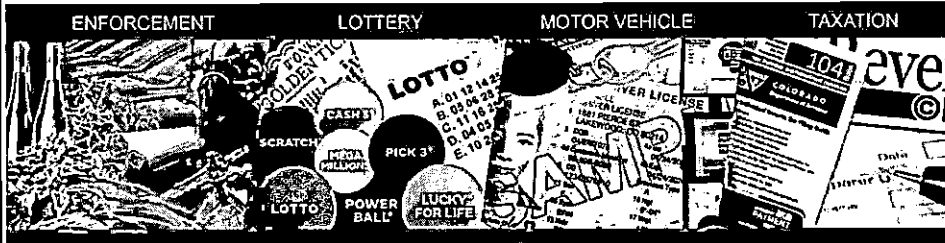


COLORADO DEPARTMENT OF REVENUE



SMART Government Act Hearing Joint Finance Committee November 26, 2018

OUR VISION


To become the premier Department of Revenue known for its outstanding customer service, innovation, and dedicated employees.

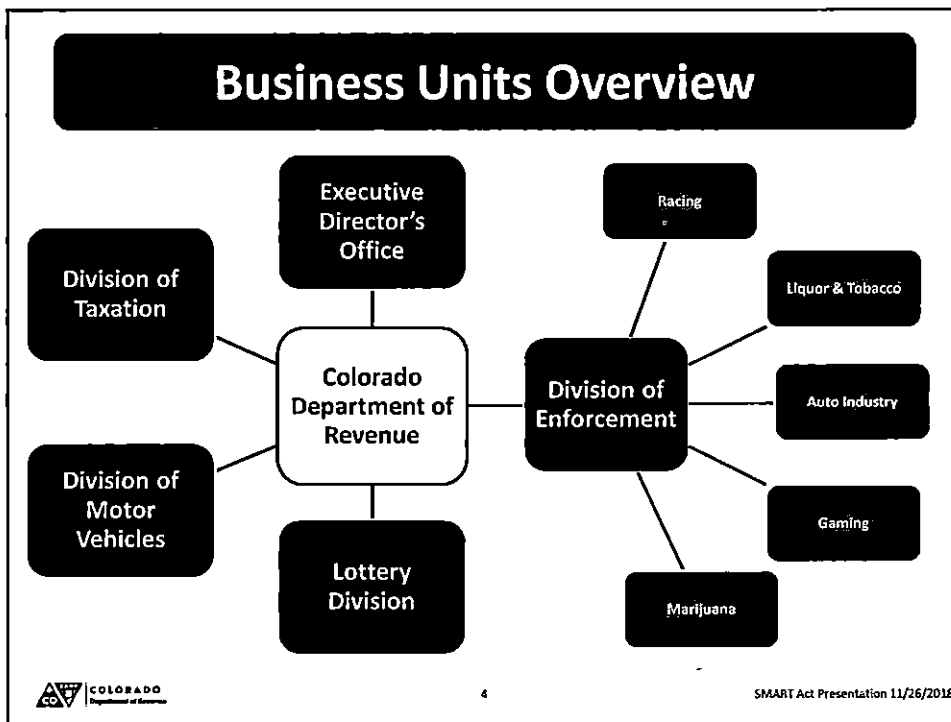
OUR MISSION

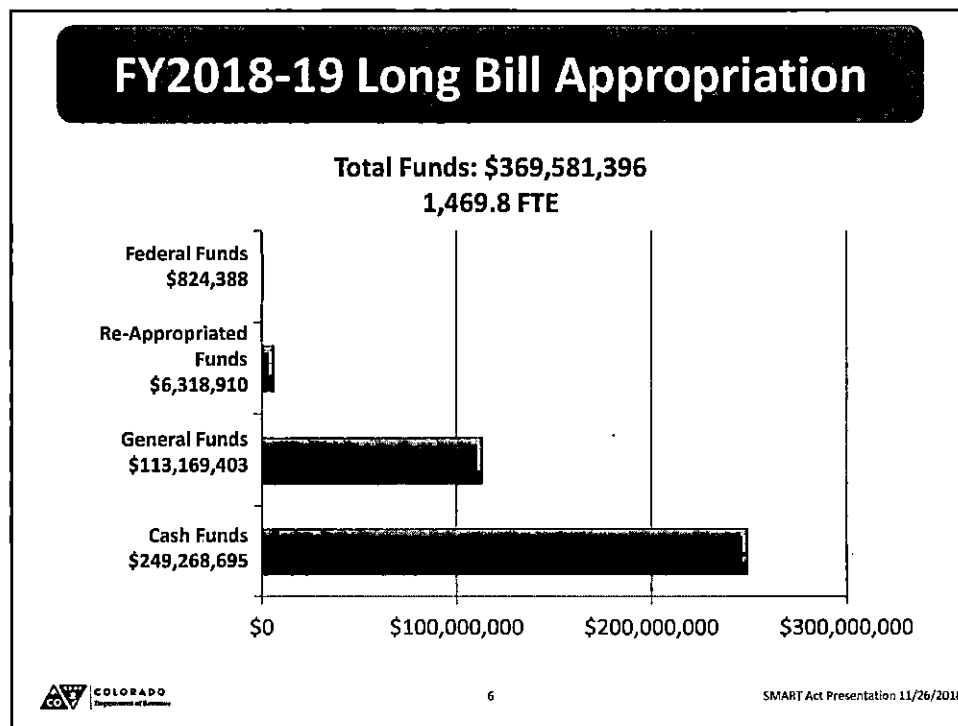
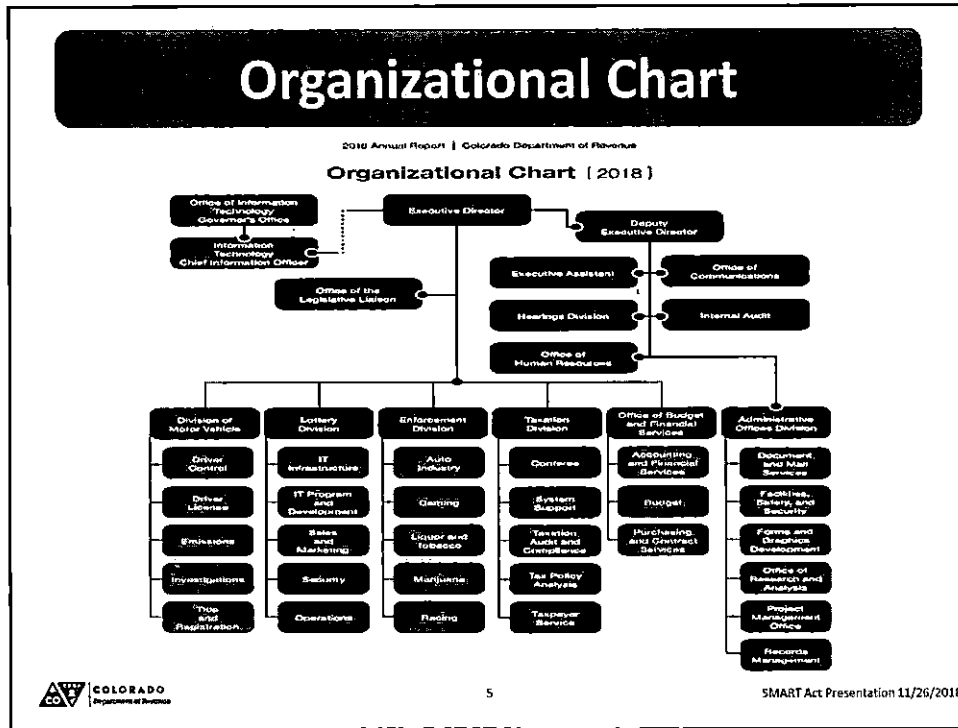
The Department of Revenue will provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

Our VALUES

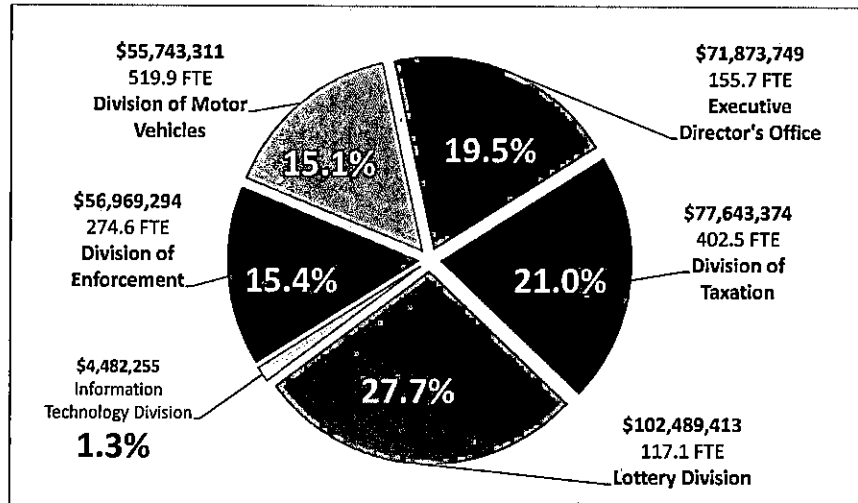
- C - COMMUNICATION**
Encourage an inclusive environment that fosters ongoing creative exchange of information and ideas between employees, management, and the public.
- D - DEDICATION**
Demonstrate a strong support for the mission of the organization and service to the people of Colorado.
- O - OWNERSHIP**
Promote active and constructive participation in the organization. Take pride in the organization and what you do. Create a sense of community.
- R - RESPONSIBLE GOVERNMENT**
Guarantee responsiveness, accountability, and pursue policies and ideas that are prudent and consistent.
- T - TEAMWORK**
Work collaboratively to achieve a common goal.
- R - RESPECT**
Value customers' and employees' opinions and thoughts and treat them with dignity.
- U - UNITY**
Foster a unified Department of Revenue.
- S - STEWARDSHIP**
Ensure careful and responsible collection and distribution of the public's money and information.
- T - TRANSPARENCY**
Utilize processes, procedures, and forms that are understandable and easy to use.


3
SMART Act Presentation 11/26/2018





FY2018-19 Long Bill Appropriation



Performance Management Plan

The State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act formalizes a performance management system in Colorado by providing broad parameters for the key elements of performance management: planning, management, data collection and reporting, and evaluation. The SMART Act provides the framework for a customer-focused approach to the delivery of government goods and services through a variety of requirements, including this Performance Management Plan.

The performance plan summarizes the near-term strategic and operational priorities for the Department, connecting organizational objectives to a system for achieving these priorities. This plan contains an overview of the Department, down to the level of individual processes by which we deliver goods and services to our customers, residents of Colorado. The plan is a living document that DOR uses to set objectives to be achieved and measure progress throughout the year.

The Performance Plan can be found on the CDOR website:

<https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

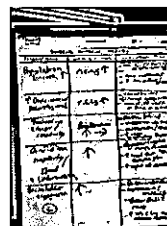
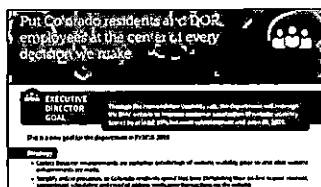
Past plans and reporting metrics can be found on the OSPB website:

<https://www.colorado.gov/pacific/performancemanagement/revenue-0>.

Performance Management Plan FY2018-19

Our Process:

- This plan was created through a series of interactive stakeholder sessions with all members of the Executive Management Team, program managers and division staff to incorporate all aspects of the work of the Department and its four divisions.
- The FY2018-19 plan has a new look with enhanced goals, clearer strategic policy objectives and a refined focus on our customers. We hope this plan becomes a valuable document for all employees as a strategic roadmap to fulfilling the Governor's vision and ultimately our core mission.



FY2017-18 Strategic Policy Initiatives (SPIs)



Customer Service

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



Fiduciary Responsibility

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



Statutory Responsibility

Promote fairness and consistency in the application of the law.



Employees

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



Public Confidence

Maximize public trust through responsible stewardship and transparent processes.

Retired Strategic Goals

For Fiscal Year 2018-19, a few goals were retired because the objective was consistently met, the goal was changed, or the goal was determined as unnecessary.

- Increase e-filed individual income tax returns as a percentage of total individual income tax returns filed from the baseline of 64.00% in FY10 to 85.00% in FY2017-18.
- Increase e-filed sales tax returns as a percentage of total sales tax returns filed from the baseline of 13.00% in FY10 to 80.00% in FY2017-18.
- The percentage of International Registration Plan (IRP) registrations completed through electronic filing will reach 32.50% in FY2017-18, increasing to 35.00% by FY2018-19.
- 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 FY2015-16 to 6% in FY2017-18.

Retired Strategic Goals

For Fiscal Year 2018-19, a few goals were retired because the objective was consistently met, the goal was changed, or the goal was determined as unnecessary.

- The Department will implement Vision 2018 key rulemaking activities to include ensuring early stakeholder engagement rule promulgation 100% of the time in FY2017-18 and ongoing.
- In compliance with Vision 2018, the Department will identify at least one rule or process to improve and estimate the impact to business in FY2017-18 and ongoing.
- Increase the number of final agency actions (defined as approvals or notices of denial) of new applications for medical marijuana business licenses within 90 days from the baseline of 69.00% to 85.00% by the end of FY2017-18.
- Reduce the average voluntary turnover rate for the Department from the baseline of 13.6% established in FY2016-17 by 2% annually.
- By the end of FY2017-18, 50% of all Department projects will be properly tracked using project milestones with identified owners and timelines.

FY2018-19 Strategic Policy Initiatives (SPIs)



SPI 1

Put Colorado residents and DOR employees at the center of every decision we make.



SPI 2

Guide and assist Colorado residents in complying with the state's laws, rules, and regulations.



SPI 3

Instill public trust and confidence through transparency, customer service, and responsive employees.

Division of Motor Vehicles (DMV) - Overview



Skip the Trip to the DMV with 34 Online Services!
Renew your driver license, change your address and more online!

DMV Service Times

REVISED Goal:* Reduce total customer experience times for walk-in driver license customers in high-volume offices below 60 minutes and in low-volume offices below 30 minutes more than 70.00% of the time.

*This goal has been revised to track the whole customer experience.

AVERAGE TOTAL CUSTOMER EXPERIENCE TIME


29:18

TO RENEW A DRIVER'S LICENSE IN OFFICE

Strategy:

- DOR can now break down the experience into individual segments to determine where efficiencies and effectiveness can be improved to better serve customers.
- Decrease the initial wait times for customers through DRIVES 2 rollout with more online services for customers.

	FY19 Baseline	FY 19 Actual 1 st Quarter
High-Volume Office	70.00%	83.30%
Low-Volume Office	70.00%	79.80%


15
SMART Act Presentation 11/26/2018

Driver Control Call Center

GOAL: The Driver Control Call Center will have an average call wait time of 0:10:00 on an annual basis and decrease beginning in FY2018-19.

Outcome: Outperformed by 0:01:20.

FY18 Goal	FY18 Actual	FY19 Goal
0:10:00	0:08:40	0:09:00

GOAL: The Driver Control Call Center will block* less than 4.00% of calls for FY2017-18 and decrease to 1.50% annually beginning in FY2018-19.


*During times of heavy call volume, DOR may ask customers to call back at a different time.

Outcome: Outperformed FY18 goal by 3.28%.

FY18 Goal	FY18 Actual	FY19 Goal
4.00%	0.72%	1.50%

Strategy:

- Cross train staff at the call center in all areas of Driver Control.
- Combine with “active management” of the supervisors and lead staff allows for a more efficient way of achieving first call resolution.


16
SMART Act Presentation 11/26/2018

Increase Online Driver License Renewals

REVISED Goal:* Increase the number of online driver license renewals (for those eligible to renew online) by **2.00%** over the previous year on an annual basis.

*Changed focus to emphasize those eligible for online renewal.

Outcome: Outperformed FY18 goal.



Strategy:

- Promote online renewal services to eligible customers. The communications team spearheaded a marketing plan that includes website search engine optimization (SEO), radio and news spots, social media, as well as various types of billboard advertising.

FY18 Goal	FY18 Actual	FY19 Goal
218,191	209,281	222,555



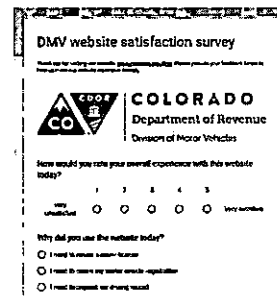
DMV Customer Feedback

Goal: Increase customer feedback responses by **10.00%**.

Outcome: Established a baseline and moved from a level 2 to a level 3 on the Customer Feedback Maturity Index in FY2017-18.

Strategy:

- Establish feedback loop for customers taking the survey.
- Increase responses by having advisors hand out written surveys and promote online surveys.



FY18 Actual	FY19 Goal
Established Baseline of 5,637	6,200

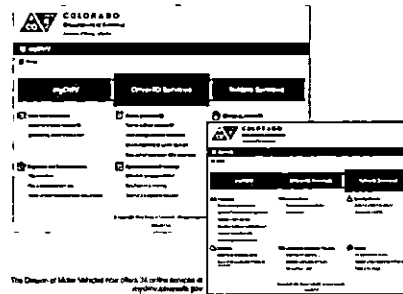


DMV Website Usability

NEW Goal: Through the HomeAdvisor Usability Lab, DOR will redesign the Division of Motor Vehicles website to improve customer satisfaction of website usability scores by at least 10.00% between establishment and June 30, 2019.

Strategy:

- Collect baseline measurements on customer satisfaction of website usability prior to and after website enhancements are made.
- Simplify online processes so Colorado residents spend less time completing their online license renewal, appointment scheduling and proof of address verification transactions via the website.



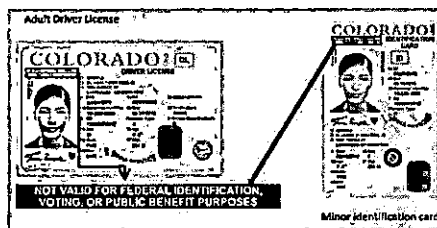
DRIVES Rollout 2: On Time & On Budget

- DRIVES: Driver License, Record, Identification, and Vehicle Enterprise Solution second phase live as planned on August 6, 2018.
- Last part of a comprehensive, multi-year strategic plan to improve customer service.
- DRIVES replaces the 1990s Driver License System and the 1980s Colorado State Titling & Registration System (CSTARS).
- Commercial Off the Shelf (COTS) solution best met State and county operational, business, and technical objectives.
- Effective cooperation between the State and counties.
- State and county employees jointly configured system.
- 1,222 state and county staff were trained in advance of recent roll out.
- Vehicle titling and registration transactions successfully being completed since implementation.



DMV: CO-RCSA SB13-251 Driver Licenses and IDs

- Senate Bill 13-251, The Colorado Road and Community Safety Act, authorizes the issuance of a Colorado driver license, instruction permit or identification card to those individuals who either cannot demonstrate lawful presence in the U.S. or can only demonstrate temporary lawful presence in the U.S.
- The initial fiscal note estimated a total of 66,000 individuals would request an appointment. Once the 66,000 mark for appointment for first-time applicants is met, DOR is mandated to reduce the offices that provide this service to one location.
- DOR has estimated that by May 2019, the 66,000 mark will be reached.
- More information can be found on the DOR website:
<https://www.colorado.gov/pacific/dmv/co-rdsa-sb251-driver-licenses-and-ids>.

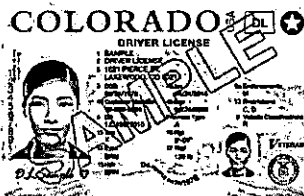


DMV: X Sex Identifier

DOR adopted new rules allowing Colorado residents to have an X sex identifier on their driver licenses or identification cards starting on November 30, 2018.

Individuals will be able to designate M, F, or X, as determined by them and their licensed treating medical or behavioral healthcare provider, and the corresponding designation will appear as the sex identifier on their Colorado driver license or identification card.

More information can be found on the DOR website:
<https://www.colorado.gov/pacific/dmv/change-your-sex>.



Governor's Dashboard

The Governor's dashboard provides a summary of how the State is doing across our five priorities that fulfill the vision of a truly Healthy Colorado across our people, our economy, our communities, and our environment. At a glance you can view the status of each measure based on its indicator icon. Visit the Dashboard at <https://www.colorado.gov/governor/dashboard>.

DOR reports on two specific goals outlined in the Governor's Dashboard as follows:

Legend


- Goal Met
2018 goal met or will meet based on available data
- ◆ Improved
2018 measure saw improvement from the baseline, but not enough to meet the target
- ▲ Not Improved
2018 measure did not meet the target and did not see improvement from the baseline

Goal: Improve the DMV customer experience

- DMV office wait times for appointments
- ◆ Online driver's license renewals
- Total customer experience time

Goal: Cut the burden of government regulations

- Early stakeholder engagement on rules
- Compliance burden reduced



23


SMART Act Presentation 11/26/2018

Governor's Dashboard DMV

QUALITY GOVERNMENT SERVICES *Providing efficient, effective and elegant government services*

Goal: Improve the DMV customer experience

Status	Outcome Measure	Outcome Baseline (2015)	2016 Actual	2017 Actual	2018 Actual	2018 Outcome Target
●	Total customer experience time, walk-ins, high-volume offices	N/A	N/A		82.0%	70% in <=60 min.
●	Total customer experience time, appointments, high-volume offices	N/A	N/A		86.4%	70% in <=45 min.
●	Total customer experience time, walk-ins, low-volume offices	N/A	N/A		81.9%	70% in <=30 min.
●	Total customer experience time, appointments, low-volume offices	N/A	N/A		92.4%	70% in <=35 min.
●	DMV office wait times for appointments	87%	90.9%	94.5%	96.4%	92%
◆	Online driver's license renewals	135,451	186,655	207,782	209,281	218,191



24

SMART Act Presentation 11/26/2018

Division of Enforcement - Overview



Auto Industry Division - Overview



Auto Industry Investigations


UPDATED Goal: The Auto Industry Division will reach the objective of concluding the initial investigation on consumer complaints within **180 days** of case initiation **92.00%** of the time.

Outcome: Outperformed FY18 goal by 7.25%.


Strategy:

- Increase proficiency in using a new computer database.
- Implement a new case tracking system.
- The Agent in Charge will use the information to further scrutinize and evaluate cases that are in danger of the 180 day target.
- Investigative supervisory staff will meet at least monthly to review complex cases.

FY18 Goal	FY18 Actual	FY19 Goal
86.00%	93.25%	92.00%


27
SMART Act Presentation 11/26/2018

Division of Gaming - Overview

THE DIVISION PROCESSED 

1,126

New Support License Applications

75

New Key Employee, Associated Persons and Associated Businesses Licenses

1,815

Renewal Licenses for Key and Support Personnel

2018 STATE WIDE AGP

\$838M

↑ 3%

Increase from 2017

2018 TAXES ASSESSED

\$125M


↑ 7%

Increase from 2017

Technical Systems Group

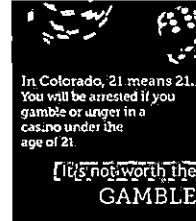
PERFORMED 857

Compliance INSPECTIONS


28
SMART Act Presentation 11/26/2018

Compliance Investigations of Casinos

UPDATED Goal: The Division of Gaming will conduct compliance inspections of licensed Colorado casinos on an annual basis to ensure compliance with the Colorado Limited Gaming Act, Colorado Gaming Regulations, and minimum internal control standards increasing the rate to **97.00%** in FY2018-19.
Outcome: Outperformed FY18 goal by 4.1%.



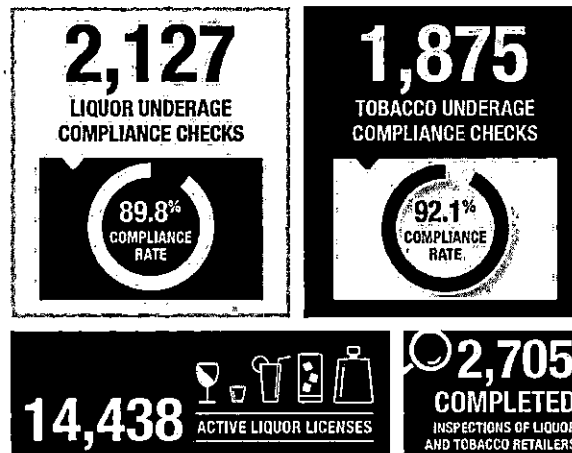
Strategy:

- Continue to perform both criminal and compliance investigations as well as financial audits.
- Perform biannual compliance inspections on all areas of casino gaming operations in order to assess the control environment in which each casino operates.
- Perform underage gaming compliance checks on a quarterly basis ensuring each casino is checked at least annually. The Division will also work with the casinos to ensure continuing education about underage gaming as well.

FY18 Goal	FY18 Actual	FY19 Goal
92.50%	96.60%	97.00%



Liquor and Tobacco Enforcement Division - Overview



Liquor Final Agency Actions

Goal: The Liquor Enforcement Division will maintain a completion rate of 95.00% of final agency actions (defined as approvals or notices of denial) for renewal license applications of liquor business licenses within 60 days of receipt in FY2018-19 and going forward.

Outcome:* Underperformed FY18 goal by 2.20%.

FY18 Goal	FY18 Actual	FY19 Goal
95.00%	92.80%	95.00%

UPDATED Goal: The Liquor Enforcement Division will 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 77.50% to 80.00% by the end of FY2018-19.

Outcome:* Underperformed FY18 goal by 0.30%.

FY18 Goal	FY18 Actual	FY19 Goal
77.50%	77.20%	80.00%

*There was a roughly 10% increase in new and renewal applications in FY2017-18.

Strategy:

- The overall management of the licensing section has changed.
- Backfill any vacancies with temporary employees until permanent vacancy is filled.
- Implement a Clerk's Corner on the website to educate and communicate with local licensing authorities.
- Continue to host training courses and seminars with local licensing authorities.

Division of Racing - Overview



Racing Compliance

Goal: The Division of Racing will continue testing methods (blood, urine and other biological test) on equine participants to ensure compliance with the Colorado racing regulations, maintaining the rate of 98.50% in CY2019.

Outcome: Outperformed CY18 goal by 0.10%.

Strategy:

- Implemented out-of-competition testing pilot program for the 2017 racing season and it has become part of the program protocol for the 2018 racing season.
- Implemented hair testing pilot program for the 2017 racing season and has become part of the program protocol for the 2018 racing season.
- Continue to educate licensees on rules, regulations and standards through stakeholder meetings and outreach tools.

637

TESTS OF
EQUINE ATHLETES

99%
COMPLIANCE
RATE

CY18 Goal	CY18 Actual	CY19 Goal
98.50%	98.60%	98.50%

33
SMART Act Presentation 11/26/2018

Marijuana Enforcement Division - Overview

PROHIBITED EDIBLE SHAPES

1,582

ACTIVE

RETAIL MARIJUANA BUSINESSES

744	289	538
RETAIL MARIJUANA CULTIVATIONS	RETAIL MIPS	RETAIL MARIJUANA STORES

AT THE END OF FY 18 THERE WERE

38,868

ACTIVE

OCCUPATIONAL MARIJUANA LICENSES

16,275	5,223
NEW	RENEWED

34
SMART Act Presentation 11/26/2018

Marijuana Underage Compliance

UPDATED Goal: The Marijuana Enforcement Division will 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 85.00% established in FY17 to 95.00% in FY2018-19.

Outcome: Outperformed FY18 goal by 9.77%.

FY18 Goal	FY18 Actual	FY19 Goal
87.50%	97.27%	95.00%

NEW Goal: The Marijuana Enforcement Division will increase the number of underage compliance checks by 10.00% at licensed retail marijuana businesses.

FY18 Goal	FY18 Actual	FY19 Goal
N/A	220	242

LICENSES PASSED UNDERAGE SALES CHECKS

2016

2017

94%

95.1%

Strategy:

- Enhance statewide enforcement with age compliance operations involving underage operatives.
- Expand education and training outreach for licensees.



35

SMART Act Presentation 11/26/2018

Marijuana Final Agency Actions

UPDATED Goal: The Marijuana Enforcement Division will 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 70.00% to 85.00% by the end of FY2018-19.

Outcome: Outperformed FY18 goal by 16.00%.

Strategy:

- Evaluate checklists and FAQs available online to encourage submission of paperwork with all needed documents.
- Explore the ability to accept renewal applications online to help with the organization and submission of required documents.

FY18 Goal	FY18 Actual	FY19 Goal
75.00%	91.00%	85.00%

8,922 INVESTIGATIONS COMPLETED

210 ADMINISTRATIVE ACTIONS ISSUED

58%

42%

Medical Businesses
Adult-Use Businesses



36

SMART Act Presentation 11/26/2018

Division of Taxation - Overview



Tax Customer Feedback Scores

Goal: By the end of FY2018-19, establish a baseline for customer feedback scores and develop a closed-loop feedback system for the Taxation Division.

45,872 WALK-IN CUSTOMERS TO FIVE REGIONAL SERVICE CENTERS FISCAL YEAR 2018

8,312,026 visitors to Colorado.gov/Tax

Strategy:

- Set individual targets for customer feedback scores and establish a closed loop feedback process for customers who provide suggestions or negative feedback.
- Establish feedback survey functions for each customer facing section in the division and explore customer feedback options for callers.


FY18 Goal	FY18 Actual	FY19 Goal
N/A	N/A	Establish a Baseline

Tax Call Center

UPDATED Goal: The Tax Call Center will answer calls within an average of **0:06:20** entering the queue for FY2018-19, with a reduction annually.
Outcome: Outperformed FY18 goal by 0:02:54.

FY18 Goal	FY18 Actual	FY19 Goal
0:09:15	0:06:21	0:06:20

UPDATED Goal: Block* less than **13.00%** of calls to the Tax Call Center in FY2017-18 and decrease annually beginning in FY2018-19.
 *During times of heavy call volume, DOR may ask taxpayers to call back at a different time.
Outcome: Outperformed FY18 goal by 9.19%.




FISCAL YEAR 2018
244,881
 PHONE CALLS ANSWERED
 BY TAX HOTLINE

FY18 Goal	FY18 Actual	FY19 Goal
23.00%	13.81%	13.00%

Strategy:

- Update phone infrastructure to improve existing services and allow the Department to expand its service offerings to taxpayers.
- Use temporary staff to minimize the vacancy rate of permanent staff.
- Continue to fine-tune our return processing and work processes.


39
SMART Act Presentation 11/26/2018


Division of Taxation: Wayfair & Destination-Based Sourcing

Background:

- On June 21, 2018, in *South Dakota v. Wayfair*, the U.S. Supreme Court overturned the physical presence requirement and ruled that out-of-state retailers are subject to collecting state sales tax in states they ship taxable goods.
 - Prior to that “use tax” was owed on these goods if sales tax was not collected.
 - In-state retailers have always been required to collect Colorado-based sales taxes.
- Stemming from the 1935 Emergency Retail Sales Tax Act, statute states that all retail sales are subject to sales tax; statute does not differentiate between an out-of-state or in-state retailer (vendor). Thus, DOR has the statutory obligation* to collect sales tax.
- *Sections 39-26-102(3) and (8), 39-26-103, 39-26-104(1), 39-26-105, C.R.S.

Evening the Playing Field:

- As related to sales tax changes, but independent of the Wayfair ruling, DOR adopted emergency rules requiring that sales tax to be collected and remitted based on jurisdictions’ tax rate at the POINT OF DELIVERY for taxable goods when delivered outside the retailer’s jurisdiction.
- Because out-of-state retailers do not have a physical location, this is the only way to course sales tax fairly so that there are not two different sets of rules of in-state and out-of-state retailers.


40
SMART Act Presentation 11/26/2018

Division of Taxation: Wayfair & Destination-Based Sourcing

DOR is Here to Help:

- To ensure retailers have sufficient time to make the required systems changes, DOR has a grace period through March 31, 2019, to comply with these changes. An automatic waiver will be given until then.
- Improved the registration process for adding new taxing jurisdictions and non-physical locations.
- Encouraging businesses to create a RevenueOnline account and file online.
- DOR has developed online training webinars and a new section of the website to address these issues: <https://www.colorado.gov/pacific/tax/sales-tax-changes>.

DOR is requesting additional resources (Decision Item R-02) to enable Colorado to require out-of-state retailers to collect and remit sales taxes in accordance with the U.S. Supreme Court's decision in *South Dakota v. Wayfair*.

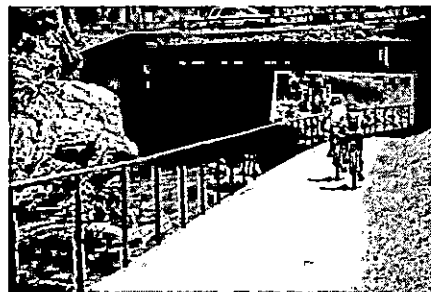
If you have suggestions on how DOR can make this transition easier for in-state businesses (within the law) email us at DOR_SalesTaxChanges@state.co.us.



Free Live Webinars



Lottery Division - Overview



Lottery Sales and Profits

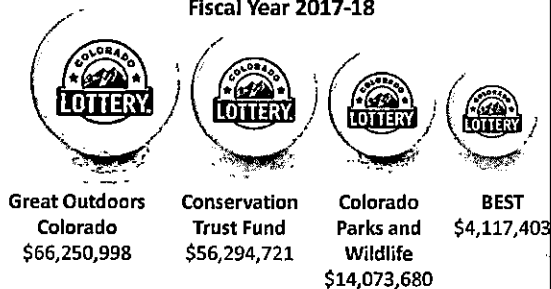
UPDATED Goal: Grow Colorado Lottery sales and profits to maximize proceeds for beneficiaries that are receiving distributions at percentages as defined in CRS 33-60-104, and achieve a profitability percentage of 23.30% by the end of FY2018-19.

Outcome: Outperformed FY18 goal by 0.50%.

Colorado Lottery Beneficiaries Fiscal Year 2017-18

Strategy:

- Place increased marketing focus on jackpot games since they have a prize payout that would help increase the proceeds percentage and new proceeds.
- Continue to expand our presence into the Wal-Mart supercenters.
- Continue to place Gemini Vending Machines in high-volume stores, such as Safeway.
- Look at staffing efficiencies across the entire organization.



FY18 Goal	FY18 Actual	FY19 Goal
23.00%	23.50%	23.30%



Other Lottery Highlights

The Colorado Lottery creates and sells lottery games of chance that are held to the highest standards of integrity, efficiency, and entertainment, in order to maximize proceeds for the people of Colorado.

The Colorado Lottery began in 1983 with just a single scratch game. Today there are a variety of scratch and jackpot games.


Since its inception, the Lottery has contributed more than \$3.2 billion to its constitutional and statutory beneficiaries, funding trails, parks, playgrounds, and recreation centers. The money also protects open space, wildlife, wildlife habitat and other natural resources, part of what makes Colorado special to us all.



For more information please visit: <https://www.coloradolottery.com/en/>.
Find a retailer near you today: <https://www.coloradolottery.com/en/retailers/>.



Executive Director's Office - Overview



**COMMUNICATIONS DIVISION
PROVIDED RESPONSES TO**

953

COLORADO OPEN RECORDS
ACT (CORA) REQUESTS

**OUTGOING
MAIL ROOM
MAILED OUT**

8,253,741

PIECES OF MAIL

**OFFICE OF RESEARCH
& ANALYSIS
PRODUCED**

274

MONTHLY, QUARTERLY
& ANNUAL REPORTS.

**INCOMING
MAIL ROOM
PROCESSED**


725,884

PIECES OF MAIL

**HEARINGS
DIVISION HELD**

23,874

MOTOR
VEHICLE
HEARINGS








Executive Dashboard Reports

NEW Goal: Implement one-page executive dashboard reports for all four divisions and a global dashboard for the Department.

Strategy:

- Contract with technical writer to perform strategic planning exercises with each business group.
- Include dashboard reporting requirement as Senior Director's performance appraisal plan.

STRATEGIC PORTFOLIO							
ROLES/COMPONENTS	PERFORMANCE METRICS				PERFORMANCE DIVERSITY		
	PERFORMANCE METRIC	TARGET	ACTUAL	TRENDS	TYPE	HOW	
    	Budget Variance			🟡	🟡	🟡	
	Services Capacity			🟢	🟢	🟢	
	Customer Service Experience - Office	Surveys assessment			🟢	🟢	🟢
	Customer Service Experience - Call Center	Surveys Assessment			🟢	🟢	🟢
	Online Service Adoption	Surveys Assessment			🟢	🟢	🟢
Acute Compliance				🟡	🟡	🟡	
Negative Experience				🟡	🟡	🟡	

STRATEGIC IMPERATIVES						
STRATEGIC IMPERATIVE	DESCRIPTION/KEY OBJECTIVES	MEASUREMENT/PERFORMANCE INDICATORS	START DATE	END DATE	STATUS	
Improve the Customer Experience	Change perception of the most critical customer pain points through targeted and personalized service	1. Reduce the number of open customer issues in 30 days 2. Increase the number of 5-star reviews 3. Increase customer retention on the self-serve portal	June 2018	7/2019	77	
Public Safety	Eliminate being routinely involved in efforts of public safety to bring and respond to calls for public safety by 100%	1. First to have a team in public safety response 2. Reduce response and response time of 100% 3. Reduce the number of calls for public safety by 20% 4. First to respond to the most urgent calls for public safety by 100%	July 2018	7/2019	52	
Employee Experience	Improve the employee experience from "not a bad reason" to a leading cause to work for CO DOR	1. Create Employee Engagement Equipment Council 2. Increase employee retention rate 3. Increase "employee" or "employer" satisfaction survey scores 4. Increase number of 5-star reviews on Glassdoor	April 2018	7/2019	32	

Employee Satisfaction

NEW Goal: Improve employee satisfaction by an average rate of 5.00% points on a biennial basis for each of the three categories each year.

Leadership — Increase employee knowledge of Department direction and increase employee trust and confidence in Department leadership.

FY18 Goal	FY18 Actual	FY20 Goal
N/A	41.00%	46.00%

Growth and Development — Increase employee satisfaction with career opportunities for growth and advancement.

FY18 Goal	FY18 Actual	FY20 Goal
N/A	49.00%	54.00%

Innovative Ideas and Recognition — Increase employee capacity to implement promising new/ innovative ideas.

FY18 Goal	FY18 Actual	FY20 Goal
N/A	40.00%	45.00%

Strategy:

- **Leadership:** Encourage transparency and more supervisor trainings.
- **Growth and Development:** Tuition reimbursement policy, and a competency based pay structure.
- **Innovative Ideas:** Incentive policy and recognition coins.

DOR Employees



Recognition Coins: DOR employees are encouraged to recognize the accomplishments of their coworkers. Anyone can give a recognition coin for any given reason, big or small!


Code of Conduct: In 2018, the Department rolled out an official Code of Conduct as a baseline for expectations in the workplace. This code defines basic principles and guidelines, that are fundamental to a healthy climate. Furthermore, it supports our shared commitment to a safe work environment, where employees are able to successfully perform their job duties and fulfill DOR's mission.



DOR Employees Volunteer and Donate:


- DOR annually participates in the Colorado Combined Campaign.
- In 2018, the Lottery Division teamed up with Volunteers for Outdoor Colorado to build a new trail at Floyd Hill open Space in Evergreen.
- DOR annual school supply donation drive.
- DOR annual toy drive and mitten tree.

DOR Employees




Gold Medalist - Amber Egbert: She does a little bit of everything and she does it well. Amber serves as the Tax Division's Legislative Coordinator and Forms Coordinator. In those roles she works closely with subject matter experts throughout the various tax units to ensure that legislation being proposed is both accurate and able to be administered by DOR.

Peak Performer - Rosa Sanchez: She quickly became an essential leader of several key components to the overall success and growth within the Department. As the Director of Facilities, Safety, and Security, Rosa has direct contact with each division and has proven to be a valuable asset.



DOR Employees Recognized by Others:

- Nikki Gwin, Compliance Investigator, 2017 State United We Serve Award recipient for work she does with neglected and abused dogs.
 - Ramon Alvarado, Budget Manager, Elected to the Colorado PERA Board.
- DOR Internal Audit Team won Best Outreach by the Institute of Internal Auditors.



49

SMART Act Presentation 11/26/2018

Customer Service: Kudos from Customers

I just want to inform you regarding the terrific service that I received at your office. Your assistant manager, Chuck (Martellara), was amazingly quick in dealing with my tax situation. He provided me with a plan that I could live with. It was a pleasant surprise to see a government office perform so quickly and with great competence.
- Ian C.

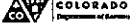
Twitter Comment:
Kudos. Had to renew my license today. In and out in 15 minutes. Great Job Golden office.
@CO_Revenue

I couldn't believe how quick and easy it was to get in and get renewed... I love Colorado! Thanks for being the worlds greatest DMV, Longmont!
-Patrick C.

Ellen D. called to say that Shelly Richey in (Tax) Collections was very nice and graceful. Ellen said that she was scared to call and Shelley really helped her to be at ease. Ellen also wanted to thank Beverly Thorsden for hiring Shelly!

Dear Sir/Madam—
My husband and I would like to express our appreciation for the good service given us by your Grand Junction employee, Dale Sundeen in the dealer enforcement division. With his help, we were able to resolve our problem with a local dealership. It was a pleasure to deal with someone who was so knowledgeable and responsive.
- Jim & Nancy A.

Mr. Burack, I just wanted to share with you what a wonderful experience I had in obtaining my MED badge at the Longmont Office. Scheduling my MED appointment was a breeze. Melanie (Colpitts) was able to get me in sooner than expected and she was super helpful each time I called back with questions about the application. On the day of my appointment, I was greeted by Nina (Shubert), and Amber (Mandrell). Both were extremely friendly, knowledgeable, and efficient. I truly enjoyed their energy and enthusiasm. I have to say the whole process was a pleasant surprise! The customer service was outstanding and I am a firm believer in giving recognition where it is deserved.
Sincerely, Raquel T.



50

SMART Act Presentation 11/26/2018

LEAN and Process Improvement

LEAN Training:

- In 2018, 10 DOR employees completed Honsha (LEAN) trainings.
- Problem themes included:
 - Reduce number of custom Lottery reports/improve process.
 - Reduce customer wait-time in driver license offices.
 - Shorten turn-around-time for MED applications/updates.
 - Reduce paper processing volumes and costs in Tax.

LEAN Project Highlight: Travel Approval Process

- Initial Opportunity:
 - Paper form requiring five signatures, hard copy supporting travel documents.
 - 73% of survey respondents expressed an unfavorable view of travel process, described as "onerous, cumbersome, inefficient, untimely and a deterrent to travel".
 - Estimated average time from submission to approval was 16 days.
- Initial LEAN project captured in one division grew to a department-wide LEAN initiative:
 - July 2018 implemented an automated travel approval form.
 - To date 156 travel forms submitted and approved electronically.
 - Average time to approval in October is just over half a day (.59 days).
 - Provides an electronic central repository for all supporting travel documents and required forms.

LEAN and Process Improvement

LEAN Project Highlight: Salary Approval Form

- Initial Opportunity:
 - For many years the Department used the same salary approval process and hard-copy forms.
 - This process involved three different "types" of approval depending on the salary range offered, including a cumbersome salary matrix for any hire that was more than 10.00% above the minimum.
 - Many of the steps were unclear and the process required up to six levels of approval.
- Streamlining the Process:
 - DOR developed a new, automated system for processing salary requests for potential new employees.
 - This system was developed as a Google form and is routable, approvable, trackable, and automatically collects the data related to each request.
 - Effective July 1, 2018, this new form is now used to process all of the following types of hires: new hires, transfers, reinstatement, promotions, voluntary demotions, disciplinary demotions, and state temporaries.
 - The new process requires no more than two levels of approval, the appointing authority and the senior division director.

Based on the success of this new approval process Human Resources has developed new Google forms to capture in-range salary movements, temporary pay differentials, and incentive awards.

DOR Rulemaking Principles

Defensible: Rules grounded in statute.

Operable: Consistent with business practices and least restrictive while still protecting the public.

Transparent: Clearly articulate expectations.

Systematic: Leverage technology and apply consistently.

Governor's Dashboard Regulations



ECONOMIC & INFRASTRUCTURE DEVELOPMENT *Make Colorado the best place to start and grow a business*

Goal: Cut the burden of government regulations

Status	Outcome Measure	Outcome Baseline (June 2015)	Actual (June 2016)	Actual (2017)	Actual (2018)	2018 Outcome Target
●	Early stakeholder engagement on rules	0 of 12	12 of 12	12 of 12	12 of 12	100% (12)
●	Compliance burden reduced	N/A	N/A	14 of 14	14 of 14	100% (14)

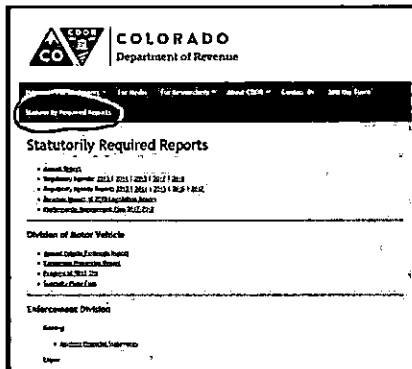
2018 Regulatory Agenda Report & 2019 Regulatory Agenda

2018 Regulatory Agenda Report:

- 1 New Rule
- 22 Amended Rules
- 1 Repealed Rule
- 19 Reviewed Rules*

*Includes rules that were amended, added, and repealed.

**DOR reviews
100% of rules
every 5 years.**



The 2018 Report & 2019 Agenda can be found on the DOR website:
<https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

Outstanding Audit Recommendations

From July 1, 2012, through June 30, 2017, DOR agreed or partially agreed to implement 167 audit recommendations.

**100%*
Implemented**

Financial Audit Recommendations


**100%*
Implemented**

Performance & IT Audit Recommendations

*The Office of the State Auditor's *Annual Report: Status of Outstanding Audit Recommendations as of June 30, 2018*, closed in June 2018. As of June 2018 there were two outstanding recommendations that have since been completed in the fall of 2018.

Legislation Implementation


**DURING THE 2018
LEGISLATIVE SESSION,
THE DEPARTMENT...**



**TRACKED
197
LEGISLATIVE
PROPOSALS**

During the 2018 Session, of the bills that passed, 88 bills had an implementation impact to DOR. All legislation or portions of legislation with an implementation date of 12/31/17 or earlier, have been implemented or partially implemented.

A high-level list of bills with impact to DOR can be found in the DOR Annual Report, found on the DOR website:
<https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.


57
SMART Act Presentation 11/26/2018

FY2019-20 Decision Items (1 of 2)

**R-01
GenTax Support Enhancements**

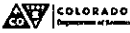
- To update the GenTax tax processing system to better serve citizens of Colorado.
- FY2019-20: 12.0 FTE (6 DOR; 6 OIT), \$1,420,355 General Fund.
- FY2020-21 and Ongoing: 26.0 FTE (13 DOR; 13 OIT), \$2,827,850 General Fund.

**R-02
Sales & Use Tax Collections**

- To enable Colorado to require out-of-state retailers to collect and remit sales taxes in accordance with the U.S. Supreme Court's decision in South Dakota v. Wayfair.
 - FY2019-20: 14.6 FTE, \$1,057,808 General Fund.
- FY2020-21 and Ongoing: 10.6 FTE, \$814,778 General Fund. These ongoing resources will be re-evaluated and may need to be adjusted up or down based on the actual number of accounts that materialize.

**R-03
Lottery Back Office Restructure**

- To transition Lottery's aging back-office system to a vendor-provided solution, ensuring that the technology will keep pace with changing security needs and innovations in the industry.
- FY2019-20 and Ongoing: \$2,198,993 cash fund.
- 2.0 FTE will be permanently eliminated as an offsetting reduction to the outsourcing price tag.


58
SMART Act Presentation 11/26/2018

FY2019-20 Decision Items (2 of 2)

R-04
DMV Driver License Documents

- To accommodate an increase in issuance of driver license documents and state identification cards resulting from the population growth across the state.
 - FY2019-20: \$1,312,872 cash fund.
 - FY2020-21: \$1,729,341 cash fund.

R-05
DMV Leased Space


- To expand and/or relocate Littleton, Parker, Boulder, Longmont, and Lamar driver license offices to accommodate the existing customer base, improve the customer experience, and shorten the total service time.
 - FY2019-20: 8.0 FTE, \$3,172,536 cash fund.
 - FY2020-21: 8.0 FTE, \$954,146 cash fund.

R-06
Lottery Wal-Mart Expansion

- To place Lottery vending machines into Wal-Mart supercenters across the state.
 - FY2019-20: \$5,719,000 cash fund.
 - FY2020-21 and Ongoing: \$2,321,000 cash fund.

R-07
Marijuana Enforcement Division Operations

- To address issues and challenges surrounding marijuana business and data collection and to fund a task force in the Colorado Bureau of Investigation (CBI) for two fiscal years to combat black market activity via a transfer of funds from DOR to Department of Public Safety.
 - FY2019-20: 8.0 FTE, \$2,138,418 cash fund. (Includes a transfer of \$914,416 to MTCF for 5 CBI FTE.)
 - FY2020-21: 8.0 FTE, \$1,839,432 cash fund. (Includes a transfer \$890,901 to MTCF for 5 CBI FTE.)
 - FY2021-22: 8.0 FTE, \$948,531 cash fund.



59

SMART Act Presentation 11/26/2018

2019 DOR Legislative Initiatives

Implement a State-Run Self-Service Kiosk Program for DMV

Align Colorado Tax Collection Procedures with IRS Procedures & Provide Additional Transparency to Taxpayers

Establish Electronic Filing and Remittance Requirement for Taxpayers (except individual return filers)

Establishment of a Liquor Renewal Application Fee & Online Renewal

Clean-Up Bill: Align Colorado Partnership Audits with IRS Procedures

Clean-Up Bill: Statutory Changes Based on Wayfair (remote sellers)



60

SMART Act Presentation 11/26/2018

Questions?

Please Visit DOR's Website:

<https://www.colorado.gov/revenue>

Contact:

Jean Robinson, DOR Legislative Liaison

Jean.Robinson@state.co.us

Follow DOR on Social Media:

