

PROGRAM CROSSWALKS

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Program Crosswalk

Program Title: Division of Human Resources (HRS) - Director's Office
(Identified as Human Resource Services in FY 2002-03 Long Bill)

Line Items:

- (A) Human Resource Services
 - (1) State Agency Services
 - Personal Services
 - Operating Expenses

Change Request(s): None

Federal/State Statutory and Other Authority:

Article XII, Sections 13,14 and 15 of the State Constitution, CRS 24-50 Parts 1,2 & 3; CRS 10-8 Part 2; and CRS 24-30-1510.7(4) provide the constitutional and statutory authorization for the Division.

Targeted Base Review: Completed as part of FY2000-01 budget submission

Program Description

The DHR Director's Office oversees the activities of the Division, provides expert interpretation and legal review of employment applicable rules and laws, tracks and handles appeals and disputes to the Director, and provides the "infrastructure" to the rest of the Division, including accounting and budgeting support, audit follow-up, legislative tracking and coordination, as well as coordination of all Division information technology issues with the remainder of the Department.

The DHR Director's Office also is responsible for overall communications to the state workforce, employee outreach, development of an employee relations and communications strategy and operation of the employee mediation program.

Prioritized Objectives and Performance Measures

FY02 Objectives and Accomplishments

Objective #02-4

Refine the performance pay system for state employees, in accordance with SB00-211.

Critical Performance Measures:

- 4.1 Develop the measures to evaluate the performance pay system by 6/30/02.

Accomplishments:

4.1 Preliminary evaluation criteria to measure the application of the performance pay system were identified by the Executive Oversight Committee and included in their report. With the implementation of performance awards on July 1, 2002, staff will begin refining these criteria by developing specific measures. A modeling exercise was conducted in the spring of 2002 to test the ability of agencies to upload or report data. The exercise presented an opportunity to test reporting capabilities on ratings and awards, and was successful while also identifying additional report elements. Information on the performance management component of the performance pay system was obtained through the Annual Personnel Survey, which is available on the DHR website.

Similar or Cooperating Programs and Stakeholders

Stakeholders	Requirement of the Unit
DHR Employees	Oversight, clear delineation of priorities, workload assignments
State Agencies & Employees	Coordinated development and delivery of services; guidance and advice

Program Crosswalk

Program Title: HR Programs

Line Items:

Human Resource Services

(2) State Agency Services

Personal Services

Operating Expenses

(3) Training Services

Personal Services

Operating Expenses

Indirect Cost Assessment

Change Request(s): None

Federal/State Statutory and Other Authority:

Article XII, Sections 13,14 and 15 of the State Constitution, CRS 24-50 Parts 1,2 & 3; CRS 10-8 Part 2; and CRS 24-30-1510.7(4) provide the constitutional and statutory authorization for the Services section of the Division.

Program Description

This program of the Division consists of five work units:

- ◆ Workforce Development & Training
- ◆ Workforce & Staffing Consultants
- ◆ Total Compensation & Systems Support
- ◆ Consulting Services

Workforce Development & Training

This work unit has two functions: development of strategies to assess and evaluate training and career development needs of state employees; and provision of training services to state employees. Courses are developed and offered on a wide range of subjects, designed to improve the effectiveness of the state workforce. Topics include: performance management and goal-setting, conflict management, mediation training, contract development and management, and the Colorado Supervisory Certificate Leadership Program (CSCLP).

Workforce & Staffing Services

This section consists of two primary functions: workforce planning and selection systems management.

Workforce planning involves developing strategies for the state employee workforce, including recruitment and outplacement, succession planning, and the development and implementation of the Competencies Project. The Competencies Project is an effort to assess and develop competency based resources that can be used in recruitment, selection, evaluation and retention of state employees

The Selection Systems Management function develops, implements and maintains the State's selection system, including selection process guidelines; development and validation of written multiple-choice tests for statewide use; and design, development and maintenance of the automated applicant data system (ADS) and the automated online Job Announcement system to support the selection process. The unit provides human resources consulting services to all state agencies and to other state and local jurisdictions. Services include test development, storage and loan of test materials; production of special reports; development and provision of training, such as the Selection Personnel Certification Program (SPCP) and ADS training; and development and maintenance of minimum qualifications (MQs) for the state personnel system, veteran's preference points updates, and consulting with agencies about exam planning and development.

Total Compensation & Systems Support

This unit consists of several functions: job evaluation, compensation, and systems support and security.

The unit is responsible, by statute, for maintaining the state's job evaluation and compensation systems, including establishing job classes and setting pay. A "job evaluation system" is a method of grouping individual job assignments into different job categories (called "classes") based on the nature of the work in order to provide an efficient way for the state to organize its 33,000 different individual position assignments and ensure the equitable pay of employees performing similar work. A job class is a broad description of an occupation that covers many individual assignments. As of July 1, 2002, 541 job classes exist in the state system.

By statute, the state strives "to provide prevailing total compensation to officers and employees in the state personnel system" [CRS 24-50-104 (1)(a)(I)]. The unit meets that statutory obligation by determining the appropriate methodology and data sources to be used as it establishes the compensation levels for all state job classes and by conducting the annual total compensation survey that is used to make recommendations on salary and benefits adjustments. The unit also designs appropriate pay premiums and pay-related procedures, such as promotions, hires, demotions, transfers, shift differentials, and leave. Because the world of work is continuously evolving, systems must also be re-evaluated, streamlined and adjusted to meet changing business needs. The unit performs such maintenance, provides technical assistance and consultation regarding job evaluation and pay-related laws, rules, trends, and practices to various stakeholders, and develops statewide standards to minimize exposure to legal liability.

The unit also provides a review and approval function, as required by statute, of all personal services contracts entered into by state agencies, in order to preserve merit protections afforded state employees under Colorado Constitution.

The systems support & security function provides technical support for the agency HR users of the Employee Data System (EMPL). This system is used by all state agencies as the employee database for the state. The unit offers technical training and support to state agency users and

tests computer programs before they are placed into production. The unit is also responsible for security administration for the three main systems that the Department operates: the Applicant Data System (ADS), the Colorado Central Payroll & Personnel System (CPPS), and the Employee Data System (EMPL).

Consulting Services

The Consulting Services Unit provides comprehensive statewide human resource program management reviews and measurements to assist state agencies and institutions of higher education in eliminating problems, improving management and performance, identifying and implementing "best practices," and complying with state and federal laws and regulations. This is accomplished through a variety of periodic or special HR audits of each state agency and institution of higher education and meeting with each agency's professional human resources staff.

The unit also provides a range of professional human resource services, including oversight of the performance pay system, job evaluation and selection to non-decentralized state agencies, and update and maintain delegation agreements between the Department of Personnel and Administration and state agencies and institutions of higher education.

The non-decentralized agencies are listed below with the level of service provided next to that agency.

NON-DECENTRALIZED AGENCIES SERVED BY CONSULTING SERVICES UNIT

Agency	Services
Dept. of Treasury	Job Evaluation, Selection
Dept. of Higher Ed., including Private Occupational Schools Division	Job Evaluation, Selection, Layoff
Historical Society	Job Evaluation, Selection, Layoff
Council on the Arts	Job Evaluation, Selection, Layoff
Colo. Student Loan Program	Layoff Administration only
Trustees of State Colleges	Job Evaluation, Selection
Mesa State College	Selection
Western State College	Job Evaluation, Selection
Adams State College	Job Evaluation, Selection
Fort Lewis College	Job Evaluation
Governor's Office of Innovation & Technology	Job Evaluation, Selection, Layoff

Prioritized Objectives and Performance Measures

FY02 Objectives and Accomplishments

Objective #02-5

Improve the oversight of the personnel system through reviews and surveys to identify problem areas, provide feedback and best practices, monitor compliance with rule and law, and follow-up on recommended changes to agency human resource activities.

Critical Performance Measures:

- 5.1 Define the types, processes, and schedules of reviews, including regular progress reviews and a best practice function by 6/30/02.
- 5.2 Examine and develop options to decentralize or provide alternative service delivery for all remaining non-decentralized agencies by 6/30/02.

Accomplishments:

5.1 Three types of audits have been identified. Comprehensive audits are based on eight core human resources functions and every agency will be reviewed annually on one or more of these functional areas. A schedule for the comprehensive audits has been developed and the first audit is scheduled to begin in July 2002. Target audits focus on one specific topic in great depth and involve examining a transaction from beginning to end. These audits generally occur when a high-risk incident has been identified. The Annual Personnel Survey is conducted online with every agency self-reporting data on a number of areas. The process for conducting the Annual Personnel Survey was redefined and further improvements are being planned for the upcoming survey. Staff is in the process of writing a manual of operating procedures and standards. The best practice function will begin as an extension or outcome of the audit process.

5.2 Staff has contacted representatives of centralized agencies to discuss interest and plans for becoming decentralized. Training and support are being offered to those agencies pursuing delegated authority in specific functions. The delegation agreement has been revised and plans are currently underway, as part of the updating process, to contact each centralized agency with an individualized set of options for becoming decentralized or forming partnerships with others to obtain services and specifying a target date.

Objective #02-6

Streamline and improve processes to enhance effective and legal implementation of personal services contracting.

Critical Performance Measures:

- 6.1 Identify any needed statutory changes by 6/30/02.
- 6.2 Implement streamlined and improved processes through changes to director's administrative procedures, Chapter 10; develop technical guidelines to support procedural

changes, and develop additional statewide blanket waivers for various services by 6/30/02.

Accomplishments:

6.1 Identified potential statutory changes for C.R.S. 24-50 Part 5. This includes clarifying language, rewriting section 503 for more definition and distinction from section 504, introducing performance based contracting, introducing managed competition.

6.2 Director's Administrative Procedures, Chapter 10, were streamlined from 12 pages to six. The procedures establish a dollar threshold for personal services review at a consistent level with the encumbrance requirement in Fiscal Rule 2.1. This eliminated de minimus reviews of personal services that do not add value to the review process and allow the program to focus on those requests that have impact on the state personnel system. For the first time, purchasing, fiscal, and personal services rules are in alignment. The rules were effective January 1, 2002. Technical guidelines were developed to support the new procedures and are available on the web. A blanket waiver process was established through the RFP review process in conjunction with State Purchasing (7 blanket waivers).

The Personal Services Annual Report was streamlined, eliminating 4,000 hours statewide for the development of the report. Reporting will now be done through the state's financial data warehouse so that agencies access the data and verify if the dollars reported in the system are reasonable. Agencies no longer have to compile detailed information and maintain duplicative databases solely for the purpose of this report.

Developed the Personal Service Contract component of the Personnel Certificate Program and delivered training to over 150 contract, human resources, and purchasing professionals. The goal of this training is to integrate human resource professionals into the review process. Purchasing and contracting professionals have been determining the impact of the personal services contracts on the state personnel system but they do not have the appropriate background for this determination. The review is being re-focused back to where it properly belongs. This process has begun at the agency level and the review is mandatory beginning July 1, 2002.

Objective #02-7

Competency-based workforce and succession planning tools are developed and provided to state agencies.

Critical Performance Measures:

- 7.1 Conduct workforce strategic planning conference with approximately 100 to 150 participants by 11/30/01.
- 7.2 Workforce strategic planning toolkit developed and provided to state agencies by 6/30/02.
- 7.3 Workforce succession planning training workshop developed and offered to state agencies by 6/30/02.

Accomplishments:

7.1 A workforce strategic planning conference with 260 attendees was held on October 30, 2001. It provided an interactive guide on strategic planning for managers and leaders. Participants chose from concurrent workshops in four tracks: strategic and succession planning, recruitment and selection, retention and workforce development.

7.2 Presenters in the four tracks presented at the October 30 conference were required to provide “tools”—relevant articles, processes and procedures, forms, “best practices”, etc.—in enough quantity for conference participants. These resources were posted on the web following the conference.

7.3 Key ideas from the best selling book *Love 'Em or Lose 'Em*, were presented at the conference. Copies of the book were also available for sale. On December 12, 2001 a train-the-trainer workshop on the same topic was held with 25 participants from various departments attending. This retention workshop for managers focused on how to retain talented state employees.

Objective #02-8

Continue to offer needs-based in-house employee skill development training and contracted training services to maintain and attract a competent and competitive state workforce.

Critical Performance Measures:

- 8.1 By 6/30/02, have successfully transitioned all HRS training offerings to match workforce competency-based needs and expectations in order to maintain a competitive state government workforce as recommended by the Statewide Training Taskforce.
- 8.2 By 6/30/02, have completed a recommended core training program for state employees in the support, supervisory, and management classes based on recognized statewide competencies.
- 8.3 By 6/30/02 have completed a computer-based training options reference guide incorporating the information from objective 2.2 above.
- 8.4 Will provide training services to 5,000 employees by 6/30/2002.

Accomplishments:

8.1 All DHR training programs have been reviewed and modified to include information on the statewide mandatory competencies of communication, interpersonal relations, accountability, customer service, job knowledge and where applicable, supervision, as well as other competencies recommended by the DHR competencies project.

8.2 Completed a recommended core training program for state employees, including support, supervisory and management employees.

8.3 Links to technical HR training, computer training, CSEAP workshops, and Risk Management training are available on the Workforce Development Unit's website, as are the specific details of the Tuition Grant program through the Community Colleges of Colorado system.

8.4 The training program within DHR provided more than 23,100 student contact hours of training at a cost of \$12.85 per student contact hour in fiscal year 2001-2002.

Objective #02-9

Develop the framework for strategic, flexible, and streamlined compensation and leave systems that are equitable and competitive both internally and externally.

Critical Performance Measures:

9.1.1 Develop a model of the total compensation program that assesses both internal and external equity and competitiveness.

- ◆ By 6/30/02, identify any changes to total compensation methodologies; explore the feasibility of integrating all components of the total compensation program into one recommendation, which in turn is funded as a whole and under the jurisdiction of the state personnel director to distribute to the various components; and, gather benchmark data on pay relationships in the market.

9.2 Continue leave reform.

- ◆ Gather stakeholder input on models of pooled leave, identify and seek any legislative support for proposed pooled leave plan, adopt revised administrative procedures for leave. Targeted implementation is 07/01/02.

9.3 By 6/30/02, develop an integrated incentive program, including researching the feasibility of gainsharing and developing an implementation plan.

- ◆ Integrate current statute, executive order, and personnel director's administrative procedures regarding incentive programs; research the concept of, and experience with, gainsharing in the public sector; and, identify rulemaking and statutory changes that need to occur to facilitate implementation.
- ◆ Develop an implementation plan, pursue rulemaking and statutory changes, and begin to develop training and guidelines to assist agencies.

Accomplishments:

9.1 Staff has defined the components of a total compensation program and identified the need for statutory and budget process change and an integrated funding approach to allow the state personnel director the authority needed to design and implement all of the components in one package. In addition, staff has also prepared a draft "roadmap" to move toward total compensation, including beginning to conduct market comparisons of total compensation costs and valuations. As a long-term goal, potential methodologies have been identified to evaluate how the state's total compensation program may be valued by different groups within the state personnel system. Finally, in order to assure both the internal and external equity of all classes in the system, methodologies and data sources (e.g., the Central States Compensation Association) have been identified for purposes of conducting pay relationship studies beginning in FY 02-03.

9.2 The project was not part of the Department's legislative agenda for the 2002 session. The research report, including a model for a pooled leave program, has been finalized for presentation to DHR management. An action plan has been developed and statutory change identified for the 2003 legislative session. The target date for implementation is July 1, 2003.

9.3 A group consisting of DHR and agency employees was formed to research, plan, and implement an integrated incentive program, which included a cost savings component. Changes to existing statute, executive order, and Director's Administrative Procedures were drafted. It has been recommended that they continue to be pursued during the next legislative session. Technical assistance for agencies to develop their own integrated incentive programs has been drafted and is being finalized. It consists of three components: suggestions, recognition, and productivity.

Objective #02-10

Competencies are instituted as the foundation of human resource functions, including the three high return-on-investment functions of selection, performance management, and training.

Critical Performance Measures:

- 10.1 Internet version of computerized database acquired and in use in most state agencies by 6/30/02.
- 10.2 Matching of Colorado job classes to job classes in new data sets (e.g., physical sciences and engineering, information technology, and labor trades and crafts occupations, if available as scheduled) completed by 6/30/02.
- 10.3 Design demonstration projects in selection, performance management and training by 10/31/01 and implement by 6/30/02.

Accomplishments:

10.1 The Internet version of computerized database did not become available from the U.S. Office of Personnel Management (OPM) until June 2002. An all-day training session was

conducted on June 19, 2002. Personnel Administrators from all departments and institutions of higher education were invited to send a representative.

10.2 Information technology was the only new data set available from OPM and it was not received until June 2002. The crosswalk to match Colorado job classes to this data will begin in FY03.

10.3 Initiated project within DHR by including competency language in job announcements, exam plans, and staff development. In addition, uniform core competencies were developed, approved by the Executive Oversight Committee, and adopted by the state personnel director for inclusion in the performance plan of every state employee.

Objective #02-11

Streamline occupational groups and reduce the number of classes to provide more decision-making options to management and to free up staff time for more agency consultation.

Critical Performance Measures:

11.1 Continue class consolidation by reviewing classes in the Enforcement and Protective Services and Physical Sciences and Engineering occupational groups and implement the final phases of the Health Care Services and Teacher studies by 7/1/02.

11.2 Continue to develop a broadbanding model.

- ◆ By 6/30/02, finish defining the bands based on competencies, develop recommended pay structures and compensation practices, and recommend methods to integrate with selection processes. Identify any changes to rule and procedure.

Accomplishments:

11.1 Class consolidation studies for the Enforcement and Protective Services (EPS) and the Physical Sciences and Engineering (PSE) occupational groups were completed. Implementation of the Enforcement and Protective Services study on July 1, 2002, will reduce the number of classes in that group from 61 to 43, a 29% reduction. Implementation of the Physical Sciences and Engineering study on July 1, 2002, will reduce the number of classes in that group from 61 to 58. The final phases of the Health Care Services and Teacher studies were also implemented on July 1, 2002. The total number of classes on July 1 will be 541.

11.2 Staff assisted the University of Colorado at Denver with a project to explore the feasibility of implementing broadbanding in that agency. Research was completed on broadbanding in a higher education environment to complement this effort. Additionally, during the EPS study (see 11.1 above), six classes in the Parole Officer and Community Programs Officer series were banded in close cooperation with the Department of Corrections. This broadbanded class will be closely monitored during the next fiscal year.

FY03 Objectives and Workload Measures

Objective #03.2

By 06/03, improve program processes by incorporating recognized best practices and standards in order to fulfill statutory responsibilities.

Critical Performance Measures:

- 3.2.1 Complete integration of competencies in human resource functional areas by evaluating the demonstration projects in selection, performance management, and training by 3/31/03.
- 3.2.2 Within the Division of Human Resources, continue evaluating program processes to further streamline and improve personal services contracting. Pursue statutory changes in order explore the feasibility of delegation of personal services review and conduct any pilot programs by 6/30/03.
- 3.2.3 Develop a framework for a workforce and succession planning pilot project for the state HR community. Develop pilot plan by 12/30/02 and initiate implementation of pilot by 3/30/03.
- 3.2.4 Develop, implement, and evaluate a Division of Human Resources workforce strategic planning demonstration pilot by 6/30/03.
- 3.2.5 Form a cross-functional team within the Division of Human Resources charged with integrating competencies across functional areas and preparing a best practices report by 6/30/03.
- 3.2.6 Plan implementation strategies and continue to develop the framework for a strategic, flexible, and streamlined human resources compensation system that is equitable and competitive both internally and externally by developing a cost model to evaluate a total compensation program and working with OSPB on streamlining the budget process by 6/30/03.
- 3.2.7 Develop training and guidelines for human resource professionals and supervisors within agencies to improve agency compensation decisions and the usage of available tools by 6/30/03.
- 3.2.8 Design and conduct a pilot program of a computer-administered written objective exams by 6/30/03.
- 3.2.9 Finalize measurements to evaluate the performance pay system and produce required reports by 6/30/03.
- 3.2.10 Decentralize technical human resources activities to the larger centralized agencies or ensure that those agencies are receiving service through an alternative means by 6/30/03.
- 3.2.11 Modify the State of Colorado employment web site to accommodate non-classified job announcements by 8/30/02, with ten percent of such vacancies being posted on the State web site by 3/30/03.

3.2.12 Match Colorado information technology job classes to job classes recently released by the U.S. Office of Personnel Management's HR Manager (computerized data base) by 12/30/02.

3.2.13 Develop and initiate a strategic program to communicate to potential applicants that the State of Colorado is an "Employer of Choice" (12/30/02)

Objective #03.4

To offer needs-based in-house employee skill development training and contracted training services to maintain and attract a competent and high performing workforce.

Critical Performance Measures:

- 3.4.1 By 6/30/03, provide 25,000 student contact hours of training at a cost of \$13.00/student contact hour.
- 3.4.2 By 6/30/03, develop and offer a computer-aided training program and guide using recognized statewide competencies.
- 3.4.3 By 6/30/03, complete a computer-aided statewide training needs survey.

FY04 Objectives and Workload Measures

Objective #04.2

Continue to improve the oversight of the personnel system through reviews and surveys, provide feedback and education, and monitor compliance with rule and law in order to improve management and operation of the system.

Critical Performance Measures:

- 4.2.1 Establish service agreements with each agency.
- 4.2.2 Conduct a comprehensive HR audit on the performance pay system by 6/30/04.
- 4.2.3 Identify and develop continuing education and professional development programs for the HR community.

Objective#04.3

Continue to develop and provide for agency use competency-based workforce and succession planning resources

Critical Performance Measures:

- 4.3.1 By 6/30/04, 50 percent of the non-classified job vacancies are posted on the State web site.

4.3.2 Evaluate and modify as needed the workforce and succession planning pilot project for the state HR community.

4.3.3 Evaluate and modify, as needed, the program to communicate that the State of Colorado is an "Employer of Choice"

4.3.4 Provide for agency use the products and services developed through the DHR demonstration project on use of competencies in selection, performance management and staff development

Objective #04.4

Continue evaluating program processes to further streamline and improve personal services contracting.

Critical Performance Measure:

4.4.1 Begin phasing in delegation of personal services contract reviews to agencies, establish criteria to measure and monitor the effectiveness of delegation. Implement statutory changes by developing Director's Administrative procedures and revising technical guidance.

Objective #04.5

Develop the framework for strategic, flexible, and streamlined compensation and leave systems that are equitable and competitive both internally and externally.

Critical Performance Measures:

4.5.1 Pursue further implementation of a total compensation program through a single-allocation methodology using a valuation tool to determine the distribution of funds between salary and benefits components.

4.5.2 Implement pooled leave on July 1, 2003.

4.5.3 Continue implementation of a broadbanding model by identifying additional classes to band in at least one occupational group by 6/30/04.

Objective #4.7

To offer competency development training both in-house and through the use of contracted training services to attract and maintain a high performance state workforce.

Critical Performance Measures:

4.7.1 By 6/30/04, provide 25,000 contact hours of training to state employees and maintain an average cost-per-employee of \$13.00/student contact hour.

4.7.2 By 6/30/04, develop and deliver new competency-based training programs as determined by the FY '03 computer-aided training needs survey.

Objective #4.8

Implement a training tracking system to measure accomplishment of DPA's statewide training objectives by monitoring the training achievements of state employees.

Critical Performance Measures:

- 4.8.1 By 8/31/03, research best practices of educational tracking systems.
- 4.8.2 By 12/31/03, purchase software package designed to track education/training, or design a system in partnership with the Division of Information Technology. System must be compatible with existing HR software programs (EMPL, etc.)
- 4.8.3 By 6/30/04, complete 6-month pilot prototype system in DPA.

Relevant Stakeholders

Stakeholders	Requirements of the Unit
State Agencies & Employees	Coordinated development and delivery of services; guidance and advice

Program Crosswalk

Program Title: DHR Employee Health & Risk Services

Line Items:

(A) Human Resource Services

(B) Employee Benefit Services

- Personal Services
- Operating Expenses
- Utilization Review
- Deferred Compensation Plans
- Defined Contribution Plans
- Indirect Cost Assessment

(C) Risk Management Services

- Personal Services
- Operating Expenses
- Legal Services
- Liability Premiums
- Workers' Compensation Premiums
- Indirect Cost Assessment

SB02-1226 CSEAP

- Personal Services
- Operating Expenses
- Indirect Cost Recoveries

Change Request(s)

None

Federal/State Statutory and Other Authority:

CRS 24-30-1501 provides the statutory authorization for the Risk Management Unit of the Division.

CRS 24-50-601 provides the statutory authorization for the Employee Benefits Unit of the Division.

CRS 24-50-604 provides the statutory authorization for the Colorado State Employees Assistance Program.

Targeted Base Review: None

Program Description

This section of the Division consists of three work units: the Colorado State Employees Assistance Program, the Risk Management Unit, and the Employee Benefits Unit.

Colorado State Employees Assistance Program (C-SEAP)

As of July 1, 2002, the Colorado State Employee Assistance Program has statutory authorization to operate. For the 2002-03 fiscal year, C-SEAP shall be funded through a combination of voluntary agency assessments (based on each agency's full-time equivalency count as of August 1, 2002) and mandatory employee assessments (against an employee's share of the medical benefits premium); if necessary, moneys from the group benefit plans reserve fund shall be used. For the 2003-04 fiscal year and any fiscal year thereafter, sources of funding for the program may include, but need not be limited to, the group benefit plans reserve fund, the risk management fund, and interest derived from the investment of said funds.

C-SEAP is a resource available to both the employer and the employee. At the organizational level, C-SEAP is a management tool, which allows supervisors and managers to consult with EAP specialists about workplace issues and/or to refer employees to the program. The C-SEAP staff is trained to assist managers in addressing multiple workplace issues including the following: absenteeism, sexual harassment, drug free workplace, time management, violations of the Executive Order on violence in the workplace, unresolved conflict between individual employees or groups of employees, fatigue or other physical concerns, concentration or decision making problems, and any emotional, mental or personal problem which may be impacting an employee's ability to function at work. C-SEAP provides workshops, classes, and groups designed to address specific workplace concerns like dealing with change, recognizing and addressing substance abuse, stress and anger management, communication, motivation and teambuilding. C-SEAP also provides a mediation service in order to resolve workplace conflict. In the event of a critical incident at work (homicide or suicide, for example), C-SEAP can provide timely on-site debriefings, grief and loss groups, and/or organizational consultation.

At the individual level, employees may call C-SEAP directly and either talk to a C-SEAP counselor by phone or schedule an appointment to discuss his/her situation. Employees choose C-SEAP because they wish to speak with someone who understands the state system and will respect their right to privacy, as well as someone who can assist them in improving their job performance, solving their workplace issues, or addressing personal problems before they become serious impediments to the work environment and require expensive treatment.

Risk Management Unit

The Risk Management Unit of the Division consists of the following work programs:

- *Workers' Compensation Fund*
This work unit manages the workers compensation program for state employees. The program is self-funded and claims are processed via a contract between the Department and Pinnacle Assurance.
- *The Liability Fund*
This work unit provides coverage for state agencies and employees for tort and federal claims, including those arising out of the scope of employment.
- *Property Fund*

This work unit provides property loss coverage for state assets, including 9,000 state vehicles and 5,000 state buildings.

The Risk Management Unit protects the State's human resource and property assets through the administration of liability, property, workers' compensation and loss control programs. Services provided include (but are not limited to) accident investigation, legal defense, safety training, hazard mitigation, building inspections, contract review, insurance procurement, property valuation, risk financing, claim evaluation, seminar presentation, worker compensation medical management, statistical analysis, data collection and premium assessment. The Risk Management Unit serves all state agencies, schools and employees (except the Colorado University system).

Liability claims and lawsuits arise from allegations of State negligence related to such things as auto accidents, employment discrimination, and road maintenance. Most of the 2,200 liability claims presented against the State each year are denied, as they are subject to protection found in the Colorado Governmental Immunity Act (CGIA). Most of the reserve and payment dollars are related to federal law, where the focus is on civil rights and employment.

Worker Compensation benefits for State employees (over 5,000 claims per year) are administered on a self-insured basis. The costs in the self-insured liability and worker compensation programs are allocated to state agencies based on pro-rata claims history.

Property exposures (e.g., floods, wind, fires, theft) are covered by commercial insurance with broad all-risk coverage. The Risk Management Unit administers large policy deductibles, and State agencies pay up to the first \$1,000 per claim. Policy premiums are allocated to state departments based on pro-rata building and contents values.

Risk Management has three safety and loss control staff members whose responsibilities include, but are not limited to loss history analysis, ergonomic evaluations, indoor air quality review and medical case management. The services provided by these staff members are available to state agencies without charge.

Employee Benefits Unit

The Employee Benefits Unit of the Division consists of the following programs:

- *Employee Benefits Programs*
Administers the State's employee benefit programs, including medical, dental, life, accidental death and dismemberment, short and long term disability, pretax premiums and flexible spending accounts.
- *Deferred Compensation Plan*
Administers the state employee deferred compensation fund, which is a 100% employee-funded retirement fund.
- *Defined Contribution Retirement Plan*

Administers the defined contribution retirement fund for members of the General Assembly and other non-classified staff of the General Assembly, the Governor's Office, and the Cabinet. The fund is 100% contributor dollars with no state money involved. As referenced in SB02-231, the Deferred Compensation and Defined Contribution programs have merged committees to act on behalf of enrolled participants. Staffing for these programs is based on the staff initially assigned only to the Deferred Compensation Program.

The Employee Benefits Unit is involved in the administration of employee benefits, the State of Colorado Deferred Compensation Plan, and the State of Colorado Defined Contribution Plan. The Unit provides the initial design of the employee benefit programs as well as the subsequent contractual, administrative and financial management of these benefits programs. These programs currently include:

- seven (7) medical plans;
- one (1) dental plan;
- one (1) basic life and accidental death and dismemberment plan (AD&D);
- one (1) optional life and AD&D plan for employees, spouses, and eligible dependent children;
- one short term disability (STD) program and one (1) long term disability (LTD) program;
- one (1) Section 125 pretax premium program;
- two (2) Section 125 Flexible Spending Account (FSA) Programs (health care FSA and dependent day care FSA);
- 457 Deferred Compensation Program.
- Defined Contribution retirement plan for members of the Governor's Cabinet, the General Assembly, and other select non-classified staff.

Benefits are provided for all state Personnel System employees (classified), as well as all judicial, legislative, some higher education and other state employees. Permanent part-time employees (regardless of hours) are also eligible for benefits. Temporary employees and retirees are not eligible. The major group of employees that is excluded from these benefit programs is the faculty and non-classified staff of the colleges and universities, which are covered by programs operated and administered by the particular individual institution of higher education.

Prioritized Objectives and Performance Measures

FY02 Objectives and Accomplishments

Objective #02-1

Conduct a strategic review of all aspects of the State's current health benefits program, including a thorough review of a comprehensive, integrated approach to dealing with health-related incidents (from both a personal and work-related perspective) to determine the appropriateness and efficiencies gained by redesigning and implementing a new approach to the health benefit programs to alleviate the current problems the State is experiencing in the health care industry.

Critical Performance Measures:

- 2.1.1 Conduct focus groups with employee organizations and a cross-section of employees geographically and demographically to determine the wants and needs of employees from a benefits program perspective by 9/1/01.
- 2.1.2 Define the role of benefits for employees in state government by 10/1/01.
- 2.1.3 Research and redefine the different types of health care delivery systems (e.g., ChoicePlus (direct contracting system), HMO, POS, PPO, EPO) offered in Colorado to determine the advantages and disadvantages and feasibility of redesigning the State's benefit programs by 12/1/01.
- 2.1.4 By 2/1/01, research the different models providing health care in Colorado (e.g., PERACare) and the feasibility and efficiencies of outsourcing the State's benefits program.
- 2.1.5 By 6/30/02, finalize the State's direction and focus as it relates to continuing the role of offering benefits through the State or outsourcing the program.

Accomplishments:

2.1.1 Town Hall meetings were conducted in the Fall of 2001. These meetings were held throughout the state including Boulder, Colorado Springs, Denver, Durango, Glenwood Springs, La Junta, Sterling, Pueblo, Ft. Collins and Greeley.

2.1.2; 2.1.3; 2.1.4

The Employee Benefits Unit conducted extensive research regarding what other states in the country were looking to as the "solution" to the healthcare crisis. This research included defined contribution models, personal care accounts, employer contributions and plan design. Benefits also explored direct contracting and found that this option is not conducive to the current Colorado market and the State's benefit design and premium funding mechanism. A decision was also made to not pursue moving the state's benefit's program to a different model (e.g. PERACare) as this other model has been determined by PERA's board to be primarily an option for the small to mid-sized employer. This model also does not provide statewide coverage for state employees. During the 2002 legislative session bills were introduced to bring other employers in Colorado into the State of Colorado's healthcare programs. Thus, Benefit's research for pursuing other models and/or to outsource the State's benefits program did not prove to be viable options.

2.1.5 In May 2002 the State released medical Requests for Proposal (RFP's) in order to obtain fully insured plan proposals addressing premium costs and plan design. The State's RFP's also incorporated concerns expressed during the Town Hall Meetings in 2001 – an aging and high utilizing workforce, compression of the number of healthcare carriers, attempt to increase the State's buying power. Ultimately, the State's direction is to continue to offer benefits through the state.

Objective #02-2

Stabilize the Colorado State Employees Assistance Program (CSEAP).

Critical Performance Measures:

- 2.1 Resolve the issue of statutory authority by 5/1/02.
- 2.2 Evaluate and recommend alternative funding methodologies by 1/1/02.
- 2.3 Evaluate the C-SEAP outcome database to determine changes and refinements that will create a closer integration with Risk and Benefits by 6/30/02.

Accomplishments:

House Bill 1226 was approved on May 30, 2002, giving C-SEAP statutory authority. This bill specifies funding sources for the 2002-03 fiscal year, the 2003-04 fiscal year, and any fiscal year thereafter. The C-SEAP database was periodically evaluated throughout the year, and the non-clinical questionnaire was rewritten in order to better ascertain program usefulness to supervisors and managers dealing with safety and loss issues in the workplace. This process is ongoing.

Objective #02-3

Implement the State's revised dental insurance program.

Critical Performance Measures:

- 3.1 Review RFP responses and select carrier by 9/01/01.
- 3.2 Finalize carrier contract by 12/01/01.
- 3.3 New dental program effective 1/1/02.

Accomplishments 3.1; 3.2; 3.3

Dental Program RFP responses, contract and the new dental carrier implementation was successful in that the State provided employees with two plan designs to select from; a basic Plan and a buy-up plan.

Objective #02-12

Create an interactive Internet-based database regarding risk management loss control and safety issues.

Critical Performance Measures:

- 12.1 Conduct feasibility, resource and method of implementation studies to determine project needs by 3/01/02.
- 12.2 Agency personnel will utilize on-line services to report losses, update the statewide building database, and obtain loss history information. Direct input and data retrieval will result in more efficient utilization of agency resources by 6/30/02.

- 12.3 Facilitate loss control intervention and assistance to agencies to better identify exposures and develop solutions by 6/30/02.

Accomplishments 12.1;12.2;12.3:

This objective was accomplished. The feasibility, resource and implementation issues were studied and decided upon prior to the target date of 3/01/02. The key ingredients were the state of internet technology in this area, and its relative cost. It was determined that available funding could satisfactorily implement on-line services for centralized (Risk Management Unit) input and retrieval of program data. This advance in efficiency was in place by June 24, 2002. The use of internet-based database control immediately removed the need for continuing in-house (division) server and maintenance resources. Additional efficiencies will be identified throughout the next fiscal year. In addition, a form of pilot participation was accomplished through a partnership created with the Colorado Department of Transportation. That cooperative arrangement has resulted in effectively placing the internet-based services directly on the desks of a major agency, which will serve to document successes and costs through additional hands-on use of the system. To the extent that the implementation process envisioned complete interactivity (beyond centralized input), the involvement of the Colorado Department of Transportation will serve to further the concept.

Loss control intervention was enhanced by the target date of 6/30/02, through field use of the internet-based tools associated with the above-referenced software installation. Reporting and on-site agency assistance will benefit from the real-time nature of this ongoing project.

FY03 Objectives and Workload Measures

Objective #03.1

By 8/31/02 determine and develop a methodology to establish and begin to accrue a pool of dollars to incorporate a self-funding mechanism back into the state's employee healthcare program.

Critical Performance Measure:

- 3.1.1 Consult with the state's actuary to determine by 8/15/02 an appropriate fund balance necessary to incorporate a self-funding mechanism back into the state's healthcare program and by 01/01/03 determine a methodology for accruing the required fund balance and a schedule to begin accumulating the dollars.

Objective #3.3

Enhance the commonality between the statutorily approved EAP program and Risk Management to protect state fiscal and human resource assets.

Critical Performance Measure:

- 1.3.1 By June 30, 2003, collaborate and create a comprehensive clinical and non-clinical loss control and safety program that enhances workplace relationships to reduce Risk Management costs.

Objective #03.5

By 6/30/03 determine and implement the policies and procedures required to bring the 401a Defined Contribution Pension Plan (DCPP) into compliance with Federal Regulations, especially those under the recently passed Economic Growth Tax Relief and Reconciliation Act of 2001 (EGTRRA).

Critical Performance Measures:

- 3.5.1 Complete review and revisions of the current plan document in regards to EGTRRA compliance and administration of Qualified Domestic Relations Orders (QDRO's) by 12/31/02.
- 3.5.2 Develop and implement an operating plan for the 401a DCPP by 6/30/03.
- 3.5.3 Meet with the Deferred Compensation and Defined Contribution outside consultant to discuss the development of a strategic plan relating to compliance and administrative issues for the 401a DCPP by 6/30/03.

FY04 Objectives and Workload Measures**Objective #04.1**

By 01/01/04 develop a state employee healthcare program that has the potential to reduce utilization by engaging employees in the management and responsibility of their own healthcare.

Critical Performance Measures:

- 4.1.1 By 10/01/03 develop a methodology to engage employees in the new healthcare program that incorporates a specific utilization component.
- 4.1.2 By 12/01/03, incorporate an appropriate case management program into each carrier contract that emphasizes employee and dependent involvement in their healthcare.
- 4.1.3 By 04/01/04 work with the carriers to develop an Annual Employee Benefits Utilization Statement for each enrolled employee and their dependents.

Objective #04.6

Demonstrate the savings realized by the Risk Management Unit and C-SEAP through clinical and non-clinical loss control and safety efforts.

Critical Performance Measure:

- 4.6.1 Use the U. S. Department of Labor (USDOL) savings methodology to calculate State of Colorado (Risk Management) reduction in claim costs.

Relevant Stakeholders

Stakeholders	Requirements of the Unit
State Agencies & Employees	Coordinated development and delivery of services; guidance and advice

Program Crosswalk

Program Title: STATE PERSONNEL BOARD

Long Bill Line Items

Personal Services

Operating Expense

Change Request(s): None

Federal/State Statutory and Other Authority: Colo. Const., article XII, Sections 13, 14, and 15; C.R.S. 24-50-101 (1998) *et. seq.*; C.R.S. 24-50.5-101 *et. seq.*; C.R.S. 24-4-101 *et. seq.*, and associated legal precedent.

Program Description

The State Personnel Board (“Board”) is constitutionally created and has five members, each serving a 5-year term. Three of the members are gubernatorial appointees, and the other two members are elected by state employees. The Board has both adjudicative and regulatory responsibilities. The Board adjudicates and resolves employment disputes within the State personnel system by holding evidentiary hearings presided over by administrative law judges (ALJs), hearing appeals from decisions by the ALJs, and maintaining an active alternative dispute resolution program. It also promulgates rules to ensure that state employment is based on merit and fitness. The Board addresses a variety of issues, including discrimination, retaliation under the State Employee Protection Act, layoffs, and grievances. State employees trigger the adjudicative process by filing appeals, so the Board cannot directly control the number of cases filed.

The Board’s mission also includes assisting state government in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. To that end, Board staff conducts training for departments and/or agencies upon agency request.

Prioritized Objectives and Performance Measures

OBJECTIVE 2.1: Improve and provide reliable information to state departments regarding the nature of disciplinary appeals and petitions for hearing.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE 2.1.1 Fully implement the Board's FY00 acquired database	Target	100%	100%	100%	100%
	Actual	100%	100%	100%	100%
MEASURE 2.1.2 Establish performance objectives for each filled FTE for data entry into the Board's database system to occur in real time.	Target	100%	100%	100%	100%
	Actual	100%	100%	100%	N/A
MEASURE 2.1.3 Generate and distribute reports to state departments regarding the number and nature of disciplinary appeals and discretionary hearings	Target	N/A	100%	100%	100%
	Actual	N/A	100%	100%	N/A

Additional Information:

The Board accomplished performance measures 2.1.1 and 2.1.2 by acquiring a database that allows it to track information about the appeals and petitions for hearing filed by state employees, and by establishing performance objectives for staff to enter information into the database system so accurate and reliable information can be captured and analyzed.

Measure 2.1.3: The database includes information about the agencies involved in appeals and petitions for hearing, the types of appeals and petitions for hearing that are filed, and the resolution of those appeals and petitions. The database was installed in FY2000-01 and has been accepting data since Fall 2001.

Each individual Board employee has been trained on working with the database and is responsible for making database entries. For instance, ALJs are required to

enter each order they issue. Such requirements have been built into each performance plan for each ALJ and staff member.

The Board has used the database to capture information about appeals and has reported the information to the Department of Personnel & Administration (DPA), to the Governor's Office, to executive directors of departments, and to state employees through the Stateline newspaper. The Board's objective for FY2003-04 is to increase the usefulness of the information obtained by the database to address the specific needs and issues that have arisen in the individual departments by providing targeted training to the departments.

OBJECTIVE 3.1: Identify trends in use of the personnel dispute resolution process.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE 3.1.1 Number of cases filed per year.	Target	275	284	323	N/A
	Actual	284	323	N/A	N/A
MEASURE 3.1.2 Number of appeals filed per year	Target	158	134	157	N/A
	Actual	134	157	N/A	N/A
MEASURE 3.1.3 Number of petitions for hearing filed per year	Target	138	150	166	N/A
	Actual	150	166	N/A	N/A
MEASURE 3.1.4 Percentage of cases settled per year	Target	30%	12%	25%	25%
	Actual	12%	15%	N/A	N/A

Additional Information:

Measure 3.1.1: This figure represents total number of cases per year opened and includes appeals, petitions for hearing, petitions for declaratory orders, and requests for residency waivers. The actual number of cases filed in FY2001-02 exceeded the target by nearly 14 percent.

Measure 3.1.2: This figure represents total number of appeals in which the employee is entitled to a hearing. These appeals involve certified state employees whose base pay, status, or tenure were adversely affected by an agency action (discipline, layoff, etc.). The actual number of cases filed in FY2001-02 exceeded the target by 17 percent.

Measure 3.1.3: This figure represents petitions for hearing filed, including petitions for hearing, declaratory orders, selection discrimination cases, and residency waivers. The actual number of petitions filed in FY2001-02 exceeded the target by 11 percent.

Measure 3.1.4: This figure represents a percentage of the total number of cases settled per year based on cases filed. In FY2000-01, only 33 cases settled out of the 275 opened, or 12 percent. This reflected a significant drop in the percentage of cases settled. In that year, the Board had initiated a new settlement program in which ALJs were assigned to facilitate settlements instead of staff. Based on the data, it is fair to conclude that the program was not successful compared with the percentage of cases settled during the previous years.

In an effort to increase the settlement rate, therefore, the Board obtained basic mediation training for its legal assistant. The ALJs have continued to provide settlement assistance, but the Director and the legal assistant have taken a more active role in facilitating settlement conferences and negotiations. The settlement rate did rise slightly to 15 percent over FY2001-02 (49 settlements out of 323 cases filed). However, 32 of those settlements occurred after February 1, 2002, when the change in procedure took effect. This demonstrates a substantial increase in the settlement rate since the non-ALJ staff have taken a more active role in the settlement process.

The Board's Director is working with staff from the Department of Personnel & Administration to improve settlement and mediation services throughout state government, and has provided training on the benefits of mediation and settlement to agencies. The Board intends to continue these efforts in hopes of increasing the settlement rate of cases filed with the Board to 25 percent in FY2002-03.

OBJECTIVE 3.2: Use the State Personnel Board's new database in order to target specific training needs for state agencies and appropriate individuals					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE 3.2.1	Target	50%	100%	100%	100%
Review semi-annual data of types of appeals filed to target training areas.	Actual	50%	100%	N/A	N/A
MEASURE 3.2.2	Target	50%	100%	100%	100%

Use the information obtained to target departments that account for 50% or more of the appeals and develop curricula for training managers in those departments.	Actual	50%	100%	N/A	N/A
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Additional Information:

Measure 3.2.1 and 3.2.2: The information obtained from the database permitted the Board to determine the agencies that were involved in most of the appeals filed before the Board and the number of appeals filed in various categories. The FY2000-01 cases included 16 alleged violations of the State Employee Protection (Whistleblower) Act; 26 race discrimination claims; 19 sex discrimination claims; 22 disability discrimination claims; and 8 alleging discrimination on another basis. Some appeals alleged more than one claim.

Six departments were named in more than 10 cases. Those departments are the Departments of Corrections (78 appeals), Higher Education (54), Human Services (47), Transportation (22), Revenue (18), and Public Health and Environment (12), which accounted for 231 of the 323 cases filed in that fiscal year, or 71 percent of the cases. In FY2001-02, the Board provided training on personnel management practices, discrimination, and retaliation claims to the Departments of Corrections, Higher Education, and Transportation, which accounted for nearly half of the Board's cases. The Board has consulted with the other three departments and plans to offer training to those departments in the next fiscal year.

OBJECTIVE: 4.1 Improve alternative dispute resolution (ADR) processes by incorporating recognized "best practices" and standards in order to fulfill statutory responsibilities.

		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE 4.1.1: Meet with/survey stakeholders as to best practices in alternative dispute resolution.	Target	N/A	Commence feedback from agencies on ADR	100% feedback from agencies on ADR best practices	Implement suggestions received from agencies on ADR best practices

	Actual	N/A	Phase 1 of the ADR review process obtained feedback from some agencies and individuals	N/A	N/A
MEASURE 4.1.2: Partner with DPA in reviewing state-wide ADR processes	Target	N/A	Complete 2 of 3 Phases in Analyzing ADR systems statewide	Complete 3 phases of reviewing and implementing statewide ADR process for personnel.	Assist DPA/DHR in implementing statewide ADR processes
	Actual	Commencement of Phase 1 of review of ADR processes with State	Phase 1 completed	Final 2 phases brought within DPA/DHR	N/A
Measure:4.1.3 Partner with Colorado Bar Assoc. and subcommittees addressing ADR in state government.	Target	Attend subcommittee meetings on ADR in Government	Attend and participate in facilitating improved ADR mechanisms	Participate in implementation of improved ADR systems with CBA	Amend Board rules to encourage ADR and settlement, especially in cases involving grievance appeals.
	Actual	Attend subcommittee meetings on ADR in Government	Attend and participate in facilitating improved ADR mechanisms	Participate in implementation of improved ADR systems with DPA/DHR	N/A

Additional Information:

Measures 4.1.1, 4.1.2, and 4.1.3 were derived from working with the Colorado Bar Association and other private mediation services. Both the executive and judicial branches have embraced the facilitation of ADR and the Board has participated in meetings to explore ADR processes within the state. In FY2000-01, the Board began to be more active and worked with DPA and CBA to explore and develop a new ADR process, which was intended to work statewide and provide benefits to all stakeholders and taxpayers. During FY2000-01, a 3-phase project began in which a private mediation consultant reviewed the existing ADR systems within the state. The intent was to obtain an analysis of the statewide ADR systems and design an improved ADR process. The consultant completed the phase 1 review of the program, but due to budgetary constraints, the Board was unable to assist DPA in funding the final 2 phases. The Board is now assisting DPA/DHR in developing an improved state employees' mediation program, and is also improving its settlement services by obtaining training for staff and increasing its role in bringing the parties to the settlement table. By FY2003-04, the Board plans to improve its settlement program by making rule changes that will encourage or require litigants to participate in settlement conferences facilitated by Board staff. This should be particularly important in cases involving unresolved grievances or other situations where, unlike in a termination case, the employee remains employed by the agency that he or she is suing. The Board believes it would result in a better and more productive working relationship if the parties were required to attempt ADR before the employee files suit against the supervisor or employing agency.

OBJECTIVE: 45.1 Enhance the safety of employees and participants during public hearings through increased security.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE 4.1.1: Develop and implement a program, in conjunction with the division of administrative hearing, to provide increased security to participants in administrative hearings without creating bias or increasing violence	Target	Security by Motion 100%	100% of all security needs met		
	Actual	Security by Motion 100%	N/A	N/A	N/A
MEASURE: 4.1.2 Survey stakeholders on security needs	Target	N/A	N/A	N/A	Accumulate survey results and interpret data.
	Actual	N/A	N/A	N/A	N/A
MEASURE 4.1.3 Determine requests for	Target	N/A	N/A	N/A	N/A

additional security on a fiscal year basis.	Actual	N/A	N/A	N/A	N/A
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Additional Information:

Measures 4.1.1, 4.1.2, 4.1.3 reflect growing concerns about violence in the workplace and the need for security during the administrative hearings process and during Board meetings. The Attorney General's office addressed the Board in July 2001 to express concerns about the procedures related to implementing security in the hearing process. At that time, the Board initiated a 3-fold process for determining and improving security, including delegating authority to the Board's Director to explore possible means of more easily providing security, examining security practices with the Division of Administrative Hearings, and looking for funding associated with providing security.

Due to budgetary restrictions in FY2001-02, the Board was unable to provide modifications to its physical facilities to improve the safety and security of staff, litigants, and counsel. However, the Board has addressed safety and security through other means, such as holding hearings in off-site locations where security can be ensured (e.g. local courthouses or correctional facilities) and assisting parties in obtaining security personnel to be present during hearings.

Trends and Other Baseline Information

- In FY2001-02, 323 new cases were opened/docketed with the Board. In comparison, 284 cases were opened in FY2000-01; 296 cases were opened in FY1999-00, 260 cases were opened in FY1998-99; 297 in FY 1997-98; 305 were opened in FY1996-97; 334 in FY1995-96; 335 in FY1994-95; 326 in FY1993-94; and 263 in FY1992-93.

The cases opened in FY2001-02 included 157 appeals in which the employee was entitled to a hearing, 146 petitions for discretionary hearing on matters such as appeals from a final agency grievance decision, 3 petitions for declaratory order, 6 appeals alleging discrimination in the selection process, and 11 requests for residency waivers.

A significant number of claims are made each year claiming discrimination in issues of discipline or in other matters. It is common that a number of different discrimination claims are filed with each individual case. This inevitably leads to more complicated cases and investigations by the Colorado Civil Rights Division located at the Department of Regulatory Agencies.

The Board has noticed a great increase in the number of claims it has received alleging violations of the State Employees Protection (Whistleblower) Act. In FY2001-02, state employees filed 39 appeals or petitions for hearing that alleged violations of the Whistleblower Act, compared to only 4 in FY00 and 16 in FY2000-01. This extraordinary increase may have been precipitated by two factors: (1) One

employee filed 13 separate petitions for hearing, each of which alleged a whistleblower violation. However, even after those 13 separate complaints were consolidated into one case, that still left an increase from 16 to 27 complaints between FY2000-01 and FY2001-02. (2) In late FY2000-01 or early FY2001-02, the Board changed its standard appeal form in such a way that employees may have been misled into checking a "whistleblower" box inappropriately. In several cases, the Board requested additional information from those employees and either was informed that the employee did not intend to assert a whistleblower claim, or received information demonstrating that the employee did not meet the statutory requirements for asserting such a claim. The Board has revised the standard appeal form to reduce the possibility of misunderstanding, and hopes that will result in fewer inappropriate filings. The Board will also provide information to state agencies on the Whistleblower Act in order to encourage compliance with that Act. If the trend of increasing numbers of whistleblower claims continues, however, the Board may need to address the issue through training or other means.

The Board's staff consists of three full-time staff and three part-time ALJs. The full-time staff include the Director, the Legal Assistant, and the Program Assistant. Beginning August 1, 2001, the Board was a party to a Memorandum of Understanding with DPA's Division of Administrative Hearings (DOAH) in which the Board's ALJs worked within DOAH. The Board's ALJs, who each held 0.7 FTE, were reduced to 0.6 FTE each. The Board withdrew from that MOU effective April 1, 2002, and the ALJs returned to the Board's direct supervision. Because of the statewide revenue shortages, the FTE reduction has remained in place. As a result, the Board now has fewer ALJ FTEs available to hear cases, in spite of the increase in the number of cases filed in FY2001-02. This has made it even more imperative for the Board to continue its program of encouraging and facilitating settlement of cases.

The continuing revenue shortages could result in an additional increase in new Board cases. Certified employees who are laid off, or whose positions are reduced as a result of budget reductions, have a right to a hearing before the Board. Other economic conditions can also lead to an increase in cases. For example, when unemployment rates are low, state agencies are less likely to terminate employees because of the reduced labor pool and difficulty in hiring replacement workers. The rising unemployment rate may have contributed to the higher number of appeals in FY2001-02, a trend that could continue until the state's economy improves.

In October 2001, the Board's Director resigned and the position remained vacant until December 1, 2001, when the current Director assumed the position. The change in Director resulted in a delay in implementing some of the previous year's performance objectives, particularly in the implementation of the "best practices" objectives.

Similar or Cooperating Programs and Stakeholders

The Board is the only agency within state government that is responsible, pursuant to the Colorado Constitution, for the resolution of employee disputes. However, other state agencies provide hearing services, most notably the Division of Administrative Hearings,

which provides pre-hearing, ADR, hearing, and decisional services to state departments and citizens.

Customer Requirements

Customer	Requirement
State classified employees	<p>Exercise of constitutional right to due process/hearing on matters involving pay, status, or tenure.</p> <p>Opportunity to request hearings on matters involving grievances, corrective actions, etc.</p> <p>Timely resolution of appeals and petitions for hearings.</p> <p>Participation and ability to proffer feedback to Board on issues of state personnel policy.</p> <p>Participation in rule-making hearings.</p> <p>Participate in a safe environment.</p> <p>Access to Alternate Dispute Resolution</p>
Attorneys	<p>Opportunity to advocate for clients (both agencies and employees) in Board's adjudicatory and rule-making processes.</p> <p>Administrative Law Judges who appropriately and judicially preside over administrative hearings.</p> <p>Participate in a safe environment.</p> <p>Access to Alternate Dispute Resolution</p>
Employee Organizations	<p>Participation and ability to proffer feedback to Board on issues of state personnel policy.</p> <p>Coordination of legislative policies regarding state personnel policy.</p> <p>Participation in rule-making hearings.</p> <p>Participate in a safe environment.</p> <p>Access to Alternate Dispute Resolution</p>
State departments	<p>Data regarding types of personnel cases involving agency and the Board.</p> <p>Participation and ability to proffer feedback to Board on issues of state personnel policy.</p> <p>Participation in rule-making hearings.</p> <p>Participate in a safe environment.</p> <p>Access to Alternate Dispute Resolution</p>

Program Crosswalk

Program Title: Division of Central Services - Administration Section

Line Items

Personal Services
 Operating Expense
 Indirect Cost Assessment

Change Request(s) None

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1102(4), 24-30-1104 and 24-30-1118 (Travel)

Program Description

Provides internal staff support to the operating units within the Division that includes the Division Director. Staff support consists of customer service and retention, personnel, financial services, contract administration, management analysis and other administrative/clerical services. The Travel Management Program is part of the Administration Unit and is responsible for statewide management oversight of travel.

Prioritized Objectives and Performance Measures

Administrative Unit

Build and Enhance Working Relationships with Stakeholders					
To build and enhance our working relationship with stakeholders through interactive presentations.					
		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: # of presentations held per year	Target	N/A	14	24	30
	Actual	N/A	18	N/A	N/A

Build and Enhance Working Relationships with Stakeholders					
To increase our customer satisfaction by responding to customer needs identified through customer satisfaction surveys.					
		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: Percentage of issues successfully resolved per year	Target	N/A	75%	90%	100%
	Actual	N/A	75%	N/A	N/A

To Create a High Performing Workforce					
To cross train division employees to better support our customers and the internal DCS functions.					
		FY2001-02	FY2002-03	FY2002-03	FY2003-04
MEASURE: Percentage of fully functioning crossed trained staff.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A

Statewide Travel Management Program

TRIP (Travel Re-Invention Project) Outreach					
To make the Travel Management Program more accessible by delegating travel authority to state agencies.					
		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: # of delegates	Target	N/A	5	20	35
	Actual	N/A	-0-	N/A	N/A

The Statewide Travel Management Program held its first State Travel Conference on June 14, 2002. Approximately 40 participants attended from most state agencies. The conference provided an overview of the travel program including relevant statutes, program rules and fiscal rules. A panel discussion reviewed the coordination of the program with Purchasing and the State Controller's Office. Some of the program's initiatives were reviewed, particularly the drive to get the state's authorization numbers to pass through to the travel payment systems statements. The event also reviewed the

Internet ticketing software, FareQuest that was recently deployed. A panel of industry representatives gave a status report on all major travel sectors. This panel also addressed the impact of the Internet on travel. The follow-up to this event will be to ask state agencies to name the attendees as travel officers. Once named by state agencies, these officers will be given limited authority to issue waivers from specific travel program rules or policies.

Create Comprehensive Automated Travel Strategy

Move state travelers toward use of automated ticketing methods to save business-processing time now and to better defend against the future possibility of increased travel agency booking costs.

		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: # of dollars of automated booking air-fares per year	Target	\$500,000	\$1,500,000	\$3,000,000	\$3,000,000
	Actual	\$750,000	\$2,761,243	N/A	N/A

The travel program has championed three types of automated airline ticketing—e-mail, automated booking systems, and Internet air ticketing. E-mailing reservation data to travel agencies is an approach that the Travel Program has fostered and heavily promoted. It is fast for the traveler, easy for the travel agencies to process, and offers the greatest flexibility with the highest level of personalized service. Runzheimer International has noted that e-mail is four to five times faster than automated booking systems for the traveler. The program has unsuccessfully sought funding for a statewide-automated booking system. Two come-along automated booking systems are, however, available to state-authorized travel agencies—World Wide Travel’s Quality Agent and El Sol Travel’s Book-It. Both are out of state vendors and have met with slow adoption by state agencies. Finally, the travel program has rolled out FareQuest to over 40 of its travel agencies. FareQuest is software that enables travel agencies to purchase Internet airfares on behalf of state travelers. It offers the State the advantage that the travel agent can take the best fare of three inventories—state contract fares, global distribution system fares, or internet fares.

TRIP (Travel Re-Invention Project) Outreach

Increase awareness and participation in the Travel Management Program by providing a variety of interactive information session for all stakeholders of the program. This includes Travel Forums, Specialized Training Sessions, Delegates Meetings and other special sessions.

		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: # of session held per year	Target	12	20	24	30
	Actual	16	25	N/A	N/A
MEASURE: Total number of attendees	Target	140	160	200	300
	Actual	235	275	N/A	N/A

The travel program holds monthly travel forums. These forums provide for a program overview in PowerPoint format, handouts, questions, and presentations by vendors—rental car firms, travel card provider, and hoteliers. The State Travel Manager also offers a monthly module in the three-day Purchasing training sessions. Additional presentations are also frequently made—in the past year to the Department of Agriculture, the Department of Transportation, the Water Resources Division of DONR, the Department of Local Affairs and several political subdivisions—Denver, Grand County, El Paso County, Mesa County, and the City of Grand Junction. Specific attention has been paid to higher education. These sessions have included meetings with stakeholders with the University of Colorado, CCHE, Adams State, and many of their servicing travel agencies.

Trends and Other Baseline Information (Bill Work on Write Up)

- 11 FTE that support 200 FTE
- Support 6 other diverse services
- Travel Management Program is moving towards electronic booking.

Customer Requirements

Customer	Requirement
State Agencies and Political sub-divisions	Prompt, cost-effective and superior quality support services.

Program Crosswalk

Program Title: Integrated Document Factory, Reprographic Services

Line Items

Personal Services
Operating Expenses

Change Request(s): none

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1102(4), 24-30-1104(1).

Targeted Base Review: This program will be reviewed in Fiscal Year 2004-05

Program Description

Specializes in comprehensive commercial/graphic art services, complete high volume offset printing, high speed, high volume digitized (Xerographic) copying, and manages the rental of low volume office copiers to State agencies.

Prioritized Objectives and Performance Measures

OBJECTIVE: Improve program processes by incorporating recognized "best practices" and standards in order to fulfill statutory responsibilities.

Reduce non-paper cost per copy to .02.

		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: Total cost per copy less Cost of Goods	Target	.02	.02	.02	.02
	Actual	.0218	.0223	NA	NA
MEASURE: Increased Volume	Target	133,409,650	115,500,000	117,000,000	117,000,000
	Actual	120,542,063	117,505,109	NA	NA

Additional Information

- The design, printing, copy, and mailing sections of Central Services have been merged to form the Integrated Document Factory (IDF).
- The Quick Copy Center at 1525 Sherman will be relocated to the IDF facility in FY03

- The one-time costs associated with relocation, and the similar volume of impressions between FY01 and FY02 resulted in a slight increase in the cost per impression in FY02.

Prioritized Objectives and Performance Measures

OBJECTIVE: To utilize an internal job tracking system for collecting production and billing data on a single electronic job ticket for all sections of the Integrated Document Factory (IDF)					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: The number of electronic job tickets produced through the job tracking system for all IDF sections.	Target	N/A	N/A	50% of annual total of job tickets for all sections	100% of annual total of job tickets for all sections
	Actual	N/A	N/A	N/A	N/A
MEASURE: The number of system statements to include service descriptions and charges that are provided to the customers.	Target	N/A	N/A	System produces statements for the customers for 50% of the annual jobs	System produces statements for the customers for 100% of the annual jobs
	Actual	N/A	N/A	N/A	N/A

Additional Information

- FY02-03 measures are based on the assumption that the system will be installed and operational for six months of FY03.
- FY03-04 measures assume that system will be utilized for the full year.

Prioritized Objectives and Performance Measures

OBJECTIVE: To have customers submit quick copy and printing jobs electronically to the Integrated Document Factory (IDF)					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: The number of printed impressions submitted electronically by	Target	N/A	N/A	Establish the number of impressions for FY03	Increase the number of impressions for FY04

customers	Actual	N/A	N/A	N/A	N/A
MEASURE: The percentage of impressions from electronic transfer compared to the total impressions	Target	N/A	N/A	Establish the percentage of impressions submitted electronically	Increase the percentage of electronic impressions
	Actual	N/A	N/A	N/A	N/A

Additional Information

- The Print and Quick Copy sections have merged into one production facility located at 1001 E 62nd Avenue.
- Customers may send their print and copy jobs to the Integrated Document Factory (IDF) in hard copy via mail pickup or electronically.
- The accessibility of print and copy services and turnaround time for delivering printed materials back to the customer are enhanced by submitting documents electronically.
- Providing agencies with the capabilities and incentives for submitting electronic documents is a fundamental strategy of the IDF.

Trends and Other Baseline Information

Increase the volume of Quick Copy and Print jobs electronically.

Customer Requirements

Customer	Requirement
State Agencies	Need high quality, fast turnaround and low price printing.

Program Crosswalk

Program Title: Document Solutions Group

Line Items

Central Services (B) (2) Imaging and Microfilm Services
Colorado Information Technology Services (E) Pueblo Data Entry

Personal Services
Operating Expense
Utilities

Change Request(s) None

Targeted Base Review: This program will be reviewed in FY2003-04.

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1102(4), 24-30-1104(1) and 24-30-1104(1)(k).

C.R.S. 24-30-1601 through C.R.S. 24-30-1606.

Program Description

The Document Solutions Group (DSG) is a result of an organizational merger between the Pueblo Data Entry Center and the Imaging Microfilm Unit. Both groups share similar functionality while bringing new skills in services related to imaging and data capture. The merged units are working to incorporate resources for additional workload and enhance services to customers.

The Document Solutions Group offers state agencies and political subdivisions a full range of micrographic, data entry, digital imaging and indexing for database retrieval. Also, this group integrates data with the mainframe and various client databases for data and image processing. The Electronic Document Warehouse (EDW) is a digital image storage and retrieval system. This system runs on the backbone of the CIN, which provides high-speed network access to images residing in an Oracle Database. The largest user of this system is Department of Labor, Worker's Compensation image files. These files are retained for a period of seven years. The Multiple Use Network provided the bandwidth and the imaging software provided the means to offer on-line application development. The most popular form for on-line processing this year was the Central Collection form. Users are able to log on from various locations to submit collection data. The data is exported to a database server located at Central Collection. The image of the form is sent to the Electronic Document Warehouse for storage and retrieval.

The Pueblo Center has been funded under the Colorado Information Technology Services, Computing Services since 1982. At that time the data center was formed to

decentralize state government and bolster the local economy. The City of Pueblo in turn pays the rent of the office space in exchange for jobs in Pueblo County.

**Prioritized Objectives and Performance Measures
DSG/DENVER**

OBJECTIVE: To identify and focus on business development and retention of repeat customers.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE Number of repeat job applications.	Target	50	60	65	70
	Actual	56	66	N/A	N/A
MEASURE –Number of new jobs.	Target	20	30	40	40
	Actual	16	43	N/A	N/A

OBJECTIVE: To increase use of the Electronic Document Warehouse (EDW) and market this available storage and access system statewide.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE _Number of images sent to EDW.	Target	8.6M	10M	10M	12M
	Actual	8.3M	8.M	N/A	N/A

The Electronic Document Shows a decrease this year due to the purging of files that met the retention term.

DSG/DENVER - Statistics

OBJECTIVE: To increase the number of images processed through microfilm and digital imaging.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE-Microfilm Unit (# of Images)	Target	3.9M	5.7M	4.0M	4.0M
	Actual	3.0M	3.3M	N/A	N/A
MEASURE –Imaging Unit (# of Images)	Target	9.6M	6.0M	6.0M	6.0M
	Actual	6.4M	2.9M	N/A	N/A

Microfilm remains steady and is providing a permanent storage media. Imaging showed a decline due to projects put on hold. With the combined resources DSG will be able to provide the workforce for large image projects. For example; Department of Revenue contracts out back end imaging of the tax form. The Document Solutions Group combined will be able to meet the demanding volumes of the tax division.

DSG/PUEBLO

OBJECTIVE: To standardize forms and provide a means of on-line submission. To market the efficient and effective service statewide.					
		FY01	FY02	FY03	FY04
MEASURE: Application on-line and system integration	Target	N/A	10	20	40
	Actual	N/A	8	N/A	N/A
MEASURE: Documents submitted on-line	Target	N/A	10,000	80,000	160,000
	Actual	N/A	8,000	N/A	N/A

The submission of forms on-line started up in February of 2002. The target was to put 10 applications on-line for Oil & Gas. The first application was a very complex form consisting of over 80 fields. This took longer than anticipated. This form when submitted connects to Oil & Gas database to allow the data to be received on submission. This also allows employees in the oil fields access to input data. Completion of several surveys and the Central Collection form made this new service a success. Requests are coming from agencies to put various forms on-line. For example: Job applications, Dental Requests, HR documents, Divorce records search and retrieval. This will enable the Document Solution Group the opportunity to streamline document processing for the State of Colorado.

Trends and Other Baseline Information

Microfilm provided the base for the DSG/Denver group. Where the Denver group thought that microfilm was going to decline the Denver group found an increase this year. This increase is due to permanent retention; where as imaging does not have a guarantee of retention life. The DSG is getting request from agencies to convert microfilm to images. Some customers want the images to be converted to microfilm. Imaging is a good solution if you want to access documents fast and quick and if you only need access for three to seven years of digital documents.

DSG/DENVER

Counts and Measurements	FY01	FY02	FY03	FY04
16MM (# of Images)	2,754,730	3,181,248	3,500,000	3,500,000
35MM (# of Images)	236,921	247,434	225,000	225,000
SCAN (# of Images)	6,344,665	2,906,814	3,000,000	4,000,000
SCAN - Well Logs (# of Images)	91,963	8,051	0	0
Total Images	9,428,279	6,343,547	6,725,000	7,725,000

EDW-Image Storage w/purge	8,318,572	7,185,910	7,500,000	8,500,000

Data Entry and the tax filing is the foundation of the DSG/Pueblo Group. However, when faced with the declining documents due to electronic filing the Pueblo group made the decision to expand the services of the center. Imaging process came into effect in November of 2001 with the processing of the hunting and fishing licenses. The Department of Natural Resources scanned documents at their location and file transferred the images. The DSG/Pueblo uses image software to Optical Character read handwritten data. This allowed the data operator to enter data that the imaging system could not recognize, allowing the operator to fix one or two characters per field. This eliminated manual entry of all imaging data, making this a good fit for the Pueblo group. The imaging software also provided the forms design and on-line conversion to PDF or HTML.

DSG/PUEBLO

Counts and Measurements	FY01	FY02	FY03	FY04
	Doc/Images	Doc/Images	Doc/Images	Doc/Images
Data Entry	6,590,486	6,499,476	6,000,000	6,000,000
OCR/ICR	961,703	1,610,278	2,000,000	2,500,000
REVENUE MAIL		151,201	150,000	150,000
TOTAL	7,552,189	8,260,955	8,150,000	8,650,000
Document Conversion Hours				
Hours Worked	109,836	123,989	130,000	130,000
Document Processing Time	0.0145	0.0150	0.0160	0.0150

This group has high production standards. For data entry or image entry the operator is timed on how long they are in the machine, how fast they are entering either image data or data off of a document. In the chart above you can see the time in hours worked and document processing time to enter, scan, or prep eight million documents. These totals are based on the Pueblo group only.

Similar of Cooperating programs:

DEPT		Similar	Cooperating	DSG/PUEBLO	DSG/DENVER
DOR	Cash and Document Processing				
	Data Entry	X	X	90% data entry comes from DOR. DOR moved all data entry to Pueblo FY02	

	Imaging/back end Income tax forms	X			DOR Contracts out DSG provides
	Microfilm	X	X		DOR Contracts out DSG provides some microfilming.
	Mail Service	X		Provided mail assistance during the freeze	
DNR	Div of Wildlife				
	Imaging/hunting license	X	X	Wildlife scans documents ftp images to Pueblo for OCR/ICR and Indexing	
	Div of Water Resources	X	X		DSG has done much back file scanning And then DWR takes over for day Forward work into DNR's system.
	Co Water Conservation Board		X		
	Div. Minerals & Geology	X	X		

Program Crosswalk

Program Title: Integrated Document Factory / Mail Services

Line Items

Personal Services
Operating Expense

Change Request(s) None

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1102(4), 24-30-1104(1) and 24-30-1111.

Targeted Base Review: This program will be reviewed in Fiscal Year 2004-05

Program Description

The Integrated Document Factory / Mail Services provides complete mail processing and shipping services, combined with a metro area distribution network for mail and printed materials.

Prioritized Objectives and Performance Measures

<u>OBJECTIVE:</u> Improve business processes through the use of appropriate technology.					
		FY2000-01	FY2001-02	FY2002-03	FY2003-04
MEASURE: Percentage of package barcodes produced by printing centers and scanned as delivered by Mail Services	Target	Scan 98% of package barcodes to document delivery	Scan 99% of package barcodes to document delivery	Scan 100% of package barcodes to document delivery	Complete
	Actual	92%	92%	N/A	N/A
MEASURE: Reduce the average delivery time.	Target	Establish average delivery time	96%	98%	100%
	Actual	95% delivered 1 day or less	95% delivered 1 day or less	N/A	N/A

Additional Information

- The automated delivery verification system was used to track and document all deliveries in the system and establish the average delivery time for print and copy center materials.
- The FY03 objective is to continue to track and document all deliveries of printed materials and reduce the FY02 average delivery time.
- Delivery time calculated as days from pickup date to delivery date based on delivery summaries produced by the tracking system.

Prioritized Objectives and Performance Measures

OBJECTIVE: To utilize an internal job tracking system for collecting production and billing data on a single electronic job ticket for all sections of the Integrated Document Factory (IDF)					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: The number of electronic job tickets produced through the job tracking system for all IDF sections.	Target	N/A	N/A	50% of annual total of job tickets for all sections	100% of annual total of job tickets for all sections
	Actual	N/A	N/A	N/A	N/A
MEASURE: The number of system statements to include service descriptions and charges that are provided to the customers.	Target	N/A	N/A	System produces statements for the customers for 50% of the annual jobs	System produces statements for the customers for 100% of the annual jobs
	Actual	N/A	N/A	N/A	N/A

Additional Information

- FY02-03 measures are based on the assumption that the system will be installed and operational for six months of FY03.
- FY03-04 measures assume that system is utilized for the full year.

Trends and Other Baseline Information

- The integration of the design, printing, mail and delivery sections into a unified business entity is a fundamental objective for FY03.
- The internal job tracking system will support the integration of the production units.

Customer Requirements

Customer	Requirement
State Agencies	Quality work, rapid turnaround time, discounted postage, advanced technology services
State Agencies	One Stop Shopping. Design, print, mail, and distribution services may be accessed through the Integrated Document Factory. The services and charges should be listed on a single billing.

Program Crosswalk

Program Title: Fleet Management

Line Items:

Personal Services
 Operating Expense
 Vehicle Replacement Lease, Purchase or Lease/Purchase

Federal/State Statutory and Other Authority:

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1104(2) and 24-30-1112 through 1117.

Targeted Base Review: This program will be reviewed in FY 2004

Program Description:

The Fleet Management Program provides light duty (3/4 ton and below) vehicles to all state agencies on a long-term basis. The program establishes a network of service providers including maintenance and repairs, fuel, body repair and insurance cost. In addition, Fleet competitively acquires funding for vehicle acquisition, specifies and orders vehicles, evaluates and approves repairs suggested by vendors, handles accident damage subrogation, disposes of older vehicles, and maintains an accurate centralized information system on all aspects of state fleet assets.

Objectives and Performance Measures

Fleet is focusing on 4 major strategies in FY2003:

1. Develop effective customer communication
2. Improve Fleet processes and services
3. Develop and improve key stakeholder relationships
4. Support Fleet employees with improved training and resources

CARS Connectivity

OBJ: To increase Fleet user connectivity using web-enabled software by 6/30/03.					
STRATEGY: Customer Communication & Improved Services					
MEASURE		FY00-01	FY01-02	FY02-03	FY03-04
No. of Users Given CARS Access	Target	250	325	500	600
	Actual	368	481	N/A	N/A

The Colorado Automotive Reporting System (CARS) is the critical information system supporting the Fleet Management Program. CARS was designed to support the processes necessary to efficiently manage the state fleet assets and to provide the information our customers need to successfully monitor the cost and performance of their fleets. CARS is a client/server-based system that captures the complete lifecycle of

a vehicle. The information is critical for supporting fleet operations by capturing and providing vehicle-related information upon which vehicle decisions can be made. Fleet is further working on getting various functions of CARS web enabled to make the system more convenient and easier to use for the customers. The Fleet web site was brought up to date in FY02 and will be continually enhanced throughout FY03.

Cost Management

OBJ: To manage to a non-fuel cost per mile (P&I + Maintenance - Fuel) of \$.26 per mile on the low side and \$.33 per mile on the high side.

STRATEGY: Improve processes and services

MEASURE		FY2001	FY2002	FY2003	FY2004
P&I CPM	Target	N/A	N/A	\$.205	\$.210
	Actual	\$.204	\$.200	N/A	N/A
Maintenance CPM	Target	N/A	N/A	\$.078	\$.082
	Actual	\$.068	\$.073	N/A	N/A
Total CPM	Target	\$.270	\$.290	\$.282	\$.292
	Actual	\$.272	\$.273	N/A	N/A
Vehicles Replaced	Target	N/A	686	597	TBD
	Actual	579	597	557	N/A
Avg. Miles When Sold (non-CSP)	Target	100,000	100,000	100,000	100,000
	Actual	105,593	110,796	N/A	N/A
Avg. Miles When Sold (CSP)	Target	80,000	80,000	80,000	80,000
	Actual	96,592	91,792	N/A	N/A

Vehicle costs continue to rise in terms of both new vehicle cost, and the increased cost of maintaining an aging and higher mileage fleet. It is anticipated that the cost to maintain and operate the fleet will continue to increase as a direct result of the reduced replacement funding allocation as the state works through the current budget tightening.

Vehicle Reallocation

OBJ: To reallocate vehicles, on a statewide basis, wherever it is economically justifiable.

STRATEGY: Improve processes

MEASURE		FY00-01	FY01-02	FY02-03	FY03-04
No. of vehicles reallocated	Target	200	175	125	125
	Actual	177	162	N/A	N/A

Strategies such as reallocating vehicles to replace vehicles that are too costly to operate, expansion of motor pools, increased use of statewide parts and service contracts, replacing vehicles where appropriate with smaller more cost effective alternatives, continued emphasis on improving average utilization, and aggressively evaluating and reducing unnecessary repairs or expenses will be utilized to keep cost increases to manageable levels.

Utilization

OBJ: To assure that State vehicles are well utilized and appropriately assigned for the required work function.

STRATEGY: Improve Processes

MEASURE		FY00-01	FY01-02	FY02-03	FY03-04
# Identified as Underutilized	Target	N/A	N/A	<100	<50
	Actual	765	372*	N/A	N/A
# Turned in	Target	N/A	N/A	>50%	>80%
	Actual	Less than 20=<2.5%	186=50%	N/A	N/A
Avg. miles per vehicle	Target	12,900	12,900	13,300	13,400
	Actual	13,026	13,201	N/A	N/A
End of Year vehicles count	Target	N/A	N/A	5750	5800
	Actual	5894	5800	N/A	N/A

(*The original number was 407. This was reduced by 28 because of SFM coding and mileage errors and further reduced by 7 by the EDO Appeals Committee.)

Fleet Management has reworked annual vehicle utilization codes to reflect miles per vehicle that are more realistic for each agency and function. The first report using the new codes was run for FY01 and resulted in the turn in of 186 underutilized vehicles. A great deal of effort was expended in FY02 to make sure that identified vehicles were turned in, to assure that the vehicles assigned to a function are necessary, and that the utilization criteria are applied consistently and fairly. The vehicle fleet of the State of

Colorado is comprised of many different types of vehicles used for many different purposes. There are low annual mileage vehicles used in support roles such as Facilities Management where the vehicle is confined to a limited area and functions more as a mobile shop than as a vehicle. The usage also differs from being a work support vehicle to law enforcement, prisoner transport, regulatory code enforcement, road maintenance, education, etc.

Fuel Impact

	Aver. Cost/Gallon	July Cost/Gal.	June Cost/Gal.	Aver. Cost/Mile	Aver. Miles/Gal.
FY2002	\$1.036	\$1.230	\$1.059	\$.0641	16.161
FY2001	\$1.225	\$1.281	\$1.373	\$.0764	16.024
FY2000	\$.997	\$.821	\$1.223	\$.0626	15.935
FY1999	\$.737	\$.797	\$.8116	\$.0457	16.142

The above table displays fuel expense and also demonstrates the volatility of this category of cost. Fuel is the most significant component of fleet operating expense, accounting for approximately 40% to 50% of overall fleet running expense. However, because fuel is a market driven commodity given to wild fluctuations in price it skews year over year analyses of fleet cost per mile trends. By monitoring and tracking non-fuel operating expense for trend purposes we can get a more accurate and objective assessment of real trends in maintenance costs and are better able to monitor the success of cost reducing strategies and initiatives. (For the State, a \$.10 increase in the cost per gallon of fuel translates into a \$470,000 increase in total expense.)

Motor Pool

OBJ: To implement an automated motor pool system in the Capitol Complex Motor Pool by 12/31/03 and then start to expand regional pools throughout the fiscal year.

STRATEGY: Improve Processes

MEASURE		FY2001	FY2002	FY2003	FY2004
Ave. Miles/vehicle	Target	19,750	22,000	18,000	18,000
	Actual	19,659	17,246	N/A	N/A
Rental Days Utilized	Target	80%	83%	83%	83%
	Actual	70%	78%	N/A	N/A
# of Motor Pools	Target	1	1	3	5
	Actual	1	1	N/A	N/A

Currently, Fleet Management operates a Motor Pool of approximately 51 vehicles in the Capitol Complex area. These vehicles are used by numerous agencies to meet travel needs ranging typically from daily to weekly, local and long distance. In an effort to implement the NCC recommendation, Fleet Management is looking into the expansion, centralization, and regionalization of Motor Pool operations in such areas as Pueblo,

Grand Junction, and Ft. Collins. New Motor Pool software will facilitate those Motor Pools. Fleet expects to have the reservation system implemented and one or more regional pool locations established and operating by December 31, 2002.

Trends and Other Baseline Information

The Fleet Management program has enrolled all vehicles by statute of ¾ ton and less including sedans, vans, SUV's, and pickup trucks. In addition, many agencies have requested that Fleet also enroll their other sized vehicles such as handicap-configured busses, refrigerated vans, tractor-trailers, and hazmat vehicles and motorcycles. Fleet is currently managing 109 vehicles that fall outside the mandated statute to the benefit of the requesting agencies.

As of June 30, 2002, Fleet has 5800 active vehicles in the fleet. Those vehicles in storage waiting to be readied for use, or pending sale/reassignment are not counted as active. Fleet analyzes and identifies vehicles for replacement, and responds through legislative channels to agency needs for additional vehicles.

<i>Fiscal Year</i>	<i>Annual Miles</i>
FY2002	76,011,456
FY2001	74,747,177
FY2000	73,571,424
FY1999	70,742,836
FY1998	66,541,191

The above table displays miles traveled by the fleet. Our program expenses are in three main areas that are charged back to the using agency. A **fixed rate** per month to recover the cost of the vehicle, a **variable rate** per month to capture actual historical expenses for fuel, maintenance and insurance, and a **management fee** to capture indirect fleet expenses for items such as salaries, rent, statewide cost allocations, and miscellaneous operating costs.

As a result of recommendations from New Century Colorado most of the sales proceeds for the majority of agencies are retained and applied as an offset to the management fee. By applying the sales proceeds to reduce the management fee, Fleet has been able to lower the previous cost from \$30 per month to \$17 in FY2002 and to further reduce the fee to \$14.50 for FY2003. CU Boulder, CSU and the Division of Wildlife, due to funding issues, elected to not participate in this auction pool. Therefore, their management fee was \$30 per month in FY2002 and will be \$25 in FY2003.

The state fleet program is designed to handle all aspects of a vehicle's life from the time of acquisition through disposal. Fleet manages all lifetime maintenance and repairs, fuel expense, and accident repairs. Fleet further manages this pool of vehicles for all state agencies helping to control unnecessary expenses and when necessary, to redeploy vehicles from one agency to another optimizing vehicle effectiveness. The program also gains economies of scale and significant price reductions through aggregating purchasing opportunities and funding resources. Fleet is also able to negotiate many privatized services for the state at the lowest cost possible. Examples include financing; fuel cards, and commercial fueling stations; glass, tire, towing, maintenance and repair services, and body repairs.

Customer Requirements

Customer	Requirement
State Employees	To have good, safe, reliable, and cost effective vehicles to accomplish their agencies mission.
Legislature	To have a professional staffed centralized program to manage vehicle assets and to report back critical information.
Public	To know that vehicle assets are being managed in the most cost effective and economical manner possible for their tax dollars spent.
Private Sector	To have a point of contact for business arrangements while providing fleet related services in financing, new and used vehicles, repairs and maintenance, and fuel.

Considerable effort was spent in FY2002 on efforts to improve customer service. Footnote 67 (which focused on addressing issues between Fleet and Higher Education) ended with a resolve to work the remaining issues between the two organizations in a formalized plan within the framework of mutual SLA's (Service Level Agreements). This will be a major focus of FY2003. Many critical issues have already been resolved with solutions in place. Examples include after-hours emergency phone handling, flexibility in the handling of "denied repairs", and the improvement of processes to make the focus on the needs of the customer rather than the needs of Fleet.

NCC Recommendations

The program has operated to centrally manage the fleet resources of the State since its inception by statute in FY1993. The approach of State Fleet Management is to work with all agencies, and to understand and accommodate their unique requirements wherever possible, in order to demonstrate the value of a well managed centralized program to them as well as the state. This is a major focus of Fleet's current efforts.

In FY2001 New Century Colorado made several recommendations and Fleet has worked to implement these recommendations with the following results:

<i>NCC RECOMMENDATION</i>	<i>STATE FLEET RESULTS</i>
1. Improve vehicle utilization concentrating on vehicles that fall below mileage expectations and experience higher total operating costs.	The first report based on the new utilization codes resulted in a reduction of approx. 186 vehicles in FY2002 and an increased agency awareness of the importance of proper utilization.
2. Transfer the net disposal proceeds from sale of vehicles to Fleet Management to offset vehicle lease payments.	This is working well and has allowed the participating agencies to reduce their management fees by approximately 50%

<p>3. Restructure the State Patrol vehicle ordering process to reduce inventory levels and thus reduce the financing cost.</p>	<p>This was not feasible in FY2002 due to minimal funding for CSP vehicles. This is currently being worked on between CSP and SFM for the FY2003 replacement cycle.</p>
<p>4. Establish more accurate utilization criteria and tighten criteria for commuting.</p>	<p>Utilization criteria have been changed. Commuting criteria, based on input from a "rules" hearing, has been put on hold.</p>
<p>5. Improve customer service in areas of:</p> <ul style="list-style-type: none"> • Vehicle replacement criteria. 	<p>Currently being worked on. However, FY2002 budget tightening did not allow for an extensive outside analysis and recommendation as was planned.</p>
<ul style="list-style-type: none"> • Role of the MVAC 	<p>This has improved. The MVAC is currently working on a number of fleet related projects to generate improvements for the benefit of all users.</p>
<ul style="list-style-type: none"> • Enhance capabilities of CARS for data access by customers 	<p>Ongoing with increased access granted. An entire new module was implemented in FY2002 to allow users to readily monitor and manage their vehicle utilization.</p>
<ul style="list-style-type: none"> • Improve timeliness of replacing vehicles for customers and addressing seasonal needs. 	<p>This issue continues to pose problems for SFM. With reduced funding available, the existing fleet is being driven longer and fewer vehicles are being replaced. This creates the situation where fewer vehicles turned in and many of these are not mechanically reliable or are unsafe for addition use or reassignment to meet seasonal needs.</p>
<ul style="list-style-type: none"> • Identify other sources of finding replacement vehicles when needed. 	<p>SFM is continuing to work this issue. Fleet has contracted with an outside firm to locate good used vehicles for purchase when other options have been exhausted, and this option has been used numerous times.</p>
<ul style="list-style-type: none"> • Provide an annual report on aspects of the management fee and variable fees charged. 	<p>SFM has provided state agencies with cost reports and has discussed the rationale used to project future charges in meetings of the MVAC to gain better understanding and consensus.</p>
<p>6. Implement one fleet software package for all agencies and higher education.</p>	<p>This recommendation will require considerable funding and resource commitment. In the meantime, Fleet is conducting a gap analysis between CARS and FleetAnywhere (which is the second most widely used fleet program in the state) to determine the best system strategy for the future.</p>

Certificates of Participation (COP) Funding

The State fleet was refinanced in FY2002 for a savings NPV of approximately \$2.3 Million over the life of the leases. This was accomplished through an innovative approach to funding vehicle assets called COPs (Certificates of Participation). COPs are a relatively common method of financing other asset classes such as buildings, but are relatively new in the area of fleet financing. In this approach the fleet is funded through the sale of bonds through a public bond auction. The final effective interest rate was 3.2%. This was a reduction from the existing financing which averaged approximately 5.9%, and was also a considerable improvement over the estimated new lease rate of 5.1% through traditional lenders. New vehicles for FY2002 were also financed through COPs, and fleet will be negotiating new COP funding for FY2003.

Program Crosswalk

Program Title: Property Maintenance – Denver (Capitol Complex Facilities)

Line Items

Personal Services
Operating Expenses
Capitol Complex Repairs
Capitol Complex Security
Utilities
Indirect Cost

Change Request(s) None

Federal/State Statutory and Other Authority

Sections 24-1-136.5; 24-82-101; 24-82-102; 24-82-103; 24-30-1303; 18-9-117, CRS
(combined with 24-82-101).

Target Base Review: Not Scheduled

Program Description

Capitol Complex Facilities is a full service, property management business. The Property Maintenance – Denver program is responsible for providing building maintenance (including HVAC, plumbing, electrical, elevators, lights, general maintenance, etc.), day and evening custodial (in-house and contractor), grounds maintenance and building security among a variety of other services. Currently these programs provide services for: 1) the Capitol Hill Campus which includes the Human Services Building, the State Office Building, the State Services Building, the Woodward House Building, the State Capitol Building, the Executive Residence, the Legislative Services Building, the Capitol Annex Building, the Power Plant Building (and all trades shops), the Centennial Building and 1570 Grant Street Building; 2) the North Campus which includes three industrial and office buildings; and 3) the West Campus which includes the Dale Tooley Office Building (690 Kipling) and the 700 Kipling Building and 1881 Pierce Street Building. The Construction and Design Management Program plans and manages the design and construction of Capitol Construction/Controlled Maintenance projects and assists the Capitol Complex maintenance staff in identifying facility needs based on the 5-year program plan. This program assists tenants with their space planning and construction needs.

Prioritized Objectives and Performance Measures

Purchase and implement a Computerized Maintenance Management System (CMMS).					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Purchase the software system.	Target	N/A	100%	N/A	N/A
	Actual	N/A	100%	N/A	N/A
MEASURE: Load software on server and provide staff training.	Target	N/A	75%	100%	N/A
	Actual	N/A	75%	N/A	N/A
MEASURE: Utilize CMMS reports to identify efficiencies and develop operating costs per building.	Target	N/A	25%	100%	N/A
	Actual	N/A	0%	N/A	N/A
MEASURE: Purchase hand held devise to enable direct data input from the work site to enhance the accuracy and timeliness of the data entry.	Target	N/A	N/A	25%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Train staff on use of hand held devise to enable direct data input from the worksite.	Target	N/A	N/A	25%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Implement on-line inventory module.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Research and recommend additions and expansions to the system.	Target	N/A	N/A	50%	100%
	Actual	N/A	N/A	N/A	N/A

Establish Ownership Role

Create Yearly Controlled Maintenance (CM) Request Book by September 1, 2001 and subsequent years.

		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Submit CM request book by September 1 st each year.	Target	N/A	100%	Completed	N/A
	Actual	N/A	100%	N/A	N/A

Establish Ownership Role

Refine/finalize a Design/Construction Monthly Project Status Report by September 30, 2001 and subsequent years.

		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Submit final format for the Project Status Report to State Buildings Program manager	Target	N/A	100%	Completed	N/A
	Actual	N/A	100%	N/A	N/A
MEASURE: Submit monthly reports.	Target	N/A	100%	Completed	N/A
	Actual	N/A	100%	N/A	N/A

Additional Information:

The above objectives were completed in FY02 and are listed for informational purposes only.

Rise to Industry Standards

Develop an Energy Performance Contract to assure efficient energy usage through the replacement of outdated building systems funded through energy saving.

		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Review, coordinate and finalize the gathering and analysis of base data with Office of Energy Management and Conservation.	Target	N/A	100%	Completed	N/A
	Actual	N/A	100%	N/A	N/A

MEASURE: Initiate procedures for a Performance Contract.	Target	N/A	100%	Completed	N/A
	Actual	N/A	100%	N/A	N/A
MEASURE: ESCO Selection.	Target	N/A	N/A	100%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: ESCO Technical Audit.	Target	N/A	N/A	100%	N/A
	Actual	N/A	N/A	N/A	N/A
MEASURE Installation and upgrade of systems.	Target	N/A	N/A	N/A	100%
	Actual	N/A	N/A	N/A	N/A

Establish Owner/Tenant parameters.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Define and implement a process and procedures manual for tenant improvements.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Create, distribute and implement a tenant handbook that outlines all of the responsibilities of Capitol Complex and the responsibilities of the tenant.	Target	N/A	N/A	100%	N/A
	Actual	N/A	N/A	N/A	N/A
MEASURE: Establish a standard for monitoring CM and CC projects.	Target	N/A	N/A	100%	N/A
	Actual	N/A	N/A	N/A	N/A
MEASURE: Collaboration with Real Estate Programs to align tenant handbook with leases.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A

Trends and Other Baseline Information

Capitol Complex is continuing with its utilization of the Building Owners and Managers Association (BOMA) data as a benchmark for industry standards of service. To accomplish this goal, Capitol Complex is segregating functions to better compare to the BOMA data. This reorganization of functions has included adding the following work groups within the unit.

- Grounds/Housekeeping
- Administrative Support
- Maintenance
- Energy Management/Tenant Relations

By reorganizing these functions the data can more accurately be compared to the BOMA data to determine how Capitol Complex compares to the BOMA standards and the private sector. In addition the reorganization of the unit has provided the opportunity to have more focused administrative support to administer and manage the Computerized Maintenance Management System (CMMS), by adding the Energy Management/Tenant Relations function, Capitol Complex is now able to have a centralized focus on tenant relations as well as track and monitor energy use in our buildings.

The reorganization of the unit directly supports the continued development and implementation of the CMMS that will better isolate functions not considered routine maintenance in the private sector. With the data from this system, we will be able to create reports that will show costs by building to compare to BOMA data to see if we are equal to or less than the private sector price per square foot.

BOMA	1998	1999	2000	2001 *
Cleaning	\$1.26	\$1.22	\$1.59	
Repairs & Maintenance	\$1.47	\$1.45	\$2.10	
Utilities	\$1.88	\$1.81	\$2.25	
Roads & Grounds	\$0.10	\$0.19	\$0.32	
Admin Costs	\$1.10	\$1.03	\$0.52	
Total	\$5.81	\$5.70	\$6.78	\$0.00

Capitol Complex	FY98/99	FY99/00	FY00/01	FY01/02 *
Cleaning	\$1.44	\$1.53	\$1.54	
Repairs & Maintenance	\$2.19	\$2.29	\$2.61	
Utilities	\$2.82	\$2.79	\$3.02	
Roads & Grounds	\$0.26	\$0.34	\$0.31	
Admin Costs	\$0.86	\$0.52	\$0.47	
Total	\$7.57	\$7.47	\$7.95	\$0.00

*Data not available at this time. New data can be provided for 2001/2002 when available from BOMA and COFRS.

Using the above data shows a gradual alignment with the private sector although it has been identified that the utilities and the repair and maintenance functions are the least favorable comparison with the private sector. Both areas are being addressed through the objectives addressing performance management contracting and the further development of the CMMS.

Customer Requirements

Building tenants	A safe, comfortable, and clean working environment
The First Family	A comfortable, clean and safe home
State Taxpayers	Provide a dollar's worth of service and value for every dollar spent
All division staff and activities	Support in achieving their goals, provide them the necessary tools and information to service their customers
All state departments and institutions and staff	Assistance in satisfying their real estate needs to ensure they achieve their goals and are able to service their customers

Program Crosswalk

Program Title: Property Maintenance - Grand Junction (Capitol Complex Facilities)

Line Items

Personal Services
 Operating Expense
 Utilities

Change Request(s) None

Federal/State Statutory and Other Authority: Sections 24-1-136.5; 24-82-101; 24-82-102; 24-82-103; 24-30-1303; 18-9-117, CRS (combined with 24-82-101).

Target Base Review: Completed in Fiscal Year 2002-03.

Program Description

Capitol Complex Facilities is a full service, property management business. The Property Maintenance – Grand Junction program is responsible for providing building maintenance (in-house and contractor), evening custodial (contractor), grounds maintenance (contractor), controlled maintenance construction oversight, among a variety of other services, with this single building.

Prioritized Objectives and Performance Measures

Provide tenants at the Grand Junction State Office Building with optimum service by collaboratively managing the property with Department of Human Services, Division of Facilities Maintenance.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Conduct feasibility study to determine the benefits of transferring the property management responsibility from Capitol Complex to Human Services.	Target	N/A	100%	Completed	Completed
	Actual	N/A	100%	Completed	Completed

The above objective was completed in FY2001-02 and is provided for informational purposes only.

Establish Ownership Role.					
Reestablish Capitol Complex as the Sole Property Management Agency for the Grand Junction State Office Building.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Recruit and hire an employee to provide the property maintenance function at the Grand Junction State Office Building.	Target	N/A	N/A	100%	Completed
	Actual	N/A	N/A	N/A	Completed
MEASURE: Load Computer Maintenance Management System (CMMS) software at the Grand Junction location, provide staff training and follow the measures established in the Denver Prioritized Objectives and Performance Measures for CMMS implementation.	Target	N/A	N/A	25%	100%
	Actual	N/A	N/A	N/A	N/A

Rise to Industry Standards					
Develop an Energy Performance Contract to assure efficient energy usage through the replacement of outdated building systems funded through energy saving.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Review, coordinate and finalize the gathering and analysis of base data with Office of Energy Management and Conservation.	Target	N/A	100%	Completed	Completed
	Actual	N/A	100%	Completed	Completed

MEASURE: Initiate procedures for a Performance Contract.	Target	N/A	100%	Completed	Completed
	Actual	N/A	100%	Completed	Completed
MEASURE: ESCO Selection.	Target	N/A	N/A	100%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: ESCO Technical Audit.	Target	N/A	N/A	100%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE Installation and upgrade of systems.	Target	N/A	N/A	N/A	100%
	Actual	N/A	N/A	N/A	N/A

Establish Owner/Tenant parameters.					
		FY00-01	FY01-02	FY02-03	FY03-04
MEASURE: Define and implement a process and procedures manual for tenant improvements.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Create, distribute and implement a tenant handbook that outlines all of the responsibilities of Capitol Complex and the responsibilities of the tenant.	Target	N/A	N/A	100%	100%
	Actual	N/A	N/A	N/A	N/A
MEASURE: Establish a standard for monitoring CM and CC projects.	Target	N/A	N/A	100%	100%
	Actual	N/A	N/A	N/A	N/A

MEASURE: Collaboration with Real Estate Programs to align tenant handbook with leases.	Target	N/A	N/A	75%	100%
	Actual	N/A	N/A	N/A	N/A

Trends and Other Baseline Information

The results of the feasibility study of transferring the property management responsibilities from Capitol Complex to Department of Human Services; Division of Facilities Management (HS - DFM) resulted in HS - DFM reporting the need for additional appropriation to adequately service the building. They utilized a "Facilities Benchmarking Study" conducted by Integrated Industrial Technologies to substantiate that the current appropriation appears to be inadequate. In addition to the above evaluation, recent budget cuts in the Grand Junction Personal Services and the 4% General Fund cut in the HS -DFM budget the decision was made that it was not economically feasible to transfer the property management function.

Below is a comparison to the private sector utilizing BOMA data.

BOMA	1998	1999	2000	2001 *
Cleaning	\$0.88	\$0.98	\$1.04	
Repairs & Maintenance	\$1.06	\$1.16	\$1.89	
Utilities	\$1.73	\$1.72	\$1.69	
Roads & Grounds	\$0.26	\$0.26	\$0.35	
Total	\$3.93	\$4.12	\$4.97	\$0.00

Capitol Complex	FY98/99	FY99/00	FY00/01	FY01/02 *
Cleaning	\$1.16	\$1.19	\$0.97	
Repairs & Maintenance	\$2.08	\$2.15	\$2.17	
Utilities	\$1.48	\$1.17	\$1.76	
Roads & Grounds	\$0.24	\$0.20	\$0.20	
Total	\$4.96	\$4.71	\$5.10	\$0.00

*Data not available at this time. New data can be provided for 2001/2002 when available from BOMA and COFRS.

Using the above data shows a gradual alignment with the private sector although it has been identified that the utilities and the repair and maintenance functions are the least favorable comparison with the private sector. Both areas are being addressed through the objectives performance management contracting and the further development of the CMMS.

Customer Requirements

Building tenants	A safe, comfortable, and clean working environment
State Taxpayers	Provide a dollar's worth of service and value for every dollar spent
All division staff and activities	Support in achieving their goals, provide them the necessary tools and information to service their customers
All state departments and institutions and staff	Assistance in satisfying their real estate needs to ensure they achieve their goals and are able to service their customers

Program Crosswalk

Program Title: Property Maintenance – Camp George West (Capitol Complex Facilities)

Line Items

Personal Services
Operating Expenses
Utilities

Change Request(s) None

Federal/State Statutory and Other Authority:

Sections 24-1-136.5; 24-82-101; 24-82-102; 24-82-103; 24-30-1303; 18-9-117, CRS (combined with 24-82-101).

Targeted Base Review: This program will be reviewed after Fiscal Year 2004-05.

Program Description

Capitol Complex Facilities is a full service, property management business. The Property Maintenance – Camp George West program is responsible for providing site maintenance including grounds maintenance, utilities, trash disposal, snow removal, lot and road repair, controlled maintenance and capitol construction project management services, among a variety of other services.

Prioritized Objectives and Performance Measures

See Property Maintenance – Denver Prioritized Objectives and Performance Measures.

Trends and Other Baseline Information

Capitol Complex is continuing with its utilization of the Building Owners and Managers Association (BOMA) data as a benchmark for industry standards of service. To accomplish this goal, Capitol Complex is segregating functions to better compare to the BOMA data. This will be enhanced by the development and implementation of the Computerized Maintenance Management System (CMMS) that will better isolate functions not considered routine maintenance in the private sector. With the data from this system, we will be able to create reports that will show costs by utilities and maintenance functions to compare to BOMA data to see if Capitol Complex costs are equal to or less than the private sector price per square foot.

Customer Requirements

Tenants at Camp George West	A safe, comfortable, and clean working site environment
State Taxpayers	Provide a dollar's worth of service and value for every dollar spent

Program Crosswalk

Program Title: Finance and Procurement

Line Items:

(A) State Controller's Office and Procurement Services

Personal Services

Operating Expenses

(B) Supplier Database

Personal Services

Operating Expenses

Change Requests: Decision Item #, Procurement Card Program

Federal/State Statutory Authority:

Colorado Revised Statutes include: 24-17-103; 24-30-201; 24-30-202; 24-30-202.4; 24-30-202.5; 24-30-207; 24-52-101 through 103; 24-75-102; 24-75-105 through 111; 24-75-201.3; 24-75-202 through 204; 24-75-212 through 214; 24-75-301 through 305; 24-75-402; 24-101-101, et. seq. (Colorado Procurement Code, including supplier database cash fund).

Targeted Base Review: Central Payroll was conducted in FY2001-02

Program Description

As part of the Department of Personnel & Administration (DPA) efforts, the Division of Finance and Procurement (DFP) has increased in size to include both Central Collections Services (CCS) and State Buildings and Real Estate Programs (SBREP). These two agencies joined the division in January 2002. The Program Crosswalks for the two new division sections – SBREP and Central Collections Services – are separate and aligned with the Long Bill line item descriptions. This crosswalk focuses on the State Controller's Office (SCO), including Central Payroll, and Procurement Services -- the State Purchasing Office (SPO). The supplier database line is also included in this crosswalk.

State Controller's Office

The State Controller is statutorily charged with managing the financial operations of the state, including statewide financial reporting, policy and procedure guidance for financial administration and control for all state agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System (COFRS). The SCO maintains budgetary control for statewide finances, reviews and processes contracts for the state, issues warrants for the state, provides specialized accounting services to state agencies, manages the statewide central payroll operations, and develops the annual

statewide indirect cost allocation plan. A primary responsibility of the State Controller is to approve all state expenditures prior to the obligation being incurred. The controller must determine that statutorily authorize proposed expenditures and prices or rates paid are fair and reasonable. The State Controller also promulgates the Fiscal Rules, which govern financial transactions.

State Purchasing Office

The procurement of goods, services, and construction in the Executive Branch is governed by the Colorado Procurement Code (CRS 24-101-101 et seq.). The SPO manages procurement services by establishing statewide procurement policy, including rulemaking. The SPO renders decisions in disappointed bidder protests and appeals from procurements statewide, manages the state's on-line bidding notification system -- the Bid Information and Distributions System (BIDS) -- the Business Development program, and Procurement Card Program. The SPO develops and offers procurement training, conducts procurements for the DPA and other non-delegated agencies, and solicits and administers statewide price agreements for orders placed by state agencies, institutions, and political subdivisions.

The Supplier Database (commonly called the Bid Information and Distribution System or BIDS) is an automated notification mechanism to disseminate information about solicitations for goods and services that have to be competitively bid under the Colorado Procurement Code.

Prioritized Objectives and Performance Measures

Objective 1.1: Fulfill statutory reporting and financial control responsibilities.

Satisfy financial information requirements of the SCO customers and control the financial affairs of the state within fiscal year budgets and as dictated by statutes, rules and professional guidance.

Measure: Performance measures are percent of statutory reports and contracts completed on time and accurately. Workload measures appropriation documents processed, COFRS payments issued, payroll warrants and advices issued, 1099's issued, and total contracts approved.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual/Est.	FY02-03 Estimate Yr	FY03-04 Projection
AP documents	4,467	4,249	4,500	4,500	4,500
COFRS warrants	955,952	952,924	846,204	840,000	835,000
Payroll advices, etc	515,198	521,543	537,442	540,000	545,000
W-2's	49,612	51,245	51,450	52,000	52,000
1099's	12,573	12,819	13,408	13,500	13,500
Contracts Approved	3,966	3,555	2,736	2,300	2,000
% Contracts target timely actual	89.8%	91.8%	New 94.2%	97%	97%
% Rpts timely target & accurate actual	90%	90%	New 100%	100%	100%

Objective 1.2: To increase BIDS vendor registration 10% per year, with meaningful representation by minority or women-owned (M/WBE) firms.

Measure: Measures the number of vendors registered on BIDS who can download solicitations and specifications. Performance measure tracks the percentage of registered vendors who are minority or women-owned firms.

	FY98-99 Actual	FY99-00 Actual	FY00-01 Actual	FY01-02 Estimate Yr	FY02-03 Estimate Yr	FY03-04 Projection
Total vendors	5,160	6,080	7,025	7,965	8,760	9,630
M/WBE % target			26%	New	29%	29%
actual				30%		

Objective 1.3: On average, to re-compete all price agreements competitively every four years while providing professional procurement support for the DPA and other state agencies without full procurement delegations.

Measure: Workload measures track numbers of solicitations by SPO purchasing agents, as well as the total number of price agreements (PA) they administer. Performance measure tracks the volume of orders placed by state agencies/institutions, as well as the percentage of price agreement volume that is competed by SPO annually in order to optimize value.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Estimate Yr	FY02-03 Estimate Yr	FY03-04 Projection
Number of competitive solicitations/RFIs by the SPO	78	50	59	60	60
Number of PA administered by the SPO	250	293	324	340	340
PA orders by political subdivisions	\$42M	\$81.3M	\$85M	\$85.7M	\$94.0M
PA orders by state agency/institutions	target actual		New \$153.7M	\$155M	\$170M
PA volume competed annually	target actual		10% 21%	23%	25%

Objective 1.4: To perform risk-based oversight and monitoring of agencies' financial programs.

Measure: Workload measure tracks numbers of on-site reviews, specific training of State Controller signature delegates, and quarterly reviews of SCO diagnostic reports with

agencies, review and approval of agency indirect cost plans, and internal audits conducted.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate Yr	FY03-04 Projection
On-site visits	147	109	112	110	110
Fiscal Rule waivers	215	266	236	230	225
Statutory violations	102	210	171	170	150
Delegate training	New	22	27	36	48
Indirect cost plans reviewed	16	14	12	12	12
TOTAL	target		New	578	570
	actual	480	621	558	

Objective 1.5: To develop a program for risk-based procurement oversight and monitoring of agencies with delegated authority, with appropriate monitoring of each agency/institution completed once every two years.

Measure: Workload measure tracks numbers of formal on-site peer reviews of purchasing offices, vendor appeals subject to SPO investigation/inquiry, numbers of agencies screened through purchase orders and on-line solicitation review, and on-site purchasing director one-on-one meetings with the State Purchasing Director.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Estimate Yr	FY02-03 Estimate Yr	FY03-04 Projection
Peer Reviews	1	1	4	6	8
Vendor Appeals	19	19	16	17	17
Other oversight activities	11	4	1	8	12
TOTAL	target		New	31	37
	actual	31	24	21	

Objective 2.1: To offer needs-based skill development training to develop and maintain a competent and high performing statewide workforce.

Measure: Total number of employees trained.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate Yr	FY03-04 Projection
Procurement Training	70	77	54	80	100
PAC Training	166	167	172	168	168
SCO Training*	386	572	1650	1450	1450
Employees Trained	target		New	1698	1718
	actual	622	816	1876	

*Central Payroll and Contract Unit included beginning in FY01-02.

Objective 2.2: To promote maximum, effective use of the procurement card, increasing the numbers of transactions through the system 30% in three years.

Measure: Tracks the dollar value and number of transactions done with the procurement card. Measure is based on percentage increases in transactions over the preceding fiscal year.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Estimate Yr	FY02-03 Estimate Yr	FY03-04 Projection
\$ of Transactions	\$62.1M	\$81.6M	\$101.2M	\$100M	\$121.4M
# of Transactions	327,349	433,771	527,645	528,000	633,174
% increase	target		New	0%	20%
	actual	31.4%	24%		

Objective 2.3: Achieve and maintain good customer satisfaction (4 out of 5 scale).

Measure: Average of customer survey responses on scale of 1-5, with 3 fair, 4 good, and 5 outstanding customer satisfaction.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate Yr	FY03-04 Projection
Average	target		New	4.0	4.0
	SPO actual	3.91	3.9 (est.)		
	SCO actual	4.5	4.5		

Trends And Baseline Information

The DFP envisions providing leadership to our constituent state agencies and institutions in each of the areas of expertise within the Division—purchasing, accounting, payroll, contracting, collecting receivables and building and real estate services. The Division also has a commitment to the development of best business practices. To that end, one of the goals is to provide leadership through advances in technology for use of state agencies such as with BIDS, innovative use of COFRS tables and reporting, the financial data warehouse, other databases or the Division’s website. Using electronic media to communicate with our customers rather than inundating them with paper continues our focus on best business practices. Our mission is to continue to meet our objectives as efficiently as possible for both our customers and us. The Division is especially proud of last year’s consolidated rule-making, which streamlined procurement and contracting and provide more flexibility to agencies and institutions. Trends and significant accomplishments in these and other areas follow.

Objective 1.1, SCO Reporting and Financial Control

Trends. Although the number of reports required in the statutes decreased, the number of reports requested by the Legislature and the Governor’s Office have increased. This has been especially the case as the state’s budget has tightened. The workload measures include the number of appropriation (AP) documents processed in order to record the state’s budget, the number of payments recorded on the state’s accounting system

(COFRS) and the number of 1099's issued to vendors. Payroll warrants, advices of electronic deposit and manual warrants measure activity in Central Payroll; W-2's are completed by Central Payroll, as well. The SCO anticipates the number of COFRS payments to decrease with the increased use of the procurement card.

Significant Accomplishments:

Reports Online - Continued to expand the utilization of the Division's website for disseminating the SCO reports statewide as well as using electronic mail distributions. Provided on-line access to state fiscal rules, fiscal procedures manual, contract management manual, 1099 and tax reporting guides, financial reports, and a variety of accounting forms. Over 44,000 hits are received monthly. Links to State Buildings and Real Estate Programs, Central Collections Service, and Central Payroll have been added to the website.

Financial Data Warehouse - In cooperation with the Technology Management Unit, a financial data warehouse is operational through the Internet. There are a number of users representing agencies accessing the warehouse for budgetary and financial information. The number of reports has been increased and an ad hoc reporting capability has been added to the Internet accessible screens. This "warehouse" makes the information on COFRS more easily accessible to all state employees.

Implementation of GASB 34/35 - Governmental Accounting Standards Board (GASB) Statement Nos. 34 and 35 require major changes in financial reporting for all government entities. As a result, the State planned the implementation of these standards starting July 1, 2001. The planning included interpretation of the new standards, assessing necessary changes to the existing accounting system and assessing necessary changes to the current accounting policies and procedures. The June 30, 2002 close was the first one for Colorado under the new reporting model. Although there were some issues, the process went smoothly.

Warrant Design Improvement - A review of warrant security features was conducted. The findings were used to add security to the COFRS warrants. The information learned in this process will be shared with other state agencies using warrants to improve their security.

Central Payroll. During this year there were new challenges for Central Payroll. First, the TALX program for employment verification has been implemented in all agencies paid through the central payroll system. It allows persons needing verification of employment for such things as loan applications to receive them almost immediately. Second, payroll tables were changed to implement Federal tax law changes for defined contribution plans and additional changes were made in payroll to accommodate the new policy concerning payroll deductions. Third, and most important, payroll deadlines were all met. At times, this means Central Payroll staff working directly on agency payrolls when staff turnover results in a lack of knowledge to complete payroll on their own. (See FY2002-03 Targeted Base Review for Central Payroll.)

Objective 1.2, Bid Information and Distribution System (BIDS)

Trends. Current trends in the area of e-commerce and technology are driving changes in our business processes. These changes will offer considerable benefit but continue to raise resource issues around funding, personnel to maintain the processes and a legal structure to support and maintain privacy and security. This past year, Procurement Rule changes were adopted to enable more electronic bidding. Vendor expectations are changing as new technology becomes available to enable more e-business. Adoption of this technology requires resources to make the changes and training to support the changes.

Maintaining a robust competitive environment is a priority. The measures reflect the importance of continuing to attract suppliers to the system, and maintaining a meaningful representation by small businesses. The SPO uses an outreach program and statewide advertising to encourage participation in state bidding by Colorado business.

Notably, the vendor registration has more than doubled over the past four years, without any attendant increase in FTE. So far, the SPO has effectively used technology to manage the increasing vendor demands without more staffing.

Significant Accomplishments:

BIDS. During the past year, the SPO completed the on-line registration process, and BIDS will be a pilot program under the State Treasurer's credit card acceptance program. This will enable vendors to complete the payment process when they register on-line, rather than requiring them to send a check separately. The SPO has also made substantial progress toward an e-mail invoicing process, which will reduce and ultimately eliminate the need to print and mail renewal notices and final notices to over 7,000 vendors per year. The SPO is currently working on a system to enable "push" notices to vendors via e-mail, thereby eliminating the need for vendors to monitor the BIDS web site continually. This step should increase competition for state bids and reduce the administrative burden on vendors. Work is also underway on a process to accept documented quotes electronically.

E-Procurement System Pilot. The joint Colorado/Utah e-procurement system contract was awarded on August 31, 2000. The system would have supplemented BIDS functionality by adding a catalog on-line ordering system. The contract envisioned a pilot period of performance before the states committed to full-scale production. The pilot ended on January 25, 2002. During the months of December and January, both states conducted an exhaustive evaluation of the pilot performance period. Colorado received user feedback from pilot users in the three pilot agencies – the Departments of Human Service, Labor and Employment, and Personnel & Administration. Individual interviews were conducted with the 17 suppliers who participated in the pilot. The DPA concluded that, while the system had potential, the benefits of proceeding to full-scale production did not outweigh the costs and risks involved. The pilot revealed significant user and supplier adoption challenges – consistent with the experiences of other

implementations nationally – that would have prevented the ordering volume necessary to support a production deployment of this fee-based system. On February 21, 2002, the DPA's executive director elected not to proceed to full-scale production. Utah made the same decision. The DPA contractual strategy mitigated risks to the state, enabled a comprehensive pilot of the system, and permitted an informed analysis before committing contractually to full-scale production.

Business Development Program. The Business Development Coordinator has achieved and maintained excellent working relationships with the Governor's Office of Economic Development and with many minority and women's business groups. In fact, the director's of the Small Business Office, Minority Business Office, and the Women's Business Office were guest speakers at the Purchasing Advisory Council meeting in September, and representatives of the Denver Hispanic Chamber of Commerce spoke at the May Procurement Advisory Council meeting. The Business Development Coordinator participated in 22 vendor events and in the monthly Basic Procurement Training offered by the State Purchasing Office. BIDS M/WBE registration reached 30 percent indicating that the Business Development Coordinator has reached the M/WBE community, has educated them about the basics of doing business with the state, and has created an interest in doing business with us.

Objective 1.3, Price Agreements and Other Procurements

Trends. Procurement Support to Governor's Offices, OIT and OEMC in particular, has been on the increase. Procurement and contracting issues have become more complex. As demonstrated in the summary of accomplishments below, cooperative procurement is also on the rise. Colorado is an active participant in the Western States Contract Alliance (WSCA), a 15 state consortium of state chief procurement officials. Colorado has participated in significant WSCA procurements and contracts for computers and peripherals, industrial supplies, wireless services, and network and data communication equipment and supplies. While these procurements are resource-intensive for SPO, the awards are very popular with state departments/institutions and local governments.

Significant Accomplishments:

Price Agreements – Especially notable price agreement awards this past year include those for Office and Print Shop Paper (which combined cut sheet, NCR and watermark papers that were previously handled on separate bids), Automotive Vehicles, Temporary Services and Ammunition. An award was made for a price agreement for a brand new commodity area: Rental of Telephone Systems. New BIDS on-line price agreement functionality will permit more effective and efficient management of price agreements. The improvements will assist in allowing more sorting options (by vendor and by agreement number), in tracking vendor insurance coverage information and in providing more options in automatic generation of routine administration correspondence such as invitations to vendor meetings.

Cooperative Purchasing – Awards of price agreements for Laboratory Tissue Culture and Plastic Ware were made in cooperation with the purchasing department at Colorado State University. The SPO participated on a re-bid and subsequent award for Advertising Services (which now covers radio and television in addition to print media) issued by the City and County of Denver for the Municipal Assembly of Purchasing Officials (MAPO). The SPO completed the contracting process for brand new price agreements for Wireless Services in conjunction with Western States Contracting Alliance (WSCA). Another WSCA cooperative procurement resulted in a price agreement for a brand new commodity area: Industrial Supplies. A solicitation for Datacomm Equipment on which the SPO and WSCA cooperated has been completed, and the resulting price agreement contracts are being finalized. A solicitation for a price agreement for Long Distance Services, a cooperative effort between the SPO and state and local governments in Colorado has been awarded. Colorado last year continued to take a leadership role in WSCA; the Colorado State Purchasing Director was chair of the 15-state consortium. The SPO continues to work on simplifying processes for cooperative procurement efforts.

Objective 1.4: SCO Oversight and Monitoring

Trends. Monitoring activities have increased. The majority of the monitoring activities are not formal reviews or audits, but are activities in which the SCO engages in order to assure compliance with Fiscal Rules and generally accepted accounting principles (GAAP). The activities included in the measure are events where the primary goal is to have the agencies/institutions working in concert with the SCO. For example, the Field Accounting Services Team (FAST) does onsite visits with each of their agencies on a specified schedule in order to learn about their specific issues and help solve any current problems. The Central Contract Unit does training for all of the persons added as delegates who can sign contracts or contract modifications on behalf of the State Controller. The State Controller must approve all cases of statutory violations where work has begun on a state contract before its signature. Fiscal Rule waivers are granted when compliance with the Fiscal Rule causes the agency an unreasonable administrative hardship. Each agency completing an indirect cost plan for its Federal indirect cost rate must submit it to the SCO for approval.

Significant Accomplishments:

Comprehensive Annual Financial Report (CAFR). The state's CAFR was published and distributed earlier than it ever has reaching the users of the CAFR by early November 2001. This was one month sooner than any other state with a June 30 fiscal year end. This was accomplished through several factors including the cooperation of the Office of the State Auditor, state agencies and institutions, hard work by the SCO staff, and the fact that all state financial information is recorded on one system, COFRS. The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the State Controller for Colorado's FY2000-01 Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for

preparation of state and local government financial reports. This is the fifth consecutive year that the SCO has received this award.

Funding Increase From An Indirect Cost Rate Proposal Review Changes made from Construction in Progress to appropriate asset accounts in the DPA resulted in increased federal funds to the state.

State Fiscal Rule Review - Reviewed and proposed changes to the fiscal rules were adopted as of December 1, 2001. These included changes to travel per diem rates, commuting rules, contracts, indirect cost and commitment vouchers. For the first time, the threshold for purchasing, personal service reviews and commitment vouchers are in sync. The threshold for all of them was raised to \$5,000. This is the first time these rule changes were coordinated, and they represent significant improvements to procurement and contracting processes.

Objective 1.5, SPO Procurement Oversight and Monitoring

Background. The Procurement Code provides vendors with an appeal right when agencies and institutions deny their protests of procurements. The SPO handles those appeals. These reviews/investigations are comprehensive and provide an oversight opportunity by the SPO into the procurement practices of delegated agencies/institutions.

Other oversight opportunities include periodic on-site visits to purchasing agencies to review their files and practices. These oversight visits are conducted with other volunteer purchasing directors and experience purchasing agents to provide cross feed of information and varying perspectives. Other oversight activities include periodic review of purchase orders and screening of solicitations that are published on-line by agencies and institutions.

Trends and Issues. Overall, the number of peer reviews and other oversight activities (other than appeals) decreased since 1999. Since December 1999, the SPO was involved in the e-procurement system solicitation and pilot implementation, which finally ended in February 2002. This project was managed by the SPO and affected its ability to conduct oversight activities.

Significant Accomplishment: Appeals. The SPO received 17 appeals in FY 2001-02. One was withdrawn, one was settled, one is in process, and the remainder were completed by the statutory deadline. In addition, the SPO developed an Access database containing all protest and appeal details, in a searchable format.

Objective 2.1, Training

Trends. Training continues to be a integral part of the division's success in managing the statewide financial and procurement operations. Business systems and processes are evolving and becoming more complex, therefore training is a function that will continue to require creative approaches within existing resources. Using the number of employees

trained as the measure of this objective allows us to focus on maintaining the level of resources allocated overall, but shifting those resources to the most critical needs.

As retirements and turnover take place in the accounting offices of state departments, these agencies look to the SCO to provide training and additional guidance for their work. The Field Accounting Services Team solicits training requests in its annual customer survey.

The SPO also has seen increased demand for training among employees not traditionally considered purchasing professionals. Increasing use of procurement cards and other expanded purchasing involvement of line employees is apparently increasing the demand for procurement training.

Significant Accomplishments: Training Activities

The SCO continued to train state employees on the state's Fiscal Rules related to travel reimbursement, employee benefits, payroll, accounting, budgeting, contracts and capital construction. Because of the previous fiscal year's overwhelming response and positive comments and evaluations, annual training sessions on the Fiscal Rules are planned. Because of this extensive training in the past two fiscal years, the number of employees trained is higher than is anticipated in future years.

Presented statewide training session on *Forms 1099 Reporting* as well as workshops for *1099 Reports Review*. This training covered reporting policies, procedures and use of the COFRS 1099 Reporting subsystem.

Trained state agencies that requested contract signature authority from the State Controller. Changes were made to enhance the contract modification policy making it easier to modify existing contracts and training was conducted for agencies piloting delegation. Contract training was presented at the spring CFMA/CISA/CSMA conference.

Training on opening and closing the books as well as the implementation of the new reporting model contained in GASB 34/35 were conducted in the spring. Video-conferencing was used for the higher education training.

Objective 2.2, Procurement Card Program

Trends and Issues. Although there has been significant growth in the procurement card program, this year's performance audit recommended that more be done to increase card usage and oversee the program. The Division is actively pursuing ways to increase card usage.

Forty-two agencies and institutions are now participating in the procurement card program, and CY 2001 dollar volumes reached \$92,491,799. This exceeded estimates by

over \$7 million. While the number of assigned cards varies each month, the state had an average of 9663 active procurement cards each month in CY 2001.

Measures. In this case, transaction numbers are tracked because efficiencies are most closely tied to numbers of transactions using the procurement card.

The estimated amounts for FY2001-02 were arrived at using actual figures for July through May and then estimating the month of June 2002

FY2002-03 represents a transition period for the procurement card. At this time, the SPO does not know whether it will be necessary to transition to a new bank based on the proposals being evaluated. If a transition is necessary, card use will fall briefly while cards are exchanged and the new mapping to the various accounting systems is established. Therefore, we have estimated no program growth in FY 01-02; however, the three-year 30 percent growth objectives stay on target.

Projections for FY2003-04 are based on a 20 percent growth rated as compared to FY2001-02. These numbers would represent a 48.8 percent growth rate over the three-year period FY2000-01 thru FY2003-04. Also, we would be on target to achieve 30 percent growth for the period FY2001-02 thru FY2004-05.

Significant Accomplishments

The SPO is re-bidding the pro-card contract and has issued a Request for Proposals (RFP) encompassing all three credit card programs (procurement, travel, and fleet). This is a significant administrative savings when compared to issuing three separate RFP's. In addition, it offers the state the opportunity to compare the advantages of separate card programs with multi-card solutions. Under the RFP, the state can award separate contracts or any combination of programs deemed most advantageous to the state.

Objective 2.3, Customer Service

Background. Use of the average survey scores as performance measures is new with this program crosswalk. Units within the Division use different survey questions targeted towards their program objectives and customer needs. However, the rating systems are essentially equivalent and based on a 5-point scale. The Division plans to use the internet for completion of all customer surveys in beginning in FY2002-03.

Similar or Cooperating Programs and Stakeholders

Fully delegated agencies and institutions have purchasing and accounting offices, but there are no other similar programs in Colorado having comparable missions. As noted above, when requirements warrant, the SPO cooperates in procurements with other states, agencies, or political subdivisions.

Customer	Requirement
All State Agencies and Institutions	The SCO provides guidance and oversight to all state agencies for accounting and contracting issues. Price agreements provide sourcing channel for recurring requirements without agencies/institutions having to compete or otherwise enter into agreements. Orders are easier to process, especially in service price agreements. BIDS and procurement card program provide efficiencies for agencies and institutions statewide.
Office of State Planning and Budgeting, Joint Budget Committee and Capital Development Committee	The SCO provides financial information for decision-making.
Office of the State Auditor	All financial data accessible for review. The SCO facilitates the statewide audit by generating customized reports.
Agencies without delegated procurement authority	All agencies have delegation for routine, small purchases. The SPO performs procurements for agencies without experienced procurement staff.
Vendors and contractors	Over 7,000 vendors are on BIDS, and SPO manages the primary interface between all state agencies and institutions. Through the appeals mission of the SPO, vendors have an avenue of review of procurements when they feel aggrieved. The State Controller or his delegate must sign all state contracts.
Local Governments	Political subdivisions are significant users of SPO price agreements. State agencies/institutions benefit from leveraged pricing that is achieved through broad participation by political subdivisions.
Taxpayers, bond investors and other users of the State's Financial Statements	Accurate financial information readily available.

Program Crosswalk

Program Title: (C) Collections Services

Line Items:

Personal Services
 Operating Expense
 Collection of Debts Due to the State

Change Request(s): None

Federal/State Statutory Authority

C.R.S. 24-30-202-4 – provides debt collection for all State agencies and political subdivisions.

Targeted Base Review: This program will be reviewed in FY 2003-04.

Program Description

Central Collection Services (CCS), Division of Finance and Procurement, is statutorily responsible for providing debt collection services to State agencies and political subdivisions. CCS provides this service at a commission rate of 15 percent per dollar collected. This rate is 4 percent to 6 percent lower than any of the private collection companies CCS uses. CCS has unique capabilities, such as state income tax intercept and employment information, which are not afforded to any private collection companies. The unit is also responsible for the consolidation and distribution of State debts to awarded private collection companies through out the State. Statutes require referral of debt to CCS at 30 days past due; debts are assigned to private collection companies at 90 days old if no repayment arrangements have been made with debtors. This partnership increases the opportunity for collection. The debt collection computer system used by Central Collections (Columbia Ultimate Business Systems "Revenue Plus") is required to perform all of the unit's responsibilities.

Prioritized Objectives and Performance Measures

Objective 1.1: To collect 25 percent of the debt referred by agencies and institutions by June 2004.

Measure: Collection ratio, debt collected divided by debt placed with CCS.

	FY98-99 Actual	FY99-00 Actual	FY00-01 Actual	FY01-02 Estimate	FY02-03 Projection	FY03-04 Projection
Debt Placed	\$49,608,561	\$35,679,836	\$42,633,472	\$51,279,912		
Debt collected	\$13,728,980	\$15,187,356	\$11,388,461	\$10,503,085		
Collection Ratio target				New	23.0%	25.0%
actual	30.8%	42.6%	26.7%	21.0%		

Objective 2.1: To increase CCS customer satisfaction rating to 3.5 on 5-point scale in two years.

Measure: Average Customer Satisfaction Ratings, on a 5-point scale.

	FY98-99 Actual	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Projection	FY03-04 Projection
Customer satisfaction rating target				New	3.0	3.5
actual	2.59	2.99	N/A*	2.68		

* Customer satisfaction statistics could not be found for FY2000-01.

Objective 2.2: Oversight and Training. To provide statewide oversight and training for client agencies' accounts receivable.

Measure: Total oversight and training activities.

	FY98-99 Actual	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Projection	FY03-04 Projection
One-on-one visits	N/A	N/A	13	22	25	25
Training seminars	N/A	N/A	3	6	6	6
Advisory Committee meetings	N/A	N/A	N/A	N/A	2	2
TOTAL target				New	33	33
actual			16	28		

Trends and Baseline Information

Objective 1.1, Debt Collection

Background: CCS uses several tools to collect revenue for the State. Those tools include the CCS frontline collectors, private collection companies, legal suits and the Tax Offset Program. In FY2000-01, the CCS frontline collectors were responsible for 72 percent of all revenues recovered.

Measure: The performance measure is a ratio of the amount of all collections compared to total dollar value of accounts placed with CCS by agencies and institutions. Collections represent gross revenues collected by CCS frontline collectors, private collection companies, legal suits and the Tax Offset Program. Industry trends for private collection companies indicate that their overall recovery rate is approximately 25 percent of the all debts placed. Over a five year average from FY1994-95-FY1998-99, the

Central Collection Services average rate was 22.3 percent. The two-year objective is to achieve 25 percent, comparable to the industry average.

Trends: Because of increased unemployment, debt to the state will rise proportionately. In a tightening economy, debtors will find it more difficult to repay state debt. Also, in FY2002-03, there will be no TABOR refunds to taxpayers. This will reduce the amount of funds available for collection by the Tax Offset Program. The Tax Offset Program allows CCS to electronically intercept refunds of state taxes going to taxpayers. The amount of state tax refunds, including the refunds related to TABOR, are anticipated to be less next year; therefore, there will be less available to intercept.

Significant decreases in revenues for FY2000-01 and FY2001-02 were attributed to the high turnover of collectors. Also due to a statutory discrepancy, CCS was unable to collect on Higher Education debts using the Tax Offset Program for FY2000-01 and FY2001-02. This discrepancy was responsible for an estimated \$3 million decline per year in revenues to the State. The statutory amendment solving this problem will be effective during FY2002-03.

Significant Accomplishments: For FY2002-03, CCS proposed legislation that passed allowing CCS to again collect on Higher Education debts through the Tax Offset Program. This revenue stream will offset some of the monies lost by the reduction of TABOR refunds.

Because of the diversity of State debt, CCS is using debt sorting based on type of debt and dollar amount as a tool to increase recovery rates. CCS is in the process of hiring two new collectors and one collection supervisor using Competency-Based Interviewing techniques which focuses on the fit of an applicant to the unit rather than just on qualifications for the job. As a result of using these techniques, collector retention has been 100 percent for the third and fourth quarters of FY2001-02.

Objective 2.1, Customer Satisfaction

Background: CCS has over 350 client agencies, which include district as well as county courts. CCS manages a portfolio of \$230 million in accounts receivable with 296,409 open accounts. Customer service as well as information dissemination are important elements in measuring the success of CCS.

Measure: Average customer satisfaction rating measured on a 5-point scale Internet survey.

Trends: The unit's role becomes more important as the State's accounts receivable balance increases. The balance in accounts receivable increased by 41 percent between FY1999-2000 and FY2000-01. Because of the volume of debt and the diversity of client agencies, many stakeholders have unique requirements for information regarding their receivables. CCS is always researching more effective methods to address the needs of its stakeholders.

Significant Accomplishments: To upgrade its data reporting technology, CCS has purchased WebFOCUS for better customer access of information. As it is brought online, this software purchase will support three CSS goals—increased management reporting, the ability to “broadcast” CCS monthly reports via e-mail in a user-friendly format, and access to ad hoc reports via the web for CCS clients. In addition, easier payment methods for debtors continue to be investigated, i.e. check by phone, on-line credit cards and voluntary payroll deductions. These options will allow client agencies to get more revenues faster.

Objective 2.2, Oversight and Training

Background: CCS has in the past addressed oversight issues like monthly reporting, the write off process, technological upgrades, reconciliation, bankruptcy process; etc. by providing training to those client agencies that are identified as “in need of assistance”. CCS has developed a module system-training program to address oversight issues. CCS is also emphasizing on-site visits and training seminars, and conducting on-site and regional training seminars and presentations for accounts receivable personnel. CCS is organizing an advisory committee this fiscal year.

Measure: Total number of oversight and training activities, including on-site visits, regional and on-site training seminars, and advisory committee meetings to be started this year.

Trends: Many client agencies request training on various aspect of debt collection to ensure they are in compliance with CCS procedures. CCS provides on-going training to agencies as employee contacts change. CCS also provides customized training to address special conditions or changes to the federal and state regulations regarding debt collection.

Significant Accomplishments: In FY2001-02, CCS developed a training module system for its client agencies that includes 22 modules on various aspects of debt collection procedures. The CCS Core Team worked with Colorado Association of Administrators of Student Loans and Account Receivables (CAASLAR) taskforce for Higher Education on student loan procedures. CCS gave a presentation on the new procedures at the CAASLAR Annual Conference in April 2002. The CCS made 22 one-on-one site visits to client agencies in FY2001-02. The CCS has completed one focus group meeting for the advisory committee as part of the strategic plan for FY2001-02. The DebtNet continues to be a useful tool in disseminating information regarding debt collection procedural updates to client agencies.

Similar or Cooperating Programs and Stakeholders

Customer	Requirement
State agencies and institutions	Depends on CCS to maximize debt recovery and report delinquent accounts accurately.
Private collection agencies	Depends on CCS to supply accounts in an accurate and timely manner.
State Controller	Increase collections of statewide accounts receivable both by collection of debt, positive customer service and consulting clients regarding debt collection efforts.
Legislature	Depends on CCS to maximize the collection of debts owed the state and provide vital information on the collection of the state's accounts receivable.

Program Crosswalk

Program Title: State Buildings and Real Estate Programs

Line Items:

Coordination of Capital Construction, Controlled Maintenance Requests and Building Lease Review

Change Requests: None

Federal/State Statutory Authority:

Colorado Revised Statutes include: 24-30-1301 through 1304, 24-30-1401 through 1408, and 24-82-202

Targeted Base Review: Real Estate Programs will be reviewed in FY 2003-04

Program Description

State Buildings and Real Estate Programs, Division of Finance and Procurement, integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise in order to provide assistance and training to state agencies and institutions relating to General Fund capital construction projects and all aspects of real estate transactions. Specific responsibilities include:

- Establishing policies and procedures and providing oversight of the state's capital construction process (including controlled maintenance) at each state agency and institution of higher education. This process includes solicitation and procurement of professional design and construction services, establishing standard contract language, establishing project management guidelines including cost management, establishing the minimum building codes and compliance requirements, and administering the controlled maintenance program by establishing a statewide system to annually measure and report to the Capital Development Committee (CDC) the condition of state owned facilities and recommending the prioritized list of controlled maintenance projects; and
- Establishing policies and procedures and providing oversight for state leases and other real estate contracts for each state agency and institution of higher education. This process includes: statutory approval of all leases, coordination with the state's contracted real estate brokers, maintaining and annually reporting to the CDC on the inventory of state property (including all improvements), developing performance criteria and real property management strategies, and development and administration of office space standards for leased space.

Prioritized Objectives and Performance Measures:

Objective 1.1: To provide oversight and monitoring of capital construction/controlled maintenance (CC/CM) projects and state leases and other real estate contracts (SL/REC) at state agencies/ institutions with delegated and non-delegated authority in order to provide accountability and justification on the appropriate use of state funds and compliance with legislative intent.

Measure: Workload measure tracks the numbers of formal on-site reviews at each agency/institution including: (a) project reviews verifying CC/CM project schedules and budgets, (b) ensuring compliance with policies and procedures, and providing technical assistance as needed (CC/CM and SL/REC).

		FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. Number of agency on-site project reviews:						
CC/CM		38	38	38	48	54
b. Number of agency on-site policy and procedures reviews:						
CC/CM		38	38	38	48	54
SL/REC		n/a	n/a	n/a	5	10
TOTAL	Target			New	101	118
-	Actual	76	76	76		

Objective 1.2: Oversee implementation of adopted building codes and ensure consistency of code compliance/life safety standards at all state agencies and institutions.

Measure: Conduct annual reviews of: (a) all agencies' and institutions' code compliance plans- incorporating on-site inspections, (b) document tracking, (c) transition to the International Building Code by July 2003, and (d) provide state wide training sessions on the contents, policies and procedures of the new code.

		FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. % of agency on-site code compliance plan reviews:						
	Target	n/a	n/a	10%	100%	100%
	Actual	n/a	n/a	10%		
b. % of all code compliance doc's. rec'd and reviewed / completed project:						
	Target	n/a	New	15%	45%	70%
	Actual	n/a	3%	20%		
c. Transition to the new building code:						
	Target	n/a	n/a	n/a	July 2003	n/a

d. Number of state wide training sessions:					
Target	n/a	n/a	New	2	2
Actual	n/a	n/a	n/a		

Objective 1.3: Highlight the current measured condition of state owned facilities and prioritize and recommend annual controlled maintenance funding levels to the CDC in order to maintain and improve the condition of the state's facilities.

Measure: (a) Annual controlled maintenance recommendation to the actual appropriation, (b) agency total General Fund square footage (GSF) and current replacement value (CRV), and (c) the number of agencies with an average Facility Condition Index (FCI) above a FCI benchmark of 85 percent out of 38 agencies.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. CM recommendation –vs.– actual appropriation: Recommendation Appropriation, \$ & act. –vs.– rec. %	\$49.4 M \$49.4 M, 100%	\$54.7 M \$54.7 M, 100%	\$68.7 M \$55.3 M, 80%	\$69.6 M \$1.8 M, 3%	\$20 M
b. Total GSF and CRV of state owned facilities in program:	33.8 M, \$4,100 M	35.1 M, \$4,316 M	35.9 M, \$4,891 M	37.1 M, \$5,330 M	38 M, \$5,600 M
c. Number of agencies with FCI Avg. above benchmark.					
Target	n/a	n/a	New	7	10
Actual	n/a	n/a	7		

Objective 1.4: Maintain existing real property and state buildings databases and develop additional databases to enable accurate annual reporting and to provide comparative data.

Measure: (a) Verify and collect data from agencies annually to ensure accuracy, and (b) create and populate new database for interagency leases.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. % of agency responses for database verification					
Target			New	100%	100%
Actual	n/a	n/a	n/a		
b. Develop database for interagency leases					
Target			New	By 06/30/03	Verify by 6/30/04
Actual	n/a	n/a	n/a		

Objective 1.5: Develop centralized real property acquisition process including build/buy/lease analysis for use by state agencies and institutions.

Measure: Complete policy by 6/30/04

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. Expand outline into written policy					
Target	n/a	n/a	n/a	By 6/30/03	n/a
b. Use Department of Labor & Employment for pilot project					
Target	n/a	n/a	n/a	n/a	By 12/31/03

Objective 2.1: Establish energy conservation capital construction/controlled maintenance process incorporating energy conservation guidelines and Energy Performance Contracting (EPC) in order to help maintain and upgrade state owned facilities and reduce energy consumption.

Measure: Measures track the number of (a) completed EPC and the construction dollar amounts, (b) the number of on-going EPC and the construction dollar amounts, and (c) the dollar amounts of identified controlled maintenance projects funded through the performance contract.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
EPC completed #/\$	1/ \$67,000	2/ \$467,000	3/ \$660,045	3/ \$660,045	3/ \$660,045
EPC On going #/\$	5/ \$241,045	4/ \$941,045	3/ \$748,000	4/ \$500,000	6/ \$1,000,000
Total CM dollars \$:					
target			New	\$3,500,000	\$5,000,000
actual	\$2,889,629	\$2,889,629	\$2,889,629		

Objective 2.2: Provide needs-based skill development training to maintain a technically competent and highly effective statewide workforce in order to manage capital construction/controlled maintenance (CC/CM) and state leases and real estate contracts (SL/REC).

Measure: Total number of training sessions held annually, through: (a) one-on-one meetings at each agency/institution, (b) at SBREP offices, and (c) through statewide meetings.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
a. Number of agency on-site training sessions:					
CC/CM Actual	38	38	38	38	38
b. Number of state wide training meetings:					
CC/CM Actual	2	2	2	2	2
SL/REC Actual	n/a	New	1	1	1
c. Number of in-house agency sessions:					
CC/CM Actual	n/a	n/a	36	36	36
SL/REC Actual	n/a	n/a	n/a	10	15
TOTAL Target				89	94
Actual	40	40	77		

Objective 2.3: Achieve and maintain at least a good customer satisfaction (4 on a 5-point scale) of capital construction/controlled maintenance (CC/CM) process and state leases and real estate contracts (SL/REC) process.

Measure: Average of customer survey responses.

	FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
Survey results:					
CC/CM - Actual	n/a	n/a	3.83		

SL/REC - Actual	n/a	n/a	4.05		
Average Target			New	4.0	4.0
Actual			3.94		

Objective 2.4: Continue to maintain processing time no more than two days for processing of contract as central approvers for both capital construction and controlled maintenance (CC/CM) process and state leases and real estate contracts (SL/REC) process.

Measure: Average contract processing time

		FY99-00 Actual	FY00-01 Actual	FY01-02 Actual	FY02-03 Estimate	FY03-04 Projection
CC/CM	Target			New	2.0 days	2.0 days
	Actual		.41 days	.19 days		
SL/REC	Target			New	2.0 days	2.0 days
	Actual		1.27 days	1.93 days		

Trends And Baseline Information

Objective 1.1: Oversight and Monitoring

Background: SBREP provides statutorily mandated oversight of capital construction, controlled maintenance requests and real estate contracts directly and through delegates authorized through inter-agency agreements pursuant to statutory authority. Delegation is granted to specific agency staff demonstrating technical expertise in order to act on behalf of SBREP in an expeditious and cost effective way. Currently the CC/CM process has 19 delegates and the SL/REC process has four delegates. These delegates are directly accountable to SBREP on a continuing basis. In addition, all other non-delegated agencies/institutions rely on SBREP on a daily basis to review and approve all procedural and contractual documents as well as to provide technical input.

Trends: Although the number of CC/CM delegates has risen over the past several years to 19 it remains relatively constant; however, the number of SL/REC delegates may increase over time as agencies acquire real estate professionals on staff in order to address increasing transaction activity. In addition, increasing application of professional business practices to the programs and implementation of New Century Colorado recommendations continues to result in development of new policies and procedures. The number of on-site reviews is targeted to increase because the goal has changed to include site visits along with training activities throughout the year.

Measures: CC/CM – On-site verification of CC/CM coordinated with activity and financial status reporting is monitored and tracked since it is the most effective means of gauging project success and management competence.

SL/REC – Continued refinement of real property inventory databases and document tracking systems is a key factor in measuring accomplishments of Real Estate Programs as these systems provide critical information for decision making by the legislature and agencies and institutions. In addition, the availability of up to date policies and procedures enables agencies to accomplish their real property objectives in an effective manner.

Significant Accomplishments:

CC/CM:

As-Needed Architects/Engineers Selection Process - Implemented to expedite the selection of architects and engineers for small projects (professional fees under \$50,000) was established several years ago based on legislation initiated by SBREP. The process not only saves time but also money since A/Es are pre-selected through an annual statewide solicitation process. The utilization (number of firms on pre-qualification list to number of firms awarded work) annually tracked by SBREP was 28 percent for FY2001-02 and 33 percent for FY2000-01.

Small Construction Selection Process - Implemented this past year to expedite the selection of contractors for small construction projects (construction costs under \$150,000) was the result of SBREP initiated legislation. The process not only saves time but also saves money through an expedited solicitation process of three days through the BIDS system's "Documented Quotes" process.

CC/CM Project Cost Tracking and Accountability - Improved through the implementation in the past year of a policy requiring all agencies/institutions to provide initial as well as final project budget forms (state form SC-4.1). These SC-4.1 forms compare budget to actual expenditures, track and justify all contingency dollar amounts expended and indicate actual dollars reverted back to the capital construction fund. In coordination with the OSPB and the CCHE, the SBREP reviews all final SC-4.1's prior to sending to the State Controller's Office for final project closeout.

SBREP Web Site - Integrated and expanded over the past year to include ready access to all policies and procedures, standardized documents, the BIDS system for design and construction notices state wide, related programs and general information for the public.

General Conditions of the Construction Contract - Nearing completion after a coordinated effort with the design and construction community. As with the previously rewritten Architects/Engineers agreement, the rewriting of the General Conditions was a successful partnership with the American Institute of Architects (AIA), the American Council of Engineering Consultants (ACEC) and the Associated General Contractors (AGC). The new General Conditions reflect the current practices of the industry and standardize and streamline the contracting process statewide.

SL/REC:

Policies and Procedures Manual - Development of a comprehensive Policies and Procedures Manual in 2000 was an important first step toward a series of needed improvements in Real Estate Programs policies and procedures. That manual has been revised and refined and is now available online and on CD.

Standard Forms - Review and development of standard forms for use by state agencies in response to perceived needs has provided better tools to state agencies for their real estate requirements.

Property Assessment - A complete and accurate measurement of leased space within DPA-owned building has been completed and will be updated annually. This information will be used to propose that interagency leases and rent payments be based upon rentable square footage which is standard in the real estate industry and not on usable square footage which is the current basis in interagency leases.

Objective 1.2: Code Compliance

Background: SBREP is authorized by statute to establish the minimum building codes to be applied to all state funded construction projects at all state agencies/institutions (except the Department of Natural Resources and the Department of Transportation) and to ensure that all physical drawings by Architects/Engineers are in compliance with the adopted building codes and that all facilities are built in accordance with those approved physical drawings through standardized site inspections. Specifically, life safety and property protection are the main concerns. Code consultants selected by SBREP and managed through a master agreement provide required drawing reviews and building inspections on a project by project basis and are paid for out of the project appropriation.

Trends: A process of documenting code compliance is underway and has had to suffice with limited resources and therefore limited oversight and documented compliance. SBREP is reprioritizing several program functions in order to allow for greater in-house oversight including increased on-site verification of agency/institution compliance of drawing reviews and building inspections and will provide training sessions for transitioning to the new International Building Codes (IBC). It is essential that the State of Colorado transition to and adopt the new IBC in order to be consistent with the rest of the nation that is currently moving toward a single comprehensive building code. It appears that moderate to significant cost savings can be achieved through use of the IBC since it is based on flexible performance standards instead of prescriptive ones. The fundamental change in compliance criteria will require statewide personnel training on the appropriate interpretation and application of the IBC.

Measures: On site verification coordinated with document tracking of drawing reviews and building inspections and providing code compliance training is the most effective means of establishing standardized code compliance throughout the state.

Significant Accomplishments:

Master Agreement - The Code Consultants Master Agreement has been revised as of July 1, 2002. SBREP has contracted with four firms (three firms have participated in the process before, one firm is new) to provide code compliance drawing reviews and building inspections state wide. In this selection process six state agencies/institutions participated and provided valuable input in revising of the process to better serve their needs.

Code Compliance Document Tracking – Code compliance document tracking has been added to the annual controlled maintenance site verification visit to each state agency/institution during the June through August time frame.

Objective 1.3: Controlled Maintenance Program

Background: Controlled Maintenance is essentially planned major maintenance for state owned facilities and is not funded in agency/institution operating budgets. Historically state owned facilities were not being properly maintained so the legislature created this funding request process through the Department of Personnel & Administration to be administered by SBREP. Essentially, state statutes require SBREP to evaluate and prioritize state wide controlled maintenance needs and present an annual budget recommendation directly to the CDC and the OSPB.

Trends: Funding to maintain state owned facilities has continued to increase over the years as the state's inventory has continued to increase and age. In the past seven years funding for controlled maintenance increased from \$12 million to \$55 million. However, due to the recent economic downturn state revenues have dramatically declined and funding for controlled maintenance is currently non-existent. However, tracking and measuring the condition of state owned facilities is now more important than ever in order to provide the decision makers with the documentation they need in order to justify continued funding for the most critical needs.

In the upcoming controlled maintenance budget recommendation hearing with the CDC in November, SBREP intends to combine the statutory reporting requirement of controlled maintenance needs and building conditions with the statutory reporting requirement of the state's inventory of real property (including improvements) and the lease database. This integrated report should provide the decision makers with a comprehensive status report of state owned assets and leased space.

Measures: The percentage of SBREP's funding recommendations to the actual amount of the annual appropriation is an indication of program credibility while the annual assessment of facility conditions is a measure of program effectiveness. The latter assumption is dependent upon sufficient funding levels being maintained.

Significant Accomplishments:

SBREP has established a high degree of credibility in the controlled maintenance program through the implementation of state wide facility audits, strategic five-year plans

and management oversight as evidenced by the unprecedented amounts funded in the past years culminating with \$55.3 million in FY2001-02. Although \$69.6 million was recommended in FY2002-03, revenue shortfalls allowed for only \$1.8 million to be appropriated to the controlled maintenance emergency fund administered by SBREP.

With 95 percent of all state agencies/institutions completing their first cycle of facility audits, SBREP was able to document the average facility condition per agency in the FY2002-03 controlled maintenance budget report.

With the support of the OSPB and the CCHE, SBREP implemented a policy to require state agencies/institutions to audit their auxiliary facilities in the same manner as their General Fund facilities. The intent is to maintain all buildings regardless of funding source in the same manner. The CDC unanimously approved this policy in FY2001-02.

Another policy implemented by SBREP and approved by the CDC and the OSPB established a new category for projects over \$2 million dollars incorporating the total upgrading of a building which will not require programmatic changes. Although this type of project is categorized as capital construction, it will be reviewed and recommended by SBREP. The intent is to encourage state agencies/institutions to reuse existing facilities in cost effective ways.

Objective 1.4: Real Property Databases

Background: Colorado statutes require that an inventory of state-owned property be maintained. Within the past two years Real Estate Programs has developed both state-owned and leased property databases to accompany the existing state building database. All have proven to be a valuable resource for the legislature and state agencies. Real Estate Programs has identified a need for a separate database for interagency leases.

Trends: With increasing electronic capabilities, there will be more opportunities to manage information and to integrate information between programs and agencies.

Measures: Annual verification of the information in the databases in an important measure of the accuracy of the data. Timely development of additional tools and databases will assist with additional measurement of effectiveness and accomplishment.

Significant accomplishments:

Inventory Database - The State-Owned and Leased Property Inventory Databases are the best sources of such information that have been available to the legislature and to state agencies. Keeping this information current and accurate and making it available as a resource has been an important accomplishment.

Objective 1.5: Develop Centralized Real Estate Acquisition Process

Background: In order to maximize value received for funds expended by state agencies for acquisition of leased space and purchases of real property a more centralized process is being developed. This process will include additional interfaces with the OSPB. Although currently used for many situations, a Needs Assessment and Building/Buy/Lease Cost Analysis will be required in applicable situations to ensure that the most cost effective options have been reviewed. In addition, for DPA-owned property, a centralized process of lease administration and space allocation is being developed with the Executive Director's Office.

Trends: Adoption of professional business practices is increasingly common in government. Applying such practices while being mindful of the fiduciary duty of state government to taxpayers is a significant trend.

Measures: Timely development of a more analytical and centralized property acquisition process will be an important tool that will assist with measurement of effectiveness and accomplishment.

Significant accomplishments:

Communication - Increased communication regarding real estate matters with the OSPB, the CDC and the JBC has provided additional sources of information for decision-making to these groups.

Objective 2.1: Energy Conservation

Background: SBREP has statutory responsibilities to determine building energy design standards, analyze energy life cycle cost parameters, such that state owned buildings are designed and constructed to be both energy efficient and present a comfortable working environment.

Trends: Through the CM process, many agencies have improved the energy efficiency of their facilities. Agencies are using energy performance contracts to fix and update their facilities as an alternative to the CM funding process and to resolve energy associated maintenance needs.

Measures: SBREP through the CM process monitors and tracks the number, size, and scope of all energy performance contracts.

Significant Accomplishments:

Performance Contracts – Executed six energy performance contracts in the last ten years that upgraded over \$2.8 million of necessary maintenance projects funded through energy performance contracts.

Energy Management - On going support from the Governor's Office of Energy Management and Conservation on the benefit, promotion, initiation, and completion of energy performance contracts. In the last year, six agencies have either published a

request for proposal (RFP) for an energy performance contract or initiated the process to publish a RFP within the next six months.

HB 01-1381 Utility cost-savings measures for state agencies - Permits any state agency to enter into a contract for an analysis and recommendations pertaining to energy conservation measures that would significantly increase utility cost savings and operation and maintenance cost savings in buildings or other facilities owned or rented by the state agency.

Objective 2.2: Training

Background: Training continues to be an integral part of SBREP's success in managing the programs at both delegated and non-delegated agencies/institutions. Design, construction and real estate contracting are becoming more complex and varied. Therefore, training is a function that will continue to require creative approaches within existing resources.

Trends: SBREP has seen demand for training increase involving one-on-one focused meetings at individual agencies/institutions and general state wide meetings involving up to several hundred attendees from over 38 different agencies/institutions.

Significant accomplishments:

CC/CM:

SBREP has now completed six straight years of incorporating some form of individual one-on-one training at all 38 agencies/institutions and two bi-annual statewide meetings per year.

SL/REC:

SBREP has now completed two consecutive years of statewide training for agencies and institutions and intends to add one additional meeting outside of the Denver Metro area as well as increasing the number of one-on-one training sessions at individual agencies.

Objective 2.3: Customer Satisfaction

Background: Use of the average survey scores as performance measures was first provided for this program by the Division of Central Services in FY2001-02. The rating system was based on a 5-point scale. A new survey for FY2002-03 will be developed by SBREP.

Objective 2.4: Efficient Contract Processing

Background: SBREP has statutory responsibilities as central approvers to review capital construction and controlled maintenance contracts, leases, easements, purchase agreements and other contracts.

Trends: Although the State Controller has a stated goal of five days for processing by central approvers, the program has consistently improved upon this goal.

Measures: The State Controller monitors and tracks the number and processing time for contracts.

Similar or Cooperating Programs and Stakeholders

Stakeholders	Cooperating Programs and Expectations for Program Performance
OSPB/CDC	<ul style="list-style-type: none"> • Report on the annual controlled maintenance budget recommendation as a component of the state’s overall capital construction budget. • Report on the annual acquisition and disposition of state owned real property as it impacts the inventory of state owned property to the CDC.
OSPB/CCHE	<ul style="list-style-type: none"> • Provide consultation regarding capital construction and real estate issues and strategies. • Assist state agencies and institutions with presentations to CDC regarding real property acquisitions and dispositions.
All Agencies and Institutions (except DNR and CDOT)	<ul style="list-style-type: none"> • Provide policy guidance and oversight through SBREP delegates of capital construction / controlled maintenance and real estate transactions, requiring development, publication, training, and implementation and recurring interface with SBREP delegates and principal representatives. Agencies rely on SBREP to provide coordination, technical expertise, and training in planning and managing capital construction /controlled maintenance projects and real estate transactions.
Vendors	<ul style="list-style-type: none"> • SBREP oversees the procurement of design, construction and real estate services, manages the contracted real estate brokers, resolves disputes, and assists the State Purchasing Office in acting on appeals and resolving disputes. Contractors, architects/ engineers, real estate brokers and other professionals rely on SBREP to develop standardized processes for the notification, selection and management of state-funded work, while ensuring accessibility for all qualified firms.
The Public	<ul style="list-style-type: none"> • The public relies on SBREP to consistently provide

	<p>safe, code compliant, handicapped accessible, well designed, properly constructed and properly maintained facilities statewide, and to professionally manage the state's real estate assets, in a cost effective and energy efficient manner while maximizing the use of taxpayer dollars.</p>
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Program Crosswalk

Program Title: Division of Information Technologies (formerly CITS) - Business Services

Line Items:

Personal Services
Operating Expenses

Change Requests: None

Federal/State Statutory and Other Authority: There are no statutory citations that refer to the Business Services unit in DoIT.

Targeted Base Review: Submitted FY1999-00

Program Description

This group coordinates and integrates the administrative functions of the Division of Information Technologies (DoIT). It is responsible for budgeting, rate setting, cash flow, reporting, and accounting. In addition, this group is responsible for supporting the human resource efforts and purchasing activities of DoIT.

The Business Services unit is responsible for managing the daily administrative functions for management and staff that include receptionist duties, mail, personnel actions, timekeeping, accounts payable and receivables, and a sundry of other functions. This unit also works closely with the department's executive staff in purchasing, human resource efforts, and financial and accounting functions.

Other Trends and Baseline Information

Business Services exists to free the technical staff from many of the administrative duties required to keep DoIT operating. The following information is presented to portray some baseline workload levels.

	FY 00-01	FY 01-02	FY 02-03
- Number of FTE in CITS	226.5	226.5	226.5
- Number of New Hires	20	13	N/A
- Number of Resignations	16	8	N/A
- Number of Retirements	5	9	N/A
- Number of Reallocations	21	21	N/A
- Number of Promotions	20	6	N/A
- Number of contracts maintained	60	125	N/A
- Number of Purchase orders issued	225	250	N/A
- Average days to process a contract	40	40	N/A
- Number of Procurement card purchases	475	500	N/A

Additional Information

Promotions are normally related to filling a vacancy from within the Division. This frees up a lower classification to be filled with non-state employees.

Procurement and contract processes are being reviewed on a daily basis to insure that DoIT is adhering to the Fiscal, Personnel, Procurement and Contractual Rules. This process is becoming successful due to the hiring of a full-time contract manager.

Prioritized Objectives and Performance Measures

OBJECTIVE 1.2 Annually, improve program processes by incorporating recognized "best practices" and standards in order to provide the work units of DoIT with clear, concise information on personnel, payroll, purchasing, accounting, budgeting and rate issues.					
		FY 00	FY 01	FY 02	FY 03
MEASURE 1.2.1 Improve Budget Projections for Management staff.	Target		December 2000	December 2001	TBD
	Actual	N/A	Comment Below	Comment Below	
MEASURE 1.2.2 Develop automated method to analyze the impact of rate changes on the financial position of the DoIT subprograms that must be self-supporting (Computing and Network Services).	Target		December 2000		TBD
	Actual	N/A	Comment Below	Comment Below	

Additional Information

In FY2001-02 budgetary spreadsheets were developed that allowed projections of personnel actions and operating expense summaries that allowed DoIT management and staff a better picture of the appropriations and impacts of the actions.

The target for FY2002-03 is to continue to develop and improve on budget reports and data to provide a better understanding of appropriations versus spending authority.

Measure 1.2.2 -- In FY2000-01 Computing Services refined its rate setting models that are currently in use. Network Services now has a more rigorous model developed due to cash flow deficit analysis and Multi-use Network (MNT) project requirements.

In FY2001-02 - Computing Services implemented a fixed allocation method of cost recovery based on services provided. Business Services implemented tracking of services on program code identification within COFRS reporting for all units within DoIT. This is assisting to identify expenses versus revenues for budgetary and appropriation requests issues.

The target for FY2002-03 is to review and analyze data and enhance the program code utilization numbers to develop better tracking of expenses and revenue and insure that DoIT can develop rates based on services provided.

Similar or Cooperating Programs and Stakeholders

Business Services exists to support the technical and managerial staff of DoIT. It serves by allowing the technicians and managerial staff to worry about technical matters not administrative matters. This unit interacts with the department's executive office in budgetary, accounting, purchasing and human resource matters on a daily basis. The unit is charged with management of internal control processes as well as maintaining knowledge on current events that affect those processes and disseminating them to management and staff.

Program Crosswalk

Program Title: **Division of Information Technologies (formerly CITS) -
Communication Services**

Line Items:

Personnel Services
Operating Expenses
Training
Utilities
Local System Development

Change Request: None

Federal/State Statutory and Other Authority: Communication Services operates under C.R.S. 24-30-901, C.R.S. 24-30-903, 24-30-908.5, 24-33.5-223

Targeted Base Review: None

Program Description:

Communication Services plans, coordinates, integrates and provides effective and efficient Public Safety networks for the Departments of Public Safety, Transportation, Corrections, Natural Resources and many other state and local government agencies. It provides engineering and design services to state and local governments using land based mobile and microwave technologies. It works in consultation with local, state, and federal departments, institutions, and agencies governed by the Federal Communications Commission to assist in formulating current and long-range telecommunications plans, involving radio, microwave, wireless data, and public-safety radio communications systems.

Trends and Other Baseline Information:

Communication Services is providing leading edge technological solutions that directly impact State and local government agencies in support of citizens of Colorado. It is in the fourth year of implementing the Digital Trunked Radio (DTR) project. DTR is built and shared by state and local government partners, providing a seamless statewide network that enables direct communications between agencies that absolutely must communicate during times of emergency. The relationships established through this cooperative effort have created the potential for additional opportunities with these partners. Currently there are approximately 10,000 - 800 MHz state and local government radios operating on the DTR network. The first four phases of the DTR project have been completed. Once funding for DTR is restored, and all seven phases are completed, there will be approximately 20,000 - 800MHz subscribers sharing the same digital trunking technology. The DTR system is a separate network from the current VHF/UHF system,

which continues to require support from the State microwave radio Network maintenance staff.

The State microwave radio network consists of Infrastructure such as remote equipment, buildings, towers, and transmission equipment at approximately 95 sites throughout Colorado. The system has been supporting Public Safety communications for over 45 years. There was a significant digital microwave radio upgrade project that replaced the original analog equipment, which was completed in 1998. This digital transmission technology enables Communication Services to continue to support the 12,808 VHF/UHF Public Safety radios that are currently operating on the State microwave network, in addition to the DTR 800 MHz radios. The DTR project effectively doubled our current maintenance workload. The system will continue to support the NLEC (National Law Enforcement Channel), Channel 3, the State common communications, and the NOAA (National Oceanic and Atmospheric Administration) emergency weather broadcast system throughout the State.

As DTR is fully built out statewide, there will be over 4,000 VHF/UHF radios that will continue to require maintenance support. Total number of radios requiring maintenance support will increase from 12,808 VHF/UHF radios prior to DTR, to 24,000 total radios once DTR is fully implemented. Anticipated useful life expectancy for the digital microwave and DTR system infrastructure is 15 years.

Prioritized Objectives and Performance Measures:

Objective 1.2: Provide leadership, engineering, procurement, installation and maintenance of telecommunications systems and services for all departments in the State of Colorado.					
		FY99-00	FY00-01	FY01-02	FY02-03
Measure 1.2.1: Continue the implementation of DTR in accordance with contract 99-AMA00052 and option years.	Target	Phase II 6/30/00	Phase III 6/30/01	Phase IV 6/30/02	Phase V 6/30/03
	Actual	6/30/00	6/30/01		
Measure 1.2.2: Complete the construction and move of the Durango Facility	Target			9/31/02	
	Actual				
Measure 1.2.3: Complete OSHA training for tower and Sno-Cat operation.	Target			5/15/03	
	Actual			5/30/02	

Additional Information

Measure 1.2.1 - The DTR Project is on schedule except for the delays caused by the capital constructions freeze experienced in FY2001-02. The zone controller is installed and operational with all 8,000 DTR system radios being converted to Version 6.0. Phase V capital construction funds were not appropriated. The project will continue site build-out and implementation until the remaining funds from Phase IV are completely spent.

Measure 1.2.2 A timetable has not yet been finalized for the move of the CSP building in Durango. Colorado State Patrol (CSP) has verbally committed to providing Communications Services at least the building shell that we require to continue repair operations in the southwest part of the state. We will be required to pay for our lease space from CSP.

Measure 1.2.3 100% of the Communication Services staff has been formally trained in the operation of Sno-Cat vehicles and in the climbing of microwave towers.

Similar or Cooperating Programs and Stakeholders

Communication Services exists to support networks for the Departments of Public Safety, Corrections, Transportation and Natural Resources, federal and local governments with their ability to communication with each other on a daily basis as well as during emergencies.

Program Crosswalk

Program Title: **Division of Information Technologies (formerly CITS) – Network Services**

Line Items

Personnel Services

Operating Expenses

Toll-Free Telephone Access to Members of the General Assembly

Indirect Cost Assessment

Change Requests: None

Federal/State Statutory and Other Authority: Network Services operates under C.R.S. 24-30-901 through 24-30-909.

Targeted Base Review: None

Program Description:

Network Services plans, coordinates, integrates and provides cost effective and efficient telecommunication capabilities to meet the business needs of customers. Network Services provides voice and data communication infrastructure including the digital data network, frame relay and ATM services. In addition, this work unit provides much of the voice communication for the state and a long distance contract that is used by all departments.

The Multi-use Network (MNT) is in phase III of implementation. This will provide a common telecommunication infrastructure through out the state in order to achieve the vision of a seamless network providing high-speed voice, data and video.

The MNT project is a public/private partnership to build a high-speed fiber-optic network for the State of Colorado. Qwest is the awarded partner selected to build the MNT with the State serving as anchor tenant. The State will aggregate Colorado State government agency telecommunication requirements from its current multiple networks into a single network to reduce administrative and maintenance costs to the State. As anchor tenant, the State's investment will help leverage the development of telecommunications infrastructure and expand delivery of advanced services to all geographic regions of the state.

The MNT will be implemented in three phases that began in June 2000 and will be completed in 2003.

Internet Services -- reduce the risk of service interruption to internet users (both citizens and employees) by upgrading to a giga-pop internet service connected to the MNT which

will guarantee access to both the state award Internet providers through redundant paths to significantly improve service levels.

Voice Services:

Network Services provides best in class technological solutions that directly impact state and local government agencies in support of the citizens of Colorado. Network Services operates and maintains the Private Branch Exchange (PBX's) for the Capitol complex, Kipling complex, Greeley locations and Grand Junction offices. In an effort to provide best in class technological solutions Network Services has upgraded the PBX systems at Capitol Complex, Kipling Complex and Grand Junction. By completing these upgrades Network Services has been able to provide enhance services and features to our customers.

Network Services also manages the long distance contract and works with all state agencies to ensure their long distance needs are being met. Network Services provides the single point of contact for all inquires regarding long distance.

Data Services:

Network Services operates and manages the Digital Data Network and the System Network Architecture network through out the State. The term Digital Data Network (DDN) refers to data communication facilities including high speed digital transmission facilities, digital multiplexer equipment including I/O channels, supervisory monitors, DDN network software, wiring and cabling, master modems, DSU's or Line Drivers for tail circuits.

System Network Architecture is a class of network products that are an IBM standard. These products and services are operated and managed by Network Services. Both DDN and SNA are in the process of being sun downed and migrated to the latest Internet Protocol (IP) technology.

Video Services:

Network Services manages the Cooperative Interactive Video in Colorado State Government (CIVICS) network. By managing this service Network Services provides the delivery of interactive videoconferencing and classes to sites located around the state. Network Services provides video bridging and support to state agencies and Higher Education entities. Network Services provides troubleshooting, scheduling and support of all video service to our customers.

Trends and Other Baseline Information:

Network Services provides leading edge technological solutions to state and local government agencies essential in supporting the needs of citizens. It is in the third year of implementing the MNT project. MNT provides a single seamless network backbone capable of delivering time sensitive services including voice, video and IP based data services to all counties of Colorado. MNT is designed to provide the following:

- Increasing Economic Development

- Aggregation of individual voice data and video traffic
- Delivery of time sensitive data services
- Bridging the Digital-Divide.

Prioritized Objectives and Performance Measures:

Objective 1.2: Provide leadership, engineering, procurement, installation and maintenance of voice, data and video systems and services for all departments in the State of Colorado.					
		FY 00	FY 01	FY 02	FY 03
Measure 1.2.1: Continue the implementation of MNT in accordance with contract 00-AMA00044 and option years.	Target	N/A	Phase I 6/30/01	Phase II 6/30/02	Phase III 6/30/03
	Actual		6/30/01	6/30/02	
Measure 1.2.2: Complete the security assessment and implementation	Target	N/A	N/A	6/30/02	
	Actual			6/30/02	
Measure 1.2.3: Complete the Layer 3 architecture design and deployment	Target				12/31/02
	Actual				
Measure 1.2.4: Develop a consistent rate setting model for voice, data and video services	Target	N/A	N/A	N/A	6/30/03
	Actual	N/A	N/A	N/A	

Additional Information:

Network Services accomplished performance measure 1.2.1 by implementing phase II of the MNT project. This implementation consisted of 54 Aggregated Network Access points and 35 edge sites. Phase III of the MNT project is on schedule and will be completed on June 30, 2003.

Network Services completed the performance measure 1.2.2 by working with our selected vendor to collect documentation and develop an implementation strategy for the statewide security assessment.

Network Services continues to work with our selected vendor on the development of the Layer III architecture and design. The Layer III architecture has been developed and plans are being finalized for implementation. This project is on schedule and will be completed by the end of the calendar year.

Similar or Cooperating Programs and Stakeholders

Network Services exists to support the network services of all state agencies and departments. The major stakeholders for Network Services are the end user customers that are supported by Network Services. This includes departments such as Corrections, Transportation, Revenue, Labor, Natural Resources and Higher Education. Digital Trunked Radio (DTR) is a project that is similar in nature to MNT and supports various state agencies. DTR is also on the same magnitude as far as capital funding. Both of these are long-term projects and will be completed in the next two years.

Program Crosswalk

Program Title: Division of Information Technologies (formerly CITS) – Computing Services

Line Items:

Personal Services

Operating Expenses

Rental, Lease, or Lease/Purchase of Central Processing Unit

Indirect Cost Assessment

Change Request(s): None

Federal/State Statutory and Other Authority: Computing Services operates under C.R.S. 24-30-1601 through 21-30-1607. These statutes refer to the General Government Computer Center (GGCC). With the creation of DoIT, the operating unit name was changed to Computing Services.

Targeted Base Review: None

Program Description

Computing Services plans, manages, operates, and delivers the computing infrastructure to customer entities. The computing infrastructure includes database, application and web servers for several departments as well as the mainframe computer. Tape, disk, and printing resources are provided for mainframe and server environments. Computing Services manages the operating system, security; transaction processing and systems management software associated with these resources as well as provides disaster recovery services for mainframe applications.

Other Trends and Baseline Information

Computing Services continues to move toward understanding the needs of its customers and enhancing those services. Efficiencies are continually sought through economies of scale with shared resources, such as processors and disk storage. This is demonstrated in the continued usage of the OS390 large scale mainframe for much of the states business, the implementation of a Storage Area Network that utilizes common, large scale disk storage for both mainframe and server disk storage, and the use of an enterprise-class Unix server supporting the data base needs of multiple applications. Additionally, server security is being addressed through firewall and intrusion detection architecture that serves multiple servers rather than unique architecture for each.

Computing Services continues to use a usage-based fixed allocation method of revenue recovery for services provided. The method has been made more responsive to customer usage patterns during the last year through using a one-year basis and a mid-year

adjusting budget supplement. Computing Services continues to educate the customers on the benefits and assist them in options to take to improve their services.

Efficiency improvements have been made through tuning transaction handling software and related security software. This tuning effort deferred significant upgrade expenses during FY2001-02. Usage continues to increase, suggesting that the previously deferred upgrade may well be necessary in FY2002-03 to insure continued satisfactory system responsiveness.

Prioritized Objectives and Performance Measures

OBJECTIVE 1.3 To be the best provider of technology that delivers electronic commerce to state government.					
		FY99-00	FY00-01	FY01-02	FY02-03
MEASURE 1.3.1 Mainframe resources will be accessible through web-based browser techniques so users can take advantage of the pervasive technology of the Internet	Target		Pilot complete before June 2000. Production by December 2000	Presentation software operating on production server and available to agency development teams.	TBD
	Actual	N/A	See Comments Below	See Comments Below	
MEASURE 1.3.2 To have customers view Computing Services as the leader in providing this technology to meet the needs of government and the citizen.	Target		N/A	N/A	TBD
	Actual	N/A	See Comments Below	See Comments Below	
MEASURE 1.3.3 Security, performance and reliability of mainframe architecture will be an integral part of electronic commerce.	Target		Pilot complete before June 2000. Production by December 2000		TBD
	Actual			See Comments Below	

Additional Information

Measure 1.3.1 In FY2000-01, Computing Services made Intranet postings available to customers and the transaction server was also made available for customer testing. In FY2001-02, Servers were in production and pilot presentation software projects were initiated. The targets for FY2002-03 is to have presentation of software utilized by agencies deliver browser and Internet access to existing business applications.

Measure 1.3.2 – In FY2000-01, Computing Services customers were supporting the enhanced enterprise storage, disaster recovery and large-scale Intel processor. In FY2001-02, Computing Services has multiple agencies utilizing server-based facilities offering, which has increased the growth of the number of customers placing their servers at the data center location. In FY2002-03, the target for Computing Services will be for server consolidation maturing into a heterogeneous mix of server applications operating on a single enterprise resource.

Measure 1.3.3 – In FY2000-01, Computing Services was unable to accomplish this objective due to staffing issues. In FY2001-02, Computing Services was able to develop and evaluate mainframe based web sites. In FY2002-03, the target is to investigate migration to Operating Systems on the mainframe that will allow Open System (Linux) implementation with shared resources.

Similar or Cooperating Programs and Stakeholders

Computing Services exists by statute to serve all state agencies, and departments in serving their computing infrastructure needs. Due to statute restrictions other state agencies and departments must request an exception to the Computing Services to venture outside the realm of services provided.

Program Crosswalk

Program Title: **Division of Information Technologies (formerly CITS) - Archives & Records Management Services**

Line Items:

Personal Services
Operating Expenses

Change Requests: None

Federal/State Statutory and Other Authority: Archives & Records Management Services operates under C.R.S. 24-80-101 through 24-80-109.

Targeted Base Review: None

Program Description:

Archives & Records Management Services plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado territorial and state government. This unit develops and approves record retention policies and destruction schedules for all state agencies, counties, cities, school districts, and special districts as regards preservation and management of records. These records are a valuable business asset to the State and are recorded in a variety of forms from paper to electronic formats. Research assistance is provided to the general public at the main office at 1313 Sherman Street in the Centennial Building.

The Archives & Records Management unit is responsible for managing and operating the state's home page on the Internet. Colorado's state web site offers many resources such as a site limited and global search engine, site hoisting for many state agencies, and support for web-based applications. The state web site has been re-structured as a gateway, or a portal, to state government, local government, community, and regional information.

Other Trends and Baseline Information

Over the next several years, the General Assembly has directed the unit to focus additional efforts with state agencies in order to improve the agencies records management practices and efficiencies. Additionally, new initiatives to move functions to the Internet make sense in extending the convenience and reach more users of archival records.

Archives & Records Management Services continues to move toward making more items available over the Internet. Initially they are putting up indexes of information available at the Archives. This availability of information resulted in a 10 percent increase in

research requests over the past year. Until more actual records can be automated, we expect this trend to continue. The following information is presented to portray some baseline workload levels.

	FY00-01	FY01-02	FY02-03
State Homepage Hits	36,697,063	57,309,537	N/A
Archives Web Page Visits	198,346	401,235	N/A
Archives Web Page Hits	1,347,660	1,905,079	N/A
Research Requests	4,010	4,421	N/A
Retention Policies Approved	122	125	N/A
Records Destroyed – Boxes	17,190	17,342	N/A
Electronic Indexes Made Available to Citizens	12	29	N/A

Prioritized Objectives and Performance Measures

Objective 1.3: Annually, through regular interaction with all stakeholders, develop a clear understanding of their needs in order to improve customer service.

		FY00-01	FY01-02	FY02-03
MEASURE 1.3.1 Improve Customer Service	Target	May 2001	June 2001	TBD
	Actual	See Comment Below	See Comment Below	

Additional Information

Measure 1.3.1 The Archives & Records Management unit began the process to meet with various customers to look at their needs in FY2000-2001. This process was expanded in FY2001-2002 to initiate a State Records Officers users group to allow us a better picture of what the records needs are in the various operating units of the state. This will allow us to better focus our efforts to the areas that are of concern.

The target for FY2002-2003 is to establish regular quarterly meetings with the state agency records liaison officers and to expand the records management training process to cover all parts of the state so as to expand the records management knowledge at the custodial level.

Objective 2.1: Annually, improve program processes by incorporating recognized “best practices” and standards in order to fulfill statutory responsibilities.

		FY00-01	FY01-02	FY03-03
MEASURE 2.1.1 Improve Program Processes	Target	N/A	September 2001	TBD
	Actual	N/A	See Comments Below	TBD

Additional Information

Measure 2.1.1 In FY2001-2002 Archives & Records Management Services developed a statewide Municipal Government Record Retention plan that simplified the process by which local governments could request record destruction approval. This effort was recognized by the Colorado City Clerk's Association as an example of state/local cooperation to reduce costs to the taxpayer.

The target for FY2002-2003 will be to expand this effort to the state's judicial records keeping practices to reduce the length of time many of these records need to be retained.

Objective 2.2: Annually, improve business processes through the use of appropriate technology.

		FY00-01	FY01-02	FY02-03
MEASURE 2.2.1 Expand Web Access to Archival Holdings	Target	March 2001	March 2003	TBD
	Actual	See Comment Below	See Comment Below	

Additional Information

Measure 2.2.1 -- In FY2000-2001 Archives & Records Management Services converted 12 manual record indexes to electronic access on the Archives website. In FY2001-2002 there were 29 indexes made available.

The target for FY2002-2003 is to increase this effort to 36 indexes and look for ways to begin placing the electronic images online.

Similar or Cooperating Programs and Stakeholders

DoIT/Archives & Records Management Services are for all state agencies, county governments, municipalities, school districts, and special districts that create and maintain public records. The web management services are provided only for state agencies. The general public is a key customer in providing public access to archival records. Each of these stakeholders expects efficient, electronic access to the state's archival and records management information via DoIT Services.

Program Crosswalk

Program Title: DPA Technology Management Unit (formerly Application Services)

Line Items:

Application Services
 Personal Services
 Operating Expenses

Change Requests:

N/A

Federal/State Statutory and Other Authority:

Application Services statutory authority exists through the annual Long Appropriations Bill. The unit exists to support the statutory activities of the other programs in the Department of Personnel & Administration including the Divisions of Finance & Procurement, Human Resources, Central Services, Administrative Hearings, Information Technology, and the State Personnel Board.

Targeted Base Review:

Application Services is slated for review in the FY 2004-05 budget cycle.

Program Description

The mission of Application Services is to provide development and ongoing support for the State's Cross-Departmental Administrative Systems (CDAS). These applications include: the state general ledger, accounts payable and, financial reporting system (COFRS); human resource systems including the Applicant Data System (ADS), the state personnel database (EMPL), and a performance review tracking system; the state payroll and benefits system (CPPS), billing systems for Central Services, Communication/Network Services, and Computer Services (portions); the State Fleet Management System (CARS); the state purchasing system (BIDS); and the statewide Financial Data warehouse.

Trends/Opportunities:

By nature of the applications supported by the unit, TMU will play a major role in realizing the vision of E-Government. To drive material and sustainable efficiencies in State government, the focus for E-Government will be on back office operations. Typically, these functions are integrated with the Cross-Departmental Administrative Systems (CDAS) that TMU supports. Thus, TMU will play a major role in realizing the E-Government vision.

Because the organization has largely focused on basic maintenance and support, focused organizational development and process reengineering is required to build the credibility and capabilities of the organization. To that end, the TMU objectives will largely focus on customer services, IT Governance, and human capital development.

Prioritized Objectives and Performance Measures:

Objective 1: Improve/Enhance Customer Service.

Measure: Customer Satisfaction Survey process will be implemented to specifically capture customer inputs for the Technology Management Unit. A baseline will be established for FY2002-03 to help create targets for future years and each functional area within the group.

		FY02-03 Q2	FY02-03 Q4	FY03-04 Q2	FY03-04 Q4
a. Intake Process		Baseline Process Implemented			
b. Software Development Methodology		Baseline Process Implemented			
c. Tiered Support Model		Baseline Process Implemented			
TOTAL	Target	10/31/02	50%	75%	100%
Compliance	Actual				

Objective 2: Deliver Business Value.

Measure: Portfolio Management discipline implemented to track: (a) Information Technology Assets through the entire life-cycle (b) Consistent benefits realization through qualified projects (c) Demand/Supply to manage resources.

		FY02-03 Q2	FY02-03 Q4	FY03-04 Q2	FY03-04 Q4
a. IT Asset Management		Asset Inventory Complete	Policy & Standards Implemented	IT Assets Tracked	Procurement Opportunities Maximized
	Target	n/a	n/a	New	New
	Actual	n/a	n/a	N/a	N/a
b. Project Portfolio Management		Tracking Database Implemented	Projects Delivered On-time	Projects Delivered On-time	Projects Delivered On-time
	Target	n/a	70%	80%	85%
	Actual	n/a	N/a	N/a	N/a
c. Demand/Supply Management		Staff Planning Implemented	Release Management Strategy	Resource Staffing Plans	Resource Staffing Plans
	Target	n/a	70%	80%	85%
	Actual	n/a	N/a	N/a	N/a

Objective 3: IT Governance

Measure: Establish an effective IT Governance structure that drives policy & standards, a technology framework, and measurements & metrics to understand and manage return on investment (ROI) & total cost of ownership (TCO).

	FY02-03 Q3	FY02-03 Q4	FY03-04 Q2	FY03-04 Q4
a. Policy & Standards	Phase-1 rollout	Phase-2 rollout	Audit	Phase-3 rollout
b. Enterprise Architecture	Baseline Current State	Future State Phase 1&2	Future State Phase 3&4	Approved Product List
c. Measurements	Defined	Benchmarks	Scorecard	Scorecard

Objective 4: Human Capital Development

Measure: Consistent with the other objectives, FY2002-03 will be a baseline year for establishing TMU measurements and metrics. Process implementation will be a key enabler for driving individual & functional responsibilities by linking individual behaviors to the roles & responsibilities defined in each process.

	FY02-03 Q2	FY02-03 Q4	FY03-04 Q2	FY03-04 Q4
Organization Developmental Training	Intake SDLC Tiered Support	Manager / Supervisor	Focused Training	Focused Training
Target				
Actual	n/a	n/a	n/a	
Accountability	Performance Plans	Metrics ID	Metrics Baseline	Pay-4- Plans
Target			New	
Actual	n/a	n/a		

Program Crosswalk

Program Title: Division of Administrative Hearings

Line Items:

Personal Services
Operating Expense
Indirect Cost Assessment

Change Requests:

**FY 2002-03 "True-up" Supplemental
FY 2003-04 Cost Allocation Decision Item**

Federal/State Statutory Authority: 24-4-100 C.R.S.

Targeted Base Review: Scheduled for FY 2003-04.

Program Description

The Colorado Division of Administrative Hearings was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The Division is one of 24 central panels of independent Administrative Law Judges (ALJs) in the United States, and provides administrative law hearings to over 30 state agencies, counties and other entities. The Division currently employs 40.3 FTE; 17.1 are ALJs. In FY 01-02, DOAH docketed 14,391 cases; conducted 4,144 hearings throughout the state; and issued 12,675 decisions (hearings held include procedural and merits hearings, and decisions issued include procedural and merits decisions). The Division has three offices: the principal office in Denver, a regional office in Grand Junction, and a regional office in Colorado Springs. The Division also has a judge in Pueblo who offices and holds hearings at the Pueblo County Judicial Building.

The Division operates on a cash fund exempt basis, very little of which is comprised of General Fund dollars. Billings are distributed using a Cost Allocation Model, which means the Division bills its clients a proportionate share of its total costs based on the percentage of total hours worked for each client. Costs are set annually, based on the work percentages of the prior fiscal year. Clients are billed one twelfth of the total each month, and are provided a monthly accounting of actual hours worked. Each January, the distributions and costs are "trued-up" and adjusted for the remainder of the fiscal year through the supplemental budget process. The "true-up" is designed to capture more accurate costs and client utilization than could be captured when the allocations are first set. Factored into the Division's total costs is the Division's overhead: salaries, rent, utilities, etc.

The following are the enabling statutes authorizing and governing the Division's judicial work.

The Administrative Procedure Act provides that an Administrative Law Judge may preside in any agency adjudicatory proceeding. Section 24-4-105(3), C.R.S. (2001). In addition, the Division's ALJs are specifically authorized by the following statutes to conduct hearings for the following departments:

Department of Labor and Employment

Workers Compensation, Section 8-43-201, C.R.S. (2001) provides that the Division shall conduct merit hearings in all workers compensation cases. Note Section 8-43-207.5 which gives jurisdiction to the Division of Workers' Compensation ("DOWC") in prehearing matters. Thus, unlike any other legal area, the Division shares jurisdiction with another agency in prehearing matters.

Unfair Labor Practice Proceedings, Section 8-3-110(8), C.R.S. (2001)

Regulation of Petroleum Storage Tanks, Section 8-20.5-107(5), C.R.S. (2001)

Department of Human Services

Section 19-3-313(7)(c)(I)(C), C.R.S. (2001) (Central Registry for Child Protection, pre-listing and expungement)

Section 26-1-106 (1)(a), C.R.S. (2001) (general authorization)

Section 26-2-127 (1)(a)(II), C.R.S. (2001) (appeals)

Section 26-4-402 (1)(a)(II), C.R.S. (2001) (appeals)

Section 26-6-108 (3), 114 (4) C.R.S. (2001) (child care licensing and penalties)

Section 26-7-107, C.R.S. (2001) (subsidized adoption appeals)

Department of Health Care Policy and Financing

Section 25.5-1-107(1)(a), C.R.S. (2001) (general authorization)

Section 6-18-203(2)(b), C.R.S. (2001) (certificate of authority of healthcare coverage cooperatives)

Department of Regulatory Agencies

Civil Rights Commission, Section 24-34-305(1)(d)(I), C.R.S. (2001) (civil rights violations)

Real Estate Commission, Section 12-61-114(1), C.R.S. (2001) (real estate salespersons and brokers licensing)

Division of Banking, Section 11-2-103.6(1), C.R.S. (2001) (all hearings other than charter applications)

Division of Securities:

Section 11-51-606(1), C.R.S. (2001) (all administrative proceedings)

Section 11-53-105(5), C.R.S. (2001) (commodity sales)

Section 11-59-116, C.R.S. (2001) (municipal bond supervision)

Division of Insurance:

Section 10-1-126, C.R.S. (2001) (general)

Section 10-1-204(3), C.R.S. (2001) (examinations by Commissioner)

Section 10-4-720(7), C.R.S. (2001) (protests of insurance cancellation)

Division of Registrations:

All professional and occupational licensing agencies within the Division of Registrations may use Administrative Law Judges in cases involving license denial and discipline and for any other hearings. Section 24-34-102(12), C.R.S. (2001). Specific authority by agency is as follows:

State Board of Accountancy, Section 12-2-125(1)(b), C.R.S. (2001)

State Board of Examiners of Architects, Section 12-4-104(3), C.R.S. (2001)

Audiologist and Hearing Aid Dealer Registration, Section 12-5.5-106(3), C.R.S. (2001)

State Board of Barbers and Cosmetologists, Section 12-8-131(1), C.R.S. (2001)

State Board of Pharmacy, Section 12-22-125(3), C.R.S. (2001)

State Electrical Board, Section 12-23-104(2)(h), C.R.S. (2001)

State Board of Registration for Professional Engineers and Professional Land Surveyors, Section 12-25-109(4), 209(4), C.R.S. (2001)

Acupuncturist Registration (Section 12-29.5-110(1)(h), C.R.S. (2001)

Colorado Podiatry Board, Section 12-32-108.3(4), (6), C.R.S. (2001)

State Board of Chiropractic Examiners, Section 12-33-119(1), C.R.S. (2001)

State Board of Dental Examiners, Section 12-35-118(1), C.R.S. (2001)

State Board of Medical Examiners, Section 12-36-118(1)(c), C.R.S. (2001)

Midwives Registration, Section 12-37-107(4), C.R.S. (2001)

State Board of Nursing, Section 12-38-116.5(1)(c), C.R.S. (2001)

Nurse Aides, Section 12-38.1-114(1), C.R.S. (2001)

Psychiatric Technicians, Section 12-42-115.3, C.R.S. (2001)

Board of Nursing Home Administrators, Section 12-39-114(1), C.R.S. (2001)

State Board of Optometric Examiners, Section 12-40-119(2)(d), C.R.S. (2001)

Physical Therapy Licensure, Section 12-41-117(8), C.R.S. (2001)

Mental Health Boards (Psychologist Examiners, Social Work Examiners, Licensed professional Counselor Examiners, Marriage and Family Therapist Examiners, State Grievance Board), Section 12-43-221(1)(b),(e), C.R.S. (2001)

Outfitter and Guides Registration, Section 12-55.5-106(2), C.R.S. (2001)

Examining Board of Plumbers, Section 12-58-104(1)(h), 110(3), C.R.S. (2001)

State Board of Veterinary Medicine, Section 12-64-105(9)(f), C.R.S. (2001)

Department of Education

Individuals with Disabilities Education Act (Part II, Section B, VII of the Colorado Department of Education State Plan)

Section 22-20-108(3)(a), C.R.S. (2001) (determination of disabilities in children)

Section 22-63-302(4)(a), C.R.S. (2001) (teacher dismissal)

Secretary of State

Fair Campaign Practices Act Violations, Section 1-45-111(2)(a), C.R.S. (2001)

The Division conducts all workers' compensation hearings for the entire state; all public entitlement cases (food stamps, Colorado Works/AFDC, Medicaid, etc.); all professional licensing board work which involves the denial, revocation, summary suspension or discipline of a professional license holder such as doctors, nurses, architects, real estate brokers, teachers, engineers, etc.; and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act. There are four major clients which account for most of the Division's work:

Dept. of Labor and Employment/ Division of Workers' Compensation	50%
Dept. of Human Services	21%
Dept. of Regulatory Agencies	15%
Dept. of Health Care Policy and Financing	8%
Other	6%
<hr/> Total	100%

Once decisions are issued by the Division's ALJs, parties can appeal to appellate bodies which may consist of a lay person appellate body such as the Human Service's Office of Appeals, or any of the Department of Regulatory Agencies' licensing boards, an attorney

appellate reviewing body such as Industrial Claims Appeals Panel, or directly to the district or appellate courts.

Prioritized Objectives and Performance Measures

OBJECTIVE 3.30: Create an annual, formalized training program for ALJs consisting of both in-house training and training at the National Judicial College to improve ALJ services to the public.					
		FY1999-00	FY2000-01	FY2001-02	FY2002-03
MEASURE 3.30.1 Receive \$20,000 in additional funding for training of judges to improve services to the public	Target	N/A	\$20,000	\$20,000	\$20,000
	Actual	N/A	\$21,000	0	0

Additional Information

The Division received an appropriation of \$21,000 for this purpose in FY 2000-01. Although the Division understood this to be an ongoing annual appropriation, the funding did not appear in the FY 2001-02 Long Bill. Although funding did not continue, the Division was able to reprioritize an extremely limited operating budget and accomplished some training in FY 2001-02 using existing resources. In December 2001, the Division hosted, at no cost, the state's first-ever training for administrative law judges on ethics and judicial independence. In addition, the Division was able to send four judges to an advanced evidence course at the National Judicial College in July, 2001, and six judges attended the National Association of ALJs' annual training conference in November, 2001. There is a critical need to continue the formalized training program that teaches not only substantive law but demeanor and ethics as well. This training can be received through the National Judicial College in Reno, Nevada, through the National Association of ALJs and similar organizations, and through in-house training programs organized by the Division. Unfortunately, the Division's ability to continue to use existing resources has been severely limited by the recent reductions in operating funds as well as statewide restrictions on travel.

In addition, the Division has a continuing need to train its judges in mediation techniques. The Division mediates regulatory agency disputes and Central Registry matters. The Division has developed such a successful mediation program that the requests for mediation continue to increase. The Division can assign only 11 of its 17 judges to mediations as the remaining judges have not received certified training; thus, the Division will continue to train judges and legal assistants in mediation when the appropriation to do so is available.

OBJECTIVE 1.13: By July 1, 2000, obtain other hearing space in Colorado Springs and Pueblo to enable the Division to expand the workers' compensation dockets by number of days and the number of dockets running simultaneously.

		FY1999-00	FY2000-01	FY2001-02	FY2002-03
MEASURE 1.13.1 Finding hearing room space for \$10,000 or less in Colorado Springs and Pueblo	Target	To find hearing room space for \$10,000 or less	To keep lease costs of hearing room space to \$10,000 or less	To keep lease costs of So. Regional Office to \$10,000 or less	To keep lease costs of So. Regional Office to \$20,000 or less
	Actual	N/A	\$8,400	\$9,035	N/A

OBJECTIVE 3.7: Increase hearing service to the southeastern Colorado region by implementing a pilot program using contract ALJs to provide workers' compensation hearing service to the Pueblo-LaJunta-Trinidad-Walsenburg and San Luis Valley (Alamosa) area.

		FY1999-00	FY2000-01	FY2001-02	FY2002-03
MEASURE 3.7.1 Case count of cases docketed in Southeastern Colorado	Target	N/A	N/A	N/A	N/A
	Actual	N/A	64	41	N/A

Additional Information

Southern Colorado: The Division accomplished its initial objective of obtaining hearing space in Colorado Springs and Pueblo for less than \$10,000 total by utilizing space at Pikes Peak Community College in FY 2000-01. However, due to the volume of cases being filed and number of hearings being held in Southern Colorado, the Pikes Peak space became unsuitable for holding administrative hearings. In January 2001, the Division opened its Southern Regional Office at 1259 Lake Plaza Drive, Suite 210, offering hearings five days per week. Permanently assigned personnel include a Supervising Administrative Law Judge, a second Administrative Law Judge, a full-time Hearings Reporter, and a full-time Regional Clerk. Also, the Division has obtained free hearing and office space in Pueblo at the Pueblo County Judicial Building. The Division offers hearing days two days per week for parties residing in or near Pueblo. Finally, the Division met its goal of providing hearing venues in Southeastern Colorado. The Division has expanded its hearing services to Alamosa in addition to Pueblo in Southeastern Colorado, and has done so utilizing existing ALJ FTE. The Division's judge in Pueblo travels to Alamosa one day each quarter to hear any cases that are

docketed there. Alamosa hearing locations are arranged either through the local college or using a conference room at a local hotel; fees vary depending on location used.

Northern Colorado: The Division continues to hold hearings in Ft. Collins at the Ft. Collins Justice Center and the City Council Chambers at no cost to the Division. In addition, for hearings scheduled in Greeley, the Division has negotiated with the City of Evans to obtain, at no cost, hearing space in their offices in lieu of the past practice of paying for space at the University of Northern Colorado. Hearings in Northern Colorado are held one day per week, alternating between Ft. Collins and Greeley/City of Evans.

Western Colorado: The Division continues to hold hearings in Grand Junction at our leased space in the state office building at 222 S. 6th Street, Suite 414. Grand Junction offers hearings five days per week. In addition, in April 2002, the Division reached agreement with the City of Glenwood Springs to obtain hearing space at a nominal fee in their Municipal Courthouse. Hearings are scheduled in Glenwood Springs one day per month for residents of that area. The Western Regional office also holds hearings in Durango one day every other month. Durango hearing space is available to the Division, at no cost, at the Federal Magistrate judge's courtroom.

The Division currently pays for hearing space in the following cities:

Grand Junction, leased space in state office bldg \$ 7,292.00/year
 Glenwood Springs, housekeeping fee only \$ 600.00/year
 Alamosa, room fee only \$ 120.00/year
 Colorado Springs, leased space on Lake Plaza Dr. \$18,765.00/year
 \$26,777.00/year

OBJECTIVE 2.5: Sublease 2,749 square feet of DOAH's office space by 7/1/2000 through 2005, the Division's lease term, to generate \$37,111.50 annually, for a total of \$167,001.75 (during FY 2004-05, the Division retains the lease for six months)					
		FY1999-00	FY2000-01	FY2001-02	FY2002-03
MEASURE 2.5.1 Amount of extra revenue generated due to sublease of extra space in DOAH	Target	\$37,111.50	\$37,111.50	\$41,730	\$42,805
	Actual	N/A	\$41,730	\$42,805	N/A

Additional Information

The Division accomplished its objective of subleasing 2,749 sq. ft. of its main office space. The State Personnel Board moved into the subleased space at a cost of \$13.50/sq. ft., resulting in an annual rent of \$41,730 (includes Personnel Board's share of escalating operating expenses as determined by The Chancery building management). This

sublease decreases the Division's overhead costs. Decreasing overhead costs ultimately affects the Division's charges to its customer state agencies. Charges are calculated based on the need for the Division to recoup sufficient revenue from customer state agencies to break even financially at the end of the fiscal year. It is the Division's goal to continue to identify overhead costs that can be reduced in order to keep the Division's services to its customer state agencies at an affordable rate.

OBJECTIVE 2.5: By January 1, 2003, renegotiate the Division's sublease agreements with the Department of Labor and Employment ("DOLE") and Department of Personnel & Administration ("DPA") to increase their rate to reflect the actual square footage rental paid by the Division for their space. This will result in an increase of \$8,949.28 rent annually, for a total of \$40,271.76

		FY1999-00	FY2000-01	FY2001-02	FY2002-03
MEASURE Renegotiate sublease agreements with DOLE and DPA to obtain additional rent to reflect actual square footage rent paid by the Division.	Target	Obtain additional \$8,949.28 in rent from DOLE and DPA	Find new sublease tenant for DOLE space, at actual cost	Find new sublease tenant for DPA space, at actual cost	Continue to work with DOWC Pre-hearing Unit to move toward actual cost
	Actual		Accomplished via DNR sublease	Partially accomplished via DOWC co-location	Partially accomplished via agreement with DOWC re: partial rent reimbursement

Additional Information

The Division's lease at The Chancery, its main office, is for 20,751 total square feet. Because the lease exceeds the Division's office and hearing room requirements, the Division entered into sublease agreements with the Department of Personnel and Administration for a training room and the Department of Labor and Employment for office use. The interagency sublease agreements reflected a lease cost to the two departments that was less than the lease cost to the Division for that space. The Division pays a base cost of \$13.50 per square foot. The training room was billed at \$10.89 per square foot, and Labor and Employment was billed at \$11.75 per square foot. As a result, the Division lost revenue. However, both sublease tenants moved out of the subleased space at the end of FY 1999-00. In FY 2000-01, the Department of Natural Resources ("DNR"), Colorado Geological Survey office moved into the space vacated by DOLE and pays the same rate for the space as the Division is charged through its master lease. In November 2001, the Department of Labor and Employment, Division of Workers' Compensation Pre-hearing Unit moved into the space vacated by the DPA Training Unit.

The Division is charging DOWC a lease cost that reflects efficiencies gained from the use of common systems.

OBJECTIVE 2.15 Change the Division's funding mechanism from the Oregon Plan to either Direct Appropriation or General Funding by July 1, 2001 to eliminate budget deficits.					
		FY99-00	FY00-01	FY01-02	FY02-03
MEASURE 2.15.1 Accomplish changing funding mechanism from Oregon Plan to direct appropriation	Target	N/A	N/A	Change appropriation plan	Continue with Cost Allocation Model
	Actual	N/A	N/A	Appropriation plan changed to Cost Allocation Model	N/A

Additional Information

Prior to FY 2001-02, the Division was funded through what has been referred to as the "Oregon Plan" which required direct billing to its client agencies. Under this plan, the Division was limited to performing a specific number of hours of hearings and providing a specific number of hours of adjudicatory services for each client agency. In any fiscal year, the Oregon Plan did not take into account any increase or decrease in cases filed by the public or unanticipated increases or decreases in the need for hearing services by client agencies. Thus, the Division had no way of, for example, increasing hearings in workers' compensation due to the number of cases filed by the public and reducing DORA hours when there were fewer cases filed in that same fiscal year. This inflexibility in deploying the Division's judges where needed resulted in billing deficits and/or billing overruns.

In FY 2001-02, the Division's billing methodology was changed to a Cost Allocation Model. Under this model, the Division bills its clients a proportionate share of its total costs based on the percentage of total hours worked for each client. Annual costs are established, based on the work percentages of the prior fiscal year. Clients are billed one twelfth of the total each month, and are provided a monthly accounting of actual hours worked. Each January, the distributions and costs are "trued-up" and adjusted for the remainder of the fiscal year to reflect more recent actual data.

Trends and Other Baseline Information

Caseload Statistics - FY 2001-02

Agency	Cases Docketed	Hearings Held*	Decisions/Orders Issued**
DOWC	12,291	2,954	10,742
Human Services	1,224	634	1,167
HCPF	649	477	576
DORA/misc.	227	79	190
TOTAL	14,391	4,144	12,675

Caseload Statistics - FY 2000-01

Agency	Cases Docketed	Hearings Held*	Decisions/Orders Issued**
DOWC	13,915	2,657	9,637
Human Services	1,072	566	844
HCPF	354	219	280
DORA/misc.	254	80	223
TOTAL	15,595	3,522	10,984

Caseload Statistics - FY 1999-00

Agency	Cases Docketed	Hearings Held*	Decisions/Orders Issued**
DOWC	12,039	2,865	11,866
Human Services	909	582	1,424
HCPF	413	239	532
DORA/misc.	287	86	188
TOTAL	13,648	3,772	14,010

Caseload Statistics - FY 1998-99

Agency	Cases Docketed	Hearings Held*	Decisions/Orders Issued**
DOWC	11,986	3,824	14,007
Human Services	1,262	727	1,739
HCPF	400	205	459
DORA/misc.	302	112	295
TOTAL	13,950	4,868	16,500

Caseload Statistics - FY 1997-98

Agency	Cases Docketed	Hearings Held*	Decisions/Orders Issued**
DOWC	12,458	2,744	11,358
Human Services	1,470	688	1,586
HCPF	341	176	410
DORA/misc.	299	170	682
TOTAL	14,568	3,778	14,036

* Includes merits and procedural hearings

** Includes merits and procedural decisions

It is difficult for the Division to accurately predict whether cases will increase or decrease in FY 2003-04. Implementation of best management practices can never account for or control the number of cases filed by the public. However, the Division was assigned additional case work in FY 2001-02 (DDS cases and Central Registry cases via Department of Human Services) which should result in increased caseload statistics in FY 2003-04.

Other Pertinent Information

The Division has made the following changes to its operations:

- Elimination of Rotation of Judges. In December, 1998, the ALJs underwent cross-training in workers' compensation, regulatory agencies and human services law in preparation for full rotation in January, 1999. All judges were in full rotation since January, 1999; however, the Division experienced problems meeting budgetary expectations and workload demands under the full rotation plan. After a review of the full rotation plan by management, it was discontinued in late 2000.
- Realignment of ALJs and support staff. The Division's ALJs and legal assistants were reorganized into two functional units: the Workers' Comp Unit and the General Services Unit (all non-workers' comp cases). Each unit is overseen by a Supervising ALJ. Docketing, hearings reporters, security, and other administrative functions were consolidated under the supervision of the Chief of Operations.
- Consolidation of Docketing Function. Docketing was handled by the workers' compensation docketing staff consisting of four clerks; two paralegals in Regulatory Agencies and Human Services, respectively; as well as oversight by three judges. In November, 1998 all docketing was consolidated in the docketing staff. In May, 2002 the docketing structure was further refined into two specialized teams: the Workers' Comp Team and the General Services Team.
- Consolidation of Paralegal Functions. The Division's three paralegals were operating on a rotation schedule, changing primary areas of assignment every three months. This division of labor was ineffective, confusing, and prevented the development of expertise necessary to operate efficiently. In May, 2002 the two senior legal assistants were assigned full responsibility and supervision of the two specialized docket teams, resulting in smoother day-to-day case processing, cross-training of docket staff, and the complete elimination of the docketing backlog. The third paralegal splits her time between paralegal work with the General Services Team and providing security in the courtrooms.
- Judicial Evaluations. The Division now evaluates ALJs under the Colorado Performance Management Program standards. In addition, the Division is in the process of developing a customer service survey to provide additional input on ALJ performance.

This overview includes most of the significant changes made in the Division to date. The Division will continue to be accountable and responsive to the needs of its customer state agencies and the public, and make whatever improvements need to be made to provide quality customer service.

Similar or Cooperating Programs and Stakeholders

Hearings

The Division's primary activity is conducting hearings, which includes pre-hearing work and post-hearing work. The Division performs pre-hearing work in all areas except workers' compensation; the DOWC retains authority over the pre-hearing ALJ work. Other state programs that also provide a hearing function, either through ALJs, hearing officers or referees, include:

Department of Labor and Employment

Division of Workers' Compensation, Pre-hearing Judges
Unemployment Compensation, Referees

Department of Natural Resources

Division of Wildlife

Department of Regulatory Agencies

Public Utilities Commission

Department of Revenue

Motor Vehicle Division

State Personnel Board

In addition, smaller, less formal hearing functions may exist in many state agencies (e.g. well permit hearings in the State Engineer's Office, or air or water quality hearings through the Department of Public Health and Environment).

Court Reporting

The Division employs hearings reporters only in the area of workers' compensation. Client agencies such as DORA pay for court reporters in regulatory cases heard by the Division. Court reporting is a judicial branch shared function.

Customer Requirements

Customer	Requirement
Citizens of the State of Colorado	Impartial, fair, timely, and cost effective adjudication of their disputes in workers' compensation, social services, regulatory agencies, and other miscellaneous cases. Timely issuance of decisions after hearings.
Colorado State agencies	Impartial, fair, timely, and cost effective adjudication of disputes as well as timely issuance of decisions after hearing.
Practicing Bar, including private bar, Office of the Attorney General, and City and county attorneys	Efficient and effective adjudication services, which includes not only hearings, but docketing, motions practice, and court reporter services.