

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**INTERIM SUPPLEMENTAL REQUEST FOR FY 2010-11**

**DEPARTMENT OF REVENUE**

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

**Prepared By:  
David Meng, JBC Staff  
December 20, 2010**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**DEPARTMENT OF REVENUE**

**INTERIM SUPPLEMENTAL REQUEST FOR FY 2010-11  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**TABLE OF CONTENTS**

	<b>Numbers Page</b>	<b>Narrative Page</b>
Interim Supplemental #1 - H.B. 10-1045 Appropriation Clause Technical Correction	3	1
Total for All Supplementals	4	N/A

**DEPARTMENT OF REVENUE**

**INTERIM SUPPLEMENTAL REQUEST FOR FY 2010-11  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Interim Supplemental #1, Name of the Supplemental**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$63,538</u>	<u>\$0</u>
Cash Funds	63,538	0

<b>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?</b> [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]	<b>YES</b>
<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [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.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of an unforeseen contingency.	

**Department Request:** The Department requests an appropriation of \$63,538 cash funds from the Licensing Services Cash Fund for FY 2010-11 to complete the systems development necessary to implement the provisions of H.B. 10-1045.

**Staff Analysis:** House Bill 10-1045 requires the Department of Revenue and the Department of State to establish a link between their respective websites to allow individuals to change their addresses on-line for voter registration, driver's licenses, identification cards, and state income tax. The bill requires the departments to have the link established by July 1, 2011, which will require an expenditure in FY 2010-11. The bill included an appropriation clause to appropriate \$63,538 cash funds required to implement the bill. The bill, as enacted, has an effective date of July 1, 2011.

Because the bill does not take effect until July 1, 2011, the appropriation clause which included an appropriation of \$63,538 cash funds from the Licensing Services Cash Fund (LSCF) for FY 2010-11 is not valid and the State Controller will not allow the appropriation to be booked by the Department of Revenue.

## DEPARTMENT OF REVENUE

### INTERIM SUPPLEMENTAL REQUEST FOR FY 2010-11 JBC WORKING DOCUMENT - SUBJECT TO CHANGE

The Department states that the time line for completing the programming requires them to start on the project by January in order to complete the requirements of the bill by the July 1, 2011 effective date. Thus, the Department requests this supplemental to allow for the Department of Revenue to complete the programming for the establishment of the link. The Department of State did not require an appropriation because that Department had already included the necessary work to implement online voter registration as required by H.B. 09-1160.

Although the bill establishes a date by which the links must be established, the Department states that it has the authority to accomplish the task that is required by H.B. 10-1045. The bill does not establish a new program or service in either the Department of Revenue or the Department of State. What the bill requires is a change in the method of changing addresses with the Department, and the links automates a process of changing addresses that prior to this would have had to be handled manually and the customer would have had to make multiple contacts to both departments. The Office of the State Controller has advised staff that they will approve the expenditure of the appropriation if the Committee approves this supplemental request.

As pointed out in the JBC Staff Briefing for the Department of Revenue, the LSCF, which is the source of funding for this bill, is projected to have a fund balance of \$0 at the end of FY 2010-11. The Department will have to manage its other appropriations from the LSCF in order not to overspend the fund.

Approval of this Supplemental still leaves the original appropriation in H.B. 10-1045 "on the books." In staff's discussion with the Controller's Office, they indicated that they would not approve the dual expenditure. JBC staff, however, is concerned with the dual appropriation. Therefore, if this supplemental is approved, staff would remove the appropriation in H.B. 10-1045 as part of the supplemental.

**Staff Recommendation:** Staff recommends that the Committee approve the Department's request for a one-time appropriation of \$63,538 cash funds from the Licensing Services Cash Fund for FY 2010-11. The appropriation will be divided between the Information Technology Division, Systems Support, Programming Costs for Session Legislation line item (\$23,538) and the Division of Motor Vehicles, Driver and Vehicle Services, Personal Services line item (\$40,000).

Included in the staff's recommendation is approval to strike Section 6 (the appropriation clause) from H.B. 10-1045 as part of the supplemental bill. The net result of approval of staff's recommendation is a \$0 net impact of the supplemental, as reflected in the supplemental's numbers pages.

	FY 2009-10	FY 2010-11	Fiscal Year 2010-11 Interim Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF REVENUE</b>					
<b>Executive Director - Roxy Huber</b>					
<b>Interim Supplemental #1 - HB 10-1045 Appropriation Clause Technical Correction</b>					
<i>3) Informational Technology Division</i>					
<i>(A) Systems Support</i>					
Programming Costs for 2010 Session					
Legislation	246,086	361,086	23,538	0	361,086
FTE	<u>0.0</u>	<u>2.2</u>	<u>0.0</u>	<u>0.0</u>	<u>2.2</u>
General Fund	132,316	73,088	0	0	73,088
Cash Funds	113,770	287,998	23,538	0	287,998
<i>(5) Division of Motor Vehicles</i>					
<i>(B) Driver and Vehicle Services</i>					
Personal Services	18,616,596	16,714,739	40,000	0	16,714,739
FTE	<u>346.7</u>	<u>379.5</u>	<u>0.0</u>	<u>0.0</u>	<u>379.5</u>
General Fund	2,503,750	0	0	0	0
Cash Funds	12,202,625	16,714,739	40,000	0	16,714,739
HUTF	3,910,221	0	0	0	0
<b>Total for Supplemental #1</b>	<u>18,862,682</u>	<u>17,075,825</u>	<u>63,538</u>	<u>0</u>	<u>17,075,825</u>
General Fund	2,636,066	73,088	0	0	73,088
Cash Funds	12,316,395	17,002,737	63,538	0	17,002,737
HUTF	3,910,221	0	0	0	0

	FY 2009-10	FY 2010-11	Fiscal Year 2010-11 Interim Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Totals</b>					
DEPARTMENT OF REVENUE					
TOTALS for ALL Departmental line items	641,378,367	703,504,663	63,538	0	703,504,663
FTE	<u>1,357.1</u>	<u>1,521.5</u>	<u>0.0</u>	<u>0.0</u>	<u>1,521.5</u>
General Fund	71,918,780	70,714,586	0	0	70,714,586
Cash Funds	552,818,081	618,115,053	63,538	0	618,115,053
HUTF	13,876,087	12,321,924	0	0	12,321,924
Reappropriated Funds	1,372,812	1,537,481	0	0	1,537,481
Federal Funds	1,392,607	815,619	0	0	815,619

Key:

"N.A." = Not Applicable or Not Available