

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2011-12 STAFF BUDGET BRIEFING

DEPARTMENT OF STATE

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

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November 11, 2010**

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**FY 2011-12 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

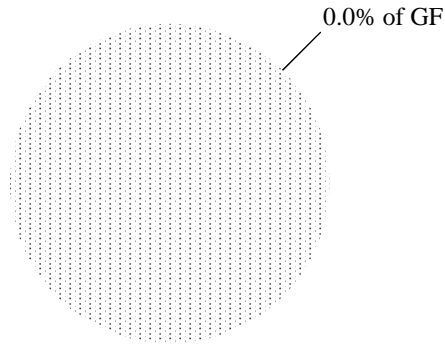
DEPARTMENT OF STATE

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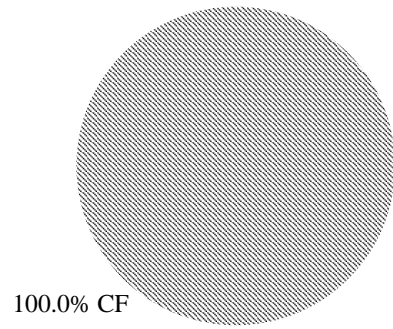
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**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of State
GRAPHIC OVERVIEW**

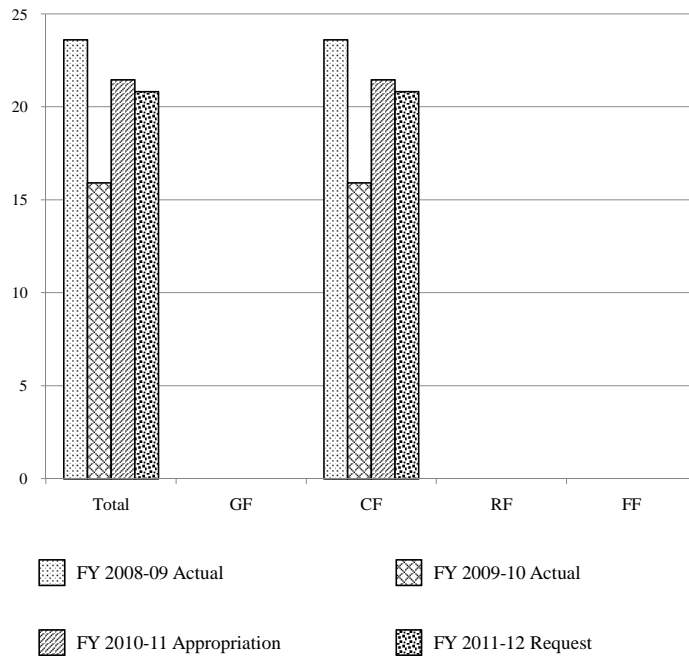
Department's Share of Statewide General Fund



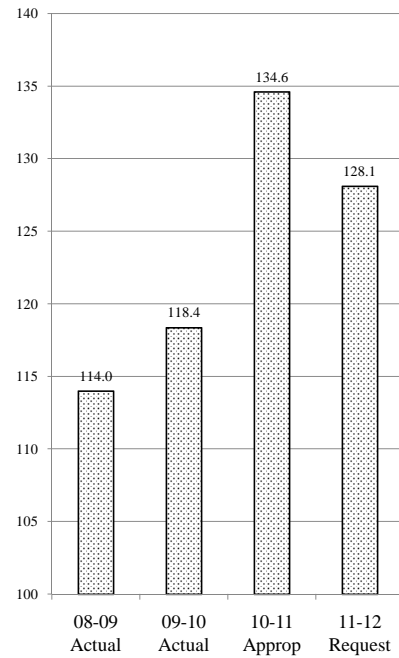
Department Funding Sources



**Budget History
(Millions of Dollars)**



FTE History

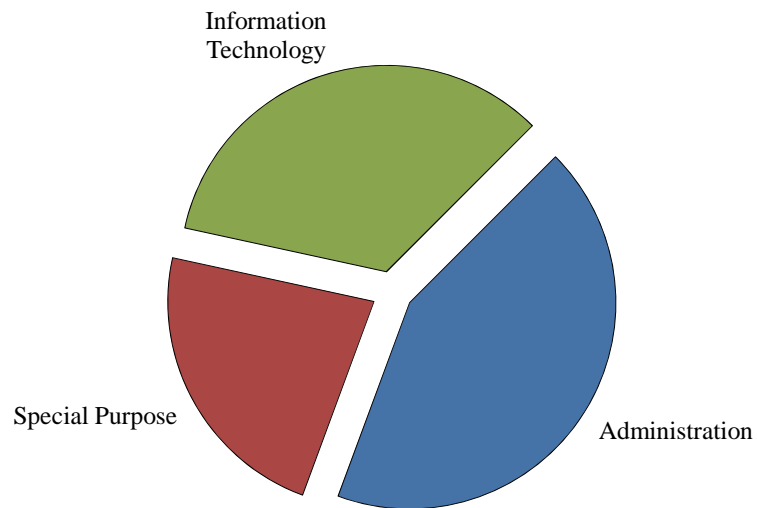


Unless otherwise noted, all charts are based on the FY 2010-11 appropriation.

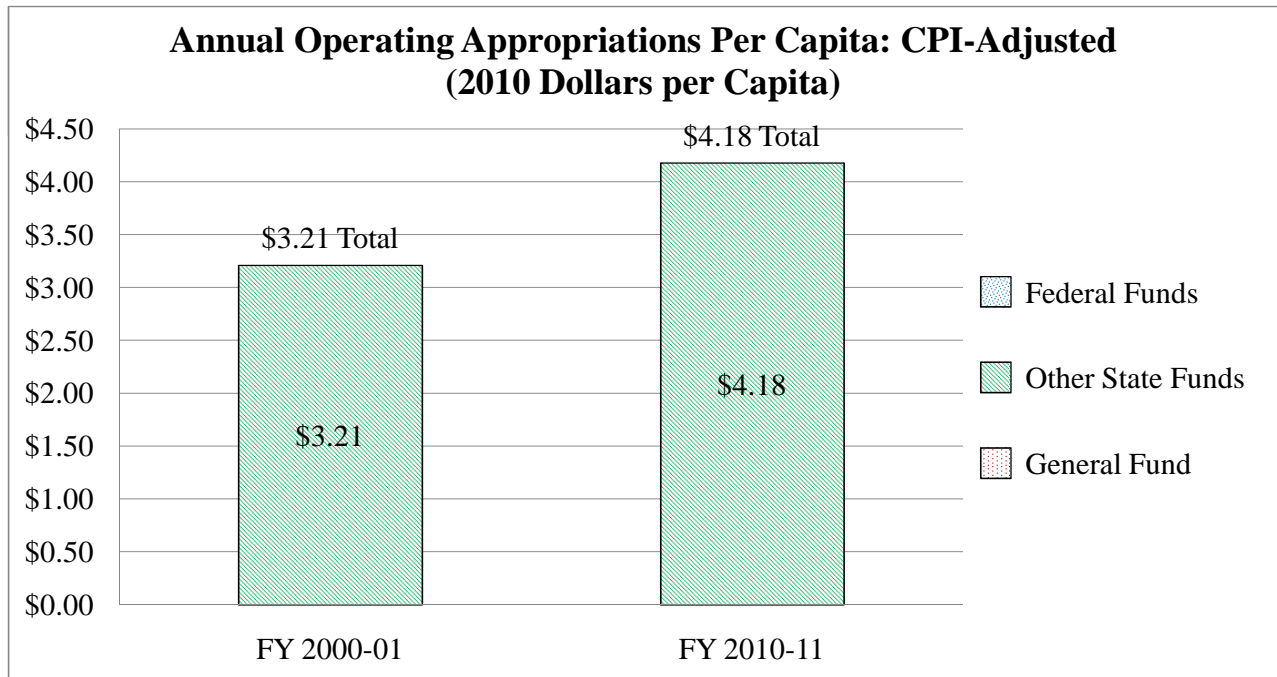
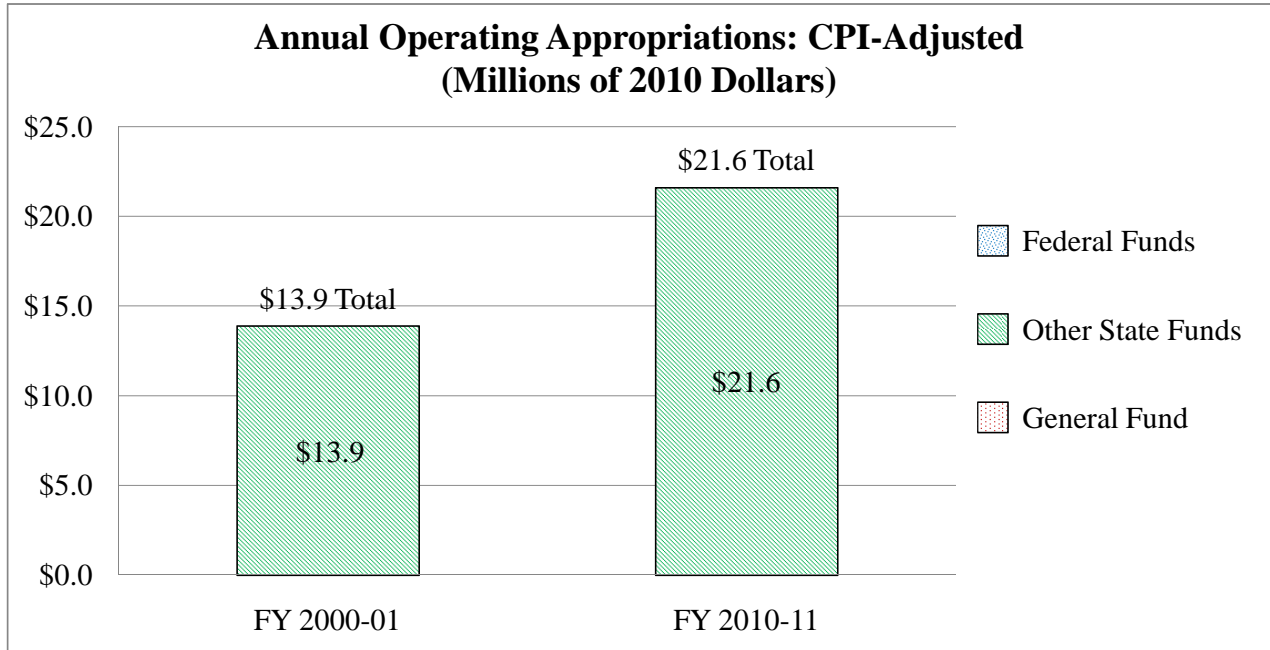
Distribution of General Fund by Division

The Department does not have any General Fund appropriation

Distribution of Total Funds by Division



FY 2011-12 Joint Budget Committee Staff Budget Briefing
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COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS



NOTES: (1) For the purpose of providing comparable figures, FY 2000-01 appropriations are adjusted to reflect changes in the Denver-Boulder-Greeley consumer price index (CPI) from 2000 to 2010. Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, the CPI is projected to increase 21.9 percent over this period.

(2) In the per capita chart, above, appropriations are divided by the Colorado population (for 2000 and 2010, respectively). Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, Colorado population is projected to increase by 18.9 percent over this period.

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DEPARTMENT OVERVIEW

Key Responsibilities

Elections

- Administers statewide statutory provisions that relate to elections, including the preparation and conduct of elections and the initiative and referendum process
- Certifies voting equipment
- Implements the provisions of the federal Help America Vote Act (HAVA), including the improvement of the administration of federal elections
- Oversees campaign finance reporting by political candidates and committees
- Manages the computerized statewide voter registration system

Business

- Collects, maintains and provides public access to business filings such as annual reports, articles of incorporation, liens, and other documents filed by businesses
- Registers business names, tradenames and trademarks

Licensing

- Licenses entities that engage in charitable gaming and enforces related laws
- Regulates notaries public and administers related laws
- Registers lobbyists and monitors the filing of required disclosure reports
- Administers the Address Confidentiality Program

Administrative

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

Technology

- Manages the state disaster recovery data facility known as the Enterprise Facility for Readiness/Response/Recovery and Transition Services (e-FOR³T). Partners with the Office of Information Technology (OIT) to incrementally transfer fiscal responsibility for the facility beginning in FY 2011-12, to be completely transferred during FY 2013-14.
- Maintains the computerized statewide voter registration system
- Provides information technology services to the Department

Factors Driving the Budget

Revenue from Business Filings

The Department is cash-funded, with the exception of federal funds that the state received to administer the Help America Vote Act.¹ The primary cash fund is the Department of State Cash Fund, which earns revenue from fees charged for business-entity filings. The Business division's filing fees contribute to approximately 95.0 percent of the Department's revenue. The remainder of the cash funds are primarily from bingo-affle, campaign finance, lobbyist, and notary administration filings.

Election-Related Expenditures

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

Election-Related Expenditures						
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Actual	Actual	Actual	Approp	Request
Local Election Reimbursement	\$1,681,178	\$914	\$2,042,250	\$0	\$1,725,699	\$1,725,999
Initiative and Referendum	0	50,000	301,007	149,420	250,000	150,000
Total	\$1,681,178	\$50,914	\$2,343,257	\$149,420	\$1,975,699	\$1,875,999

¹ Federal and state moneys allocated for HAVA-related purposes are deposited in the Federal Elections Assistance Fund (see Section 1-1.5-106, C.R.S.). The moneys are then appropriated to the Department directly from this cash fund, which is why they are categorized as "cash funds" for the purposes of the Long Bill.

Help America Vote Act Program

The federal Help America Vote Act of 2002 (HAVA) required the state to replace outdated voting technology, to ensure accessibility for disabled voters, and to institute a statewide voter registration system. Pursuant to Section 1-1.5-106 (1) (a), C.R.S., the Federal Elections Assistance Fund was established to receive HAVA funds; the State has received \$44.8 million in federal funds and \$1.98 has been appropriated from the Department of State Cash Fund as the State's matching contribution. The State does not anticipate additional federal funding, and HAVA funds are expected to be exhausted by FY 2012-13. HAVA funds are not subject to legislative authority and thus appropriations appear in the Long Bill for informational purposes only.

HAVA Expenditures						
	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request
Expenditures	\$18,760,700	\$9,405,515	\$6,637,556	\$2,629,193	\$2,912,003	\$3,018,274
FTE	9.0	9.5	9.5	10.9	6.0	6.0

Information Technology Services

The Information Technology Services division provides most of the technology support for the Department, is responsible for the Department's compliance with the State's Information Security Act, and currently manages the State's disaster recovery data center facility. The Department provides many search and filing services via the internet and it processes over 2,500 web-based transactions daily. The division also provides project direction and support for the federally mandated computerized statewide voter registration system, known as the State of Colorado Registration and Elections (SCORE) system. SCORE is required by the Help America Vote Act, and it is primarily funded by the Federal Elections Assistance Fund. The remainder of this division is funded by the Department of State Cash Fund and the Notary Administration Cash Fund.

Information Technology Services Expenditures						
	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request
IT division total	\$6,430,708	\$6,346,060	\$6,938,138	\$5,140,206	\$7,192,151	\$6,832,121
IT division FTE	32.0	26.2	27.1	26.4	33.1	33.1

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DECISION ITEM PRIORITY LIST

Decision Item	GF	CF	RF	FF	Total	FTE
<p>1</p> <p>Increase Spending Authority and FTE for Address Confidentiality Program (ACP)</p> <p>Administration. The Department submitted a request to increase the Address Confidentiality Program's (ACP) appropriation by a total of \$39,898 and 0.25 FTE for FY 2010-11, and a total of \$88,153 and 1.0 FTE for FY 2011-12. The ACP provides a substitute mailing address to victims of domestic violence, stalking, and similar crimes so that their location is not available through public records. According to the Department, the Division of Criminal Justice awarded the program grant funds from the State Victims and Witnesses Assistance and Law Enforcement Fund in the amounts of \$18,794 cash funds for FY 2010-11, and \$36,138 cash funds for FY 2011-12. The Department also seeks an additional \$21,204 cash funds and 0.25 FTE for FY 2010-11, and \$52,015 cash funds and 1.0 FTE for FY 2011-12, to be funded by the Address Confidentiality Program Surcharge Fund. The funds are to expand the program to serve additional participants, as well as to fund the postage costs for forwarding the participants' mail. <i>Statutory authority: Section 24-4.2-103 (1), C.R.S., and Sections 24-21-104, 205, and 214, C.R.S.</i></p>	0	88,153	0	0	88,153	1.0
<p>2</p> <p>Voluntary FTE Reduction</p> <p>Administration, various line items. The Department requests to reduce the appropriation for the Administration division by 5.5 FTE and \$318,738 cash funds. The cash funds source is the Department of State Cash Fund. The reductions impact several line items within the Administration division, impacting line items such as Personal Services, Operating Expenses, and total compensation employee benefits line items. The Department files the majority of the business filings online, and recent legislation permits the Department to require online filing. Given that processing online filings is significantly more efficient than processing paper filings, the Department no longer requires the staffing levels that it has in the past. <i>Statutory authority: Section 24-21-106, C.R.S.</i></p>	0	(318,738)	0	0	(318,738)	(5.5)
Total	\$0	(\$230,585)	\$0	\$0	(\$230,585)	(4.5)

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OVERVIEW OF NUMBERS PAGES

The following table highlights changes contained in the Department's FY 2011-12 budget request, as compared with the FY 2010-11 appropriation. For additional detail, see the numbers pages in Appendix A.

Total Requested Change, FY 2010-11 to FY 2011-12 (millions of dollars)

Category	GF	CF	RF	FF	Total	FTE
FY 2010-11 Appropriation	\$0.0	\$21.5	\$0.0	\$0.0	\$21.5	134.6
FY 2011-12 Request	0.0	20.8	0.0	0.0	20.8	128.1
Increase / (Decrease)	\$0.0	(\$0.7)	\$0.0	\$0.0	(\$0.7)	(6.5)
Percentage Change	n/a	(3.3)%	n/a	n/a	(3.3)%	(4.8)%

Requested Changes, FY 2010-11 to FY 2011-12

Category	GF	CF	RF	FF	Total	FTE
Department Base Request						
Reinstate the 2.5% PERA adjustment	\$0	\$318,086	\$0	\$0	\$318,086	0.0
Annualize prior year legislation	0	(351,922)	0	0	(351,922)	0.0
Cyclical adjustment for impact of an odd-year election on the initiative and referendum process.	0	(100,000)	0	0	(100,000)	0.0
Subtotal - Base Request	\$0	(\$133,836)	\$0	\$0	(\$133,836)	0.0
New Requests					0	
Help America Vote Act (HAVA) ^{a/}	\$0	\$106,271	\$0	\$0	\$106,271	0.0
Funds to expand operation of the Address Confidentiality Program	0	88,153	0	0	88,153	1.0
Voluntary FTE reduction	0	(318,738)	0	0	(318,738)	(5.5)
Subtotal - New Requests	\$0	(\$124,314)	\$0	\$0	(\$124,314)	(4.5)
Legislation						
H.B. 09-1205, Overseas Military Voting	\$0	\$392,500	\$0	\$0	\$392,500	0.0
S.B. 10-148, transfer fiscal responsibility for E-For ³ t to the OIT	0	(744,975)	0	0	(744,975)	(2.0)
Subtotal - Legislation	\$0	(\$352,475)	\$0	\$0	(\$352,475)	(2.0)
Non-Prioritized Requests						
Common policy changes	0	(54,513)	0	0	(54,513)	0.0
Total Changes	\$0	(\$665,138)	\$0	\$0	(\$665,138)	(6.5)

a/ Pursuant to Section 1-4.5-106, C.R.S., HAVA funds are continuously appropriated and included for informational purposes.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
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BRIEFING ISSUE

ISSUE: Significant Actions Taken from FY 2007-08 to FY 2010-11 to Balance the Budget

Total appropriations to the Department of State have increased since FY 2007-08 due to legislation that expanded information technology services related to elections and campaign finance filings, legislation that established the Address Confidentiality Program, and contracted increases in leased space expenditures. There was also a transfer of expenditures between cash fund sources that is reflected as an appropriations increase for the purposes of this analysis. The combination of these factors caused the Department's cash fund appropriation to increase by \$4.1 million (28.7 percent) between FY 2007-08 and FY 2010-11.

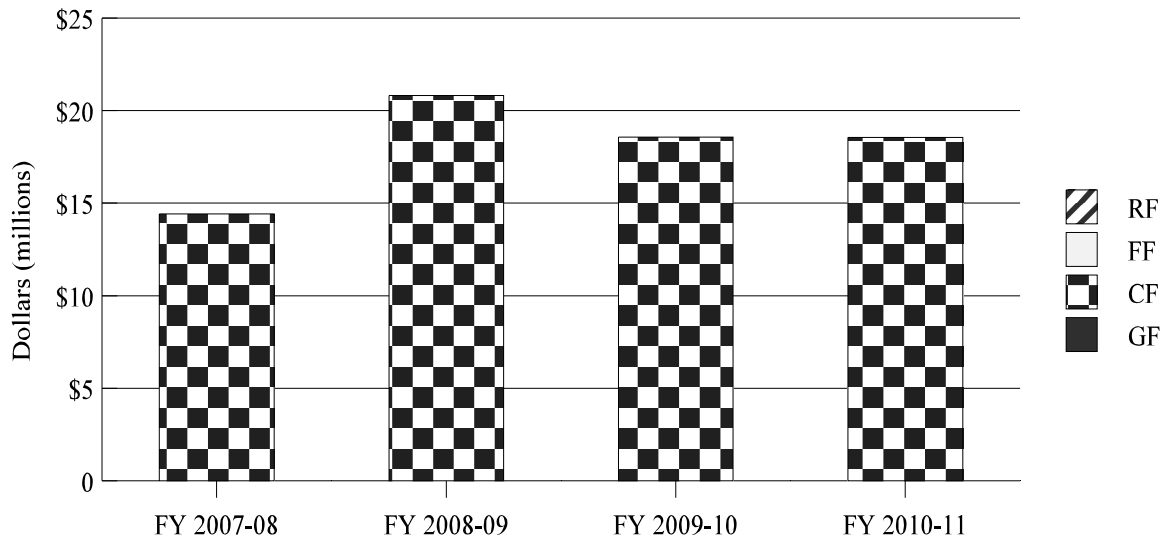
SUMMARY: The Department is completely cash funded, and therefore the General Assembly was unable to take any actions to reduce General Fund expenditures. However, the General Assembly transferred cash funds from the Department of State Cash Fund and the Notary Administration Cash Fund to the General Fund to increase General Fund revenue.

- ❑ The General Assembly transferred \$575,000 from the Notary Administration Cash Fund, and \$2,175,000 from the Department of State Cash Fund, to the General Fund for FY 2008-09.

DISCUSSION: Staff notes that The Department of State's budget includes grant funds that the State received as a part of the federal Help America Vote Act (HAVA). Pursuant to Section 1-1.5-106, C.R.S., the funds were deposited into the Federal Elections Assistance Fund and are continuously appropriated to the Department. The General Assembly does not have appropriation authority for these funds, and they are included in the Long Bill for informational purposes only. Given the relatively small size of the Department's total appropriation, minor fluctuations in the expenditure of HAVA funds can distort the analysis of the Department's appropriations. Therefore, **staff excluded HAVA funds from the Department's annual appropriations for the purpose of this analysis.**

Appropriations to the Department of State for FY 2007-08 through FY 2010-11 are illustrated in the following bar chart.

Department Appropriations FY 2007-08 to FY 2010-11



As illustrated in the bar chart above, appropriations to the Department were the greatest in FY 2008-09, primarily due to increased appropriations for elections-related expenditures in preparation for the 2008 General Election. The majority of these funds were appropriated for voting system certification purposes. During the 2008 legislative session, there was also an increase in enacted legislation related to improving or expanding the Department's systems for online filings and campaign-finance reporting. The Department was appropriated additional funds for these purposes, which also explains why appropriations increased after FY 2007-08.

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BRIEFING ISSUE

ISSUE: Department of State Cash Fund Sources and Elections Expenditures

SUMMARY: The Department of State is entirely cash funded, primarily by the Department of State Cash Fund. This issue brief provides the amount of revenue generated by filings within each division, and also provides a four-year trend for the Department's top ten cash fund revenue sources. In recent years legislators have expressed interest in the amount of the cash funds that are expended for election-related purposes, and this briefing issue provides that information, as well.

DISCUSSION: Pursuant to Section 24-21-104, C.R.S., it is the duty of the Secretary of State to charge fees for any official work that may be done in the Secretary of State's office, and the Secretary shall not deliver any such official work until the fee has been collected. Staff's understanding is that the Department is required to collect a fee for each filing. The fees are to be adjusted so that the revenue generated approximates its direct and indirect costs, except that it may adjust the fees as necessary to reduce excess uncommitted fund reserves from exceeding the maximum amount as permitted by statute.

The Department's emphasis on developing and promoting its electronic filing system has resulted in improved efficiencies within its business division. Online filings require significantly fewer resources to process than paper filings, which has allowed the Department to reduce its filing fees so that they are amongst the lowest in the country. The first table below provides the amount of revenue that is generated by filings within each of the Department's divisions. The tables that follow illustrate that the majority of the Department's cash fund revenue is generated by ten types of filings, and these filings remain relatively consistent across fiscal years.

Cash Fund Revenue by Division			
	FY 2007-08	FY 2008-09	FY 2009-10
Business	\$13,964,316	\$16,015,557	\$15,895,732
Elections		\$48,574	\$139,329
Licensing	\$845,625	\$998,984	\$1,207,036
Total	\$14,809,941	\$17,063,115	\$17,242,097

Top Ten Filings FY 2007-08	Filings	Revenue
Annual Report	330,517	\$3,486,700
Art of Organization LLC	51,759	\$1,967,000
Late Filing Fee	62,452	\$1,879,370
Statement Curing Delinquency	16,404	\$1,246,650
Statement of Authority	6,238	\$779,750
Art of Incorporation	14,389	\$496,409
Tradename Individual	28,726	\$307,684
Withdraw Foreign Entity Authority	1,948	\$243,500
Statement of Diss LLC	8,896	\$224,000
Reservation of Name	8,534	\$214,350
Total	529,863	\$10,845,413

Top Ten Filings FY 2008-09	Filings	Revenue
Annual Report	313,147	\$3,260,800
Late Filing Fee	54,923	\$2,203,165
Art of Org LLC	43,507	\$2,176,325
Statement Curing Delinquency	15,726	\$1,581,850
Statement of Trade Name	38,268	\$764,920
Statement of Authority	4,582	\$572,750
Art of Inc PC	10,437	\$474,249
Withdraw Foreign Entity Authority	1,936	\$249,930
Statement of Diss LLC	9,122	\$229,850
Reservation of Name	8,052	\$202,300
Total	499,700	\$11,716,139

Top Ten Filings FY 2009-10	Filings	Revenue
Annual Report	356,893	\$3,568,930
Art of Org LLC	50,931	\$2,546,550
Late Filing Fee	63,567	\$2,542,680
Statement of Curing Delinquency	17,606	\$1,760,600
Statement of Trade Name	42,361	\$847,220
Articles of Incorporation	13,608	\$680,400
Statement of Dissolution of LLC	10,797	\$269,925
Art of Inc Nonprofit	4,571	\$228,550
Reservation of Name	8,861	\$221,525
Reinstatement	2,167	\$216,700
Total	571,362	\$12,883,080

Top Ten Filings, FY 2010-11 Est.	Filings	Revenue
Annual Report	371,300	\$3,713,000
Late Filing Fee	62,800	\$2,512,000
Art of Org LLC	49,925	\$2,496,250
Statement of Curing Delinquency	19,100	\$1,910,000
Statement of Trade Name	43,300	\$866,000
Articles of Incorporation	15,000	\$750,000
Art of Inc Nonprofit	6,065	\$303,250
Statement of Dissolution of LLC	12,000	\$300,000
Reinstatement	2,610	\$261,000
Reservation of Name	8,985	\$224,625
Total	591,085	\$13,336,125

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 APPENDIX A: NUMBERS PAGES**

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
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DEPARTMENT OF STATE Secretary of State - Bernie Buescher
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(1) Administration

Primary Functions: Administer election laws; administer public official, lobbyist, and business entity filing laws; license notaries public and charitable solicitors; regulate bingo and raffles charitable gaming.

Personal Services

Cash Funds	4,154,280	4,127,119	5,509,485	5,453,276	DI#2
FTE	76.4	77.9	94.0	88.5	DI#2

Health, Life and Dental

Cash Funds	530,682	603,391	725,987	698,188	DI#2
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Short-term Disability

Cash Funds	7821	9546	10625	10206	DI#2
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Amortization Equalization Disbursement

Cash Funds	95,513	120,198	164,523	168,528	DI#2
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SAED

Cash Funds	44,167	75,183	119,965	127,214	DI#2
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Salary Survey and Senior Executive Service

Cash Funds	209,087	0	0	0	
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APPENDIX A: NUMBERS PAGES

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
Performance-Based Pay Awards					
Cash Funds	97,117	0	0	0	
Workers' Compensation					
Cash Funds	6,201	6,278	6,099	6,326	
Operating Expenses					
Cash Funds	715,163	602,780	803,385	688,622	DI#2
Legal Services					
Cash Funds	<u>299,156</u>	<u>357,816</u>	<u>526,770</u>	522,248	
<i>Hours Equivalent</i>	3,983	4,747	7,118		
Administrative Law Judge Services					
Cash Funds	79,216	50,289	103,987	34,052	
Purchase of Services from Computer Center					
Cash Funds	44,341	42,366	51,559	51,559	
Multiuse Network Payments					
Cash Funds	569,609	569,609	318,188	318,188	
Payments to Risk Management and Property Funds					
Cash Funds	23,303	22,734	7,038	28,482	
Vehicle Lease Payments					
Cash Funds	2,714	2,861	2,861	2,861	

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APPENDIX A: NUMBERS PAGES**

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
Leased Space					
Cash Funds	629,680	590,152	639,747	639,747	
Indirect Cost Assessment					
Cash Funds	99,305	89,807	148,003	136,752	
Discretionary Fund					
Cash Funds	5,000	2,186	5,000	5,000	
Address Confidentiality Program a/					
Cash Funds	78,215	98,886	117,546	208,432	DI#1
FTE	1.0	1.5	1.5	2.5	DI#1
					Request v. Appropriation

TOTAL - ADMINISTRATION					
Cash Funds b/	7,690,570	7,371,201	9,260,768	9,099,681	-1.7%
FTE	77.4	79.4	95.5	91.0	

a/ Pursuant to Section 24-21-214 (4) (a), C.R.S., this appropriation is from the Address Confidentiality Program Surcharge Fund. The Department's FY 2011-12 request includes an additional \$36,138 cash funds from the Victims and Law Enforcement Cash Fund (Section 24-4.2-103, C.R.S.).

b/ For informational purposes: Based on the FY 2010-11 Long Bill appropriations, approximately 93.0 percent of these cash funds are from the Department of State Cash Fund (Section 24-21-104 (3) (b), C.R.S.), approximately 4.5 percent of the cash funds are from the Notary Administration Cash Fund (Section 12-55-102.5 (1), C.R.S.), approximately 1.3 percent are from the Address Confidentiality Program Surcharge Fund (Section 24-21-214 (4) (a), C.R.S.), and approximately 1.0 percent of the cash funds are indirect cost recoveries from the Federal Elections Assistance Fund (Section 1-1.5-106, C.R.S.). These percentages may change on an annual basis to reflect changes to the Department's annual appropriation. The FY 2011-12 request also includes \$36,138 cash funds from the Victims and Witnesses Law Assistance and Law Enforcement Fund (Section 24-4.2-103 (1), C.R.S.).

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APPENDIX A: NUMBERS PAGES

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
(2) Special Purpose					
Primary Function: Implement the Help America Vote Act; reimburse counties for elections and ballot initiatives; administer the initiative and referendum laws.					
Help America Vote Act c/					
Cash Funds	6,637,556	2,629,193	2,912,003	3,018,274	
FTE	9.5	10.9	6.0	6.0	
Federal Elections Assistance Fund					
Cash Funds	0	100,000	0	0	
Local Election Reimbursement					
Cash Funds	2,042,250	0	1,725,699	1,725,699	
Initiative and Referendum					
Cash Funds	301,007	149,420	250,000	150,000	
					Request v. Appropriation
TOTAL - SPECIAL PURPOSE					
Cash Funds d/	8,980,813	2,878,613	4,887,702	4,893,973	0.1%
FTE	9.5	10.9	6.0	6.0	
c/ Pursuant to Section 1-1.5-106, C.R.S., these amounts are continuously appropriated from the Federal Elections Assistance Fund and are shown for informational purposes only.					
d/ For informational purposes: Based on the FY 2010-11 Long Bill appropriations, approximately 59.6 percent of these cash funds are from the Federal Elections Assistance Fund (Section 1-1.5-106, C.R.S.), and approximately 40.4 percent are from the Department of State Cash Fund (Section 24-21-104 (3) (b), C.R.S.). These percentages may change on an annual basis to reflect changes to the Department's annual appropriation.					

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APPENDIX A: NUMBERS PAGES

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
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(3) Information Technology Services

Primary Function: Provides IT support to the Department; implementing the statewide voter registration database.

(A) Information Technology

Personal Services

Cash Funds	3,658,766	1,975,010	3,197,313	3,140,628	
FTE	25.1	26.4	31.1	31.1	

Operating Expenses

Cash Funds	325,923	421,859	476,362	476,362	
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Hardware/Software Maintenance

Cash Funds	852,919	862,614	878,230	1,178,230	
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Information Technology Asset Management

Cash Funds	21,245	353,579	445,418	460,418	
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**Request v.
Appropriation**

(3) Information Technology Services

Subtotal - (A) Information Technology

Cash Funds	4,858,853	3,613,062	4,997,323	5,255,638	5.2%
FTE	25.1	26.4	31.1	31.1	

(B) Statewide Disaster Recovery Center

Personal Services

Cash Funds	110,104	98,513	115,402	0	
FTE	2.0	1.7	2.0	0.0	

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APPENDIX A: NUMBERS PAGES

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests
Operating					
Cash Funds	193,800	90,593	246,050	0	
Hardware/Software Maintenance					
Cash Funds	56,536	34,208	47,000	0	
Leased Space					
Cash Funds	1,718,845	1,829,550	1,913,076	1,576,523	
					Request v. Appropriation
(3) Information Technology Services					
Subtotal - (B) Statewide Disaster Recovery Center					
Cash Funds	2,079,285	2,052,864	2,321,528	1,576,523	-32.1%
FTE	2.0	1.7	2.0	0.0	
					Request v. Appropriation
TOTAL - INFORMATION TECHNOLOGY SERVICES e/					
Cash Funds	6,938,138	5,665,926	7,318,851	6,832,161	-6.6%
FTE	27.1	28.1	33.1	31.1	
e/ For informational purposes: Based on the FY 2010-11 Long Bill appropriations, approximately 98.9 percent of the cash funds are from the Department of State Cash Fund (Section 24-21-104 (3) (b), C.R.S.), and approximately 1.1 percent is from the Notary Administration Cash Fund (Section 12-55-102.5 (1), C.R.S.). These percentages will vary on an annual basis to reflect changes to the Department's annual appropriation.					

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APPENDIX A: NUMBERS PAGES

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	Change Requests Request v. Appropriation
DEPARTMENT OF STATE TOTALS					
Cash Funds	23,609,521	15,915,740	21,467,321	20,825,815	-3.0%
FTE	114.0	118.36	134.6	128.1	

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APPENDIX B: SUMMARY OF MAJOR LEGISLATION

- ❑ **S.B. 10-087 (Steadman/Liston):** Expands the Secretary of State's authority to regulate and monitor lobbyists, and also increases the penalty fines for failing to submit certain filings by their deadlines.
- ❑ **S.B. 10-141 (Lambert/King):** Transfers licensing and enforcement authority for games of chance, such as bingo and raffles, from the Department of State to the Department of Revenue. Specifies that the bill is conditional upon voter approval of H.C.R. 09-1003, which is a proposed constitutional amendment to give the General Assembly authority to determine which agency regulates bingo and raffles. *Please note:* The voters did not approve this referendum during the 2010 General Election, and thus the Department of State will retain its licensing and enforcement authority for games of chance.
- ❑ **S.B. 10-143 (Morse/Scanlan):** Authorizes the State Controller to issue a refund for fees that were erroneously collected by the Secretary of State prior to July 1, 2006. Directs the State Controller to issue the refund upon receipt of a voucher from the Secretary indicating the person and the amount of the refund. Transfers \$1,000 from the Department of State to the Department of Personnel and Administration to fund related expenses within the Office of the State Controller.
- ❑ **S.B. 10-148 (White/Lambert):** Transfers management responsibilities of the statewide disaster recovery center (E-Fort) from the Department of State to the Governor's Office of Information Technology (OIT) as of July 1, 2010. Transfers fiscal responsibility for the recovery center to the OIT in one-third increments beginning in FY 2011-12, until the OIT has assumed full fiscal responsibility by FY 2013-14.
- ❑ **S.B. 10-203 (Carroll/Weissmann):** Changes state law to regulate independent expenditures made in connection with state elections. Requires persons and organizations that accept donations or make independent expenditures greater than \$1,000 to register with the Secretary of State, specifies the information to be collected from persons who register, and directs the Department of State to post certain information on its website within a certain time frame.
- ❑ **H.B. 10-1403 (Kerr, A., Whitehead):** Allows the Secretary of State to designate whether it sends certain notifications by mail or electronically. Allows entities to file certain reports with the Secretary biennially, rather than annually, and permits the entities to select the anniversary month that the reports are submitted.

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**APPENDIX C: UPDATE OF FY 2010-11
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

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

Requests for Information

- 1 All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

Comment: The Department reports that it does not have any FTE that meet these criteria.

- 2 Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed amongst the sections within the Administration Division.

Comment: See table below

Administration Division as Appropriated in FY 2010-11 Long Bill		
Sub-sections	FTE	Funds
Administration	14.0	\$3,725,945
Business	31.0	1,941,909
Elections	28.0	2,076,803
Licensing	5.5	229,873
Bingo - Raffle	6.6	496,464
Charitable	3.0	240,873
Notary	5.3	421,334
Address Confidentiality	<u>1.5</u>	<u>117,546</u>
Total	94.9	\$9,250,747

- 3 Department of State, Administration, Address Confidentiality Program** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, an annual budget report for the Address Confidentiality Program. The report should reflect monthly expenditures, the number of participants served, and the number of pieces of participants' mail processed monthly.

Comment: As requested, the Department provided the expenditures by month, but staff combined them for the fiscal year to facilitate the Committee's understanding of the major annual expenditures. This data is reflected in the table on the following page.

As of June, 2010, there are **345 households** enrolled in the Address Confidentiality Program (ACP), which include **881 participants**. The Department received 33,807 pieces of mail for participant, and mailed out 15,756 pieces.

Address Confidentiality Program FY 2009-10 Actual Expenditures	
Salaries and Wages	
Base Salary	\$51,528
Employee Benefits	
Dental	\$432
Health	\$7,525
Life	\$112
Disability	\$80
FICA - Medicare Contribution	\$747
PERA	\$5,220
AED	\$1,028
SAED Supplemental	<u>\$643</u>
Subtotal	\$15,787
Supplies	
General Supplies	\$4,037
Printing/Copy Supplies	<u>\$43</u>
Subtotal	\$4,080
Lease Space	
Rental of Buildings	\$6,240
Communications	
Telephone/Dataline lease/rental	\$28
Printing	
General printing	\$1,314
Travel	
In-State Travel - Lodging / misc	\$408
Mailing	
Postage	\$15,896
Central Services - security, sort, delivery, pick-up	<u>\$3,060</u>
Subtotal	\$18,956
Total Expenditures	\$98,341