



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #582

### PR Appropriation Balance (Secretary of State)

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#### CURRENT LAW

The Secretary of State's (SOS's) agency collections appropriation is an annual program revenue (PR) appropriation. All moneys received by the SOS as fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk or electronic storage, sales of books, and other services provided in carrying out the functions of the Office are deposited in this appropriation. Monies deposited in this appropriation can be used for photocopying and microfilm copying of documents, generation of copies of documents from optical disk or electronic storage, publication of books, and other services provided in carrying out the functions of the SOS.

#### GOVERNOR

No provision.

#### DISCUSSION POINTS

1. Base funding for the agency collections appropriation is \$3,400 PR. Under the bill, funding for this appropriation would be \$3,400 PR annually. The appropriation's expenditure authority is set above estimated expenditures from this appropriation. The administration indicates that expenditures from this account are estimated at approximately \$1,100, annually.

2. The account balance in this appropriation has grown from an opening balance on July 1, 2007, of \$1, to a balance of nearly \$36,700 as of June 30, 2014. The following table shows the annual activity in this PR account from 2007-08 through 2013-14.

	<u>Opening Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Closing Balance</u>
2007-08	\$1.00	\$9,269.00	\$1,048.10	\$8,221.90
2008-09	8,221.90	11,047.50	1,203.06	18,066.34
2009-10	18,066.34	12,177.20	1,203.06	29,040.48
2010-11	29,040.48	7,091.75	1,200.26	34,931.97
2011-12	34,931.97	746.75	0.00	35,678.72
2012-13	35,678.72	413.00	0.00	36,091.72
2013-14	36,091.72	587.50	0.00	36,679.22

3. Over the past three fiscal years, expenditures from this account have been \$0. According to the administration, the Office of the SOS is responsible for determining from which appropriation costs are charged. The SOS had been making charges for printing costs to its other appropriation, program fees. The administration indicated that it recently directed the SOS to begin charging printing costs to the agency collections appropriation. Expenditures from this appropriation are estimated at approximately \$1,100, annually, beginning in 2014-15.

4. Annual fee revenues have dropped significantly from the 2009-10 peak of nearly \$12,200. Based on discussions with the administration, it is unclear why the revenues deposited into this appropriation were significantly higher from 2007-08 through 2010-11. The administration indicates that it is possible some revenues charged for other services, such as apostilles, were deposited into this account in error. However, available historical records based on the cash flow of revenues into this account do not clearly indicate why the increase in revenues occurred. The administration estimates that, based on recent trends, approximately \$600 of fee revenue will be deposited into this appropriation, annually.

5. As noted, the administration estimates annual revenues of \$600 will be deposited into this appropriation and annual expenditures of \$1,100. Net expenditures from this appropriation are estimated to draw down the balance at a rate of \$500, annually. At that rate of net expenditures, it would take over 74 years to draw the balance in this appropriation down to \$0.

6. The Committee could choose to, on a one-time basis, lapse \$35,000 from this appropriation to the general fund. Under this alternative, it is estimated that revenues and expenditures in this appropriation would be sufficient to fund estimated expenses through state fiscal year 2016-17 (the end of the 2015-17 biennium).

7. If the Committee wanted to lapse most of the monies, but leave enough of a balance to last several biennia, the Committee could, on a one-time basis, lapse \$30,000 to the general fund. Under this alternative, it is estimated that revenues and expenditures in this PR appropriation would be sufficient to fund estimated expenses for approximately 11 years.

## **ALTERNATIVES**

1. Lapse from the balance of the SOS's agency collections appropriation \$35,000 PR to the general fund on a one-time basis in 2015-16.

<b>ALT 1</b>	<b>Change to Bill</b>
GPR-REV	\$35,000

2. Lapse from the balance of the SOS's agency collections appropriation \$30,000 PR to the general fund on a one-time basis in 2015-16.

<b>ALT 2</b>	<b>Change to Bill</b>
GPR-REV	\$30,000

3. Maintain current law.

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