

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2015-16

DEPARTMENT OF REVENUE

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

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TABLE OF CONTENTS

	Narrative Page	Numbers Page
Department Overview	1	N.A.
Summary: FY 2014-15 Appropriation and Recommendation	1	N.A.
Prioritized Supplementals in Department-assigned Order		
S1 – Drivers License Documents Cost Increase	3	12
S2 – Income Tax Fraud Investigations	5	13
S3 – Marijuana Enforcement Division FTE	8	15
Non-prioritized Supplementals		
Statewide Common Policy Supplemental Requests	11	N.A.
Totals for All Supplementals	N.A.	16
Appendices		
Numbers Pages	12	N.A.

DEPARTMENT OF REVENUE

Department Overview

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for state government and for local governments. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database Program, and regulates commercial vehicles in a separate division. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, operates the hearings division, and regulates medical and retail marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and Information Technology Division.

The Department is statutorily authorized to contract with cities and counties to collect any tax which it also collects for state government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

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

Summary: FY 2015-16 Appropriation and Recommendation

Department of Revenue: Recommended Changes for FY 2015-16						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
Other Legislation	<u>1,113,077</u>	<u>77,166</u>	<u>1,035,911</u>	<u>0</u>	<u>0</u>	<u>3.4</u>
Current FY 2015-16 Appropriation	\$324,177,457	\$97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
Recommended Changes						
Current FY 2015-16 Appropriation	\$324,177,457	97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
S2 Income tax refund fraud	548,665	548,665	0	0	0	0.6
S1 DMV Drivers license documents	527,630	0	527,630	0	0	0.0
S3 Marijuana Enforcement Division FTE	273,318	0	273,318	0	0	4.3
SNP Fleet vehicle request	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommended FY 2015-16 Appropriation	\$325,527,070	\$98,170,262	\$221,218,250	\$5,314,170	\$824,388	1,372.0

JBC Staff Supplemental Recommendations: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department of Revenue: Recommended Changes for FY 2015-16						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Recommended Increase/(Decrease)	\$1,349,613	\$548,665	\$800,948	\$0	\$0	4.9
Percentage Change	0.4%	0.6%	0.4%	0.0%	0.0%	0.4%
FY 2015-16 Executive Request	\$325,453,689	\$98,155,201	\$221,159,930	\$5,314,170	\$824,388	1,372.0
Request Above/(Below) Recommendation	(\$73,381)	(\$15,061)	(\$58,320)	\$0	\$0	(0.0)

Request/Recommendation Descriptions

S2 Income tax refund fraud: The request includes \$548,665 General Fund and 0.6 FTE in FY 2015-16, which annualizes to \$1,791,107 and 14.5 FTE in FY 2016-17, to address the substantial increase in potential fraud observed by the Department in income tax refund filings. The recommendation includes the requested increase.

S1 DMV Drivers license documents: The request includes \$548,665 cash funds to fund an increase to the drivers license documents line item to fund the increased cost of identity documents from a new production vendor and to address updated projections for document issuance. The recommendation includes the requested increase.

S3 Marijuana Enforcement Division FTE: The request includes \$273,318 from the marijuana cash fund and 4.3 FTE to increase the number of Marijuana Enforcement Division employees assigned to background investigations and licensing units of the Division to bring wait times for appointments for change-of-ownership or new business license applications from 12 weeks down to 2 – 4 weeks. The recommendation includes the requested increase.

SNP Fleet vehicle request: The request includes a reduction of \$73,381, including \$15,061 General Fund and \$58,320 cash funds. The recommendation is to deny this request.

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 DMV DRIVERS LICENSE DOCUMENTS INCREASE

	Request	Recommendation
Total	<u>\$527,630</u>	<u>\$527,630</u>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	527,630	527,630
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests an increase of \$527,630 cash funds to the Driver’s License Documents line item from the Licensing Services Cash Fund in FY 2015-16 to fund the increased costs of the re-procured contract with the card vendor that produces all identification documents and updated projections for card issuance.

Staff Recommendation: Staff recommends the Committee approve the Department’s request.

Staff Analysis: This request is the companion request to a part of the Department’s FY 2016-17 R1 Division of Motor Vehicles Funding Deficit request. The Department’s supplemental request is the result of two converging factors that result in data that was not available when the original appropriation was made: (1) increased cost of document production as a result of a new contract with a card vendor and (2) updated forecast of the number of identification documents to be issued as a result of the Department’s actual observations, primarily related to the arrival of new Colorado residents.

Driver’s License Documents Line Item

The Driver’s License Documents line item funds all material costs associated with the production of driver’s licenses, instructional permits, and identification cards including related security features. Additionally, the line item funds fees paid to the American Association of Motor Vehicles Administrators for verification of Social Security information submitted by document applicants, and to the Immigrations and Customs Enforcement Division of the Department of Homeland Security for the verification of document applicants’ legal immigration/visa status through the Systematic Alienation Verification for Entitlements program.

Cost of Document Production

As discussed in the FY 2016-17 staff briefing for the Department of Revenue, the Department's contract with its card vendor came to a conclusion in FY 2014-15, which required the Department to enter into competitive re-procurement process for a contract with an identification document production vendor. The previous contract with MorphoTrust was in force beginning at the end of FY 1998-99 and ultimately terminates almost seventeen years later in February 2016. This contract term was initially for seven years and the Department exercised options to extend the contract through February.

The contract resulting from the procurement was awarded to Marquis Consulting Services, Inc. d/b/a Marquis ID Systems from Fort Wayne, IN. The contract includes several enhanced security measures, which may be viewed as value added for the state when the cost-per-document rates are increasing. These security measures include polycarbonate card stock, laser engraved images, and engraved and embossed text. According to the Department, these features were supported by many stakeholders including law enforcement, reduce fraud, and ensure REAL ID Act compliance in the future. The majority of the company's business is located in Fort Wayne, however, the company's parent maintains a secure facility in Switzerland for production of the card stock.

Cost-per-document in the new document production contract increased from \$3.156 to \$4.159. The Department has assured JBC staff that the cost-per-document increase of approximately \$1 is a good deal.

Rising Number of Documents Forecast to be Issued

The Department observed an unexpected increase in document issuance in FY 2014-15, which totaled 12.8 percent growth over FY 2013-14. The Department forecasts a reduction of 2.3 percent for number of documents issued from FY 2014-15 to FY 2015-16 but the new estimates exceed the estimates on which initial FY 2015-16 appropriations were made. When the Committee was setting figures for FY 2015-16, the Department estimated a reduction of 7.0 percent from FY 2014-15. The difference between the initial forecast and the updated forecast totals 179,127 documents.

Accounting solely for the cost of producing the number of documents exceeding initial forecasts relied upon for FY 2015-16 figure setting, JBC staff estimates the 179,127 new documents will cost approximately \$745,000 to produce. The reason the request is for \$527,630 and not \$745,000 is because the cost-per-document increase does not become effective until February 2016, and the increased document issuance projections are spread throughout the fiscal year.

Based on updated document issuance forecast, in combination with the increased document production costs of the new contract, JBC staff recommends approving the Department request.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2
INCOME TAX FRAUD INVESTIGATIONS**

	Request	Recommendation
Total	<u>\$548,665</u>	<u>\$548,665</u>
FTE	0.6	0.6
General Fund	548,665	548,665
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests \$548,665 General Fund and 0.6 FTE in FY 2015-16, and \$1,791,107 General Fund and 14.5 FTE in FY 2016-17 to implement changes necessary to combat income tax refund fraud.

Staff Recommendation: Staff recommends the Committee approve the Department request.

Staff Analysis: Identity theft in the United States has received increasing levels of media attention over the past decade. Breaches of customer data at several large national retailers has increased the amount of personally identifiable information available on black markets for scam artists. At the same time, the Internet and access to mobile devices has increased the public’s expectation for instantaneous results—whether it be a driver to arrive within a few minutes using a ridesharing app or the processing of a tax refund. Scammers have used these things to their advantage by targeting the tax refund process by claiming the refund of legitimate taxpayers. Therefore the Department is currently balancing the filers desire for a quick refund and both the filer’s and the state’s interest in eliminating fraud from the process.

Identity-based income tax refund fraud is a costly issue for tax agencies such as the Department of Revenue and the state because it can reduce the revenue available for Colorado. While income tax refund fraud is not a new issue, the significant increase in fraud is a recent development. Over the last three years, The Department has seen an increase of about 185 percent in work related to the identification and prevention of fraudulent tax refunds. The Department reports that it is experiencing fraud at levels similar to the experiences of the Internal Revenue Service (IRS) at the federal level.

As alluded to in the introduction, a major cause of increased fraud is the prevalence of data breaches. The Department provided data from the Privacy Rights Clearinghouse that indicated over 816 million personally identifiable identification records have been breached since 2005.

Over the past decade, the Department has increased its efforts to easily accept income tax refund filings through online electronic-filing (e-filing). As of the 2014 tax season, approximately 84 percent of Colorado individual income tax returns were filed electronically. The Department is restricted by statute to a limited period of time to identify fraud. Section 39-22-622(2)(a) requires the Department to issue refunds to filers within specific time frames based on the date on which the return is filed. These timeframes are summarized below:

Statutory Requirement for Timing of Income Tax Refunds	
Date of Filing is Before	Period Department has to issue refund
January 31	Fourteen (14) Calendar Days from Date of Filing
February 28 (or 29)	Twenty-one (21) Calendar Days from Date of Filing
March 31	Forty-five (45) Calendar Days from Date of Filing

E-filing provides a faster way for the Department to process returns and issue refunds. Income tax refunds filed on paper go through the Department’s tax processing pipeline. The tax processing pipeline utilizes specialized scanners operated by the Department of Personnel to scan the paper filings and prepare them for review by the tax examiners. This extra step starts the tolling of the above-mentioned deadlines from the date the filing is postmarked by the United State Postal Service. It also benefits the filers because it reduces the amount of time the tax return is not actively being verified. Additionally, using one of the many third-party companies that offer e-filing, such as TurboTax, consumers can reduce the amount of time they spend preparing their tax returns by populating many of the data fields with data from prior returns.

The downside to e-filing is that it makes it easier to file false returns, resulting in increased potential for fraud. No surprisingly, when people interested in committing income tax fraud find a strategy that works for a certain state, the Department has observed these people submit a large number of filings until the strategy is uncovered.

Section 39-22-622(4), C.R.S., does provide the Department with an exemption to the timeline required by subsection (2) of that statute described above. The exemption occurs when the Department identifies that a return has the characteristics of a fraudulent refund claim. When such a return is identified, it is removed from the processing stream for a more thorough review.

Fraud detection has a cascading effect to the workload of the Department because a legitimate taxpayer returns may be identified as potentially fraudulent and that increases the amount of time the taxpayer must wait for his or her refund. While the Department allows taxpayers to check the status of their return online, many taxpayers are still more comfortable speaking with a live person when their refund is delayed. Last year, when the Department placed a hold on issuing any tax refunds in light of potential mass-fraud that was identified, it experienced a substantial increase in both the amount of time a taxpayer had to wait on hold and the percent of calls that

were blocked from even making it to the hold-queue. The table below lists call center statistics for the past several tax cycles:

Department Call Center Statistics			
Fiscal Year	Calls to Call Center	Average Wait Time	Call Blockage Rate
2012-13	479,344	9:34	23.75%
2013-14	467,395	9:08	23.24%
2014-15	606,772	12:18	40.01%

The call center currently has 26.0 FTE dedicated to staffing the call center, not including the supervisors. The request includes 8.4 FTE in FY 2016-17 to address increased call center demand.

The request reflects a need to increase staffing to allow the Department to continue meeting its statutory requirement for issuing refunds and also meet expectations of filers who call the tax call center with questions about delays to their refund.

As part of its fraud-related duties, the Department currently has 3.0 FTE assigned to identify potentially fraudulent refunds and then review the information associated with the tax return in order to determine the veracity of the filing. These employees are often required to examine available data and even contact the taxpayer to ensure the return's validity. The increase in the number of filings reviewed by the Department is kind of alarming. The table below shows the number of income tax filings that were reviewed by tax filing season:

Filings Reviewed by the Department for Fraud		
Filing Year	Department Reviews	Percent Change
2011	24,573	n/a
2012	28,423	15.70%
2013	50,066	76.10%
2014	44,743	(10.60%)

Between the 2012 and 2013 tax filing cycles, the Department did not make any unusual or large changes to its fraud detection processes. Like many other states, Colorado experienced a substantial increase in suspicious returns. It is the Department's belief that the incidence of fraud has increased substantially and this uptick was not a result of enhanced detection methodologies, rather it was a true increase in fraudulent activities being perpetrated on a more widespread and larger scale than previously encountered.

With such a substantial increase in fraudulent returns, the Department has had to divert FTE from other areas in order to address each of the returns identified as potentially fraudulent. Despite receiving training on fraud processing, the FTE diverted from other units are not as efficient, and probably less effective, at addressing potentially fraudulent returns as those dedicated to fraud detection.

Finally, the request also includes funding for an expansion module available from the GenTax vendor that provides the tax remittance computing architecture. The “Fraud Manager” module incorporates industry standard anti-fraud functionality and includes several capabilities specifically designed to combat individual income tax fraud. One of the concerns JBC staff had with this request is that whenever a bill makes a change to tax law in Colorado, it must contain an appropriation to allow the Department to reprogram the GenTax system through the vendor. This module allows the Department to make adjustments to Colorado-specific business rules without the need for programming from the vendor. It also utilizes shared multi-state data, public records, and a variety of other data services to provide ID theft and other fraud scores back to the Department. There are currently four states that have implemented the Fraud Manager module with 11 more scheduled to have it implemented by January 2016. The module requires a programming fee of \$300,000 in FY 2015-16 and annual data contract of \$600,000 beginning in FY 2016-17. Overall, 24 states, plus the District of Columbia, have a contract with the GenTax vendor. If more states make fraud detection a priority, the multi-state data will become even more useful.

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #3
MARIJUANA ENFORCEMENT DIVISION FTE

	Request	Recommendation
Total	<u>\$273,318</u>	<u>\$273,318</u>
FTE	4.3	4.3
General Fund	0	0
Cash Fund	273,318	273,318
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests \$273,318 and 4.3 FTE in FY 2015-16 and \$1,313,217 and 17.0 FTE in FY 2016-17 to reduce the time marijuana licensees and applicants are awaiting action from the Marijuana Enforcement Division. The funding source for the request is the Marijuana Cash Fund.

Staff Recommendation: Staff recommends the Committee approve the Department request.

Staff Analysis: The Marijuana Enforcement Division (MED or Division) of the Department of Revenue is the state’s primary regulatory body overseeing the businesses licensed to engage in medical and recreational marijuana sales. In carrying out its duties, the MED issues licenses to the businesses and employees of those businesses, conducts background investigations, imposes disciplinary actions, enforces compliance mandates, implements legislation, and promulgates rules.

The Department and the MED continue to analyze the staffing needs of enforcing the state’s marijuana regulations, trying to balance the demands of the new, growing industry and the desire not to hire too many full-time staff if the workload fails to be consistent over time. At figure setting for FY 2015-16, the Department expected the workload related to investigations and licensing would normalize and that the newly approved 17.0 FTE in FY 2015-16 would be sufficient to address the workload of the Division. While the MED has not experienced this leveling off of the workload that it expected, it also did not anticipate how complex ownership and financial agreements would get in the face of the marijuana industry’s inability to effectively work within the United States banking system.

Complex Business Agreements in the Industry

At this time, it seems unlikely that marijuana businesses will have access to meaningful banking until Congress acts. Efforts to bring banking to the marijuana industry continue to meet road blocks and most recently a Federal Colorado District Judge sided with the Federal Reserve when it denied Fourth Corner Credit Union a master account due to concerns that marijuana is still illegal federally. Because the businesses do not have access to business loans that the rest of the business community does, JBC staff agrees with Department staff that these agreements will continue to become increasingly more complicated.

The innovative business and/or ownership structures being cobbled together by the industry increase the amount of time applications take to review by MED staff. It is crucial that the MED investigate each application thoroughly to confirm there is no undisclosed ownership or undisclosed financial interests, to comply with state law.

Legal Requirements of the MED

One of the primary tasks the MED performs is ensuring that criminal enterprises do not participate in the regulated market and that all individuals with direct or indirect ownership in licensed businesses meet all qualifications of licensure. In carrying out this duty, the Colorado Constitution requires the Department to process and take action between 45 and 90 days of the submission.

To achieve its Constitutional duty, the Department allows new businesses applicants and those making change-of-ownership requests to schedule an appointment to submit its application or renewal. This has resulted in applicants waiting at least 12 weeks before being able to submit the application and once they arrive for their submission appointment, the clock starts ticking on the 90 day timeframe. The Colorado Constitution clearly states application processing should be accomplished within 90 days. JBC staff feels that while the system the MED has implemented was necessary for it to accomplish its legal duties within its resources, it does not give full faith to the intent of the Constitutional provision.

Many of the businesses regulated by the Department of Regulatory Agencies (DORA) receive renewals for their licenses within one business week. While review of those applications by DORA is probably more straight-forward than marijuana businesses, providing businesses legally operating in Colorado with similar levels of customer service is fair. The state should strive to take final action on new applications, renewals, and change-of-ownership petitions on the 45th day.

The MED has implemented policies that allow for the submission of some documents without the need for scheduling an appointment. These include: changes of location, modification of premises, changes of trade names and business application renewals. The changes implemented were welcome by the marijuana industry but it did not have much effect on the 12-week wait times for new applications and change-of-ownership petitions.

Included in the Department's request is 4.3 FTE that will annualize to 17.0 FTE in FY 2016-17. A summary of those FTE is provided below:

Requested Positions	
FTE	Job Classification
6.0	Administrative Assistant II
2.0	Administrative Assistant III
2.0	Criminal Investigator I
2.0	Criminal Investigator II
4.0	Compliance Investigator I
<u>1.0</u>	Compliance Investigator II
17.0	Total

With the additional staff resources included in this request, the Department estimates it will be able to reduce the wait being experienced now for an appointment down to two to four weeks. In addition to reducing the time it takes to get an appointment with the MED, the Department also anticipates the following will occur by the end of FY 2015-16 if the request is approved:

- Final agency actions within 90 days for new applications to increase from 69 percent to 75 percent; and
- Final agency actions within 90 days for renewal applications to increase from 63 percent to 70 percent;

JBC staff recommends the Committee approve this request. Approving the request provides additional resources to the MED to improve its performance but JBC staff believes the resources will not sufficiently staff the MED to a level that fairly serves the marijuana industry. Approving this supplemental request will allow the Department to begin hiring and training the staff serving supervisory functions in FY 2015-16. This will allow the Department and JBC Staff to have conversations concerning whether 17.0 FTE in FY 2016-17 is sufficient to address the needs of the Marijuana Enforcement Division.

Statewide Common Policy Supplemental Requests

These requests are not prioritized.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SNP1 Vehicle Lease Payments True-up	(\$73,381)	(\$15,061)	(\$58,320)	\$0	\$0	0.0
Department's Total Statewide Supplemental Requests	(\$73,381)	(\$15,061)	(\$58,320)	\$0	\$0	0.0

Staff Recommendation: Staff recommends the Committee deny the request for the Department of Revenue. After consultation with the JBC staff analyst for Department of Personnel and common policies, staff describes this request as an accounting exercise and because the request is to reduce the appropriation, rejecting the request will not harm the Department. The savings requested by the Department will be realized regardless of whether the request is approved or denied and does not impact the General Fund.

*JBC Staff Supplemental Recommendations - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision*

Appendix A: Number Pages

	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
DEPARTMENT OF REVENUE					
Barbara Brohl, Executive Director					
S1 DMV drivers license documents increase					
(5) DIVISION OF MOTOR VEHICLES					
(B) Driver Services					
Drivers License Documents	<u>4,304,131</u>	<u>4,365,339</u>	<u>527,630</u>	<u>527,630</u>	<u>4,892,969</u>
Cash Funds	4,304,131	4,365,339	527,630	527,630	4,892,969
Total for S1 DMV drivers license documents increase	4,304,131	4,365,339	527,630	527,630	4,892,969
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	4,304,131	4,365,339	527,630	527,630	4,892,969

JBC Staff Supplemental Recommendations - FY 2015-16
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	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
S2 Income tax refund fraud					
(1) EXECUTIVE DIRECTOR'S OFFICE					
Postage	<u>3,001,380</u>	<u>3,008,040</u>	<u>188,650</u>	<u>188,650</u>	<u>3,196,690</u>
General Fund	2,663,773	2,670,430	188,650	188,650	2,859,080
Cash Funds	337,607	337,610	0	0	337,610
(4) TAXATION BUSINESS GROUP					
(A) Administration					
Colorado Integrated Tax Architecture Maintenance and Support	<u>3,715,658</u>	<u>3,930,190</u>	<u>300,000</u>	<u>300,000</u>	<u>4,230,190</u>
General Fund	3,715,658	3,894,750	300,000	300,000	4,194,750
Cash Funds	0	35,440	0	0	35,440
(4) TAXATION BUSINESS GROUP					
(B) Taxation and Compliance Division					
Personal Expenses	<u>15,231,360</u>	<u>17,406,855</u>	<u>27,641</u>	<u>27,641</u>	<u>17,434,496</u>
FTE	227.0	239.6	0.6	0.6	240.2
General Fund	14,561,621	16,212,135	27,641	27,641	16,239,776
Cash Funds	669,739	1,040,635	0	0	1,040,635
Reappropriated Funds	0	154,085	0	0	154,085

JBC Staff Supplemental Recommendations - FY 2015-16
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	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
Operating Expenses	<u>858,018</u>	<u>1,075,591</u>	<u>28,503</u>	<u>28,503</u>	<u>1,104,094</u>
General Fund	853,582	1,049,450	28,503	28,503	1,077,953
Cash Funds	4,436	26,141	0	0	26,141
(4) TAXATION BUSINESS GROUP					
(C) Taxpayer Service Division					
Document Management	<u>2,907,883</u>	<u>2,948,846</u>	<u>3,871</u>	<u>3,871</u>	<u>2,952,717</u>
General Fund	2,905,724	2,909,341	3,871	3,871	2,913,212
Cash Funds	2,159	39,505	0	0	39,505
Reappropriated Funds	0	0	0	0	0
Total for S2 Income tax refund fraud	25,714,299	28,369,522	548,665	548,665	28,918,187
<i>FTE</i>	<u>227.0</u>	<u>239.6</u>	<u>0.6</u>	<u>0.6</u>	<u>240.2</u>
General Fund	24,700,358	26,736,106	548,665	548,665	27,284,771
Cash Funds	1,013,941	1,479,331	0	0	1,479,331
Reappropriated Funds	0	154,085	0	0	154,085

JBC Staff Supplemental Recommendations - FY 2015-16
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	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
S3 Marijuana enforcement division FTE					
(1) EXECUTIVE DIRECTOR'S OFFICE					
Operating Expenses	<u>2,013,374</u>	<u>2,266,808</u>	<u>967</u>	<u>967</u>	<u>2,267,775</u>
General Fund	1,475,126	1,570,428	0	0	1,570,428
Cash Funds	538,248	696,380	967	967	697,347
Vehicle Lease Payments	<u>539,127</u>	<u>604,671</u>	<u>1,740</u>	<u>1,740</u>	<u>606,411</u>
General Fund	135,959	156,556	0	0	156,556
Cash Funds	403,168	448,115	1,740	1,740	449,855
(6) ENFORCEMENT BUSINESS GROUP					
(G) Marijuana Enforcement					
Marijuana Enforcement	<u>4,734,175</u>	<u>7,539,624</u>	<u>270,611</u>	<u>270,611</u>	<u>7,810,235</u>
FTE	46.6	70.6	4.3	4.3	74.9
Cash Funds	4,734,175	7,539,624	270,611	270,611	7,810,235
Total for S3 Marijuana enforcement division FTE	7,286,676	10,411,103	273,318	273,318	10,684,421
FTE	<u>46.6</u>	<u>70.6</u>	<u>4.3</u>	<u>4.3</u>	<u>74.9</u>
General Fund	1,611,085	1,726,984	0	0	1,726,984
Cash Funds	5,675,591	8,684,119	273,318	273,318	8,957,437

JBC Staff Supplemental Recommendations - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
Totals Excluding Pending Items					
REVENUE					
TOTALS for ALL Departmental line items	355,490,217	324,177,457	1,349,613	1,349,613	325,527,070
<i>FTE</i>	<u>1,231.5</u>	<u>1,367.1</u>	<u>4.9</u>	<u>4.9</u>	<u>1,372.0</u>
General Fund	71,241,994	97,621,597	548,665	548,665	98,170,262
General Fund Exempt	23,297,826	0	0	0	NaN
Cash Funds	255,681,079	220,417,302	800,948	800,948	221,218,250
Reappropriated Funds	5,269,318	5,314,170	0	0	5,314,170
Federal Funds	0	824,388	0	0	824,388