

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Revenue
Request Title: Executive Director's Office Realignment
Priority Number: R-4

Dept. Approval by: Brian J. Burke 10/22/12
Date
OSPb Approval by: Erin H. Burke 10/26/12
Date

☒ Decision Item FY 2013-14
☐ Base Reduction Item FY 2013-14
☐ Supplemental FY 2012-13
☐ Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
	Fund	1 Appropriation FY 2012-13	2 Supplemental Request FY 2012-13	3 Base Request FY 2013-14	4 Funding Change Request FY 2013-14	6 Continuation Amount FY 2014-15
Total of All Line Items	Total	-	-	68,723,743	367,281	367,281
	FTE	-	-	959.9	-	-
	GF	-	-	25,206,083	(257,623)	(257,623)
	CF	-	-	42,621,150	257,623	257,623
	HUTF	-	-	17,543	-	-
	RF	-	-	878,967	367,281	367,281
(1) Executive Director's Office; Personal Services	Total	-	-	3,797,362	1,689,556	1,689,556
	FTE	-	-	43.4	20.5	20.5
	GF	-	-	1,103,954	573,295	573,295
	CF	-	-	2,126,608	882,633	882,633
	HUTF	-	-	-	-	-
	RF	-	-	566,800	233,628	233,628
(1) Executive Director's Office; Operating Expenses	Total	-	-	1,119,959	46,135	46,135
	FTE	-	-	-	-	-
	GF	-	-	481,434	46,135	46,135
	CF	-	-	638,525	-	-
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(2) Central Department Operations; Personal Services	Total	-	-	5,300,755	(490,831)	(490,831)
	FTE	-	-	97.3	(6.0)	(6.0)
	GF	-	-	4,595,380	(343,318)	(343,318)
	CF	-	-	660,275	(114,532)	(114,532)
	HUTF	-	-	-	-	-
	RF	-	-	45,100	(32,981)	(32,981)
(2) Central Department Operations; Operating Expenses	Total	-	-	1,283,311	(11,860)	(11,860)
	FTE	-	-	-	-	-
	GF	-	-	1,135,175	(11,860)	(11,860)
	CF	-	-	148,136	-	-
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
(4) Taxation Business Group; (A) Administration, Personal Services	Total	-	-	557,305	(64,215)	(64,215)
	FTE	-	-	6.0	(1.0)	(1.0)
	GF	-	-	554,762	(63,343)	(63,343)
	CF	-	-	2,543	(872)	(872)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(4) Taxation Business Group; (A) Administration, Operating Expenses	Total	-	-	14,050	(950)	(950)
	FTE	-	-	-	-	-
	GF	-	-	14,050	(950)	(950)
	CF	-	-	-	-	-
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(4) Taxation Business Group; (B) Taxation and Compliance Division, Personal Services	Total	-	-	15,799,458	(442,639)	(442,639)
	FTE	-	-	224.3	(5.2)	(5.2)
	GF	-	-	15,593,283	(442,639)	(442,639)
	CF	-	-	52,090	-	-
	HUTF	-	-	-	-	-
	RF	-	-	154,085	-	-
(4) Taxation Business Group; (B) Taxation and Compliance Division, Operating Expenses	Total	-	-	1,054,468	(11,840)	(11,840)
	FTE	-	-	-	-	-
	GF	-	-	1,044,002	(11,840)	(11,840)
	CF	-	-	10,466	-	-
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(5) Division of Motor Vehicles; (A) Administration, Personal Services	Total	-	-	765,538	135,211	135,211
	FTE	-	-	8.5	1.0	1.0
	GF	-	-	22,444	4,772	4,772
	CF	-	-	743,094	130,439	130,439
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(5) Division of Motor Vehicles; (A) Administration, Operating Expenses	Total	-	-	51,400	950	950
	FTE	-	-	-	-	-
	GF	-	-	1,507	75	75
	CF	-	-	49,893	875	875
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Personal Services	Total	-	-	17,053,087	(600,329)	(600,329)
	FTE	-	-	361.2	(7.3)	(7.3)
	GF	-	-	593,398	-	-
	CF	-	-	16,442,146	(600,329)	(600,329)
	HUTF	-	-	17,543	-	-
	RF	-	-	-	-	-
(5) Division of Motor Vehicles; (B) Driver and Vehicle Services, Operating Expenses	Total	-	-	1,721,537	(20,535)	(20,535)
	FTE	-	-	-	-	-
	GF	-	-	38,045	-	-
	CF	-	-	1,683,492	(20,535)	(20,535)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
(7) Enforcement Business Group; (A) Administration, Personal Services	Total	-	-	629,903	19,633	19,633
	FTE	-	-	8.0	-	-
	GF	-	-	28,080	(7,781)	(7,781)
	CF	-	-	491,088	(136,072)	(136,072)
	HUTF	-	-	-	-	-
	RF	-	-	110,735	163,486	163,486
(7) Enforcement Business Group; (A) Administration, Operating Expenses	Total	-	-	12,780	-	-
	FTE	-	-	-	-	-
	GF	-	-	569	(169)	(169)
	CF	-	-	9,964	(2,979)	(2,979)
	HUTF	-	-	-	-	-
	RF	-	-	2,247	3,148	3,148
(7) Enforcement Business Group; (B) Limited Gaming Division, Personal Services	Total	-	-	6,784,591	(131,791)	(131,791)
	FTE	-	-	85.4	(1.0)	(1.0)
	GF	-	-	-	-	-
	CF	-	-	6,784,591	(131,791)	(131,791)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(7) Enforcement Business Group; (B) Limited Gaming Division, Operating Expenses	Total	-	-	1,332,689	(950)	(950)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	-	-	1,332,689	(950)	(950)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(7) Enforcement Business Group; (B) Limited Gaming Division, Indirect Cost Assessment	Total	-	-	672,936	253,700	253,700
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	-	-	672,936	253,700	253,700
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(7) Enforcement Business Group; (E) Division of Racing Events, Personal Services	Total	-	-	1,124,123	(63,384)	(63,384)
	FTE	-	-	8.7	(1.0)	(1.0)
	GF	-	-	-	-	-
	CF	-	-	1,124,123	(63,384)	(63,384)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(7) Enforcement Business Group; (E) Division of Racing Events, Operating Expenses	Total	-	-	222,577	(950)	(950)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	-	-	222,577	(950)	(950)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-
(8) State Lottery Division; Personal Services	Total	-	-	8,881,413	(51,211)	(51,211)
	FTE	-	-	117.1	-	-
	GF	-	-	-	-	-
	CF	-	-	8,881,413	(51,211)	(51,211)
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
(8) State Lottery Division; Indirect Cost Assessment	Total	-	-	544,501	113,581	113,581
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	CF	-	-	544,501	113,581	113,581
	HUTF	-	-	-	-	-
	RF	-	-	-	-	-

Letternote Text Revision Required? Yes: ☒ No: ☐ If yes, describe the Letternote Text Revision:

Cash Fund: Please see Appendix A.

Reappropriated Fund: Please see Appendix A.

Cash or Federal Fund Name and COFRS Fund Number: Various

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

John W. Hickenlooper
Governor

FY 2013-14 Funding Request
November 1, 2012

Barbara J. Brohl
Executive Director

Barbara J. Brohl

10/22/12

Signature

Date

Department Priority: R-4

Request Title: Executive Director's Office Realignment

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Executive Director's Office Realignment	\$367,281	(\$257,623)	\$257,623	\$367,281	0.0

Request Summary:

The Department requests to realign 24.5 FTE and refinance them through the indirect cost model resulting in no net increase to total FTE and a net savings of \$257,623 General Fund. The request transfers 20.5 FTE to the Executive Director's Office (EDO) and 4.0 FTE to various divisions' administration lines to allow the Department to maximize the utilization of existing resources in order to meet current and future operational needs.

Problem or Opportunity:

The Department is limited in its ability to allocate and assign centralized resources effectively and efficiently to meet current and future operational needs of the Department.

Brief Background:

The EDO is appropriated 43.4 FTE in FY 2012-13 and consists of operations that support the entire Department of Revenue including Accounting and Financial Services, Central Budget Office, Purchasing and Contract Services, Human Resources, Office of Research and Analysis, Internal Audit, Public Information, and Project Management. Historically, there have been a number of positions that support these

operations of which the FTE and funding are appropriated in other divisions of the Department.

While the current organizational structure is functional, it is not an optimal utilization of the Department's limited resources. This structure prevents the Department from utilizing its resources to respond more effectively to emergencies, uneven workloads, and changing priorities.

Proposed Solution:

This request would allow the Department to maximize its resources by assigning specific positions to the EDO that provide Department-wide services. The request also refinances the costs of these positions through the indirect cost model thereby allocating the costs proportionally across all programs and funding sources. This realignment would allow the Department to more efficiently manage these centralized resources to meet the operational needs of the entire Department. In addition, the request provides the Department transparency on how resources are being utilized to best support its mission and vision.

Alternatives:

There are no viable alternatives to this request that would accomplish the goal of maximizing the utilization of the Department's limited resources.

Anticipated Outcomes:

This request would realign 24.5 FTE, primarily in EDO, and refinance them through the indirect cost model. The proposed realignment of FTE in the Department is shown in Appendices B and C and affects the following areas:

- **Project Management:** The Project Management Office is responsible for managing Department-wide projects from inception to completion. Currently, there are over 160 projects that have been prioritized and over 50 projects that have been selected for implementation. There are a total of 6.0 FTE in the Project Management Office, of which 4.0 FTE are appropriated and funded in other divisions of the Department. Centralizing these positions in the Project Management Office and funding them through the indirect cost model allows the Department to assign the staff based on project priority rather than funding source.
- **Accounting and Financial Services, Revenue Accounting:** This section is primarily responsible for the collection, reconciliation, and distribution of revenue on behalf of the State of Colorado. There are 6.0 FTE that are appropriated and funded in other divisions of the Department, but report to the Department's Revenue Accounting Controller located in the EDO. Centralization of these positions would allow the Department to allocate staff more effectively rather than by funding source. For example, the new GenTax System, which replaced the Department's revenue accounting system, and the new licensing system used by the Enforcement Business Group have impacted the workload of the revenue accounting section. The Department would like to reassign accounting duties but is constrained due to the current funding structure.
- **Human Resources:** The service areas of this program include the following: 1) recruitment, selection, and placement; 2) compensation and benefits; 3) performance evaluation and management; 4) training and organizational development; and 5) risk management. There are 3.5 FTE that are appropriated and funded in other divisions of the Department, but report to the Human Resources Director located in the EDO. These positions can only work on personnel activities that relate to the program from which they are funded. As a result, there are times when one staff may be backlogged with multiple personnel actions while another may only have a few. This causes a disparity in workload and may cause unnecessary delays in divisions where multiple personnel actions are pending.
- **Purchasing and Contract Services:** The purpose of this section is to prepare solicitations, contracts, and leases. There are 2.0 FTE that perform purchasing and contract duties, but are appropriated and funded in other divisions' administration lines in the Long Bill. Incorporating these positions in the indirect cost model will allow the Department to utilize the positions more effectively due to uneven purchasing and contract workloads across divisions.
- **Buildings Management:** There are 4.0 FTE that provide support for facility management, safety, and security and are appropriated and funded in other divisions. These positions are responsible for managing nearly 50 leases statewide as well as planning for the maintenance and capital improvements of state-owned facilities, space planning, conducting background checks, issuing identification badges, conducting safety training and drills, and implementing the continuity of operations plan.
- **Other EDO Staff:** The Deputy Director is currently funded in another division, but

provides support Department-wide. This request incorporates 1.0 FTE and the cost in the indirect cost model to reflect the support this position provides to the Department on behalf of the Executive Director.

- In addition to realignment of positions within EDO administration, the Department also requests realignment of 4.0 FTE from program personal services lines to division administration lines. This realignment would reflect the current reporting structure and allow division administration to assign staff more efficiently to assist when there are vacancies and changes in workload.

Assumptions for Calculations:

This request has no net impact on funding or staffing levels. However, the redistribution of funding does increase the net impact to cash funds within the Department as well as reappropriated funds. All reappropriated funds are double counted as cash funds due to the line items in the Department's Long Bill that show Indirect Cost Assessment in both the Lottery and Gaming Divisions. Existing FTE are being transferred at current salaries to the Executive Director's Office and to divisions' administration line items to realign the positions with the appropriate reporting structures and to refinance their costs through the Department's indirect cost model. The calculations for this request are shown in Appendix A.

If this request is approved, the FTE in the Executive Director's Office would total 63.9 FTE, which is 5.11% of the Department's total FTE of 1,250.3. This is comparable to the average of 12 other state departments whereby the administrative FTE identified in their EDO

represents 4.50% of the total FTE in the department (please see Appendix D for calculations).

Consequences if not Funded:

Without realigning the Executive Director's Office, the Department is limited in its ability to allocate and assign resources effectively and efficiently to meet current and future operational needs of the Department.

Relation to Performance Measures:

This request supports the Department's goal of Customer Service-be respectful to customers by providing processes that are clear, simple, timely, and convenient; and Fiduciary Responsibility-provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

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. No statutory change is necessary to implement this request.