

Strategic Plan

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**Department
of
Personnel & Administration**

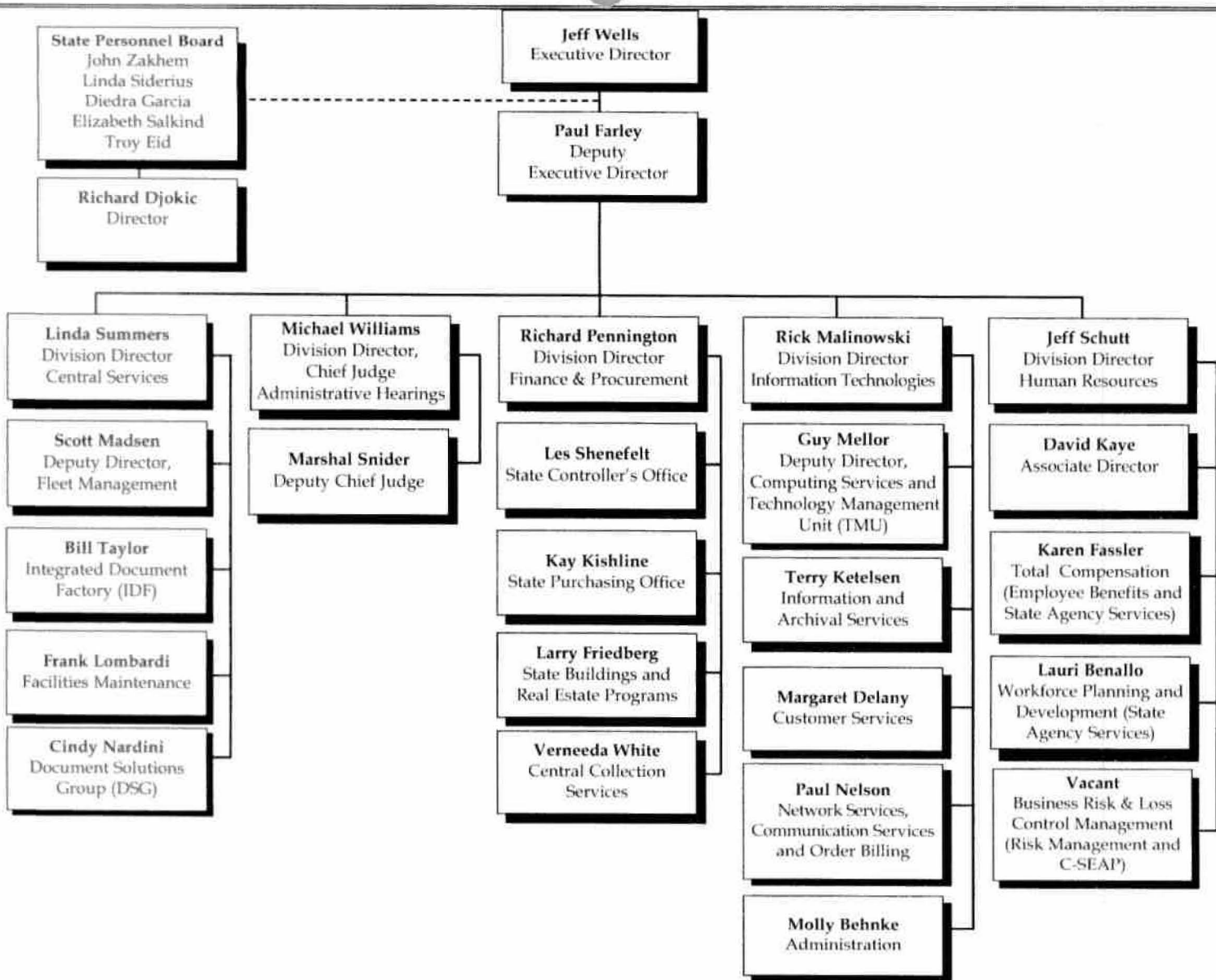


DPA

Strategic Plan FY 2005-06

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Department of Personnel &
Administration
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Department of Personnel & Administration Strategic Plan FY 2005-2006

Mission Statement

The Department of Personnel & Administration is the State agency that is tasked with providing the essential business infrastructure necessary for the efficient and effective operation of all State government agencies and programs. Our constant focus is on achieving this mission by maintaining and delivering the highest levels of service and providing the best value possible to each of our customers, while adhering diligently to stringent professional, ethical and service delivery standards.

Departmental Focus

The Department of Personnel & Administration (DPA) provides the human capital, information, tools, resources and materials needed for Colorado State government to serve the public. The programs and functions of DPA are not generally those that are highly visible or easily recognized by citizens. Nevertheless, the programs and functions provided by DPA are vitally important to the efficient and effective operation of state government. In essence, DPA manages the business systems and processes that support state government and is the business infrastructure for the State.

DPA's mission is not limited to only one department or even one branch of government. DPA serves the entire State and all of State government in various ways. DPA provides a multitude of support services including, but not limited to, management of the State's human resource services, State financial and purchasing oversight, management of State buildings and real estate services, management and administration of the State's automotive fleet, operation of the State's printing and mail services, maintaining State buildings, facilities and grounds, management of the State's technology infrastructure, and hearing legal administrative appeals.

The personnel of DPA are the subject matter experts tasked with facilitating and managing State resources and the business systems and processes of state government. Their roles include planning, coordinating, integrating, monitoring and reporting about these business systems and processes. They are responsible for developing, selecting, protecting and distributing business assets and resources in support of statewide public policies, priorities and initiatives.

This plan details the Department's vision, mission, goals, and strategic objectives and seeks to provide a meaningful, descriptive overview of the Department from an organizational perspective, and with regard to background and trend analysis related to the Department and the environment in which we operate. The plan will also help us direct our efforts by coordinating resources and priorities within the Department and across State agencies in order to perform our work most efficiently and effectively on behalf of the customers that we serve. The Department will periodically amend the Strategic Plan to address feedback from our customers and employees, based on assessment of our performance by external stakeholders, and to incorporate the impact of emerging State needs and legislative priorities.

Divisions of DPA

DPA services the entire State through its various divisions, which are summarized below.

Executive Office

The Executive Office is responsible for essential duties that impact not only the entire Department, but also a multitude of State agency customers. This office provides the Department with operational management direction, policy formulation and core internal functions in the areas of financial services, human resources, and communications and legislative relations. One of the Department's main areas of focus in the past two fiscal years has been improving the management of internal operations.

The Financial Services Unit is responsible for providing a central source for accountability, coordination and sound fiscal management in areas related to budgeting, accounting and contract management functions. In addition, the Unit is tasked with departmental financial oversight, internal payroll processing, analysis of the fiscal impact of legislation, and communications with and deliverables to the Joint Budget Committee, the Office of State Planning and Budgeting, and Legislative Council. In addition, the Technology Management Unit develops applications and information systems for the internal business units of DPA under the direction of the Department CIO who resides in the Executive Office (as well as managing statewide administrative applications under the direction of the Division of Information Technologies).

The Human Resources Unit (HRU) administers the Department's internal personnel functions by providing human resources support and services, including job evaluation, compensation, benefits administration, employee relations, orientation, recognition, and training coordination. The HRU assists appointing authorities in operating effectively within the civil service system, and facilitates consistency across the Department in the handling of internal personnel related issues.

The Communications and Legislative Affairs Unit is responsible for Department communications and the Department's relationship with the General Assembly. The unit director serves as both the department's Public Information Officer (PIO) and Legislative Liaison. This unit communicates relevant information to all State employees through the publication of Stateline, communicates department specific issues in a monthly departmental newsletter, is the main point of contact for all open records requests, and responds to all local and national media inquires. Further, the Legislative Liaison develops and advocates the Department's positions on proposed legislation and responds to inquiries by legislators, legislative staff, and constituents.

Division of Human Resource (DHR)

The Division of Human Resources (DHR) has the responsibility of effectively managing the entire State Personnel System. DHR creates, maintains and enhances statewide human resource rules, programs, and systems in cooperation with State agencies and other stakeholders so that agencies can recruit, hire, and retain workforces best suited to their missions. DHR supports agencies and their employees by administering health insurance and other employee benefits systems for State employees and annuitants, and by preparing the annual Total Compensation Report for the General Assembly.

Additional components of the Division include Risk Management Services (Liability, Property and Workers' Compensation programs), the Colorado State Employee Assistance Program (C-SEAP), and the Professional Development Center (Training Services). Risk Management Services offers comprehensive safety and loss control programs and resources, provides insurance coverage for State buildings and assets, and insures the State by administering and covering liability and State employee workers' compensation claims. C-SEAP professionals provide State employers and employees with confidential counseling, mediation, support, educational and referral services, and facilitate preventative intervention processes to help managers and supervisors curtail workplace issues before they become liabilities. Finally, the Professional Development Center offers State agencies and employees flexible and interactive training opportunities that include career development, leadership training, and supervisory certificate programs.

State Personnel Board (SPB)

The State Personnel Board adjudicates employment disputes within the State classified system and is responsible for promulgating rules to ensure that State employment is based on merit and fitness. Within this context, the Board employs Administrative Law Judges (ALJs), conducts administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution.

The Board is constitutionally established with five members, each serving five-year terms. Three members are appointed by the Governor and the remaining two members are elected by State employees.

The cases presented to the Board include issues of discrimination, retaliation under the State Employee Protection Act, layoff and retention disputes, wrongful discipline and other employment related issues. The Board's staff conducts settlement conferences, facilitates settlement negotiations between State agencies and their employees, and encourages parties to resolve their cases on their own terms, whenever possible. The Board additionally conducts training for departments and/or agencies upon agency request.

The Board ultimately seeks to provide guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management through rules, decisions, communication, and training.

Division of Central Services (DCS)

The Division of Central Services (DCS) provides the best value to the State in every service we offer and to every customer we serve. DCS provides support and service needs for State agencies in the areas of State buildings and facilities, grounds maintenance, State fleet vehicles and motor pool services, commercial art, printing, duplicating, imaging, microfilming, data entry, copiers, mailing, State identification cards and administration of the Statewide Travel Management Program.

Our three long-term goals are to create the highest possible value to our customers, to develop and sustain a thriving team of employees, and to be recognized as industry leaders. DCS is able to provide competitively priced and high value services through solid management and consolidated

service programs. Because of its sizable customer base, the Division is able to coordinate and control common support services while providing lower costs through economies of scale and volume.

The Integrated Document Factory (IDF) contains Reprographics Services (Design Center, Quick Copy Center, Copier Management and Print Shop) and offers central administration for provision of printing, copying, design and commercial art services to customer statewide. IDF also contains Mail Services, which provides complete mail processing services, combined with a metro area distribution network for mail and printed materials and the Document Solutions Group, which delivers micrographics, data entry, digital imaging, and indexing services to customers while operating facilities in both Denver and Pueblo.

State Fleet Management (SFM) provides management oversight for all of the vehicles in the fleet program. SFM provides vehicle purchasing, management of maintenance, repairs and preventive services, collision management, vehicle reassignment, and fleet monitoring and reporting. SFM also manages the auction and salvage of older vehicles and operates the State Motor Pool.

Facilities Maintenance (Capitol Complex) is responsible for the property management and maintenance for all State buildings and facilities located downtown and at the Lakewood, Grand Junction, Camp George West and North Denver Campus locations.

With regard to all of the services referenced above, the Division is responsible for statewide coordination of services and required funding, including calculating and establishing rates for all services referenced, and in some cases calculating and identifying appropriation needs for all State agencies who utilize its facilities and services.

Division of Finance and Procurement (DFP)

The Division of Finance and Procurement contains four primary components that provide leadership, oversight and guidance to State agencies and institutions of higher education in the management of State financial affairs, public procurement processes, construction and real estate programs, and provides a central collection function for debts owed to the State.

The State Controller's Office provides management, monitoring and oversight of the State's financial affairs. The State Controller's Office promulgates fiscal rules, policies and procedures related to the unified accounting system (COFRS); issues warrants to pay State debts; develops procedures and administers training related to contract approval; manages the Vendor Offset Program and the Fraud Hotline; and estimates TABOR revenue to assist in budget planning.

The State Purchasing Office manages the Procurement Program with duties that include the promulgation of the State's procurement rules; BIDS electronic vendor notification system; procurement education and leadership; procurement and administration of statewide price agreements; conducting procurement services for non-delegated agencies; and appeals authority for bid protests.

State Buildings and Real Estate Programs (SBREP) integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise. SBREP provides assistance and

training to State agencies and institutions relating to general-funded capital construction and all aspects of real estate transactions.

Finally, this Division includes Central Collection Services, a program that serves as a central accounts receivable function and actively collects debts owed to State agencies, departments and institutions after initial collections efforts have been unsuccessful.

Division of Information Technologies (DoIT)

The Division of Information Technologies (DoIT) operates the computing and network infrastructure utilized by all State agencies to accomplish their respective business functions and program objectives for the State of Colorado and its citizens. This infrastructure includes the State's data center, telecommunications including the Multi-Use Network (MNT) and the Digital Trunked Radio system, and application systems support for statewide systems through the Technology Management Unit. DoIT also provides and contributes to statewide planning efforts related to telecommunications as well as supporting the Governor's Office of Innovation and Technology in their efforts to provide statewide leadership with information technology solutions for citizen centric business initiatives.

Communication Services provides the information network backbone for the statewide communications network. This backbone provides both wired and wireless services including voice, video, and data. A primary purpose of the state network is to carry "public safety" two-way voice traffic for the Colorado State Patrol, the Departments of Corrections, Transportation, and Natural Resources and local public safety agencies, and operates the State's digital microwave radio system.

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 services for State agencies and a long distance contract that is used by all departments.

The Computer Services Unit is responsible for the management and operation of the State's Data Center (previously called the General Government Computer Center or GGCC). The Data Center is separated into operational support and technical support. Both of these groups provide support and assistance to State agencies. The unit's responsibility requires the maintenance and operation of the Data Center on a 24-hour basis, 365 days a year. It is also responsible for maintenance of operating software and databases to accomplish its functions.

Information and Archival Services plans, manages and operates the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado territorial and state government. This unit also develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts in order to fulfill its mission to preserve and manage State records.

The Technology Management Unit (TMU) manages statewide administrative applications used in support of core business functions in Colorado state government agencies. In addition, DoIT includes Order Billing and Customer Services sections. Order Billing staff processes various

requests for voice, video and data services requested by State and local government entities and is responsible for collection of user charges for telecommunication services provided by the Department of Personnel & Administration. The Customer Services section functions as the advocate for DoIT customers, and its purpose is to ensure the smooth delivery of information services to the customer in a timely manner. A "Help Desk" function allows this unit to interface directly with the customer to resolve issues with the State's network, mainframe operations, application servers at the Data Center, and other services offered by DoIT.

Division of Administrative Hearings (DoAH)

The Division of Administrative Hearings (DoAH) provides an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. DoAH is one of 24 central panels of independent administrative law judges in the United States. The judges are independent from the agencies for which they conduct hearings and decide cases. This division hears and decides administrative law matters for a total of more than 50 State departments, agencies, boards and county departments. DoAH serves the State's citizens from three offices; the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional Office in Colorado Springs. The operation of regional offices allows citizens to have easier access to administrative hearings without having to travel to the Denver metro area.

The Division conducts all workers' compensation merits hearings for the entire state; all public benefits cases (food stamps, Colorado Works/AFDC, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (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.

DPA ENVIRONMENTAL SCAN

Department Background

On July 1, 1995, House Bill 95-1362 merged the Departments of Administration & Personnel. The new Department was formally named the Department of Personnel. Over the years the department has undergone many name changes but today the department conducts its business as the Department of Personnel & Administration.

As a result of HB 95-1362 the major business systems, such as personnel and support services, were brought under the same management authority. This provided DPA and the State of Colorado with the opportunity to address complexities and inefficiencies within these systems in a more streamlined manner. A unified commitment, mission, and strategy resulted in more efficient coordination and planning which allowed DPA to generate effective results in improving the overall services of State government.

DPA's responsibilities are mandated by statute and are diverse and wide ranging. The statutory authority is found in Title 24 of the Colorado Revised Statutes (CRS) and Section 13 of the Colorado Constitution. DPA generally does not determine or implement public policy that directly affects citizens. It is primarily an internal support agency for State government that assists agencies in delivering services to citizens. In addition, the programs and functions of DPA are not typically those that are visible or easily recognized by citizens, however, they are critical in the efficient and effective operation of State government. DPA is one of State government's primary central management and oversight entities, and employees within this agency bring unique experience and expertise to the management of the government's assets and human resources. DPA understands government requirements and business imperatives and the overriding need to reduce costs for taxpayers and State agencies.

DPA Customers

Employees are an important base of our internal customers and are the State's most valuable resource. DPA serves over 32,000 public employees. We are committed to ensuring that our human resources processes provide for the best recruitment, selection, job evaluation, compensation, and retention methods. Our goal is to develop an environment in which employees can be productive, creative and function at their highest level.

DPA's institutional customers include State departments, institutions of higher education, the General Assembly, local government entities, and the public. Because DPA operates as a business and service center for programs conducted throughout State government, we carry out the leadership responsibilities of our mission in partnership with other State agencies. We believe that our success depends upon offering quality and value to our customers and stakeholders by providing economically efficient and sound services while adhering to the highest standards of integrity.

Key Trends Emerging Issues and Concerns

With the help of our customers and stakeholders, we have identified several critical factors, including trends affecting our business and issues or concerns that we need to address. By clearly identifying the critical factors, we were able to successfully address many of these issues, and continue to include them as a key component of our business strategies.

Inconsistent communication with DPA stakeholders

The communication and information that DPA historically provided to its stakeholders was sometimes limited in scope and inconsistent in delivery. This led to a lack of understanding of the true needs of our customers and stakeholders. The appropriate tools and resources for communication of rules and statutes that impacted our customers and the services that DPA provides were not being utilized to the extent necessary. Among other concerns, it was determined that customers suffered as a result of the Department not having the appropriate Service Level Agreements in place, having a limited number of information sessions for employees and customers, and exhibiting a history of neglected customer service awareness. There was also a sense that the data that was shared was unreliable.

Key strategies utilized to address this concern included continual updates of the Department's website to provide the most comprehensive and accurate information related to the many services and issues that the Department is tasked with providing and managing; multiple "town meetings" for State employees to keep them informed about various current and proposed policies, rules and processes that impacted them; the reinstatement of Fiscal Management Meetings to address critical statewide budget, finance and accounting issues with controllers and budget and fiscal officers statewide; and active and continuous participation in many industry-specific forums and associations to disseminate information to stakeholders and customers. Because constant communication with and feedback from our many customers and stakeholders ultimately generates the most effective method of understanding their needs and priorities, this process continues to be an ongoing focus of the Department in its operations.

Constitutionally Frozen and Outdated Personnel System

The State Personnel System, as defined in statute and in the State constitution, is outdated and inflexible. The system limits the State's ability to be competitive with the private sector and in some cases other governmental agencies. In part to address this concern, the Department participated actively in the drafting of legislation to reform the Civil Service System during the 2004 Legislative Session, (as reflected in the "Key Accomplishments for Fiscal Year 2003-04"). The associated proposed constitutional reforms have been referred to the electorate for the November 2004 general election.

Technology

Because of DPA's involvement with and reliance on technology the Department constantly analyzes trends associated with the industry. Currently there is a shift from the use of mainframes to client servers. The availability of more robust networks allows for faster and higher quality information transfer. The Department continues to improve its processes for information

technology management toward platforms that will provide the optimal level of benefits and efficiencies to customers.

Insurance Challenges

In recent years, the property/casualty insurance industry has posted substantial net losses. These losses have translated into higher premiums, increased deductibles, and reductions in coverage. Costs for other risk management premiums such as workers' compensation and liability insurance are and have been facing similar increases. The DPA Risk Management Program is also faced with addressing the issues presented by the passage of HB 04-1009, which allows institutions of higher education to opt-out of the Risk Management Program and pursue their own independent programs. If and when various higher education institutions opt out, the Risk Management Program will be faced with continuing to provide risk management services with the reduced advantages provided by economies of scale.

Similarly, the costs for health insurance continue to rise significantly. Various components of the State's health insurance plan (medical, hospitalization, pharmacy) have faced escalating increases and this trend is not foreseen to change significantly in the near future. This is in keeping with similar trends occurring nationwide. The Department is seeking to mitigate these increases, to the extent possible, and provide greater control over the volatility in premium costs by exploring the feasibility of transitioning back to self-funding its health benefits plan to allow for greater control over plan design in an attempt to address these escalating costs.

Legislation of Impact to the Department from the 2004 Legislative Session

- *HCR 04 - 1005 – Concerning Reform to the State Civil Service System*
 Highlighted Changes include replacing employee selection's rule of 3 with the rule of 6, not more than .45% of the certified State workforce shall be exempt from the State Personnel System, temporary employees are extended from six to nine months, "bumping" rights are vested after five years of State service, and contracting for traditional government services is allowed as long as certified employees do not lose pay, status or tenure.
- *HB 04 - 1373 – Concerning Modifications to the State Personnel System Act*
 Legislation enacted to modify the State Personnel System in accordance with the reforms to the State Civil Service System noted above, as a result of HCR 1005.
- *HB 04 - 1020 – State Employee Incentive Programs for Cost Savings Innovations*
 This bill was introduced to help alleviate problems associated with the fragmented incentive program that was in statute. Previously the incentive program established in 24-30 Part 8, C.R.S. was complicated, caused unnecessary employee confusion with other statutory references, and had never been successfully implemented. This new legislation took the confusing language out of statute and calls for the State Personnel Director to make a recommendation to the legislature on how an incentive program should be structured.
- *SB 04 - 233 - Construction of a Parking Structure in the Capitol Complex*
 In an effort to increase parking in the Capitol Complex, this bill allows DPA the ability to issue Certificates of Participation to pay for the construction of a six level parking structure at the corner of 14th and Lincoln, across from the State Capitol. No State funds will be expended, as the entire structure will be paid for solely from the revenues collected from State employees parking in the Capitol Complex.
- *HB 04 - 1449 - Establishment of the State Employee Benefit Plan Year*
 Provides authority for the State Personnel Director to establish the annual group benefit plan year on either a calendar year or fiscal year basis.
- *HB 04 - 1446 - State Employees Receiving Compensation from More than One Agency*
 Allows officers and employees in the State Personnel System whose compensation is determined pursuant to the State constitution and the State Personnel System Act to receive compensation or fees from more than one department or institution of higher education to the extent permitted by rules adopted by the State Personnel Director that are consistent with overtime provisions contained in State and federal law. Referred to as the "Moonlighting Bill".
- *HB 04 - 1009 – Allowing Higher Education to Elect to be Exempt from Certain State Administrative Restrictions*
 Through this bill, the governing board of each institution of Higher Education will have the opportunity to elect to be exempt from the following: the State motor vehicle fleet system,

the Division of Risk Management (Workers' Compensation, Liability and Property programs) and the State's procurement code.

- *SB 04 - 257 – Concerning Modifications to the Retirement Plans for Public Employees*
Passed during the final days of the session, this bill, as amended by the Senate Appropriations Committee, revises statutes governing the Public Employees' Retirement Association (PERA) and sets forth a new program allowing new State employees hired on or after January 1, 2006 the opportunity to enroll in the Public Officials' and Employees' Defined Contribution Plan. This legislation also requires the State as an employer to deliver to PERA an amortization equalization disbursement, essentially increasing the employer contribution to the PERA Trust Fund, to amortize unfunded liability beginning on January 1, 2006.
- *SB 04 - 132 - Modify Existing PERA Benefit Plans*
The PERA Board of Trustees initiated this bill to help improve the funded status of the PERA trust funds. Provisions include ending MatchMaker contributions for payrolls for which the payroll period ends June 1, 2004, reducing interest credit on member contributions to a maximum of 5 percent per year, setting the due date for PERA contributions at five business days after payroll date, and reallocation of .08 percent of salary of employer contributions to the PERA pension trust funds rather than to the PERA Health Care Trust Fund. It also adjusted the retirement benefits for new PERA members hired on or after July 1, 2005.

Key Accomplishments For Fiscal Year 2003-2004

The need to be responsive to and supportive of the needs of our customers continued to be a significant factor that drove DPA's focus and operations during the past year. The Department has focused on the priorities of all customers and stakeholders to ensure that we are being responsive to all of our customers needs. The following is a brief synopsis of a few of the major accomplishments achieved by DPA this past fiscal year in support of our customers' needs.

- *Total Compensation* – The Department successfully worked with the Governor's Office and the General Assembly to implement Total Compensation Recommendations that provided funding for salary survey and performance based pay increases for State employees, one of our main customer bases. In addition, the State employer contribution level for health, life and dental benefits was increased for FY 2004-05 in efforts to move closer to prevailing levels. This process seeks to continue to provide for more appropriate compensation of the State's workforce, based upon the results of an objective market analysis.
- *Civil Service Reform* – The reform effort began with the Commission on Civil Service Reform established by Governor Owens in March 2003. The Commission held public meetings for several months; hearing testimony throughout the State from employees and experts in public administration before issuing its report and recommendations in October. DPA Executive Director Jeff Wells then invited employee organizations to join in crafting a balanced legislative package based upon the problems identified by the Commission.

While the legislation had its origins in the Commission on Civil Service Reform, the majority of the bills' provisions are narrower than or entirely different from the Commission's recommendations. On April 30, the Colorado House of Representatives concurred with the Senate amendments to HCR 1005 and HB 1373, sending the proposed constitutional changes to voters at the November 2004 general election. The House action followed nearly six weeks of negotiations between legislators, labor organizations, and the Department of Personnel & Administration (DPA). The major points of contention surrounded the number and types of additional positions that could be exempted from the personnel system, and changes to personal services contracting. The final compromise was made through the cooperative efforts of Senator Bob Hagedorn (D-Aurora) and Executive Director Wells.

- *Truth in Rates* - The Department has implemented a "Truth in Rates" philosophy in recent fiscal years to ensure that rates for each DPA service accurately reflect the cost of providing the service. As part of this effort, DPA has identified numerous changes to the fee setting methodologies used throughout the Department. The Department is in the process of finalizing new rates for FY 2004-05 for telecommunications and network services and published FY 2004-05 Central Services rates in April. After examining usage patterns within departments, some costs may go up, but many will go down. The Department will work with its customers to address the overall impact of these changes as appropriate. This philosophy initially focused on the heavily rate-oriented Divisions of Central Services and Information Technology, however, in the current budget cycle the focus has extended to all divisions and rates within the Department.

- *Customer Meetings and Forums* - DPA's "State of the State Workforce" town hall meeting series continued throughout the year to obtain stakeholder feedback on various issues. Further, members of DPA's Executive Management Team met regularly with our counterparts from departments, agencies and institutions throughout the State. These face-to-face meetings have been invaluable to help us to identify problems and opportunities and to ensure DPA is responsive to our customers.
- *Multi-Use Network (MNT)* - The MNT Project successfully reached the end of its construction phase, during FY 2003-04, and is now moving into an operational phase. A complete MNT network allows users in every county to connect to the State network. As a result, inexpensive Internet access, high quality service, video, and voice over IP are available to users, subject only to last mile connectivity. The infrastructure is in place to accommodate economic development and increased distance learning opportunities, particularly in rural Colorado, and telecommunications costs have been reduced by State and local public entities as a result. Direct marketing efforts continue to ensure that State agencies and political subdivisions are aware of the capabilities of MNT, and are able take advantage of the network. This network, and the new capabilities that it provides for State and local government and the public, exists specifically because of the efforts of the Department, the Division of Information Technologies, and its external partners.
- *Document Direct* - Via a web-based COFRS reporting mechanism (Document Direct), the Department successfully implemented a process for distribution of reports from DPA billing systems (including utilization data) to customers statewide. As a result, high priority billing reports associated with services provided by the Division of Central Services, and the Division of Information Technologies (telecommunications and data center services) have been discontinued in hard copy, and will be distributed electronically in order to allow for faster and more reliable access for customers. This process extends to all COFRS monthly reports previously distributed as well, which is of significant benefit to Controllers, budget officers and program managers statewide.
- *Construction of Parking Structure in the Capitol Complex* - The Department received authorization through the enactment of Senate Bill 04-233 to issue Certificates of Participation to pay for the construction of a six level parking facility in the Capitol Complex. This structure will be paid for solely from revenues collected from State employees parking in the Capitol Complex, with no State funds.
- *Comprehensive Annual Financial Report (CAFR)* - The State of Colorado issued its FY 2002-03 CAFR in late November 2003. It received a "clean" opinion from the State Auditor and again was one of the first to be issued by states with a fiscal year end of June 30. Because of the significant effort required by statewide accounting staff to implement the paydate shift and other budget variations from generally accepted accounting principles, DPA is especially proud of this accomplishment. During the year, the State received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting on its Fiscal Year 2001-02 CAFR. This was the sixth year in a row that the State received this award, and it was a significant accomplishment because the new Governmental Accounting Standards Board

standards (GASB Statements No. 34, 35, 37, and 38) required complete reorganization of the report and the underlying accounting.

- *Capitol Life Safety Project* – The Department continued with Life Safety upgrades to the State Capitol Building. This project will ensure that the Capitol is made safe for State employees working in the building as well as the many citizens and out-of-state travelers who visit the Capitol daily.
- *Digital Trunked Radio* - Despite the ongoing capital construction freeze, the Digital Trunked Radio (DTR) project continues to serve an expanding user base. This project is critical to the ongoing needs for the public safety community and new homeland security efforts.

Vision Statement

The five-year vision of the Department of Personnel and Administration is articulated in three important areas: Customers, Credibility and Communication.

Customers

Our customers are the numerous State and local governmental entities who seek superior quality service. DPA will strive to compete favorably with private vendors offering the same or comparable services. It is vitally important that DPA serves State and local governments well on behalf of Colorado citizens as constituents demand an accountable, cost-effective, and efficient government. DPA will continue to be an indispensable contributor toward this end.

Credibility

Credibility is the foundation for building even greater trust with our customers. It is critical to promote accountability by demonstrating credibility and integrity throughout the Department operationally, and in performance of services we provide to customers. Integrity across all divisions of the Department is key to achieving and maintaining credibility, and will allow DPA to coalesce as a cooperative confederation of varied services rather than a disjointed collection of miscellaneous services.

Communication

Communicating more effectively with the customers we serve and other stakeholders is critical to the mission of the Department. In order to facilitate effective communication we must utilize electronic communications and develop new methods to interface with and educate our stakeholders. To more successfully communicate with our customers, we must use a personalized and proactive approach and allow our customers' priorities to drive the work that we do.

DPA Goals

Departmental goals are identified in order to transform the Department's vision and mission into a practical plan of action for current and future fiscal years. The following is a list of the primary DPA goals for the fiscal year.

IDENTIFY AND IMPLEMENT PROCESS REFORM

IDENTIFY AND IMPLEMENT FINANCIAL REFORM

EXTEND TRUTH-IN-RATES PHILOSOPHY DEPARTMENTWIDE

ENHANCE THE ABILITY OF THE STATE TO RECRUIT AND RETAIN AN EFFECTIVE WORKFORCE

CREATE AND ENHANCE STAKEHOLDER RELATIONSHIPS

PLAY A CENTRAL ROLE IN USING INFORMATION TECHNOLOGY TO STREAMLINE GOVERNMENT

ESTABLISH AND IMPLEMENT DEPARTMENT CULTURE AND OPERATIONAL FRAMEWORK

DPA Objectives

Objectives for the Department must meet the criteria of being specific, measurable, action-oriented, realistic, and time-limited. The objectives translate the Department's goals into specific operational processes. The objectives that are most critical for achievement of the Department's goals are listed under the goal to which they align.

IDENTIFY AND IMPLEMENT PROCESS REFORM

- Facilitate continuous improvement of the structures, systems and processes currently in place by enhancing the quality and timeliness of work products, services, and information delivered to customers and other external partners.
- Evaluate the Department's operational practices to identify changes and efficiencies necessary to meet the fiscal challenges of State budgeting in the 2000's.
- Define and implement clear programmatic roles to determine in which cases centralization or decentralization of applications, programs and functions will yield more effective operations and generate efficiencies.
- Implement an internal auditing function to proactively address performance issues that impact the effectiveness and integrity of operations.
- Institute an aggressive mechanism/process for monitoring and tracking compliance activities resulting from formal performance related audit recommendations.
- Continue to improve our capability to initiate and manage change. This objective concerns activities that will improve the Department's ability to identify and initiate new programs needed, or changes to existing programs, as well as to be responsive to external changes.
- Develop a process to evaluate each of the services provided to our customers to determine whether it is appropriate for the State to provide these services or if the functions should be performed by the private sector. If deemed appropriate for DPA and the State to provide such services, determine the scope of customers (i.e. all agencies, waivers under certain circumstances, etc.).
- Develop and conduct surveys with criteria by which the quality and value of our most important products and interdepartmental communications can be judged.

IDENTIFY AND IMPLEMENT FINANCIAL REFORM

- Continue with efforts to revise and improve the fiscal management and reporting structure for internal department operations and statewide common policies, to provide central oversight and consistency in process for the budget, contracting, finance and accounting

functions. The Department seeks to integrate financial processes, which will combine existing separate processes into one efficient and consistent process.

- Improve the accuracy and timeliness of financial and budget information internally and externally as well as increase communications with user agencies, including the OSPB and JBC.
- To develop efficiencies, increase the quantity and quality of internal training of Department staff in the budgeting, contracting, finance, accounting and human resources functionalities
- The Budget and Finance Unit will continue to convene Statewide Fiscal Management meetings on a monthly to quarterly basis to facilitate communication on central budget and common policy issues and to enhance statewide fiscal coordination and discussion of issues.
- To increase knowledge and expertise of budget, contracting and accounting staff in assigned program areas through increased interdepartmental cooperation and resource sharing.

EXTEND THE TRUTH-IN-RATES PHILOSOPHY DEPARTMENTWIDE

- Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services and remain competitive.
- Annually review and analyze all rates in coordination with applicable division management, Department Controller, CFO and Budget Director.
- Annually publish all rates for external distribution by July 1.
- Revisit and revise any outdated or inefficient rate setting and cost allocation methodologies proactively.
- Develop models to support and justify the appropriate targeted fund balance for all cash funds and implement methods necessary to maintain the fund balance(s) on an ongoing basis.

ENHANCE THE ABILITY OF THE STATE TO RECRUIT AND RETAIN AN EFFECTIVE WORKFORCE

- Continue to work with the Governor's Office and the General Assembly to develop the framework to implement total compensation recommendations that are strategic, flexible, competitive and streamlined, and will allow for sufficient funding to increase the prevailing levels of wage compensation (salary survey and performance based pay) and benefits (health, life and dental) for State employees.

- Continue to play a key role in reform of Civil Service System as needed.
- Implement appropriate financial strategies and safeguards necessary for the transition to benefits self-funding in order to provide a greater degree of control over benefit plan design in order to partially mitigate the annual volatility in premium rate increases.
- Utilize the exit interview process to determine further potential improvements that will increase the ability to retain valuable State employees.
- Take advantage of the statutory authority granted in HB 04-1449 that will allow the State Personnel Director to establish the group benefits plan year on a fiscal year basis rather than a calendar year basis to generate efficiencies.

CREATE AND ENHANCE STAKEHOLDER RELATIONSHIPS

- Continue to develop centralized department-wide databases for applicable functions (legislative, audit tracking, contracting, customer, etc.).
- Facilitate and coordinate statewide and common policy related change requests and legislation that affects multiple stakeholders and State departments.
- Develop a process with external stakeholders in the Executive and Legislative Branch to facilitate constructive feedback on critical issues.
- Continue to develop and maintain strategic legislative relationships.
- Schedule Statewide Fiscal Management Meetings (monthly and quarterly as needed) with agency controllers and fiscal and budget officers.

PLAY A CENTRAL ROLE IN USING INFORMATION TECHNOLOGY TO STREAMLINE GOVERNMENT

- Continue to play lead role in proactively addressing statewide information technology security related issues.
- Enhance statewide disaster recovery functionality.
- Continue to maximize network and computer infrastructure priorities to generate optimal capacity and efficiencies in costs.
- Promote server consolidation via virtual servers as a statewide priority.
- Aggressively pursue the remaining funding needed for completion of the Digital Trunked Radio project on behalf of State, federal, and local stakeholders.

ESTABLISH AND IMPLEMENT DEPARTMENT CULTURE AND OPERATIONAL FRAMEWORK

- The Executive Office will play a key role in central financial oversight and approval processes (including rates) in order to bring consistency to the disparate operations of multiple divisions with different focus, customers and services.
- Manage a consistent look and feel to all publications.
- Centralize administrative functions, to the extent possible, to allow divisions to focus on program priorities and operations.