

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15
STAFF FIGURE SETTING RECOMMENDATIONS
DEPARTMENT OF STATE**

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

**Prepared By:
Alfredo Kemm, JBC Staff
February 5, 2014**

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

TABLE OF CONTENTS

	Narrative Page	Numbers Page
Department Overview	1	---
Department Request and Recommendation Summary	2	---
General Notes About This Packet		
Department of State Cash Fund	3	---
Initiatives Affecting Multiple Line Items		
➔ JBC Staff Initiated Adjustments to All Discretionary Line Items	4	---
(1) Administration	6	33
(2) Information Technology Services	18	36
(3) Elections Division	23	38
(4) Business and Licensing Division	28	39
Department Total	---	39
Long Bill Footnotes and Requests for Information	31	---
Indirect Cost Plan	32	---

DEPARTMENT OF STATE

FY 2014-15 STAFF FIGURE SETTING RECOMMENDATIONS

Department Overview

The Secretary of State is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of State, the Secretary of State receives and makes available to the public a number of records that are mandated to be filed with the State. These filings include business entity filings, administrative rules of state agencies, and campaign finance disclosures. The Secretary of State is the State's chief election official, and the Department administers statutory and constitutional provisions that relate directly or indirectly to the conduct of elections in the State. In FY 2013-14, the Department was restructured into four divisions with primary responsibilities as follow:

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

INFORMATION TECHNOLOGY SERVICES: Provides information technology support to the program divisions.

ELECTIONS DIVISION: Administers statutory and constitutional provisions for the conduct of elections for the State. This includes certifying the content to the ballot, publishing the abstract of vote totals, overseeing the verification of petitions for ballot issues, campaign finance filings, voting equipment certifications, requirements of the National Voter Registration Act and the Help America Vote Act, and maintaining the statewide voter registration system.

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

The Department is primarily funded by the Department of State Cash Fund, created in Section 24-21-104 (3) (b), C.R.S., which is funded by fees charged for business filings. The other funding source is the Federal Elections Assistance Fund, created in Section 1-1.5-106 (1) (a), C.R.S., which consists of moneys the State receives from the federal government from the Help America Vote Act (HAVA) and is continuously appropriated pursuant to Section 1-1.5-106 (2) (b), C.R.S.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department of State requests an appropriation of \$21,993,272 cash funds and 137.2 FTE. Except for a small amount of funding from the Federal Elections Assistance Cash Fund (\$349,222), all funding for the Department is from the Department of State Cash Fund.

Staff Recommendation

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

Department of State				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$21,372,884	\$0	\$21,372,884	135.0
Other Legislation	1,535,333	0	1,535,333	4.0
HB 14-1247 (Supplemental)	<u>498,644</u>	<u>0</u>	<u>498,644</u>	<u>0.0</u>
TOTAL	\$23,406,861	\$0	\$23,406,861	139.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$23,406,861	\$0	\$23,406,861	139.0
Centrally appropriated line items	479,340	0	479,340	0.0
Indirect cost assessment	21,971	0	21,971	0.0
JBC staff initiated adjustments to all discretionary line items	(3,474,484)	0	(3,474,484)	0.0
Annualize prior year funding	(1,754,015)	0	(1,754,015)	(1.8)
Statewide IT common policy adjustments	<u>(68,688)</u>	<u>0</u>	<u>(68,688)</u>	<u>0.0</u>
TOTAL	\$18,610,985		\$18,610,985	137.2
Increase/(Decrease)	(\$4,795,876)	\$0	(\$4,795,876)	(1.8)
Percentage Change	(20.5%)	0.0%	(20.5%)	(1.3%)
FY 2014-15 Executive Request				
Request Above/(Below)	\$21,993,272	\$0	\$21,993,272	137.2
Recommendation	\$3,382,287		\$3,382,287	0.0

Issue Descriptions

Centrally appropriated line items: The recommendation shown includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the

Public Employees' Retirement Association (PERA) pension fund; workers' compensation; administrative law judges; payment to risk management and property funds; vehicle lease payments; and leased space. ***The staff recommendation is pending committee action.***

Indirect cost assessment: The recommendation includes a \$21,971 increase in cash funds that reflects an adjustment to the indirect cost assessment line as a result of the Statewide Indirect Cost Plan.

JBC staff initiated adjustments to all discretionary line items: The recommendation includes a \$3.5 million decrease in cash funds to balance the appropriation plus the Department of State Cash Fund balance with estimated revenue for FY 2014-15.

Annualize prior year funding: The recommendation includes adjustments related to prior year legislation and budget actions.

Statewide IT common policy adjustments: The recommendation shown includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); and information technology security. ***The staff recommendation is pending committee action.***

GENERAL NOTES ABOUT THIS PACKET

Department of State Cash Fund

Except for continuously appropriated HAVA funds, the Department is entirely funded by the Department of State Cash Fund, created in Section 24-21-104 (3) (b), C.R.S., which also requires the Department to adjust its fees so that revenue approximates direct and indirect costs. The Department has communicated that the Secretary of State will not be increasing fees other than penalty fees increased on November 1, 2013. On that basis, staff is recommending a budget for the Department that provides operations funding equal to projected revenue, with additional adjustments related to ensuring a cash fund balance that is not in deficit at the end of FY 2014-15.

The FY 2013-14 total appropriation is \$23.4 million, revenue is estimated by the Department at \$18.9 million, and the beginning fund balance for the fiscal year is reported as \$1.9 million. In the November 1 budget request schedule 9 cash fund report, the Department estimates expenditures for FY 2013-14 at \$20.2 million or \$3.2 million lower than appropriated, providing an estimated ending fund balance for the fiscal year of \$0.64 million. Staff estimates expenditures for FY 2013-14 at \$21.1 million due to supplemental increases and Department-estimated reductions for common policy and indirect cost assessment line items that are not discretionary. Staff's cash fund balance analysis projects that the fund may be in deficit by \$0.29 million at the end of FY 2013-14.

The Department's total request for FY 2014-15 is \$22.0 million. The Department estimates revenue of \$19.0 million and expenditures of \$19.5 million. Staff is recommending a budget of \$18.6 million in order to balance appropriations with estimated revenue, with an adjustment to ensure that the fund is not in deficit at the end of FY 2014-15. The recommended budget is 15.4 percent lower than requested, and is achieved through an additional 10.0 percent cut to all discretionary line items from Department estimated expenditures. The estimated FY 2014-15 ending fund balance is \$84,701; however the legal services rate and non-discretionary OIT and operating common policy billing amounts are pending and may be higher than requested and estimated.

Staff expects that the Department may request adjustments through the supplemental process to better achieve overall savings through budget-neutral, offsetting line item adjustments as necessary, as well as to request increases in spending authority if revenue is projected to increase relative to the baseline estimate at any time in FY 2014-15.

Department of State Cash Fund Balance Analysis FY 2013-14 and FY 2014-15							
	FY 2013-14			FY 2014-15			
	Long Bill	Dept.	Staff	Dept.	Dept.	Staff	Staff
	Approp.	Estimated	Estimated	Request	Estimated	Estimated	Recommend
Cash Fund Beginning Balance	\$1,895,210	\$1,895,210	\$1,895,210	(\$2,584,397)	\$637,103	(\$288,277)	(\$288,277)
Estimated Revenue	18,928,610	18,928,610	18,928,610	18,983,962	18,983,962	\$18,983,962	18,983,962
Estimated Expenditures/Approps	(23,408,217)	(20,186,717)	(21,112,097)	(21,993,272)	(19,519,050)	(\$20,183,994)	(18,610,984)
Cash Fund End Balance	(\$2,584,397)	\$637,103	(\$288,277)	(\$5,593,707)	\$102,015	(\$1,488,309)	\$84,701

INITIATIVES AFFECTING MULTIPLE LINE ITEMS

JBC Staff Initiated Adjustments to All Discretionary Line Items

Recommendation: Staff recommends a total budget of \$18.6 million cash funds from the Department of State Cash Fund for FY 2014-15.

Analysis: The following table outlines all Department line items including request, Department estimated, staff estimated, and staff recommendation amounts.

- Department estimated amounts represent a projected 10.0 percent savings from FY 2013-14 appropriated amounts; the Department reflects the same figures in its FY 2014-15 estimated amounts.
- Staff estimated amounts reflect Department estimated amounts with adjustments for approved FY 2013-14 supplementals and to reflect the full appropriated amounts for non-discretionary line items.
- Staff recommendation amounts reflect an additional 10.0 percent decrease from staff/Department estimated amounts for discretionary line items.

JBC Staff Initiated Adjustments to All Discretionary Line Items for Department of State						
	Request	Dept. Estimated	Staff Estimated	Staff Recommend	Percent of Request	Percent of Estimated
(1) Administration						
Personal Services	\$1,707,139	\$3,134,300	\$1,479,995	\$1,331,996	78.0%	90.0%
Health, Life, and Dental	924,392	0	786,090	707,481	76.5%	90.0%
Short-term Disability	17,284	0	13,816	12,434	71.9%	90.0%
AED	320,154	0	268,712	241,841	75.5%	90.0%
SAED	300,144	0	242,588	218,329	72.7%	90.0%
Salary Survey	131,154	0	164,751	148,276	113.1%	90.0%
Merit Pay	<u>125,831</u>	<u>0</u>	<u>103,168</u>	<u>92,851</u>	73.8%	90.0%
P.S. plus POTS	3,526,098	3,134,300	3,059,120	2,753,208	78.1%	90.0%
Workers' Compensation	13,256	12,670	13,256	13,256	100.0%	100.0%
Operating Expenses	550,816	495,734	495,734	446,161	81.0%	90.0%
Legal Services for 7,118 6,645 hours	648,307	583,476	605,227	605,227	93.4%	100.0%
Administrative Law Judge Services	31,216	28,022	31,216	31,216	100.0%	100.0%
Purchase of Services from Computer Center	95,106	148,705	95,106	95,106	100.0%	100.0%
Colorado State Network	105,595	95,036	105,595	105,595	100.0%	100.0%
Payment to Risk Management and Property Funds	52,559	36,608	52,559	52,559	100.0%	100.0%
Vehicle Lease Payments	528	3,011	528	528	100.0%	100.0%
Leased Space	658,026	577,144	658,026	658,026	100.0%	100.0%
COFRS Modernization	40,140	36,126	40,140	40,140	100.0%	100.0%
Information Technology Security	4,221	2,787	4,221	4,221	100.0%	100.0%
Indirect Cost Assessment	128,983	100,811	128,983	128,983	100.0%	100.0%
Discretionary Fund	<u>5,000</u>	<u>4,500</u>	<u>5,000</u>	<u>5,000</u>	100.0%	100.0%
Administration Subtotal	5,859,851	5,258,930	5,294,710	4,939,225	84.3%	93.3%
(2) Information Technology Services						
Personal Services	5,616,601	5,412,427	5,412,427	4,871,184	86.7%	90.0%
Operating Expenses	806,112	567,734	567,734	510,961	63.4%	90.0%
Hardware/Software Maintenance	1,738,242	1,412,433	1,412,433	1,271,190	73.1%	90.0%
Information Technology Asset Management	<u>445,418</u>	<u>545,115</u>	<u>445,418</u>	<u>400,876</u>	90.0%	90.0%
Information Technology Subtotal	8,606,373	7,937,709	7,838,012	7,054,211	82.0%	90.0%
(3) Elections Division						
Personal Services	2,118,433	1,860,896	1,860,896	1,674,806	79.1%	90.0%
Operating Expenses	200,389	236,932	200,389	180,350	90.0%	90.0%
Help America Vote Act Program	349,222	n/a	0	1,000	0.3%	n/a
Local Election Reimbursement	2,004,036	1,803,632	2,504,036	2,504,036	124.9%	100.0%
Initiative and Referendum	<u>250,000</u>	<u>135,000</u>	<u>200,000</u>	<u>200,000</u>	80.0%	100.0%
Elections Division Subtotal	4,922,080	4,036,460	4,765,321	4,560,193	92.6%	95.7%
Elections Division Subtotal except HAVA	4,572,858	4,036,460	4,765,321	4,559,193	99.7%	95.7%
ElectionsDiv.Subtot. Excl. LocalElectionReimburs.	2,918,044	2,232,828	2,261,285	2,056,157	70.5%	90.9%
(4) Business and Licensing Division						
Personal Services	2,441,968	2,139,251	2,139,251	1,925,326	78.8%	90.0%
Operating Expenses	<u>163,000</u>	<u>146,700</u>	<u>146,700</u>	<u>132,030</u>	81.0%	90.0%
Business and Licensing Division Subtotal	2,604,968	2,285,951	2,285,951	2,057,356	79.0%	90.0%
Department of State Total Budget Amount	\$21,993,272	\$19,519,050	\$20,183,994	\$18,610,984	84.6%	92.2%

(1) Administration

This division provides general management and supervision of the Department, including finance and human resources.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$5,754,413</u>	<u>\$0</u>	<u>\$5,754,413</u>	<u>20.0</u>
TOTAL	\$5,754,413	\$0	\$5,754,413	20.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$5,754,413	\$0	\$5,754,413	20.0
Centrally appropriated line items	479,340	0	479,340	0.0
Indirect cost assessment	21,971	0	21,971	0.0
JBC staff initiated adjustments to all discretionary line items	(1,012,822)	0	(1,012,822)	0.0
Annualize prior year funding	(234,988)	0	(234,988)	(1.0)
Statewide IT common policy adjustments	<u>(68,688)</u>	<u>0</u>	<u>(68,688)</u>	<u>0.0</u>
TOTAL	\$4,939,226		\$4,939,226	19.0
Increase/(Decrease)	(\$815,187)	\$0	(\$815,187)	(1.0)
Percentage Change	(14.2%)	0.0%	(14.2%)	(5.0%)
FY 2014-15 Executive Request:	\$5,859,851	\$0	\$5,859,851	19.0
Request Above/(Below)				
Recommendation	\$920,625		\$920,625	0.0

LINE ITEM DETAIL

Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

Request: The Department requests an appropriation of \$1,707,139 cash funds and 19.0 FTE.

Recommendation: Staff recommends an appropriation of \$1,331,996 cash funds from the Department of State Cash Fund and 19.0 FTE as detailed in the following table.

Administration, Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$1,644,439</u>	<u>\$0</u>	<u>\$1,644,439</u>	<u>20.0</u>
TOTAL	\$1,644,439	\$0	\$1,644,439	20.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$1,644,439	\$0	\$1,644,439	20.0
Annualize prior year funding	62,700	0	62,700	(1.0)
JBC staff initiated adjustments to all discretionary line items	<u>(375,143)</u>	<u>0</u>	<u>(375,143)</u>	<u>0.0</u>
TOTAL	\$1,331,996		\$1,331,996	19.0
Increase/(Decrease)	(\$312,443)	\$0	(\$312,443)	(1.0)
Percentage Change	(19.0%)	0.0%	(19.0%)	(5.0%)
FY 2014-15 Executive Request:	\$1,707,139	\$0	\$1,707,139	19.0
Request Above/(Below) Recommendation	\$375,143		\$375,143	0.0

Health, Life, and Dental

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

Request: The Department requested an appropriation of \$924,392 cash funds.

Recommendation: Staff recommends an appropriation of \$707,481 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, Health, Life, and Dental				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$873,433	\$0	\$873,433	0.0
TOTAL	\$873,433	\$0	\$873,433	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$873,433	\$0	\$873,433	0.0
Centrally appropriated line items	14,591	0	14,591	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(180,543)</u>	<u>0</u>	<u>(180,543)</u>	<u>0.0</u>
TOTAL	\$707,481		\$707,481	0.0
Increase/(Decrease)	(\$165,952)	\$0	(\$165,952)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$924,392	\$0	\$924,392	0.0
Request Above/(Below)				
Recommendation	\$216,911		\$216,911	0.0

Short-term Disability

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

Request: The Department requested an appropriation of \$17,284 cash funds.

Recommendation: Staff recommends an appropriation of \$12,434 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, Short-term Disability				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$15,351</u>	<u>\$0</u>	<u>\$15,351</u>	<u>0.0</u>
TOTAL	\$15,351	\$0	\$15,351	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$15,351	\$0	\$15,351	0.0
Centrally appropriated line items	1,920	0	1,920	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(4,837)</u>	<u>0</u>	<u>(4,837)</u>	<u>0.0</u>
TOTAL	\$12,434		\$12,434	0.0
Increase/(Decrease)	(\$2,917)	\$0	(\$2,917)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:				
Request Above/(Below)	\$17,284	\$0	\$17,284	0.0
Recommendation	\$4,850		\$4,850	0.0

S.B. 04-257 Amortization Equalization Disbursement

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA).

Request: The Department requested an appropriation of \$320,154 cash funds.

Recommendation: Staff recommends an appropriation of \$241,841 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, S.B. 04-257 Amortization Equalization Disbursement				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$298,569	\$0	\$298,569	0.0
TOTAL	\$298,569	\$0	\$298,569	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$298,569	\$0	\$298,569	0.0
Centrally appropriated line items	21,346	0	21,346	0.0
JBC staff initiated adjustments to all discretionary line items	(78,074)	0	(78,074)	0.0
TOTAL	\$241,841		\$241,841	0.0
Increase/(Decrease)	(\$56,728)	\$0	(\$56,728)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$320,154	\$0	\$320,154	0.0
Request Above/(Below)				
Recommendation	\$78,313		\$78,313	0.0

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA.

Request: The Department requested an appropriation of \$300,144 cash funds.

Recommendation: Staff recommends an appropriation of \$218,329 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$269,542</u>	<u>\$0</u>	<u>\$269,542</u>	<u>0.0</u>
TOTAL	\$269,542	\$0	\$269,542	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$269,542	\$0	\$269,542	0.0
Centrally appropriated line items	30,378	0	30,378	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(81,591)</u>	<u>0</u>	<u>(81,591)</u>	<u>0.0</u>
TOTAL	\$218,329		\$218,329	0.0
Increase/(Decrease)	(\$51,213)	\$0	(\$51,213)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$300,144	\$0	\$300,144	0.0
Request Above/(Below)				
Recommendation	\$81,815		\$81,815	0.0

Salary Survey

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

Request: The Department requested an appropriation of \$131,154 cash funds.

Recommendation: Staff recommends an appropriation of \$148,276 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, Salary Survey				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$183,057</u>	<u>\$0</u>	<u>\$183,057</u>	<u>0.0</u>
TOTAL	\$183,057	\$0	\$183,057	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$183,057	\$0	\$183,057	0.0
Centrally appropriated line items	260,259	0	260,259	0.0
JBC staff initiated adjustments to all discretionary line items	(111,983)	0	(111,983)	0.0
Annualize prior year funding	<u>(183,057)</u>	<u>0</u>	<u>(183,057)</u>	<u>0.0</u>
TOTAL	\$148,276		\$148,276	0.0
Increase/(Decrease)	(\$34,781)	\$0	(\$34,781)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$131,154	\$0	\$131,154	0.0
Request Above/(Below) Recommendation	(\$17,122)		(\$17,122)	0.0

Merit Pay

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

Request: The Department requested an appropriation of \$125,831 cash funds.

Recommendation: Staff recommends an appropriation of \$92,851 cash funds from the Department of State Cash Fund. The Committee adopted a common policy adjustment, however, based on the JBC Staff Initiated Adjustments to All Discretionary Line Items, staff recommends the adjusted appropriation.

Administration, Merit Pay				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$114,631	\$0	\$114,631	0.0
TOTAL	\$114,631	\$0	\$114,631	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$114,631	\$0	\$114,631	0.0
Centrally appropriated line items	125,767	0	125,767	0.0
JBC staff initiated adjustments to all discretionary line items	(32,916)	0	(32,916)	0.0
Annualize prior year funding	<u>(114,631)</u>	<u>0</u>	<u>(114,631)</u>	<u>0.0</u>
TOTAL	\$92,851		\$92,851	0.0
Increase/(Decrease)	(\$21,780)	\$0	(\$21,780)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$125,831	\$0	\$125,831	0.0
Request Above/(Below)				
Recommendation	\$32,980		\$32,980	0.0

Workers' Compensation

This line item is used to pay the Department's share of the state's workers' compensation program run by the Department of Personnel.

Request: The Department requested an appropriation of \$13,256 cash funds.

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

Operating Expenses

This line item provides funding for supplies and materials for the Administration Division, as well as for certain services that are not covered by other line items such as capital outlay (replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000), utilities, telecommunications, custodial services, equipment rental, storage, dues and subscription, office supplies, and printing and reproduction costs.

Request: The Department requests a continuation appropriation of \$550,816 cash funds.

Recommendation: Staff recommends an appropriation of \$446,161 cash funds from the Department of State Cash Fund as detailed in the following table.

Administration, Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$550,816</u>	<u>\$0</u>	<u>\$550,816</u>	<u>0.0</u>
TOTAL	\$550,816	\$0	\$550,816	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$550,816	\$0	\$550,816	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(104,655)</u>	<u>0</u>	<u>(104,655)</u>	<u>0.0</u>
TOTAL	\$446,161		\$446,161	0.0
Increase/(Decrease)	(\$104,655)	\$0	(\$104,655)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$550,816	\$0	\$550,816	0.0
Request Above/(Below)				
Recommendation	\$104,655		\$104,655	0.0

Legal Services

This line item provides funding for the Department to purchase legal services from the Department of Law. The following table outlines legal services hours and legal services expenditures from FY 2006-07 through FY 2012-13, and a staff projection for FY 2013-14.

Actual Legal Services Hours and Expenditures FY06-07 through FY12-13								
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14*
Legal Services Hours	4,963	4,125	3,066	4,187	5,058	6,645	3,700	2,980
Legal Services Expenditures	\$264,785	\$341,431	\$299,156	\$357,816	\$436,780	\$538,296	\$481,421	\$423,562

* FY13-14 Projected

Expenditures for FY 2012-13 and FY 2013-14 include expenditures for the use of outside counsel. *[When a suit is brought against a state department or official that, for whatever reason, the Department of Law is unable to provide a defense, the Department may use its legal services appropriations to pay those costs.]*

Staff communications with the Department of Law suggest that the need for legal services in FY 2014-15 may be higher because of the even-year election. Staff is recommending a reduced legal services appropriation equal to 6,645 hours, which is equivalent to the highest-use year in FY 2011-12.

Request: The Department requests a continuation appropriation of \$648,307 cash funds for 7,118 legal services hours.

Recommendation: Staff recommends an appropriation sufficient to purchase 6,645 hours of legal services. Staff will calculate the actual appropriation when the Committee approves an hourly rate for legal services and reflect that appropriation in the Long Bill.

Administrative Law Judge Services

This line item is used to purchase administrative law services from the Department of Personnel.

Request: The Department is requesting an appropriation of \$31,216 cash funds.

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

Purchase of Services from Computer Center

This line item is used to reimburse the Governor's Office of Information Technology (OIT) for the Department's share of the state's computer system.

Request: The Department requests an appropriation of \$95,106 cash funds.

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

Colorado State Network

Funds in this line are used to reimburse OIT for the Department's share of the statewide multi-use network.

Request: Department requests an appropriation of \$105,595 cash funds.

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

Payment to Risk Management and Property Funds

This line item is used to reimburse the Department of Personnel for the Department's share of the state's liability and property insurance.

Request: The Department requests an appropriation of \$52,559 cash funds.

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

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel for the cost of administration and lease-purchase payments for new and replacement vehicles. The Department currently operates one vehicle which is used primarily for statewide travel for elections officials. The vehicle is not slated for replacement in FY 2014-15.

Request: The Department requests an appropriation of \$528 cash funds.

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

Leased Space

The line item funds the space the Department occupies at 1700 Broadway, Denver.

Request: The Department requests an appropriation of \$658,026 cash funds. The request includes an annualization adjustment.

Recommendation: Staff recommends approval of the Department's request for an appropriation of \$658,026 cash funds from the Department of State Cash Fund.

COFRS Modernization

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

Request: The Department requests a continuation appropriation of \$40,140 cash funds.

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

Indirect Cost Assessment

This line item funds the Department's share of statewide indirect costs. Statewide indirect costs are overhead costs associated with the operation of general government functions and recovered from cash and federal funded programs. Historically, the Department's indirect cost recoveries are used to offset General Fund in the Department of Personnel. Beginning this year, all statewide indirect cost recoveries will be used to offset General Fund in the Office of the Governor.

Request: The Department requests an appropriation of \$128,983 cash funds.

Recommendation: Pursuant to approved Committee policy, staff recommends an appropriation of \$128,983 cash funds from the Department of State Cash Fund.

Discretionary Fund

Pursuant to Section 24-9-105, C.R.S., each of five elected state officials receives an annual appropriation for "expenditure in pursuance of official business as each elected official sees fit". Subject to annual appropriation by the General Assembly, the Secretary of State receives an appropriation of \$5,000 cash funds for this purpose.

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

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

(2) Information Technology Services

This division provides information technology support to the program divisions.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Information Technology Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$8,463,541	\$0	\$8,463,541	35.0
Other Legislation	1,279,057	0	1,279,057	1.0
HB 14-1247 (Supplemental)	<u>(51,356)</u>	<u>0</u>	<u>(51,356)</u>	<u>0.0</u>
TOTAL	\$9,691,242	\$0	\$9,691,242	36.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$9,691,242	\$0	\$9,691,242	36.0
JBC staff initiated adjustments to all discretionary line items	(1,552,162)	0	(1,552,162)	0.0
Annualize prior year funding	<u>(1,084,869)</u>	<u>0</u>	<u>(1,084,869)</u>	<u>0.0</u>
TOTAL	\$7,054,211		\$7,054,211	36.0
Increase/(Decrease)	(\$2,637,031)	\$0	(\$2,637,031)	0.0
Percentage Change	(27.2%)	0.0%	(27.2%)	0.0%
FY 2014-15 Executive Request:	\$8,606,373	\$0	\$8,606,373	36.0
Request Above/(Below) Recommendation	\$1,552,162		\$1,552,162	0.0

LINE ITEM DETAIL

Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

Request: The Department requests an appropriation \$5,616,601 cash funds and 36.0 FTE. The request includes an annualization adjustment.

Recommendation: Staff recommends an appropriation of 4,871,184 cash funds from the Department of State Cash Fund and 36.0 FTE as detailed in the following table.

Information Technology Services, Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$5,683,326	\$0	\$5,683,326	35.0
Other Legislation	1,273,404	0	1,273,404	1.0
HB 14-1247 (Supplemental)	<u>(388,856)</u>	<u>0</u>	<u>(388,856)</u>	<u>0.0</u>
TOTAL	\$6,567,874	\$0	\$6,567,874	36.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$6,567,874	\$0	\$6,567,874	36.0
JBC staff initiated adjustments to all discretionary line items	(745,417)	0	(745,417)	0.0
Annualize prior year funding	<u>(951,273)</u>	<u>0</u>	<u>(951,273)</u>	<u>0.0</u>
TOTAL	\$4,871,184		\$4,871,184	36.0
Increase/(Decrease)	(\$1,696,690)	\$0	(\$1,696,690)	0.0
Percentage Change	(25.8%)	0.0%	(25.8%)	0.0%
FY 2014-15 Executive Request:	\$5,616,601	\$0	\$5,616,601	36.0
Request Above/(Below) Recommendation	\$745,417		\$745,417	0.0

Operating Expenses

This line item provides funding for the operating expenses of the Information Technology Division, including supplies and materials, utilities, custodial services, equipment rental, storage, dues and subscriptions, office supplies, and printing expenses.

Request: The Department requests an appropriation of \$806,112 cash funds. The request includes an annualization adjustment.

Recommendation: Staff recommends an appropriation of \$510,961 cash funds from the Department of State Cash Fund as detailed in the following table.

Information Technology Services, Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$605,162	\$0	\$605,162	0.0
Other Legislation	5,653	0	5,653	0.0
HB 14-1247 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$610,815	\$0	\$610,815	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$610,815	\$0	\$610,815	0.0
JBC staff initiated adjustments to all discretionary line items	(295,151)	0	(295,151)	0.0
Annualize prior year funding	<u>195,297</u>	<u>0</u>	<u>195,297</u>	<u>0.0</u>
TOTAL	\$510,961		\$510,961	0.0
Increase/(Decrease)	(\$99,854)	\$0	(\$99,854)	0.0
Percentage Change	(16.3%)	0.0%	(16.3%)	0.0%
FY 2014-15 Executive Request:	\$806,112	\$0	\$806,112	0.0
Request Above/(Below) Recommendation	\$295,151		\$295,151	0.0

Hardware/Software Maintenance

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

Request: The Department requests an appropriation of \$1,738,242 cash funds. The request includes an annualization adjustment.

Recommendation: Staff recommends an appropriation of \$1,271,190 cash funds from the Department of State Cash Fund as detailed in the following table.

Information Technology Services, Hardware/Software Maintenance				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$1,569,370	\$0	\$1,569,370	0.0
HB 14-1247 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,569,370	\$0	\$1,569,370	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$1,569,370	\$0	\$1,569,370	0.0
JBC staff initiated adjustments to all discretionary line items	(467,052)	0	(467,052)	0.0
Annualize prior year funding	<u>168,872</u>	<u>0</u>	<u>168,872</u>	<u>0.0</u>
TOTAL	\$1,271,190		\$1,271,190	0.0
Increase/(Decrease)	(\$298,180)	\$0	(\$298,180)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$1,738,242	\$0	\$1,738,242	0.0
Request Above/(Below)				
Recommendation	\$467,052		\$467,052	0.0

Information Technology Asset Management

This line item provides funding for the replacement of the Department's IT assets on a predictable schedule, in order to increase asset reliability, reduce maintenance costs, and create a more predictable stream of IT expenses.

Request: The Department requests an appropriation of \$445,418 cash funds. The request includes an annualization adjustment.

Recommendation: Staff recommends an appropriation of \$400,876 cash funds from the Department of State Cash Fund as detailed in the following table.

Information Technology Services, Information Technology Asset Management				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$605,683	\$0	\$605,683	0.0
HB 14-1247 (Supplemental)	<u>337,500</u>	<u>0</u>	<u>337,500</u>	<u>0.0</u>
TOTAL	\$943,183	\$0	\$943,183	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$943,183	\$0	\$943,183	0.0
JBC staff initiated adjustments to all discretionary line items	(44,542)	0	(44,542)	0.0
Annualize prior year funding	<u>(497,765)</u>	<u>0</u>	<u>(497,765)</u>	<u>0.0</u>
TOTAL	\$400,876		\$400,876	0.0
Increase/(Decrease)	(\$542,307)	\$0	(\$542,307)	0.0
Percentage Change	(57.5%)	0.0%	(57.5%)	0.0%
FY 2014-15 Executive Request:	\$445,418	\$0	\$445,418	0.0
Request Above/(Below) Recommendation	\$44,542		\$44,542	0.0

(3) Elections Division

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Elections Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$4,614,984	\$0	\$4,614,984	32.0
Other Legislation	256,276	0	256,276	3.0
HB 14-1247 (Supplemental)	<u>550,000</u>	<u>0</u>	<u>550,000</u>	<u>0.0</u>
TOTAL	\$5,421,260	\$0	\$5,421,260	35.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$5,421,260	\$0	\$5,421,260	35.0
JBC staff initiated adjustments to all discretionary line items	(361,888)	0	(361,888)	0.0
Annualize prior year funding	<u>(499,180)</u>	<u>0</u>	<u>(499,180)</u>	<u>(0.8)</u>
TOTAL	\$4,560,192		\$4,560,192	34.2
Increase/(Decrease)	(\$861,068)	\$0	(\$861,068)	(0.8)
Percentage Change	(15.9%)	0.0%	(15.9%)	(2.3%)
FY 2014-15 Executive Request:	\$4,922,080	\$0	\$4,922,080	34.2
Request Above/(Below) Recommendation	\$361,888		\$361,888	0.0

LINE ITEM DETAIL

Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

Request: The Department requests an appropriation of \$2,118,433 cash funds and 34.2 FTE. The request includes an annualization adjustment for salary survey and merit pay.

Recommendation: Staff recommends an appropriation of \$1,674,806 cash funds from the Department of State Cash Fund and 34.2 FTE as detailed in the following table.

Elections Division, Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$1,962,427	\$0	\$1,962,427	32.0
Other Legislation	<u>142,317</u>	<u>0</u>	<u>142,317</u>	<u>3.0</u>
TOTAL	\$2,104,744	\$0	\$2,104,744	35.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$2,104,744	\$0	\$2,104,744	35.0
Annualize prior year funding	13,689	0	13,689	(0.8)
JBC staff initiated adjustments to all discretionary line items	<u>(443,627)</u>	<u>0</u>	<u>(443,627)</u>	<u>0.0</u>
TOTAL	\$1,674,806		\$1,674,806	34.2
Increase/(Decrease)	(\$429,938)	\$0	(\$429,938)	(0.8)
Percentage Change	(20.4%)	0.0%	(20.4%)	(2.3%)
FY 2014-15 Executive Request:	\$2,118,433	\$0	\$2,118,433	34.2
Request Above/(Below)				
Recommendation	\$443,627		\$443,627	0.0

Operating Expenses

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

Request: The Department requests an appropriation of \$200,839 cash funds. The request includes an annualization adjustment.

Recommendation: Staff recommends an appropriation of \$180,350 cash funds from the Department of State Cash Fund as detailed in the following table.

Elections Division, Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$149,299	\$0	\$149,299	0.0
Other Legislation	113,959	0	113,959	0.0
HB 14-1247 (Supplemental)	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0.0</u>
TOTAL	\$313,258	\$0	\$313,258	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$313,258	\$0	\$313,258	0.0
Annualize prior year funding	(112,869)	0	(112,869)	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(20,039)</u>	<u>0</u>	<u>(20,039)</u>	<u>0.0</u>
TOTAL	\$180,350		\$180,350	0.0
Increase/(Decrease)	(\$132,908)	\$0	(\$132,908)	0.0
Percentage Change	(42.4%)	0.0%	(42.4%)	0.0%
FY 2014-15 Executive Request:	\$200,389	\$0	\$200,389	0.0
Request Above/(Below)				
Recommendation	\$20,039		\$20,039	0.0

Help America Vote Program

Congress passed HAVA in 2002 for the purpose of improving the administration of federal elections. In 2003, the Colorado General Assembly passed the "Colorado Help America Vote Act" which included the creation of the Federal Elections Assistance Cash Fund to receive federal and state moneys appropriated for HAVA-related purposes (Section 1-1.5-106, C.R.S.). Appropriations from the Federal Elections Assistance Fund are continuously appropriated pursuant to Section 1-1.5-106 (2) (b), C.R.S., to the Department of State for the proper administration, implementation, and enforcement of the federal Help America Vote Act. The HAVA line item appropriation is a projection and included for informational purposes only.

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

Recommendation: Staff recommends reflecting an appropriation of \$1,000 cash funds. This line item is a continuous appropriation and is included for informational purposes only. The Department's request amount is not tied to planned or projected spending from this line item. Therefore staff recommends reflecting a minimal, placeholder amount.

Local Election Reimbursement

Section 1-5-505.5, C.R.S., requires the Secretary of State to reimburse counties for the costs related to having a statewide issue on the ballot. Pursuant to H.B. 12-1143, counties with fewer than 10,000 active voters are reimbursed at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter. Although H.B. 13-1303 did not increase the reimbursement rate, the bill increased the number of eligible voters by eliminating the inactive-failed to vote (I-FTV) status and shifted those voters to active status. As of October 1, 2013, there were just over 3.0 million active voters. The Department's supplemental appropriation for FY 2013-14 increased the appropriation to \$2.5 million.

Request: The Department requests an appropriation of \$2,004,036 cash funds.

Recommendation: Staff recommends an appropriation of \$2,504,036 cash funds from the Department of State Cash Fund, equivalent to the FY 2013-14 total appropriation, as detailed in the following table.

Elections Division, Local Election Reimbursement				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$2,004,036	\$0	\$2,004,036	0.0
HB 14-1247 (Supplemental)	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0.0</u>
TOTAL	\$2,504,036	\$0	\$2,504,036	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$2,504,036	\$0	\$2,504,036	0.0
JBC staff initiated adjustments to all discretionary line items	500,000	0	500,000	0.0
Annualize prior year funding	<u>(500,000)</u>	<u>0</u>	<u>(500,000)</u>	<u>0.0</u>
TOTAL	\$2,504,036		\$2,504,036	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,004,036	\$0	\$2,004,036	0.0
Request Above/(Below) Recommendation	(\$500,000)		(\$500,000)	0.0

Initiative and Referendum

This appropriation provides funding for petition verification, the activities of the Ballot Title Setting Board, and the cost of translating the ballot information booklet (the "Blue Book") into Spanish. Expenditures are primarily driven by the number of initiatives received during a given year, and they fluctuate because for odd-year elections, only TABOR-related initiatives are permitted on the November ballot. For even-year elections (presidential and gubernatorial election years), there are no restrictions on the types of initiatives, therefore even-year expenditures are higher. The JBC practice has been to appropriate \$150,000 cash funds in years with odd-year elections, and \$250,000 in years with even-year elections.

Request: The Department requests an appropriation of \$250,000 cash funds.

Recommendation: Staff recommends an appropriation of \$200,000 cash funds from the Department of State Cash Fund as detailed in the following table.

Elections Division, Initiative and Referendum				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>	<u>0.0</u>
TOTAL	\$150,000	\$0	\$150,000	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$150,000	\$0	\$150,000	0.0
Annualize prior year funding	100,000	0	100,000	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>	<u>0.0</u>
TOTAL	\$200,000		\$200,000	0.0
Increase/(Decrease)	\$50,000	\$0	\$50,000	0.0
Percentage Change	33.3%	0.0%	33.3%	0.0%
FY 2014-15 Executive Request:				
Request Above/(Below)	\$250,000	\$0	\$250,000	0.0
Recommendation	\$50,000		\$50,000	0.0

(4) Business and Licensing Division

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Business and Licensing Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$2,539,946</u>	<u>\$0</u>	<u>\$2,539,946</u>	<u>48.0</u>
TOTAL	\$2,539,946	\$0	\$2,539,946	48.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$2,539,946	\$0	\$2,539,946	48.0
JBC staff initiated adjustments to all discretionary line items	(547,612)	0	(547,612)	0.0
Annualize prior year funding	<u>65,022</u>	<u>0</u>	<u>65,022</u>	<u>0.0</u>
TOTAL	\$2,057,356		\$2,057,356	48.0
Increase/(Decrease)	(\$482,590)	\$0	(\$482,590)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$2,604,968	\$0	\$2,604,968	48.0
Request Above/(Below) Recommendation	\$547,612		\$547,612	0.0

LINE ITEM DETAIL

Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of the federal Medicare taxes. It also funds contract services, wages for temporary employees, sick and annual leave payouts, and other similar personal services expenditures.

Request: The Department requests an appropriation of \$2,441,968 cash funds and 48.0 FTE. The request includes an annualization adjustment for salary survey and merit pay.

Recommendation: Staff recommends an appropriation of \$1,925,326 cash funds from the Department of State Cash Fund and 48.0 FTE as detailed in the following table.

Business and Licensing Division, Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$2,376,946</u>	<u>\$0</u>	<u>\$2,376,946</u>	<u>48.0</u>
TOTAL	\$2,376,946	\$0	\$2,376,946	48.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$2,376,946	\$0	\$2,376,946	48.0
Annualize prior year funding	65,022	0	65,022	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(516,642)</u>	<u>0</u>	<u>(516,642)</u>	<u>0.0</u>
TOTAL	\$1,925,326		\$1,925,326	48.0
Increase/(Decrease)	(\$451,620)	\$0	(\$451,620)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$2,441,968	\$0	\$2,441,968	48.0
Request Above/(Below) Recommendation	\$516,642		\$516,642	0.0

Operating Expenses

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

Request: The Department requests a continuation appropriation of \$163,000 cash funds

Recommendation: Staff recommends an appropriation of \$132,030 cash funds from the Department of State Cash Fund as detailed in the following table.

Business and Licensing Division, Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$163,000</u>	<u>\$0</u>	<u>\$163,000</u>	<u>0.0</u>
TOTAL	\$163,000	\$0	\$163,000	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$163,000	\$0	\$163,000	0.0
JBC staff initiated adjustments to all discretionary line items	<u>(30,970)</u>	<u>0</u>	<u>(30,970)</u>	<u>0.0</u>
TOTAL	\$132,030		\$132,030	0.0
Increase/(Decrease)	(\$30,970)	\$0	(\$30,970)	0.0
Percentage Change	(19.0%)	0.0%	(19.0%)	0.0%
FY 2014-15 Executive Request:	\$163,000	\$0	\$163,000	0.0
Request Above/(Below) Recommendation	\$30,970		\$30,970	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

There were no footnotes for the Department of State in the 2013 Long Bill and staff does not recommend any for the 2014 Long Bill.

REQUESTS FOR INFORMATION

There were no requests for information for the Department of State in the 2013 Long Bill and staff does not recommend any for the 2014 Long Bill.

Indirect Cost Plan

Description of Indirect Cost Assessment Methodology

The Department of State does not receive appropriations from the General Fund. The Department is funded entirely by the Department of State Cash Fund, therefore, the Department does not have an indirect cost recovery plan for departmental indirect costs. It is part of the Statewide Indirect Cost Plan as determined by the State Controller and the Department has a line item in the Administration Division that accounts for that appropriation.

Recent appropriations and the FY 2014-15 request are detailed in the table below.

Department of State				
Recent Statewide Indirect Cost Actuals, Appropriation, and Request				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request
Statewide Indirects	\$136,752	\$105,838	\$107,012	\$128,983

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

DEPARTMENT OF STATE Scott Gessler, Secretary of State
--

(1) ADMINISTRATION

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

Personal Services	<u>5,409,712</u>	<u>5,518,992</u>	<u>1,644,439</u>	<u>1,707,139</u>	<u>1,331,996</u> *
FTE	82.0	79.6	20.0	19.0	19.0
Cash Funds	5,409,712	5,518,992	1,644,439	1,707,139	1,331,996
Health, Life, and Dental	<u>707,454</u>	<u>836,469</u>	<u>873,433</u>	<u>924,392</u>	<u>707,481</u> *
Cash Funds	707,454	836,469	873,433	924,392	707,481
Short-term Disability	<u>10,415</u>	<u>13,800</u>	<u>15,351</u>	<u>17,284</u>	<u>12,434</u> *
Cash Funds	10,415	13,800	15,351	17,284	12,434
S.B. 04-257 Amortization Equalization					
Disbursement	<u>171,969</u>	<u>244,953</u>	<u>298,569</u>	<u>320,154</u>	<u>241,841</u> *
Cash Funds	171,969	244,953	298,569	320,154	241,841
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>129,979</u>	<u>210,507</u>	<u>269,542</u>	<u>300,144</u>	<u>218,329</u> *
Cash Funds	129,979	210,507	269,542	300,144	218,329
Salary Survey	<u>0</u>	<u>0</u>	<u>183,057</u>	<u>131,154</u>	<u>148,276</u> *
Cash Funds	0	0	183,057	131,154	148,276

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Merit Pay	0	0	<u>114,631</u>	<u>125,831</u>	<u>92,851</u> *
Cash Funds	0	0	114,631	125,831	92,851
Workers' Compensation	<u>5,210</u>	<u>6,926</u>	<u>14,078</u>	<u>13,256</u>	<u>13,256</u> P
Cash Funds	5,210	6,926	14,078	13,256	13,256
Operating Expenses	<u>874,804</u>	<u>826,247</u>	<u>550,816</u>	<u>550,816</u>	<u>446,161</u> *
Cash Funds	874,804	826,247	550,816	550,816	446,161
Legal Services	<u>538,296</u>	<u>481,421</u>	<u>648,307</u>	<u>648,307</u>	<u>605,227</u> *P
Cash Funds	538,296	481,421	648,307	648,307	605,227
Administrative Law Judge Services	<u>31,441</u>	<u>114,624</u>	<u>31,136</u>	<u>31,216</u>	<u>31,216</u> P
Cash Funds	31,441	114,624	31,136	31,216	31,216
Purchase of Services from Computer Center	<u>1,640</u>	<u>102,789</u>	<u>165,228</u>	<u>95,106</u>	<u>95,106</u> P
Cash Funds	1,640	102,789	165,228	95,106	95,106
Colorado State Network	<u>66,234</u>	0	<u>105,595</u>	<u>105,595</u>	<u>105,595</u> P
Cash Funds	66,234	0	105,595	105,595	105,595
Payment to Risk Management and Property Funds	<u>22,264</u>	<u>37,672</u>	<u>40,676</u>	<u>52,559</u>	<u>52,559</u> P
Cash Funds	22,264	37,672	40,676	52,559	52,559
Vehicle Lease Payments	<u>2,861</u>	<u>2,963</u>	<u>3,345</u>	<u>528</u>	<u>528</u> P
Cash Funds	2,861	2,963	3,345	528	528
Leased Space	<u>529,826</u>	<u>631,682</u>	<u>641,271</u>	<u>658,026</u>	<u>658,026</u>
Cash Funds	529,826	631,682	641,271	658,026	658,026

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
COFRS Modernization	<u>0</u>	<u>40,140</u>	<u>40,140</u>	<u>40,140</u>	<u>40,140</u> P
Cash Funds	0	40,140	40,140	40,140	40,140
Information Technology Security	<u>0</u>	<u>0</u>	<u>2,787</u>	<u>4,221</u>	<u>4,221</u> P
Cash Funds	0	0	2,787	4,221	4,221
Indirect Cost Assessment	<u>136,752</u>	<u>105,838</u>	<u>107,012</u>	<u>128,983</u>	<u>128,983</u>
Cash Funds	136,752	105,838	107,012	128,983	128,983
Discretionary Fund	<u>5,000</u>	<u>4,740</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Cash Funds	5,000	4,740	5,000	5,000	5,000
TOTAL - (1) Administration	8,643,857	9,179,763	5,754,413	5,859,851	4,939,226
<i>FTE</i>	<u>82.0</u>	<u>79.6</u>	<u>20.0</u>	<u>19.0</u>	<u>19.0</u>
Cash Funds	8,643,857	9,179,763	5,754,413	5,859,851	4,939,226

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(2) INFORMATION TECHNOLOGY

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

(A) Information Technology

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

Personal Services	<u>2,972,174</u>	<u>4,259,246</u>	<u>6,567,874</u>	<u>5,616,601</u>	<u>4,871,184</u> *
FTE	27.6	32.1	36.0	36.0	36.0
Cash Funds	2,972,174	4,259,246	6,567,874	5,616,601	4,871,184
Operating Expenses	<u>470,780</u>	<u>468,747</u>	<u>610,815</u>	<u>806,112</u>	<u>510,961</u> *
Cash Funds	470,780	468,747	610,815	806,112	510,961
Hardware/Software Maintenance	<u>949,735</u>	<u>1,433,895</u>	<u>1,569,370</u>	<u>1,738,242</u>	<u>1,271,190</u> *
Cash Funds	949,735	1,433,895	1,569,370	1,738,242	1,271,190
Information Technology Asset Management	<u>441,750</u>	<u>372,460</u>	<u>943,183</u>	<u>445,418</u>	<u>400,876</u> *
Cash Funds	441,750	372,460	943,183	445,418	400,876
SUBTOTAL - (A) Information Technology	4,834,439	6,534,348	9,691,242	8,606,373	7,054,211
FTE	<u>27.6</u>	<u>32.1</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>
Cash Funds	4,834,439	6,534,348	9,691,242	8,606,373	7,054,211

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(B) Statewide Disaster Recovery Center					
Responsibility for the Statewide Disaster Recovery Center was transferred to the Office of Information Technology in FY 2011-12, though funding was transferred in one-third increments starting in FY 2011-12. For FY 2013-14, the Department of State no longer provides funding for this function.					
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Hardware/Software Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Leased Space	<u>1,576,523</u>	<u>776,497</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	1,576,523	776,497	0	0	0
SUBTOTAL - (B) Statewide Disaster Recovery Center					
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	<u>1,576,523</u>	<u>776,497</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL - (2) Information Technology					
FTE	<u>27.6</u>	<u>32.1</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>
Cash Funds	<u>6,410,962</u>	<u>7,310,845</u>	<u>9,691,242</u>	<u>8,606,373</u>	<u>7,054,211</u>

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(3) ELECTIONS DIVISION					
Personal Services	<u>0</u>	<u>0</u>	<u>2,104,744</u>	<u>2,118,433</u>	<u>1,674,806</u> *
FTE	0.0	0.0	35.0	34.2	34.2
Cash Funds	0	0	2,104,744	2,118,433	1,674,806
Operating Expenses	<u>0</u>	<u>0</u>	<u>313,258</u>	<u>200,389</u>	<u>180,350</u> *
Cash Funds	0	0	313,258	200,389	180,350
Help America Vote Act Program	<u>695,840</u>	<u>852,371</u>	<u>349,222</u>	<u>349,222</u>	<u>1,000</u> *
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	695,840	852,371	349,222	349,222	1,000
Local Election Reimbursement	<u>1,541,360</u>	<u>2,226,707</u>	<u>2,504,036</u>	<u>2,004,036</u>	<u>2,504,036</u> *
Cash Funds	1,541,360	2,226,707	2,504,036	2,004,036	2,504,036
Initiative and Referendum	<u>184,253</u>	<u>208,156</u>	<u>150,000</u>	<u>250,000</u>	<u>200,000</u> *
Cash Funds	184,253	208,156	150,000	250,000	200,000
TOTAL - (3) Elections Division	2,421,453	3,287,234	5,421,260	4,922,080	4,560,192
FTE	<u>0.0</u>	<u>0.0</u>	<u>35.0</u>	<u>34.2</u>	<u>34.2</u>
Cash Funds	2,421,453	3,287,234	5,421,260	4,922,080	4,560,192

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(4) BUSINESS AND LICENSING DIVISION					
Personal Services	<u>0</u>	<u>0</u>	<u>2,376,946</u>	<u>2,441,968</u>	<u>1,925,326</u> *
FTE	0.0	0.0	48.0	48.0	48.0
Cash Funds	0	0	2,376,946	2,441,968	1,925,326
Operating Expenses	<u>0</u>	<u>0</u>	<u>163,000</u>	<u>163,000</u>	<u>132,030</u> *
Cash Funds	0	0	163,000	163,000	132,030
TOTAL - (4) Business and Licensing Division	0	0	2,539,946	2,604,968	2,057,356
FTE	<u>0.0</u>	<u>0.0</u>	<u>48.0</u>	<u>48.0</u>	<u>48.0</u>
Cash Funds	0	0	2,539,946	2,604,968	2,057,356
TOTAL - Department of State	17,476,272	19,777,842	23,406,861	21,993,272	18,610,985
FTE	<u>109.6</u>	<u>111.7</u>	<u>139.0</u>	<u>137.2</u>	<u>137.2</u>
Cash Funds	17,476,272	19,777,842	23,406,861	21,993,272	18,610,985

*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.