

DEPARTMENT OF STATE
FY 2011-12 JOINT BUDGET COMMITTEE HEARING AGENDA
Monday, December 1, 2010
10:30 am – 12:00 pm

10:30-10:50 INTRODUCTIONS AND OPENING COMMENTS

10:50-11:15 QUESTIONS COMMON TO ALL DEPARTMENTS

QUESTIONS 1-3 – INCLUDED IN VERBAL RESPONSES

1. Please identify the department's three most effective programs and the department's three least effective programs, and explain why they were identified as such. How do the most effective programs further the department's goals? What are the department's recommendations to improve the effectiveness of the three least effective programs?
2. For the three most effective and the three least effective programs identified above, please provide the following information:
 - a. A list of other federal, state, or local agencies that administer similar or cooperating programs, and outline the interaction amongst such agencies for each program;
 - b. The statutory authority for these programs and a description of why they are or aren't necessary;
 - c. The activities that are intended to accomplish each program's objective(s), as well as performance measures for the effectiveness and efficiency of such activities;
 - d. A prioritized list of the activities necessary to achieve each program's objective(s); and
 - e. The amount of funds and personnel required to accomplish each program's activities.
3. Please detail what the department could accomplish if its appropriation is maintained at the fiscal year 2009-10 amount.

4. How much does the department spend, both in terms of personnel time and/or funds, dealing with Colorado WINS or any other employee partnership group? Has the amount of resources dedicated to this effort changed in the past five years?

Response: The department spends a minimal amount of time dealing with Colorado WINS. The department currently has approximately 8 FTE out of 133 FTE contributing membership dues to Colorado WINS through a payroll deduction. Our current policy does not allow for meetings on work premises and does not permit employees to use paid work time for Colorado WINS activities. However, senior managers have met on several occasions with Colorado WINS members and staff to exchange views on employee concerns. In addition, legal coordinators for Colorado WINS have represented employees in grievance and disciplinary actions. In sum, the personnel time is minimal and there are no expenditures.

11:15 – 11:25 FUNDING ELECTION-RELATED ACTIVITIES WITH GENERAL FUND

5. Does the Department intend to transfer the cost of elections-related activities from the Department of State Cash Fund to the General Fund? Have there been any recent statutory changes that allow or require the Department to do so?

Response: The current system of funding election activities by using business fees is supported under the current administration. With passage of SB 10-148, which transitions the funding of efor³t out of the department, lessens the pressure on the Department of State Cash Fund. Proceeding with our request to transfer the Notary Administration Cash Fund to the Department of State cash fund will also lessen the pressure to have to look at the General Fund.

- a. Does the current Secretary of State endorse using General Fund to support elections expenditures?

Response: The current Secretary supports the cash funding of election-related activities, which is how election-related costs have been funded for over 25 years. However, the Secretary of State-Elect may have a different opinion.

11:25 – 11:35 HELP AMERICA VOTE ACT (HAVA)

6. Will the Department have to increase its business filing fees when it transfers HAVA expenditures to the Department of State Cash Fund? Can the current Cash Fund revenue support these additional expenditures?

Response: The department would not have to increase fees to offset the transfer of HAVA expenditures to the cash fund. The costs for the HAVA program are not projected to exceed what the department will be saving with the efor³t transition.

11:35 – 11:45 LOBBYIST FILING FEES

7. What are the total expenses of maintaining the online lobbyist filing system, including the 1.0 FTE?

Response: In FY 09-10 the Lobbyist program incurred \$87K in expenses and the revenue received totaled \$ 32K. The expenses include FTE and benefits, operating and IT support. The department is aware the current system has flaws and is difficult to upload information, lacks clarity and needs IT attention. The clarification will be made through the rule making process and ultimately legislation. This is an important area and is high on the department's priority list.

a. Is the revenue generated by lobbyist filing fees sufficient to support the cost of maintaining the system?

Response: The revenue generated by the program does not fully cover the expenditures incurred for running the program. When the new Accounting System was implemented the department gained a more efficient way to invoice lobbyists who don't file timely and generating reports of all delinquent accounts. The department is also in the process of implementing SB 10-87 that allows the department to set a registration fee and higher fines that will offset the expenses associated with the program.

b. Is revenue generated by other filing fees subsidizing this program? At what amount does the Department need to set the filing fee(s) so that they fully fund the cost of operating this program?

Response: Currently the business filings fees subsidize the program. The department foresees a true up of the difference by raising the lobbyist registration fees; the current registration fee is \$40, we anticipate that fee to be at least \$80.

11:45 – 11:55 CAMPAIGN FINANCE FILINGS

8. Please provide the following information:

a. The total amount of outstanding campaign finance fines, as well as the total amount of revenue that has been generated this year;

Response:	Fines imposed:	\$1,189,700
	Fines outstanding:	\$932,900
	Fines collected:	\$95,900
	Fines waived:	\$158,400

9. The top ten types of campaign finance fines that have been levied this year, and the amount of revenue resulting from these fines;

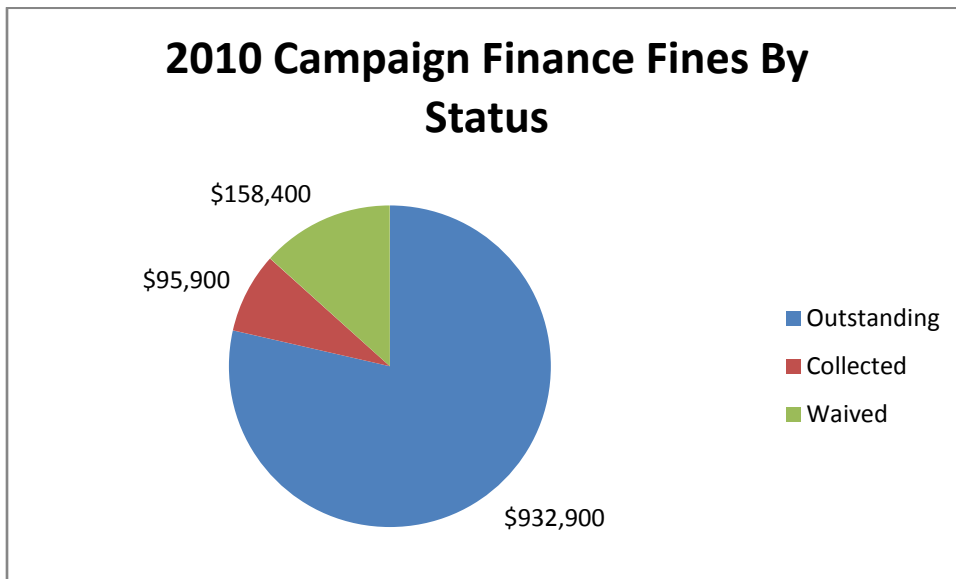
Response: Fines are collected based on the following categories: late filing, audit, ALJ penalty, and late personal financial disclosures. The table below contains a breakdown of amounts for each category. By far, the largest category is for late filings.

Fines by Category

	Imposed	Collected
Late/Non Filing	\$1,167,500	\$77,650
Audit	\$0	\$0
ALJ Penalty	\$20,150	\$18,250
Late PFD	\$1,850	\$0

10. A comparison of the total amount of revenue that has been generated by campaign finance filing fines this year, the amount of fines that the Department has collected, and the amount of fines that the Department has waived; and

Response: Please see the chart below.



11. The top 10 entities with outstanding fines (including registered agents and/or Committees), and the amount of the fines that are owed.

Response: Please see the chart below

Top 10 Committees in Outstanding Penalties in the Current Election Cycle

Select Jurisdiction: STATEWIDE

[Click here to view information on all Outstanding Penalties](#)

Committee Name	Candidate Name	Amount
COLORADO REFORM PARTY (CRP)		\$65,450.00
JAMES R. PHILLIPS	PHILLIPS, JIMMY	\$65,450.00
WOMEN OF COLOR UNITED		\$65,450.00
OLDS2008	OLDS, BRIAN	\$65,450.00
JOSE G. SILVA FOR COLORADO	SILVA, JOSE G.	\$50,100.00
COLORADO INDEPENDENT AUTO DEALERS POLITICAL COMMITTEE		\$39,000.00
COMMITTEE TO ELECT JEFF SHAW	SHAW, JEFFREY L.	\$36,500.00
COLORADO RIGHT-TO-WORK COMMITTEE		\$34,950.00
COLORADO FEDERATION OF REPUBLICAN WOMEN SMALL DONOR COMMITTEE (CFRW SDC)		\$16,250.00
COMMITTEE TO ELECT JACK POMMER	POMMER, JACK	\$12,250.00

12. What authority does the Department have to collect campaign finance fines, and does it exercise its full authority to do so? What methods does the Department use to collect the fines?

Response: Fines are imposed and collected pursuant to the requirements set forth in section 10 (2) of article XXVIII of the Constitution. The Department is required to impose a fine of \$50 per day for late filings and must notify the candidate and/or registered agent by certified mail. The Department also sends notice of fine imposition via email. Penalties are invoiced on a continuous monthly basis.

The Department is required to waive or reduce fines upon a showing of good cause by the candidate or committee. If the Department chooses not to waive or reduce a fine, the filer may appeal the decision to an administrative law judge.

The Department is required to collect unpaid debt in accordance with section 24-30-202.4, C.R.S., regarding collection of state debt through the Department of Personnel and Administration. The Department refers invoices unpaid for more than 60 days to Central Collections within DPA.

13. Does the Department require additional authority to collect outstanding campaign finance filing fines? If so, please describe the type of authority that it requires and what this would allow the Department to do.

Response: The Department has researched additional enforcement power to collect fines and has brought the item before its Campaign Finance Advisory Board. The Department has determined that unless personal liability is extended to registered agents or committees (other than candidate committees), the Department has limited power to collect imposed fines. Additionally, the Department has concerns about requiring personal liability for non-candidate committees as such a requirement may chill speech and result in litigation.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Please provide a table comparing the actual number of department FTEs in FY 2000-01 and the requested number of department FTEs for FY 2011-12, by division or program.

Response:

Division	FY 2000-2001	FY 2011-2012
Administration	10.0	13.0
Business	34.0	30.0
Elections	9.0	26.0
HAVA		6.0
NVRA	1.0	
Licensing	16.0	20.0
ACP		2.0
IT	<u>23.0</u>	<u>31.1</u>
Total	93.0	128.1

2. Please provide a table comparing the actual number of FTEs for FY 2008-09 and FY 2009-10 to the appropriated number of FTEs for each of those fiscal years, by division or program.

Response:

Division	FY 08-09 Long Bill	FY 08-09 Actual	FY 09-10 Long Bill	FY 09-10 Actual
Administration	14	11.5	13.5	8.3
Business	32.0	30.0	30.0	27.4
Elections	20	18.7	24.8	18.9
HAVA	9.5	9.5	7.5	11.8
Licensing	21	17.2	21	19.1
ACP	1.0	1.0	1.0	1.0
IT/Efor³t	<u>34</u>	<u>25.1</u>	<u>31.1</u>	<u>28</u>
Total	131.5	113	128.9	114.5