



Department of Revenue FY2016 Annual Performance Evaluation (October 2016)

Strategic Policy Initiatives

In 2012, the Department of Revenue (DOR) developed its first integrated Strategic Plan. This plan was developed by an employee committee that worked in conjunction with the Department's executive leadership team to incorporate all aspects of the work the Department does to include: taxation, lottery, enforcement, and motor vehicles. Although it may seem that the Department performs diverse functions, they are similar in many ways.

The Department of Revenue has identified several operational measures. For this performance evaluation, the Department has updated progress on the selected measures that best capture some of the Department's strategic and operational priorities, and reflects the overall direction as identified by Department leadership. The updates include data as of June 30, 2016.

Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

Customer Service – Be respectful to our customers by providing processes that are clear, simple, timely, and convenient.

On average, the Department achieved 82% of its Customer Service SPI outcomes, with increased sales tax e-filings, and more timely service in the areas of Driver License assistance, and Auto Industry consumer complaints resolved. Income tax e-filings were just slightly under the stated goals. The Liquor licensing objective has changed to measure the new license application process and the liquor license renewal process separately. This will allow more thorough tracking of each process. Additionally, the measure around customer wait times in the driver license offices was revised to better represent the DRIVES project plan and align with the Governor's goals. DRIVES is a multi-million dollar project to rewrite the driver license and vehicle registration systems.

DOR is unique because, through its services it touches every person in the State. Because of this, the customer base is mainly outwardly focused. Even though most of the customers are required to interact with the Department, i.e. paying taxes or obtaining a license, Department staff assumes the responsibility of serving their customers with respect. In doing so, the goal is to resolve matters at first contact, reduce the time it takes to interact with the Department, provide education to the public regarding what is required to obtain the services needed, and provide various ways that our customers can interact with the Department to achieve the services they desire.

Fiduciary Responsibility – Provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

Depositing funds collected by the Department within established timeframes, was slightly under the Department's stated goal for FY16. The goal required that all funds received by the Department be deposited within 24 hours, 95% of the time. The Department was able to reach 93% for FY16 due to system issues. The Department has been working on several initiatives to improve the timely deposit of funds, including encouraging the use of online payments to process funds faster and more securely and the implementation of a new imaging system that will image mailed checks, significantly decreasing processing time. The Lottery did achieve its targeted profitability percentage in FY16, therefore meeting its objective.

The Department of Revenue collects billions of dollars a year on behalf of the citizens of Colorado. It is the Department's responsibility to ensure that those funds are collected in a fair and consistent manner and in accordance with the law. In addition, the Department has a responsibility with the funds that are allocated to the Department to ensure that the citizens receive the best service possible.

Statutory Responsibility – Promote fairness and consistency in the application of the law.

The Department achieved 100% of its Statutory Responsibility SPI outcomes by meeting the goal to inspect racing facilities within specified timelines and the issuance of both new medical and retail marijuana licenses. The goal to issue marijuana license applications within a specified timeframe was revised to measure medical and retail marijuana licensing processes separately. Retail marijuana licenses are statutorily required to be issued within 90 days of receipt 100% of the time, while medical marijuana licenses do not



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have a statutory timeline for issuance. However, the Department had an established goal of either issuing or providing a notice of denial for 69% of the medical marijuana licenses within 90 days from receipt which was exceeded in FY16. Separating these two processes and timelines allowed the Department to show that these objectives are being met.

It is imperative that the Department provide timely enforcement activities to ensure safe and regulated activities as well as timely issuance of licenses necessary for citizens to be able to conduct business within the State. The Department works within the framework of the statute to provide enforcement and licensing requirements that allow fair and equitable treatment of the citizens utilizing these services.

Employees – Recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.

This SPI outcome is based on data from the DPA employee engagement survey results. This survey was conducted during FY16 and based on those survey results the Department has revised its objective for measuring trust and confidence in Department leadership. Because this is a new measure the data obtained in FY16 will serve as a baseline for future years. The baseline shows that 36.00% of employees that answered the FY16 survey have trust and confidence in Department leaders. This is a goal that is being addressed through the Employee Engagement Action Plan. The Department is currently working to provide better internal communication, employee feedback and engagement activities.

The employees of the Department of Revenue perform very important functions for the citizens of Colorado. To achieve our goals and serve the public, it is paramount that we recruit and retain the best possible employees, provide professional development to those employees, and create an environment where employees can be creative, innovative, and have confidence in their Department leaders.

Public Confidence – Maximize public trust through responsible stewardship and transparent processes.

The Department achieved 100% of its public confidence SPI outcome by meeting the goal of conducting compliance inspections for all licensed Colorado casinos within established timeframes.

So many of the Department's regulatory functions exist to ensure that the public is protected, ranging from inspecting gaming machines, licensing liquor and marijuana establishments, ensuring that auto dealer claims are investigated, and ensuring the integrity of lottery games. It is paramount that the public have confidence that the Department is doing its job so that they feel protected when they partake in these activities. Public confidence is achieved through education, a regulatory presence, setting expectations and living up to them.



Operational Measures

Customer Service

Process – Division of Motor Vehicles (DMV) serves walk-in customers with or without pre-scheduled appointments through in-person transactions or kiosks using Wait-Less technology

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Reduce wait times for Driver License customers from the baseline of an average of 60 minutes 65% of the time established in FY 2013-14 to an average of 15 minutes 65% of the time in FY2016-17 and 80% of the time in FY 2017-18.*	N/A	N/A	N/A	N/A	54.10%	65.00%	80.00%
Driver license customers with pre-scheduled appointments served within an average of 15 minutes in offices with Wait-Less 90% of the time	N/A	91.89%	95.36%	87.01%	90.90%	90.00%	94.00%

*This measure has been revised to better represent the DRIVES project plan and align with the Governor's goals. The revised measure will be documented beginning in FY 2016-17.

Process – Provide online options for taxpayers to file their income and sales tax returns

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Increase the percentage of e-filed sales tax returns annually	35.00%	48.00%	60.80%	70.22%	77.30%	77.00%	82.00%
Increase the percentage of e-filed income tax returns annually	80.00%	80.40%	81.00%	82.36%	84.07%	84.50%	85.90%

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Process – Review and issue liquor licenses

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Increase the number of final agency actions* (defined as approvals or notices of denial) for renewal applications for liquor business licenses within 60 days from the baseline of 67% to 95% by the end of FY17.**	N/A	N/A	N/A	N/A	98.20%	95.00%	95.00%
Increase the number of final agency actions* (defined as approvals or notices of denial) for new applications for liquor business licenses within 90 days from the baseline of 67% to 75% by the end of FY17.**	N/A	N/A	N/A	N/A	80.90%	75.00%	80.00%

*Final agency action is defined as application approvals or notices of denial.

**The new application and renewal application objective was combined until FY16. These processes are now tracked separately.

Process – Resolve auto industry consumer complaints by conducting investigations as needed

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Percent of Auto Industry complaints concluded within 180 days	N/A	84.15%	81.49%	87.43%	87.57%	84.00%	88.00%

Fiduciary Responsibility
Process – Handle cash responsibly by making timely deposits

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Percentage of funds deposited within 24 hours of receipt	93.00%	92.75%	93.00%	95.00%	93.00%	95.00%	95.00%

Process – Implement a market strategy to increase sales and profits

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Grow Lottery sales and profits to maximize proceeds to beneficiaries to 24.5% by FY18	22.60%	23.83%	23.87%	23.70%*	24.15%	24.00%	24.50%

*This is an estimate based on relevant data. The actual data will not be available until FY16 year end is complete in the CORE system.



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Statutory Responsibility

Process – Inspect horse racing facilities

Measure	CY12 Actual	CY13 Actual	CY14 Actual	CY15 Actual	CY16 Actual	1-Year Goal	3-Year Goal
Inspections of racetrack facilities completed within 45 days (measured on calendar year)	100.00%	100.00%	100.00%	100.00%	N/A	100.00%	100.00%

Process – Process marijuana license applications

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Increase the number of final agency actions* for new applications for medical business license within 90 days from the baseline of 69% to 80% by the end of FY17.**	N/A	N/A	N/A	N/A	86.00%	80.00%	80.00%
Maintain the number of final agency actions* for new applications for retail business license within 90 days of 100% by the end of FY16 and going forward.**	N/A	N/A	N/A	N/A	100.00%	100.00%	100.00%
Increase the number of final agency actions* for renewal applications for medical and retail marijuana business licenses within 90 days from the baseline of 63% to 70% by the end of FY17.	N/A	92.50%	96.00%	89.00%	86.00%	70.00%	72.50%

*Final agency action is defined as application approvals or notices of denial.

**It was determined that it would be more representative to measure these two types of licensing activities separately.

Employees

Process – Conduct a periodic employee satisfaction survey

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Increase employee trust and confidence in Department leadership from the baseline of 36.00% to 37.80% by the end of FY17.*	N/A	N/A	N/A	N/A	36.00%	37.80%	41.67%

*Results based on data collected through the DPA Employee Engagement Survey.



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Public Confidence

Process – Inspect new slot machines

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	1-Year Goal	3-Year Goal
Percent of compliance inspections conducted for licensed casinos	N/A	N/A	N/A	N/A	95.07	90.00%	92.00%

*This is a new objective for the Gaming Division beginning in FY16.

FY2017 Performance Plan

FY 2017 Strategic Policy Initiatives

The Department of Revenue Strategic Policy Initiatives will remain the same for FY 2017 as they were in FY 2016. These SPI's represent the five overarching goals of the Department and those concepts that are considered to be most important to achieve in working towards providing efficient, effective and elegant service to the citizens of Colorado.

FY 2017 Strategies and Operational Measures

Based on the year-end results of the FY 2016 Performance Management system, some measures were replaced with new measures that the Department feels are more aligned with the goals that the Department is striving to achieve. These new measures have been developed and presented by management staff to address areas in which they would like to see performance improvement. The Performance Management plan is key to providing insight and guidance around the Department's strategies to achieve desired outcomes that have been established by the Executive Director and the executive leadership team.