

**Schedule 10**  
**Department of Revenue**  
**Summary of FY 2012-13 Funding Requests**

| <b>Priority Number</b>          | <b>Title</b>   | <b>Total</b>   | <b>FTE</b> | <b>GF</b>           | <b>CF</b>         | <b>HUTF</b>    | <b>RF</b>       | <b>FF</b> |
|---------------------------------|--|----------------|------------|---------------------|-------------------|----------------|-----------------|-----------|
| R-1                             | Driver's License Document Mailing Expense                          | 389,755        | 0.0        | 389,755             | 0                 | 0              | 0               | 0         |
| R-2                             | National Motor Vehicle Title Information System Operating Expenses | 95,000         | 0.0        | 0                   | 95,000            | 0              | 0               | 0         |
| R-3                             | Loma Port Staffing   | 193,171        | 4.0        | 0                   | 0                 | 193,171        | 0               | 0         |
| R-4                             | Line Item Consolidation  | 0              | 0.0        | 0                   | 0                 | 0              | 0               | 0         |
| R-5                             | HB 10-1285 Sales Tax Refunds                                       | 120,524        | 0.0        | 0                   | 120,524           | 0              | 0               | 0         |
| R-6                             | Funding of Driver's License Operations                             | (75,938)       | 0.0        | (22,683,088)        | 22,739,277        | (56,190)       | (75,937)        | 0         |
| R-7                             | Refinance Severance Tax Collection and Administration              | 0              | 0.0        | (1,604,723)         | 1,604,723         | 0              | 0               | 0         |
| <b>DECISION ITEM SUBTOTAL</b>   |  | <b>722,512</b> | <b>4.0</b> | <b>(23,898,056)</b> | <b>24,559,524</b> | <b>136,981</b> | <b>(75,937)</b> | <b>0</b>  |
| NP-1                            | Fleet Replacement  | 202,148        | 0.0        | 35,564              | 167,448           | (864)          | 0               |           |
| <b>NON-PRIORITIZED SUBTOTAL</b> |  | <b>202,148</b> | <b>0.0</b> | <b>35,564</b>       | <b>167,448</b>    | <b>(864)</b>   | <b>0</b>        | <b>0</b>  |
| <b>TOTAL</b>                    |  | <b>924,660</b> | <b>4.0</b> | <b>(23,862,492)</b> | <b>24,726,972</b> | <b>136,117</b> | <b>(75,937)</b> | <b>0</b>  |

**Schedule 13**  
**Funding Request for the 2012 Budget Cycle**

Department: Revenue  
Request Title: Driver's License Document Mailing Expense  
Priority Number: R-1

Dept. Approval by: [Signature] 10/17/11  
Date

OSPB Approval by: [Signature] 10/19/11  
Date

- ☒ Decision Item FY 2012-13  
☐ Base Reduction Item FY 2012-13  
☐ Supplemental FY 2011-12  
☐ Budget Amendment FY 2012-13

| Line Item Information   |              | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |              | 1                           | 2                                     | 3                          | 4  | 5                                    |
|   | Fund         | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 6,906,226                   | -                                     | 6,930,457                  | 389,755                                    | 389,755                              |
|   | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|   | <b>GF</b>    | 2,745,256                   | -                                     | 5,829,169                  | 389,755                                    | 389,755                              |
|   | <b>CF</b>    | 4,147,061                   | -                                     | 1,087,379                  | -  | -                                    |
|   | <b>HUTF</b>  | 13,909                      | -                                     | 13,909                     | -  | -                                    |
|   | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |
|   | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(2) Central Department<br/>Operations Division;<br/>Postage</b>  | <b>Total</b> | 3,095,634                   | -                                     | 3,092,839                  | (86,945)                                   | (86,945)                             |
|   | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|   | <b>GF</b>    | 2,745,256                   | -                                     | 2,744,728                  | (86,945)                                   | (86,945)                             |
|   | <b>CF</b>    | 336,469                     | -                                     | 334,202                    | -  | -                                    |
|   | <b>HUTF</b>  | 13,909                      | -                                     | 13,909                     | -  | -                                    |
|   | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |
|   | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(5) Division of Motor<br/>Vehicles; (B) Driver and<br/>Vehicle Services, Drivers<br/>License Documents</b> | <b>Total</b> | 3,810,592                   | -                                     | 3,837,618                  | 476,700                                    | 476,700                              |
|   | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|   | <b>GF</b>    | -                           | -                                     | 3,084,441                  | 476,700                                    | 476,700                              |
|   | <b>CF</b>    | 3,810,592                   | -                                     | 753,177                    | -  | -                                    |
|   | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|   | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |
|   | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |

Letternote Text Revision Required for FY 2011-12? Yes: ☐ No: ☒  
 Letternote Text Revision Required for FY 2012-13? Yes: ☐ No: ☒  
 Cash or Federal Fund Name and COFRS Fund Number:  
 Reappropriated Funds Source, by Department and Line Item Name:  
 Approval by OIT? Yes: ☐ No: ☐ Not Required: ☒  
 Schedule 13s from Affected Departments:  
 Other Information:



# DEPARTMENT OF REVENUE

*FY 2012-13 Funding Request  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

**Department Priority: R-1**

**Request Title: Driver's License Document Mailing Expenses - Postage**

| Summary of Incremental Funding Change for<br>FY 2012-13 | Total Funds | General Fund | FTE |
|---|-------------|--------------|-----|
| Driver's License Document Mailing Expenses -<br>Postage | \$389,755   | \$389,755    | 0.0 |

## Request Summary:

The Department of Revenue requests funding totaling \$389,755 General Fund in FY 2012-13 for (5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Drivers License Documents and a transfer of \$86,945 General Fund from (2) Central Department Operations Division; Postage to (5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Drivers License Documents for increased postage costs associated with mailing photo identification documents<sup>1</sup> to Colorado citizens.

Under the current contract with L1 Identity Secure Credentialing, Inc., the price charged to mail photo identification documents is fixed at \$86,945 annually. This contract clause expires on June 30, 2012 after which the Department will be charged postage costs for each document mailed.

The current fixed price for postage was a holdover from the Department's original vendor, Digimarc Corporation. L1 Secure Credentialing, Inc. assumed the interests of Digimarc Corporation on August 13, 2008. As part of the transition, the contract with the Department was amended to reflect the change in ownership. In addition, a clause was included in the contract requiring the Department to pay for postage costs

on a per document basis after June 30, 2012. L1 Secure Credentialing, Inc. informed the Department that it would not extend the fixed price currently in effect.

Postage costs for photo identification documents are currently appropriated to (2) Central Department Operations Division; Postage. This request would transfer \$86,945 in General Fund from this line to the (5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Drivers License Documents line. This is the amount of the fixed price postage contract currently negotiated with L1 Identity Secure Credentialing, Inc. This consolidation allows for effective management of vendor postage costs in a single appropriation related to document issuance.

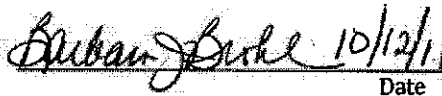

Additionally, the Department requests to increase the appropriation for (5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Drivers License Documents by \$389,755 to cover the increase in postage costs associated with mailing photo identification documents.

Prior to FY 2009-10, expenses for photo identification documents were funded primarily through General Fund. SB 09-274 shifted financing of these services from the General Fund to the Licensing Services Cash Fund (LSCF) and the Highway User's Tax Fund "off-the-top"

<sup>1</sup> Photo identification documents issued by the Department include commercial driver's licenses, driver's licenses, instruction permits, extensions, and identification cards.

Appendix A

| Appendix A. Estimated Postage Costs |   |                    |  |
|-------------------------------------|---|--------------------|--|
| Row                                 | Item  | Total              | Description  |
| 1                                   | Current Per Document Postage Cost   | \$2.7080           |  |
| 2                                   | Cost Per Photo Identification Cost Mailing  | \$0.4400           | Based on the most current United States Postal Service increase.       |
| 3                                   | Total Per Document Cost   | \$3.1480           | Row 1 + Row 2.   |
| 4                                   | Estimated Number of Photo Identification Documents Issued in FY 2012-13             | 1,370,495          | Based on projection of new and renewed photo identification documents. |
| 5                                   | Total Estimated Expenses in FY 2012-13  | \$4,314,318        | Row 3 * Row 4.   |
| 6                                   | Total Appropriation for Document Issuance FY 2012-13                                | \$3,837,618        | See base request.  |
| 7                                   | Available Funds from Current Fixed Price Contract                                   | \$86,945           | Current contract through FY 2011-12.                                   |
| 8                                   | Total Appropriation FY 2012-13  | \$3,924,563        | Row 6 + Row 7.   |
| 9                                   | <b>Difference between Expenses and Appropriation in FY 2012-13</b>                  | <b>(\$389,755)</b> | <b>Row 8 - Row 5.</b>  |
| 10                                  | Total Documents that can be printed with Current FY 2012-13 Appropriation           | 1,246,685          | Row 8 / Row 3.   |
| 11                                  | Total Documents that <b>cannot</b> be printed with Current FY 2012-13 Appropriation | 123,810            | Row 4 - Row 10.  |

| Schedule 13<br>Funding Request for the 2012 Budget Cycle              |              |   |  |   |   |   |
|---|--------------|---|--|---|---|---|
| Department:   |              | Department of Revenue   |  |   |   |   |
| Request Title:  |              | National Motor Vehicle Title Information System Operating Expenses                                  |  |   |   |   |
| Priority Number:  |              | R-2   |  |   |   |   |
| Dept. Approval by:  |              | <br>Date: 10/12/11 |  | <input checked="" type="checkbox"/> Decision Item FY 2012-13<br><input type="checkbox"/> Base Reduction Item FY 2012-13<br><input type="checkbox"/> Supplemental FY 2011-12<br><input type="checkbox"/> Budget Amendment FY 2012-13 |   |   |
| OSPB Approval by:   |              | <br>Date: 10/15/11 |  |   |   |   |
| Line Item Information   |              | FY 2011-12  |  | FY 2012-13  |   | FY 2013-14                                |
|   | Fund         | 1<br>Appropriation<br>FY 2011-12  | 2<br>Supplemental<br>Request<br>FY 2011-12 | 3<br>Base Request<br>FY 2012-13   | 4<br>Funding<br>Change<br>Request<br>FY 2012-13 | 6<br>Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 305,574   | -  | 210,574   | 95,000  | 95,000                                    |
|   | FTE          | -   | -  | -   | -   | -   |
|   | GF           | -   | -  | -   | -   | -   |
|   | GFE          | -   | -  | -   | -   | -   |
|   | CF           | 305,574   | -  | 210,574   | 95,000  | 95,000                                    |
|   | RF           | -   | -  | -   | -   | -   |
| <b>(5) Division of Motor Vehicles; (D) Titles, Operating Expenses</b> | <b>Total</b> | 305,574   | -  | 210,574   | 95,000  | 95,000                                    |
|   | FTE          | -   | -  | -   | -   | -   |
|   | GF           | -   | -  | -   | -   | -   |
|   | GFE          | -   | -  | -   | -   | -   |
|   | CF           | 305,574   | -  | 210,574   | 95,000  | 95,000                                    |
|   | RF           | -   | -  | -   | -   | -   |
| FF  |              | -   | -  | -   | -   | -   |
| Letternote Text Revision Required for FY 2011-12?                     |              | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>                               |  |   |   |   |
| Letternote Text Revision Required for FY 2012-13?                     |              | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>                               |  |   |   |   |
| Cash or Federal Fund Name and COFRS Fund Number:                      |              | Colorado State Titling and Registration (CSTARS) Account 404  |  |   |   |   |
| Reappropriated Funds Source, by Department and Line Item Name:        |              |   |  |   |   |   |
| Approval by OIT?  |              | Yes: <input type="checkbox"/> No: <input type="checkbox"/>  |  | Not Required: <input checked="" type="checkbox"/>   |   |   |
| Schedule 13s from Affected Departments:                               |              | N/A.  |  |   |   |   |
| Other Information:  |              |   |  |   |   |   |



# DEPARTMENT OF REVENUE

*FY 2012-13 Funding Request  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

## **Department Priority: R-2 National Motor Vehicle Title Information System Operating Expenses**

| <b>Summary of Incremental Funding Change for<br/>FY 2012-13</b> | <b>Total Funds</b> | <b>Cash Funds</b> | <b>FTE</b> |
|---|--------------------|-------------------|------------|
| National Motor Vehicle Title Information System Funding         | \$95,000           | \$95,000          | 0.0        |

### **Request Summary:**

The Department is requesting \$95,000 cash funds from the Colorado State Titling and Registration (CSTARS) Account to support the use of the National Motor Vehicle Title Information System (NMVTIS) for FY 2012-13.

The Department was notified that beginning October 1, 2010, it will be charged for maintenance and use of the system by the American Association of Motor Vehicle Administrators (AAMVA), the system operator. The need for access to and use of the system is mandated by 49 USC 30502 - National Motor Vehicle Title Information System. Since then, the Department has requested the funding on a one-time basis through FY 2011-12 due to concerns with the solvency of the CSTARS Account. With the passage of HB 10-1341 and HB 11-1182, the fund can support this need on an ongoing basis.

The NMVTIS system was created pursuant to the Anti Car Theft Act of 1992 to deter trafficking in stolen vehicles by strengthening law enforcement against auto theft, combating automobile title fraud, preventing "chop shop" related thefts, and inspecting exports for stolen vehicles.

NMVTIS was designed to allow the titling agency to verify the information on the paper title with the electronic data from the state that issued the title. In addition, the system provides law enforcement with a tool to assist in reducing auto theft and vehicle title-related crimes.

Federal law allows the U.S. Department of Justice to contract the operation of the system to a third party vendor. AAMVA, a nonprofit, tax exempt, educational association representing U.S. and Canadian officials responsible for the administration and enforcement of motor vehicle laws, has been the system operator since 1992. AAMVA is responsible for collecting all relevant information and providing necessary access to states/provinces, law enforcement officials, prospective purchasers, and prospective and current insurers. AAMVA also develops and implements the fee structure for recovering the costs of administering the system.

As of June 2011, 31 states are in compliance with the federal mandate by providing title data and making inquiries to the NMVTIS as part of the states' titling processes, 8 states are providing title data only, and 11 states are in development stages for compliance with the mandate to participate in the system, including Colorado. AAMVA estimates that 87% of the U.S. motor vehicle data is represented in the system.

Under the Colorado Certificate of Title Act, §42-6-101 C.R.S., et seq, the Department is charged with assuring that all vehicles registered within the state are correctly titled as to ownership, vehicle description, vehicle identification number (VIN), year of manufacture, and other identifying elements, complying with specific statutory requirements and rules. The NMVTIS system

permits the Department to verify the validity of title documents for vehicles being transferred from other state jurisdictions to Colorado.

**Anticipated Outcomes:**

This request will allow the state to remain in compliance with Federal law as identified in 49 USC 30502.

**Assumptions for Calculations:**

An October 7, 2009 memo from the system operator announced the change and indicated the projected costs for the Department to use the system after September 30, 2010. To date, the Department has not received an updated cost structure, and assumes the originally projected annual cost of \$95,000 will continue for FY 2012-13.

**Consequences if not Funded:**

The need for access to and use of the system is mandated by 49 USC 30502. Failure to participate in this federally-mandated program may jeopardize federal highway funds designated for Colorado.

The Titles Section's existing appropriation is not sufficient to cover the costs of participating in this program. This request would represent 45% of the operating budget for FY 2012-13. Much of the current budget supports document digital image storage costs with the Department of Personnel and Administration.

**Impact to Other State Government Agency:**

The Titles Section provides a service to law enforcement, insurance companies, and consumers in the issuance of documents affirming legal ownership of motor vehicles. The system will further assist law enforcement in identifying fraudulent or other faulty titling documents presented in the state for issuance of a Colorado title and by providing reciprocal assistance to other states seeking to verify the validity of Colorado titles.

**Cash Fund Projections:**

Current projections for the CSTARS Account are based on actual expenditures year-to-date through

June 2011 and do not assume any further statutory changes will occur. Please see Appendix A for CSTARS fund projections. The Department is continuing to work with the Governor's Office and the General Assembly to explore legislative solutions to address long-term solvency for the CSTARS Account, which have been addressed at least in part by HB 10-1341 and HB 11-1182.

HB 10-1341, passed during the 2010 Legislative Session, authorizes the transfer of unexpended funds from the Motorist Insurance Identification Account to the CSTARS Account through FY 2011-12, temporarily mitigating fund insolvency. Furthermore, during the 2011 legislative session the General Assembly passed HB 11-1182, which raises an additional 50 cents on each registration transaction, to be deposited in the CSTARS Account, beginning July 1, 2011, while simultaneously reducing the Motorist Insurance Identification Fee from 50 cents to 10 cents. Both HB 10-1341 and HB 11-1182 served to delay CSTARS fund insolvency, at least in the medium term.

**Relation to Performance Measures:**

The Department's requirement is to comply with statutory and regulatory requirements concerning the verification of the validity of out-of-state titles being presented for replacement in Colorado.

**Current Statutory Authority or Needed Statutory Change:**

Statutory authority for certificates of titles resides in Section 42-6-101, *et seq.* C.R.S. No statutory change is necessary to implement this request.

# DEPARTMENT OF REVENUE

FY 2012-13 Funding Request

November 1, 2011

| Appendix A: Colorado Titles and Registration Account |                      |                      |                      |                         |                         |
|--|----------------------|----------------------|----------------------|-------------------------|-------------------------|
| Fiscal Year  | FY 2009-10<br>Actual | FY 2010-11<br>Actual | FY 2011-12<br>Budget | FY 2012-13<br>Estimated | FY 2013-14<br>Estimated |
| Beginning Fund Balance                               | \$4,206,617          | \$3,606,265          | \$4,074,352          | \$4,716,216             | \$5,073,898             |
| Revenues   | \$8,030,022          | \$10,575,353         | \$10,902,908         | \$10,928,215            | \$10,942,210            |
| Expenditures   | \$8,630,374          | \$10,107,266         | \$10,261,043         | \$10,490,345            | \$10,679,752            |
| Ending Balance                                       | \$3,606,265          | \$4,074,352          | \$4,716,216          | \$5,154,086             | \$5,336,355             |

\*This analysis assumes the approval of R-2 National Motor Vehicle Title Information System Funding and R-6 Funding of Driver's License Operations for FY 2012-13 and FY 2013-14.



**Schedule 13**  
**Funding Request for the 2012 Budget Cycle**

Department: Department of Revenue  
Request Title: Loma Port Staffing  
Priority Number: R-3

Dept. Approval by:

*[Signature]* 10/12/11  
Date

OSPB Approval by:

*[Signature]* 10/15/11  
Date

- ☒ Decision Item FY 2012-13  
☐ Base Reduction Item FY 2012-13  
☐ Supplemental FY 2011-12  
☐ Budget Amendment FY 2012-13

| Line Item Information  |              | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  | Fund         | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  |              | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>   | <b>Total</b> | 10,644,753                  | -                                     | 10,788,801                 | 193,171                                    | 193,171                              |
|  | <b>FTE</b>   | 120.1                       | -                                     | 120.1                      | 4.0  | 4.0                                  |
|  | <b>GF</b>    | 3,330,610                   | -                                     | 3,456,807                  | -  | -                                    |
|  | <b>CF</b>    | 480,172                     | -                                     | 362,927                    | -  | -                                    |
|  | <b>HUTF</b>  | 6,833,971                   | -                                     | 6,969,067                  | 193,171                                    | 193,171                              |
| <b>(1) Executive Director's<br/>Office; Utilities</b>                  | <b>Total</b> | 247,119                     | -                                     | 247,119                    | 5,700                                      | 5,700                                |
|  | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|  | <b>GF</b>    | -                           | -                                     | 114,978                    | -  | -                                    |
|  | <b>CF</b>    | 143,703                     | -                                     | 28,725                     | -  | -                                    |
|  | <b>HUTF</b>  | 103,416                     | -                                     | 103,416                    | 5,700                                      | 5,700                                |
| <b>(2) Central Department<br/>Operations Division;<br/>Postage</b>     | <b>Total</b> | 3,095,634                   | -                                     | 3,092,839                  | 528  | 528                                  |
|  | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|  | <b>GF</b>    | 2,745,256                   | -                                     | 2,744,728                  | -  | -                                    |
|  | <b>CF</b>    | 336,469                     | -                                     | 334,202                    | -  | -                                    |
|  | <b>HUTF</b>  | 13,909                      | -                                     | 13,909                     | 528  | 528                                  |
| <b>(6) Motor Carrier Services<br/>Division; Personal<br/>Services</b>  | <b>Total</b> | 6,786,695                   | -                                     | 6,933,538                  | 164,331                                    | 164,331                              |
|  | <b>FTE</b>   | 120.1                       | -                                     | 120.1                      | 4.0  | 4.0                                  |
|  | <b>GF</b>    | 547,309                     | -                                     | 559,056                    | -  | -                                    |
|  | <b>CF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>HUTF</b>  | 6,239,386                   | -                                     | 6,374,482                  | 164,331                                    | 164,331                              |
| <b>(6) Motor Carrier Services<br/>Division; Operating<br/>Expenses</b> | <b>Total</b> | 515,305                     | -                                     | 515,305                    | 22,612                                     | 22,612                               |
|  | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|  | <b>GF</b>    | 38,045                      | -                                     | 38,045                     | -  | -                                    |
|  | <b>CF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>HUTF</b>  | 477,260                     | -                                     | 477,260                    | 22,612                                     | 22,612                               |

Letternote Text Revision Required for FY 2011-12?

Yes: ☐

No: ☒

Letternote Text Revision Required for FY 2012-13?

Yes: ☐

No: ☒

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT?

Yes: ☐

No: ☐

Not Required: ☒

Schedule 13s from Affected Departments:

Other Information:



# DEPARTMENT OF REVENUE

*FY 2012-13 Funding Request  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

**Department Priority: R-3  
Westbound Loma Port of Entry Staffing**

| Summary of Incremental Funding Change for<br>FY 2012-13 | Total Funds | Highway Users<br>Tax Fund | FTE |
|---|-------------|---------------------------|-----|
| Motor Carrier Services Westbound Loma Port of Entry     | \$193,171   | \$193,171                 | 4.0 |

## **Request Summary:**

The Department requests continuation funding of \$193,171 from the 'Off-the-Top' portion of the Highway Users Tax Fund (HUTF) to fund 4.0 FTE and associated operating expenses in FY 2012-13 and beyond to staff the westbound Loma Port of Entry. This port of entry facility was previously maintained by the State of Utah through a joint port of entry agreement established with the State of Colorado in 1999. The State of Utah terminated the joint agreement effective May 12, 2011.

The State of Utah voiced concerns about the passage of HB 10-1113 transferring the Motor Carrier Safety Assistance Program from the ports of entry section in the Department of Revenue to the Colorado State Patrol in the fall of FY 2010-11. Their concern was that Utah port of entry officers would no longer be able to conduct safety inspections as the westbound port is located in Colorado. The Department of Revenue issued a letter dated November 9, 2010 clarifying that HB 10-1113 would not impact Utah's ability to provide safety inspections in Colorado. The Department followed up with Utah again on December 27, 2010 as there was no response to the original letter. The Department finally received a phone call from Utah on April 11, 2011 indicating their intent to close the port as of April 12, 2011. However, in order to meet the contractual requirements of the joint port agreement, the Department received written

notice of Utah's intent to vacate the westbound Loma Port on May 12, 2011.

In order to keep the westbound Loma Port of Entry operational on a permanent basis, the Department requests 4.0 FTE Port of Entry Officer I positions to provide staffing that would be consistent with other dual ports across the state. At this staffing level, the westbound port would be staffed for all but one shift per week.

After Utah's withdrawal on May 12, 2011, the Department operated the facility on a limited basis with temporary staff to the end of FY 2010-11. Through an emergency supplemental request, the Department received funding totaling \$193,171 HUTF and 4.0 FTE to support the operations in FY 2011-12.

## **Anticipated Outcomes:**

This request would fund and staff the westbound Loma Port of Entry on a permanent basis beginning in FY 2012-13.

## **Assumptions for Calculations:**

The minimum salary range (\$3,138/mo) for the Port of Entry Officer I positions was used to calculate the personal services and benefits request. Common policy was used to calculate the necessary operating expenses per officer. Utilities and postage expenses were developed using data from the eastbound Loma Port of Entry.

**Consequences if not Funded:**

In accordance with Section 42-8-105, C.R.S., drivers of commercial motor vehicles must secure a valid clearance from the first port of entry weigh station located within five road miles of the route that the owner or operator would normally follow from the point of departure to the point of destination.

With the closure of the westbound Loma Port of Entry, each commercial motor vehicle traveling westbound towards Loma would be required to exit at the eastbound fixed port facility to receive clearance. Based on FY 2009-10 numbers from the 2010 Department of Revenue Annual Report, 176,888 commercial motor vehicles would be redirected to the eastbound Loma Port of Entry annually. The eastbound facility is not equipped to handle a higher volume of traffic either structurally or through staffing without causing significant delays and increased wait times. In addition, motor fuel costs for commercial motor vehicle owners and operators would increase, delivery times would be slower, and routes would be extended. Commercial motor vehicles traveling both eastbound and westbound on the I-70 corridor would be impacted. As a result, there would be an increased incentive to bypass the eastbound Loma Port of Entry.

The increased costs associated with following Colorado law may further incentivize commercial motor vehicles to avoid inspection by bypassing the Loma Port of Entry. In the case of commercial motor carriers traveling westbound on I-70, the Loma facility is the last fixed port in Colorado before crossing into the State of Utah. With no fixed port on the Utah side, there is a greater possibility of commercial vehicles avoiding weight inspections, making it more attractive to exceed current weight limits. According to the Federal Highway Administration (FHWA), overweight vehicles earn nearly \$0.19 more per pound than those complying with applicable weight restrictions. Furthermore, the workload for Colorado's mobile

ports as well as the Colorado State Patrol (CSP) is likely to increase as commercial motor carriers choose to bypass the eastbound Loma Port of Entry.

The State's citizens will also be exposed to the potential hazards of overweight and oversized commercial vehicles traveling the I-70 corridor, secondary highways, and city streets. CSP will experience increased occurrences of highway and interstate accidents and fatalities caused by overweight commercial motor vehicles due to the State's diminished ability to provide oversight in this area of the state.

Based on historical data, the Department collects \$336,000 annually in revenue from fees and fines at the westbound Loma Port of Entry. Additionally, counties in the Loma district have historically received \$148,001 in Specific Ownership Tax distributions from activities at the port of entry. Should this request be denied, some reduction in revenue is likely to occur.

**Impact to Other State Government Agency:**

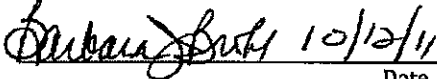

Should operations at the westbound facility cease permanently, the number of overweight commercial motor vehicles may increase, causing rapid escalation in deteriorated roadways. As a result, workload and construction costs for the Colorado Department of Transportation (CDOT) may increase. CDOT could experience an estimated \$869,270 in additional pavement damage annually as a result.

**Relation to Performance Measures:**

Objective: Improve the accuracy and efficiency of services provided to all Department of Revenue customers.

**Current Statutory Authority or Needed Statutory Change:**

Statutory authority for ports of entry operations resides in Sections 42-8-104, C.R.S. and 42-8-105, C.R.S. No statutory changes would be required as the result of this request.

| Schedule 13<br>Funding Request for the 2012 Budget Cycle                          |              |   |  |                                 |   |   |
|---|--------------|---|--|---------------------------------|---|---|
| Department:   |              | Revenue   |  |                                 |   |   |
| Request Title:  |              | Line Item Consolidation   |  |                                 |   |   |
| Priority Number:  |              | R-4   |  |                                 |   |   |
| Dept. Approval by:  |              |  |  |                                 | <input checked="" type="checkbox"/> Decision Item FY 2012-13<br><input type="checkbox"/> Base Reduction Item FY 2012-13<br><input type="checkbox"/> Supplemental FY 2011-12<br><input type="checkbox"/> Budget Amendment FY 2012-13 |   |
|   |              | Date  |  |                                 |   |   |
| OSPB Approval by:   |              |  |  |                                 |   |   |
|   |              | Date  |  |                                 |   |   |
| Line Item Information   |              | FY 2011-12  |  | FY 2012-13                      |   | FY 2013-14                                |
|   | Fund         | 1<br>Appropriation<br>FY 2011-12  | 2<br>Supplemental<br>Request<br>FY 2011-12 | 3<br>Base Request<br>FY 2012-13 | 4<br>Funding<br>Change<br>Request<br>FY 2012-13   | 6<br>Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 103,072,481   | -  | 104,079,139                     | -   | -   |
|   | FTE          | 1,313.6   | -  | 1,313.5                         | -   | -   |
|   | GF           | 35,492,886  | -  | 51,142,535                      | -   | -   |
|   | CF           | 55,911,526  | -  | 43,119,386                      | -   | -   |
|   | HUTF         | 10,055,405  | -  | 7,949,862                       | -   | -   |
|   | RF           | 888,963   | -  | 1,042,968                       | -   | -   |
|   | FF           | 723,701   | -  | 824,388                         | -   | -   |
| <b>(1) Executive Director's Office; Personal Services</b>                         | <b>Total</b> | 3,951,775   | -  | 3,952,654                       | (3,952,654)   | (3,952,654)                               |
|   | FTE          | 45.2  | -  | 45.4                            | (45.4)  | (45.4)                                    |
|   | GF           | 940,919   | -  | 1,617,089                       | (1,617,089)   | (1,617,089)                               |
|   | CF           | 2,094,168   | -  | 1,279,139                       | (1,279,139)   | (1,279,139)                               |
|   | HUTF         | 381,818   | -  | 436,921                         | (436,921)   | (436,921)                                 |
|   | RF           | 534,870   | -  | 619,505                         | (619,505)   | (619,505)                                 |
|   | FF           | -   | -  | -                               | -   | -   |
| <b>(1) Executive Director's Office; Operating Expenses</b>                        | <b>Total</b> | 1,243,123   | -  | 1,238,643                       | (1,238,643)   | (1,238,643)                               |
|   | FTE          | -   | -  | -                               | -   | -   |
|   | GF           | 481,434   | -  | 521,045                         | (521,045)   | (521,045)                                 |
|   | CF           | 643,005   | -  | 598,914                         | (598,914)   | (598,914)                                 |
|   | HUTF         | 118,684   | -  | 118,684                         | (118,684)   | (118,684)                                 |
|   | RF           | -   | -  | -                               | -   | -   |
|   | FF           | -   | -  | -                               | -   | -   |
| <b>(1) Executive Director's Office; Department Administration (NEW LINE ITEM)</b> | <b>Total</b> | -   | -  | -                               | 5,191,297   | 5,191,297                                 |
|   | FTE          | -   | -  | -                               | 45.4  | 45.4                                      |
|   | GF           | -   | -  | -                               | 2,138,134   | 2,138,134                                 |
|   | CF           | -   | -  | -                               | 1,878,053   | 1,878,053                                 |
|   | HUTF         | -   | -  | -                               | 555,605   | 555,605                                   |
|   | RF           | -   | -  | -                               | 619,505   | 619,505                                   |
|   | FF           | -   | -  | -                               | -   | -   |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (2) Central Department<br>Operations Division;<br>Personal Services                                   | Total | 5,231,316                   | -                                     | 5,335,092                  | (5,335,092)                                | (5,335,092)                          |
|   | FTE   | 97.2                        | -                                     | 97.2                       | (97.2)                                     | (97.2)                               |
|   | GF    | 4,440,922                   | -                                     | 4,686,581                  | (4,686,581)                                | (4,686,581)                          |
|   | CF    | 603,763                     | -                                     | 422,148                    | (422,148)                                  | (422,148)                            |
|   | HUTF  | 101,681                     | -                                     | 122,222                    | (122,222)                                  | (122,222)                            |
|   | RF    | 84,950                      | -                                     | 104,141                    | (104,141)                                  | (104,141)                            |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations Division;<br>Seasonal Tax Processing                             | Total | 397,545                     | -                                     | 397,545                    | (397,545)                                  | (397,545)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 397,545                     | -                                     | 397,545                    | (397,545)                                  | (397,545)                            |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations Division;<br>Operating Expenses                                  | Total | 1,365,913                   | -                                     | 1,220,780                  | (1,220,780)                                | (1,220,780)                          |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 1,217,644                   | -                                     | 1,072,644                  | (1,072,644)                                | (1,072,644)                          |
|   | CF    | 148,269                     | -                                     | 148,136                    | (148,136)                                  | (148,136)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations Division;<br>Central Department<br>Operations<br>(NEW LINE ITEM) | Total | -                           | -                                     | -                          | 6,953,417                                  | 6,953,417                            |
|   | FTE   | -                           | -                                     | -                          | 97.2                                       | 97.2                                 |
|   | GF    | -                           | -                                     | -                          | 6,156,770                                  | 6,156,770                            |
|   | CF    | -                           | -                                     | -                          | 570,284                                    | 570,284                              |
|   | HUTF  | -                           | -                                     | -                          | 122,222                                    | 122,222                              |
|   | RF    | -                           | -                                     | -                          | 104,141                                    | 104,141                              |
|   | FF    | -                           | -                                     | -                          | 0  | -                                    |
| (2) Central Department<br>Operations Division;<br>Pueblo Data Entry Center<br>Payments                | Total | 1,919,014                   | -                                     | 1,915,224                  | (1,915,224)                                | (1,915,224)                          |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 1,875,719                   | -                                     | 1,875,719                  | (1,875,719)                                | (1,875,719)                          |
|   | CF    | 43,295                      | -                                     | 39,505                     | (39,505)                                   | (39,505)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations Division;<br>Document Imaging and<br>Storage                     | Total | 396,075                     | -                                     | 394,290                    | (394,290)                                  | (394,290)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 394,290                     | -                                     | 394,290                    | (394,290)                                  | (394,290)                            |
|   | CF    | 1,785                       | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (2) Central Department<br>Operations Division;<br>Document Management<br>(NEW LINE ITEM)        | Total | -                           | -                                     | -                          | 2,309,514                                  | 2,309,514                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | 2,270,009                                  | 2,270,009                            |
|   | CF    | -                           | -                                     | -                          | 39,505                                     | 39,505                               |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (A)<br>Administration; Personal<br>Services                     | Total | 542,004                     | -                                     | 557,305                    | (557,305)                                  | (557,305)                            |
|   | FTE   | 6.0                         | -                                     | 6.0                        | (6.0)                                      | (6.0)                                |
|   | GF    | 537,068                     | -                                     | 552,230                    | (552,230)                                  | (552,230)                            |
|   | CF    | 4,936                       | -                                     | 5,075                      | (5,075)                                    | (5,075)                              |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (A)<br>Administration; Operating<br>Expenses                    | Total | 14,050                      | -                                     | 14,050                     | (14,050)                                   | (14,050)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 14,050                      | -                                     | 14,050                     | (14,050)                                   | (14,050)                             |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (B) Taxation and<br>Compliance Division;<br>Personal Services   | Total | 15,610,759                  | -                                     | 15,947,682                 | (15,947,682)                               | (15,947,682)                         |
|   | FTE   | 224.8                       | -                                     | 224.3                      | (224.3)                                    | (224.3)                              |
|   | GF    | 15,456,880                  | -                                     | 15,741,507                 | (15,741,507)                               | (15,741,507)                         |
|   | CF    | 52,090                      | -                                     | 52,090                     | (52,090)                                   | (52,090)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | 101,789                     | -                                     | 154,085                    | (154,085)                                  | (154,085)                            |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (B) Taxation and<br>Compliance Division;<br>Operating Expenses  | Total | 1,054,468                   | -                                     | 1,054,468                  | (1,054,468)                                | (1,054,468)                          |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 1,044,002                   | -                                     | 1,044,002                  | (1,044,002)                                | (1,044,002)                          |
|   | CF    | 10,466                      | -                                     | 10,466                     | (10,466)                                   | (10,466)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (B) Taxation and<br>Compliance Division; Joint<br>Audit Program | Total | 131,244                     | -                                     | 131,244                    | (131,244)                                  | (131,244)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 131,244                     | -                                     | 131,244                    | (131,244)                                  | (131,244)                            |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (4) Taxation Business<br>Group; (B) Taxation and<br>Compliance Division;<br>Mineral Audit Program | Total | 789,701                     | -                                     | 890,388                    | (890,388)                                  | (890,388)                            |
|   | FTE   | 10.2                        | -                                     | 10.2                       | (10.2)                                     | (10.2)                               |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | 66,000                      | -                                     | 66,000                     | (66,000)                                   | (66,000)                             |
|   | FF    | 723,701                     | -                                     | 824,388                    | (824,388)                                  | (824,388)                            |
| (4) Taxation Business<br>Group; (C) Taxpayer<br>Service Division; Personal<br>Services            | Total | 4,991,639                   | -                                     | 4,685,759                  | (4,685,759)                                | (4,685,759)                          |
|   | FTE   | 75.2                        | -                                     | 75.4                       | (75.4)                                     | (75.4)                               |
|   | GF    | 4,545,143                   | -                                     | 4,587,174                  | (4,587,174)                                | (4,587,174)                          |
|   | CF    | 440,496                     | -                                     | 98,585                     | (98,585)                                   | (98,585)                             |
|   | HUTF  | 6,000                       | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (C) Taxpayer<br>Service Division;<br>Operating Expenses           | Total | 420,471                     | -                                     | 402,510                    | (402,510)                                  | (402,510)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 402,010                     | -                                     | 402,010                    | (402,010)                                  | (402,010)                            |
|   | CF    | 18,461                      | -                                     | 500                        | (500)                                      | (500)                                |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (C) Taxpayer<br>Service Division; Fuel<br>Tracking System         | Total | 484,559                     | -                                     | 486,594                    | (486,594)                                  | (486,594)                            |
|   | FTE   | -                           | -                                     | 1.5                        | (1.5)                                      | (1.5)                                |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 484,559                     | -                                     | 486,594                    | (486,594)                                  | (486,594)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (D) Tax Conferee;<br>Personal Services                            | Total | 2,599,707                   | -                                     | 2,627,732                  | (2,627,732)                                | (2,627,732)                          |
|   | FTE   | 12.1                        | -                                     | 12.2                       | (12.2)                                     | (12.2)                               |
|   | GF    | 2,599,707                   | -                                     | 2,627,732                  | (2,627,732)                                | (2,627,732)                          |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group; (D) Tax Conferee;<br>Operating Expenses                           | Total | 69,489                      | -                                     | 61,174                     | (61,174)                                   | (61,174)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 69,489                      | -                                     | 61,174                     | (61,174)                                   | (61,174)                             |
|   | CF    | -                           | -                                     | -                          | -  | -                                    |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (4) Taxation Business<br>Group; (A) Tax<br>Administration<br>(NEW LINE ITEM)                 | Total | -                           | -                                     | -                          | 26,858,906                                 | 26,858,906                           |
|  | FTE   | -                           | -                                     | -                          | 329.6                                      | 329.6                                |
|  | GF    | -                           | -                                     | -                          | 25,161,123                                 | 25,161,123                           |
|  | CF    | -                           | -                                     | -                          | 653,310                                    | 653,310                              |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | 220,085                                    | 220,085                              |
|  | FF    | -                           | -                                     | -                          | 824,388                                    | 824,388                              |
| (5) Division of Motor<br>Vehicles; (A)<br>Administration; Personal<br>Services               | Total | 895,536                     | -                                     | 914,985                    | (914,985)                                  | (914,985)                            |
|  | FTE   | 11.0                        | -                                     | 11.0                       | (11.0)                                     | (11.0)                               |
|  | GF    | -                           | -                                     | 532,231                    | (532,231)                                  | (532,231)                            |
|  | CF    | 711,904                     | -                                     | 195,134                    | (195,134)                                  | (195,134)                            |
|  | HUTF  | 183,632                     | -                                     | 187,620                    | (187,620)                                  | (187,620)                            |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (A)<br>Administration; Operating<br>Expenses              | Total | 54,250                      | -                                     | 54,250                     | (54,250)                                   | (54,250)                             |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | 33,404                     | (33,404)                                   | (33,404)                             |
|  | CF    | 43,122                      | -                                     | 9,718                      | (9,718)                                    | (9,718)                              |
|  | HUTF  | 11,128                      | -                                     | 11,128                     | (11,128)                                   | (11,128)                             |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; Administration<br>(NEW LINE ITEM)                         | Total | -                           | -                                     | -                          | 969,235                                    | 969,235                              |
|  | FTE   | -                           | -                                     | -                          | 11.0                                       | 11.0                                 |
|  | GF    | -                           | -                                     | -                          | 565,635                                    | 565,635                              |
|  | CF    | -                           | -                                     | -                          | 204,852                                    | 204,852                              |
|  | HUTF  | -                           | -                                     | -                          | 198,748                                    | 198,748                              |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services; Personal<br>Services  | Total | 16,318,505                  | -                                     | 16,613,712                 | (16,613,712)                               | (16,613,712)                         |
|  | FTE   | 351.6                       | -                                     | 350.1                      | (350.1)                                    | (350.1)                              |
|  | GF    | -                           | -                                     | 9,606,961                  | (9,606,961)                                | (9,606,961)                          |
|  | CF    | 14,004,234                  | -                                     | 7,006,751                  | (7,006,751)                                | (7,006,751)                          |
|  | HUTF  | 2,314,271                   | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services;<br>Operating Expenses | Total | 1,684,157                   | -                                     | 1,682,732                  | (1,682,732)                                | (1,682,732)                          |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | 1,216,876                  | (1,216,876)                                | (1,216,876)                          |
|  | CF    | 1,684,157                   | -                                     | 465,856                    | (465,856)                                  | (465,856)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |



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Schedule 13  
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| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services; Drivers<br>License Documents | Total | 3,810,592                   | -                                     | 3,837,618                  | (3,837,618)                                | (3,837,618)                          |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | 3,084,441                  | (3,084,441)                                | (3,084,441)                          |
|   | CF    | 3,810,592                   | -                                     | 753,177                    | (753,177)                                  | (753,177)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles, Driver and<br>Vehicle Services<br>(NEW LINE ITEM)                | Total | -                           | -                                     | -                          | 22,134,062                                 | 22,134,062                           |
|   | FTE   | -                           | -                                     | -                          | 350.1                                      | 350.1                                |
|   | GF    | -                           | -                                     | -                          | 13,908,278                                 | 13,908,278                           |
|   | CF    | -                           | -                                     | -                          | 8,225,784                                  | 8,225,784                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (C) Vehicle<br>Emissions; Personal<br>Services                   | Total | 1,176,893                   | -                                     | 1,198,995                  | (1,198,995)                                | (1,198,995)                          |
|   | FTE   | 17.0                        | -                                     | 17.0                       | (17.0)                                     | (17.0)                               |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 1,176,893                   | -                                     | 1,198,995                  | (1,198,995)                                | (1,198,995)                          |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (C) Vehicle<br>Emissions; Operating<br>Expenses                  | Total | 88,725                      | -                                     | 88,725                     | (88,725)                                   | (88,725)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 88,725                      | -                                     | 88,725                     | (88,725)                                   | (88,725)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; Vehicle<br>Emissions<br>(NEW LINE ITEM)                          | Total | -                           | -                                     | -                          | 1,287,720                                  | 1,287,720                            |
|   | FTE   | -                           | -                                     | -                          | 17.0                                       | 17.0                                 |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | -                           | -                                     | -                          | 1,287,720                                  | 1,287,720                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (D) Titles;<br>Personal Services                                 | Total | 1,614,153                   | -                                     | 1,647,755                  | (1,647,755)                                | (1,647,755)                          |
|   | FTE   | 32.1                        | -                                     | 32.1                       | (32.1)                                     | (32.1)                               |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 1,614,153                   | -                                     | 1,647,755                  | (1,647,755)                                | (1,647,755)                          |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

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| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (5) Division of Motor<br>Vehicles; (D) Titles;<br>Operating Expenses   | Total | 305,574                     | -                                     | 210,574                    | (210,574)                                  | (210,574)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 305,574                     | -                                     | 210,574                    | (210,574)                                  | (210,574)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; Titles<br>(NEW LINE ITEM)   | Total | -                           | -                                     | -                          | 1,858,329                                  | 1,858,329                            |
|  | FTE   | -                           | -                                     | -                          | 32.1                                       | 32.1                                 |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 1,858,329                                  | 1,858,329                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (E) Motorist<br>Insurance Identification<br>Database Program;<br>Personal Services  | Total | 329,234                     | -                                     | 330,017                    | (330,017)                                  | (330,017)                            |
|  | FTE   | 1.0                         | -                                     | 1.0                        | (1.0)                                      | (1.0)                                |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 329,234                     | -                                     | 330,017                    | (330,017)                                  | (330,017)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (E) Motorist<br>Insurance Identification<br>Database Program;<br>Operating Expenses | Total | 500                         | -                                     | 500                        | (500)                                      | (500)                                |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 500                         | -                                     | 500                        | (500)                                      | (500)                                |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; Motorist<br>Insurance Identification<br>Database Program<br>(NEW LINE ITEM)         | Total | -                           | -                                     | -                          | 330,517                                    | 330,517                              |
|  | FTE   | -                           | -                                     | -                          | 1.0  | 1.0                                  |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 330,517                                    | 330,517                              |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (F) Ignition<br>Interlock Program;<br>Personal Services                             | Total | 208,057                     | -                                     | 211,931                    | (211,931)                                  | (211,931)                            |
|  | FTE   | 5.0                         | -                                     | 5.0                        | (5.0)                                      | (5.0)                                |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 208,057                     | -                                     | 211,931                    | (211,931)                                  | (211,931)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

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| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (5) Division of Motor Vehicles; (F) Ignition Interlock Program; Operating Expenses | Total | 934,842                     | -                                     | 934,842                    | (934,842)                                  | (934,842)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 934,842                     | -                                     | 934,842                    | (934,842)                                  | (934,842)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor Vehicles; Ignition Interlock Program (NEW LINE ITEM)         | Total | -                           | -                                     | -                          | 1,146,773                                  | 1,146,773                            |
|  | FTE   | -                           | -                                     | -                          | 5.0  | 5.0                                  |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 1,146,773                                  | 1,146,773                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (6) Motor Carrier Services Division; Personal Services                             | Total | 6,786,695                   | -                                     | 6,933,538                  | (6,933,538)                                | (6,933,538)                          |
|  | FTE   | 120.1                       | -                                     | 120.1                      | (120.1)                                    | (120.1)                              |
|  | GF    | 547,309                     | -                                     | 559,056                    | (559,056)                                  | (559,056)                            |
|  | CF    | -                           | -                                     | -                          | -  | -                                    |
|  | HUTF  | 6,239,386                   | -                                     | 6,374,482                  | (6,374,482)                                | (6,374,482)                          |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (6) Motor Carrier Services Division; Operating Expenses                            | Total | 515,305                     | -                                     | 515,305                    | (515,305)                                  | (515,305)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 38,045                      | -                                     | 38,045                     | (38,045)                                   | (38,045)                             |
|  | CF    | -                           | -                                     | -                          | -  | -                                    |
|  | HUTF  | 477,260                     | -                                     | 477,260                    | (477,260)                                  | (477,260)                            |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (6) Motor Carrier Services Division; Fixed and Mobile Port Maintenance             | Total | 221,545                     | -                                     | 221,545                    | (221,545)                                  | (221,545)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | -  | -                                    |
|  | HUTF  | 221,545                     | -                                     | 221,545                    | (221,545)                                  | (221,545)                            |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (6) Motor Carrier Services Division; Hazardous Materials Permitting Program        | Total | 207,973                     | -                                     | 210,210                    | (210,210)                                  | (210,210)                            |
|  | FTE   | 3.7                         | -                                     | 3.7                        | (3.7)                                      | (3.7)                                |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 207,973                     | -                                     | 210,210                    | (210,210)                                  | (210,210)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

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| Line Item Information  |              | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |              | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund         | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| <b>(6) Motor Carrier Services<br/>Division<br/>(NEW LINE ITEM)</b>                                 | <b>Total</b> | -                           | -                                     | -                          | 7,880,598                                  | 7,880,598                            |
|  | <b>FTE</b>   | -                           | -                                     | -                          | 123.8                                      | 123.8                                |
|  | <b>GF</b>    | -                           | -                                     | -                          | 597,101                                    | 597,101                              |
|  | <b>CF</b>    | -                           | -                                     | -                          | 210,210                                    | 210,210                              |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | 7,073,287                                  | 7,073,287                            |
|  | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(7) Enforcement Business<br/>Group; (A)<br/>Administration; Personal<br/>Services</b>           | <b>Total</b> | 617,579                     | -                                     | 629,903                    | (629,903)                                  | (629,903)                            |
|  | <b>FTE</b>   | 8.0                         | -                                     | 8.0                        | (8.0)                                      | (8.0)                                |
|  | <b>GF</b>    | 26,826                      | -                                     | 13,810                     | (13,810)                                   | (13,810)                             |
|  | <b>CF</b>    | 490,641                     | -                                     | 518,098                    | (518,098)                                  | (518,098)                            |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|  | <b>RF</b>    | 100,112                     | -                                     | 97,995                     | (97,995)                                   | (97,995)                             |
|  | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(7) Enforcement Business<br/>Group; (A)<br/>Administration; Operating<br/>Expenses</b>          | <b>Total</b> | 12,780                      | -                                     | 12,780                     | (12,780)                                   | (12,780)                             |
|  | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|  | <b>GF</b>    | 598                         | -                                     | 598                        | (598)                                      | (598)                                |
|  | <b>CF</b>    | 10,940                      | -                                     | 10,940                     | (10,940)                                   | (10,940)                             |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|  | <b>RF</b>    | 1,242                       | -                                     | 1,242                      | (1,242)                                    | (1,242)                              |
|  | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(7) Enforcement Business<br/>Group; (A) Administration<br/>(NEW LINE ITEM)</b>                  | <b>Total</b> | -                           | -                                     | -                          | 642,683                                    | 642,683                              |
|  | <b>FTE</b>   | -                           | -                                     | -                          | 8.0  | 8.0                                  |
|  | <b>GF</b>    | -                           | -                                     | -                          | 14,408                                     | 14,408                               |
|  | <b>CF</b>    | -                           | -                                     | -                          | 529,038                                    | 529,038                              |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|  | <b>RF</b>    | -                           | -                                     | -                          | 99,237                                     | 99,237                               |
|  | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(7) Enforcement Business<br/>Group; (B) Limited<br/>Gaming Division; Personal<br/>Services</b>  | <b>Total</b> | 6,709,930                   | -                                     | 6,849,334                  | (6,849,334)                                | (6,849,334)                          |
|  | <b>FTE</b>   | 85.4                        | -                                     | 85.4                       | (85.4)                                     | (85.4)                               |
|  | <b>GF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>CF</b>    | 6,709,930                   | -                                     | 6,849,334                  | (6,849,334)                                | (6,849,334)                          |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|  | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>FF</b>    | -                           | -                                     | -                          | -  | -                                    |
| <b>(7) Enforcement Business<br/>Group; (B) Limited<br/>Gaming Division;<br/>Operating Expenses</b> | <b>Total</b> | 887,228                     | -                                     | 887,228                    | (887,228)                                  | (887,228)                            |
|  | <b>FTE</b>   | -                           | -                                     | -                          | -  | -                                    |
|  | <b>GF</b>    | -                           | -                                     | -                          | -  | -                                    |
|  | <b>CF</b>    | 887,228                     | -                                     | 887,228                    | (887,228)                                  | (887,228)                            |
|  | <b>HUTF</b>  | -                           | -                                     | -                          | -  | -                                    |
|  | <b>RF</b>    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (7) Enforcement Business<br>Group; (B) Limited<br>Gaming Division;<br>Licensure Activities                             | Total | 181,497                     | -                                     | 181,497                    | (181,497)                                  | (181,497)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 181,497                     | -                                     | 181,497                    | (181,497)                                  | (181,497)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (B) Limited<br>Gaming Division;<br>Investigations                                   | Total | 263,964                     | -                                     | 263,964                    | (263,964)                                  | (263,964)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 263,964                     | -                                     | 263,964                    | (263,964)                                  | (263,964)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (B) Limited<br>Gaming Division; Limited<br>Gaming Administration<br>(NEW LINE ITEM) | Total | -                           | -                                     | -                          | 8,182,023                                  | 8,182,023                            |
|  | FTE   | -                           | -                                     | -                          | 85.4                                       | 85.4                                 |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 8,182,023                                  | 8,182,023                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (C) Liquor<br>Enforcement Division;<br>Personal Services                            | Total | 1,630,521                   | -                                     | 1,662,535                  | (1,662,535)                                | (1,662,535)                          |
|  | FTE   | 19.5                        | -                                     | 19.5                       | (19.5)                                     | (19.5)                               |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 1,630,521                   | -                                     | 1,662,535                  | (1,662,535)                                | (1,662,535)                          |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (C) Liquor<br>Enforcement Division;<br>Operating Expenses                           | Total | 56,326                      | -                                     | 56,326                     | (56,326)                                   | (56,326)                             |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 56,326                      | -                                     | 56,326                     | (56,326)                                   | (56,326)                             |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (D) Tobacco<br>Enforcement Program;<br>Personal Services                            | Total | 488,310                     | -                                     | 496,919                    | (496,919)                                  | (496,919)                            |
|  | FTE   | 7.0                         | -                                     | 7.0                        | (7.0)                                      | (7.0)                                |
|  | GF    | 139,971                     | -                                     | 142,451                    | (142,451)                                  | (142,451)                            |
|  | CF    | 348,339                     | -                                     | 354,468                    | (354,468)                                  | (354,468)                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (7) Enforcement Business<br>Group; (D) Tobacco<br>Enforcement Program;<br>Operating Expenses            | Total | 31,379                      | -                                     | 31,379                     | (31,379)                                   | (31,379)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 7,201                       | -                                     | 7,201                      | (7,201)                                    | (7,201)                              |
|   | CF    | 24,178                      | -                                     | 24,178                     | (24,178)                                   | (24,178)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (C) Liquor and<br>Tobacco Enforcement<br>Division<br>(NEW LINE ITEM) | Total | -                           | -                                     | -                          | 2,247,159                                  | 2,247,159                            |
|   | FTE   | -                           | -                                     | -                          | 26.5                                       | 26.5                                 |
|   | GF    | -                           | -                                     | -                          | 149,652                                    | 149,652                              |
|   | CF    | -                           | -                                     | -                          | 2,097,507                                  | 2,097,507                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (E) Division of<br>Racing Events; Personal<br>Services               | Total | 1,107,222                   | -                                     | 1,124,123                  | (1,124,123)                                | (1,124,123)                          |
|   | FTE   | 8.7                         | -                                     | 8.7                        | (8.7)                                      | (8.7)                                |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 1,107,222                   | -                                     | 1,124,123                  | (1,124,123)                                | (1,124,123)                          |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (E) Division of<br>Racing Events; Operating<br>Expenses              | Total | 91,385                      | -                                     | 91,385                     | (91,385)                                   | (91,385)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 91,385                      | -                                     | 91,385                     | (91,385)                                   | (91,385)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (E) Division of<br>Racing Events; Laboratory<br>Services             | Total | 104,992                     | -                                     | 104,992                    | (104,992)                                  | (104,992)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 104,992                     | -                                     | 104,992                    | (104,992)                                  | (104,992)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (E) Division of<br>Racing Events;<br>Commission Meeting Costs        | Total | 1,200                       | -                                     | 1,200                      | (1,200)                                    | (1,200)                              |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 1,200                       | -                                     | 1,200                      | (1,200)                                    | (1,200)                              |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (7) Enforcement Business<br>Group; (E) Division of<br>Racing Events; Racetrack<br>Applications                   | Total | 25,000                      | -                                     | 25,000                     | (25,000)                                   | (25,000)                             |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 25,000                      | -                                     | 25,000                     | (25,000)                                   | (25,000)                             |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (D) Division of<br>Racing Events; Racing<br>Administration<br>(NEW LINE ITEM) | Total | -                           | -                                     | -                          | 1,346,700                                  | 1,346,700                            |
|  | FTE   | -                           | -                                     | -                          | 8.7  | 8.7                                  |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 1,346,700                                  | 1,346,700                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (F) Hearings<br>Division; Personal<br>Services                                | Total | 2,151,172                   | -                                     | 2,202,290                  | (2,202,290)                                | (2,202,290)                          |
|  | FTE   | 29.5                        | -                                     | 29.4                       | (29.4)                                     | (29.4)                               |
|  | GF    | 168,295                     | -                                     | 178,955                    | (178,955)                                  | (178,955)                            |
|  | CF    | 1,982,877                   | -                                     | 2,023,335                  | (2,023,335)                                | (2,023,335)                          |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (F) Hearings<br>Division; Operating<br>Expenses                               | Total | 115,513                     | -                                     | 101,408                    | (101,408)                                  | (101,408)                            |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 16,575                      | -                                     | 2,470                      | (2,470)                                    | (2,470)                              |
|  | CF    | 98,938                      | -                                     | 98,938                     | (98,938)                                   | (98,938)                             |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (E) Hearings<br>Division<br>(NEW LINE ITEM)                                   | Total | -                           | -                                     | -                          | 2,303,698                                  | 2,303,698                            |
|  | FTE   | -                           | -                                     | -                          | 29.4                                       | 29.4                                 |
|  | GF    | -                           | -                                     | -                          | 181,425                                    | 181,425                              |
|  | CF    | -                           | -                                     | -                          | 2,122,273                                  | 2,122,273                            |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (G) Motor Vehicle<br>Dealer Licensing Board;<br>Personal Services             | Total | 1,762,994                   | -                                     | 1,800,265                  | (1,800,265)                                | (1,800,265)                          |
|  | FTE   | 26.2                        | -                                     | 26.2                       | (26.2)                                     | (26.2)                               |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 1,762,994                   | -                                     | 1,800,265                  | (1,800,265)                                | (1,800,265)                          |
|  | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (7) Enforcement Business<br>Group; (G) Motor Vehicle<br>Dealer Licensing Board;<br>Operating Expenses | Total | 119,023                     | -                                     | 119,023                    | (119,023)                                  | (119,023)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 119,023                     | -                                     | 119,023                    | (119,023)                                  | (119,023)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (7) Enforcement Business<br>Group; (F) Motor Vehicle<br>Dealer Licensing Board<br>(NEW LINE ITEM)     | Total | -                           | -                                     | -                          | 1,919,288                                  | 1,919,288                            |
|   | FTE   | -                           | -                                     | -                          | 26.2                                       | 26.2                                 |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | -                           | -                                     | -                          | 1,919,288                                  | 1,919,288                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (8) State Lottery Division;<br>Personal Services  | Total | 8,793,014                   | -                                     | 8,961,156                  | (8,961,156)                                | (8,961,156)                          |
|   | FTE   | 117.1                       | -                                     | 117.1                      | (117.1)                                    | (117.1)                              |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 8,793,014                   | -                                     | 8,961,156                  | (8,961,156)                                | (8,961,156)                          |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (8) State Lottery Division;<br>Operating Expenses   | Total | 1,203,156                   | -                                     | 1,203,156                  | (1,203,156)                                | (1,203,156)                          |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 1,203,156                   | -                                     | 1,203,156                  | (1,203,156)                                | (1,203,156)                          |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (8) State Lottery Division;<br>Payments to Other State<br>Agencies                                    | Total | 239,410                     | -                                     | 239,410                    | (239,410)                                  | (239,410)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 239,410                     | -                                     | 239,410                    | (239,410)                                  | (239,410)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (8) State Lottery Division;<br>Travel   | Total | 113,498                     | -                                     | 113,498                    | (113,498)                                  | (113,498)                            |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 113,498                     | -                                     | 113,498                    | (113,498)                                  | (113,498)                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |



Department of Revenue  
Request Title: Line Item Consolidation

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12  |                                       | FY 2012-13  |  | FY 2013-14                           |
|--|-------|---|---------------------------------------|---|--|--------------------------------------|
|  |       | 1   | 2                                     | 3   | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12   | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13                        | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (8) State Lottery Division;                                    |       |   |                                       |   |  |                                      |
| State Lottery  | Total | -   | -                                     | -   | 10,517,220                                 | 10,517,220                           |
| Administration   | FTE   | -   | -                                     | -   | 117.1                                      | 117.1                                |
| (NEW LINE ITEM)  | GF    | -   | -                                     | -   | -  | -                                    |
|  | CF    | -   | -                                     | -   | 10,517,220                                 | 10,517,220                           |
|  | HUTF  | -   | -                                     | -   | -  | -                                    |
|  | RF    | -   | -                                     | -   | -  | -                                    |
|  | FF    | -   | -                                     | -   | -  | -                                    |
| Letternote Text Revision Required for FY 2011-12?              |       | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> |                                       |   |  |                                      |
| Letternote Text Revision Required for FY 2012-13?              |       | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> |                                       |   |  |                                      |
| Cash or Federal Fund Name and COFRS Fund Number:               |       | None  |                                       |   |  |                                      |
| Reappropriated Funds Source, by Department and Line Item Name: |       | None  |                                       |   |  |                                      |
| Approval by OIT?   |       | Yes: <input type="checkbox"/> No: <input type="checkbox"/>            |                                       | Not Required: <input checked="" type="checkbox"/> |  |                                      |
| Schedule 13s from Affected Departments:                        |       | None  |                                       |   |  |                                      |
| Other Information:   |       | None  |                                       |   |  |                                      |



# DEPARTMENT OF REVENUE

*FY 2012-13 Funding Request  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

**Department Priority: R-4  
Line Item Consolidation**

| Summary of Incremental Funding Change for<br>FY 2012-13 | Total Funds | General Fund | FTE |
|---|-------------|--------------|-----|
| Line Item Consolidation                                 | \$0         | \$0          | 0.0 |

## **Request Summary:**

The Department of Revenue requests the consolidation and restructure of its existing Long Bill format with no net impact to current staffing or funding levels in an effort to improve the Department's budgetary efficiency and flexibility.

The General Assembly acknowledged the utilization of line item consolidation as a method of increasing budgetary efficiency and administrative flexibility in House Bill 10-1119. With growing constraints on budgetary resources, the Department has experienced increased challenges managing its personal services and operating appropriations. Consolidating line items would enable the Department to maximize its resources in the most cost efficient and effective manner while minimizing the need to make funding requests to meet unanticipated needs or program initiatives.

As part of a larger effort to increase the operational efficiency of State agencies, the Hickenlooper Administration has proposed several Long Bill line item consolidations in its FY 2012-13 budget request. These line item consolidations will allow Executive Branch departments both to respond more effectively to changes in their operating environment and to improve service to Colorado's citizens.

In the current environment, the separation of appropriations for personnel and operating expenses forces a perverse disincentive to

efficiency. This prescriptive budgetary structure compels departments to eschew opportunities for more effective operations that may come through the exchange of operating expenses for personal services (or vice versa). These limitations frequently prohibit the timely replacement of aging equipment, restrict the implementation of time-saving technologies, facilitate circumstances that create backlogs, and allow for degradation in the level of service provided to Coloradans. Improving flexibility in this area is a critical component in allowing State departments to operate like private sector entities; as needs and circumstances change, so too can managerial decisions.

At the same time, however, merging personal services and operating expenses line items can certainly contribute to a limitation in budgetary transparency that is rightly unacceptable to the Legislature. For this reason, the FY 2012-13 budget request contains an unprecedented level of detail for review by the General Assembly. The Schedule 3 document contains a return to multi-year reporting of object code detail, which had been eliminated during the last three annual budget submissions. Moreover, each Executive Branch department has included a level of detail regarding the sources of its funding that has not existed in any previous budget submission. And, the Department of Personnel and Administration has developed a new reporting mechanism that will provide the Legislature with new visibility

into the use of Full-Time Equivalent positions (FTE) in the Executive Branch.

In addition, as the General Assembly agrees to collapse Personal Services and Operating Expenses line items in the FY 2012-13 Long Bill, OSPB will direct Executive Branch departments to provide specific, detailed reports in future budget submissions detailing the following:

- Specific reporting of how the department has expended Personal Services and Operating Expenses in two prior fiscal years;
- Estimate of how the department anticipates expending its Personal Services and Operating Expenses appropriations in the current fiscal year and the request year; and
- Narrative description of how the department has made use of its enhanced budgetary flexibility to improve service delivery to Colorado's citizens.

#### **Anticipated Outcomes:**

The proposed consolidation and restructure of the Department of Revenue's Long Bill format would allow the Department to utilize existing resources more effectively, as evidenced in the following examples:

- **Central Department Operations Division:** Consolidate the Pueblo Data Entry Center Payments and Document Imaging and Storage line items. The expenses in both of these line items are driven by workload, primarily based on tax processing and record maintenance efforts. Funding availability in these particular line items impact other Department functions and consolidation would allow for increased ability to address workload fluctuations appropriately while maintaining the tax program's effectiveness regarding auditing and compliance issues.
- **Taxation Business Group:** Consolidating all tax administration resources into a single line item would enable the Department to allocate personal services and operating funds as

needed to address peak workload and targeted program needs and initiatives.

- **Motor Carrier Services Division:** Consolidating all line items into one Motor Carrier Services program line would allow the program to improve performance and service delivery by more adequately addressing maintenance and operating needs, particularly to support the operations of the Division's fixed and mobile port program.
- **Enforcement Business Group:** Consolidate the Liquor Enforcement Division and the Tobacco Enforcement Program into one single appropriation line. The Liquor Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages, and regulates the sale and distribution of liquor within the State. The Tobacco Enforcement Program enforces laws that prohibit the sale of tobacco products to minors. Both enforcement programs utilize criminal investigators for enforcement, investigation, and regulation functions who often investigate retailers selling both liquor and tobacco products. Consolidation would enable the programs to gain operational efficiencies from resource sharing.
- **Enforcement Business Group, Division of Racing Events:** Consolidate Personal Services, Operating Expenses, Laboratory Services, Commission Meeting Costs, and Racetrack Applications line items into one single Division of Racing Events program line. The consolidation of these line items would increase the program's ability to respond to workload variances due to the uncertain nature of the industry.
- **State Lottery Division:** Consolidate Personal Services, Operating Expenses, Payments to Other State Agencies, and Travel line items into one single line item. The Colorado Lottery functions as an enterprise for the purpose of maximizing the return of net proceeds to the State of Colorado for a

number of statutorily intended purposes. This line item consolidation would enhance the division's ability to meet its short and long term sales goals.

The Department is not requesting consolidation for the Information Technology Division programs at this time. These programs fall under the purview of the Governor's Office of Information Technology (OIT) and any further budgetary or structural changes should be presented by OIT.

**Assumptions for Calculations:**

This request has no net impact on funding or staffing levels. Please see Appendix A for the detailed proposal by line item.

**Consequences if not Funded:**

Without line item consolidation, the Department will experience greater difficulties meeting its personnel, operating, infrastructure, and technology needs and improving service delivery while continuing to absorb increased costs and budget reductions.

**Current Statutory Authority or Needed Statutory Change:**

Statutory authority to restructure or organize the Department resides with the Executive Director, pursuant to Section 24-35-103, C.R.S. Aligning the Long Bill budget format to support the executive agency operations is a function of the Joint Budget Committee and General Assembly; statutory guidance for these entities to consider executive branch plans for line item consolidation is specifically cited in Section 2-3-203, C.R.S. No statutory change is necessary to implement this request.

## Existing Line Item Structure

| SB 11-209-Long Bill Appropriation (For Illustration Purposes Only)   | FTE            | Total              |
|--|----------------|--------------------|
| <b>(1) Executive Director's Office</b>                               | <b>44.4</b>    | <b>38,094,920</b>  |
| Personal Services  |                | 3,886,382          |
| Health, Life and Dental  |                | 7,403,915          |
| Short-term Disability  |                | 126,519            |
| Amortization Equalization Disbursement                               |                | 1,992,351          |
| Supplemental Amortization Equalization Disbursement                  |                | 1,596,932          |
| Shift Differential   |                | 123,990            |
| Workers' Compensation  |                | 717,073            |
| Operating Expenses   |                | 1,237,693          |
| Legal Services for 20,430 hours                                      |                | 1,546,755          |
| Administrative Law Judge Services                                    |                | 3,576              |
| Purchase of Services from Computer Center                            |                | 9,146,036          |
| Multituse Network Payments   |                | 3,098,197          |
| Management and Administration of OIT                                 |                | 1,047,473          |
| Payment to Risk Management and Property Funds                        |                | 161,458            |
| Vehicle Lease Payments   |                | 527,422            |
| Leased Space   |                | 3,437,846          |
| Capitol Complex Leased Space   |                | 1,723,682          |
| Communications Services Payments                                     |                | 70,501             |
| Utilities  |                | 247,119            |
| <b>(2) Central Department Operations Division</b>                    | <b>97.2</b>    | <b>12,493,862</b>  |
| Personal Services  | 97.2           | 5,335,092          |
| Seasonal Tax Processing  |                | 397,545            |
| Operating Expenses   |                | 1,365,601          |
| Postage  |                | 3,090,752          |
| Pueblo Data Entry Center Payments                                    |                | 1,910,582          |
| Document Imaging and Storage   |                | 394,290            |
| <b>(3) Information Technology Division</b>                           | <b>0.0</b>     | <b>3,663,043</b>   |
| (A) Support Services-Personal Services                               |                | 156,306            |
| (A) Support Services-Operating Expenses                              |                | 800,222            |
| (B) CSTARS-Personal Services   |                | 442,688            |
| (B) CSTARS-Operating Expenses  |                | 2,617,535          |
| (B) CSTARS-County Office Asset Maintenance                           |                | 568,230            |
| (B) CSTARS-County Office Improvements                                |                | 78,062             |
| <b>(4) Taxation Business Group</b>                                   | <b>328.4</b>   | <b>46,195,034</b>  |
| (A) Administration-Personal Services                                 | 6.0            | 557,305            |
| (A) Administration-Operating Expenses                                |                | 14,050             |
| (B) TAC-Personal Services  | 224.8          | 15,927,078         |
| (B) TAC-Operating Expenses   |                | 1,034,468          |
| (B) TAC-Joint Audit Program  |                | 131,244            |
| (B) TAC-Mineral Audit Program  | 10.2           | 789,701            |
| (C) TPS-Personal Services  | 74.7           | 4,636,012          |
| (C) TPS-Operating Expenses   |                | 402,035            |
| (C) TPS-Fuel Tracking System   | 1.5            | 486,594            |
| (D) Tax Conference-Personal Services                                 | 11.2           | 1,513,643          |
| (D) Tax Conference-Operating Expenses                                |                | 24,604             |
| (E) Special Purpose - Cigarette Tax Rebate                           |                | 11,500,000         |
| (E) Special Purpose - Amendment 35 Distribution to Local Governments |                | 1,338,300          |
| (E) Special Purpose - Old Age Heat & Fuel & Property Tax Assistance  |                | 7,800,000          |
| <b>(5) Division of Motor Vehicles</b>                                | <b>417.7</b>   | <b>34,366,309</b>  |
| (A) Administration-Personal Services                                 | 11.0           | 914,985            |
| (A) Administration-Operating Expenses                                |                | 54,250             |
| (B) DVS-Personal Services  | 351.6          | 16,665,210         |
| (B) DVS-Operating Expenses   |                | 1,684,157          |
| (B) DVS-Drivers License Documents                                    |                | 3,810,592          |
| (B) DVS-License Plate Ordering                                       |                | 6,518,776          |
| (C) Vehicle Emissions-Personal Services                              | 17.0           | 1,198,995          |
| (C) Vehicle Emissions-Operating Expenses                             |                | 88,725             |
| (D) Titles-Personal Services   | 32.1           | 1,647,755          |
| (D) Titles-Operating   |                | 305,574            |
| (E) MIDB-Personal Services   | 1.0            | 350,017            |
| (E) MIDB-Operating Expenses  |                | 500                |
| (F) Ignition Interlock-Personal Services                             | 5.0            | 211,931            |
| (F) Ignition Interlock-Operating Expenses                            |                | 934,842            |
| <b>(6) Motor Carrier Services Division</b>                           | <b>123.8</b>   | <b>7,880,598</b>   |
| Personal Services  | 120.1          | 6,933,338          |
| Operating Expenses   |                | 515,305            |
| Fixed and Mobile Port Maintenance                                    |                | 221,545            |
| HazMat   | 3.7            | 210,210            |
| <b>(7) Enforcement Business Group</b>                                | <b>236.8</b>   | <b>61,572,408</b>  |
| (A) Administration-Personal Services                                 | 8.0            | 629,903            |
| (A) Administration-Operating Expenses                                |                | 12,780             |
| (B) Gaming-Personal Services   | 85.4           | 6,849,334          |
| (B) Gaming-Operating Expenses  |                | 887,228            |
| (B) Gaming-Licensure Activities                                      |                | 181,497            |
| (B) Gaming-Investigations  |                | 263,964            |
| (B) Gaming-Payments to Other State Agencies                          |                | 3,853,589          |
| (B) Gaming-Distribution to Gaming Cities & Counties                  |                | 23,788,902         |
| (B) Gaming-Indirect Cost Assessment                                  |                | 674,028            |
| (C) Liquor Enforcement Division-Personal Services                    | 19.5           | 1,662,535          |
| (C) Liquor Enforcement Division-Operating Expenses                   |                | 56,326             |
| (D) Tobacco Enforcement Division-Personal Services                   | 7.0            | 496,919            |
| (D) Tobacco Enforcement Division-Operating Expenses                  |                | 31,379             |
| (E) Division of Racing Events-Personal Services                      | 8.7            | 1,124,123          |
| (E) Division of Racing Events-Operating Expenses                     |                | 91,385             |
| (E) Division of Racing Events-Laboratory Services                    |                | 104,992            |
| (E) Division of Racing Events-Commission Meeting Costs               |                | 1,200              |
| (E) Division of Racing Events-Racetrack Applications                 |                | 23,000             |
| (E) Division of Racing Events-Purses and Breeders Awards             |                | 1,106,142          |
| (F) Hearings Division-Personal Services                              | 26.8           | 2,023,335          |
| (F) Hearings Division-Operating Expenses                             |                | 98,938             |
| (G) Motor Vehicle Dealer Licensing Board-Personal Services           | 26.2           | 1,800,265          |
| (G) Motor Vehicle Dealer Licensing Board-Operating Expenses          |                | 119,023            |
| (H) Medical Marijuana Enforcement                                    | 55.2           | 5,689,621          |
| <b>(8) State Lottery Division</b>                                    | <b>117.1</b>   | <b>97,538,539</b>  |
| Personal Services  | 117.1          | 8,961,156          |
| Operating Expenses   |                | 1,203,156          |
| Payments to Other State Agencies                                     |                | 239,410            |
| Travel   |                | 113,498            |
| Marketing and Communications   |                | 14,700,000         |
| Multi-State Lottery Fees   |                | 177,433            |
| Vendor Fees  |                | 12,571,504         |
| Retailer Compensation  |                | 52,241,350         |
| Ticket Costs   |                | 6,578,000          |
| Research   |                | 250,000            |
| Indirect Cost Assessment   |                | 503,032            |
| <b>Long Bill Total</b>   | <b>1,368.4</b> | <b>292,804,713</b> |

## Proposed Line Item Structure

| HB 12-XXXX-Long Bill Appropriation (For Illustration Purposes Only) | FTE            | Total              |
|---|----------------|--------------------|
| <b>(1) Executive Director's Office</b>                              | <b>45.4</b>    | <b>42,112,532</b>  |
| Department Administration   | 45.4           | 3,121,297          |
| Health, Life and Dental   |                | 7,403,915          |
| Short-term Disability   |                | 126,080            |
| Amortization Equalization Disbursement                              |                | 2,279,425          |
| Supplemental Amortization Equalization Disbursement                 |                | 1,958,882          |
| Shift Differential  |                | 173,714            |
| Workers' Compensation   |                | 838,845            |
| Legal Services for 20,430 hours                                     |                | 2,908,512          |
| Administrative Law Judge Services                                   |                | 13,752             |
| Purchase of Services from Computer Center                           |                | 10,145,977         |
| Multituse Network Payments  |                | 4,075,520          |
| Management and Administration of OIT                                |                | 539,213            |
| Payment to Risk Management and Property Funds                       |                | 185,934            |
| Vehicle Lease Payments  |                | 527,422            |
| Leased Space  |                | 3,517,094          |
| Capitol Complex Leased Space  |                | 1,893,375          |
| Communications Services Payments                                    |                | 86,456             |
| Utilities   |                | 247,119            |
| <b>(2) Central Department Operations Division</b>                   | <b>97.2</b>    | <b>12,358,565</b>  |
| Central Department Operations                                       | 97.2           | 6,953,417          |
| Postage   |                | 3,095,634          |
| Document Management   |                | 2,309,514          |
| <b>(3) Information Technology Division</b>                          | <b>0.0</b>     | <b>4,641,962</b>   |
| (A) Support Services  |                | 202,552            |
| Operating Expenses  |                | 773,957            |
| <b>(B) Colorado State Titling and Registration System</b>           |                |                    |
| Personal Services   |                | 442,688            |
| Operating Expenses  |                | 2,617,535          |
| County Office Asset Maintenance                                     |                | 568,230            |
| County Office Improvements  |                | 40,000             |
| <b>(4) Taxation Business Group</b>                                  | <b>329.6</b>   | <b>45,997,206</b>  |
| (A) Tax Administration  | 329.6          | 26,858,906         |
| (B) Special Purpose   |                |                    |
| Cigarette Tax Rebate  |                | 10,400,000         |
| Amendment 35 Distribution to Local Governments                      |                | 1,338,300          |
| Old Age Heat & Fuel & Property Tax Assistance                       |                | 7,400,000          |
| <b>(5) Division of Motor Vehicles</b>                               | <b>416.2</b>   | <b>34,272,052</b>  |
| Administration  | 11.0           | 969,235            |
| Driver and Vehicle Services   | 350.1          | 22,134,062         |
| License Plate Ordering  |                | 6,545,416          |
| Vehicle Emissions   | 17.0           | 1,287,720          |
| Titles  | 32.1           | 1,858,529          |
| Motorist Insurance Identification Database Program                  | 1.0            | 330,517            |
| Ignition Interlock  | 5.0            | 1,146,773          |
| <b>(6) Motor Carrier Services Division</b>                          | <b>123.8</b>   | <b>7,880,598</b>   |
| <b>(7) Enforcement Business Group</b>                               | <b>239.4</b>   | <b>61,523,024</b>  |
| (A) Administration  | 8.0            | 642,683            |
| (B) Limited Gaming  | 85.4           | 8,182,023          |
| Limited Gaming Administration                                       |                | 3,853,589          |
| Payments to Other State Agencies                                    |                | 23,788,902         |
| Distribution to Gaming Cities & Counties                            |                | 443,219            |
| Indirect Cost Assessment  |                | 2,247,159          |
| <b>(C) Liquor and Tobacco Enforcement Division</b>                  | <b>26.5</b>    | <b>2,247,159</b>   |
| <b>(D) Division of Racing Events</b>                                | <b>8.7</b>     | <b>1,346,700</b>   |
| Racing Administration   |                | 1,106,142          |
| Purses and Breeders Awards  | 29.4           | 2,503,698          |
| <b>(E) Hearings Division</b>  | <b>26.2</b>    | <b>1,919,288</b>   |
| <b>(F) Motor Vehicle Dealer Licensing Board</b>                     | <b>55.2</b>    | <b>5,689,621</b>   |
| <b>(G) Medical Marijuana Enforcement</b>                            | <b>117.1</b>   | <b>97,413,929</b>  |
| State Lottery Administration  | 117.1          | 10,517,220         |
| Marketing and Communications  |                | 14,700,000         |
| Multi-State Lottery Fees  |                | 177,433            |
| Vendor Fees   |                | 12,571,504         |
| Retailer Compensation   |                | 52,241,350         |
| Ticket Costs  |                | 6,578,000          |
| Research  |                | 250,000            |
| Indirect Cost Assessment  |                | 503,032            |
| <b>Long Bill Total</b>  | <b>1,368.7</b> | <b>296,202,868</b> |

## Schedule 13

**Funding Request for the 2012 Budget Cycle**

Department: Revenue

Request Title: H.B. 10-1285 Sales Tax Refunds

Priority Number: R-5

Dept. Approval by:

*Barbara B. Hall* 10/12/11  
Date

- ☒ Decision Item FY 2012-13  
☐ Base Reduction Item FY 2012-13  
☐ Supplemental FY 2011-12  
☐ Budget Amendment FY 2012-13

OSPb Approval by:

*Erin M. Schmitt* 10/13/11  
Date

| Line Item Information   |              | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |              | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund         | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>  | <b>Total</b> | -                           | -                                     | -                          | 120,524                                    | 120,524                              |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | -                           | -                                     | -                          | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | -                           | -                                     | -                          | 120,524                                    | 120,524                              |
|   | RF           | -                           | -                                     | -                          | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |
| <b>(4) Taxation Business<br/>Group, (E) Special<br/>Purpose, Commercial<br/>Vehicle Enterprise Sales<br/>Tax Refund (new line<br/>item)</b> | <b>Total</b> | -                           | -                                     | -                          | 120,524                                    | 120,524                              |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | -                           | -                                     | -                          | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | -                           | -                                     | -                          | 120,524                                    | 120,524                              |
|   | RF           | -                           | -                                     | -                          | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |

Letternote Text Revision Required for FY 2011-12?

Yes: ☐No: ☒

Letternote Text Revision Required for FY 2012-13?

Yes: ☒No: ☐

Cash or Federal Fund Name and COFRS Fund Number:

Commercial Vehicle Enterprise Tax Fund - 23W

Reappropriated Funds Source, by Department and Line Item Name:

None

Approval by OIT?

Yes: ☐No: ☐Not Required: ☒

Schedule 13s from Affected Departments: None

Other Information: None



## DEPARTMENT OF REVENUE

*FY 2012-13 Funding Request  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

**Department Priority: R-5**  
**State Sales Tax Refunds Pursuant to H.B. 10-1285**

| Summary of Incremental Funding Change for<br>FY 2012-13 | Total Funds | Cash Funds | FTE |
|---|-------------|------------|-----|
| State Sales Tax Refunds Pursuant to H.B. 10-1285        | \$120,524   | \$120,524  | 0.0 |

### **Request Summary:**

The Department of Revenue requests \$120,524 cash fund spending authority from the commercial vehicle enterprise tax fund to refund sales taxes paid on qualified purchases or leases of commercial vehicles used for interstate commerce.

The Department currently has the necessary spending authority to administer the refund for FY 2011-12 only, but cannot refund sales taxes associated with these vehicles in FY 2012-13 and beyond. House Bill 10-1285 established the current parameters under which refunds for state sales taxes and credits for state income taxes associated with purchasing or leasing; licensing; and registering certain types of commercial vehicles in Colorado are administered.

Sales tax refunds for vehicles associated with interstate commerce are permitted in Section 39-26-113.5, C.R.S. Statute requires the allocation of one-third of the commercial vehicle enterprise tax fund's year-end balance, less the actual cost of administration, to the sales tax refund.

The remaining two-thirds of the fund's year-end balance, less the cost of administering the income tax credit, are allocated to offset the income tax credit authorized by the provisions of H.B. 10-1285. The income tax credit does not require an appropriation to administer.

The sales tax refund, available beginning on July 1, 2011 and each year thereafter, is annually appropriated by the General Assembly, as required by Section 42-1-225, C.R.S. The Department received sufficient spending authority for this purpose for FY 2011-12 via the emergency supplemental process. An ongoing appropriation is necessary to continue the sales tax refunds for FY 2012-13 and beyond.

### **Anticipated Outcomes:**

With sufficient spending authority, the Department will issue sales tax refunds for eligible claims, as provided through statutory directive.

### **Assumptions for Calculations:**

Pursuant to Section 42-1-225 (2) (a), C.R.S., one-third of the fund balance of the commercial vehicle enterprise tax fund, less cost of administration, is allocated for sales tax refunds. Based on 12 months of actual collections, the year-end fund balance is estimated to be \$361,572 in FY 2012-13. The Department does not anticipate incurring additional administrative costs, allowing for a full one-third allocation from the fund balance to sales tax refunds totaling \$120,524.

**Consequences if not Funded:**

Without line item spending authority for FY 2012-13 and beyond, the Department cannot administer and distribute refunds as required by Section 39-26-113.5, C.R.S.

**Cash Fund Projections:**

Revenues collected from fines assessed to overweight commercial vehicles are deposited in the commercial vehicle enterprise tax fund, as directed by Section 42-4-1701 (4)(a)(II), C.R.S. Funds are then allocated to support the sales tax refund and income tax credit authorized in statute.

Fine revenue collected in FY 2010-11, the first year of collections, averaged \$30,131 per month. At this time, the Department is estimating flat growth for the fine revenue in FY 2011-12 and FY 2012-13 and based its calculations on maintaining monthly average collections of \$30,131.

**Current Statutory Authority or Needed Statutory Change:**

Statutory authority to issue the sales tax refunds exists in Section 39-26-113.5, C.R.S., while the statutory requirement for the General Assembly to annually appropriate the funds for the refunds resides in Section 42-1-225, C.R.S. No statutory change is necessary to support this funding request.



### Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Revenue  
Request Title: Funding of Driver's License Operations  
Priority Number: R#6

Dept. Approval by: Barbara Brule 10/20/11  
Date  
OSPB Approval by: David M. Smith 10/24/11  
Date

- ☒ Decision Item FY 2012-13  
☐ Base Reduction Item FY 2012-13  
☐ Supplemental FY 2011-12  
☐ Budget Amendment FY 2012-13

| Line Item Information   |              | FY 2011-12                       |  | FY 2012-13                      |   | FY 2013-14                                |
|---|--------------|----------------------------------|--|---------------------------------|---|---|
|   | Fund         | 1<br>Appropriation<br>FY 2011-12 | 2<br>Supplemental<br>Request<br>FY 2011-12 | 3<br>Base Request<br>FY 2012-13 | 4<br>Funding<br>Change<br>Request<br>FY 2012-13 | 6<br>Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>                                  | <b>Total</b> | 68,597,101                       | -  | 73,343,492                      | (75,938)  | (75,938)                                  |
|   | <b>FTE</b>   | 505.0                            | -  | 503.7                           | -   | -   |
|   | <b>GF</b>    | 20,261,020                       | -  | 45,344,137                      | (22,683,088)                                    | (22,683,088)                              |
|   | <b>CF</b>    | 42,325,631                       | -  | 23,832,467                      | 22,739,277                                      | 22,739,277                                |
|   | <b>HUTF</b>  | 4,963,887                        | -  | 2,986,223                       | (56,190)  | (56,190)                                  |
|   | <b>RF</b>    | 1,046,563                        | -  | 1,180,665                       | (75,937)  | (75,937)                                  |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(1) Executive Director's Office; Personal Services</b>       | <b>Total</b> | 3,951,775                        | -  | 3,952,654                       | -   | -   |
|   | <b>FTE</b>   | 45.2                             | -  | 45.4                            | -   | -   |
|   | <b>GF</b>    | 940,919                          | -  | 1,617,089                       | (613,383)                                       | (613,383)                                 |
|   | <b>CF</b>    | 2,094,168                        | -  | 1,279,139                       | 712,015   | 712,015                                   |
|   | <b>HUTF</b>  | 381,818                          | -  | 436,921                         | (32,355)  | (32,355)                                  |
|   | <b>RF</b>    | 534,870                          | -  | 619,505                         | (66,277)  | (66,277)                                  |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(1) Executive Director's Office; Health, Life and Dental</b> | <b>Total</b> | 7,403,915                        | -  | 9,475,052                       | -   | -   |
|   | <b>FTE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>GF</b>    | 2,342,713                        | -  | 5,852,186                       | (2,085,005)                                     | (2,085,005)                               |
|   | <b>CF</b>    | 4,350,293                        | -  | 2,801,490                       | 2,085,005                                       | 2,085,005                                 |
|   | <b>HUTF</b>  | 710,909                          | -  | 821,376                         | -   | -   |
|   | <b>RF</b>    | -                                | -  | -                               | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(1) Executive Director's Office; Short-term Disability</b>   | <b>Total</b> | 126,519                          | -  | 126,080                         | -   | -   |
|   | <b>FTE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>GF</b>    | 48,327                           | -  | 75,375                          | (25,297)  | (25,297)                                  |
|   | <b>CF</b>    | 68,242                           | -  | 41,203                          | 25,297  | 25,297                                    |
|   | <b>HUTF</b>  | 9,950                            | -  | 9,502                           | -   | -   |
|   | <b>RF</b>    | -                                | -  | -                               | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (1) Executive Director's<br>Office; S.B. 04-257<br>Amortization Equalization<br>Disbursement                 | Total | 1,992,351                   | -                                     | 2,279,425                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 755,405                     | -                                     | 1,362,712                  | (457,337)                                  | (457,337)                            |
|  | CF    | 1,079,551                   | -                                     | 744,920                    | 457,337                                    | 457,337                              |
|  | HUTF  | 157,395                     | -                                     | 171,793                    | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; S.B. 06-235<br>Supplemental<br>Amortization Equalization<br>Disbursement | Total | 1,596,932                   | -                                     | 1,958,882                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 602,958                     | -                                     | 1,171,081                  | (393,024)                                  | (393,024)                            |
|  | CF    | 867,496                     | -                                     | 640,166                    | 393,024                                    | 393,024                              |
|  | HUTF  | 126,478                     | -                                     | 147,635                    | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Shift Differential   | Total | 123,990                     | -                                     | 173,714                    | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 2,175                       | -                                     | 33,614                     | (30,017)                                   | (30,017)                             |
|  | CF    | 34,950                      | -                                     | 14,005                     | 30,017                                     | 30,017                               |
|  | HUTF  | 86,865                      | -                                     | 126,095                    | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Workers'<br>Compensation   | Total | 717,073                     | -                                     | 838,845                    | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 253,645                     | -                                     | 488,229                    | (190,764)                                  | (190,764)                            |
|  | CF    | 404,348                     | -                                     | 282,446                    | 190,764                                    | 190,764                              |
|  | HUTF  | 59,080                      | -                                     | 68,170                     | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Operating<br>Expenses  | Total | 1,243,123                   | -                                     | 1,238,643                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 481,434                     | -                                     | 521,045                    | (39,611)                                   | (39,611)                             |
|  | CF    | 643,005                     | -                                     | 598,914                    | 39,611                                     | 39,611                               |
|  | HUTF  | 118,684                     | -                                     | 118,684                    | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Legal Services   | Total | 2,896,336                   | -                                     | 2,908,512                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 2,189,077                   | -                                     | 2,356,419                  | (155,166)                                  | (155,166)                            |
|  | CF    | 700,950                     | -                                     | 545,784                    | 155,166                                    | 155,166                              |
|  | HUTF  | 6,309                       | -                                     | 6,309                      | -  | -                                    |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Purchase of<br>Services from Computer<br>Center                          | Total | 9,146,036                   | -                                     | 10,145,977                 | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 5,312,062                   | -                                     | 6,892,323                  | (999,490)                                  | (999,490)                            |
|  | CF    | 3,184,448                   | -                                     | 2,533,115                  | 999,490                                    | 999,490                              |
|  | HUTF  | 279,596                     | -                                     | 310,164                    | -  | -                                    |
|  | RF    | 369,930                     | -                                     | 410,375                    | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (1) Executive Director's<br>Office; Multiuse Network<br>Payments                        | Total | 3,098,197                   | -                                     | 4,075,520                  | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 369,370                     | -                                     | 1,840,803                  | (967,924)                                  | (967,924)                            |
|   | CF    | 2,505,725                   | -                                     | 1,972,877                  | 967,924                                    | 967,924                              |
|   | HUTF  | 196,696                     | -                                     | 230,849                    | -  | -                                    |
|   | RF    | 26,406                      | -                                     | 30,991                     | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Management and<br>Administration of OIT             | Total | 1,047,473                   | -                                     | 539,213                    | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 759,437                     | -                                     | 418,446                    | (27,506)                                   | (27,506)                             |
|   | CF    | 234,648                     | -                                     | 93,284                     | 27,506                                     | 27,506                               |
|   | HUTF  | 22,981                      | -                                     | 11,830                     | -  | -                                    |
|   | RF    | 30,407                      | -                                     | 15,653                     | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Payment to Risk<br>Management and<br>Property Funds | Total | 161,458                     | -                                     | 185,934                    | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 52,585                      | -                                     | 95,190                     | (35,976)                                   | (35,976)                             |
|   | CF    | 94,596                      | -                                     | 74,528                     | 35,976                                     | 35,976                               |
|   | HUTF  | 14,277                      | -                                     | 16,216                     | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Vehicle Lease<br>Payments                           | Total | 527,422                     | -                                     | 527,422                    | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 91,775                      | -                                     | 132,334                    | (48,338)                                   | (48,338)                             |
|   | CF    | 382,521                     | -                                     | 341,962                    | 48,338                                     | 48,338                               |
|   | HUTF  | 53,126                      | -                                     | 53,126                     | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Leased Space  | Total | 3,437,846                   | -                                     | 3,517,094                  | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 512,451                     | -                                     | 1,794,734                  | (1,238,049)                                | (1,238,049)                          |
|   | CF    | 2,925,395                   | -                                     | 1,722,360                  | 1,238,049                                  | 1,238,049                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Capitol Complex<br>Leased Space                     | Total | 1,723,682                   | -                                     | 1,893,376                  | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | 1,105,765                   | -                                     | 1,566,529                  | (349,600)                                  | (349,600)                            |
|   | CF    | 592,322                     | -                                     | 317,293                    | 349,600                                    | 349,600                              |
|   | HUTF  | 25,595                      | -                                     | 9,554                      | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (1) Executive Director's<br>Office; Utilities   | Total | 247,119                     | -                                     | 247,119                    | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | 114,978                    | (114,978)                                  | (114,978)                            |
|   | CF    | 143,703                     | -                                     | 28,725                     | 114,978                                    | 114,978                              |
|   | HUTF  | 103,416                     | -                                     | 103,416                    | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (2) Central Department<br>Operations Division;<br>Personal Services                                 | Total | 5,231,316                   | -                                     | 5,335,092                  | -  | -                                    |
|   | FTE   | 97.2                        | -                                     | 97.2                       | -  | -                                    |
|   | GF    | 4,440,922                   | -                                     | 4,686,581                  | (110,454)                                  | (110,454)                            |
|   | CF    | 603,763                     | -                                     | 422,148                    | 129,165                                    | 129,165                              |
|   | HUTF  | 101,681                     | -                                     | 122,222                    | (9,051)                                    | (9,051)                              |
|   | RF    | 84,950                      | -                                     | 104,141                    | (9,660)                                    | (9,660)                              |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (A)<br>Administration, Personal<br>Services                      | Total | 895,536                     | -                                     | 914,985                    | -  | -                                    |
|   | FTE   | 11.0                        | -                                     | 11.0                       | -  | -                                    |
|   | GF    | -                           | -                                     | 382,787                    | (382,787)                                  | (382,787)                            |
|   | CF    | 711,904                     | -                                     | 320,965                    | 398,061                                    | 398,061                              |
|   | HUTF  | 183,632                     | -                                     | 211,233                    | (15,274)                                   | (15,274)                             |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (A)<br>Administration, Operating<br>Expenses                     | Total | 54,250                      | -                                     | 54,250                     | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | 33,404                     | (33,404)                                   | (33,404)                             |
|   | CF    | 43,122                      | -                                     | 9,718                      | 32,914                                     | 32,914                               |
|   | HUTF  | 11,128                      | -                                     | 11,128                     | 490  | 490                                  |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services, Personal<br>Services         | Total | 16,318,505                  | -                                     | 16,613,712                 | -  | -                                    |
|   | FTE   | 351.6                       | -                                     | 350.1                      | -  | -                                    |
|   | GF    | -                           | -                                     | 9,606,961                  | (9,606,961)                                | (9,606,961)                          |
|   | CF    | 14,004,234                  | -                                     | 7,006,751                  | 9,606,961                                  | 9,606,961                            |
|   | HUTF  | 2,314,271                   | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services,<br>Operating Expenses        | Total | 1,684,157                   | -                                     | 1,682,732                  | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | 1,216,876                  | (1,216,876)                                | (1,216,876)                          |
|   | CF    | 1,684,157                   | -                                     | 465,856                    | 1,216,876                                  | 1,216,876                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (5) Division of Motor<br>Vehicles; (B) Driver and<br>Vehicle Services, Drivers<br>License Documents | Total | 3,810,592                   | -                                     | 3,837,618                  | -  | -                                    |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | 3,084,441                  | (3,561,141)                                | (3,561,141)                          |
|   | CF    | 3,810,592                   | -                                     | 753,177                    | 3,561,141                                  | 3,561,141                            |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| (6) Enforcement Business<br>Group; (B) Limited<br>Gaming Division, Indirect<br>Cost Assessment      | Total | 665,631                     | -                                     | 443,219                    | (32,025)                                   | (32,025)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 665,631                     | -                                     | 443,219                    | (32,025)                                   | (32,025)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |

| Line Item Information   |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|---|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (8) State Lottery Division,<br>Indirect Cost Assessment   | Total | 495,867                     | -                                     | 378,422                    | (43,913)                                   | (43,913)                             |
|   | FTE   | -                           | -                                     | -                          | -  | -                                    |
|   | GF    | -                           | -                                     | -                          | -  | -                                    |
|   | CF    | 495,867                     | -                                     | 378,422                    | (43,913)                                   | (43,913)                             |
|   | HUTF  | -                           | -                                     | -                          | -  | -                                    |
|   | RF    | -                           | -                                     | -                          | -  | -                                    |
|   | FF    | -                           | -                                     | -                          | -  | -                                    |
| <p>Letternote Text Revision Required for FY 2011-12? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/></p> <p>Letternote Text Revision Required for FY 2012-13? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/></p> <p>Cash or Federal Fund Name and COFRS Fund Number: Limited Gaming Fund #401, Licensing Services Cash Fund #437, State Lottery Fund #503</p> <p>Reappropriated Funds Source, by Department and Line Item Name:</p> <p>Approval by OIT? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/></p> <p>Schedule 13s from Affected Departments: None</p> <p>Other Information:</p> |       |                             |                                       |                            |  |                                      |





## DEPARTMENT OF REVENUE

John W. Hickenlooper  
Governor

*FY 2012-13 Budget Balancing Proposal  
November 1, 2011*

Barbara Brohl  
Executive Director

### **R-6: Funding of Driver's License Operations**

| Summary of Incremental<br>Funding Change for FY 2012-13 | TF         | GF             | CF           | HUTF       | RF         |
|---|------------|----------------|--------------|------------|------------|
| Permanent Funding for Driver's<br>License Operations    | (\$75,938) | (\$22,683,088) | \$22,739,277 | (\$56,190) | (\$75,937) |

#### **Proposal:**

The Department of Revenue is proposing to permanently extend funding of driver's license services with the Licensing Services Cash Fund (LSCF) beginning in FY 2012-13. This proposal would require a statutory change to allow the LSCF to retain all revenues generated from fees associated with the issuance of photo identification documents, including driver's licenses. With this request, the Department proposes to continue to directly fund driver's license services with the fees paid by citizens receiving the services. Along with this proposal, the Department is currently working on a comprehensive financing strategy to fund driver's license operations in the long-term. The Department will present this analysis and any proposed changes in the FY 2013 legislative session.

#### **Request Summary:**

Prior to FY 2009-10, expenses for driver's license services were funded through a mixture of General Fund and the LSCF. Senate Bill 09-274 changed the financing for driver's license services provided by the Division of Motor Vehicles to eliminate General Fund support, thereby increasing funding from the LSCF for FY 2009-10. All revenues generated from the issuance of photo identification documents were deposited into the LSCF in order to support the increased expenses to the fund. These fees were previously allocated between the LSCF and HUTF. Thus, with the refinance, HUTF no longer received a portion of the fees. S.B. 09-274 was a

one-time shift in financing for a net General Fund decrease of \$16,177,257. Subsequently, H.B. 10-1387 extended the cash financing from the LSCF for FY 2010-11 and FY 2011-12. The net General Fund decrease for H.B. 10-1387 was \$19,961,127 in each year.

Under current law, beginning in FY 2012-13, a portion of the funding for driver's license services will shift back to the General Fund. With the changes in the appropriation to (5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Drivers License Document line related to increases in photo identification document issuance, the net FY 2012-13 General Fund impact would be \$22,683,088. This amount is inclusive of the Department's R-1 General Fund request for \$389,755 in postage costs related to driver's license documents.

Without statutory changes to finance driver's license services with the LSCF, the fees generated from the issuance of photo identification documents would be allocated between the LSCF and HUTF. As a result, the General Fund would again partially fund these services beginning July 1, 2012.

It is the intent of the Department to permanently fund driver's license services entirely with the fees generated from such services. The Department is currently developing a comprehensive financing strategy that will fund ongoing driver's license operations and critical

investments in the information technology systems that support driver's license operations. In doing so, the Department will evaluate whether the current fee structure can adequately support driver's license services in the long-term. In the interim, the Department is proposing to permanently refinance driver's license operations with the LSCF.

**Current Statutory Authority or Needed Statutory Change:**

Statutory changes would be required for allocation of fees collected for the issuance of photo identification documents. These include:

- 42-2-107
- 42-2-113
- 42-2-114
- 42-2-117
- 42-2-406
- 42-3-304
- 43-4-201



**Schedule 13**  
**Funding Request for the 2012 Budget Cycle**

Department: Revenue  
Request Title: Refinance Severance Tax Collection and Administration  
Priority Number: R-7

Dept. Approval by:

*Barbara B. B. 10/12/11*  
Date

OSPB Approval by:

*Paul K. B. 10/20/11*  
Date

- ☒ Decision Item FY 2012-13  
☐ Base Reduction Item FY 2012-13  
☐ Supplemental FY 2011-12  
☐ Budget Amendment FY 2012-13

| Line Item Information   |              | FY 2011-12                       |  | FY 2012-13                      |   | FY 2013-14                                |
|---|--------------|----------------------------------|--|---------------------------------|---|---|
|   | Fund         | 1<br>Appropriation<br>FY 2011-12 | 2<br>Supplemental<br>Request<br>FY 2011-12 | 3<br>Base Request<br>FY 2012-13 | 4<br>Funding<br>Change<br>Request<br>FY 2012-13 | 6<br>Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 48,400,782                       | -  | 49,397,749                      | -   | -   |
|   | <b>FTE</b>   | 409.3                            | -  | 409.1                           | -   | -   |
|   | <b>GF</b>    | 41,897,911                       | -  | 44,092,013                      | (1,604,723)                                     | (1,604,723)                               |
|   | <b>GFE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>CF</b>    | 5,940,202                        | -  | 4,630,826                       | 1,604,723                                       | 1,604,723                                 |
|   | <b>RF</b>    | 562,669                          | -  | 674,910                         | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(1) Executive Director's<br/>Office, Legal Services</b>                                    | <b>Total</b> | 2,896,336                        | -  | 2,908,512                       | -   | -   |
|   | <b>FTE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>GF</b>    | 2,189,077                        | -  | 2,356,419                       | (2,189)   | (2,189)                                   |
|   | <b>GFE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>CF</b>    | 707,259                          | -  | 545,784                         | 2,189   | 2,189                                     |
|   | <b>RF</b>    | -                                | -  | 6,309                           | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(1) Executive Director's<br/>Office, Purchase of<br/>Services from Computer<br/>Center</b> | <b>Total</b> | 9,146,036                        | -  | 10,145,977                      | -   | -   |
|   | <b>FTE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>GF</b>    | 5,312,062                        | -  | 6,892,323                       | (4,177)   | (4,177)                                   |
|   | <b>GFE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>CF</b>    | 3,464,044                        | -  | 2,843,279                       | 4,177   | 4,177                                     |
|   | <b>RF</b>    | 369,930                          | -  | 410,375                         | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |
| <b>(2) Central Department<br/>Operations, Personal<br/>Services</b>                           | <b>Total</b> | 5,231,316                        | -  | 5,335,092                       | -   | -   |
|   | <b>FTE</b>   | 97.2                             | -  | 97.2                            | -   | -   |
|   | <b>GF</b>    | 4,440,922                        | -  | 4,686,581                       | (22,423)  | (22,423)                                  |
|   | <b>GFE</b>   | -                                | -  | -                               | -   | -   |
|   | <b>CF</b>    | 705,444                          | -  | 544,370                         | 22,423  | 22,423                                    |
|   | <b>RF</b>    | 84,950                           | -  | 104,141                         | -   | -   |
|   | <b>FF</b>    | -                                | -  | -                               | -   | -   |

Department of Revenue  
Request Title: Refinance Severance Tax

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (2) Central Department<br>Operations, Operating<br>Expenses                                    | Total | 1,365,913                   | -                                     | 1,220,780                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 1,217,644                   | -                                     | 1,072,644                  | (7,845)                                    | (7,845)                              |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 148,269                     | -                                     | 148,136                    | 7,845                                      | 7,845                                |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations, Postage  | Total | 3,095,634                   | -                                     | 3,092,839                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 2,745,256                   | -                                     | 2,744,728                  | (2,794)                                    | (2,794)                              |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 350,378                     | -                                     | 348,111                    | 2,794                                      | 2,794                                |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (2) Central Department<br>Operations, Pueblo Data<br>Entry                                     | Total | 1,919,014                   | -                                     | 1,915,224                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 1,875,719                   | -                                     | 1,875,719                  | (14,524)                                   | (14,524)                             |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 43,295                      | -                                     | 39,505                     | 14,524                                     | 14,524                               |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group, (B) Taxation and<br>Compliance Division,<br>Personal Services  | Total | 15,610,759                  | -                                     | 15,947,682                 | -  | -                                    |
|  | FTE   | 224.8                       | -                                     | 224.3                      | -  | -                                    |
|  | GF    | 15,456,880                  | -                                     | 15,741,507                 | (1,193,288)                                | (1,193,288)                          |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 52,090                      | -                                     | 52,090                     | 1,193,288                                  | 1,193,288                            |
|  | RF    | 101,789                     | -                                     | 154,085                    | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group, (B) Taxation and<br>Compliance Division,<br>Operating Expenses | Total | 1,054,468                   | -                                     | 1,054,468                  | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 1,044,002                   | -                                     | 1,044,002                  | (78,983)                                   | (78,983)                             |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 10,466                      | -                                     | 10,466                     | 78,983                                     | 78,983                               |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4) Taxation Business<br>Group, (C) Taxpayer<br>Service Division, Personal<br>Services         | Total | 4,991,639                   | -                                     | 4,685,759                  | -  | -                                    |
|  | FTE   | 75.2                        | -                                     | 75.4                       | -  | -                                    |
|  | GF    | 4,545,143                   | -                                     | 4,587,174                  | (240,310)                                  | (240,310)                            |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 440,496                     | -                                     | 98,585                     | 240,310                                    | 240,310                              |
|  | RF    | 6,000                       | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |

Department of Revenue  
Request Title: Refinance Severance Tax

Schedule 13  
Funding Request for the 2012 Budget Cycle

| Line Item Information  |       | FY 2011-12                  |                                       | FY 2012-13                 |  | FY 2013-14                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2011-12 | Supplemental<br>Request<br>FY 2011-12 | Base Request<br>FY 2012-13 | Funding<br>Change<br>Request<br>FY 2012-13 | Continuation<br>Amount<br>FY 2013-14 |
| (4)Taxation Business<br>Group, (C) Taxpayer<br>Service Division,<br>Operating Expenses   | Total | 420,471                     | -                                     | 402,510                    | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 402,010                     | -                                     | 402,010                    | (11,038)                                   | (11,038)                             |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 18,461                      | -                                     | 500                        | 11,038                                     | 11,038                               |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4)Taxation Business<br>Group, (D) Tax Conferee,<br>Personal Services  | Total | 2,599,707                   | -                                     | 2,627,732                  | -  | -                                    |
|  | FTE   | 12.1                        | -                                     | 12.2                       | -  | -                                    |
|  | GF    | 2,599,707                   | -                                     | 2,627,732                  | (26,432)                                   | (26,432)                             |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 26,432                                     | 26,432                               |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| (4)Taxation Business<br>Group, (D) Tax Conferee,<br>Operating Expenses   | Total | 69,489                      | -                                     | 61,174                     | -  | -                                    |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 69,489                      | -                                     | 61,174                     | (720)                                      | (720)                                |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | -                           | -                                     | -                          | 720  | 720                                  |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| <p>           Letternote Text Revision Required for FY 2011-12? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/><br/>           Letternote Text Revision Required for FY 2012-13? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/><br/>           Cash or Federal Fund Name and COFRS Fund Number: Severance Tax Trust Fund and Local Government Severance Tax Fund<br/>           Reappropriated Funds Source, by Department and Line Item Name: N/A<br/>           Approval by OIT? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/><br/>           Schedule 13s from Affected Departments: N/A<br/>           Other Information: N/A         </p> |       |                             |                                       |                            |  |                                      |

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date.

2. The second part of the document focuses on the financial aspects of the organization. It provides a detailed breakdown of the budget, including income and expenses, and discusses the strategies used to manage the funds effectively. This section also includes a comparison of the organization's financial performance against its goals and objectives.

3. The third part of the document addresses the operational aspects of the organization. It describes the various programs and services provided, and discusses the challenges faced in the implementation of these programs. This section also includes a discussion of the resources used and the impact of the organization's activities on the community.

4. The fourth part of the document discusses the future plans of the organization. It outlines the goals and objectives for the next year, and discusses the strategies used to achieve these goals. This section also includes a discussion of the resources needed and the potential challenges that may be encountered.

5. The fifth part of the document is a conclusion that summarizes the key findings of the report. It emphasizes the importance of continued monitoring and evaluation, and discusses the steps that will be taken to ensure the organization's long-term success.



## DEPARTMENT OF REVENUE

*FY 2012-13 Budget Balancing Proposal  
November 1, 2011*

*John W. Hickenlooper  
Governor*

*Barbara Brohl  
Executive Director*

### *Refinance Severance Tax Collection and Administration*

| Summary of Incremental Funding Change<br>for FY 2012-13  | Total Funds | General<br>Fund | Cash<br>Funds | FTE |
|--|-------------|-----------------|---------------|-----|
| Refinance Severance Tax Collection and<br>Administration | \$0         | (\$1,604,723)   | \$1,604,723   | 0.0 |

#### **Proposal:**

The Department proposes a refinance of certain activities associated with the collection and administration of severance taxes. This proposal is estimated to result in a reduction of \$1,604,723 General Fund with a corresponding increase in cash funds from the Severance Tax Trust Fund and the Local Government Severance Tax Fund.

#### **Request Summary:**

Currently, the Department of Revenue funds the collection and administration of the severance tax from General Fund appropriations, pursuant to statutory requirements. A legislative change authorizing a refinance from General Fund to the Severance Tax for these activities will result in savings to the General Fund in FY 2012-13 and beyond. Please see Appendix A for a summary of the calculations.

Fifty percent of taxes paid on the severance of oil, gas, and minerals accrue to the Severance Tax Trust Fund and fifty percent accrues to the Local Government Severance Tax Fund. The Department of Revenue's administration of these taxes is supported by the General Fund, but the General Fund does not benefit from this oversight. Section 24-35-115, C.R.S., specifically requires the Department of Revenue to audit severance tax accounts with General Fund moneys. The Department seeks statutory

and budget authorization to finance all collection and oversight activities of the severance tax. Thus, this request finances fifty percent of the Department's activities with moneys from the Severance Tax Trust Fund created in Section 39-29-109, C.R.S., prior to its distribution to the perpetual base account and the operational account, and fifty percent of its activities with moneys from the Local Government Severance Tax Fund created in Section 39-29-110, C.R.S., prior to its distribution to qualifying local governments.

#### **Current Statutory Authority or Needed Statutory Change:**

Changes to current statutory language for this include the following:

**39-29-109. Severance tax trust fund – created – administration – distribution of moneys – repeal.** (2) State severance tax receipts shall be credited to the severance tax trust fund as provided in section 39-29-108. Except as otherwise set forth in section 39-29-109.5, all income derived from the deposit and investment of the moneys in the fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the fund shall remain therein and shall not be credited or transferred to the general fund or any other fund. PRIOR TO THE DISTRIBUTION OF

MONEYS TO THE PERPETUAL BASE ACCOUNT, CREATED IN SECTION 39-29-109 (2) (A), AND THE OPERATIONAL ACCOUNT, CREATED IN SECTION 39-29-109 (2) (B), THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEYS FROM THE SEVERANCE TAX TRUST FUND TO THE DEPARTMENT OF REVENUE FOR FIFTY PERCENT OF ITS DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF TAXES LEVIED PURSUANT TO ARTICLE 29 OF TITLE 39. All moneys in the fund shall be subject to appropriation by the general assembly for the following purposes:

**39-29-110. Local government severance tax fund – creation – administration – definitions.**

(1) (a) (I) There is hereby created in the department of local affairs a local government severance tax fund. In accordance with section 39-29-108, portions of the state severance tax receipts shall be credited to the local government severance tax fund. THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEYS FROM THE LOCAL GOVERNMENT SEVERANCE TAX FUND TO THE DEPARTMENT OF REVENUE FOR FIFTY PERCENT OF ITS DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF TAXES LEVIED PURSUANT TO ARTICLE 29 OF TITLE 39. Except as otherwise provided in section 39-29-

109.5, all income derived from the deposit and investment of the moneys in the local government severance tax fund LESS THE ANNUAL APPROPRIATION TO THE DEPARTMENT OF REVENUE shall be credited to the local government severance tax fund.

**24-35-115. Mineral audit program.** (1) The purpose of the mineral audit program established by this section is to develop reasonable assurance that all mineral revenues due to the state are received:

(3) The cost of each of the following audits shall be paid by an appropriation from the general fund: ~~Severance tax revenues; revenues~~ REVENUE accruing to leases managed by the state board of land commissioners authorized in section 36-1-113, C.R.S.; and revenues accruing to the oil and gas conservation and environmental response fund created in section 34-60-122 (5), C.R.S. At the end of each fiscal year, beginning with the fiscal year starting July 1, 1986, the oil and gas conservation commission and the state board of land commissioners shall each repay, from the oil and gas conservation and environmental response fund, created by section 34-60-122 (5), C.R.S., and the state land board administration fund, created by section 36-1-145 (2) (a), C.R.S., to the general fund the cost of such audits performed on their respective fund, which reimbursement shall not exceed the dollar amount of the collections received by each agency from such audits

# Appendix A

## APPENDIX A

|   | Salary, Benefits, and Other Overhead | General Operating Expenses | Legal Services | Other       | Approximate Amount of Time per Division | Cost        |
|---|--------------------------------------|----------------------------|----------------|-------------|---|-------------|
| <b>EXECUTIVE DIRECTOR'S OFFICE</b>  |                                      |                            |                |             |   |             |
| Purchase of Services from Computer Center                                     | n/a                                  | n/a                        | n/a            | n/a         | n/a                                     | \$4,177     |
| <b>CENTRAL DEPARTMENT OPERATIONS</b>  |                                      |                            |                |             |   |             |
| Personal Services   | \$5,197,254                          | \$0                        | \$0            | \$0         | 0.43%                                   | \$22,423    |
| Operating Expenses  | \$0                                  | \$1,696,346                | \$0            | \$0         | 0.46%                                   | \$7,845     |
| Postage   | n/a                                  | n/a                        | n/a            | n/a         | n/a                                     | \$2,794     |
| Data Entry  | \$0                                  | \$0                        | \$0            | \$1,762,171 | 0.82%                                   | \$14,524    |
| <b>TAXATION AND COMPLIANCE</b>  |                                      |                            |                |             |   |             |
| Personal Services   | \$18,116,441                         | \$0                        | \$0            | \$0         | 6.59%                                   | \$1,193,288 |
| Operating Expenses  | \$0                                  | \$1,199,120                | \$0            | \$0         | 6.59%                                   | \$78,983    |
| <b>TAXPAYER SERVICES DIVISION and PROTEST UNIT OF TAXATION AND COMPLIANCE</b> |                                      |                            |                |             |   |             |
| Personal Services   | \$6,935,769                          | \$0                        | \$0            | \$0         | 3.46%                                   | \$240,310   |
| Operating Expenses  | \$0                                  | \$352,527                  | \$0            | \$0         | 3.13%                                   | \$11,038    |
| <b>TAX CONFEREE</b>   |                                      |                            |                |             |   |             |
| Personal Services   | \$1,226,384                          | \$0                        | \$0            | \$0         | 2.15%                                   | \$26,432    |
| Operating Expenses  | \$0                                  | \$42,927                   | \$0            | \$0         | 1.70%                                   | \$720       |
| Legal Services  | \$0                                  | \$0                        | \$97,652       | \$0         | 2.20%                                   | \$2,189     |
| Total   |                                      |                            |                |             |   | \$1,604,723 |

Note: All dollar figures include centrally appropriated items such as medical insurance and workers' compensation, as well as allocations for the Taxation Business Group Administration section and Departmental support. All figures are based on a cost accounting study of Central Department Operations and the Taxation Business Group conducted by an independent consultant from March 2011 to May 2011.





| Schedule 13<br>Funding Request for the 2012 Budget Cycle       |              |   |  |   |   |   |
|--|--------------|---|--|---|---|---|
| Department:  |              | Revenue   |  |   |   |   |
| Request Title:   |              | Fleet Replacement   |  |   |   |   |
| Priority Number:   |              | NP-1  |  |   |   |   |
| Dept. Approval by:   |              | <i>Barbara Buehl</i> 10/20/11<br>Date   |  | <input checked="" type="checkbox"/> Decision Item FY 2012-13<br><input type="checkbox"/> Base Reduction Item FY 2012-13<br><input type="checkbox"/> Supplemental FY 2011-12<br><input type="checkbox"/> Budget Amendment FY 2012-13 |   |   |
| OSPB Approval by:  |              | <i>Paul M. ...</i> 10/20/11<br>Date   |  |   |   |   |
| Line Item Information  |              | FY 2011-12  |  | FY 2012-13  |   | FY 2013-14                                |
|  | Fund         | 1<br>Appropriation<br>FY 2011-12  | 2<br>Supplemental<br>Request<br>FY 2011-12 | 3<br>Base Request<br>FY 2012-13   | 4<br>Funding<br>Change<br>Request<br>FY 2012-13 | 6<br>Continuation<br>Amount<br>FY 2013-14 |
| <b>Total of All Line Items</b>                                 | <b>Total</b> | 527,422   | -  | 527,422   | 202,148   | 202,148                                   |
|  | <b>FTE</b>   | -   | -  | -   | -   | -   |
|  | <b>GF</b>    | 91,775  | -  | 132,334   | 35,563  | 35,563                                    |
|  | <b>GFE</b>   | -   | -  | -   | -   | -   |
|  | <b>CF</b>    | 382,521   | -  | 341,962   | 167,448   | 167,448                                   |
|  | <b>HUTF</b>  | 53,126  | -  | 53,126  | (864)   | (864)                                     |
|  | <b>FF</b>    | -   | -  | -   | -   | -   |
| <b>(1) Executive Director's Office, Vehicle Lease Payments</b> | <b>Total</b> | 527,422   | -  | 527,422   | 202,148   | 202,148                                   |
|  | <b>FTE</b>   | -   | -  | -   | -   | -   |
|  | <b>GF</b>    | 91,775  | -  | 132,334   | 35,563  | 35,563                                    |
|  | <b>CF</b>    | 382,521   | -  | 341,962   | 167,448   | 167,448                                   |
|  | <b>HUTF</b>  | 53,126  | -  | 53,126  | (864)   | (864)                                     |
|  | <b>FF</b>    | -   | -  | -   | -   | -   |
| Letternote Text Revision Required for FY 2011-12?              |              | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>   |  |   |   |   |
| Letternote Text Revision Required for FY 2012-13?              |              | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>   |  |   |   |   |
| Cash or Federal Fund Name and COFRS Fund Number:               |              | Auto Dealers License Fund 192, Liquor Enforcement Division and State Licensing Authority Cash Fund 236, Limited Gaming Fund 401, Automobile Inspection and Readjustment Account 405, Colorado State Titling and Registration Account 405, Driver's License Administrative Revocation Account 405, Highway Users Tax Fund 405, Licensing Services Cash Fund 437, State Lottery Fund 503, Medical Marijuana License Cash Fund 15Z, Racing Cash Fund 16V |  |   |   |   |
| Reappropriated Funds Source, by Department and Line Item Name: |              |   |  |   |   |   |
| Approval by OIT?   |              | Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>   |  | Not Required: <input checked="" type="checkbox"/>   |   |   |
| Schedule 13s from Affected Departments:                        |              | Department of Personnel   |  |   |   |   |
| Other Information:   |              |   |  |   |   |   |