

Department of Revenue SMART Act Hearing

Joint Finance Committee
January 18, 2022



COLORADO
Department of Revenue



DOR Mission & Vision

VISION

Empowering, Enhancing, and Enriching life in Colorado

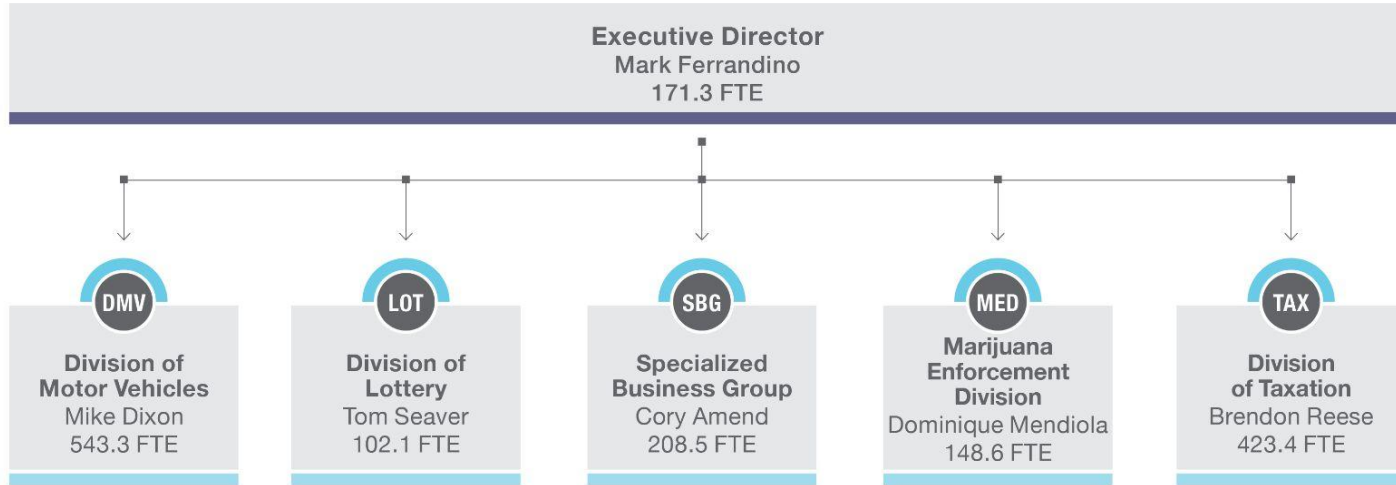
Mission

To become a Trusted Partner to every Coloradoan to help them navigate the complexities of government so they can thrive

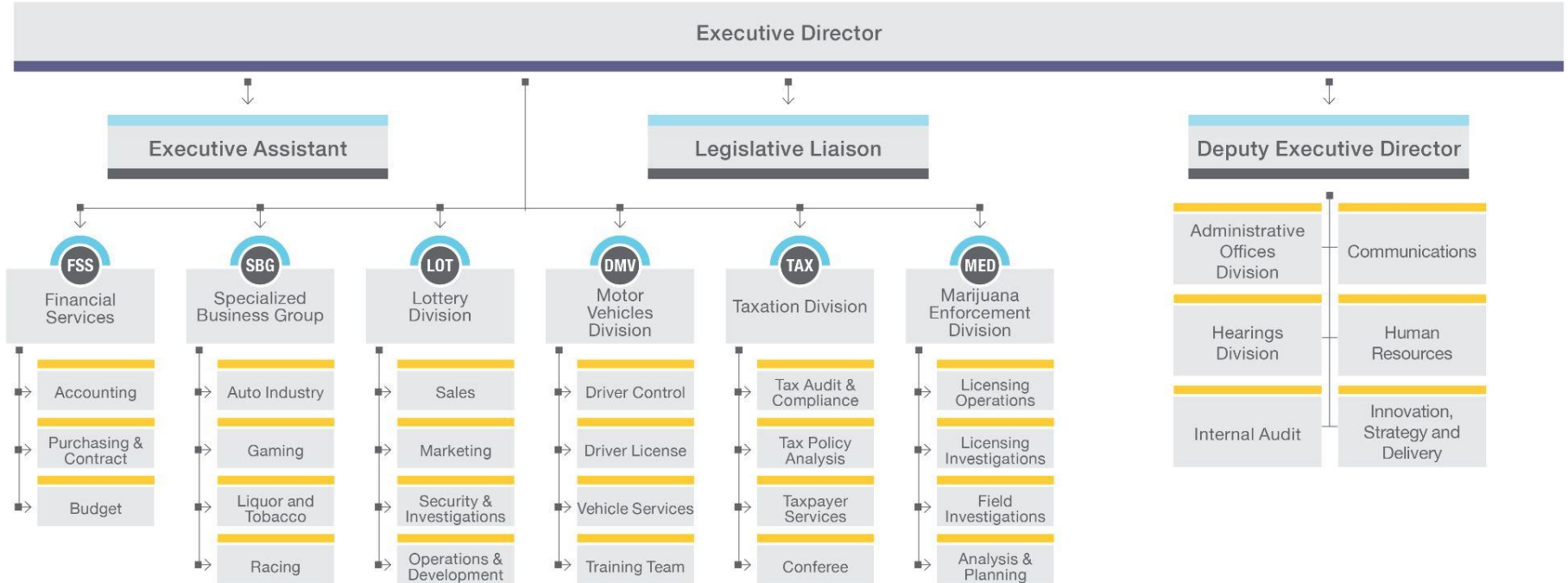
Motto

Always Help!

DOR Organizational Chart



DOR Organizational Chart



Performance Management Approach

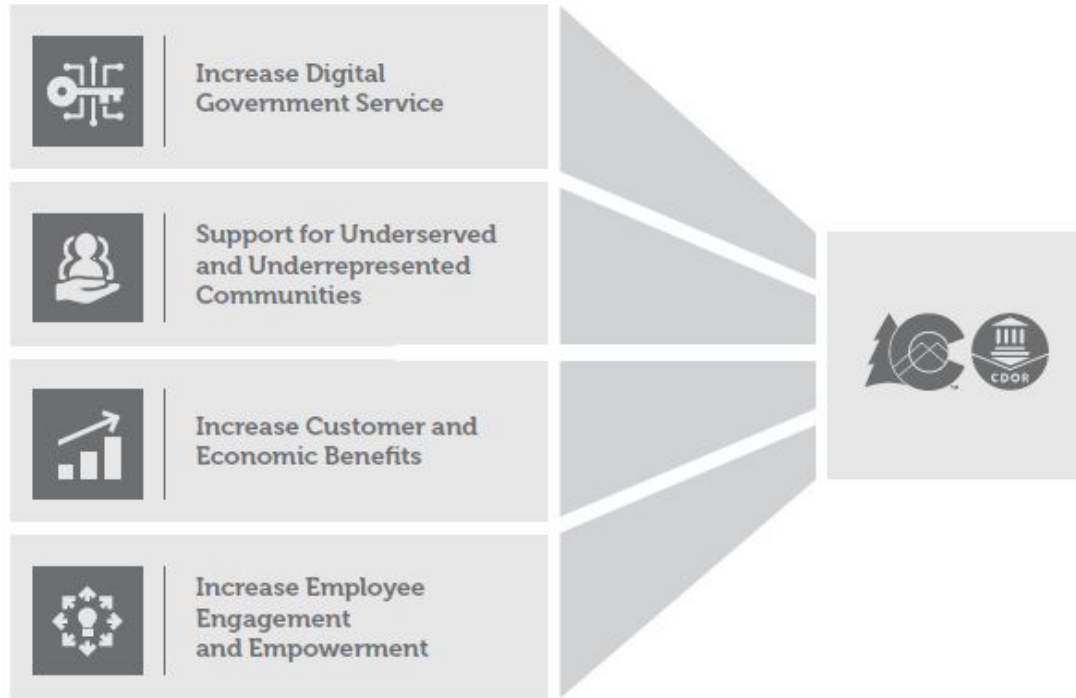
- The performance plan is a **living document** to set objectives and measure progress throughout the year.
- **WIG Development** - Created through a series of interactive stakeholder sessions with all members of the Executive Management Team, program managers and division staff to incorporate all aspects of the work of the Department and its four divisions.
 - Focus on data to develop metrics based on customers usage and feedback from service transformation initiatives.
- Implemented **Quarterly Performance Reviews** - our Leadership Committee present status updates with data and narratives to ensure focus and drive progress to achieving our WIGS.
 - Goals are tracked monthly and reported to the Governor's Office quarterly
- **Values Based Department** - Shifts behaviors to build culture and employee engagement.

DOR FY 2021-22 Wildly Important Goals (WIGs)

At the foundation of our WIGs is the driving force to:

PROVIDE THE RIGHT SERVICE
FOR THE RIGHT PERSON
THROUGH THE RIGHT METHOD.

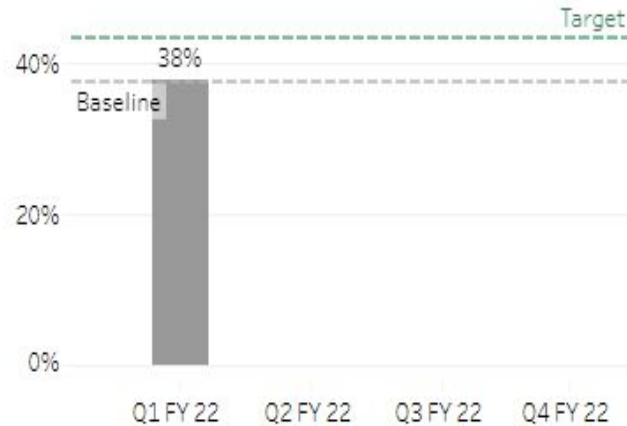
DOR FY 2021-22 Wildly Important Goals (WIGs)



Increase Digital Government Service

DOR FY 2021-22 Wildly Important Goals (WIGs)

In an effort to provide excellent service to the people of Colorado that is relevant, efficient, and convenient, the Department of Revenue will increase utilization of self-service options, such as online tools or kiosks, to complete necessary transactions with the State from 37.5% as of June 30th, 2021 to 43.5% by June 30th, 2022.



This goal increases accessibility for DOR services to all Coloradans by:

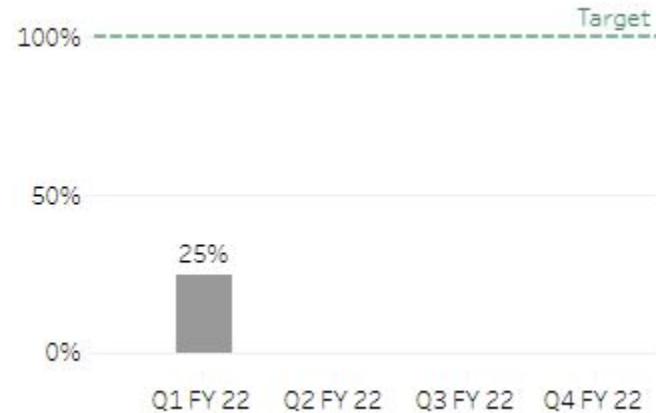
- Increasing utilization of online and self service DMV and SBG transactions,
- Allowing for online Lottery claims processing, and
- Decreasing wait times for Tax calls through better use of websites and chatbots



Support of Underserved and Underrepresented Communities

DOR FY 2021-22 Wildly Important Goals (WIGs)

In an effort to make services and interactions more accessible to all, each Department of Revenue division will develop a plan that outlines accessibility and utilization gaps, translation opportunities for highly utilized documents and forms, as well as increased overall accessibility for underserved and underrepresented communities. All division plans and initial translations activities will be completed from 0% to 100% by June 30th, 2022.



Successful completion of this goal will ensure DOR better understands the needs of the underserved and underrepresented Colorado residents in order to provide equitable access to all DOR services, including:

- Improved ADA compliance,
- Community outreach & messaging, and
- Translation services

Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order [2020 175](#), the Department has prepared a plan to improve equity, diversity, and inclusion, including efforts to:

- A broad DOR EDI strategic plan has been developed with these focus areas:
 - Community Engagement
 - Accountability
 - Staffing/Retention
 - Training/Awareness Communication
 - Employee Engagement/Feedback
 - Budget/Procurement
 - Accessibility
 - Policy

Equity, Diversity, and Inclusion, Continued

The current DOR Strategic Plan emphasizes action items such as:

- **Employee Engagement/Feedback:**
 - Identify gaps through employee feedback
- **Accountability:**
 - EDI Hotline
 - Host Skip-Level meetings
- **Staffing/Retention:**
 - Coach hiring managers
- **Community Engagement:**
 - Engage industry and community stakeholders with recruitment and licensing practices.
- **Communication:**
 - Translating forms and procedures in other languages
 - Simplifying context/instructions

Increase Customer and Economic Benefits

DOR FY 2021-22 Wildly Important Goals (WIGs)

The Department will increase the value to our customers by \$21 million by June 30th, 2022 over FY21 expenses. Value specifically means lower fees, delayed fee increases, time saved by individuals and businesses, as well as increased revenue to beneficiaries from Lottery proceeds.



Successful completion of this goal will:

- Increase revenue to beneficiaries from Lottery proceeds,
- Allow business and individuals the ability to navigate our systems and processes in a more efficient manner that saves time and resources, and
- Not adding undue hardship to customers as they recover from COVID-19 impacts



Increase Employee Engagement and Empowerment

DOR FY 2021-22 Wildly Important Goals (WIGs)

The Department will work to increase the Pulse Survey Employee Engagement Index measure from 63.5% to 68.5% by June 30th, 2022.



Successful completion of this goal will:

- Lead to greater satisfaction in the workplace that directly correlates to work productivity and overall enhanced customer service
- Create a stronger workforce through improved recruitment and employee retention

How DOR will accomplish WIGs:

Division of Motor Vehicles - Lead Measures

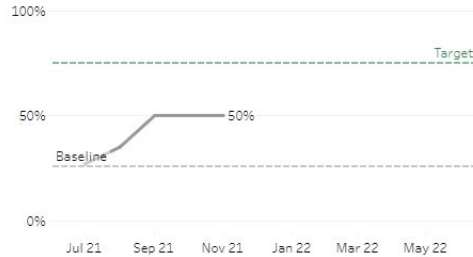
Increase Digital Government Services

The DMV will increase usage of self service options (e.g. my DMV, Kiosks, myColorado app, etc.) from 40% to 45% by June 30th, 2022.



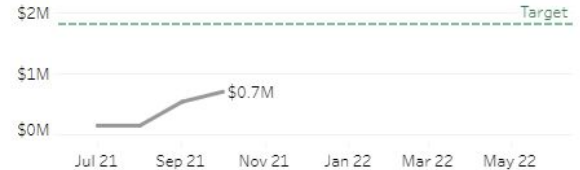
Support for Underserved and Underrepresented Communities

The DMV will increase from 26% to 75% of all informational online forms to Spanish by June 30th, 2022 and leverage technology to implement other languages as feasible.



Increase Customer and Economic Benefits

The DMV will increase savings to residents by an estimated \$1.8 million from July 1, 2021 to June 30, 2022 by not increasing fees in order to help the people of Colorado negatively or adversely impacted by the COVID-19 pandemic.



How DOR will accomplish WIGs:

Division of Motor Vehicles

Increase Digital Government Service

- DMV Anywhere Statewide Marketing Campaign
- Continue expansion of online services on DMV Motor Vehicle Kiosks
- Add laptops at Driver License offices for public access to complete online transactions
- Leverage myColorado and GOV2GO apps
- Upgrade call center technology - use of AI technology



Serve Underrepresented Communities

- Use contractor to complete analysis of meeting needs of underrepresented communities.

Reducing Fees

- Keep fees frozen on driver licenses through June 30, 2022.



How DOR will accomplish WIGs:

Lottery - Lead Measures

Increase Digital Government Services

Lottery will go from offering 0% of claims services online to 100% by June 30, 2022.



Support for Underserved and Underrepresented Communities

The Colorado Lottery will increase access to public information available in Spanish from 30% to 65% of content translated by June 30th, 2022.



Increase Customer and Economic Benefits

Increase the economic benefit to proceed beneficiaries and Lottery retailers from \$205M (FY21 total) to \$216M by June 30th, 2022.



How DOR will accomplish WIGs:

Lottery

- The Lottery is now providing online claims processing for all claims of \$600 and higher via the Colorado Lottery website and the Colorado Lottery 1-800# in furtherance of WIG # 1.
- Since starting in October of 2021, the Lottery has delivered 134 online docusign forms to people, 108 of which were completed and returned.
- The Lottery is expected to accomplish its lead measure for WIG # 2 roughly five months ahead of schedule, to be completed by January 31, 2022.
- In translating information to Spanish, the Lottery is ensuring that translations are not literal (as in Google Translate), but instead capture the spirit of what it is trying to communicate. The Lottery has instituted a process to ensure all future copy for its website, advertising and relevant point of sale materials are translated into Spanish moving forward.
- Through November, the economic benefit generated by the Lottery was \$100.5M which means the Lottery is ahead of its projection (\$90M) for meeting WIG # 3.
- Through November, total Sales were \$350.5M which is ahead of the budgeted amount of \$337.8M.
- It should be noted that December sales (final retailer compensation & beneficiary proceeds have yet to be calculated) were the highest of any month this fiscal year, \$11.4M higher than budget.
- [Committed to Responsible Play](#)

How DOR will accomplish WIGs:

Specialized Business Group & Marijuana Enforcement Division - Lead Measures

Increase Digital Government Services

The Specialized Business Group (SBG) will increase the percentage of self-service utilization applications from 14% to 20% by June 30th, 2022.



Support for Underserved and Underrepresented Communities

The Specialized Business Group (SBG) will increase the percentage of applications translated into Spanish from 0% to 20% by June 30th, 2022, with an initial focus on digital applications as part of the SBG conversion to ML1.



Increase Customer and Economic Benefits

Provide \$7.5M in economic relief to existing licensees and expand business opportunities for new licensees by decreasing licensing fees.



How DOR will accomplish WIGs:

Specialized Business Group & Marijuana Enforcement Division

WIG 1 - Digital Transformation - Quarter 1

- 853 applications were received online in phase 1 of 5.
- ML1 project is on track and on budget to be completed March 2022.

WIG 2 - Spanish Translation - Quarter 1

- 10% of the goal has been achieved.

WIG 3 - Reducing fees - Quarter 1

- On track to double the initial goal of savings for customers.

How DOR will accomplish WIGs:

TAX - Lead Measures

Increase Digital Government Services

Tax will increase successful use of the Revenue Online Chatbot (DORi) from 6.5% to 15% of total calls and chatbots by June 30th, 2022.



Support for Underserved and Underrepresented Communities

Tax will identify the most under-served groups who transact with the division in Colorado and develop a plan to provide the Property Tax/Rent/Heat Credit (PTC) Rebate application and instruction materials in languages in addition to English to improve access to the benefit for those groups, including development/deployment of tools to measure baseline needs for limited English proficiency (LEP) services from the division by June 30th, 2022.



Increase Customer and Economic Benefits

The Tax Division will recruit businesses and add new home-rule jurisdictions to the Sales and Use Tax System (SUTS), providing \$650,000 in savings by June 30, 2022.



How DOR will accomplish WIGs: TAX

Increase Digital Government Services

- Review questions submitted to and the responses by DORi (chatbot). This helps clarify updates to responses to allow for greater self service.

Support the Underserved/Underrepresented

- Translated the Property Tax and Heat (PTC) Rebate form and instructions into Spanish for this filing season.
- Use the PTC project as a pilot to develop a simplified version of the Colorado income tax form for tax year 2022 filings and also translate that form into Spanish.

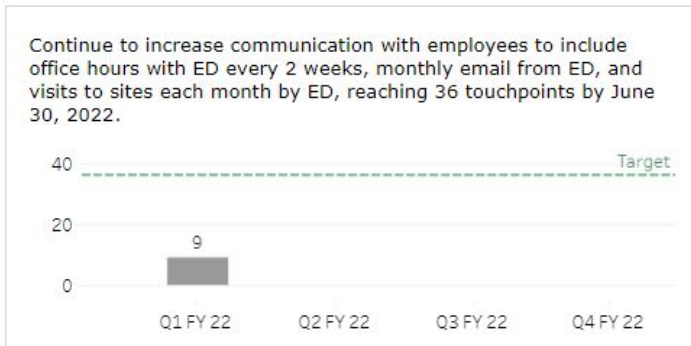
Increase Customer and Economic Benefits

- The more home rules participating in SUTS will result in a more streamlined process for businesses and therefore cost savings to businesses for tax compliance.
- SUTS [Dashboard](#) is updated monthly to track progress.



How DOR will accomplish WIGs:

Executive Director's Office - Lead Measure: Increase Employee Engagement & Empowerment



How DOR will accomplish WIGs:

Executive Director's Office

R: Respect

We communicate, listen, and act with high regard for others, sharing information in a constructive manner, and treating others with dignity and grace.

I: Integrity

We do the right thing, acting with honesty, transparency and strong ethical principles.

S: Service

We are dedicated to helping the residents and visitors of our state and our fellow employees to thrive.

A: Accountability

We are responsible stewards of public resources, follow through on our individual and shared commitments, and move past setbacks to achieve growth.

T: Teamwork

We work collaboratively with one another towards a common goal, breaking down silos, and building mutual trust.



Respect

Integrity

Service

Accountability

Teamwork



How DOR will accomplish WIGs:

Executive Director's Office

Create Values Based Organization

- Reinforce internal brand to align with values: intranet; annual report; signature blocks and all internal communications
- Values will be added to all employee performance plans
- Employee awards for living the values
- Elevating stories of values work

Train leaders in Leadership Practices Inventory (LPI)

- Leadership and Executive Committee members will have completed LPI with action plans and 360 feedback

Drive employee engagement

- Quarterly Supervisor Meetings
- Leadership Cohorts

Increase employee communication

- Executive Director shadowing
- Internal Communications: Weekly Briefs, RevEnews, Office Hours



Living Our Shared Core Values

We are dedicated to helping the residents and visitors of our state and our fellow employees to thrive

- Assists even when busy with other work
- Helps others discover their lightbulb moment
- Anticipates customer questions and problems before they have them
- Provides translation for non-English speakers
- Reduces apprehension for intimidating tasks like taxes
- Notices how to assist in unique ways
- Helps even when it is not part of the regular job duties

We work collaboratively with one another towards a common goal, breaking down silos, and building mutual trust

- Shares knowledge with other team members
- Welcomes and engages new employees
- Shares ideas to improve team processes
- Encourages and empowers others to do their best
- Works with others to provide customers with a seamless experience
- Jumps in to cover for others to ensure accomplishment of tasks

We are responsible stewards of public resources, follow through on our individual and shared commitments, and move past setbacks to achieve growth

- Develops and maintains expertise in the field
- Works a problem through to the end
- Finds answers when they aren't already knowledgeable
- Exhibits courtesy and patience, no matter how long it takes

We do the right thing, acting with honesty, transparency and strong ethical principles

- Focuses on a great customer experience
- Notices weaknesses, eliminate difficulties when able, and provides all necessary support
- Has a commitment to accuracy
- Devotes energy and enthusiasm to tasks
- Careful with sensitive or confidential information
- Exhausts all possibilities in seeking a solution to a problem

We communicate, listen, and act with high regard for others, sharing information in a constructive manner, and treating others with dignity and grace

- Retains a professional demeanor, even in hectic circumstances
- Provides thorough explanations and suggests solutions
- Treats even angry customers well, and might even be able to get them to laugh
- Is responsive to those that learn differently
- Provides a diplomatic delivery of even unwelcome news

Cannabis Cabinet WIGs

1. WIG: Promote equity, diversity, and inclusion in the marijuana industry, measured by an increase in minority-ownership of marijuana businesses from 15.2% to 16.8% by June 30, 2022.
 - a. As of December 1, 2021 - MED is at 16.6% - almost to our WIG goal! MED updates this data monthly.
2. Lead Measures:
 - a. Demonstrate awareness of and interest in available technical assistance programs by receiving business applications from 100 social equity licensees by June 30, 2022.
 - b. Increase awareness of available technical assistance, grants and other forms of state support for potential marijuana businesses and social equity licenses from 53% to 63% by June 30, 2022.
 - c. Provide information about the ELP to marijuana businesses through 6 Marijuana Enforcement Division outreach events, bulletins, or surveys by June 30, 2022.

More information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional CDOR goals, view our FY 2021-22 Performance Plan at: operations.colorado.gov/performance-management/department-performance-plans

DOR Assistance for Boulder County Fire Victims

TAX

Affected taxpayers will be granted a penalty and interest waiver for:

1. The 2021 4th quarter estimated payment due on Jan 18, 2022 is extended to May 16, 2022.
2. The 2022 1st quarter estimated and extension payments due on Apr 18, 2022 are extended to May 16, 2022.
3. Colorado offers an automatic extension for filing state income tax returns to October 17, 2022; taxpayers do not need to contact the Department if they intend to file by the extension deadline.
4. The Jan 20, 2022 deadline for sales tax (monthly, quarterly, or annual) is extended until May 20, 2022. For subsequent sales tax deadlines, affected taxpayers are encouraged to either [file zero returns](#), [close a location](#), or to [close their accounts](#) through Revenue Online.
5. Withholding deadlines will be waived for any returns and payments due in January until May 16, 2022. In addition, annual reconciliations due by January 31, 2022 will be extended to March 31, 2022.
6. The Department of Revenue will waive penalty and interest for other taxes and fees on a case by case basis. Taxpayers are encouraged to contact the Department at 303-238-7378 to discuss their specific needs

DOR Assistance for Boulder County Fire Victims Cont.

DMV

- Driver services at Disaster Assistance Center (DAC) providing free replacement cards (Monday - Sunday)
- Full support to Boulder County Clerk for title and registration at DAC
 - Computer support
 - Additional Supplies
 - Late Registration Fee Waived
- Adding Chromebooks to surrounding DLOs to provide online service capability
- Further resources found here: <https://dmv.colorado.gov/MarshallFire>

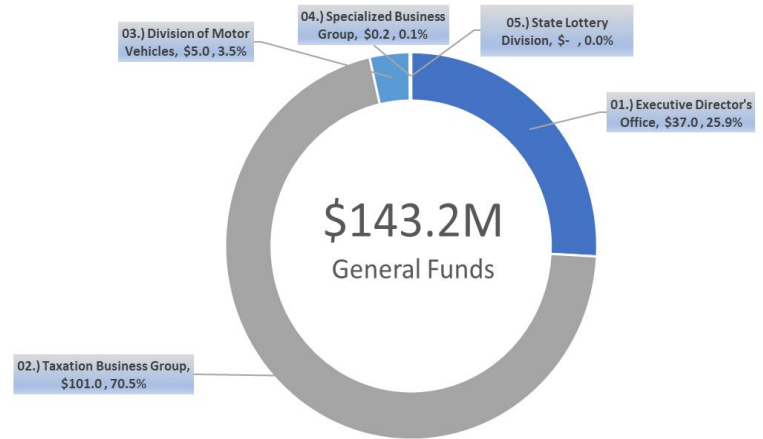
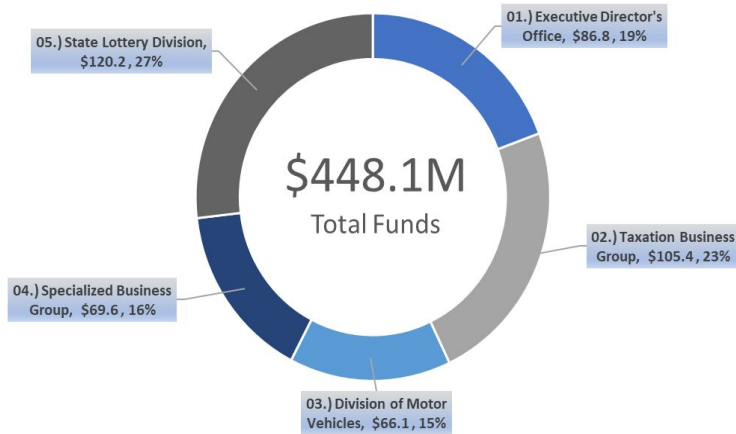
Legislative and Budget Asks driving by Performance Management

- How do you use evidence about program effectiveness to inform budget requests, internal resource decisions, legislative agenda, etc.?
 - a. R-01: Evaluation of the current backlog of the DRIVES System and the effectiveness of adding additional teams to address backlog as well as new programming. The measure of outcome will be based on the number of DRIVES change requests that are processed
 - b. R-05: Evaluation of the existing security measures and the number of tracked incidents at each location to determine high risk facilities. The measure of outcome will be based on the number of incidents or threats reported.
- How did your goals inform the development of your budget and legislative agenda (discussed below)?
 - a. R-01: Using data and analytics, DOR was able to determine the ideal structure to address backlog work as well as continue focus on new initiatives.
 - b. R-05: Using data, DOR was able to evaluate and determine the highest risks for the DMV.

Department of Revenue FY 2022-23 Budget Request

FY 2022-23 Budget Snapshot

FY 2022-23 Total Funds: \$448.1M | FY 2022-23 General Fund: \$143.2M | FY 2022-23 FTE: 1,661.7

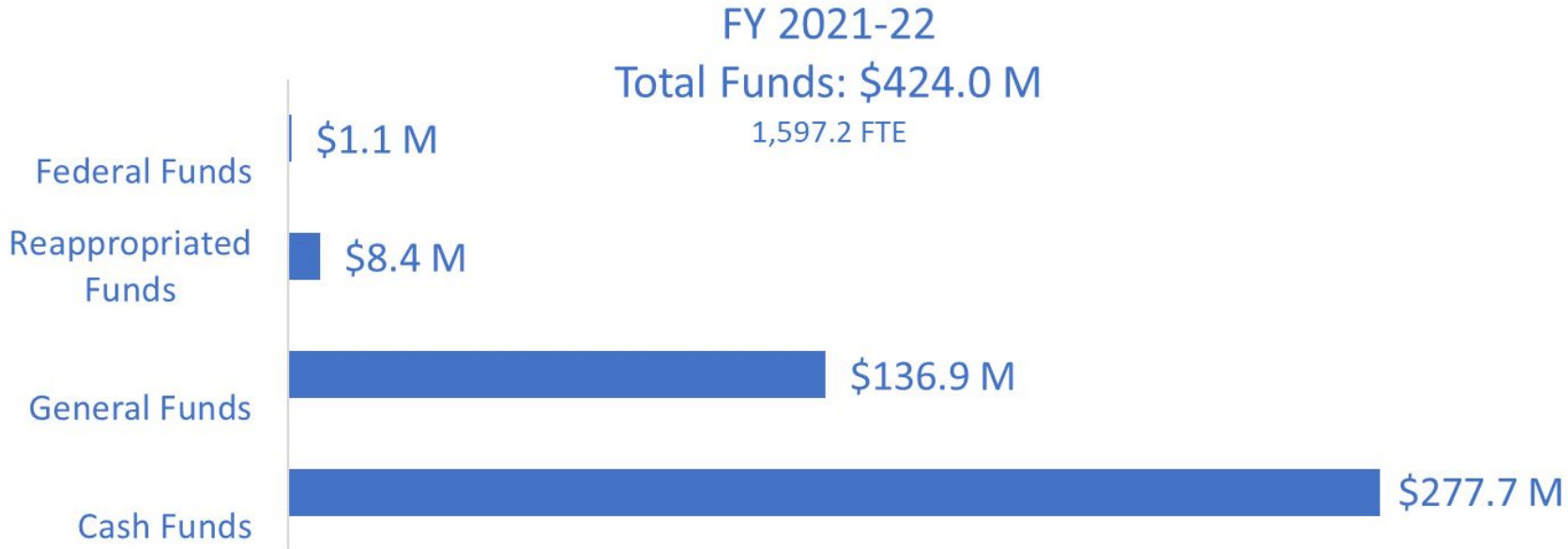


Department of Revenue FY 2022-23 Budget Requests

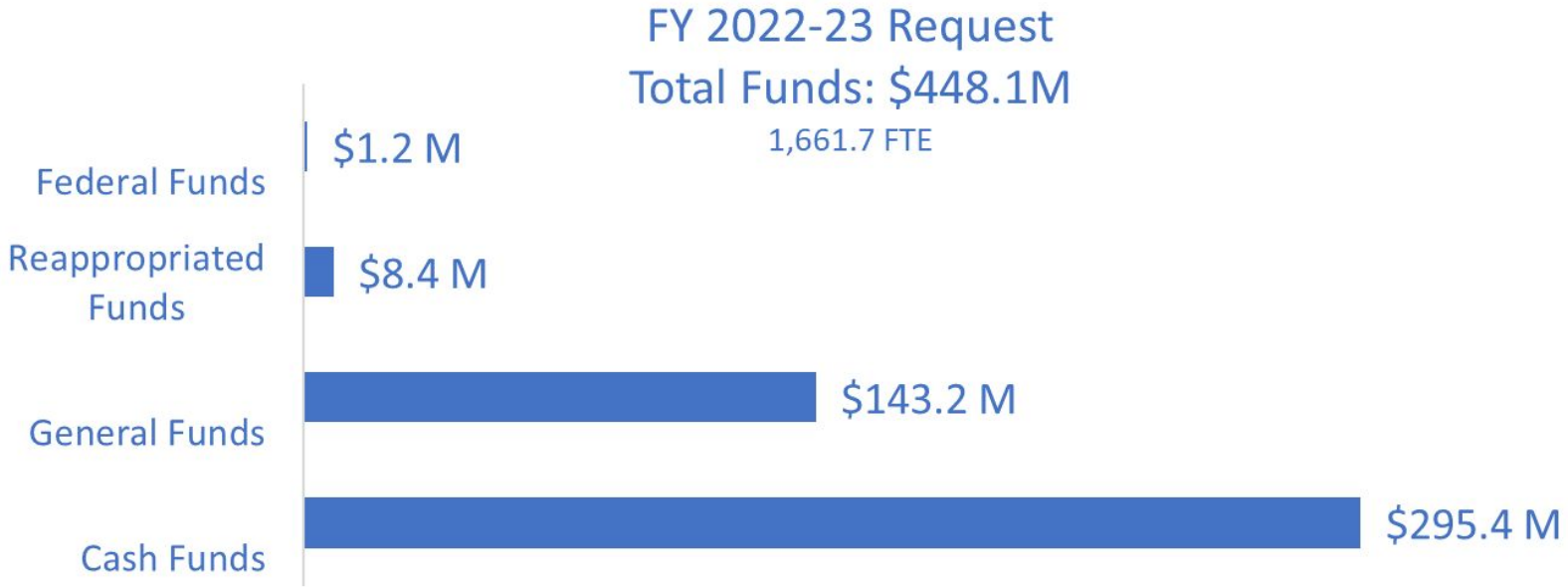
Department of Revenue's FY 2022-23 Budget Request includes the following:

- R-01: DMV DRIVES System Support
- R-02/SA-01: Lottery Retailer Compensation
- R-03: Leased Space Savings and Remote Work
- R-04: Operational Funding Realignment
- R-05: DMV Safety Expansion
- R-06: Refinance HB21-1314 to Appropriate Funding Stream
- SA-02: Racing Season Delay
- SA-03: Legislation Funding Extension

Long Bill Appropriation by Fund Type



Long Bill Appropriation by Fund Type



Legislative Agenda

- **Tax/Lottery:** Electronic payment advancements & fee elimination
- **Tax/DMV:** P.O.S.T Board certification for certain criminal enforcement special agents
- **Tax:** Streamline buyer's claims for sales tax refunds
- **LED:** Create a Colorado liquor code working group to examine Colorado's liquor laws
- **MED:** Reinstate ability for cannabis businesses to co-locate retail and medical sales
- **MED:** Allow cannabis transporter licenses to transfer with change of business ownership

Legislative Agenda Cont.

- **DMV:** Eliminate immediate need to raise driver license fees (Governor's fee reduction package)
- **SUTS:** Funding for increased vendor fee to allow resources for small businesses to integrate with SUTS system (Governor's fee reduction package)

Regulatory Agenda Available [Here](#)

RULEMAKING PRINCIPLES

- **DEFENSIBLE**
Rules grounded in statute.
- **TRANSPARENT**
Clearly articulate expectations.
- **SYSTEMATIC**
Leverage technology and apply consistently.
- **COLLABORATIVE**
Work with Stakeholders.
- **OPERABLE**
Consistent with business practices and least restrictive while still protecting the public.

Stimulus Funding Implementation

HB21-1265 extended a provision of state statute enacted previously by HB20B-1004 that provides relief to certain retailers impacted by the pandemic by allowing them to temporarily retain a portion of the state sales tax they collected during 7 months of sales between November 2020 and August 2021.

- The number of retailers requesting relief each month varied from 5,371 to 6,792, amounts are shown on a table on the next slide
- Approximately \$73.3 million was retained by retailers through the program
- Some additional information and detail is [available](#)

Stimulus Funding Implementation (continued)

Filing Period	Number of Retailers ²	Number of Sites ³	Special Deduction Amount ⁴	Special Deduction Revenue Impact ^{4,5}
November 2020	5,371	6,248	\$269,943,000	\$7,828,000
December 2020	5,956	6,985	\$294,437,000	\$8,539,000
January 2021	6,095	7,162	\$330,273,000	\$9,578,000
February 2021	6,110	7,175	\$331,840,000	\$9,623,000
HB20B-1004 Totals				\$35,568,000
June 2021	6,693	7,890	\$421,550,826	\$12,224,974
July 2021	6,792	8,061	\$446,709,947	\$12,954,588
August 2021	6,723	7,985	\$433,921,465	\$12,583,722
HB21-1265 Totals				\$37,763,285
Total Relief for Both Bills				\$73,331,285



HB21-1311 Update

HB21-1311 directs the Department to provide a report of the examinations required under §39-21-103(1.5)(a) and (b), C.R.S.

- Department staff partnered closely with CollegenInvest to identify areas in the population with the highest risk
- Distribution data was received by the statutory deadline, preliminary risk analysis identified around 1,000 accounts for DOR to evaluate in the first year
- Next steps are:
 - Continued processing of CollegenInvest data against DOR data
 - Inquiry-based contact for more information from taxpayers with potential compliance issues
 - Resolution and, if necessary, billing



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cdor.colorado.gov

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