

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: Annual Fleet Vehicle Request

Priority Number: NP-1

Dept. Approval by:

Barbara Brode 10/8/13
Date

OSPB Approval by:

Jeff N. Smith 10/22/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
	Fund	1 Appropriation FY 2013-14	2 Supplemental Request FY 2013-14	3 Base Request FY 2014-15	4 Funding Change Request FY 2014-15	5 Continuation Amount FY 2015-16
Total of All Line Items	Total	567,407	-	567,407	52,439	52,439
	FTE	-	-	-	-	-
	GF	138,954	-	138,954	24,777	24,777
	GFE	-	-	-	-	-
	CF	428,453	-	428,453	27,662	27,662
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Vehicle Lease Payments	Total	567,407	-	567,407	52,439	52,439
	FTE	-	-	-	-	-
	GF	138,954	-	138,954	24,777	24,777
	GFE	-	-	-	-	-
	CF	428,453	-	428,453	27,662	27,662
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☐ No: ☒ Not Required: ☐

Schedule 13s from Affected Departments: Department of Personnel and Administration

Other Information:

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: Secure Colorado Phase II

Priority Number: NP-2

Dept. Approval by: Barbara Burke 10/24/13
 Date

OSPB Approval by: [Signature] 10/28/13
 Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	170,410	170,410
	FTE	-	-	-	-	-
	GF	-	-	-	114,582	114,582
	GFE	-	-	-	-	-
	CF	-	-	-	55,828	55,828
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Payments to OIT (New Line Item)	Total	-	-	-	170,410	170,410
	FTE	-	-	-	-	-
	GF	-	-	-	114,582	114,582
	GFE	-	-	-	-	-
	CF	-	-	-	55,828	55,828
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☒ No: ☐ Not Required: ☐

Schedule 13s from Affected Departments: Governor's Office of Information Technology

Other Information:

Schedule 13

Funding Request for the 2014-15 Budget Cycle

Department: Revenue
 Request Title: Capitol Complex Network Resiliency
 Priority Number: NP-3

Dept. Approval by: Barbara Buckle 10/24/13
 Date

OSPB Approval by: Erin M. Hall 10/24/13
 Date

- ☒ Decision Item FY 2014-15
- ☐ Base Reduction Item FY 2014-15
- ☐ Supplemental FY 2013-14
- ☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	27,432	3,949
	FTE	-	-	-	-	-
	GF	-	-	-	18,445	2,655
	GFE	-	-	-	-	-
	CF	-	-	-	8,987	1,294
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Payments to OIT (New Line Item)	Total	-	-	-	27,432	3,949
	FTE	-	-	-	-	-
	GF	-	-	-	18,445	2,655
	GFE	-	-	-	-	-
	CF	-	-	-	8,987	1,294
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☒ No: ☐ Not Required: ☐

Schedule 13s from Affected Departments: Governor's Office of Information Technology

Other Information:

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: IT Service Management Ecosystem

Priority Number: NP-4

Dept. Approval by:

Barbara Burke 10/24/13
Date

OSPB Approval by:

Erin M. L. L. 10/28/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	450,217	84,049
	FTE	-	-	-	-	-
	GF	-	-	-	302,723	56,514
	GFE	-	-	-	-	-
	CF	-	-	-	147,494	27,535
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Payments to OIT (New Line Item)	Total	-	-	-	450,217	84,049
	FTE	-	-	-	-	-
	GF	-	-	-	302,723	56,514
	GFE	-	-	-	-	-
	CF	-	-	-	147,494	27,535
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required?

Yes: ☐

No: ☒

If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT?

Yes: ☒

No: ☐

Not Required: ☐

Schedule 13s from Affected Departments:

Governor's Office of Information Technology

Other Information:

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: DTRS Operations Increase

Priority Number: NP-5

Dept. Approval by: Barbara Brohl 10/24/13
Date

OSPB Approval by: Eric Hill 10/28/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	13,547	13,547
	FTE	-	-	-	-	-
	GF	-	-	-	1,187	1,187
	GFE	-	-	-	-	-
	CF	-	-	-	12,360	12,360
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Payments to OIT (New Line Item)	Total	-	-	-	13,547	13,547
	FTE	-	-	-	-	-
	GF	-	-	-	1,187	1,187
	GFE	-	-	-	-	-
	CF	-	-	-	12,360	12,360
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☒ No: ☐ Not Required: ☐

Schedule 13s from Affected Departments: Governor's Office of Information Technology

Other Information:

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue
 Request Title: IT Technical Development
 Priority Number: NP-6

Dept. Approval by: Barbara Buhl 10/24/13
 Date

OSPB Approval by: Erin M. L. 10/24/13
 Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
	Fund	1 Appropriation FY 2013-14	2 Supplemental Request FY 2013-14	3 Base Request FY 2014-15	4 Funding Change Request FY 2014-15	5 Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	36,035	36,035
	FTE	-	-	-	-	-
	GF	-	-	-	24,230	24,230
	GFE	-	-	-	-	-
	CF	-	-	-	11,805	11,805
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Payments to OIT (New Line Item)	Total	-	-	-	36,035	36,035
	FTE	-	-	-	-	-
	GF	-	-	-	24,230	24,230
	GFE	-	-	-	-	-
	CF	-	-	-	11,805	11,805
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various Sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☒ No: ☐ Not Required: ☐

Schedule 13s from Affected Departments: Governor's Office of Information Technology

Other Information:

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue
 Request Title: DMV Funding Deficit
 Priority Number: R-1

Dept. Approval by: Barbara Broke 10/24/13 Date
 OSPB Approval by: Erin Kelly 10/28/13 Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	17,025,678	-	17,626,964	2,300,000	-
	FTE	354.1	-	359.8	-	-
	GF	1,003,834	-	660,832	6,200,000	-
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	(3,900,000)	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Personal Services	Total	17,025,678	-	17,626,964	2,300,000	-
	FTE	354.1	-	359.8	-	-
	GF	1,003,834	-	660,832	6,200,000	-
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	(3,900,000)	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

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:



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-1

Request Detail: DMV Funding Deficit

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund	Cash Fund
DMV Funding Deficit	\$2,300,000	\$6,200,000	(\$3,900,000)

Problem or Opportunity:

The Division of Motor Vehicles (DMV) lacks sufficient revenue to support its Long Bill appropriation. Based upon revenue projections for the Licensing Services Cash Fund (LSCF), a structural deficit is projected to persist in the fund. The LSCF is financed with driver license and identification document fees and special plate fees and supports DMV administration, driver license program, driver control program, and the investigations unit.

Prior to the 2007 legislative session, the DMV was financed with General Fund. In the 2007 session, SB 07-241 was signed into law authorizing the creation of the Licensing Services Cash Fund to pay the cost of administration, personal services, and operating expenses incurred in the operation of driver license offices. The bill increased driver license fees from \$15.00 to \$20.40 (not including the \$0.60 security fee), of which \$5.40 was credited to the LSCF and \$15.00 was credited to the Highway Users Tax Fund (HUTF). Additionally, the bill mandated a \$25 surcharge on special license plates to be credited to the LSCF and specified that all revenue credited to the LSCF would remain in the fund and not revert to the General Fund or any other fund.

Since that time, the cash financing of driver license operations has been extended through three separate bills. During the 2009 legislative session two bills passed impacting the LSCF. SB 09-274 mandated that the entire \$20.40 fee relating to driver licenses and identification cards be credited to the LSCF in FY 2009-10 to support driver license services and SB 09-279 required \$2,589,894 be transferred from the LSCF to the General Fund on June 15, 2010. HB 10-1387 extended the financing to FY 2010-11 and FY 2011-12 and also mandated that the LSCF fund balance in excess of 16.5 percent of the total appropriation be swept to the HUTF. In FY 2010-11, \$2,095,728 was swept to the HUTF. And lastly, HB 12-1216 extended the cash financing of the DMV for three more years from FY 2012-13 through FY 2014-15 after which time the current financing structure expires.

SB 05-047 changed the renewal cycle for a driver license from 10 years to 5 years. As shown in Appendix A, revenue increased significantly in FY 2009-10 to reflect the impact of SB 09-274 and the shift from a 10-year to a 5-year license renewal cycle. The residual revenue generated from changing the renewal cycle

occurs through FY 2011-12 at which time the revenue begins to stabilize. Conversely, the LSCF appropriation continues to increase at a much faster rate causing a negative change to the fund balance in FY 2012-13 of -\$875,776. This problem is exacerbated in FY 2013-14 when revenue is projected to decline 2.28 percent while the appropriation is projected to increase 10.67 percent causing a change in the fund balance of nearly -\$4.4 million. The increase in the appropriation is mainly due to personnel and information technology-related costs. The LSCF structural deficits are projected to occur in FY 2014-15 and thereafter as revenue and spending authority are expected to change little.

To further challenge the LSCF, driver license and identification fees have not increased since 2007 nor has the fund received a General Fund subsidy to keep pace with its appropriation. Unlike the Department's other cash funds, the DMV does not have fee setting authority to adjust fees to support its authorized spending. Consequently, over time fees do not keep pace with spending authority creating an ongoing structural deficit in the LSCF. In order to align expenditures with revenues, the DMV has to drastically reduce spending and postpone implementation of various initiatives. Delaying the filling of vacant Driver License Examiner positions, for example, has a direct impact on the provision of customer service at driver license offices creating longer wait times and unsatisfied customers. Other initiatives such as creating model driver license offices to streamline and enhance customer flow are postponed due to insufficient funding as well as upgrades and improvements to other driver license offices.

In the 2014 legislative session, the Department plans to provide a financing strategy for driver and vehicle services that includes both budget and legislative initiatives. This request aligns with the Department's other budget requests including R-2 DMV Customer Service Enhancements, R-3 DMV Driver License Examiner Reclassification, and R-5 DMV Appropriation Restructure. These requests not only support a financing plan to provide adequate resources to implement these initiatives, but also support the DMV's strategic plan to streamline operations and increase effectiveness in serving customers in the most efficient manner possible in order to achieve an elegant experience for both customers and employees. The DMV developed a five-year strategic plan that provides a roadmap for the division to achieve higher levels of performance and attain a vision of having a high performing team with dedicated employees driving toward excellence in customer service, identity security, and public safety. The DMV strategic plan aligns with the Department's plan and its five goals of customer service, fiduciary responsibility, statutory responsibility, employees, and public confidence.

Proposed Solution:

The Department requests a one-time General Fund appropriation totaling \$6,200,000 in FY 2014-15 with a corresponding decrease of \$3,900,000 cash funds of which \$3,900,000 is to finance the structural deficit in the LSCF and \$2,300,000 is to ensure the equivalent of one month of expenditures in reserve.

Appendix B shows the cash flow per the Schedule 9 for the LSCF. In FY 2013-14, the gap between projected revenue and the appropriation is -\$4,379,536. Since the LSCF cannot end the fiscal year in a deficit, the DMV has to significantly reduce its spending by nearly \$1.4 million assuming use of the entire LSCF cash fund balance of nearly \$3.0 million or reduce its spending by \$4.4 million assuming the fund balance is maintained. This request totals \$2,300,000 General Fund to ensure the equivalent of one month of expenditures in reserve assuming that most of the existing fund balance would be utilized to support driver and vehicle service operations in FY 2013-14. Despite the request to maintain a fund balance, it is still \$2.6 million below the reserve requirement of \$4,912,805 for FY 2014-15. The reserve requirement for the LSCF is 16.5 percent of the total appropriation.

Additionally this request seeks a one-time appropriation of \$3,900,000 General Fund to finance the structural deficit in the LSCF as projected in FY 2014-15. As Appendix B shows, the gap between the LSCF appropriation and revenue totals -\$3,858,324. Since the fees that support driver license operations are delineated in state statutes, without a statutory change to increase fees the DMV has to either significantly reduce expenditures or seek General Funds.

Anticipated Outcomes:

The DMV Long Bill appropriation is the spending authority needed to support driver and vehicle services as approved by the General Assembly. In FY 2014-15, the DMV would need to reduce expenditures by nearly \$3.9 million in order to align spending with revenue projections as shown in Appendix B. The consequences of this reduction would be catastrophic to driver license services. To put this problem into perspective, 138 Driver License Examiner positions of the 226 positions authorized would need to be eliminated or 7 of 36 offices would need to be closed to generate the necessary savings. These actions would dramatically increase customer wait times, inconvenience, travel time, and dissatisfaction resulting in a poor customer experience. This is also contrary to both the Department's and the DMV's strategic goals.

The anticipated outcome of financing the \$3.9 million gap between the LSCF appropriation and revenue with a one-time appropriation from the General Fund would provide a predictable funding source to supplement existing fees. Fully funding the appropriation would allow the DMV to fill all of its authorized positions, implement plans to upgrade driver license offices, and invest in technological enhancements to further reduce wait times and promote customer convenience.

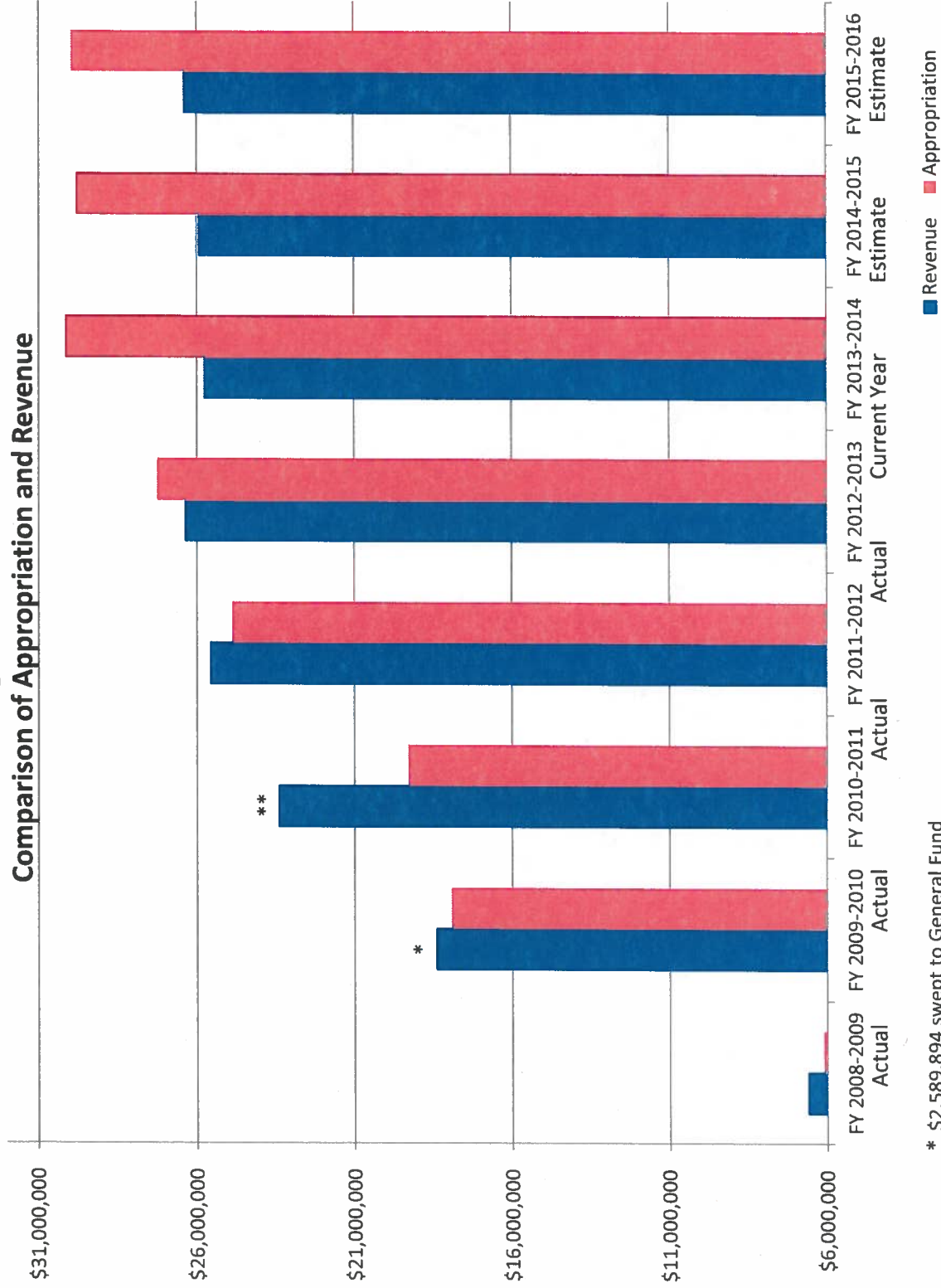
Ensuring a fund balance in the LSCF of \$2.3 million in FY 2014-15, which is equivalent to one month expenditures, would enable the fund to meet unexpected expenditures or emergencies. Although the fund balance is still \$2.6 million below the reserve requirement, it would be sufficient until a permanent financing plan could be developed for the DMV. HB 12-1216 extended the financing of driver license operations for three years by authorizing the collection of fees from the issuance of driver license and identification documents be deposited in the LSCF from FY 2012-13 through FY 2014-15. After that time, the Legislature would need to determine the appropriate financing structure of the DMV.

Assumptions and Calculations:

The Department requests \$6,200,000 General Fund with a corresponding decrease of \$3,900,000 cash funds in FY 2014-15 to fund personal services in the (5) Division of Motor Vehicles, (B) Driver and Vehicle Services. Of this amount, \$3,900,000 is to fund the gap between the appropriation and revenue in the LSCF and \$2,300,000 is to ensure a fund balance in the LSCF equivalent to one month expenditures. This request is for a one-time General Fund appropriation for FY 2014-15 only.

The current financing structure of the DMV expires on June 30, 2015 per 42-2-114 C.R.S. At that time a more permanent financing solution would be necessary to ensure that driver and vehicle services are adequately funded in a manner that fully supports the appropriation. This would provide a reliable and sustainable funding source for the DMV to fund its authorized positions and to make critical investments in personnel, technology, and facilities.

Appendix A **Licensing Services Cash Fund** **Comparison of Appropriation and Revenue**



* \$2,589,894 swept to General Fund

** \$2,095,728 swept to HUTF; balance over reserve in FY11

Appendix B
Licensing Services Cash Fund

Cash Flow per the Schedule 9	Amount
FY 2013-14 Beginning Cash Balance	\$2,985,877
FY 2013-14 Revenue Projection	\$25,740,247
FY 2013-14 Appropriation*	\$30,119,783
FY 2013-14 Gap betw Revenue and Appropriation	-\$4,379,536
FY 2014-15 Revenue Projection	\$25,916,254
FY 2014-15 Appropriation*	\$29,774,578
FY 2014-15 Gap betw Revenue and Appropriation	-\$3,858,324

* This reflects total spending authority.

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue
Request Title: DMV-Customer Service Enhancements
Priority Number: R-2

Dept. Approval by:

Barbara B. Stahl 10/24/13
Date

OSPB Approval by:

Eric H. Stahl 10/25/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
	Fund	1 Appropriation FY 2013-14	2 Supplemental Request FY 2013-14	3 Base Request FY 2014-15	4 Funding Change Request FY 2014-15	5 Continuation Amount FY 2015-16
Total of All Line Items	Total	32,061,981	-	33,894,352	4,168,025	2,603,885
	FTE	354.1	-	359.8	52.0	52.0
	GF	6,046,204	-	6,031,094	4,168,025	2,603,885
	GFE	-	-	-	-	-
	CF	25,659,011	-	27,324,416	-	-
	RF	356,766	-	538,842	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Health, Life, and Dental	Total	8,697,950	-	9,022,082	538,200	538,200
	FTE	-	-	-	-	-
	GF	3,196,136	-	3,250,912	538,200	538,200
	GFE	-	-	-	-	-
	CF	5,290,380	-	5,462,539	-	-
	RF	211,434	-	308,631	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Short-term Disability	Total	124,678	-	151,354	2,930	2,930
	FTE	-	-	-	-	-
	GF	49,027	-	57,044	2,930	2,930
	GFE	-	-	-	-	-
	CF	71,747	-	87,955	-	-
	RF	3,904	-	6,355	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, S.B. 04-257 Amortization Equalization Disbursement	Total	2,371,750	-	2,773,226	61,695	67,864
	FTE	-	-	-	-	-
	GF	925,665	-	1,044,383	61,695	67,864
	GFE	-	-	-	-	-
	CF	1,371,622	-	1,613,304	-	-
	RF	74,463	-	115,539	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(1) Executive Director's Office, S.B. 04-257 Supplemental Amortization Equalization Disbursement	Total	2,137,964	-	2,599,900	57,840	65,552
	FTE	-	-	-	-	-
	GF	832,729	-	979,110	57,840	65,552
	GFE	-	-	-	-	-
	CF	1,238,270	-	1,512,473	-	-
	RF	66,965	-	108,317	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Personal Services	Total	17,025,678	-	17,626,964	1,721,301	1,721,301
	FTE	354.1	-	359.8	52.0	52.0
	GF	1,003,834	-	660,832	1,721,301	1,721,301
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Operating	Total	1,703,961	-	1,720,826	1,786,059	208,038
	FTE	-	-	-	-	-
	GF	38,813	-	38,813	1,786,059	208,038
	GFE	-	-	-	-	-
	CF	1,665,148	-	1,682,013	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<p>Letternote Text Revision Required? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> If yes, describe the Letternote Text Revision:</p> <p>Cash or Federal Fund Name and COFRS Fund Number:</p> <p>Reappropriated Funds Source, by Department and Line Item Name:</p> <p>Approval by OIT? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> Not Required: <input type="checkbox"/></p> <p>Schedule 13s from Affected Departments:</p> <p>Other Information:</p>						



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-2

Request Detail: DMV Customer Service Enhancements

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
DMV Customer Service Enhancements	\$4,168,025	\$4,168,025

Problem or Opportunity:

The Division of Motor Vehicles (DMV) lacks sufficient staff to support the issuance of driver licenses and identification cards to Colorado citizens in a timely manner creating a substandard customer experience and low customer satisfaction. Currently, there are 226 Driver License Examiner (DLE) positions to staff 36 state-operated driver license offices. Of these, 15 offices issued 69.9 percent of all documents issued in FY 2012-13. On average, 65 percent of customers visiting a driver license office experience a service time in excess of one hour. This includes wait time and transaction time.

The DMV participated in a Lean process improvement event during the first quarter of 2013. The purpose of this event was to review current business processes, identify inefficiencies, enhance customer service, and provide recommendations for improving service delivery. The objective was to streamline and standardize operating policies and procedures to improve customer service while still maintaining compliance with state and federal regulations, enhance fraud detection, decrease customer wait times, and reduce re-work and issues that negatively impact customers and employees.

As a result of the Lean event, key recommendations were identified. Recommendations were submitted for implementation addressing quick wins, near-term improvements, and long-term changes. While many of the quick and near-term recommendations resulted in changing internal processes to reduce processing times and enhance the customer experience, the long-term recommendations require investments in personnel and technology.

In the 2014 legislative session, the Department plans to provide a financing strategy for driver and vehicle services that includes both budget and legislative initiatives. This request aligns with the Department's other budget requests including R-1 DMV Funding Deficit, R-3 DMV Driver License Examiner Reclassification, and R-5 DMV Appropriation Restructure. These requests not only support a financing plan to provide adequate resources to implement these initiatives, but also support the DMV's strategic plan to streamline operations and increase effectiveness in serving customers in the most efficient manner possible in order to achieve an elegant experience for both customers and employees. The DMV developed a five-year strategic plan that provides a roadmap for the division to achieve higher levels of performance and attain a vision of having a high performing team with dedicated employees driving toward excellence.

in customer service, identity security, and public safety. The DMV strategic plan aligns with the Department's plan and its five goals of customer service, fiduciary responsibility, statutory responsibility, employees, and public confidence.

Proposed Solution:

The Department requests \$2,675,922 General Fund in FY 2014-15, of which \$2,381,966 is for personal services to fund 52.0 FTE and \$293,956 is for operating expenses to support the additional employees with telephones, computers, work space, and supplies. This request annualizes to \$2,445,247 General Fund.

Additionally, the Department requests \$1,492,103 General Fund in FY 2014-15 in operating expenses to purchase and install 86 kiosks to expand the Wait Less queuing and data management technology to 43 driver license offices statewide. This request annualizes to \$158,638 General Fund for ongoing costs to support the Wait Less technology.

This budget request includes a two-pronged approach to enhance customer service in driver license offices by investing in both the personnel and technology. The details of this request are as follows:

Customer Demand Coverage: This initiative, which was identified in the Lean event, provides an additional \$786,889 in personal services to support 18.0 FTE to provide coverage during high volume business hours to help manage workload and reduce wait times for customers. This request provides 48 additional part-time Driver License Examiners I positions at 16 offices to work from 11 AM to 2 PM Monday through Friday. Currently, the offices employ a staggered shift schedule during the lunch period in order to ensure DLEs are available to service the public. However, there is insufficient staff to keep all the work stations operational during this period of time. Consequently, wait times during business hours gradually increase from the time the office opens to the lunch period, with peak wait times occurring between 11:00 AM and 1:00 PM. After this time, wait times gradually decrease until closing. Assigning additional staff during high volume business hours would help to ensure a consistent staffing level to service customers throughout the work day. Appendix A shows average wait and service times in those driver license offices with Wait Less technology.

Driver License Advisors: This initiative provides \$655,740 in personal services and 15.0 FTE to provide concierge-type service and direct customer assistance in the 15 largest driver license offices. These positions would be Driver License Examiner I positions. Currently, there is insufficient staff to consistently assign an advisor without adversely impacting customer wait times. The role of this position is to provide customers with assistance when using the kiosks, validate documents needed to successfully complete transactions, answer questions, and assist with online renewal of driver licenses, when appropriate. In responding through feedback cards, customers have indicated that when available this type of service was extremely helpful during their visits to a driver license office. This initiative was also identified for implementation during the Lean event.

Regional Office Staffing: This initiative provides \$480,876 in personal services and 11.0 FTE to increase the number of Driver License Examiner I positions in regional offices. The four regional offices support the Front Range (Denver Central), northern plains (Fort Collins), southern plains (Colorado Springs), and the western slope (Grand Junction) regions of Colorado. The purpose of this request is to proactively manage staffing levels through a "floating rapid response" capability to fill planned and unplanned absences and vacancies in order to ensure consistent customer service. Having the ability to access this additional staff enables the Regional Managers to immediately respond to staffing shortages more

efficiently and effectively and to address high turnover of DLE positions. Over the last three years, the DLE annual turnover rate is 21.09 percent or 47 positions. The assignment of staff would be based on customer volumes within each region.

Training Enhancements: This request provides \$262,826 in personal services and 4.0 FTE to hire Program Assistant II positions as trainers to provide support to each Regional Manager. These positions would provide the necessary training management and oversight to ensure standardized processes and procedures across all driver license offices. Currently, it takes six months of on the job training for a new DLE position. Given the average number of DLE positions that turnover on an annual basis of 47, it takes 282 months to train 47 new DLE positions each year. This initiative would allow the Regional Managers to spend more time servicing the public and less time supporting the daily training needs of the staff.

Office Hours Expansion: This request as identified in the Lean event provides \$195,635 in personal services and 4.0 FTE to support the expansion of office hours in one driver license office in the Denver metropolitan area. The purpose of this request is to spread the current demand for driver services across more hours of operation in order to reduce customer wait times. The Department plans to conduct an analysis of the impact of this initiative on resources and customer wait times and determine what funds are needed to implement this project in other driver license offices. This request would be addressed through the annual budget process as appropriate.

Wait Less Expansion: This request provides \$1,492,103 in operating expenses in FY 2014-15 and \$158,638 each year thereafter to expand the Wait Less queuing and data management technology to 43 driver license offices including 23 state and 20 county-operated offices at a cost of \$34,700 per office. This includes purchasing and installing two kiosks, two media players, and two tablets per office. Appendix B summarizes the cost components of this request. The purpose of this system is to reduce customer wait times by providing an office management system to measure and manage the efficiency and effectiveness of driver license operations. The system collects vital data regarding wait times and transaction times, provides statistical information to improve office procedures, and provides on-line appointment scheduling. Currently, this system is installed in 13 Front-range offices including Aurora, Boulder, Colorado Springs, Denver Central, Denver NE, Fort Collins, Golden, Greeley, Lakewood, Littleton, Longmont, Northglenn, and Parker.

Anticipated Outcomes:

The goal of these initiatives is to enhance customer service by reducing wait times in driver license offices. Currently, 35 percent of all customers visiting a driver license office experience a service time in excess of one hour, where service includes wait time and transaction time. In total, these initiatives are estimated to reduce customer wait times by nearly 20 minutes and reduce the percentage of customers experiencing a service time of more than one hour to 25 percent. The anticipated outcome of reducing wait times aligns with the Department's strategic plan of providing outstanding quality customer service.

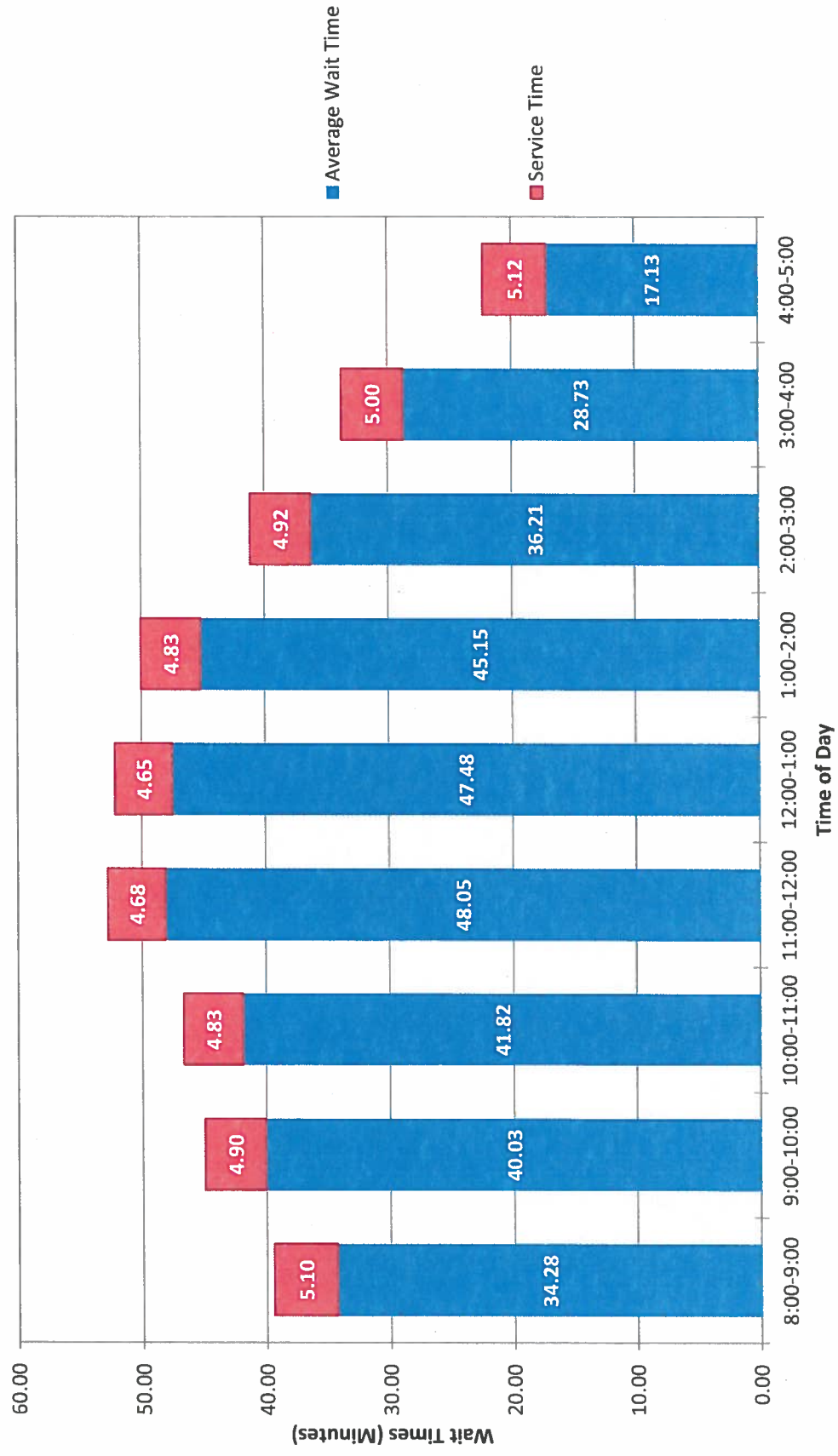
Assumptions and Calculations:

This request seeks additional spending authority in FY 2014-15 and each year thereafter totaling \$2,381,966 General Fund in personal services and \$293,956 General Fund in operating expenses, annualizing to \$2,445,247 General Fund, to finance 52.0 FTE to provide enhanced customer service in driver license offices. Further, this request seeks additional spending authority in FY 2014-15 of

\$1,492,103 General Fund in operating expenses, annualizing to \$158,638 General Fund, to fund the expansion of the Wait Less project to 43 state and county-operated driver license offices.

The Department requests General Funds to finance these initiatives. The Licensing Services Cash Fund (LSCF), which receives revenue from the issuance of driver licenses and identification documents, currently finances driver license operations. However, this fund does not generate sufficient revenue to support these initiatives. HB 12-1216 extended the financing of driver license operations for three years by authorizing the collection of fees from the issuance of driver license and identification documents be deposited in the LSCF from FY 2012-13 through FY 2014-15. After that time, the Legislature will need to determine the appropriate financing structure of the DMV.

Appendix A: **Average Wait and Service Times** **for Wait Less Implemented Driver's License Offices**



APPENDIX B
Wait Less Project Costs

Item	Cost	Quantity/Office	Quantity	Total	Ongoing
Office Configuration	\$10,250	1	43	\$440,750	\$0
Kiosks	\$4,556	2	43	\$391,779	\$0
LCD Televisions	\$870	2	43	\$74,820	\$0
Media Players	\$685	1	43	\$29,455	\$0
Tablet PCs	\$745	2	43	\$64,070	\$0
Switches	\$213	1	43	\$9,159	\$0
Kiosk Brackets	\$52	2	43	\$4,472	\$0
Tablet Cables	\$17	2	43	\$1,465	\$0
Kiosk Paper	\$5	730	43	\$149,730	\$149,730
VGA	\$920	2	43	\$79,102	\$0
Cabling	\$1,418	1	43	\$60,974	\$0
Equipment Install	\$3,576	1	43	\$153,768	\$0
Software	\$757	1	43	\$32,558	\$8,908
Total	\$34,700	1	43	\$1,492,103	\$158,638

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue
Request Title: DMV-Driver License Examiner Reclassification
Priority Number: R-3

Dept. Approval by: *Barbara Drake* 10/24/13
Date
OSPB Approval by: *Earl W. L. L.* 10/24/13
Date

☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	17,025,678	-	17,626,964	837,502	837,502
	FTE	354.1	-	359.8	-	-
	GF	1,003,834	-	660,832	837,502	837,502
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Personal Services	Total	17,025,678	-	17,626,964	837,502	837,502
	FTE	354.1	-	359.8	-	-
	GF	1,003,834	-	660,832	837,502	837,502
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

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:



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-3

Request Detail: DMV Driver License Examiner Reclassification

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
DMV-Driver License Examiner Reclassification	\$837,502	\$837,502

Problem or Opportunity:

The Division of Motor Vehicles (DMV) has 226 positions in the Driver License Examiner (DLE) class series. These positions perform complex and analytical duties, which include examination and investigation of documents and determining the legitimacy of documents per federal and state requirements for issuing a valid driver's license or identification card.

The DMV has historically experienced high turnover rates in the DLE class series. Appendix A shows the number of DLE positions that turnover on an annual basis since FY 2008-09 and the average DLE turnover rate for the last five years. This turnover rate is compared to the classified state workforce and the Department of Revenue average turnover rate for the same period of time per the Annual Workforce Report published by the Department of Personnel and Administration (DPA). As shown, the DLE average turnover rate is 17.61 percent or 40 positions for the last five years. This rate is nearly double the classified state workforce average turnover rate of 9.17 percent or 20 positions and the Department's average turnover rate of 8.90 percent or 19 positions. This problem is even more pronounced in the last three years as the average DLE turnover rate is 21.09 percent or 47 positions.

Excessive turnover rates have a negative impact on customer service. Driver license examiners service the public in the issuance of driver licenses and identification cards. Consequently, high turnover directly contributes to the increase in wait times at driver license offices. Additionally, high turnover impacts the Department's Human Resource Office. Of the 129 vacancies in the Department (per the Annual Workforce Report), 48 or 37.21 percent were DLE positions thereby consuming a substantial amount of staff resources. The time taken by the Department's Human Resources Office on hiring DLE positions negatively impacts the hiring process for other divisions in the Department causing delays in filling positions and affecting service delivery. It is estimated to take approximately six months of on the job training to adequately train a new DLE position. Based on the three-year average annual turnover of 47 DLE positions, this is equivalent to 282 months of training on an annual basis. Significant resources are required to conduct training and to provide management and oversight diverting staff from performing customer service related activities.

In 2009, a system maintenance study of the Driver License Examiner class series was performed by DPA per the request of the Department. Prior to 2009 the last study of the DLE series was conducted in 1993-94 as part of a system-wide study that evaluated all classes in the state's system. The 2009 study resulted only in the realignment of pay grades for the DLE Intern and DLE I. Since that time, the number of DLE positions turning over increased 74.07 percent and has averaged 47 positions each year over the last three years.

In the last year, the Department reengaged DPA to revisit the Driver License Examiner class series due to changes in the work environment, namely the Federal Real ID Act requirements, and persistent recruitment and retention problems. Both Departments agreed that the most prudent option was to take the recommendations of the 2009 study and compare the effectiveness of the results. DPA agreed that the DLE class series should be abolished. Additionally they recommended the Department update job descriptions, reallocate DLE positions to appropriately reflect their current assignments, and agreed that the Technician class series was the most appropriate for DLE I, II, III, and IV positions. The Technician series reflects higher levels of decision making, more complex work requiring advanced analytical and problem solving skills, and enhanced technical and communications skills. The General Professional V classification is the most appropriate for the DLE V positions. The DLE V positions are regional managers and responsible for overseeing multiple driver license offices to ensure compliance with federal and state laws for the testing and licensing of qualified drivers and identification card applicants. Additionally, this staff is responsible for the performance and productivity of each office, assessing training needs of staff, managing staffing levels to ensure maximum coverage, assisting in the recruitment and hiring of new staff, ensuring uniformity of policies and procedures and the application of state and federal laws, conducting audits to ensure document integrity and the deterrence of fraud, resolving customer complaints, addressing facility issues, and monitoring procedures for the accounting of funds.

In the 2014 legislative session, the Department plans to provide a financing strategy for driver and vehicle services that includes both budget and legislative initiatives. This request aligns with the Department's other budget requests including R-1 DMV Budget Deficit, R-2 DMV Customer Service Enhancements, and R-5 DMV Appropriation Restructure. These requests not only support a financing plan to provide adequate resources to implement these initiatives, but also support the DMV's strategic plan to streamline operations and increase effectiveness in serving customers in the most efficient manner possible in order to achieve an elegant experience for both customers and employees. The DMV developed a five-year strategic plan that provides a roadmap for the division to achieve higher levels of performance and attain a vision of having a high performing team with dedicated employees driving toward excellence in customer service, identity security, and public safety. The DMV strategic plan aligns with the Department's plan and its five goals of customer service, fiduciary responsibility, statutory responsibility, employees, and public confidence.

Proposed Solution:

The Department requests \$837,502 General Fund in Personal Services in FY 2014-15 and each year thereafter to fund salary increases associated with reclassifying Driver License Examiner I, II, III, and IV positions to the Technician class series and Driver License Examiner V positions to the General Professional V classification.

Anticipated Outcomes:

The anticipated outcomes of reclassifying Driver License Examiners is to minimize turnover thereby enhancing customer service by reducing wait times in driver license offices, increasing the amount of time

managers spend on more value added activities such as customer service rather than training new hires, and contributing to a more stable, experienced, and knowledgeable workforce.

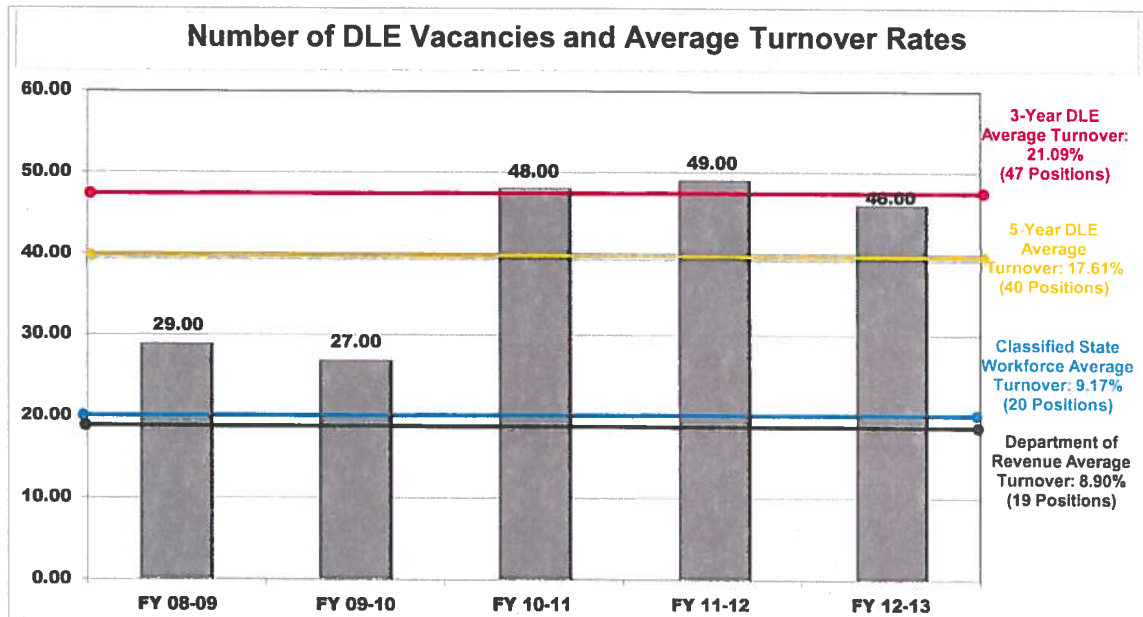
Reclassifying DLE positions to Technician and General Professional classifications would allow the Department to pay employees a higher salary commensurate with the duties performed. It is not unusual for a DLE II, for example, to accept a transfer to an Administrative Assistant II position. Currently, the starting salary for an Administrative Assistant II is \$2,644 (Q1) and the starting salary for a DLE II is \$2,688 (Q1) or 1.66 percent more despite having a significantly higher level of decision making and job complexity. According to the Annual Workforce Report, the turnover rate for Administrative Assistant II positions is 7.26 percent while the turnover rate for DLE positions is nearly three times higher at 21.09 percent.

Assumptions and Calculations:

This request seeks \$837,502 General Fund to reclassify 226 Driver License Examiner positions. Only those positions with salaries that fall below the respective pay ranges for the Technician and General Professional V classifications would be eligible for an increase. It is estimated that 177 DLE positions would receive an average of \$394 more each month.

The Department requests General Fund to finance this initiative. The Licensing Services Cash Fund (LSCF), which receives revenue from the issuance of driver license and identification documents, currently finances driver license operations. However, this fund does not generate sufficient revenue to support these initiatives. HB 12-1216 extended the financing of driver license operations for three years by authorizing the collection of fees from the issuance of driver license and identification documents be deposited in the LSCF from FY 2012-13 through FY 2014-15. After that time, the Legislature will need to determine the appropriate financing structure of the DMV.

Appendix A



Schedule 13

Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: Replace Capitol Annex Cabling

Priority Number: R-4

Dept. Approval by: Barbara Broke 10/24/13
Date

OSPB Approval by: Greg M. Smith 10/28/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	363,162	-	265,656	863,218	-
	FTE	-	-	-	-	-
	GF	183,280	-	258,506	863,218	-
	GFE	-	-	-	-	-
	CF	179,882	-	7,150	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(3) Information Technology Division (A) Systems Support, Personal Services	Total	363,162	-	265,656	863,218	-
	FTE	-	-	-	-	-
	GF	183,280	-	258,506	863,218	-
	GFE	-	-	-	-	-
	CF	179,882	-	7,150	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

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

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:



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-4

Request Detail: Replace Capitol Annex Cabling

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Replace Capitol Annex Cabling	\$863,218	\$863,218

Problem or Opportunity:

The existing data network cabling in the Capitol Annex located at 1375 Sherman Street is Category-3 and was installed in the early 1990s. This cabling is capable of transmitting data at speeds up to 10 megabits per second and is used for voice communications, not high-speed data networking.

The Capitol Annex houses approximately 375 staff including the Executive Director's Office, Taxpayer Services, Tax Auditing and Compliance, Tax Conferee, Central Department Operations, and Office of Information Technology. This staff is significant users of the GenTax system, tax pipeline system, COFRS, and many other critical applications that are an integral part of the Department's daily operations.

Without a comprehensive approach to address the aging data network cabling in the Capitol Annex, the Department will continue to experience noticeable degradation in the utilization of the GenTax system. The speed and the amount of data that can be transmitted do not meet the needs of the users, thereby negatively impacting staff productivity and customer service. In addition, the Department will not be able to take full advantage of the State's investment in the new GenTax system or tax pipeline system and fail to leverage modern IT solutions such as Voice Over Internet Protocol to enhance the delivery of services to the public.

In the FY 2013-14 budget, the Department received over \$3.9 million for server hosting services, hardware and software upgrades, and operations support services. Of this amount, \$558,807 was appropriated to modernize the core data network infrastructure including replacement of switches, routers, and UPS devices at 1375 Sherman and 1881 Pierce. Although the request did not address the replacement of data network cabling, it was identified as a problem at the time. Due to a lack of cost information, the request was postponed until a comprehensive analysis could be performed. This change request addresses the previously identified issues with current cost information.

Additionally, the FY 2013-14 budget included an adjustment to the fund mix of the Leased Space line item to accommodate the move of 25 Colorado Integrated Tax Architecture (CITA) post production staff from the Annex to 455 Sherman where the Marijuana Enforcement Division leases space. The move was a result of the Annex not having sufficient bandwidth to meet the data needs of the users of the GenTax system. The facility at 455 Sherman has Category-5 cabling.

Proposed Solution:

The cost of this one-time request is \$863,218 General Fund to replace the existing Category-3 cabling with Category-5 cabling. This cabling will transmit data at speeds of at least 100 megabits per second or 10 times faster than Category-3 cabling. This is the industry standard for data network cabling and provides stable network connectivity and significantly improves network performance while allowing the Department to maximize its use of new IT systems, applications, and equipment.

The Department utilized the Governor's Office of Information Technology to prepare the project cost estimates. The cost of this project includes contract labor, the removal of the existing Category-3 cabling, installation of the Category-5 cabling, and purchasing and installing ancillary equipment. The project includes removing and replacing the cabling in the basement and all seven floors of the Capitol Annex. To accomplish this task, new fiber optic cable will be installed from the basement to each of the floors by utilizing existing floor and wall penetrations and terminating the fiber in existing closets on each floor. This will allow the Department to install the new infrastructure in these closets rather than in electrical rooms where the current network equipment resides. Power will be installed in each closet for the network equipment. IT racks and ancillary equipment will be purchased and installed in each closet in preparation for the cabling replacement effort.

The project assumes that the work will be performed during non-business hours and Department employees will not have to be relocated to accommodate this project.

Anticipated Outcomes:

The anticipated outcome of this project is increased capacity and data networking speeds at least 10 times faster than what currently exists with Category-3 cabling. For comparison purposes, it would take one hour to download one 4.5 gigabit file from the network utilizing Category-3 cabling. If the network is comprised of Category-5 cabling, it is estimated to take six minutes to download one 4.5 gigabit file from the network. With the planned implementation of the tax pipeline project this year, significant numbers of image files will be traversing the network at the Capitol Annex where most of the GenTax users reside. Upgrading the cabling to Category-5 will support the significant increase in the amount of data being transmitted thereby enhancing staff productivity and maximizing utilization of the GenTax system.

Assumptions and Calculations:

The total cost to replace the cabling at the Capitol Annex is \$863,218 General Fund. The cost includes contract labor to remove existing cabling and install new cabling, perform electrical work, install fiber optic, and purchase ancillary equipment. Appendix A provides the cost detail for this project.

APPENDIX A
R-4 Replace Capitol Annex Cabling
Cost Detail

Activity	Detail	Cost
Removal of Existing Cable	700 jacks at \$200/jack	\$140,000
Installation of New Cable	700 jacks at \$200/jack	\$140,000
Electrical Work	\$1,500/per floor includes basement	\$12,000
Fiber Optic Installation	\$2,000/per floor	\$14,000
Closet Equipment (Racks)	\$5,000/rack/floor includes basement	\$40,000
Rack Equipment		\$27,725
Patch Panels		\$8,960
Patch Cords		\$2,135
Cable Troughs	\$10,000/floor	\$70,000
Raceway		\$17,060
Boxes		\$8,618
Subtotal		\$480,498
Contract Labor		
2 Network Specialists	\$92/hour x 2,080 hours	\$382,720
Grand Total		\$863,218

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue

Request Title: DMV-Appropriation Restructure

Priority Number: R-5

Dept. Approval by: Barbara Smith 10/24/13
Date

OSPB Approval by: Paul W. Smith 10/28/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
	Fund	1 Appropriation FY 2013-14	2 Supplemental Request FY 2013-14	3 Base Request FY 2014-15	4 Funding Change Request FY 2014-15	5 Continuation Amount FY 2015-16
Total of All Line Items	Total	35,005,620	-	35,242,124	-	-
	FTE	410.8	-	417.9	(0.0)	(0.0)
	GF	1,071,445	-	731,076	-	-
	GFE	-	-	-	-	-
	CF	33,934,175	-	34,511,048	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (A) Administration, Personal Services	Total	900,749	-	933,151	520,129	520,129
	FTE	9.5	-	9.5	7.4	7.4
	GF	27,216	-	29,761	-	-
	GFE	-	-	-	-	-
	CF	873,533	-	903,390	520,129	520,129
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (A) Administration, Operating	Total	52,350	-	52,350	27,684	27,684
	FTE	-	-	-	-	-
	GF	1,582	-	1,670	-	-
	GFE	-	-	-	-	-
	CF	50,768	-	50,680	27,684	27,684
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicles Services, Personal Services	Total	17,025,678	-	17,626,964	(17,626,964)	(17,626,964)
	FTE	354.1	-	359.8	(359.8)	(359.8)
	GF	1,003,834	-	660,832	(660,832)	(660,832)
	GFE	-	-	-	-	-
	CF	16,021,844	-	16,966,132	(16,966,132)	(16,966,132)
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(5) Division of Motor Vehicles, (B) Driver and Vehicles Services, Operating	Total	1,703,961	-	1,720,826	(1,720,826)	(1,720,826)
	FTE	-	-	-	-	-
	GF	38,813	-	38,813	(38,813)	(38,813)
	GFE	-	-	-	-	-
	CF	1,665,148	-	1,682,013	(1,682,013)	(1,682,013)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Drivers License Documents	Total	4,314,318	-	4,467,378	(4,467,378)	(4,496,687)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	4,314,318	-	4,467,378	(4,467,378)	(4,496,687)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, License Plate Ordering	Total	5,540,508	-	5,380,012	(5,380,012)	(5,380,012)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	5,540,508	-	5,380,012	(5,380,012)	(5,380,012)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver and Vehicle Services, Indirect Cost Assessment	Total	2,522,246	-	1,967,570	(1,967,570)	(1,967,570)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,522,246	-	1,967,570	(1,967,570)	(1,967,570)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicles Emissions, Personal Services	Total	1,081,868	-	1,114,509	(1,114,509)	(1,114,509)
	FTE	15.0	-	15.0	(15.0)	(15.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,081,868	-	1,114,509	(1,114,509)	(1,114,509)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicles Emissions, Operating	Total	86,825	-	86,825	(86,825)	(86,825)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	86,825	-	86,825	(86,825)	(86,825)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicles Emissions, Indirect Cost Assessment	Total	138,121	-	152,913	(152,913)	(152,913)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	138,121	-	152,913	(152,913)	(152,913)
	RF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicles Emissions, Indirect Cost Assessment	Total	138,121	-	152,913	(152,913)	(152,913)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	138,121	-	152,913	(152,913)	(152,913)
	RF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(5) Division of Motor Vehicles, (D) Titles, Personal Services	Total	1,638,996	-	1,739,626	(1,739,626)	(1,739,626)
	FTE	32.2	-	33.6	(33.6)	(33.6)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,638,996	-	1,739,626	(1,739,626)	(1,739,626)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (D) Titles, Operating	Total	305,574	-	316,920	(316,920)	(316,920)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	305,574	-	316,920	(316,920)	(316,920)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (D) Titles, Indirect Cost Assessment	Total	283,623	-	290,942	(290,942)	(290,942)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	283,623	-	290,942	(290,942)	(290,942)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (E) Motorist Insurance Identification Database Program	Total	335,517	-	331,618	(331,618)	(331,618)
	FTE	1.0	-	1.0	(1.0)	(1.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	335,517	-	331,618	(331,618)	(331,618)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (F) Ignition Interlock Program, Personal Services	Total	211,931	-	217,088	(217,088)	(217,088)
	FTE	5.0	-	5.0	(5.0)	(5.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	211,931	-	217,088	(217,088)	(217,088)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (F) Ignition Interlock Program, Operating	Total	934,842	-	934,842	(934,842)	(934,842)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	934,842	-	934,842	(934,842)	(934,842)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (F) Ignition Interlock Program, Indirect Cost Assessment	Total	27,110	-	52,100	(52,100)	(52,100)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	27,110	-	52,100	(52,100)	(52,100)
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(5) Division of Motor Vehicles, (B) Driver Services, Personal Services	Total	-	-	-	16,345,427	16,345,427
	FTE	-	-	-	336.8	336.8
	GF	-	-	-	233,675	233,675
	GFE	-	-	-	-	-
	CF	-	-	-	16,111,752	16,111,752
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver Services, Operating	Total	-	-	-	1,556,028	1,556,028
	FTE	-	-	-	-	-
	GF	-	-	-	11,644	11,644
	GFE	-	-	-	-	-
	CF	-	-	-	1,544,384	1,544,384
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver Services, Drivers License Documents	Total	-	-	-	4,467,378	4,496,687
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	4,467,378	4,496,687
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver Services, Ignition Interlock Program	Total	-	-	-	1,151,930	1,151,930
	FTE	-	-	-	5.0	5.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	1,151,930	1,151,930
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (B) Driver Services, Indirect Cost Assessment	Total	-	-	-	1,829,996	1,829,996
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	1,829,996	1,829,996
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicle Services, Personal Services	Total	-	-	-	2,501,034	2,501,034
	FTE	-	-	-	49.2	49.2
	GF	-	-	-	427,157	427,157
	GFE	-	-	-	-	-
	CF	-	-	-	2,073,877	2,073,877
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicle Services, Operating	Total	-	-	-	454,034	454,034
	FTE	-	-	-	-	-
	GF	-	-	-	27,169	27,169
	GFE	-	-	-	-	-
	CF	-	-	-	426,865	426,865
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(5) Division of Motor Vehicles, (C) Vehicle Services, License Plate Ordering	Total	-	-	-	5,380,012	5,380,012
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	5,380,012	5,380,012
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicle Services, Motorist Insurance Identification Database Program	Total	-	-	-	331,618	331,618
	FTE	-	-	-	1.0	1.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	331,618	331,618
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicle Services, Emissions Program	Total	-	-	-	1,201,334	1,201,334
	FTE	-	-	-	15.0	15.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	1,201,334	1,201,334
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Motor Vehicles, (C) Vehicle Services, Indirect Cost Assessment	Total	-	-	-	633,529	633,529
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	633,529	633,529
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: ☒ No: ☐ If yes, describe the Letternote Text Revision:
 The letternotes will require a restructure that mirrors the request.
 Cash or Federal Fund Name and COFRS Fund Number: Multiple cash funds identified in the Long Bill letternotes.
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: ☐ No: ☒ Not Required: ☐
 Schedule 13s from Affected Departments:
 Other Information:



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-5

Request Detail: DMV Appropriation Restructure

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
DMV Appropriation Restructure	\$0	\$0

Problem or Opportunity:

The appropriation structure of the Division of Motor Vehicles (DMV) does not reflect how the Division currently operates programmatically. Further, it lacks budget transparency, fails to align appropriations with programs, and is needlessly complex to account for and track program expenses. Additionally, the current appropriation structure runs contrary to the Department's strategic goals and the SMART Act by not providing maximum budget transparency and reflecting actual costs of services provided to the public.

The Long Bill structure for the DMV has changed little since FY 2001-02 although the organizational and programmatic structure has changed over time. At that time, the DMV had the following subgroups: (A) Administration, (B) Motor Vehicle Division, (C) Motor Carrier Services Division; (D) Vehicle Emissions, (E) Titles, and (F) Enforcement Program. In FY 2002-03, subgroup (G) Motorist Insurance Identification Database Program was created while in FY 2003-04, subgroup (F) Enforcement Program was eliminated. In FY 2004-05, subgroup (C) Motor Carrier Services Division became Group (6) Motor Carrier Services Division, but the remaining subgroups did not change until FY 2006-07 when the (B) Motor Vehicle Division was renamed (B) Driver and Vehicle Services. In FY 2011-12, subgroup (F) Ignition Interlock Program was created.

The current appropriation structure lacks budget transparency as vehicle service activities are appropriated in four different subgroups including (B) Driver and Vehicle Services, (C) Vehicle Emissions, (D) Titles, and (E) Motorist Insurance Identification Database Program. Consequently, the actual cost of providing vehicle services is not transparent because the costs are spread across multiple subgroups making it difficult to account for and track expenditures. To provide further evidence of a lack of transparency, the Driver and Vehicle Services subgroup receives the largest appropriation in the DMV, but supports distinctly different programs such as driver license services, vehicle registrations, and the Investigations Unit without clear delineation of program costs. Vehicle registration and titling activities are examples of vehicle service activities that are appropriated in both the (B) Driver and Vehicle Services and (D) Titles subgroups, respectively, even though both programs are operationally and programmatically integrated. This holds true for driver services whereby the Ignition Interlock Program is a distinct subgroup in the Long Bill. However, programmatically and administratively it aligns with the Driver Control Program, which receives an appropriation from the (B) Driver and Vehicle Services subgroup.

In the 2014 legislative session, the Department plans to provide a financing strategy for driver and vehicle services that includes both budget and legislative initiatives. This request aligns with the Department's other budget requests including R-1 DMV Budget Deficit, R-2 DMV Customer Service Enhancements, and R-3 DMV Driver License Examiner Reclassification. These requests not only support a financing plan to provide adequate resources to implement these initiatives, but also support the DMV's strategic plan to streamline operations and increase effectiveness in serving customers in the most efficient manner possible in order to achieve an elegant experience for both customers and employees. The DMV developed a five-year strategic plan that provides a roadmap for the division to achieve higher levels of performance and attain a vision of having a high performing team with dedicated employees driving toward excellence in customer service, identity security, and public safety. The DMV strategic plan aligns with the Department's plan and its five goals of customer service, fiduciary responsibility, statutory responsibility, employees, and public confidence.

Proposed Solution:

This request is cost neutral with no appropriation or FTE increase. It would restructure the Long Bill Group 5, Division of Motor Vehicles, from six subgroups to three subgroups. Currently, the six subgroups are: (A) Administration; (B) Driver and Vehicle Services; (C) Vehicle Emissions; (D) Titles; (E) Motor Insurance Identification Database Program; and (F) Ignition Interlock Program. The three proposed subgroups are: (A) DMV Administration; (B) Driver Services; and (C) Vehicle Services. Although some subgroups would be merged, specific program information would be retained. Additionally, this request would preserve the current sources of funding with no net increase to appropriations.

The purpose of this request is to better align appropriations with the organizational and programmatic structure of the DMV. The request will provide greater budget transparency by clearly identifying the full cost of providing services while simplifying the accounting and tracking of expenses for programs that are currently funded across multiple appropriations.

The DMV Administration subgroup would include the Senior Director, Deputy Director, administrative support staff, division financial staff, and the Investigations Unit. This subgroup would support the administrative and financial management of all DMV operations. The Investigations Unit, which was previously funded through the (B) Driver and Vehicle Services subgroup, would be funded in the DMV Administration subgroup to reflect division wide responsibilities for driver and vehicle services. The Investigations Unit is responsible for conducting investigations on both driver and vehicle records. This unit is accountable for preserving and protecting the integrity of motor vehicle records by investigating and preventing fraud, ensuring statutory compliance, and providing victim advocacy. The unit is also responsible for all Exception Processing for Colorado residents who cannot meet the established requirements for driver licenses or identification cards.

The new Driver Services subgroup would include three programs: Driver License, Driver Control, and Ignition Interlock. The purpose of this change is to merge all driver-related services in one subgroup. Currently, both the Driver License Program and the Driver Control Program are funded through (B) Driver and Vehicle Services subgroup in the Long Bill while Ignition Interlock is funded through (F) Ignition Interlock Program subgroup. Although the Ignition Interlock Program would be merged in the new Driver Services subgroup, the identity of the program would be retained in a separate line item. The purpose of this change is to more accurately reflect how the program aligns with the Driver Control Program both administratively and programmatically. Additionally, the Driver License Documents line item would also be retained and appropriated in the Driver Services subgroup.

The Commercial Driver License Program (CDL) and the International Registration Program (IRP) are both currently funded in the (B) Driver and Vehicle Services subgroup. However, CDL is administratively and programmatically aligned with the Driver License Program while IRP operates alongside the vehicle registration program. Consequently, this request would provide appropriations for the CDL program in the new Driver Services subgroup and the IRP in the new Vehicle Services subgroup.

The following information on these programs further highlights how they align both administratively and programmatically. The Driver License Program is responsible for issuing driver licenses, instruction permits, identification cards, and commercial driver licenses to the citizens of Colorado. Additionally, this section also issues copies of driving records, oversees the curriculum and training of commercial driving schools, and licenses and oversees third-party testers who administer driving and motorcycle skill tests. The Driver Control Program is responsible for collecting, maintaining, analyzing, and producing all driver records for the state. It receives and processes penalty assessment citations and processes fine payments and administers driver license sanctions by imposing license suspensions and revocations in accordance with the law. The Driver Control Program also supports law enforcement with a 24/7 communications center that provides information on drivers and vehicles and supports prosecutors and courts with the production of evidence packets. This section also monitors drive log data on interlock restricted drivers and imposes restraints. The Ignition Interlock Program oversees the leasing and data reporting functions of various contractors who install and monitor blood alcohol ignition interlock devices in the vehicles of drivers required to have such devices under the state's drunk driving laws. The program provides financial support for indigent drivers required to have the devices by making subsidy payments to contractors that reduce the drivers' costs.

The new Vehicle Services subgroup would include the following programs: Titles, Registrations, Motor Insurance Identification Database (MIIDB), and Vehicle Emissions. The purpose of this change is to merge all vehicle-related services in one subgroup unlike the current structure whereby these services are appropriated across four different subgroups. Currently, Titles, MIIDB, and Vehicle Emissions each have their own subgroup in the Long Bill. The Registration Program is funded through (B) Driver and Vehicle Services in the Long Bill. Although MIIDB and Vehicle Emissions would be merged in the new Vehicle Services subgroup, each program would be retained on a separate line item. Additionally, the License Plate Ordering line item would also be retained and appropriated in the Vehicle Services subgroup.

The following descriptions of each program clearly show how they are integrated programmatically. The Titles Program oversees titling of vehicles by the Department's authorized agents, the county clerks in each county in the state. It also maintains an inventory of license plates and is the agency that orders and distributes license plates to the counties. The Registration Program is operationally managed alongside the Titles Program, but is funded in the (B) Driver and Vehicles Services subgroup in the Long Bill. This program coordinates vehicle registration and license plate issuance activities through the 64 county clerks throughout the state and orders and monitors inventory of license plates and related products. The MIIDB Program ensures that Colorado drivers possess adequate liability insurance as mandated by the state's financial responsibility statutes. The MIIDB Program is funded through a 10-cent fee assessed on every vehicle registration. Vehicle Emissions Program oversees the daily operations of the state's vehicle emissions inspection program and conducts licensing, quality assurance, audits, and enforcement actions pertaining to contract inspectors, stations, and facilities to ensure compliance with federal emissions testing standards.

Anticipated Outcomes:

The anticipated outcomes of restructuring DMV's appropriations in the Long Bill include better alignment between appropriations and the current organizational and programmatic structure of the DMV. Streamlining the number of subgroups from six to three would enhance budget management by minimizing the tracking and accounting of activities and aligning appropriations with the services provided. Budget transparency is enhanced by providing cost information for driver and vehicle services in a more understandable and comprehensive manner while preserving specific program information. Additionally, the request aligns with the strategic goals of the Department while meeting the requirements of the SMART Act for budget transparency and accountability.

Assumptions and Calculations:

Appendix A shows the current and proposed Long Bill appropriation structure for the DMV. As shown, this request reduces the number of subgroups from six to three, but retains the line item and programmatic detail. The request does not change total appropriations, funding sources or FTE counts.

APPENDIX A
R-5 DMV-Appropriation Restructure

Current	Proposed
<p>(5) DIVISION OF MOTOR VEHICLES</p> <p>(A) Administration</p> <p> Personal Services</p> <p> Operating Expenses</p> <p>(B) Driver and Vehicle Services</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Drivers License Documents</p> <p> License Plate Ordering</p> <p> Indirect Cost Assessment</p> <p>(C) Vehicle Emissions</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Indirect Cost Assessment</p> <p>(D) Titles</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Indirect Cost Assessment</p> <p>(E) Motorist Insurance Identification Database Program</p> <p> Motorist Insurance Identification Database Program</p> <p>(F) Ignition Interlock Program</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Indirect Cost Assessment</p>	<p>(5) DIVISION OF MOTOR VEHICLES</p> <p>(A) Administration</p> <p> Personal Services</p> <p> Operating Expenses</p> <p>(B) Driver Services</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Indirect Cost Assessment</p> <p> Drivers License Documents</p> <p> Ignition Interlock Program</p> <p>(C) Vehicle Services</p> <p> Personal Services</p> <p> Operating Expenses</p> <p> Indirect Cost Assessment</p> <p> License Plate Ordering</p> <p> Vehicle Emissions Program</p> <p> Motorist Insurance Identification Database Program</p>

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Revenue
Request Title: Central Department Operations Realignment
Priority Number: R-6

Dept. Approval by: [Signature] 10/24/13
Date

OSPB Approval by: [Signature] 10/24/13
Date

- ☒ Decision Item FY 2014-15
☐ Base Reduction Item FY 2014-15
☐ Supplemental FY 2013-14
☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
	Fund	1 Appropriation FY 2013-14	2 Supplemental Request FY 2013-14	3 Base Request FY 2014-15	4 Funding Change Request FY 2014-15	5 Continuation Amount FY 2015-16
Total of All Line Items	Total	22,714,950	-	22,492,336	(148,136)	(148,136)
	FTE	222.4	-	210.3	-	-
	GF	16,925,139	-	16,682,282	(0)	(0)
	GFE	-	-	-	-	-
	CF	1,577,565	-	1,568,022	(148,136)	(148,136)
	RF	4,212,246	-	4,242,032	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Personal Services	Total	5,688,953	-	5,775,143	2,615,245	2,615,245
	FTE	66.6	-	66.6	44.0	44.0
	GF	1,749,738	-	1,319,528	2,526,232	2,526,232
	GFE	-	-	-	-	-
	CF	195,818	-	213,583	89,013	89,013
	RF	3,743,397	-	4,242,032	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Operating Expenses	Total	1,181,357	-	1,168,659	996,282	996,282
	FTE	-	-	-	-	-
	GF	527,569	-	527,569	996,282	996,282
	GFE	-	-	-	-	-
	CF	653,788	-	641,090	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, Postage (New Line Item)	Total	-	-	-	2,995,393	2,995,393
	FTE	-	-	-	-	-
	GF	-	-	-	2,657,783	2,657,783
	GFE	-	-	-	-	-
	CF	-	-	-	337,610	337,610
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Department of Revenue
Request Title: Central Department Operations
Realignment

Schedule 13
Funding Request for the 2015 Budget Cycle

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(2) Central Department Operations Division, Personal Services	Total	4,235,808	-	3,892,240	(3,892,240)	(3,892,240)
	FTE	80.6	-	67.0	(67.0)	(67.0)
	GF	3,677,946	-	3,803,227	(3,803,227)	(3,803,227)
	GFE	-	-	-	-	-
	CF	89,013	-	89,013	(89,013)	(89,013)
	RF	468,849	-	-	-	-
	FF	-	-	-	-	-
(2) Central Department Operations Division, Seasonal Tax Processing	Total	296,391	-	296,391	(296,391)	(296,391)
	FTE	-	-	-	-	-
	GF	296,391	-	296,391	(296,391)	(296,391)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(2) Central Department Operations Division, Operating Expenses	Total	1,214,005	-	1,185,172	(1,185,172)	(1,185,172)
	FTE	-	-	-	-	-
	GF	1,065,869	-	1,037,036	(1,037,036)	(1,037,036)
	GFE	-	-	-	-	-
	CF	148,136	-	148,136	(148,136)	(148,136)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(2) Central Department Operations Division, Postage	Total	3,010,003	-	2,995,393	(2,995,393)	(2,995,393)
	FTE	-	-	-	-	-
	GF	2,657,783	-	2,657,783	(2,657,783)	(2,657,783)
	GFE	-	-	-	-	-
	CF	352,220	-	337,610	(337,610)	(337,610)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(2) Central Department Operations Division, Document Management	Total	2,051,808	-	1,917,354	(1,917,354)	(1,917,354)
	FTE	-	-	-	-	-
	GF	2,012,303	-	1,877,849	(1,877,849)	(1,877,849)
	GFE	-	-	-	-	-
	CF	39,505	-	39,505	(39,505)	(39,505)
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(4) Taxation Business Group (C) Taxpayer Services Division, Personal Services	Total	4,634,115	-	4,850,994	1,276,995	1,276,995
	FTE	75.2	-	76.7	23.0	23.0
	GF	4,535,530	-	4,752,409	1,276,995	1,276,995
	GFE	-	-	-	-	-
	CF	98,585	-	98,585	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Department of Revenue
Request Title: Central Department Operations
Realignment

Schedule 13
Funding Request for the 2015 Budget Cycle

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(4) Taxation Business Group (C) Taxpayer Services Division, Operating Expenses	Total	402,510	-	410,990	40,754	40,754
	FTE	-	-	-	-	-
	GF	402,010	-	410,490	40,754	40,754
	GFE	-	-	-	-	-
	CF	500	-	500	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(4) Taxation Business Group (C) Taxpayer Services Division, Seasonal Tax Processing (New Line Item)	Total	-	-	-	296,391	296,391
	FTE	-	-	-	-	-
	GF	-	-	-	296,391	296,391
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(4) Taxation Business Group (C) Taxpayer Services Division, Document Management (New Line Item)	Total	-	-	-	1,917,354	1,917,354
	FTE	-	-	-	-	-
	GF	-	-	-	1,877,849	1,877,849
	GFE	-	-	-	-	-
	CF	-	-	-	39,505	39,505
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: ☐ No: ☐ If yes, describe the Letternote Text Revision:
 The letternotes will require a restructure that mirrors this request.
 Cash or Federal Fund Name and COFRS Fund Number: Various Sources
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: ☐ No: ☒ Not Required: ☐
 Schedule 13s from Affected Departments:
 Other Information:



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-6

Request Detail: Central Department Operations Realignment

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Central Department Operations Realignment	(\$148,136)	\$0

Problem or Opportunity:

The Central Department Operations (CDO) receives and sorts mail, maintains cashiering operations, supports tax collection and banking activities, provides service to walk-in and cash paying taxpayers, collects fees and fines, establishes tax accounts and liabilities for new businesses, designs and supplies forms, and procures and supplies cigarette stamps for businesses.

The CDO organizational structure needs to be realigned to reflect the transfer of document management functions to the Department of Personnel and Administration and the implementation of the GenTax System. In light of these changes, the Department examined how best to leverage CDO resources to support the Department's strategic goals of providing enhanced customer service and meeting its fiduciary responsibilities.

As a result of the FY 2013-14 Base Reduction Item, R-3 Tax Document Processing Pipeline Efficiencies, document management functions previously performed by CDO will be transferred to the Department of Personnel and Administration in a phased-in approach during the fiscal year. The change request was a result of both departments utilizing the Lean process to review all the pipeline activities and to eliminate processes that do not add value to the state's taxpayers. Both departments identified numerous opportunities for workflow automation by leveraging new equipment and technology. Six sections in CDO were impacted including incoming mail, income tax clearing, business tax clearing, data entry, tax files, and administration. The change request resulted in a reduction of 10.7 FTE and \$1,010,422 in FY 2013-14 and annualizes to a reduction of 24.3 FTE and \$1,685,137 in FY 2014-15.

Further, the Tax Division and CDO are participating in Lean events to determine how best to leverage the GenTax system and Department resources to achieve operational efficiency and effectiveness. The implementation of the GenTax system was completed in December 2012. The objectives of the Lean project are to streamline business processes, align and organize resources with the new GenTax processes, and reduce organizational complexity by reducing duplicative business units, activities, and processes.

Proposed Solution:

The Department requests to realign CDO's remaining operations with the Taxpayer Service Division (TPS) in the Taxation Business Group and the Executive Director's Office (EDO) resulting in a net reduction of \$148,136 cash funds spending authority and no FTE impact. In total, 67.0 FTE and \$10,138,414 would be transferred to TPS and EDO.

This request transfers 23.0 FTE and Personal Services totaling \$1,276,995 General Fund from CDO to TPS. The following CDO work units are proposed to be transferred: Error Resolution Area, Problem Resolution Unit, and Registration Control. The following summarizes the responsibilities of each work unit.

The Error Resolution Area is responsible for reviewing and correcting tax documents that do not pass a series of computer-based edits due to data entry or taxpayer errors. These include business, motor vehicle, and miscellaneous taxes and fees. The Problem Resolution Unit is responsible for reviewing and correcting income and severance tax documents as well as property tax rebate documents that do not pass edits. The employees in both of these work units are classified as Tax Examiners and perform tax document reviews. This aligns more closely with the activities performed by Tax Examiners in the Taxpayer Service Division. Registration Control is responsible for maintaining business tax account registration information and creating payment processing documents to accompany loose checks. These employees mainly perform taxpayer-related duties, which align with activities performed in the Taxpayer Service Division.

This request preserves the Long Bill line items for Seasonal Tax Processing and Document Management, but the funding would be transferred to the Taxpayer Service Division. Seasonal Tax Processing totals \$296,391 General Fund and Document Management totals \$1,917,354, of which \$1,877,849 is General Fund and \$39,505 is Cash Fund. In addition, \$40,754 General Fund in Operating Expenses would be transferred to the Operating Expenses line in the Taxpayer Service Division.

This request also transfers 44.0 FTE and personal services totaling \$2,615,245, of which \$2,526,232 is General Fund and \$89,013 is Cash Fund to the Executive Director's Office. Seven work units would transfer including: Remittance Processing, Research Unit, Pierce Cashiers, Forms Fulfillment, Non Tax Mail Services, Tax Files, and Graphics and Forms Development.

Remittance Processing, Research Unit, and Pierce Cashiers and 21.0 FTE would transfer to the Office of Budget and Financial Services (OBFS) in the EDO. The activities performed by these work units more closely align with OBFS and the Accounting and Financial Services section. This section is under the direction of the Department's Controller who is responsible for managing all financial transaction activities Department-wide as well as managing financial systems such as COFRS, GenTax, and the Portal. The Remittance Processing Unit is responsible for processing and depositing checks to the state's bank including encoding and endorsing paper checks and transmitting payment data and electronic images of checks and accompanying tax documents to the GenTax system. The Research Unit performs Electronic Funds Transfer and Undistributed Cash account resolution activities including reconciling payments, identifying and resolving exceptions and encoding errors, researching payment posting problems, creating cash receipt documents in COFRS, and reconciling some Department bank accounts. The Pierce Cashier's Office located at 1881 Pierce Street provides cashiering services to customers who transact business primarily with the Division of Motor Vehicles, as well as back office depository services for other divisions.

Forms Fulfillment, Non Tax Mail Services, and the Records Unit and 17.0 FTE would transfer to the Administrative Offices Division (AOD) in the EDO. Since these work units support the entire Department, it is more appropriate that they be centrally managed. The Forms Fulfillment Unit is responsible for managing forms inventory and distributing forms and publications to internal and external customers as well as cigarette tax stamps. The Non Tax Mail Services Unit picks up Department non tax-related mail and sorts and distributes the mail to the appropriate Department agency. The Records Unit is responsible for the retention of Department records and ensures record retention policies are adhered to and records are properly secured.

Graphics and Forms Development and 6.0 FTE would transfer to the Communication's Office in the EDO to support the consistent and coordinated dissemination of information to the public. This work unit designs the Department's forms and publications, establishes and maintains imaging standards to maximize automatic data capture, and manages the approval process for the format of electronic tax returns prepared by third party software developers.

This request preserves the Long Bill line item for Postage, but the funding would be transferred to EDO totaling \$2,995,393, of which \$2,657,783 is General Fund and \$337,610 is Cash Fund. In addition, \$996,282 General Fund in Operating Expenses would be transferred to the Operating Expenses line in the EDO.

Anticipated Outcomes:

The anticipated outcomes of the CDO realignment include more effective utilization of Department resources to support the GenTax system thereby providing enhanced customer service to taxpayers. The GenTax system improved the Department's ability to administer Colorado's tax laws by eliminating technological barriers present in the legacy system. One of these barriers was the requirement to post a tax return before any work could begin on the account. Previously, CDO staff was responsible for the front-end edits and account maintenance that allowed a return to be posted in the legacy system. After their review, staff in TPS would conduct an in-depth examination of the return to verify the information and generate refunds or bills as appropriate. The Lean Project provided an opportunity for the staff to review their current work processes and modify them to allow for a tax return to be posted, edited, and verified in one step. This change increased staff productivity while providing more timely resolution to taxpayer issues. By consolidating staff in both CDO and TPS, all tax return and account review is performed in one division.

Realigning CDO staff with the EDO presents opportunities to maximize the utilization of staff to meet Department-wide needs while being centrally managed. Work units in the EDO support Department-wide activities, such as Accounting and Financial Services, the Communication's Office, Human Resources, Facilities, Safety, and Security, and the Project Management Office. An example of an anticipated outcome of the CDO realignment is more efficient integration between CDO staff that support banking and cashiering activities in the processing of payments for taxes, licenses, fees, and fines with the Accounting and Financial Services staff who are responsible for ensuring payments are posted correctly in various financial systems such as GenTax, COFRS, and the Portal.

Assumptions and Calculations:

The Department requests to realign CDO's operations with TPS and the EDO resulting in a net reduction of \$148,136 cash funds spending authority and no FTE impact. All the Long Bill line items for the Central Department Operations would be eliminated. In total, 67.0 FTE and \$10,138,414 would be transferred to TPS and EDO. Specifically, 23.0 FTE, \$1,276,995 in Personal Services, \$40,754 in Operating Expenses, \$1,917,354 for Document Management, and \$296,391 for Seasonal Tax Processing would be transferred to TPS. Additionally, 44.0 FTE, \$2,615,245 in Personal Services, \$996,282 in Operating Expenses, and \$2,995,393 in Postage costs would be transferred to the EDO.