



## Department of Revenue FY2018 Annual Performance Evaluation (October 2018)

### Strategic Policy Initiatives

The Department of Revenue has identified several strategic policy initiatives for FY2017-18 and beyond. For this performance evaluation, the Department has updated progress on the initiatives identified in the FY2017-18 Performance Plan that capture the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of June 30, 2018. 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.**

*The Colorado Department of Revenue (DOR) works to provide top-flight customer service with innovative and efficient processes through technological solutions. We strive to resolve matters at first contact, reduce the time it takes to obtain the services needed, provide education to the public to assist them in having a successful outcome and to offer a variety of options for citizens to use to transact business.*

**TAX:** The Department continues to make progress offering electronic filing options for tax returns while educating the public on the importance and ease of online filing. Within the current statutory framework the Department estimates that 90% of tax returns will be filed electronically when online options are fully maximized.

**DMV:** The DMV continually works to enhance the customer experience, a variety of new programs and procedures were introduced this year: QFlow was enhanced to provide more accurate tracking of wait times at the DMV, QFlow was expanded from 15 offices to 31 offices, greeters were added to assist customers before they were seen at the counter by a license examiner; specific customer queuing lines were established -- e.g., express lines, out of state transfer, appointment customers were expedited through the process, transition from paper testing to electronic testing, acceptance of credit card payment, eliminate document audits on renewals, staffing and equipment were increased; management techniques were improved to shift human resources to critical need - e.g., camera stations and intake stations; expanded online services; DRIVES implementation.

The program has moved to level 3 in the Customer Feedback Maturity Index, or to the 'Data Analysis' category. At this level, the program has a consistent collection of customer feedback, has completed surveys and focus groups designed to answer specific questions, and established targets.

**LED:** The Liquor Enforcement Division (LED) continues to look for ways to increase efficiencies to ensure all applications are approved in the appropriate and timely fashion. The LED has seen a 22% increase in new liquor license applications from FY17-18 with no increase in manpower.

**AID:** The Auto Industry Division (AID) works to streamline existing procedure. Anticipated proficiency with new technology will enhance reporting the timeliness of completed investigations.

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

*DOR collects nearly \$14 billion dollars per year on behalf of the citizens of Colorado. It is CDOR's responsibility to ensure that those funds are collected and distributed in a fair and consistent manner as well as in accordance with the law. Additionally, it is DOR's responsibility to provide the best services possible for the citizens of Colorado in accordance with state fiscal rules and within its appropriation.*

**OBFS:** DOR has implemented various process improvements to decrease variance, while prior year activity continues to be monitored to information current year projections. Additionally, monthly variance analysis is now conducted at a more detailed level to evaluate anomalies and unexpected fluctuations. This allows for projections to be modified on a monthly basis resulting in more accurate year end projections.

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

*As with all other state services, DOR is governed by the statutes of the State of Colorado. Many times, those statutes are subject to interpretation by CDOR staff but as an administrative function of the Executive Branch, DOR reflects the legislative intent as closely as possible in DOR interpretations. The management staff of DOR works hard to provide opportunities for stakeholders and the public to provide input as rules and regulations are being drafted to further define the statute. It is a priority of DOR that all current rules and regulations are reviewed on a regular basis to ensure that the existing rule is relevant, necessary, easy to understand and can be easily implemented.*

**MED:** The Division continued to restructure staff and adapt processes to be responsive to increased workload and complexities with renewal investigations. This has led to the Division meeting its goal for processing renewals and new medical applications in a timely manner.

**RACING:** Implemented two new testing pilot programs in 2017 that were transitioned to standard program protocol in 2018 to offer more testing opportunities.

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

*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 hire the best possible employees, provide professional development to those employees, and create an environment where employees can be creative, innovative, and problem solvers.*



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We implemented a new Code of Conduct for all employees and created a recognition coin program to recognize employees for exemplary service to our customers and co-workers, we are tracking and sharing these stories of going “above and beyond.”

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

Many of DOR’s regulatory functions exist to ensure that the public is protected, ranging from inspecting gaming machines, licensing liquor and marijuana establishments, ensuring that complaints against auto dealers are investigated, and ensuring the integrity of Lottery games. It is vital that the public have confidence that DOR staff is doing their job to ensure citizens feel protected when they participate in these activities. This confidence is relayed through providing sound education for the public, presenting a positive image of the DOR and the industries that it regulates, setting expectations for regulation and enforcement and living up to those expectations.

**GAMING:** The Division of Gaming has been working with the Gaming Commission on underage gaming expectations, recently approving new language for an underage lingering rule that will make for more clear enforcement and compliance. The Division of Gaming has also worked to ensure transparency and share information. The Division announced the upcoming compliance checks at October Commission meeting and the Division drafted a bulletin to send to all industry members informing them of the upcoming compliance checks. The bulletin will be posted on the website and sent via email to all industry members.

**MED:** The Division continued to engage with stakeholders to increase awareness and educate licensees on the importance of internal controls to ensure minors cannot access marijuana from the regulated commercial market. As a result, licensees accomplished the Division’s goal of at least 87.5% compliance rate for underage checks however the Division will continue, and expand, its efforts to continue to raise the rate.

**Operational Measures**

**Customer Service**

**Process – Serve walk-in customers with in-person transactions using Wait-Less technology**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	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 FY14 to an average of 15 minutes 70% of the time in FY18.	N/A	54.10%	73.00%	63.20%	66.10%	68.20%	69.30%	70.00%	80.00%

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

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase e-filed sales tax returns as a percentage of total sales tax returns filed from the baseline of 13% in FY10 to 80% in FY18.	48.00%	77.30%	82.00%	85.20%	85.50%	86.00%	87.70%	80.00%	84.00%
Increase e-filed individual income tax returns as a percentage of total individual income tax returns filed from the baseline of 64% in FY10 to 85% in FY18.	80.40%	84.07%	84.70%	76.70%	76.31%	88.80%	85.30%	85.00%	86.00%

**Process – Review and issue liquor licenses**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
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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 77.5% by the end of FY18.	N/A	80.90%	91.00%	77.90%	78.40%	78.00%	77.20%	77.50%	80.00%
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**Process – Resolve auto industry consumer complaints by conducting investigations as needed**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase the number of initial investigations and complaints concluded within 180 days from the baseline of 70% in FY13 to 86% by the end of FY18.	87.43%	87.57%	92.43%	95.67%	95.83%	95.88%	93.25%	86.00%	90.00%

**Process – Enhance the customer experience in the Motor Vehicle and Taxation Divisions through customer feedback**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
By the end of FY18, establish a baseline for customer feedback scores, increase responses by 10%, and develop a closed loop feedback system for in office services in the Motor Vehicle Division in order to move from a level 2 to a level 3 on the Customer Feedback Maturity Index.	N/A	N/A	N/A	N/A	N/A	N/A	0.08% Move to level 3	10.00%	10.00%
By the end of FY18, establish a baseline for customer feedback scores, increase responses by 10%, and develop a closed loop feedback system in the Taxation Division in order to move from a level 2 to a level 3 on the Customer Feedback Maturity Index.	N/A	N/A	N/A	N/A	N/A	N/A	Information not available	10.00%	10.00%

\*This is a new goal for the Department beginning in FY2017-18. Data will be recorded on a fiscal year basis.

**Fiduciary Responsibility**

**Process – Decrease variance between expenditure projections and expenditure actuals in DOR budget process**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Decrease the percentage of variance between the year-end expenditure projection performed at the end of the second quarter and the actual year-end expenditure total for all of DOR from a baseline of 10% established in FY16 to 6% in FY18.	N/A	10.00%	1.00%	N/A	N/A	N/A	6.40%	6.00%	4.00%

\* This is a new goal for the Department beginning in FY2017-18 and will be measured on an annual basis when actual expenditure data is available.

**Process – Implement a market strategy to increase sales and profits**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
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Grow Colorado Lottery sales and profits to maximize proceeds for recipients that are receiving funding at levels defined by the state and achieve profitability percentage of 23.00% by FY18.	23.83%	24.15%	23.70%	24.80%	23.02%	23.65%	23.00%	22.80%	23.50%
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**Statutory Responsibility**

**Process – Process marijuana license applications and increase compliance rates**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase the number of final agency actions (defined as approvals or notices of denial) for new applications for medical marijuana business licenses within 90 days from the baseline of 69% to 85% by the end of FY18.	N/A	86.00%	94.00%	94.00%	95.00%	96.00%	97.30%	85.00%	90.00%
Increase the number of final agency actions (defined as approvals or notices of denial) for renewal applications for medical and retail marijuana business licenses within 90 days from the baseline of 63% to 75% by the end of FY18.	N/A	86.00%	93.00%	78.00%	86.00%	86.00%	87.10%	75.00%	85.00%

**Process – Regulate use of medications and prohibited use of illicit drugs and performance enhancing substances in sanctioned horse racing events**

Measure	CY15 Actual	CY16 Actual	CY17 Actual	Q1 CY18	Q2 CY18	Q3 CY18	Q4 CY18	1-Year Goal	3-Year Goal
Increase the percentage of all blood, urine and other biological samples taken that are in compliance with rules and regulations regarding authorized use of medications and prohibited use of illicit drugs and performance enhancing substances of equine participants in sanctioned racing events from a 95% baseline established in CY16 to 96% in CY18.	N/A	95.00%	98.40%	N/A	Pending Final Analysis of Samples	N/A	N/A	96.00%	97.00%

\* This is a new goal for the Department beginning in FY2017-18 and will be measured on a calendar year basis to concur with the horse racing season.

**Employees**

**Process – Conduct an employee satisfaction survey**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Improve employee satisfaction rating in the area of Leadership from the FY12 baseline of 34% to 42% by the end of FY18.*	N/A	34.00%	N/A	N/A	N/A	37.00%	N/A	39.69%	43.76%

\*Data obtained from DPA survey which is conducted biennially. Survey is being conducted in October of 2017. Data will be compiled when survey results are received.

**Public Confidence**

**Process – Conduct compliance inspections in casinos**



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Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase casino compliance through compliance inspections from the baseline of 90% established in FY15 to 92.5% by the end of FY18.	N/A	95.07%	94.00%	95.90%	95.90%	97.50%	96.60%	92.50%	95.00%

**Process – Increase marijuana licensee compliance rates**

Measure	FY15 Actual	FY16 Actual	FY17 Actual	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	1-Year Goal	3-Year Goal
Increase the compliance rate of underage sales at retail marijuana licensees through enhanced statewide enforcement, education, training and engagement of stakeholders and problem solving from a baseline of 85% established in FY17 to 87.5% in FY18.	N/A	N/A	85.00%	96.90%	95.30%	95.30%	96.70%	87.50%	92.50%