



Joint Budget Committee

Staff Budget Briefing FY 2026-27

Department of Revenue

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Additional Resources

To find the online version of the briefing document search the General Assembly’s website for [budget documents](https://leg.colorado.gov/content/budget/budget-documents) (leg.colorado.gov/content/budget/budget-documents).

Overview of Revenue

The Department of Revenue regulates, enforces, and administers the state's tax laws. The Department also issues and maintains records related to driver licenses, vehicle emission testing stations, registration and titling of motor vehicles, limited stakes gaming, liquor and tobacco retailers, horse racing and pari-mutuel betting, the automobile sales industry, and medical and recreational marijuana retailers, growing facilities, and manufacturing facilities. In addition, the Department operates the State Lottery, including state and multi-state games. The Department is divided into five divisions or business groups, four of which provide direct services to the citizens of the State, and one that provides support for the four direct-service providers.

The Executive Director's office

Provides overall leadership and administration for the Department, including the central budget office, accounting and financial services, information technology, internal audit, human resources administration, and includes the Office of Research and Analysis, a citizens' advocate, and the Hearings Division.

The Taxation Business Group

- Is responsible for the collection, administration, 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;
- 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; and
- Administers the Old Age Heat and Fuel and Property Tax Rebate Program.

The Division of Motor Vehicles (DMV)

- Enforces and administers the laws governing driver licensing and vehicle registration;
- 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;
- Oversees the vehicle emissions testing stations (including mobile testing stations);
- Registers and titles motor vehicles; and
- Administers the motor vehicle insurance identification database to prevent the registration of vehicles that are not insured.

The Specialized Business Group

- Regulates and enforces laws related to the limited stakes gaming industry in three historic mining towns;
- Regulates and enforces laws related to the sports betting industry;
- 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 and pari-mutuel betting (including off-track betting);
- Regulates retailers and sales agents in the motor vehicle sales industry; and
- Regulates medical and recreational marijuana dispensaries, cultivation, and manufacturing facilities.

The State Lottery Division

Operates the State Lottery, which sells scratch ticket games and tickets for jackpot games (e.g. Powerball, Lotto, Cash 5, Pick 3, and Mega Millions). The net proceeds of the Lottery benefit the following funds and programs:

- The Conservation Trust Fund;
- Colorado Division of Parks and Wildlife;
- Great Outdoors Colorado;
- The Public-School Capital Construction Assistance Fund;
- Wildlife Cash Fund;
- Parks / Outdoor Recreation Cash Fund; and
- The Outdoor Equity Grant Program.

Recent Appropriations

Revenue: Recent Appropriations

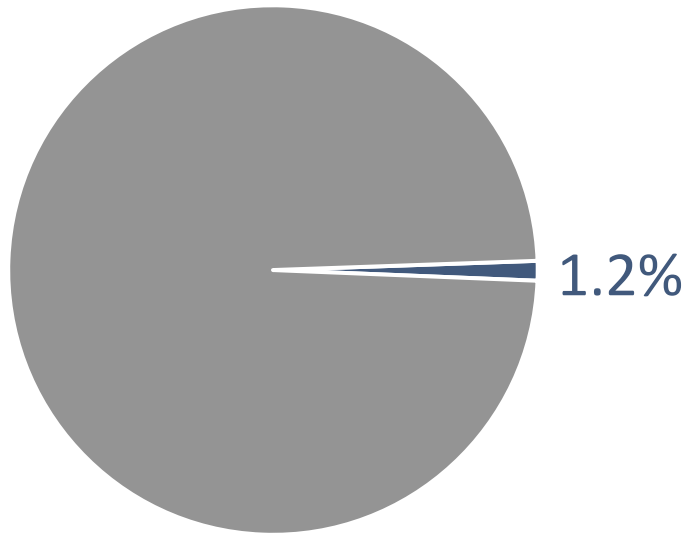
Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 [1]
General Fund [2]	\$153,435,269	\$158,265,353	\$154,935,981	\$162,751,111
Cash Funds	337,099,525	358,808,347	392,072,761	401,077,649
Reappropriated Funds	8,277,317	9,608,440	9,445,211	10,049,335
Federal Funds	1,447,718	852,132	852,132	852,132
Total Funds	\$500,259,829	\$527,534,272	\$557,306,085	\$574,730,227
Full Time Equivalent Staff	1,715.6	1,748.9	1,819.3	1,849.8

[1] Requested appropriation.

[2] Includes General Fund exempt.

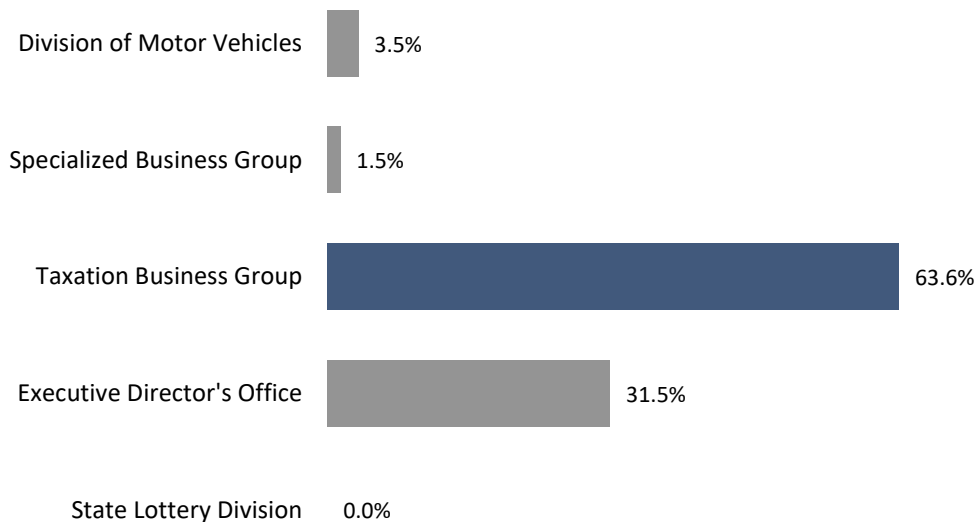
Graphic Overview

Department's Share of Statewide General Fund



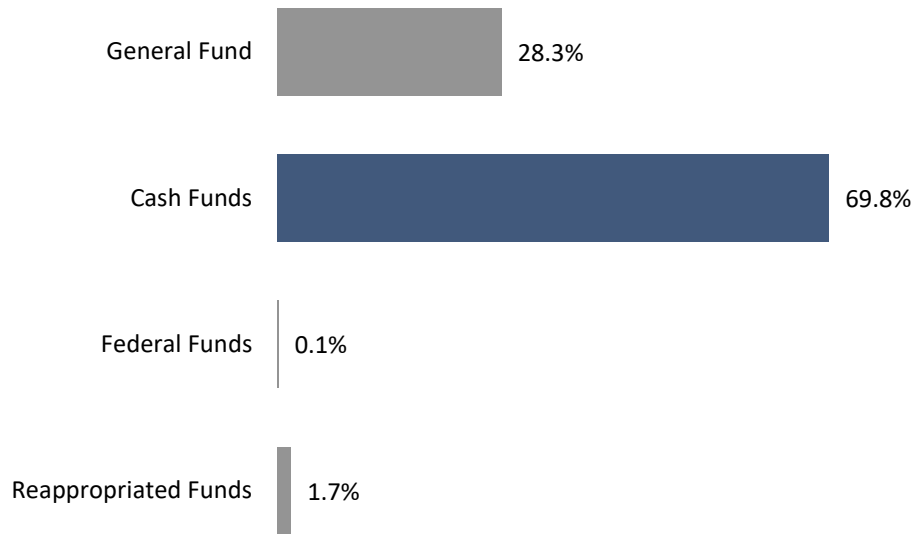
Based on the FY 2025-26 appropriation.

Distribution of General Fund by Division



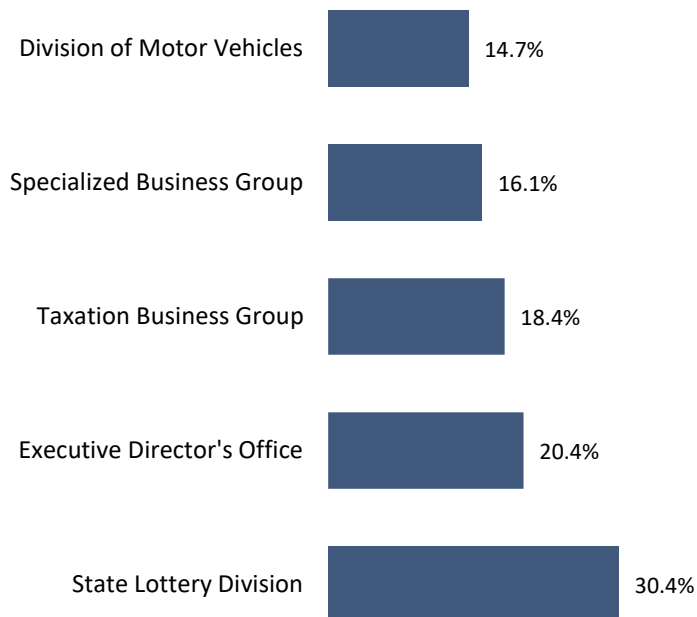
Based on the FY 2025-26 Appropriation

Department Funding Sources



Based on the FY 2025-26 appropriation.

Distribution of Total Funds by Division



Based on the FY 2025-26 Appropriation

Cash Funds Detail

Department of Revenue Cash Funds Appropriation Detail

Fund Name	FY 2025-26 Approp.		Primary Sources of Fund Revenue	Primary Uses in this Department
Lottery Fund	\$169,504,791	[1]	Lottery ticket sales	Lottery prizes, and lottery division operating expenses
Limited Gaming Fund	45,850,170	[2]	Licensing and application fees, background investigation deposit fees; as well as Gaming Adjusted Gross Proceeds (AGP) Tax, fines and interest	Fund all operating expenses including direct and indirect costs of both the Colorado Limited Gaming Control Commission and the Limited Gaming Division.
Colorado DRIVES Vehicle Services Account	41,966,507		Driver's license fees, vehicle title fees, personal license plate fees, specific ownership taxes, motor vehicle reg fees, MIDB fees, and mobile machinery fees	Pay the direct and indirect expenses of the Division of Motor Vehicles.
Marijuana Cash Fund	16,338,375		Marijuana licensing fees	Fund the Marijuana Enforcement Division including regulating the cultivation, manufacture, distribution and sale, of medical and retail marijuana.
License Plate Cash Fund	13,715,065		Fees for direct costs of license plates, decals or tabs	Purchasing license plates, decals and validating tabs
Liquor Enforcement Division and State Licensing Authority	6,565,686		Licensing, application, and permit fees	Pay direct and indirect expenses of the Liquor Enforcement Division, which regulates the sale and distribution of alcoholic beverages in Colorado.
Marijuana Tax Cash Fund	4,559,855	[1]	Special Sales Tax on adult-use marijuana and retail sales tax on medical marijuana	Fund the Marijuana Enforcement Division
Responsible Gaming Grant Program	4,220,000	[1]	Annual transfer from the Limited Gaming Fund	Grant program to promote responsible gaming and address problem gaming in the state.
Auto Dealers License Fund	4,069,984		Licensing fees	Pay direct and indirect expenses of the Auto Industry Division within the Specialized Business Group
Sports Betting Fund	2,758,353	[1]	Sports betting taxes, license fees and fines related to sports betting and fantasy contests.	All expenses of the Division of Gaming related to sports betting and fantasy contest regulation.
Racing Cash Fund	2,090,413		License, track, and source market fees.	To pay direct and indirect expenses for the Racing Division for enforcement activities.
Various/Other	78,551,808			
Total	\$392,072,761			

[1] Exempt from TABOR

[2] At least partially TABOR exempt. Some revenue deposited in these funds are statutorily exempt from TABOR pursuant to Section 24-77-102 (17)(b), C.R.S.

Additional detail for the DRIVES Cash Fund:

Description: The DRIVES Cash Fund pays the direct and indirect costs of the Division of Motor Vehicles.

Key Considerations: The DRIVES Cash Fund primarily generates its revenue from driver's license fees, which make up over 65 percent of the fund's total income. In Colorado, the driver's license fee remained unchanged at \$30.87 from July 2020 until June 2025. In June 2025, the fee was increased by 3.7 percent, bringing it to \$32.00. If adjusted for inflation, the cost of a Colorado driver's license today would be approximately \$38.87 to reflect its value in 2020. Since 2020, the real dollar cost of a driver's license in Colorado has decreased by about 17.6 percent.

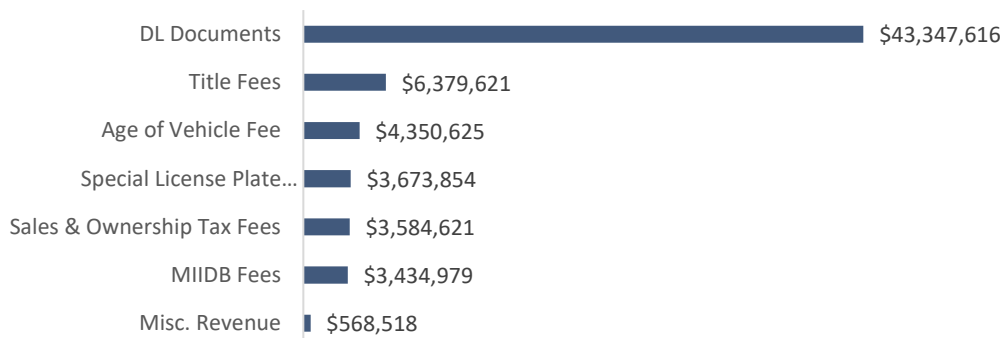
Additional background: HB 22-1339 (Merge Department of Revenue Division of Motor Vehicles Cash Funds) merged the Licensing Services Cash Fund (LSCF) into the Colorado DRIVES vehicle services account. The consolidation prevented LSCF's insolvency in FY 2022-23, but did not address its cash flow issues. Chronic deficits have nearly depleted the substantial fund reserve resulting from the merger, and the fund is now projected to be insolvent in FY 2027-28.

DRIVES Cash Fund

	Actual FY2023-24	Actual FY2024-25	Appropriated FY2025-26	Requested FY2026-27	CAGR
Beginning Fund Balance	\$38,156,629	\$32,066,199	\$28,660,766	\$15,506,559	
Revenue Total	62,379,417	68,268,214	65,339,835	67,063,000	2.4%
DL Documents	39,431,140	41,313,875	43,347,616	44,400,000	4.0%
Title Fees	6,245,172	6,297,444	6,379,621	6,443,000	1.0%
Age of Vehicle Fee	5,915,967	4,243,432	4,350,625	4,350,000	-9.7%
Sales & Ownership Tax Fees	3,447,666	3,512,858	3,584,621	3,620,000	1.7%
MIIDB Fees	3,310,766	3,366,999	3,434,979	3,470,000	1.6%
Special License Plate Surcharge	1,812,139	3,518,036	3,673,854	3,710,000	27.0%
Interest	1,518,502	1,231,784	0	500,000	-30.9%
Misc. Revenue	698,066	582,509	568,518	570,000	-6.5%
SB25-293: License Plate Cash Fund Transfer	0	4,201,277	0	0	
Expenses Total	68,469,847	71,673,647	78,494,042	79,188,000	5.0%
SB25-317 FY 2025-26 Interest Sweep		994,945			
Year Ending Fund Balance	\$32,066,199	\$28,660,766	\$15,506,559	\$3,381,559	
Net Cash Flow	-\$6,090,430	-\$3,405,433	-\$13,154,207	-\$12,125,000	

The decline in the driver's license fee, adjusted for inflation, over the past five years, combined with stagnant growth in the number of new driver's licenses issued, has significantly contributed to the rapid decrease in the fund balance of the DRIVES Cash Fund. The graph below illustrates the primary sources of revenue for the DRIVES Cash Fund.

DRIVES Cash Fund Sources of Revenue for FY 2025-26



General Factors Driving the Budget

Taxation

Tax Collections

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group, the Department's tax division. In addition to collecting state taxes, the Department collects local taxes for most counties, cities, and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include city sales tax, county lodging tax, county transit sales tax, special district taxes, and transportation authority tax.

In 2024 the most recent year with finalized and audited \$13.1 billion in corporate and individual incomes taxes and \$7.2 billion in sales, use, and excise taxes were collected. An additional \$2.8 billion in local taxes were also collected by the Department.

The following table and chart outline net collections by the Department of state and local taxes and represents the most recent available audited tax data.

State and Local Taxes - Net Collections by Source (millions)

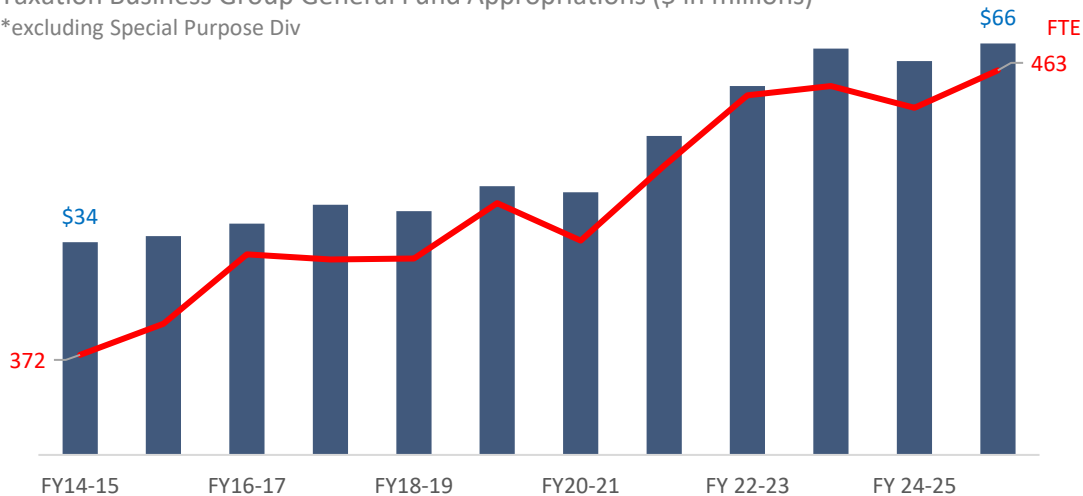
	2020	2021	2022	2023	2024
Income tax	\$8,382.6	\$11,858.4	\$13,439.5	\$12,689.8	\$13,153.4
Sales, use, and excise taxes	5,422.8	5,850.7	6,720.4	6,999.2	7,277.6
Severance tax	147.9	-15.3	306.8	345.9	187.1
Total state tax collections	\$13,953.3	\$17,693.8	\$20,466.7	\$20,034.9	\$20,618.1
Local taxes	2,003.5	2,233.3	2,640.3	2,819.7	2,877.6
Total tax collections	\$15,956.8	\$19,927.1	\$23,107.0	\$22,854.6	\$23,495.8

Taxation Business Group

The following table outlines Taxation Business Group appropriations, excluding the Special Purpose subdivision which is comprised of pass-through revenue distributions. Taxation Business Group appropriations represent the administrative cost of the state tax administration system.

Taxation Business Group General Fund Appropriations (\$ in millions)

*excluding Special Purpose Div



The following table represents the relative cost of the state tax administration system using Taxation Business Group (TBG) actual expenditure data (excluding Special Purpose subdivision) from FY 2017-18 through FY 2023-24, the most recent year with finalized and audited data.

Relative Cost of the State Tax Administration System

	FY17-18	FY18-19	FY19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	CAGR
Total tax collections (millions)	\$14,627	\$15,712	\$15,957	\$19,927	\$23,107	\$22,855	\$23,496	8.7%
TBG: GF expenditures (millions) [1]	\$39.9	\$39.0	\$42.8	\$42.1	\$43.1	\$53.9	\$58.8	5.4%
TBG percent of total tax collections	0.27%	0.25%	0.28%	0.22%	0.20%	0.24%	0.25%	

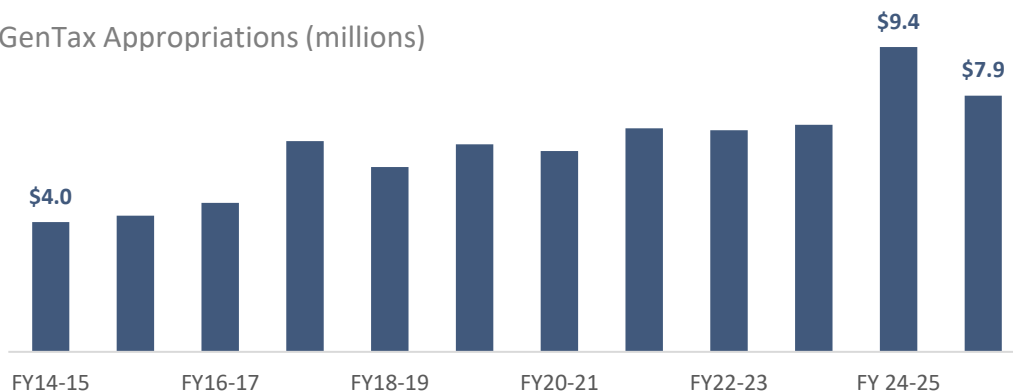
[1] excludes Special Purpose Division

GenTax

GenTax received capital construction fund appropriations totaling \$54.0 million from FY 2006-07 through FY 2012-13 to replace the Department's legacy tax administration systems.

The following table outlines the annual operating appropriations since FY 2014-15 for the GenTax system, which are included in the previously outlined Taxation Business Group budget data. Additional staff resources for managing the GenTax system are also located in the Executive Director's Office and are not included in the graph below. Nevertheless, the operating, maintenance, and vendor contract costs of the IT system are included in this appropriation and illustrate the relative cost over time for GenTax.

GenTax Appropriations (millions)

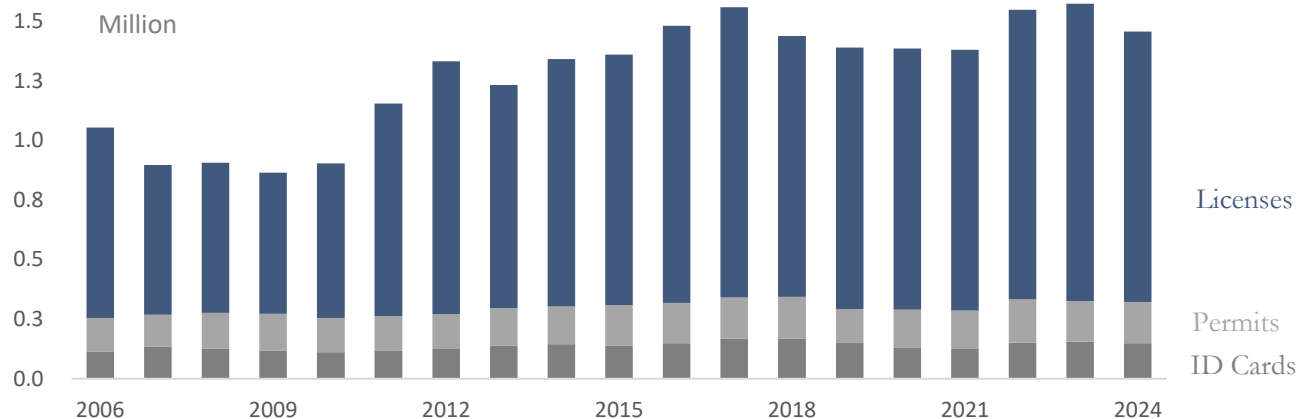


Division of Motor Vehicles

There are 53 driver's license offices (36 operated by the State and 17 operated by the counties) that issue driver's licenses and state identification (ID) cards. Legislation on both the state and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years.

The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued. Recent changes in state and federal law have also increased transaction times for driver's licenses and ID cards.

Number of Driver's Licenses, Permits, and Identification Documents Issued



Specialized Business Group

The Specialized Business Group regulates the liquor, tobacco, medical and retail marijuana, limited gaming, sports betting, horseracing, and the automobile sales industry. The programs in the Specialized Business Group are almost entirely cash funded, with General Fund appropriations accounting for less than one percent of the division's budget.

Recent legislation has been a substantial driver of FTE growth in the Specialized Business Group in recent years primarily due to bills pertaining to alcohol, marijuana, sports betting, and firearms. Since FY 2017-18, FTE in the Specialized Business Group has grown by over 65 percent from 276 FTE in FY 2017-18 to 459 FTE in FY 2025-26. Significant drivers of this growth have been the following legislation:

- H.B. 19-1090 (Publicly Licensed Marijuana Companies);
- H.B. 19-1090 (Marijuana Hospitality Establishments);
- H.B. 19-1234 (Regulated Marijuana Delivery);
- H.B. 19-1327 (Authorize and Tax Sports Betting);
- H.B. 20-1001(Nicotine Product Regulation);
- S.B. 22-178 (Licensees Ability to Change Marijuana Designation);
- S.B. 23-290 (Natural Medicine Regulation & Legalization);
- S.B. 23-271 (Intoxicating Cannabinoid Hemp and Marijuana);

- H.B. 23-1061(Alcohol Beverage Retail Establishment Permit); and
- H.B. 24-1353 (Firearms Dealer Requirements and Permit).

Department of Revenue FTE Appropriations by Division

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	CAGR
Lottery	117	102	102	102	102	102	102	116	-0.1%
Taxation Bus. Group	403	421	409	433	455	459	451	463	2.0%
DMV	521	557	559	546	545	541	545	546	0.7%
Executive Director's Office	156	164	172	178	210	224	245	236	6.1%
Specialized Bus. Group	276	320	350	368	377	390	406	459	7.5%
Department of Revenue	1,472	1,564	1,592	1,626	1,689	1,716	1,749	1,819	3.1%

Summary of Request

Department of Revenue

Item	Total Funds	General Fund [1]	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$557,041,568	\$154,621,461	\$392,122,764	\$9,445,211	\$852,132	1,817.2
Other legislation	264,517	314,520	-50,003	0	0	2.1
Total	\$557,306,085	\$154,935,981	\$392,072,761	\$9,445,211	\$852,132	1,819.3
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$557,306,085	\$154,935,981	\$392,072,761	\$9,445,211	\$852,132	1,819.3
R1 General fund reductions	-1,275,000	-1,275,000	0	0	0	0.0
R2 DMV realignment	-21,498	-21,498	0	0	0	0.0
R3 Taxation services resources	2,088,239	2,088,239	0	0	0	23.0
Employee comp common policies	12,304,259	5,671,431	6,598,457	34,371	0	0.0
Operating common policies	2,059,207	-32,425	1,521,879	569,753	0	0.0
Impacts driven by other agencies	-305,908	-53,647	-252,261	0	0	1.0
Technical adjustments	3,153,326	1,669,472	1,483,854	0	0	0.0
Prior year actions	-578,483	-231,442	-347,041	0	0	6.5
Total	\$574,730,227	\$162,751,111	\$401,077,649	\$10,049,335	\$852,132	1,849.8
Increase/-Decrease	\$17,424,142	\$7,815,130	\$9,004,888	\$604,124	\$0	30.5
Percentage Change	3.1%	5.0%	2.3%	6.4%	0.0%	1.7%

[1] Includes General Fund Exempt.

Changes are assumed to be ongoing unless otherwise noted.

R1 General fund reductions: The Department requests General Fund reductions in across various line items in the Executive Director's Office and Division of Motor Vehicles.

Current year: One-time \$637,500 General Fund reduction.

Year 1: Reductions of \$1,275,000 General Fund.

The Department states that these budget reductions can be absorbed through vacancy savings, employee attrition, the suspension of professional development programs, and decreased discretionary spending on items like computer upgrades for employees. Below are the Department's proposed General Fund reductions:

- \$500,000 reduction to Personal Services in the Executive Director's Office
- \$250,000 reduction to Operating Expenses in the Executive Director's Office
- \$250,000 reduction to Leased Space in the Executive Director's Office
- \$275,000 reduction to Operating Expenses in the Division of Motor Vehicles

R2 DMV realignment: The Department requests a net-zero realignment of existing cash fund spending authority within the Division of Motor Vehicles (DMV) and also a reduction of \$21,498 General Fund.

Year 1: Reduction of \$21,498 General Fund.

The Department requests a shift in existing cash fund spending authority and FTE from the Driver Services division to the Vehicle Services and Administration divisions within the DMV. According to the Department this will more accurately align the Long Bill to reflect operations. Additionally, the Department asks for a reduction of \$21,498 General Fund appropriated to DRIVES Maintenance and Support and to Driver Licenses Documents in the DMV.

R3 Taxation services resources: The Department requests additional resources to implement and support State costs associated with tax policy changes enacted in federal H.R. 1.

Current year: An increase of \$34,984 for GenTax programming.

Year 1: An increase of \$2.1 million General Fund for an additional 23.0 FTE in the Taxation Services Division.

Year 2: An additional increase of 3.0 FTE and \$174,866 General Fund for resources in the Taxation Services Division.

The recent enactment of federal H.R. 1 is expected to impose additional demands on the Taxation Services Division. Resources are being requested to support Colorado taxpayers and ensure that individuals are accurately filing their returns and complying with the new tax code. For additional information please see the issue brief on the R3 (Taxation services resources) request on page 17.

Employee compensation common policies: The request includes a net increase of \$12.3 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$5,809,265	\$2,663,760	\$3,135,852	\$9,653	\$0	0.0
Salary survey	4,627,939	2,097,151	2,512,351	18,437	0	0.0
Step plan	999,436	559,885	435,311	4,240	0	0.0
Unfunded liability amortization payments	741,492	333,304	406,249	1,939	0	0.0
Shift differential	88,180	0	88,180	0	0	0.0
Paid family and medical leave insurance	33,367	14,998	18,281	88	0	0.0
Short-term disability	4,580	2,333	2,233	14	0	0.0
Total	\$12,304,259	\$5,671,431	\$6,598,457	\$34,371	\$0	0.0

Operating common policies: The request includes a net increase of \$2.1 million for operating common policies

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$1,506,607	\$623,659	\$882,948	\$0	\$0	0.0
State accounting system (CORE)	772,625	294,755	477,870	0	0	0.0
Indirect costs	569,753	-569,753	569,753	569,753	0	0.0
Workers' compensation	90,230	34,412	55,818	0	0	0.0
Leased space	76,006	76,006	0	0	0	0.0
PERA direct distribution	24,010	-43,334	67,344	0	0	0.0
Digital trunked radios	20,804	0	20,804	0	0	0.0
Administrative law judge services	4,751	0	4,751	0	0	0.0
Capitol Complex leased space	1,941	812	1,129	0	0	0.0
Legal services	-508,417	-267,202	-241,215	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	-466,526	-177,381	-289,145	0	0	0.0
Vehicle lease payments	-32,577	-4,399	-28,178	0	0	0.0
Total	\$2,059,207	-\$32,425	\$1,521,879	\$569,753	\$0	0.0

Impacts driven by other agencies: The request includes a net decrease of \$305,908 for requests from other state agencies. These are also called “non-prioritized requests.” The amount shown in the table below applies only to this department and does not necessarily reflect the total value of the request.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP IT accessibility	\$182,762	\$0	\$182,762	\$0	\$0	0.9
NP Statewide enable AI	88,256	69,972	18,284	0	0	0.0
NP State accounting system (CORE) staff	52,058	52,058	0	0	0	0.0
NP Disability opportunity office	27,000	0	27,000	0	0	0.0
NP SB24-205 AI compliance	11,108	11,108	0	0	0	0.1
NP IT operating offset	-514,276	-143,997	-370,279	0	0	0.0
NP IT efficiencies	-152,816	-42,788	-110,028	0	0	0.0
Total	-\$305,908	-\$53,647	-\$252,261	\$0	\$0	1.0

Technical adjustments: The request includes an increase of \$3.2 million for various technical adjustments related to contractual agreements and inflation-related cost changes. Adjustments are outlined in the table below, followed by a brief description of each adjustment.

Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Responsible gaming grant escalator	\$505,000	\$0	\$505,000	\$0	\$0	0.0
IDS print production	494,400	494,400	\$0	0	0	0.0
Postage	483,442	457,764	25,678	0	0	0.0
License plate ordering	315,446	0	315,446	0	0	0.0
Contract escalator GovOs & Alvara (SUTS)	292,913	292,913	0	0	0	0.0
Occupational licensing & case mgt	220,269	0	220,269	0	0	0.0
Document management	208,573	208,573	0	0	0	0.0
Fast Enterprises contract escalator	200,544	200,544	0	0	0	0.0
DRIVES contract escalator	196,239	0	196,239	0	0	0.0
Driver's license documents	187,226	0	187,226	0	0	0.0
SCAIC contract escalator	33,996	0	33,996	0	0	0.0
Joint audit program fee	15,278	15,278	0	0	0	0.0
Total	\$3,153,326	\$1,669,472	\$1,483,854	\$0	\$0	0.0

- Responsible Gaming Grant Program escalator - adjusted on an annual basis based off a percentage of the projected revenue within the Responsible Gaming Grant Fund
- IDS print production - calculation for the print work that is provided to the Department of Revenue from Department of Personnel's print facility.
- Postage - based on the number of mailings that the Taxation Division is statutorily required to mail.
- License Plate ordering - based on population and expected material costs for license plate production.
- GovOs & Avalara (SUTS) – based on the vendor contract administering the statewide sales/use-tax portal

- Occupational licensing and case management –adjustment based on the increase for the ongoing contractual maintenance cost of the new licensing and case management system in the Specialized Business Group.
- Document management – common policy calculated by the Department of Personnel.
- Fast Enterprises contract escalator - contractual obligation the Department of Revenue has with Fast Enterprises for the GenTax system.
- DRIVES contract escalator - contractual obligation the Department of Revenue has with Fast Enterprises for the DRIVES system.
- SAIC contract escalator – contractual obligation to the vendor for IT maintenance expenses within our County Support Services division within the DMV.
- Joint Audit Program - adjustment based on the projected increases in membership assessment produced by the Multi-State Tax Commission for the Joint Audit Budget Package.

Prior year actions: The request includes a net increase of \$549,151 for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY26 R3 Lottery optimization	\$182,080	\$0	\$182,080	\$0	\$0	3.2
HB 24-1325 Tax credits quantum industry	78,237	78,237	0	0	0	0.0
HB 24-1360 CO disability opportunity office	77,926	0	77,926	0	0	0.0
SB 25-310 Proposition 130 implementation	75,857	75,857	0	0	0	0.0
HB 24-1250 Driving improvement course	72,419	0	72,419	0	0	0.4
SB 25-319 Mod higher ed expense income tax	70,859	70,859	0	0	0	1.5
HB 25-1296 Tax expenditure adjustment	66,331	66,331	0	0	0	0.0
HB 24-1249 Tax credit agricultural stewardship	53,942	53,942	0	0	0	0.0
HB 24-1295 Creative industry comm revitalization	50,109	50,109	0	0	0	0.0
SB 24-190 Rail & coal transition	48,956	48,956	0	0	0	0.0
HB 24-1365 Opportunity now grants	48,719	48,719	0	0	0	0.0
HB 24-1240 AmeriCorps tax subtraction	40,016	40,016	0	0	0	0.0
HB 25B-1004 Sale of tax credits	39,547	39,547	0	0	0	0.0
HB 25-1189 Vehicle registration reform & fees	31,162	0	31,162	0	0	0.0
HB 24-1089 Vehicle electronic notifications	24,912	0	24,912	0	0	2.8
HB 25-1274 Healthy school meals for all	19,684	19,684	0	0	0	0.0
HB 24-11344 Tax expenditures to reduce burden	19,058	19,058	0	0	0	0.0
SB 25-008 Adjust necessary doc program	14,716	0	14,716	0	0	0.0
HB 25B-1002 Corporate income tax foreign	12,815	12,815	0	0	0	0.0
HB 25-1083 Vehicle deployed military families	8,006	0	8,006	0	0	0.0
HB 25-1039 Commercial vehicle muffler	5,414	0	5,414	0	0	0.0
HB 25-1189 Motor vehicle registration reform	2,555	0	2,555	0	0	0.0
SB 25-320 Motor vehicle transportation	108	0	108	0	0	0.0
FY 25-26 Salary survey	0	0	0	0	0	0.0
FY 25-26 Step Plan	0	0	0	0	0	0.0
SB 24-214 Implement state climate goals	-318,088	0	-318,088	0	0	0.0
HB 24-1021 Motor vehicle education standards	-177,675	0	-177,675	0	0	2.1
HB 24-1340 Incentives post-secondary education	-131,103	-131,103	0	0	0	-1.0
HB 25-1312 Transgender legal protect	-127,775	-153,969	26,194	0	0	-1.7
SB 24-182 Immigration ID document	-126,615	0	-126,615	0	0	0.0
HB 25B-1005 Eliminate sales tax vendor fee	-88,720	-88,720	0	0	0	-0.3
HB 24-1268 Financial assistance low income	-88,278	-88,278	0	0	0	-0.5

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1312 State income tax credit care workers	-73,925	-73,925	0	0	0	0.0
HB 24-1288 Earned income tax credit data sharing	-70,000	-70,000	0	0	0	0.0
SB 24-230 Oil & gas production fees	-60,963	-60,963	0	0	0	0.0
HB 24-1311 Family affordability tax credit	-47,002	-47,002	0	0	0	0.0
HB 24-1439 Financial incentive internship	-44,289	-44,289	0	0	0	0.0
HB 24-1157 Employee-owned business tax credit	-40,428	-40,428	0	0	0	0.0
SB 24-100 Commercial vehicle safety measures	-32,356	0	-32,356	0	0	0.0
HB 24-1316 Housing tax credit	-23,514	-23,514	0	0	0	0.0
HB 25-1154 Communication services disabilities	-21,467	0	-21,467	0	0	0.0
SB 24-192 Motor vehicle lemon law	-20,025	0	-20,025	0	0	0.0
HB 25-1311 Sports betting deductions	-17,135	0	-17,135	0	0	0.0
HB 24-1369 Agriculture special license plate	-16,111	0	-16,111	0	0	0.0
HB 24-1105 Chicano special license plate	-15,169	0	-15,169	0	0	0.0
SB 25-026 Adjusting tax expenditures	-13,137	-13,137	0	0	0	0.0
SB 24-019 Renumeration exempt placards	-10,843	0	-10,843	0	0	0.0
HB 24-1269 Modification of recording fees	-10,764	0	-10,764	0	0	0.0
SB 24-210 Modifications to election laws	-10,764	0	-10,764	0	0	0.0
HB 24-1142 Reduce income tax ss benefits	-9,901	-9,901	0	0	0	0.0
SB 25-018 Online search of sales & use tax	-9,718	-9,718	0	0	0	0.0
SB 24-065 Electronic devices & driving	-7,040	0	-7,040	0	0	0.0
HB 24-1319 Fire fighters plate expiration	-3,779	0	-3,779	0	0	0.0
HB 25-1299 Animal protection voluntary contribution	-2,904	0	-2,904	0	0	0.0
HB 24-1135 Offenses related to operating vehicle	-1,020	0	-1,020	0	0	0.0
SB 24-016 Tax credit for contribution intermediaries	-561	-561	0	0	0	0.0
HB 24-1135 Offenses related to operating vehicle	-463	0	-463	0	0	0.0
HB 24-1319 Fire fighters plate expiration	-315	0	-315	0	0	0.0
HB 24-1235 Reduce aviation impacts	-64	-64	0	0	0	0.0
Total	-\$578,483	-\$231,442	-\$347,041	\$0	\$0	6.5

R3 Taxation Services Resources

This issue brief discusses the Department's request for additional resources within the Taxation Business Group to provide additional FTE resources and GenTax programming to implement and support State costs associated with tax policy changes enacted in federal H.R. 1.

Recommendation

Staff does not have a recommendation on the request at this time.

Discussion

The Taxation Services Division is responsible for administering the State's tax programs and provides assistance and information to Colorado taxpayers. The recent enactment of federal H.R. 1 will create new demands on the Taxation Services Division. According to the Department of Revenue this creates an opportunity to enhance tax-related services for Coloradans. The Department is requesting funding to support additional resources and programming needed for the implementation of changes resulting from H.R. 1. The Department states that existing staffing and resources are insufficient to manage the additional workload and technology updates required as a result of this legislation.

Background

The Taxation Services Division (TPS) utilizes various methods to assist in the collection of money due the State including: filing bankruptcy claims; recording and releasing tax liens and judgments; garnishment of wages and bank accounts; income tax distraint warrants; resolution of taxpayer disputes; and the utilization of private collection agencies. The Division also audits or examines Colorado tax returns both at the Department through its Discovery Program and at business locations through its Field Audit program. Audits are also conducted for the purpose of ascertaining whether royalties have been properly submitted to the State from operating and royalty mineral interests in Colorado.

The Taxation Services Division administers the State's tax programs and provides assistance and information to Colorado taxpayers. The Division maintains five service centers in Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo, as well as a tax information call center. The Division produces public information campaigns, administers tax classes to promote voluntary compliance, and distributes information to the public to explain the State's tax laws and policies. TPS also issues licenses and permits, processes tax forms and requests for refunds, resolves taxpayer problems, and intercepts income tax refunds for payment of debts owed to other State agencies and the Internal Revenue Service.

The Taxation Services Division has grown in recent years from approximately 413.9 FTE in FY 2021-22 to 444.6 FTE in FY 2025-26. Some of this growth is attributable to legislation which has necessitated additional resources within TPS to implement.

The table below shows the total number of paper and electronic income tax returns processed for the previous five fiscal years, including all individual, corporate, fiduciary, and partnership returns. Additionally, the table

shows the Long Bill appropriation for FTE within TPS as well as the returns processed per allocated FTE. Note that the number of returns processed during the fiscal year may include returns from any income tax year. Furthermore, a taxpayer may have more than one return recorded in a fiscal year due to late or amended returns.

Colorado Tax Returns processed per fiscal year & Taxpayer Services FTE

	2020	2021	2022	2023	2024
Tax Returns Processed	3,161,591	4,056,397	3,658,821	3,835,506	4,031,475
Taxpayer Services FTE	413.9	436.4	440.0	432.9	444.6
Returns / FTE	7638.5	9295.1	8315.5	8860.0	9067.6

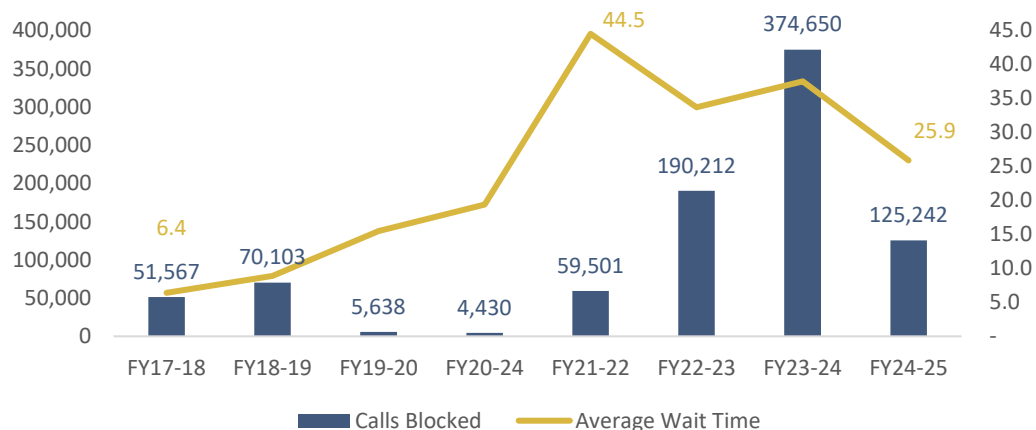
Staff note that the number of returns processed in recent years has not shifted significantly. Fewer returns were processed in 2024 than in 2021. However, the Department would indicate that the request is not driven by an increase in workload related to processing a higher volume of returns, but rather by the novelty and complexity of changes resulting from federal H.R. 1 and their impact on the division’s workload.

Taxpayer Services Call Center

One of the primary roles of the Taxation Services Division (TPS) is to assist Colorado taxpayers with questions about filing their taxes. The Department operates a call center that handles incoming calls. During the budget process for fiscal year 2023-24, the Department requested, and the Committee approved, funding for R1 (Taxation Call Center) to establish an appointment-based call center. This funding added 6.0 FTE and required an appropriation of \$479,522 from the General Fund.

The graph below shows the average wait time of Colorado taxpayers calling into TPS, as well as the number of blocked calls. Call blocking is a common practice in the industry where, once the number of callers in a queue reaches a specific limit, additional callers are "blocked" and do not receive assistance. While this practice can reduce the average wait time for callers seeking help, it also means some individuals are unable to reach a customer service representative. This approach can have negative implications for customer service and may lead to unfavorable perceptions of the State's taxation department and state agencies more broadly. The Department has reported some call center success from the additional resources, and this appears to be reflected in the data provided by the Department.

The number of calls blocked and average wait time (minutes) at the TPS call center have both decreased in recent years.



Taxpayer Services Vacancy Rates

The Department provided the following data regarding vacancy rates within TPS over the previous three fiscal years. Note that the vacancy rate across all job classifications has dropped from 10.7 percent in FY 2023-24 to 3.3 percent in FY 2025-26.

Taxpayer Services Vacancy Rates

FY 2025-26 Job Class	Staffing Plan	Vacant as of Q1	Vacancy Rate
Tax Examiner I	146.0	3.0	2.1%
Tax Examiner II	68.7	1.0	1.5%
Tax Examiner III	33.0	1.0	3.0%
Auditor I	17.0	3.0	17.6%
Auditor II	24.0	1.0	4.2%
Auditor III	25.0	1.0	4.0%
Auditor IV	13.0	0.0	0.0%
Tax Conferee I	8.0	1.0	12.5%
Total:	334.7	11.0	3.3%

FY 2024-25 Job Class	Staffing Plan	Vacant	Vacancy Rate
Tax Examiner I	157.0	13.0	8.3%
Tax Examiner II	68.7	1.0	1.5%
Tax Examiner III	34.0	1.0	2.9%
Auditor I	25.0	10.0	40.0%
Auditor II	23.0	1.0	4.3%
Auditor III	27.0	1.0	3.7%
Auditor IV	13.0	0.0	0.0%
Tax Conferee I	9.0	2.0	22.2%
Total:	356.7	29.0	8.1%

FY 2023-24 Job Class	Staffing Plan	Vacant	Vacancy Rate
Tax Examiner I	157.0	13.0	8.3%
Tax Examiner II	69.1	3.0	4.3%
Tax Examiner III	34.0	0.0	0.0%
Auditor I	18.0	9.0	50.0%
Auditor II	20.0	4.0	20.0%
Auditor III	36.0	6.0	16.7%
Auditor IV	13.0	1.0	7.7%
Tax Conferee I	9.0	2.0	22.2%
Total:	356.1	38.0	10.7%

Request

The enactment of federal H.R. 1 is anticipated to increase demands on the Taxation Services Division. The Department states that these resources are being requested to support Colorado taxpayers and ensure that individuals are accurately filing their returns and complying with the new tax code.

The Department has indicated that in the absence of these resources Colorado will likely experience:

- Less than estimated revenue collection;

- Delayed tax returns;
- Heightened potential for taxpayer noncompliance; and
- Negative impact on service availability, especially for underserved populations who rely heavily on call-center support.

The Department is submitting a supplemental request for the current budget year for approximately \$32,000 General Fund to make updates to the GenTax system necessitated by the federal tax code changes. The Department's FY 26-27 R3 (Taxation Services Resources) request includes 23.0 FTE and \$2.1 million in General Fund for these additional personnel resources within the Taxation Services Division. The request and out year impact is summarized in the table below.

R3 Taxation Services Resources

Job Class	FY 2026-27 Request	FTE	FY 2027-28 Request	FTE	Position Description
Tax Examiner I	\$345,800	7.0	\$395,200	8.0	Service/Call Center
Tax Examiner II	54,444	1.0	108,888	2.0	Service/Call Center
Tax Examiner III	63,050	1.0	63,050	1.0	Service/Call Center
Tax Examiner I	98,800	2.0	98,800	2.0	Data validation
Tax Examiner I	296,400	6.0	296,400	6.0	Discovery
Tax Examiner III	63,050	1.0	63,050	1.0	Discovery
Tax Examiner I	98,800	2.0	98,800	2.0	Collections
Auditor I	114,348	2.0	114,348	2.0	TAC
Tax Conferee I	93,132	1.0	186,264	2.0	Conferee
Total Salary Compensation	\$1,227,824	23.0	\$1,424,800	26.0	
Employee Benefits / PERA / FICA	661,261		798,195		
Operating Expenses	177,905		40,110		
GenTax Programming	21,249		0		
Total Request	\$2,088,239		\$2,263,105		

Budget Reduction Options

The Executive Budget Request includes reductions of \$1,296,498 General Fund for the Department of Revenue representing 1.0 percent of the current General Fund appropriations in this section of the budget (excluding Special Purpose Division).¹ This issue brief reviews these proposals and additional options identified by staff.

Summary

The Department of Revenue represents 1.2 percent of total state General Fund appropriations in FY 2025-26. The Executive budget request includes proposed reductions of \$1.3 million representing 1.0 percent of the General Fund appropriations in this section of the budget. Additionally, there are common policy adjustments and impacts from other agencies that also affect the General Fund. Overall, the Department's total General Fund request represents an increase of 5.1 percent.

There are few options available for ongoing General Fund relief in this Department. The Department does not include any grant programs that receive General Fund support. The Taxation Business Group is the primary recipient of General Fund support, which is almost entirely allocated to the salaries of the 463.2 full-time equivalent (FTE) employees in the Division. In addition to the General Fund reductions proposed by the department, any further significant reductions would likely need to come from a decrease in temporary and full-time FTE positions.

The Department has approximately 24 cash funds. Among these funds, excluding those exempt from TABOR, only the License Plate Cash Fund can accommodate a significant transfer to the General Fund.

Recommendation

Staff recommends that the Department discuss its proposals and staff options during the budget hearing. The focus should be on the potential impacts of cuts to the General Fund on both temporary and full-time employees in the Taxation Business Group (TBG) and the Executive Director's Office (EDO). Additionally, the Department should address the effects of transferring cash from the License Plate Cash Fund to the General Fund. Furthermore, staff recommends that the Department update the Committee on any other cash funds that could accommodate a General Fund transfer, as well as provide an overview of the overall health of the Department's cash funds.

Discussion

Funding History FY 2018-19 to FY 2025-26

The Department of Revenue, represents 1.2 percent of total state General Fund appropriations in FY 2025-26. As reflected in the table below, General Fund in this section of the budget has increased by 5.1 percent since FY

¹ Current FY 2025-26 appropriations do not include mid-year reductions in executive orders.

2018-19 after adjusting for inflation. This is less than the statewide increase of 13.6 percent over the same period.²

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	\$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
General Fund	\$113,271,850	\$147,408,424	\$154,935,981	\$7,527,557	5.1%
Total Funds [1]	\$370,972,654	\$482,772,148	\$557,306,085	\$74,533,937	15.4%

Budget Requests for General Fund Relief

The Department of Revenue budget request includes a proposal for General Fund relief totaling \$1.3 million. The \$1.3 million expenditure reduction equates to a 1.0 percent decrease in General Fund appropriations.

Budget Requests for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
n/a				
Subtotal - Revenue	\$0	\$0		
Expenditure Reductions				
R1 General Fund Reductions	-\$1,275,000	\$0	N	This request includes an ongoing reduction of 1.0 percent of the FY 2025-26 General Fund appropriation. These reductions would impact the Personal Services, Operating Expenses, and Leased Space lines in the EDO and the Operating Expenses line in the DMV. The Department states that these proposed reductions will have minimal operational impact do not hinder essential functions or negatively impact the public.
R2 DMV Operational Realignment	-\$21,498		N	Permanent reduction of \$21,498 of GF in the DMV impacting DRIVES Maintenance and Support and Driver Licenses Documents line items
Subtotal - Expenditures	-\$1,296,498	\$0		
Net General Fund Relief	\$1,296,498			

Additional Options for JBC Consideration

The table below summarizes options identified by JBC staff that the Committee could consider in addition to or instead of the options presented in the budget request.

² Fiscal year 2018-19 appropriations are adjusted for inflation, calculated based on the Legislative Council Staff September 2025 forecast, which reflects an increase in the Denver-Aurora-Lakewood consumer price index of 30.1 percent between FY 2018-19 and FY 2025-26.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of approximately \$5.9 million (excludes Special Purpose Division, which is composed of General Fund Exempt pass-through revenue).

Additional Options for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
License Plate Cash Fund (LPCF) transfer to General Fund	\$2,000,000	-\$2,000,000	Y	The LPCF fund covers the direct costs incurred by the DMV in purchasing license plates, decals and validating tabs from CO Correctional Ind. It is currently projected to end FY 2025-26 with a balance of \$10.6 million. Note that approx. \$7.6 million of this balance is not liquid but is in resale inventory. The fund is projected to have positive cash flow through the forecast period.
			Y	n/a
Subtotal - Revenue	\$2,000,000	-\$2,000,000		
Expenditure Reductions				
5.5% Taxation Business Group, Taxation Services, Personal Services General Fund reduction	-\$1,943,295	\$0		Reduction based on FY 25-26 appropriation
5.5% Executive Director's Office, Administration and Support, Personal Services General Fund reduction	-\$512,310	\$0		Reduction based on FY 25-26 appropriation
Subtotal - Expenditures	-\$2,455,605			
Net General Fund Relief	\$4,455,605			

Revenue Enhancements

License Plate Cash Fund Transfer to GF

Description: Bill to transfer \$2.0 million from the License Plate Cash Fund (LPCF) to the General Fund.

Key Considerations: The transfer should not negatively impact current operations, and the fund is projected to have positive net cash flow through the end of FY 2027-28. Although the FY 2025-26 beginning balance of the fund is approximately \$10.0 million, much of this is tied up in inventory, and only about \$2.5 million is liquid.

Additional background: This fund was created to cover the direct costs incurred by the DMV in purchasing license plates, decals and validating tabs from CO Correctional Ind.

Note that as part of budget-balancing measures for FY 2024-25, SB 25-293 (Transfers from License Plate Cash Fund) made a one-time transfer of approximately \$8.4 million was made from the LPCF. The amount was evenly divided between the General Fund and the DRIVES Cash Fund.

License Plate Cash Fund

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriated	FY 2026-27 Estimate
Beginning FY Balance	\$10,678,224	\$14,108,028	\$10,022,177	\$8,722,177
Revenues	10,540,210	12,029,757	14,100,000	15,041,000
Expenditures	-7,110,406	-7,713,054	-13,500,000	-14,941,000
Ending FY Balance before transfer	14,108,028	16,483,028	10,622,177	\$8,882,177
Transfer (SB25-293) / Proposed		-8,402,554	-2,000,000	
Ending FY Balance after transfer		\$6,483,028	\$8,722,177	

Expenditure Reductions

Reduce Taxation Business Group, Taxpayer Services, Personal Services line and Executive Director's Office, Administration and Expense, Personal Services line

Description: This proposed budget option reduces the General Fund allocation for the Taxation Services Personal Services line by 5.5 percent. This would result in a decrease of approximately \$1.9 million in the General Fund. Additionally, the Personal Services line in the Executive Director's Office could also be reduced by 5.5 percent, leading to approximately \$0.5 million in General Fund savings.

Key Considerations: This funding realignment could be partially absorbed through vacancy savings, attrition, and reductions in temporary employees and consultants, but would also likely require some level of staff reduction. The Department reports a vacancy rate of 2.0 percent in the EDO as of June 30, 2025. The Department recently reported, as of the end of the first quarter of FY 2025-26, a vacancy rate in Taxation Services of approximately 3.3 percent.

The Taxation Services, Personal Services line has grown significantly in recent years. Increasing from approximately \$31.5 million in FY 2023-24 to \$35.3 million in FY 2025-26, an increase of over 12.1 percent over two fiscal years. Up until FY 23-24 the Division had reverted a significant amount of this appropriation, however, this has not been the case over the last two fiscal years.

Additional background:

The table below shows the number of temporary employees utilized at the Department of Revenue in the EDO and Taxation Business Group in recent fiscal years.

Department of Revenue Temporary Employee Services Expenditures

	FY22-23	FY 23-24	FY 24-25	FY 25-26 [1]
Executive Director's Office	\$82,950	\$74,284	\$153,424	\$62,630
Taxation Business Group	1,047,272	681,072	1,022,794	540,487
Total	\$1,130,222	\$755,356	\$1,176,218	\$603,117

[1] projected

FY 2025-26 Executive Order Budget Adjustments

Budget Reductions

Executive Order D 2025 014, as amended, identifies the following plans for FY 2025-26 spending reductions in this department.

Title	General Fund	Description
Executive Director's Office, Administration and Support, Personal Services	-\$250,000	Reduce the Department's Personal services line in the EDO, Administration and Support
Executive Director's Office, Administration and Support, Operating Expenses	-125,000	Reduce the Department's Operating Expenses line in the EDO, Administration and Support
Executive Director's Office, Administration and Support, Leased Space	-125,000	Reduce the Department's Leased Space line in the EDO, Administration and Support
Division of Motor Vehicles, Driver Services, Operating Expenses	-137,500	Reduce the Operating Expenses Line in Vehicle Services line in the DMV
Total	-\$637,500	

Other Balancing Holds

For the State as a whole, the Governor's Office anticipates \$3.0 million General Fund savings from a FY 2025-26 hiring freeze. The Governor's Office has not provided estimates at the department level.

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the Long Bill to:

1. set forth purposes, conditions, or limitations;
2. explain assumptions; or
3. express legislative intent.

This section discusses a subset of the footnotes relevant to the divisions covered in the briefing. For a full list of footnotes, see the end of each departmental section of the [2026 Long Bill](https://leg.colorado.gov/bills/sb25-206) (<https://leg.colorado.gov/bills/sb25-206>).

The Department had no footnotes in the FY 2025-26 Long Bill.

Update on Requests for Information

The Joint Budget Committee may submit requests for information (RFIs) to departments. The Joint Budget Committee must prioritize the requests per Section 2-3-203 (3), C.R.S.

This section discusses a subset of the RFIs relevant to the divisions covered in the briefing. For a full list of RFIs, see the [letters requesting information](https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf) (https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf).

Department of Revenue Requests

- 1 Department of Revenue, Specialized Business Group, Marijuana Enforcement Division -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2025, a report detailing the long-term solvency status of the Marijuana Cash Fund and the repayment schedule to the Cash Fund Solvency Fund.

Comment: The Department complied with the request for information. In summary, the Marijuana Cash Fund has been operating at an annual deficit for some time. The Marijuana Enforcement Division, which is entirely funded by the Marijuana Cash Fund and the Marijuana Tax Cash Fund, is currently operating at a significantly reduced capacity, utilizing only about 65 percent of its spending authority. Despite recent fee increases and cost containment measures, the fund continues to maintain a low balance and will face challenges for the foreseeable future. For more details, please refer to the following attached response from the Department.



COLORADO
Department of Revenue
Executive Director's Office

Physical Address:
1881 Pierce Street
Lakewood, CO 80214

Mailing Address:
P.O. Box 17087
Denver, CO 80217-0087

To: Joint Budget Committee
From: Department of Revenue
RE: Marijuana Cash Fund Solvency
November 1, 2025

Introduction

This memo provides an update on the Marijuana Cash Fund (MCF) long-term solvency, highlighting key factors influencing its financial position and ability to meet current and future obligations.

The MCF funds the Marijuana Enforcement Division (MED), which regulates licensing, production, distribution, and sales, to ensure public safety, business compliance, and prevent illicit activities and access to youth. The fund's revenue is generated from licensing fees plus a limited amount of marijuana sales taxes that are collected by the State. Sound fiscal management practices including efficient budgeting, expenditure control, revenue analysis, and financial planning are integral to the fund's long-term solvency.

Overview

The MCF, the primary source of funding for MED, has been operating with an annual deficit for many years, requiring additional support to address an ongoing annual \$3+ million shortfall. The following summarizes actions taken to improve the fund's health and MED's operational sustainability:

Expenses

- MED has been operating at a significantly reduced capacity (65% of the spending authority), with staffing at only 62% of the Long Bill FTE (97.9 of 158.0 FTE). (See [Purple](#) line below).



- Despite cost containment strategies imposed since FY 2020-21 (20% FTE decrease, 70% office space reduction), expenses have continued to rise annually, exceeding revenue due to salary increases and legislative actions. (See **Orange** line below).

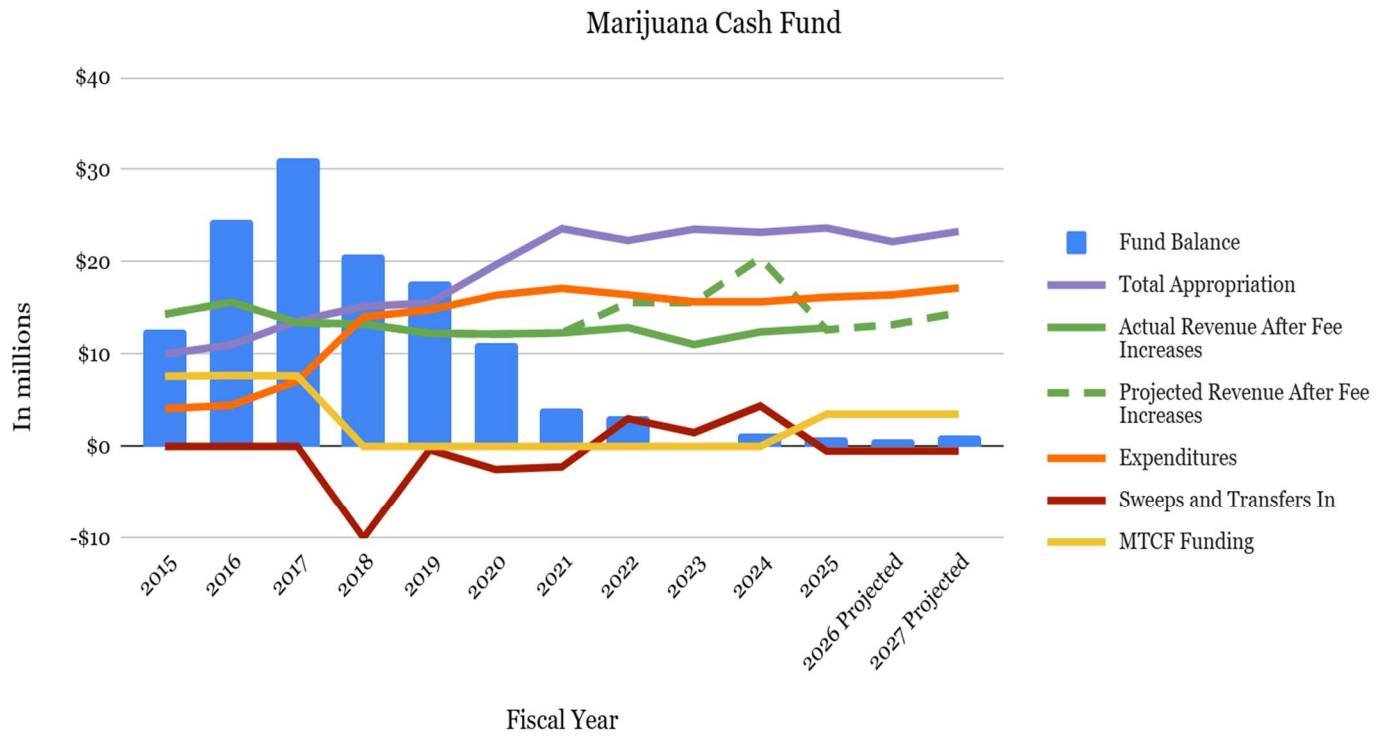
Fund Balance and Transfers (See **Red** line below)

- MED has fully utilized over \$30 million of MCF fund balance over 9 fiscal years to support operational costs as a result of insufficient revenue.
- Over \$10 million was transferred from the MCF to fund other departments (e.g., DPS, CDPHE) as directed by the legislature.
- A \$1.5 million cash fund loan from the Insolvency Cash Fund was necessary in FY 2022-23 to prevent a negative year-end balance; this is being repaid over three fiscal years starting FY 2024-25.
- A one-time transfer of \$4.1 million into MCF was approved per SB23-199 Marijuana License Applications at the end of FY 2022-23.

Revenue and Fees

- Three recent fee increases over four fiscal years, projected to generate \$7.8 million annually, instead led to a \$0.5 million revenue decline due to a 26% decrease in licensing. This indicates a negative impact of fee increases on revenue, as businesses downsized their employee base or exited the industry. (See **Green** lines below).
- Approval of SB25-268 Changes To Money in the Marijuana Tax Cash Fund revised the Retail Marijuana Special Sales Tax distribution, directing 1% to MCF, estimated to generate \$2.7 million annually. (Included in the Revenue on the Graph. See **Green** lines below).
- The original annual Marijuana Tax Cash Fund (MTCF) funding of \$7.6 million for the MED was removed in FY 2017-18. In FY 2024-25, JBC authorized a partial restoration of \$3.5 million annually from the MTCF. (See **Yellow** line below).

Despite these efforts, the MCF is projected to remain in a positive position, but with a very low 6% fund balance for the forecast period, assuming stable expenses and MED's continued operations at 65% capacity. While improved, this low fund balance and reduced operational level remain concerning.



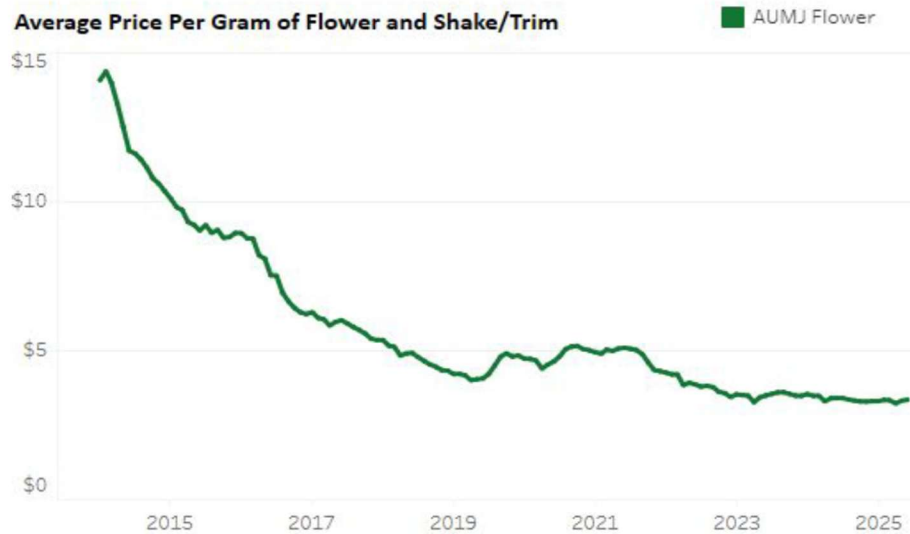
MED cash fund transfers to other programs: 1) \$10 million to the Dept. of Agriculture [SB17-254]; 2) \$360K to CDPHE and CDPS [SB19-120]; 3) \$1.6 million to the Treasury and \$914K to CBI [HB20-1406]; 4) \$1.4 million to CDPHE and \$890K to CBI [HB20-1360]; 5) \$201K to CDPHE [SB21-205]

State of the Industry

Marijuana sales, license counts, and tax collections peaked during the COVID-19 pandemic, in Colorado and elsewhere. [“Sales reached a three-year peak](#) in Washington in May 2020 and in Alaska, Colorado, and Oregon in July 2020.” Wholesale prices in Colorado have been near or at their lowest point over the last 24 months as shown in the following graph.



Marijuana Flower Price per Gram in Colorado

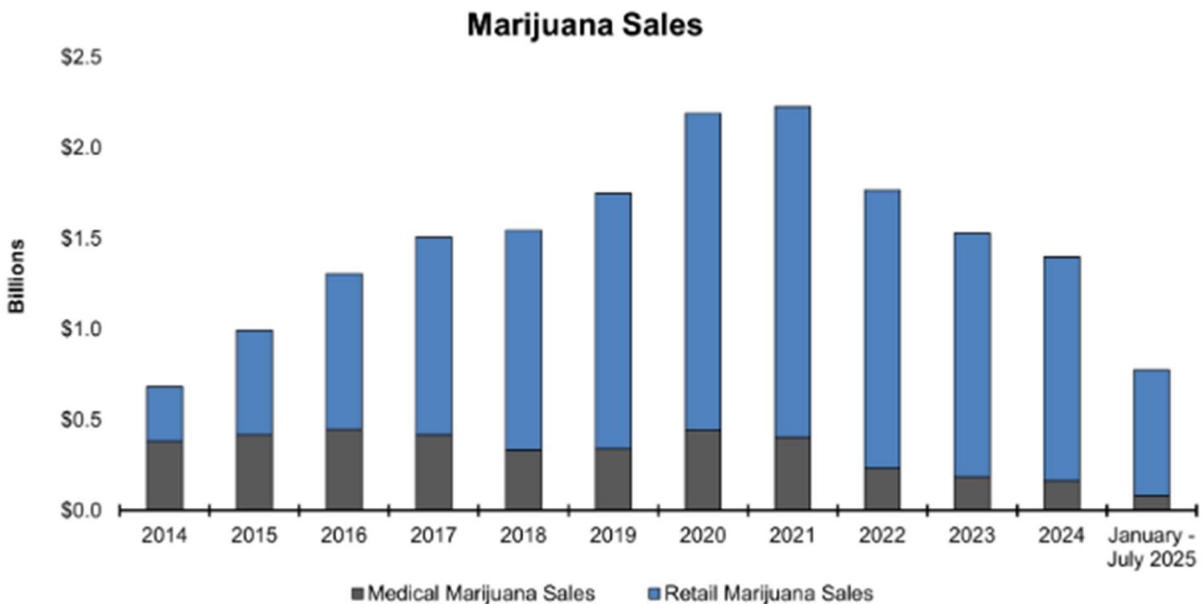


September 2025
record low:
\$3.18 per gram

Previous low
point of \$3.24
per gram:
April 2023

Source: MED, CU Business Research Division, and MPG Consulting: "Colorado MED Dashboard" October 2025

Marijuana sales in Colorado have decreased each year since the 2021 peak.

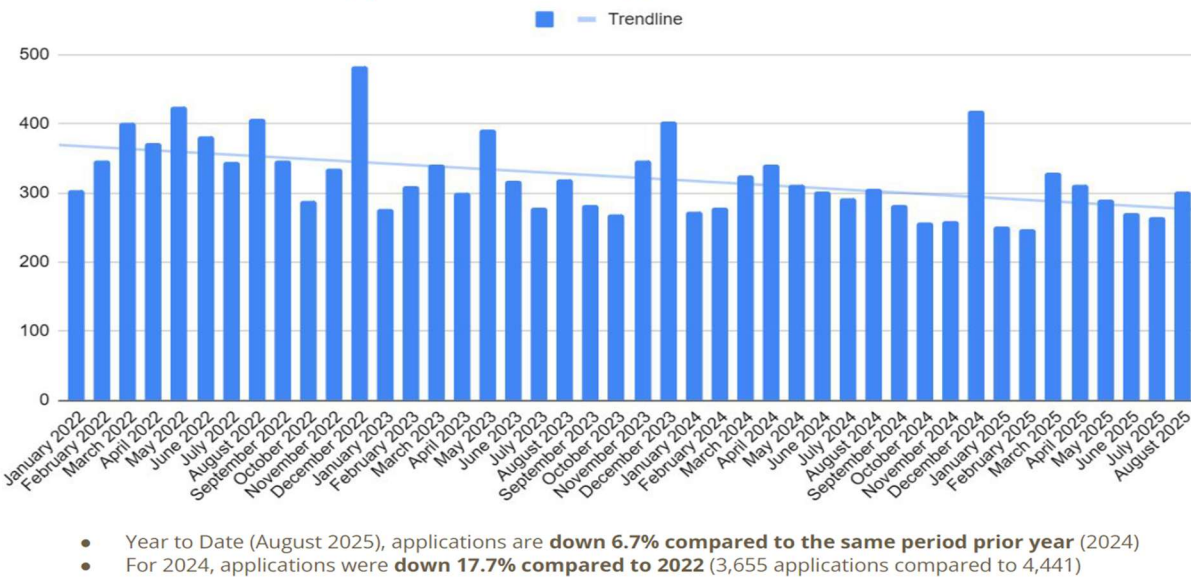


Source: Colorado Retail Sales Tax Return (DR 0100) and Retail Marijuana Sales Tax Return



The decline in pricing has led to reduced revenue for Colorado marijuana businesses, which is evident by the decrease in business licenses and applications. This, in turn, negatively impacts MED's cash fund revenue, as license fees for business renewals are the largest revenue driver. The following graph illustrates the downward trend for business renewals.

Business Renewal Applications - Long Term Trend



Marijuana businesses have continued to struggle to raise capital and to be cash flow positive due to the above impacts and the inability to deduct standard business expenses due to the restrictions of Section 280(e) of the IRS code. That limitation could change if marijuana is rescheduled to a Schedule III substance.

Impact of Synthetically and Hemp-Derived THC

Going forward, licensees and business renewal applications themselves are likely to be impacted by continued pressures from [synthetically and hemp-derived THC](#), where there is an emergence of chemically converted THC products more widely accessible across the nation and the manufacture of which are not regulated by the MED. While Colorado law recently prohibited these chemically converted THC products from being sold in the state, many of these products are available for purchase online and are sold at retail establishments in other states (in some cases, without age verification requirements,

despite such products being higher in THC concentration than what is permitted to be sold at Colorado licensed dispensaries). See the Colorado AG's Office [press release from June 2024](#): "Colorado Attorney General's Office sues Colorado cannabis business for falsely marketing marijuana products as legal industrial hemp." These chemically converted THC products are available at a much lower price point than regulated marijuana, incentivizing both consumer and regulated business activities. As a result, the emergence of these products are negatively impacting participation in the regulated market. And while these products are clearly outside of MED's oversight and purview, they still result in an increase of MED's resource deployment based on reports of chemically converted THC entering the regulated market, creating risks to consumer safety that MED must investigate.

Current Market Conditions: Synthetically and Hemp-Derived THC

In September 2025, the Maryland Appellate Court issued a significant ruling on hemp-derived psychoactive products, declaring that delta-8 and delta-10 THC are, and always have been, illegal in the state. Appellate Judge Daniel A. Friedman emphasized this point, stating, "As we explain below, hemp-derived psychoactive products, so-called delta-8 and delta-10 THC, are now and have always been illegal in Maryland. That the prohibition has been the subject of lax enforcement does not make it legal." Judge Friedman noted that the 2018 Farm Bill may have inadvertently "contributed to businesses in Maryland and across the country selling these products."

Concurrently, in Texas in August 2025, a different regulatory approach was emerging as Governor Abbott began utilizing executive orders to regulate the hemp industry rather than seeking its outright elimination. This executive action came in response to the Texas legislature's failure to establish a regulatory framework for hemp following two special sessions.

Source: <https://www.cannabisbusinesstimes.com/us-states/maryland/news/15755342/Appellate-court-rules-delta8-delta10-thc-prohibited-in-maryland>



Marijuana Cash Fund Forecast

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Projected	FY 2026-27 Projected
Beginning Fund Balance	3,367,766	236,067	1,366,846	1,042,203	779,203
Revenue:					
SB 23-199 Transfer*	-	4,094,849	-	-	-
SB 23-271 Transfer**	-	295,024	-	-	-
R-05 MED Support Funding^			3,500,000	3,500,000	3,500,000
SB 25-268 Transfer^^	-	-	-	2,700,000	2,700,000
Fees, fines, interest, misc.	11,028,764	12,409,745	12,839,005	10,489,000	11,793,000
Total Revenue	11,028,764	16,799,618	16,339,005	16,689,000	17,993,000
Expense:					
Operating Expense	15,660,463	15,668,839	16,163,648	16,452,000	17,150,000
Total Expense	15,660,463	15,668,839	16,163,648	16,452,000	17,150,000
Surplus/Deficit	(4,631,699)	1,130,779	175,357	237,000	843,000
Cash Fund Insolvency Loan/(Repayment)	1,500,000	-	(500,000)	(500,000)	(500,000)
Ending Fund Balance	236,067	1,366,846	1,042,203	779,203	1,122,203

* SB 23-199 Marijuana License Applications and Renewals

** SB 23-271 Intoxicating Cannabinoid Hemp And Marijuana

^ MTCF Spending Authority - Section 39-28.8-501 (1), C.R.S.

^^ SB 25-268 Changes to Money in the Marijuana Tax Cash Fund

As this forecast indicates, the MCF is currently operating close to a break-even level if revenue and expenses are maintained at current levels. DOR continues to work with the OSPB to consider all options and potential actions to maintain a stable financial outlook for the MCF.



COLORADO
Department of Revenue
Executive Director's Office

Sincerely,

Heidi Humphreys
Executive Director
Department of Revenue

Cc: Senator Jeff Bridges, Chair, Joint Budget Committee
Representative Shannon Bird, Vice Chair, Joint Budget Committee
Senator Judy Amabile, Joint Budget Committee
Senator Barbara Kirkmeyer, Joint Budget Committee
Representative Emily Sirota, Joint Budget Committee
Representative Rick Taggart, Joint Budget Committee
Jon Catlett, staff, Joint Budget Committee, Colorado General Assembly
Mark Ferrandino, Director, Governor's Office of State Planning and Budgeting
Edward Crandall, staff, Governor's Office of State Planning and Budgeting
Jimmy Reed, Legislative Liaison, Department of Revenue

Department Annual Performance Report

Departments must publish an **Annual Performance Report**³ for the *previous state fiscal year* by November 1 of each year. This report summarizes the Department's performance plan and most recent performance evaluation. In addition, departments develop and submit a **Performance Plan**⁴ for the *current fiscal year* to the Joint Budget Committee and the relevant Joint Committee of Reference by July 1 of each year.

Per statute⁵, the Joint Budget Committee must consider performance plans submitted by departments and may prioritize budget requests intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste. To find the performance plans, search the Office of State Planning and Budgeting website and select the [performance plan](http://www.colorado.gov/pacific/performancemanagement/department-performance-plans) (www.colorado.gov/pacific/performancemanagement/department-performance-plans).

³ Section 2-7-205, C.R.S.

⁴ Section 2-7-204 (3)(a), C.R.S.

⁵ Section 2-7-204 (6), C.R.S.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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Department of Revenue Mark Ferrandino, Executive Director

(1) Executive Director's Office

(A) Administration and Support

Personal Services	<u>17,471,217</u>	<u>17,271,589</u>	<u>21,186,402</u>	<u>21,220,746</u> *
FTE	190.9	211.2	202.6	203.6
General Fund	8,436,921	7,653,213	9,314,720	8,707,361
Cash Funds	2,324,334	2,661,354	3,565,128	3,620,445
Reappropriated Funds	6,709,962	6,957,022	8,306,554	8,892,940
Federal Funds	0	0	0	0
Health, Life, and Dental	<u>20,475,351</u>	<u>23,127,476</u>	<u>23,958,192</u>	<u>30,201,727</u>
FTE	0.0	0.0	0.0	0.0
General Fund	9,035,999	10,792,094	10,442,285	13,477,541
Cash Funds	11,333,648	12,194,805	13,413,341	16,611,967
Reappropriated Funds	105,704	140,577	102,566	112,219
Federal Funds	0	0	0	0
Short-term Disability	<u>161,755</u>	<u>184,224</u>	<u>91,492</u>	<u>97,276</u>
FTE	0.0	0.0	0.0	0.0
General Fund	71,051	86,768	41,189	44,381
Cash Funds	89,768	96,476	49,935	52,513
Reappropriated Funds	936	980	368	382
Federal Funds	0	0	0	0

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>5,472,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,396,407	0	0	0	
Cash Funds	3,044,623	0	0	0	
Reappropriated Funds	31,620	0	0	0	
Federal Funds	0	0	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>5,472,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,396,407	0	0	0	
Cash Funds	3,044,623	0	0	0	
Reappropriated Funds	31,620	0	0	0	
Federal Funds	0	0	0	0	
AED/SAED Unfunded PERA Liability	<u>0</u>	<u>12,281,590</u>	<u>12,983,142</u>	<u>13,864,225</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	5,784,562	5,884,150	6,340,236	
Cash Funds	0	6,431,726	7,046,382	7,469,440	
Reappropriated Funds	0	65,302	52,610	54,549	
Federal Funds	0	0	0	0	
Step Plan	<u>0</u>	<u>3,417,466</u>	<u>863,127</u>	<u>999,436</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	1,702,775	328,160	559,885	
Cash Funds	0	1,697,403	532,804	435,311	
Reappropriated Funds	0	17,288	2,163	4,240	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Paid Family Medical Leave Initiative	<u>0</u>	<u>552,672</u>	<u>584,241</u>	<u>623,890</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	260,305	264,787	285,310	
Cash Funds	0	289,428	317,087	336,125	
Reappropriated Funds	0	2,939	2,367	2,455	
Federal Funds	0	0	0	0	
CORE Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,058</u> *	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	52,058	
DPA Administration Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Office of the State Architect	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
DHR Training Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
PERA Direct Distribution	<u>341,946</u>	<u>2,403,687</u>	<u>2,358,908</u>	<u>2,382,918</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	150,048	1,132,123	1,132,328	1,088,994	
Cash Funds	189,918	1,258,783	1,226,580	1,293,924	
Reappropriated Funds	1,980	12,781	0	0	
Federal Funds	0	0	0	0	
Salary Survey	<u>6,261,244</u>	<u>4,371,299</u>	<u>3,538,396</u>	<u>4,627,939</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,629,467	2,057,564	1,614,887	2,097,151	
Cash Funds	3,595,929	2,290,436	1,909,039	2,512,351	
Reappropriated Funds	35,848	23,299	14,470	18,437	
Federal Funds	0	0	0	0	
Shift Differential	<u>115,151</u>	<u>139,234</u>	<u>194,438</u>	<u>282,618</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	115,151	139,234	194,438	282,618	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Temporary Employees Related to Authorized Leave	<u>211,363</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	211,363	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation	<u>487,491</u>	<u>530,460</u>	<u>439,608</u>	<u>529,838</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	185,922	202,310	167,660	202,072	
Cash Funds	301,569	328,150	271,948	327,766	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>2,888,863</u>	<u>3,021,263</u>	<u>3,945,448</u>	<u>3,779,191</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	2,249,664	2,115,939	2,678,401	2,428,401	
Cash Funds	639,199	905,324	1,243,197	1,326,940	
Reappropriated Funds	0	0	23,850	23,850	
Federal Funds	0	0	0	0	
Postage	<u>151,863</u>	<u>283,712</u>	<u>458,402</u>	<u>941,844</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	95,458	158,854	283,346	741,110	
Cash Funds	56,405	124,858	175,056	200,734	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Legal Services	<u>5,738,927</u>	<u>5,320,308</u>	<u>6,167,197</u>	<u>5,658,780</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,937,593	2,920,028	3,241,209	2,974,007	
Cash Funds	2,744,234	2,400,280	2,925,988	2,684,773	
Reappropriated Funds	57,100	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>1,196</u>	<u>1,565</u>	<u>11,373</u>	<u>16,124</u> *	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,196	1,565	11,373	16,124	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>1,577,359</u>	<u>560,631</u>	<u>820,278</u>	<u>353,752</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,125,218	213,162	311,884	134,503	
Cash Funds	452,141	347,469	508,394	219,249	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Vehicle Lease Payments	<u>685,098</u>	<u>792,897</u>	<u>1,047,509</u>	<u>1,014,932</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	121,336	108,183	141,451	137,052	
Cash Funds	563,762	684,714	906,058	877,880	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Leased Space	<u>4,362,760</u>	<u>5,255,294</u>	<u>7,289,345</u>	<u>7,115,351</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	432,593	748,762	909,496	735,502	
Cash Funds	3,930,167	4,506,532	6,379,849	6,379,849	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Capitol Complex Leased Space	<u>894,833</u>	<u>961,905</u>	<u>73,921</u>	<u>75,862</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	370,488	402,284	30,915	31,727	
Cash Funds	524,345	559,621	43,006	44,135	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to OIT	<u>21,256,465</u>	<u>20,106,745</u>	<u>23,373,428</u>	<u>24,214,614</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	12,387,950	10,602,981	11,909,223	12,357,303	
Cash Funds	8,868,515	9,503,764	11,464,205	11,857,311	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
IT Accessibility	<u>223,055</u>	<u>256,648</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	223,055	256,648	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Utilities	<u>80,918</u>	<u>78,326</u>	<u>83,703</u>	<u>83,703</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	80,918	78,326	83,703	83,703	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Digital Trunk Radio Payments	<u>140,874</u>	<u>138,492</u>	<u>138,247</u>	<u>159,051</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	140,874	138,492	0	0	
Cash Funds	0	0	138,247	159,051	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
CORE Operations	<u>804,958</u>	<u>266,618</u>	<u>199,018</u>	<u>971,643</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	307,090	101,714	75,925	370,680	
Cash Funds	497,868	164,904	123,093	600,963	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (A) Administration and Support	95,277,987	101,324,101	109,805,815	119,267,518	8.6%
<i>FTE</i>	<u>190.9</u>	<u>211.2</u>	<u>202.6</u>	<u>203.6</u>	<u>0.5%</u>
General Fund	45,904,904	47,438,761	48,772,016	52,765,274	8.2%
Cash Funds	42,398,313	46,665,152	52,528,851	57,393,172	9.3%
Reappropriated Funds	6,974,770	7,220,188	8,504,948	9,109,072	7.1%
Federal Funds	0	0	0	0	0.0%

(B) Hearings Division

Personal Services	<u>2,768,880</u>	<u>2,955,594</u>	<u>3,641,627</u>	<u>3,710,422</u>	
<i>FTE</i>	<u>33.3</u>	<u>33.3</u>	<u>33.3</u>	<u>33.3</u>	
General Fund	0	0	0	0	
Cash Funds	2,768,880	2,955,594	3,641,627	3,710,422	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>85,432</u>	<u>77,026</u>	<u>110,412</u>	<u>110,412</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	0	0	0	
Cash Funds	85,432	77,026	110,412	110,412	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>240,603</u>	<u>203,196</u>	<u>222,226</u>	<u>280,304</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	0	0	0	
Cash Funds	240,603	203,196	222,226	280,304	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (B) Hearings Division	3,094,915	3,235,816	3,974,265	4,101,138	3.2%
<i>FTE</i>	<u>33.3</u>	<u>33.3</u>	<u>33.3</u>	<u>33.3</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	3,094,915	3,235,816	3,974,265	4,101,138	3.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (1) Executive Director's Office	98,372,902	104,559,917	113,780,080	123,368,656	8.4%
<i>FTE</i>	<u>224.2</u>	<u>244.5</u>	<u>235.9</u>	<u>236.9</u>	<u>0.4%</u>
General Fund	45,904,904	47,438,761	48,772,016	52,765,274	8.2%
Cash Funds	45,493,228	49,900,968	56,503,116	61,494,310	8.8%
Reappropriated Funds	6,974,770	7,220,188	8,504,948	9,109,072	7.1%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (B) DMV IT System (DRIVES) Support	0	0	0	0	0.0%
<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	0	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (2) Information Technology Division	0	0	0	0	0.0%
<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	0	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(3) Taxation Business Group

(A) Administration

Personal Services	<u>600,427</u>	<u>577,474</u>	<u>635,608</u>	<u>645,219</u>	
FTE	5.0	5.0	5.0	5.0	
General Fund	580,634	575,843	615,257	624,868	
Cash Funds	19,793	1,631	20,351	20,351	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>12,543</u>	<u>8,652</u>	<u>12,543</u>	<u>12,543</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	12,543	8,652	12,543	12,543	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Tax Administration IT System (GenTax) Support	<u>6,907,198</u>	<u>8,399,187</u>	<u>7,923,036</u>	<u>8,155,489</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	6,832,184	7,558,239	7,775,934	8,035,503	
Cash Funds	75,014	840,948	147,102	119,986	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
IDS Print Production	<u>5,185,900</u>	<u>6,032,457</u>	<u>6,270,031</u>	<u>6,693,924</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	5,185,900	5,985,678	6,223,252	6,647,145	
Cash Funds	0	46,779	46,779	46,779	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Administration	12,706,068	15,017,770	14,841,218	15,507,175	4.5%
FTE	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0%</u>
General Fund	12,611,261	14,128,412	14,626,986	15,320,059	4.7%
Cash Funds	94,807	889,358	214,232	187,116	(12.7%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(B) Taxation Services

Personal Services	<u>32,934,331</u>	<u>34,255,580</u>	<u>37,341,402</u>	<u>39,610,538</u>	
FTE	429.8	422.7	434.4	454.4	
General Fund	31,471,456	32,252,330	35,332,633	37,828,352	
Cash Funds	1,262,349	1,806,022	1,754,684	1,528,101	
Reappropriated Funds	200,526	197,228	254,085	254,085	
Federal Funds	0	0	0	0	
Operating Expenses	<u>7,174,942</u>	<u>6,061,656</u>	<u>4,888,727</u>	<u>5,221,646</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	7,156,009	6,005,881	4,865,580	5,202,713	
Cash Funds	18,933	55,775	23,147	18,933	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Joint Audit Program	<u>131,244</u>	<u>131,244</u>	<u>352,259</u>	<u>367,537</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	131,244	131,244	352,259	367,537	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Mineral Audit Program	<u>0</u>	<u>0</u>	<u>918,132</u>	<u>918,132</u>	
FTE	10.2	10.2	10.2	10.2	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	66,000	66,000	
Federal Funds	0	0	852,132	852,132	
Document Management	<u>4,262,345</u>	<u>4,957,924</u>	<u>5,719,862</u>	<u>5,920,561</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	4,262,345	4,950,334	5,713,581	5,917,954	
Cash Funds	0	7,590	6,281	2,607	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Fuel Tracking System	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Indirect Cost Assessment	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Taxation Services	44,502,862	45,406,404	49,220,382	52,038,414	5.7%
FTE	<u>440.0</u>	<u>432.9</u>	<u>444.6</u>	<u>464.6</u>	<u>4.5%</u>
General Fund	43,021,054	43,339,789	46,264,053	49,316,556	6.6%
Cash Funds	1,281,282	1,869,387	1,784,112	1,549,641	(13.1%)
Reappropriated Funds	200,526	197,228	320,085	320,085	0.0%
Federal Funds	0	0	852,132	852,132	0.0%
(C) Tax Conferee					
Personal Services	<u>1,539,647</u>	<u>1,369,978</u>	<u>1,760,001</u>	<u>1,895,623</u>	
FTE	13.6	13.6	13.6	14.6	
General Fund	1,539,647	1,369,978	1,662,718	1,798,340	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	97,283	97,283	
Federal Funds	0	0	0	0	
Operating Expenses	<u>60,905</u>	<u>44,840</u>	<u>60,905</u>	<u>68,640</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	60,905	44,840	60,905	68,640	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (C) Tax Conferee	1,600,552	1,414,818	1,820,906	1,964,263	7.9%
<i>FTE</i>	<u>13.6</u>	<u>13.6</u>	<u>13.6</u>	<u>14.6</u>	<u>7.4%</u>
General Fund	1,600,552	1,414,818	1,723,623	1,866,980	8.3%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	97,283	97,283	0.0%
Federal Funds	0	0	0	0	0.0%

(D) Special Purpose

Cigarette Tax Rebate	<u>6,818,600</u>	<u>6,386,149</u>	<u>6,036,300</u>	<u>6,036,300</u>	
<i>FTE</i>	0.0	0.0	0.0	0.0	
General Fund	6,818,600	6,386,149	6,036,300	6,036,300	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Amendment 35 Distribution to Local Governments	<u>980,876</u>	<u>883,141</u>	<u>873,102</u>	<u>873,102</u>	
<i>FTE</i>	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	980,876	883,141	873,102	873,102	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Old Age Heat and Fuel and Property Tax Assistance	<u>12,131,699</u>	<u>16,437,993</u>	<u>11,128,945</u>	<u>11,128,945</u>	
<i>FTE</i>	0.0	0.0	0.0	0.0	
General Fund	12,131,699	16,437,993	11,128,945	11,128,945	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Commercial Vehicle Enterprise Sales Tax Refund	<u>132,649</u>	<u>20,031</u>	<u>120,524</u>	<u>120,524</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	132,649	20,031	120,524	120,524	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Retail Marijuana Sales Tax Distribution to Local Governments	<u>19,449,917</u>	<u>18,634,204</u>	<u>18,758,757</u>	<u>18,758,757</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	19,449,917	18,634,204	18,758,757	18,758,757	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (D) Special Purpose	39,513,741	42,361,518	36,917,628	36,917,628	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	38,400,216	41,458,346	35,924,002	35,924,002	0.0%
Cash Funds	1,113,525	903,172	993,626	993,626	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
TOTAL - (3) Taxation Business Group	98,323,223	104,200,510	102,800,134	106,427,480	3.5%
<i>FTE</i>	<u>458.6</u>	<u>451.5</u>	<u>463.2</u>	<u>484.2</u>	<u>4.5%</u>
General Fund	95,633,083	100,341,365	98,538,664	102,427,597	3.9%
Cash Funds	2,489,614	3,661,917	2,991,970	2,730,383	(8.7%)
Reappropriated Funds	200,526	197,228	417,368	417,368	0.0%
Federal Funds	0	0	852,132	852,132	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(4) Division of Motor Vehicles

(A) Administration

Personal Services	<u>3,211,806</u>	<u>3,422,379</u>	<u>3,928,602</u>	<u>4,718,328</u>	
FTE	36.9	40.6	40.9	52.9	
General Fund	617,237	647,247	727,147	746,900	
Cash Funds	2,542,783	2,723,346	3,149,669	3,919,642	
Reappropriated Funds	51,786	51,786	51,786	51,786	
Federal Funds	0	0	0	0	
Operating Expenses	<u>389,101</u>	<u>433,419</u>	<u>530,668</u>	<u>547,618</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	63,731	63,731	63,731	63,731	
Cash Funds	321,980	366,298	463,547	480,497	
Reappropriated Funds	3,390	3,390	3,390	3,390	
Federal Funds	0	0	0	0	
DRIVES Maintenance and Support	<u>6,242,661</u>	<u>5,850,921</u>	<u>10,072,350</u>	<u>10,078,021</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	22,293	18,000	18,000	0	
Cash Funds	6,220,368	5,832,921	10,054,350	10,078,021	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (A) Administration	9,843,568	9,706,719	14,531,620	15,343,967	5.6%
<i>FTE</i>	<u>36.9</u>	<u>40.6</u>	<u>40.9</u>	<u>52.9</u>	<u>29.3%</u>
General Fund	703,261	728,978	808,878	810,631	0.2%
Cash Funds	9,085,131	8,922,565	13,667,566	14,478,160	5.9%
Reappropriated Funds	55,176	55,176	55,176	55,176	0.0%
Federal Funds	0	0	0	0	0.0%

(B) Driver Services

Personal Services	<u>24,228,754</u>	<u>27,021,449</u>	<u>29,013,349</u>	<u>29,193,080</u>	
FTE	426.9	426.9	426.9	408.4	
General Fund	3,030,850	3,228,433	3,550,791	3,711,652	
Cash Funds	21,074,922	23,670,034	25,339,576	25,358,446	
Reappropriated Funds	122,982	122,982	122,982	122,982	
Federal Funds	0	0	0	0	
Operating Expenses	<u>1,874,303</u>	<u>1,997,132</u>	<u>2,654,959</u>	<u>2,265,431</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	414,260	414,260	414,260	139,260	
Cash Funds	1,449,873	1,572,702	2,230,529	2,116,001	
Reappropriated Funds	10,170	10,170	10,170	10,170	
Federal Funds	0	0	0	0	
Drivers License Documents	<u>5,907,525</u>	<u>6,165,862</u>	<u>8,143,739</u>	<u>8,327,467</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	3,498	3,498	3,498	0	
Cash Funds	5,904,027	6,162,364	8,140,241	8,327,467	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Ignition Interlock Program	<u>582,672</u>	<u>721,378</u>	<u>742,960</u>	<u>759,140</u>	
FTE	6.9	6.9	6.9	6.9	
General Fund	0	0	0	0	
Cash Funds	582,672	721,378	742,960	759,140	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>2,695,177</u>	<u>2,913,800</u>	<u>3,649,617</u>	<u>4,281,055</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	2,695,177	2,913,800	3,649,617	4,281,055	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Driver Services	35,288,431	38,819,621	44,204,624	44,826,173	1.4%
FTE	<u>433.8</u>	<u>433.8</u>	<u>433.8</u>	<u>415.3</u>	(4.3%)
General Fund	3,448,608	3,646,191	3,968,549	3,850,912	(3.0%)
Cash Funds	31,706,671	35,040,278	40,102,923	40,842,109	1.8%
Reappropriated Funds	133,152	133,152	133,152	133,152	0.0%
Federal Funds	0	0	0	0	0.0%

(C) Vehicle Services

Motorist Insurance Identification Database Program	<u>192,415</u>	<u>306,302</u>	<u>358,928</u>	<u>363,103</u>	
FTE	1.0	1.0	1.0	1.0	
General Fund	0	0	0	0	
Cash Funds	192,415	306,302	358,928	363,103	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Emissions Program	<u>1,230,606</u>	<u>1,274,787</u>	<u>1,312,850</u>	<u>1,337,381</u>	
FTE	15.0	15.0	15.0	15.0	
General Fund	0	0	0	0	
Cash Funds	1,230,606	1,274,787	1,312,850	1,337,381	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>426,142</u>	<u>465,168</u>	<u>583,975</u>	<u>687,343</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	426,142	465,168	583,975	687,343	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Personal Services	<u>2,714,806</u>	<u>3,160,435</u>	<u>3,737,116</u>	<u>4,446,858</u>	
FTE	54.1	54.2	54.9	66.7	
General Fund	662,406	711,899	558,687	602,096	
Cash Funds	2,052,400	2,448,536	3,178,429	3,844,762	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>211,159</u>	<u>263,573</u>	<u>408,920</u>	<u>419,202</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	28,587	28,587	28,587	28,587	
Cash Funds	182,572	234,986	380,333	390,615	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
License Plate Ordering	<u>7,900,472</u>	<u>10,330,556</u>	<u>13,715,065</u>	<u>14,089,421</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	236,000	247,800	0	0	
Cash Funds	7,664,472	10,082,756	13,715,065	14,089,421	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (C) Vehicle Services	12,675,600	15,800,821	20,116,854	21,343,308	6.1%
FTE	<u>70.1</u>	<u>70.2</u>	<u>70.9</u>	<u>82.7</u>	<u>16.6%</u>
General Fund	926,993	988,286	587,274	630,683	7.4%
Cash Funds	11,748,607	14,812,535	19,529,580	20,712,625	6.1%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(D) County Support Services

Operating Expenses	<u>2,025,160</u>	<u>1,307,961</u>	<u>2,317,295</u>	<u>2,233,571</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	2,025,160	1,307,961	2,317,295	2,233,571	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
 County Office Asset Maintenance	 <u>505,833</u>	 <u>505,145</u>	 <u>511,430</u>	 <u>511,430</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	505,833	505,145	511,430	511,430	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
County Office Improvements	<u>31,069</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	31,069	36,000	36,000	36,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (D) County Support Services	2,562,062	1,849,106	2,864,725	2,781,001	(2.9%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,562,062	1,849,106	2,864,725	2,781,001	(2.9%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (4) Division of Motor Vehicles	60,369,661	66,176,267	81,717,823	84,294,449	3.2%
FTE	<u>540.8</u>	<u>544.6</u>	<u>545.6</u>	<u>550.9</u>	<u>1.0%</u>
General Fund	5,078,862	5,363,455	5,364,701	5,292,226	(1.4%)
Cash Funds	55,102,471	60,624,484	76,164,794	78,813,895	3.5%
Reappropriated Funds	188,328	188,328	188,328	188,328	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(5) Specialized Business Group

(G) Firearms Dealers Division

Personal Services	<u>0</u>	<u>275,162</u>	<u>2,008,131</u>	<u>2,008,131</u>	
FTE	0.0	5.3	23.7	23.7	
General Fund	0	275,162	1,800,131	1,800,131	
Cash Funds	0	0	208,000	208,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>0</u>	<u>83,684</u>	<u>239,936</u>	<u>239,936</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	83,684	239,936	239,936	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

SUBTOTAL - (G) Firearms Dealers Division	<u>0</u>	<u>358,846</u>	<u>2,248,067</u>	<u>2,248,067</u>	0.0%
FTE	<u>0.0</u>	<u>5.3</u>	<u>23.7</u>	<u>23.7</u>	0.0%
General Fund	0	358,846	2,040,067	2,040,067	0.0%
Cash Funds	0	0	208,000	208,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(A) Administration					
Personal Services	<u>1,041,964</u>	<u>1,086,398</u>	<u>1,213,998</u>	<u>1,452,747</u>	
FTE	11.0	11.0	11.0	11.0	
General Fund	8,121	(185,005)	8,427	8,427	
Cash Funds	714,084	987,300	875,942	1,114,691	
Reappropriated Funds	319,759	284,103	329,629	329,629	
Federal Funds	0	0	0	0	
Operating Expenses	<u>13,934</u>	<u>13,898</u>	<u>13,934</u>	<u>13,934</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	111	111	111	111	
Cash Funds	8,885	8,849	8,885	8,885	
Reappropriated Funds	4,938	4,938	4,938	4,938	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Administration	1,055,898	1,100,296	1,227,932	1,466,681	19.4%
FTE	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>0.0%</u>
General Fund	8,232	(184,894)	8,538	8,538	0.0%
Cash Funds	722,969	996,149	884,827	1,123,576	27.0%
Reappropriated Funds	324,697	289,041	334,567	334,567	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(B) Limited Gaming Division					
Personal Services	<u>10,394,362</u>	<u>12,947,027</u>	<u>14,052,041</u>	<u>14,351,626</u>	
FTE	106.0	106.0	138.0	138.0	
General Fund	0	0	0	0	
Cash Funds	10,394,362	12,947,027	14,052,041	14,351,626	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>925,455</u>	<u>1,487,032</u>	<u>1,996,196</u>	<u>1,996,196</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	925,455	1,487,032	1,996,196	1,996,196	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to Other State Agencies	<u>3,931,236</u>	<u>4,648,993</u>	<u>5,030,021</u>	<u>5,030,021</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	3,931,236	4,648,993	5,030,021	5,030,021	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Distribution to Gaming Cities and Counties	<u>160,831,150</u>	<u>159,074,673</u>	<u>26,035,153</u>	<u>26,035,153</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	160,831,150	159,074,673	26,035,153	26,035,153	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Responsible Gaming Grant Program	<u>2,034,529</u>	<u>2,583,463</u>	<u>4,220,000</u>	<u>4,725,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	2,034,529	2,583,463	4,220,000	4,725,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>1,114,565</u>	<u>1,050,768</u>	<u>978,858</u>	<u>1,296,853</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,114,565	1,050,768	978,858	1,296,853	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Limited Gaming Division	179,231,297	181,791,956	52,312,269	53,434,849	2.1%
FTE	<u>106.0</u>	<u>106.0</u>	<u>138.0</u>	<u>138.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	179,231,297	181,791,956	52,312,269	53,434,849	2.1%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(C) Liquor and Tobacco Enforcement Division

Personal Services	<u>4,173,893</u>	<u>5,117,930</u>	<u>5,480,060</u>	<u>5,832,556</u>	
FTE	65.1	65.8	65.4	65.4	
General Fund	191,363	199,790	205,030	210,444	
Cash Funds	3,982,530	4,918,140	5,275,030	5,622,112	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Operating Expenses	<u>549,182</u>	<u>498,722</u>	<u>539,856</u>	<u>539,856</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	6,965	6,965	6,965	6,965	
Cash Funds	542,217	491,757	532,891	532,891	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>459,608</u>	<u>408,802</u>	<u>610,487</u>	<u>525,765</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	459,608	408,802	610,487	525,765	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (C) Liquor and Tobacco Enforcement					
Division	5,182,683	6,025,454	6,630,403	6,898,177	4.0%
FTE	<u>65.1</u>	<u>65.8</u>	<u>65.4</u>	<u>65.4</u>	0.0%
General Fund	198,328	206,755	211,995	217,409	2.6%
Cash Funds	4,984,355	5,818,699	6,418,408	6,680,768	4.1%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(D) Division of Racing Events					
Personal Services	<u>888,733</u>	<u>939,248</u>	<u>1,480,809</u>	<u>1,499,946</u>	
FTE	11.7	11.7	11.7	11.7	
General Fund	0	0	0	0	
Cash Funds	888,733	939,248	1,480,809	1,499,946	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>258,592</u>	<u>272,634</u>	<u>505,026</u>	<u>505,026</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	258,592	272,634	505,026	505,026	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Purses and Breeders Awards	<u>730,823</u>	<u>755,583</u>	<u>1,400,000</u>	<u>1,400,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	730,823	755,583	1,400,000	1,400,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>56,682</u>	<u>68,539</u>	<u>108,043</u>	<u>102,629</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	56,682	68,539	108,043	102,629	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (D) Division of Racing Events	1,934,830	2,036,004	3,493,878	3,507,601	0.4%
<i>FTE</i>	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	1,934,830	2,036,004	3,493,878	3,507,601	0.4%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Hearings Division

Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	0.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	0.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	0.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - Hearings Division	0	0	0	0	0.0%
<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	0	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(F) Auto Industry Division

Personal Services	<u>2,242,367</u>	<u>2,818,943</u>	<u>3,201,721</u>	<u>3,278,221</u>
FTE	32.3	32.3	32.3	32.3
General Fund	0	0	0	0
Cash Funds	2,242,367	2,818,943	3,201,721	3,278,221
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Operating Expenses	<u>156,559</u>	<u>325,446</u>	<u>325,446</u>	<u>325,446</u>
FTE	0.0	0.0	0.0	0.0
General Fund	0	0	0	0
Cash Funds	156,559	325,446	325,446	325,446
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Indirect Cost Assessment	<u>237,772</u>	<u>231,982</u>	<u>330,366</u>	<u>299,728</u>
FTE	0.0	0.0	0.0	0.0
General Fund	0	0	0	0
Cash Funds	237,772	231,982	330,366	299,728
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (F) Auto Industry Division	2,636,698	3,376,371	3,857,533	3,903,395	1.2%
<i>FTE</i>	<u>32.3</u>	<u>32.3</u>	<u>32.3</u>	<u>32.3</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,636,698	3,376,371	3,857,533	3,903,395	1.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(G) Marijuana Enforcement

Marijuana Enforcement	<u>10,023,467</u>	<u>10,067,825</u>	<u>16,872,077</u>	<u>16,872,077</u>	
FTE	159.1	158.6	158.6	158.6	
General Fund	295,024	0	0	0	
Cash Funds	9,599,093	10,067,825	16,872,077	16,872,077	
Reappropriated Funds	129,350	0	0	0	
Federal Funds	0	0	0	0	
Transfers to Other Departments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>1,086,213</u>	<u>1,242,356</u>	<u>1,493,859</u>	<u>905,413</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,086,213	1,242,356	1,493,859	905,413	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Natural Medicines	<u>0</u>	<u>966,066</u>	<u>1,506,346</u>	<u>1,522,526</u>	
FTE	0.0	15.5	18.0	18.0	
General Fund	0	966,066	0	0	
Cash Funds	0	0	1,506,346	1,522,526	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (G) Marijuana Enforcement	11,109,680	12,276,247	19,872,282	19,300,016	(2.9%)
FTE	<u>159.1</u>	<u>174.1</u>	<u>176.6</u>	<u>176.6</u>	<u>0.0%</u>
General Fund	295,024	966,066	0	0	0.0%
Cash Funds	10,685,306	11,310,181	19,872,282	19,300,016	(2.9%)
Reappropriated Funds	129,350	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
(G) Natural Medicine Division					
Natural Medicine Division	<u>501,835</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	4.7	0.0	0.0	0.0	
General Fund	501,835	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (G) Natural Medicine Division	501,835	0	0	0	0.0%
FTE	<u>4.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	501,835	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
TOTAL - (5) Specialized Business Group	201,652,921	206,965,174	89,642,364	90,758,786	1.2%
<i>FTE</i>	<u>389.9</u>	<u>406.2</u>	<u>458.7</u>	<u>458.7</u>	<u>0.0%</u>
General Fund	1,003,419	1,346,773	2,260,600	2,266,014	0.2%
Cash Funds	200,195,455	205,329,360	87,047,197	88,158,205	1.3%
Reappropriated Funds	454,047	289,041	334,567	334,567	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(6) State Lottery Division					
Personal Services	<u>8,842,225</u>	<u>9,483,220</u>	<u>11,033,214</u>	<u>11,468,940</u>	
FTE	102.1	102.1	115.9	119.1	
General Fund	0	0	0	0	
Cash Funds	8,842,225	9,483,220	11,033,214	11,468,940	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>1,096,736</u>	<u>1,004,871</u>	<u>1,655,676</u>	<u>1,567,028</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,096,736	1,004,871	1,655,676	1,567,028	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to Other State Agencies	<u>112,929</u>	<u>117,085</u>	<u>239,410</u>	<u>239,410</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	112,929	117,085	239,410	239,410	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Marketing and Communications	<u>14,773,730</u>	<u>13,175,237</u>	<u>18,200,000</u>	<u>18,200,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	14,773,730	13,175,237	18,200,000	18,200,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Multi-State Lottery Fees	<u>42,897</u>	<u>22,574</u>	<u>177,433</u>	<u>177,433</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	42,897	22,574	177,433	177,433	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Vendor Fees	<u>34,842,330</u>	<u>30,634,392</u>	<u>52,136,622</u>	<u>52,136,622</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	34,842,330	30,634,392	52,136,622	52,136,622	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Retailer Compensation	<u>67,165,373</u>	<u>63,926,052</u>	<u>85,000,000</u>	<u>85,000,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	67,165,373	63,926,052	85,000,000	85,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Ticket Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>734,435</u>	<u>719,104</u>	<u>923,329</u>	<u>1,091,423</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	734,435	719,104	923,329	1,091,423	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (6) State Lottery Division	127,610,655	119,082,535	169,365,684	169,880,856	0.3%
FTE	<u>102.1</u>	<u>102.1</u>	<u>115.9</u>	<u>119.1</u>	<u>2.8%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	127,610,655	119,082,535	169,365,684	169,880,856	0.3%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of Revenue	586,329,362	600,984,403	557,306,085	574,730,227	3.1%
FTE	<u>1,715.6</u>	<u>1,748.9</u>	<u>1,819.3</u>	<u>1,849.8</u>	<u>1.7%</u>
General Fund	147,620,268	154,490,354	154,935,981	162,751,111	5.0%
Cash Funds	430,891,423	438,599,264	392,072,761	401,077,649	2.3%
Reappropriated Funds	7,817,671	7,894,785	9,445,211	10,049,335	6.4%
Federal Funds	0	0	852,132	852,132	0.0%