

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2016-17

DEPARTMENT OF REVENUE

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
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DEPARTMENT OF REVENUE

DEPARTMENT OVERVIEW

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for State government and for local governments. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database Program, and regulates commercial drivers. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers. It also regulates medical and retail marijuana businesses. The three functional areas are supported by the Executive Director's Office, the Hearings Division, and the Information Technology Division.

The Department contracts with cities and counties to collect any tax type that it also collects for State government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for almost one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF REVENUE: RECOMMENDED CHANGES FOR FY 2016-17						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
H.B. 16-1405 (Long Bill)	\$336,697,926	\$103,760,809	\$225,641,524	\$6,471,205	\$824,388	1,414.7
Other legislation	1,774,488	(3,050,396)	4,824,884	0	0	15.7
CURRENT FY 2016-17 APPROPRIATION	\$338,472,414	\$100,710,413	\$230,466,408	\$6,471,205	\$824,388	1,430.4
RECOMMENDED CHANGES						
Current FY 2016-17 Appropriation	\$338,472,414	100,710,413	\$230,466,408	\$6,471,205	\$824,388	1,430.4
1331 License plate and year-tab ordering	4,605,219	209,122	4,396,097	0	0	0.0
S1.5 Reverse 1331 License plate and year-tab ordering	(4,605,219)	(209,122)	(4,396,097)	0	0	0.0
S1 License plate and year-tab ordering	2,435,572	202,327	2,233,245	0	0	0.0
S2 Drivers license documents increase	1,090,473	0	1,090,473	0	0	0.0
Non-prioritized requested changes	(76,829)	(18,135)	(58,694)	0	0	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$341,921,630	\$100,894,605	\$233,731,432	\$6,471,205	\$824,388	1,430.4
RECOMMENDED INCREASE/(DECREASE)	\$3,449,216	\$184,192	\$3,265,024	\$0	\$0	0.0
Percentage Change	1.0%	0.2%	1.4%	0.0%	0.0%	0.0%
FY 2016-17 EXECUTIVE REQUEST	\$341,921,630	\$100,894,605	\$233,731,432	\$6,471,205	\$824,388	1,430.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

REQUEST/RECOMMENDATION DESCRIPTIONS

1331 LICENSE PLATE AND YEAR-TAB ORDERING: The request includes the interim supplemental request for an increase of \$4,605,219 total funds including \$209,122 General Fund to purchase license plates from Colorado Correctional Industries (CCi). The cash fund source is the License Plate Cash Fund. The Department's stockpile of plates has been declining over the past several years due to the Department being required to pay a fee to CCi, even in instances where the General Assembly has eliminated requiring the customer to pay a fee.

S1.5 REVERSE 1331 LICENSE PLATE AND YEAR-TAB ORDERING: The request includes reversing the interim supplemental request to replace it with an updated request identifying an additional source of cash funds.

S1 LICENSE PLATE AND YEAR-TAB ORDERING: The request includes an increase of \$2,435,572 total funds, including \$202,327 General Fund to purchase license plates products from CCi. The cash fund source includes \$2,043,976 from the Colorado State Titling and Registration Account of the Highway Users Tax Fund (administered solely by the Department of Revenue) and \$189,269 from the License Plate Cash Fund. The Department's stockpile of plates has been declining over the past several years due to the Department being required to pay a fee to CCi, even in instances where the General Assembly has eliminated requiring the customer to pay a fee.

S2 Drivers License Documents: The request includes an increase of \$1,090,473 cash fund spending authority from the licensing services cash fund to address increased demand for drivers license documents in the state due primarily to population growth.

NON-PRIORITIZED REQUESTED CHANGES: The request includes a decrease of \$76,829 total Funds including 18,135 General Fund for non-prioritized requests summarized in the table below:

NON-PRIORITIZED REQUESTED CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Property Fund Supplemental	\$11,136	\$4,516	\$6,620	\$6,620	\$6,620	0.0
Annual Fleet Supplemental	(87,965)	(22,651)	(65,314)	(65,314)	(65,314)	0.0
TOTAL	(\$76,829)	(18,135)	(\$58,694)	(\$58,694)	(\$58,694)	0.0

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 LICENSE PLATE AND YEAR-TAB ORDERING

	REQUEST	RECOMMENDATION
TOTAL	\$2,435,572	\$2,435,572
FTE	0.0	0.0
General Fund	202,327	202,327
Cash Funds	2,233,245	2,233,245
Reappropriated Funds	0	0
Federal Funds	0	0

S1.5 REVERSE 1331 LICENSE PLATE AND YEAR-TAB ORDERING

	REQUEST	RECOMMENDATION
TOTAL	(\$4,605,219)	(\$4,605,219)
FTE	0.0	0.0
General Fund	(209,122)	(209,122)
Cash Funds	(4,396,097)	(4,396,097)
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made, including the extent of the revenue deficit in the original cash fund source.

DEPARTMENT REQUEST: The Department requests the Committee reverse its decision on the September 1331 Interim Supplemental Request, and instead provide an increase of \$2,435,572 total funds including \$202,327 General Fund to allow the Department to purchase license plates from Colorado Correctional Industries. Most of the revised request is adjusting the cash fund source.

STAFF RECOMMENDATION: Staff recommends that the Committee take two actions with this request (1) approve the Department's request to reverse the September supplemental, and (2) introduce legislation authorizing the General Assembly to appropriate money from the CSTARS Account of the Highway Users Tax Fund (HUTF) for the Department to purchase license plates and include it in the Supplemental Package. Further, JBC Staff recommends the bill include adjustments to appropriations in FY 2016-17 consistent with this revised request. Staff requests permission to work with staff from the Office of Legislative Legal Services and the Department of Revenue to determine whether one special bill can make all supplemental adjustments approved by the Committee for the Department or if a supplemental bill is required in addition to the special bill.

STAFF ANALYSIS: Most of the information for this request was presented to the Committee in December. Additionally, the revised supplemental request differs from the September supplemental request requested be reversed in two ways:

- 1 The amount of the revised supplemental is lower due to revised issuance projections, resulting from new projections utilizing six months of actual data (versus one).
- 2 The revised supplemental includes funding from the CSTARS Account, due to the extent of the revenue shortfall in the License Plate Cash Fund uncovered since September.

The change to the funding mix requested by the Department is most clearly presented in a table, provided below.

DETAIL FUNDING AND REQUESTS FOR THE LICENSE PLATER ORDERING LINE ITEM FOR FY 2016-17					
	BASE APPROPRIATION	SEPT 1331 REQUEST	REVISED S1 REQUEST	REVERSE 1331	NEW TOTAL REQUEST
General Fund	\$6,673	\$209,122	\$202,327	(\$209,122)	\$209,000
License Plate Cash Fund	6,111,080	4,396,097	189,269	(4,396,097)	6,300,349
CSTAR Account of HUTF	0	0	2,043,976	0	2,043,976
Total	\$6,117,753	\$4,605,219	\$2,435,572	(\$4,605,219)	8,553,325

Very little new information is available now than was presented in December and by the Department at their Hearing. To refresh the Committee’s memory, the revenue shortfall is compounded by several different problems with the structure of the License Plate Cash Fund including:

- Exemptions for plates and other products included in statute;
- Fee exemptions made at county discretion;
- Programming issues with the CSTAR System improperly allocating the fees; and
- Differenced in policy and statute interpretation.

Once the DRIVES project is fully deployed in August 2018, the Department will be able to track the instances in which counties exempt customers for fees. Until that point in time, it can only rely on anecdotal evidence, the fee exemptions were granted for “customer service” reasons or to replace tabs the customer states were lost in the mail, for example. Also after DRIVES is deployed, the programming issues will no longer improperly credit fees recently identified by the Department.

Without approving this request or identifying some other source of funding, the Department is estimating that it will have a \$2.0 million negative ending fund balance in the License Plate Cash Fund. This would make it impossible for the Department to issue license plates at all for several months or longer.

LICENSE PLATE CASH FUND PROJECTED CASH FLOW FY 2016-17	
Beginning Fund Balance	\$680,238
Revenue	5,920,111
Expenditure	8,553,325
Net Income	(\$2,633,214)
Ending Fund Balance with no action	(\$1,952,976)

The Department has requested that the additional cash fund appropriation come from the CSTAR Account of the Highway User’s Tax Fund (HUTF). The Department generates all fees that are deposited into the Account by performing the following services for the public:

- Certificate of title;
- Annual specific ownership tax on vehicles;

- Mortgage filing for recording;
- Notation of release or satisfaction of mortgage;
- Duplicate certificate of title;
- Copies for open record request;
- License plate fee; and
- Copy of recorded certificate of title
- Vehicle registration
- Fee for Motorist Insurance Identification Database.

It appears there is at least some nexus between the fees deposited in the CSTAR Account and the fee revenue is intermingled with specific ownership tax revenue. There is no doubt that the Department of Revenue, or its agents, is the state agency performing the actions that generate revenue to the Account.

JBC Staff requested comment from the Department of Transportation and the Department of Public Safety regarding this budget request and the use of the CSTAR Account of the Highway Users Tax Fund. Neither Department expressed any concern over continuing to direct the CSTAR Account to assist in funding DMV operations. The CSTAR System Committee approved of the Department's request to purchase license plates from the CSTAR Account.

RECOMMENDATION

With no objection from interested parties and a clear need identified by the Department of Revenue, JBC Staff recommends the Committee approve the Department request. JBC Staff believes that both this request and the S2 request, if approved, may fit under the same bill title. Because the Committee approved no change to the Department of Revenue's common policies (decision made on January 12th, in the Department of Personnel's supplemental budget request presentation), including all adjustments in one bill would eliminate the need for a Department of Revenue supplemental bill. Regardless of whether the Committee approves the second supplemental request, the adjustments requested in the updated request can only be made via special bill. JBC Staff requests permission to work with staff from the Office of Legislative Legal Services and the Department of Revenue to determine whether one special bill can make all supplemental adjustments approved by the Committee for the Department or if a supplemental bill is required also.

UNDERCOVER PLATES

The bill should also include a provision addressing whether license plate costs for law enforcement agencies are subsidized by the state. JBC Staff was able to find two instances in which states included procedures for undercover plates in rule or statute. Alabama provides standard plates free to undercover law enforcement and includes an additional fee for special plates. Idaho charges all its exempt and undercover plates fees, totaling the direct and indirect costs, to the agency or taxing district requesting the plate. JBC Staff requested the Colorado Association of Chiefs of Police provide the Committee with comment related to undercover plates, which Staff anticipates is forthcoming.

S2 DRIVERS LICENSE DOCUMENTS INCREASE

	REQUEST	RECOMMENDATION
TOTAL	\$1,090,473	\$1,090,473
FTE	0.0	0.0
General Fund	0	0
Cash Funds	1,090,473	1,090,473
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of actual card issuance in FY 2016-17 to date substantially exceeding projections on which the FY 2016-17 Long Bill appropriation was calculated.

DEPARTMENT REQUEST: The Department requests an increase of \$1,090,473 cash fund spending authority from the Licensing Services Cash Fund to account for substantial growth in identity document issuance not anticipated when the original appropriation was made.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Committee request.

STAFF ANALYSIS: The Division of Motor Vehicles (DMV) issues identification cards and driver's licenses pursuant Article 2 of Title 42, C.R.S. The General Assembly appropriates spending authority to the DMV to purchase those documents on the Drivers License Documents line item. Through a series of Joint Budget Committee-sponsored bills, the General Assembly continues to move toward fully funding the DMV through fee revenue. The table below provides a brief summary of the bill affecting the Licensing Services Cash Fund.

BILL	RELEVANT SUMMARY
S.B. 07-241 (Drivers and Plate License Fees)	Increased fees charged for driver's licenses and created the Licensing Services Cash Fund (LSCF). All fee revenue generated from licensing drivers is deposited in the new fund.
S.B. 09-274 (Use HUTF for DMV Licenses)	Reduced General Fund appropriations by \$16.2 million, replaced it with increased cash spending authority. Finally, diverted other fees charged by DMV to the LSCF. It also authorized HUTF Off-The-Top appropriations for DMV.
H.B. 10-1387 (Finance Driver's Licenses DOR)	Continued authorizing HUTF Off-The-Top funding for 1 more year, continued diversion of fees to the LSCF for two years.
S.B. 14-194 (Driver's License Fee Allocation)	Permanently directed all fees to the LSCF, provided minimal, permissive fee setting authority (up to 5 percent increase per year) and consolidated several small cash funds
S.B. 16-1415 (Driver & Motor Vehicle Services)	Adjusted a number of fees that flow into LSCF to more closely approximate cost of providing the service. To reduce impact to TABOR, fee on driver's licenses increases by a dollar each year until it reaches \$28 in FY 2018-19. Adjusts the share of the fee retained by counties when clerks provide DMV services, as an agent of the state. Exempts LSCF from cash fund reserve limit to allow DMV to plan for issuance cycles.

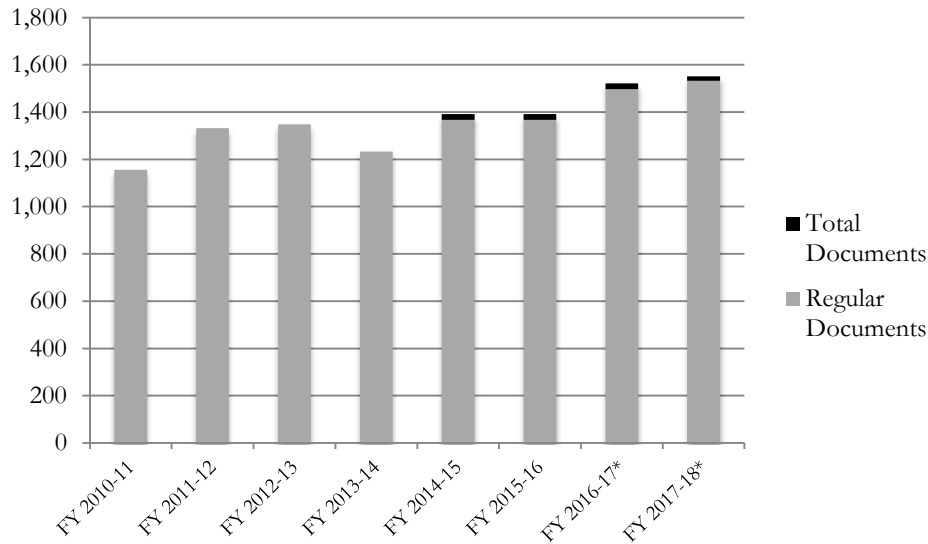
The Department requested additional cash fund spending authority to address increased projects for document issuance in FY 2016-17. During the FY 2016-17 budget process, the number of

documents projected to be issued in the year was approximately 1.2 million and the appropriation was calculated assuming document costs of \$4.159 each, which continue to be the actual cost. Based on updated calculations incorporating actual document issuance through October, the DMV now projects it will issue over 1.5 million. Historic and projected document issuance provided by the Department is included below:

RECENT DOCUMENT ISSUANCE AND PROJECTIONS				
FISCAL YEAR	REGULAR DOCUMENTS	CRCSA DOCUMENTS	TOTAL DOCUMENTS	PERCENT CHANGE
FY 2010-11	1,156,451	0	1,156,451	n/a
FY 2011-12	1,332,547	0	1,332,547	15.2%
FY 2012-13	1,349,049	0	1,349,049	1.2%
FY 2013-14	1,233,690	0	1,233,690	-8.6%
FY 2014-15	1,367,028	24,937	1,391,965	12.8%
FY 2015-16	1,367,123	24,890	1,392,013	0.0%
FY 2016-17*	1,497,688	24,275	1,521,963	9.3%
FY 2017-18*	1,532,837	19,120	1,551,957	2.0%

*Projected

RECENT DOCUMENT ISSUANCE AND PROJECTIONS (IN THOUSANDS)



*Projected

Currently, the FY 2016-17 appropriation for the Drivers License Documents line item totals \$5.2 million and the Department projects it will need an additional \$1.1 million cash fund spending authority to meet demand in FY 2016-17, bringing the total appropriation, if approved, to \$6.3 million.

The table below illustrates the Department’s projections for FY 2016-17:

FY 2016-17 DOCUMENT PROJECTIONS			
MONTH	DOCUMENTS	UNIT COST	TOTAL COST
July*	121,418	\$4.159	\$504,977
August*	137,526	4.159	571,971
September*	119,888	4.159	498,614
October*	121,534	4.159	505,460

FY 2016-17 DOCUMENT PROJECTIONS			
MONTH	DOCUMENTS	UNIT COST	TOTAL COST
November	113,560	4.159	472,296
December	106,728	4.159	443,882
January	129,111	4.159	536,973
February	122,277	4.159	508,550
March	142,792	4.159	593,872
April	123,149	4.159	512,177
May	139,155	4.159	578,746
June	135,801	4.159	564,796
Total Projected Required Funding			\$6,292,313
Current FY 2016-17 Appropriation			5,201,840
Projected Shortfall/Supplemental Request			\$1,090,473

*Figures represent actual documents issued.

Based on the data provided by the Department, JBC Staff does not have concerns about this request at this time. JBC Staff recommends the Committee approve the Department request.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST LICENSE PLATE AND YEAR-TAB ORDERING

	REQUEST	APPROVED
TOTAL	\$4,605,219	\$4,605,219
FTE	0.0	0.0
General Fund	209,122	209,122
Cash Funds	4,396,097	4,396,097
Reappropriated Funds	0	0
Federal Funds	0	0

DEPARTMENT REQUEST: The Department requested, and the Committee approved, a request for \$4,605,219 total funds including \$209,122 General Fund to purchase additional stock of license plates and year-tabs from Colorado Correctional Industries (CCI), due to a structural deficiency in the Licensing Plate Cash Fund.

SUMMARY: Statute requires the Committee to introduce all interim supplemental budget requests that it approves pursuant to Section 24-75-111 (5), C.R.S. The Division of Motor Vehicles (DMV) purchases license plates, and other registration related documents such as year tabs and window placards, from Colorado Correctional Industries using an appropriation from the License Plate Cash Fund created in Section 42-3-301 (1) (b), C.R.S. The License Plate Cash Fund receives revenue generated from on a fee the DMV imposes on each of the products, however, statute requires the fee to cover only the direct costs of manufacturing the product.

In theory, the cash fund should always have sufficient revenue to fund the purchase of items but the General Assembly has also directed the DMV *not* to collect any fees on a number of other products. The DMV has managed the cash fund for several years by exhausting existing stockpile in DMV

offices. These stockpiles are now functionally depleted and the Department brought this request to refresh their inventory across the state.

COMMITTEE ACTION: Staff recommended, and the Committee approved, that Department request.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC acted on these items on January 12th when it made decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
Property Fund Supplemental	\$0	\$0	\$0	\$0	\$0	0.0
Annual Fleet Supplemental	0	0	0	0	0	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	0.0

STAFF RECOMMENDATION: These request items were addressed during the JBC staff supplemental presentation for the Department of Personnel on January 12, 2017. Staff requests permission to incorporate the Committee's action into the supplemental bill. Note, the dollar amounts in the table above represent the recent Committee action.

*JBC Staff Supplemental Recommendations - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision*

Appendix A: Number Pages

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
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**DEPARTMENT OF REVENUE
Barbara Brohl, Executive Director**

S1 License Plate and Year Tab Ordering

(4) DIVISION OF MOTOR VEHICLES

(C) Vehicle Services

License Plate Ordering	<u>5,922,519</u>	<u>6,117,753</u>	<u>2,435,572</u>	<u>2,435,572</u>	<u>8,553,325</u>
General Fund	9,539	6,673	202,327	202,327	209,000
Cash Funds	5,912,980	6,111,080	2,233,245	2,233,245	8,344,325
Total for S1 License Plate and Year Tab Ordering	5,922,519	6,117,753	2,435,572	2,435,572	8,553,325
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	9,539	6,673	202,327	202,327	209,000
Cash Funds	5,912,980	6,111,080	2,233,245	2,233,245	8,344,325

*JBC Staff Supplemental Recommendations - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision*

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
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S1.5 Reverse 1331 Supplemental License Plate and Year Tab Ordering

(4) DIVISION OF MOTOR VEHICLES

(C) Vehicle Services

License Plate Ordering	<u>5,922,519</u>	<u>6,117,753</u>	<u>(4,605,219)</u>	<u>(4,605,219)</u>	<u>1,512,534</u>
General Fund	9,539	6,673	(209,122)	(209,122)	(202,449)
Cash Funds	5,912,980	6,111,080	(4,396,097)	(4,396,097)	1,714,983

Total for S1.5 Reverse 1331 Supplemental License Plate and Year Tab Ordering	5,922,519	6,117,753	(4,605,219)	(4,605,219)	1,512,534
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	9,539	6,673	(209,122)	(209,122)	(202,449)
Cash Funds	5,912,980	6,111,080	(4,396,097)	(4,396,097)	1,714,983

JBC Staff Supplemental Recommendations - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
S2/BA1 Drivers License Documents Increase					
(4) DIVISION OF MOTOR VEHICLES					
(B) Driver Services					
Drivers License Documents	<u>4,888,229</u>	<u>5,201,840</u>	<u>1,090,473</u>	<u>1,090,473</u>	<u>6,292,313</u>
Cash Funds	4,888,229	5,201,840	1,090,473	1,090,473	6,292,313
Total for S2/BA1 Drivers License Documents					
Increase	4,888,229	5,201,840	1,090,473	1,090,473	6,292,313
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	4,888,229	5,201,840	1,090,473	1,090,473	6,292,313

JBC Staff Supplemental Recommendations - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
1331 License Plate and Year Tab Ordering					
(4) DIVISION OF MOTOR VEHICLES					
(C) Vehicle Services					
License Plate Ordering	<u>5,922,519</u>	<u>6,117,753</u>	<u>4,605,219</u>	<u>4,605,219</u>	<u>10,722,972</u>
General Fund	9,539	6,673	209,122	209,122	215,795
Cash Funds	5,912,980	6,111,080	4,396,097	4,396,097	10,507,177
Total for 1331 License Plate and Year Tab Ordering	5,922,519	6,117,753	4,605,219	4,605,219	10,722,972
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	9,539	6,673	209,122	209,122	215,795
Cash Funds	5,912,980	6,111,080	4,396,097	4,396,097	10,507,177
Totals Excluding Pending Items					
REVENUE					
TOTALS for ALL Departmental line items	333,115,443	338,472,414	3,526,045	3,526,045	341,998,459
<i>FTE</i>	<u>1,292.8</u>	<u>1,430.4</u>	<u>0.0</u>	<u>0.0</u>	<u>1,430.4</u>
General Fund	97,502,289	100,710,413	202,327	202,327	100,912,740
Cash Funds	230,602,090	230,466,408	3,323,718	3,323,718	233,790,126
Reappropriated Funds	5,011,064	6,471,205	0	0	6,471,205
Federal Funds	0	824,388	0	0	824,388

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
 FROM Scott Thompson, JBC Staff
 DATE January 18, 2017
 SUBJECT Follow up to discussion on CSTARS Account bill for Department of Revenue Supplemental budget request.

During the Joint Budget Committee meeting on January 18, 2017, Joint Budget Committee Staff could not explain the difference between the original Supplemental 1331 request and this modified request. JBC Staff has now had time to go verify the numbers and confirm for the Committee that the new supplemental request is about \$2.2 million less than the Supplemental 1331, and detailed in the following table:

DETAIL FUNDING AND REQUESTS FOR THE LICENSE PLATER ORDERING LINE ITEM			
	1331	REVISED S1	DIFFERENCE
General Fund	\$209,122	\$202,327	(\$209,122)
License Plate Cash Fund	4,396,097	189,269	(4,396,097)
CSTAR Account of HUTF	0	2,043,976	0
Total	\$4,605,219	\$2,435,572	(\$2,169,647)

The table below is a reproduction of the table included in the JBC Staff Supplemental Document, which displays each component of the License Plate Ordering line item.

DETAIL FUNDING AND REQUESTS FOR THE LICENSE PLATER ORDERING LINE ITEM					
	BASE	1331	REVISED S1	REVERSE 1331	NEW TOTAL REQUEST
General Fund	\$6,673	\$209,122	\$202,327	(\$209,122)	\$209,000
License Plate Cash Fund	6,111,080	4,396,097	189,269	(4,396,097)	6,300,349
CSTAR Account of HUTF	0	0	2,043,976	0	2,043,976
Total	\$6,117,753	\$4,605,219	\$2,435,572	(\$4,605,219)	8,553,325

The Department explained that the request is about \$2.2 million less than originally requested because when the 1331 supplemental request was made that Department was only relying on one month of data and therefore made a large request. JBC Staff also believes the large request was to avoid needing to come back to the JBC if issuance was as high as projections at the time. Now that the Department can utilize five months of actual data, the number of items the Department of Revenue needs to fulfill demand is fewer than it projected initially.