JOINT BUDGET COMMITTEE

STAFF BUDGET BRIEFING
FY 2021-22

DEPARTMENT OF STATE

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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CONTENTS

Department Overview 1
Department Budget: Recent Appropriations 2
Department Budget: Graphic Overview 3
General Factors Driving the Budget 5
Summary: FY 2020-21 Appropriation & FY 2021-22 Request 8
Informational Issue: 2020 Session Budget Balancing Actions 10
Summary 10
Discussion 10
Issue 2: 2020 HAVA election security grant state match 11
Summary 11
Discussion 11
Appendix A: Numbers Pages (Digital Only) A-1
Appendix B: Footnotes and Information Requests B-1
Appendix C: Department Annual Performance Report C-1
Appendix D: Department Response to JBC RFI for Financial Reporting Related to the Business Intelligence Center D-1
Appendix E: Electronic Recording Technology Board 2020 Annual Report E-1

ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DEPARTMENT OF STATE

DEPARTMENT OVERVIEW

The Secretary of State is one of five independently-elected constitutional officers and serves as the chief election official for the State of Colorado. The Department of State is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use. The Department consists of four divisions:

ADMINISTRATION DIVISION

- Provides operational support to the Department, including human resources, finance, office management, communications, and direct support to the Office of the Secretary.

INFORMATION TECHNOLOGY SERVICES (IT SERVICES)

- Provides technical and project management services, systems development, and support for information technology systems in the Department, including:
    - the web-based filing systems used by the Business and Licensing Division; and
    - the computerized statewide voter registration and elections management system (SCORE).

ELECTIONS DIVISION

- Administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process.
- Certifies voting equipment.
- Implements the provisions of the federal Help America Vote Act (HAVA), including improvements to the administration of federal elections.
- Maintains the State of Colorado Registration and Elections (SCORE) system, the State's computerized statewide voter registration system.
- Oversees campaign finance reporting by political candidates and committees.
- Registers lobbyists and monitors the filing of required disclosure reports.

BUSINESS AND LICENSING DIVISION

- Collects, maintains, and provides public access to filings made by businesses and non-profit organizations (e.g. annual reports, articles of incorporation etc.).
- Registers business names, trade names, and trademarks.
- Registers charitable organizations and licenses entities involved in charitable bingo/raffle.
- Licenses and regulates notaries public.
- Compiles and publishes the Code of Colorado Regulations (CCR).
- Oversees the Business Intelligence Center and coordinates the Go Code Colorado statewide application challenge.

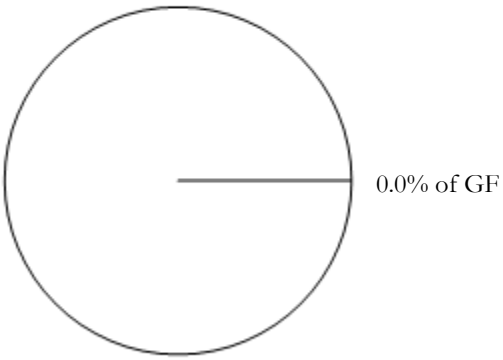
DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 *
General Fund	$0	$8,418,590	$0	$0
Cash Funds	26,136,661	32,968,106	31,103,181	32,064,719
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
TOTAL FUNDS	**$26,136,661**	**$41,386,696**	**$31,103,181**	**$32,064,719**
Full Time Equiv. Staff	142.9	145.9	147.0	146.5

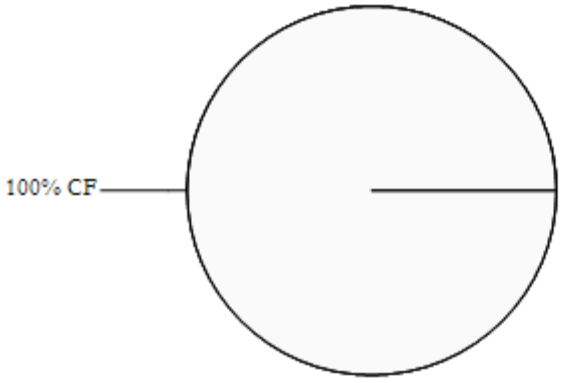
*Requested appropriation.

DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund



Department Funding Sources

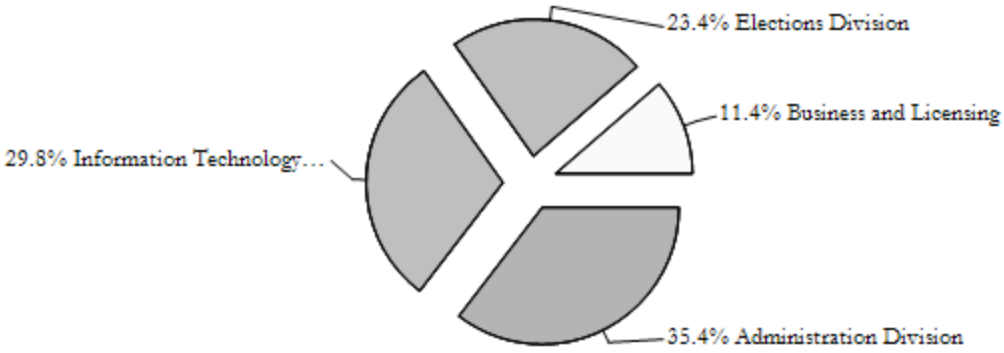


All charts are based on the FY 2020-21 appropriation.

Distribution of General Fund by Division

No General Fund

Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

The Department of State is responsible for administering statewide elections, coordinating local elections, and maintaining a database of business filings required to conduct business in Colorado. Three major factors drive the Department's budget:

- The volume of business filings – the fees of which generate nearly all the cash fund revenue used to support department programs;
- Department-wide expenses related to the administration of elections; and
- Information technology projects required to support elections and business filing processes.

BUSINESS FILING FEES AND CASH FUND REVENUES

The Department is almost entirely cash-funded through the Department of State (DOS) Cash Fund, created in 24-21-104 (3)(b), C.R.S. Cash fund revenues are primarily driven by the volume of business filings and the fees associated with each filing, with an estimated 90.0 percent of all Department revenue accounted for by the business filing fees alone in FY 2020-21. Fees from other programs, including bingo-raffle licensing, campaign finance reporting, and the registration of lobbyists and notaries public, account for the remainder.

Pursuant to Section 24-21-104 (3)(b), C.R.S., the Department of State is authorized to "adjust fees so that the revenue generated from the fees approximates [the Department's] direct and indirect costs" and to manage the uncommitted reserve in the DOS Cash Fund. It is currently Department policy to conduct regular competitiveness reviews when setting fee amounts to keep business filing fees at or near the lowest rate in the country. The following table provides data on total business filings received by the Department, as well as a comparison of revenue from business filing fees with total cash fund revenue:

DOS BUSINESS FILING FEES AND CASH FUND REVENUE

	TOTAL BUSINESS FILINGS	REVENUE FROM BUSINESS FILING FEES[1]	TOTAL DOS CF REVENUE
FY 2012-13	682,949	$12,749,090	$14,838,261
FY 2013-14	696,140	16,335,768	20,869,466
FY 2014-15	748,368	16,981,602	19,878,791
FY 2015-16	782,017	19,097,497	21,462,890
FY 2016-17	822,654	20,048,615	22,446,407
FY 2017-18	878,099	20,744,376	23,075,111
FY 2018-19	922,706	21,565,606	24,225,526
FY 2019-20	960,791	22,874,992	25,100,625
FY 2020-21[2]	994,419	25,649,329	28,488,833

[1] This column shows revenues from business filing fees only. It excludes revenue collected by other programs within the Business & Licensing Division.

[2] Data for FY 2020-21 is estimated by the Department of State.

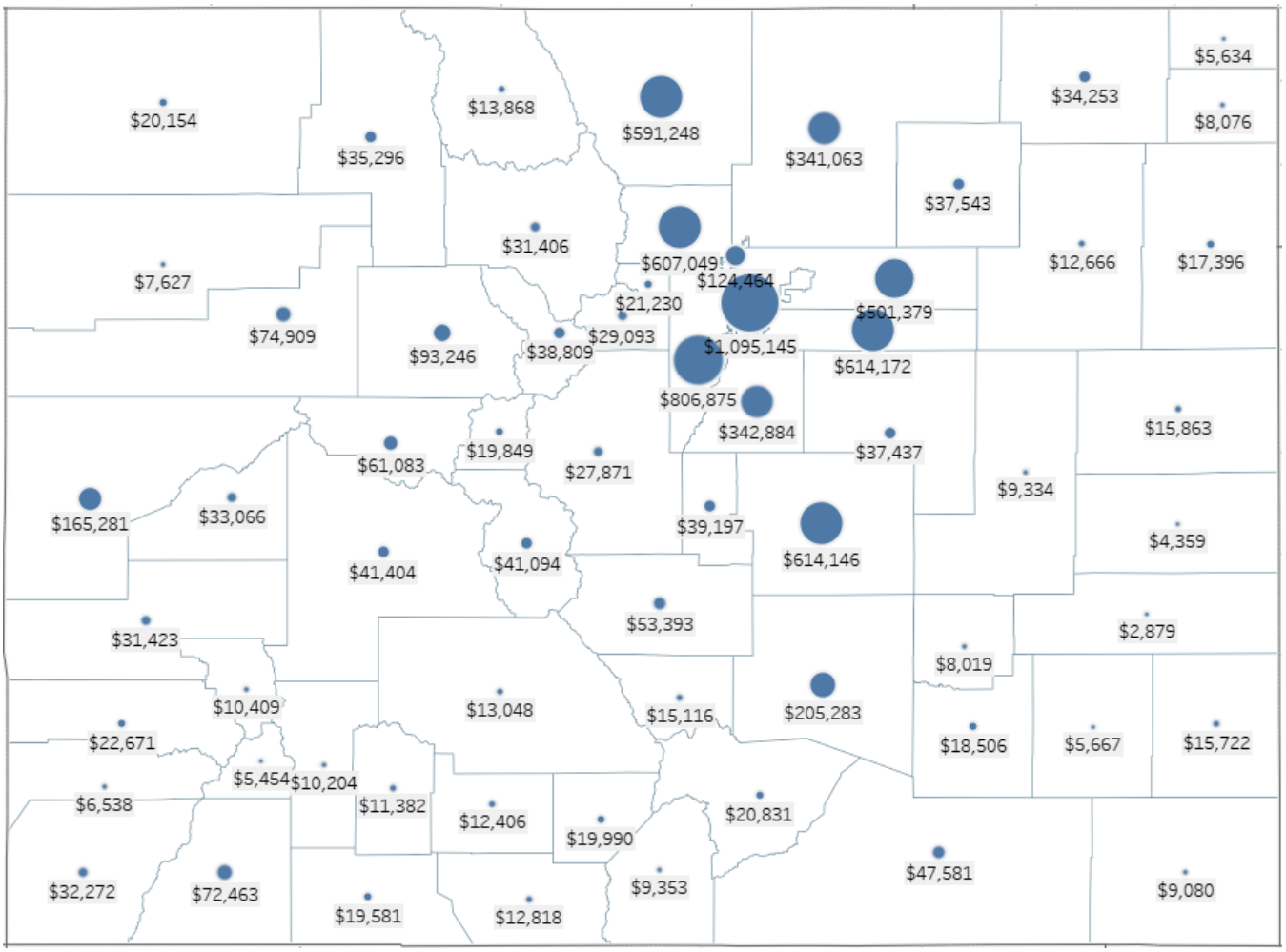
ELECTIONS ADMINISTRATION AND EXPENDITURES

A large proportion of Department expenditures are driven by costs associated with the administration of elections, which can vary based on growth in the population of eligible voters, changes in election laws, and the unique characteristics of each election cycle. The direct expenses of the Elections Division account for 23.4 percent of the total appropriation in FY 2020-21.

The Elections Division has specific appropriations for three types of expenditures in addition to personal services and operating costs:

1. The *Help America Vote Act Program* line item uses federal funds and matching cash funds to replace outdated voting technology, ensure accessibility for disabled voters, and institute and maintain a statewide voter registration system.
2. The *Local Election Reimbursement* line item reimburses counties for costs related to presidential primary elections and statewide ballot issues on a 'per voter' basis. These expenditures are driven by the number of eligible registered voters in each county and the reimbursement rate specified in statute.
3. The *Initiative and Referendum* line item funds the verification of signatures on candidate and initiative petitions. Department expenditures on signature verification depend on the year and number of initiatives on the ballot. While initiatives on the ballot for odd-year elections are limited to TABOR-related matters, there are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years) which results in higher even-year expenditures on signature verification.

TOTAL REIMBURSEMENT TO COUNTIES FOR 2020 PRESIDENTIAL PRIMARY EXPENSES



INFORMATION TECHNOLOGY SERVICES PROJECTS

The Information Technology Services (ITS) Division provides most of the technology support for other divisions in the Department.

Business and Licensing Division: Most of the business filing processes, public records resources, certification programs, and other services provided by the Department are handled electronically with 2,500 web-based transactions (i.e. filings with fees) processed daily. The ITS Division maintains and provides support for the systems used to manage these services.

Elections Division: The ITS Division currently has 4.75 FTE dedicated exclusively to elections-related projects, including maintaining the federally-mandated SCORE system for statewide computerized voter registration and election management. SCORE is required by the Help America Vote Act (HAVA) and, while its creation was primarily funded by the Federal Elections Assistance Fund, the costs of any changes to the system are supported by a combination of the Department of State Cash Fund and remaining HAVA grant funds.

BUSINESS AND LICENSING DIVISION EXPENDITURES

The Business and Licensing Division accounts for 11.4 percent of the Department's total FY 2020-21 appropriation and is primarily responsible for collecting, maintaining, and providing public access to filings made by businesses and non-profit organizations. The Division also administers the *Business Intelligence Center* (BIC), which launched in FY 2013-14 to aggregate and standardize datasets from across state agencies and improve access to public information. Approximately half of the funding for BIC is used to host the Go Code Colorado statewide application challenge event, where teams of developers and professionals compete to create apps that utilize available data to solve business challenges. Winning apps receive a one-year contract with the State worth $25,000. BIC also receives financial contributions and in-kind donations from sponsors for Go Code Colorado, a summary of which is provided below. For additional detail see Appendix D.

GO CODE FINANCIAL CONTRIBUTIONS AND IN-KIND DONATIONS SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Financial Contributions	$49,500	$5,000	$250	$50,000
Estimated Value of In-Kind Donation	76,900	59,900	71,210	1,600
Total	**$126,400**	**$64,900**	**$71,460**	**$51,600**

SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	31,215,705	0	31,215,705	0	0	145.9
Other legislation	(112,524)	0	(112,524)	0	0	1.1
TOTAL	**$31,103,181**	**$0**	**$31,103,181**	**$0**	**$0**	**147.0**
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	$31,103,181	0	$31,103,181	$0	$0	147.0
R1 2020 HAVA election security grant state match	1,426,773	0	1,426,773	0	0	0.0
Centrally appropriated line items	1,239,331	0	1,239,331	0	0	0.0
Annualize prior year legislation and budget actions	14,347	0	14,347	0	0	(0.5)
Non-prioritized request items	(36,871)	0	(36,871)	0	0	0.0
Indirect cost assessment	(49,675)	0	(49,675)	0	0	0.0
Technical adjustments	(1,632,367)	0	(1,632,367)	0	0	0.0
TOTAL	**$32,064,719**	**$0**	**$32,064,719**	**$0**	**$0**	**146.5**
INCREASE/(DECREASE)	$961,538	$0	$961,538	$0	$0	(0.5)
Percentage Change	3.1%	0.0%	3.1%	0.0%	0.0%	(0.3%)

R1 2020 HAVA ELECTION SECURITY GRANT STATE MATCH: This request includes $1,426,773 cash funds for FY 2021-22 from the Department of State Cash Fund for a state match to leverage federal funds of $7,133,864. The State must match 20 percent of these funds in order to access the federal funds, and must have the spending authority by December 2021. The funding is to support ongoing election administration improvements and must be spent by December 2024.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of $1,239,331 cash funds for adjustments to centrally appropriated line items including the following: legal services; health, life, and dental; Capitol Complex leased space; document management; payments to OIT adjustments; payment to risk management and property funds adjustment; workers' compensation; supplemental state contributions to the Public Employees' Retirement Association (PERA); short-term disability; CORE operations; and administrative law judges.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Legal services	$430,009	$0	$430,009	$0	$0	0.0
Health, life, and dental	189,907	0	189,907	0	0	0.0
Leased space	170,000	0	170,000	0	0	0.0
Document management	165,336	0	165,336	0	0	0.0
Payments to OIT	111,457	0	111,457	0	0	0.0
Payment to risk management / property funds	57,898	0	57,898	0	0	0.0
AED	47,083	0	47,083	0	0	0.0
SAED	47,083	0	47,083	0	0	0.0
Workers' compensation	12,211	0	12,211	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
PERA Direct Distribution	10,472	0	10,472	0	0	0.0
Short-term disability	639	0	639	0	0	0.0
CORE	(2,299)	0	(2,299)	0	0	0.0
Administrative law judges	(465)	0	(465)	0	0	0.0
TOTAL	**$1,239,331**	**$0**	**$1,239,331**	**$0**	**$0**	**0.0**

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS: The request includes a net increase of $14,347 cash funds to reflect the FY 2021-22 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 Suspend DD to PERA	$245,319	$0	$245,319	$0	$0	0.0
SB18-200 PERA unfunded liability	789	0	789	0	0	0.0
Expanded Outreach to Eligible but Unregistered	(135,000)	0	(135,000)	0	0	0.0
SB 20-096	(96,761)	0	(96,761)	0	0	(0.5)
TOTAL	**$14,347**	**$0**	**$14,347**	**$0**	**$0**	**(0.5)**

NON-PRIORITIZED REQUEST ITEMS: The request includes a decrease of $36,871 cash funds for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized decision item.

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 annual fleet vehicle request	$4,204	$0	$4,204	$0	$0	0.0
DPA Center for Organizational Effectiveness	1,496	0	1,496	0	0	0.0
OIT Budget request package	(42,571)	0	(42,571)	0	0	0.0
TOTAL	**($36,871)**	**$0**	**($36,871)**	**$0**	**$0**	**0.0**

INDIRECT COST ASSESSMENT: The request includes a net decrease of $49,675 cash funds in the Department's indirect cost assessment.

TECHNICAL ADJUSTMENTS: The request includes a decrease of $1,632,367 cash funds from the Electronic Recording Technology Fund for an adjustment to the Electronic Recording Technology Board's beginning balance, provided for informational purposes.

INFORMATIONAL ISSUE: 2020 SESSION BUDGET BALANCING ACTIONS

In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2019-20 and FY 2020-21 General Fund appropriations to various departments. However, because of the entirely cash-funded nature of the Department of State, no actions were available to reduce General Fund appropriations in any way. Further, the General Assembly took no actions to reduce cash funds appropriations in order to increase funds available for balancing purposes. While the annualization of prior legislation did decrease both General Fund and cash fund appropriations, these adjustments were expected decreases and had nothing to do with the balancing actions FY 2020-21.

SUMMARY

FY 2019-20 Budget

- No actions.

FY 2020-21 Budget

- No actions.

DISCUSSION

Despite the budget challenges of the 2020 legislative session, the Committee and the General Assembly took no budget balancing actions in the Department of State.

FY 2018-19 to FY 2019-20: Appropriations to the Department increased by $15.3 million total funds from FY 2018-19 to FY 2019-20, including an increase of $8.4 million General Fund. Increases due to legislation accounted for the majority of the increase in total funding for FY 2019-20.

FY 2019-20 to FY 2020-21: While the only direct budget balancing action taken by the General Assembly was the PERA suspension that was enacted across all departments, the Department of State's *total* budget decreased by $10.3 million – or 25% – from FY 2019-20 to FY 2020-21 and the General Fund appropriation was decreased by $8.4 million, or 100%. Both of these decreases were primarily from the annualization of prior legislation. While not specifically related to budget balancing, these are significant funding decreases that aided in the General Assembly's efforts to balance the budget.

ISSUE 2: 2020 HAVA ELECTION SECURITY GRANT STATE MATCH

The Department is requesting $1,426,773 total funds, comprised entirely of cash funds, for a State funding match to a federal election security grant. These funds would go toward improving the administration of federal elections.

SUMMARY

- The Department is asking for an increase of $1,426,773 in appropriations from the Department of State Cash Fund to match 20 percent of a federal election security grant.

- This State match would enable the Department to access $7,133,864 in federal funds to further improve Colorado's election system.

- The Department needs to have spending authority for this amount by December 2021 in order to access the federal funds and to avoid returning the federal funds with interest.

DISCUSSION

DEPARTMENT REQUEST

The Department is requesting $1,426,773 in cash funds to match 20 percent of a federal Help America Vote Act (HAVA) grant that totals $7,133,864. This match would be funded solely by the Department of State Cash Fund and would go toward further improving the State's election administration. The Department is asking for this spending authority to begin in FY 2021-22 and to continue through FY 2024-25.

BACKGROUND

The Help America Vote Act (HAVA) was passed in 2002, and since then, Colorado has received over $60 million in HAVA grants from the federal government. This funding has gone toward improving various aspects of Colorado's election system, including developing the statewide voter registration database (SCORE), upgrading county voting equipment, increasing the number of secure ballot drop boxes, upgrading information technology systems to improve election security, training county elections staff, and operating a public awareness campaign on how to vote safely during the COVID-19 pandemic.

CONTINUED FUNDING

The Department has an opportunity to draw down significant federal funding to help ensure that Colorado's elections remain secure and reliable. While the Department has already received the federal funds, it needs the spending authority for a 20 percent match of those funds to avoid having to pay back the funding along with accumulated interest. This spending authority would be for $1,426,773 cash funds from the Department of State Cash Fund in order to draw down an additional $7,133,864 from the federal government.

These funds, while significant, are not disbursed without conditions. In order to keep the funds, the Department must follow a few guidelines. First, the spending authority for the matching funds must be given to the Department by December 2021, which is why this spending authority is being requested now. Additionally, the matching funds must be spent by December 2024. (The federal funds remain available until spent.) Finally, like prior HAVA funding, the money must be used on new projects and activities that will improve the administration of federal elections, and cannot be used to fund existing state or county expenditures. The Department has informed staff that it is confident that it will be able to use the matching funds by December 2024, and as such is requesting spending authority for the matching funds through FY 2024-25.

In spending these matching funds, the Department has indicated that it plans to spread out expenses made toward meeting the matching requirement over state fiscal years FY 2021-22, FY 2022-23, and FY 2023-24. Specifically, the Department has set a goal of spending $600,000 in FY 2021-22 and then spending $413,386.50 in both FY 2022-23 and FY 2023-24.

CONSEQUENCES IF NOT FUNDED

If the Department is not given spending authority for the matching state funds, it will have to return the $7,133,864 federal funds that it received in April 2020 from the US Election Assistance Commission. In addition to returning this amount to the federal government, it would have to pay back any accumulated interest earned on that amount since it was given to the State. By the end of the calendar year, the Department estimates that the interest earned on this money will be $55,000. This amount, the grant funds, and any accrued interest would all have to be paid back to the federal government if the Department does not receive spending authority to match 20 percent of the federal grant funds by December 2021.

APPENDIX A:
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
DEPARTMENT OF STATE **Jena Griswold, Secretary of State**					
(1) ADMINISTRATION DIVISION The Administration Division provides general management and administrative support for all department divisions including budgeting, human resources services, and public outreach.					
Personal Services	1,883,742	1,987,794	2,064,622	2,064,743	
FTE	21.2	20.8	21.1	21.1	
General Fund	0	0	0	0	
Cash Funds	1,883,742	1,987,794	2,064,622	2,064,743	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Health, Life, and Dental	939,357	375,000	1,454,213	1,644,120	
General Fund	0	0	0	0	
Cash Funds	939,357	375,000	1,454,213	1,644,120	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Short-term Disability	17,318	17,109	17,106	17,745	
General Fund	0	0	0	0	
Cash Funds	17,318	17,109	17,106	17,745	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

*This line item includes a decision item.

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	523,643	510,000	514,355	561,438	
General Fund	0	0	0	0	
Cash Funds	523,643	510,000	514,355	561,438	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	523,643	516,059	514,355	561,438	
General Fund	0	0	0	0	
Cash Funds	523,643	516,059	514,355	561,438	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
PERA Direct Distribution	0	256,802	0	255,791	
General Fund	0	0	0	0	
Cash Funds	0	256,802	0	255,791	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation	32,195	35,846	41,652	53,863	
General Fund	0	0	0	0	
Cash Funds	32,195	35,846	41,652	53,863	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Operating Expenses	411,871	1,157,577	450,000	450,000	
General Fund	0	0	0	0	
Cash Funds	411,871	1,157,577	450,000	450,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Legal Services	318,495	191,154	261,296	691,305	
General Fund	0	0	0	0	
Cash Funds	318,495	191,154	261,296	691,305	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Outside Legal Services	12,500	5,558	25,000	25,000	
General Fund	0	0	0	0	
Cash Funds	12,500	5,558	25,000	25,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	135,906	87,114	16,886	16,421	
General Fund	0	0	0	0	
Cash Funds	135,906	87,114	16,886	16,421	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide training	0	0	0	1,496	*
Cash Funds	0	0	0	1,496	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Payment to Risk Management and Property Funds	112,788	115,864	98,823	156,721	
General Fund	0	0	0	0	
Cash Funds	112,788	115,864	98,823	156,721	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Vehicle Lease Payments	4,308	6,139	8,239	12,443	*
General Fund	0	0	0	0	
Cash Funds	4,308	6,139	8,239	12,443	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Leased Space	757,114	778,599	1,035,433	1,205,433	
General Fund	0	0	0	0	
Cash Funds	757,114	778,599	1,035,433	1,205,433	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to OIT	301,282	348,815	434,537	503,423	*
General Fund	0	0	0	0	
Cash Funds	301,282	348,815	434,537	503,423	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
CORE Operations	21,326	20,499	24,384	22,085	
General Fund	0	0	0	0	
Cash Funds	21,326	20,499	24,384	22,085	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Electronic Recording Technology Board	0	4,349,354	3,854,742	2,222,375	
General Fund	0	0	0	0	
Cash Funds	0	4,349,354	3,854,742	2,222,375	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	186,862	0	198,100	148,425	
General Fund	0	0	0	0	
Cash Funds	186,862	0	198,100	148,425	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Discretionary Fund	2,868	65	5,000	5,000	
General Fund	0	0	0	0	
Cash Funds	2,868	65	5,000	5,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Salary Survey	318,351	336,240	0	0	
General Fund	0	0	0	0	
Cash Funds	318,351	336,240	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (1) Administration Division	6,503,569	11,095,588	11,018,743	10,619,265	(3.6%)
FTE	21.2	20.8	21.1	21.1	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	6,503,569	11,095,588	11,018,743	10,619,265	(3.6%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(2) INFORMATION TECHNOLOGY DIVISION					
The Information Technology Services Division provides technical and project management services, systems development, and support for information technology systems in the Department.					
Information Technology					
Personal Services	4,843,884	5,686,492	5,911,991	5,845,131	
FTE	38.0	38.5	46.0	46.0	
General Fund	0	0	0	0	
Cash Funds	4,843,884	5,686,492	5,911,991	5,845,131	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	494,094	446,864	503,724	503,724	
General Fund	0	0	0	0	
Cash Funds	494,094	446,864	503,724	503,724	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Hardware/Software Maintenance	1,596,495	2,040,158	2,405,550	2,405,550	
General Fund	0	0	0	0	
Cash Funds	1,596,495	2,040,158	2,405,550	2,405,550	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Information Technology Asset Management	516,036	441,539	445,418	445,418	
General Fund	0	0	0	0	
Cash Funds	516,036	441,539	445,418	445,418	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (2) Information Technology Division	7,450,509	8,615,053	9,266,683	9,199,823	(0.7%)
FTE	38.0	38.5	46.0	46.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	7,450,509	8,615,053	9,266,683	9,199,823	(0.7%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(3) ELECTIONS DIVISION					
The Elections Division oversees state elections and has exclusive responsibility for campaign finance disclosure, statewide ballot initiateve certification, and lobbysit registration.					
Personal Services	2,441,499	2,853,497	3,007,901	3,008,077	
FTE	31.7	32.6	39.7	39.7	
General Fund	0	0	0	0	
Cash Funds	2,441,499	2,853,497	3,007,901	3,008,077	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	348,596	298,015	461,350	326,350	
General Fund	0	0	0	0	
Cash Funds	348,596	298,015	461,350	326,350	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Help America Vote Act Program	331,169	24,598	10,000	1,436,773	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	290,724	24,598	10,000	1,436,773	
Reappropriated Funds	0	0	0	0	
Federal Funds	40,445	0	0	0	
Local Election Reimbursement	2,754,246	10,195,745	3,200,000	3,200,000	
General Fund	0	7,355,458	0	0	
Cash Funds	2,754,246	2,840,287	3,200,000	3,200,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Initiative and Referendum	960,020	111,925	165,000	165,000	
General Fund	0	0	0	0	
Cash Funds	960,020	111,925	165,000	165,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Document Management	0	241,589	440,715	606,051	
General Fund	0	0	0	0	
Cash Funds	0	241,589	440,715	606,051	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Appropriation to the Local Elections Assistance Cash Fund	0	2,346,000	0	0	
General Fund	0	2,096,000	0	0	
Cash Funds	0	250,000	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (3) Elections Division	6,835,530	16,071,369	7,284,966	8,742,251	20.0%
FTE	31.7	32.6	39.7	39.7	0.0%
General Fund	0	9,451,458	0	0	0.0%
Cash Funds	6,795,085	6,619,911	7,284,966	8,742,251	20.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	40,445	0	0	0	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(4) BUSINESS AND LICENSING DIVISION					
The Business and Licensing Division receives filings such as business and nonprofit registrations, trade names, secured liens, notary public applications, and bingo and raffle reports. Additionally, the Division licenses durable medical equipment providers, promotes availability of government data, and makes performing rights society information accessible.					
Personal Services	2,419,922	2,345,922	2,620,524	2,597,420	
FTE	34.8	33.7	39.2	38.7	
General Fund	0	0	0	0	
Cash Funds	2,419,922	2,345,922	2,620,524	2,597,420	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	100,620	96,816 0.0	132,685	126,380	
General Fund	0	0	0	0	
Cash Funds	100,620	96,816	132,685	126,380	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Business Intelligence Center Personal Services	551,440	585,826	629,580	629,580	
FTE	0.2	0.8	1.0	1.0	
General Fund	0	0	0	0	
Cash Funds	551,440	585,826	629,580	629,580	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Business Intelligence Center Operating Expenses	138,701	27,204	150,000	150,000	
General Fund	0	0	0	0	
Cash Funds	138,701	27,204	150,000	150,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (4) Business and Licensing Division	3,210,683	3,055,768	3,532,789	3,503,380	(0.8%)
FTE	35.0	34.5	40.2	39.7	(1.2%)
General Fund	0	0	0	0	0.0%
Cash Funds	3,210,683	3,055,768	3,532,789	3,503,380	(0.8%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of State	24,000,291	38,837,778	31,103,181	32,064,719	3.1%
FTE	125.9	126.4	147.0	146.5	(0.3%)
General Fund	0	9,451,458	0	0	0.0%
Cash Funds	23,959,846	29,386,320	31,103,181	32,064,719	3.1%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	40,445	0	0	0	0.0%

APPENDIX B:
FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at https://leg.colorado.gov/bills/HB20-1360. The Long Bill footnotes relevant to this document are listed below.

115 Department of State, Elections Division, Local Election Reimbursement - If actual reimbursements to counties required by Section 1-5-505.5, C.R.S., exceed the cash funds amount specified in this line item, the Department may spend up to 115.0 percent of the cash funds amount specified to make the required reimbursements.

COMMENT: The Department has not and does not anticipate utilizing this exception for FY 2020-21.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

1 Department of State, Administration Division, Operating Expenses -- The Department is requested to submit a report on the impact of the 2020 primary elections outreach campaign to unaffiliated voters by February 1, 2021. This report should include, but is not limited to, the following information: total cost, per audience-member-reached cost, ballot spoilage rate by county and statewide, turnout rates of unaffiliated voters by county, methods used to reach unaffiliated voters, and the methodology used to improve spoilage rates in counties with an above average rate in the 2018 General Election.

COMMENT: The Department will submit this report by February 1, 2021.

2 Department of State, Elections Division, Local Election Reimbursement -- The Department is requested to submit a letter addressed to the General Assembly and to the Joint Budget Committee notifying both if, and when, it relies on the footnote attached to this line item to

overexpend the Local Election Reimbursement line item authorized by aforementioned footnote to meet statutory requirements of Section 1-5-505.5, C.R.S.

COMMENT: The Department has not and does not anticipate utilizing this exception for the FY 2019-20.

3 Department of State, Business and Licensing Division, Business Intelligence Center -- The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year. It should also include information on each project ever funded, including public availability/access, features/purpose, and a measure to gauge its success or usage, to the extent possible.

COMMENT: The Department's response is included in Appendix D.

APPENDIX C:
DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Natural Resources is required to publish an **Annual Performance Report** for the *previous fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

https://www.colorado.gov/pacific/performancemanagement/department-performance-plans

APPENDIX D: DEPARTMENT RESPONSE TO JBC RFI FOR FINANCIAL REPORTING RELATED TO THE BUSINESS INTELLIGENCE CENTER

This page is intentionally left blank. The Department's RFI response begins on the next page.

JBC Request for Information: Business Intelligence Center Donations

Department of State, Business and Licensing Division, Business Intelligence Center -- The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year. It should also include information on each project ever funded, including public availability/access, features/purpose, and a measure to gauge its success or usage, to the extent possible.

BIC FY 2019 - 20 Donations and Expenditures

One key initiative of the Business Intelligence Center (BIC) program has been the Go Code Colorado competition. Go Code Colorado encourages software developers, entrepreneurs, and analysts to use public data to solve business problems. In years past, the program has typically received financial and in-kind donations to supplement the experience of the participants. However, due to the Stay at Home Executive Order issued in response to the COVID-19 pandemic, Go Code Colorado 2020 was cancelled and, as a result, very few in-kind donations were received in FY 2019-20.

On February 4, 2020, the Business Intelligence Center received a $50,000 grant from the Statewide Internet Portal Authority (SIPA)/Colorado Interactive (CI) Innovation Fund. These funds must be expended on the following projects:

1) Data Discovery Application. The funds may be used to complete the development of this application and make it available on the Colorado Information Marketplace.
2) Procure Additional Datasets. The funds may be used to procure additional datasets through third-party vendor
3) Business Intelligence Center Data Tools Tutorial. The funds may be used to continue development of additional modules for the business Intelligence Center Data Tools Tutorial education series.
4) Use of up to $10,000 of the award to migrate Go Code Colorado data to a new platform.

Financial donations (Table 1), expenditures (Table 2), as well as in-kind donations (Table 3) are detailed below. In-kind donations include use of software programs at discounted or no cost, as well as technical support from corporate staff.

BIC FY 2020-21 Donations and Expenditures

At the time of this report, only three months have passed in FY 2020-21. In the past, the Go Code Colorado competition occurred in the spring, and most donations, revenues, and expenditures take place during the second half of the fiscal year. To date, no organizations have provided funding or in-kind goods or services for FY2020-21.

In response to the Governor's Office of Information Technology budget changes, due to the loss of state revenue caused by the COVID-19 pandemic, the acceptable projects for the SIPA/CI Innovation Grant were updated to include potential data migration efforts for the

Colorado Information Marketplace, resulting in the addition of item #4 to the list of eligible expenditures above.

Table 1 – FY 2019-20 Financial Donations

Organization	Donation/ Grant
Statewide Internet Portal Association (SIPA)/Colorado Interactive (CI) Innovation Fund	$50,000.00
Total	**$50,000.00**

Table 2 – FY 2019-20 Donation Expenditures

Expense Category	Amount	Description
None	$0.00	
Total	**$0.00**	

Table 3 – FY 2019-20 In-kind Donations

The values of in-kind donations were provided by the donor organization.

Organization	Amount	Description
Great Divide Brewing Company	$1,600.00	Beverages served during two Kick Off events.
Total	**$1,600.00**	

APPENDIX E: ELECTRONIC RECORDING TECHNOLOGY BOARD 2020 ANNUAL REPORT

This page is intentionally left blank. The Electronic Recording Technology Board's 2020 Annual Report begins on the next page.

ELECTRONIC RECORDING TECHNOLOGY BOARD

2020 ANNUAL REPORT

September 1, 2020

www.ertb.org

This Annual Report is presented per the statutory requirements in 24-21-406:

(1) Notwithstanding section 21-1-136 (11) on or before September 1, 2017, and each September thereafter until September 1, 2022, the board shall prepare a report that, for each grant made during the prior fiscal year, describes the:

(a) County that received the grant;

(b) Grant amount;

(c) Purpose of the grant; and

(d) Grant outcomes.

(2) The board shall follow-up with a county that receives a grant as necessary for the department of state to complete the report. The department shall publish a copy of the report on the department's website.

TABLE OF CONTENTS

BACKGROUND 3-4

- History 3
- Vision 3
- Mission 3
- Goals 3
- Objectives 4
- Board Members 4

ACCOMPLISHMENTS 5

GRANT AWARDS 6-7

FINANCIAL 8

BACKGROUND

History of the Electronic Recording Technology Board

In the state of Colorado, a one-dollar per document technology fee was implemented in the early 2000's to aid County offices across the state in funding technological advancements in recording. As a result, Colorado was the first multi-jurisdictional state in the nation to adopt e-Recording across the state.

In the spring of 2014 a working group made up of real estate, title, lending, and legal professionals, as well as county subject-matter experts, conducted a statewide needs assessment and a request for information to evaluate the state of recording systems in Colorado.

In the spring of 2016, Senate Bill 16-115 was passed which created the Electronic Recording Technology Board.

Vision

To create, support, and maintain a statewide land records environment that promotes accessibility and consistency for the public in an efficient and user-friendly manner.

Mission

To develop, maintain, improve, replace, or preserve land records systems in our state.

Goals

- Assure the security, accuracy, and preservation of public records required to be maintained by a Clerk and Recorder.
- Assure that the sequence in which documents are received by a Clerk and Recorder is accurately reflected to the greatest extent practicable.
- Provide for online public access to public documents while maintaining the privacy of personal identifying information when applicable.
- Assure that electronic filing systems used in different counties are similar so as to facilitate the submission and searching of electronic records.

Objectives

1. Develop a strategic plan that incorporates the core goals and establish the administration of the Electronic Recording Technology Fund and Board.
2. Determine functionality standards for an electronic filing system that supports the core goals.
3. Issue a Request for Proposal (RFP) for electronic filing systems, equipment and software that the counties may choose to acquire.
4. Develop best practices for an electronic filing system.
5. Provide training to Clerk and Recorders related to electronic filing systems.
6. Develop a grant program, prepare reports and promulgate any necessary rule-making.
7. Develop subcommittees and project timelines for implementation.

Board Members

Susan Corliss (Chair)
Kit Carson County
Representing County Clerk & Recorders

Lloyd Booth (Vice Chair)
Black Fin Group
Representing Mortgage Lending Industry

Gary Zimmerman (Treasurer)
Secretary of State Senior Program Director
Representing Colorado Secretary of State

Charles Calvin
Calvin Law Firm
Representing Colorado Bar Association

Robert Howe
Title Company of the Rockies
Representing Title Industry

George Stern
Jefferson County
Representing County Clerk & Recorders

Kim Bonner
Routt County
Representing County Clerk & Recorders

Angela Myers
Larimer County
Representing County Clerk & Recorders

Molly Fitzpatrick
Boulder County
Representing County Clerk & Recorders

Michelle Batey
Executive Director
ertbexecutivedirector@gmail.com

ACCOMPLISHMENTS

The Electronic Recording Technology Board has achieved many successful milestones including:

- Over $6.4 million in grants awarded to 47 counties – 95% to small and rural counties.
- The majority of funds distributed have paid for the digitization and indexing of recorded documents (72%), followed by new software and updates (12%), annual maintenance (9%) and equipment purchases (7%).
- 69% of the counties who have received grant funds have digitized at least 76% of their records. At least 50% of their records are available on-line.

What Clerks are saying . . .

"Small counties with limited funds rely on sources like this to stay current and updated with our recordings and equipment. We would have a hard time keeping current without it and appreciate it so much."

"I think the ERTB grants are a wonderful thing, especially for smaller counties like mine. The grants we have been awarded have allowed us to do projects that we wouldn't have been able to do otherwise. Having the ability to offer our recorded documents on-line has been great."

"This has been such a relief to have these funds available. Preservation of our records is so important. Thank you!"

"All of the projects we have planned are essential to make our records searchable on-line. If for any reason customers are unable to come into our office in person, these projects would enable the public to have access to the recorded documents."

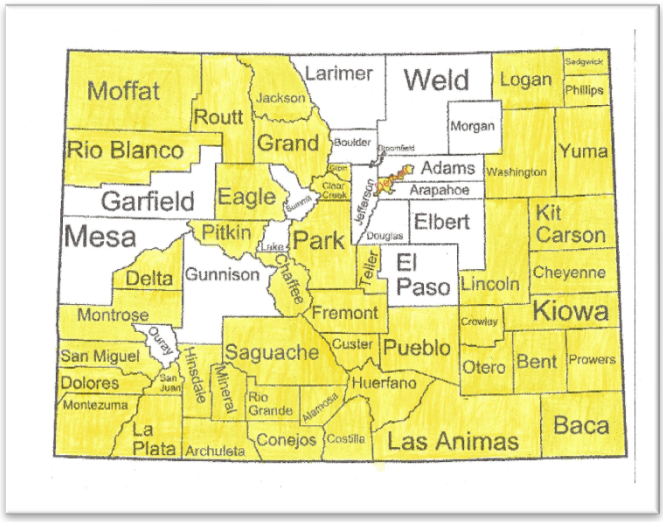
GRANT AWARDS

2019-2020 GRANTS PAID

$4,242,717.80

2019-2020 COUNTIES

26



Since its inception, the Electronic Recording Technology Board has issued more than $6.4 million in grants to 47 counties. Below is a list of counties that have been approved for grants by the Electronic Recording Technology Board through July 2019 – June 2020.

COUNTY	AMOUNT	GRANT PURPOSE
Alamosa	$11,489.00	*Annual recording license fee and web hosting.*
Otero	$183,250.00	*Digitization and Indexing of records.*
Bent	$91,660.64	*Annual recording license fee, plat scanner, document indexing and hardware.*
Hinsdale	$10,996.00	*Annual recording license fee.*
Saguache	$88,251.88	*Annual recording license fee and document indexing.*
Archuleta	$41,383.86	*Annual recording license fee, workstation, printer, reimbursement of scanner costs.*
Chaffee	$26,152.73	*Annual recording license fee, workstation, public service kiosk/back up station.*
Montrose	$18,803.44	*Reimbursement for Plat printer and associated service fees.*
Lincoln	$36,392.00 $9,000.00	*Completion of indexing previously digitized records.* *Annual recording license fee.*
Cheyenne	$18,780.00 $38,993.00	*Recovery expenses and annual recording license fee.* *Digitization and Indexing of records, web access.*
Sedgwick	$130,124.00	*Digitization and indexing of records, web access.*

Moffat	$32,326.00	*Annual recording license fee, Web hosting, image imports.*
Gilpin	$280,528.67	*Digitization and indexing of records, hardware and web access.*
Fremont	$9,931.28	*Plat storage, credit card machine, searching computers, printers, label printers, and cash drawer.*
La Plata	$350,000.00	*Indexing of records and hardware (scanner, printers and label printer).*
Clear Creek	$23,085.00	*Hardware (scanner, printer, label printer) and Annual recording license fee.*
Huerfano	$189, 893.67	*Digitization and indexing of records, replacement of two public workstations*
Washington	$41,290.00 $53,308.00	*Recording server, workstations, scanner, printers and Annual recording license fee.* *Digitization of land record books and web access.*
Pueblo	$200,000.00	*Completion of the digitization of records.*
Las Animas	$197,000.00 $126,989.00	*Digitization and indexing of records.* *Digitization and indexing of records.*
San Juan	$21,165.00 $145,282.00	*Hardware workstations, scanner, Dymo label, printer installation and Annual recording license fee.* *Digitization and indexing of records and web access.*
Custer	$31,000.00	*Indexing, data storage and web access, server and Annual recording license fee.*
Delta	$28,200.00	*Marriage License Kiosk, Records preservation & Disaster Recovery.*
Dolores	$58,358.04 $48,360.00	*Hardware* *Digitization and indexing of records, web access.*
Montezuma	$500,562.31	*Digitization and indexing of records.*
Teller	$181,124.00	*Purchase of new recording software, Annual recording license fee and implementation.*

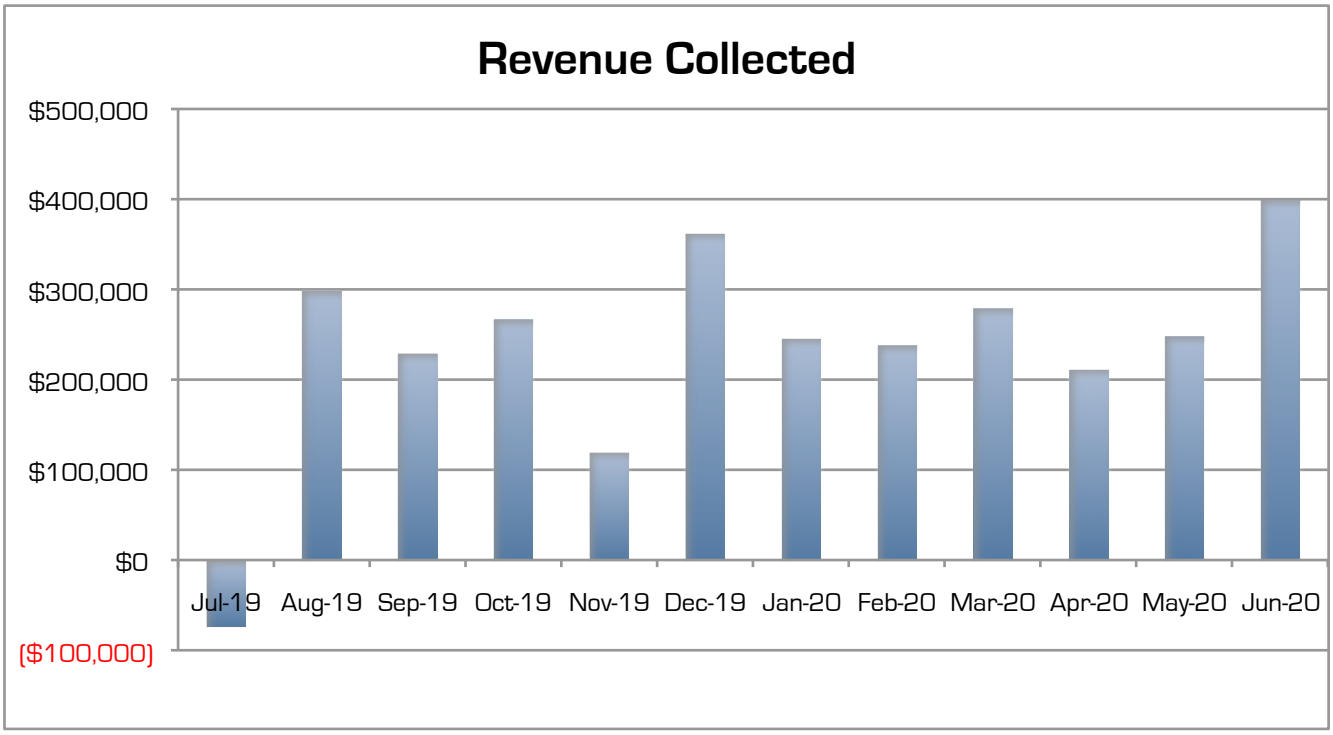
FINANCIAL

TOTAL REVENUE COLLECTED DURING THE FISCAL YEAR*

$2,826,635.00

TOTAL EXPENSES DURING THE FISCAL YEAR*

$87,000



* The Electronic Recording Technology Board aligns its fiscal year with the State of Colorado – July 1, 2019 to June 30, 2020 and operate on a cash accrual basis.