

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14
STAFF FIGURE SETTING RECOMMENDATIONS
DEPARTMENT OF REVENUE**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF REVENUE

Department Overview

The Department of Revenue administers the state's tax laws and collects taxes due, administers motor vehicle registration and titling and driver's licensing, regulates and enforces state laws for selected industries, and operates the State Lottery.

The *Executive Director's Office* provides overall leadership and administration for the Department, including the Executive Director, a citizens' advocate, the central budget office, accounting and financial services, internal audit, human resources administration, and the Office of Research and Analysis. The *Central Department Operations Division* receives, sorts, processes and manages tax documents, checks, and other documents for the Department. The *Information Technology Division* is responsible for the maintenance and support of the select information technology systems.

The Taxation Business Group:

- Is responsible for the administration, collection, and enforcement of individual and corporate income taxes, sales and use taxes, gasoline and special fuel taxes, and severance taxes, as well as all other taxes collected by the state.
- Collects local sales taxes on behalf of counties, many cities, and special districts.
- Provides assistance and information to taxpayers about compliance with Colorado's tax laws.
- Attempts to resolve taxpayer disputes before they reach the court system.
- Administers the cigarette tax rebate and the Amendment 35 distribution of cigarette taxes to the cities and counties.
- Administers the Old Age Heat and Fuel and Property Tax Rebate Program,
- Administers the Commercial Vehicle Enterprise Sales Tax Refund.

The Division of Motor Vehicles;

- Licenses drivers, maintains records of licensed drivers, and applies administrative sanctions against drivers who violate traffic laws, including for drunk driving and for excessive points on their licenses.
- Oversees the vehicle emissions testing stations (including mobile testing stations).
- Registers and titles motor vehicles.
- Administers the motor vehicle insurance identification database to prevent the registration of vehicles that are not insured.
- Assists first-time drunk-driving offenders in obtaining ignition interlock devices.

The Enforcement Business Group:

- Regulates and enforces laws related to the limited stakes gaming industry in three historic mining towns.
- Enforces laws regarding liquor and tobacco retailers, including laws against selling those products to minors, and licenses retailers and special events where alcohol is served.

- Regulates horse racing (dog racing is currently inactive) and pari-mutuel betting (including off-track betting).
- Regulates retailers and sales agents in the motor vehicle sales industry.
- Regulates medical marijuana dispensaries, cultivation, and manufacturing facilities.
- Conducts hearings regarding driver’s license suspensions and other issues that affect the licensing rights of citizens.

The State Lottery Division:

Operates the State Lottery, which sells scratch ticket games and on-line ticket games such as Lotto and the multi-state lotto games, PowerBall and Mega Millions. The net proceeds of the Lottery benefit the following State funds:

- Conservation Trust Fund
- Colorado Division of Parks and Outdoors Recreation
- Great Outdoors Colorado
- Public schools capital construction fund

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department requests an appropriation of \$294,582,870 total funds (an increase of 2.4 percent), 1,237.6 FTE (a decrease of 0.9 percent), \$77,118,601 General Fund (an increase of 4.6 percent), \$215,327,633 cash funds (an increase of 1.6 percent), \$1,312,248 reappropriated funds a decrease of 18.2 percent), and \$824,388 federal funds (no change).

Committees of Reference SMART Act Recommendations

Neither the House nor Senate Finance Committees have made any recommendations to the Joint Budget Committee regarding the Department of Revenue's budget request.

Staff Recommendation

The staff recommendations are summarized in the following table, followed by brief description of each item listed.

	Department of Revenue					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
SB 13-103 - FY 2012-13 Supplemental	\$98,059	(\$274,621)	\$225,451	\$147,229	\$0	(1.2)
HB 12-1339 (Long Bill)	296,857,697	95,804,403	198,734,454	1,494,452	824,388	1,370.8
HB 12-1019 (Ports of Entry)	(9,758,101)	379,400	(10,173,574)	36,073	0	(122.3)
HB 12-1216 (Refinance DMV)	(74,421)	(22,664,244)	22,664,243	(74,420)	0	0.0
License Plate Bills	177,052	0	177,052	0	0	0.0

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Other Legislation	<u>497,474</u>	<u>148,583</u>	<u>348,891</u>	<u>0</u>	<u>0</u>	<u>1.8</u>
TOTAL	\$287,797,760	\$73,393,521	\$211,976,517	\$1,603,334	\$824,388	1,249.1
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$287,797,760	\$73,393,521	\$211,976,517	\$1,603,334	\$824,388	1,249.1
Annualize Prior Year Legislation	(649,007)	(212,402)	(436,605)	0	0	(0.8)
Annualize SB 13-103 (FY 2012-13 Supplemental	(98,059)	274,621	(225,451)	(147,229)	0	1.2
September OSPB Adjustments	(500,000)	(500,000)	0	0	0	0.0
Leased Space Fund Mix Adjustment	0	127,738	(127,738)	0	0	0.0
Leased Space Inflation Adjustment	80,051	12,137	67,914	0	0	0.0
Common Policy Adjustments	2,598,043	926,018	2,123,509	(451,484)	0	0.0
Department Indirect Costs Adjustment	437,065	524,212	82,415	(169,562)	0	0.0
State Indirect Costs Adjustment	0	(610,480)	500,572	109,908	0	0.0
Cash Funds Adjustment	0		0	0	0	0.0
R-1 CITA Annual Maintenance and Support	1,500,000	1,500,000	0	0	0	0.0
R-2 DOR IT Infrastructure Performance Enhancements	3,965,474	2,886,098	1,079,376	0	0	0.0
R-3 Tax Document Processing Pipeline Efficiencies	(1,010,422)	(1,010,422)	0	0	0	(10.7)
R-4 EDO Realignment	367,281	(257,623)	257,623	367,281	0	0.0
R-5 EUDL Grant Funding Restoration	88,113	0	88,113	0	0	0.0
BA 1 - Eliminate County Jail ID Processing Unit	(105,771)	0	(105,771)	0	0	(1.2)
NPI-1 OIT Enterprise Asset Management	24,365	9,721	14,644	0	0	0.0
NPI-2 Employee Engagement Survey Adjustment	4,745	1,893	2,852	0	0	0.0
NPI-3 CCLS Building Upgrade, Repair & Replace	125,001	80,180	44,821	0	0	0.0
JBC Staff Common Policy Recommendations	(143,090)	(94,408)	(48,682)	0	0	0.0
Adjust Amendment 35 Distribution to Local Government	(9,900)	0	(9,900)	0	0	0.0
JBC Staff Indirect Cost Adjustment	2,984,293	(356,766)	(415,406)	3,756,465	0	0.0
JBC Staff Initiated Division of Racing Events Reduction	(186,011)	0	(186,011)	0	0	0.0
JBC Initiated Salary Survey Increase	<u>302,469</u>	<u>97,693</u>	<u>204,776</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
JBC Staff Recommendation	\$297,572,400	\$76,791,731	\$214,887,568	\$5,068,713	\$824,388	1,237.6
Increase/(Decrease)	\$9,774,640	\$3,398,210	\$2,911,051	\$3,465,379	\$0	(11.5)
Percentage Change	3.4%	4.6%	1.4%	216.1%	0.0%	(0.9%)
FY 2013-14 Executive Request:	\$294,582,870	\$77,118,601	\$215,327,633	\$1,312,248	\$824,388	1,237.6
Request Above/(Below) Recommendation	(\$2,989,530)	\$326,870	\$440,065	(\$3,756,465)	\$0	(0.0)

Issue Descriptions

CITA Annual Maintenance and Support: The recommendation is to fund the annual maintenance and support expense for the continued operation of the Colorado Integrated Tax Architecture (CITA) system. The Department request is for \$1.5 million General Fund in FY 2013-14, \$3.6 million in FY 2014-15, and 3.0 percent annual increases from that level in subsequent fiscal years.

DOR IT Infrastructure Performance Enhancements: The recommendation is to provide funding for investments in the data network, server, and storage environment, and to enhance the support services for the Department provided by the Governor's Office of Information Technology (OIT). The Department request is for an appropriation of \$3.9 million in FY 2013-14, including \$2.9 million General Fund and \$3.3 million in FY 2014-15 and subsequent fiscal years, including \$2.1 million General Fund. The request has four components:

- Migration to the Enterprise Computing Environment.
- Modernization of the core data network infrastructure, including the replacement of switches, routers, and UPS devices.
- Software licensing for hardware operating systems that support the GenTax application.
- Enhanced OIT operational services to support the Department's IT infrastructure. This will include the addition of 22.0 FTE in the OIT.

Tax Document Processing Pipeline Efficiencies: The recommendation is to reduce funding by \$1.0 million General Fund and 10.7 FTE in FY 2013-14, annualizing to a reduction of \$1.7 million General Fund and 24.3 FTE. The proposal is dependent upon the funding of a capital construction request by the Department of Personnel and Administration for a remittance processing system.

Executive Director's Office Realignment: The recommendation is to realign FTE in the Department, resulting in improved utilization of resources, and to finance the realignment through the Department's indirect cost model. The result is a no change in FTE, a decrease in General Fund of \$257,623, an equal increase in cash funds, and an increase in reappropriated funds of \$367,281.

Underage Drinking Laws Grant Funding Restoration: The recommendation is for an increase of \$88,113 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to the Liquor and Tobacco Enforcement Division. The increase would replace funding previously received from the Enforcement of Underage Drinking Laws grant issued by the Office of Juvenile Justice Delinquency Prevention in the U.S. Department of Justice. The funding provides for overtime costs for investigators in the Liquor and Tobacco Enforcement Division to conduct compliance checks at retail establishments and large public venues, and for certain related operating expenses.

Elimination of County Jail Identification Processing Unit: The recommendation includes a reduction to reflect the elimination of the County Jail Identification Processing Unit. This unit had been established in legislation and was to be funded by gifts, grants and donations. When no

gifts, grants, or donations were received in three years, according to statutes, the program was eliminated. This budget amendment removes the spending authority.

JBC Staff Initiated Indirect Cost Adjustments: The recommendation includes an increase of \$3.0 million due to the JBC staff initiative to better reflect the costs, including indirect costs, of each cash-funded division. Overall, this initiative results in a decrease in General Fund and cash funds, and an increase in reappropriated funds.

JBC Staff Initiated Division of Racing Events Reduction: The recommendation includes a decrease due to significant reversions in the Personal Services line over the last four years.

Other: The request also includes non-prioritized change requests, common policy adjustments, indirect costs adjustments, fund mix adjustments, the annualization of prior year legislation and budget requests, and adjustments based on economic forecasts.

GENERAL NOTES ABOUT THIS PACKET

JBC STAFF INITIATED INDIRECT COST ADJUSTMENT.

For the FY 2013-14 Long Bill, Staff presented to the Committee an initiative to have more consistency in the way the State reflects the indirect costs of cash-funded division throughout state departments. You will note this in tables where the title will say "JBC Staff initiated indirect cost adjustment.

The total budget actions included in this initiative are detailed in the following table:

JBC Staff Initiated Indirect Cost Adjustments				
Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Executive Director's Office	\$0	(\$356,766)	(\$2,942,969)	\$3,299,735
Central Department Operations	0	0	(456,730)	456,730
Taxation Business Group	6,626	0	6,626	0
Division of Motor Vehicles	2,971,099	0	2,971,099	0
Enforcement Business Group	164,390	0	164,390	0
State Lottery Division	<u>(157,822)</u>	<u>0</u>	<u>(157,822)</u>	<u>0</u>
	\$2,984,293	(\$356,766)	(\$415,406)	\$3,756,465

In the table, you will note that total funds is increasing by almost \$3.0 million, however General Fund and Cash Funds are decreasing.

In prior years, the Department indirect costs were offset against the personal services lines in the Executive Director's Office (EDO) and the Central Department Operations Division (CDO). The indirect costs were allocated to each affected cash fund and shown as cash funds in those line items. The letternote for each line indicated that the appropriations were for statewide and departmental indirect cost recoveries.

The exception was for the Limited Gaming Division and the State Lottery Division. These were treated differently because the divisions are unique in this Department, both established by constitutional provisions. The Limited Gaming Division is not subject to the appropriation power of the General Assembly and the State Lottery is an enterprise. These divisions included an "Indirect Cost Assessment" line item in the Long Bill and the indirect costs assessments to these divisions was shown in the EDO and CDO.

The base against which we determine indirect costs assessments has changed this year and will now include not only salaries but the "POTS" expenditures (Health, Life, and Dental, Short-term Disability, Amortization Equalization Disbursement, and Supplemental Amortization Equalization Disbursement). This change increased the indirect cost assessments by \$357,000, and decreased General Fund in the Department by the same amount.

In this year's recommendation, most divisions that are cash-funded will have an indirect cost assessment line item that will reflect the assessment against that cash fund. In the EDO and CDO, the portion of cash funds expenditures that previously reflected indirect cost assessment will now be shown as reappropriated funds.

INITIATIVES AFFECTING MULTIPLE DIVISIONS

➔ Request # 2: DOR IT Infrastructure Enhancements

Request: The Department requests an appropriation of \$3.9 million total funds, including \$2.9 million General Fund, and 22.0 FTE in FY 2013-14 and an appropriation of \$3.3 million total funds, including \$2.2 million General Fund, and 22.0 FTE in FY 2014-15, which is the continuing appropriation. The request includes server hosting services, hardware and software upgrades, and operations supports services from the Office of Information Technology (OIT) in the Governor's Office. The FTE will be assigned to OIT and paid for by the Department of Revenue with reappropriated funds.

Recommendation: Staff recommends approving the Department's request, with a modification. The modification increases the appropriation by \$48,466 total funds, including \$26,611 for increased Health, Life, and Dental Insurance costs that have been approved for common policy adjustments by the Committee. Detail on Staff's recommendation is provided in the following table.

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Staff's recommendation differs from the Department's original request because staff has included \$48,466 total funds to reflect increased health, life, and dental insurance expenses resulting from the addition of 22.0 FTE in OIT. This will be included in billings from OIT to the Department.

FUNDING REQUEST - DEPARTMENT PRIORITY # 2				
Information Technology Performance Enhancements				
LINE ITEM ALLOCATIONS				
	Total Funds	FTE	General Fund	Cash Funds
FY 2013-14				
(1) Executive Director's Office				
Purchase of Services from the Computer Center	\$3,256,667	0.0	\$2,177,291	\$1,079,376
(3) Information Technology Division				
Personal Services	150,000	0.0	150,000	0
Operating Expenses	<u>558,807</u>	<u>0.0</u>	<u>558,807</u>	<u>0</u>
TOTAL	\$3,965,474	0.0	\$2,886,098	\$1,079,376
FY 2014-15 (Continuation)				
(1) Executive Director's Office				
Purchase of Services from the Computer Center	\$3,162,607	0.0	\$2,083,231	\$1,079,376
(3) Information Technology Division				
Personal Services	<u>150,000</u>	<u>0.0</u>	<u>150,000</u>	<u>0</u>
TOTAL	\$3,312,607	0.0	\$2,233,231	\$1,079,376

Though the table does not reflect any additional FTE, a total of 22.0FTE will be required in OIT utilizing reappropriated funds. The costs for these FTE will be billed to the Department of Revenue and are reflected in the table as the Purchase of Services from the Computer Center.

Staff recommends that approval of this request include a Request for Information (RFI) applying to the Department of Revenue and OIT to be submitted with each of the next two budget submissions in November 2014 and 2015 that reports on (1) the progress made to date on implementing the proposal; (2) a comparison of the reliability of the new systems with the reliability of the old systems; and (3) data justifying the continuing budgetary support of the 22.0 FTE in OIT dedicated to serving the Department of Revenue. Please refer to the Footnotes and Requests for Information section in this document for the exact recommended language of the RFI.

Analysis: The Department has identified a number of services provided by the Department where the availability of information technology (IT) services that support these systems have rates of unplanned downtime that seriously affect the Department's ability to provide those services on a consistent and timely basis. The following table provides detail on the availability of IT systems for the various services.

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DOR Information Technology Systems Availability FY 2011-12		
Application	Unplanned Downtime (Hours)	Availability
CDO - Remittance Processing	0.00	100.00%
DLS - Driver's License System	419.27	92.23%
DLS - Interfaces	15.96	99.82%
DLS - L1 (Security Identification)	18.31	99.79%
DLS - On-line Systems	0.00	100.00%
DLS - Wait Less	8.63	98.60%
EDO - Director's Office	65.52	99.25%
ENF - Auto Industry Dealers	0.00	100.00%
ENF - License 2000	76.23	99.13%
ENF - MyLicense Office	752.30	87.10%
ENF - Public Safety Records	48.00	99.45%
Lottery	10.50	99.88%
MCS - IRP (GenTax)	4.23	99.95%
MCS - IRP (Revenue On-line)	4.23	99.95%
MVD - CSTARs	1,368.90	84.42%
MVD - CSTARs Interfaces	10.70	99.88%
MVD - EARS	5.00	99.94%
TAX - GenTax/CITA	35.90	99.59%
TAX - Legacy	20.00	99.77%
TAX - Revenue Online	<u>22.28</u>	<u>99.75%</u>
	2,885.96	98.30%

Some of the systems identified are among those that affect the public the most, such as driver's licenses and the vehicle registration and titling system (CSTARs). In particular, the CSTARs system has an availability of 84.42 percent and MYLicense (for licenses issued by the Enforcement Business Group) system had an availability of 87.1 percent in FY 2011-12. The reliability issues have been consistent points of concern by members of the General Assembly and the Joint Budget Committee.

According to OIT and the Department, the current IT infrastructure is unable to provide the necessary ongoing capacity and reliability to support current usage and planned projects. Some issues have been addressed in prior years on an emergency basis to upgrade particularly unreliable equipment and systems in the Department, but the request represents a comprehensive evaluation of the Department's IT systems and a plan to improve them.

Working in conjunction with OIT, the Department's request addresses a number of hardware issues and shortcomings in the services provided by OIT to the Department. These issues are identified below and will be discussed in greater detail in the following discussion.

- Migration to the Enterprise Computing Environment (ECE)
- Modernization of the core data network infrastructure

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- On-going software licensing for operating systems that support the GenTax application
- Enhance OIT operational services to support the Department of Revenue.

The elements of the request are provided in the following table:

Cost Calculations for DOR/OIT Infrastructure Upgrade		
Component	FY 2013-14	FY 2014-15
Enterprise Computing Environment		
/ Server Hosting		
Virtual Server Fees	\$39,600	\$232,800
Storage Fees	30,000	180,000
Migration, Planning, Implementation	722,400	379,200
Project Contingency	<u>39,600</u>	<u>39,600</u>
Sub-total	\$831,600	\$831,600
Hardware Modernization		
Switches, Routers, UPS	419,735	0
Professional Services	112,462	0
Project Contingency	<u>26,610</u>	<u>0</u>
Sub-total	\$558,807	\$0
Software License Fees		
To support hardware for GenTax	\$150,000	\$150,000
Operations Support Services		
IT Support Staff	2,282,541	2,282,541
FTE	22.0	22.0
Operating Start-up	<u>94,060</u>	<u>0</u>
Sub-total	\$2,376,601	\$2,282,541
Correction to include POTS	<u>48,466</u>	<u>48,466</u>
Total	\$3,965,474	\$3,312,607

Among the benefits of the proposal are:

- Fewer physical servers to maintain, lower power consumption, and reduced physical space needs.
- The Ability to share resources between virtual machines.
- Server configuration provides application developers with partitioned environments for development and testing.
- Allow portability from one server to another without reconfiguration or affecting the application or users.
- Allows portability to move critical applications to any compatible server in the event of a disaster.
- Failures in a particular server do not affect other virtual servers and they continue to operate.
- Modernizes the core network infrastructure.

- Augment OIT staffing providing operations services.

The four main points of the proposal are discussed in the following section.

Migration to Enterprise Computing Environment: OIT proposes to move most of the Department's current server infrastructure to the ECE. The ECE is a strategy to transform the Department's aging and increasingly unreliable computer systems into a stable, modern, and sustainable computer system. The proposal is consistent with OIT statewide data center consolidation initiative. The annual cost of this component is \$832,000 and will be included in the billings by OIT to the Department of Revenue.

Staff asked, why, if this is a part of a statewide initiative, the Department of Revenue the only agency involved at this time. OIT stated that while this is a statewide initiative, it can only provide the service on a limited basis at this time and the Department of Revenue's systems are a priority because of their unreliability and the aging nature of the Department's data systems.

The ECE will convert to a virtualization strategy that segments multiple servers into partitions on virtual servers. According to OIT, this strategy offers a number of benefits of a robust modern architecture that includes:

- Being scalable and sustainable;
- Compliant with cyber security requirements;
- Ability to upgrade and migrate applications to the optimal platforms; and
- Provides standardization and functionality not available with present systems.

One of the key components of this migration is the use of virtual servers. Virtualization offers the benefits of a robust modern architecture that is scalable and sustainable, compliant with cyber security requirements, enables the Department to upgrade and migrate applications to the most optimal platforms, and provides standardization and functionality currently not available with present systems. Virtualization allows the consolidation of servers to the extent that, depending upon the application and other requirement, as many as 10 existing servers may be replaced by one, with attendant savings in acquisition costs and space and energy consumed.

Modernization of the Core Data Network Infrastructure: This is a one-time request to modernize the Department's network equipment. This element totals \$558,807, of which \$419,735 is for equipment and \$112,462 is for labor costs to design, configure, install, and test the equipment. The useful life of the equipment is five years, so the Committee can expect to see funding requests every five years to deal with the replacement of equipment purchased as part of this request.

The Department/OIT provided a list of the equipment to be replaced. The list includes the replacement of 48 network switches and 2 network routers, along with 20 uninterrupted power supply (UPS) units. The proposal does not request the replacement of cabling, even though OIT notes that the cabling is in critical need of replacement. The core network units that are being replaced are over 15 years old, and the number of installed UPS units is far short of the number

required. Failures in any of these components could result in customer services delays, loss of data, and loss of employee productivity.

Due to antiquated technology, the network does not have a routing protocol. Routing protocols have to be programmed manually. Newer technology allows for a routing protocol that is dynamic so that in case of failure of one component, the network can adjust to compensate, improving network reliability.

Ongoing Software Licensing: This component of the request is for software license and maintenance renewal costs to support the GenTax (CITA) system. This is separate from the Managed Service Contract for the GenTax system that is included in Funding Request # 1 (discussed in the Taxation Business Group). This is for hardware and software that support the GenTax application. It includes license renewal costs for monitoring tools, system backup and recovery, firewalls, help desk, and virtual servers. This is an annual cost of \$150,000 General Fund.

Operational Support Services: The Department requests \$2,376,601 total funds (increased by JBC staff to \$2,425,067 to include POTS) and 22.0 FTE to have OIT provide operational support services to the Department. The request is summarized below:

- Service Desk – 3.0 FTE: This staff provides support for the services, products, and applications and is the prime intake point for problem and incident management.
- Desk Side Support – 5.0 FTE: This staff provides on-call support 24/7.
- Network Support – 1.0 FTE: This staff supports the operations of the network environment including local area networks, wide area networks, network segments, intranets, and other data communications systems.
- Servers/System Support – 10.0 FTE: This staff is responsible for managing the Department's server environment.
- Security – 1.0 FTE: This staff is responsible for providing operational and technical advice in matters relating to information security and works to ensure confidentiality, integrity and availability of systems, networks, and data.
- Project Management – 2.0 FTE: This staff provides project management support to the Department.

During the OIT consolidation, the Department of Revenue transferred 101.4 FTE to OIT. OIT subsequently reduced staff by about 10.0 percent to achieve the savings needed. This request represents about 20 percent of the staff that was transferred to OIT. When staff asked what level of support that OIT was currently providing to the Department, they stated that they could only respond to emergencies. Routine upgrades and patches, including security patches, were routinely deferred until such time as staff was available to perform those tasks.

This request would allow OIT to service the Department to provide what OIT calls acceptable levels of service in support of the system. It will allow OIT personnel to perform preventative maintenance and support before problems occur as opposed to the current situation where they mostly respond to a crisis.

OIT cites industry standards for services of information technology systems. The Computer Economics Industry Standards recommend for an organization with the number of computer, servers, network devices, and users such as the Department of Revenue have 41.0 support staff. OIT currently provides 19.0. The standards and current staffing by OIT to support the Department are detailed in the following table:

OIT FTE Comparison by Function			
Function	Current FTE	Recommended FTE	Difference
Service Desk	2.0	5.0	3.0
Desk Side Support	7.0	12.0	5.0
Networks	4.0	5.0	1.0
Server Systems	3.0	13.0	10.0
Security	1.0	2.0	1.0
Project Management	<u>2.0</u>	<u>4.0</u>	<u>2.0</u>
Total	19.0	41.0	22.0

Staff is concerned that this level of staffing, while supported in the short-term, may not be necessary in the future. For example, OIT applied staffing for medium sized IT organizations that may not be appropriate for OIT. In the short-term, however, transitioning from the current system to a new system will require a great deal of support that these FTE support. It is important to maintain accountability, which is a main reason why staff recommends annual reports that provide justification for the level of support that staff recommends.

OIT representatives stated that the proposal for the Department of Revenue incorporates the elements of a statewide information technology plan. It is because the Department of Revenue's IT system is so old that OIT has chosen it for implementation of the upgrades at this time.

➔ Request # 3: Tax Document Processing Pipeline Efficiencies

Request: The Department requests a reduction in appropriations of \$1,010,422 General Fund and 10.7 FTE in FY 2013-14 and a continuing reduction in appropriations of \$1,712,504 and 24.3 FTE. Although no further monetary savings are realized in the Department of Personnel and Administration (DPA), the request allows DPA to reduce FTE by 7.2 in FY 2013-14 and by 14.5 thereafter.

Recommendation: Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Funding Request # 2		
Tax Document Processing Pipeline Efficiencies		
	FY 2013-14	FY 2014-15
Executive Director's Office		
Leased Space	(\$20,000)	(\$20,000)
Central Department Operations Division		
Personal Services	(574,116)	(1,085,544)
Seasonal Tax Processing	(101,154)	(101,154)
Operating Expenses	(57,446)	(113,646)
Document Management	<u>(257,706)</u>	<u>(392,160)</u>
Total	(\$1,010,422)	(\$1,712,504)
Personnel Savings		
Department of Revenue	(10.7)	(24.3)
Department Personnel & Administration	<u>(7.2)</u>	<u>(14.5)</u>
Total	(17.9)	(38.8)

Analysis: In its September 2011 performance audit of the Department of Revenue tax pipeline, the OSA determined "that there are two issues that prevent the pipeline from being efficient and cost-effective: (1) The tax pipeline relies on inefficient and antiquated manual processes and (2) the process is inefficiently divided between the Department of Revenue and Central Services in the Department of Personnel and Administration." During the year since the release of the audit report, the Department of Revenue and the Department of Personnel and Administration have come to an agreement to upgrade the tax pipeline, which includes capital construction expenditures to combine with operating expense reductions in both departments. The annualized General Fund appropriations will be reduced by \$1.7 million and 38.8 FTE.

The Department of Revenue and the Department of Personnel and Administration have submitted a base reduction request to reduce General Fund appropriations by \$1.0 million and 17.9 FTE in FY 2013-14. The base reduction annualizes to \$1.7 million and 38.8 FTE. The following tables detail where the savings will come from by fiscal year:

FY 2013-14 Budget and FTE Changes by Work Unit								
Budget Reduction	Incoming Mail	Income Tax Clearing	Business Tax Clearing	Remittance Processing	Data Entry	Tax Files	Admin- istration	Total
Department of Revenue								
Personal Services	(\$207,909)	(\$77,287)	(\$109,713)	\$0	(\$45,751)	(\$49,113)	(\$84,343)	(\$574,116)
FTE	(2.6)	(2.1)	(2.5)	0.0	(1.2)	(1.3)	(1.0)	(10.7)
Seasonal Tax Processing	(\$40,908)	(\$60,246)	\$0	\$0	\$0	\$0	\$0	(\$101,154)
Operating Expenses	(29,634)	(4,483)	(5,774)	0	(3,096)	(13,509)	(950)	(57,446)
Leased Space	(7,500)	(12,500)	0	0	0	0	0	(20,000)

JBC Staff Figure Setting – FY 2013-14
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FY 2013-14 Budget and FTE Changes by Work Unit								
Budget Reduction	Incoming Mail	Income Tax Clearing	Business Tax Clearing	Remittance Processing	Data Entry	Tax Files	Admin- istration	Total
Document Management	0	0	0	0	(257,706)	0	0	(257,706)
Sub-Total	(\$285,951)	(\$154,516)	(\$115,487)	\$0	(\$306,553)	(\$62,622)	(\$85,293)	(\$1,010,422)
Department of Personnel and Administration								
FTE /a								(7.2)
Total Savings								(\$1,010,422)
FTE								(17.9)

/a Savings in the Department of Personnel and Administration result in reduced billings to the Department of Revenue. The total dollar savings are reflected in the Department of Revenue section of these tables.

FY 2014-15 Budget and FTE Changes by Work Unit								
Budget Reduction	Incoming Mail	Income Tax Clearing	Business Tax Clearing	Remittance Processing	Data Entry	Tax Files	Admin- istration	Total
Department of Revenue								
Personal Services	(\$334,688)	(\$185,489)	(\$263,312)	\$0	(\$109,803)	(\$107,909)	(\$84,343)	(\$1,085,544)
FTE	(6.2)	(5.0)	(6.0)	0.0	(3.0)	(3.1)	(1.0)	(24.3)
Seasonal Tax Processing	(\$40,908)	(\$60,246)	\$0	\$0	\$0	\$0	\$0	(\$101,154)
Operating Expenses	(59,108)	(8,966)	(11,547)	0	(6,192)	(26,883)	(950)	(113,646)
Leased Space	(7,500)	(12,500)	0	0	0	0	0	(20,000)
Document Management	0	0	0	0	(392,160)	0	0	(392,160)
Sub-Total	(\$442,204)	(\$267,201)	(\$274,859)	\$0	(\$508,155)	(\$134,792)	(\$85,293)	(\$1,712,504)
Department of Personnel and Administration								
FTE /a								(14.5)
Total Savings								(\$1,712,504)
FTE								(38.8)

/a Savings in the Department of Personnel and Administration result in reduced billings to the Department of Revenue. The total dollar savings are reflected in the Department of Revenue section of these tables.

The Decision Item/Base Reduction requires the approval of the Capital Construction Request for an appropriation of \$3.4 million capital construction funds. This appropriation will address the elements of the OSA audit findings that the Department relies too heavily on manual processes that are inefficient and that technology solutions exist to automate these functions, improving the speed of the tax pipeline processes and the accuracy of the data that is captured.

The Department of Revenue (DOR) and the Department of Personnel and Administration (DPA) have worked to address the OSA's finding that the DOR is not fully utilizing Central Services within DPA for services including processing outgoing mail, processing warrants (checks) and printing tax-related documents.

As identified in the tables above, the Department of Revenue will be able, through technology solutions, to reduce its appropriations by \$1.0 million General Fund and 10.7 FTE in FY 2013-14

and reduce appropriations by \$1.7 million General Fund and 24.3 FTE in subsequent years. The Department of Personnel and Administration will be able to reduce an additional 7.2 FTE in FY 2013-14 and 14.5 FTE in subsequent fiscal years. The monetary savings identified by DPA of \$41,236 in FY 2013-14 and \$389,969 in subsequent years are in reappropriated funds that are the result of reduced billings to DOR, since fewer data entry and imaging services will be required.

Staff's recommended approval of this funding request is contingent upon the Committee approving the capital development request for the equipment necessary to implement this proposal. At its original submission, the capital request was for an appropriation of \$1.5 million. Subsequently, the capital request was revised to a total of \$3.3 million. Even at the revised capital request, the payback period is only two years of full annual savings.

➔ Request # 4: Executive Director's Office Realignment

Request: The Department proposes to realign and refinance FTE throughout the Department. The refinancing comes about through modifications to the Department's indirect cost plan. The proposal is FTE neutral, saves \$257,623 General Fund, and increases cash funds by the same amount. Because the proposal does refinance through the indirect cost plan, the proposal does increase reappropriated funds, resulting in a net total funds increase of \$367,281.

Recommendation: Staff recommends approval of the Department's request. The following table provides detail on the changes in allocations as a result of the request.

Funding Request – Department Priority # 4 Executive Director's Office Realignment Line Item Allocations					
	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds
(1) Executive Director's Office					
Personal Services	\$1,689,556	20.5	\$573,295	\$882,633	\$233,628
Operating Expenses	46,135	0.0	46,135	0	0
(2) Central Department Operations Division					
Personal Services	(490,831)	(6.0)	(343,318)	(114,532)	(32,981)
Operating Expenses	(11,860)	0.0	(11,860)	0	0
(4) Taxation Business Group					
(A) Administration Division					
Personal Services	(64,215)	(1.0)	(63,343)	(872)	0
Operating Expenses	(950)	0.0	(950)	0	0
(B) Taxation and Compliance Division					
Personal Services	(442,639)	(5.2)	(442,639)	0	0
Operating Expenses	(11,840)	0.0	(11,840)	0	0
(5) Division of Motor Vehicles					
(A) Administration Division					
Personal Services	135,211	1.0	4,772	130,439	0
Operating Expenses	950	0.0	75	875	0

JBC Staff Figure Setting – FY 2013-14
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Funding Request – Department Priority # 4 Executive Director's Office Realignment Line Item Allocations					
	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds
(B) Driver and Vehicle Services					
Personal Services	(600,329)	(7.3)	0	(600,329)	0
Operating Expenses	(20,535)	0.0	0	(20,535)	0
(6) Enforcement Business Group					
(A) Administration Division					
Personal Services	19,633	0.0	(7,781)	(136,072)	163,486
Operating Expenses	0	0.0	(169)	(2,979)	3,148
(B) Limited Gaming Division					
Personal Services	(131,791)	(1.0)	0	(131,791)	0
Operating Expenses	(950)	0.0	0	(950)	0
Indirect Cost Assessment	253,700	0.0	0	253,700	0
(E) Division of Racing Events					
Personal Services	(63,384)	(1.0)	0	(63,384)	0
Operating Expenses	(950)	0.0	0	(950)	0
(8) State Lottery Division					
Personal Services	(51,211)	0.0	0	(51,211)	0
Indirect Cost Assessment	<u>113,581</u>	<u>0.0</u>	<u>0</u>	<u>113,581</u>	<u>0</u>
TOTAL	\$367,281	0.0	(\$257,623)	\$257,623	\$367,281

Analysis: The Department request is for a budget and FTE neutral (although reappropriated or double appropriated funds would increase through the indirect cost plan) plan to realign FTE in the Department to provide better utilization of its existing workforce. The Department states that it would allow it to respond more effectively to emergencies, uneven workloads, and changing priorities.

Prior to this request, there are a number of positions that are assigned to one of the divisions, but in fact support the Executive Director's Office (EDO) in providing Department-wide services. This proposal would move most of these personnel to the EDO to allow the Department to provide more effective services. Some FTE will be relocated to the Administration Section of business groups or divisions.

The reallocation of personnel will have the following results:

- **Project management:** The Department has 6.0 FTE involved in project management, 4.0 of which are assigned to divisions other than the EDO. Assigning all of these FTE to the EDO will allow assigning these positions based on workload requirements and priorities rather than the funding source.
- **Accounting and financial services, revenue accounting:** The Department has 6.0 FTE that are appropriated to and funded in various divisions throughout the Department, but they report to the Revenue Accounting Controller, who is located in the EDO. Reassignment of these FTE would allow the Department to allocate staff more efficiently and effectively.

- Human resources: The Department has 3.5 FTE that are appropriated and funded in other divisions, but who report to the Human Resources Director in the EDO. As the positions are currently appropriated, these personnel can only work on vacancies in their assigned divisions, which depending on workload can result in backlogs of personnel actions in one division while another division may not be as busy, a situation that could reverse in a short period of time. Consolidation will allow the Human Resources Director to allocate staff time as needed, evening out workload and disposition of personnel actions.
- Purchasing and contract services: There are 2.0 FTE that prepare solicitation, contracts, and leases that are funded in divisions. Locating these positions in the EDO and funding them through the indirect cost model will allow the equalization of workloads and more effective purchasing operations.
- Buildings management: There are 4.0 personnel assigned to provide for facility management, safety, and security who are appropriated and funded in other divisions. Assigning these personnel to the EDO allows more efficient utilization of the personnel in managing leases statewide, planning for maintenance and capital improvements of state-owned facilities, space planning, conducting safety training and drills, and implementing the continuity of operations planning.
- Deputy Director: The Department's Deputy Director (1.0 FTE) is currently located another division, but supports the Executive Director. The request would fund this position through the indirect cost plan and place the position in the EDO.
- Administration Sections: The request reassigns personnel from program personal services lines to the division administration personal services lines to better support the division directors, allowing the directors to assign staff to assist when vacancies occur or workload changes.

Staff recommends approval of the Department's request. The request increases cash funds which are offset by reductions in General Fund, though through the indirect cost plan, the plan increases reappropriated or double-counted funds, so total funds does increase. Staff supports the ability of the Executive Director to organize the Department to achieve efficiency and effectiveness and will be held accountable to the Governor and the General Assembly is the Department should fall short in these measures.

➔ Budget Amendment # 1: Elimination of Appropriation for County Jail ID Processing Unit

Request: The Department originally requested a reduction in its appropriation from the County Jail Identification Processing Unit Fund of \$60,445 and 1.2 FTE. Subsequently, the Department identified additional appropriations that should have been eliminated, increasing the request to \$105,771 cash funds and 1.2 FTE.

Recommendation: Staff recommends approval of a reduction to the Department's appropriation of \$105,771 cash funds and 1.2 FTE from the County Jail Identification Processing Unit Fund. The recommendation is allocated as indicated in the following table.

Allocation and Adjustments of S.B. 09-006 Appropriation			
	Original Allocation	Previous Adjustments	Recommended Reductions
Executive Director's Office			
Operating Expenses	\$10,088	(\$3,401)	(\$6,687)
Vehicle Lease Payments	6,221	(6,221)	0
Information Technology Services			
Operating Expenses	38,639	0	(38,639)
Division of Motor Vehicles			
Driver and Vehicle Services			
Personal Services	55,740	(1,637)	(54,103)
FTE	1.2	0.0	(1.2)
Operating Expenses	<u>2,941</u>	<u>3,401</u>	<u>(6,342)</u>
Total	\$113,629	(\$7,858)	(\$105,771)

Analysis: The County Jail Identification Processing Unit Fund was created by S.B. 09-006. The fund's purpose was to provide moneys for a unit in the Department of Revenue's Driver and Vehicle Services to travel to county jails in Adams, Arapahoe, Boulder, Douglas, and Jefferson Counties, the City and Counties of Broomfield and Denver, for the purpose of providing identification cards to each prisoner of those jails who is a legal resident of Colorado and who does not possess an identification card or driver's license.

Funding for the program was contingent upon the receipt of gifts, grants, or donations for this purpose. Pursuant to Section 42-2-311 (3) (b), C.R.S., if, by June 30, 2012, the Revisor of Statutes does not receive written notice certifying that the Department has received sufficient moneys (defined as at least the amount indicated by the Bill's final Fiscal Note), that this section of statutes is repealed, effective July 1, 2012. The Department reports that it has not received such moneys and so notified the Revisor. Therefore, the statute has been repealed.

The Department received appropriations from the bill of \$113,629 cash funds from the County Jail Identification Processing Unit Fund in each of the last three fiscal years. The Department requested the revocation of that funding authority in a FY 2012-13 supplemental since no funds have been received and the Fund has now been dissolved, and this budget amendment will eliminate the spending authority in FY 2013-14 and subsequent fiscal years.

(1) Executive Director's Office

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Executive Director's Office					
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$43,820,067	\$25,595,329	\$17,153,749	\$1,070,989	45.4
SB 13-103 - FY 2012-13 Supplemental	45,166	(425,331)	315,729	154,768	0.0
HB 12-1019 (Ports of Entry)	(2,228,395)	283,349	(2,536,444)	24,700	(2.0)
HB 12-1216 (Refinance DMV)	(1)	(7,954,625)	8,019,577	(64,953)	0.0
Other Legislation	3,184	3,184	0	0	0.0
TOTAL	\$41,640,021	\$17,501,906	\$22,952,611	\$1,185,504	43.4
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$41,640,021	\$17,501,906	\$22,952,611	\$1,185,504	43.4
Annualize Prior Year Legislation	(3,184)	(3,184)	0	0	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	(45,166)	425,331	(315,729)	(154,768)	0.0
Leased Space Fund Mix Adjustment	0	127,738	(127,738)	0	0.0
Leased Space Inflator Adjustment	80,051	12,137	67,914	0	0.0
Common Policy Adjustments	2,598,043	926,018	2,123,509	(451,484)	0.0
Department Indirect Costs Adjustment	0	391,575	(277,316)	(114,259)	0.0
State Indirect Costs Adjustment	0	(483,782)	381,975	101,807	0.0
R-2 DOR IT Infrastructure Performance Enhancements	3,256,667	2,177,291	1,079,376	0	0.0
R-3 Tax Document Processing Pipeline Efficiencies	(20,000)	(20,000)	0	0	0.0
R-4 EDO Realignment	1,735,691	619,430	882,633	233,628	20.5
BA 1 - Eliminate County Jail ID Processing Unit	(6,687)	0	(6,687)	0	0.0
NPI-1 OIT Enterprise Asset Management	24,365	9,721	14,644	0	0.0
NPI-2 Employee Engagement Survey Adjustment	4,745	1,893	2,852	0	0.0
NPI-3 CCLS Building Upgrade, Repair & Replace	125,001	80,180	44,821	0	0.0
JBC Staff Common Policy Recommendations	(143,090)	(94,408)	(48,682)	0	0.0

JBC Staff Figure Setting – FY 2013-14
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JBC Staff Indirect Cost Adjustment	0	(356,766)	(2,942,969)	3,299,735	0.0
JBC Initiated Salary Survey Increase	302,469	97,693	204,776	0	0.0
JBC STAFF	\$49,548,926	\$21,412,773	\$24,035,990	\$4,100,163	63.9
RECOMMENDATION					
Increase/(Decrease)	\$7,908,905	\$3,910,867	\$1,083,379	\$2,914,659	20.5
Percentage Change	19.0%	22.3%	4.7%	245.9%	47.2%
FY 2013-14 Executive Request:	\$49,347,768	\$21,739,643	\$26,807,697	\$800,428	63.9
Request Above/(Below) Recommendation	(\$201,158)	\$326,870	\$2,771,707	(\$3,299,735)	0.0

Issue Descriptions

Base adjustments: The recommendation includes base adjustments to annualize prior year budget decisions, legislation, the Department's FY 2012-13 supplemental, leased space fund adjustments, inflation adjustments built into leases, common policy adjustments, and indirect cost adjustments.

DOR information technology performance enhancements: The recommendation includes funding for information technology performance enhancements.

Tax document processing pipeline efficiencies: The recommendation includes reductions related to the tax document processing pipeline efficiencies.

EDO realignment: The recommendation includes increases in this division to realign the Executive Director's Office to improve efficiency in the Department. The request is budget neutral across all divisions, though it does include an increase in reappropriated (double-counted appropriations) due to adjustments to the indirect cost plan.

Eliminate County Jail Identification Processing Unit: The recommendation eliminates funding for the County Jail Identification Processing Unit.

Non-prioritized statewide requests: The recommendation includes statewide non-prioritized funding requests for OIT enterprise asset management, employee engagement survey, and Capitol Complex building upgrades, maintenance, and replacements.

JBC Staff recommended common policy adjustments: The recommendation includes JBC Staff recommended common policy adjustments, JBC initiated salary survey increase, and adjustments to indirect cost assessments throughout the Department.

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year, and common policy base reductions.

Request: The Department requests and appropriation \$5,486,917 total funds and 63.9 FTE, comprised of \$1,677,249 General Fund, \$3,009,240 cash funds, and \$800,428 reappropriated funds.

Recommendation: Staff recommends an appropriation of \$5,486,917 total funds and 63.9 FTE, including \$1,677,249 General Fund, \$66,271 cash funds, and \$3,743,397 reappropriated funds for indirect cost recoveries.

Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$3,913,706	\$1,578,141	\$1,716,060	\$619,505	45.4
SB 13-103 - FY 2012-13 Supplemental	0	(446,012)	291,244	154,768	0.0
HB 12-1019 (Ports of Entry)	(116,344)	219,134	(360,178)	24,700	(2.0)
HB 12-1216 (Refinance DMV)	(1)	(601,114)	666,066	(64,953)	0.0
Other Legislation	<u>3,184</u>	<u>3,184</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,800,545	\$753,333	\$2,313,192	\$734,020	43.4
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$3,800,545	\$753,333	\$2,313,192	\$734,020	43.4
Annualize Prior Year Legislation	(3,184)	(3,184)	0	0	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental)	0	446,012	(291,244)	(154,768)	0.0
Department Indirect Costs Adjustment	0	391,575	(277,316)	(114,259)	0.0
State Indirect Costs Adjustment	0	(483,782)	381,975	101,807	0.0
R-4 EDO Realignment	1,689,556	573,295	882,633	233,628	20.5
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>	<u>0</u>	<u>(2,942,969)</u>	<u>2,942,969</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$5,486,917	\$1,677,249	\$66,271	\$3,743,397	63.9
Increase/(Decrease)	\$1,686,372	\$923,916	(\$2,246,921)	\$3,009,377	20.5
Percentage Change	44.4%	122.6%	(97.1%)	410.0%	47.2%
FY 2013-14 Executive Request:	\$5,486,917	\$1,677,249	\$3,009,240	\$800,428	63.9
Request Above/(Below) Recommendation	\$0	\$0	\$2,942,969	(\$2,942,969)	0.0

JBC Staff Figure Setting – FY 2013-14
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The difference between the Department's request and Staff's recommendation is the inclusion of the JBC Staff Initiated Indirect Costs Adjustment, which adjusts cash funds and reappropriated funds. The recommendation also includes funding for Request # 4, the EDO realignment.

Health, Life, and Dental

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees. The reappropriated funds portion of this line item corresponds to the health, life, and dental benefits of employees whose salaries are included in the indirect cost recovery plan.

Request: The Department requests an appropriation of \$8,807,887 total funds; including \$3,451,987 General Fund and \$5,355,900 cash funds.

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$8,697,950 total funds, including \$3,196,136 General Fund, \$5,290,380 cash funds, and \$211,434 reappropriated funds for indirect cost recoveries.

Health, Life, and Dental					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$8,772,210	\$5,418,093	\$3,354,117	\$0	0.0
HB 12-1019 (Ports of Entry)	(753,693)	0	(753,693)	0	0.0
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(2,297,441)</u>	<u>2,297,441</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,018,517	\$3,120,652	\$4,897,865	\$0	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$8,018,517	\$3,120,652	\$4,897,865	\$0	0.0
Common Policy Adjustments	789,370	331,335	458,035	0	0.0
JBC Staff Common Policy Recommendations	(109,937)	(44,417)	(65,520)	0	0.0
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>	<u>(211,434)</u>	<u>0</u>	<u>211,434</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$8,697,950	\$3,196,136	\$5,290,380	\$211,434	0.0
Increase/(Decrease)	\$679,433	\$75,484	\$392,515	\$211,434	0.0
Percentage Change	8.5%	2.4%	8.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$109,937	\$255,851	\$65,520	(\$211,434)	0.0

Short-term Disability

This line item provides funding for the employer's share of the state employees' short-term disability insurance premiums. The reappropriated funds portion of this line item corresponds to the health, life, and dental benefits of employees whose salaries are included in the indirect cost recovery plan.

Request: The Department's request is for \$124,153, including \$52,815 General Fund.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$124,678 total funds, including \$49,027 General Fund, \$71,747 cash funds, and \$3,904 reappropriated funds for indirect cost recoveries.

Short-term Disability					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$126,519	\$75,375	\$51,144	\$0	0.0
HB 12-1019 (Ports of Entry)	(9,939)	0	(9,939)	0	0.0
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(25,297)</u>	<u>25,297</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$116,580	\$50,078	\$66,502	\$0	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$116,580	\$50,078	\$66,502	\$0	0.0
Common Policy Adjustments	7,573	2,737	4,836	0	0.0
JBC Staff Common Policy Recommendations	525	116	409	0	0.0
JBC Staff Indirect Cost Adjustment	<u>0</u>	<u>(3,904)</u>	<u>0</u>	<u>3,904</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$124,678	\$49,027	\$71,747	\$3,904	0.0
Increase/(Decrease)	\$8,098	(\$1,051)	\$5,245	\$3,904	0.0
Percentage Change	6.9%	(2.1%)	7.9%	0.0%	0.0%
FY 2013-14 Executive Request:	\$124,153	\$52,815	\$71,338	\$0	0.0
Request Above/(Below) Recommendation	(\$525)	\$3,788	(\$409)	(\$3,904)	0.0

S.B. 04-257 Amortization Equalization Disbursement

This line item provides additional funding to increase the state contribution for the Public Employees' Retirement Association (PERA).

Request: The Department's request is for \$2,372,039, including \$1,007,253 General Fund.

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$2,371,750 total funds, including \$925,665 General Fund, \$1,371,622 cash funds, and \$74,463 reappropriated funds for indirect cost recoveries.

S.B. 04-257 Amortization Equalization Disbursement					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$2,266,473	\$1,348,756	\$917,717	\$0	0.0
HB 12-1019 (Ports of Entry)	(176,740)	0	(176,740)	0	0.0
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(448,190)</u>	<u>448,190</u>	<u>0</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

S.B. 04-257 Amortization Equalization Disbursement					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
TOTAL	\$2,089,733	\$900,566	\$1,189,167	\$0	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$2,089,733	\$900,566	\$1,189,167	\$0	0.0
Common Policy Adjustments	282,306	106,687	175,619	0	0.0
JBC Staff Common Policy Recommendations	(289)	(7,125)	6,836	0	0.0
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>	<u>(74,463)</u>	<u>0</u>	<u>74,463</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,371,750	\$925,665	\$1,371,622	\$74,463	0.0
Increase/(Decrease)	\$282,017	\$25,099	\$182,455	\$74,463	0.0
Percentage Change	13.5%	2.8%	15.3%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,372,039	\$1,007,253	\$1,364,786	\$0	0.0
Request Above/(Below) Recommendation	\$289	\$81,588	(\$6,836)	(\$74,463)	0.0

S.B. 06-235 Supplemental Amortization Equalization Disbursement

This line item provides additional funding to increase the state contribution for PERA. The reappropriated funds portion of this line item corresponds to the health, life, and dental benefits of employees whose salaries are included in the indirect cost recovery plan.

Request: The Department's request is for \$2,141,425, including \$909,236 General Fund.

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$2,137,964 total funds, including \$832,729 General Fund, \$1,238,270 cash funds, and \$66,965 reappropriated funds for indirect cost recoveries.

S.B. 06-235 Supplemental Amortization Equalization Disbursement					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$1,942,204	\$1,153,541	\$788,663	\$0	0.0
HB 12-1019 (Ports of Entry)	(151,236)	0	(151,236)	0	0.0
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(385,164)</u>	<u>385,164</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,790,968	\$768,377	\$1,022,591	\$0	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$1,790,968	\$768,377	\$1,022,591	\$0	0.0
Common Policy Adjustments	350,457	140,949	209,508	0	0.0
JBC Staff Common Policy Recommendations	(3,461)	(9,632)	6,171	0	0.0
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>	<u>(66,965)</u>	<u>0</u>	<u>66,965</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2013-14
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S.B. 06-235 Supplemental Amortization Equalization Disbursement					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
JBC STAFF RECOMMENDATION	\$2,137,964	\$832,729	\$1,238,270	\$66,965	0.0
Increase/(Decrease)	\$346,996	\$64,352	\$215,679	\$66,965	0.0
Percentage Change	19.4%	8.4%	21.1%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,141,425	\$909,326	\$1,232,099	\$0	0.0
Request Above/(Below) Recommendation	\$3,461	\$76,597	(\$6,171)	(\$66,965)	0.0

Salary Survey

This line item funds salary adjustments resulting from the Department of Personnel and Administration's annual compensation report.

Request: The Department requests an appropriation of \$1,277,363 total funds, comprised of \$495,342 General Fund and \$782,021 cash funds. This reflects an increase of 1.5 percent of base salaries.

Recommendation: The Committee approved increase the salary survey by an additional 0.5 percent, bringing the total increase to 2.0 percent. Staff's recommendation of \$1,579,832 total funds reflects the Committee action. The recommendation includes \$593,035 General Fund and \$986,797 cash funds.

Salary Survey				
	Total Funds	General Fund	Cash Funds	FTE
OSPB Recommendation	\$1,277,363	\$495,342	\$782,021	0.0
JBC Initiated Salary Survey Increase	<u>302,469</u>	<u>97,693</u>	<u>204,776</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,579,832	\$593,035	\$986,797	0.0
Increase/(Decrease)	\$1,579,832	\$593,035	\$986,797	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$1,277,363	\$495,342	\$782,021	0.0
Request Above/(Below) Recommendation	(\$302,469)	(\$97,693)	(\$204,776)	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Merit Pay

This line item funds salary increases to employees based on formulas that reward performance.

Request: The Department requests an appropriation of \$947,529 total funds; including \$405,015 General Fund and \$542,514 cash funds.

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$913,775 total funds, including \$371,263 General Fund, \$542,512 cash funds, and \$3,904 reappropriated funds for indirect cost recoveries.

Merit Pay				
	Total Funds	General Fund	Cash Funds	FTE
OSPB Recommendation	\$947,529	\$405,015	\$542,514	0.0
JBC Staff Common Policy Recommendations	(33,754)	(33,752)	(2)	0.0
JBC STAFF RECOMMENDATION	\$913,775	\$371,263	\$542,512	0.0
Increase/(Decrease)	\$913,775	\$371,263	\$542,512	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$947,529	\$405,015	\$542,514	0.0
Request Above/(Below) Recommendation	\$33,754	\$33,752	\$2	0.0

Shift Differential

This line item funds the adjustment made to compensate employees whose work schedule is outside of the regular Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule.

Request: The Department's request is for \$31,864 including \$3,341 General Fund.

Recommendation: Pursuant to Committee approved common policy, staff recommends an appropriation of \$35,690 total funds, including \$3,743 General Fund, and \$31,947 cash funds.

Shift Differential				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$173,651	\$33,551	\$140,100	0.0
HB 12-1019 (Ports of Entry)	(133,141)	0	(133,141)	0.0
HB 12-1216 (Refinance DMV)	0	(30,017)	30,017	0.0
TOTAL	\$40,510	\$3,534	\$36,976	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Shift Differential				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$40,510	\$3,534	\$36,976	0.0
Common Policy Adjustments	(8,646)	(193)	(8,453)	0.0
JBC Staff Common Policy Recommendations	<u>3,826</u>	<u>402</u>	<u>3,424</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$35,690	\$3,743	\$31,947	0.0
Increase/(Decrease)	(\$4,820)	\$209	(\$5,029)	0.0
Percentage Change	(11.9%)	5.9%	(13.6%)	0.0%
FY 2013-14 Executive Request:	\$31,864	\$3,341	\$28,523	0.0
Request Above/(Below) Recommendation	(\$3,826)	(\$402)	(\$3,424)	0.0

Workers' Compensation

This line item is used to pay the Department's estimated share for inclusion in the State's worker's compensation program for state employees. The program is administered by the Department of Personnel and Administration.

Request: The Department request is for \$786,677, including \$313,855 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Operating Expenses

This line item provides funding for the Executive Director's Office expenses, including office supplies and materials, telecommunications, travel, training, printing, information technology updates and equipment maintenance and replacement, variable vehicle expenses including maintenance, fuel and insurance for the Department's assigned fleet, and a large portion of the Department capital outlay needs.

Request: The Department has requested an appropriation \$1,166,094, including \$527,569 General Fund and \$638,525 cash funds. The request includes an increase for the EDO realignment.

Recommendation: Staff's recommends approval of the Department's request.

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,238,643	\$521,045	\$717,598	0.0
SB 13-103 - FY 2012-13 Supplemental	(6,687)	0	(6,687)	0.0
HB 12-1019 (Ports of Entry)	(118,684)	0	(118,684)	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(39,611)</u>	<u>39,611</u>	<u>0.0</u>
TOTAL	\$1,113,272	\$481,434	\$631,838	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,113,272	\$481,434	\$631,838	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental)	6,687	0	6,687	0.0
R-4 EDO Realignment	<u>46,135</u>	<u>46,135</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,166,094	\$527,569	\$638,525	0.0
Increase/(Decrease)	\$52,822	\$46,135	\$6,687	0.0
Percentage Change	4.7%	9.6%	1.1%	0.0%
FY 2013-14 Executive Request:	\$1,166,094	\$527,569	\$638,525	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Legal Services

This line item funds the cost of purchasing legal services from the Department of Law based of the Department's level of legal service hours and the hourly rate which will be set by the Committee.

Request: The Department requests an appropriation \$2,989,901, including \$2,006,432 General Fund, and \$983,469 cash funds.

Recommendation: Staff recommends a continuation level of 38,842 legal services hours purchased from the Department of Law. This includes a temporary appropriation of 23,651 legal services hours to resolve the disputed conservation easement tax credit backlog. Staff will apply the approved hourly rate for legal services to the hours approved to calculate the appropriation.

Administrative Law Judge Services

This line item funds the purchase of administrative law judge and paralegal services from the Division of Administrative Hearings. This line is adjusted for past usage, and the Department of Personnel and Administration, which administers the program, "trues-up" the billings after the fact in subsequent fiscal years.

Request: The Department requests an appropriation of \$16,595 cash funds, based on allocations by the Department of Personnel and Administration.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Purchase of Services from Computer Center

This line item is for the purchase of services from the Computer Center from the Department of Personnel and Administration.

Request: The Department's request is for \$12,978,508 including \$8,050,279 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Multiuse Network Payments

This line item is used to pay the Department's share of the statewide multi-use network.

Request: The Department's request is for \$2,697,374, including \$383,762 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Management and Administration of OIT

This line item provides funding for the Department's share of the expenses of the Administration Division in the Office of Information and Technology (OIT).

Request: The Department's request is for \$405,480, including \$80,733 General Fund.

Payment to Risk Management and Property Funds

This line item provides funding for the Department's share of the statewide costs for two programs operated by the Department of Personnel and Administration: (1) the liability program (which provides coverage related to liability claims); and (2) the property program (which provides insurance coverage for state buildings and their contents).

Request: The Department's request is for \$219,836, including \$82,382 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles.

Request: The Department requested \$674,500, including \$164,763 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Vehicle Replacements:

The Department of Personnel and Administration has recommended the replacement of 28 vehicles in the Department of Revenue's fleet. The list of vehicles slated to be replaced are shown in the following table.

Lic. #	Entity	Model Year	Body Desc	Odo-meter	Projected Mileage by July 1, 2014	High Mileage Replace	High Maint Replace
019DHS	CRIMINAL TAX	2002	SEDAN MIDSIZE	130,224	153,049	yes	no
607BAU	CRIMINAL TAX	2000	SEDAN MIDSIZE	142,411	165,886	yes	yes
327BAW	DATA SERVICE SC	1999	PASS UTIL SMALL, 4X4	129,782	155,882	yes	no
159DHU	DRIVERS LICENSE	2002	SEDAN FULLSIZE	129,641	152,816	yes	no
528BAU	EMISSIONS	2000	SEDAN MIDSIZE	120,891	129,866	no	yes
899BAU	EMISSIONS	2000	SEDAN MIDSIZE	121,944	132,644	no	yes
797FKI	GAMING COMM	2005	PASS UTIL SMALL, 4X4	90,894	124,044	no	yes
331DHU	LIQUOR ENF	2005	PASS VAN MINI (7 PASS) FRNT WD	96,885	127,585	no	no
703BAW	LIQUOR ENF	2003	SEDAN FULLSIZE	107,975	146,025	no	no
945BAW	LIQUOR ENF	2005	SEDAN FULLSIZE	88,050	127,375	no	no
961BAV	LIQUOR ENF	2003	SEDAN FULLSIZE	105,757	139,357	no	no
107PRP	LOTTERY	2007	CARGO VAN 1/2 TON	112,666	170,691	yes	no
108PRP	LOTTERY	2007	CARGO VAN 1/2 TON	109,688	141,463	no	no
238UHD	LOTTERY	2003	PASS UTIL MEDIUM, 4X4 (5 PASS)	128,802	154,877	yes	yes
304IXZ	LOTTERY	2007	CARGO VAN 1/2 TON	109,053	141,128	no	no
305IXZ	LOTTERY	2007	CARGO VAN 1/2 TON	112,268	178,543	yes	no
307IXZ	LOTTERY	2007	CARGO VAN 1/2 TON	123,199	173,874	yes	no
323IXZ	LOTTERY	2007	CARGO VAN 1/2 TON	131,978	191,353	yes	no
325IXZ	LOTTERY	2007	CARGO VAN 1/2 TON	101,981	132,431	no	no
475IXZ	LOTTERY	2007	SEDAN FULLSIZE	93,967	154,367	yes	no

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Lic. #	Entity	Model Year	Body Desc	Odo-meter	Projected Mileage by July 1, 2014	High Mileage Replace	High Maint Replace
929BAW	LOTTERY	2005	CARGO VAN 1/2 TON	125,875	174,450	yes	no
194CSD	TAX COMPLIANCE	2006	SEDAN FULLSIZE	130,225	170,725	yes	no
436UHD	TAX COMPLIANCE	2007	PASS UTIL LARGE, 4X4, (5 PASS)	114,133	161,783	yes	yes
687BAV	TAX COMPLIANCE	2001	SEDAN FULLSIZE	124,600	152,900	yes	no
781DHR	TAX COMPLIANCE	2004	SEDAN MIDSIZE	133,051	173,176	yes	no
934HZF	TAX COMPLIANCE	2007	SEDAN FULLSIZE	101,601	160,926	yes	no
943HZF	TAX COMPLIANCE	2007	SEDAN FULLSIZE	117,690	170,215	yes	no
950HZF	TAX COMPLIANCE	2007	SEDAN FULLSIZE	141,301	191,701	yes	no

Of the vehicles slated for replacement, all but seven meet either the standard for mileage or that they are high maintenance vehicles. Of the other seven, the first four of the vehicles highlighted in the table are categorized as "other law enforcement vehicles", and the mileage standard for that category is 125,000 miles, which these vehicles meet. The other three vehicles meet neither standard, but their combination of mileage (projected to be over 130,000 miles) and high average monthly mileage makes them candidates for replacement according to DPA policy.

Recommendation: Staff recommends replacement of all vehicles per the request. This common policy request will be factored into the Department of Personnel and Administration fleet calculations, which will be presented by the DPA analyst. The Committee's approved fleet rate will then be applied to this line item and staff will reflect the approved appropriation.

Leased Space

This line item funds leasing costs for more than 80 office locations throughout the state, mostly for Driver's License Offices and State Lottery Offices.

Request: The Department has requested an appropriation of \$3,577,145, including \$676,560 General Fund, and \$2,900,585 cash funds from various cash fund sources. The request is an increase of \$60,051 over the FY 2012-13 appropriations due to escalators in leases.

Recommendation: Staff recommends approval of the Department's request.

Capitol Complex Leased Space

This line item funds payments to the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the Capitol Complex.

Request: The Department has requested an appropriation of \$2,114,391, including \$1,356,346 General Fund, and \$758,045 cash funds from various cash fund sources.

Recommendation: Staff recommends providing sufficient funding to cover the leased space costs for a total of 202,597 square feet. Staff recommendation for the appropriation is pending Committee common policy on lease rates. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Communications Services Payments

This line item funds the Department's payments to the Department of Personnel and Administration to support the statewide Digital Trunked Radio system per Common policy.

Request: The Department's request is for \$75,015, including \$13,980 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

COFRS Modernization

This line item funds the Department's share of the five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Request: The Department requests a continuation appropriation of \$313,372, including \$80,654 General Fund.

Recommendation: Staff's recommendation is pending Committee common policy. Staff will ultimately reflect the Committee's common policy decision in the appropriation for this line.

Utilities

This line item provides funding to support the cost of utilities at the Department's state-owned facilities that include driver's license offices, and gaming offices.

Request: The Department has requested a continuation appropriation of \$143,703 cash funds, reflecting the decrease of \$109,116 in the appropriation as a result of the enactment of H.B. 12-1019, which transferred Ports of Entry to the State Patrol.

Recommendation: Staff's recommends approval of the Department's request for a continuation appropriation.

(2) Central Department Operations

This division receives, sorts, and distributes documents, checks, cash, correspondence, and other documents for the Department. It maintains business tax account registrations and prepares business tax documents, validating each non-processable document with an identification number. It batches and prepares processable documents, encodes and endorses checks, assigns validation numbers and captures information from tax documents with scan lines, produces images of all checks and most documents, and prepares checks for deposit.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Central Department Operations Division					
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	12,289,581	11,097,484	1,087,956	104,141	97.3
SB 13-103 - FY 2012-13 Supplemental	0	106,356	(73,474)	(32,882)	0.0
HB 12-1019 (Ports of Entry)	(5,568)	75,927	(92,868)	11,373	0.0
HB 12-1216 (Refinance DMV)	0	(108,245)	117,712	(9,467)	0.0
Other Legislation	<u>47,039</u>	<u>44,534</u>	<u>2,505</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,331,052	\$11,216,056	\$1,041,831	\$73,165	97.3
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$12,331,052	\$11,216,056	\$1,041,831	\$73,165	97.3
Annualize Prior Year Legislation	(44,534)	(44,534)	0	0	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	0	(106,356)	73,474	32,882	0.0
Department Indirect Costs Adjustment	0	117,424	(48,376)	(69,048)	0.0
State Indirect Costs Adjustment	0	(126,698)	118,597	8,101	0.0
R-3 Tax Document Processing Pipeline Efficiencies	(990,422)	(990,422)	0	0	(10.7)
R-4 EDO Realignment	(502,691)	(355,178)	(114,532)	(32,981)	(6.0)
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>		<u>(456,730)</u>	<u>456,730</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$10,793,405	\$9,710,292	\$614,264	\$468,849	80.6
Increase/(Decrease)	(\$1,537,647)	(\$1,505,764)	(\$427,567)	\$395,684	(16.7)
Percentage Change	(12.5%)	(13.4%)	(41.0%)	540.8%	(17.2%)
FY 2013-14 Executive Request:	\$10,793,405	\$9,710,292	\$1,070,994	\$12,119	80.6
Request Above/(Below) Recommendation	\$0	\$0	\$456,730	(\$456,730)	0.0

Issue Descriptions

Base adjustments: The recommendation includes base adjustments such as annualization of prior year legislation and indirect cost adjustments.

Tax document processing pipeline efficiencies: The recommendation reflects the savings that will result from tax document processing pipeline efficiencies.

EDO realignment: The recommendation reflects a reduction of \$502,691 total funds for the realignment of the Executive Director's Office.

JBC Staff initiated indirect costs adjustment: The recommendation reflects a reduction in cash funds and an equal increase in reappropriated funds for the JBC staff initiated adjustments to the indirect costs.

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$4,235,808 total funds and 80.6 FTE, comprised of \$3,677,946 General Fund, \$545,743 cash funds, and \$12,119 reappropriated funds. The request reflects the savings resulting from the tax document processing pipeline efficiencies and the reductions (in this division) resulting from the EDO realignment.

Recommendation: Staff recommends an appropriation of \$4,235,808 total funds and 80.6 FTE, comprised of \$3,677,946 General Fund, \$89,013 cash funds, and \$468,849 reappropriated funds. The difference between the Department's request and Staff's recommendation is to reflect in the cash funds and reappropriated funds categories the indirect costs adjustment that resulted from the JBC Staff initiative to adjust indirect cost recoveries.

Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$5,291,886	\$4,636,972	\$550,773	\$104,141	97.3
SB 13-103 - FY 2012-13 Supplemental	0	106,356	(73,474)	(32,882)	0.0
HB 12-1019 (Ports of Entry)	8,869	75,927	(78,431)	11,373	0.0
HB 12-1216 (Refinance DMV)	0	(108,245)	117,712	(9,467)	0.0
Other Legislation	<u>2,791</u>	<u>2,791</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,303,546	\$4,713,801	\$516,580	\$73,165	97.3
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$5,303,546	\$4,713,801	\$516,580	\$73,165	97.3

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Annualize Prior Year Legislation	(2,791)	(2,791)	0	0	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental)	0	(106,356)	73,474	32,882	0.0
Department Indirect Costs Adjustment	0	117,424	(48,376)	(69,048)	0.0
State Indirect Costs Adjustment	0	(126,698)	118,597	8,101	0.0
R-3 Tax Document Processing Pipeline Efficiencies	(574,116)	(574,116)	0	0	(10.7)
R-4 EDO Realignment	(490,831)	(343,318)	(114,532)	(32,981)	(6.0)
JBC Staff Initiated Indirect Cost Adjustment	<u>0</u>	<u>0</u>	<u>(456,730)</u>	<u>456,730</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$4,235,808	\$3,677,946	\$89,013	\$468,849	80.6
Increase/(Decrease)	(\$1,067,738)	(\$1,035,855)	(\$427,567)	\$395,684	(16.7)
Percentage Change	(20.1%)	(22.0%)	(82.8%)	540.8%	(17.2%)
FY 2013-14 Executive Request:	\$4,235,808	\$3,677,946	\$545,743	\$12,119	80.6
Request Above/(Below) Recommendation	\$0	\$0	\$456,730	(\$456,730)	0.0

Seasonal Tax Processing

While the Department receives and processes tax and fee payments year-round, this line item funds the seasonal processing expenses that occur during the individual income tax filing season.

Request: The Department requests an appropriation of \$296,391 General Fund, a reduction of \$101,154 from the FY 2012-13 Long Bill. This reduction is the result of the Department's base reduction request of \$101,154 for the tax document processing pipeline efficiencies initiative.

Recommendation: Staff recommends an appropriation of \$296,391 General Fund.

Seasonal Tax Processing			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	\$397,545	\$397,545	0.0
Other Legislation	<u>41,743</u>	<u>41,743</u>	<u>0.0</u>
TOTAL	\$439,288	\$439,288	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$439,288	\$439,288	0.0
Annualize Prior Year Legislation	(41,743)	(41,743)	0.0
R-3 Tax Document Processing Pipeline Efficiencies	<u>(101,154)</u>	<u>(101,154)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$296,391	\$296,391	0.0
Increase/(Decrease)	(\$142,897)	(\$142,897)	0.0
Percentage Change	(32.5%)	(32.5%)	0.0%

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Seasonal Tax Processing			
	Total Funds	General Fund	FTE
FY 2013-14 Executive Request:	\$296,391	\$296,391	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Operating Expenses

This line item provides the Department its forms creation and processing (approximately 50% of the line), and general office supplies for the Division.

Request: The Department requests an appropriation of \$1,214,005 total funds, comprised of \$1,065,869 General Fund and \$148,136 cash funds. The request includes decreases that reflect the tax document processing pipeline efficiencies and the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$1,283,311</u>	<u>\$1,135,175</u>	<u>\$148,136</u>	<u>0.0</u>
TOTAL	\$1,283,311	\$1,135,175	\$148,136	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,283,311	\$1,135,175	\$148,136	0.0
R-3 Tax Document Processing Pipeline Efficiencies	(57,446)	(57,446)	0	0.0
R-4 EDO Realignment	<u>(11,860)</u>	<u>(11,860)</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,214,005	\$1,065,869	\$148,136	0.0
Increase/(Decrease)	(\$69,306)	(\$69,306)	\$0	0.0
Percentage Change	(5.4%)	(6.1%)	0.0%	0.0%
FY 2013-14 Executive Request:	\$1,214,005	\$1,065,869	\$148,136	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Postage

Due to the volume of mail that it handles, the Department operates its own mail center, as opposed to most Departments that use the centralized mail center in the Department of Personnel and Administration. The Department mails a wide variety of items to taxpayers and licensees, including tax forms, motor vehicle titles, driver license renewal applications, reminders, bill, refund warrants, inquiries, licenses, hearing notices, tax booklets, and other miscellaneous documents.

Request: The Department requests an appropriation of \$2,995,393 total funds, comprised of \$2,657,783 General Fund and \$337,610 cash funds. The only changes from the 2012 Long Bill are due to legislation passed in the 2012 session.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends approval of the Department's request.

Postage				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$3,007,325	\$2,657,783	\$349,542	0.0
HB 12-1019 (Ports of Entry)	(14,437)	0	(14,437)	0.0
Other Legislation	<u>2,505</u>	<u>0</u>	<u>2,505</u>	<u>0.0</u>
TOTAL	\$2,995,393	\$2,657,783	\$337,610	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$2,995,393</u>	<u>\$2,657,783</u>	<u>\$337,610</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,995,393	\$2,657,783	\$337,610	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,995,393	\$2,657,783	\$337,610	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

DOCUMENT MANAGEMENT

This line item provides funding for the data entry services provided by the Department of Personnel and Administration to capture information from paper tax forms and from driver's license documentation, and image and store tax returns and related documentation primarily for audit purposes, account error resolutions, or taxpayer requests and inquiries.

Request: The Department requests an appropriation of \$2,051,808 total funds, comprised of \$2,012,303 General Fund and \$39,505 cash funds. The request includes a decrease in the appropriation of \$257,706 General Fund to reflect the tax document processing pipeline efficiencies.

Recommendation: Staff recommends approving the Department's request.

Document Management				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$2,309,514</u>	<u>\$2,270,009</u>	<u>\$39,505</u>	<u>0.0</u>
TOTAL	\$2,309,514	\$2,270,009	\$39,505	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,309,514	\$2,270,009	\$39,505	0.0
R-3 Tax Document Processing Pipeline Efficiencies	<u>(257,706)</u>	<u>(257,706)</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,051,808	\$2,012,303	\$39,505	0.0
Increase/(Decrease)	(\$257,706)	(\$257,706)	\$0	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Document Management				
	Total Funds	General Fund	Cash Funds	FTE
Percentage Change	(11.2%)	(11.4%)	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,051,808	\$2,012,303	\$39,505	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(3) Information Technology Division

The Division is responsible for the support and maintenance of the Department systems that are not supported and maintained by the Governor's Office of Information Technology. These are entirely made up of contract services. The division has two subdivisions, Systems Support, which supports most of the Department's information technology services, and the Colorado State Titling and Registration System (CSTARS) unit, which supports the CSTARS that connects the county clerks with the state's information systems.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Information Technology Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$4,644,962	\$862,311	\$3,782,651	0.0
SB 13-103 - FY 2012-13 Supplemental	(38,639)	0	(38,639)	0.0
License Plate Bills	85,840	0	85,840	0.0
Other Legislation	<u>135,230</u>	<u>14,800</u>	<u>120,430</u>	<u>0.0</u>
TOTAL	\$4,827,393	\$877,111	\$3,950,282	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$4,827,393	\$877,111	\$3,950,282	0.0
Annualize Prior Year Legislation	(276,116)	(69,846)	(206,270)	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	38,639	0	38,639	0.0
R-2 DOR IT Infrastructure Performance Enhancements	708,807	708,807	0	0.0
BA 1 - Eliminate County Jail ID Processing Unit	<u>(38,639)</u>	<u>0</u>	<u>(38,639)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$5,260,084	\$1,516,072	\$3,744,012	0.0
Increase/(Decrease)	\$432,691	\$638,961	(\$206,270)	0.0
Percentage Change	9.0%	72.8%	(5.2%)	0.0%
FY 2013-14 Executive Request:	\$5,260,084	\$1,516,072	\$3,744,012	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(A) SYSTEMS SUPPORT

This unit currently supports the tax information systems; systems for driver's licenses, vehicle records, accident statistics, and fuel taxes; the International Registration Plan, and the Commercial Vehicle Electronic Credentialing system; and enforcement systems for licensing, reporting, tax filing, and case management.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Information Technology Division – System Support				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$976,509	\$862,311	\$114,198	0.0
SB 13-103 - FY 2012-13 Supplemental	(38,639)	0	(38,639)	0.0
License Plate Bills	85,840	0	85,840	0.0
Other Legislation	<u>59,010</u>	<u>14,800</u>	<u>44,210</u>	<u>0.0</u>
TOTAL	\$1,082,720	\$877,111	\$205,609	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,082,720	\$877,111	\$205,609	0.0
Annualize Prior Year Legislation	(199,896)	(69,846)	(130,050)	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	38,639	0	38,639	0.0
R-2 DOR IT Infrastructure Performance Enhancements	708,807	708,807	0	0.0
BA 1 - Eliminate County Jail ID Processing Unit	<u>(38,639)</u>	<u>0</u>	<u>(38,639)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,591,631	\$1,516,072	\$75,559	0.0
Increase/(Decrease)	\$508,911	\$638,961	(\$130,050)	0.0
Percentage Change	47.0%	72.8%	(63.3%)	0.0%
FY 2013-14 Executive Request:	\$1,591,631	\$1,516,072	\$75,559	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Base adjustments: The recommendation includes annualization of prior year legislation, including the FY 2012-13 supplemental.

DOR IT infrastructure performance enhancements: The recommendation includes an increase of \$700,000 General Fund for part of the expenses related to the Department's IT infrastructure performance enhancements.

Eliminate County Jail Identification Processing Unit: The recommendation includes a decrease of \$40,000 to reflect the elimination of the County Jail Identification Processing Unit.

LINE ITEM DETAIL

Personal Services

This line item pays for contract services. Although this is a personal services line, there are no FTE in the line. The line item pays for contract services to maintain those systems that are not maintained by the Governor's Office of Information Technology (such as the State Internet Portal Authority). This line item also provides funding for appropriations to implement bills passed by the General Assembly that require programming expenses in the Department's information systems (even if the programming is provided by OIT).

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Request: The Department has requested an appropriation of \$297,506 General Fund. The request includes a decrease to annualize prior year legislation and an increase to reflect the part of the maintenance and support payments for hardware and software that supports the GenTax system.

Recommendation: Staff recommends an appropriation of \$297,506 General Fund.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$202,552	\$202,552	\$0	0.0
License Plate Bills	85,840	0	85,840	0.0
Other Legislation	<u>59,010</u>	<u>14,800</u>	<u>44,210</u>	<u>0.0</u>
TOTAL	\$347,402	\$217,352	\$130,050	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$347,402	\$217,352	\$130,050	0.0
Annualize Prior Year Legislation	(199,896)	(69,846)	(130,050)	0.0
R-2 DOR IT Infrastructure Performance Enhancements	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$297,506	\$297,506	\$0	0.0
Increase/(Decrease)	(\$49,896)	\$80,154	(\$130,050)	0.0
Percentage Change	(14.4%)	36.9%	(100.0%)	0.0%
FY 2013-14 Executive Request:	\$297,506	\$297,506	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line funds information technology related contracts for the Department, telecommunications expenses, general office supplies, and printing costs.

Request: The Department requests an appropriation of \$1,294,125; including \$1,218,566 General Fund and \$75,559 cash funds. This request includes funding for the Department's IT infrastructure performance enhancements and a reduction to reflect the elimination of the County Jail Identification Processing Unit.

Recommendation: Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$773,957	\$659,759	\$114,198	0.0
SB 13-103 - FY 2012-13 Supplemental	(38,639)	0	(38,639)	0.0
TOTAL	\$735,318	\$659,759	\$75,559	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$735,318	\$659,759	\$75,559	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	38,639	0	38,639	0.0
R-2 DOR IT Infrastructure Performance Enhancements	558,807	558,807	0	0.0
BA 1 - Eliminate County Jail ID Processing Unit	(38,639)	0	(38,639)	0.0
JBC STAFF RECOMMENDATION	\$1,294,125	\$1,218,566	\$75,559	0.0
Increase/(Decrease)	\$558,807	\$558,807	\$0	0.0
Percentage Change	76.0%	84.7%	0.0%	0.0%
FY 2013-14 Executive Request:	\$1,294,125	\$1,218,566	\$75,559	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(B) COLORADO STATE TITLING AND REGISTRATION SYSTEM

The Colorado State Titling and Registration System (CSTARS) is the state's centralized database for the distribution of registration taxes between the state, all its counties, and the Highway Users Tax Fund (HUTF). CSTARS was created in 1983 to automate the distribution of vehicle registration taxes. CSTARS enables Colorado's 64 county clerks' offices to issue more than 2 million vehicle titles and 4.3 million vehicle registrations every year. This appropriation funds hardware, software, and technical support to maintain the system and ensure adequate access for the county clerks.

The CSTARS unit is supported by the Colorado State Titling and Registration Account, a subaccount of the Highway Users Tax Fund, under Section 42-1-211 (2), C.R.S. Sources of Revenue include a share of fees and taxes for titling and registering motor vehicles; for titling manufactured homes; and for the sale of some special license plates.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Information Technology Division – Colorado State Titling and Registration System				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$3,668,453	\$0	\$3,668,453	0.0
Other Legislation	<u>76,220</u>	<u>0</u>	<u>76,220</u>	<u>0.0</u>
TOTAL	\$3,744,673	\$0	\$3,744,673	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$3,744,673	\$0	\$3,744,673	0.0
Annualize Prior Year Legislation	<u>(76,220)</u>	<u>0</u>	<u>(76,220)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$3,668,453	\$0	\$3,668,453	0.0
Increase/(Decrease)	(\$76,220)	\$0	(\$76,220)	0.0
Percentage Change	(2.0%)	0.0%	(2.0%)	0.0%
FY 2013-14 Executive Request:	\$3,668,453	\$0	\$3,668,453	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for contract services. Although this is a personal services line, there are no FTE in the line. The line item pays for contract services to maintain those systems related to CSTARS that are not maintained by the Governor's Office of Information Technology.

Request: The Department requests continuation funding of \$442,688 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Operating Expenses

This line item funds information technology related contracts for the Department as they relate specifically to the Colorado State Titling and Registration System. Other costs include telecommunications expenses, general office supplies and printing expenses.

Request: The Department has requested a continuation appropriation of \$2,617,535 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

County Office Asset Maintenance

This line item provides funding for replacement of infrastructure every four years (the Office of Information Technology standard for replacement of this type of equipment is every three years).

Request: The Department is requesting continuation funding of \$568,230 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

County Office Improvements

This line item provides funding for improvements to and expansion of county offices to provide services related to CSTARs. Counties are required by statute (Section 42-1-210, C.R.S.) to provide motor vehicle title and registration services in a manner that is convenient and easily accessible to the public. The State (Department of Revenue) is required to provide necessary data processing equipment, software, support, and training to support the counties (Section 42-1-211, C.R.S.) The line item was established to provide for a stable appropriation to fund the expansion and improvements to the CSTAR system. Funding requests for this line item are based on approval from the CSTARs Advisory Committee (Section 42-1-211 (4), C.R.S.), which receives and prioritizes requests from the counties for funding the expansions and improvements in county offices.

Request: The Department is requesting continuation funding of \$40,000 cash funds from the CSTAR account.

Recommendation: Staff recommends approval of the continuation appropriation.

(4) Taxation Business Group

This group is charged with collection, administration, auditing and enforcement responsibilities for all taxes, fees, bonds, and licenses covered under Colorado tax laws. This group includes the Administrative Division, the Taxation and Compliance Division, the Taxpayer Service Division, the Tax Conferee, which carry out programmatic functions, and a Special Purpose section for administering various rebates, distributions, and grants.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Taxation Business Group						
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1339 (Long Bill)	\$45,813,135	\$42,672,507	\$2,096,155	\$220,085	\$824,388	329.6
Other Legislation	<u>75,481</u>	<u>75,481</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$45,888,616	\$42,747,988	\$2,096,155	\$220,085	\$824,388	329.6
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$45,888,616	\$42,747,988	\$2,096,155	\$220,085	\$824,388	329.6
Annualize Prior Year Legislation	(84,254)	(84,254)	0	0	0	(0.2)
September OSPB Adjustments	(500,000)	(500,000)	0	0	0	0.0
Department Indirect Costs Adjustment	0	53	(53)	0	0	0.0
R-1 CITA Annual Maintenance and Support	1,500,000	1,500,000	0	0	0	0.0
R-4 EDO Realignment	(519,644)	(518,772)	(872)	0	0	(6.2)
Adjust Amendment 35 Distribution to Local Government	(9,900)	0	(9,900)	0	0	0.0
JBC Staff Request for Indirect Cost Adjustment	<u>6,626</u>	<u>0</u>	<u>6,626</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION L	\$46,281,444	\$43,145,015	\$2,091,956	\$220,085	\$824,388	323.2
Increase/(Decrease)	\$392,828	\$397,027	(\$4,199)	\$0	\$0	(6.4)
Percentage Change	0.9%	0.9%	(0.2%)	0.0%	0.0%	(1.9%)
FY 2013-14 Executive Request:	\$46,284,718	\$43,145,015	\$2,095,230	\$220,085	\$824,388	323.2
Request Above/(Below) Recommendation	\$3,274	\$0	\$3,274	\$0	\$0	(0.0)

Issue Descriptions

Base adjustments: The recommendation includes annualization of prior year legislation, economic forecast adjustments, and departmental indirect cost adjustments.

CITA annual maintenance and support: The recommendation includes \$1.5 million for support and maintenance of the GenTax system (Colorado Integrated Tax Architecture).

EDO realignment: The recommendation includes a reduction of \$500,000 total funds as a result of realignment of the Executive Director's Office.

Amendment 35 forecast adjustments: The recommendation includes adjustment to the Amendment 35 revenue distribution to local governments.

JBC Staff initiated indirect costs adjustments: The recommendation includes adjustments to the indirect cost model that add this Group to the indirect cost plan for the Department.

(A) ADMINISTRATION

The Group's administrative functions are located here, including senior management, budget, and other support functions.

Taxation Business Group Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$571,355</u>	<u>\$568,759</u>	<u>\$2,596</u>	<u>6.0</u>
TOTAL	\$571,355	\$568,759	\$2,596	6.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$571,355	\$568,759	\$2,596	6.0
Department Indirect Costs Adjustment	0	53	(53)	0.0
R-1 CITA Annual Maintenance and Support	1,500,000	1,500,000	0	0.0
R-4 EDO Realignment	<u>(65,165)</u>	<u>(64,293)</u>	<u>(872)</u>	<u>(1.0)</u>
JBC STAFF RECOMMENDATION	\$2,006,190	\$2,004,519	\$1,671	5.0
Increase/(Decrease)	\$1,434,835	\$1,435,760	(\$925)	(1.0)
Percentage Change	251.1%	252.4%	(35.6%)	(16.7%)
FY 2013-14 Executive Request:	\$2,006,190	\$2,004,519	\$1,671	5.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$493,090 total funds and 5.0 FTE, comprised of \$491,419 General Fund and \$1,671 cash funds. The request includes base adjustments and reflects the reduction from the EDO realignment.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends approval of the Department's request.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$557,305</u>	<u>\$554,709</u>	<u>\$2,596</u>	<u>6.0</u>
TOTAL	\$557,305	\$554,709	\$2,596	6.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$557,305	\$554,709	\$2,596	6.0
Department Indirect Costs Adjustment	0	53	(53)	0.0
R-4 EDO Realignment	<u>(64,215)</u>	<u>(63,343)</u>	<u>(872)</u>	<u>(1.0)</u>
JBC STAFF RECOMMENDATION	\$493,090	\$491,419	\$1,671	5.0
Increase/(Decrease)	(\$64,215)	(\$63,290)	(\$925)	(1.0)
Percentage Change	(11.5%)	(11.4%)	(35.6%)	(16.7%)
FY 2013-14 Executive Request:	\$493,090	\$491,419	\$1,671	5.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds the Taxation Group's portion of a high volume printer that several groups share. This printer is capable of producing the forms and mass billings that the Taxation Group requires. The line also funds general office expenses needed for this section.

Request: The Department requests an appropriation of \$13,100 General Fund which reflects the saving in this line from the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$14,050</u>	<u>\$14,050</u>	<u>0.0</u>
TOTAL	\$14,050	\$14,050	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$14,050	\$14,050	0.0
R-4 EDO Realignment	<u>(950)</u>	<u>(950)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$13,100	\$13,100	0.0
Increase/(Decrease)	(\$950)	(\$950)	0.0
Percentage Change	(6.8%)	(6.8%)	0.0%
FY 2013-14 Executive Request:	\$13,100	\$13,100	0.0

Operating Expenses			
	Total Funds	General Fund	FTE
Request Above/(Below) Recommendation	\$0	\$0	0.0

Colorado Integrated Tax Architecture Maintenance and Support

This is a new line item to provide funding for the managed services contract that supports and maintains the Department's GenTax software tax collection and administration system.

Request: The Department requests and appropriation of \$1,500,000 for FY 2013-14, \$3,645,000 in FY 2014-15, with an annual 3.0 percent escalator in future years.

➔ Request # 1: CITA Annual Maintenance and Support

Request: The Department requests an appropriation of \$1,500,000 in FY 2013-14 and \$3,645,000 in FY 2014-15, with an annual increase of 3.0 percent thereafter for the annual maintenance and support of the GenTax software. This request includes a new line item in the Administration Division that would provide funding for support and maintenance.

Recommendation: Staff recommends approval of the Department's request. The annual appropriation for the next five years is provided in the following table:

Contracted Maintenance and Support Payments by Year		
Fiscal Year	Amount	Increase
FY 2013-14	\$1,500,000	N/A
FY 2014-15	3,645,000	2,145,000
FY 2015-16	3,754,350	109,350
FY 2016-17	3,866,982	112,632
FY 2017-18	3,983,003	116,021

Analysis: The GenTax software is the culmination of the Colorado Integrated Tax Architecture (CITA) project, a five-phase project to replace the Department of Revenue's tax collection systems. The project received funding of \$53.6 million of capital construction moneys. The Department has accepted the final phase of the project and it is now in production. As part of the capital construction request, the support and maintenance for the system is funded through January, 2014. The Department now needs funding to continue the support and maintenance through the product's life-cycle.

The contract is referred to as a "managed service contract" and includes the following elements:

- Software licenses;
- Application support of GenTax , Revenue Online, and a third party audit selection software package called KXEN;

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- Production environment support including operations and on-call support, database and operating system support, resolution of configuration and site-specific component defects, installation and configuration of system service packs, and certain programming changes;
- Version upgrade and installation; and
- Training, documentation, and assessment reports of business processes to better align with system functionality.

The request would include 10 to 12 contractor personal to perform tasks associated with the following performance standards:

- Availability will meet or exceed 99 percent during normal business hours;
- 90 percent of online transactions will be complete within two seconds during normal business hours;
- Analysis and implementation of service packs, corrections, changes, and enhancements will occur without major interruption to business functions upon deployment;
- Adoption of a governance committee consisting of representative of the contractor, the Department and the Governor's Office of Information Technology (OIT). The committee will meet to review performance objectives quarterly.
- Timely response to system issues based on an escalation process tied to the impact on system performance; and
- Leverage access to contractor training and knowledge of GenTax for Department and OIT staff.

The Department or Revenue will provide four business analysts and OIT will provide six to eight personnel to oversee the network, servers, and storage systems, as well as perform some development work. These personnel will come from existing personnel that have been working on the tax systems already and will not increase the budget.

The other states that have installed GenTax use similar models for support and maintenance that combine contractor staff with state staff. The following table provides data on the staff used at each of those states.

Comparison of State support of GenTax Product						
State	2010 Population	2011 State Tax Collections	Vendor Staff	Business Staff	OIT Staff	Total Staff
Colorado	5,029,196	\$9,468,000,000	12	5	8	25
Utah	2,763,885	5,476,000,000	3	2	11	16
New Mexico	2,059,179	4,980,000,000	2	3	8	13
Montana	989,415	2,304,000,000	3	7	12	22
Wisconsin	5,686,986	15,347,000,000	10	5	8	23
Alabama	4,779,736	8,636,000,000	9	5	14	28
Louisiana	<u>4,533,372</u>	<u>8,865,000,000</u>	<u>10</u>	<u>10</u>	<u>15</u>	<u>35</u>
Average	3,691,681	\$7,868,000,000	7.0	5.3	10.9	23.1

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In comparison with the other states, this proposal from the Department of Revenue and OIT puts Colorado pretty close to the average, and when compared with the other large states, actually slightly below the average for those states.

The Department and OIT had considered making OIT responsible for maintaining the new system, however, all involved felt that the managed service contract would be the best way forward for support and maintenance of the system. All parties agreed that this path was the best way to achieve the goal of maintaining the State's \$53.6 million investment in the CITA project.

Recommendation: Staff recommends an appropriation of \$1,500,000 General Fund.

(B) TAXATION AND COMPLIANCE DIVISION

This division enforces Colorado's tax laws. It conducts more than 7,000 field audits each year, primarily for retail sales tax, consumer use tax, corporate income tax, and mineral royalties. Tax agents are located in Denver and in six district offices around Colorado, as well as out-of-state offices located in the New York City metro area, Chicago, Houston, Dallas, Los Angeles, and San Francisco. The division's new Discovery Unit investigates the nexus or legal presence of taxpayers to determine if their presence in Colorado is sufficient to subject them to Colorado tax laws. Division staff also contacts delinquent taxpayers; verify licensing; issues distraint warrants; file property tax liens, transcripts of judgment, bankruptcy claims, and writs of garnishment; and refer cases for criminal prosecution when necessary. The Division also manages the Joint Audit Program, the Joint Federal/State Motor Fuel Tax program and the Mineral Audit Program.

Taxation and Compliance Division						
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1339 (Long Bill)	\$17,875,558	\$16,768,529	\$62,556	\$220,085	824,388	234.5
Other Legislation	<u>19,048</u>	<u>19,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$17,894,606	\$16,787,577	\$62,556	\$220,085	\$824,388	234.5
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$17,894,606	\$16,787,577	\$62,556	\$220,085	\$824,388	234.5
Annualize Prior Year Legislation	(19,048)	(19,048)	0	0	0	0.0
R-4 EDO Realignment	<u>(454,479)</u>	<u>(454,479)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5.2)</u>
JBC STAFF RECOMMENDATION	\$17,421,079	\$16,314,050	\$62,556	\$220,085	\$824,388	229.3
Increase/(Decrease)	(\$473,527)	(\$473,527)	\$0	\$0	\$0	(5.2)
Percentage Change	(2.6%)	(2.8%)	0.0%	0.0%	0.0%	(2.2%)
FY 2013-14 Executive Request:	\$17,421,079	\$16,314,050	\$62,556	\$220,085	\$824,388	229.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requested an appropriation of \$15,356,819 total funds and 219.1 FTE, including \$15,150,644 General Fund, \$52,090 cash funds, and \$154,085 reappropriated funds from the Mineral Audit Program. This line item includes a reduced appropriation to reflect the EDO realignment.

Recommendation: Staff recommends approving the Department's request.

Personal Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$15,799,458	\$15,593,283	\$52,090	\$154,085	224.3
Other Legislation	<u>19,048</u>	<u>19,048</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,818,506	\$15,612,331	\$52,090	\$154,085	224.3
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$15,818,506	\$15,612,331	\$52,090	\$154,085	224.3
Annualize Prior Year Legislation	(19,048)	(19,048)	0	0	0.0
R-4 EDO Realignment	<u>(442,639)</u>	<u>(442,639)</u>	<u>0</u>	<u>0</u>	<u>(5.2)</u>
JBC STAFF RECOMMENDATION	\$15,356,819	\$15,150,644	\$52,090	\$154,085	219.1
Increase/(Decrease)	(\$461,687)	(\$461,687)	\$0	\$0	(5.2)
Percentage Change	(2.9%)	(3.0%)	0.0%	0.0%	(2.3%)
FY 2013-14 Executive Request:	\$15,356,819	\$15,150,644	\$52,090	\$154,085	219.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds the out-of-state travel needs of its senior auditors, as well as providing the general office expenses for the Division, and the expenses of five programs supporting the Division: Office Collection; Office Audit; Protest Resolution; Field Compliance; and Field Audit.

Request: The Department requests an appropriation of \$1,042,628, comprised of \$1,032,162 General Fund, and \$10,466 cash funds.

Recommendation: Staff recommends approval of the Department's request, which reflects savings in this Division from the EDO realignment.

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Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,054,468	\$1,044,002	\$10,466	0.0
TOTAL	\$1,054,468	\$1,044,002	\$10,466	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,054,468	\$1,044,002	\$10,466	0.0
R-4 EDO Realignment	(11,840)	(11,840)	0	0.0
JBC STAFF RECOMMENDATION	\$1,042,628	\$1,032,162	\$10,466	0.0
Increase/(Decrease)	(\$11,840)	(\$11,840)	\$0	0.0
Percentage Change	(1.1%)	(1.1%)	0.0%	0.0%
FY 2013-14 Executive Request:	\$1,042,628	\$1,032,162	\$10,466	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Joint Audit Program

This line item provides funding for the state's membership in the Multi-State Tax Commission (MTC). The MTC conducts audits on out-of-state businesses, which complements the Department's efforts in the Field Audit Program. The Department has had a partnership with the MTC for over 20 years.

Request: The Department requests a continuation appropriation of \$131,244 General Fund.

Recommendation: Staff recommends approval of the continuation appropriation.

Mineral Audit Program

Pursuant to Section 24-35-115, C.R.S., the Department audits royalties associated with oil, gas, and mineral mining activity on federal, state, and private land. Audits are conducted by a work group in the Department which statutorily can have no other duties. The majority of the funding comes from the federal government, with the remainder coming from the State Land Board and the Oil and Gas Conservation Commission, both in the Department of Natural Resources. Federal funds are from the Federal Minerals Management Service (MMS) as the Department conducts audits on their behalf on lands under federal control.

Request: The Department requests a continuation appropriation of \$890,388, which is comprised of \$66,000 reappropriated funds from the two programs in the Department of Natural Resources, the State Board of Land Commissioners for \$65,500 and the Oil and Gas Conservation Commission for \$500 and \$824,388 federal funds.

Recommendation: Staff recommends approval of the continuation appropriation.

(C) TAXPAYER SERVICE DIVISION

The Taxpayer Services Division facilitates the process of filing tax returns and understanding the state's tax system through outreach activities and by staffing a call center which answers

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questions from the taxpaying public. Efforts are also focused on distributing information through the media and by maintaining a website. The division maintains regional service centers in Grand Junction, Fort Collins, Denver, Colorado Springs, and Pueblo to serve walk-in taxpayers. It produces public information and education programs that enhance voluntary compliance. The staff not only provides information but also may resolve problems by updating or correcting a taxpayer's account or by explaining the department's position on the basis of tax law and policy.

This division collects local sales taxes on behalf of non-home-rule cities, counties, and special districts. It ensures that all taxpayer liabilities have been paid to other state agencies, as well as to the U.S. Internal Revenue Service, before a refund is issued. The division administers the property tax/rent heat/fuel grant program; severance taxes; the gasoline, special fuel, and aviation fuel environmental response surcharge; the International Fuel Tax Agreement; cigarette, tobacco, and liquor excise taxes; public utility assessments; and food service licensing.

Taxpayer Service Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$5,531,992	\$4,946,313	\$585,679	76.9
Other Legislation	<u>56,433</u>	<u>56,433</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,588,425	\$5,002,746	\$585,679	76.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$5,588,425	\$5,002,746	\$585,679	76.9
Annualize Prior Year Legislation	(65,206)	(65,206)	0	(0.2)
JBC Staff Initiated Indirect Cost Adjustment	<u>6,626</u>	<u>0</u>	<u>6,626</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$5,529,845	\$4,937,540	\$592,305	76.7
Increase/(Decrease)	(\$58,580)	(\$65,206)	\$6,626	(0.2)
Percentage Change	(1.0%)	(1.3%)	1.1%	(0.3%)
FY 2013-14 Executive Request:	\$5,523,219	\$4,937,540	\$585,679	76.7
Request Above/(Below) Recommendation	(\$6,626)	\$0	(\$6,626)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$4,634,115 total funds and 75.2 FTE, which includes \$4,535,530 General Fund and \$98,585 cash funds.

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Recommendation: Staff recommends approval of the Department's request, which is a continuation request with only annualization of prior year legislation.

The recommended appropriation includes \$98,585 cash funds, including \$7,754 from waste tire fees that are used for the administration of the collection of the waste tire fee. The Committee ran a bill, S.B. 13-115, which would deposit this amount into the Waste Tire Fee Administration Cash Fund. This bill is currently on the Governor's desk awaiting his signature. If he signs the bill, the \$7,754 will be letternoted in the Long Bill as being appropriated from that fund. If the Governor vetoes the bill, the letternote will remain the same as the 2012 Long Bill.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	4,642,888	4,544,303	98,585	75.4
Other Legislation	56,433	56,433	0	0.0
TOTAL	\$4,699,321	\$4,600,736	\$98,585	75.4
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$4,699,321	\$4,600,736	\$98,585	75.4
Annualize Prior Year Legislation	(65,206)	(65,206)	0	(0.2)
JBC STAFF RECOMMENDATION	\$4,634,115	\$4,535,530	\$98,585	75.2
Increase/(Decrease)	(\$65,206)	(\$65,206)	\$0	(0.2)
Percentage Change	(1.4%)	(1.4%)	0.0%	(0.3%)
FY 2013-14 Executive Request:	\$4,634,115	\$4,535,530	\$98,585	75.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

The largest expenditure in this line is for transaction fees (which are capped at \$13,000 per month) for the automated call system. These fees are assessed per interactive voice response system call and web hits. It also funds general office supplies and expenses.

Request: The Department requests a continuation appropriation of \$402,510 total funds, including \$402,010 General Fund.

Recommendation: Staff recommends approval of the continuation appropriation.

Fuel Tracking System

Pursuant to Section 39-27-109, C.R.S., the Department of Revenue tracks the movement of gasoline and special fuel with the goal of expediting the collection of excise taxes. Most funding provides an electronic tracking system maintained by a third party. Funding for this program is from the Highway Users Trust Fund (not from "off-the-top" moneys), pursuant to Section 43-4-201 (3) (a) (V), C.R.S.

Request: The Department requests a continuation appropriation of \$486,594 cash funds and 1.5 FTE.

Recommendation: Staff recommends approval of the continuation appropriation.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: The recommends an appropriation of \$6,626 cash funds.

(C) TAX CONFEREE

This section conducts pre-hearing conferences to resolve protests of tax assessments and refund denials, so that the dispute does not need to proceed to a formal administrative hearing. The tax conferee resolves about 95 percent of disputes at a pre-hearing conference. If a pre-hearing fails, tax conferee staff coordinates legal representation in hearings and lawsuits and facilitates settlements at any stage. Under section 29-2-106.1, C.R.S., Department staff may hear appeals of final decisions from home rule cities and counties.

Tax Conferee			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$2,688,906</u>	<u>\$2,688,906</u>	<u>12.2</u>
TOTAL	\$2,688,906	\$2,688,906	12.2
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	<u>\$2,688,906</u>	<u>\$2,688,906</u>	<u>12.2</u>
JBC STAFF RECOMMENDATION	\$2,688,906	\$2,688,906	12.2
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

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Request: The Department requests a continuation appropriation of \$2,627,732 General Fund and 12.2 FTE.

Recommendation: Staff recommends approval of the continuation appropriation.

Operating Expenses

This line item funds subscriptions to legal research materials and phone charges, plus general office supplies and expenses.

Request: The Department requests a continuation appropriation of \$61,174 General Fund.

Recommendation: Staff recommends approval of the continuation appropriation.

(E) SPECIAL PURPOSE

This section of the Long Bill provides funding for four "pass-through" programs administered by the Department. The oversight costs are relatively small and are absorbed by other divisions within the Taxation Business Group.

Special Purpose				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$19,145,324	\$17,700,000	\$1,445,324	0.0
TOTAL	\$19,145,324	\$17,700,000	\$1,445,324	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$19,145,324	\$17,700,000	\$1,445,324	0.0
September OSPB Adjustments	(500,000)	(500,000)	0	0.0
Adjust Amendment 35 Distribution to Local Government	(9,900)	0	(9,900)	0.0
JBC STAFF RECOMMENDATION	\$18,635,424	\$17,200,000	\$1,435,424	0.0
Increase/(Decrease)	(\$509,900)	(\$500,000)	(\$9,900)	0.0
Percentage Change	(2.7%)	(2.8%)	(0.7%)	0.0%
FY 2013-14 Executive Request:	\$18,645,324	\$17,200,000	\$1,445,324	0.0
Request Above/(Below) Recommendation	\$9,900	\$0	\$9,900	0.0

LINE ITEM DETAIL

Cigarette Tax Rebate

Pursuant to Section 39-22-623, C.R.S., this program distributes 27 percent of the gross state revenue from state cigarette tax to incorporated cities and towns that levy taxes and adopt formal budgets as well as to counties. These distributions are made in proportion to the state sales taxes collected in the jurisdiction to the total state sales taxes collected, which the Department of

Revenue annually certifies to the State Treasurer. In order to qualify for the rebate, units of local government are prohibited from imposing fees, licenses or taxes on cigarettes.

This appropriation is exempt from the limits on General Fund appropriations as set forth in Section 24-75-201.1 (1) (a) (II.5), C.R.S. and is included in the Long Bill for informational purposes.

Request: The Department requests an appropriation of \$10,000,000. The Department's request is based on the September 2012 Office of State Planning and Budgeting (OSPB) economic forecast.

Recommendation: Staff recommends an appropriation based on the March 2013 economic forecast that the JBC adopts as its revenue forecast. Based on the December 2012 OSPB economic forecast, the appropriation is \$10,500,000. Based Legislative Council Staff economic forecast, the appropriation would be \$11,000,000. Staff requests permission to reflect, for this line, the estimate from the March 2013 forecast that the Committee elects to utilize.

Amendment 35 Distribution to Local Governments

House Bill 05-1262 implemented Amendment 35, passed by the voters in November 2004. Three percent of the total Revenue and interest earned on proceeds deposited into the Tobacco Tax Cash Fund are earmarked for municipal and county governments to "compensate proportionately for tax Revenue reductions attributable to lower cigarette and tobacco sales resulting from implementation of the tax." These moneys are allocated to local governments according to the provisions set forth in Section 39-22-623, C.R.S. The Department of Revenue is part of the 3 percent allocation to the General Fund (20%), the Old Age Pension Medical Fund (50%), and the Department of Revenue (30%).

This appropriation is authorized by Section 21 of Article X of the Colorado Constitution and thus, is not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution. The appropriation is included in the Long Bill for informational purposes.

Request: The Department requests a continuation appropriation of \$1,324,800 cash funds from the Tobacco Tax Cash Fund, based on the September 2012 OSPB economic forecast.

Recommendation: Staff requests permission to reflect, for this line, the estimate from the March 2013 forecast that the Committee elects to utilize. Based on the December 2012 LCS forecast, the amount would be \$1,314,900.

Old Age Heat and Fuel and Property Tax Assistance Grant

Pursuant to Sections 39-31-101 and 104, C.R.S., the Department distributes heat, fuel and property tax assistance grants to qualified low-income individuals age 65 and over or disabled. This appropriation is exempt from the limits on General Fund appropriations as set forth in Section 24-75-201.1 (1) (a) (II.5), C.R.S. and is included in the Long Bill for informational purposes. Homeowners and renters who are senior citizens (65 years of age or older) or disabled

and who meet the income eligibility limits for the program receive a rebate of up to \$600 for property taxes and a rebate of up to \$192 for heat or fuel expenses.

Request: The Department requests an appropriation of \$7,200,000 General Fund. The Department's request is based on the September 2012 Office of State Planning and Budgeting (OSPB) economic forecast.

Recommendation: Staff recommends an appropriation based on the March 2013 economic forecast that the JBC adopts as its revenue forecast. Based on the both the December 2012 OSPB and Legislative Council Staff economic forecasts, the appropriation would be \$7,100,000. Staff requests permission to reflect, for this line, the estimate from the March 2013 forecast that the Committee elects to utilize.

Commercial Vehicle Enterprise Sales Tax Refund

Section 42-1-225, C.R.S. requires the Department of Revenue to issue sales tax refunds for entities that paid sales taxes on qualified purchases or lease of commercial vehicles used for interstate commerce. The sales tax refund comes from the Commercial Vehicle Enterprise Tax Fund. Moneys in the cash fund are derived from a portion of the fines on overweight vehicles and pursuant to Section 42-1-225 (1), C.R.S., moneys in the fund are continuously appropriated to the Department of Revenue.

Request: The Department requests an informational appropriation of \$120,524 cash funds from the Commercial Vehicle Enterprise Tax Fund.

Recommendation: Staff recommends reflecting the Department's request as an informational appropriation.

(5) Division of Motor Vehicles

The Division of Motor Vehicles issues drivers licenses and state identification cards; keeps driver records; issues titles for and registers motor vehicles; regulates commercial driving schools; administers the International Registry Program for commercial vehicles; oversees vehicle testing stations and personnel in the state's vehicle emissions testing program; oversees the Motorist Insurance Identification Database, and assists drivers who have been convicted of drunk driving with obtaining ignition interlock devices to enable those drivers to operate motor vehicles with restrictions placed upon them.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Motor Vehicles				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$33,294,912	\$14,643,372	\$18,651,540	414.2
SB 13-103 - FY 2012-13 Supplemental	(60,445)	(1,851)	(58,594)	(1.2)
HB 12-1019 (Ports of Entry)	444,804	617,225	(172,421)	7.5
HB 12-1216 (Refinance DMV)	0	(14,601,374)	14,601,374	0.0
License Plate Bills	91,212	0	91,212	0.0
Other Legislation	<u>236,540</u>	<u>10,584</u>	<u>225,956</u>	<u>1.8</u>
TOTAL	\$34,007,023	\$667,956	\$33,339,067	422.3
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$34,007,023	\$667,956	\$33,339,067	422.3
Annualize Prior Year Legislation	(240,919)	(10,584)	(230,335)	(0.6)
Annualize SB 13-103 (FY 2012-13 Supplemental	60,445	1,851	58,594	1.2
Department Indirect Costs Adjustment	0	(3,829)	3,829	0.0
Cash Funds Adjustment	0	0	0	0.0
R-4 EDO Realignment	(484,703)	4,847	(489,550)	(6.3)
BA 1 - Eliminate County Jail ID Processing Unit	(60,445)	0	(60,445)	(1.2)
JBC Staff Initiated Indirect Cost Adjustment	<u>2,971,099</u>	<u>0</u>	<u>2,971,099</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$36,252,500	\$660,241	\$35,592,259	415.4
Increase/(Decrease)	\$2,245,477	(\$7,715)	\$2,253,192	(6.9)
Percentage Change	6.6%	(1.2%)	6.8%	(1.6%)
FY 2013-14 Executive Request:	\$33,281,411	\$660,241	\$32,621,170	415.4
Request Above/(Below) Recommendation	(\$2,971,089)	\$0	(\$2,971,089)	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Base adjustments: The recommendation includes annualization of prior year legislation, the Department's FY 2012-13 supplemental, Departmental indirect cost adjustments, and cash funds adjustments.

EDO realignment: The recommendation includes a reduction \$480,000, primarily cash funds, and 6.3 FTE to reflect the realignment of the Executive Director's Office.

Eliminate County Jail Identification Processing Unit: The recommendation includes a reduction of \$60,000 cash funds to reflect the elimination of the County Jail Identification Processing Unit.

JBC Staff Initiated indirect costs adjustments: The recommendation includes an increase of \$3.0 million due to the JBC staff initiative to better reflect the costs, including indirect costs, of each cash-funded division. Overall, this initiative results in a decrease in General Fund and cash funds, and an increase in reappropriated funds.

(A) ADMINISTRATION

The Division's administrative functions are contained in this long bill group. Senior management and the budget and support functions of the entire division are contained within this section.

Division of Motor Vehicles Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$969,235	\$416,191	\$553,044	11.0
SB 13-103 - FY 2012-13 Supplemental	0	(1,851)	1,851	0.0
HB 12-1019 (Ports of Entry)	(152,297)	20,124	(172,421)	(2.5)
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(408,535)</u>	<u>408,535</u>	<u>0.0</u>
TOTAL	\$816,938	\$25,929	\$791,009	8.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$816,938	\$25,929	\$791,009	8.5
Annualize SB 13-103 (FY 2012-13 Supplemental	0	1,851	(1,851)	0.0
Department Indirect Costs Adjustment	0	(3,829)	3,829	0.0
R-4 EDO Realignment	<u>136,161</u>	<u>4,847</u>	<u>131,314</u>	<u>1.0</u>
JBC STAFF RECOMMENDATION	\$953,099	\$28,798	\$924,301	9.5
Increase/(Decrease)	\$136,161	\$2,869	\$133,292	1.0
Percentage Change	16.7%	11.1%	16.9%	11.8%
FY 2013-14 Executive Request:	\$953,099	\$28,798	\$924,301	9.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$900,749 total funds and 9.5 FTE, comprised of \$27,216 General Fund and \$873,533 cash funds. The request reflects annualization of 2012 legislation and the effects of the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$914,985	\$382,787	\$532,198	11.0
SB 13-103 - FY 2012-13 Supplemental	0	(3,231)	3,231	0.0
HB 12-1019 (Ports of Entry)	(149,447)	19,873	(169,320)	(2.5)
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(375,131)</u>	<u>375,131</u>	<u>0.0</u>
TOTAL	\$765,538	\$24,298	\$741,240	8.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$765,538	\$24,298	\$741,240	8.5
Annualize SB 13-103 (FY 2012-13 Supplemental)	0	3,231	(3,231)	0.0
Department Indirect Costs Adjustment	0	(5,085)	5,085	0.0
R-4 EDO Realignment	<u>135,211</u>	<u>4,772</u>	<u>130,439</u>	<u>1.0</u>
JBC STAFF RECOMMENDATION	\$900,749	\$27,216	\$873,533	9.5
Increase/(Decrease)	\$135,211	\$2,918	\$132,293	1.0
Percentage Change	17.7%	12.0%	17.8%	11.8%
FY 2013-14 Executive Request:	\$900,749	\$27,216	\$873,533	9.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$52,350 total funds, comprised of \$1,582 General Fund and \$50,768 cash funds. The request reflects annualization of 2012 legislation and the effects of the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$54,250	\$33,404	\$20,846	0.0
SB 13-103 - FY 2012-13 Supplemental	0	1,380	(1,380)	0.0
HB 12-1019 (Ports of Entry)	(2,850)	251	(3,101)	0.0
HB 12-1216 (Refinance DMV)	<u>0</u>	<u>(33,404)</u>	<u>33,404</u>	<u>0.0</u>
TOTAL	\$51,400	\$1,631	\$49,769	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$51,400	\$1,631	\$49,769	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental)	0	(1,380)	1,380	0.0
Department Indirect Costs Adjustment	0	1,256	(1,256)	0.0
R-4 EDO Realignment	<u>950</u>	<u>75</u>	<u>875</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$52,350	\$1,582	\$50,768	0.0
Increase/(Decrease)	\$950	(\$49)	\$999	0.0
Percentage Change	1.8%	(3.0%)	2.0%	0.0%
FY 2013-14 Executive Request:	\$52,350	\$1,582	\$50,768	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(B) DRIVER AND VEHICLE SERVICES

This section administers drivers licensing and records management, motor vehicle registration, the regulation of commercial driving schools, and ordering and distribution of license plates for all county and state offices. This section operates 37 driver's license offices and oversees 17 county driver's license offices statewide. The offices also perform non-driver related tasks, including registering voters, sending file information to the U.S. Selective Service System for prospective registrants, verifying social security numbers with the Social Security Administration, registering organ and tissue donors, and soliciting donations for the Donor Awareness Council.

The Driver Control Program maintains the official records of all drivers in the state; records administrative sanctions against drivers; takes administrative action revoking driving privileges when information is received from courts, law enforcement agencies, or other appropriate agencies; and investigates fraud.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Driver and Vehicle Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$27,741,075	\$14,227,181	\$13,513,894	350.1
SB 13-103 - FY 2012-13 Supplemental	(60,445)	0	(60,445)	(1.2)
HB 12-1019 (International Registration Program)	597,101	597,101	0	10.0
HB 12-1216 (Refinance DMV)	0	(14,192,839)	14,192,839	0.0
License Plate Bills	91,212		91,212	0.0
Other Legislation	<u>188,702</u>	<u>10,584</u>	<u>178,118</u>	<u>1.0</u>
TOTAL	\$28,557,645	\$642,027	\$27,915,618	359.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$28,557,645	\$642,027	\$27,915,618	359.9
Annualize Prior Year Legislation	(199,032)	(10,584)	(188,448)	0.1
Annualize SB 13-103 (FY 2012-13 Supplemental	60,445	0	60,445	1.2
Cash Funds Adjustment	0	0	0	0.0
R-4 EDO Realignment	(620,864)	0	(620,864)	(7.3)
BA 1 - Eliminate County Jail ID Processing Unit	(60,445)	0	(60,445)	(1.2)
JBC Staff Initiated Indirect Cost Adjustment	<u>2,522,245</u>	<u>0</u>	<u>2,522,245</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$30,259,994	\$631,443	\$29,628,551	352.7
Increase/(Decrease)	\$1,702,349	(\$10,584)	\$1,712,933	(7.2)
Percentage Change	6.0%	(1.6%)	6.1%	(2.0%)
FY 2013-14 Executive Request:	\$27,737,759	\$631,443	\$27,106,316	352.7
Request Above/(Below) Recommendation	(\$2,522,235)	\$0	(\$2,522,235)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions. The cash funds are primarily from the Licensing Services Cash Fund, the following accounts of the Highway Users Tax Fund: the Colorado State Titling and Registration Account, Driver's License Administrative Revocation Account, and the First-time Drunk Driving Offender Account, and several funds that provide minimal funding.

Request: The Department requests an appropriation of \$16,398,665 total funds and 352.7 FTE, comprised of \$593,398 General Fund and \$15,805,267 cash funds. The request includes reductions in funding to reflect the EDO realignment and the elimination of the County Jail Identification Processing Unit.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends approval of the Department's request.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$16,447,849	\$9,449,164	\$6,998,685	350.1
SB 13-103 - FY 2012-13 Supplemental	(54,103)	0	(54,103)	(1.2)
HB 12-1019 (Ports of Entry)	559,056	559,056	0	10.0
HB 12-1216 (Refinance DMV)	0	(9,414,822)	9,414,822	0.0
Other Legislation	<u>52,370</u>	<u>10,584</u>	<u>41,786</u>	<u>1.0</u>
TOTAL	\$17,005,172	\$603,982	\$16,401,190	359.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$17,005,172	\$603,982	\$16,401,190	359.9
Annualize Prior Year Legislation	(6,188)	(10,584)	4,396	0.1
Annualize SB 13-103 (FY 2012-13 Supplemental	54,103	0	54,103	1.2
R-4 EDO Realignment	(600,329)	0	(600,329)	(7.3)
BA 1 - Eliminate County Jail ID Processing Unit	<u>(54,103)</u>	<u>0</u>	<u>(54,103)</u>	<u>(1.2)</u>
JBC STAFF RECOMMENDATION	\$16,398,655	\$593,398	\$15,805,257	352.7
Increase/(Decrease)	(\$606,517)	(\$10,584)	(\$595,933)	(7.2)
Percentage Change	(3.6%)	(1.8%)	(3.6%)	(2.0%)
FY 2013-14 Executive Request:	\$16,398,665	\$593,398	\$15,805,267	352.7
Request Above/(Below) Recommendation	\$10	\$0	\$10	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$1,694,660 total funds, comprised of \$38,045 General Fund and \$1,656,615 cash funds. This is a reduction due to the EDO realignment and the elimination of the County Jail Identification Processing Unit.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,683,492	\$1,216,876	\$466,616	0.0
SB 13-103 - FY 2012-13 Supplemental	(6,342)	0	(6,342)	0.0
HB 12-1019 (Ports of Entry)	38,045	38,045	0	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
HB 12-1216 (Refinance DMV)	0	(1,216,876)	1,216,876	0.0
TOTAL	\$1,715,195	\$38,045	\$1,677,150	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,715,195	\$38,045	\$1,677,150	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	6,342	0	6,342	0.0
R-4 EDO Realignment	(20,535)	0	(20,535)	0.0
BA 1 - Eliminate County Jail ID Processing Unit	(6,342)	0	(6,342)	0.0
JBC STAFF RECOMMENDATION	\$1,694,660	\$38,045	\$1,656,615	0.0
Increase/(Decrease)	(\$20,535)	\$0	(\$20,535)	0.0
Percentage Change	(1.2%)	0.0%	(1.2%)	0.0%
FY 2013-14 Executive Request:	\$1,694,660	\$38,045	\$1,656,615	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Driver's License Documents

This line item funds all material costs associated with the production of driver's licenses, instructional permits, and identification cards including related security features. The physical driver's license is produced by a third party vendor under contract to the Department, who also mails the document to the customer. The line also provides funding for verification of Social Security information, and verification of an applicant's legal immigration/visa status. In addition to receiving funding from the Licensing Services Cash Fund, this line receives funding for security purposes from the Identification Security Fund.

Request: The Department requests a continuation appropriation of \$4,314,318 cash funds.

Recommendation: Staff recommends approval of the Department's request.

License Plate Ordering

This line item funds payments to the Department of Correction, Correctional Industries for producing and distributing license plates, permits, placards, tabs, and other related items. These products are distributed to the State's 64 counties and the State offices for timely distribution to customers. The funding comes from the License Plate Cash Fund, which is funded by fees charged for license plates and associated products. Funding comes from the Identification Security Fund and the Licensing Services Cash Fund.

Request: The Department requests an appropriation of \$5,330,116, which is a base continuation.

Recommendation: Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

License Plate Ordering				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$5,295,416	\$0	\$5,295,416	0.0
License Plate Bills	91,212	0	91,212	0.0
Other Legislation	<u>136,332</u>	<u>0</u>	<u>136,332</u>	<u>0.0</u>
TOTAL	\$5,522,960	\$0	\$5,522,960	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$5,522,960	\$0	\$5,522,960	0.0
Annualize Prior Year Legislation	(192,844)	0	(192,844)	0.0
Cash Funds Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$5,330,116	\$0	\$5,330,116	0.0
Increase/(Decrease)	(\$192,844)	\$0	(\$192,844)	0.0
Percentage Change	(3.5%)	0.0%	(3.5%)	0.0%
FY 2013-14 Executive Request:	\$5,330,116	\$0	\$5,330,116	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$2,522,245 cash funds.

(C) VEHICLE EMISSIONS

This unit conducts inspections of emissions stations to ensure compliance with vehicle emissions testing standards under the Automobile Inspection and Readjustment (AIR) program. Staff is responsible for licensing all emissions stations and inspectors, and overseeing station operations to prevent fraud and abuse. All funding for the program is from the AIR account, a subaccount of the Highway Users Tax Fund.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Vehicle Emissions				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$1,168,693</u>	<u>\$0</u>	<u>\$1,168,693</u>	<u>15.0</u>
TOTAL	\$1,168,693	0	\$1,168,693	15.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,168,693	0	\$1,168,693	15.0
JBC Staff Initiated Indirect Cost Adjustment	<u>138,121</u>	<u>0</u>	<u>138,121</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,306,814	0	\$1,306,814	15.0
Increase/(Decrease)	\$138,121	0	\$138,121	0.0
Percentage Change	11.8%	0.0%	11.8%	0.0%
FY 2013-14 Executive Request:	\$1,168,693	0	\$1,168,693	15.0
Request Above/(Below) Recommendation	(\$138,121)	0	(\$138,121)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests a continuation appropriation of \$1,081,868 cash funds and 15.0 FTE.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests a continuation appropriation of \$86,825 cash funds.

Recommendation: Staff recommends approval of the Department's request.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$138,121 cash funds.

(D) TITLES

The Titles program is responsible for the issuance of legal, negotiable certificates of title to prove vehicle ownership and protect the public when purchasing motor vehicles. Program staff reviews all high-risk title applications to verify that the assignment of ownership has been properly made. The program also assists the public, counties, law enforcement agencies and other state agencies by responding to other information requests and is responsible for managing and maintaining all title records. The program is funded through the Colorado State Titling and Registration (CSTARS) Account, a sub-account of the Highway Users Tax Fund.

Titles				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,938,619	\$0	\$1,938,619	32.1
Other Legislation	47,838	0	47,838	0.8
TOTAL	\$1,986,457	\$0	\$1,986,457	32.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,986,457	\$0	\$1,986,457	32.9
Annualize Prior Year Legislation	(41,887)	0	(41,887)	(0.7)
JBC Staff Initiated Indirect Cost Adjustment	283,623	0	283,623	0.0
JBC STAFF RECOMMENDATION	\$2,228,193	\$0	\$2,228,193	32.2
Increase/(Decrease)	\$241,736	\$0	\$241,736	(0.7)
Percentage Change	12.2%	0.0%	12.2%	(2.1%)
FY 2013-14 Executive Request:	\$1,944,570	\$0	\$1,944,570	32.2
Request Above/(Below) Recommendation	(\$283,623)	\$0	(\$283,623)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$1,638,996 cash funds and 32.2 FTE. The only change from the prior year is annualization of legislation.

Recommendation: Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,633,045	\$0	\$1,633,045	32.1
Other Legislation	<u>28,426</u>	<u>0</u>	<u>28,426</u>	<u>0.8</u>
TOTAL	\$1,661,471	\$0	\$1,661,471	32.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,661,471	\$0	\$1,661,471	32.9
Annualize Prior Year Legislation	<u>(22,475)</u>	<u>0</u>	<u>(22,475)</u>	<u>(0.7)</u>
JBC STAFF RECOMMENDATION	\$1,638,996	\$0	\$1,638,996	32.2
Increase/(Decrease)	(\$22,475)	\$0	(\$22,475)	(0.7)
Percentage Change	(1.4%)	0.0%	(1.4%)	(2.1%)
FY 2013-14 Executive Request:	\$1,638,996	\$0	\$1,638,996	32.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$305,574 cash funds. The only change from the prior year is annualization of legislation.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$305,574	\$0	\$305,574	0.0
Other Legislation	<u>19,412</u>	<u>0</u>	<u>19,412</u>	<u>0.0</u>
TOTAL	\$324,986	\$0	\$324,986	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$324,986	\$0	\$324,986	0.0
Annualize Prior Year Legislation	<u>(19,412)</u>	<u>0</u>	<u>(19,412)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$305,574	\$0	\$305,574	0.0
Increase/(Decrease)	(\$19,412)	\$0	(\$19,412)	0.0
Percentage Change	(6.0%)	0.0%	(6.0%)	0.0%
FY 2013-14 Executive Request:	\$305,574	\$0	\$305,574	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$283,623 cash funds.

(E) MOTORIST INSURANCE IDENTIFICATION DATABASE PROGRAM

This program helps law enforcement officials verify owner compliance with motor vehicle insurance requirements and authorizes administrative suspension of driver's licenses that are held by motorists suspected of being uninsured. A \$0.10 motorist insurance identification fee is credited to the Motorist Insurance Identification (MII) Account, a special purpose account within the Highway Users Tax Fund (HUTF), whenever a motor vehicle is registered. All funding for the program is from the MII Account.

Motorist Insurance Identification Database Program

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions. It also pays for the operating expenses of the program such as telecommunications services, office supplies, and printing expenses. Because this program has only 1.0 FTE, it was consolidated into a "program line" for the FY 2012-13 Long Bill.

Request: The Department requests a continuation appropriation of \$330,517 cash funds and 1.0 FTE. The request includes \$330,017 for personal services, primarily for a contract to manage the database and 1.0 FTE for administrative support, and \$500 for operating expenses.

Recommendation: Staff recommends approval of the Department's continuation request.

(F) IGNITION INTERLOCK PROGRAM

House Bill 08-1194 requires first time drunk driving offenders to obtain an ignition interlock for their vehicle in order to reinstate their licenses. It increased the driver's license reinstatement fee by \$35 and credited that increase to the newly created "First Time Drunk Driver Offender account. The moneys in the account were to be used to assist those who cannot afford an ignition interlock system to purchase them so they can continue to drive for employment related purposes. The fund also supports high-visibility drunk-driving enforcement actions administered by the Department of Transportation.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Ignition Interlock Program				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$1,146,773</u>	<u>\$0</u>	<u>\$1,146,773</u>	<u>5.0</u>
TOTAL	\$1,146,773	\$0	\$1,146,773	5.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,146,773	\$0	\$1,146,773	5.0
JBC Staff Initiated Indirect Cost Adjustment	<u>27,110</u>	<u>0</u>	<u>27,110</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$1,173,883	\$0	\$1,173,883	5.0
Increase/(Decrease)	\$27,110	\$0	\$27,110	0.0
Percentage Change	2.4%	0.0%	2.4%	0.0%
FY 2013-14 Executive Request:	\$1,146,773	\$0	\$1,146,773	5.0
Request Above/(Below) Recommendation	(\$27,110)	\$0	(\$27,110)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests a continuation appropriation of \$211,931 cash funds and 5.0 FTE.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses

This line item provides funding for ignition interlock devices that are then provided to participants in the program. The line also funds telecommunications services, general office supplies and printing costs.

Request: The Department requests a continuation appropriation of \$934,842 cash funds.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$27,110 cash funds.

(6) Motor Carrier Services Division

The Motor Carrier Services Division was eliminated from the Department by HB 12-1019, which transferred the Ports of Entry to the Colorado State Patrol and the International Registration Program to the Division of Motor Vehicles. In 2010, the General Assembly had moved the Motor Carrier Safety Assistance Program to the Colorado State Patrol. An appropriation for this Division was neither requested nor recommended.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Motor Carrier Services Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	8,000,267	592,353	7,407,914	127.8
SB 13-103 - FY 2012-13 Supplemental	4,748	4,748	0	0.0
HB 12-1019 (Ports of Entry)	<u>(8,005,015)</u>	<u>(597,101)</u>	<u>(7,407,914)</u>	<u>(127.8)</u>
TOTAL	\$0	\$0	\$0	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$0	\$0	\$0	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	(4,748)	(4,748)	0	0.0
Department Indirect Costs Adjustment	<u>4,748</u>	<u>4,748</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(6) Enforcement Business Group

(7) ENFORCEMENT BUSINESS GROUP

This group regulates and enforces laws related to: limited gaming; the State's liquor wholesalers and retailers and tobacco retailers; licenses liquor retailers, wholesalers, and manufacturers; issues alcohol licenses for special events; regulates live horse racing events and pari-mutuel wagering (including off-track simulcast establishments); regulates and licenses the motor vehicle dealer industry; adjudicates complaints and other issues related to drivers licenses, liquor licenses, certain racing licenses, and some tax disputes; and licenses and regulates the medical marijuana industry (including cultivation, manufacturing, and retail facilities).

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Enforcement Business Group					
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$51,660,587	\$341,047	\$51,220,303	\$99,237	239.4
SB 13-103 - FY 2012-13 Supplemental	90,459	41,457	23,659	25,343	0.0
HB 12-1019 (Ports of Entry)	19,510		19,510	0	0.0
HB 12-1216 (Refinance DMV)	<u>(31,385)</u>		<u>(31,385)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,739,171	\$382,504	\$51,232,087	\$124,580	239.4
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$51,739,171	\$382,504	\$51,232,087	\$124,580	239.4
Annualize SB 13-103 (FY 2012-13 Supplemental	(90,459)	(41,457)	(23,659)	(25,343)	0.0
Department Indirect Costs Adjustment	239,766	14,241	211,780	13,745	0.0
R-4 EDO Realignment	76,258	(7,950)	(82,426)	166,634	(2.0)
R-5 EUDL Grant Funding Restoration	88,113	0	88,113	0	0.0
JBC Staff Indirect Cost Adjustment	164,390	0	164,390	0	0.0
JBC Staff Initiated Division of Racing Events Reduction	<u>(186,011)</u>	<u>0</u>	<u>(186,011)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$52,031,228	\$347,338	\$51,404,274	\$279,616	237.4
Increase/(Decrease)	\$292,057	(\$35,166)	\$172,187	\$155,036	(2.0)
Percentage Change	0.6%	(9.2%)	0.3%	124.4%	(0.8%)
FY 2013-14 Executive Request:	\$52,052,849	\$347,338	\$51,425,895	\$279,616	237.4
Request Above/(Below) Recommendation	\$21,621	\$0	\$21,621	\$0	(0.0)

Issue Descriptions

Base adjustments: The recommendation includes annualization of prior year legislation, the Department's FY 2012-13 supplemental, and Departmental indirect costs adjustments.

EDO realignment: The recommendation includes appropriations adjustments to reflect the approval of the Executive Director's Office realignment. In this Division, the total is an increase of \$76,000 total funds, which is comprised of an \$8,000 decrease in General Fund, an \$82,000 decrease in cash funds, and a \$167,000 increase in reappropriated funds.

EUDL grant funding replacement: The recommendation includes an increase of \$88,000 cash funds to appropriate state moneys for enforcement of underage drinking laws. The appropriation replaces a federal grant.

JBC Staff initiated indirect costs adjustments: The recommendation includes an increase of \$165,000 due to the JBC staff initiative to better reflect the costs, including indirect costs, of each cash-funded division. Overall, this initiative results in a decrease in General Fund and cash funds, and an increase in reappropriated funds.

JBC Staff Initiated Division of Racing Events Reduction: The recommendation includes a decrease due to significant reversions in the Personal Services line over the last four years.

(A) ADMINISTRATION

The Enforcement Business Group's administrative functions are contained in this separate long bill group, which contains senior management, budget, and support functions of the Enforcement Business Group.

Enforcement Business Group – Administration					
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$642,683	\$14,408	\$529,038	\$99,237	8.0
SB 13-103 - FY 2012-13 Supplemental	<u>0</u>	<u>41,457</u>	<u>(66,800)</u>	<u>25,343</u>	<u>0.0</u>
TOTAL	\$642,683	\$55,865	\$462,238	\$124,580	8.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$642,683	\$55,865	\$462,238	\$124,580	8.0
Annualize SB 13-103 (FY 2012-13 Supplemental	0	(41,457)	66,800	(25,343)	0.0
Department Indirect Costs Adjustment	0	14,241	(27,986)	13,745	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Enforcement Business Group – Administration					
	Total Funds	General Fund	Cash Funds	Reappropri- ated Funds	FTE
R-4 EDO Realignment	<u>19,633</u>	<u>(7,950)</u>	<u>(139,051)</u>	<u>166,634</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$662,316	\$20,699	\$362,001	\$279,616	8.0
Increase/(Decrease)	\$19,633	(\$35,166)	(\$100,237)	\$155,036	0.0
Percentage Change	3.1%	(62.9%)	(21.7%)	124.4%	0.0%
FY 2013-14 Executive Request:	\$662,316	\$20,699	\$362,001	\$279,616	8.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$649,536 total funds and 8.0 FTE, comprised of \$20,299 General Fund, \$355,016 cash funds, and \$274,221 reappropriated funds. Aside from annualizations in indirect costs adjustment, the only change is to reflect the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
SB 13-103 - FY 2012-13 Supplemental	\$0	\$40,944	(\$65,052)	\$24,108	0.0
HB 12-1339 (Long Bill)	<u>629,903</u>	<u>13,810</u>	<u>518,098</u>	<u>97,995</u>	<u>8.0</u>
TOTAL	\$629,903	\$54,754	\$453,046	\$122,103	8.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$629,903	\$54,754	\$453,046	\$122,103	8.0
Annualize SB 13-103 (FY 2012-13 Supplemental	0	(40,944)	65,052	(24,108)	0.0
Department Indirect Costs Adjustment	0	14,270	(27,010)	12,740	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
R-4 EDO Realignment	19,633	(7,781)	(136,072)	163,486	0.0
JBC STAFF RECOMMENDATION	\$649,536	\$20,299	\$355,016	\$274,221	8.0
Increase/(Decrease)	\$19,633	(\$34,455)	(\$98,030)	\$152,118	0.0
Percentage Change	3.1%	(62.9%)	(21.6%)	124.6%	0.0%
FY 2013-14 Executive Request:	\$649,536	\$20,299	\$355,016	\$274,221	8.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$12,780 total funds, comprised of \$400 General Fund, \$6,985 cash funds, and \$5,395 reappropriated funds. Aside from annualizations in indirect costs adjustment, the only change is to reflect the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1339 (Long Bill)	\$12,780	\$598	\$10,940	\$1,242	0.0
SB 13-103 - FY 2012-13 Supplemental	<u>0</u>	<u>513</u>	<u>(1,748)</u>	<u>1,235</u>	<u>0.0</u>
TOTAL	\$12,780	\$1,111	\$9,192	\$2,477	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$12,780	\$1,111	\$9,192	\$2,477	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	0	(513)	1,748	(1,235)	0.0
Department Indirect Costs Adjustment	0	(29)	(976)	1,005	0.0
R-4 EDO Realignment	<u>0</u>	<u>(169)</u>	<u>(2,979)</u>	<u>3,148</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$12,780	\$400	\$6,985	\$5,395	0.0
Increase/(Decrease)	\$0	(\$711)	(\$2,207)	\$2,918	0.0
Percentage Change	0.0%	(64.0%)	(24.0%)	117.8%	0.0%
FY 2013-14 Executive Request:	\$12,780	\$400	\$6,985	\$5,395	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

(B) LIMITED GAMING DIVISION

This division licenses, regulates, and supervises any devices, persons, locations, and activities related to limited gaming in the cities of Black Hawk, Central City, and Cripple Creek. This includes conducting background checks on gaming license applicants, patrolling casinos to observe potential violations of gaming laws, and conducting audits to verify that regulated businesses remit the proper amount of gaming taxes.

The Colorado Limited Gaming Commission has the constitutional authority to allocate funds for the Division; funding is not subject to appropriation by the General Assembly. Thus, the appropriations for this Division are shown for informational purposes. The Commission has generally adopted the Committee's common policies where applicable. The source of cash funds is the Limited Gaming Fund

The Division's direct costs for Health, Life, and Dental and Short-term Disability Insurance, Amortization Equalization and Supplemental Amortization Equalization Disbursements, Worker's Compensation, Legal Services, Payment to Risk Management and Property Funds, Vehicle Lease Payments, and Leased Space for Gaming Site Offices are shown in the Executive Director's Office centrally-appropriated budget lines.

Limited Gaming Division			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	\$36,204,816	\$36,204,816	85.4
SB 13-103 - FY 2012-13 Supplemental	90,459	90,459	0.0
HB 12-1019 (Ports of Entry)	19,510	19,510	0.0
HB 12-1216 (Refinance DMV)	<u>(31,385)</u>	<u>(31,385)</u>	<u>0.0</u>
TOTAL	\$36,283,400	\$36,283,400	85.4
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$36,283,400	\$36,283,400	85.4
Annualize SB 13-103 (FY 2012-13 Supplemental	(90,459)	(90,459)	0.0
Department Indirect Costs Adjustment	239,766	239,766	0.0
R-4 EDO Realignment	120,959	120,959	(1.0)
JBC Staff Request for Indirect Cost Adjustment	<u>(539,391)</u>	<u>(539,391)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$36,014,275	\$36,014,275	84.4
Increase/(Decrease)	(\$269,125)	(\$269,125)	(1.0)
Percentage Change	(0.7%)	(0.7%)	(1.2%)
FY 2013-14 Executive Request:	\$36,553,666	\$36,553,666	84.4
Request Above/(Below) Recommendation	\$539,391	\$539,391	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$6,652,800 cash funds and 84.4 FTE, which reflects a continuation appropriation and the EDO realignment.

Recommendation: Staff recommends reflecting the Department's request as an informational appropriation.

Personal Services			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$6,784,591</u>	<u>\$6,784,591</u>	<u>85.4</u>
TOTAL	\$6,784,591	\$6,784,591	85.4
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$6,784,591	\$6,784,591	85.4
R-4 EDO Realignment	(131,791)	(131,791)	(1.0)
JBC STAFF RECOMMENDATION	\$6,652,800	\$6,652,800	84.4
Increase/(Decrease)	(\$131,791)	(\$131,791)	(1.0)
Percentage Change	(1.9%)	(1.9%)	(1.2%)
FY 2013-14 Executive Request:	\$6,652,800	\$6,652,800	84.4
Request Above/(Below) Recommendation	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$1,331,739 cash funds, which reflects the EDO realignment.

Recommendation: Staff recommends reflecting the Department's request as an informational appropriation.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Operating Expenses			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	\$1,332,689	\$1,332,689	0.0
TOTAL	\$1,332,689	\$1,332,689	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$1,332,689	\$1,332,689	0.0
R-4 EDO Realignment	(950)	(950)	0.0
JBC STAFF RECOMMENDATION	\$1,331,739	\$1,331,739	0.0
Increase/(Decrease)	(\$950)	(\$950)	0.0
Percentage Change	(0.1%)	(0.1%)	0.0%
FY 2013-14 Executive Request:	\$1,331,739	\$1,331,739	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Payments to Other State Agencies

This line item funds the costs associated with other State agencies performing work for the Limited Gaming Division. These agencies include the Colorado State Patrol, Colorado Bureau of Investigations, Division of Fire Safety, and Department of Local Affairs.

Request: The Department requests a continuation appropriation of \$3,853,589 cash funds.

Recommendation: Staff recommends reflecting the Department's request as an informational appropriation.

Distribution to Gaming Cities and Counties

The Distribution to Gaming Cities and Counties line item reflects the net proceeds distribution of Limited Gaming Funds to eligible counties and cities, including Gilpin and Teller counties, and the Cities of Black Hawk, Central City, and Cripple Creek. The Constitutional provisions provide directions as to the distribution of revenues: funding for historic preservation in the three gaming cities as well as statewide, funding for the host cities and counties for the impacts of gaming, and the General Fund for state impacts.

If one looks at the two years of actual expenditures in the numbers pages, you will notice that the expenditures greatly exceed the appropriations for those years. This is because the Office of the Controller accounts for all distributions, such as to the State Historical Society and other funds, through this line, but codes each category differently. Distributions to the limited gaming cities and counties are coded as expenditures, while transfers to the State Historical Society and other transfers are coded as transfers. This makes the line item appear to be over-expended, while the actual expenditures are well within the appropriation.

Request: The Department requests a continuation appropriation of \$23,788,902 cash funds.

Recommendation: Staff recommends reflecting the Department's request as an informational appropriation.

Indirect Cost Assessment

This line item reflects the total indirect cost assessment against the Limited Gaming Fund for the Department of Revenue. The request is based on the Departmental and Statewide Indirect Cost Allocation Plan. The plan is updated each year to reflect accurate assessments against the Limited Gaming Fund.

Request: The Department requests an appropriation of \$926,636 cash funds.

Recommendation: Staff recommends reflecting an appropriation of \$387,245 cash funds as an informational appropriation. The difference between the Department's request and the Staff recommendation relates to the JBC Staff initiated indirect costs adjustments that reduced assessments for this Division.

Indirect Cost Assessment			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	\$445,045	\$445,045	0.0
SB 13-103 - FY 2012-13 Supplemental	90,459	90,459	0.0
HB 12-1019 (Ports of Entry)	19,510	19,510	0.0
HB 12-1216 (Refinance DMV)	<u>(31,385)</u>	<u>(31,385)</u>	<u>0.0</u>
TOTAL	\$523,629	\$523,629	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$523,629	\$523,629	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental)	(90,459)	(90,459)	0.0
Department Indirect Costs Adjustment	239,766	239,766	0.0
R-4 EDO Realignment	253,700	253,700	0.0
JBC Staff Indirect Cost Adjustment	<u>(539,391)</u>	<u>(539,391)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$387,245	\$387,245	0.0
Increase/(Decrease)	(\$136,384)	(\$136,384)	0.0
Percentage Change	(26.0%)	(26.0%)	0.0%
FY 2013-14 Executive Request:	\$926,636	\$926,636	0.0
Request Above/(Below) Recommendation	\$539,391	\$539,391	0.0

(C) LIQUOR AND TOBACCO ENFORCEMENT DIVISION

This Division licenses and regulates liquor wholesalers and retailers, licenses special events to serve alcohol, and enforces federal and state laws regarding the sales of liquor and tobacco products to minors. The major sources of funding are the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Tobacco Education Programs Fund, the General Fund and the Reduced Cigarette Ignition Propensity Standards and Firefighter Protection Act Enforcement Fund.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

For the 2012 Long Bill, the former Liquor Enforcement Division and Tobacco Enforcement Program were merged to form the Liquor and Tobacco Enforcement Division.

➔ Request # 5: Underage Drinking Laws (EUDL) Grant Funding Restoration

Request: The Department requests an increase of \$88,113 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to restore the funding previously provided by a federal grant to enforce underage drinking and possession laws.

Recommendation: Staff recommends approval of the Department's request. The components of the recommendation are included in the following table.

JBC Staff Recommendation					
Request #5 - Underage Drinking Laws Grant Funding Restoration					
	FY 2012-13	FY 2013-14	FY 2013-14	FY 2013-14	FY 2014-15
	Appropriation	Base Request	Dept. Request	Recommend	Recommend*
(6) Enforcement Business Group					
(C) Liquor and Tobacco Enforcement Division					
Personal Services	\$2,140,010	\$2,227,715	\$77,899	\$77,899	\$77,899
FTE	<u>26.5</u>	<u>26.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	\$138,013	\$145,214	\$0	\$0	\$0
Cash Funds	2,001,997	2,082,501	77,899	77,899	77,899
Operating Expenses	<u>87,705</u>	<u>87,705</u>	<u>10,214</u>	<u>10,214</u>	<u>10,214</u>
General Fund	7,201	7,201	0	0	0
Cash Funds	80,504	80,504	10,214	10,214	10,214
Total	\$2,227,715	\$2,315,420	\$88,113	\$88,113	\$88,113
FTE	<u>26.5</u>	<u>26.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	\$145,214	\$152,415	\$0	\$0	\$0
Cash Funds	2,082,501	2,163,005	88,113	88,113	88,113

Analysis: Starting in FY 2004-05, the Department has received a grant from the federal government to enhance the enforcement of laws against underage drinking and minors-in-possession. The grant has been used to fund overtime for the Division's criminal investigators and underage operatives to conduct compliance checks of liquor stores and to enforce minor in possession operations at concerts, sporting events and other venues. It also provided funding for operating costs related to communication devices used by the officers and operatives in carrying out their activities.

The Department was notified that the grants would be discontinued for State FY 2013-14. The question first raised is does this request violate Section 24-75-1305, C.R.S. which bars, in certain circumstances, the replacement of grant or federal funds with State moneys. Staff consulted Nicole Myers at Legislative Legal Services for advice as to whether the request could be considered in light of this statute.

Ms. Myers researched the issue and advised Staff that she did not believe that this violates Section 24-75-1305, C.R.S. The program that was funded by the grant was not a new program, but a program for which the Department already had and continues to have the authority to provide, that being the enforcement of laws against underage drinking and possession. The request is to provide State resources to continue funding the additional enforcement activities that the grant provided funding for.

As seen in the following, over the last six years, enforcement activities funded by the grant have resulted in a total of 674 violations out of 3,769 compliance checks. The number of violations detected as a result of the grant funding over these years has averaged slightly more than 110 per year.

Enforcement of Underage Drinking Laws (EUDL) Grant					
Total Violations Detected All Actions by Enforcement Staff		Violations Detected Due to Grant Funding			
Fiscal Year	Violations	Calendar Year	Compliance Checks	Violations	Percent of Total Violations
2007	564	2007	370	96	17.0%
2008	681	2008	442	97	14.2%
2009	964	2009	517	106	11.0%
2010	920	2010	638	110	12.0%
2011	1,326	2011	1,001	146	11.0%
2012	<u>1,095</u>	2012	<u>801</u>	<u>119</u>	<u>10.9%</u>
Total	5,550	Total	3,769	674	12.1%

The Liquor Enforcement Division during the years covered by the grant has employed between 13 and 14 criminal investigators who investigate violations of the state's liquor laws, including underage possession and drinking. As the table shows, the additional funding from the grant has resulted in about 12 percent of the Division's total violations over the last six years. The salaries and benefits for the 13.8 criminal investigators are approximately \$1.35 million per year, so that the \$88,000 in this funding request represents about 6.5 percent of salaries, but the overtime expense result in the detection of about 12.0 percent of the total violations detected. *[Administrative work and time attending hearings or court as a result of violations detected as result of the grant are not included in this analysis.]*

The Liquor Enforcement Division and State Licensing Authority Cash Fund is anticipated to have an uncommitted fund balance at the beginning of FY 2013-14 of \$730,258, sufficient to fund this request

Staff's analysis indicates that this is a cost effective manner of enforcing laws against the sale of alcoholic beverages to or possession of alcoholic beverages by a person under the age of 21. Staff recommends approval of the Department's request.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Enforcement Business Group – Liquor and Tobacco Enforcement Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$2,227,715</u>	<u>\$145,214</u>	<u>\$2,082,501</u>	<u>26.5</u>
TOTAL	\$2,227,715	\$145,214	\$2,082,501	26.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,227,715	\$145,214	\$2,082,501	26.5
R-5 EUDL Grant Funding Restoration	88,113	0	88,113	0.0
JBC Staff Initiated Indirect Cost Adjustment	<u>134,412</u>	<u>0</u>	<u>134,412</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,450,240	\$145,214	\$2,305,026	26.5
Increase/(Decrease)	\$222,525		\$222,525	0.0
Percentage Change	10.0%	0.0%	10.7%	0.0%
FY 2013-14 Executive Request:	\$2,315,828	\$145,214	\$2,170,614	26.5
Request Above/(Below) Recommendation	(\$134,412)	\$0	(\$134,412)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$2,217,909 total funds and 26.5 FTE, comprised of \$138,013 General Fund and \$2,079,896 cash funds. The request reflects the replacement with state cash funds of the federal Enforcement of Underage Drinking Laws grant.

Recommendation: Staff recommends approval of the Department's request.

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$2,140,010</u>	<u>\$138,013</u>	<u>\$2,001,997</u>	<u>26.5</u>
TOTAL	\$2,140,010	\$138,013	\$2,001,997	26.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,140,010	\$138,013	\$2,001,997	26.5
R-5 EUDL Grant Funding Restoration	77,899	0	77,899	0.0
JBC Staff Indirect Cost Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Personal Services				
	Total Funds	General Fund	Cash Funds	FTE
JBC STAFF RECOMMENDATION	\$2,217,909	\$138,013	\$2,079,896	26.5
Increase/(Decrease)	\$77,899	\$0	\$77,899	0.0
Percentage Change	3.6%	0.0%	3.9%	0.0%
FY 2013-14 Executive Request:	\$2,217,909	\$138,013	\$2,079,896	26.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$97,919 total funds, comprised of \$7,201 General Fund and \$90,718 cash funds. The request reflects the replacement with state cash funds of the federal Enforcement of Underage Drinking Laws grant.

Recommendation: Staff recommends approval of the Department's request.

Operating Expenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$87,705</u>	<u>\$7,201</u>	<u>\$80,504</u>	0.0
TOTAL	\$87,705	\$7,201	\$80,504	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$87,705	\$7,201	\$80,504	0.0
R-5 EUDL Grant Funding Restoration	<u>10,214</u>	<u>0</u>	<u>10,214</u>	0.0
JBC STAFF RECOMMENDATION	\$97,919	\$7,201	\$90,718	0.0
Increase/(Decrease)	\$10,214	\$0	\$10,214	0.0
Percentage Change	11.6%	0.0%	12.7%	0.0%
FY 2013-14 Executive Request:	\$97,919	\$7,201	\$90,718	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$134,412 cash funds.

(D) DIVISION OF RACING EVENTS

This division regulates greyhound and horse racing events, and supervises pari-mutuel betting at the race tracks. It is also responsible for allocating race dates to racing associations, and adopting rules for the supervision of racing events, racing officials and licenses. The source of funds is the Division of Racing Cash Fund.

The division regulates and oversees one horse racetrack and nine licensed off-track betting facilities offering simulcast racing from out-of-state venues. After the last greyhound race track in the State shut down, the appropriation was decreased by \$332,823 and 6.8 FTE to account for the reduced responsibilities of the Division with regard to greyhound racing.

Division of Racing Events			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	\$2,746,700	\$2,746,700	8.7
TOTAL	\$2,746,700	\$2,746,700	8.7
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$2,746,700	\$2,746,700	8.7
R-4 EDO Realignment	(64,334)	(64,334)	(1.0)
JBC Staff Indirect Cost Adjustment	90,658	90,658	0.0
JBC Staff Initiated Division of Racing Events Reduction	<u>(186,011)</u>	<u>(186,011)</u>	<u>0.0</u>
TOTAL	\$2,587,013	\$2,587,013	7.7
Increase/(Decrease)	(\$159,687)	(\$159,687)	(1.0)
Percentage Change	(5.8%)	(5.8%)	(11.5%)
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$95,353	\$95,353	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$1,060,739 cash funds and 7.7 FTE. The request reflects the EDO realignment.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$874,728 cash funds and 7.7 FTE. This is a reduction of \$186,011 from the Department's request.

Staff notes that this line item has seen significant reversions over the last three years and is projected to see another reversion during the current fiscal year (FY 2012-13), as shown in the following table.

Division of Racing Events - Personal Services				
Appropriations/Expenditures/Reversions				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13*
Appropriation	\$1,126,630	\$1,129,370	\$1,124,123	\$1,060,739
Expenditures	<u>665,540</u>	<u>687,154</u>	<u>666,098</u>	<u>874,728</u>
Reversion	\$461,090	\$442,216	\$458,025	\$186,011

* Projection based upon 6 months actuals for FY 2012-13.

During the 2010 session, the Department initiated a supplemental to decrease appropriation by \$340,975 and 6.8 FTE. FTE were further reduced a further 3.0 FTE by the JBC in the 2011 Long Bill to true up the appropriated FTE with the actual FTE. The supplemental was in response to the demise of the greyhound racing industry in Colorado and the Department reduced its appropriation to eliminate the positions and appropriations.

Since that year, however, the Department is still reverting significant sums, although the reversion for the current fiscal year is significantly lower than the previous three years. Still, the reversion is projected, based on six months of data, to be \$186,011 and staff recommends reducing the appropriation by that amount. If the Department has a need for additional appropriations in FY 2013-14, it can request and justify a supplemental.

Personal Services			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	1,124,123	1,124,123	8.7
TOTAL	\$1,124,123	\$1,124,123	8.7
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$1,124,123	\$1,124,123	8.7
R-4 EDO Realignment	(63,384)	(63,384)	(1.0)
JBC Staff Initiated Division of Racing Events Reduction	(186,011)	(186,011)	0.0
TOTAL	\$874,728	\$874,728	7.7
Increase/(Decrease)	(\$249,395)	(\$249,395)	(1.0)
Percentage Change	(22.2%)	(22.2%)	(11.5%)
FY 2013-14 Executive Request:	\$1,060,739	\$1,060,739	7.7
Request Above/(Below) Recommendation	\$186,011	\$186,011	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests an appropriation of \$221,627 cash funds. The request reflects the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

The recommended appropriation includes \$221,627 cash funds, including \$25,000 from application fees for facilities and licensees. The Committee ran a bill, S.B. 13-114, which would deposit this amount into the Racing Cash Fund. This bill is currently on the Governor's desk awaiting his signature. If he signs the bill, the letternote for this appropriation will indicate that all appropriations are from the Racing Cash Fund. If the Governor vetoes the bill, the letternote will remain the same as the 2012 Long Bill.

Operating Expenses			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$222,577</u>	<u>\$222,577</u>	<u>0.0</u>
TOTAL	\$222,577	\$222,577	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$222,577	\$222,577	0.0
R-4 EDO Realignment	(950)	(950)	0.0
JBC STAFF RECOMMENDATION	\$221,627	\$221,627	0.0
Increase/(Decrease)	(\$950)	(\$950)	0.0
Percentage Change	(0.4%)	(0.4%)	0.0%
FY 2013-14 Executive Request:	\$221,627	\$221,627	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Purses and Breeders Awards (Staff initiated Adjustment)

This line item represents a pass-through appropriation. The Division does not spend the appropriation associated with this line item. Section 12-60-704, C.R.S., created a trust fund that contains moneys deposited by licensees and operators of in-state simulcast facilities for horse racing. The Racing Commission promulgates rules that allow for distributions from this fund to owners and breeders of Colorado-bred horses. The Department requests a continuation appropriation of \$1,106,142 cash funds.

The funds available for distribution for this line item are driven by pari-mutuel wagering. Section 12-60-701 (2) (b), C.R.S. provide that the operator of a race track or licensed in-state facility that receives simulcast races shall pay 0.5 percent of the gross receipts of pari-mutuel wagers on win, place, or show, and 1.5 percent of all other pari-mutuel wagers. The moneys deposited under this section are paid into a trust account. The moneys are distributed according

to statute and rules established by the racing commission to the breeder associations, whose by-laws govern the distributions.

Request: The Department requests a continuation appropriation of \$1,400,000 cash funds from the Horse Breeders' and Owners' Awards and Supplemental Purse Fund.

Recommendation: Staff recommends approval of the Department's request.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$90,658 cash funds.

(E) HEARINGS DIVISION

This division conducts hearings in a variety of areas including driver's license suspensions, revocations, probationary licenses, cancellation or denial of medical and physical disability, habitual traffic offenders, horse and dog racing licenses, and other actions that affect the licensing rights of citizens. The division also provides computer support and data analysis for public awareness programs related to traffic safety. Funding for the Division is provided by the Driver's License Administrative Revocation Account, a sub-account of the Highway Users Tax Fund.

Hearings Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	<u>\$2,283,454</u>	<u>\$181,425</u>	<u>\$2,102,029</u>	<u>29.4</u>
TOTAL	\$2,283,454	\$181,425	\$2,102,029	29.4
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,283,454	\$181,425	\$2,102,029	29.4
Department Indirect Costs Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,283,454	\$181,425	\$2,102,029	29.4
Increase/(Decrease)	\$0		\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,283,454	\$181,425	\$2,102,029	29.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests a continuation appropriation of \$2,182,046 total funds and 29.4 FTE, comprised of \$178,955 General Fund and \$2,003,091 cash funds.

Recommendation: Staff recommends approval of the continuation request.

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests a continuation appropriation of \$101,408 total funds, comprised of \$2,470 General Fund and \$98,938 cash funds.

Recommendation: Staff recommends approval of the continuation request.

(F) MOTOR VEHICLE DEALER LICENSING BOARD

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulation of automobile dealers and sales people as well as promulgating consumer protection regulations. Additionally, the Board conducts licensing and disciplinary hearings, and investigates suspected violations.

Motor Vehicle Dealer Licensing Board				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$1,901,381	\$0	\$1,901,381	26.2
TOTAL	\$1,901,381	\$0	\$1,901,381	26.2
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,901,381	\$0	\$1,901,381	26.2
JBC Staff Initiated Indirect Cost Adjustment	<u>151,872</u>	<u>0</u>	<u>151,872</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$2,053,253	\$0	\$2,053,253	26.2
Increase/(Decrease)	\$151,872	\$0	\$151,872	0.0
Percentage Change	8.0%	0.0%	8.0%	0.0%
FY 2013-14 Executive Request:	\$1,901,381	\$0	\$1,901,381	26.2
Request Above/(Below) Recommendation	(\$151,872)	\$0	(\$151,872)	0.0

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests a continuation appropriation of \$1,782,358 cash funds and 26.2 FTE.

Recommendation: Staff recommends approval of the continuation appropriation.

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests a continuation appropriation of \$119,023 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$151,872 cash funds.

(G) MEDICAL MARIJUANA ENFORCEMENT DIVISION

The Medical Marijuana Enforcement Division was created by H.B. 10-1284, which created the State Licensing Authority. The Division regulates and controls the licensing of cultivation and manufacture, distribution, and sale of medical marijuana or marijuana-infused products in the State. The Authority is authorized to adopt rules, forms, and applications to enforce the provisions of H.B. 10-1284. The Medical Marijuana License Cash Fund was created to pay expenses related with the licensing and oversight functions for medical marijuana facilities.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Medical Marijuana Enforcement			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$5,653,838</u>	<u>\$5,653,838</u>	<u>55.2</u>
TOTAL	\$5,653,838	\$5,653,838	55.2
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	<u>\$5,653,838</u>	<u>\$5,653,838</u>	<u>55.2</u>
JBC STAFF RECOMMENDATION	\$5,653,838	\$5,653,838	55.2
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$5,653,838	\$5,653,838	55.2
Request Above/(Below) Recommendation	\$0	\$0	0.0

LINE ITEM DETAIL

Medical Marijuana Enforcement

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions. The line also funds the operating expenses, including telecommunications, general office supplies, and printing costs.

Request: The Department requests a continuation appropriation of \$5,653,838 cash funds and 55.2 FTE.

Recommendation: Staff recommends approval of the Department's request.

As discussed in the Department's JBC Staff briefing, the Medical Marijuana program had a profound shortfall in revenues needed to support the program. The Department had to reduce its staff from 37.0 FTE to 17.0 FTE, with a similar reduction in expenditures.

The cause of the revenue shortfall was primarily due to the delays of local authorities to grant licenses to medical marijuana facilities. State law does not allow the Medical Marijuana State Licensing Authority (SLA) to issue a state license until the local authority issues a license. While each medical marijuana facility paid an initial application fee, the SLA planned to depend on annual license fees for ongoing operations. Because many local authorities delayed the issuance of licenses, the SLA was not able to collect annual license fees, resulting in the revenue shortfall.

The Medical Marijuana License Cash Fund received a large influx of revenue when the SLA started accepting application fees and used those moneys to begin operations, including the enforcement activities contemplated by H.B. 10-1284. The SLA had ramped up to 37.0 FTE when it became clear that the anticipated annual revenues would not be flowing in. The

Department reduced its FTE count by more than one-half to compensate, closed offices, and reduced expenditures in other areas.

With the passage of Amendment 64, legalizing possession of less than one ounce of marijuana, a task force has been meeting to determine the regulatory framework (among all the related issues) for the medical marijuana industry. One of the recommendations that staff has heard is that for the first year, medical marijuana facilities would be the only retail facilities allowed.

For this reason and other uncertainties around the implementation of the regulatory framework for retail marijuana, Staff recommends that this continuation appropriation be approved for FY 2013-14, and to revisit appropriations for medical marijuana and non-medical marijuana regulation after some of the dust has settled.

INDIRECT COST ASSESSMENT

This line item reflects the indirect cost assessment against this Division, which is based on the Department and Statewide indirect cost allocation plans. The purpose is two-fold: (1) It will offset additional General Fund in the Executive Director's Office and (2) will provide a more accurate reflection of the true costs of cash-funded programs. The appropriation for the line reflects the administrative support of this division provided by the Executive Director's Office and Central Department Operations Division.

Request: This was not a Department request.

Recommendation: Staff recommends an appropriation of \$326,839 cash funds.

(7) State Lottery Division

The State Lottery Division is a TABOR enterprise under Article X, Section 20, of the Colorado Constitution. Cash funds appropriations are from the Lottery Fund. The Lottery sells scratch lottery and jackpot (PowerBall, MegaMillions, and Lotto) tickets.

Expenses are paid from the Lottery Fund. After expenses of the State Lottery Division, the remainder is distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoor Recreation in the Department of Natural Resources, and Public School Capital Construction Fund.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

State Lottery Division				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1339 (Long Bill)	\$97,334,186	\$0	\$97,334,186	117.1
SB 13-103 - FY 2012-13 Supplemental	56,770	0	56,770	0.0
HB 12-1019 (Ports of Entry)	16,563	0	16,563	0.0
HB 12-1216 (Refinance DMV)	<u>(43,035)</u>	<u>0</u>	<u>(43,035)</u>	<u>0.0</u>
TOTAL	\$97,364,484	\$0	\$97,364,484	117.1
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$97,364,484	\$0	\$97,364,484	117.1
Annualize SB 13-103 (FY 2012-13 Supplemental	(56,770)	0	(56,770)	0.0
Department Indirect Costs Adjustment	192,551	0	192,551	0.0
R-4 EDO Realignment	62,370	0	62,370	0.0
JBC Staff Initiated Indirect Cost Adjustment	<u>(157,822)</u>	<u>0</u>	<u>(157,822)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$97,404,813	\$0	\$97,404,813	117.1
Increase/(Decrease)	\$40,329	\$0	\$40,329	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$97,562,635	\$0	\$97,562,635	117.1
Request Above/(Below) Recommendation	\$157,822	\$0	\$157,822	0.0

Issue Descriptions

Base adjustments: The recommendation includes annualization of prior year legislation, the Department's FY 2012-13 supplemental, and Departmental indirect costs adjustments.

EDO realignment: The recommendation includes appropriations adjustments to reflect the approval of the Executive Director's Office realignment. In this Division, the total is an increase

of \$76,000 total funds, which is comprised of an \$8,000 decrease in General Fund, an \$82,000 decrease in cash funds, and a \$167,000 increase in reappropriated funds.

JBC Staff Initiated indirect costs adjustments: The recommendation includes an increase of \$3.0 million due to the JBC staff initiative to better reflect the costs, including indirect costs, of each cash-funded division. Overall, this initiative results in a decrease in General Fund and cash funds, and an increase in reappropriated funds.

LINE ITEM DETAIL

Personal Services

This line item pays for the program's staff, their benefits, and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Request: The Department requests an appropriation of \$8,830,202 cash funds and 117.1 FTE. The appropriation reflects changes to this Division due to the EDO realignment.

Recommendation: Staff recommends approval of the Department's request.

Personal Services			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	<u>\$8,881,413</u>	<u>\$8,881,413</u>	<u>117.1</u>
TOTAL	\$8,881,413	\$8,881,413	117.1
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$8,881,413	\$8,881,413	117.1
R-4 EDO Realignment	<u>(51,211)</u>	<u>(51,211)</u>	<u>0.0</u>
JBC STAFF RECOMMENDATION	\$8,830,202	\$8,830,202	117.1
Increase/(Decrease)	(\$51,211)	(\$51,211)	0.0
Percentage Change	(0.6%)	(0.6%)	0.0%
FY 2013-14 Executive Request:	\$8,830,202	\$8,830,202	117.1
Request Above/(Below) Recommendation	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, general office supplies and printing costs.

Request: The Department requests a continuation appropriation of \$1,203,156 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Payments to Other State Agencies

This line item funds the costs of various audits, fingerprint and name checks through CBI, and data storage fees provided by the Department of Personnel and Administration's Document Solutions Group.

Request: The Department requests a continuation appropriation of \$239,410 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Travel

This line item is used for travel in-state as well as out-of-state expenses including hotel, air, per-diem, and reimbursements for personal vehicle use. The Department is requesting a continuation appropriation.

Request: The Department requests a continuation appropriation of \$113,498 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Marketing and Communications

This line item is used to reimburse vendors for goods and services related to the marketing, sale, advertising, public relations, consumer awareness, retailer awareness, drawings, customer support, and retailer support of Lottery games and products. These include sponsorships, newspaper and television advertising, promotional coupons, free tickets, Lottery Bucks and billboards.

Request: The Department requests a continuation appropriation of \$14,700,000 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Multi-State Lottery Fees

This line item is used to pay vendors for goods and services related to administering multi-state games of which Colorado is, or may become, a participating Lottery. These payments include the costs of maintaining compliance with multi-state game rules and policies. These costs vary year to year based on many factors such as per-capita sales of each state participating in a multi-state lottery, the number of states participating, the level of service provided by the multi-state game vendors, changes in multi-state rules and policies, and inflation.

Request: The Department requests a continuation appropriation of \$177,433 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Vendor Fees

This line is used to pay vendors for two categories of services: variable vendor fees, and fixed vendor fees. This is a variable appropriation and is adjusted each year during the supplemental budget process to allow enough spending authority based on the most recent sales projections.

Request: The Department requests a continuation appropriation of \$12,571,504 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Retailer Compensation

These payments are commissions, cashing bonuses, and marketing agreement bonuses to compensate retailers for selling State Lottery products. Retailers are paid a 7 percent commission on scratch sales, and a 6 percent commission for online sales. The bonus for selling to a PowerBall jackpot winner is \$50,000. Retailers receiving these payments include convenience stores; gas stations; supermarkets such as; tobacco shops; and liquor stores. This is a variable appropriation and is usually adjusted each year during the supplemental budget process to allow enough spending authority based on the most recent sales projections.

Request: The Department requests a continuation appropriation of \$52,241,350 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Ticket Costs

This is a variable appropriation and is adjusted each year during the supplemental budget process to allow enough spending authority based on the most recent sales projections.

Request: The Department requests a continuation appropriation of \$6,578,000 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Research

This line funds marketing research on lottery products.

Request: The Department requests a continuation appropriation of \$250,000 cash funds.

Recommendation: Staff recommends approval of the continuation appropriation.

Indirect Cost Assessment

This line item reflects the total indirect cost assessment against the Limited Gaming Fund for the Department of Revenue. The request is based on the Departmental and Statewide Indirect Cost Allocation Plan. The plan is updated each year to reflect accurate assessments against the Lottery Fund.

Request: The Department requests an appropriation of \$658,082 cash funds, which reflects base adjustments and the EDO realignment.

Recommendation: Staff recommends an appropriation of \$500,260. The difference between the Department's request and the Staff recommendation relates to the JBC Staff initiated indirect costs adjustments that reduced assessments for this Division.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Indirect Cost Assessment			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 12-1339 (Long Bill)	378,422	378,422	0.0
SB 13-103 - FY 2012-13 Supplemental	56,770	56,770	0.0
HB 12-1019 (Ports of Entry)	16,563	16,563	0.0
HB 12-1216 (Refinance DMV)	(43,035)	(43,035)	0.0
TOTAL	\$408,720	\$408,720	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$408,720	\$408,720	0.0
Annualize SB 13-103 (FY 2012-13 Supplemental	(56,770)	(56,770)	0.0
Department Indirect Costs Adjustment	192,551	192,551	0.0
R-4 EDO Realignment	113,581	113,581	0.0
JBC Staff Indirect Cost Adjustment	(157,822)	(157,822)	0.0
JBC STAFF RECOMMENDATION	\$500,260	\$500,260	0.0
Increase/(Decrease)	\$91,540	\$91,540	0.0
Percentage Change	22.4%	22.4%	0.0%
FY 2013-14 Executive Request:	\$658,082	\$658,082	0.0
Request Above/(Below) Recommendation	\$157,822	\$157,822	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends that the following footnote be **discontinued**.

- 50 Department of Revenue, Enforcement Business Group, Limited Gaming Division -- It is the intent of the General Assembly that the Department of Revenue shall not spend more than 5.0 percent of Amendment 50 revenues for administrative expenses of the Limited Gaming Division.

Comment: The Governor did not veto any footnotes in the 2012 Long Bill, however, he did express concerns with those footnotes, including Footnote 50 affecting the Department of Revenue. Specifically, his message in signing the Long Bill was:

"It is the Governor's constitutional obligation to review the general appropriations bill and exercise the line item veto when necessary. We recognize and appreciate the legitimate and reasonable expression by the General Assembly of the intent associated with certain appropriations contained in the FY 2012-13 Long Bill. In fact, many of these expressions of intent are based on information contained within the Executive Branch budget requests. Meanwhile, we also note that in relation to prior years, the content of footnotes to the general appropriations bill has changed. Specifically, we interpret these expressions of intent as different from attempts to administer appropriations or to pursue substantive law via the general appropriations bill. Thus, in a departure from previous years, we have not vetoed any of the footnotes in H.B. 12-1335.

While the Legislature has the prerogative to express its intent, the Executive Branch maintains the clear and inherent responsibility to administer appropriations. (See *Colorado General Assembly v. Owens*, 136 P.3d 262 (Colo. 2006); *Colorado General Assembly v. Lamm*, 704 P.2d 1371 (Colo. 1985); and *Anderson v. Lamm*, 195 Colo. 437, 579 P2d 620 (1978).) For this reason, we have directed Executive Branch agencies to comply with the intent of the footnotes contained in H.B. 12-1335 only to the extent practicable and appropriate.

However, if operational needs dictate otherwise, the Executive Branch will not be constrained by any limitation implied within the Long Bill footnotes. In particular, State departments may find it necessary to deviate from the intent expressed in the following footnotes:

Footnote 50, Page 430"

This footnote has been included in the Long Bill for the last three fiscal years. It was vetoed by the Governor the FY 2010-11 and FY 2011-12, though those vetoes were overridden by the General Assembly.

The Governor's reasoning was that the footnote violated the separation of powers in Article III of the Colorado Constitution by attempting to administer the appropriation. In addition, the Governor stated that the footnote may violate Article V, Section 32 of the Colorado Constitution because it constitutes substantive legislation that cannot be included in the general appropriations bill.

Staff is concerned that the footnote also violates Article XVIII, Section 9, Paragraph 5 (b) (I), which states, in relevant part: payments of the on-going expenses of the Commission shall not be conditioned on any appropriation by the General Assembly.

REQUESTS FOR INFORMATION

Staff recommends that the following requests for information be **discontinued**.

1. Department of Revenue, Executive Director's Office, Taxation Business Group, Taxation and Compliance Division, Taxpayer Service Division, and Tax Conferee -- The Department is requested to provide to the Joint Budget Committee, no later than September 30, 2012, a report detailing the amount of additional General Fund revenue realized during the fiscal year ending on June 30, 2012 from the General Assembly's funding of the Department's 2010 decision item to address the "conservation easement backlog".

Comment: This request for information was added to provide the General Assembly with information regarding the effectiveness of the 2010 Long Bill appropriation to address the conservation easement backlog. The Department has reported back that the mediation efforts have failed to resolve any of the disputed easements and no taxpayer has requested mediation since July 2011. Therefore, staff does not believe that the continuation of this request will provide any meaningful information to the Joint Budget Committee.

2. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, by September 30, 2012, a report detailing the amount of additional General Fund revenue realized during FY 2011-12 by the General Assembly's funding of 2009 Decision Item #1, "Out-of-state tax law compliance and enforcement".

Comment: This request for information was to provide the General Assembly with information regarding the effectiveness of the 2009 increased appropriation to fund the expansion of the Department's out-of-state tax collection efforts. The initiative has reached maturity and the Department's report indicates that the revenues received as a result of the initiative have exceeded the Department projections. It is staff's conclusion that continuation of this request will not yield meaningful information to the Joint Budget Committee.

Staff recommends that the following requests for information be **included for the Department of Revenue in the FY 2012-13 budget cycle**.

1. Governor – Lieutenant Governor – State Planning and Budgeting, Office of Information Technology (OIT), Department of Revenue, Executive Director's Office, -- The Governor – Lieutenant Governor – State Planning and Budgeting and the Department of Revenue are requested to submit to the Joint Budget Committee a report detailing (1) the progress made to date on the implementation of the Department of Revenue's Request #2 – DOR IT Infrastructure Enhancements, including a comparison of the reliability of the new system components with the old system components; (2) data justifying the continuing budgetary support of the 22.0 FTE in OIT dedicated to serving the Department of Revenue during the implementation of Request #2; and (3) address each of the specific anticipated outcomes cited in the budget submission as justifications for the project. The report is requested be provided for FY 2013-14 with the FY 2014-15 budget submission and another report is requested to be provided for FY 2014-15 with the FY 2015-16 budget submission.

Comment: Staff recommends that this request for information be submitted to provide the General Assembly with information regarding the effectiveness of the Department's Funding Request #2, justifying the continued appropriation of funding for 22.0 additional FTE in the Office of Information Technology to support the Department of Revenue, and addressing progress to each of the anticipated outcomes that were specified in the budget submission requesting this funding.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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DEPARTMENT OF REVENUE
Barbara Brohl, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

Provides administrative, accounting, budgeting, human resource management, internal auditing, planning, and research and analysis. The cash funds sources are for the direct and indirect costs of administering the programs through the Department and include: The Colorado State Titling and Registration Account, the AIR Account, the Driver's License Administrative Revocation Account, the First Time Drunk Driving Offender Account, the Highway Users Tax Fund, the Licensing Services Cash Fund, the Limited Gaming Fund, the Liquor Enforcement and State Licensing Authority Cash Fund, the Lottery Fund, the Medical Marijuana License Cash Fund, and the Racing Cash Fund. The reappropriated funds sources are for the indirect costs of administering the Limited Gaming Division and the State Lottery Division and are appropriated from those divisions.

Personal Services	<u>3,995,366</u>	<u>3,721,549</u>	<u>3,800,545</u>	<u>5,486,917</u>	<u>5,486,917</u> *
FTE	43.4	44.3	43.4	63.9	63.9
General Fund	1,176,752	921,345	753,333	1,677,249	1,677,249
Cash Funds	2,230,967	2,265,334	2,313,192	3,009,240	66,271
Reappropriated Funds	587,647	534,870	734,020	800,428	3,743,397
Health, Life, and Dental	<u>6,112,200</u>	<u>7,383,247</u>	<u>8,018,517</u>	<u>8,807,887</u>	<u>8,697,950</u>
General Fund	2,139,044	2,342,712	3,120,652	3,451,987	3,196,136
Cash Funds	3,973,156	5,040,535	4,897,865	5,355,900	5,290,380
Reappropriated Funds	0	0	0	0	211,434
Short-term Disability	<u>107,422</u>	<u>119,500</u>	<u>116,580</u>	<u>124,153</u>	<u>124,678</u>
General Fund	42,178	46,128	50,078	52,815	49,027
Cash Funds	65,244	73,372	66,502	71,338	71,747
Reappropriated Funds	0	0	0	0	3,904

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>1,556,089</u>	<u>1,879,736</u>	<u>2,089,733</u>	<u>2,372,039</u>	<u>2,371,750</u>
General Fund	601,984	726,794	900,566	1,007,253	925,665
Cash Funds	954,105	1,152,942	1,189,167	1,364,786	1,371,622
Reappropriated Funds	0	0	0	0	74,463
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>1,136,913</u>	<u>1,505,862</u>	<u>1,790,968</u>	<u>2,141,425</u>	<u>2,137,964</u>
General Fund	439,870	580,357	768,377	909,326	832,729
Cash Funds	697,043	925,505	1,022,591	1,232,099	1,238,270
Reappropriated Funds	0	0	0	0	66,965
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,277,363</u>	<u>1,579,832</u>
General Fund	0	0	0	495,342	593,035
Cash Funds	0	0	0	782,021	986,797
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>947,529</u>	<u>913,775</u>
General Fund	0	0	0	405,015	371,263
Cash Funds	0	0	0	542,514	542,512
Shift Differential	<u>194,571</u>	<u>175,327</u>	<u>40,510</u>	<u>31,864</u>	<u>35,690</u>
General Fund	4,028	3,743	3,534	3,341	3,743
Cash Funds	190,543	171,584	36,976	28,523	31,947
Workers' Compensation	<u>570,362</u>	<u>717,073</u>	<u>770,412</u>	<u>786,677</u>	<u>786,677</u>
General Fund	220,431	253,645	319,286	313,855	313,855
Cash Funds	349,931	463,428	451,126	472,822	472,822

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Operating Expenses	<u>957,628</u>	<u>1,186,232</u>	<u>1,113,272</u>	<u>1,166,094</u>	<u>1,166,094</u> *
General Fund	368,749	448,972	481,434	527,569	527,569
Cash Funds	588,879	737,260	631,838	638,525	638,525
Legal Services	<u>1,534,882</u>	<u>2,863,636</u>	<u>2,989,901</u>	<u>2,989,901</u>	<u>2,989,901</u>
General Fund	921,991	2,157,451	2,006,432	2,006,432	2,006,432
Cash Funds	612,891	706,185	983,469	983,469	983,469
Administrative Law Judge Services	<u>14,756</u>	<u>3,798</u>	<u>14,200</u>	<u>16,595</u>	<u>16,595</u>
Cash Funds	14,756	3,798	14,200	16,595	16,595
Purchase of Services from Computer Center	<u>9,071,972</u>	<u>9,142,106</u>	<u>9,645,539</u>	<u>12,978,508</u>	<u>13,026,974</u> *
General Fund	5,258,007	5,310,325	5,759,188	8,050,279	8,076,890
Cash Funds	3,442,871	3,461,851	3,483,933	4,928,229	4,950,084
Reappropriated Funds	371,094	369,930	402,418	0	0
Multiuse Network Payments	<u>3,460,474</u>	<u>3,098,197</u>	<u>4,074,495</u>	<u>2,697,374</u>	<u>2,697,374</u>
General Fund	325,203	369,370	982,917	383,762	383,762
Cash Funds	3,124,124	2,702,421	3,058,734	2,313,612	2,313,612
Reappropriated Funds	11,147	26,406	32,844	0	0
Management and Administration of OIT	<u>1,011,153</u>	<u>1,047,473</u>	<u>546,549</u>	<u>405,480</u>	<u>405,480</u>
General Fund	732,645	759,437	406,147	80,733	80,733
Cash Funds	248,814	257,629	124,180	324,747	324,747
Reappropriated Funds	29,694	30,407	16,222	0	0
Payment to Risk Management and Property Funds	<u>57,560</u>	<u>161,458</u>	<u>239,245</u>	<u>219,836</u>	<u>219,836</u>
General Fund	18,138	52,585	90,479	82,382	82,382
Cash Funds	39,422	108,873	148,766	137,454	137,454

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Vehicle Lease Payments	<u>509,804</u>	<u>573,239</u>	<u>662,649</u>	<u>674,500</u>	<u>667,813</u> *
General Fund	93,106	87,991	118,040	164,763	164,763
Cash Funds	416,698	485,248	544,609	509,737	503,050
Leased Space	<u>2,900,116</u>	<u>3,327,058</u>	<u>3,517,094</u>	<u>3,577,145</u>	<u>3,577,145</u> *
General Fund	447,650	477,045	556,685	676,560	676,560
Cash Funds	2,452,466	2,850,013	2,960,409	2,900,585	2,900,585
Capitol Complex Leased Space	<u>1,621,365</u>	<u>1,723,674</u>	<u>1,683,593</u>	<u>2,114,391</u>	<u>2,114,391</u>
General Fund	1,055,065	1,105,765	1,091,129	1,356,346	1,356,346
Cash Funds	566,300	617,909	592,464	758,045	758,045
Communication Services Payments	<u>65,346</u>	<u>70,501</u>	<u>69,144</u>	<u>75,015</u>	<u>75,015</u>
General Fund	19,865	11,689	12,975	13,980	13,980
Cash Funds	45,481	58,812	56,169	61,035	61,035
COFRS Modernization	<u>0</u>	<u>0</u>	<u>313,372</u>	<u>313,372</u>	<u>313,372</u>
General Fund	0	0	80,654	80,654	80,654
Cash Funds	0	0	232,718	232,718	232,718
Utilities	<u>192,837</u>	<u>187,536</u>	<u>143,703</u>	<u>143,703</u>	<u>143,703</u>
General Fund	0	0	0	0	0
Cash Funds	192,837	187,536	143,703	143,703	143,703
TOTAL - (1) Executive Director's Office	35,070,816	38,887,202	41,640,021	49,347,768	49,548,926
<i>FTE</i>	<u>43.4</u>	<u>44.3</u>	<u>43.4</u>	<u>63.9</u>	<u>63.9</u>
General Fund	13,864,706	15,655,354	17,501,906	21,739,643	21,412,773
Cash Funds	20,206,528	22,270,235	22,952,611	26,807,697	24,035,990
Reappropriated Funds	999,582	961,613	1,185,504	800,428	4,100,163

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(2) CENTRAL DEPARTMENT OPERATIONS DIVISION

This division maintains documents and records transactions for taxes, licensing, and other fee payments; deposits tax remittances; processes tax documents; issues income tax refunds; and handles a variety of incoming and outgoing mail. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the Identification Security Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the Outstanding Judgments and Warrants Account, and the AIR Account. Sources of reappropriated funds are the State Lottery Division and the Limited Gaming Division.

Personal Services	<u>4,898,225</u>	<u>5,015,821</u>	<u>5,303,546</u>	<u>4,235,808</u>	<u>4,235,808</u> *
FTE	97.2	96.3	97.3	80.6	80.6
General Fund	4,249,301	4,432,690	4,713,801	3,677,946	3,677,946
Cash Funds	566,119	498,181	516,580	545,743	89,013
Reappropriated Funds	82,805	84,950	73,165	12,119	468,849
Seasonal Tax Processing	<u>388,751</u>	<u>330,643</u>	<u>439,288</u>	<u>296,391</u>	<u>296,391</u> *
General Fund	388,751	330,643	439,288	296,391	296,391
Operating Expenses	<u>1,195,592</u>	<u>1,280,359</u>	<u>1,283,311</u>	<u>1,214,005</u>	<u>1,214,005</u> *
General Fund	1,054,684	1,217,644	1,135,175	1,065,869	1,065,869
Cash Funds	140,908	62,715	148,136	148,136	148,136
Postage	<u>3,004,698</u>	<u>2,946,311</u>	<u>2,995,393</u>	<u>2,995,393</u>	<u>2,995,393</u>
General Fund	2,710,891	2,652,076	2,657,783	2,657,783	2,657,783
Cash Funds	293,807	294,235	337,610	337,610	337,610
Pueblo Data Entry Center Payments	<u>1,609,454</u>	<u>1,651,086</u>	0	0	0
General Fund	1,582,036	1,646,761	0	0	0
Cash Funds	27,418	4,325	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Document Imaging and Storage	<u>394,183</u>	<u>363,220</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	394,183	362,387	0	0	0
Cash Funds	0	833	0	0	0
Document Management	<u>0</u>	<u>0</u>	<u>2,309,514</u>	<u>2,051,808</u>	<u>2,051,808</u> *
General Fund	0	0	2,270,009	2,012,303	2,012,303
Cash Funds	0	0	39,505	39,505	39,505
TOTAL - (2) Central Department Operations					
Division	11,490,903	11,587,440	12,331,052	10,793,405	10,793,405
<i>FTE</i>	<u>97.2</u>	<u>96.3</u>	<u>97.3</u>	<u>80.6</u>	<u>80.6</u>
General Fund	10,379,846	10,642,201	11,216,056	9,710,292	9,710,292
Cash Funds	1,028,252	860,289	1,041,831	1,070,994	614,264
Reappropriated Funds	82,805	84,950	73,165	12,119	468,849

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(3) INFORMATION TECHNOLOGY DIVISION

This division includes two sections: Systems Support, which provides most of the Department's information technology support; and the Colorado State Titling and Registration System (CSTARS). CSTARS is the motor vehicle titling and registration information system that automates the distribution of vehicle registration taxes among the State, counties, and the Highway Users Tax Fund (HUTF). Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

(A) System Support

Provides information technology (IT) support to the majority of the Department's IT systems, including taxation, driver's licenses and related systems, and the Enforcement Business Group's systems. Appropriations in this division are for contract services for support of the systems. Support provided by the Office of Information Technology is appropriated in the EDO. Cash fund sources are from the various systems that are supported by this division.

Personal Services	<u>217,850</u>	<u>343,248</u>	<u>347,402</u>	<u>297,506</u>	<u>297,506</u> *
General Fund	61,155	111,952	217,352	297,506	297,506
Cash Funds	143,922	218,715	130,050	0	0
Reappropriated Funds	12,773	12,581	0	0	0
Operating Expenses	<u>772,876</u>	<u>668,930</u>	<u>735,318</u>	<u>1,294,125</u>	<u>1,294,125</u> *
General Fund	624,163	668,930	659,759	1,218,566	1,218,566
Cash Funds	148,713	0	75,559	75,559	75,559
Programming Costs for Session Legislation	<u>113,107</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	23,360	0	0	0	0
Cash Funds	89,747	0	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (A) System Support	1,103,833	1,012,178	1,082,720	1,591,631	1,591,631
<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	708,678	780,882	877,111	1,516,072	1,516,072
Cash Funds	382,382	218,715	205,609	75,559	75,559
Reappropriated Funds	12,773	12,581	0	0	0

(B) Colorado State Titling and Registration System

Provides contract IT support to the Colorado State Titling and Registration System, which ties the State and the county clerks together to provide a system that facilitates vehicle titling and registration. The source of funding is the Colorado State Titling and Registration Account of the HUTF.

Personal Services	<u>355,241</u>	<u>173,401</u>	<u>518,908</u>	<u>442,688</u>	<u>442,688</u>
Cash Funds	355,241	173,401	518,908	442,688	442,688
Operating Expenses	<u>2,329,295</u>	<u>2,570,162</u>	<u>2,617,535</u>	<u>2,617,535</u>	<u>2,617,535</u>
Cash Funds	2,329,295	2,570,162	2,617,535	2,617,535	2,617,535
County Office Asset Maintenance	<u>564,265</u>	<u>568,230</u>	<u>568,230</u>	<u>568,230</u>	<u>568,230</u>
Cash Funds	564,265	568,230	568,230	568,230	568,230
County Office Improvements	<u>4,383</u>	<u>63,214</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Cash Funds	4,383	63,214	40,000	40,000	40,000

SUBTOTAL - (B) Colorado State Titling and Registration System	3,253,184	3,375,007	3,744,673	3,668,453	3,668,453
<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	3,253,184	3,375,007	3,744,673	3,668,453	3,668,453

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
TOTAL - (3) Information Technology Division	4,357,017	4,387,185	4,827,393	5,260,084	5,260,084
<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	708,678	780,882	877,111	1,516,072	1,516,072
Cash Funds	3,635,566	3,593,722	3,950,282	3,744,012	3,744,012
Reappropriated Funds	12,773	12,581	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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TAXATION BUSINESS GROUP

The Taxation Business Group administers business taxes; income taxes; severance taxes; estate and transfer taxes; special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes; public utility assessments; and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

(A) Administration

This section provides administrative support for the Taxation Business Group, including budgeting, human resources, and other support.

Personal Services	<u>552,526</u>	<u>538,869</u>	<u>557,305</u>	<u>493,090</u>	<u>493,090</u> *
FTE	6.0	5.9	6.0	5.0	5.0
General Fund	547,317	533,933	554,709	491,419	491,419
Cash Funds	5,209	4,936	2,596	1,671	1,671
Operating Expenses	<u>13,849</u>	<u>13,706</u>	<u>14,050</u>	<u>13,100</u>	<u>13,100</u> *
General Fund	13,849	13,706	14,050	13,100	13,100
Colorado Integrated Tax Architecture Maintenance and Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u> *
General Fund	0	0	0	1,500,000	1,500,000

SUBTOTAL - (A) Administration	566,375	552,575	571,355	2,006,190	2,006,190
FTE	<u>6.0</u>	<u>5.9</u>	<u>6.0</u>	<u>5.0</u>	<u>5.0</u>
General Fund	561,166	547,639	568,759	2,004,519	2,004,519
Cash Funds	5,209	4,936	2,596	1,671	1,671

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(B) Taxation and Compliance Division

This Division ensures compliance with Colorado's tax laws by conducting compliance audits on individual and corporate income tax returns, sales tax submissions, and other tax returns. The Division maintains five section and six district offices throughout Colorado for these purposes. The Mineral Audit Program audits royalty returns associated with oil, natural gas, coal, and other mineral extraction on federal, state, and private lands.

Personal Expenses	<u>15,125,978</u>	<u>15,466,621</u>	<u>15,818,506</u>	<u>15,356,819</u>	<u>15,356,819</u> *
FTE	209.4	214.4	224.3	219.1	219.1
General Fund	14,974,186	15,330,436	15,612,331	15,150,644	15,150,644
Cash Funds	4,139	0	52,090	52,090	52,090
Reappropriated Funds	147,653	136,185	154,085	154,085	154,085
Operating Expenses	<u>1,002,480</u>	<u>991,924</u>	<u>1,054,468</u>	<u>1,042,628</u>	<u>1,042,628</u> *
General Fund	1,002,480	991,924	1,044,002	1,032,162	1,032,162
Cash Funds	0	0	10,466	10,466	10,466
Joint Audit Program	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>
General Fund	131,244	131,244	131,244	131,244	131,244
Mineral Audit Program	<u>744,013</u>	<u>721,301</u>	<u>890,388</u>	<u>890,388</u>	<u>890,388</u>
FTE	11.0	11.2	10.2	10.2	10.2
Reappropriated Funds	24,900	24,954	66,000	66,000	66,000
Federal Funds	719,113	696,347	824,388	824,388	824,388

SUBTOTAL - (B) Taxation and Compliance					
Division	17,003,715	17,311,090	17,894,606	17,421,079	17,421,079
FTE	<u>220.4</u>	<u>225.6</u>	<u>234.5</u>	<u>229.3</u>	<u>229.3</u>
General Fund	16,107,910	16,453,604	16,787,577	16,314,050	16,314,050
Cash Funds	4,139	0	62,556	62,556	62,556
Reappropriated Funds	172,553	161,139	220,085	220,085	220,085
Federal Funds	719,113	696,347	824,388	824,388	824,388

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(C) Taxpayer Service Division

This Division assists individual and business taxpayers through regional service centers and a call center; issues tax licenses and permits to businesses; collects local sales and use taxes for many cities, counties, and special districts; and issues individual and business tax refunds. The Fuel Tracking System tracks the movement of gasoline and special fuels with the goal of expediting the collection of excise taxes.

Personal Services	<u>4,547,269</u>	<u>4,880,471</u>	<u>4,699,321</u>	<u>4,634,115</u>	<u>4,634,115</u>
FTE	74.9	80.0	75.4	75.2	75.2
General Fund	4,520,514	4,506,360	4,600,736	4,535,530	4,535,530
Cash Funds	26,755	374,111	98,585	98,585	98,585
Operating Expenses	<u>447,987</u>	<u>404,580</u>	<u>402,510</u>	<u>402,510</u>	<u>402,510</u>
General Fund	447,987	386,619	402,010	402,010	402,010
Cash Funds	0	17,961	500	500	500
Fuel Tracking System	<u>464,175</u>	<u>468,414</u>	<u>486,594</u>	<u>486,594</u>	<u>486,594</u>
FTE	1.3	1.4	1.5	1.5	1.5
Cash Funds	464,175	468,414	486,594	486,594	486,594
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,626</u>
Cash Funds	0	0	0	0	6,626
SUBTOTAL - (C) Taxpayer Service Division	5,459,431	5,753,465	5,588,425	5,523,219	5,529,845
FTE	<u>76.2</u>	<u>81.4</u>	<u>76.9</u>	<u>76.7</u>	<u>76.7</u>
General Fund	4,968,501	4,892,979	5,002,746	4,937,540	4,937,540
Cash Funds	490,930	860,486	585,679	585,679	592,305

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(D) Tax Conferee					
Attempts to resolve tax disputes, including those pertaining to gross conservation easements, before the issues go to court and review issues related to home rule city and county sales and use taxes.					
Personal Services	<u>1,233,247</u>	<u>1,823,548</u>	<u>2,627,732</u>	<u>2,627,732</u>	<u>2,627,732</u>
FTE	10.5	12.7	12.2	12.2	12.2
General Fund	1,233,247	1,823,548	2,627,732	2,627,732	2,627,732
Operating Expenses	<u>42,882</u>	<u>29,064</u>	<u>61,174</u>	<u>61,174</u>	<u>61,174</u>
General Fund	42,882	29,064	61,174	61,174	61,174
SUBTOTAL - (D) Tax Conferee	1,276,129	1,852,612	2,688,906	2,688,906	2,688,906
FTE	10.5	12.7	12.2	12.2	12.2
General Fund	1,276,129	1,852,612	2,688,906	2,688,906	2,688,906

(E) Special Purpose

Distributes applicable percentage of gross cigarette taxes and Amendment 35 taxes to cities and counties, distributes grants to assist low-income, disabled, and elderly citizens with payment of property taxes and heat and fuel expenses, and issues rebates of sales taxes to qualified entities under the Commercial Vehicle Enterprise Sales Tax Refund program.

Cigarette Tax Rebate	<u>11,025,829</u>	<u>11,233,165</u>	<u>10,300,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
General Fund	11,025,829	11,233,165	10,300,000	10,000,000	10,000,000
Amendment 35 Distribution to Local Governments	<u>1,310,383</u>	<u>1,335,640</u>	<u>1,324,800</u>	<u>1,324,800</u>	<u>1,314,900</u>
General Fund	0	0	0	0	0
Cash Funds	1,310,383	1,335,640	1,324,800	1,324,800	1,314,900
Old Age Heat and Fuel and Property Tax Assistance Grant	<u>6,820,822</u>	<u>7,173,388</u>	<u>7,400,000</u>	<u>7,200,000</u>	<u>7,200,000</u>
General Fund	6,820,822	7,173,388	7,400,000	7,200,000	7,200,000

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Commercial Vehicle Enterprise Sales Tax Refund	0	17,351	120,524	120,524	120,524
Cash Funds	0	17,351	120,524	120,524	120,524
Alternative Fuels Rebate	310,519	0	0	0	0
Cash Funds	310,519	0	0	0	0
SUBTOTAL - (E) Special Purpose	19,467,553	19,759,544	19,145,324	18,645,324	18,635,424
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	17,846,651	18,406,553	17,700,000	17,200,000	17,200,000
Cash Funds	1,620,902	1,352,991	1,445,324	1,445,324	1,435,424
TOTAL - Taxation Business Group	43,773,203	45,229,286	45,888,616	46,284,718	46,281,444
<i>FTE</i>	313.1	325.6	329.6	323.2	323.2
General Fund	40,760,357	42,153,387	42,747,988	43,145,015	43,145,015
Cash Funds	2,121,180	2,218,413	2,096,155	2,095,230	2,091,956
Reappropriated Funds	172,553	161,139	220,085	220,085	220,085
Federal Funds	719,113	696,347	824,388	824,388	824,388

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(5) DIVISION OF MOTOR VEHICLES

The Division includes Administration, Driver and Vehicle Services, Vehicle Emissions, Titles, the Motorist Insurance Identification Database Program, and the Ignition Interlock Program.

(A) Administration

This section administers the programs in the Division of Motor Vehicles. Cash funds sources are the cash funds that provide funding for the sub-divisions and programs in the Division.

Personal Services	<u>895,783</u>	<u>778,161</u>	<u>765,538</u>	<u>900,749</u>	<u>900,749</u> *
FTE	10.1	9.5	8.5	9.5	9.5
General Fund	0	(4,858)	24,298	27,216	27,216
Cash Funds	895,783	783,019	741,240	873,533	873,533
Operating Expenses	<u>53,528</u>	<u>45,409</u>	<u>51,400</u>	<u>52,350</u>	<u>52,350</u> *
General Fund	0	0	1,631	1,582	1,582
Cash Funds	53,528	45,409	49,769	50,768	50,768
SUBTOTAL - (A) Administration	949,311	823,570	816,938	953,099	953,099
FTE	<u>10.1</u>	<u>9.5</u>	<u>8.5</u>	<u>9.5</u>	<u>9.5</u>
General Fund	0	(4,858)	25,929	28,798	28,798
Cash Funds	949,311	828,428	791,009	924,301	924,301

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(B) Driver and Vehicle Services

Driver and Vehicle Services administers driver's licensing and records management, vehicle registration, the International Registration Program, and regulation of commercial driving schools. The primary cash funds sources are the Licensing Services Cash Fund, the Identification Security Fund, the Colorado State Titling and Registration Account, the Driver's License Administrative Revocation Account, the License Plate Cash Fund, outstanding judgments and warrants, and penalty assessments.

Personal Services	<u>15,593,004</u>	<u>15,536,628</u>	<u>17,005,172</u>	<u>16,398,665</u>	<u>16,398,655</u> *
FTE	346.9	348.0	359.9	352.7	352.7
General Fund	0	(4,690)	603,982	593,398	593,398
Cash Funds	15,593,004	15,541,318	16,401,190	15,805,267	15,805,257
Operating Expenses	<u>1,424,777</u>	<u>1,957,970</u>	<u>1,715,195</u>	<u>1,694,660</u>	<u>1,694,660</u> *
General Fund	0	(102)	38,045	38,045	38,045
Cash Funds	1,424,777	1,958,072	1,677,150	1,656,615	1,656,615
Drivers License Documents	<u>3,101,123</u>	<u>3,568,821</u>	<u>4,314,318</u>	<u>4,314,318</u>	<u>4,314,318</u>
General Fund	0	0	0	0	0
Cash Funds	3,101,123	3,568,821	4,314,318	4,314,318	4,314,318
License Plate Ordering	<u>3,805,827</u>	<u>4,274,917</u>	<u>5,522,960</u>	<u>5,330,116</u>	<u>5,330,116</u>
Cash Funds	3,805,827	4,274,917	5,522,960	5,330,116	5,330,116
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,522,245</u>
Cash Funds	0	0	0	0	2,522,245
SUBTOTAL - (B) Driver and Vehicle Services	23,924,731	25,338,336	28,557,645	27,737,759	30,259,994
FTE	<u>346.9</u>	<u>348.0</u>	<u>359.9</u>	<u>352.7</u>	<u>352.7</u>
General Fund	0	(4,792)	642,027	631,443	631,443
Cash Funds	23,924,731	25,343,128	27,915,618	27,106,316	29,628,551

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(C) Vehicle Emissions

The Emissions section conducts audits of inspection and readjustment stations and facilities to ensure compliance with vehicle emissions testing standards under the Automobile Inspection and Readjustment Program.

Personal Services	<u>945,389</u>	<u>838,102</u>	<u>1,081,868</u>	<u>1,081,868</u>	<u>1,081,868</u>
FTE	14.4	12.6	15.0	15.0	15.0
Cash Funds	945,389	838,102	1,081,868	1,081,868	1,081,868
Operating Expenses	<u>84,477</u>	<u>83,213</u>	<u>86,825</u>	<u>86,825</u>	<u>86,825</u>
Cash Funds	84,477	83,213	86,825	86,825	86,825
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,121</u>
Cash Funds	0	0	0	0	138,121
SUBTOTAL - (C) Vehicle Emissions	1,029,866	921,315	1,168,693	1,168,693	1,306,814
FTE	<u>14.4</u>	<u>12.6</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
Cash Funds	1,029,866	921,315	1,168,693	1,168,693	1,306,814

(D) Titles

Provides administrative and accounting support for the issuance of motor vehicle titles, certifies vehicle ownership for tax assessment and other purposes, and ensures uniformity among the county clerks that provide the interface for the public in these transactions.

Personal Services	<u>1,550,327</u>	<u>1,605,329</u>	<u>1,661,471</u>	<u>1,638,996</u>	<u>1,638,996</u>
FTE	32.2	31.7	32.9	32.2	32.2
Cash Funds	1,550,327	1,605,329	1,661,471	1,638,996	1,638,996
Operating Expenses	<u>188,913</u>	<u>206,769</u>	<u>324,986</u>	<u>305,574</u>	<u>305,574</u>
Cash Funds	188,913	206,769	324,986	305,574	305,574

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>283,623</u>
Cash Funds	0	0	0	0	283,623
SUBTOTAL - (D) Titles	1,739,240	1,812,098	1,986,457	1,944,570	2,228,193
FTE	<u>32.2</u>	<u>31.7</u>	<u>32.9</u>	<u>32.2</u>	<u>32.2</u>
Cash Funds	1,739,240	1,812,098	1,986,457	1,944,570	2,228,193

(E) Motorist Insurance Identification Database Program

Maintains the database to compare motor vehicle registration records against insured motorist records to authorize the accurate driver's license suspension of uninsured drivers.

Personal Services	<u>250,539</u>	<u>256,764</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.9	0.8	0.0	0.0	0.0
Cash Funds	250,539	256,764	0	0	0
Operating Expenses	<u>473</u>	<u>494</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	473	494	0	0	0
Motorist Insurance Identification Database Program	<u>0</u>	<u>0</u>	<u>330,517</u>	<u>330,517</u>	<u>330,517</u>
FTE	0.0	0.0	1.0	1.0	1.0
Cash Funds	0	0	330,517	330,517	330,517
SUBTOTAL - (E) Motorist Insurance Identification Database Program	251,012	257,258	330,517	330,517	330,517
FTE	<u>0.9</u>	<u>0.8</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Cash Funds	251,012	257,258	330,517	330,517	330,517

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(F) Ignition Interlock Program					
Assists first time drunk driving offenders with obtaining ignition interlock devices to allow those offenders to drive, with certain restrictions.					
Personal Services	<u>198,723</u>	<u>182,966</u>	<u>211,931</u>	<u>211,931</u>	<u>211,931</u>
FTE	5.0	4.3	5.0	5.0	5.0
Cash Funds	198,723	182,966	211,931	211,931	211,931
Operating Expenses	<u>223,641</u>	<u>462,139</u>	<u>934,842</u>	<u>934,842</u>	<u>934,842</u>
Cash Funds	223,641	462,139	934,842	934,842	934,842
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,110</u>
Cash Funds	0	0	0	0	27,110
SUBTOTAL - (F) Ignition Interlock Program	422,364	645,105	1,146,773	1,146,773	1,173,883
FTE	<u>5.0</u>	<u>4.3</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Cash Funds	422,364	645,105	1,146,773	1,146,773	1,173,883
TOTAL - (5) Division of Motor Vehicles	28,316,524	29,797,682	34,007,023	33,281,411	36,252,500
FTE	<u>409.5</u>	<u>406.9</u>	<u>422.3</u>	<u>415.4</u>	<u>415.4</u>
General Fund	0	(9,650)	667,956	660,241	660,241
Cash Funds	28,316,524	29,807,332	33,339,067	32,621,170	35,592,259

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(6) MOTOR CARRIER SERVICES DIVISION

House Bill 12-1019 abolished the Motor Carrier Services Division in the Department of Revenue and transferred the Ports of Entry to the Colorado State Patrol and transferred the International Registration Program to Driver and Vehicle Services in the Division of Motor Vehicles.

Personal Services	<u>6,758,292</u>	<u>6,733,742</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	123.3	125.3	0.0	0.0	0.0
General Fund	635,891	534,050	0	0	0
Cash Funds	6,113,587	6,199,692	0	0	0
Reappropriated Funds	8,814	0	0	0	0
Operating Expenses	<u>500,798</u>	<u>520,027</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	36,974	36,780	0	0	0
Cash Funds	463,824	483,247	0	0	0
Fixed and Mobile Port Maintenance	<u>214,616</u>	<u>219,204</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	214,616	219,204	0	0	0
Hazardous Materials Permitting Program	<u>125,459</u>	<u>103,497</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.1	2.0	0.0	0.0	0.0
Cash Funds	125,459	103,497	0	0	0
Motor Carrier Safety Assistance Program	<u>88,219</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.9	0.0	0.0	0.0	0.0
Federal Funds	88,219	0	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
TOTAL - (6) Motor Carrier Services Division	7,687,384	7,576,470	0	0	0
<i>FTE</i>	<u>126.3</u>	<u>127.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	672,865	570,830	0	0	0
Cash Funds	6,917,486	7,005,640	0	0	0
Reappropriated Funds	8,814	0	0	0	0
Federal Funds	88,219	0	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(7) ENFORCEMENT BUSINESS GROUP

This division regulates the limited gaming industry; regulates horse and dog racing events; enforces the state's liquor, medical marijuana, and tobacco laws; and licenses liquor retailers, wholesalers, and manufacturers and medical marijuana retailers and manufacturing and cultivation facilities. This division also regulates the distribution of motor vehicles and manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes.

(A) Administration

Provides administrative support to the divisions in the Group: the Limited Gaming Division; the Alcohol and Tobacco Enforcement Division; the Division of Racing Events; the Hearings Division, the Motor Vehicle Dealer Licensing Board; and the Medical Marijuana Enforcement Division.

Personal Services	<u>574,177</u>	<u>635,691</u>	<u>629,903</u>	<u>649,536</u>	<u>649,536</u> *
FTE	7.5	7.9	8.0	8.0	8.0
General Fund	(3,303)	26,826	54,754	20,299	20,299
Cash Funds	455,799	508,753	453,046	355,016	355,016
Reappropriated Funds	121,681	100,112	122,103	274,221	274,221
Operating Expenses	<u>12,400</u>	<u>10,048</u>	<u>12,780</u>	<u>12,780</u>	<u>12,780</u> *
General Fund	144	(21)	1,111	400	400
Cash Funds	9,719	9,092	9,192	6,985	6,985
Reappropriated Funds	2,537	977	2,477	5,395	5,395
SUBTOTAL - (A) Administration	586,577	645,739	642,683	662,316	662,316
FTE	<u>7.5</u>	<u>7.9</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
General Fund	(3,159)	26,805	55,865	20,699	20,699
Cash Funds	465,518	517,845	462,238	362,001	362,001
Reappropriated Funds	124,218	101,089	124,580	279,616	279,616

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(B) Limited Gaming Division					
Licenses and regulates limited gaming establishments, conducts background investigations on all gaming employees, monitors compliance with State limited gaming laws, and conducts audits to ensure tax remittances from gaming establishments are correct. Line allocations are determined by the Limited Gaming Commission and are not subject to appropriation by the General Assembly.					
Personal Services	<u>6,004,899</u>	<u>6,205,319</u>	<u>6,784,591</u>	<u>6,652,800</u>	<u>6,652,800</u> *
FTE	81.9	79.3	85.4	84.4	84.4
Cash Funds	6,004,899	6,205,319	6,784,591	6,652,800	6,652,800
Operating Expenses	<u>465,553</u>	<u>467,302</u>	<u>1,332,689</u>	<u>1,331,739</u>	<u>1,331,739</u> *
Cash Funds	465,553	467,302	1,332,689	1,331,739	1,331,739
Licensure Activities	<u>104,984</u>	<u>100,547</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	104,984	100,547	0	0	0
Investigations	<u>37,160</u>	<u>28,524</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	37,160	28,524	0	0	0
Payments to Other State Agencies	<u>3,339,714</u>	<u>3,457,747</u>	<u>3,853,589</u>	<u>3,853,589</u>	<u>3,853,589</u>
Cash Funds	3,339,714	3,457,747	3,853,589	3,853,589	3,853,589
Distribution to Gaming Cities and Counties	<u>95,307,995</u>	<u>91,182,958</u>	<u>23,788,902</u>	<u>23,788,902</u>	<u>23,788,902</u>
Cash Funds	95,307,995	91,182,958	23,788,902	23,788,902	23,788,902
Indirect Cost Assessment	<u>711,203</u>	<u>685,832</u>	<u>523,629</u>	<u>926,636</u>	<u>387,245</u> *
Cash Funds	711,203	685,832	523,629	926,636	387,245
SUBTOTAL - (B) Limited Gaming Division	105,971,508	102,128,229	36,283,400	36,553,666	36,014,275
FTE	<u>81.9</u>	<u>79.3</u>	<u>85.4</u>	<u>84.4</u>	<u>84.4</u>
Cash Funds	105,971,508	102,128,229	36,283,400	36,553,666	36,014,275

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(C) Liquor and Tobacco Enforcement Division

Enforces the State's alcohol laws and regulations; issues licenses and permits to manufacturers, importers, distributors, and retailers of alcoholic beverages; and enforces State laws prohibiting the sale of tobacco products to minors.

Personal Services	<u>0</u>	<u>0</u>	<u>2,140,010</u>	<u>2,217,909</u>	<u>2,217,909</u> *
FTE	0.0	0.0	26.5	26.5	26.5
General Fund	0	0	138,013	138,013	138,013
Cash Funds	0	0	2,001,997	2,079,896	2,079,896
Operating Expenses	<u>0</u>	<u>0</u>	<u>87,705</u>	<u>97,919</u>	<u>97,919</u> *
General Fund	0	0	7,201	7,201	7,201
Cash Funds	0	0	80,504	90,718	90,718
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>134,412</u>
Cash Funds	0	0	0	0	134,412

SUBTOTAL - (C) Liquor and Tobacco Enforcement Division	0	0	2,227,715	2,315,828	2,450,240
FTE	<u>0.0</u>	<u>0.0</u>	<u>26.5</u>	<u>26.5</u>	<u>26.5</u>
General Fund	0	0	145,214	145,214	145,214
Cash Funds	0	0	2,082,501	2,170,614	2,305,026

Liquor Enforcement Division

This program was consolidated into the Liquor and Tobacco Enforcement Division for FY 2012-13.

Personal Services	<u>1,559,906</u>	<u>1,535,943</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	18.7	20.3	0.0	0.0	0.0
Cash Funds	1,559,906	1,535,943	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Operating Expenses	<u>55,069</u>	<u>55,896</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	55,069	55,896	0	0	0
SUBTOTAL - Liquor Enforcement Division	1,614,975	1,591,839	0	0	0
<i>FTE</i>	<u>18.7</u>	<u>20.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	1,614,975	1,591,839	0	0	0

Tobacco Enforcement Program

This program was consolidated into the Liquor and Tobacco Enforcement Division for FY 2012-13.

Personal Services	<u>431,726</u>	<u>385,817</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	6.7	5.8	0.0	0.0	0.0
General Fund	131,474	115,485	0	0	0
Cash Funds	300,252	270,332	0	0	0
Operating Expenses	<u>28,314</u>	<u>28,874</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	6,902	7,036	0	0	0
Cash Funds	21,412	21,838	0	0	0
SUBTOTAL - Tobacco Enforcement Program	460,040	414,691	0	0	0
<i>FTE</i>	<u>6.7</u>	<u>5.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	138,376	122,521	0	0	0
Cash Funds	321,664	292,170	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(D) Division of Racing Events					
Licenses racetracks and individuals involved in horse and dog racing (currently inactive), allocates race days among racetracks, tests animals for drugs, and oversees wagering.					
Personal Services	<u>687,154</u>	<u>666,098</u>	<u>1,124,123</u>	<u>1,060,739</u>	<u>874,728</u> *
FTE	6.1	6.3	8.7	7.7	7.7
Cash Funds	687,154	666,098	1,124,123	1,060,739	874,728
Operating Expenses	<u>77,751</u>	<u>64,715</u>	<u>222,577</u>	<u>221,627</u>	<u>221,627</u> *
Cash Funds	77,751	64,715	222,577	221,627	221,627
Laboratory Services	<u>26,055</u>	<u>69,270</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	26,055	69,270	0	0	0
Commission Meeting Costs	<u>929</u>	<u>1,061</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	929	1,061	0	0	0
Racetrack Applications	<u>24,234</u>	<u>17,559</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	24,234	17,559	0	0	0
Purses and Breeders Awards	<u>1,299,203</u>	<u>1,266,932</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>
Cash Funds	1,299,203	1,266,932	1,400,000	1,400,000	1,400,000
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,658</u>
Cash Funds	0	0	0	0	90,658
SUBTOTAL - (D) Division of Racing Events	2,115,326	2,085,635	2,746,700	2,682,366	2,587,013
FTE	<u>6.1</u>	<u>6.3</u>	<u>8.7</u>	<u>7.7</u>	<u>7.7</u>
Cash Funds	2,115,326	2,085,635	2,746,700	2,682,366	2,587,013

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(E) Hearings Division

Conducts hearings on driver's license suspensions and revocations, probationary licenses, habitual traffic offenders, misuse of temporary registration permits, and horse and dog racing licenses. Provides computer support and data analysis for traffic safety programs. Cash funds source is the Driver's License Administrative Revocation Account.

Personal Services	<u>1,975,288</u>	<u>1,763,346</u>	<u>2,182,046</u>	<u>2,182,046</u>	<u>2,182,046</u>
FTE	26.1	27.2	29.4	29.4	29.4
General Fund	0	0	178,955	178,955	178,955
Cash Funds	1,975,288	1,763,346	2,003,091	2,003,091	2,003,091
Operating Expenses	<u>94,235</u>	<u>94,424</u>	<u>101,408</u>	<u>101,408</u>	<u>101,408</u>
General Fund	0	0	2,470	2,470	2,470
Cash Funds	94,235	94,424	98,938	98,938	98,938
SUBTOTAL - (E) Hearings Division	2,069,523	1,857,770	2,283,454	2,283,454	2,283,454
FTE	<u>26.1</u>	<u>27.2</u>	<u>29.4</u>	<u>29.4</u>	<u>29.4</u>
General Fund	0	0	181,425	181,425	181,425
Cash Funds	2,069,523	1,857,770	2,102,029	2,102,029	2,102,029

(F) Motor Vehicle Dealer Licensing Board

Conducts hearings on driver's license suspensions and revocations, probationary licenses, habitual traffic offenders, misuse of temporary registration permits, and horse and dog racing licenses. Provides computer support and data analysis for traffic safety programs.

Personal Services	<u>1,691,845</u>	<u>1,714,584</u>	<u>1,782,358</u>	<u>1,782,358</u>	<u>1,782,358</u>
FTE	26.7	26.9	26.2	26.2	26.2
Cash Funds	1,691,845	1,714,584	1,782,358	1,782,358	1,782,358
Operating Expenses	<u>117,672</u>	<u>117,491</u>	<u>119,023</u>	<u>119,023</u>	<u>119,023</u>
Cash Funds	117,672	117,491	119,023	119,023	119,023

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,872</u>
Cash Funds	0	0	0	0	151,872
SUBTOTAL - (F) Motor Vehicle Dealer					
Licensing Board	1,809,517	1,832,075	1,901,381	1,901,381	2,053,253
<i>FTE</i>	<u>26.7</u>	<u>26.9</u>	<u>26.2</u>	<u>26.2</u>	<u>26.2</u>
Cash Funds	1,809,517	1,832,075	1,901,381	1,901,381	2,053,253
(G) Medical Marijuana Enforcement					
Licenses and regulates medical marijuana dispensaries, growing facilities, and medical marijuana infused product manufacturing facilities. Investigates complaints and enforces law and regulations regarding such facilities.					
Medical Marijuana Enforcement	<u>4,097,790</u>	<u>3,919,025</u>	<u>5,653,838</u>	<u>5,653,838</u>	<u>5,653,838</u>
FTE	11.2	31.7	55.2	55.2	55.2
Cash Funds	4,097,790	3,919,025	5,653,838	5,653,838	5,653,838
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,839</u>
Cash Funds	0	0	0	0	326,839
SUBTOTAL - (G) Medical Marijuana					
Enforcement	4,097,790	3,919,025	5,653,838	5,653,838	5,980,677
<i>FTE</i>	<u>11.2</u>	<u>31.7</u>	<u>55.2</u>	<u>55.2</u>	<u>55.2</u>
Cash Funds	4,097,790	3,919,025	5,653,838	5,653,838	5,980,677
TOTAL - (7) Enforcement Business Group					
<i>FTE</i>	<u>184.9</u>	<u>205.4</u>	<u>239.4</u>	<u>237.4</u>	<u>237.4</u>
General Fund	135,217	149,326	382,504	347,338	347,338
Cash Funds	118,465,821	114,224,588	51,232,087	51,425,895	51,404,274
Reappropriated Funds	124,218	101,089	124,580	279,616	279,616

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(8) STATE LOTTERY DIVISION

The State Lottery Division is an enterprise under the provisions of Section 20 of Article X of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for worker's compensation, variable vehicle expenses, legal services, the purchase of services from the computer center, multiuse network payments, payments to risk management, vehicle lease payments, leased space, Capitol Complex leased space, and communications services payments are shown in consolidated budget lines within the Executive Director's Office.

Personal Services	<u>8,185,856</u>	<u>8,062,827</u>	<u>8,881,413</u>	<u>8,830,202</u>	<u>8,830,202</u> *
FTE	113.9	117.2	117.1	117.1	117.1
Cash Funds	8,185,856	8,062,827	8,881,413	8,830,202	8,830,202
Operating Expenses	<u>1,046,128</u>	<u>1,013,624</u>	<u>1,203,156</u>	<u>1,203,156</u>	<u>1,203,156</u>
Cash Funds	1,046,128	1,013,624	1,203,156	1,203,156	1,203,156
Payments to Other State Agencies	<u>118,199</u>	<u>107,348</u>	<u>239,410</u>	<u>239,410</u>	<u>239,410</u>
Cash Funds	118,199	107,348	239,410	239,410	239,410
Travel	<u>113,498</u>	<u>110,638</u>	<u>113,498</u>	<u>113,498</u>	<u>113,498</u>
Cash Funds	113,498	110,638	113,498	113,498	113,498
Marketing and Communications	<u>14,615,981</u>	<u>13,282,526</u>	<u>14,700,000</u>	<u>14,700,000</u>	<u>14,700,000</u>
Cash Funds	14,615,981	13,282,526	14,700,000	14,700,000	14,700,000
Multi-State Lottery Fees	<u>116,175</u>	<u>137,472</u>	<u>177,433</u>	<u>177,433</u>	<u>177,433</u>
Cash Funds	116,175	137,472	177,433	177,433	177,433
Vendor Fees	<u>8,789,827</u>	<u>9,228,155</u>	<u>12,571,504</u>	<u>12,571,504</u>	<u>12,571,504</u>
Cash Funds	8,789,827	9,228,155	12,571,504	12,571,504	12,571,504

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Retailer Compensation	<u>39,584,085</u>	<u>41,640,942</u>	<u>52,241,350</u>	<u>52,241,350</u>	<u>52,241,350</u>
Cash Funds	39,584,085	41,640,942	52,241,350	52,241,350	52,241,350
Ticket Costs	<u>4,033,841</u>	<u>3,834,164</u>	<u>6,578,000</u>	<u>6,578,000</u>	<u>6,578,000</u>
Cash Funds	4,033,841	3,834,164	6,578,000	6,578,000	6,578,000
Research	<u>207,273</u>	<u>105,900</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Cash Funds	207,273	105,900	250,000	250,000	250,000
Indirect Cost Assessment	<u>528,542</u>	<u>495,367</u>	<u>408,720</u>	<u>658,082</u>	<u>500,260</u> *
Cash Funds	528,542	495,367	408,720	658,082	500,260
Prizes	<u>328,719,521</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	328,719,521	0	0	0	0
Powerball Prize Variance	<u>5,384,038</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	5,384,038	0	0	0	0
TOTAL - (8) State Lottery Division	411,442,964	78,018,963	97,364,484	97,562,635	97,404,813
FTE	<u>113.9</u>	<u>117.2</u>	<u>117.1</u>	<u>117.1</u>	<u>117.1</u>
Cash Funds	411,442,964	78,018,963	97,364,484	97,562,635	97,404,813
TOTAL - Department of Revenue	660,864,067	329,959,231	287,797,760	294,582,870	297,572,400
FTE	<u>1,288.3</u>	<u>1,323.0</u>	<u>1,249.1</u>	<u>1,237.6</u>	<u>1,237.6</u>
General Fund	66,521,669	69,942,330	73,393,521	77,118,601	76,791,731
Cash Funds	592,134,321	257,999,182	211,976,517	215,327,633	214,887,568
Reappropriated Funds	1,400,745	1,321,372	1,603,334	1,312,248	5,068,713
Federal Funds	807,332	696,347	824,388	824,388	824,388