Colorado Department of State Long-Range Financial Plan

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Introduction to the Department of State

Background

The Colorado Department of State (Department) performs several functions, ranging from registering businesses to overseeing elections. The Department is organized into four divisions: Administration, Business and Licensing, Elections, and Information Technology.

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 Business and Licensing Division licenses durable medical equipment providers, promotes availability of government data, and makes performing rights society information accessible. Most filings are submitted electronically and the Department disseminates this information to the public through its website (http://www.coloradosos.gov).

The Elections Division oversees state elections, campaign finance disclosure, statewide ballot initiative certification, and lobbyist registration. The Elections Division also oversees sub-grants made to counties from the Federal Elections Assistance Fund.[1]

The Administration Division and Information Technology Division (IT Division) provide support to the Department's programs. The Administration Division includes the Secretary of State's Executive Team, the Legal and Policy Unit, and also the E-Learning, Finance, Human Resources, and Operations Units that provide administrative support to the entire agency. The IT Division provides infrastructure and operations support as well as develops software to support the Department's processes and programs.

Cash funds generated by business and other filings support the majority of the Department's activities. The Department administers funding from the Federal Government under the Help America Vote Act (HAVA) to support elections. Every four years, the Department receives a General Fund appropriation to cover counties' direct costs of conducting the Presidential Primary election. The Department's Long Bill is organized into sections by division. Appropriations are allocated based upon the historical utilization of resources by each division.

Mission

We make government easy and accessible for people in order to further democracy, support economic opportunity for all Coloradans, and demonstrate a standard of integrity and excellence.

Vision

Our vision is to ensure all Coloradans have a voice in our future, help Coloradans and their businesses thrive, and be the best at what we do.

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[1] §1-1.5-106(1)(a) C.R.S.

Major Functions of the Department of State

The major functions of the Department are presented below by division.

Administration Division

The Administration Division of the Department of State provides operational support to the Department, including human resources, finance, office management, communications, and direct support to the Office of the Secretary of State. The Division works collaboratively to meet the needs of the Department staff and acts as a liaison between the leadership team and department staff. The Division regularly reviews and updates processes to ensure compliance, thoughtful decision-making and consistent messaging to its internal teams. Through the execution of each program, the Administration Division seeks to ensure alignment with the Department's key performance goals and to provide staff with the resources that they need to be successful in meeting their own division-level goals.

The Administration Division is broken into five units. The key duties of each are outlined below.

Communications and Legislation

The Communications and Legislation Unit engages with the public, media, advocates, stakeholders, and elected officials to provide information regarding department services and programs and to advocate on behalf of the Department. The unit:

- Tracks the advancement of legislation in Colorado and other states to determine if there is a potential impact on the Colorado Department of State's budget, programs, or operations
- Develops legislation to support the organization's strategic initiatives
- Identifies significant policy issues on the Federal and State levels, and makes recommendations that best support the agency
- Evaluates the benefits and consequences of legislative policy changes within the office, throughout the State and nationally, and communicates that information to a variety of stakeholders.
- Analyzes regulatory and legislative trends
- Develops and fosters effective relationships with government agencies, government partners, key policymakers, the business community, and stakeholders
- Communicates with the media, constituents, and the general public
- Proactively communicates with and responds to inquiries from the general public and the media

Finance

The Finance Unit manages and oversees all aspects of the Department's accounting, budgeting, contracting for services, and procurement. The unit also cooperates with the Elections Division and Electronic Recording Technology Board (ERTB)[2] on issuing grants to counties. The unit:

- Maintains responsibility for monthly, quarterly, and annual "close"
- Interprets and applies state fiscal rules and procedures, and federal guidelines and regulations
- Provides advice and assistance to Department leadership
- Executes an operating budget in cash and federal funds
- Develops processes for grants management
- Manages accounts payable and accounts receivable
- Ensures compliance with the State Fiscal Rules, fiscal policies, and procedures
- Coordinates with the Office of the State Auditor on annual financial audit

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[2] §24-21-401 et seq C.R.S.

- Provides budget and policy analyses
- Assists with fiscal note analysis and preparation
- Collaborates with the Information Technology Division to maintain the Department's internal accounting system
- Prepares and submits the Department's annual budget request
- Processes and reconciles payroll
- Conducts all solicitations and ensures compliance with the Procurement Code and Rules
- Assists with the development of all contracts with financial terms and grant agreements[3]
- Submits required financial reports to grantors

Human Resources

The Human Resources Unit is responsible for managing, planning, directing, and coordinating a wide array of administrative functions of the Department. The unit:

- Manages Department recruiting, interviewing, and hiring of new staff
- Creates and implements internal policies
- Develops and implements compensation policies in alignment with state requirements
- Interprets and applies state law, personnel rules and procedures, federal guidelines and regulations
- Provides advice and assistance to department leadership, managers, and staff, regarding personnel
- Oversees labor relations and employee relations
- Coordinates and administers departmentwide training program
- Monitors personnel matters regarding use of benefits such as Family and Medical Leave (FML), Leave Without Pay (LWOP), short term disability, etc.
- Monitors and assist with resolution of personnel matters
- Develops and administers performance management program
- Reviews and improves administrative business processes
- Establishes and maintains effective internal controls
- Provides mechanisms to monitor and enforce compliance
- Ensures compliance with state law, personnel rules, and procedures
- Provides resources, information and ongoing guidance to staff regarding the Department's response to the public health emergency and other significant events that affect personnel

eLearning

The eLearning Unit creates and maintains online trainings available to the public and Department employees.

- Identifies eLearning training goals and objectives
- Develops plan for eLearning course creation
- Works with subject matter expert to plan and organize course content
- Analyzes content to ensure that it satisfies the stated goals and objectives of the training
- Creates eLearning courses
- Ensures that training products conform to specified eLearning standards, including Americans with Disabilities Act (ADA) compliance
- Announces and publicizes new training courses
- Evaluates training effectiveness
- Provides customer service and technical support as it pertains to course participants

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[3] The Finance Unit assists with the development of grant (or sub-grant) agreements when the Department is the grantor.

<u>Legal and Policy</u>

The Legal and Policy Unit reviews and oversees all aspects of the Department's legal compliance and policy matters. The unit:

- Receives and responds to all Colorado Open Records (CORA) requests
- Coordinates and ensures compliance with all administrative rulemaking matters for each of the Department's divisions
- Acts as liaison with the Colorado Attorney General's office on the Department's legal representation
- Reviews and provides guidance on legal and compliance matters for each of the Department's divisions
- Provides legal and policy support to the Secretary of State and Executive Team

Business and Licensing Division

Through its organization and execution, each major program aligns with the Department's mission ("We make government easy and accessible for people in order to further democracy, support economic opportunity for all Coloradans, and demonstrate a standard of integrity and excellence.") and key goals (over 80 percent of staff trained in LEAN-based process improvement; continued expansion of eLearning, data and analysis tools and consultative services, and delivery of innovative technology products). The sections below provide details on specific activities by major program that align with department goals.

<u>Business Filings[4]</u>

The Business Filings Program serves business owners, managers, attorneys, and others. Approximately 1,040,000 business filings are processed each year. The vast majority of transactions are done online. The Department continues to add online services (e.g., Statements of Change and Correction, Online Certifications) and make enhancements as part of the Business Efficiency Suite. The Department is also in the midst of a complete re-write of the business filing system code base. In addition, the Business Filings Program:

- Maintains the State businesses registry
- Files business entity, trade name, and trademark records
- Allows customers to manage, search, copy, and certify records online
- Operates a customer service support center that provides in-person and telephone support

<u>Bingo-Raffle[5]</u>

The Bingo-Raffle Program licenses nonprofits to conduct Bingo-Raffle operations, including bingo, pulltabs, raffles, progressive bingo, progressive pulltabs, and progressive raffles. In so doing, the program:

- Oversees charitable gaming practices of qualified nonprofit organizations
- Regulates gaming related business enterprises, such as commercial bingo halls, manufacturers, and suppliers
- Licenses bingo hall landlords, bingo equipment manufacturers, and bingo-raffle suppliers
- Educates the public on The Bingo and Raffles Act
- Investigates complaints
- Conducts games manager certification classes
- Conducts on-site field inspections
- Processes quarterly reports from licensed entities

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[4] §7-90-301 C.R.S.
[5] §24-21-6 C.R.S.

Colorado Charitable Solicitations Act[6]

The mission of the Colorado Charitable Solicitations Act (CCSA) Program is to provide transparency for donors to make informed giving decisions and to strengthen public trust in legitimate charities. The program is responsible for registering charities, paid solicitors, and professional fundraising consultants. As part of this, the program:

- Discourages unscrupulous practices by promoting transparency and accountability among charitable organizations
- Regulates and publishes public information for more than 15,000 registered charities operating in the state
- Educates the public on the CCSA
- Investigates complaints
- Publishes an annual report
- Works with other regulators and the nonprofit sector on national issues

Notary[7]

The Notary Program is responsible for the commissioning and regulating notaries public. The program also:

- Provides authentications or apostilles for documents to be used in foreign countries
- Provides service to verify notary information
- Processes notary commission applications and renewals
- Conducts notary training
- Investigates complaints

Business Intelligence Center (BIC)[8]

The Business Intelligence Center (BIC) Program engages state agencies, counties, and cities to make public data accessible by putting datasets on the Colorado Information Marketplace (CIM). It supports the only statewide business app and data analytics challenge in the United States, the Go Code Colorado Challenge (https://gocode.colorado.gov/). The program is focused on:

- Serving as an online resource to help Colorado businessowners address decision-making challenges they face on a day-to-day basis
- Making more public data available for use by the business community through the CIM

Since FY 2015-16, the BIC program has had two dedicated line items within the Department's budget, one for personal services costs and another for operating expenses. In addition, the program is authorized by statute to accept and solicit gifts, grants, and donations.[9] The program submits an annual report detailing cash and in-kind donation revenues and expenses to the Joint Budget Committee (JBC) in response to a Request for Information (RFI).

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[6] §6-16-101 C.R.S.
[7] §24-21-501 et seq C.R.S.
[8] §24-21-116 C.R.S.
[9] §24-21-116(8) C.R.S.

<u>Administrative Rules</u>[10]

The Administrative Rules Program is responsible for the publication of the Code of Colorado Regulations (CCR) and Colorado Register. As of March 31, 2014, it is compliant with the Uniform Electronic Legal Material Act (UELMA). The program:

- Serves all State of Colorado agencies and any person researching Colorado rules and regulations
- Provides real-time online record of all state rulemaking activities, using an award-winning electronic filing system
- Files rulemaking notices for state agencies

<u>Durable Medical Equipment (DME)</u>[11]

The Durable Medical Equipment (DME) Program oversees the licensure of DME suppliers who conduct business in Colorado. It is also responsible for managing the complaint process for these entities.

<u>Performing Rights Societies</u>[12]

The Performing Rights Societies Program requires the Department to post an electronic copy of required information (each contract licensing the public performance of nondramatic musical works in the performing rights society's repertory to proprietors in the State of Colorado, together with the applicable schedule of royalty rates payable) on the Department's website: (https://www.sos.state.co.us/pubs/performingRights/index.html).

Elections Division

Within the Elections Division, there are eight programs. Each of these programs is described below.

<u>Voting Systems</u>

The Voting Systems Program is responsible for certifying voting equipment for use in Colorado elections, administering the Risk-Limiting Audit (RLA), overseeing the Election Night Reporting (ENR) system, and conducting random security audits throughout the state.

<u>SCORE</u>

The Department maintains the Statewide Colorado Registration and Election (SCORE) system, which is the statewide voter registration database. Within the Elections Division, the SCORE Program is responsible for administering the database, assisting county elections officials in conducting elections, and providing data for the division, the Department, the media, and the public.

<u>Training and Certification Program</u>

The Elections Division's Training and Certification Program provides in-person and remote instructional classes for Colorado county officials who conduct elections. All county clerks and staff members with direct responsibility for conducting elections are required to complete the Colorado Election Official certification program within two years of starting their jobs. To achieve certification, a person must complete 12-13 online classes and 1-2 in-person classes for a total of 14 classes. Once a person is certified, he or she must take four classes each year to maintain certification. Currently, 332 Colorado election officials are certified. The program also provides county clerks with an Elections Planner, which is a daily, weekly, and monthly calendar that helps keep clerks on track with their election planning.

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[10] §24-2-103 C.R.S.
[11] §24-21-115 C.R.S.
[12] §6-13-102 C.R.S.

Ballot Access

The Ballot Access Program assists candidates and ballot initiative proponents in accessing the ballot, administers access to the ballot following state law and Department rules, and certifies elections results. The program also organizes and administers Title Board meetings where titles are set for ballot initiatives.

To process petitions, the program uses petition review software provided by an outside vendor, Runbeck Election Services (Runbeck), and collaborates with the Document Solution Group (DSG) at Integrated Document Solutions (IDS), a division of the Department of Personnel and Administration (DPA). IDS charges for this purpose are paid through a common policy line item that was established in FY 2019-20 (SB19-207). There is a dedicated line item in the Department's budget, Initiative and Referendum, that is used to pay Runbeck and other non-state personnel costs associated with processing petitions.

Campaign and Political Finance

The Campaign and Political Finance (CPF) Program administers and enforces the provisions of Colorado's campaign and political finance laws as set forth in the Colorado Constitution[13], statutes[14], and Department rules. In support of this, the program maintains and administers the Department's online filing system: Transparency in Contribution and Expenditure Reporting (TRACER). The program also staffs a CPF Help Desk that assist more than 5,000 filers at the state, county, school board, and special district levels in filing their legally required disclosure reports. The program also works closely with the Elections Legal Program to administer the campaign finance penalty and waiver processes.

Campaign and Political Finance Enforcement

The Campaign and Political Finance Enforcement Program ensures compliance with, and uniform enforcement of, Colorado's campaign and political finance disclosure laws and rules.[15] The program reviews TRACER filings, reviews campaign finance complaints, investigates potential violations of campaign finance law, and drafts notices of initial review, and prosecutes violations by filing enforcement actions with a hearing officer. The program is responsible for implementing new legislation and promulgating administrative rules with respect to campaign finance enforcement.

Lobbyist Registration

The Lobbyist Program regulates and administers the lobbyist statute and the Department's rules pertaining to the influencing, drafting, passage, and implementation of legislation, and other matters before state public officials. The program also enforces regulations by suspending or revoking noncompliant lobbyists from operating in the state for a period of up to a year.

Elections Legal

The Elections Legal Program provides support on legal issues to other programs within the division. The program is also responsible for advising the Secretary of State on potential legislative changes and coordinating rulemaking to incorporate legislative changes. The program is also responsible for managing grants to the counties for CARES Act and HAVA funds. The team works closely with the Department Finance team to prepare grant agreements and manage county submissions for payment under those agreements.

Elections Operational Support

The Elections Operational Support Program serves as an internal consulting group for the Elections Division. The program's business analysts analyze and evaluate program areas and business practices, defining customer

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[13] Article XXVIII of the Constitution of Colorado
[14] Title 1, Article 45 C.R.S. – Fair Campaign Practices Act
[15] Article XXVII of the Constitution of Colorado, Title 1, Article 45, C.R.S., and 8-CCR 1505-6

needs and problems, gathering requirements, designing solutions, and ensuring the successful implementation and ongoing maintenance of those solutions. Program staff oversee projects throughout their lifecycle and work collaboratively with project stakeholders to establish success criteria and stakeholder expectations. The program also works to compile, maintain, and analyze data related to division programs; track performance metrics; and present data in a meaningful way for both internal and external consumption.

<u>Elections Security</u>

The Rapid Response Election Security Cyber Unit (RESCU), a newly formed team funded by federal HAVA Election Security funds and the State's required matching funds, works to protect Colorado's elections from cyber-attacks, foreign interference, and disinformation campaigns. The team works hand in hand with the Department's Information Security team and counties to increase cyber preparedness and provide another important resource for counties. The team works closely with county clerks to help counties improve physical security for election-related infrastructure to ensure the safety of staff and election materials. The team also partners with the Department's communications team to work to increase Coloradan's resilience to disinformation about the electoral process by highlighting trusted information through public engagement and building a broad amplification network od trusted voices.

Information Technology Division

Through cooperation with the legislature, the Department has expanded its customer service opportunities through its web portal and online services. The Information Technology (IT) Division has created and supported these efforts through software development, tutorials and filing and search features. The IT Division manages and supports the entire Department's various processes and programs through customer-friendly data collection and filings. In addition, that information is organized in a variety of searchable databases that are made available to the public via the department's website.

The online nature of our service delivery model requires the IT Division to ensure safe and secure access to our systems and the data collected and maintained by our systems. The Department continues to be recognized as a leader in the use of technology in multiple program areas within Colorado and nationally.

The importance of cybersecurity operations within the Department cannot be overstated. Along with the threats faced by any organization whose primary job functions include maintaining a website, accepting payments online, and managing official records in electronic form, the Department is also responsible for managing the security and operations of the state's election-related systems. The designation of election systems as Critical Infrastructure of the nation by the U.S. Department of Homeland Security has heightened the profile of our information security program. The Department has played a crucial role in establishing a community of partners (including the U.S. Cybersecurity and Infrastructure Security Agency, the Elections Infrastructure Information Sharing & Analysis Center, the Colorado Division of Homeland Security & Emergency Management, the Colorado National Guard, the Governor's Office of Information Technology, the Colorado Threat Intelligence Sharing group, and Colorado county clerks and their support teams) to create a culture of cybersecurity awareness, institute information sharing practices to inform stakeholders of threats and incidents, and identify and respond to threats to election systems.

Over the past several years, the threats to election infrastructure and the conduct of elections have only become more well-known. The Department's information security program has responded by adding staff and capabilities to defend state assets and provide guidance and support to local election officials as well. Working together with our Elections Division, the division is also working to identify and combat foreign influence operations whose goal is to sow division and diminish voter's confidence in U.S. elections. The Department also is working closely with the Governor's Office of Information Security and local cybersecurity resources as a long-term "Whole of State" approach to cybersecurity develops.

The IT Division's budget covers the vast majority of software license expenses that are required to support the Department's operations. This includes the maintenance costs associated with major elections-related systems, such as TRACER, UOCAVA, ENR, ballot tracking services, and ballot envelope signature cure systems.

The IT Division is broken into two major work units: Software Development and Infrastructure and Operations. The responsibilities of these work units are outlined below.

<u>Software Development</u>

- Problem analysis, requirements gathering, and software design
- Secure DevOps[16] software development
- Development database design, support, and development
- Production database support
- Software quality assurance
- Software configuration management
- Website design and support
- Maintenance and operations of customer and third-party software used in the software development lifecycle

<u>Infrastructure and Operations</u>

- Secure DevOps planning to support software development pipeline flow, feedback, and continual learning.
- Project management and support.
- Office security, including cybersecurity, physical security, and information security
- Agency infrastructure and operations (e.g., network devices; security devices and systems; database, application, and web servers; phone system; virtualized Windows and Linux servers; SharePoint intranet sites; Windows-based thin clients, desktops, and laptops; agency data center environmental systems)
- Office hardware (printers, scanners, monitors, etc.)
- Help Desk for internal agency personnel
- Agency disaster recovery and continuity of business

Electronic Recording Technology Board (ERTB)

SB16-115 created the Electronic Recording Technology Board (ERTB) within the Department of State. During the 2021 Session, HB 21-1225 was passed and extended the ERTB's authorization through September 1, 2026. The ERTB is an enterprise for the purposes of Section 20 of Article X of the Constitution of Colorado. However, the ERTB largely operates outside of the day-to-day operations of the Department and is not included in the Department's Strategic Plan or SMART Act reporting. Its revenue and expenses are recorded in the Electronic Recording Technology Fund (ERTF).[17]

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[16] Gartner defines DevOps as:

"DevOps represents a change in IT culture, focusing on rapid IT service delivery through the adoption of agile, lean practices in the context of a system-oriented approach. DevOps emphasizes people (and culture), and seeks to improve collaboration between operations and development teams. DevOps implementations utilize technology — especially automation tools that can leverage an increasingly programmable and dynamic infrastructure from a life cycle perspective."
Source: http://www.gartner.com/it-glossary/devops (accessed August 24, 2021).
[17] §24-21-404(1)(a) C.R.S.

The ERTB has a mission to develop, maintain, improve, replace, or preserve land records systems in the state. HB 21-1225 expanded the board's statutory grant making authority to include grants for the purpose of improving a county's general information technology systems, if the improvement is necessary to improve the security of the county's electronic filing system.[18] In pursuit of this mission, the board uses revenue from a $2 per document surcharge on all documents received by a county clerk and recorder for recording or filing to make grants to counties to digitize, index, and secure aged documents, and improve their electronic recording systems. HB 21-1225 extended the authorization for this surcharge through April 30, 2026.

Program and Goal Evaluation

All programs in all divisions within the Department are currently meeting their goals, objectives, and statutory responsibilities. Goals and metrics from Department's SMART Act[19] reporting are organized by division and provided below.

Administration Division

Goal: Engage, retain, and develop a high-performing workforce

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
In-person training offerings	Target	32	34	10
	Actual	35	23[20]	0 in-person[21] 13 virtual

The Department continues to prioritize training opportunities and professional development for staff. In addition to building upon the specific skillsets of Department staff, training will be offered that focuses on leadership development, management/supervision, compliance topics, technical expertise, and equity. As the Department continues to promote a more inclusive and equitable workplace, it will continue to seek out training opportunities that support this important goal. As was the case at the end of FY 2019-20, in-person trainings were suspended or postponed through FY 2020-21 due to the COVID-19 pandemic.

Goal: Align learning opportunities with business objectives

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
eLearning courses that support SOS programs	Target	51	62	70
	Actual	54	63	74

The eLearning program works with Department staff to develop interactive online training courses and video tutorials. The public can access these resources anytime, outside of a traditional classroom. Notable course offerings include Elections Security, Business Intelligence Center Data Tools, and Nonprofit Board Education. The Department continues to find ways to use eLearning to help Coloradans. As the catalog grows, the program also updates existing courses to keep them accurate and engaging. For example, Starting a Business in Colorado—one of the more popular courses—is getting a complete refresh and will be available this fiscal year in English and Spanish.

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[18] §24-21-404(2)(a)(II) C.R.S.
[19] §2-7-205 C.R.S.
[20] No in-person trainings could be held during the last three and a half months of FY 2019-20 dues to COVID-19 pandemic.
[21] No in-person trainings were held in FY 2020-21 due to the COVID-19 pandemic.

Business and Licensing Division

Goal: Enhance Division performance through employee development and process improvement.

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Percentage of critical division tasks with backup resources trained	Target	85.0%	100%	100%
	Actual	98.0%	100%	100%

As the Department's operations evolve from paper-based and in-person interactions to online and virtual ones, it is important to position ourselves for customer service success. This includes building upon individual skills and expanding current capabilities through focused cross-training. The Division took a full inventory of key tasks and skills in FY 2014-15, and since then has applied a training regimen to create redundancy and capacity across all division programs. The Division achieved 100 percent by the end of FY 2019-20. The Division actively manages the list to maintain full redundancy as tasks change and staffing levels change. The Division has maintained 100 percent in FY 2020-21 and anticipates maintaining that percentage in FY 201-22.

Goal: Increase customer satisfaction through improved system usability and efficiency.

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Percentage of electronic quarterly reports submitted	Target	70.0%	75%	82%
	Actual	71.0%	82%	89%

While 2020 was a challenging year from a public health perspective, as it related to Bingo-Raffle quarterly reports, an opportunity to increase our online filing adoption rate presented itself. Through increased outreach, we were able to connect with paper filers, communicate to them not only the ease of online filing but also the benefits they could realize by shifting to online filing (lower filing fees, less time dealing with mail turnaround time, etc.), and assist them in making the transition. As the State began to reopen, it would have been easy for entities to revert to paper filing, however, due to our education, support and the above referenced benefits being realized, almost no organizations have done so. In the coming year, we will continue to identify targeted outreach strategies for an ever-shrinking number of paper filing entities with an ultimate goal of 100% online adoption.

Elections Division

Goal: Effective Support Training and Guidance to Counties

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Number of consultative visits to Colorado counties by Department staff	Target	175	180	10
	Actual	122	38[22]	60[23]
County officials currently certified by Secretary of State	Target	320	375	400
	Actual	370	331	332
Online courses for Election Official Certification credit	Target	13	16	16
	Actual	15	16	17

The Elections Division provides support to elections staff in all Colorado counties. The division and county staff must work together closely in order to effectively and efficiently execute elections. To solidify and improve the strength of this partnership, the division aims to provide high level technical and functional support to all elections officials and staff required to use the SCORE system. Working collaboratively with the counties, the division will continue to enhance training and support through expanded online offerings, consultative visits with county staff, and collaboration with the Colorado County Clerks' Association (CCCA).

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[22] Travel during the second half of FY 2019-20 was restricted due to COVID-19 pandemic.
[23] Travel during FY 2020-21 was restricted due to the COVID-19 pandemic.

Goal: Expand Elections Public Outreach

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Online Voter Registration (OLVR) new registrants	Target	80,000	65,000	41,000
	Actual	32,188	75,280	114,626
OLVR updates	Target	20,000	150,000	225,000
	Actual	64,348	225,221	470,116
Number of Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) ballots accessed online	Target	15,000	40,000	25,000
	Actual	19,712	57,450	22,913
Number of total UOCAVA voters issued a ballot in November Election	Target	34,000	30,500	38,000
	Actual: Coordinated/ General	28,685	26,981	38,370
	Actual: Presidential Primary		27,967	
	Actual: State Primary		26,739	
	Actual: Grand Total	*28,685*	*81,687*	*38,370*
Number of Voter Registration Drives using OLVR to register new voters	Target	80	80	120
	Actual	100	102	80[24]
Number of mailings (Electronic Registration Information Center (ERIC))	Target	115,000	0	700,000
	Actual	112,224	0	677,855
Number of schools receiving the Eliza Pickrell Routt Award for registering 85% of senior class	Target	25	15	12
	Actual	12	10[25]	3[26]

The Elections Division is constantly striving to improve the voter registration, campaign and political finance filer, voter registration drive, and UOCAVA voter experiences and to provide more and better-quality information.

Goal: Continue to improve Risk-Limiting Audit (RLA) process to make it more efficient, reduce erroneous discrepancies, and increase public transparency

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Elections in which RLA Used	Target	1	3	1
	Actual	1	3	1
Total Contests Audited	Target	150,000	135,399	172,724
	Actual	164,797	123,598	234,333
Total Audited Contests with Zero Discrepancies	Target	149,800	135,142	172,682
	Actual	164,396	121,670	234,032

Colorado implemented a first in the nation RLA of election results following the 2017 Coordinated Election. A risk-limiting audit is a type of post-election audit that provides strong statistical evidence that the election outcome is right – that the apparent contest winner actually won – and has a high probability of correcting a wrong outcome. Following the successful statewide implementation in 2017, Colorado counties conduct a risk-

[24] In-person voter registration activities were reduced during FY 2020-21 due to the COVID-19 pandemic.
[25] The Department rebooted the program in FY2019-20, but COVID-19 affected school's registration efforts.
[26] As a result of the COVID-19 pandemic, many schools used remote learning during FY 2020-21. Consequently, there was a reduction in school registration activities.

limiting audit following every coordinated, primary, and general election. Since the initial RLA, the Elections Division is working to improve the nascent RLA software application and to issue timely RLA reports to ensure sufficient transparency into the RLA results and procedures.

Information Technology Division

Goal: Improve Visibility on Online Service Delivery to Department

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Percentage of major change activities communicated to business units	Target	100%	100%	100%
	Actual	100%	100%	100%
Percentage of web service outages communicated to office	Target	95%	95%	95%
	Actual	100%	93.3%	100%

The IT Division strives to provide timely insight into online service delivery metrics to Department staff. To achieve this, the division is working on enhancing its methods of providing customer support to business units throughout the Department in order to ensure effective response times. In addition, the division is working to improve communications with business units throughout the Department regarding support and expectations with a catalog of prioritized projects and services. In addition, the division is working to execute on the communications plan for major system changes.

Goal: Enhance Department's Technology Advantage

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Reduce the number of tracking systems	Target	5	4	4
	Actual	7	7	5
Number of business unit SharePoint environments established	Target	15	25	30
	Actual	15	30	38
Percent of devices being tracked against current compatible software releases/licenses	Target	85%	85%	85%
	Actual	85%	85%	85%

The IT Division is working to execute upon prioritized Department projects while simultaneously continuing work on ongoing projects. To achieve this, the division is working on increasing the visibility of work in progress and unplanned work. It is also improving deployment of collaborative environments for each business unit, enabling web applications to be integrated with diagnostic tools to help troubleshoot issues, and keeping equipment up-to-date with current compatible software releases (current compatible production release minus one). In addition, the division is continuing its efforts to consolidate test management tools and reducing the number of old development licenses that are no longer being used. The division has deployed a new activity and project tracking platform to improve visibility on division projects and IT priorities. The division is also working to migrate internal email and office productivity software platforms to cloud-based commercial offerings.

Goal: Enhance Department's Security Advantage

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Number of change management board reviews conducted	Target	50	50	50
	Actual	50	50	50
Percentage of critical vulnerabilities closed within time expectations	Target	100%	100%	100%
	Actual	100%	100%	100%

Colorado is regarded as a leader in security awareness and practices. The IT Division seeks to maintain and grow the state's leadership profile. In pursuit of this goal, the division continues to participate in and to lead national efforts to improve information sharing and incident response processes under the Department of

Homeland Security's "Critical Infrastructure" designation. The Department also is focused on fulfilling its promise to counties to be an effective partner in cybersecurity events and incidents, and to build and enhance partnerships with federal, state, and local government entities in the area of cybersecurity.

Goal: Enhance Department's Resource Management Advantage

Performance Measure		FY 2018-19	FY 2019-20	FY 2020-21
Percentage of applications with skilled backup support	Target	95%	95%	95%
	Actual	92%	92%	95%

The IT Division seeks to enhance the Department's Resource Management Advantage. This goal includes focusing on specific areas of improvement in our division's technology foundations, providing effective employee training on new technologies, and adapting and evolving to support new flexible workplace options for the Department. The division is implementing new, more secure technologies to enforce system access controls and is focused on building continuous integration and continuous delivery practices into our software development lifecycle.

The Performance Measure Number of up-to-date SOPs published has been removed. The IT Division is moving away from individual SOPs as a measure of coverage for common tasks to tools like Confluence as a repository for storing and preserving knowledge.

Financial Structure

Overview

The Department's budget is structured around the four divisions. With the exception of Document Management[27], which resides in the Elections Division, all common policy line items are under the Administration Division. In FY 2021-22, the Department's expenses are expected to be in five funds:

- Department of State Cash Fund[28]
- Electronic Recording Technology Fund[29]
- Federal Elections Assistance Fund (a.k.a., the HAVA Fund) [30]
- General Fund[31]
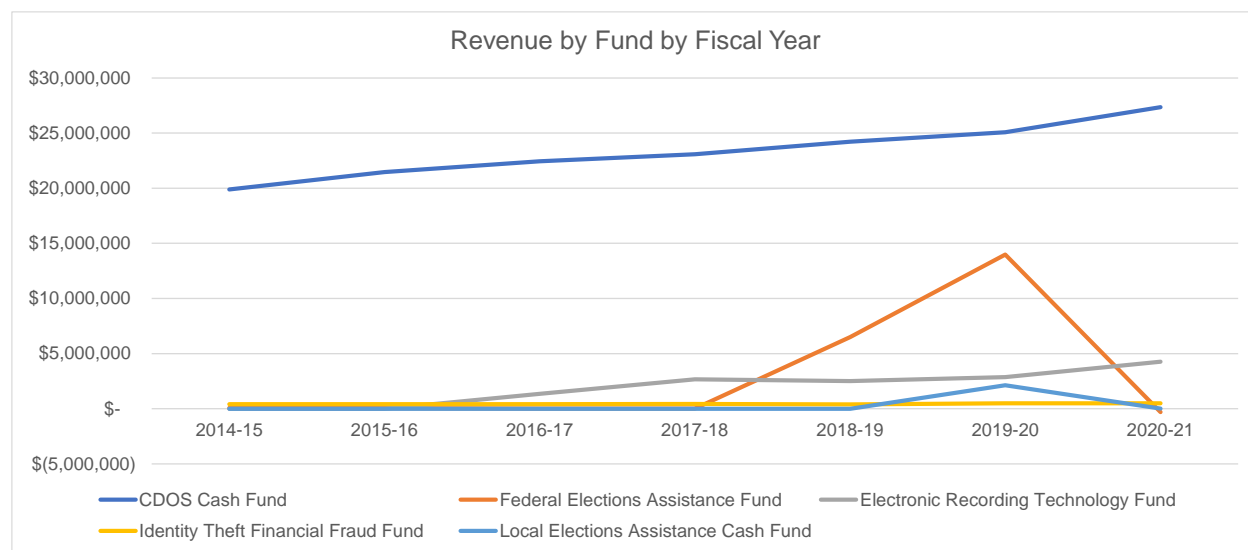- Identity Theft Financial Fraud Fund[32]

Figure 1	*The chart shows revenue by fund by fiscal year for FY 2014-15 through FY 2020-21, the seven most recently completed fiscal years. The chart illustrates that the vast majority of the Department's revenue activity is in the CDOS Cash Fund.*
	Notably revenue in the Federal Elections Assistance Fund in some years is limited to interest only. Under the Help America Vote Act (HAVA), the Federal Government advances the Department the full amount of the funding. Therefore, grants are recorded in full as revenue in the year that they are received.

The Department of State Cash Fund (CDOS Cash Fund) covers the cost of most day-to-day operations for the Department. Revenue in the Federal Elections Assistance fund appears artificially high in FY 2018-19 and FY 2019-20 due to the timing of three federal grants. Significantly, the Election Assistance Commission (EAC), the Department's federal partner, advances the Department the entire amounts of its federal grants, so these

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[27] Document Management is a new common policy line item that was created in the FY 2019-20 budget request (SB19-207). It covers petition management services provided by the Document Solution Group (DSG) of Integrated Document Solutions (IDS), a division of the Department of Personnel and Administration (DPA).
[28] §24-21-104(3)(b) C.R.S.
[29] The Electronic Recording Technology Board and Fund were created by SB16-115 during the 2016 Legislative Session. §24-21-404(1)(a) C.R.S.
[30] §1-1.5-106(1)(a) C.R.S.
[31] §24-75-201 C.R.S.
[32] §24-33.5-1707(1)(a) C.R.S.

are recorded as revenue in the years the grants are received, even though the expectation of both parties is that the funds will be expended over years. Figures 1 and 2 show revenue and expenses by fund by fiscal year.

As described above, day-to-day operations are almost entirely cash funded through revenue from business and other filing fees paid into the CDOS Cash Fund. Most departmental financial activity is recorded in this fund. For example, in FY 2020-21, 69.4 percent of all Department expenses and 86.0 percent of all Department revenue was recorded in the CDOS Cash Fund.

The Electronic Recording Technology Board (ERTB)[33], an enterprise for the purposes of Section 20 of Article X of the Constitution of Colorado, operates within the Department of State. The ERTB largely operates outside of the day-to-day operations of the Department and all of its financial activity is in the Electronic Recording Technology Fund (ERTF). The ERTF accounted for 6.7 percent of all Department revenue and 6.5 percent of all Department expenses in FY 2020-21.
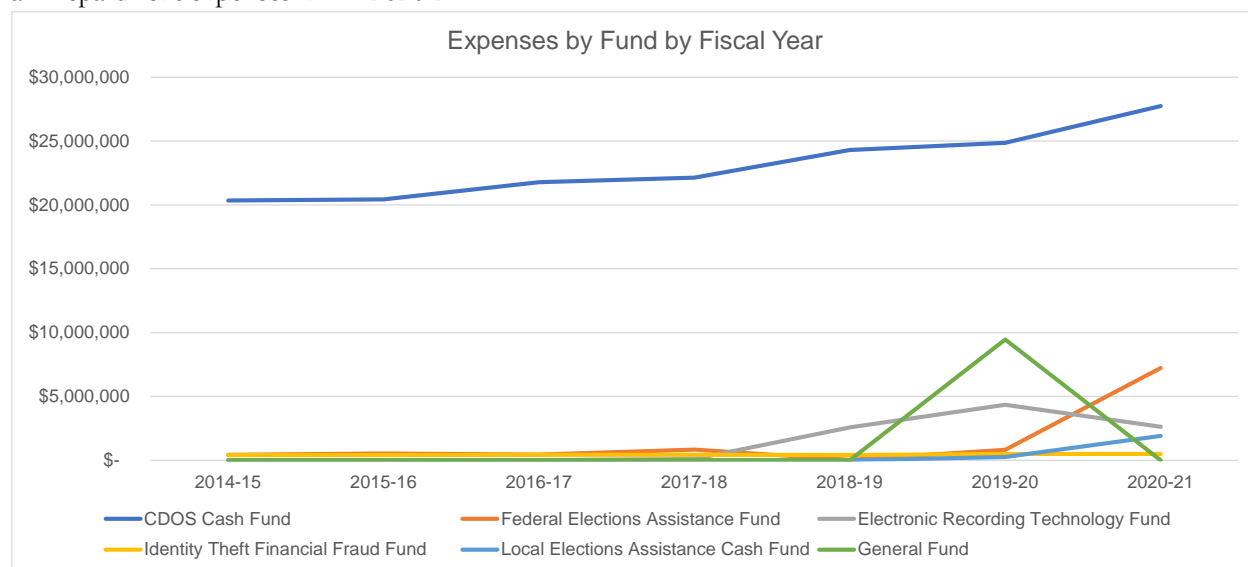

Figure 2   *The chart shows expenses by fund by fiscal year for FY 2014-15 through FY 2020-21, the seven most recently completed fiscal years. As the chart illustrates, the majority of the Department's expenditures are in the Department of State Cash Fund.*

The Federal Elections Assistance Fund is used to pay all expenses associated with the Department's Federal Funds from the HAVA grants. Expenditures from these grants must be to improve the administration of *federal* elections. The Department is required to report regularly to the EAC on these expenses. The Federal Elections Assistance Fund does not include required state matching funds and these expenses were instead paid from the CDOS Cash Fund. In FY 2020-21, 18.1 percent of all Department expenses involved the Federal Elections Assistance Fund. There was minimal revenue in the Federal Election Assistance Fund in FY 2020-21, which consisted in accounting terms of interest earned less unspent HAVA money provided by the CARES Act that was returned to the EAC. The Department has an outstanding matching funds requirement on the 2020 installment of its HAVA Election Security Grant. The funds for this match are appropriated from the CDOS Cash Fund and the Department has until December 2024 to fully meet the matching funds requirement. Please see footnote 102 in SB 21-205 for details on the multiyear appropriation for the State's matching funds requirement.

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[33] §24-21-401 et seq C.R.S.

The Department's activity in the Identify Theft Financial Fraud Fund is entirely related to transfers of surcharge revenue on uniform commercial code filings to the Department of Public Safety in accordance with §24-33.5-1708(2)(I)(A) C.R.S.

HB19-1278 created the Local Elections Assistance Cash Fund (LEAF), which was funded by a one-time FY 2019-20 transfer of $2,096,000 from the General Fund. The Department began making grants to counties for one-time purchases of voting equipment from this fund in late FY 2019-20 and by statute this activity concluded in FY 2020-21. All unexpended and unencumbered funds in the LEAF were returned to the General Fund on June 30, 2021 as required by statute.[34] There will not be any further activity in the LEAF in FY 2021-22.

Figure 2 shows $9.45 million in General Fund expenses in FY 2019-20. Approximately $7.4 million of this amount represents the cost of reimbursing counties for the cost of the March Presidential Primary Election in accordance with §24-21-104.5(2) C.R.S. The balance is accounted for by the cost of the one-time transfer to the LEAF as described in the previous paragraph. In FY 2021-22, the Department expects a more modest amount of General Fund activity with any amount, if applicable, attributable to the implementation of SB 19-235 pursuant to footnote 101 in SB 21-205. The Department also plans to submit a January 2nd supplemental request for General Funds to cover FY 2021-22 security expenses (threat monitoring and physical security) due to the ongoing mis- and dis-information associated with the 2020 General Election that have led to persistent, ongoing security threats directed at the Secretary of State and other Department employees.

Capital Expenditures

The Department of State's only capital assets, based upon an accounting definition, are related to information technology, which is specifically excluded from the statutory definition of capital asset in §24-30-1301(1)(b) C.R.S.

Long-Term Debt Obligations

The Department does not have any long-term debt obligations.

Financial Forecast

Revenue Drivers

In FY 2021-22 the Department expects to have revenue primarily in four funds. The key drivers of revenue vary by fund as illustrated in Table 1.

Fund	Key Revenue Drivers
CDOS Cash Fund	• Business and other filings. Top 20 filings generate approximately 90 percent of revenue and include annual reports, statements of foreign authority, trade names, uniform commercial code (UCC) filings, late fees, etc. • Campaign and political finance penalties and fines • Lobbyist fines
Federal Elections Assistance Fund	• Federal grants – as long as election security remains a top national priority, it is possible that the Federal Government could grant additional funds to Colorado • Interest

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[34] §24-21-104.9(6) C.R.S.

Fund	Key Revenue Drivers
Electronic Recording Technology Fund	• Surcharge on documents presented to a county clerk and recorder for recording or filing • General economic activity drives filings, so a prolonged slowdown or recession is expected to impact revenue collected
Identity Theft Financial Fraud Fund	• Surcharge on electronic and paper UCC filings with the Department

Table 1 *The table highlights key revenue drivers for each of the four funds in which the Department expects to have revenue in FY 2021-22.*

As detailed in the preceding section, the vast majority of the Department's revenue is in the CDOS Cash Fund and is driven by business and other filing fees. The varied nature of the Department's filings mitigates the impact of recession on CDOS Cash Fund revenue. During the Great Recession (December 2007 – June 2009), CDOS Cash Fund revenue actually increased. Similarly, during the current COVID-19 pandemic-related recession, CDOS Cash Fund revenue increased 9.1 percent in FY 2020-21 relative to FY 2019-20.

With the COVID-19 pandemic continuing to have broad economic impacts, there is greater uncertainty than in an average year for the Department's revenue forecast. For example, it is unclear when more businesses and people might return to more "normal," pre-pandemic type operations or whether there might be more federal and state government intervention in the economy. Based upon revenue in the first quarter of FY 2021-22, the Department expects little to no revenue growth in the CDOS Cash Fund relative to FY 2020-21.

Looking ahead to FY 2022-23, the Department anticipates that the CDOS Cash Fund will revert to its long-term average growth rate. For FY 2022-23, the Secretary of State plans to announce a fee reduction (waiver) of five fees to $1 per filing, specifically:

- New business filings
- Annual business renewals
- Statements of change
- Statement of trade name
- Renewal of trade name

Fees are being reduced to $1 rather than waived in their entirety to discourage frivolous filings and because the credit card charges associated with business filings play a key role in establishing the identity of the legitimate owner(s).

The Department anticipates that this reduction in fees may lead to a reduction in late fee filing revenue as well. The Governor's Office of State Planning and Budgeting (OSPB) has agreed to backfill the CDOS Cash Fund for $16.71 million for the revenue reduction from this fee waiver from the General Fund in FY 2022-23. This will be accomplished through a one-time revenue transfer from the General Fund to the CDOS Cash Fund on July 1, 2022.

Expense Drivers

As previously discussed, in FY 2021-22 the Department expects to have expenses primarily in five funds. The key drivers of expenses for each fund are outlined in the table below.

Fund	Key Expense Drivers
CDOS Cash Fund	• Personal Services Costs (employees and contractors) – roughly 60 percent of total expenses • Statutory Local Election Reimbursement payments to counties[35] accounted for approximately 11.1 percent of the Department's FY 2020-21 cash fund expenses • Office rent – approximately 3.6 percent of FY 2020-21 expenses • State matching funds for federal grants, approximately 4.4 percent of FY 2020-21 expenses
Federal Elections Assistance Fund	• Expenses restricted by grant requirements • Expenses for the purpose of improving the administration of federal elections, including security training, software development, secure ballot drop boxes, anti-mis- and dis-information activities, IT and physical security improvement grants to counties, etc.
Electronic Recording Technology Fund	• Grants approved by the Electronic Recording Technology Board (ERTB): o Grants to counties to establish, maintain, and improve electronic recording systems o Grants to counties to digitize, index, and secure aged documents
General Fund	• IT Contractor costs for implementation of SB 19-235 • If January 2nd Supplemental request approved, for Department security expenses
Identity Theft Financial Fraud Fund	• Transfer to the Department of Public Safety pursuant to statute (§24-33.5-1707(2)(a)(I)(A) C.R.S.)

Table 2 *The table highlights key expense drivers for each of the four funds in which the Department operates in FY 2021-22.*

With respect to the CDOS Cash Fund in particular, the Department expects expenses to increase significantly in the coming years. In recent years, the Department has seen contractor costs increase at a greater rate than employee costs. Contractors have cited their increasing operating costs as well as increased cost of living for their staff members.

As illustrated in Table 2, statutory Local Election Reimbursement payments to counties[36] accounted for approximately 11.1 percent of the Department's FY 2020-21 cash fund expenses. Colorado continues to be a leader in the percentage of eligible voters who are registered to vote. As the number of active registered voters continues to increase through inward migration and voter registration activity, the Department expects to need to increase this appropriation in years ahead.

In FY 2020-21, the Department expended approximately $1.2 million from the CDOS Cash Fund to meet the state matching funds requirement for the supplemental HAVA money it received in the CARES Act. Between FY 2021-22 and December of 2024 (FY 2024-25), the Department is required to expend $1,426,773 from its cash fund to meet the state match requirement for the 2020 installment of its HAVA Election Security Grant. The JBC provided this appropriation in SB 21-205.[37] These matching funds have enabled the Department, and the State of Colorado to leverage significant amounts of federal funding. For example, the Department

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[35] §1-5-505.5 C.R.S.
[36] §1-5-505.5 C.R.S.
[37] See also footnote 102 in SB 21-205 which details that these funds are appropriated until the matching funds obligation is met of FY 2024-25.

expended approximately $6.2 million in federal funds from the supplemental HAVA money it received in the CARES Act and received approximately $7.1 million in 2020 Election Security HAVA funds.

<u>Anticipated Trends and Potential Impact Factors</u>

CDOS Cash Fund revenue increased by 9.1 percent in FY 2020-21, despite the country being in the midst of a recession driven by the COVID-19 pandemic. This countercyclical revenue growth is similar to what the Department has experienced in past recessions. However, the Department does not expect such revenue growth in FY 2021-22. Instead, CDOS Cash Fund revenue is projected to level off in FY 2021-22 as shown in Figure 3 before returning to its long-term average growth rates in the future. Still, there remains tremendous uncertainty in the Department's revenue forecast relative to an average year.

The COVID-19 pandemic has undoubtedly changed the way that many people live their lives and how some businesses operate. Among the pandemic's myriad effects, it forced some businesses to close, either permanently or temporarily. For others, it has provided an opportunity and led to the formation of new business entities. As countries, companies, and individuals adapt their routines, and as those routines change with the evolution of the pandemic, it is unclear what the impact will be on business filings. As described above, CDOS Cash Fund revenue had strong growth in FY 2020-21, driven by increases in new business filings, annual reports (renewals), and several other filing types that more than offset the revenue decline in other programs, such as Bingo-Raffle. It remains unclear how long the pandemic will continue to influence filing patterns. It also remains unknown whether the Federal Government will continue to intervene in the economy.

The Department projects CDOS Cash Fund revenue of approximately $27.28 million in FY 2021-22. This is more or less on par with FY 2020-21 revenue. Projecting revenue in the medium term has greater margin for
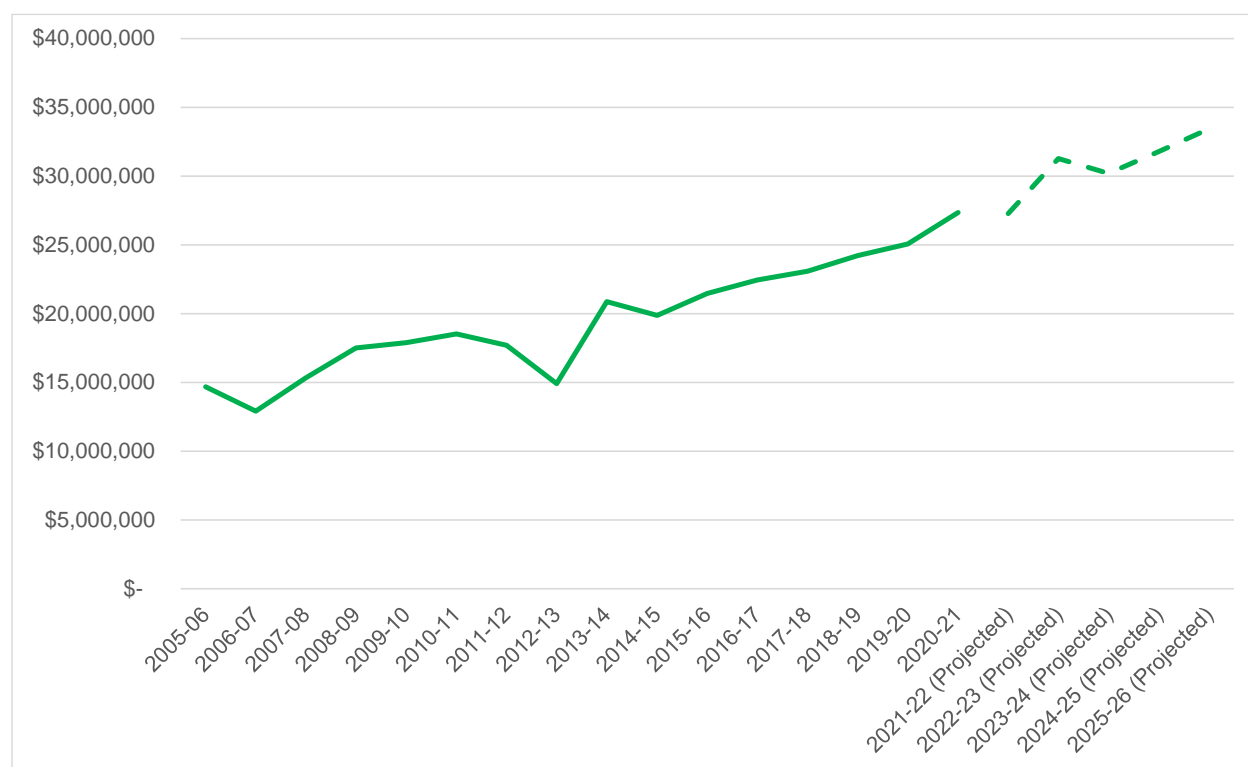

Figure 3   *The graph shows actual (solid line) and projected (dotted line) revenues for the Department of State Cash Fund (and other filing fee-based cash funds that existed in FY 2012-13 and prior years before being consolidated with the Department of State Cash Fund.*

error, which is all the more so true amidst the current uncertainty. The Department expects that CDOS Cash Fund revenue will continue to grow at its long-term average annual growth rate in future fiscal years.

The *Griswold v. National Federation of Independent Business (NFIB), 2019 CO 79 (Sept. 23, 2019)* challenged how Colorado pays for elections. The Colorado Supreme Court issued a narrow decision in this case, which allows the Department to maintain the current model for paying for elections. However, the decision did not rule on the ultimate issue – whether the Department's fees constitute a tax that is subject to the Taxpayer's Bill of Rights (TABOR).

While the CDOS Cash Fund is somewhat insulated from the impact of recession, a prolonged slowdown would have an adverse impact on revenue collected by the Department in the Electronic Recording Technology Fund and Identity Theft and Financial Fraud Fund.

Anticipated Funding Decreases

Federal Funds

The Department is funded primarily through cash funds, but has received Federal Grants under the Help America Vote Act (HAVA). The HAVA funding broadly is required to be expended on improving the administration of *federal* elections, although individual grants carry additional restrictions upon how they may be expended. The Department has not received direct funding from the Federal Government for any other purpose. It has authority to receive gifts and grants, including Federal Grants, for the purpose of exercising the powers and performing the duties of the Secretary of State as specified in §1-1-107 C.R.S. (this section is focused on the Secretary of State's various duties related to elections).[38] These funds are retained in the Federal Elections Assistance Fund.

The Department is concerned about the potential of Amendment 78 (Initiative #19)[39] to jeopardize or disrupt its federal funding. The amendment's statutory changes require the comingling of custodial funds in the Custodial Fund Transparency Fund and the crediting of interest to this fund, both of which provisions are in violation of the requirements of the Department's federal grants, placing the current and potential future federal funding in jeopardy in FY 2022-23 and beyond. The initiative's requirement that custodial funds are annually appropriated will have a workload impact on the Department's Finance Unit that may need to be addressed in a future budget request.

In calendar years 2018 and 2020, the Department received two installments HAVA Election Security funds from the Election Assistance Commission (EAC). These grants are shown in Table 3 below. The Department has met the state matching funds requirement for the 2018 installment and the General Assembly approved the spending authority for the 2020 installment in the 2021 Session Long Bill (SB 21-205). In addition, the Department has approximately $437,000 in federal funding remaining available from a HAVA Title II Grant received over 15 years ago.

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[38] §24-21-104.7 C.R.S.
[39] See 2021-22 #19 – Requirements for Spending Custodial Money, https://leg.colorado.gov/content/requirements-spending-custodial-money-1, accessed August 12, 2021.

Grant Name	Federal Award Amount	State Match	Total Funding	Notes
2018 HAVA Election Security Grant	$6,342,979	$317,149 (5.0%)	*$6,660,128*	The State has met its matching funds obligation for this grant.
2020 HAVA Election Security Grant	$7,133,864	$1,426,773 (20.0%)	*$8,560,637*	SB 21-205 provided spending authority for this match.
Total	**$13,476,843**	**$1,743,922**	***$15,220,765***	

Table 3 The table shows the two installments of the HAVA Election Security grant received from the EAC together with the required state matching funds obligations. The Department has expended approximately $2 million of the Election Security cumulative federal award amount.

The Department has used and continues to use these funds to upgrade critical elections infrastructure, including SCORE, the state voter registration database, and to provide elections security training for county and state elections officials. Threats to our elections system are always evolving and the Department must remain vigilant and continue to dedicate resources to ensuring elections security. There is currently significant national attention to elections security and it is plausible that the Federal Government could provide additional funding in the coming years. If Amendment 78 were to pass, and depending upon how quickly the General Assembly establishes the process for appropriating federal funds following passage, it could jeopardize the timeline for these projects and limit the Department's ability to react quickly to emerging cybersecurity threats or vulnerabilities using HAVA funds.

The Department received supplemental HAVA funding in the CARES Act that was dedicated to calendar year 2020 federal elections. This grant was closed in FY 2020-21 and all funds have been expended or returned to the Federal Government.

However, with no guarantee that the Federal Government will continue to provide funding, the Department has been cautious about establishing ongoing obligations with money using a one-time source of funding. Instead, the Department has focused most HAVA funds on one-time expenses that have a significant impact in improving elections security throughout the State. Once the current HAVA funds are exhausted, and if no new Federal Government funding is forthcoming, the Department may need to seek additional state funding for elections in order to continue to be a national leader in secure and accurate elections. If this is necessary, the Department will address it through a future budget request.

Department of State Cash Fund

In FY 2020-21, revenue increased in the Department of State Cash Fund by over nine percent relative to FY 2019-20. Increases in new business filings and annual business registration renewals were key to this growth in FY 2020-21. The Department does not expect such strong growth to continue in perpetuity, in fact it projects almost no change in revenue in FY 2021-22 relative to FY 2020-21 based upon early FY 2021-22 data. This early FY 2021-22 data shows that while new business filings remain strong, they are not growing significantly.

In addition, in recent months, the Department of State has enabled its customers to sign up for text message reminders about business filings. Intuitively, this is expected to lead to an increase in customers renewing business registrations on-time and a corresponding decrease in revenue from late filings. This option is still in its infancy, but it will likely lead to declining late fee revenue in future fiscal years. This could force the Department to look for new sources of revenue or to increase filing fees in future years in order to maintain current operating levels and to afford increasing costs, particularly for information technology and personnel.

Still, the Department does not expect a significant decrease in its cash fund in FY 2021-22 or FY 2022-23. Department of State Cash Fund revenue grew more than expected in FY 2020-21, which was consistent with

revenue growth in past recessions. The Department expects that its revenue growth will return to its historical long-term average in FY 2022-23 and beyond.