266	520	25	0	6,782
Total	\$53,241	\$3,478	\$5,720	\$2,548	\$1,700	\$66,687
/1 - Personal Services includes FTE salary and benefits. Increases are due to adjustments in benefits expenditures, not salary.						
/2 - Transferred from the Secretary's discretionary fund. This amount is in addition to the program's FY 2007-08 appropriation from the ACP surcharge fund.						

¹ Pursuant to Section 24-9-105 (d), C.R.S., the Secretary of State receives \$5,000 per year for "expenditures in pursuance of official business as each elected official sees fit."

Table 2: Address Confidentiality Program Budget FY 2008-09								
	Personal Services	Leased Space	Travel	Postage	Central Mail Room	Printing ¹	Other	Total
Actual	July	\$6,590 ²	\$520	\$0	\$0	\$208	\$0	\$7,318
	August	5,421	520	100	108	208	7	6,357
	September	5,421	520	107	134	208	75	6,390
	October	5,421	520	145	296	208	10	6,590
Projected	November	5,421	520	0	296	208	20	6,445
	December	5,421	520	0	296	208	15	6,445
	January	5,421	520	0	296	208	15	6,445
	February	5,421	520	0	296	208	15	6,445
	March	5,421	520	0	296	208	15	6,445
	April	5,421	520	0	296	208	15	6,445
	May	5,421	520	0	296	208	15	6,445
	June	5,421	520	0	296	208	15	6,445
	Total	\$66,221	\$6,240	\$352	\$2,906	\$2,496	\$1,000¹	\$217
<p>/1 - These printing costs were transferred from the Secretary of State's discretionary fund and are in addition to the total Long Bill appropriation. These expenses are not included in the program's total.</p> <p>/2 - July's increased expenditure includes a one-time performance-based bonus.</p>								

Revenue Update: It is difficult to reliably forecast how much revenue a new surcharge will generate because there is no historical data on which to base assumptions. There also are complicating variables such as how the courts impose the fine and the time intervals between assessing a fee, collecting it, and crediting it to the correct fund. During FY 2007-08, the ACP surcharge fund's revenue was less than anticipated. Staff's revised estimate was that the revenue could support \$65,000 during FY 2007-08, and the Committee adjusted the budget accordingly. At the time of the FY 2008-09 figure setting, the revenue still had not stabilized, but staff believed it was reasonable to estimate that the fund could support \$75,337. Table 3 reflects that the ACP surcharge fund's revenue began to stabilize in February, 2008.

Staff used the ACP surcharge revenue over the prior eight months, between February and September, to develop two updated annual estimates for FY 2008-09 (see Table 4). For a conservative estimate, staff assumed that the smallest monthly amount during this time period, \$7,963, was the monthly average. This estimate incorporates the possibility that there may be decreased revenue in the remaining months of the fiscal year. The resulting annual revenue projection is **\$95,556**. When staff assumed that the eight-month average of \$8,885 will continue, the revenue estimate is **\$106,620** (see Table 4).

Table 3: Address Confidentiality Program Surcharge Fund Revenue			
FY 2007-08	Revenue	FY 2008-09	Revenue
July	\$1,225.5	July	\$9,827.1
August	3,035.3	August	8,892.2
September	3,480.8	September	9,400.0
October	8,261.2		
November	2,163.6		
December	5,389.2		
January	12,449.4		
February	8,856.2		
March	7,963.7		
April	8,138.8		
May	8,691.9		
June	9,309.3		
Interest	40.0		
FY 2007-08 Total	\$79,004.8		

Table 4: ACP Surcharge Fund Revenue Estimate	
Monthly Revenue for Prior Eight Months	
February	\$8,856.2
March	\$7,963.7
April	\$8,138.8
May	\$8,691.9
June	\$9,309.3
July	\$9,827.1
August	\$8,892.2
September	\$9,400.0
FY 2008-09 Annual Revenue Estimates	
Least monthly revenue	\$7,963.7
Estimate using least monthly revenue	\$95,564.4
Average monthly revenue	\$8,885.0
Estimate using average monthly revenue	\$106,620.0

Conclusion: Staff notes that Section 24-21-214 (5), C.R.S., permits the court to waive a portion or all of the surcharge if the person is indigent or financially unable to pay. Considering the current national economic downturn, and its potential impact on the State, it is possible that the court will waive the fine for a greater percentage of those convicted. To account for this possibility, and given the Committee's interest that the program remain solely supported by the surcharge fund, **staff recommends applying the conservative estimate of \$95,556** when approximating the surcharge fund's FY 2008-09 revenue.

Based upon the information provided by the ACP, it is apparent to staff that a small amount of additional funds could ensure the program's efficacy for the remainder of the fiscal year. For example, participants may enroll only through designated "application assistants." The program must train and provide materials to these assistants, which incurs costs in postage, materials, and travel. A small supplemental would allow additional outreach to sign up application assistants, and in turn expand the opportunities for participants to enroll in the ACP. Staff is working with the Department to develop a reasonable, conservative supplemental request (ACP cash funds) to present to the Committee in January.

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BRIEFING ISSUE

ISSUE: Update on Help America Vote Act (HAVA)

Congress created the 2002 Help America Vote Act (HAVA) in response to issues that arose during the 2000 presidential election. HAVA's goals are to improve the administration of federal elections. The federal government allocated funds to Colorado for the purpose of implementing HAVA-related mandates, and the Department anticipates that these funds will be depleted by the end of FY 2010-11. When this occurs, the State will need to provide approximately \$2.7 million per year to remain compliant with HAVA's requirements.

SUMMARY:

- ❑ The federal government distributed funds to the states for the purpose of implementing HAVA's requirements. As of October, 2008, Colorado has received approximately \$43.3 million in federal funds, has earned an additional \$5 million in interest on those funds, and has provided a state match of \$1.9 million from the Department of State Cash Fund.
- ❑ This Department anticipates that it will exhaust these federal funds by FY 2010-11, at which time the State will need to assume responsibility for funding HAVA's requirements such as maintaining a statewide voter database and ensuring disability access in the elections process.

DISCUSSION:

Background

HAVA's goals are to improve the administration of federal elections by creating a centralized, computerized statewide voter registration system; replacing punch-card ballots and lever voting machines; ensuring accessibility for disabled voters to polling places and voting equipment; and adopting new rules for provisional ballots. At the state level, HAVA mandated a greater role for state government and the state's Chief Election Official in an effort to more uniformly and effectively implement federal election laws [see Section 1-1.5-101 (1) (g), C.R.S.].²

In 2003, the Colorado General Assembly passed H.B. 03-1356, the "Colorado Help America Vote Act," which is located in Title 1, Article 1.5, C.R.S. This legislation also created 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.]. These funds are continuously appropriated to the Department and are not subject to the General Assembly's annual appropriation process [see Section 1-1.5-106 (2) (b), C.R.S.]. To date, the Fund has received approximately \$43.3 million in federal

² Pursuant to Section 1-1-107 (1) (e), C.R.S., the Secretary of State is to serve as the Chief Election Official.

funds and the State's required \$1.9 million match, which was transferred from the Department of State Cash Fund.

HAVA Requirements

- Replace punch-card and lever voting systems
- Implement new voter ID requirements
- Provide a process for voters to cast provisional ballots
- Ensure that all people, including those with disabilities, may vote privately and independently and verify their choices prior to casting their ballot
- Comply with the Federal Election Commission's standards for voting equipment error rates
- Implement a centralized, computerized statewide voter registration list that is maintained, defined, and administered at the state level
- Enhance voter outreach

HAVA Revenue

The federal government appropriated funds to Colorado for three specific purposes (see Table 1):

- The first appropriation was \$2,177,095 to replace punch card and lever voting systems in five counties (Boulder, Jefferson, Mesa, Montrose, and Pitkin), and \$4,860,301 to improve the administration of elections for Federal office.
- In 2004, Colorado received the largest source of funding, \$34,545,365, to improve the administration of federal elections and to help the state to meet HAVA's requirements. These funds required a 5.0% state match of \$1.82 million, as specified in Section 1-1.5-101 (1) (e), C.R.S. This amount was transferred from the Department of State Cash Fund. In 2008, the State received an additional \$1.695 million in federal HAVA dollars for this purpose and provided a state match of \$89,000 (cash funds).
- Colorado has received \$729,208 under five separate awards to improve disability access in the elections process and to address accessibility issues. The State distributed sub-grants to counties for purposes such as removing accessibility barriers, modifying doors so they are wheelchair-accessible, and to purchasing accessible voting booths.

Table 1: Summary of HAVA Revenue						
	Actual		Projected			
	FY 2004-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
State cash funds (match) ¹	\$1,371,270	\$89,229	\$0	\$0	\$0	\$1,460,499
HAVA Title I funds (Sections 101 & 102)	7,037,396	0	0	0	0	7,037,396
HAVA Title II funds	34,545,365	0	1,695,344	0	0	36,240,709
Accessibility grants	436,704	166,562	170,365	170,365	170,365	1,114,361
Interest earned on federal funds	4,280,321	786,267	228,507	124,821	21,184	5,441,100
Interest earned on state match	188,690	5,417	2,700	0	0	196,807
Total Revenue	\$47,859,746	\$1,047,475	\$2,096,916	\$295,186	\$191,549	\$51,490,872
FY beginning balance	47,859,746	21,054,508	12,696,467	4,612,233	2,420,859	
Annual expenditures	26,805,238	9,405,516	10,181,150	2,486,560	2,612,252	
FY ending balances carried forward	\$21,054,508	\$12,696,467	\$4,612,233	\$2,420,859	\$156	
/1 - Pursuant to Section 1-1.5-106 (3), C.R.S., the Secretary may use moneys from the Department of State Cash Fund to satisfy the required five percent cash fund match.						

Fund Disbursements to Counties

HAVA required every polling place to have at least one handicapped-accessible voting system by 2006. Section 1-1.5-106 (7), C.R.S., permits the Secretary to award grants to counties to help them comply with HAVA. Colorado has disbursed *\$15.1 million* for counties to replace their equipment and to address concerns about accessibility issues. Funds were distributed based on a formula that considered the number of polling places in the county, the number of registered voters, and whether or not the county needed to replace its voting equipment. Each county was permitted to negotiate with the vendor of its choice and sent a copy of the contract to the Department for approval.

Table 2: Summary of HAVA Expenditures FY 2004 - FY 2011							
	Actual				Projected		
	FY 03-05 ¹	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Personal Services	\$890,145	\$650,122	\$502,152	\$841,065	\$790,881	\$838,334	\$888,634
Operating	455,794	144,358	366,243	212,796	64,524	65,564	66,300
Indirect Costs	0	736	162,304	128,735	114,448	143,797	155,678
Outreach & Education	433,616	151,933	138,208	10,651	96,000	13,000	13,000
Voting System Improvements	2,245,977	1,427,670	12,111,998	1,401,009	316,153	0	0
Voting Systems Certification	0	0	98,388	378,852	0	0	0
SCORE	1,174,057	613,895	5,400,682	6,478,642	8,628,779	1,255,500	1,318,275
Total	\$5,199,589	\$2,988,714	\$18,779,975	\$9,451,750	\$10,010,785	\$2,316,195	\$2,441,887

/1 - Please note: This column includes both FY 2003-04 and FY 2004-05.

Conclusion: HAVA Fund Balance

The Department estimates that HAVA funds will be exhausted by the end of FY 2010-11 (see Table 3). When the federal funds are depleted, **the State will need to appropriate an additional \$2.7 million annually to the Department to remain compliant with HAVA.**

Table 3: Summary of HAVA Balance					
	Actual			Projected	
	FY 2004-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Prior FY ending balance		\$21,054,508	\$12,696,467	\$4,612,233	\$2,420,859
Annual revenue	47,859,746	1,047,475	2,096,916	295,186	191,549
Total annual fund balance	47,859,746	22,101,983	14,793,383	4,907,419	2,612,408
Annual expenditures	26,805,238	9,405,516	10,181,150	2,486,560	2,612,252
FY ending balance	\$21,054,508	\$12,696,467	\$4,612,233	\$2,420,859	\$156

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Department of State**

BRIEFING ISSUE

ISSUE: Statewide Colorado Voter Registration and Election System (SCORE)

The Help America Vote Act (HAVA) required all states to develop and implement a statewide computerized voter registration system. SCORE is currently funded by the Federal Elections Assistance Fund, comprised of federal monies resulting from the Help America Vote Act (HAVA). In FY 2010-11, when these funds are exhausted, the cost of SCORE will transfer to the Department of State Cash Fund. This informational briefing issue describes SCORE's functions, its expenditure history, and future costs.

SUMMARY:

- ❑ SCORE combines a voter registration system and an elections management system. It maintains information on registered voters and validates this information against certain external data sources. It also supports the state and county management of election activities and functions.
- ❑ SCORE is currently funded by the Federal Elections Assistance Fund, comprised of federal monies resulting from the Help America Vote Act (HAVA). In FY 2010-11, when these funds are exhausted, the cost of SCORE will transfer to the Department of State Cash Fund.

DISCUSSION:

The 2002 Help America Vote Act (HAVA) required states to implement and maintain a statewide computerized voter registration system. In response to this federal mandate, and pursuant to Section 1-2-301, C.R.S., the Department of State developed and implemented the Statewide Colorado Voter Registration and Election System (SCORE). SCORE combines a voter registration system and an election management system, and federal law requires all counties to use SCORE. SCORE was fully deployed for the first time during the 2008 presidential election.

Voter Registration Components

- ❑ Coordinates with the state registrar of vital statistics to cancel the registration of deceased persons [see Section 1-2-302 (3.5) (a), C.R.S.]
- ❑ Coordinates with the state agency records on felony status and cancels the registration of persons who have been convicted of a felony [see Section 1-2-302 (3.5) (b), C.R.S.]
- ❑ Coordinates with the Department of Revenue to match information in SCORE with information in the database of the Division of Motor Vehicles to verify the accuracy of the information provided on voter registration forms [see Section 1-2-302 (6.5), C.R.S.]

Election Management System Components

- ❑ *Ballot preparation* - Maintains information that will appear on ballots and tracks how many voters will receive a particular ballot style
- ❑ *Identifies precinct and district boundaries* - Ensures a voter receives the correct ballot
- ❑ *Processes ballots* - Tracks individual ballots issued to voters and information for mailing ballots
- ❑ *Election workers* - Identifies election workers and judges, tracks their training and experience, tracks the locations at which they are assigned to work, and assists in generating payroll information
- ❑ *Absentee ballots* - Tracks absentee and mail-in ballots as they are returned by voters
- ❑ *Vote center and early voting* - Provides an electronic poll book to manage counties running vote center elections, and ensures voters receive correct ballot style

SCORE does *not* tabulate votes or maintain records of the candidates and issues for whom and which people are casting their votes.

Expenditures: Pursuant to Section 1-1.5-106 (1) (a), C.R.S., the Federal Elections Assistance Fund was created to receive funds from the federal government for the purpose of administering and implementing HAVA. Table 1 reflects SCORE's expenditures since 2003, as well as the projections through FY 2010-11. To date, SCORE's primary expenditures have been related to its development, hardware and software maintenance, and technical support to counties. SCORE's development was completed during FY 2008-09, and beginning in FY 2009-10, SCORE will require approximately \$1.3 million for annual maintenance.

Table 1: SCORE Expenditures							
	Actual				Projected		
	FY 03-05 ^{/1}	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Project management	\$579,705	\$330,973	\$235,787	\$533,224	\$155,000	\$0	\$0
System development	0	0	2,276,375	2,964,913	3,517,822	0	0
HW/SW, maintenance, operating support	0	0	2,223,279	1,111,274	2,936,071	1,200,000	1,260,000
IV&V, data conversion, contractors	589,542	171,439	658,109	984,744	743,386	25,000	26,250
Technical support for counties	0	0	0	410,672	1,247,500	0	0
Training county officials	0	0	0	174,948	8,000	9,000	9,450
Equipment	0	0	0	288,478	10,000	10,000	10,500
Interagency costs	4,810	111,483	7,132	10,389	11,000	11,500	12,075
Total	\$1,174,057	\$613,895	\$5,400,682	\$6,478,642	\$8,628,779	\$1,255,500	\$1,318,275
/1 - Please note: This column combines both FY 2003-04 and FY 2004-05							

Conclusion: The Department anticipates that SCORE's current funding source, the Federal Elections Assistance Fund, will be exhausted by FY 2010-11. **When these federal funds are depleted, the State will need to assume the expense of maintaining and administering SCORE.**

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Department of State / Department of the Governor**

BRIEFING ISSUE

ISSUE: IT Consolidation and the State Disaster Recovery Facility

The Department of State operates and funds (\$2.2 million cash funds annually) an information technology disaster recover facility (the e-FOR³T) that is available for use by all state agencies. There appear to be a number of issues, including an apparent lack of statutory authority, associated with the current arrangement.

SUMMARY:

- ❑ The Department of State operates and funds an information technology (IT) disaster recovery facility which is available for use by other state agencies. Agencies that make use of e-FOR³T do not pay any of the fixed costs associated with the facility. There does not appear to be explicit statutory authority for the Department to expend moneys from the Department of State Cash Fund in order to subsidize operations of those other agencies.
- ❑ The Government Efficiency and Management program has identified the e-FOR³T as one of the facilities into which the State should consolidate its IT operations. Other shared IT facilities are operated by the Governor's Office of Information Technology under explicit statutory authority that requires users to pay the fixed costs. Consistency suggests statutory changes should be made to bring e-FOR³T operation into line with other shared facilities.
- ❑ The Department of State "subsidy" makes the e-FOR³T a bargain for other agencies. An abrupt change to a funding model consistent with that used for other shared facilities may create hardship for those agencies. A transition funding period may be necessary in order to allow those agencies an opportunity to accommodate the necessary adjustments to their budgets.

RECOMMENDATION:

Staff recommends the Committee sponsor a bill which would transfer responsibility for the e-FOR³T from the Department of State to the Governor's Office of Information Technology. The legislation should: (1) properly authorize the operation of the e-FOR³T in much the same way that the General Government Computer Center is authorized; (2) authorize the Governor's Office of Information Technology, rather than the Department of State, to operate the e-FOR³T; (3) establish a long-term funding arrangement in which users pay the fixed costs associated with the e-FOR³T in some proportional fashion; and (4) provide for a multi-year transition period during which costs are gradually shifted from the Department of State to all users of the facility.

DISCUSSION:

In June 2004, the Department of State experienced a "zinc whiskers" disaster, which interrupted many of the Department's e-government operations for nearly 30 days. The Department was in the process of relocating at the time and established a replacement data center at its new offices. During the recovery process, the Department assembled a case for developing a separate disaster recovery facility. The Department's case was absorbed into a parallel assessment of the state's overall disaster preparedness. In 2005, the Department received an appropriation of \$3.6 million cash funds (Department of State Cash Fund, hereafter simply "the fund") in order to establish a disaster recovery facility for computer operations that would be available to all state agencies.

This project was named the "Enterprise Facility for Response/Readiness/Recovery and Transition Services" (e-FOR³T). The facility was prepared as a public/private partnership with ViaWest Inc., and opened for operation in June 2006. The facility provides for properly-conditioned space, electrical power, and communications services. The facility is categorized as "Tier III" in terms of reliability, availability, and security. For example, in case of a commercial power failure, the facility has two independent back-up generators; operations can continue even if one of the generators fails.

The e-FOR³T is much larger than would be required only for the Department of State's operations. Since its inception, the facility has been available for use by other state agencies. Agencies that wish to make use of the facility must agree to certain conditions required by the Department of State and ViaWest. Several agencies, including the Department of Human Services, the Department of Law, and the Department of Labor and Employment have installed equipment, or have firm plans to install equipment, in the facility. While each agency must pay for its own specific equipment, the Department of State pays for the facility itself – the building space, the air conditioning, the backup power systems, etc. – from the fund.

The statutory authority for the Department of State to fund a shared facility is at least uncertain. Section 24-21-104 (3) (b), C.R.S., states that "The department of state shall adjust its fees so that the revenue generated from the fees approximates its direct and indirect costs, including the cost of maintenance and improvements necessary for the distribution of electronic records;". Section 24-21-111 (1), C.R.S., states that "Notwithstanding any provision of law to the contrary, the secretary of state may require any filing to be made by electronic means as determined by the secretary of state." Operation of a facility such as the e-FOR³T *for its own purposes* would appear to fall within the general statutory authority granted to the Department. The fund has been used for purposes outside of the Department in the past when authorized by statute; see Sections 24-21-104 (3) (d) (I) through (XII), C.R.S., for examples. However, use of the fund to subsidize IT operations *of other departments* does not appear to be authorized in current statute.

S.B. 08-155 charges the Governor's Office of Information Technology (OIT) with responsibility for centralization and consolidation of the State's information technology resources. The bill transferred responsibility for some existing shared IT facilities to the Office: the general government computer center (GGCC) and the multi-use broadband network (MNT). These shared facilities were previously operated by the Department of Personnel and Administration. The June 2008 Government Efficiency and Management (GEM) Performance Review specifically recommends consolidation of data centers

operated by individual agencies into two statewide centers, and recommends the use of the e-FOR³T as one of those two centers.

One important difference between the GGCC and e-FOR³T is how fixed costs are currently allocated to the users of the facilities. For the GGCC, OIT is required by statute (Section 24-37.5-604 (1), C.R.S.) to share fixed costs across the agencies using the facility in some sort of proportional manner. Further, the costs billed to individual agencies must be paid with either (a) funds appropriated specifically for that purpose, or (b) alternate funds not subject to appropriation. For the e-FOR³T, the fixed costs are paid entirely by the Department of State. This makes the e-FOR³T a bargain for the guest agencies. But it is certainly inconsistent with the way that such expenses for other shared facilities like the GGCC are covered.

Staff have discussed e-FOR³T operation with both the Department of State and the Governor's Office of Information Technology. The Department of State would like to have the e-FOR³T operation transferred to some other agency. The Department would like to eventually stop funding the e-FOR³T, other than their share of the fixed costs, but is willing to accommodate a transition period during which they pay more than that share. OIT has expressed a willingness to assume operational control for e-FOR³T, but expressed concern over funding of such activities. OIT believes that a cost allocation scheme like that used for other shared facilities is appropriate in the long term. Staff has not discussed the consequences of such a funding change with the other agencies currently using the e-FOR³T, but assumes they would prefer the current arrangement under which they pay nothing towards the fixed costs.

The 2009 session of the General Assembly is an appropriate time to make decisions regarding the transfer of responsibility for the e-FOR³T. The current contract with ViaWest will expire in February 2010. If OIT is to be responsible for the facility, as recommended by the GEM study, they should be at least involved in, if not entirely responsible for, negotiations for a new contract. OIT is in a better position than the Department of State to include long-term IT consolidation considerations in setting the goals for the facility which should be reflected in a new lease.

Staff recommends that the Joint Budget Committee sponsor legislation to correct the several problems identified above. The legislation should: (1) properly authorize the operation of the e-FOR³T in much the same way that the GGCC is authorized; (2) authorize the Governor's Office of Information Technology, rather than the Department of State, to operate the e-FOR³T; (3) establish a long-term funding arrangement in which users pay the fixed costs associated with the e-FOR³T; and (4) provide for a multi-year transition period during which costs are gradually shifted from the Department of State to all users of the facility.

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APPENDIX A: NUMBERS PAGES

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Appropriation	Request	Requests

DEPARTMENT OF STATE
Secretary of State - Mike Coffman

(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 raffle charitable gaming. Cash funds are from the Department of State Cash Fund unless otherwise noted [see Section 24-21-104 (3) (b), C.R.S.].

Personal Services	4,816,557	4,688,050	5,257,626	5,627,991
FTE	<u>83.5</u>	<u>75.3</u>	<u>89.5</u>	<u>89.5</u>
Cash Funds	4,813,238	4,688,050	5,257,626	5,627,991
FTE	82.5	80.0	89.5	89.5
Cash Funds Exempt / Reappropriated Funds	3,319	0	0	0
FTE	1.0	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>
Cash Funds	366,415	456,590	566,848	676,089
Cash Funds Exempt / Reappropriated Funds	35,378	0	0	0
 Short-term Disability	 <u>6,304</u>	 <u>7,416</u>	 <u>9,485</u>	 <u>9,489</u>
Cash Funds	5,757	7,416	9,485	9,489
Cash Funds Exempt / Reappropriated Funds	547	0	0	0

	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>Change</u>
	<u>Actual</u>	<u>Actual</u>	<u>Appropriation</u>	<u>Request</u>	<u>Requests</u>
Amortization Equalization Disbursement	<u>54,272</u>	<u>67,217</u>	<u>116,741</u>	<u>146,561</u>	
Cash Funds	50,159	67,217	116,741	146,561	
Cash Funds Exempt / Reappropriated Funds	4,113	0	0	0	
SAED		<u>14,098</u>	<u>54,722</u>	<u>90,332</u>	
Cash Funds		14,098	54,722	90,332	
Salary Survey and Senior Executive Service	<u>235,212</u>	<u>249,489</u>	<u>266,908</u>	<u>167,077</u>	
Cash Funds	209,640	249,489	266,908	167,077	
Cash Funds Exempt / Reappropriated Funds	25,572	0	0	0	
Performance-Based Pay Awards	<u>88,437</u>	<u>98,697</u>	<u>97,114</u>	<u>0</u>	
Cash Funds	78,402	98,697	97,114	0	
Cash Funds Exempt / Reappropriated Funds	10,035	0	0	0	
Workers' Compensation - Cash Funds	4,513	4,862	6,201	6,210	
Operating Expenses - Cash Funds	589,147	625,556	825,243	837,926	
Legal Services - Cash Funds	<u>264,785</u>	<u>341,431</u>	<u>534,536</u>	<u>534,536</u>	
<i>Hours Equivalent</i>	<i>4,108</i>	<i>4,740</i>	<i>7,118</i>		
Administrative Law Judge Services - Cash Funds	134,277	143,601	86,417	88,409	
Purchase of Services from Computer Center - Cash Funds	829	31,218	44,341	44,341	
Multiuse Network Payments - Cash Funds	474,099	550,747	569,609	569,609	
Payments to Risk Management and Property Funds - Cash Funds	33,365	17,674	23,303	23,303	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Appropriation	Request	Requests
Vehicle Lease Payments - Cash Funds	2,487	2,714	2,714	2,714	
Leased Space - Cash Funds	363,125	597,230	709,669	639,748	
Indirect Cost Assessment - Cash Funds	113,610	165,717	224,409	224,409	
Discretionary Fund - Cash Funds	4,643	5,000	5,000	5,000	
Address Confidentiality Program		65,000	75,337	75,337	
FTE		<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds (ACP Cash Fund)		65,000	75,337	75,337	
					Request vs.
					Appropriation
TOTAL - ADMINISTRATION	7,587,455	8,132,307	9,476,223	9,769,081	3.1%
FTE	<u>83.5</u>	<u>76.3</u>	<u>90.5</u>	<u>90.5</u>	0.0%
Cash Funds	7,508,491	8,132,307	9,476,223	9,769,081	3.1%
FTE	82.5	76.3	90.5	90.5	0.0%
Cash Funds Exempt / Reappropriated Funds	78,964	0	0	0	N/A
FTE	1.0	0.0	0.0	0.0	N/A

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Appropriation	Request	Requests

(2) Special Purpose

Primary Functions: 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	2,316,195	
FTE	<u>9.0</u>	<u>9.5</u>	<u>7.5</u>	<u>10.0</u>	
Cash Funds (Federal Elections Assistance Fund)	0	0	6,976,940	2,316,195	
FTE	0.0	0.0	7.5	0.0	
Cash Funds Exempt / Reappropriated Funds	18,628,609	9,405,515	0	0	
FTE	9.0	9.5	0.0	0.0	
Federal Elections Assistance Fund - Cash Funds	0	89,229	0	0	
Local Election Reimbursement - Cash Funds	1,681,178	914	2,179,923	1,729,923	
Electronic Filing Grants to Counties - Cash Funds	635,742	0	0	0	
Initiative and Referendum - Cash Funds	0	50,000	200,000	50,000	
Master List Distribution Contract - Cash Funds	58,382	0	0	0	
					Request vs. Appropriation
TOTAL - SPECIAL PURPOSE	21,003,911	9,545,658	9,356,863 a/	4,096,118	-56.2%
FTE	<u>9.0</u>	<u>9.5</u>	<u>7.5</u>	<u>10.0</u>	33.3%
Cash Funds	2,375,302	140,143	9,356,863	4,096,118	-56.2%
FTE	0.0	0.0	7.5	10.0	33.3%
Cash Funds Exempt / Reappropriated Funds	18,628,609	9,405,515	0	0	N/A
FTE	9.0	9.5	0.0	0.0	N/A

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.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Appropriation	Request	Requests

(3) Information Technology Services

Primary Functions: Provides IT support to the Department and implements the statewide voter registration database. Line items are cash funded from the Department of State Cash Fund.

(A) Information Technology

Personal Services	3,934,853	2,877,270	5,205,393	3,497,237	
FTE	<u>32.0</u>	<u>24.2</u>	<u>32.1</u>	<u>32.1</u>	
Cash Funds	3,934,853	2,877,270	5,205,393	3,497,237	
Operating Expenses - Cash Funds	1,290,280	457,076	767,430	590,260	
Hardware/Software Maintenance - Cash Funds	796,136	540,884	878,230	878,230	
Information Technology Asset Management - Cash Funds	409,439	427,009	445,418	445,418	

**Request vs.
Appropriation**

(3) Information Technology Services					
Subtotal - (A) Information Technology	6,430,708	4,302,239	7,296,471	5,411,145	-25.8%
FTE	<u>32.0</u>	<u>24.2</u>	<u>32.1</u>	<u>32.1</u>	0.0%
Cash Funds	6,430,708	4,302,239	7,296,471	5,411,145	-25.8%

(B) Statewide Disaster Recovery Center

Personal Services		173,939	180,376	180,376	
FTE		<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	
Cash Funds		173,939	180,376	180,376	
Operating - Cash Funds		73,882	247,000	247,000	
Hardware/Software Maintenance - Cash Funds		47,000	47,000	47,000	
Leased Space- Cash Funds		1,749,000	1,749,000	1,857,348	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	Change
	Actual	Actual	Appropriation	Request	Requests
					Request vs. Appropriation
(3) Information Technology Services					
Subtotal - (B) Statewide Disaster Recovery Center		2,043,821	2,223,376	2,331,724	4.9%
FTE		<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	0.0%
Cash Funds		2,043,821	2,223,376	2,331,724	4.9%
					Request vs. Appropriation
TOTAL - INFORMATION TECHNOLOGY SERVICES	6,430,708	6,346,060	9,519,847	7,742,869	-18.7%
FTE	<u>32.0</u>	<u>26.2</u>	<u>35.1</u>	<u>35.1</u>	0.0%
Cash Funds	6,430,708	6,346,060	9,519,847	7,742,869	-18.7%
FTE	32.0	26.2	35.1	35.1	0.0%
					Request vs. Appropriation
DEPARTMENT OF STATE TOTALS	35,022,074	24,024,025	28,352,933	21,608,068	-23.8%
FTE	<u>124.5</u>	<u>112.0</u>	<u>133.1</u>	<u>135.6</u>	1.9%
Cash Funds	16,314,501	14,618,510	28,352,933	21,608,068	-23.8%
FTE	114.5	178.8	133.1	135.6	1.9%
Cash Funds Exempt / Reappropriated Funds	18,707,573	9,405,515	0	0	N/A
FTE	10.0	9.5	0.0	0.0	N/A

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APPENDIX B: SUMMARY OF MAJOR LEGISLATION

1. **S.B. 08-243 (Gordon/Carroll M.): Concerning the Creation of the Election Reform Commission.** Creates the election reform commission for the purpose of reviewing how the State conducts state and local elections. The 11-member commission will be appointed by the Secretary of State, legislative leadership, and the Governor's office. It will review election issues and make recommendations to the Legislature by March, 2009.
2. **H.B. 08-1109 (Balmer/Williams): Increase Authority Over Charitable Solicitations.** Increases the authority of the Secretary of State to regulate charitable organizations, professional fund-raising consultants, and paid solicitors working on behalf of charitable organizations. Authorizes the Secretary to investigate potential violations and to impose fines. Appropriates \$28,000 to modify the online filing system used by charitable organizations to identify certain fines and late filing fees.
3. **H.B. 08-1274 (King/Tupa): Address Confidentiality Program.** Transfers \$10,000 cash funds from the Department of State Cash Fund to the Address Confidentiality Surcharge Fund in FY 2007-08. The transfer is in addition to the initial appropriation and is to be repaid from unappropriated moneys remaining in the Surcharge Fund at the end of any fiscal year. Permits the Department to transfer additional moneys in FY 2008-09 if the Surcharge Fund's balance is insufficient to cover the Address Confidentiality Program's entire appropriation.
4. **H.B. 08-1401 (Marshall/Gordon): Voter Info Card to Each Eligible Voter.** Requires counties to mail voter information cards to persons who have become inactive since the 2006 general election. Appropriates \$300,000 to the Department to reimburse the counties for expenses associated with the mailings. Appropriates \$150,000 to the Department for a potential increase in the local election reimbursements due to inactive voters who become active as a result of the mailing.

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**APPENDIX C: UPDATE OF FY 2008-09
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

Comment: The Department did not have any Long Bill footnotes that requested information.

Requests for Information

- 1 Department of State, Administration** -- The Department is requested to provide to the Joint Budget Committee by November 1, 2008, information concerning the Administration, Licensing, Elections, and Business sections of its Administration Division. The report should include how funds and FTE are allocated amongst the various sections of the Administration Division. It should also reflect, by Division, for every appropriated FTE within the Department, whether the position is actually vacant or filled as of October 1, 2008. The requested information should reflect actuals and not be adjusted for the effects of special bills or any other variables.

Comment: See table below

Department of State FTE Allocation as of October 1, 2008				
Administration Division	Filled	Vacancies	Total Allocated	Personal Services Budget
Administration	13.0	2.0	15.0	\$1,026,166
Business	27.0	3.0	30.0	1,401,231
Elections	14.0	1.0	15.0	819,597
Voting Equipment Certification	4.0	5.0	9.0	361,052
Licensing	19.0	1.5	20.5	808,492
Address Confidentiality Program	1.0	0.0	1.0	52,558
Subtotal, Administration	78.0	12.5	90.5	\$4,469,096
Special Purpose				
HAVA ¹	10.0	0.0	10.0	667,200
Information Technology	24.0	8.1	32.1	2,329,910
Statewide Disaster Recovery Center	2.0	1.0	3.0	117,312
Department Total	114.0	21.6	135.6	\$7,583,518
/1 The FY 2008-09 Long Bill appropriates 7.5 FTE for HAVA. HAVA funds are continuously appropriated and the Department may hire additional FTE to implement its requirements.				

- 2 **Department of State, Administration** -- The Department is requested to submit quarterly budget reports to the Joint Budget Committee for the Address Confidentiality Program. The reports should reflect expenditures for the prior quarter, a budget for the upcoming quarter, the number of participants served, and the number of pieces of mail processed weekly.

Comment: The Department has submitted reports to staff that include the requested items. The program's FY 2007-08 expenditures and budget for FY 2008-09 are included in Briefing Issue #1. The program began enrolling participants in July, 2008, and currently serves 39 families, comprised of 43 adults and 58 children. The number of pieces of mail processed monthly are:

- July: 8
- August: 41
- September: 189

- 3 **Department of State, Information Technology Services, Information Technology** -- The Department is requested to provide to the Joint Budget Committee by November 1, 2008, 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. The requested information should be submitted as part of the Department's annual budget request.

Comment: The Department has prepared a working document that defines the requirements and functionality of the new system. The Governor's Office of Information Technology (OIT) has expressed an interest in jointly preparing a Request for Information (RFI) with a broader scope than the Department's need for an accounting (point-of-sale) system. The Department is in the process of working with OIT to determine if it is feasible to prepare and publish an RFI with the goal of identifying suitable large-scale solutions rather than a more limited RFI to meet the Department's specific needs.

The Department has not yet spent the \$520,000 appropriated for this purpose. The next steps are to determine if it is feasible to incorporate other state agencies in the publishing of an RFI while still meeting the Department's urgent need for an accounting system. The Department will then release an RFI to vendors, evaluate the responses, and distribute a Request for Bids (RFB) to vendors that met the requirements of the RFI. After the vendor is selected, the Department will develop a project plan to terminate the existing point-of-sale system and install the new system. The project's timeline will be influenced by whether OIT and other agencies are involved in producing the RFI.