

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-07 Division of Racing Events Staff Increase

Dept. Approval By:

Barbara Burke

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

Erin M. Schuch 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$18,946,259	\$0	\$20,783,994	\$31,989	\$27,286
	FTE	7.7	0.0	7.7	1.0	1.0
	GF	\$7,443,470	\$0	\$8,033,983	\$0	\$0
	CF	\$11,477,188	\$0	\$12,717,186	\$31,989	\$27,286
	RF	\$25,601	\$0	\$32,825	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
01. Executive Director's Office, (A) Administration and Support - Health, Life, and Dental	Total	\$10,731,918	\$0	\$11,899,758	\$7,927	\$7,927
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$4,417,131	\$0	\$4,722,166	\$0	\$0
	CF	\$6,297,694	\$0	\$7,153,883	\$7,927	\$7,927
	RF	\$17,093	\$0	\$23,709	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Department of Revenue

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$137,294	\$0	\$144,039	\$33	\$33
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Short-term Disability	GF	\$58,839	\$0	\$61,749	\$0	\$0
	CF	\$78,292	\$0	\$82,120	\$33	\$33
	RF	\$163	\$0	\$170	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$3,482,946	\$0	\$3,796,382	\$756	\$756
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Amortization Equalization Disbursement	GF	\$1,491,518	\$0	\$1,625,034	\$0	\$0
	CF	\$1,987,234	\$0	\$2,166,875	\$756	\$756
	RF	\$4,194	\$0	\$4,473	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$3,446,668	\$0	\$3,796,382	\$756	\$756
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Supplemental Amortization Equalization Disbursement	GF	\$1,475,982	\$0	\$1,625,034	\$0	\$0
	CF	\$1,966,535	\$0	\$2,166,875	\$756	\$756
	RF	\$4,151	\$0	\$4,473	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$925,806	\$0	\$925,806	\$16,864	\$16,864
	FTE	7.7	0.0	7.7	1.0	1.0
05. Enforcement Business Group, (D) Division of Racing Events - Personal Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$925,806	\$0	\$925,806	\$16,864	\$16,864
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Department of Revenue

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$221,627	\$0	\$221,627	\$5,653	\$950
	FTE	0.0	0.0	0.0	0.0	0.0
05. Enforcement	GF	\$0	\$0	\$0	\$0	\$0
Business Group,	CF	\$221,627	\$0	\$221,627	\$5,653	\$950
(D) Division of	RF	\$0	\$0	\$0	\$0	\$0
Racing Events -	FF	\$0	\$0	\$0	\$0	\$0
Operating						
Expenses						

CF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Revenue Prioritized Request				
Interagency Approval or Related Schedule 13s: None					



Cost and FTE

- The Department requests \$31,989 in FY 2017-18 and \$27,286 in FY 2018-19 and thereafter in the Racing Cash Fund for 1.0 FTE and associated expenses in the Division of Racing Events (RAC).
- This represents a 2.8 percent increase to the RAC personal services line item appropriation.

Current Program

- The RAC is a statewide regulatory agency with responsibilities that include issuance of licenses, enforcement, pari-mutuel tax collections, and safeguarding the health and safety of racing animals.
- The Legal Assistant is intimately involved in the disciplinary and investigatory processes. This position generates nearly all legal documents for RAC, including: Notices of Hearing; Orders; notices of proposed denial of license; notices of denial of license; and warning letters for rule violations. This position attends hearings representing RAC in administrative matters, provides paralegal support and acts as Rules Manager for annual Rulebook changes, reviews policies and procedures of the RAC and ensures that any updates are in compliance with State policies and statutory obligations. Additionally, the Legal Assistant makes sure that any discovery requests made by outside attorneys are answered in a timely fashion.

Problem or Opportunity

- The RAC currently utilizes temporary legal assistant services for up to nine months, which comes with a detrimental three-month break in service.
- This break in service compromises the Division's ability to properly monitor and analyze legislation and meet its rulemaking needs and to properly monitor, address, and report rule violations and administrative actions leading up to and during the first weeks after the race meet has begun.
- Inefficiencies are created by the need to re-train a new temporary legal assistant every year to properly prepare for live race meets, processing of administrative actions, assisting with conducting hearings, rulemaking, and preparing and issuing legal documents and rulings.
- Because of the unique nature of the racing industry, further inefficiencies are created when the new temporary talent must be educated, by instruction or experience, on the administrative rule making process and on the industry itself.

Consequences of Problem

- Without the additional FTE, the RAC will continue to utilize state temporary resources, necessitating a three-month break in service and compromising efficiency of staff to complete ongoing projects.

Proposed Solution

- The Department requests the specified ongoing spending authority and FTE in the Racing Cash Fund to provide ongoing and consistent legal assistant services.
- The cost of the FTE will be partially offset from the savings in not hiring a temporary employee.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-07

Request Detail: Division of Racing Events Staff Increase

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Fund
Division of Racing Events Staff Increase	\$31,989	\$31,989

Problem or Opportunity:

The Division of Racing Events (RAC) is a regulatory, enforcement, and pari-mutuel tax collecting agency of state government. It is responsible for regulating all aspects of pari-mutuel horse and greyhound racing through licensing, on-site monitoring and enforcement. The major functions of the Division are to promote racing and the recreational, entertainment, and commercial benefits derived from it; to establish high standards of sport and fair-play; to promote the health and safety of the animals involved in racing; and to foster honesty and fair-dealing in the industry. The RAC has multiple customers: the wagering public, horse and greyhound associations, individual owners, breeders and other occupational licensees/license applicants, and the owner and operator of the horse racetrack. The RAC is also responsible for safeguarding the health and safety of racing animals.

The RAC employs a Legal Assistant on a 9-month temporary basis to provide legal analysis and support for its regulatory activities. The Legal Assistant is greatly involved in the licensing, disciplinary, investigatory, and rule-making processes. This request seeks to convert the temporary employee to a 12-month permanent position. The paragraphs that follow detail the responsibilities and duties of the Legal Assistant.

Annually, as averaged over the past five years, RAC issues 751 business/occupational licenses, generates documents and assists in 27 rulings resulting in fines or suspensions, attends approximately 5 Commission Disciplinary Hearings, completes 42 investigations with 64 percent of those resulting in criminal or administrative charges. The Legal Assistant is required to attend hearings and advise the Assistant Attorney General assigned to RAC on the position of the Division in those administrative matters. This position must then generate the official Orders and Rulings of the Stewards based upon their oral rulings and disseminate those rulings to all affected parties. Further, the Legal Assistant drafts Director's Orders as the need arises for execution and dissemination to affected parties.

For the administrative disciplinary process, the Legal Assistant is required to draft Notices of Hearing to be served upon licensees who are alleged to have violated the Colorado Racing Commission Rules, as well as licensee's that have requested appeals before the Colorado Racing Commission or when the Board of Stewards refers a matter to the Commission. These notices are generated based upon investigations by RAC investigators. It is the duty of this position to ensure that legally relevant facts are gathered and used such that the Board of Stewards can appropriately apply the Rules to the facts and draw legal conclusions. The Legal Assistant makes certain that administrative procedure, as written and authorized by the Colorado Racing Commission Rules, is followed to protect RAC and the State's interests at the administrative level and beyond.

The Legal Assistant generates nearly all legal documents that are produced in the name of RAC. In addition to the generation of Notices of Hearing, this position generates Orders, notices of proposed denial of license, notices of denial of license, warning letters for rule violations. Duties also include reviewing policies and procedures of the RAC, ensuring that any updates are in compliance with State policies and statutory obligations, and making sure that any discovery requests made by outside attorneys are answered in a timely fashion.

This position provides paralegal support for RAC, which includes the dissemination of materials to all affected parties and ensuring that court reporters are present when required and transcripts are generated for hearings, as needed. The Legal Assistant assures that all hearings and Commission meetings are electronically recorded and safeguarded. The position schedules hearings, which must factor in the schedules of the Colorado Racing Commission, the Board of Stewards, the Licensee and the Licensee's attorney, when involved.

The Legal Assistant tracks all administrative proceedings through the process as defined by the Colorado Racing Commission Rules. Periodically, this will require the Legal Assistant to update or develop new methods and forms which streamline and adapt the tracking process to the constantly changing needs of RAC. This position tracks several key pieces of information which must be constantly monitored, including: notice and hearing dates, service dates, dates of last contact, rulings issued dates, fine due dates, status of fines, and national database reporting statuses and updates.

Rulings and Disciplinary Actions may appear to be a small portion of what RAC does, but it accounts for a significant amount of the workload that is placed upon RAC; not only during the racing season, but for months leading up to and following the completion of the race meet. It takes knowledgeable and competent staff to effectively and efficiently execute the duties that are required of RAC.

Another important role that the Legal Assistant plays is that of Rules Manager. A Rules Manager is responsible for updating the rulebook for their respective division or department. The Colorado Racing Commission Rules are unique from any other administrative rule book in that they regulate a sport. Rules change and evolve in a sport which means that the rulebook for racing must continuously be updated and changed. There is an added level of difficulty unique to RAC because we are a member jurisdiction of the Association of Racing Commissioners International, which is a body that develops and suggests a model set of rules for the sport of racing. Every jurisdiction has a different vision of how racing should function; the model rules must be taken and adapted to our jurisdictional vision.

Rule-making is a long process. There are complicated statutes that must be adhered to and require some legal background in order to interpret and properly execute. There is also a very particular manner of drafting rules and making changes, as well as a particular manner of submission to the Secretary of State. It is vastly inefficient to have to train a temporary Legal Assistant in these processes, which are a large part of the after-season responsibilities of the position, every year. Part of this process also extends into those months where there is a break in service in the position.

RAC currently utilizes professional temporary services for ten positions, including the Legal Assistant, who is retained for up to nine months. A Legal Assistant is an integral part of the RAC team that is most efficient only when there is continuity in the role. To re-train and re-educate a new Legal Assistant every race season, a result of having seasonal temporary employees, creates inefficiencies by placing an increased burden upon the Director, the Agent-in-Charge, the Licensing Supervisor, the Stewards, and the Investigative staff when they must all contribute to the training and education of the new hire. By having continuity in the Legal Assistant position, it would allow all employees to focus on their position

requirements instead of having to invest time and resources into an asset that will more than likely cycle out of the system when their contract expires.

Proposed Solution:

To address ongoing operational needs, it is essential for the RAC to have a full-time 1.0 Legal Assistant II FTE on staff. The RAC needs a permanent FTE who possesses legal expertise to assist with conducting hearings and preparing and issuing legal documents and rulings.

Without the additional FTE, the RAC will continue to utilize state temporary resources, necessitating a three-month break in service and compromising the ongoing projects.

Anticipated Outcomes:

The addition of a Legal Assistant II position will aid the RAC in meeting their mission to promote and foster public confidence in the pari-mutuel industry, and protect the welfare of the participants through fair, consistent, proactive enforcement of appropriate policies, statutes and Colorado Racing Commission rules.

Assumptions and Calculations:

The Department requests \$31,989 in FY 2017-18 and \$27,286 in FY 2018-19 and thereafter in the Racing Cash Fund for 1.0 FTE and associated expenses in the Division of Racing Events (RAC). The cost of the additional FTE will be partially offset from the savings in not hiring a temporary employee. The FY 2016-17 Compensation Plan sets the minimum monthly pay for a Legal Assistant II at \$5,037 for an annual cost of \$60,444. The projected FY 2016-17 wages of the temporary legal assistant is \$45,333, for a difference of \$15,111. The RAC will apply the \$45,333 savings from not hiring a temporary employee to partially offset the cost of the new full-time permanent position.

A summary of this request includes the following components and is detailed in the attached Calculation Assumptions document:

- 1.0 FTE Legal Assistant II
- \$26,336 for personal services and pot allocations
- \$5,653 for operating expenses in FY 2017-18 and \$950 each year thereafter in ongoing expenses.

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-02 License Plate and Year-Tab Ordering

Dept. Approval By:

[Signature]

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

[Signature] 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$6,117,753	\$0	\$6,138,579	\$4,056,720	(\$1,134,000)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,673	\$0	\$6,673	\$209,642	\$0
	CF	\$6,111,080	\$0	\$6,131,906	\$3,847,078	(\$1,134,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
04. Division of Motor Vehicles, (C) Vehicle Services, (1) Administration - License Plate Ordering	Total	\$6,117,753	\$0	\$6,138,579	\$4,056,720	(\$1,134,000)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,673	\$0	\$6,673	\$209,642	\$0
	CF	\$6,111,080	\$0	\$6,131,906	\$3,847,078	(\$1,134,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	No	
FF Letternote Text Revision Required?	Yes	No	
Requires Legislation?	Yes	X	No

Department of Revenue

Type of Request?

Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: Other



Cost and FTE

- The Department requests a total increase of \$4,056,720 (\$3,847,078 in cash fund spending authority, and \$209,642 in General Fund appropriation) in the License Plate Ordering line item in FY 2017-18 to mitigate a funding deficit and accommodate growth in issuance of regular license plates and year-tabs, annualizing to \$2,713,078 cash funds and \$209,642 General Fund in FY 2018-19 and thereafter.

Current Program

- The License Plate Ordering line item funds payments to the Department of Corrections, Correctional Industries for the purchase of license plates and products used to document registered vehicles.
- The License Plate Cash Fund is funded by material fees assessed at the time of issuance for license plates and products. Pursuant to C.R.S. §42-3-301, the fee is equal to the material cost for each item.

Problem or Opportunity

- The License Plate Cash Fund is experiencing a funding deficit that will result in a negative fund balance at the end of FY 2016-17 if not mitigated. This deficit is a result of statutory exemptions of the material fees for certain plates and placards, and the diversion of material fee revenue that should have been deposited into the fund due to the following: 1) Fee exemptions made at the discretion of the counties related to customer service; 2) Programming issues in the Colorado State Title and Registration System (CSTARS); and 3) Policy and statute interpretation.
- Due to past and future growth in license plate and year-tab issuance, the costs to meet increased demand are expected to surpass current spending authority limits.
- The Department has been able to satisfy issuance growth, maintain a positive fund balance in the License Plate Cash Fund, and remain within spending authority limits by depleting pre-existing plate inventories. Plate inventory was depleted in FY 2015-16 and can no longer be used to mitigate revenue shortfalls and/or increasing costs related to increasing issuance.

Consequences of Problem

- With no plate inventory remaining to mitigate the negative cash flow and issuance growth, if this request is not funded, the Department will not be able to issue license plates and year-tabs to registered vehicles, compromising both customer service and public safety.

Proposed Solution

- The Department requests that \$4,058,874 of the total FY 2017-18 cash fund spending authority come from the CSTARS fund to compensate for the revenue shortfall in the LPCF. This will require a change to the Long Bill letter note and to C.R.S. 42-1-211(2).
- With the rollout of DRIVES in FY 2018-19, the Department anticipates that the incorrect distribution issues in the CSTARS programming will end. In addition, DRIVES will enable the Department to better quantify un-collected revenue and pursue alternatives in the future.



COLORADO

Department of Revenue

FY 2017-18 Funding Request | November 1, 2016

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

Department Priority: R-02

Request Detail: License Plate and Year-Tab Ordering

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Funds	General Fund
License Plate and Year-Tab Ordering	\$4,056,720	\$3,847,078	\$209,642

Problem or Opportunity:

In FY 2015-16, the Department of Revenue issued over 1.4 million plates, 186,000 placards, and 7.8 million year-tabs for over 5.6 million registered vehicles in the State. The License Plate Ordering line item funds payments to the Department of Corrections, Correctional Industries (CCi) for the purchase of license plates and products used to document registered vehicles in the state pursuant to C.R.S. §42-3-301. The Department charges a material fee equal to the direct costs to produce the items pursuant to C.R.S. §42-3-301. This fee revenue is deposited into the License Plate Cash Fund and is used to provide funding for the costs to purchase the plates, placards, and year-tabs from CCi.

Negative Net Income in the License Plate Cash Fund:

The License Plate Cash Fund is experiencing a funding deficit that will result in a negative fund balance at the end of FY 2016-17 if not mitigated with funding from an additional source. The LPCF is funded on a break-even model where the per-unit material fee is set exactly equal to the per-unit cost. Under this model, there is no room for coverage of issuing items without recovering 100 percent of the revenue for these items. This deficit is a result of statutory exemptions of the material fees for certain plates and placards, and the incorrect diversion of material fee revenue that should have been deposited into the fund due to the following:

1. Fee exemptions made at the discretion of the counties related to customer service
2. Programming issues in the Colorado State Title and Registration System (CSTARS)
3. Policy and statute interpretation

The following tables show projections for the fund assuming no mitigation of these issues.

LPCF: FY 2016-17 Projection	
Beginning Fund Balance	\$ 680,238
Revenue	\$ 5,920,111
Expenditure	\$ 8,344,325
Net Income	\$ (2,424,214)
Ending Fund Balance	\$ (1,743,976)

LPCF: FY 2017-18 Projection	
Beginning Fund Balance	\$ (1,743,976)
Revenue	\$ 5,920,111
Expenditure	\$ 8,844,984
Net Income	\$ (2,924,874)
Ending Fund Balance	\$ (4,668,850)

*Assumes forthcoming revised FY 2016-17 supplemental is not approved.

This revenue shortfall has existed in the fund for several years and possibly since its creation. It has been covered by depleting significant pre-existing inventories. Following is a detailed explanation of each issue contributing to the revenue shortfall in the fund.

- **Statutorily Required Material Fee Exemptions:**

Several types of special plates and placards are statutorily required to be issued with an exemption of the material fee. This translates into plates and product that the Department must purchase from the License Plate Cash Fund without any corresponding revenue to fund the purchase. In FY 2015-16 the Department issued approximately 501,485 of these license plates and placards. This equated to \$209,122 of costs in the License Plate Cash fund that were unfunded by revenue in the fund. Attachment A provides the historical issuance detail of all plates, placards, and year-tabs with statutorily required exemptions in the material fee.

- **Fee exemptions made at the discretion of the counties related to customer service:**

Counties are permitted to make exemptions of material fees at the time of issuance. The Department is currently working with OIT to implement changes to the system that will allow the State to quantify the amount of revenue lost from these exemptions in addition to tracking the reasons for these exemptions. Anecdotally, the Department has received feedback that Counties exempt these fees for various customer service related reasons such as year tabs being lost in the mail and damaged validating tabs.

Each exempted fee creates a shortfall in the fund equal to the fee amount. Should Counties continue to make these exemptions, a long-term revenue supplement will be required. This funding request does not address the long-term revenue shortfall caused by these exemptions. Rather, it mitigates the impact to the fund from these exemptions for FY 2017-18 only.

- **Programming issues in the Colorado State Title and Registration System (CSTARS):**

Recently, the Department has discovered several programming issues in the CSTARS program that result in an incorrect distribution of revenue collected from material fees. For example, CSTARS was programmed incorrectly so that the revenue from dealer permits was not being distributed to the LPCF and was instead being retained at the counties. OIT and the Department are working diligently to identify and resolve this issue.

- **Policy and statute interpretation:**

Statute changes have impacted this fund significantly since its creation. Fees have been changed and new plates and products have been added. Each statute change over the life of the fund necessitated programming changes for implementation. Some of these changes required interpretation of statute or related policies that have resulted in a diversion of funds that should have been retained at the State. For example, per C.R.S §42-1-210(1)(a), the \$4.00 clerk hire fee is assessed on all transactions completed by a county clerk's office. For exempt transactions where the customer does not pay, the programming in CSTARS resulted in the clerk hire fee being retained at the counties from dollars that would have otherwise been distributed to the State. All statute interpretations will be reviewed over the coming months as the Department and OIT work together to evaluate all distributions of revenue in the CSTARS program. In the future, any and all programming changes to CSTARS will go through a rigorous testing period to ensure that all stakeholders have visibility to and agree with statute interpretation.

Spending Authority Shortfall - License Plate Ordering Line Item:

Since FY 2013-14, license plate issuance has increased by 174,355 or 14 percent, and year-tab issuance has increased by 988,848 or 14 percent. For the same time period, registered vehicles have increased by 318,962 or 6 percent. Issuance growth exceeds registered vehicle growth due to customers replacing vehicles with new purchases, replacements for lost, stolen, or damaged plates and tabs, and customers changing plate types on their currently registered vehicle. The Department was able to issue an increasing number of plates, placards, and year-tabs over this time period and remain within the spending authority of the line item by depleting pre-existing inventory of regular passenger plates and moving inventory between counties. The following table illustrates the recent history of regular passenger plate issuance and inventory levels.

Regular Passenger Plates:	FY13	FY14	FY15	FY16	Projected FY17	Projected FY18
Beginning Inventory	1,031,690	882,629	605,625	449,525	113,745	113,745
Issued	997,006	1,031,427	1,121,558	1,181,457	1,047,732	1,110,596
Purchased	847,945	754,423	965,458	845,677	1,047,732	1,410,596
Ending Inventory	882,629	605,625	449,525	113,745	113,745	413,745
Change in Inventory	(149,061)	(277,004)	(156,100)	(335,780)	-	300,000

In FY 2015-16, the State was unable to purchase adequate regular passenger license plates to stock all counties so they could provide customers with a regular plate at the time of purchase. Several counties were required to have customers wait for their regular passenger plates in the mail while they were issued via print on demand. Producing print on demand plates is the same cost as supplying them to the counties, but in order to issue a print on demand plate, a temporary registration permit for \$1.08 must be issued resulting in an additional cost of \$1.08 for each plate produced through print on demand versus that plate being on hand at the county ready for distribution to the customer. It is more efficient for the customer and cost effective for the state to produce embossed regular passenger plates so they can be supplied to the counties for issuance at time of purchase, rather than to issue regular passenger plates via the print on demand process.

Adequate inventory levels are necessary in order to ensure that regular passenger plates are in stock and ready to issue at the time of purchase. Ensuring that there is an inventory of plates on hand enables the state to maintain customer service levels throughout unforeseen increases in issuance and supply chain disruptions. There is a 4 month production lead time for plate production, which prevents the state from being able to respond immediately to unexpected increases in plate issuance. This lead time is due in part to the 3 month lead time for aluminum. In addition, labor interruptions such as prison lockdowns can also affect production lead times and availability of supply. Adequate inventories insulate the potential for these disruptions to negatively impact customer service.

The cost to provide license plates and year-tabs to accommodate issuance for FY 2017-18 and beyond exceeds the current spending authority amounts in the License Plate Ordering line item. If the appropriation in this line item is not increased, the Department will not be able to purchase enough license plates or year-tabs to issue to all registered vehicles in the state.

Proposed Solution:

The Department requests a total increase of \$4,056,720 (\$3,847,078 in cash fund spending authority, and \$209,642 in General Fund appropriation) in the License Plate Ordering line item in FY 2017-18.

The Department requests that \$4,058,874 of the total FY 2017-18 cash fund spending authority in the License Plate Ordering line item come from the CSTARS fund. Of this amount, \$2,924,874 is a shift in the fund split of the line item to mitigate the FY 2017-18 revenue shortfall in LPCF caused by discretionary exemptions and programming issues in the CSTARS program. The remaining \$1,134,000 of this total is for a one-time plate inventory infusion of 300,000 plates to boost inventories and ensure a readily available supply of regular passenger license plates that can better withstand issuance fluctuations and supply chain disruptions.

This will require a change to C.R.S. 42-1-211(2) to allow CSTARS revenue to be used to purchase license plates and validating tabs.

In addition, the Department would like to request that this line item is continuously appropriated to accommodate future fluctuations in license plate and year-tab demand. The line item contains other cost limiting mechanisms including the narrowly defined allowable purchases from this line item and the self-limiting properties of the material fee revenue which recover only the direct costs of production per item.

In FY 2018-19 and thereafter, this request annualizes to \$2,924,874 in cash fund spending authority in the License Plate Cash Fund and \$216,315 in General Fund Appropriation.

The Department will be submitting a revised FY 2016-17 supplemental request to ensure adequate spending authority to accommodate increases in issuance. In addition, this supplemental will also include a CSTARS funding component to mitigate the projected revenue shortfall in the LPCF.

Anticipated Outcomes:

The Department will continue to be able to issue license plates and validating tabs to all registered vehicles in the state.

With the rollout of DRIVES in FY 2018-19, the Department anticipates that the incorrect distribution issues in the CSTARS programming will end. All system requirements for DRIVES are being developed based on the appropriate statutes and thoroughly tested prior to implementation.

In addition, DRIVES will enable the Department to quantify the dollar amount of un-collected revenue due to discretionary fee exemptions and to pursue additional revenue enhancements or alternate funding sources for these exemptions in FY 2018-19 and thereafter.

Assumptions and Calculations:

The estimated FY 2017-18 cost is based on a projected 6 percent increase in issuance of plates and product.

The total projected cost for FY 2017-18 is \$10,195,299 which is \$4,056,720 over the FY 2017-18 base appropriation of \$6,138,579. The following table shows the breakdown of the total FY 2017-18 cost.

	FY18 Projected Purchase Need	Cost Per Item	Total FY18 Cost
Regular Passenger Plates	1,410,596	\$3.78	\$ 5,332,053
All Other Plates	338,608	N/A	\$ 1,066,259
Year-Tabs	7,673,995	\$0.17	\$ 1,304,579
Mounting Boards	1,991,831	\$1.08	\$ 2,151,177
All other product	2,378,720	N/A	\$ 341,231
Total			\$ 10,195,299

Assuming that current revenue trends continue, following is the FY 2017-18 LPCF cash flow under two scenarios.

Scenario 1: FY 2016-17 supplemental and FY 2017-18 Decision Item are **not** approved

LPCF: FY 2016-17 Projection	
Beginning Fund Balance	\$ 680,238
Revenue	\$ 5,920,111
Expenditure	\$ 8,344,325
Net Income	\$ (2,424,214)
Ending Fund Balance	\$ (1,743,976)

LPCF: FY 2017-18 Projection	
Beginning Fund Balance	\$ (1,743,976)
Revenue	\$ 5,920,111
Expenditure	\$ 8,844,984
Net Income	\$ (2,924,874)
Ending Fund Balance	\$ (4,668,850)

Scenario 2: FY 2016-17 supplemental and FY 2017-18 Decision Item are approved

LPCF: FY 2016-17 Projection	
Beginning Fund Balance	\$ 680,238
Revenue	\$ 5,920,111
Expenditure	\$ 6,300,349
Net Income	\$ (380,238)
Ending Fund Balance	\$ 300,000

LPCF: FY 2017-18 Projection	
Beginning Fund Balance	\$ 300,000
Revenue	\$ 5,920,111
Expenditure	\$ 5,920,111
Net Income	\$ -
Ending Fund Balance	\$ 300,000

Assuming that both the FY 2016-17 supplemental and FY 2017-18 Decision Item are approved, the total projected expenditures charged to the CSTARS fund in the License Plate Ordering line item would be as follows:

CSTARS: Expenditure Impact	
FY 2016-17	\$ 2,043,976
FY 2017-18	\$ 4,058,874
Total	\$ 6,102,850

Following are the CSTARS cash flows assuming passage of the supplemental and decision item:

CSTARS: FY 2016-17 Projection	
Beginning Fund Balance	\$ 13,757,655
Revenue	\$ 14,472,145
Expenditure*	\$ 14,081,205
Net Income	\$ 390,940
Ending Fund Balance	\$ 14,148,595

*Includes License Plate Ordering Expenditures in FY 2016-17 Supplemental

CSTARS: FY 2017-18 Projection	
Beginning Fund Balance	\$ 14,148,595
Revenue	\$ 15,079,816
Expenditure*	\$ 16,139,839
Net Income	\$ (1,060,023)
Ending Fund Balance	\$ 13,088,572

*Includes License Plate Ordering Expenditures in FY 2017-18 Decision Item

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-08 Amendment 35 Distribution

Dept. Approval By:



Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$1,297,770	\$0	\$1,297,770	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,297,770	\$0	\$1,297,770	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
03. Taxation Business Group - Amendment 35 Distribution to Local Governments	Total	\$1,297,770	\$0	\$1,297,770	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,297,770	\$0	\$1,297,770	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Lettermote Text Revision Required?	Yes	No		If Yes, see attached fund source detail.
RF Lettermote Text Revision Required?	Yes	No		
FF Lettermote Text Revision Required?	Yes	No		
Requires Legislation?	Yes	No	X	

Department of Revenue

Type of Request?

Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: None



Cost and FTE

- The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments.

Current Program

- In November 2004, voters passed Amendment 35 to the Colorado Constitution, which increased the tax on cigarettes.
- Pursuant to CRS 39-22-623 (1) (B) (c) the Department is statutorily required to distribute 30% of these moneys deposited in the Tobacco Tax Cash Fund to local and county governments, which compensates these entities for a loss of tax revenue as a result of the tax increase.
- The Amendment 35 Distribution to Local Governments line item was created in FY 2006-07 to implement this allocation.
- The appropriation is based on economic forecasts authored by the Office of State Planning and Budgeting, and is adjusted accordingly on an annual basis.
- The March 2015 revenue forecast triggered a reduction in the FY 2015-16 appropriation by \$414,900.

Problem or Opportunity

- The Department did not have adequate spending authority in Senate Bill 15-234 to meet its obligation to distribute the estimated total tobacco tax cash funds for the 2015-16 fiscal year.
- Pursuant to CRS 39-22-623 (1) (a) (II) (B) “Moneys apportioned pursuant to this subparagraph (II) shall be included for informational purposes in the general appropriation bill or in supplemental appropriation bills for the purpose of complying with the limitation on state fiscal spending imposed by section 20 of article X of the state constitution and section 24-77-103, C.R.S.”

Consequences of Problem

- If the (I) annotation is not added to this line item, then the Long Bill will not agree with state statute and the Department may not be able to meet its constitutional obligation of distributing these moneys to local jurisdictions.

Proposed Solution

- The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to harmonize the Long Bill with other state statutes and provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-08
Request Detail: Amendment 35 Distribution

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Fund
Amendment 35 Distribution	\$0	\$0

Problem or Opportunity:

In November 2004, voters passed Amendment 35 to the Colorado Constitution, which increased the tax on cigarettes.

Pursuant to CRS 39-22-623 (1) (B) (c) the Department is statutorily required to distribute 30% of these moneys deposited in the Tobacco Tax Cash Fund to local and county governments, which compensates these entities for a loss of tax revenue as a result of the tax increase.

The Amendment 35 Distribution to Local Governments line item was created in FY 2006-07 to implement this allocation. The appropriation is based on economic forecasts authored by the Office of State Planning and Budgeting, and the March 2015 revenue forecast reduced the appropriation by \$414,900.

Pursuant to CRS 39-22-623 (1) (a) (II) (B) *"Moneys apportioned pursuant to this subparagraph (II) shall be included for informational purposes in the general appropriation bill or in supplemental appropriation bills for the purpose of complying with the limitation on state fiscal spending imposed by section 20 of article X of the state constitution and section 24-77-103, C.R.S."*

Due to the lack of the (I) annotation on this line item in the long bill, the Department did not have adequate spending authority to meet its obligation to distribute the estimated total tobacco tax cash funds for the 2015-16 fiscal year. The Office of the State Controller agreed to grant the Department custodial spending authority under CRS 39-22-623 (1) (a) (II) (B) so that the Department could fulfill its statutory obligation without over-expending their appropriation.

Proposed Solution:

The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to harmonize the long bill with other state statutes and to provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments.

Anticipated Outcomes:

The (I) annotation will provide adequate spending authority for the Department to distribute the estimated total tobacco tax cash funds to local and county governments.

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-05 GenTax System Maintenance, Support, and Hosting

Dept. Approval By:

Barbara Burke

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

Erin M. Smith 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$4,656,751	\$0	\$4,745,803	\$3,858,767	\$3,858,767
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$4,609,682	\$0	\$4,735,803	\$3,858,767	\$3,858,767
	CF	\$47,069	\$0	\$10,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
03. Taxation Business Group, (A) Administration - CITA Annual Maintenance and Support	Total	\$4,656,751	\$0	\$4,745,803	\$3,858,767	\$3,858,767
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$4,609,682	\$0	\$4,735,803	\$3,858,767	\$3,858,767
	CF	\$47,069	\$0	\$10,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	No	
FF Letternote Text Revision Required?	Yes	No	
Requires Legislation?	Yes	No	X

Department of Revenue

Type of Request?

Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: None



Cost and FTE

- The Department requests \$3,858,767 of ongoing General Fund appropriation to transfer the technical infrastructure of GenTax to a vendor-hosted solution from the current state OIT-hosted solution.

Current Program

- During the period from 2008 through 2012, the Department replaced its aged and antiquated tax systems with a modified off-the-shelf product called GenTax, in a project called Colorado Integrated Tax Architecture (CITA). The project was completed on time and under budget, with GenTax now serving as the system of record for the taxation divisions.

Problem or Opportunity

- Demands upon the system continue to grow. Population increases, the addition of new taxes (e.g. marijuana taxes), statutory changes, an increase in fraudulent refund activity, and customer service enhancements have all placed increased traffic and pressures on the system and its hardware.
- These pressures strain the current limits of the hardware platform which is near end-of-life, putting at risk the successful completion of the nightly batch-processing job stream. This leads to processing “catch up” on the weekends, and delayed service for customers.
- The current maintenance and support contract is reaching expiration and it is time to evaluate the current arrangement in order to identify opportunities for improvement and enhancement.

Consequences of Problem

- This mission critical system generates \$11 billion in revenue for the State and must be properly maintained. Without needed enhancements, the system infrastructure will become unreliable.
- Processing demands will continue to increase over time, causing further delays for customers.
- The Department will not be able to implement future strategic initiatives such as e-filing options.

Proposed Solution

- Of the request, \$1,070,000 is for vendor hosting, which provides cost savings to the state of more than \$750,000 over 5 years, compared to the OIT-hosted solution, and is more than \$1.7 million less expensive in the first year. The vendor solution guarantees system availability and performance as it shifts responsibility to the vendor to ensure maintenance and reliability.
- Base software licensing and on-site support with 4.0 contracted staff to replace OIT staff support make up \$1,708,767 (other increases from inflation, new tax types, and additional volume), and the remaining \$1,080,000 will fund an enhanced level of system support including 3.0 contracted staff to address strategic initiatives and other opportunities to improve service levels to state taxpayers.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-05

Request Detail: GenTax System Maintenance, Support, and Hosting

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
GenTax System Maintenance, Support and Hosting	\$3,858,767	\$3,858,767

Problem or Opportunity:

The Department of Revenue (DoR) successfully completed an upgrade for its tax systems in 2012 through its implementation of the GenTax integrated tax processing system. GenTax is a Modified Off-The-Shelf (MOTS) system that has been implemented at more than 30 other taxing jurisdictions. A MOTS system starts with a standard, established system and can be modified and customized to meet business objectives. GenTax now serves as the system of record for taxes administered by DoR.

DoR had entered into support and maintenance contracts with the original vendor (FAST Enterprises), and these contracts are approaching their end dates. The Department has evaluated its options in how to maintain the system to ensure it can continue to administer state taxes in a timely, accurate and secure manner. DoR has identified three key needs that represent the main components of this budget request.

1) The first relates to the hardware platform that hosts the system. Hosting refers to providing servers, network infrastructure and associated hardware to run the system. Currently, the GenTax system is hosted by resources from the state Office of Information Technology (OIT). The issue is that demands upon the system have greatly increased since the system was originally implemented. Processing volumes and complexities have increased significantly. Income Tax and Sales Tax populations have increased nearly 3% per year since 2008. Additionally, new taxes (e.g. Marijuana sales and excise taxes), statutory changes (e.g. Tabor and Earned Income Tax Credit refunds and Enterprise Zone Credit reporting), a three-fold increase in fraudulent refund activity over the past few years and other issues have all placed increased pressures on the system. These pressures strain the current limits of the hardware platform which is near end-of-life, putting at risk the successful completion of the nightly batch-processing job stream. This risks the operations of a system responsible for processing \$11 billion in state revenues. Consequently, the technical infrastructure needs to be replaced and upgraded.

This decision item requests funding to enter into a contract with the software vendor for the vendor to provide the hosting services for the system. This option provides tremendous cost savings to the state - the five-year cost for a vendor-hosted solution saves more than \$750,000 compared to the OIT-hosted solution, and is more than \$1.7 million less expensive in the first year. The vendor solution guarantees system availability and performance as it shifts responsibility to the vendor to ensure the maintenance and reliability of the hardware. The state will not be required to monitor usage and acquire new hardware if needed and can impose contractual remedies if the vendor fails to perform according to the contract. The technical demands of processing millions of transactions for all state taxes are stressing the capacity of the

current infrastructure. FAST Enterprises has experience managing the tax and revenue programs for almost half of the U.S. states as well as a number of Canadian provinces and national governments around the world. The FAST technical infrastructure can ensure the safety and reliability of Colorado tax processing.

The Department is requesting \$1,070,000 to fund this component of the request.

2) DoR must also address the base level of software licensing and support resources necessary to ensure it can maintain the current functionality level of the system. The most basic cost is the software licensing cost for the GenTax system. This licensing cost represents \$474,658 of the total request for base resources.

The remaining portion of the base request relates to the system support personnel required to maintain a basic level of software support. These personnel address programming issues, such as basic error fixes, bug corrections and implementing base system updates. The current support model is designed to include 8 FTE provided by the vendor (FAST Enterprises) and 6 FTE provided by OIT. However, there have been challenges for OIT in providing these FTE as the skillsets necessary to be productive in this role isn't ideally compatible with the resources within OIT. Those who are most successful in this support role have more specific experience in identifying and fixing system coding issues. As a result of these challenges, the vendor has essentially used their FTE to provide all base system support as OIT is not currently providing any developer support resources. DoR has discussed this with OIT and the two agencies have mutually agreed that the vendor should provide all software support resources for GenTax. DoR is requesting funding to procure an additional 4 FTE from the vendor to provide the level of support that would have previously been addressed by the 6 OIT FTE. The total cost for the FTE providing this base level of support is \$1,234,109.

In total, the Department is requesting \$1,708,767 to support the base functionality of the system.

3) Third, DoR is requesting funding to provide support necessary to allow the Department to address strategic initiatives and other opportunities to improve service levels to state taxpayers. As noted above, the Department has experienced a tremendous increase in workloads associated with administering state taxes. Since implementation, system enhancements have not kept pace with the demands placed on the system by system users and the taxpayers of Colorado. DoR has worked to keep pace with required statutory changes and increased filing populations, but has not had the available resources to pursue enhancements that can have a tangible positive affect on the customer service provided to taxpayers.

The Department is requesting \$1,080,000 to fund this enhanced level of system support.

Proposed Solution:

Through this Decision Item the Department seeks the authority and appropriation to contract for a fully vendor hardware hosted and vendor supported and maintained system. The total amount being requested is \$3,858,767.

- The Department requests \$1,070,000 of ongoing General Fund appropriation to transfer the technical infrastructure to a vendor-hosted solution from the current state OIT-hosted solution.
- The Department requests \$1,708,767 of General Fund appropriation for base software licensing and on-site support.
- The Department requests \$1,080,000 of General Fund appropriation for enhanced on-site software support.

Anticipated Outcomes:

Approval of this request will result in:

- Sustained application performance guaranteed under a vendor contract with no unplanned hardware and software costs resulting in optimal return, refund, and batch processing;
- Necessary system maintenance and support resources resulting in a higher quality system for the system end-users and the taxpayers of Colorado;
- The successful implementation of the Department of Revenue customer-focused strategic initiatives of electronic filing options for all tax and fee return types and electronic correspondence options for all system letters and correspondence sent to taxpayers;
- Improved customer service for the taxpayers of Colorado;
- Lower and more predictable hardware and software infrastructure costs.

Assumptions and Calculations:**Vendor Hosting**

- A shift from a State-hosted hardware platform to a vendor-hosted hardware platform will incrementally increase by \$1,070,000 from the current contract between FAST and the Department. However, initial projections indicate that the vendor-hosted infrastructure costs will be lower, more predictable and smoother to the state with this model than with an OIT hosted solution. Over 5-years, the vendor hosted solution will be \$768,254 less expensive, while the first-year cost will be \$1,732,794 less expensive. Please see the 5-year cost comparison below.

	Fast Hosting	OIT Hosting	Difference
Year 1	\$ 1,070,000	\$ 2,802,794	\$ (1,732,794)
Year 2	\$ 1,120,000	\$ 953,865	\$ 166,135
Year 3	\$ 1,170,000	\$ 953,865	\$ 216,135
Year 4	\$ 1,220,000	\$ 953,865	\$ 266,135
Year 5	\$ 1,270,000	\$ 953,865	\$ 316,135
Total	\$ 5,850,000	\$ 6,618,254	\$ (768,254)

- The advantages of a vendor-hosted solution that includes both application support and infrastructure services are:
 - The Department does not have to manage multiple contracts/service level agreements - one with the application provider and one with the infrastructure provider.
 - Issue/error troubleshooting and resolution are typically quicker in a single-vendor situation - resulting in higher application availability and increased system performance.

- The vendor hosted-infrastructure includes:
 - Production, Disaster Recovery, Development, Testing, and Staging environments;
 - Monthly 3rd party Security Risk Assessment;
 - Annual penetration testing by 3rd party;
 - Audit data retention for duration of contract;
 - Sufficient bandwidth from hosting data centers;
 - All hardware and software costs for data center equipment;
 - 5 years maintenance for both hardware and software;
 - Backups of critical data including off-site copies on disk and/or tape;
 - Base level DR failover testing;
 - Contractually guaranteed system availability;
 - Contractually guaranteed system transaction call performance on par with other high-performing GenTax sites;
 - 2-factor VPN for on premise development leads and technical staff.

Base Level Licensing and Support Resources

- Annual software licensing and maintenance will incrementally increase by \$474,658 to \$1,535,558 from the current contract amount of \$1,060,900 (an increase of 45%). This increase is a result of inflation, new tax types and functionality, and additional volumes added to the system since the original implementation. Below are examples of this added scope.
 - KXEN for Audit Selection;
 - Master Intercept Repository;
 - Enterprise Zone Credit Schedule;
 - Retail Marijuana Sales and Excise Taxes;
 - General Ledger;
 - Gaming Casino EZ File;
 - Fraud Manager;
 - TABOR and EITC Refunds;
 - Buyers Claim for Refund Enhancements;
 - 21% growth in tax returns since original system go-live.
- Software licensing and maintenance includes:
 - Access to service packs;
 - Access to new versions;
 - Access to new and revised documentation;
 - Phone support;
 - Core product defect repair.
- An increase in base dedicated, on-site software support resources from eight to twelve people will incrementally increase by \$1,234,109 to \$3,992,442 from the current contract amount of \$2,758,333 (an increase of 45%). These additional resources will replace the FTE that OIT no longer provides and will perform the following activities:
 - Service pack and version analysis and installation, which occurs 3-4 times per year resulting in the Department always being on the latest version;
 - Coordination with the FAST solutions center;

- Configuration and site module defect repair;
- Configuration and application development of routine, year-end changes and maintenance of tax returns, other forms, tax rates, correspondence updates, and reporting updates;
- Existing form updates for rate changes and development of remaining tax forms for e-filing;
- Developing cost estimates for potential future special projects such as implementing Marijuana into GenTax as previously accomplished;
- Best practices research and recommendations obtained from 30+ other site installations
- Legislation technical review and implementation cost estimating;
- Daily maintenance including running the nightly processes, system corrections, and end-user support.
- Facilitation, development, and implementation of change and enhancement requests (SQRs) as prioritized by the Department.

Enhanced On-Site Software Support

- An additional three on-site software support resources will incrementally increase by \$1,080,000 from the current contract amount. These additional resources will perform the following activities:
 - Implementation of the following strategic customer service focused initiatives:
 - Electronic filing options for all taxes, fees, and forms;
 - Electronic correspondence options for all taxpayer letters and correspondence;
 - Licensing Manager platform to manage license issuance;
 - Credit Manager platform to manage business and individual credit tracking;
 - Criminal Tax Case Management System;
 - Instant Messaging Support for Customer Call Center.
 - Implementation of system change and enhancement requests prioritized by the Department that cannot be accomplished with the base support resources.

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-01 Division of Motor Vehicles Waitless System Maintenance

Dept. Approval By:

[Signature]

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

[Signature] 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$2,096,686	\$0	\$2,096,686	\$183,042	\$183,042
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$418,104	\$0	\$418,104	\$0	\$0
	CF	\$1,668,412	\$0	\$1,668,412	\$183,042	\$183,042
	RF	\$10,170	\$0	\$10,170	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
04. Division of Motor Vehicles, (B) Driver Services, (1) Administration - Operating Expense	Total	\$2,096,686	\$0	\$2,096,686	\$183,042	\$183,042
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$418,104	\$0	\$418,104	\$0	\$0
	CF	\$1,668,412	\$0	\$1,668,412	\$183,042	\$183,042
	RF	\$10,170	\$0	\$10,170	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No		If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	No		
FF Letternote Text Revision Required?	Yes	No		
Requires Legislation?	Yes	No	X	

Department of Revenue

Type of Request? Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: None



Cost and FTE

- The Department requests an increase of \$183,042 in cash fund spending authority for Licensing Services Cash Fund in FY 2017-18 and ongoing for the hardware and software maintenance cost to support the implemented Waitless system. The hardware and software maintenance is imperative to the system's functionality and the DMV's goal to enhance customer service by reducing wait times.

Current Program

- In FY 2014-15, the General Assembly approved the Division of Motor Vehicles (DMV) change request R-2 DMV-Customer Service Enhancements for \$4,168,025 General Fund and 52.0 FTE.
- Of this total, \$1,492,103 was for the purchase and installation of Waitless queuing and data management technology to 31 state-operated driver license offices.
- The purpose of the 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.

Problem or Opportunity

- The ongoing cost of \$158,638 included in the FY 2014-15 request was primarily for kiosk paper.
- The hardware and software maintenance costs were not included in the request because they were unknown at the time, and the Department intended to submit a request for the necessary additional appropriation once maintenance costs were determined.
- In FY 2015-16, the Department negotiated a hardware maintenance contract through June 30, 2017, and a software maintenance contract through March 31, 2017. The cost for both of these contracts is funded in FY 2016-17 by the current ongoing operating appropriation, due to a lower cost of kiosk paper than the DMV anticipated due to switching from thermal paper to non-thermal paper.
- In FY 2017-18, the hardware maintenance cost is estimated to increase and the remaining ongoing appropriation will no longer cover the cost of both maintenance renewals.

Consequences of Problem

- If the request is not approved, the DMV will have to defer building maintenance and other operating needs that are critical to the effective operations of the division to accommodate this need.

Proposed Solution

- The Department requests an increase of \$183,042 in cash fund spending authority for Licensing Services Cash Fund in FY 2017-18 and ongoing for the estimated hardware and software maintenance cost to support the implemented Waitless system. The total cost of the software maintenance is partially offset by the savings in kiosk paper costs included in the FY 2014-15 request.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-01
Request Detail: DMV Waitless System Maintenance

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Funds
DMV Waitless System Maintenance	\$183,042	\$183,042

Problem or Opportunity:

In FY 2014-15, the General Assembly approved the Division of Motor Vehicles (DMV) change request R-2 DMV-Customer Service Enhancements for \$4,168,025 General Fund and 52.0 FTE to enhance customer service by reducing wait times in driver license offices. Of this total, \$1,492,103 was for the purchase and installation of Waitless queuing and data management technology to 31 state-operated driver license offices. The purpose of the system is to reduce customer service 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.

The ongoing cost of \$158,638 that was identified in the request primarily accounted for kiosk paper. The hardware and software maintenance costs were not included in the request because they were unknown at the time, and the Department intended to submit a request for the necessary additional appropriation once maintenance costs were determined.

In FY 2015-16, the Department negotiated a hardware maintenance contract through June 30, 2017, and a software maintenance contract through March 31, 2017. The cost for both of these contracts is funded in FY 2016-17 by the ongoing appropriation that was identified in the original request due to a lower cost of kiosk paper than the DMV anticipated as a result of less than a full year of operations following implementation.

In FY 2017-18, the hardware maintenance cost is estimated to increase and the full cost for kiosk paper will be realized. Therefore, the ongoing appropriation will no longer cover the cost of both maintenance renewals.

Proposed Solution:

The Department requests an increase of \$183,042 General Fund in FY 2017-18 and ongoing for the estimated hardware and software maintenance cost to support the implemented Waitless system. The hardware and software maintenance is imperative to the system's functionality and the DMV's goal to enhance customer service by reducing wait times. Therefore, if the proposed solution is not approved, the DMV will have to defer building maintenance and other operating needs that are critical to the effective operations of the division to accommodate this need.

Anticipated Outcomes:

Approval of this request will support the implemented Waitless system's ability to reduce customer wait times by providing an office management system to measure and manage the efficiency and effectiveness of driver license operations. It also supports the Department's strategic plan of providing outstanding quality customer service.

Assumptions and Calculations:

The hardware maintenance estimate is based on optional contract renewals with the current vendor, and the software maintenance estimate is based on the current contract plus a credit that may not be extended (see figures below).

A. Ongoing appropriation included in original request (thermal kiosk paper)	\$158,638
Current annual kiosk paper cost	\$10,000
Annual hardware maintenance cost	\$203,710
Annual software maintenance cost	\$127,970
B. Total annual cost	\$341,680
C. Additional appropriation request (B-A)	\$183,042

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-04 Division of Motor Vehicles Leased Space

Dept. Approval By:

Bubba G. Baskin

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

Erin M. Schmitt / 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$6,417,137	\$0	\$6,663,456	\$1,090,106	\$179,106
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$1,193,554	\$0	\$1,210,150	\$0	\$0
	CF	\$5,213,413	\$0	\$5,443,136	\$1,090,106	\$179,106
	RF	\$10,170	\$0	\$10,170	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
01. Executive Director's Office, (A) Administration and Support - Leased Space	Total	\$4,320,451	\$0	\$4,566,770	\$179,106	\$179,106
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$775,450	\$0	\$792,046	\$0	\$0
	CF	\$3,545,001	\$0	\$3,774,724	\$179,106	\$179,106
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Department of Revenue

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,096,686	\$0	\$2,096,686	\$911,000	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
04. Division of Motor Vehicles, (B)	GF	\$418,104	\$0	\$418,104	\$0	\$0
Driver Services, (1)	CF	\$1,668,412	\$0	\$1,668,412	\$911,000	\$0
Administration -	RF	\$10,170	\$0	\$10,170	\$0	\$0
Operating Expense	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Revenue Prioritized Request				
Interagency Approval or Related Schedule 13s: None					



Cost and FTE

- The Department requests a cash fund appropriation of \$1,090,106 in FY 2017-18 and \$179,106 in FY 2018-19 and thereafter in the Licensing Services Cash Fund. Of this amount, \$179,106 will be in the leased space line item. One-time costs of \$911,000 will be in the Driver Services Operating line item to expand and/or relocate the Colorado Springs, Northglenn, and Fort Morgan driver license offices to more adequately serve its customers.

Current Program

- The Department's Division of Motor Vehicles (DMV) operates 36 driver license offices, and the leases are funded by the Executive Director's Office Leased Space line item.
- The current Colorado Springs and Northglenn driver license offices do not meet the needs of the customer base and require either an expansion of the existing space or the relocation to a new space.
- Customer demand at the Colorado Springs and Northglenn driver license offices is continuing to increase, causing increases in wait times.
- The Fort Morgan lease has been in holdover since 2007 and requires relocation to an office that is better suited to meet the needs of the DMV.

Problem or Opportunity

- The existing leases for Colorado Springs, Northglenn, and Fort Morgan do not meet customer needs and limit the Department's ability to reduce or maintain current wait times. These offices require expansion and/or relocation for the DMV to provide driver licenses and identification cards to citizens within wait time goals, yielding a positive experience and high customer satisfaction.

Consequences of Problem

- Without adequate spending authority to address these location issues, customer satisfaction in these locations will decrease as wait times and crowding increase.

Proposed Solution

- The Department proposes expanding and/or relocating the Colorado Springs, Northglenn, and Fort Morgan driver's license offices to spaces that can better serve customers and meet the DMV's goal to enhance customer service by reducing wait times.
- The Department requests the following from the Licensing Services Cash Fund: \$75,000 in Driver Services Operating for moving costs in FY 2017-18; \$836,000 for the cost to build out the three offices in FY 2017-18; and \$179,106 in the Executive Director's Office Leased Space line item in FY 2017-18 and thereafter for increased lease costs.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-04
Request Detail: Division of Motor Vehicles Leased Space

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund	Cash Funds
Division of Motor Vehicles Leased Space	\$1,090,106	\$0	\$1,090,106

Problem or Opportunity:

The Department's Division of Motor Vehicles (DMV) operates 36 driver license offices, and the leases are funded by the Executive Director's Office Leased Space line item.

The current Colorado Springs and Northglenn driver license offices do not meet the needs of the customer base and require an expansion of the existing space or relocation to other locations. The expiration dates for the current leases at these locations are as follows: Northglenn: June 30, 2021, and Colorado Springs: June 30, 2020. The Department's first strategic priority will be to negotiate with the current landlords over the coming months to explore expansion options. The Fort Morgan lease has been in holdover since 2007 and also requires relocation to an office that is better suited to meet the needs of the DMV.

At these locations, the limited space in the current offices restricts the number of workstations that can be installed which limits the number of customers that can be served. As a result, customers are forced to wait longer periods of time and wait times at these locations have historically been higher than other offices. . Additionally, the space in the current offices for customer waiting is limited resulting in customers having to stand for extended periods of time while they wait to be seen. These limitations do not provide a positive customer experience and prevents the Department from serving customers in an efficient and effective manner. Photographs of each office location can be found in attachment A.

The tables below summarize the historical wait-times and customers served at Northglenn and Colorado Springs offices (wait time data for Fort Morgan is not available):

Northglenn

Year	Customers Served	Average Wait Time (hh:mm:ss)
FY 2012-13	94,269	0:45:14
FY 2013-14	117,315	0:30:53
FY 2014-15	119,420	1:09:49
FY 2015-16	107,685	0:24:08

Colorado Springs

Year	Customers Served	Average Wait Time
FY 2012-13	59,672	0:54:28
FY 2013-14	107,938	0:35:01
FY 2014-15	102,144	0:48:22
FY 2015-16	87,537	0:58:09

Proposed Solution:

The existing leases for Colorado Springs, Northglenn, and Fort Morgan require expansion and/or relocation for the DMV to adequately provide issuance of driver licenses and identification cards to Colorado citizens in a timely manner that yields a positive customer experience and high customer satisfaction.

If the proposed solution is not approved, the DMV does not have adequate spending authority to address these leased space issues and provide the most efficient and effective customer service.

Anticipated Outcomes:

Approval of this request will support the DMV's goal to enhance customer service by reducing wait times. It also supports the Department's strategic plan of providing outstanding quality customer service. The strategic goal that this request directly supports is that by the end of FY 2017-18, 80% of customers in driver license offices will be seen within 15 minutes. It is anticipated that by either expanding or relocating these three offices, they will be able to achieve that goal.

Assumptions and Calculations:

The additional leased space estimate is based on market rates provided by the state's real estate broker and the ideal square feet compared to existing rates and square feet (see table below).

City	Current SF	Future SF	Change in Sq. Ft	Current Market Rate per Sq Foot Per year	Annual Cost of new Sq. Footage	Increase Rate for Existing Sq. Footage	Cost of Buildout	Cost of Moving
Northglenn	3,480	7,000	3,520	\$ 25.00	\$ 88,000	\$ 870	\$ 354,000	\$ 35,000
Colorado Springs	9,575	12,273	2,698	\$ 20.50	\$ 55,309	\$ 29,587	\$ 462,000	\$ 35,000
	13,055	19,273	6,218		\$ 143,309	\$ 30,457	\$ 816,000	\$ 70,000

City	Current SF	Current Holdover Rate	Current Market Rate	Change in Rate	Annual Cost of new rate	Increase Rate for Existing Sq. Footage	Cost of Buildout	Cost of Moving
Fort Morgan	1,000	\$ 9.66	\$ 15.00	\$ 5.34	\$ 5,340	\$ -	\$ 20,000	\$ 5,000
	1,000	\$ 10	\$ 15		\$ 5,340	\$ -	\$ 20,000	\$ 5,000
Total Request					\$ 148,649	\$ 30,457	\$ 836,000	\$ 75,000

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-03 Liquor Enforcement Division Operating Increase

Dept. Approval By:

Barbara J. Brooke

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

Erin M. Suber 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$115,382	\$0	\$111,637	\$52,884	\$52,884
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$7,201	\$0	\$7,201	\$0	\$0
	CF	\$108,181	\$0	\$104,436	\$52,884	\$52,884
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
05. Enforcement Business Group, (C) Liquor and Tobacco Enforcement Division - Operating Expenses	Total	\$115,382	\$0	\$111,637	\$52,884	\$52,884
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$7,201	\$0	\$7,201	\$0	\$0
	CF	\$108,181	\$0	\$104,436	\$52,884	\$52,884
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No		If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	No		
FF Letternote Text Revision Required?	Yes	No		
Requires Legislation?	Yes	No	X	

Department of Revenue

Type of Request? Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: None



Cost and FTE

- The Department requests a cash funds appropriation of \$52,884 in FY 2017-18 and thereafter in the Liquor Enforcement Division and State Licensing Authority Cash Fund for operating expenses in the Liquor and Tobacco Enforcement Division (LED). This represents a 41 percent increase in the LED operating expenses line item appropriation.

Current Program

- The LED is empowered with statewide law enforcement jurisdiction.
- The LED monitors compliance with Colorado liquor and tobacco laws and regulations through education, outreach, licensing, inspections, and enforcement activities in conjunction and cooperation with local and state enforcement officials, local licensing authorities, and the industry.
- LED investigators conduct compliance checks and inspections, investigate complaints, and offer training. The LED also works special events at the request of local law enforcement agencies.

Problem or Opportunity

- Compliance checks serve as a deterrent for retail establishments from serving alcohol to minors and for minors from possessing alcohol at large public venues. Current funding for operating expenses is insufficient to conduct compliance checks in remote locations and to adequately staff minor-in-possession operations at concerts, sporting events, and other venues.
- The LED has three investigators and one supervisor stationed in Grand Junction to cover the Western Slope. Due to the size of this region, compliance checks and enforcement operations often result in higher travel expenses – either for the regional investigator or for Denver-based staff who travel to conduct enforcement operations at concerts, sporting events and other venues.
- Equipment needs associated with enforcement operations are funded at the expense of travel or other operational needs.

Consequences of Problem

- The LED will conduct compliance checks and enforce underage drinking laws in a limited capacity in remote locations without additional spending authority. Enforcement operations at events such as Country Jam, XGames, and Bands in the Backyard, will be eliminated or reduced.
- The non-compliance rate for underage liquor sales and minor-in-possession citations could be negatively impacted if the industry and public become aware that enforcement efforts have decreased.

Proposed Solution

- The Department requests \$52,884 in LED operating expenses to improve compliance and enforcement operations statewide. Citizens, local law enforcement, and the industry will benefit from the solution.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-03

Request Detail: Liquor Enforcement Division Operating Increase

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Funds
Liquor Enforcement Division Operating Increase	\$52,884	\$52,884

Problem or Opportunity:

The Liquor and Tobacco Enforcement Division (LED) is responsible for licensing and regulating businesses selling alcohol in the State of Colorado by providing education, training, and outreach; carrying out inspections, background investigations, and enforcement actions; implementing legislation; promulgating rules and issuing licenses; and conducting the public needs and issues hearings for licensees on state-owned property.

Businesses under the LED's purview include liquor retailers, manufacturers, wholesalers, and importers. There are currently over 13,000 liquor licenses in Colorado, of which 1,763 are licenses for new liquor establishments. For licensing, the LED applications and renewals to ensure the integrity of the liquor industry. The LED is also responsible for processing premises modifications, location changes, trade name changes, storage permits, delivery permits, wine tasting permits, and new product registrations. In the last ten years, Colorado has become a popular location for new breweries, wineries, and distilleries. The number of new breweries has tripled and the number of new distilleries has doubled in just the last three years. In addition to growth within the current market, legislative changes have added new, and modified existing, license types. These legislative changes have increased the number and types of businesses interacting with the LED.

Two activities that support the LED's mission of gaining and monitoring compliance with Colorado's liquor laws are under age compliance checks and minor-in-possession checks. Both of these activities are aimed at reducing underage consumption of alcohol. Under age compliance checks are carried out through an undercover operation in which a minor attempts to purchase alcohol from a licensed business. Criminal investigators from the LED coordinate the operation and use a "joey" (commonly known as a wire) to transmit and record the transaction for evidence. Minor-in-possession checks are most often carried out by criminal investigators who attend and monitor events for underage drinking.

In FY 2015-16, the LED completed underage compliance checks on 38 percent of all licensees, an increase from the 30 percent in FY 2014-15. The increase is partly due to a one-year grant received from the Colorado Department of Transportation (CDOT), which accounted for 661 of the 4,366 compliance checks (approximately 15%). The grant provided an extra \$13,200 in operating expenses, including \$8,400 for travel expenses. The travel expenses were used by the three investigators and one supervisor in the Grand

Junction Office. The requirement for the grant was to complete five operations in three counties with highest number of youth fatalities. These counties were El Paso, Jefferson, and Adams. The restriction of only allowing three counties hampered additional efforts across the state, specifically in the Western Slope and other more remote areas of the state. Remote areas of the state require overnight stays with lodging, per diem, and other travel expenses.

Aside from personnel costs (both for the criminal investigators and the minors who assist with the compliance checks), enforcement activity costs include: equipment purchase and maintenance, lodging and travel, and per diem. For the past four years, the LED has struggled to maintain a statewide enforcement presence due to pressure on the operating budget from increased costs. Under these budget pressures, the LED has taken several steps, including: prioritizing travel and lodging expenditures over standard operating and equipment maintenance costs, reducing travel to destinations requiring an overnight stay, reducing the LED's presence at multi-day festivals and other events, and reducing training opportunities for new investigators. These budget pressures were partially offset by the previously mentioned CDOT grant; however, the LED will not be pursuing the grant in the future due to its restricted geographic scope and reporting requirements.

The Department requests an increase to the LED's operating expense appropriation to support efforts to reduce underage alcohol consumption by providing greater support to investigators. Current fees and fund balance are estimated to be able to support the requested increase. However, fees are analyzed, reviewed, and adjusted as necessary to cover the direct and indirect expenses of the LED.

Proposed Solution:

The Department requests increased spending authority of \$52,884 in FY 2017-18 and thereafter in the Liquor and Tobacco Enforcement Division, Operating Expenses line item appropriation from the Liquor Enforcement Division and State Licensing Authority Cash Fund. The increase will support the LED's enforcement efforts and by funding the following: 1) travel and lodging to visit remote locations for compliance checks and provide additional staff at multi-day events (\$14,094); 2) surveillance equipment maintenance and replacement (\$29,640); and 3) training to new investigators (\$9,150). Please refer to the Assumptions and Calculations section that follows for detailed calculations.

Without the increased operating spending authority, the LED will not have adequate resources to conduct compliance checks on a statewide level and enforcement operations at large public events may be reduced or eliminated. This will adversely affect compliance rates and underage alcohol consumption may increase.

Anticipated Outcomes:

The proposed solution will allow the LED to provide more consistent enforcement activities throughout the state – providing greater support to remote communities. The LED will be able to continue to respond to law enforcement requests to conduct enforcement operations at local events. Expanding the LED's abilities is anticipated to reduce non-compliance rates for underage liquor sales and minor-in-possession citations.

During enforcement operations, the LED uses several pieces of equipment, including joeys, scanners, and radios. The lifespan of each item in the LED is past due. To ensure equipment is current and operating within its lifespan, the LED requests replacement of two of the above items per year. Towards that goal, equipment maintenance costs will be reestablished in the operating budget ensuring the LED's equipment is functional and on a regular update cycle.

The increased travel budget and training will improve the criminal investigator's work environment, allowing them to be more familiar with current practices and reducing the amount of overtime required to reach remote destinations. The travel budget will also allow for safer conduct at events as the investigators can partner with one or two other investigators.

Assumptions and Calculations:

The Department requests \$52,884 in FY 2017-18 and thereafter from the Liquor Enforcement Division and State Licensing Authority Cash Fund for operating expenses.

Travel and Lodging (\$14,094). LED investigators completed enforcement activities at approximately eight multi-day events and 208 single day events. The events include both compliance checks and minor-in-possession checks.

The LED events planned for the upcoming year include, among others, Global Dub, Global Dance, X-Games, Snowball, Bands in the Backyard, Country Jam. These events are subject to funding as each will require lodging, per diem, and multiple investigators to ensure success. Multi-day events are typically staffed by an average of 6 persons. Funding from this request will allow for an average of 8 persons per event. Depending on the location, some or all of these investigators will require travel and lodging. Annual costs are as follows:

- \$173 per investigator per day * 2 investigators * 8 events * 3 days per event = \$8,304

Compliance checks are most frequently one-day events. However, for compliance checks in more remote areas, an overnight stay is required. The LED currently budgets for approximately 30 compliance checks that require overnight stays. This request is to increase the number of overnight stays from 30 to 45. Costs are as follows:

- \$193 per investigator per day (including \$20 for minor per diem) * 2 investigators * 15 events * 1 day per event = \$5,790

Equipment Replacement Schedule. Given a replacement schedule of 2 per year, annual equipment replacement costs are as follows:

- \$3,700 per Joey * 2 units = \$7,400
- \$11,000 per radio * 2 units = \$22,000
- \$120 per scanner * 2 units = \$240

New Officer Training. In prior years, the LED sent investigators to the National Liquor Law Enforcement Association (NLLEA) training. The training is specifically created for new liquor investigators. The training is given and attended by new and experienced investigators from throughout the 50 states. The training locations change as the NLLEA wants to ensure all state agencies have the ability to attend. The Division has not had the funding to send any new hires to the NLLEA academy since 2014. There are currently three new investigators who need to attend the training. In FY 2016-17 there will be an additional three new investigators who need to attend. Annual costs to send staff to NLLEA training are as follows:

- \$3,050 per attendee * 3 investigators = \$9,150

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

R-06 Auto Industry Division Regulatory Staff Increase

Dept. Approval By:

[Signature]

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By:

[Signature] 10/27/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$27,196,898	\$0	\$29,296,498	\$361,682	\$328,500
	FTE	27.2	0.0	27.2	4.0	4.0
	GF	\$9,958,921	\$0	\$10,566,030	\$0	\$0
	CF	\$17,212,376	\$0	\$18,697,643	\$361,682	\$328,500
	RF	\$25,601	\$0	\$32,825	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
01. Executive Director's Office, (A) Administration and Support - Health, Life, and Dental	Total	\$10,731,918	\$0	\$11,899,758	\$31,708	\$31,708
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$4,417,131	\$0	\$4,722,166	\$0	\$0
	CF	\$6,297,694	\$0	\$7,153,883	\$31,708	\$31,708
	RF	\$17,093	\$0	\$23,709	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Department of Revenue

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$137,294	\$0	\$144,039	\$476	\$476
01. Executive	FTE	0.0	0.0	0.0	0.0	0.0
Director's Office,	GF	\$58,839	\$0	\$61,749	\$0	\$0
(A) Administration	CF	\$78,292	\$0	\$82,120	\$476	\$476
and Support -	RF	\$163	\$0	\$170	\$0	\$0
Short-term	FF	\$0	\$0	\$0	\$0	\$0
Disability						
	Total	\$3,482,946	\$0	\$3,796,382	\$10,808	\$10,808
01. Executive	FTE	0.0	0.0	0.0	0.0	0.0
Director's Office,	GF	\$1,491,518	\$0	\$1,625,034	\$0	\$0
(A) Administration	CF	\$1,987,234	\$0	\$2,166,875	\$10,808	\$10,808
and Support -	RF	\$4,194	\$0	\$4,473	\$0	\$0
Amortization	FF	\$0	\$0	\$0	\$0	\$0
Equalization						
Disbursement						
	Total	\$3,446,668	\$0	\$3,796,382	\$10,808	\$10,808
01. Executive	FTE	0.0	0.0	0.0	0.0	0.0
Director's Office,	GF	\$1,475,982	\$0	\$1,625,034	\$0	\$0
(A) Administration	CF	\$1,966,535	\$0	\$2,166,875	\$10,808	\$10,808
and Support -	RF	\$4,151	\$0	\$4,473	\$0	\$0
Supplemental	FF	\$0	\$0	\$0	\$0	\$0
Amortization						
Equalization						
Disbursement						
	Total	\$2,273,088	\$0	\$2,276,613	\$2,350	\$2,350
01. Executive	FTE	0.0	0.0	0.0	0.0	0.0
Director's Office,	GF	\$1,570,283	\$0	\$1,570,283	\$0	\$0
(A) Administration	CF	\$702,805	\$0	\$706,330	\$2,350	\$2,350
and Support -	RF	\$0	\$0	\$0	\$0	\$0
Operating	FF	\$0	\$0	\$0	\$0	\$0
Expenses						

Department of Revenue

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$664,080	\$0	\$669,030	\$2,760	\$2,760
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Vehicle Lease Payments	GF	\$169,718	\$0	\$169,718	\$0	\$0
	CF	\$494,362	\$0	\$499,312	\$2,760	\$2,760
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$4,320,451	\$0	\$4,566,770	\$21,600	\$21,600
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Leased Space	GF	\$775,450	\$0	\$792,046	\$0	\$0
	CF	\$3,545,001	\$0	\$3,774,724	\$21,600	\$21,600
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$2,005,769	\$0	\$2,012,840	\$241,230	\$241,230
	FTE	27.2	0.0	27.2	4.0	4.0
05. Enforcement Business Group, (F) Motor Vehicle Dealer Licensing Board - Personal Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$2,005,769	\$0	\$2,012,840	\$241,230	\$241,230
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$134,684	\$0	\$134,684	\$39,942	\$6,760
	FTE	0.0	0.0	0.0	0.0	0.0
05. Enforcement Business Group, (F) Motor Vehicle Dealer Licensing Board - Operating Expenses	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$134,684	\$0	\$134,684	\$39,942	\$6,760
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	

Department of Revenue

Type of Request?

Department of Revenue Prioritized Request

Interagency Approval or Related Schedule 13s: Department of Personnel and Administration



Cost and FTE

- The Department requests \$361,682 in FY 2017-18 and \$328,500 in FY 2018-19 of ongoing spending authority in the Auto Dealers License Fund for 4.0 FTE and associated expenses in the Auto Industry Division (AID). This represents a 14.7 percent increase to the AID personal services line item.

Current Program

- The AID is a statewide regulatory agency with responsibilities that include issuance of all license types for motor vehicle dealers, manufacturers, and related salespersons.
- The AID issues approximately 19,000 licenses annually.
- The AID also investigates approximately 1,300 cases each year related to consumer harm and unlicensed sales activities.

Problem or Opportunity

- Current staffing levels are insufficient for investigative teams to manage the current caseload. In addition, staffing levels are not adequate to re-instate previously eliminated proactive enforcement programs essential to providing a balanced regulatory program.
- The most effective regulatory programs have a balance of education, compliance, and enforcement.
- Compliance inspections and educational outreach programs are used to encourage compliance through an increase in awareness which can help prevent future enforcement actions.
- These programs were eliminated in 2008 due to a decrease in revenue and an increase in investigative caseload related to the economic downturn. Additional resources are needed to reinstate these proactive measures and strengthen consumer protection.

Consequences of Problem

- The AID is not adequately staffed to respond to the current caseload of investigations and to restore regulatory education and compliance inspections. The Division will continue to be unable to provide educational programs and compliance inspections for dealers to help them identify proactive operational improvements which will reduce potential enforcement actions against them.

Proposed Solution

- The Department requests the specified ongoing spending authority and FTE in the Auto Dealers License Fund to reinstate compliance inspections and proactive educational activities.
- The additional FTE would restore a balanced regulatory model that includes public education to encourage proactive compliance and improve investigation timelines. Motor vehicle dealers/manufacturers, related salespersons, and consumers will benefit from the solution.



COLORADO

Department of Revenue

John W. Hickenlooper
Governor

Barbara Brohl
Executive Director

FY 2016-17 Funding Request | November 1, 2016

Department Priority: R-06

Request Detail: Auto Industry Division Regulatory Staff Increase

Summary of Incremental Funding Change for FY 2017-18	Total Funds	Cash Fund
Auto Industry Division Regulatory Staff Increase	\$361,682	\$361,682

Problem or Opportunity:

The Department's Auto Industry Division (AID) is appropriated in the Motor Vehicle Dealer Licensing Board Long Bill group and regulates the motor vehicle and powersports industry with an emphasis on a balanced approach including education, compliance, and enforcement of applicable laws and regulations. Activities of the division include providing information to licensees and the public, working with consumers and dealers to resolve complaints, investigating criminal complaints, processing license applications and fees, and administering written examinations to applicants. The division also issues licenses to and regulates motor vehicle/powersports vehicle manufacturers, distributors, manufacturer representatives, and buyer agents.

The AID processes all licensing applications and fees and maintains all records for new motor vehicle/powersports vehicle dealers, used motor vehicle/powersports dealers, wholesalers, wholesale auto auctions, and salespeople. In FY 2012-13, the number of dealer/salesperson licenses issued totaled 18,699 and in FY 2013-14 and FY 2014-15, there was a 3 percent year-over-year increase with totals of 19,295 and 19,952 respectively. The division is also responsible for processing change of class, change of location, additional location, change of name, stock transfer/ownership change, and off-premise permits for dealerships. The AID investigates approximately 1,300 cases each year related to consumer harm and unlicensed sales activities.

The auto industry was adversely impacted nationwide by the economic crisis in 2008 and 2009. The local industry also suffered and contributed to decreased revenue collections in the Auto Dealers License Fund which funds the AID's operations. As a result, all compliance inspections, educational outreach programs, and unlicensed sales complaint investigations were suspended. The division's educational components were also suspended. Even though the revenue in the fund has since recovered, the AID is not adequately staffed to respond to increases in caseload and to restore regulatory education and compliance inspections.

The most effective regulatory programs have a balance of education, compliance and enforcement. Compliance inspections and educational outreach programs are used to encourage compliance by helping licensees identify proactive operational improvements which will reduce potential enforcement actions against them. However, under the current spending authority in the fund, the division will not be able to provide these proactive programs to licensees.

Proposed Solution:

The Department requests \$361,682 in FY 2017-18 and \$328,500 in FY 2018-19 and thereafter from the Auto Dealers License Cash Fund for 4.0 FTE. The Department also requests that the name of the Long Bill group be changed from Motor Vehicle Dealer Licensing Board to Auto Industry Division to eliminate confusion about what the Long Bill appropriations fund and to be consistent with the operational name of the division. The funding will allow the division to optimize its effectiveness as a regulatory program with a balance of education, compliance, and enforcement efforts that will benefit the auto industry and the citizens of Colorado.

With these FTE, the division will be able to adequately staff a compliance inspection program, implement a formal educational program, and effectively manage investigative cases and consumer complaint cases that require stipulation negotiations. These initiatives will enhance consumer protection by helping to ensure that Colorado citizens are not subject to unregulated/unlicensed persons who are not bonded. This is important because the purchase of a motor vehicle is typically the second largest purchase a person makes in their lifetime; second to the purchase of a home. Further, the Motor Vehicle Dealer Board supports increasing the staff in the division to address the proactive needs of the regulated community related to education and voluntary compliance (see attached Motor Vehicle Dealer Board Resolution 16-001).

Without the increased funding, the AID will not be adequately resourced to effectively provide the educational and compliance components of its regulatory program, limiting the division's ability to operate proactively to fulfill its statutory obligations and departmental goals for customer service.

Anticipated Outcomes:

The proposed solution will allow the division to achieve the proper balance of education, compliance, and enforcement efforts to support its regulatory mission. Specifically, it will allow educational contact during the inspection process, which over the course of time may reduce some of the technical consumer complaints the division receives. The division will also implement a formal "unlicensed sales activity" program that will focus on areas of known unlicensed sales activity; a practice that is criminal in nature. This program will address consumer protection issues, while building a stronger foundation with the regulated community who are properly licensed.

Additionally, the funding will support AID's goal of "concluding the initial investigation on complaints within 180 days of case initiation" as outlined in the Department's strategic plan.

Assumptions and Calculations:

The Department requests \$361,682 in FY 2017-18 and \$328,500 in FY 2018-19 and thereafter from the Auto Dealers License Cash Fund for 4.0 FTE, of which \$295,030 is for personal services, \$39,942 is for associated operating expenses, \$21,600 is for leased space, and \$5,110 is for fleet expenses. A summary of this request includes the following components and is detailed in the attached Calculation Assumptions document:

- *3.0 FTE Criminal Investigator I*
- *1.0 FTE Program Assistant II*
- \$45,052 for operating expenses associated with the new FTE to include one-time and ongoing investigative supplies and fleet expenses.
- \$21,600 for leased space associated with the new FTE based on a rate of \$27 per square foot.

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

NP-01 Resources for Administrative Courts

Dept. Approval By: _____

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: _____

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,077	\$0	\$11,356	\$107	\$107
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$9,077	\$0	\$11,356	\$107	\$107
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,077	\$0	\$11,356	\$107	\$107
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Administrative Law Judge Services	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$9,077	\$0	\$11,356	\$107	\$107
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	_____	No	_____	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	_____	No	_____	
FF Letternote Text Revision Required?	Yes	_____	No	_____	
Requires Legislation?	Yes		No	X	

Department of Revenue

Type of Request?

Department of Revenue Non-Prioritized Request

Interagency Approval or Related Schedule 13s: None

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

NP-02 Annual Fleet Vehicle Request

Dept. Approval By: _____

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: _____

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$664,080	\$0	\$669,030	\$27,739	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$169,718	\$0	\$169,718	\$7,210	\$0
	CF	\$494,362	\$0	\$499,312	\$20,529	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$664,080	\$0	\$669,030	\$27,739	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Vehicle Lease Payments	GF	\$169,718	\$0	\$169,718	\$7,210	\$0
	CF	\$494,362	\$0	\$499,312	\$20,529	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	_____	No	_____	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	_____	No	_____	
FF Letternote Text Revision Required?	Yes	_____	No	_____	
Requires Legislation?	Yes		No	X	

Department of Revenue

Type of Request?

Department of Revenue Non-Prioritized Request

Interagency Approval or Related Schedule 13s: None

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

NP-03 OIT Secure Colorado

Dept. Approval By: _____

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: _____

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$146,808	\$250,973
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$8,026,495	\$0	\$8,086,210	\$66,704	\$114,033
	CF	\$7,540,784	\$0	\$7,626,555	\$80,104	\$136,940
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$146,808	\$250,973
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Payments to OIT	GF	\$8,026,495	\$0	\$8,086,210	\$66,704	\$114,033
	CF	\$7,540,784	\$0	\$7,626,555	\$80,104	\$136,940
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	_____	No	_____	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	_____	No	_____	
FF Letternote Text Revision Required?	Yes	_____	No	_____	
Requires Legislation?	Yes		No	X	

Department of Revenue

Type of Request?

Department of Revenue Non-Prioritized Request

Interagency Approval or Related Schedule 13s: Office of Information Technology

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

NP-04 OIT Deskside

Dept. Approval By: _____

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: _____

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$58,710	\$61,380
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$8,026,495	\$0	\$8,086,210	\$26,676	\$27,889
	CF	\$7,540,784	\$0	\$7,626,555	\$32,034	\$33,491
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$58,710	\$61,380
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Payments to OIT	GF	\$8,026,495	\$0	\$8,086,210	\$26,676	\$27,889
	CF	\$7,540,784	\$0	\$7,626,555	\$32,034	\$33,491
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	_____	No	_____	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	_____	No	_____	
FF Letternote Text Revision Required?	Yes	_____	No	_____	
Requires Legislation?	Yes		No	X	

Department of Revenue

Type of Request?

Department of Revenue Non-Prioritized Request

Interagency Approval or Related Schedule 13s: Office of Information Technology

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Revenue

Request Title

NP-05 OIT PBX

Dept. Approval By: _____

Supplemental FY 2016-17

X

Change Request FY 2017-18

OSPB Approval By: _____

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$791,172	\$723,672
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$8,026,495	\$0	\$8,086,210	\$359,479	\$328,810
	CF	\$7,540,784	\$0	\$7,626,555	\$431,693	\$394,862
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$15,567,279	\$0	\$15,712,765	\$791,172	\$723,672
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) Administration and Support - Payments to OIT	GF	\$8,026,495	\$0	\$8,086,210	\$359,479	\$328,810
	CF	\$7,540,784	\$0	\$7,626,555	\$431,693	\$394,862
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	_____	No	_____	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes	_____	No	_____	
FF Letternote Text Revision Required?	Yes	_____	No	_____	
Requires Legislation?	Yes		No	X	

Department of Revenue

Type of Request?

Department of Revenue Non-Prioritized Request

Interagency Approval or Related Schedule 13s: Office of Information Technology