Program Crosswalks

Department
of
Personnel & Administration

DPA

Program Crosswalks

FY 2007-08

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Executive Office

Executive Office

DPA

Program Crosswalk

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Program Crosswalk

Program Title: Executive Office

Line Items:

Personal Services
Operating Expenses
Test Facility Lease
Employment Security Contract Payment
Employees Emeritus Retirement
HIPAA Security Remediation
Governor's Transition
All Departmental Central Appropriations and POTS line items

Change Requests:

Federal/State Statutory Authority:

Title 24 of the Colorado Revised Statutes and Section 13 of the Colorado State Constitution delineate the statutory authority for the Department of Personnel

Program Description:

Executive Office – Overview

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.

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 center and mail services, maintenance of 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 the State's business assets and resources in support of statewide public policies, priorities and initiatives.

The Executive Office has several areas of functional responsibility, including general governance, financial accountability, internal human resources functionality, internal payroll processing functionality, budgeting, contracting, departmental information technology functionality, legislative affairs, and internal and external communication. Further, the Executive Office provides the Department with operational management direction, policy formulation, leadership and guidance. One of the main areas of focus within the Executive Office in the past two fiscal years has been improving the management of internal operations.

Programs/Work Units:

The Executive Director (with the assistance of his appointed Deputy and executive assistant) is the Executive Branch Cabinet officer that provides policy formulation and direction to the Department and its divisions. This office provides the departmental management leadership and direction for human resources, communications and legislative affairs, financial services and other department-wide operational matters.

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.

The Information Technology Unit (ITU), budgetarily located within the Division of Information Technology, Technology Management Unit, develops applications and information systems and provides desktop support for the internal business units of DPA under the direction of the Department CIO who resides in the Executive Office.

The Human Resources Unit (HRU) administers the Department's internal personnel functions by providing human resources support and services, including job evaluation, compensation, employee relations, orientation, 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 Government and Public Relations 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, oversees publication of DPA's various division newsletters and other external program communication, is the main point of contact for all open records requests, and responds to all local and national media inquires.

As the cabinet department responsible for all of the State's centralized business services, including the State Personnel System, it is imperative for DPA to maintain a strong relationship with the General Assembly. The Department's legislative program includes: preparing and proposing legislation, identifying affected departmental interests on various pieces of legislation, developing testimony for committee hearings, lobbying for or against prospective legislation, and assisting legislators with constituent requests. Along with working closely with legislators, the Legislative Liaison coordinates with the Governor's legislative staff to implement State policy and works with other State agencies, employee organizations and legislative groups in developing coalitions on issues of mutual concern.

Objectives:

The Executive Office is an integral part of the majority of departmental goals and objectives, as reflected in the Department's FY 2007-08 Strategic Plan. While the Executive Office may be very involved in many issues/objectives, it is necessary for the purpose of this Program Crosswalk to address certain specific goals and objectives:

Identify and Implement Process Reform:

- Implement an internal auditing function to proactively address performance issues that impact the effectiveness and integrity of operations.
- 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.

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.

Maintain Truth-in-Rates Philosophy Departmentwide:

- Annually review and analyze all rates in coordination with applicable division management, Department Controller, CFO and Budget Director.
- 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:

- Develop relationships with stakeholders (i.e. Budget Officers, HR Directors, employee associations, OSPB and the General Assembly) that will close the funding gap between actual and prevailing contribution levels in employee benefits.
- The Department will work to develop processes to help State agencies begin to identify and plan for the succession of key positions. The Department, along with feedback from stakeholders, will seek to assess needs, prioritize objectives and develop succession planning tools.

Create and Enhance Stakeholder Relationships:

- Facilitate and coordinate statewide and common policy related change requests and legislation that affects multiple stakeholders and State departments.

Play a Central Role in Using Information Technology to Streamline Government:

- Continue to maximize network and computer infrastructure priorities to generate optimal capacity and efficiencies in costs.
- Lead efforts to ensure that statewide information technology infrastructure projects, applications and enhancements are acquired and deployed in a manner that optimally integrates concepts with the existing infrastructure, and provides maximum efficiencies and return on investment, while increasing internal controls.

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.
- Continue to centralize administrative functions, to the extent possible, to allow divisions to focus on program priorities and operations.

Relevant Stakeholders:

Stakeholders	Requirements of the Unit
State Agencies & Employees	Provide essential business infrastructure necessary for the efficient and effective operation of all State government agencies and programs.
DPA Employees	Provide internal infrastructure for efficient and effective operation of the Department.

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Division of Human Resources

Division of Human Resources

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: Division of Human Resources (DHR) - Director's Office

Line Items:

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

Change Request(s):

Federal/State Statutory and Other Authority:

Article XII, Sections 13, 14 and 15 of the State Constitution, CRS 24-50 Parts 1, 2, 3, 5, 6 and 7 CRS 10-8 Part 2; and CRS 24-30 Parts 1 and 15 provide the constitutional and statutory authorization for the Division.

Program Description

The DHR Director's Office provides strategic direction and policy development for the State Personnel System as well as leadership for the Division. Accordingly, the DHR Director's Office oversees the activities of the Division, provides expert interpretation of 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 support, State Auditor's Office audit follow-up, legislative tracking and coordination with the remainder of the Department.

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

FY 2005-06 Objectives and Workload Measures

Critical Performance Measure:

6.7.1 Implement the system conversion of the EMPL employee database to the HR module of the Colorado Payroll and Personnel System (CPPS) including documentation, training, and security.

***Accomplishments*:**

6.7.1 The conversion of transaction processing from EMPL to the CPPS HR module was implemented on December 1, 2005. As part of the conversion, a system user manual and training guides were created and published in September 2005 and revised in January 2006. Conversion newsletters were created and distributed to all HR, Payroll, and IT users statewide on a monthly basis. Special supplemental editions were posted on the DHR website under *HR Automated Systems* as needed to communicate special milestones in the conversion project. System users were trained on the new system, and a consolidated security request form for HR, payroll, and data warehouse applications was developed and used to establish new security access for approximately 140 users. A governance committee was also established to address coordination of issues affecting centrally-managed automated systems.

Objective #6.8

Support the implementation of revised state personnel system rules effective July 1, 2005, including comprehensive revisions to technical assistance and direct linkage between rules and associated technical assistance via the internet for increased ease of use.

Critical Performance Measures:

6.8.1 Complete publication of all new technical guidance by December 1, 2005.

6.8.2 Incorporate new rules and technical assistance into training courses on state personnel system rules by December 1, 2005.

6.8.3 Continuously assess effectiveness of technical assistance, including regular interaction with the existing statewide network of department and institution HR directors (HR Network), and identify any necessary revisions.

***Accomplishments*:**

6.8.1 Technical Assistance documents were revised and continue to be updated based on rule and legislative changes. Revision of documents related to Job Evaluation, Senior Executive Service, Total Compensation, Appointments, Employee Status, Veterans, Nepotism, Time Off, Leave Sharing, FMLA, Social Security WEP/GEO notice, and Methods to Fill Vacancies were completed by December 2005. Other documents including Administrative Leave Reporting; External Review of Performance Disputes; Temporary Employees, IRCA; Legal and Professional Parameters; Managers Hiring Guide; Recruitment; and Test Accommodations for Persons with Disabilities were completed by June 30, 2006.

6.8.2 Course materials and content of classes referencing rules were reviewed generally and updated to reflect rules changes.

6.8.3 A project to revise the technical assistance process and integrate it with the online rules document was developed this year and is approximately 65% complete. The goal is to provide interactive links to official interpretations by the rulemaking body, details regarding process and application of the rules, and broad-based human resources policies and practices. The project was developed through interaction with the statewide HR community to enable ease of understanding and utilization of the rules and their related application by means of a single website.

FY 2006-07 Objectives and Workload Measures

Objective #07.7

Continue to revise state personnel system rules and support the implementation of those revisions, including comprehensive revisions to technical assistance and direct linkage between rules and associated technical assistance via the internet for increased ease of use.

Critical Performance Measures:

7.7.1 Develop a training and certification course on rules and investigations related to Chapter 8 of the personnel rules and technical assistance by June 30, 2007.

7.7.2 In conjunction with the Attorney General's Office and the State Personnel Board, develop new rules and guidance related to the state's layoff process by June 30, 2007.

7.7.3 Finalize the online, interactive technical guidance project and continuously assess its effectiveness, including development of a process to monitor necessary updates and changes.

Objective #7.8:
Develop a marketing initiative to educate the public on the variety of services provided by State government employees.

Critical Performance Measures:

7.8.1 Progressively publicize state government through initiatives such as the "Day In the Life of State Employment" multimedia project that can also be used on the State Web site, by various state agencies, public access television, and other media as a communication platform for recruiting efforts.

7.8.2 Create additional marketing material that can wrap around all job announcements, and that speaks to the value proposition of working for state government.

7.8.3 Identify the most progressive agencies with the greatest recruitment needs to pilot using these marketing initiatives for recruitment purposes.

FY 2007-08 Objectives and Workload Measures

Refer to Workforce Planning and Development Section for FY 07-08 objectives and measures related to rules and automated systems.

Program Crosswalk

Program Title: Workforce Planning and Development

Line Items:

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

(2) Training Services
  Personal Services
  Operating Expenses
  Indirect Cost Assessment

Change Request(s): None

Federal/State Statutory and Other Authority:

Article XII, Sections 13 and 14 of the State Constitution, CRS 24-50 Parts 1, 2, 3, & 5; CRS 10-8 Part 2; and CRS 24-30-1510.7(4) provide the constitutional and statutory authorization for this section of the Division.

Program Description
The *Workforce Planning & Development* section consists of three work units, *Workforce Development*, *Staffing Systems*, and *Consulting Services*, described below. The section also provides expert interpretation and review of applicable rules and laws and investigates and resolves appeals and disputes to the Director.

Workforce Development

This work unit develops strategies to assess and meet the training and career development needs of State employees. Services include developing and delivering courses either in-house or through a partnership with Colorado State University, identifying training needs, assessing the effectiveness of training provided, and approving waivers for training obtained outside of the program.

The unit supports the statutory requirement for the "establishment and maintenance of training programs for employees in the state personnel system" [CRS 24-50-122].

Staffing Systems

This work unit develops, implements, and maintains the systems that enable the State to recruit and retain an effective workforce, including the State's merit-based statewide selection system and the automated systems that support hiring activities (ADS, on-line job applications and announcements). Services include: consultation with agencies about exam planning and development; development of written multiple-choice tests for statewide use; development of selection devices for specific agency use; storage and loan of test materials; development and maintenance of minimum qualifications (MQs) for the State Personnel System; development of workforce and succession planning models and tools; and production of an Annual Workforce Report that supplies data on the workforce. The unit offers technical training and support to State agency users of HR automated systems and tests system changes before they are placed into production. The unit is also responsible for security administration for the Applicant Data System (ADS).

The unit supports the statutory requirement that "appointments and promotions to positions shall be based on job-related knowledge, skills, abilities, competencies, behaviors and qualities of performance as demonstrated by fair and open competitive examination" [CRS 24-50-112.5 (1)(b)].

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 focused HR audits of each State agency and institution of higher education and meetings with each agency's professional human resources staff.

The unit also provides a range of professional human resource services, including oversight of the performance management system and personal services activity in concert with the Division of Finance & Procurement and the State Controller's Office; job evaluation and selection assistance and technical training for non-decentralized State agencies; and updating and maintaining 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
Adams State College	Job Evaluation, Selection
Fort Lewis College	Job Evaluation,Selection
Mesa State College	Job Evaluation, Selection

Prioritized Objectives and Performance Measures

FY 2005-06 Objectives and Workload Measures

Objective #06.3

Continue to improve program processes and oversight of the personnel system by incorporating best practices and standards, providing consultation and technical HR development, and monitoring and evaluating standards in order to fulfill statutory requirements and provide leadership in strategic human resources.

Critical Performance Measures:

6.3.1 By 1/06, research alternative methods and develop a multi-faceted approach to audits that includes timeframes for completion of various audit stages. Develop an audit plan for core HR functions using new methodology and apply to the selection function at a representative sample of agencies.

6.3.2 By 6/30/06, evaluate the efficacy of the new partnership with Colorado State University for delivery of training to State employees by assessing course quality and cost-effectiveness and identifying any necessary improvements.

6.3.3 By 6/30/06, conduct a comprehensive gap analysis of job requirements and employee skills across the HR community. This includes defining the Division's role in providing training for the HR community and developing a comprehensive plan to identify and meet needs.

6.3.4 By 6/30/06 develop a reliable method for tracking time to fill vacancies and establish general timelines for key steps in the hiring process; develop tools for pre-employment criminal background checks; and improve the State of Colorado job announcement process and job vacancy website.

6.3.5 By 6/30/06, implement a workforce and succession planning tool for use by the HR community.

***Accomplishments*:**

6.3.1 HR audit methods used by other states were researched and a risk-based 5-year audit plan incorporating the best practices revealed through this research is nearing completion. The audit of the selection function is underway, and is being conducted based on a plan that includes multiple sources of data, established time frames for completion, and outputs designed to reduce employer liability and increase effectiveness and efficiency of the selection function.

6.3.2 On July 11, 2005, the Colorado Department of Personnel and Administration began a partnership with Colorado State University, Division of Continuing Education to provide training programs for state employees. During the 2005-

2006 fiscal year, CSU offered 32 different training programs with a total of 245 state employees attending these classes. Evaluations completed by the students were "very good" overall. The cost of most classes was $185 per day, which compares favorably with the standard fee of about $200 per day that is usually charged by commercial training vendors for "off the shelf" training programs.

6.3.3 In order to identify training and development needs in the HR community, an inventory of HR personnel was conducted to identify the number of personnel in HR offices and the certification status of each member. This data will be used to identify gaps in training and development and to construct a comprehensive plan to meet needs.

6.3.4 The business requirements for an RFP to replace the current applicant tracking system, ADS, have been developed. General timelines for key steps in the hiring process will be implemented once a new system is in place. Technical assistance to provide guidance and outline critical steps in conducting criminal history, credit history, and driving record checks is in draft form and under review by department management. Modifications were made to the on-line job announcement site to improve navigation through the pages. With upgrades to the on-line announcement tool (Lotus Notes) being implemented, most state agencies are using the most current software.

6.3.5 A Workforce and succession planning model has been developed in cooperation with a focus group of HR professionals from several state departments and institutions of higher education. As part of the model, three tools: key position identification, criticality assessment, and job profiling, have been developed and are being tested in two departments. A web-based exit survey was developed and implemented and data is being collected on the reasons employees leave state government. This data will be used to further refine the workforce planning model. The final model and associated training will be rolled out to departments and institutions in FY07.

FY 2006-07 Objectives and Workload Measures

Objective #07.4

Continue to improve program processes and oversight of the personnel system by incorporating best practices and standards, providing consultation and professional HR development, and monitoring and evaluating standards in order to fulfill statutory requirements and provide leadership in strategic human resources.

Critical Performance Measures:

7.4.1 By 6/30/07, complete the next audit cycle of core HR functions. Use data from the new HR Data Warehouse to identify issues for audit using the new risk-based audit methodology. Ensure that the ten largest departments or institutions of higher education are audited on at least one HR function every four years while continuing to audit smaller departments and institutions on the same HR functions.

7.4.2 By 6/30/07, identify a reliable funding source and implement and evaluate the effectiveness of a new applicant tracking system. Continue to make improvements to the State's selection system.

7.4.3 By 6/30/07, conduct a systematic review of the current established minimum qualifications.

7.4.4 By 6/30/07, expand workforce and succession-planning tools available for use by the HR community. Provide training and consultation to agencies on the available tools.

7.4.5 Expand the number of training programs and student contact hours provided through the CSU partnership by 10%. Implement more active direct marketing to increase student participation.

Objective #7.9
Assess the efficacy of state departments and institutions in cooperatively building enhancements and improvements to automated human resources systems.

Critical Performance Measure:
7.9.1 Establish and coordinate an interdepartmental working group of State agency staff to address major HR systems existing both statewide and within State agencies; identify systems that could be shared by all agencies in order to improve consistency and maximize efficiencies; identify major systems that need modification; and establish a timetable for addressing needed enhancements to those systems.

FY 2007-08 Objectives and Workload Measures

Objective #08.4
Continue to improve program processes and oversight of the personnel system by incorporating best practices and standards, providing consultation and ongoing professional HR development, and monitoring and evaluating standards in order to fulfill statutory requirements and provide leadership in strategic human resources.

Critical Performance Measures:
8.4.1 By 7/30/08, complete the next audit cycle of core HR functions.

8.4.2 Refine the applicant tracking system implemented in FY 06-07.

8.4.3 Continue to develop new tools and refine existing tools in the workforce and succession planning models.

8.4.4 Design and develop a comprehensive employee climate survey.

8.4.5 Expand the number of training programs and student contact hours provided through the CSU partnership based on FY07 experience.

Objective #08.6

Continue to revise state personnel system rules and support the implementation of those revisions, including comprehensive revisions to technical assistance and direct linkage between rules and associated technical assistance via the internet for increased ease of use.

Critical Performance Measures:

8.6.1 Launch training and certification course on rules and investigations related to Chapter 8 of the personnel rules and technical assistance, assess its effectiveness, and revise accordingly.

8.6.2 Conduct rulemaking related to the state's layoff process and develop associated technical guidance, letters, and processes.

8.6.3 Assess effectiveness and monitor necessary updates to the online, interactive technical guidance.

Relevant Stakeholders

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

Program Crosswalk

Program Title: Total Compensation

Line Items:

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

(B) Employee Benefit Services
- Personal Services
- Operating Expenses
- Utilization Review
- Deferred Compensation Plans
- Defined Contribution Plans
- Indirect Cost Assessment

Change Request(s):

Federal/State Statutory and Other Authority:

Article XII, Sections 13 and 14 of the State Constitution, CRS 24-50 Parts 1, 2, 3, 5 and 6 provide the constitutional and statutory authorization for this section of the Division.

CRS 24-50-601, et seq., provides the statutory authorization for Employee Benefits .

CRS 24-52-101, et seq., provides the statutory authorization for the State of Colorado 457 Deferred Compensation Plan.

CRS 24-52-201, et seq., provides the statutory authorization for the Public Officials' and Employees' Defined Contribution Plans.

Program Description

The *Total Compensation* section consists of two work units, *Compensation* and *Employee Benefits*, each of which is described below.

Compensation

This unit consists of several functions: job evaluation and maintenance, pay, personal services contract review, leave, and work-life programs.

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 approximately 31,500 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, 2006, 527 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 compensation survey that is used to make recommendations on adjustments to salary and contributions to group benefits. The unit also designs appropriate pay premiums and pay-related procedures, such as promotions, hires, demotions, transfers, shift differentials, and leave and work-life programs. 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 provides an oversight and reporting function, as required by statute, of all personal services contracts entered into by the State in order to preserve the merit system and employee protections under the Colorado Constitution. Because the State is a single employer under FMLA and FLSA, the unit develops policy and provides consultation on these two federal laws.

Employee Benefits

The Employee Benefits unit administers the employee group benefits plans, 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. The Employee Benefits unit consists of the following functions:

- *Group Benefits Plans*
  Administers the State's employee benefit programs, including four options in the self-funded medical plan, one of which is qualified for the Health Savings Account offered through the Third Party Administrator, two fully insured Health Maintenance Organization (HMO) medical plans, three self-funded dental plans, basic and optional life insurance plans (including accidental death and dismemberment), short-

term and optional long-term disability, Section 125 pretax premiums and two flexible spending accounts (dependent and health care).

- *Deferred Compensation Plan*
  Administers the State employee 457 Deferred Compensation Plan, which is a 100% employee-funded voluntary supplemental retirement fund.

- *Defined Contribution Retirement Plan*
  Administers the 401(a) Public Officials and State Employees Defined Contribution Retirement Plan for members of the General Assembly and other staff of the General Assembly, the Governor's Office, and the Cabinet, who are outside the state personnel system. This plan is also now available as an alternative to PERA's defined benefit and defined contribution plans for all new hires into the state personnel system as of January 1, 2006. In accordance with statute, employer contributions to this alternative retirement fund are the same as those sent to PERA for PERA-covered employees. The Deferred Compensation committee administers both the Deferred Compensation (457) and Defined Contribution (401) plans.

Group benefit plans are available to all state personnel system employees, as well as all judicial, legislative, some higher education, and other State employees (approximately 36,000 eligibles), including full-time and permanent part-time employees (regardless of hours worked). Temporary employees and retirees are not eligible for benefits; however, these employees may contribute to the voluntary State of Colorado Deferred Compensation (457) Plan. Temporaries must also choose from one of the three retirement plans. 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 individual institutions of higher education pursuant to specific statutes allowing the creation of optional retirement plans. However, all new higher education employees, including those outside the state personnel system, will be able to choose the 401(a) Public Officials and State Employees Defined Contribution Retirement Plan as of January 1, 2008.

FY 2005-06 Objectives and Workload Measures

Objective #6.1:

Continue to develop the framework for strategic, flexible, and streamlined total compensation systems that are equitable and competitive, both internally and externally, and evaluate the effectiveness of changes in methodologies and programs.

Critical Performance Measures:

6.1.1 By 6/30/06, conduct and analyze results of the workforce assessments regarding relative importance or priority of compensation components in order to identify, recommend, and implement the needed changes to the total compensation system components.

6.1.2 By 6/30/06, analyze the results of the exit interview process to identify trends and recommend changes to total compensation system components to address any issues with turnover.

6.1.3 By 6/30/06, conduct an in-depth critical assessment of the 5-year total compensation strategy and identify deviations and/or modifications needed to keep the strategy on track to the extent possible. This in-depth assessment should include, but not be limited to, the impact of economic trends, workforce availability, availability of funds and compensation priorities, and changes in State government functions requiring differing competencies.

6.1.4 By 6/30/06, continue evaluating and recommending the most effective strategy to secure adequate funding for performance pay and the movement of employees through pay ranges, including examining pay range structures.

***Accomplishments*:**

6.1.1 Conducted an online survey to assess the relative importance or priority of the three major compensation components requiring funding: base salary, performance awards, and group benefits. The assessment was unsuccessful because the number of participants was too small to represent a valid sample of the state employee population and the data was too unreliable to allow meaningful data analysis or attempt to draw any conclusions.

6.1.2 Began a standard online exit survey on 9/1/05; however, only 43 surveys have been completed out of approximately 2,250 separations. This low participation rate does not yield enough data for any valid analysis. The Department will use turnover measurements as part of the broader HR metrics effort being launched during FY06-07.

6.1.3 Assessed and published the revised the total compensation strategy. It was adjusted to keep on track with the 5-year vision. Progress is being made on the State's contributions to medical benefits; however, the remaining gap in employer contribution levels continues to drive plan designs that lag the market. In addition, the continued lack of funding for performance awards is a critical priority issue for the total compensation strategy.

6.1.4 Raised the minimum of all pay ranges to move them closer to market widths; however, such action does not provide a mechanism to move employees' salaries through the pay ranges or fulfill the statutory policy of rewarding performance. The Department supported the outside consulting auditor's recommendation and resulting proposed legislation to create a single appropriation for salaries as a mechanism for funding performance pay. However, the legislation failed. Two employee associations also testified to the importance of funding performance pay but no appropriation was made. The continued lack of funding is undermining the

State's statutory commitment to reward performance and productivity in state government.

Objective #6.2
Continue to restructure the health care program to provide a complete portfolio of benefits, including evaluation of utilization and the effectiveness of plans.

Critical Performance Measures:

6.2.1 By 6/30/06, continue to close the gap between the State and market employers' contributions to group insurance plans.

6.2.2 By 6/30/06, implement performance and utilization metrics to assess the impact on plan designs and premiums.

6.2.3 By 6/30/06, determine the appropriate eligibility (employee and dependents) and contributions for July 1, 2006, group health plans, including evaluation and a recommendation regarding HB05-1101.

6.2.4 By 12/31/05, hire a financial and utilization analyst for the self-funded program.

6.2.5 By 12/31/05, continue communication and training to implement the expanded Elected Officials Plan for new employees on 1/1/06 and in June begin an evaluation of enrollment changes in the plan to determine any adjustments to communication and marketing materials.

***Accomplishments*:**

6.2.1 With the support of the General Assembly, continued to close the gap between the State and prevailing market employer contributions to group benefits to an approximate overall average of 75% on 7/1/06. The annual survey is also beginning to assess and report the comparability of plan design features (e.g., co-pays, co-insurance, deductibles), which also lag the market as a result of historically low employer contribution levels to health insurance premiums.

6.2.2 Implemented performance and utilization metrics to establish baseline data and assess the impact on plan designs and premiums, especially in the self-funded plans. This impact assessment is ongoing.

6.2.3 Expanded eligibility to include the mandated adult non-student dependents to age 25 (HB05-1101) for the 2006-07 plan year. Rules have been adopted, effective 8/1/06, to implement the director's discretion to add other dependents that might be statutorily mandated (HB06-1256). Completed the study of employee eligibility and preparing final recommendations in anticipation of rulemaking and plan changes for the 2007-08 plan year. Implemented a new process in tandem with the rules-driven online benefits administration system to verify dependent eligibility at enrollment and to investigate and remove ineligible dependents when discovered.

6.2.4 Hired the utilization and financial analyst in mid-March, 2006.

6.2.5 Implemented the expanded Elected Officials and State Employees Defined Contribution Plan on 1/1/06. Conducted informational meetings and training for the HR community and attended 14 new employee orientations to provide information. Marketing materials are on the website and have been provided to departmental benefits administrators. Communication and marketing materials are reviewed and updated quarterly in collaboration with PERA.

FY 2006-07 Objectives and Workload Measures

Objective #7.1
Continue to develop the framework for strategic, flexible, and streamlined total compensation systems that are equitable and competitive, both internally and externally, and evaluate the effectiveness of changes in methodologies and programs.

Critical Performance Measures:

7.1.1 By 6/30/07, develop and implement a new model statewide, and associated rules, to assure adequate funding for rewarding performance as part of competitive total compensation and the mechanism to move employees' salaries through the pay ranges.

7.1.2 By 6/30/07, commence reduction in the number of occupational groups to more efficiently manage the survey process.

7.1.3 By 6/30/07, begin implementation of a valuation model by defining "value" and a measurement methodology, and applying it to the cost of benefits.

7.1.4 By 6/30/07, implement HR metrics and establish baseline data in order to assess the business impact of items such as turnover, labor costs, and training on key performance drivers related to a competitive compensation package and retaining talent.

Objective #7.2
Continue to restructure the group benefits program to provide a complete portfolio of benefits, including evaluation of the effectiveness of plans.

Critical Performance Measures:

7.2.1 By 6/30/07, continue to close the gap between the State and market employers' contributions to group insurance plans.

7.2.2 By 6/30/07, continue to evaluate utilization and financial data to assess the impact on plan designs, plan design features and premiums, ensure adequate reserves, and communicate resulting adjustments.

7.2.3 By 6/30/07, complete an eligibility audit and recommend changes in policy and process to ensure integrity of eligibility and enrollment going forward.

7.2.4 By 6/30/07, analyze utilization and performance data to assess the effectiveness of disease management measures, specifically the diabetes pilot implemented on 7/1/06, and implement additional disease management alternatives and wellness incentives.

FY 2007-08 Objectives and Workload Measures

Objective #8.1
Continue to develop the framework for strategic, flexible, and streamlined total compensation systems that are equitable and competitive, both internally and externally, and evaluate the effectiveness of changes in methodologies and programs.

Critical Performance Measures:
8.1.1 By 6/30/08, continue to monitor an adequate funding level for rewarding performance as part of competitive total compensation, specifically the mechanism to move employees' salaries through pay ranges.

8.1.2 By 6/30/08, refine the valuation model for benefits and expand the methodology to other total compensation areas.

8.1.3 By 6/30/08, complete the reduction in the number of occupational groups to more efficiently manage the survey process and examine the number of classes to more efficiently manage the class structure.

8.1.4 By 6/30/08, continue HR metrics and trend data in order to assess the business impact of items such as turnover, labor costs, and training on key performance drivers related to a competitive compensation package and retaining talent.

Objective #8.2
Continue to restructure the group benefits program to provide a complete portfolio of benefits, including evaluation the effectiveness of plans.

Critical Performance Measures:
8.2.1 By 6/30/08, achieve and maintain the State's contribution to group benefits plans at the prevailing market employer contributions levels and secure funding to begin adjusting plan design features (e.g., co-pays, co-insurance, deductibles, out-of-pocket maximums.

8.2.2 By 6/30/08, complete an eligibility audit for policy and process changes implemented on 7/1/07 to ensure continued integrity of eligibility and enrollment.

8.2.3 By 6/30/08, implement new medical plan designs and contract provisions, including incentives and other disease management programs, and evaluation measures to improve the quality of health care and outcomes and encourage consumer involvement in health care decisions.

8.2.4 By 6/30/08, complete communication, training, and integration of payroll systems to implement the expansion of the Elected Officials and State Employees Defined Contribution Retirement Plan to all new employees hired in higher education as of 1/1/08.

Relevant Stakeholders

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

Program Crosswalk

Program Title: Business Risk & Loss Control

(C) Risk Management Services
- Personal Services
- Operating Expenses
- Legal Services
- Liability Premiums
- Property Premiums
- Workers' Compensation Premiums
- Indirect Cost Assessment

(A) Human Resource Services
(3) Colorado State Employees Assistance Program
- Personal Services
- Operating Expenses
- Indirect Cost Assessment

Change Request(s)
None

Federal/State Statutory and Other Authority:
CRS 24-30-1501 et seq. provides the statutory authorization for the Risk Management Unit of the Division.

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

Program Description

The *Business Risk & Loss Control* section consists of two work units, *Risk Management* and the *Colorado State Employee Assistance Program* (CSEAP), each of which is described below.

Risk Management Program
The Risk Management unit consists of the following service areas:

- *Workers' Compensation Fund*
  This activity provides the workers' compensation coverage for State employees. Workers' compensation is self-funded and claims are administered by a third party administrator (TPA).

- *The Liability Fund*
  This activity provides self-funded general liability coverage for State agencies, institutions of higher education, and State employees for tort and federal claims. Claims are administered internally through oversight of third-party adjusters and internal employment claims expertise.

- *Property Fund*
  This activity provides property casualty loss coverage for State assets, including 9,000 State vehicles and 5,000 State buildings. Coverage is provided through a commercial casualty insurance policy.

- *Loss Control*
  This activity provides loss prevention training and related services to State agencies, and institutions of higher education in all three-fund areas (workers' compensation, liability and property).

The Office of Risk Management 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, workers' compensation medical management, statistical analysis, data collection and premium assessment. The Risk Management Program serves all State agencies , institutions of higher education (except the Colorado University system, CSU and UNC) and employees.

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 payment dollars are related to federal law, where the focus is on civil rights and employment. Workers' compensation benefits for State employees (over 5,000 claims per year) are administered on a self-funded basis.

The costs in the self-funded liability and workers' compensation programs are allocated to State agencies and institutions of higher education based on pro-rata claims history.

Property exposures (e.g., floods, wind, fires, theft) are covered by commercial casualty insurance with broad all-risk coverage. The Risk Management unit administers large policy deductibles, and pursuant to statute, State agencies and institutions of higher education pay the first $1,000 per claim. Policy premiums are allocated to State agencies and institutions of higher education based on pro-rata building and content values.

Colorado State Employee Assistance Program (C-SEAP)
C-SEAP provides two primary services within Colorado State government: organizational assistance (OA) and individual assistance (IA). OA provides a system-wide approach to the comprehensive management of behavioral risk through consultation and problem solving regarding workplace conflict, violence risk, poor communication, sexual harassment, and many other workplace issues. OA also addresses performance improvement and skills development for a more positive and productive workplace. In addition to consultation, OA tools offered to supervisors, managers, and HR professionals include coaching, employee referral, mediation, facilitated groups, workshops/training, crisis intervention, and ongoing classes. For individual employees, IA services are designed to maintain and strengthen mental health and productivity through assessment, short-term counseling, and referral. IA addresses work-related problems that affect job performance; personal problems to help reduce the impact these problems have on the employee, the workplace, and coworkers; work/life balance; and personal/career goal attainment.

CRS 24-50-604 provides the statutory authorization for the Colorado State Employee Assistance Program. In accordance with statute, starting in FY04 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. All state employees are eligible for C-SEAP services.

Prioritized Objectives and Performance Measures

FY 2005-06 Objectives and Workload Measures

Objective #06.4
By 6/30/06 improve Business Risk and Loss Control's loss control measures by incorporating risk-related industry standards for public entities.

Critical Performance Measures:

6.4.1 By 10/1/05, using audit recommendations and research of best practice loss control functions from other State governments, develop a proposed business plan for improved loss control efforts, including any redeployment of resources and identification of metrics to be used in measuring the cost-effectiveness of loss-control efforts.

6.4.2 By 1/1/06, commence rollout of the new loss control measurement plan with state departments and institutions participating in the Risk Management program, including education and other groundwork necessary for effective implementation at the start of FY07.

Accomplishments:

6.4.1 The program retained the State Auditor's consultant to provide additional consultation in the redesign of the loss control program and a five-year strategic plan to improve loss control measures, including metrics, is now in place. The plan incorporates audit recommendations and the results of a nationwide review of best practices.

6.4.2 The rollout of new loss control measures was commenced. Specifically, quarterly reports have been provided to state agencies, meetings have been regularly scheduled with state agencies regarding workers compensation claims management, draft loss control benchmarking completed, revised workers compensation manual finalized and posted on the web, and a checklist for a successful return to work program established.

Objective #06.6

By 6/30/06, conclude the pilot test (initiated in FY05) aimed at demonstrating potential avoided cost ROI from C-SEAP organizational loss control assistance to State agencies.

Critical Performance Measures:

6.6.1 By 08/01/05, implement Phase III of C-SEAP/Risk pilot project.

6.6.2 On a quarterly basis, assess test pilot progress and adjust as necessary.

Accomplishments:

6.6.1 To ensure effectiveness, Phase III implementation was moved to February 2006, based on quarterly assessments and resulting adjustments pursuant to Objective 6.6.2. (see Accomplishments for Objective 6.6.2, below.)

6.6.2 Based on assessments in September 2005 and December 2005, implementation was delayed until February 2006 in order to allow C-DOT to better align Executive Management goals and objectives with pilot goals and objectives.

Objective #6.9

By 6/30/06 complete update of Risk Management and State Claims Board rules.

Critical Performance Measure:

6.9.1 By 6/30/06, complete rulemaking with a view toward those rules becoming effective in FY07.

Accomplishments:

6.9.1 Rules were adopted by and for the State Claims Board. Rules were also finalized but not yet adopted for Risk Management. Both are pending formal rulemaking for an effective date in FY 07.

FY 2006-07 Objectives and Workload Measures

Objective #7.3
Maximize loss control program effectiveness, including both risk prevention and loss control, by utilizing key performance measures and reprioritizing program resources accordingly.

Critical Performance Measures:
7.3.1 By 1/1/07 develop and implement a targeted program designed specifically to reduce the frequency and costs of workers' compensation lost time claims, including increased accountability by state departments and institutions.

7.3.2 By 9/30/06, assess FY06 outcomes for loss control efforts implemented pursuant to Objective #6.4 and revise program focus for the remainder of FY07 accordingly.

7.3.3 By 11/1/06 publish an RFP for workers' compensation TPA services incorporating specific performance measures in the final contract.

7.3.4 By 6/30/07 execute and implement a new contract and associated infrastructure for workers compensation TPA services incorporating specific performance measures (contract effective 7/1/07).

7.3.5 By 6/30/07, assess results of loss control efforts through the third quarter of FY07 and adjust future program objectives accordingly.

Objective #07.5
Provide ongoing risk management training and education for state departments and institutions utilizing public sector best practices and innovation.

Critical Performance Measures:
7.5.1 By 1/1/07 identify, develop and implement consulting services tool kit for risk management community.

7.5.2 By 10/1/06 evaluate the success of ongoing workers' compensation training delivered through the combined efforts of DHR, its TPA, and the Attorney General's Office, and incorporate any necessary changes going forward.

7.5.3 By 9/1/06 conduct a survey of customers to obtain feedback for use in improving communications.

By 12/1/06 convene an ongoing network for outreach and continuous improvement in communications.

Objective #07.6
Continuously assess the impact of organizational and individual assistance efforts by C-SEAP and identify opportunities for increased return on investment.

Critical Performance Measure:

7.6.1 By 10/31/06, conduct analysis of data from the first four months of the organizational assistance pilot project at CDOT, which involves the training of supervisors, managers and appointing authorities in low-level resolution of employee issues.

7.6.2 By 11/30/06 finalize an interim report on the CDOT pilot and adjust pilot efforts as necessary.

7.6.3 By 06/30/07, complete final assessment and report on CDOT pilot project, including recommendations on statewide opportunities for cost-effective expansion of similar organizational assistance training efforts.

FY 2007-08 Objectives and Workload Measures

Objective 8.3
Maximize loss control program effectiveness, including both risk prevention and loss control, by utilizing key performance measures and reprioritizing program resources accordingly.

Critical Performance Measures:

8.3.1 By 1/1/08 assess first year efforts to reduce the frequency and costs of workers' compensation lost time claims based on base year trend data and revise efforts going forward accordingly.

8.3.2 By 2/1/08, evaluate first six months of performance measures for new workers' compensation TPA contract and incorporate findings into remainder of year 1 contract performance and contract renewal for year 2.

8.3.3 By 9/30/07, continue assessing results of prior year's loss control program efforts through 6/30/07 and adjust future objectives accordingly.

8.3.4 By 6/30/08 implement recommendations made in final report on CSEAP/Risk pilot project at CDOT regarding possible statewide application and complete updated report on CDOT results based on an additional year's data.

Objective #08.5:
Provide ongoing risk management training and education for state departments and institutions utilizing public sector best practices and innovation.

Critical Performance Measures:

8.5.1 By 1/1/08 update (as necessary) consulting services tool kit for risk management community implemented in FY07.

Relevant Stakeholders

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

State Personnel Board

State Personnel Board

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: State Personnel Board

Long Bill Line Items:

Personal Services
Operating Expense

Change Request(s):

Federal/State Statutory and Other Authority:

Colo. Const., article XII, Sections 13, 14, and 15; C.R.S. 24-50-101 (2003) *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, while State employees elect the other two members. Board staff is comprised of the Board Director who also serves as the Chief Administrative Law Judge, three part-time Administrative Law Judges, a full-time Legal Assistant and Program Assistant. The Board has both adjudicative and regulatory responsibilities. Under the scope of its adjudicatory authority, the Board hears employment disputes within the state classified system, including allegations of discrimination, layoff and retention disputes, violations of whistleblower statutes and wrongful discipline. In this context, the Board's ALJs conduct administrative hearings and, in conjunction with Board staff, conduct settlement conferences and encourage parties to resolve their cases on their own terms, whenever possible.

The Board's rulemaking authority, under the State constitution, includes the standardization of positions, determination of grades of positions, standards of efficient and competent service, the conduct of competitive examinations of competence, grievance procedures, appeals from actions by appointing authorities, and conduct of hearings. The Board's Director and ALJs conduct training regarding these rules for departments and/or agencies upon agency request. Finally, the Board, through its Director, handles any requests for waivers of the constitutional requirement that all job applicants must be Colorado residents.

The Board's mission is:

- To adjudicate and resolve disputes involving State employees and agencies in a manner that is fair, efficient, and understandable for all parties. This includes holding evidentiary hearings presided over by administrative law judges (ALJs), hearing appeals from decisions by the ALJs, and maintaining an active alternative dispute resolution (ADR) program;

- To establish policies and promulgate rules that protect and recognize merit and fitness as the basis for State employment while balancing management's need for discretion and flexibility;

- To provide guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management through rules, decisions, communication, and training conducted upon agency request.

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, therefore, the Board cannot control the number of cases filed.

Board Processes and Programs

Hearings and Appeals

The State Personnel Board hears and decides appeals of state employees. Appeals may involve disciplinary actions (such as terminations, suspensions, demotions, and pay reductions), non-disciplinary actions (such as layoffs and administrative discharges), discrimination charges, whistleblower claims, appeals from final grievance decisions, and other issues. The Board can only reverse or modify an agency decision if that decision was arbitrary, capricious, or contrary to rule or law.

Colorado law applies strict deadlines to the filing of appeals. All appeals of disciplinary actions, grievances, discrimination claims, and the like must be filed within 10 days from the date of the action being appealed. The filing date of the appeal is the date it was postmarked, hand-delivered, or received by fax at the Board's office.

Colorado statutes require the Board to process cases under expedited timelines. Appeals must go to hearing within 90 days of the date the appeal was filed, unless the appeal is referred for investigation of discrimination or whistleblower claims. The Administrative Law Judges (ALJs) conduct the hearings, and their initial decisions must be issued within 45 days of the end of the hearing. If a party appeals to the Board, the Board must issue its decision within 150 days.

Under legislation enacted during the 2006 Legislative session, investigations of whistleblower complaints are no longer required. Cases involving allegations of discrimination are referred to the Colorado Civil Rights Division (CCRD) in the Department of Regulatory Agencies for investigation. The employee may choose either to proceed with the investigation or waive that investigation and request the Board to proceed immediately with consideration of the employee's case. The CCRD investigation may take as long as 450 days.

Employees filing appeals with the Board are placed on either the mandatory hearing or discretionary hearing track. Mandatory hearings are those appeals in which an employee has lost pay, status or tenure and, under the Colorado Constitution, has a right to a hearing. Such cases are set for hearing within 90 days, unless, as set forth above, there are allegations of discrimination that must be referred to CCRD.

If, however, an employee does not have a right to a mandatory hearing the employee may be granted a discretionary hearing. Appeals falling within this category are set on the Board's preliminary review process. Under this process the parties submit information that is reviewed by the Board's ALJs to determine whether there are valid issues which merit granting the employee a hearing. The

ALJs then make a recommendation to the Board as to the granting of a hearing. The Board must review the ALJ's preliminary recommendation within 90 days of the petition being filed. If a hearing is granted, then the matter is set, within 90 days of issuance of the Board order, for a hearing.

Initial decisions and Board orders for recent years are available on the Board's website, as are annotations of ALJ decisions.

For over five years, the Board has maintained a database that allows it to track information about the appeals and petitions for hearing filed by State employees. 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 Board has used the database to capture information about appeals and report it to the Department of Personnel & Administration (DPA), to the Governor's Office, and to Executive Directors of departments.

Mediation and Settlement Program

Board rules require parties to attempt to settle their cases. The Board conducts a settlement program for parties to appeals. The parties in all cases set for hearing are contacted by Board staff and offered the Board's settlement services. If one party requests a settlement conference, the other party must either attend and make a good-faith effort to resolve the case, or file a motion explaining why settlement efforts would be futile. In addition, an ALJ may require parties involved in the discretionary hearing process to participate in mediation.

Training

In order to fulfill its mission to provide guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management, the Board offers training seminars on the grievance, corrective, and disciplinary action process; discrimination; retaliation; practice before the Board; and other employment-related topics relevant to the Board's jurisdiction. During FY2005-06, in December 2005, the Board staff provided an all day training to stakeholders, including attorneys, employee organizations and managers, regarding the Board's rules and procedures. In addition, the Board Director and ALJs provided five trainings on the disciplinary process at various locations throughout the state.

Prioritized Objectives and Performance Measures

OBJECTIVE 1.1: Identify trends in use of the personnel dispute resolution process.

		FY 03-04	FY 04-05	FY 05-06
MEASURE 1.1.1 Number of cases filed per year.	Expected	375	308	291
	Actual	308	291	212
MEASURE 1.1.2 Number of evidentiary hearings held and decisions issued	Expected	30	29	34
	Actual	29	34	26
MEASURE 1.1.3 Number of appeals filed per year	Expected	220	180	143
	Actual	180	143	112
MEASURE 1.1.4 Number of petitions for hearing filed per year	Expected	148	121	119
	Actual	121	119	74
MEASURE 1.1.5 Number of preliminary recommendations issued	Expected	77	76	33
	Actual	34	33	37
MEASURE 1.1.6 Number of days in evidentiary hearing	Expected	77	76	92
	Actual	76	92	78
MEASURE 1.1.7 Percentage of cases settled per year	Target	35%	45%	45%
	Actual	48%	57%	90%

Additional Information:

Measures 1.1.1 and 1.1.2: These figures represent the total number of cases opened per year (including appeals, petitions for hearing, petitions for declaratory orders, and requests for residency waivers) and the number of evidentiary hearings held and, therefore, decisions issued. In FY 2002-03, the actual number of cases filed exceeded the expected by nearly 27 percent. During the latter portion of FY 2002-03, due to the state's budgetary crisis, a number of layoffs occurred. Therefore, a greater than expected number of appeals were filed. In FY 2003-04 and 2004-05, the actual number of cases filed was approximately 18 and 5 percent below the expected. In FY 2005-06 the actual number of cases filed was approximately 27 percent below the expected.

Over the past three fiscal years, the number of evidentiary hearings and, therefore, the number of decisions issued has remained steady, until FY 2004-05 when it increased by 17 percent. In FY2005-06, the number dropped back to within 10 percent of pre-FY2004-05 levels.

Measure 1.1.3: This figure represents the total number of appeals filed – those cases in which the employee is entitled to a hearing. Appeals involve certified state employees whose base pay, status, or tenure was adversely affected by an agency action (discipline, layoff, etc.), and cases in which it is a constitutional requirement to provide a hearing. As set forth above, in the Board Processes and Programs section, such cases are placed on the mandatory hearing track. The actual number of appeals filed in FY 2002-03, exceeded expectations by some 62 percent. It is noted, as stated above that, during the latter portion of FY2002-03, due to the state's budgetary crisis, a number of layoffs occurred. Therefore, a greater than expected number of appeals were filed. In FY 2003-04, the actual number of appeals filed was approximately 18 percent below expectations. In FY 2004-05, the actual number of appeals filed was approximately 20 percent below expectations. In FY2005-06, the actual number of appeals filed was approximately 22 percent below expectations.

Measures 1.1.4 and 1.1.5: These figures represent petitions for hearing filed, including petitions for hearing, declaratory orders, and selection discrimination cases, and the number of preliminary recommendations issued in such cases. In FY 2003-04 and FY 2004-05, the actual number of petitions filed was 18 percent and 2 percent, respectively, below the level anticipated. In FY 2003-04, the number of preliminary recommendations issued increased by 9 percent and for FY2004-05, decreased by 3 percent. In FY 2005-2006, the number of preliminary recommendations issued increased by 11 percent.

Measure 1.1.6: During FY 2004-05, the number of days spent in hearing substantially increased by 24 percent. In FY2005-06, the number of days spent in evidentiary hearing returned to pre-FY 2004-05 levels. With regards to staffing, during FY 2001-02, the Board employed 2.1 FTE administrative law judges ("ALJs"); 1.8 FTE ALJs in FY 2002-03; and 1.4 FTE ALJs in FY 2003-04 and FY 2004-05. Two months after the beginning of FY 2005-06 and for the remainder of the fiscal year, the ALJ staffing was at 1.8 FTE. Therefore, while there has been a decrease in ALJ staffing in past fiscal years, the number of hearings held and the number of days in evidentiary hearing, decisions and preliminary recommendations issued has remained relatively steady, even increasing in some years. All decisions issued during that time period were issued within forty-five days of the close of a hearing record.

Measure 1.1.7: This figure represents a percentage of the total number of cases settled per year, versus cases set for hearing. By way of background, in FY 2000-01, only 33 cases settled out of the 275 opened, or 12 percent. The Board's settlement facilitator left the Board for other State employment at the beginning of that year. Thereafter, the Board initiated a new settlement program in which the ALJs and legal assistant were assigned to facilitate settlements, rather than assigning a single staff member this duty. Over the course of FY 2001-02, the Director, ALJs and legal assistant all received basic mediation training. In addition, in an effort to capture better settlement statistics, in FY 2002-03, utilizing the case tracking system referred to above, the Board's staff began to track all cases in which settlement occurred, whether through the Board's settlement program or the sole efforts of the parties themselves. At one point, the ALJs continued to provide settlement assistance, but the legal assistant took a more active role in facilitating settlement conferences and negotiations. The settlement rate rose substantially from 12% in FY 2001-02 to 57% in FY 2002-03; to 48% in FY 2003-04; and to 57% in FY 2004-05. At the beginning of FY 2005-06, the ALJs returned to a more active role in the Board's mediation program, and all cases filed with the Board were assigned, on a rotating basis, to one of the three ALJs or the legal assistant, for mediation. During FY2005-06, the Board's settlement rate was 90%.

To obtain a satisfactory settlement rate, the Board contacts litigants in each and every case and offers settlement services, as well as providing training to agencies and employees on the benefits of settlement. The Board has also revised its rules to give its administrative law judges a greater ability to encourage the parties involved to mediate issues that have given rise to petitions for discretionary hearings.

OBJECTIVE: 2.1 Improve alternative dispute resolution (ADR) processes by encouraging settlement and mediation of cases and facilitating settlement conferences.					
		FY02-03	**FY03-04**	**FY04-05**	**FY05-06**
MEASURE 2.1.1 Contact the parties in all cases set for hearing to offer settlement services.	Target	100%	100%	100%	100%
	Actual	100%	100%	100%	100%
MEASURE 2.1.2 Achieve a satisfactory settlement rate in cases set for hearing	Target	25%	35%	45%	45%
	Actual	57%	48%	57%	90%

Additional Information:

Measures 2.1.1 and 2.1.2: The Board previously consulted with the Colorado Bar Association and Department of Personnel and Administration to obtain a thorough review of the State's employment ADR processes. The first phase of an improvement process was completed, with a draft report on areas for improvement of those services. However, due to budget constraints the Board and DPA were not able to complete the remaining two phases. Consequently, the Board's Director and DPA staff worked together to determine methods for improving settlement services, and, in FY 2002-03, the Board obtained training for all its professional and para-professional staff in mediation techniques.

Under the Board's settlement program, the parties to all cases set for hearing receive a letter inviting them to use the Board's settlement services, and the assigned settlement facilitator (an ALJ or the legal assistant) staff follow that letter up with a telephone call to one or both parties. If the parties believe it is appropriate, Board staff conducts settlement conferences. In other cases, Board staff may assist the parties in telephone negotiations, or the parties may negotiate without Board assistance. Measure 2.1.2 was exceeded, with a settlement rate of 57 percent for FY 2002-03, 48 percent in FY 2003-04, 57 percent in FY 2004-05, and 90 percent in FY 2005-06.

Trends, Background and Other Baseline Information

In FY 2000-01 the Board acquired a database that allows it to track information about the appeals and petitions for hearing filed by State employees. Board staff enter information into the database to ensure that accurate and reliable information can be captured and analyzed. For example, the Board's program assistant and legal assistant are required to enter each final or dispositive order issued, and are responsible for ensuring the accuracy of the database, with this objective built into their performance plans. 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 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, and to executive directors of departments. A Board objective in a prior fiscal year was to use the information captured by the database to address the specific needs and issues of individual departments and to continue providing targeted training to the departments. This objective continues as part of the Board's operational structure in the current fiscal year.

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 most recent data available is for FY 2005-06. The FY 2005-06 cases included 14 alleged violations of the State Employee Protection (Whistleblower) Act; 26 claims of age discrimination; 37 claims of discrimination based upon creed or religion; 28 claims of disability discrimination; 28 claims of sex discrimination; 49 claims of race or national origin discrimination; 25 claims of retaliation; and 51 claims of discrimination on some other basis, for a total of 244 claims of discrimination in violation of the Colorado Anti-Discrimination Act, C.R.S. §24-34-101 *et seq.* Those claims were raised in a total of 103 cases, comprised of 50 appeals and 53 petitions for discretionary hearing. Some appeals alleged more than one claim (for example, one appellant could allege discrimination on the basis of race, age, and sex). This inevitably leads to more complicated cases and investigations by CCRD.

In FY 2004-05, there were 22 alleged violations of the State Employee Protection (Whistleblower) Act; 35 claims of age discrimination; 51 claims of discrimination based upon creed or religion; 34 claims of disability discrimination; 41 claims of sex discrimination; 68 claims of race or national origin discrimination; 33 claims of retaliation, and 50 claims of discrimination on some other basis, for a total of 312 claims of discrimination in violation of the Colorado Anti-Discrimination Act, C.R.S. §24-34-101 *et seq.* Those claims were raised in a total of 133 cases, comprised of 46 appeals and 87 petitions for discretionary hearing. Some appeals alleged more than one claim.

In FY 2003-04, there were 25 alleged violations of the State Employee Protection (Whistleblower) Act; 28 claims of age discrimination; 27 claims of discrimination based upon creed or religion; 37 claims of disability discrimination; 20 claims of sex discrimination; 47 claims of race or national origin discrimination; 15 claims of retaliation, and 60 claims of discrimination on some other basis, for a total of 234 claims of discrimination in violation of the Colorado Anti-Discrimination Act, C.R.S. §24-34-101 *et seq.* Those claims were raised in a total of 121 cases, comprised of 66 appeals and 55 petitions for discretionary hearing. Some appeals alleged more than one claim.

Three departments (Corrections, Higher Education, and Human Services) historically account for more than 60% of the cases filed before the Board. For FY 2005-06, these departments accounted for approximately 75% of the cases filed with the Board. In prior fiscal years, the Board provided training on personnel management practices, discrimination, and retaliation claims to the Departments of Corrections, Higher Education, and other departments, which accounted for nearly half of the Board's cases. The Board expects to continue to consult with these three departments and to offer additional training as needed to those departments.

In an effort to improve the quality of practice for attorneys practicing before the Board, Board staff and ALJs presented a seminar on Colorado State Personnel Board Practice and Procedure, which was held on December 16, 2005. More than 50 attorneys attended the seminar. In FY 2005-06, Board staff, ALJs, and Director collaborated with other departments and agencies for purposes of continuing legal education, mediation, and training. For the past several years, Board staff has participated in the annual Judicial Ethics Training sponsored by OAC. In addition, the Board's Director and ALJs have presented at the ethics training, and staff has participated in the annual Employment Law Seminar sponsored by the Colorado and Denver Bar Associations.

The Board also maintains information on its public website that includes links to initial decisions and Board orders. Initial decisions and orders are posted on the website within a few days of their issuance. The initial decisions and orders are identified by name and case number in order to make it easier to locate information related to cases involving a particular employee or department. Another change in recent years relates to the availability of case annotations. In previous years the Board maintained case annotations in hard copy and CD-Rom format. Two years ago the existing annotations were posted on the Board's public website and all annotations are on updated quarterly to add each new decision. The Board has received favorable comments from private attorneys, who feel that they now have equal access to information that formerly was available only to government attorneys.

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 Office of Administrative Courts, which provides pre-hearing, alternate dispute resolution, hearing, and decisional services to State departments and citizens in other, substantially different, areas of law.

Customer Requirements

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

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Central Services

Division of Central Services

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: Administration

Line Items

Personal Services
Operating Expense
Indirect Cost Assessment

Change Request(s):

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1117

Program Description

The Division of Central Services (DCS) Administration Section provides oversight and management to each of the operational units within the Division.

Program Overview

The work units within the Division are Integrated Document Solutions (IDS), State Fleet Management (SFM), the State Travel Management Program (STMP), and Capitol Complex.

Services Provided

The Administrative Unit provides the following services for the Division:

- Executive Management and Leadership;
- Management analysis functions including evaluation of organizational effectiveness, staffing, rate development, and review and modification of rules to implement statute;
- Contract administration to ensure compliance with rules and procedures;
- Strategic planning and division-wide projects;
- Administration of statewide travel management;
- Other administrative and clerical services.

Technological Advances

The Division uses web technology to enhance communication with customers. By utilizing the DCS website DCS has communicated many important facets of its business with their customers including changes to rates, newsletters highlighting important services that DCS provides for state agencies, surveying its customer base on performance, as well as notices and bulletins regarding specific services provided.

Strategic Partnerships

DCS Administration develops strategic partnerships with the larger customer base to involve them in certain aspects of planning and allow DCS to better understand the unique needs of our customer base. Some of the strategic partner agencies include the Department of Revenue, the Department of Labor and Employment, the Department of Health Care Policy and Financing and several institutions in the Higher Education system.

Savings to the State

DCS Administration ensures that each of the units within the division is working towards saving the state money by managing a cost study analysis every other year as well as annual rate setting.

Trends and Other Baseline Information

DCS Administration is appropriated 10.0 FTE in FY 2006-07 to support over 180 FTE and several diverse operational units.

Prioritized Objectives and Performance Measures

1. Customer Satisfaction

Since 2003 the Division of Central Services (DCS) has surveyed its customers to ensure that it is providing the level of service and support its customers need and expect. Specific questions are asked each year, allowing for comparison from year to year. In a portion of the survey, which addresses each unit's performance in the "Three C's", a phrase coined by the Department, each customer is asked to rate performance in the areas of Customer Service, Credibility and Communications. Customers are also asked to rate the Division in values of responsiveness, partnership, and the value of the product/service provided.

The results have been tabulated and are displayed below.

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with DCS in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents who are satisfied with DCS's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**80%**	**89%**	**87%**	**96%**	

OBJECTIVE: To conduct an annual survey to evaluate how well DCS responds to requests for service or questions in a timely manner					
MEASURE: Percentage of Respondents who are satisfied that DCS is RESPONSIVE.	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**N/A**	**89%**	**87%**	**94%**	

OBJECTIVE: To conduct an annual survey to evaluate how well DCS partners with customers in developing solutions to their needs.					
MEASURE: Percentage of Respondents who are satisfied with DCS's PARTNERSHIP.	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**N/A**	**86%**	**85%**	**94%**	

OBJECTIVE: To conduct an annual survey to evaluate the level of satisfaction with the value of service provided by DCS.					
MEASURE: Percentage of respondents who are satisfied that DCS provides a VALUABLE service.	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**N/A**	**91%**	**92%**	**97%**	

Program Crosswalk

Program Title: State Travel Management Program (STMP)

Line Items

Allocated internally.

Change Request(s)

Federal/State Statutory and Other Authority
Sections 24-30-202, C.R.S; 24-50.3 C.R.S; 24-102-101 C.R.S.

Program Description

The State Travel Management Program (STMP) oversees and monitors all State employee travel and is part of the Administration Unit. The oversight extends to negotiating and administering contracts with travel suppliers—travel card systems, airlines, rental car agencies, lodging providers, travel agencies and various incidental suppliers. STMP provides training, guidance and administrative support for all State Agencies, Higher Educational Institutions and participating Political Subdivisions. This high-volume customer base enables the State to negotiate exceptional rates and benefits. The program also has an advisory body, by way of the STMP Vendor Roundtable. In addition, STMP is self-funded through automobile rental rebates and travel agency ticketing fee rebates.

Program Overview

Services Provided

Automobile Rental Agreements

STMP negotiated automobile rental rates that include a \$600,000 liability insurance coverage for State employees on official State business. These negotiated agreements also provide for a 4% volume-based rebate that provides funding for STMP.

State Travel Card

Through contract negotiations, STMP was able to obtain a US Bank Visa Card. This card provides State employees on official State business with a method of payment. Through negotiations, the card also provides the State with:

- Collision damage waiver insurance coverage up to the full-value of the rental vehicle, when renting a vehicle for business travel,
- Lost baggage insurance coverage up to \$1,250 for checked baggage,
- Travel accident insurance of \$500,000,
- Emergency roadside assistance,

- Comprehensive on-line account management tools that include account maintenance, set-up and comprehensive reporting,
- Centralized detail reporting that includes expenditures for airline, automobile rental, lodging and incidentals, and
- Fifty-Nine (59) days to pay.

Airfare Price Agreements

STMP secured airfares that are fully refundable or fully changeable, without paying additional fees, and provide last-seat- availability fares. The negotiated airline fares establish ceiling rates, guaranteeing no airfare purchased on behalf of the State shall exceed these limits.

State Central Travel Card

STMP negotiated with lodging and automobile vendors to allow the use of the State Central Travel Card. This card allows for third party billing and is beneficial to the State in managing expenses of the infrequent traveler and is state tax-exempt.

Travel Agency Services

STMP consolidated travel agency services and awarded contracts to eleven travel agencies. The reduction in the number of travel agencies servicing the State provides increased vigilance of our official business travel activities and even greater high-volume discounts and benefits. These new agreements require a higher level of service from the travel agencies, including rental car and lodging reservations, as well as different savings options available to meet the needs of each State agency and institution. Travel agencies reimburse STMP $3.00 for every ticket, exchange or refund issued on behalf of the State. This $3.00 rebate provides 60% of the funding for STMP.

General Administration and Oversight

STMP provides oversight for all official state travel within the Executive Branch, including higher education. The main elements of STMP include managing the travel payment system, developing and managing solicitations and contracts for the payment system, airlines, rental cars, lodging, and travel agency services. Current Program initiatives include negotiating for an expense-reporting tool that would aggregate the volume of all users to lower the per expense fee and provide administrative oversight of billings for the expense-reporting tool. In addition, STMP:

- Negotiates for the most competitive rates
- Ensures compliance with vendor contracts
- Maintains security for agency on-line access to travel reports and account transactions
- Trains and educates State agencies, institutions of higher education and political sub-divisions (rather than individual travelers) regarding program administration

such as, but not limited to, managing delinquent State travel card accounts, establishing new travel card accounts, understanding vendor contracts, and generating web-based reports on travel card purchases.

- Provides quality customer service, rules interpretation and is a liaison with travel vendors on behalf of Program participants to ensure high quality customer service and problem resolution.
- Manages the risk aspects of travel (e.g. emergency management communication, travel insurance, travel industry news)

Technological Advances

The STMP website provides extensive information concerning travel contracts, rules, per diem and travel card resources. The site is updated on a weekly basis and is used extensively by STMP participants and travel vendors. To further develop the website, STMP created an e-form to capture the details required for the STMP Lodging Directory. The e-form allows the data to be captured automatically and incorporated into the directory. The new e-form will permit lodging vendors to submit the necessary details electronically and will virtually eliminate the manual process currently in place. The new e-form is scheduled to be available by year-end.

STMP receives eleven travel agency reports on a quarterly basis. The reports require manual consolidation in order to provide various travel volume totals. STMP is currently developing an e-form that will automatically consolidate the data submitted. Eight (8) of the eleven (11) awarded travel agencies provide an on-line booking tool that offers cost-savings by way of a reduced service fee and moves the State in the direction of the travel industry. STMP continues to strive to infuse technological advances in order to maximize State resources.

Strategic Partnerships

STMP partners with representatives of each State Agency, Higher Education Institution and participating Political Subdivision. These representatives were delegated the management, enforcement and compliance oversight for their respective agency and are referred to as Travel Compliance Designees (TCD). STMP provides training that includes the complexities of the various travel contracts, travel related rules and the on-line travel card management tool ®AccessOnline. This tool allows the TCD the ability to establish new accounts, close accounts, create reports and oversee compliance. STMP continues to inform the TCD's on any improvements made to this user-friendly management tool. STMP maintains direct communication via email updates to the TCD's. This communication is instrumental in keeping the TCD abreast of program and/or industry changes that may impact their oversight. STMP goes one step further and hosts a quarterly TCD Forum to include hands-on training, presentations from travel industry representatives and pertinent travel topics (e.g. card fraud, delinquencies, etc.) in order to meet the needs of the TCD's.

STMP partners with the awarded travel program vendors that meet quarterly at the STMP Vendor Roundtable. This format provides the opportunity to discuss travel industry changes that may impact State travelers and develop appropriate solutions/responses. An example of the benefits of the Roundtable is the Travel Agency report template that was discussed at the first STMP Vendor Roundtable September 1, 2005. Discussions included the requirement to password protect the document, alterations of the template are NOT allowed, and only the last 10 digits of the account numbers should be included. While establishing the template, the concern included a mechanism to document cost-savings. This was further discussed December 1, 2005 at the following STMP Vendor Roundtable in which the contract requirement for the State Purchasing Office Quarterly Volume Reports were discussed and implemented. The most critical piece was the methodology for the cost-savings. The cost-savings methodology was discussed extensively at the STMP Vendor Roundtable held March 2, 2006. The final determination was to use the YCACO fare as the baseline for determining cost-savings. The new reporting requirement is effective April 1, 2006, which allowed time for the vendors to train the travel agents on this new requirement.

STMP partners with the Motor Pool also, and negotiated an agreement with rental car vendors to provide seamless Motor Pool service for State employees. The rental car agreements include the request to supplement Motor Pool Overflow Use. (The State of Colorado Division of Central Services operates the State Motor Pool at 1555 Sherman in Denver exclusively for State employees. The Motor Pool, at times, has more demand than it can meet. Approximately 2 - 10 times per month, the Motor Pool needs access to additional passenger vehicles, mini-vans, or maxi-vans. The Motor Pool Overflow Use volume impacts the 4% volume-based rebate that provides funding for STMP.)

Savings to the State

STMP oversees the various travel related contracts that provide services and benefits to program participants. Currently, the contract with U.S. Bank VISA provides the Visa Auto Rental Collision Damage Waiver (CDW) Program at no additional charge. This coverage is on a 24-hour basis for damage due to collision or theft up to the actual cash value of the rental vehicle when renting using the State Travel Card for official business travel. Additionally, the CDW provided, with the use of the State Travel Card, is primary coverage. Therefore, the traveler's personal car insurance company would not be involved, nor affected by any claims.
Covered losses include:

- Physical damage and theft of the covered rental vehicle
- Valid loss-of-use charges imposed and substantiated by the rental agency
- Reasonable and customary towing charges, due to a covered loss, to the nearest qualified repair facility

If the CDW coverage was **NOT** provided using the State Travel Card the charge to the State is provided in the following table:

Vendor	Collision Damage Waiver Average Daily Insurance Fee *	Number of Revenue Days	STMP Estimate of Cost Savings for FY06
Avis Rent-a-Car	$23.00	16,524	$380,052
Budget Rent-a-Car	$23.00	6,035	$138,805
Enterprise Rent-a-Car	$15.50	7,917	$122,714
Total for FY06 (Q1-Q3)			**$641,571**

* Collision Damage Waiver benefit is part of the Travel Card agreement.

Negotiated into the Basic Ordering Agreements for Automobile Rentals is the third-party liability insurance as follows:

Commercial General Liability and Automobile Liability - (including bodily injury, personal injury and property damage) with the following minimum coverage, depending on the policy format:

(1). Occurrence basis policy - combined single limit of $600,000.

(2). Annual Aggregate limit policy - not less than $1,000,000 plus agreement that vendor will purchase additional insurance to replenish the limit to $1,000,000 if claims reduce the annual aggregate below $600,000.

Vendor	Liability Insurance Average Daily Insurance Fee	Liability Insurance Fee Added to BOA Base Rate	SAVINGS	Number of Revenue Days	STMP Estimate of Cost Savings for FY05
Avis Rent-a-Car	$12.00	$0.75	$11.25	16,524	$185,895
Budget Rent-a-Car	$12.00	$0.75	$11.25	6,035	$67,894
Enterprise Rent-a-Car	$11.99	$3.00	$8.99	7,917	$71,174
Total for FY06 (Q1-Q3)					**$ 324,963**

The following table provides actual claims paid by awarded vendors that would otherwise be a liability of the State:

Automobile Rental Insurance Claims PAID by Vendor FY06 (Q1-Q3)		
Vendor	**# of Claims**	**Claim Amount**
Avis Rent-a-Car/Liability	3	$1,600
Budget Rent-a-Car/Liability	0	0
Enterprise Rent-a-Car/Liability	5	$7,059
VISA Collision Damage Waiver	10	$13,286
Total	**18**	**$21,946**

In addition, the *2004 Runzheimer International Survey and Analysis Agency Agreement Survey* indicates that the average domestic transaction fee paid to a primary agency is $28; the average international fee paid to a primary agency is $31. Currently, our travel agency agreements are capped at $26, which is a minimum of $2 less than the survey results.

Travel Agency	Current Service Fee for Travel-Agency Assisted Bookings as of June 2006	Current Service Fee for On-line Booking Tool as of June 2006
Vendor #1	$25	N/A
Vendor #2	$20	$12
Vendor #3	$22	$12
Vendor #4	$20	N/A
Vendor #5	$26	$22
Vendor #6	$25	$25
Vendor #7	$25	$20
Vendor #8	$24	$9
Vendor #9	$25	$20
Vendor #10	$26	$23
Vendor #11	$23	$13

Savings are identified in the following table. Note that all transactions occurred on the Travel Card

FY 05-06 Fourth Quarter Travel Agency Airline Ticketing	Total Sales Dollars this Quarter	Regular (list) Pricing of Total Sales	Estimated Cost Savings	% Savings	Average Ticket Price
State Agencies	$ 402,110	$ 995,330	$ 593,220	59.60%	**$ 357.43**
Higher Education	$ 4,225,585	$ 7,747,369	$ 3,521,784	45.46%	**$ 536.92**
Political Subdivisions	$ 302,470	$ 537,174	$ 234,705	43.69%	**$ 488.64**
GRAND TOTAL	**$ 4,930,164**	**$ 9,279,873**	**$ 4,349,709**	**46.87%**	**$ 461.00**

Trends and Other Baseline Information

STMP was given the award for "Best 2004 Government Travel Management Program" by the Society of Government Travel Professionals. The panel of judges, which consisted of government and travel industry experts, based the award on effectiveness, innovation and creativity. As a result of this award, STMP received recent inquiries from the Treasury Board of Canada seeking details of the re-organization of the Program under the direction of the State Travel Manager. After researching various government entities, both foreign and domestic, Tom McCarthy of the Treasury Board of Canada indicated that the Colorado Travel Management Program was at the "cutting edge" of the government travel management industry.

STMP continues to strive to remain on the "cutting edge" by keeping up with the ever-changing travel industry. Representative of this effort, the State Travel Manager is an active member of the Rocky Mountain Business Travel Association and the Society of Government Meeting Professionals.

STMP regularly evaluates travel contracts, program processes and policies in order to identify and implement efficiencies. One area identified was the number of travel agencies servicing the State of Colorado. In order to gain support and buy-in from Program participants STMP formed the Travel Agency Evaluation Committee (TAEC) to investigate available options to bring forth better oversight and management to the program in regards to travel agency services. This committee was initially comprised of Travel Compliance Designee's from the Department of Human Services, Community Colleges of Colorado, the University of Colorado, the City & County of Denver, the Department of Natural Resources and Colorado State University. STMP determined that a reduction in the number of travel agencies servicing the State of Colorado would provide opportunities to:

- Aggregate Volume Spend
- Seek lower per ticket fee
- Establish consistent customer service by providing:
    - Lowest ticket price available
    - Internet ticket searches
    - Hotel & rental car bookings
- Increase vendor knowledge of Program Rules & Compliance
- Facilitate vendor management & training
- Minimize Service Fee collection issues
- Provide adequate competition

As a result, STMP awarded and implemented travel agency service contracts to eleven (11) vendors (down from over eighty travel agencies), effective April 1, 2005. The State Travel Manager met with each vendor to provide training, outline program requirements and review all the complexities of the various travel contracts. STMP worked to establish a reporting template and develop consistent processes for all travel agency vendors to submit on a quarterly basis. The template was consolidated in order to provide the various data elements that are critical to extrapolate for a variety of reports. STMP continues to work with the awarded travel agencies regularly in order to keep them informed on the Program and State.

STMP recently inquired with member states of the State Travel Manager's Alliance on the number of travel agencies servicing their respective state. The results indicate that 75% of the states surveyed have only one (1) awarded travel agency to provide services to their State. STMP will continue to evaluate the efficiencies and benefits that could be gained with applying such practices.

Automobile Rental Agreements

STMP negotiated automobile rental rates that include a $600,000 liability insurance coverage for State employees on official State business. These negotiated agreements also provide for a 4% volume-based rebate that provides funding for the Program. STMP expanded the Basic Ordering Agreement with Enterprise Rent-a-Car to include all of North America. This is the first time a vendor agreement for Auto Rentals included all rental locations. Currently, STMP is finalizing the contract with Advantage Rent-a-Car to incorporate into the Basic Ordering Agreements (BOA). Given the nature of the BOA's, the benefits of utilizing the competitive environment may be realized with a potential decrease in the rates.

Industry Recognition

As referenced previously, STMP is recognized as a leader within the government travel industry. In addition, the State Travel Manager represented the State of Colorado on the Advisory Group for the Association of Government Accountants Research Project on State and Local Governments' Use of the Purchase and Travel Cards. In addition, the State of California sought the use of Colorado's travel agency solicitation document in order to further their own efforts to reduce the number of travel agencies serving its state.

Political Subdivisions

STMP has incorporated language into each travel vendor agreement that allows political subdivisions to participate in the travel program. The political subdivisions are able to benefit from STMP's negotiated volume discounts that they normally would be unable to attain based on their own travel volume. STMP benefits from political subdivision participation as a result of the additional volume gained by their involvement. Thus, this is a "win-win" for both STMP and participating political subdivisions. Most recently, Douglas County indicated *"they are very much interested in joining"* STMP. STMP extends program benefits and services to the following political subdivisions:

- City and County of Denver
- 2nd District Attorney's Office
- Aims Community College
- Boulder County Sheriff's Department
- City of Fort Collins
- Denver Health and Hospitals
- Denver Housing Authority
- El Paso County Health
- El Paso County Finance
- Fire and Police Pension Association of Colorado
- Grand County
- Metro Waste Water
- Pinnacol Assurance
- University Hospital
- Urban Drainage

Total expenditures from political subdivisions for automobile rentals, lodging and airline flights have run between 2% and 6% of overall STMP expenditures for the last two fiscal years. As more political subdivisions sign on with STMP, their share of total program expenditures is expected to increase.

Prioritized Objectives and Performance Measures

1. Customer Satisfaction

Since 2003 the Division of Central Services (DCS) has surveyed its customers to ensure that it is providing the level of service and support its customers need and expect. Specific questions are asked each year, allowing for comparison from year to year. In a portion of the survey which addresses a unit's performance in the "Three C's", a phrase coined by the Department, each customer is asked to rate STMP's performance in the areas of Customer Service, Credibility and Communications. The results have been tabulated and are displayed below.

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with STMP in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents who are satisfied with STMP's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**84%**	**97%**	**96%**	**98%**	

2. STMP program specific customer survey

STMP also surveys customers on the Program's Responsiveness, Partnership, Value, their Website, the Travel Compliance Designee (TCD) Forums and Networking opportunities. Results from the survey are analyzed each year. Programmatic changes are made when deemed appropriate.

3. Data Collection and Analysis for Reporting and Contract Negotiations

Reporting Entity	Report Name	Data Collected Program Benefits
Travel Agency Services	Airline/Rail City Pairs – Quarterly	City-pair, average ticket price per city-pair, count and total dollar volume per city pair. Separate reports are required for domestic and for international air travel. Data collected provides necessary detail for airline solicitation and contract negotiations.

	Car and Hotel Reservation Report –Quarterly	Summary by State agency or institution for reservations including count, merchant name, location (city and state). Data collected provides volume information to assist with travel agency vendor compliance and management.
	Ad Hoc Reporting	Ad hoc reports, as established by mutual agreement between the State Travel Manager and the vendor, provide flexibility and functionality to meet the varied needs of STMP.
Rental Car Agency Services	Monthly & Quarterly Reporting	Monthly Accident report, Quarterly Volume report that is the basis of the 4% Revenue Share payment.
Travel Payment Program Provider	Access Online Reports	Access Online is a web-enabled program management and reporting tool offered by the travel card vendor that provides extensive ad hoc reporting capabilities and account maintenance options. Reports include: delinquency management, transaction detail and supplier management, to name a few.

4. Program Outreach

Program Vendor Roundtable, Travel Compliance Designee Forum, Training Sessions and various other Outreach Opportunities

Provide comprehensive training for awarded vendors servicing the State of Colorado. Format provides the opportunity to discuss travel industry changes that may impact State travelers and develop appropriate solutions/responses. Provide comprehensive training for the Travel Compliance Designee (TCD) in their role in overseeing travel compliance. (e.g. US Bank VISA products, AccessOnline, fiscal & travel rules and program changes).

		FY2003-04	**FY2004-05**	**FY2005-06**	**FY2006-07**
MEASURE: Total number of attendees	Target	300	360	500	500
	Actual	657	843	506	

5. State Travel Card Use

Travel Card Spend – STMP's goal is to increase travel card spending by 15% annually. The increase would reflect compliance with using the travel card in addition to any increase in travel costs.					
		FY2003-04	**FY2004-05**	**FY2005-06**	**FY2006-07**
MEASURE: Total Travel Card Volume	Target	$30,000,000	$34,500,000	$39,675,000	$45,626,250
	Actual	$ 32,604,137	$ 37,376,890	$ 41,222,064	

This objective may be re-evaluated next year. Instead, the Program may measure the share of State travel covered on the STMP Travel Card.

Program Crosswalk

Program Title: Integrated Document Solutions - IDS (Reprographic Services, Document Solutions Group and Mail Services)

Line Items

Reprographic Services
- Personal Services
- Operating Expenses

Document Solutions Group
- Personal Services
- Operating Expenses
- Utilities
- Indirect Cost Assessment

Mail Services
- Personal Services
- Operating Expenses

Change Request(s):

Federal/State Statutory and Other Authority

C.R.S. 24-30-1101 through 1118. See specifically 24-30-1102(4), 24-30-1104(1). C.R.S. 24-30-1601 through C.R.S. 24-30-1606

Program Description

In October of 2005 the Division of Central Services combined the operations of the Integrated Document Factory and the Document Solutions Group to create Integrated Document Solutions (IDS). This newly combined work unit has operations in Pueblo and Denver and is able to serve State agencies, departments of higher education and municipalities statewide. IDS exists to provide high quality, economical, comprehensive business support services to State agencies including graphic design, print operations, mail operations, data entry, and imaging services. The program also manages the rental of low volume office copiers to State agencies. Customer requirements include: quality work, rapid turnaround time, discounted postage, advance technology services and "one stop shopping". IDS was structured so that these related functions could truly be viewed by the customers as an integrated set of services.

Services Provided

<u>Design Services</u>

IDS has 3 full time professionally-educated graphic designers on staff. The designers are responsible for many of the new design elements in State government. The design staff are capable of many facets of corporate design from Corporate Identity (Logo design) to annual reports, agency program brochures, web page design, and more.

Comprehensive Printing Services

IDS is able to offer a comprehensive approach to all printing needs of state agencies. IDS has high capacity digital and offset printing in-house as well as full service bindery and finishing services. If a state agency has a printing need that IDS is not able to do in-house they contract out with a variety of local vendors identified in the printing Basic Ordering Agreement (BOA). IDS then manages the job on the agency's behalf.

Comprehensive Mail Services

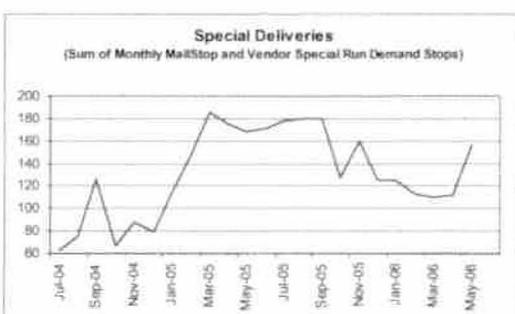
IDS offers the following mail services:

- Mail processing, including postage application, automated document inserting, electronic address processing, inkjet printing, automated postal pre-sorting and bar-coding, overnight shipping, etc.

- Mail sorting, which includes picking up mail for State agencies and from U.S. Post Offices and processing the mail according to customer specifications before delivery. Processing includes opening, sorting, date stamping, and perforating.

- Mail pick-up and delivery of interdepartmental and United States Postal Service mail and printed materials for State offices located in the metro area. Outgoing mail and materials are collected for processing at IDS.

Recently, IDS Mail Services has seen an increase in on-demand mail delivery. This is partially due to the restructuring of the delivery operations to improve efficiency and better meet customers' needs and expectations. In the spring of 2004 IDF restructured the scheduled delivery routes to increase efficiencies. A result of this redesign is that drivers are now more available to provide special "on call" pick up and delivery services for State agencies. The graph below shows how this valuable service offered to IDF customers has increased in recent months.



Document Conversion

IDS offers State agencies and political subdivisions document conversion, data manipulation, document preservation and content management services. IDS services also include micrographic imaging, data entry, digital imaging, optical character recognition, on-line forms development and indexing for database retrieval. This group integrates data with the mainframe and various client databases for data and image processing.

Content Management System (EDW)

This system provided by IDS enables immediate access to several applications and content types, from highly structured Web Content to images and documents. The Electronic Document Warehouse (EDW) managed by IDS offers integrated Web content, document and records management, and an imaging system for managing the full lifecycle of information. Some of the key business drivers for managing content are enabling easy access and retrieval, as well as reducing risk and meeting regulatory requirements. Content is the tangible form of an organization's knowledge assets. Managing these assets is a complex challenge, especially when the assets are in different formats, affect multiple aspects of the business, and often physically reside in numerous locations. IDS is uniquely qualified to help increase the success of government online and business process automation initiatives. The EDW allows State agencies and political subdivisions access to a centralized system through a web browser. The Multiuse Network (MNT) allows high-speed network access to the EDW. The largest user of this system is the Department of Labor and Employment, specifically for Worker's Compensation image files. The EDW has doubled in size with the addition of the Department of Revenue, Motor Vehicle Business Group and the Colorado Lottery. As the volume of stored documents increases, the cost per document will dramatically decrease.

By funneling all document conversion to one central location the State has an opportunity to generate savings and efficiencies. For example, the Electronic Document Warehouse provides a service to 9-10 State departments and divisions at this time. These different divisions share the cost of storage, licenses, maintenance, back up, programming and network administration.

Form Standardization and On-line Processing

Standardization and automation of input forms for on-line processing allows users to log on from remote locations throughout the State to submit various types of data that previously had to be mailed to IDS for input.

Technological Advances

With the increased sophistication of mail processing equipment, it has become necessary to have a higher level of technical support for this technology. Personnel have been trained on this highly complex equipment in order to troubleshoot problems, minimize downtime and allow IDS-Denver to efficiently and effectively run its mail operations. Mail Services utilizes computers and software to support its major processing operations. For postage application and inserting, billing data is captured at the postage meter and transmitted to accounting/billing sections in real time. This process requires the production personnel to enter the customer's cost center and the job type into a screen at their workstation that links entries to the billing information from the meter. Postal bar-coding equipment utilizes advanced cameras and imaging software, as well as postal databases and software for controlling the sorting function of the equipment. A State employee is the primary technician for maintenance and repair of the system. Employees must know how to enter the appropriate job and customer categories, and are responsible for daily billing information.

Mail Services also receives more than a million electronic recipient records as attachments to emails. The files are converted into address templates and printed by ink jet on customer materials. Finally, IDS utilizes an electronic data collection system to identify production time for various services and to convert paper job tickets into electronic formats. All of these processes require accurate information from the production personnel.

These technological advances have resulted in the reclassification of 16 personnel from former job titles in the Administrative Assistant series to new job classification titles in the Production series. The process for these reallocations began in July 2005. This alignment with current business practices assures that the State retains a competitive workforce that is productive, efficient and customer-service oriented. Technological advances, as well as security needs, particularly with sensitive materials from CBI, corporate and individual tax reforms, and personal medical information guarded by HIPAA regulations, have also caused the Division to re-examine its use of temporary employees. The delicate nature of much of the information flowing through IDS may better be entrusted with permanent, certified State FTE.

Strategic Partnerships

IDS is partnering with other State Print Operations to maximize State resources and focus in on a business niche. IDS Print Operations' resources have enabled it to focus on digital printing as its primary business niche. Digital printing allows IDS to receive customer print files electronically and print without processing negatives or plates, shortening the turnaround time on customer requests. The digital printing technologies have been mated with electronic data software, resulting in enhanced capabilities for this type of printing. IDS-Denver also prints in the offset printing arena, but limits its production to one and two color shorter runs. By limiting what IDS prints it is able to provide high quality documents at an affordable price for customers. IDS has partnered with Click's Print Operations on the Auraria campus for offset printing that is more than two color, longer runs, and as a back up for peak printing times. IDS is also working on Partnerships with CU and CSU for printing needs. In addition, IDS is working with CDOT to streamline the printing production software that is used and have the two operations share the similar software in order to streamline statewide reporting, etc. By having specific focuses IDS and Click's are able to maximize their resources and save State agencies money.

IDS has also entered into Printing Basic Ordering Agreements (BOA) with many private sector vendors, allowing IDS to help leverage the State's printing volumes to obtain deep discounts on many print projects. The vendors who participate on the printing in the BOA process have been divided into 4 categories as recognized in the print industry. These categories are small, medium, large and web formats. The IDS Customer Service team uses its expertise in the industry to make sure there is a good match between vendors and job specifications. This process has received many accolades from many of the vendors doing business with the IDS; most note the simplicity of the process and the timesavings it provides. The philosophy behind this process to maximize the State's resources while guaranteeing the highest possible quality with the shortest possible delivery time.

Savings to the State

IDS continues to excel in saving the State significant sums of money. In FY 05-06 we have identified the following savings.

FY 05-06 Savings

Design	$215,000+
Printing	$902,000+
Mail Delivery	$1,900,000+
Mail Processing	$845,000+
TOTAL IDS SAVINGS	**$3,862,000**

Trends and Other Baseline Information

A global trend is to consolidate services into one business so that the customer doesn't have to obtain multiple vendors and have multiple salesmen to contact when obtaining and implementing a job that involves design, print, mail, data conversion and storage.

We also see a trend toward heightened security needs in the information industry. With identity theft on the rise, and potential terrorist threats looming, IDS vigilantly safeguards customers' confidentiality and safety through all stages of information processing, distribution and storage.

IDS is committed to saving the State money. One significant way that IDS achieves this is by continually evaluating customers' needs. Many times customers have unique needs such that it would not be cost effective for us to bring the capability to perform a particular service in house. However, IDS monitors these requests and when there is a large enough customer base needing these services IDS evaluates the cost savings of purchasing the equipment and bringing this function in-house. In the past year IDS has conducted this assessment on several services and has purchased or leased the following equipment to provide our customers with the necessary level of service as well as save them money. These purchases include:

- Large Format Plotter
- Microfilm Conversion Machine
- New Flat Inserter

Colorado Benefits Management System (CBMS)

The Division of Central Services / Integrated Document Solutions (IDS) has provided mail processing and secondary printing services to the Colorado Benefits Management System (CBMS) since 2004. The CBMS program evolved from a decision to create a centralized point of data collection and data storage for a variety of public assistance programs. IDS and the Division of Information Technology (DoIT) participated in the implementation of CBMS by providing their expertise in printing, sorting, and mailing.

DoIT prints the various documents with IDS Print Services handling any overflow printing needs. IDS Mail Services then merges CBMS documents from various State assistance and benefit programs that are destined for a given recipient into a single piece of mail. Prior to CBMS, each program independently printed and mailed documents to the recipients, resulting in multiple mailings to a single home. State of the art technology was deployed by IDS to track and consolidate all documents intended for a given recipient. IDF supplied bar-coding techniques to the CBMS programmers, and these barcodes were then incorporated into the printing format. This barcode controls the automated inserters operated at IDS Mail Services, and inserts multiple documents into a single envelope.

In FY 2005-06, IDS Print Services has picked up, on average, an additional 950,000 printed images per month as a result of CBMS overflow printing. CBMS mail volume through IDS Mail Services has grown from approximately 100,000 pieces of mail in September 2004 to a monthly average of 348,000 in FY 2005-06. In addition, IDS mailed, on average, 43,500 flats per month for CBMS. The State has benefited through postage savings associated with the overall reduction of mail volume, as well as reduced printing and inserting service charges, and reduced costs for materials such as envelopes.

The ability of State government to utilize resources and technologies developed for one program to support the goals of other programs, and to reduce costs through economies of scale, is an organizational strength of centralized services. The production capabilities at IDS that support CBMS are also available to other agencies that print and mail multiple page materials.

- In conjunction with budget cuts in recent years, IDS has experienced an overall decrease in all print volumes as State agencies attempt to reduce printing costs by using alternative communication techniques. Print volumes are expected to increase again as agencies' budget situations improve. The table below displays the drop in volume. The dramatic decline in offset printing impressions during FY 2004-05 was due to IDF Print Operations eliminating its outdated web press. At the time, IDS determined that restricting its offset operations allowed it to redirect resources to digital printing endeavors. While this accounted for a loss of 11,021,964 impressions in FY 04-05, it proved to be a very cost-effective move for our customers. The corresponding increase in digital printing was also due in part to the expansion of the CBMS project, explained in detail earlier in this report. The drop in offset press impressions in FY 05-06 is due to counting impressions differently to conform to industry standards. In all actuality, actual impressions likely increased somewhat over FY 04-05. Thus, the perceived decline is not expected to prevail.

- Anticipated customer demand, in particular, the CBMS program, may result in increased digital printing impressions of nearly 75% in FY 2006-07.

Fiscal Year	Offset Press Number of Impressions	Quick Copy Digital Printing Number of Impressions
FY 01-02	31,107,514	47,588,710
FY 02-03	27,234,870	40,113,373
FY 03-04	25,500,000	40,977,430
FY 04-05	16,766,031	50,776,224
FY 05-06	Numbers not available through June yet.	Numbers not available through June yet.

Counts and Measurements	**FY03**	**FY04**	**FY 05**	**FY 06**	**FY 07**
	Actual	Actual	Actual	Actual	Projected
16MM (# of Images)	2,985,877	2,900,000	8,230,000	8,295,708	8,000,000
35MM (# of Images)	421,721	325,000	295,358	280,809	325,000
Counts and Measurements	**FY03**	**FY04**	**FY 05**	**FY 06**	**FY 07**
	Actual	Actual	Actual	Actual	Projected
SCAN (# of Images)	2,995,392	2,988,600	3,206,372	4,215,000	4,000,000
SCAN - Large Maps	10,646	78,000	36,116	7,320	50,000
Total Images	**6,413,636**	**6,291,600**	**11,767,846**	**12,798,837**	**10,375,000**
EDW-Image Storage w/purge	**7,575,371**	**11,878,000**	**12,220,000**	**18,352,979**	**20,000,000**

The Electronic Data Warehouse will continue to grow as agencies increasingly turn to digital technologies.

IDS/PUEBLO	**Actual**	**Actual**	**Actual**	**Projected**
Counts and Measurements	**FY04**	**FY05**	**FY06**	**FY07**
	Doc/Images	**Doc/Images**	**Doc/Images**	**Doc/Images**
Data Entry	5,419,000	5,445,634	5,634,573	5,500,000
OCR/ICR (Includes Prep)	1,822,304	1,816,717	3,049,333	2,000,000

Online - CBMS		302,643	378,948	250,000
TOTAL	**7,241,304**	**7,564,994**	**9,062,854**	**7,750,000**

The data entry section shows a slight increase due to an additional document required by the Department of Revenue. The on-line entry increased due to the input of CBMS case files and CBI sex offender files. The IDS-Pueblo worked closely with the Department of Health Care Policy and Financing (HCPF) as well as numerous counties to enter caseload information into the Colorado Benefits Managements System (CBMS) during FY 04-05. Numerous legacy public benefits systems for all counties were converted into this system in September 2004. By the end of FY 04-05, IDS-Pueblo had processed over 50,000 benefits cases. Assistance from IDS-Pueblo helped adults, children, newborns and pregnant women receive medical assistance benefits during this critical transition.

Prioritized Objectives and Performance Measures

1. Customer Satisfaction

Since 2003 the Division of Central Services (DCS) has surveyed its customers to ensure that it is providing the level of service and support its customers need and expect. Specific questions are asked each year, allowing for comparison from year to year. In a portion of the survey which addresses a unit's performance in the "Three C's", a phrase coined by the Department, each customer is asked to rate IDS's performance in the areas of Customer Service, Credibility and Communications.

The results have been tabulated and are displayed below. Note that because of the recent merger of the operations we asked customers to distinguish their responses between IDS Denver (IDF) and IDS Pueblo (DSG). Also note that the "Three C's" survey questions were asked of IDS as a whole. Thus, separate results for the individual services are not available.

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with IDS Denver in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents who are satisfied with IDF's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**86%**	**97%**	**86%**	**98%**	

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with IDS Pueblo in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents Who are Satisfied with DSG's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% to 95%	85% to 95%	85% to 95%	85% to 95%	85% to 95%
Actual	**78%**	**97%**	**86%**	**98%**	

2. Price Competitive

IDS strives to remain competitive with the private sector in terms of price, quality, and service. Every two years the Division of Central Services conducts a market survey to validate that its primary services and products remain competitively priced with the private sector. The results from the FY 05-06 survey follow.

The following tables illustrate how IDS's Digital Printing costs compared to the FY 05-06 market survey.

Type of Digital Print	IDF's Cost Compared to Market Survey Average
Black and White (less than 2,000 copies)	33% less
Black and White (2,000 to 25,000 copies)	36% less
Black and White (greater than 25,000 copies)	54% less
Color Copies	14% less

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of DIGITAL PRINTING.			
MEASURE: Compare IDS's prices to the average of those businesses surveyed.	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% Less	>20% Less	>20% Less
Actual	**19% to 44% Less**	**14% to 54% Less**	

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of BUSINESS CARDS design and production.			
MEASURE: Compare IDs's prices to the average of those businesses surveyed.	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% Less	>20% Less	>20% Less
Actual	**57% Less**	**36% Less**	

Type of Special Delivery	**IDS's Cost Compared to Market Survey Average**
Direct delivery from mail operations	72% less
Redirected driver quickly for special delivery	20% less
Economy assignment to closest stop next day	20% less

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of MAIL COURIER AND SPECIAL DELIVERY services.			
MEASURE: Compare IDS's prices to the average of those businesses surveyed.	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% Less	>20% Less	>20% Less
Actual	**22% to 58% Less**	**20% to 72% Less**	

OBJECTIVE: To save State agencies money on mail processing and postage related costs			
MEASURE: Annual savings on standard letter-sized mail.	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	\$500,000 or more	\$500,000 or more	\$500,000 or more
Actual	**\$699,327**	**\$845,257**	

Note that this translates into an average savings of \$0.094 per letter in FY 05-06.

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of DATA ENTRY.			
MEASURE: Compare IDS's prices to the average of those businesses surveyed. (Includes cost components for keystrokes, per document rates and shipping costs.)	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% less	>20% less	>20% less
Actual	**29 % Less**	**10%-23%**	

The following tables illustrate how IDS's imaging costs compared to the FY 2003-04 market survey. Note that this industry is becoming increasingly competitive.

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of IMAGING.			
MEASURE: Compare DSG's prices to the average of those businesses surveyed.	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% less	>20% less	>20% less
Actual	**37% to 47% Less**	**21% to 31% Less**	

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of ELECTRONIC DATA WAREHOUSE.			
MEASURE: Compare IDS's prices to the average of those businesses surveyed.	**FY 03-04**	**FY 05-06**	**FY 06-07**
Target	>20% less	>20% less	>20% less
Actual	**88% Less**	**89% Less**	

The following tables illustrate how IDS's Microfilm costs compared to the FY 05-06 market survey. Note that this field is becoming increasingly competitive.

OBJECTIVE: To conduct a bi-annual market survey to evaluate price competitiveness in the area of MICROFILM.

MEASURE: Compare DSG's prices to the average of those businesses surveyed.	FY 03-04	FY 05-06	FY 06-07
Target	>20% less	>20% less	>20% less
Actual	**43% to 45% Less**	**11%-18% Less**	

OBJECTIVE: To increase use of the Electronic Document Warehouse (EDW) and market this available storage and access system statewide.					
		FY04	**FY05**	**FY 06**	**FY07**
MEASURE: Number of images stored in the EDW.	Target	10M	12M	20M	20M
	Actual	11.8M	12.5M	18M	N/A

* M represents millions of images.

The Electronic Document Warehouse (EDW) continues to grow as State agencies realize the efficiencies provided by EDW in search and retrieval. Access to information can be shared with multiple sources providing IDS customers the opportunities to save in their mail and shipping costs. Retrieving a document through a web browser that multiple users can access will save the State time and money. Not having to sort through paper files and microfilm will improve the retrieval process time.

IDS - Statistics

OBJECTIVE: To increase the number of images processed through microfilm and digital imaging.					
		FY04	**FY05**	**FY06**	**FY07**
MEASURE-Microfilm Unit (# of Images)	Target	4.0M	8.0M	8.0M	6.0M
	Actual	2.8M	8.2M	8.4M	N/A
		FY04	**FY05**	**FY06**	**FY07**
MEASURE –Imaging Unit (# of Images)	Target	6.0M	3.0M	3.0 M	3.0 M
	Actual	2.9M	3.1M	4.3M	N/A

*M represents millions of images.

Image files volumes picked up this year due to the trend toward automation. The Department of Corrections utilized IDS-Pueblo to digitize all inmates' health records.

OBJECTIVE: To standardize forms and provide a means of on-line submission. To market efficient and effective service statewide.					
		FY04	**FY05**	**FY06**	**FY07**
MEASURE: Application on-line and system integration	Target	20	35	35	35
	Actual	18	35	35	N/A
MEASURE: Documents submitted on-line	Target	6,295	20,000	25,000	25,000
	Actual	16,765	302,643	350,000	N/A

IDS-Pueblo worked to help counties and the Department of Health Care Policy and Financing update information in data entry and conversion activities associated with the implementation of the Colorado Benefits Management System (CBMS). The increase in the on-line forms was due to the CBMS input of case files. DSG was able to log in and update case files daily.

Further, the standardization and development of on-line forms continue to grow. IDS_Pueblo offers this service statewide to agencies that require a collection of data through forms submission. Most of the forms IDS converts to on-line were previously data entry forms and use the same interface requirements to upload the information to the mainframe. An example would be the Marriage License. This form has been a paper form submitted for data entry and every county has a different form. Because they are all different it makes it difficult for the data entry operator to find the information located on the form. IDS-Pueblo standardized the form utilized by all counties beginning in September of 2004, saving the State in data entry costs. IDS also provided a data transfer agent; this allowed the counties the ability to upload marriage information themselves.

Program Crosswalk

Program Title: State Fleet Management (SFM)

Line Items:

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

Change Request(s):

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.

Program Description:

The State Fleet Management Program (SFM) provides light duty vehicles including sedans, vans, SUV's, motorcycles, and pickup trucks, to all State agencies on a long-term basis. In addition, with the passage of SB-015, all vehicles regardless of size will be enrolled in the State Fleet Management Program during FY07. This will add an additional 600+ specialized vehicles with a GVWR of one ton and greater. The existing SFM programs and functions now in place will ensure that these oversized vehicles are properly maintained to benefit the State and the agencies. With SFM managing all aspects of vehicle procurement and operations—acquisition, repairs, maintenance, and disposal—State agencies and employees can focus all of their resources on accomplishing their program missions.

SFM performs three major roles for the State:

1. **For State Departments and Agencies,** SFM is responsible for providing safe, reliable, cost effective vehicles uniquely tailored to best meet their specific program requirements.
2. **For the Citizens of the State**, SFM insures that State vehicles are purchased and maintained throughout their life cycle at the lowest available cost.
3. **For the Legislature**, SFM manages statutory programs, insures legal and regulatory compliance, and provides accurate information concerning trends in expense, utilization, fleet size and other relevant information to facilitate knowledgeable oversight and decision-making.

State Fleet Management is organized into four broad functional areas:

- Vehicle Acquisition and Disposal

- Maintenance Authorization and Control
- Invoice Processing and Account Reconciliation
- Special Project Oversight & Data Integrity

Program expenses are charged back to the user agency through three monthly rate components:

- A fixed rate to recover the debt service cost of vehicle acquisition.
- A variable rate per mile, determined by actual historical expenses for fuel, maintenance, repairs and accident cost.
- A management fee to capture program related fleet expenses for items such as salaries, rent, statewide cost allocations, and miscellaneous operating costs.

Services Provided:

The State Fleet Management Program is designed to handle all aspects of a vehicle's life from the time of acquisition through disposal. SFM manages all maintenance, repairs, fuel expense, and accident repairs as well as maintaining a robust database with a detailed history for each vehicle. Fleet manages these vehicle assets for all State agencies, helping to control unnecessary expenses, and managing adherence to effective preventive maintenance schedules. The program gains economies of scale and significant price reductions by aggregating purchasing opportunities and funding resources. Fleet is also able to negotiate many private sector services for the State at the lowest cost possible. Examples include: financing, fuel cards, and glass, tires, towing, maintenance and repair services, and body repairs.

Replacement Analysis and Optimization

- Analyze Age, Cost History, and Mileage Projections
- Collaborate with Agency Personnel and prioritize replacements using the additional test data, oil analysis, and repair and damage history.

Vehicle Specification, Development and Acquisition

- Award Bids to Vendors
- Realize Volume Savings
- Vehicle Engineering (Right Vehicle Assigned to the Right Job)

Fuel Card Account Management

Single Automated Agency Billing

- Easy Access, Next Day Online Billing Results
- Online Odometer Entry

Financial Services

- SFM Verifies and Pays All Vehicle Related Invoices
- Arrange Low Cost Financing

- Federal and State Fuel Tax Filing for Agencies

Vehicle Disposal Through Public Auctions—Offset Agency Cost

- Ebay used for most auctions because it maximizes exposure and ensures highest bid activity.
- Large portion of Ebay bid interest is from out-of-state
- In-house on-site auctions are held for accidents and junk vehicles
- Average 39% better prices than individual agencies selling their own vehicles.

Short Term Used Vehicles

- Temporary Vehicles for Accident/Repair Coverage
- Seasonal Requirements

Department Fleet Assessments

- SFM will analyze the tasks and conditions a vehicle must endure to ensure the right vehicle is purchased to adequately do the job with the lowest planned running cost.

Fleet Environmental Programs

- Actively pursue the purchase of Alternative Fuel Vehicles by educating the legislature and department personnel about the benefits of cleaner air, and to reduce our dependence on foreign oil.

Fleet Safety and Risk Reduction

- Driver Safety Training Available From Risk Management
- Extensive Library of Driver Safety Videos Available for Free Rental

Vehicle Safety Engineering

- Backup Sonar and Alarm Systems
- GPS Vehicle Tracking
- Accident Analysis

Motor Pool Operations

- Downtown and North Metro Locations
- All Inclusive Competitive Daily Rates
- Variety of Vehicle Types: 4 Wheel Drives, Vans, Sedans, and Hybrids
- Web Based Reservation System, (Fleet Commander) colorado.agilefleet.com

Repair and Maintenance Authorization

- Optimize Agency Staff Time by Combining Services Per Visit
- Negotiates Costs and Prevents Service Duplication
- Trained Mechanics—Three of four ASE Master Certified
- 127 years of combined mechanical experience
- Accident Repair Management and Insurance Subrogation
- Oil Analysis Program and Data Collection for Increased Longevity of Vehicles and improved prioritization of replacement decision making.

- Collect, Track, and Disseminate Recall Information
- Statewide Network of Certified Collision Repair Specialists
- Nationwide Vendor Network
- National Emergency Roadside Assistance (After Hours Only)
- Towing Available 24/7 Through Fleet Management or NAC After Normal Business Hours

Preventive Maintenance Scheduling

- Schedules set based on manufacturer's recommendations, normal or severe usage conditions, oil analysis data, and assessments by SFM authorization mechanics for either increased or extended intervals for some components.
- Customer compliance with schedules is monitored and additional are actions taken if overdue.

Technological Advances:

SFM utilizes a highly sophisticated and capable fleet management system (Colorado Automotive Reporting System –CARS) for tracking and reporting vehicle information and for managing internal process workflows. State Fleet Management has a long list of system enhancements and modifications that could improve system efficiency and provide better tools for both customers and employees of SFM. However, funding and programming resources have been severely restricted for the past few years and very little is getting done to improve system capabilities. Three years ago State Fleet Management began a project to make meaningful tools and reports available to customers through a web-based interface. At the time, a few enhancements were implemented (on-line reporting of mileage, monthly utilization tracking, etc.). Although these new capabilities were well received by the customers, additional capabilities have not been implemented due to the IT resource restrictions.

An automated, web based reservation system (Fleet Commander) was implemented in FY06 to improve motor pool service, facilitate expansion of motor pools in other areas of the State, and provide analysis tools for improving pool efficiency and reduce costs.

Strategic Partnerships:

In collaboration with CDHS, CDOC, CDPHE, OEMC, CDHE, SFM is aggressively pursuing Federal Grant funding through the DOE, USDA, and EPA to fund and expand on-site fueling infrastructure for all SFM vehicles. Furthermore, SFM has formed strategic partnerships with CDPS-CSP to promote ongoing improvements to the communications protocol and emergency response activities. All SFM employees have enrolled as certified members with the Homeland Security-Highway Watch Program and assist other state vehicle users to become certified in the reporting system.

Savings to the State:

SFM has recently completed an analysis of costs and savings associated with each of the major functions provided by State Fleet. The value to the State is significant and breaks down as follows:

• Aggregated Vehicle Pricing	$1,888,000
• Centralized Motor Pool Operations	$ 88,000
• Denied Repair & Maintenance	$ 299,000
• Oversight Expense Deterrence	$ 711,000
• Accident Management and Subrogation	$ 46,000
• Avoidable Repairs Through Reallocations	$ 256,000
• Seasonal Vehicle Allocations	$ 315,000
• Improved Auction Revenue	$ 343,000
Total SFM Savings=	**$3,946,000**

(Details of these savings analyses are included at the end of this document.)

Trends and Other Baseline Information

Higher Education "Opt Out"

Based on legislation passed in FY04 (HB 04-1009), institutions of Higher Education were allowed to opt out of certain statewide programs including the State Fleet Management program. Prior studies have indicated that it is unlikely that these changes will result in a cost savings to either the institutions or to the State, and customer service issues with these schools were resolved long ago. The issue came down to institutional control, and once the decisions were made to opt out, SFM worked diligently to facilitate the transition. FY 2005-06 was the first year in which the centralized Fleet operated without Colorado's two major universities. The University of Colorado and Colorado State University, as well as Fort Lewis College, have opted out of the program as permitted by HB 04-1009. In total, 762 vehicles (approximately 13.5% of a 5700 vehicle fleet at the time) were taken out of the State Fleet Management Program. While this is a significant portion of the Fleet, the impact on overall SFM workload is negligible. Both CU and CSU have long had their own internal fleet management systems, have authorized their own repairs, and have disposed of their own vehicles. In addition, even though this accounted for a reduction of 13.5% of the vehicles in SFM it only amounted to a reduction of 5% in miles driven. This is because the average vehicle in institutions of Higher Education drives significantly fewer miles than for the rest of the fleet.

Fuel

Fuel is the most significant variable component of fleet expense, accounting for approximately 60% of overall fleet operating expense. Based on current consumption data, a $0.10 increase in the cost per gallon of fuel translates into a $425,000 increase in total annual fuel expenditures. The increase from June of 2003 to June of 2006 represents an increase of $1.43 per gallon and equates to an annual expense increase of $6.1 million. The following graph and table, display fuel expense, and demonstrate the volatility of fuel costs and the dramatic increases over the past few years.

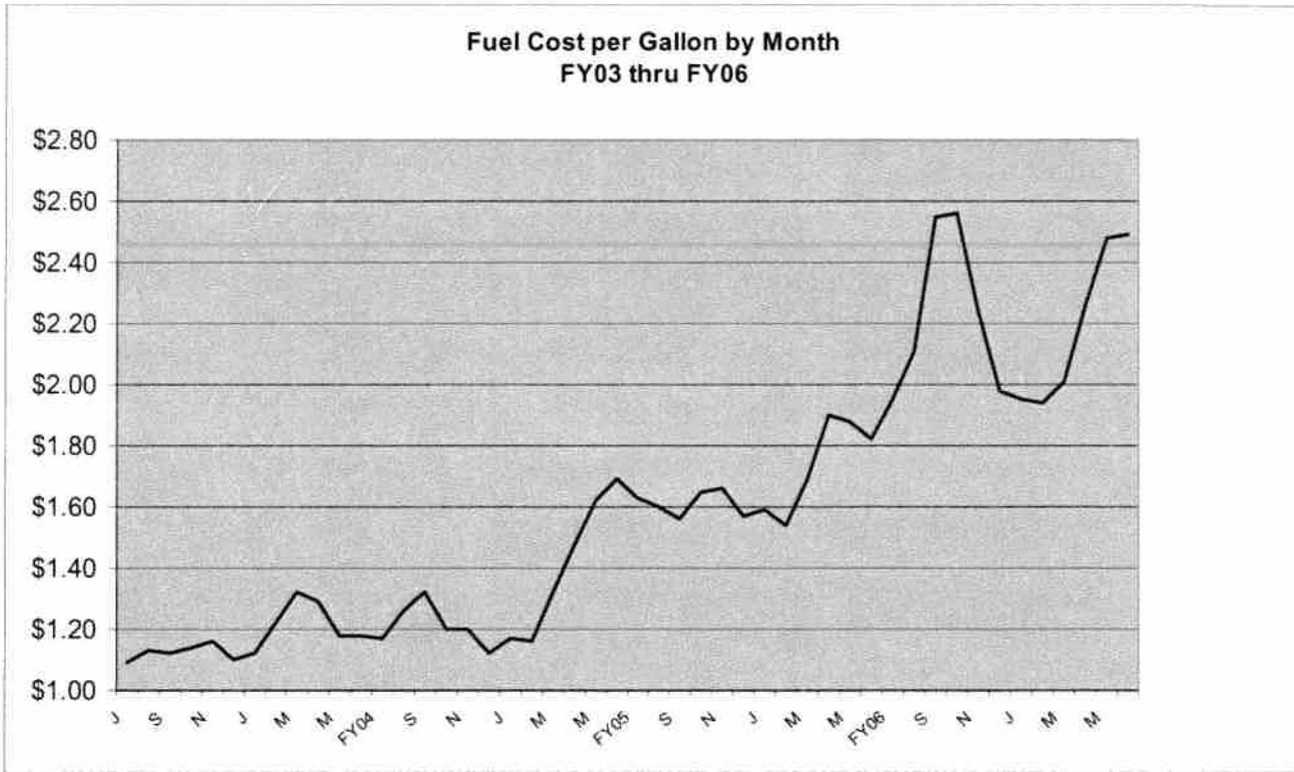
Alternative Fuel Vehicles

SFM currently has approximately 500 Flex Fuel Vehicles (FFV's) that can be used with either regular unleaded fuel, or any blend up to 85% ethanol (E-85). E-85 and Biodiesel 20% blends (B-20) are also referred to as renewable fuels because they are harvested from crops such as corn and soybean. Both E-85 and B-20 are synonymous with improving air quality and reducing reliance on foreign oil imports. SFM can currently purchase E-85 at $1.99 per gallon where available, which is a current savings of 75 cents per gallon when compared to regular unleaded fuel. If the availability of E-85 were to improve so that all 500 vehicles could take full advantage of this costs savings, the State could save up to $187,000 per year.

SFM currently has 36 hybrid vehicles (30 sedans and 6 SUV), and has two new Honda GX CNG fueled vehicles (deemed the world's cleanest combustion engines) as of August 2006 to be placed at the "downtown" motor pool. The CNG vehicles can be fueled at a local fuel site for $1.98 per equivalent gallon and a consumption rate of 30/34 mpg. SFM has also acquired a 2006 Hybrid Toyota in collaboration with the Governors Office of Energy Management and Conservation (OEMC) using non-State funding, for the purpose of performing baseline feasibility of new hybrid vehicle battery technologies. These AFV's will establish baselines that will help determine feasibility of use within various other state agencies without the use of state funds, but for the overall benefit of the state.

SFM is aggressively pursuing additional opportunities to secure federal grants for AFVs through collaborative efforts with other state agencies. The federal grant money is used to offset the high initial cost of the AFVs, otherwise these purchases would be cost prohibitive, and would not be possible with our current allocated vehicle budget.

Based on the anticipated increase of diesel vehicles in SFM due to SB06-015, and with legislation requiring the use of B-20 in all State owned vehicles, SFM is anticipating as many as 400 additional vehicles with B-20. These vehicles will be using B-20 where it is available, and as purchases are documented, SFM and will track and file all entitled rebates from the DOE .



Fuel Expenses

	Average Cost/Gallon	July Cost/Gallon	June Cost/Gallon	Average Cost/Mile	Average Miles/Gallon
FY2006	$ 2.22	$ 1.95	$2.49	$.136	$16.45
FY2005	$ 1.67	$ 1.63	$1.88	$.100	$16.00
FY2004	$1.33	$1.17	$1.69	$.083	$16.00
FY2003	$1.17	$1.09	$1.18	$.0738	$15.84

Source: ITU CARS Reports & DCS P&L Reports

Miles Traveled

As State programs begin to expand again to meet increasing demands, additional vehicles have been approved and additional miles are driven to meet these needs. In addition, the average annual miles per vehicle have increased steadily over the last few years and has increased from an average of 12,500 per year to 14,100 in FY06.

Fleet Miles Traveled

Fiscal Year	Annual Miles	Percent Change from Prior Year
FY2006*	**69,573,280**	**-5.0%**
FY2005	73,204,451	+0.12%
FY2004	73,117,480	-1.5%
FY2003	74,223,176	-2.4%
FY2002	76,011,456	+1.7%
FY2001	74,747,177	+1.6%

Source: ITU CARS Reports
*Reflects first year impact of H.E. Opt-out

Fiscal Impacts on SFM Customer Agencies

Beginning in FY02, all departments of State government have been required to absorb significant budget cuts as the State's financial situation deteriorated. During this same period, FY 02 through FY 06, Fleet operating expenses have increased by a total of $6.7 Million with minimal additional funding to the departments to cover these increased expenses during FY 06.

Prioritized Objectives and Performance Measures

1. Customer Satisfaction

Since 2003 the Division of Central Services (DCS) has surveyed its customers to ensure that it is providing the level of service and support its customers need and expect. Specific questions are asked each year, allowing for comparison from year to year. In a portion of the survey which addresses a unit's performance in the "Three C's", a phrase coined by the Department, each customer is asked to rate SFM's performance in the areas of Customer Service, Communications and Credibility.

The results have been tabulated and are displayed below.

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with SFM in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents Who are Satisfied with SFM's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% or better	85% or better	85% or better	85% or better	85% or better
Actual	**78%**	**93%**	**96%**	**96%**	

Considerable effort was spent in FY 2005-06 on efforts to improve customer service. Many critical issues have already been resolved with solutions in place, such as handling after-hours emergency phone calls. SFM has made, and continues to aggressively pursue, process improvements and task reorganizations that facilitate keeping staff focused on customer needs. At the same time the program implemented new reporting mechanisms that identify potential problems (particularly repeat problems) to agency vehicle coordinators so they can take appropriate corrective actions with personnel or program managers. Based on the customer ratings shown above these efforts have been well-received by SFM's customers.

2. Competitive Pricing

Acquisition Costs

The State Fleet Management Program purchases vehicles for considerably less than the retail price. The chart below is a representative sample of the price breaks the State received in FY 05-06.

Type of Vehicle	**SFM's Cost Compared to Retail Price**

Passenger Car (medium-sized sedan)	**47% less**
Fifteen-Passenger Van	**39% less**
Large Pick-Up Truck	**41% less**
Four-Wheel Drive SUV (medium-sized)	**31% less**

OBJECTIVE: To continue to purchase vehicles for the State's fleet at heavily discounted rates.			
MEASURE: Compare SFM's prices to the average retail price for similar vehicles.	**FY 03-04**	**FY 05-06**	**FY 07-08**
Target	25 % to 50% Less	25 % to 50% Less	25 % to 50% Less
Actual	**42% to 54% Less**	**31% to 47% Less**	**N/A**

Every two years the Division of Central Services conducts a market survey to validate that its primary services and products remain competitively priced with the private sector. The results from the FY 05-06 surveys for daily automobile rentals follow.

Motor Pool Rates

Note that in this comparison SFM Motor Pool rates include fuel costs. Private sector base rental rates do not include fuel, which in a private rental car must be purchased at retail without the rebate of Federal and State taxes. In addition, the SFM Motor Pool offers a convenient location and secure parking.

Motor Pool Cost Comparison

Type of Vehicle	Motor Pool Daily Rates for FY 05-06 (Includes Fuel & Insurance)	Private Sector Average Daily Rental Price Agreements	Assumed Fuel Costs*	Total Daily Rental Cost for Private Sector	SFM Motor Pool Daily Savings
Passenger Car (Mid-size)	$45	$39	$15	$54	17%
Mini Van	$60	$57	$15	$72	17%
Fifteen-Passenger Van	$90	$103	$15	$118	24%
Four-Wheel Drive	$65	$57	$15	$72	11%

**Estimated Enterprise fuel cost based on FY06 average miles per rental day of 139 miles @ 25 mpg and $ per gallon (including taxes) of $2.80) = $15.57

3. Cost Management

Vehicle maintenance costs increased dramatically between FY02 and FY04 due to lack of funding for vehicle replacements and the resulting aging and high mileage fleet. In FY05 and again in FY06 and FY07 vehicle replacements have been funded at appropriate levels, and increases in maintenance costs in these years have been minimal (The increase in FY06 over FY05 was only .7%). Assuming that replacements remain funded at appropriate levels, SFM should be able to hold maintenance expense relatively constant for the foreseeable future.

Cost Objectives:

OBJ: To minimize the overall cost of vehicle ownership including both the cost of vehicle financing as well as the ongoing cost of vehicle maintenance.
STRATEGY: Improve processes and services

MEASURE		FY2004	FY2005	FY2006	FY2007
Agency Fixed Payments Cost Per Mile (CPM) including Mgt. Fee	Target	$.200	$.200	$.21	$.22
	Actual	$.208	$.197	$.217	N/A
Maintenance CPM	Target	$.08	$.096	$.108	$.109
	Actual	$.089	$.091	$.092	N/A
Total CPM (Excluding Fuel)	Target	$.292	$.301	$.301	$.318
	Actual	$.275	$.288	$.291	N/A
Vehicles Replaced (One-for-One)	Target	140	755	740***	850 est.
	Actual*	156	612**	736	N/A
Avg. Miles When Sold (Non-State Patrol)	Target	100k	100k	100k	100k
	Actual	108k	109k	111k	N/A
Avg. Miles When Sold (State Patrol)	Target	80,000	80,000	80,000	80,000
	Actual	89,422	83,000	82,500	N/A

*Includes Out-of-Cycle Replacements for Accident Totals, Uneconomic Repair and Unique Use Vehicles. Does not include Authorized Additions.
**FY05 replacement count reduced by 113 due to DOHE Opt-Out and agency declines.
***FY06 Opt Out Adjusted as of June 30, 2005.
SOURCE: CARS Purchase Module, ITU Data Extracts, CARS Reports (Fixed from "SFM Cost by Dept." and "Master Vehicle Budget Report")

By exploring the expansion of motor pools, increasing the use of statewide parts and service contracts, replacing vehicles where appropriate with smaller more cost effective alternatives, and by aggressively evaluating and reducing unnecessary repairs or expenses, Fleet will continue to keep cost increases to manageable levels.

4. Vehicle Utilization and Reallocation

Utilization

State Fleet monitors vehicle utilization using utilization codes first proposed by a Colorado state initiative task force in 2000. These codes categorize vehicles into groups based on the function the vehicle is performing. These codes were first used to address underutilization in FY 01 and resulted in the turn in of 186 underutilized vehicles. There are very low usage functions such as Facilities Maintenance in a campus environment, where the vehicle is confined to a limited area and functions more as a mobile shop than as a vehicle. There are also very high usage functions such as law enforcement pursuit vehicles. The expected annual mileage for the functions is very different, and the utilization codes now in use address this issue by holding vehicles to different utilization thresholds for these very dissimilar functions. For the past few years, SFM has actively monitored vehicle utilization throughout the year, while also providing departments the tools to monitor and adjust vehicle assignments to optimize vehicle usage throughout the fleet. In recent years, year-end utilization reports have consistently listed fewer that 50 underutilized vehicles, indicating that utilization is being well-controlled.

Utilization

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

MEASURE		FY2004	FY2005	FY2006	FY2007
Vehicles Identified as Underutilized	Target	<50	<50	<50	<50
	Actual	16	<50	<50	N/A
Avg. miles per vehicle based on avg. monthly Active Vehicle Count	Target	13,300	13,400	13,500	13,500
	Actual	13,097	13,089	14,084	N/A
End of Year ActiveVehicles Count	Target	5650	5,650	4,900*	5,100
	Actual	5610	5778	5,105	N/A

*Based on anticipated loss of 750 vehicles from Higher Education under HB 04-1009 "opt out".

Reallocation

One of the services offered by SFM is to replace vehicles that are too costly to operate or vehicles that have been totaled in accidents with ones that have been turned in by one agency and can be put back into temporary service with another agency with minimum repairs. This can be translated into real cost savings for our customers and the State. SFM is in a unique position to make this work for the State because all of the State vehicles are turned in to one location, and potential high cost repairs and accidents are flagged at the same location. Note that during a period of minimum replacements there is less inventory of vehicles available for reallocation.

Vehicle Reallocation

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

STRATEGY: Improve processes

MEASURE		FY2004	FY2005	FY2006	FY2007
No. of vehicles reallocated	Target	125	175	125*	150*
	Actual	117	147	176	N/A

- Smaller projections due to DOHE Opt-Out and the effort Fleet will make to reduce the number of overage vehicles in the State.

In addition, Fleet is focusing on seven major strategies in FY2006 and FY2007:

- Continue to Improve and Standardize Fleet's manual and technical processes.
- Support Fleet employees and customers with improved training, tools and resources.
- Establish and maintain monitoring capacity and processes to satisfy legislative audit recommendations.
- Reducing cost per vehicle for disposal.
- Implement a statewide CARS training program.
- Safety and risk reduction.
- Environmental "best practices" regarding fleet operations.

Cost Savings Documentation:

State Fleet Management – Vehicle Acquisition

	Leasing				Purchasing			
Cost Components	(A6) Taurus	(D5) Ford Express 15 Pass Van	(F2) Chevy Silverado Ext Cab 4X4	(K2) Chevy 4X4 Trailblazer	(A6) Taurus	(D5) Ford Express 15 Pass Van	(F2) Chevy Silverado Ext Cab 4X4	(K2) Chevy 4X4 Trailblazer
Retail Price**	$19,992	$27,288	$28,060	$25,457	$19,992	$27,288	$28,060	$25,457
Upfront	$802	$1,038	$940	$946	$0	$0	$0	$0
Monthly Payments	$401	$519	$470	$471	$470	$641	$659	$598
Lease/Purch Option	$5,755	$10,612	$13,115	$9,408				
Annual Insurance	$882	$955	$1,100	$950	$882	$955	$1,100	$950
Insurance CPM	$0.059	$0.064	$0.073	$0.064	$0.059	$0.064	$0.073	$0.064
Annualized Cost	$7,333	$10,096	$10,254	$9,191	$6,522	$8,647	$9,008	$8,126
Four Year Cost	$29,333	$40,382	$41,015	$36,762	$26,088	$34,588	$36,032	$32,504
	SFM Acquisition				SFM Acquisition			
State Price	$12,263	$18,900	$19,115	$20,186	$12,263	$18,900	$19,115	$20,186
"% Savings	39%	31%	32%	21%	39%	31%	32%	21%
Monthly Payments	$276	$426	$431	$455	$276	$426	$431	$455
Annual Insurance	$165	$165	$165	$165	$165	$165	$165	$165
Annualized Cost	$3,477	$5,277	$5,337	$5,625	$3,477	$5,277	$5,337	$5,625
Four Year Cost	$13,908	$21,108	$21,348	$22,500	$13,908	$21,108	$21,348	$22,500
	COMPARISON							
SFM Annual Savings	$3,856	$4,819	$4,917	$3,566	$3,045	$3,370	$3,671	$2,501
SFM 4-Year Savings	$15,425	$19,274	$19,667	$14,262	$12,180	$13,480	$14,684	$10,004
					47%	39%	41%	31%

Statewide Annualized Savings* **$1,888,050**

**Retail price approx. 10% below MSRP

*Assumes 600 vehicles purchased every year

State Fleet Management – Motor Pool Daily rental rates

RENTAL RATES FROM ENTERPRISE CORPORATION (FY06 STMP RATES)
Source: BOA Matrix
Rates confirmed 5-26-06 by Nieman Porter/Enterprise

	ECONOMY*	COMPACT*	MID-SIZE*	FULL SIZE, FOUR DOOR*	MINI - VAN*	FOUR WHEEL DRIVE	15 PASS VAN	
Statewide Average:	$35.31	$36.29	$37.26	$38.57	$56.57	$56.57	$102.57	
**Estimated Fuel $:	$15.57	$15.57	$15.57	$15.57	$15.57	$15.57	$15.57	
Adj. Enterprise Total:	$50.88	$51.86	$52.83	$54.14	$72.14	$72.14	$118.14	
DPA Motorpool:	$45.00	$45.00	$45.00	$45.00	$60.00	$65.00	$90.00	**Average**
Motorpool Over/(Under):	($5.88)	($6.86)	($7.83)	($9.14)	($12.14)	($7.14)	($28.14)	**($11.02)**
							***** Annual Savings:**	**$87,854**

*Enterprise rates as of May 26, 2006.

*Enterprise fuel cost is not included in base rate; DPA Motor Pool fuel cost is included in daily rate

**Estimated Enterprise fuel cost based on FY06 average miles per rental day of 139 miles @ 25 mpg and $ per gallon (including taxes) of $2.80) = $15.57

***Annualized Savings based on FY06 estimated 7,973 rental days (based on 11 months) times avg savings per rental day.

Maintenance and Other Savings

DENIED REPAIR AND MAINTENANCE COSTS (FIRST 7 MONTHS OF FY06)

Denied repairs covered by warranty. Payment refused as unnecessary or denied as uneconomic.	$92,276
Authorization requested by vendor or driver and denied authorization as unnecessary	$82,426
Total Savings through 7 months	$174,702
Estimated Annualized Denied Repair and Maintenance Savings	**$299,489**

EXPENSE DETERRENT

In addition to the above transactions where direct intervention was necessary to deny repairs, there is a deterrent factor that accounts for significant savings, but is not directly quantifiable. Most vendors who have worked with State Fleet regularly simply know not to ask for unnecessary repairs because they know from experience that they will not be accepted. Many vendors and dealerships routinely perform questionable or unnecessary repairs for retail customers because few customers are knowledgeable enough to question the need. A recent experience presents a striking example of this. The vehicle was brought in for a basic PM (preventive maintenance), but because of a short phone outage, the vendor was not able to contact State Fleet on his first attempt. He took this as an opportunity to do whatever he wanted and proceeded to perform over $600 in repairs. Ultimately, only the original PM service was paid, but the driver had accepted the vendor's recommendation that all of the repairs were necessary. Without close and knowledgeable oversight of all repairs, this kind of thing would be very common. If we assume that vendors would take advantage of this and overcharge by only 10% (a very conservative estimate), the savings based on annual maintenance costs for FY06 would be $711,000. (This based on annual maintenance and repairs of $6,400,000 for FY06.)

Estimated Annual Deterrent Savings: $711,000

ACCIDENT MANAGEMENT AND SUBROGATION

Accident management and subrogation is a service that can be offered by third party vendors. Typical rates are $38.00 per accident and 19% of the subrogation money collected. Based on the FY05 annual accident data of 773 accidents and $254,000 in subrogation collections, it would have cost the State $29,374 (773 x $38.00) + $17,100 ($17,100 being 10% of $254,000) for a total of $46,474 in FY05. This function is currently handled in SFM by 0.5 FTE at a loaded cost of approximately $34,000, for a net benefit to the State of $12,474.

Estimated Annual Accident Management Savings: $46,474

AVOIDABLE REPAIRS (SAVINGS THROUGH VEHICLE REALLOCATIONS)

If required vehicle repairs are calculated to be uneconomical based on the amount of the repair and the value of the vehicle, the repairs will be denied and an attempt will be made to replace the vehicle with another vehicle that has been turned in, but is in good enough shape that it can be used for a year or more until a replacement vehicle can be approved. This costly repair avoidance through vehicle reallocations saves the State an average of \$3,200 per avoidable repair (engines, transmissions, etc.). In FY05 SFM was able to avoid costly repairs in this way approximately of 80 times. The estimated annual savings as a result of this effort is therefore (80 x \$3,200 = \$256,000).

Estimated Annual Vehicle Reallocation Savings: \$256,000

SEASONAL VEHICLE REQUIREMENTS

Some departments have a need for vehicles only during certain months of the year to meet the needs of seasonal programs. Rather than leasing vehicles for these departments for a few months at a time or purchasing a full-time vehicle when it will only be utilized for a portion of the year, SFM attempts to meet these needs by reallocating vehicles that have been turned in for replacement for a few additional months before selling the vehicles at auction. Short-term leases for these needs are very expensive (and are often not offered by rental companies at any cost). The typical short-term holdover assignment is 6 months. At an average monthly lease cost of \$350 per month and an average number of seasonal holdovers of 150 vehicles the total estimated savings is \$315,000 per year. These vehicles may come from departments and locations throughout the State.

Estimated Annual Seasonal Needs Savings: \$315,000

IMPROVED AUCTION INCOME

State Fleet handles the sale of most vehicles for the departments under centralized management. A recent study comparing a sample of like vehicles (same age, model, etc.) that were sold by State Fleet to a similar group of vehicles sold directly by another agency/institution indicated that State Fleet was able to generate 39% more revenue per sale than was possible through agency/institution direct sales. State Fleet coordinates most of the sales through online auction using eBay and the auction services of Juniper Valley. This proven methodology and experience assures that each vehicle gets the broadest possible exposure (very often sales are made to out of state buyers) and the greatest possible number of bids. If we assume that the 39% increase in auction results under SFM would be a reasonable increase across all vehicles sold, then on a base of \$1,272,807 (the FY06 total auction revenue for 429 vehicles), then the estimated additional revenue gained by virtue of State Fleet's involvement would be \$343,481.

Estimated Additional Auction Revenue Due to SFM Management: \$343,481

TOTAL ESTIMATED MAINTENANCE AND OTHER SAVINGS	**\$3,947,348**

Program Crosswalk

Program Title: Facilities Maintenance (Capitol Complex, Grand Junction & Camp George West)

Line Items

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

Change Request(s):

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

Program Overview

Capitol Complex Facilities is a full-service property management business. Currently this Program provides services for the following locations

The Capitol Hill Campus includes:

- Human Services Building
- State Office Building
- State Services Building
- Woodward House Building
- State Capitol Building
- Executive Residence (Governor's Mansion)
- Legislative Services Building
- Capitol Annex Building
- Power Plant Building (and all trades shops)
- Centennial Building
- 1570 Grant Street Building

The North Campus includes:

- Three industrial and office buildings

The West Campus includes:

- Dale Tooley Office Building (690 Kipling)
- 700 Kipling Building
- 1881 Pierce Street Building

The Grand Junction State Services Building

Camp George West (Infrastructure Only)

Services Provided

The Capitol Complex program is responsible for providing building maintenance including HVAC, plumbing, electrical, elevators, lights, general maintenance; day and evening custodial services (in-house and contractor); grounds maintenance and building security.

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 a five-year program plan. This program assists tenants with their space planning and construction needs.

Technological Advances

Capitol Complex utilizes a state of the art Computerized Maintenance Management System that organizes work assignments by issuing work orders and allows the work unit to track both routine and preventive maintenance, maximizing the use of personnel. In addition the section has an extensive Energy Management System allowing the ability to control the building HVAC and lighting systems via a computer as well as managing and minimizing energy usage.

Strategic Partnerships

Capitol Complex utilizes multiple strategic partnerships to enhance its program delivery to its tenants in the following ways:

Energy Conservation: Capitol Complex partnered with State Buildings and the Governors Office of Energy Conservation to execute a Performance Contract utilizing energy savings to fund capital improvements.

Security Enhancements: Capitol Complex partnered with the Department of Local Affairs and the Colorado State Patrol Executive Security Unit to acquire Homeland Security oriented Federal Grants to increase the infrastructure hardening of Capitol Complex buildings.

Savings to the State

Based upon a lease rate comparison with the private sector the Capitol Complex saved the State $ 7,165,181 in fiscal year 2005-2006.

Trends and Other Baseline Information

Capitol Complex Master Plan

A master plan would assist the State in best managing its capital assets and maximizing space to more effectively meet the current and future needs of State government. The Department has already completed a strategic assessment plan of the current assets, leased space, and resources available to the Judicial, Legislative and Executive branches of State government along with their current needs. A few years ago, funding had been approved to conduct a master plan. However, the project was cut due to severe budget constraints. The Department is once again considering the benefits of a Capitol Complex master plan and may pursue funding for an architectural/engineering consulting firm to lead the project in the near term. Politically appointed steering committees and professional consulting advisory committees would also participate in this endeavor.

At a minimum, the Department envisions the following issues to be addressed in a master plan:

- Creation of uniform standards and criteria for State agency leases of office space and parking facilities in the Capitol Complex;
- Creation of uniform standards and criteria for occupancy of office space by State agencies in State-owned facilities;
- Recommendations on relocations and collocations of State agencies within and outside of State-owned facilities;
- Recommendations of State agencies requiring expanded, reduced or consolidated office space;
- A long-term projection of capitol construction projects in the Capitol Complex area; and
- Recommendations for possible public-private partnerships.

Capitol Complex Controlled Maintenance

In FY 98-99 State Buildings and Real Estate Programs developed an audit process to provide up-to-date major maintenance priorities, as identified in agencies' Five Year Controlled Maintenance Plans. Each year Capitol Complex Facilities Maintenance staff evaluates the condition of facilities in the Complex in accordance with the State Buildings' Facilities Audit Program. The audit provides a methodology for identifying and measuring the existing physical condition of State-owned facilities using a Facility Condition Index (FCI). This index was established by the State Architect in accordance with industry standards. The index is defined as the ratio of deficiencies to current building replacement value. Industry standards, as well as State Buildings and Real Estate Programs, recommend an FCI of 85% or better for buildings. The FCI goal for associated infrastructure is 100%. The following chart describes the implications of the Facilities Condition Index ratings.

Facilities Condition	Condition Rating (FCI)
Acceptable: No deficiencies noted	100%
Needs Maintenance: Routine or minor maintenance	95-99%
Major Maintenance: The recurring need to keep in good repair building systems or components, which have known maintenance cycles of greater than one year.	75-94%
Remodel: Reworking of spaces in a building	55-74%
Extensive Renovation: Major replacement, alteration, or upgrading of building systems or components that is necessitated by facility obsolescence.	35-54%
Demolition: Unsatisfactory and cannot be renovated; replace building.	0-34%

At this time, the ratings show that the Capitol and State Annex buildings require extensive renovation while the Centennial Building is in need of significant remodeling. Given the age and historical nature of these buildings, in the absence of substantial contolled maintenance efforts, these facilities will continue to deteriorate.

Building Name	F.C.I. (Actual) A/FCI	Current Controlled Maintenance Request on Five Year Plan
DCS-Capitol Annex Building	**45%**	**$7,495,115**
DCS-Carriage House/Greenhouse	70%	$ ---------
DCS-Centennial Building	**60%**	**$8,220,864**
DCS-Dale Tooley St. Off.	70%	$2,282,225
DCS-Governor's Residence	66%	$2,755,983
DCS-Grant Street	81%	$ -----
DCS-Human Services Bldg	75%	$2,212,859
DCS-Legislative Services Bldg	77%	$819,240
DCS-North Campus E. Bldg. Off	63%	$ ---------
DCS-North Campus N. Bldg.garage/mail room	76%	$600,000
DCS-North Campus W. Bldg. Off	54%	$600,000
DCS-Power Plant	76%	$300,000
DCS-Resources Park West	69%	$2,755,983
DCS-State Capitol Building	**50%**	**$11,279,595**
DCS-State Office Building	76%	$2,484,920
DCS-State Services Building	76%	$725,000
DCS-Woodward House		$ --------
DCS-G.J. State Services	84%	$844,995
DOR-Pierce Street	76%	$2,882,475

Note that the nature of the work required in the Annex necessitates the total shutdown of the facility while major renovations are undertaken. However, work in the Capitol could be isolated by quadrant. It is possible that while maintenance projects are underway, tenants could be relocated to the mixed-use office building facility on Sherman Street that is currently in design stages and is anticipated to be completed and occupied during FY 2009-10.

Energy Performance Contract

Capitol Complex has contracted with Chevron Energy Solutions to perform performance-based contracting services throughout the Capitol Complex and associated buildings, Grand Junction, the three Lakewood buildings and North Campus. The goal of this project is to conserve energy through tenant awareness and the replacement or upgrading of older, inefficient systems. This project began in the spring of 2002 with an energy audit of all the Capitol Complex buildings. This audit identified energy savings projects, which included the replacement of lights, toilets, new boilers and chillers, and the installation of new energy management computerized controls. These improvements were financed through the projected energy savings directly related to the individual project over a predetermined period of time. In addition, a new resource conservation manager for the project has begun providing tips to all tenants on how they can help conserve energy while improving the work environment.

While many factors, particularly weather and use of buildings, affect energy consumption, energy usage in FY 04-05 was considerably lower than in FY 03-04, indicating that the energy performance contract has been successful. Even greater savings are likely in future years, since many of the contracted projects were not installed and operational for the full fiscal year. The chart below shows energy consumption for FY 03-04 through FY 05-06.

ENERGY CONSUMPTION FOR CAPITOL COMPLEX FACILITIES

	Electricity (KwH)	Electricity (KW)	Natural Gas (Therms)	Water & Sewer (Kgal)	Steam (Mlbs)
FY 03-04	33,492,802	117,421	93,355	29,372,266	36,179
FY 04-05	30,884,343	108,430	149,987	22,155,730	35,810
FY 05-06	29,950,630	69,167	156,189	31,486,470	24,578
% Difference from FY 03-04 baseline	-11.4%	-41.1%	*+67.3%	+7.2%	-32.1%

* Natural Gas (Therms) increase due to Judicial Heritage complex switch over to natural gas boilers and being removed from the Capitol Complex main steam loop. Steam savings is reflected in FY 05-06 (mlbs).

ENERGY CONSUMPTION FOR GRAND JUNCTION STATE OFFICE BUILDING

	Electricity (KwH)	Electricity (KW)	Natural Gas (Therms)	Water & Sewer (Kgal)	Steam (Mlbs)
FY 03-04	921,280	2,415	11,406	753	not used
FY 04-05	840,800	2,279	10,642	705	
FY 05-06	801,280	2,125	9,642	696	
% Difference from FY03-04 baseline	-13.0%	-12.0%	-15.5%	-7.6%	

Leadership in Energy and Environmental Design for Existing Buildings

The newly designed Colorado Department of Labor and Employment (CDLE) building at 251 East 12th Avenue has received a LEED national award from the U.S. Green Building Council.

The LEED Green Building Rating System for Existing Buildings (LEED-EB) is a set of performance standards for the sustainable operation of existing buildings developed by the U.S. Green Building Council. The Council is a coalition of leaders from across the building industry working to promote buildings that are environmentally responsible, profitable, and healthy places to live and work. LEED recognizes achievements and promotes expertise in green building through a comprehensive system offering project certification, professional accreditation, training and practical resources.

The Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) point rating system for existing buildings addresses:

- Whole-building cleaning and maintenance issues (including chemical use),
- Ongoing indoor air quality
- Energy efficiency
- Water efficiency
- Recycling programs and facilities
- Exterior maintenance programs
- Systems upgrades to meet green building energy, water, indoor air quality, and lighting performance standards.

Presently, the State Services Building at 1525 Sherman Street and the Department of Human Services Building at 1575 Sherman Street are registered with the U.S. Green Building Council with the end goal of receiving LEED designation for these two buildings. On June 30, 2006 the Performance Tracking Period for LEED-EB accreditation was completed and the documentation has been sent to the Building Council. We are awaiting their analysis of the data.

Maintenance Management

A goal of the maintenance program is to minimize the occurrence of tenants' requests for service by increasing regularly scheduled preventive maintenance throughout the buildings and grounds. In the fall of 2006 Capitol Complex staff will participate in specialized training with its computerized maintenance management system for producing and analyzing custom reports to evaluate tenants' service requests, work orders, and preventive maintenance work orders by type, frequency, cost, and man hours. This capability will allow the program to measure and monitor its success in achieving this objective.

Prioritized Objectives and Performance Measures

1. Customer Satisfaction

Since 2003 the Division of Central Services (DCS) has surveyed its customers to ensure that it is providing the level of service and support its customers need and expect. Specific questions are asked each year, allowing for comparison from year to year. In a portion of the survey which addresses a unit's performance in the "Three C's", a phrase coined by the Department, each customer is asked to rate Capitol Complex's performance in the areas of Customer Service, Credibility and Communications.

The results have been tabulated and are displayed below. Note that the "Three C's" survey questions were asked of Capitol Complex as a whole. Thus, separate results for the Grand Junction State Services Building and Camp George West are not available.

OBJECTIVE: To conduct an annual survey to evaluate customer satisfaction with Capitol Complex in the "Three C's"-- Customers, Credibility and Communication.					
MEASURE: Percentage of Respondents Who are Satisfied with Capitol Complex's "Three C's" Performance	**FY 02-03**	**FY 03-04**	**FY 04-05**	**FY 05-06**	**FY 06-07**
Target	85% or better	85% or better	85% or better	85% or better	85% or better
Actual	**76%**	**86%**	**85%**	**91%**	

2. Competitive Value

Capitol Complex strives to remain competitive with the private sector in terms of price, quality, and service. This is especially challenging given the historical nature of some of the buildings it must maintain, such as the State Capitol Building. The challenge is compounded by the fact that funding for controlled maintenance and capital improvement projects has been limited in recent fiscal years as a result of fiscal constraints.

The following tables illustrate how Capitol Complex's lease rates for buildings within the Statehouse area compared to those of the private sector. The rate displayed for the Capitol Complex is the lease rate per *usable* square foot for FY 04-05. The rates illustrated for the private sector are drawn from the CoStar Office Report of the Denver Market for the First Quarter of 2006. The rate expressed by the Report is in terms of *rentable* square feet. Capitol Complex charges based on *usable* square feet. If Capitol Complex charges were based on *rentable* square feet, the cost per square foot would be *lower* than expressed here.

Building Type	**Cost Per Square Foot**
Private Sector Class "A" Buildings	$ 19.56/rentable sq. ft.
Private Sector Class "B" Buildings	$ 16.63/rentable sq. ft.
Private Class "C" Buildings	$ 13.34/rentable sq. ft.

Comparison of Capitol Complex and Private Sector Lease Rates for FY06				
	Capitol Complex Area	**690 & 700 Kipling**	**Pierce Street**	**North Campus**
Building Classification	Greater Denver Market-- Class A & B	Greater Denver Market-- Class A & B	Greater Denver Market-- Class B & C	Greater Denver Market-- Class C
Square Footage	650,123	105,318	116,448	42,871
Capitol Complex Lease Rate (per square foot)	$ 10.56	$ 10.56	$ 5.76	$ 4.04
Private Sector Lease Rate (per square foot)	$ 18.10	$ 18.10	$ 14.99	$ 13.34
Savings Per Square Foot	$ 7.54	$ 7.54	$ 9.23	$ 9.30
Total Savings in FY 06	**$ 4,898,677**	**$ 793,571**	**$ 1,074,233**	**$ 398,700**
Percent Savings				

OBJECTIVE: To make an annual comparison between lease rates in the Denver Metro private sector and the Capitol Complex area.				
MEASURE: Compare Capitol Complex's lease rates to the average of those buildings in the Metro Denver Economic Development Corporation's June "Availability and Vacancy Building List	**FY 04-05**	**FY 05-06**	**FY 06-07**	**FY 07-08**
Target	>20% Less	>20% Less	>20% Less	>20% Less
Actual	**31% to 49% Less**	**42% to 70% Less**		

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Finance &
Procurement

Division of Finance & Procurement

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: The Office of the State Controller/ The State Purchasing Office/Supplier Database

Line Items:

(A) State Controller's Office and Procurement Services
Personal Services
Operating Expenses

(B) Supplier Database
Personal Services
Operating Expenses

Change Requests:

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).

Program Description

Within the Department of Personnel & Administration (DPA), there exists the Office of the State Controller (OSC), including Central Payroll and the State Purchasing Office (SPO). The Supplier Database is also included in this Crosswalk.

Office of the State Controller

The State Controller is statutorily charged with managing the financial operations of the State, including statewide financial reporting, policy and procedural 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 OSC 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 plans (including the State budget plan and the Federal 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 prices or rates paid for statutorily authorized expenditures 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 State Purchasing Office (SPO) establishes statewide procurement policy, including rulemaking, and provides enterprise procurement services, including:

- Managing the Bid Information and Distribution System (BIDS),
- Developing price agreements,
- Managing the procurement card program,
- Conducting outreach to the vendor community,
- Overseeing delegated agencies,
- Providing training and statewide coordination, and
- Deciding vendor appeals of agency procurement decisions.

The Supplier Database (commonly called the Bid Information and Distribution System or BIDS) is a web-based system used to disseminate information about solicitations for goods and services that have to be competitively bid under the Colorado Procurement Code. BIDS also includes a web site with extensive information about the state purchasing system.

Prioritized Objectives and Performance Measures

Objective 1.1: Fulfill statutory reporting and financial control responsibilities. Satisfy financial information requirements of the OSC customers and control the financial affairs of the State within fiscal year appropriated budgets, and as dictated by statutes, rules and professional guidance.

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

		FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimated	FY07-08 Projected
AP documents		13,100	13,900	14,510	14,000	14,000
COFRS warrants		766,459	805,286	812,000	800,000	800,000
EFT		188,000	196,978	208,479	215,000	215,000
Payroll advices, etc		518,851	542,964	542,426	543,000	543,000
W-2's		49,729	50,146	50,666	51,000	51,000
1099's		14,257	14,350	14,657	14,800	14,800
Contracts Approved		2,550	2,300	2,276	2,100	2,100
% Contracts timely	Target	97%	97%	97%	97%	97%
	Actual	99%	99%	99%		
% Reports timely/accurate	Target	100%	100%	100%	100%	100%
	Actual	99%	99%	99%		

Objective 1.2: To increase BIDS vendor registration annually, 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.

		FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimate	07-08 Projection
Total vendors		8,021	8,102	7,372	8,000	8,500
M/WBE%	target	29%	29%	29%	29%	29%
	actual	30%	31%	31%		

Objective 1.3: To re-compete all price agreements every five years while providing professional procurement support to 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 measures track the volume of orders placed by State agencies/institutions, as well as the percentage of price agreements that are competed by SPO annually in order to optimize value.

		FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimate	FY 07-08 Projection
Number of competitive solicitations/RFIs by the SPO		59	70	29	30	30
Number of price agreements administered by the SPO		382	370	280	280	280
PA orders by political subdivisions		$128.7 M	$107.8 M	$48M*	$110 M	$110 M
PA orders by state agency/institutions	target	$190 M	$190 M	$ 190M	$150M	$150M
	actual	$155.3 M	$162.4 M	100.2M*		
PA percentage competed annually	target	25%	20%	20%	20%	20%
	actual	15.96%	16%	38%		

* Data does not reflect most 4th quarter volumes

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

Measure: Workload measures track the numbers of on-site reviews, Fiscal Rule waivers, and review of payments made without commitment vouchers (statutory violations), and specific training of State Controller signature delegates. The OSC also conducts regular quarterly reviews of OSC diagnostic reports with agencies. Although not specifically measurable, turnover of agency controllers and key financial staff (nearly 40% for FY2005-2006) has increased OSC oversight and monitoring workload in terms of answering questions, providing ad hoc training, and monitoring the agency's activity.

	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimated	FY 07-08 Projected
On-site visits	98	123	122	120	120
Fiscal Rule waivers	134	212	155	175	175
Statutory violations	230	310	334	330	330
Delegate training	27	52	30	30	30

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 substantive purchasing director contacts with the State Purchasing Director regarding policies or interpretation of rules.

	FY 03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimate	FY07-08 Projection
Peer Reviews	5	4	6	6	6
Vendor Appeals	12	8	8	10	10
Other oversight activities	5	92	70	75	75

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

Measure: Total number of employees trained.

	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimated	FY07-08 Projected
Procurement Training	161	175	135	175	175
PAC Training	166	176	158	175	175
OSC Training	1,666	833	1,150	1,180	1,180
Employees target	1,745	1,730	1,530	1,530	1,530
Trained actual	1,993	1,184	1,443		

The OSC Field Accounting Services Team (FAST) trained about 550 employees last year, not including the CFMA Fall Conference that FAST was involved with (there will be some duplication if one person attended more than one training session). It would seem that the topics covered, versus number trained, would be a more useful measure, at least from FAST's training experience. FAST offered Higher Ed year end close Exhibit J Reconciliation, Interpreting Diagnostics, Budget Document, COFRS Grant Master, Pay date Shift, and Capital Construction training. FAST also created the training agenda for the CFMA Fall Conference. These trainings are in addition to the general sessions offered in the previous year and were in response to demand due to high turnover in agencies.

Objective 2.2: To promote maximum, effective use of the procurement card, increasing the procurement card volume by 5% per year.

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.

		FY03-04 Actual	FY04-05 Actual	FY 05-06 Actual	FY6-07 Estimate	FY07-08 Projection
$ of Transactions		$143.2 M	$159.1M	$172.2M	$180.8 M	$189.8M
# of Transactions		670,615	712,433	741,026	748,000	785,000
% increase $	target	2.1%	2.5%	5%	5%	5%
	actual	19.8%	11.1%	8.23%	N/A	N/A

Trends And Baseline Information

The OSC envisions providing leadership to our constituent state agencies and institutions in each of the areas of expertise within the Office—purchasing, accounting, payroll, and contracting. The Office 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 customer databases or the Office's website. Using electronic media to communicate with our customers rather than inundating them with paper shows our continuing focus on best business practices. Our mission is to continue to meet our objectives as efficiently as possible for both our customers and ourselves using limited resources. Trends and significant accomplishments follow.

Objective 1.1, OSC Reporting and Financial Control

Trends. Although the number of reports required in statute has decreased, the number of reports requested by the Legislature, the Governor's Office, and others has increased. This has been especially the case as the State's budget has continued to be tight; agencies that have fewer resources available to them are making more requests for information from the Office of the State Controller. The workload measures reflected 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—both warrants and EFT-- and the number of 1099's issued to vendors. Payroll warrants, advices of electronic deposit and manual payroll warrants measure activity in Central Payroll; Central Payroll completes W-2's, as well. The OSC has not seen the number of COFRS payments decrease with the increased use of the Procurement Card and efforts to increase electronic payments. The OSC will continue efforts to reduce the number of payments processed. Special attention will be focused on reducing the number of warrants printed.

Turnover of key financial management personnel continues to be a major concern. We are currently experiencing the predicted result of an aging workforce and early retirement incentives as experienced staff retires. The effects of the retirements continue to ripple through the personnel system as workers move from job to job to maximize their earnings. This will negatively impact the OSC's ability to ensure accurate financial reporting and control. With the loss of experienced financial managers at all levels of State government, there are more demands on OSC staff to provide guidance, oversight and training to agency financial staff. In FY 05-06 there was nearly 40% turnover in key agency level financial staff. The OSC is not immune to this trend. We have experienced 35% turnover in the last fiscal year. Retirements and loss of staff through transfers/promotions to agency financial management positions were the driving factors in the OSC turnover.

The goal of the Office of the State Controller has been and continues to be to increase efficiency by doing as much of its work electronically as is feasible. This includes sending correspondence electronically and posting items on the website and to the Financial Data Warehouse.

Increases in reporting requirements continue to drive workload in the Reporting & Analysis Section (R&A). The number of pages in the Comprehensive Annual Financial Report (CAFR) has nearly doubled since Fiscal Year 1996. Each new reporting standard issued by the Governmental Accounting Standard's Board (GASB) requires additional work at the time of implementation and ongoing work related to annual reporting. After a major implementation in September 2005 of GASB Statement No. 40, the section faces implementing four new GASB standards in September 2006. Reporting & Analysis prepared and submitted responses to four GASB due process documents (proposed standards) during Fiscal Year 2005-06, so it is likely that additional standards are inevitable. In addition, the legislature has created approximately 120 new funds since Fiscal Year 2000-01 (23 in Fiscal Year 2005-06), which increases the complexity of coding, tracking transfers between funds, and reporting. The creation of the General Fund Exempt Account within the General Fund and the ongoing requirement to track June payroll and selected Medicare and Medicaid related programs on the cash basis adds to the complexity that increases the time needed to ensure reporting is accurate.

<u>Significant Accomplishments</u>:

<u>Legislation Implementation</u> - The Office of the State Controller, Reporting and Analysis Section participated significantly in the drafting of HB 05-1310, and in implementing that legislation in the fall of 2005. The legislation allowed the state to take credit for refunds to citizens in excess of the amount required by TABOR. Between the credit for the excess refunds and the related adjustments to the refund threshold, the amount the state was required to refund in Fiscal Year 2005-06 was reduced by approximately $222.5 million. There was no challenge to these complex calculations by the State Auditor, Legislative Council, or the Governor's Office.

<u>Reports Online</u> – The Office of the State Controller continued to expand the utilization of the Division's website for disseminating the OSC reports statewide as well as using electronic mail distribution for reports and correspondence. On-line access to State Fiscal Rules, the Fiscal Procedures Manual, the Contract Management Manual, OSC contracting policies, 1099 and tax reporting guides, financial reports, and a variety of accounting forms are currently provided on the OSC's website currently.

<u>Financial Data Warehouse</u> – The Financial Data Warehouse (FDW) is supported by the OSC, with technical support provided by TMU. The Reporting & Analysis Section continues to train

users to use the newly developed reports. These reports allow users to assign wild card variables to select fields of the standard reports. This series of reports is a hybrid between standard reports, which the users may request, and schedule, and ad hoc reports that have to be programmed by a Reporting and Analysis staff member. Reporting & Analysis is completing testing of FDW reports that will make financial diagnostic reports available to state agencies on a daily basis as self-service reports. The process was made available to agencies during the close of Fiscal Year 2005-06. Agencies will be able to check for accounting abnormalities on an ongoing basis without dependency on the Office of the State Controller. Reporting & Analysis will continue to produce and electronically distribute its existing financial diagnostic reports for those agencies that don't have access to or training in the FDW operations.

Implementation of Legislative Directives – In the last several years, the Legislature passed several bills with dramatic impacts on the State's accounting activities. The State's financial statements are still presented using generally accepted accounting principles (GAAP), which means on an accrual basis. Work continues to track and disclose differences between statutory budget reporting requirements and GAAP based financial reporting requirements. The passage of Referendum C in November 2005 required significant changes in the tracking of General Fund spending due to the creation of the General Fund Exempt Account. The classification of Higher Education Institutions as fully qualified TABOR enterprises is currently being implemented and most institutions have developed and reported the specialized adjustment required to properly count the FY 2005-06 TABOR revenues.

Payroll. During this year there were new challenges for Central Payroll. There was the continuing statewide challenge of moving the pay date from the last day of FY 2005-06 to the first day of FY 2006-07. In addition, the replacement of EMPL functionality with CPPS was in development and implementation during FY 2005- 06. This required training of staff in agency payroll offices. The retirement of EMPL and moving of the EMPL functionality to CPPS was completed as scheduled. The responsibility for administering security access to the functions formerly preformed by EMPL was moved to Central Payroll.

Contracts. In the past fiscal year there were new contract waiver requests, which increased the number of waived contracts for State agencies. The estimate of the number of contracts removed from some or all review by the central approvers is near 1,000 contracts. This will save the central approvers a significant amount of time to devote to other contract review or additional training opportunities.

The OSC helped several agencies develop on-line contracts allowing them to have contractors or providers sign a simple three to five page contract or download a one page acceptance form that references all of the terms and conditions that are included in the on-line agreement. This enhancement saved the agencies significant time and money because they did not have to print all pages of the contract to send to the contractors and providers and also because they saved time by processing these documents much more quickly.

Also during the past fiscal year, several new agencies took advantage of this opportunity to obtain State Controller signature delegation or expand their current signature delegation in order to process amendments in-house without sending them to the OSC.

Fiscal Oversight: Agency turnover has been significant in FY05-06 with nearly 40% of key state agency financial positions turning over. The OSC has dedicated resources to add training sessions, provide one-on-one specialized training, and has assisted various agencies during transition periods in completing agency level tasks.

Benchmarking Project: The OSC began the process of evaluating the State's financial processes and systems with a review by the Hackett Group through a contract with the National Association of State Auditors, Comptrollers, and Treasurers, which will provide a comparison with other states and industries. This has involved OSC's time in coordinating the project and agency time in compiling information. The results are expected to provide valuable data for future planning related to systems replacement as well as to identify processes for improvement by applying best business practices

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 offer considerable benefit but continue to raise resource issues related to funding, manpower, and a structure to support and maintain privacy and security. Vendor expectations are also changing as new technology becomes available to enable more e-business. Adoption of this technology requires resources to make the changes and training to implement 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.

Objective 1.3, Price Agreements and Other Procurements

Trends. Cooperative procurements continue to be an important element of SPO operations because these collaborative efforts can result in cost savings and the sharing of professional expertise. The SPO anticipates that the state will receive approximately $70,000 in administration fees based on statewide purchasing levels under the Nevada/WSCA cooperative contract for industrial supplies. Also, the SPO is exploring new methods for bidding and awarding price agreements such as the use of Basic Ordering Agreements (BOAs), which afford a greater range in selection of vendors; provide more flexibility in adding vendors during the term of the agreement; and create continuously competitive pricing.

Significant Accomplishments:

Price Agreements – Eleven-price agreement categories were re-bid this year, resulting in 108 price agreements. The categories were: paper, industrial supplies, mailing equipment, printers, pallet shipments, small package delivery service, automotive glass, computer software training, vehicles, records storage, and advertising. In addition, all price agreements are now benchmarked prior to renewal or re-bidding to ensure that the state is getting the most competitive pricing possible. The SPO also eliminated many price agreements that were not being used effectively by agencies and political subdivisions.

Cooperative Purchasing – The SPO continues to participate actively in the Western States Contracting Alliance (WSCA). These contracts provide the benefits of aggregated volume from several states and enable the states to share expertise and manpower. Six categories of price agreements are based on WSCA cooperative contracts: Computers, data communications, industrial supplies, public safety communications, cell phones, and pharmaceuticals. In addition to WSCA, the SPO enters into cooperative purchases with the Multiple Assembly of Purchasing Officials (MAPO) and makes all state price agreements available for use by political subdivisions.

Objective 1.4: OSC Oversight and Monitoring

Trends. Requests for monitoring activities have increased in the face of less available resources. The majority of the monitoring activities are not formal reviews or audits, but are activities in which the OSC engages in order to assure compliance with Fiscal Rules and generally accepted accounting principles (GAAP). The activities included in the measures are events where the primary goal is to have the agencies/institutions working in concert with the OSC. For example, the Field Accounting Services Team (FAST) conducts onsite visits with each of its agencies on a specified schedule in order to learn about their specific issues and help solve any current problems. Additionally, FAST meets and consults as needed to resolve fiscal/accounting issues. 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. The OSC grants Fiscal Rule waivers when compliance with the Fiscal Rule causes an agency unreasonable administrative hardship.

The implementation of the federal legislation known as Sarbanes-Oxley, in response to recent private sector accounting fraud incidents, is having an indirect impact on government financial management. The provisions of Sarbanes-Oxley apply to publicly traded companies. It is being asked, "Why should government be held to a lower standard then private industry?" As a result, the internal controls and management responsibility provisions are beginning to be included in the auditing standards for governmental entities. This is resulting in more emphasis on internal controls and management responsibility for those controls.

Significant Accomplishments:

Comprehensive Annual Financial Report (CAFR). The Office of the State Controller has submitted the State of Colorado CAFR for FY 2004-05 to the Government Finance Officers Association (GFOA) for evaluation and expects to receive the GFOA Certificate of Achievement for the FY 2004-05 CAFR. This will be the ninth year in a row that the OSC Reporting & Analysis CAFR preparation team has received this certificate of achievement.

The Manager who is primarily responsible for preparing the CAFR is an instrumental participant in providing user consultation and input to the Governmental Accounting Standards Board (GASB). He has responded on four separate exposure drafts in the past year, reviewed the

GASB Comprehensive Implementation Guide, and is currently reviewing GASB deliberations on a concepts statement regarding the elements of financial statements.

The Reporting & Analysis Section CAFR preparation team implemented GASB Pronouncement 40 in the FY 2004-05 CAFR. They are currently implementing GASB 42, 44, 46, and 47, and they have completed training of State agencies and the State Auditors on those standards. Timely implementation of new accounting standards is essential to the state continuing to receive clean audit opinions that support the state's credit rating in bond and certificate of participation markets.

Indirect Cost Allocation: The Division successfully completed the negotiation of the Federal Indirect Cost Allocation Plan. This resolved a long-standing issue with the Federal Division of Cost Allocation regarding acceleration of charges for fleet vehicles. This issue had the very real potential of requiring a significant cash payment to the Federal government. In the cash fees budget plan, the Division increased the indirect cost recovery from cash funded sources by including central service agencies' depreciation in the allocated cost pool and by implementing changes related to the new Higher Education classification as a fully qualified TABOR exempt enterprise. These changes reduced the need for general funded appropriations.

State Fiscal Rule Review – Recently, the OSC adopted emergency fiscal rules to comply with HB 06-1343 regarding state contracts for personal services and illegal aliens. The OSC also implemented fiscal rules that were effective July 1, 2006 primarily for changes to travel per diem rates.

OSC *Objective 1.5, SPO Procurement Oversight and Monitoring*

Background. The Procurement Code provides vendors with an appeal right when agencies and institutions deny their procurement protests. The SPO handles those appeals. These reviews/investigations are comprehensive and provide an oversight opportunity for 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 experienced purchasing agents to provide a 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. The SPO completed 6 peer reviews of delegated agencies in FY 2005-06. Each of these was coordinated with the Personal Services Program and Office of the State Controller personnel to combine efforts in oversight and monitoring.

Significant Accomplishment: Appeals. The SPO completed eight appeal decisions in FY 2005-06 and has maintained a database containing all protest and appeal details in a searchable format.

Objective 2.1, Training

Trends. Training continues to be an integral part of the Office'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. In addition, retirements and related turnover and changes in job responsibilities in agencies have placed a greater demand on the Office. Not only is there increased demand for group training, but also for individual training and consultation as individuals learn their new responsibilities. Using the number of employees trained and the number of topics on which training was provided as the measures of this objective allows us to focus on maintaining the level of resources allocated overall, but shifting those resources to the most critical needs.

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 increasing the demand for procurement training.

Significant Accomplishments: Training Activities

The Office completed the development of the new contract management training this past fiscal year, completing several statewide training sessions directed to program personnel who are involved in contract management. This was a collaborative training effort spearheaded by the Office with participation by the Attorney General and support offered by the Division of Human Resources. The Office's subject matter experts offered modules on procurement, real estate, controller issues, and post-award contract management. As of the end of the fiscal year, the contract management training is being reevaluated with staffing changes at the Division of Human Resources permitting their taking a more central role in training delivery.

Office of the State Controller Training Activities:

The OSC continued to train State employees on the State's Fiscal Rules and the State's Fiscal Year Opening and Closing Procedures.

Statewide training session on *Forms 1099 Reporting* were presented 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.

Training on opening and closing the books as well as specialized training for new accounting employees occurred in the spring.

The OSC offered additional specialized training including Higher Ed year end close Exhibit J Reconciliation, Interpreting Diagnostic Report, Budget, COFRS Grant Module, Pay date Shift, and Capital Construction training.

State Purchasing Office Training Activities - For FY 2005-06, the total number participants in the procurement training class was 135, and 158 received training through participation in the semi-annual Procurement Advisory Council meetings. The drop in training class participants was caused by a lengthy vacancy in the trainer position. Participation is expected to return to the 170 – 180 level in FY 06-07.

Objective 2.2, Procurement Card Program

Trends and Issues. There has been significant growth in the Procurement Card Program. The SPO achieved its previous objective of 30% growth in procurement card volume over three years, and the measure was changed to a 5% growth objective for the next two years. The SPO is successfully pursuing ways to increase card usage by encouraging the use of "department cards," educating decision makers on the safeguards in and the efficiencies of the program, and pressing for additional bank help in building "mappers" which tie Procurement Card data to departmental accounting systems.

Significant Accomplishments. In this case, transaction numbers are tracked because efficiencies are most closely tied to numbers of transactions using the procurement card. Transaction numbers for FY 2004-05 exceeded 712,000 and increased to 741,026 in FY 2005-06. Dollar volume for FY 05-06 passed $170 million.

The SPO is proactively administering the contract with JPMorgan/Chase, ensuring that rebates are received in a timely manner, that appropriate controls are in place, and that agencies are actively involved and moving forward with program implementation.

Objective 2.3, Customer Service

Customer service continues to be an objective for OSC. In the past, customer surveys were the primary measure of customer satisfaction. Some units and offices still do surveys as part of continuous improvement and employee evaluation efforts. The use of general customer service surveys has been discounted. It is the intent of the OSC to participate in a coordinated DPA wide survey process when it is developed. Until this effort is completed, the OSC will rely on less formal feedback processes to determine customer satisfaction levels. The OSC will continue to use specialized surveys as a tool to determine if we are providing the expected high levels of customer service and as a resource to be used in employee performance evaluations.

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 OSC 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 & Budgeting, Joint Budget Committee and Capital Development Committee	The OSC provides financial information for decision-making and develops accounting procedures to implement new Legislative directives.
Office of the State Auditor	All financial data accessible for review. The OSC 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 & other users of the State's Financial Statements	Accurate and understandable financial information readily available.

Program Crosswalk

Program Title: Central Collection Services (CCS)

Line Items:

Personal Services
Operating Expense
Collection of Debts Owed to the State of Colorado

Change Request(s): None

Federal/State Statutory Authority

C.R.S. 24-30-202-4 – Provides for debt collection for State agencies and Political Sub-divisions.

Program Description

Central Collection Services (CCS), Department of Personnel & Administration (DPA), is statutorily responsible for providing debt collection services to State agencies and Political Sub-divisions through delegation by the State Controller's Office. CCS provides this service at a fixed commission rate. CCS has a number of unique capabilities, including the state income tax and vendor intercept programs, access to wage and employment information through the Department of Labor and Employment, as well as access to Department of Revenue Motor Vehicle information, none of which are afforded to private collection companies. The Unit is also responsible for the distribution and management of State debts to awarded private collection companies and private collection counsel for the State. Statutes require referral of debt to CCS at 30 days past due and debts are subsequently assigned to private collection companies at 120 days old if no repayment arrangements have been made with debtors. This partnership increases the opportunity for collection. The debt collection computer software used by CCS (Columbia Ultimate Business Systems (CUBS) "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 2006.

Last year's Crosswalk included information regarding the change in computation of recovery rate to be consistent with the common industry standard used by the majority of private collection agencies, as utilized by the American Collectors Association and Price Waterhouse Cooper.

Previous Measure: Recovery rate: Debt collected divided by assignments of debt minus cancellations.

New Measure: Recovery rate = Debt collected divided by assignments of debt. Last year's Crosswalk maintained the previous goal of 25% as a reasonable objective to strive for. Based on recent performance it has been determined to increase the expected collections to 27% of the amount assigned using the new calculation method.

	FY00-01 Actual	FY01-02 Actual	FY02-03 Actual	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Projection
Debt Placed	$42,633,472	$45,695,809	$69,358,560	$53,923,274	$47,614,085	$50,059,419	
Cancellations	$9,506,222	$18,847,795	$10,694,188	$ 9,616,961	$12,612,371	$12,458,875	
Debt collected	$11,388,461	$10,503,085	$12,108,328	$10,495,780	$11,733,437	$12,546,495	
Target Recovery Rate		NEW	23.0%	23.0%	25.0%	25.0%	27.0%
Actual Rate (old method)	26.7%	22.0%	20.6%	23.7%	33.5%	33.4%	
*Recalculated Rate using New formula	26.7%	22.9%	17.4%	19.4%	24.6%	25.1%	

Objective 2.1: Oversight and Training. To provide statewide training for client agencies' accounts receivable.

Measure: Total oversight and training activities.

	FY00-01 Actual	FY01-02 Actual	FY02-03 Actual	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Projected
One-on-one visits	13	22	25	27	30	30	30
Training seminars	3	6	6	6	6	6	6
Stakeholder meetings	N/A	N/A	2	1	8	8	0
TOTAL target		NEW	33	35	38	40	36
actual	16	28	33	34	44	44	

One of the recommendations of the 2003 CCS Performance Audit was to convene a Task Force of CCS Stakeholders in order to review the audit findings and specifically several key recommendations of the audit. CCS convened the Task Force from April of 2005 through November of 2005, and held 14 meetings either in person or by group conference call. This is reflected in the Stakeholder meetings figures shown above.

The Task Force issued a final report, including recommendations, at the end of 2005.

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 under contract, legal suits assigned to private collection counsel under contract and the Tax and Vendor Offset Programs.

Measure: CCS is continuing to improve its measurement standards by using the collection industry standards as a way to identify meaningful measurements. Due to audit comments, CCS changed the formula for calculating the recovery rate as outlined above. The recovery rate is the performance measure to determine the 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, private collection counsel and the Tax and Vendor Offset Program. (CCS has contacted other states to compare our effectiveness and found that other states with centralized collection operations tend to have a larger volume to staff ratio.) CCS will continue to communicate with these agencies and collaborate in sharing information, tools and techniques for maximizing recoveries.

<u>Trends</u>: The Performance Audit conducted by the State Auditor's Office in FY 2003-04 resulted in a number of audit recommendations, which CCS has sought to address systematically since the completion of the audit.

The audit recommendation with the most significant impact to CCS was to convene a Task Force of CCS Stakeholders. This Task Force was charged with reviewing CCS operations and processes to determine the most beneficial potential of CCS. The options provided for review were:

A) Decentralizing the collection function by requiring State agencies to manage the recovery of their own delinquent accounts;
B) Allowing State agencies the option to use CCS or overseeing their own recovery efforts;
C) Discontinuing the use of CCS staff for collection activities and administering the contracts with private collection agencies to handle recovery activities for delinquent accounts; and
D) Improving the performance of CCS by addressing issues identified in the audit report.

As we move forward, the nature of some of our clients' usage of CCS is changing. Several of our clients are expanding their own internal collection tools and mechanisms and/or using outside organizations to supplement their collections. The Department of Labor and Employment (DOLE) Unemployment Insurance Overpayment Unit, being a federal program with unique guidelines and funding sources, was able to obtain favorable legislation which allowed them to hire more collectors for their internal operations, although they continue to utilize CCS for a significant number of their accounts, particularly aged accounts. In addition, the Judicial Department began their own Tax Offset Program for newer accounts while also retaining the services of private collection agencies, and continues to utilize CCS for many of their aged accounts. The Pilot Program began last year with the University of Colorado to utilize the College Access Network (CAN) (previously known as the Colorado Student Loan Program (CSLP)) to collect Federal Perkins NDSL debt was recently reviewed, determined to be successful and approved for schools to have the option of requesting a waiver from the State Controller's Office to allow them to use CAN services for these specialized Federal loans. A few of the Higher Education institutions are using their services, while the majority continue to retain these accounts with CCS. These particular debts are governed by Federal guidelines and have specific procedures and rules, which CAN specializes in. One of the current private collection agencies under contract with CCS also specializes in these types of accounts and was awarded the NDSL business in the last RFP to collect all NDSL Perkins Loans for CCS.

The most noteworthy achievement of the audit and subsequent Task Force was its recommendation for legislative changes. During the past legislative session, SB202 was introduced and subsequently passed, resulting in a number of changes for CCS.

The legislation includes a number of different and unique aspects – SB 06-202:

- Revises CRS 12-14-113 - The Colorado Fair Debt Collection Practices Act - Relieves the State of the risk factor involved in violations of the Act. It has been modified so that any violation would subject the DPA employee to disciplinary action of the Department, rather than subject the state to the risk of a lawsuit.

SB 06-202 further amended CRS 24-30-202.4 – the statutory changes to CRS 24-30-202:

- Clarify that the State Controller delegates debt collection to Central Collection Services.
- Specifies exemptions for Judicial and DOLE consistent with the reference to the Department of Revenue's federal exemption and specifies that accounts with valid payment plans are exempt from referral.
- Provide more flexibility in the State Controller's granting of waivers to the 30-day referral provision, cleans up outdated language and extends CCS' initial collection period from 90 days to 120 days before referral to private agencies.
- Removes the reference to "a component based on geography" in the RFP for choosing private collection agencies.
- Allows CCS to collect on behalf of political subdivisions of the State, although the Task Force was very clear about the expectation that collection of State accounts be given the highest priority.
- Allows the State Controller and State Treasurer more flexibility to delegate authority and criteria for write-off, release or compromise of debts, including exclusion from Tax Offset if appropriate.
- Specifies that private collection agencies and private counsel will remit gross proceeds to CCS and then receive remittances back for commissions and fees.
- Allows the award of an RFP for a term according the to provisions of the Procurement Code rather than a specified 3 year time period.
- Allows CCS' commission fee to be added to ALL accounts assigned to CCS, so that State agencies will receive the full principal and interest collected on accounts.
- Places a cap on the commission fee amount that CCS can add, specifying a maximum of 21% for regular accounts and 25% for legal accounts. It also specifies that CCS will review the commission fee annually and that court-awarded reasonable attorney fees, court costs and fees incurred by the State's attorney in processing litigation will be added to accounts as well.
- Specifies that accounts referred to CCS for bad checks (NSF) may be subject to treble damages.
- Specifies the information that must be included on the initial notice sent to debtors.

Significant Accomplishments:

For FY 2005-06, CCS made a number of changes to processes that were designed to streamline operations. CCS began to look at different ways in which to increase the efficiency of the collection process through automation and increased use of available technology. As a result, CCS completed installation of an Integrated Voice Response (IVR) System, which allows debtors to call in over the phone, access their account to check the balance, date and amount of last payment, make a credit card or check payment by phone or set up and agree to a pre-determined payment plan. This program also allows client agencies to access their debtor accounts to confirm the current balance and/or verify any recent payments made.

CCS is also nearing completion of the EDS* Pay® Program which will allow debtors to access their accounts via the Internet to check the current balance, make a credit card or check payment, or establish a pre-determined payment plan. CCS is also looking at new ways to use the predictive dialer. One way being considered is to target specific types of debt for the dialer to call. Also the dialer will continue to be used to contact debtors after work hours. With the added functionality of the IVR and the upcoming EDS Pay Program, it is anticipated that the predictive dialer will be able to generate more revenue by allowing collectors to focus on debtor calls that will produce revenue.

CCS was able to implement a new program with the United States Postal Service by adding additional information to postage being mailed out which allows the USPS to provide an electronic file of updated addresses and mail return notifications rather than the trays of physical mail previously received. This has resulted in an extreme reduction of the manpower previously required to open returned mail, update the address, or manually notate it as a "mail return" in the system.

CCS is currently working on several initiatives, including a comprehensive review of our entire letter series to ensure they are in compliance with the CFDCPA as well as the FCRA guidelines. We are also auditing our automated letter printing process done by GGCC as well as our mail delivery system implemented by IDF Integrated Document Factory to ensure that debtors are receiving our timely notices.

Additionally, we are in the process of looking at old debt and the most proper way to collect aged accounts. CCS is working on a new RFP to solicit private vendors and will be doing the same for private collection counsel by the end of the year.

Previous Customer Satisfaction Objective

Background: CCS provides collection services for over 650 different programs, State agencies and institutions, which include district and county courts. CCS manages a portfolio of over $357 million in accounts receivable with over 331,000 open accounts. CCS strives to continue to improve our customer service as well as our communication with clients not only as a part of the DPA vision of Communication, Credibility and Customer Service but because our clients are our partners in the management of state debt.

Challenges: CCS has always struggled to obtain meaningful data regarding the Customer Survey component. Two years ago, a Performance Audit noted that the low number of customer responses caused concerns regarding the accuracy of the information obtained. The Division of Finance and Procurement initiated a Division-wide survey in a user-friendly electronic website format. It was felt that an independently managed survey would produce more responses as well as an additional level of integrity to the process. Follow up was still required on behalf of the

Division to elicit enough responses to provide comfortably accurate results. The Division was not able to provide the resources this year, which precluded Central Collections from administering a survey.

Significant Accomplishments: The IVR installation proved to be a successful addition to our customer service resources in providing access for debtors to pay on their account 24/7 over the phone. The proposed EDS Pay Program will provide debtors further capabilities to access information and make payments via the website. CCS is in the process of adding more capability to our CUBS software through the COMPASS module, allowing clients easier access to any reports they need as well as providing collector access to any backup account documentation on file. CCS has been scanning and warehousing this type of documentation for several years in anticipation of such resources.

CCS is in the process of evaluating the phone system and the possibility of allowing debtors access to the automated menu system initially with the ability to transfer directly to the receptionist if desired. It is anticipated this will allow more debtors quicker access to payment capabilities and information regarding their account without having to wait for someone to assist them

Objective 2.1, Oversight and Training

Background: CCS has completed instituting many of the Performance Audit recommendations to improve our overall processes and has been able to streamline a number of processes as well. CCS is now able to upload the vendor offset files directly into the system which saves an average of 80 hours per month previously spent on this task. This is an outstanding example of the utilization of technology to significantly impact our resources. CCS has also continued to work on and track issues impacting multiple clients. This allows the group to work together to identify and brainstorm solutions to complex problems.

Measure: Increase the number of oversight and training activities, including on-site visits, regional and on-site training seminars. The Task Force completed its work and was successful in providing recommendations for legislative changes, as well as providing other valuable information regarding our operations.

Trends: CCS will continue to hold major Regional Training sessions with our clients in each region in order to provide up to date information about our processes and any changes that are made in our procedures or tools. CCS will continue to attend and present at the annual CAASLAR meetings to address needs specific to Higher Education institutions. CCS will continue to distribute the DebtNet newsletter as the primary informational tool for our clients.

Significant Accomplishments: In November of 2005, CCS presented at the CAASLAR Fall Conference at the Colorado School of Mines. In the spring of 2006, CCS sponsored a regional training for the Western Regional clients and in June of 2006 CCS held the annual Denver Regional Conference again at Front Range Community College. CCS again attended and presented at the annual CAASLAR convention in Beaver Creek in April of 2006. In July, CCS gave a presentation at the Department of Labor and Employment annual UI Integrity Conference.

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 receivables.

Program Crosswalk

Program Title:

Office of the State Architect (formerly State Buildings and Real Estate Programs)

Line Items:

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

Change Requests:

Federal/State Statutory Authority:

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

Program Description

The Office of the State Architect (SAO) 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 state owned and leased assets. Specific responsibilities include:

- Establishing policies and procedures and providing oversight associated with the State's capital construction process (including controlled maintenance and Energy Management) for 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 statewide prioritized list of controlled maintenance projects.

- Providing comprehensive project administration services to those State agencies and institutions of higher education that do not have technical staff experienced in project design and construction management.

- 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).

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. Number of agency on-site project reviews: CC/CM					
Target	42	42	42	42	42
Actual	42	42	42		
b. Number of agency on-site policy and procedures reviews: CC/CM					
Target	42	42	42	42	42
Actual	42	42	42		
SL/REC					
Target	5	5	10	12	14
Actual	4	5	10		

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 and on-site inspections (incorporating the IBC adopted 7/1/04), (b) document tracking and (c) training needs.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. % of agency on-site code compliance plan reviews:					
Target	100%	100%	100%	100%	100%
Actual	100%	100%	100%		
b. % of all code compliance doc's. rec'd and reviewed / completed project:					
Target	50%	100%	100%	80%	90%
Actual	50%	60%	70%		
c. Transition to the new building code:					
Target	July 2004	N/A	N/A	N/A	N/A
Actual	July 2004				
d. Number of state wide training sessions:					
Target	1	1	1	1	1
Actual	1	1	1		

Objective 1.3: Provide construction management services statewide to agencies (including DPA) and institutions of higher education that do not have technical staff experienced in project design and construction management.

Measure: Track the total number of capital construction projects including controlled maintenance, cash and federally funded projects directly managed by the Office of the State Architect along with the total dollar amount of all project costs on an annual basis.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. Number of projects managed and total $ amount:					
TOTAL Target	11 projects, $22 M	16 projects, $30 M	18 projects, $55.9 M	20 projects, $60 M	22 projects, $70 M
Actual	11 projects, $22 M	16 projects, $30 M	18 projects $73 M		

Objective 1.4: 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 compared 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.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. CM recommendation -vs.- appropriation:					
Recommended $/Target	$55.1 M	$20 M	$20 M	$20 M	$50 M
Appropriated $/Actual, (%)	$17 M, (31%)	0.5 M, (2.5%)	23 M, (115%)	$51 (150%)	
b. Total GSF and CRV of state owned facilities in program:	37.2 M, $6.2 B	37.9 M, $5.8 B	38.2 M, $6.0 B	39 $6.5 B	39.5 6.8
c. Number of agencies tracked with FCI Avg. below benchmark:					
Number of Agencies	38	38	38	38	38
Target	25	25	25	25	25
Actual	28	30	33	30	

Objective 1.5: Develop centralized real property acquisition process for use by State agencies and institutions including enhanced fiscal accountability standards.

Measure: Implement completed policy draft as directed by the Executive Office by 9/30/2005.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. Expand outline into written policy:					
Target	10/1/03 Issue RFP	12/1/04 Implement policy	9/1/05 Implement policy	Review & Update 12/15/06	Review & Update 12/15/07
Actual	10/31/03 RFP issued	Postponed implementati on due to re-solicitation	Implemented 12/15/05		

Objective 1.6: Implement Phase I of Real Estate Strategic Plan for Executive Branch departments. Complete Phase II for Institutions of Higher Education.

Measure: Distribute approved Phase I Strategic Plan document to Executive Branch departments and filter all subsequent space requests through the Strategic Plan for each executive branch department. Complete Phase II for Higher Education by 1/15/06.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. Issue RFP and complete selection process:					
Target	12/31/04 Selection completed	7/30/04 Complete Re-solicitation	N/A	N/A	N/A
Actual	10/31/04 RFP re-issued due to re-solicitation, selection delayed	7/30/04 re-solicitation completed, 9/30/04 Broker Contract executed	N/A	N/A	N/A
b. Complete initial strategic plan:					
Target	6/30/04 Complete Strategic Plan	1/1/05 Complete Preliminary Strategic Plan	1/15/06 complete Ph II	Complete update to Part II 3/31/07	Update & implement Phase II
Actual	5/15/04 Selection Process terminated	6/30/05 Ph I completed, implementa-tion commenced	At direction of CCHE broke Phase II into two parts. Part 1 completed April 2006		

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.

Measures: (a) track the number of on-going EPC (in the performance period) and the contract dollar amounts and (b) the number of new EPC (in the audit or construction period) in the current fiscal year and the dollar amounts of identified controlled maintenance projects funded through the performance contact (as noted below the table),

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. # EPC On going & contract $:	3/ $748,000	5/ $15 M	8/ $38 M	12/ $45 M	12 $/38 M
b. Total CM $:					
Target	6/ $7 M	7/ $15 M	7/ $15 M	10/ $20 M	10/ $25 M
Actual	$2,889,629	$5,160,629	$11,122,597	$14.2 M	

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 training sessions with each agency/institution and (b) through statewide meetings.

	F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
a. Number of agency training sessions:					
CC/CM Target	42	42	42	42	42
Actual	42	42	42		
b. Number of state wide training meetings:					
CC/CM Target	1	1	1	1	1
Actual	1	1	1		
SL/REC Target	1	1	1	1	1
Actual	1	1	1		

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.

		FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Estimate	FY07-08 Projection
Survey results:						
CC/CM -	Actual	4.0	4.0	4.0	4.0	4.0
SL/REC -	Actual	4.3	4.1	TBD		
Average	Target	4.0	4.0	4.0	4.0	4.0
	Actual	4.5	4.1	TBD		

Objective 2.4: Continue to maintain processing time less than five days for processing of contracts as central approvers for both capital construction and controlled maintenance (CC/CM) processes and State leases and real estate contracts (SL/REC) process.

Measure: Average contract-processing time

		F Y03-04 Actual	*FY 04-05* Actual	*FY 05-06* Actual	*FY 06-07* Estimate	*FY 07-08* Projection
CC/CM	Target	2.0 days	2.0 days	2.0 days	2.0 days	2.0 days
	Actual	.21 days	2.72	.96		
	SL/REC Target	2.0 days	2.0 days	2.0 days	2.0 days	2.0 days
	Actual	1.19 days	1.21	2.07		

Trends And Baseline Information

Objective 1.1: Oversight and Monitoring

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

Trends: Continued application of professional business practices to the programs has resulted in streamlining of policies and procedures and allowed the number of on-site reviews to increase because of site visits including energy projects and training activities throughout the year.

Measures:

CC/CM:

On-site verification of CC/CM projects and Energy Performance Contracts coordinated with financial status and vacancy/use reporting is monitored and tracked since it is the most effective means of gauging project status and performance.

SL/REC:

Continued streamlining of real property inventory databases and document tracking systems is a key factor in providing critical information for decision making by the legislature and agencies and institutions. Migrate current database into a web-based system (LeaseHarbor)

Significant Accomplishments:

CC/CM:

Annual Report – After completing the on-site reviews of all agencies CC and CM projects in August, SAO compiled the annual report and continued to improve reporting criteria. The improvements included a formalized methodology for determining the annual CC needs of the State as well as the CM needs and, the incorporation of the Real Estate Program's annual report and the State Buildings Program's annual report into the SAO annual report to the Capital Development Committee in order to provide the CDC with a comprehensive overview of State owned and leased facilities as a resource for informed decision making.

As-Needed Professional Services - The selection process has been simplified for all agencies by having the selection occur statewide, modifying the selection system to be pass-fail, and the compilation of the selection results electronically. The selection process was also revised to standardize the number of categories available to the engineering community to align with licensing qualifications.

SL/REC:

Implementation of Centralized Leasing Procedures Policy: The policy establishes a more centralized leasing procedure with enhanced fiscal accountability in conjunction with OSPB and CCHE. When fully implemented, the policy will result in a more efficient, effective, economical, coordinated, and centralized space acquisition process for State agency needs.

Fiscal Management Issues: In order to help agencies cope with on-going budget challenges, policies, sample documents and training sessions were developed to increase agency skills in negotiating leases and preparing lease documents when the State broker is not utilized.

Objective 1.2: Code Compliance

Background: SAO is authorized by statute to establish the minimum building codes to be applied to all State-funded construction projects, regardless of funding source, at all State agencies/institutions (except the Department of Natural Resources and the Department of

Transportation). SAO is further required 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 SAO 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 funds.

Trends: Agencies continue to improve their reporting to SAO per the established code compliance policy on all CC and CM projects.

Measures: On site verification coordinated with document tracking of drawing reviews and building inspections along with providing code compliance training has proven to be the most effective means of establishing standardized code compliance throughout the State.

Significant Accomplishments:

Code Policy**:** The Code Compliance process has been updated to reflect the new International Building Codes for drawing reviews and building inspections statewide. In addition, the process has been streamlined to facilitate consistent documentation throughout the life of the project including project completion and close-out.

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. In addition, improved oversight of the code review agents includes tracking of plan review and building inspections by volume and quality.

Objective 1.3: Construction Management Services

Background: With the consolidation of the Construction Management program into SAO project administration last fiscal year, services are now provided to agencies and institutions of higher education that do not have experienced technical staff in project design and construction management, at no additional cost to the project. SAO exercises DPA's statutory responsibility for statewide oversight and monitoring of the capital construction process. By providing construction management services SAO's capabilities are greatly enhanced, which should benefit the State in terms of project budgeting and timeliness.

Trends: Due to the economic slow down State agencies and institutions of higher education were forced to reduce the operating budgets of facilities management departments involved in the capital construction process. Although a modest economic recovery is underway, the State may not be in a position to hire additional FTE for years to come. SAO provides the necessary administrative and technical services as needed on a statewide basis.

Measures: Annual tracking of the number of construction projects successfully managed and the total dollar amount of all project costs.

Significant Accomplishments: The construction management team has successfully completed the construction administration on the new $5 million, 40,000 gsf CDLE office building addition on time and in budget and the $8 million James Merrick state parking facility. The on-going $34 million Capitol Life Safety Project has successfully completed the third phase of construction, with the implementation of the first on-line and integrated fire alarm and suppression system in the history of the building. The installation of the $1.4 million replacement boiler in the power plant was successfully coordinated as well.

Objective 1.4: Controlled Maintenance Program

Background: Controlled Maintenance is essentially planned major maintenance for State owned facilities and is not funded in agency/institution's 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 SAO. Essentially, State statute requires SAO to evaluate and prioritize statewide controlled maintenance needs and present an annual budget recommendation directly to the CDC and the OSPB.

Trends: As a result of the economic downturn, State revenues dramatically declined and funding for controlled maintenance was limited and the condition of facilities declined. However, tracking and measuring the current condition of State owned facilities is essential in order to provide decision makers with the accurate documentation needed to justify funding for critical needs.

Measures: Over the past ten years the percentage of SAO's funding recommendations relative 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 the impact of annual funding or the lack thereof.

Significant Accomplishments:
SBREP has established a high degree of credibility in the controlled maintenance program through the implementation of statewide facility audits, strategic five-year plans and management oversight as evidenced by the unprecedented amounts funded in past years (culminating with $55.3 million dollars in FY 2001-02). Over the past three fiscal years controlled maintenance funding has been appropriated only to the emergency fund due to State revenue shortfalls. In FY 2005-06, $23 million dollars was appropriated for controlled maintenance needs as recommended by SAO. However, in FY 2006-2007 the general assembly fully funded the SAO controlled maintenance recommendation of $51 million dollars (for two levels of criticality) restoring funding back to the historic levels achieved in the late nineties.

With over 95 percent of all State agencies/institutions implementing facility audits cycles, SAO continues to expand and improve on the reporting of the average facility condition per agency and provided benchmarking for operational maintenance costs.

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 has been developed along with strategic planning efforts. This includes additional interfaces with OSPB and CCHE. Although currently used for many situations, a Needs Assessment, Build/Buy/Lease Cost Analysis, and/or Detailed Cost Comparisons will be required in applicable situations to ensure that the most cost effective options have been reviewed.

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. Other states have also begun strategic planning of real estate assets.

Measures: Development of a more analytical and centralized property acquisition process based on "Best Practices" currently employed in both the public and private sectors is an important asset management tool for State government.

Significant accomplishments:

Communication – A Centralized Leasing Policy was developed and implemented to provide a process for more efficient, effective, economical, coordinated and centralized space acquisition procedures. Increased communication regarding real estate matters with the OSPB, CCHE, the CDC and the JBC has provided additional sources of valuable information that are used as tools for decision-making.

Objective 1.6 Implement Phase I of approved Strategic Plan for Executive Branch Departments

Background: The current brokerage contract provides all of the services needed to accomplish strategic planning and enhanced lease management objectives. DPA, through SAO, issued an initial RFP for brokerage services in October of 2003 that was delayed due to a solicitation protest.

Trends: Adoption of professional business practices is increasingly common in government and many states now require brokerage firms to provide strategic consulting services along with tenant representation and other lease and project management services. Applying such practices while being mindful of the fiduciary duty of State government to taxpayers is a significant trend.

Measures: Timely implementation and annual updates of the goals identified in the Phase I Strategic Plan will be an important asset management tool for State government.

Significant accomplishments:

Phase I Strategic Plan: Completed and approved Phase I of the Strategic Plan and distributed to all Executive Branch departments 7/5/05 and began phase II for institutions of higher education.

Objective 2.1: Energy Conservation

Background: SAO has statutory responsibility to establish building energy design standards and energy life cycle cost parameters so that State owned facilities are designed and constructed to be both energy efficient, and to provide for a comfortable and healthy 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. Last fiscal year the Governor issued an Executive Order requiring all agencies and institutions of higher education to assess the feasibility of implementing energy performance contracts in order to improve state buildings.

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

Significant Accomplishments:

Performance Contracts – As referenced previously, an energy performance contract (EPC) provides an alternative funding source for a State agency to repair and/or upgrade its facilities. Energy performance contracts use avoided future energy costs from increased facility energy efficiency as the method to fund facility improvements over the life of the contract.
SAO and the Office of Energy Management and Conservation (OEMC) provide support in developing and implementing energy performance contracts through an OEMC program called Rebuild Colorado.

SAO has executed ten (10) energy performance contracts and has added additional phases to three (3) contracts in the last ten years with a total construction value of $40.8 million dollars. These contracts upgraded over $13 million of necessary maintenance projects funded through energy performance contracts. SAO also updated and modified the energy performance contract to match the new SAO construction general conditions and lessons learned from recent projects. Recently, the $1.4 million replacement boiler was installed in the power plant. XCEL furnished and installed the boiler and will operate it for twenty years as part of a lease agreement related to the DPA performance contract.

Energy Code- Effective July 1, 2004 the International Energy Code became the State's energy code is a part of the integrated family of international Building Codes adoption by the State. Currently, a new high performance design guideline is being developed by SAO and OEMC for all existing and new construction that is focused on conserving limited fossil fuels and environmentally responsible design.

Objective 2.2: Training

Background: Training continues to be an integral part of SAO'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 limited and existing resources.

Trends: SAO has seen demand for training increase, involving one-on-one focused meetings at individual agencies/institutions and general statewide meetings with up to several hundred attendees from over 42 different agencies/institutions.

Significant accomplishments:

CC/CM:
SAO has now completed nine continuous years of incorporating one-on-one training at all agencies/institutions and annual statewide meetings.

SL/REC:
SAO has now completed five 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. In addition, training sessions were developed to inform agencies of requirements and options when exercising fiscal funding termination provisions in State leases and to suggest possible ways to save lease dollars.

Objective 2.3: Customer Satisfaction

Background: This survey was developed in FY 2002-03 by DFP/SAO based on the DFP model.

Trends: Excellent customer service continues to be an important goal for the department.

Significant accomplishments:
SAO has completed a survey of agency representatives gathering important feedback on areas for improvement, and the results have consistently surpassed the targeted goals.

Objective 2.4: Efficient Contract Processing

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

Trends: With limited resources and the unavoidable decentralization of the central approvers timely turn-around of contract review and approval will be challenging.

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

Significant accomplishments:
Although the State Controller has a stated goal of five days for processing by central approvers, the program has consistently stayed well below the goal. Even with the relocation of SAO to 1313 Sherman, and away from the other central approvers, the processing time has continued to stay well below the five-day goal.

Similar or Cooperating Programs and Stakeholders:

Stakeholders	Cooperating Programs and Expectations for Program Performance
OSPB/CDC	• 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. • Assist state agencies and institutions with presentations to CDC regarding real property acquisitions and dispositions.
OSPB/CCHE	• Provide consultation regarding capital construction and real estate issues and strategies.
All Agencies and Institutions (except DNR and CDOT)	• Provide policy guidance and oversight through SAO delegates of capital construction / controlled maintenance and real estate transactions, requiring development, publication, training, and implementation and recurring interface with SAO delegates and principal representatives. Agencies rely on SAO to provide coordination, technical expertise, and training in planning and managing capital construction /controlled maintenance projects and real estate transactions. • Provide comprehensive project administration services to state agencies and institutions of higher education that do not have technical staff experienced in project design and construction management.
Vendors	• SAO 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 SAO to develop standardized processes for the notification, selection and management of state-funded work, while ensuring accessibility for all qualified firms.
The Public	• The public relies on SAO to consistently provide 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.

DoIT

Division of Information Technologies

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: Administration

Line Items:

Personal Services
Operating Expenses

Change Requests:

Federal/State Statutory and Other Authority:

N/A

Program Description

The Administration Unit manages, coordinates and integrates the internal business functions of the Division of Information Technologies (DoIT). Budget preparation and monitoring, the billing of services, accounting reconciliation and financial reporting, procurement and rate setting are all areas in which this unit plays a crucial role for DoIT. In addition, this group is responsible for supporting the human resource efforts of the Division.

The Administration unit is also responsible for managing the daily administrative functions for management and staff that includes receptionist duties, mail service, personnel actions, timekeeping, and a variety of other functions. This unit also works closely with the Department's Executive Office staff to integrate multiple DoIT fiscal and policy initiatives into the broader DPA strategic vision. To achieve this objective, monthly financial meetings are currently held that include DoIT management and DPA Executive Office financial staff to review budget issues, personnel issues, purchasing/contract issues and accounting practices.

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.					
		FY2005-06	**FY2006-07**		
Measure 1.2.1 Improve internal Procurement Request processing from acquisition to receiving to invoice payment.	Target	December 2005	December 2006		
	Actual	49.2% < 5 days 25.4% < 15 days 25.4% > 15 days	Use Baseline		
		FY2005-06	**FY2006-07**		
Measure 1.2.2 Improve internal justification of travel and training requests	Target	December 2005	December 2006		
	Actual	98% < 5days	Use Baseline		

Additional Information

Measure 1.2.1: In FY 2003-04, DPA/Financial Services developed and implemented a process to acquire goods and services for each division. DoIT Administrative Services is charged with assuring that the goods and services are ordered according to the Procurement Rules & Regulations, Fiscal Rules, and Department Policies and Procedures. The Administrative Services staff processes over 1000 requests annually. With this volume of requests, the Administration Unit feels the need to track all acquisitions from beginning to end. During FY 05, several purchases were not received in a timely manner because of lack of tracking. Over the next 6 months, staff will develop a tracking process that will encompass notification of approval, follow-up with vendors, receipt of goods/services, to receipt of invoice and payment. This will allow management to provide better service to customers and improve reporting. A baseline will be established by measuring percentage of purchases processed against turnaround of receipt of goods/services and processing of invoices.

In FY 05-06, DoIT Administrative Services established a tracking document for all Purchase Requests over $5,000. This tracking document is used on a weekly basis to follow the approval process and follow-up with the appropriate approver as to why the request may not be moving through the system in a timely manner. This process will continue for the next fiscal year and continued improvements in the process are anticipated.

Measure 1.2.2: In FY 2005-06, the Administrative staff will develop a process by which employees will submit requests for training and travel with clear and concise justification that benefits the State agency and its customers. Training is a vital part of maintaining current on technical aspects of the services offered to our customers and in order to support employees in knowledge transfer, they must be provided with clear procedures to accomplish their requests. A baseline will be established by measuring turnaround time to get approval for classes and travel.

In FY05-06, the Administrative staff published travel justification related policies and procedures to the DoIT staff. The Administrative staff must verify all travel cost estimates submitted by employees so cost estimates are closer to actual. The real improvement comes with the ability to scan and email all travel requests to the approver, which eliminated the mail process of 3-4 days. (The whole process improved from a previous turnaround time of 10-15 days.)

Similar or Cooperating Programs and Stakeholders

DoIT Administration exists to support the technical and managerial staff of DoIT. This unit interacts with the Department's Executive Office on financial, accounting, purchasing, and human resource matters on a daily basis. The unit is charged with management of internal control processes, monitoring current internal and external trends that affect those processes, and dissemination of information to Division management and staff.

Program Crosswalk

Program Title: Customer Services

Line Items:

Personal Services
Operating Expenses

Change Request(s): None

Federal/State Statutory and Other Authority:

DoIT operates under C.R.S. 24-30-1601 through 21-30-1607. These statutes refer to the General Government Computer Center (GGCC).

Program Description

This Unit functions as the central point of contact for all Division of Information Technologies (DoIT) customers. 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 when a need is called in. Customers can contact the DoIT Service Center to report any issues with the State's network, mainframe operations, application servers stored on the DoIT computer room floor, telephones involving all (303) 866 and 239 extensions for Capitol Complex/Fort Logan lines, and Capitol Complex and Fleet Management emergency maintenance and service issues from 5 PM to 7:30 AM on weekdays, weekends, and holidays. The DoIT Service Center also handles after-hours calls for CDHS.

DoIT Customer Services (the Service Center) is appropriated 12 FTE in FY 2006-07 and is responsible for:

(1) Data Center Job Scheduling - this function requires the Unit to define jobs in scheduling software per customer requirements,

(2) Production Management, including assuring successful completion of customer jobs,

(3) Network Monitoring, including monitoring the status of the statewide voice and data networks and providing appropriate work unit notification,

(4) Desktop Tier 1 Service - providing Tier 1 assistance with hardware/software problem resolution and change support including password resets {Top Secret Security (TSS)},

(5) Voice Service - taking trouble reports and change requests from customers and relaying the request to the appropriate network group,

(6) Coordination of change/problem management and publishing and distribution of user information, and

(7) After Hours Response Service - this statewide service consists of receiving and responding to calls received after normal business hours for departments whose call centers are not open during this period.

Other Trends and Baseline Information

Efficiencies are continually sought through economies of scale by utilizing shared resources to perform work for other State agencies (i.e. job scheduling, production review and processing of requests for after hour calls).

Prioritized Objectives and Performance Measures

OBJECTIVE 1.2 To be the Service Center of choice for State government					
		FY2004-05	**FY2005-06**	**FY2006-07**	
Measure 1.2.2 Relocate the Service Center to the Computer Room.	Target	10/04	N/A	N/A	
	Actual	12/04	N/A	N/A	
Measure 1.2.3 Implement new help desk software, Remedy	Target	09/04	N/A	N/A	
	Actual		07/05	N/A	

OBJECTIVE 1.2 To be the Service Center of choice for State government					
		FY2004-05	**FY2005-06**	**FY2006-07**	
Measure 1.2.4 Integrate the Service Center into Computer Operations (4 of 10 FTE)	Target		12/05	4th FTE 07/07	
	Actual		3 of 4 FTE 11/05		
Measure 1.2.5 Develop training program to prepare for anticipated retirements	Target		06/06		
	Actual		09/05		
Measure 1.2.6 Implement online training – Complete 80% (500 hours of training)	Target		06/06		
	Actual		06/06		

Additional Information

N/A

Similar or Cooperating Programs and Stakeholders

A number of departments have call centers operating during normal business hours for their departments. However, DoIT's Service Center provides 24 hour, seven-day-a-week coverage to its customers. In addition to supporting DoIT functions, the Service Center provides Tier 1 service to a number of these agencies outside of their normal business hour operations.

Program Crosswalk

Program Title: Order Billing

Line Items

Personal Services
Operating Expenses

Change Requests:

Federal/State Statutory and Other Authority:

Order Billing operates under C.R.S. 24-30-901 through 24-30-909.

Program Description:

The Order Billing unit is appropriated 10 FTE in FY 2006-07 with primary responsibilities that include the collection of user charges for telecommunication services provided by the Department, as well as providing timely payment to outside vendors for provisioning those services. These user charges are transmitted to the State Treasurer, who credits the same to the Telecommunications Revolving Fund created by C.R.S 24-30-908. The moneys in the fund are subject to annual appropriations by the General Assembly to the Department for use in acquiring such materials, supplies, labor, and overhead as are required for telephone and data communications related service functions.

Order Billing staff process various requests for voice, video and data services as requested by State and local government entities, including, but not limited to providing business functions for service requests ranging from the purchase of State cell phones to the purchase of circuits and routers for State operations provided by DoIT. Order Billing is a key contact for customers when ordering services, including all orders for services provided through the State of Colorado MNT network. In addition, staff provides the accounts payable and receivable functions for all activities associated with the management of the Telecommunications Revolving Fund (Fund 603).

Trends and Other Baseline Information:

From FY 2003-04 through FY 2005-06 Order Billing completed the conversion of hundreds of legacy data circuits to the statewide MNT network and processed hundreds of orders for new service for State agencies and political sub-divisions. It is anticipated this trend will continue as innovative technologies are used to provide efficiencies in operating the business of government.

Prioritized Objectives and Performance Measures:

		FY 2005-06	FY 2006-07
Measure 1.2.1: Order/Billing TFMS project completion	Target	September	
	Actual	N/A	
Measure 1.2.2 Rate Refresh	Target	October	
	Actual	N/A	
Measure 1.2.3 Sundown DDN and SNA Billing	Target	September	
	Actual	N/A	Completed 8/04
Measure 1.2.4 Enter New Dial Plan Into TFMS	Target		November
	Actual		

Additional Information:

Measure 1.2.1 is an ongoing project nearing completion. Order Entry and Billing is evaluating the accuracy of the interface between TFMS and COFRS to insure that IT transfers are accurate. A Web interface nears completion to allow customers access to their specific account information.

Measure 1.2.2 is done annually. This year the goal is to fine-tune rates for all services so that State Departments and Institution are armed with accurate information to make good purchase decisions.

Measure 1.2.3 is very near completion with only a few remaining stragglers left to resolve as of August of 2004.

Measure 1.2.4 is related to the conversion of PBX services to Voice Over Internet Protocol. The timeline may change to accommodate the actual project implementation.

Similar or Cooperating Programs and Stakeholders

Order Billing provides direct support to all activities of the Division's Network Services operations. This unit provides services and support for all State departments, and a large number of local government agencies and political subdivisions. This includes departments such as Corrections, Transportation, Revenue, Labor & Employment, Natural Resources and Higher Education.

Program Crosswalk

Program Title: Communications Services

Line Items:

Personal Services
Operating Expenses
Training
Utilities
Snocat Replacement
Local System Development
Indirect Cost Assessment

Change Request:

Federal/State Statutory and Other Authority:

Communications Services operates under C.R.S. 24-30-901,C.R.S. 24-30-903, 24-30-908.5,24-33.5-223

Program Description:

Communications Services plans, coordinates, integrates and provides effective and efficient Statewide Public Safety networks for the Departments of Public Safety, Transportation, Corrections, Natural Resources and many other State and local government agencies. The unit also 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 government 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:

Communications Services provides leading edge technological solutions that directly impact State and local government agencies in support of the citizens of Colorado. It continues the implementation of the Digital Trunked Radio (DTR) project as funds are made available. 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, sometimes referred to as interoperability. The relationships established through this cooperative effort have created the potential for additional opportunities with these partners. Currently there are approximately 25,000 - 800 MHz State, local, federal and tribal government radios operating on the DTR network. One hundred twenty of one hundred sixty five DTR sites have been constructed and are operational today. The system is a separate network from the current VHF/UHF system, which requires continued support from Communication Services staff until DTR is completed.

The State microwave radio network consists of infrastructure that includes remote equipment, buildings, towers, and transmission equipment throughout Colorado. The system has been supporting Public Safety communications for over 45 years. A significant digital microwave radio upgrade project replaced the original analog equipment, and was completed in 1998. This digital transmission technology enables Communications Services to continue to support the 8,457 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 microwave 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.

The practical benefits to the State that will result from completion of the DTR project include improved efficiencies in public safety response times, solutions to interoperability problems with all participating government entities, elimination of duplication of State owned radio systems, and low speed data and voice transmissions over a single integrated network. To achieve the best value for the State of Colorado's investment, the State and local government have partnered to share system infrastructure and construction costs whenever possible. From 2005 through 2006, Governor Owens and the Department of Local Affairs (DOLA) provided nearly $30 million in grants to assist local first-responders in purchasing equipment and building digital trunked radio infrastructure. The Governor directed DOLA to provide the funding to rural communities to build DTR infrastructure, microwave towers and site equipment. The benefits derived from the project philosophy have already been demonstrated in the first four phases of the project, and without the sharing of infrastructure and leveraging of other resources provided by local government entities (and other sources including federal), the project would be nowhere near its current state of progress as a result of budget shortfalls, and lack of capital construction funding at the State level for the past three to four fiscal years.

Finally, since the beginnings of the project in 1998, the State has partnered with local government to purchase, build and maintain the Digital Trunked Radio System (DTR). The development and construction of DTR is consistent with the intent and requirements stated in HB 98-1068.

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.					
		FY2004-05	FY2005-06	FY2006-07	FY2007-08
Measure 1.2.1: Continue the implementation of DTR in accordance with contract 99-AMA00052 and option years.	Target	Continuation as funded	Continuation as funded	Continuation as funded	Continuation as funded
	Actual	San Luis Valley Phase VII			
Measure 1.2.2: Complete OSHA training for tower and Sno-Cat operation	Target	6/30/05	6/30/06	6/30/07	
	Actual	6/30/05	6/30/06		
Measure 1.2.3: Participate in 800MHZ FCC mandated re-banding project. Phase 1.	Target		Negotiation of Planning Stage June 2006	Planning Stage December 2006	
	Actual		Negotiation of Planning Stage July 2006		
Measure 1.2.4: Participate in 800MHZ FCC mandated re-banding project. Phase 2.	Target				Re-band all of DTR system December 2007
	Actual				
Measure 1.2.4: Preliminary evaluation of State of Colorado Microwave system for replacement.	Target				Preliminary Engineering and Estimate of Rough Order of Magnitude June 30, 2007
	Actual				

Program Crosswalk

Program Title: Network Services

Line Items

Personal Services
Operating Expenses
Telecommunications Audit Expense
Toll-Free Telephone Access to Members of the General Assembly

Change Requests:

Federal/State Statutory and Other Authority:

Network Services operates under C.R.S. 24-30-901 through 24-30-909.

Program Description:

Network Services plans, coordinates, integrates and provides cost effective and efficient telecommunication capabilities to meet the business needs of its customers. Network Services provides a 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 needs for State agencies and a long distance contract that is used by all departments.

The construction of the Multi-Use Network (MNT) has now been completed. MNT provides affordable, quality, high-speed broadband data communications and Internet access to Colorado state agencies, schools, libraries, city and county government, medical facilities and institutions of higher education on a daily basis. A common telecommunication infrastructure is now available throughout the State and is supporting the vision of a seamless network providing high-speed voice, data and video.

By way of background, the Multi-Use Network project (MNT) is a public/private partnership to build a high-speed fiber-optic network for the State of Colorado. Qwest was the awarded partner selected to build the MNT with the State serving as anchor tenant. The State has aggregated many 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 has expanded delivery of advanced services to all geographic regions of the State.

Internet Services – Network Services reduced the risk of service interruption to Internet users (both citizens and employees) by upgrading to a giga-pop Internet service connected to the MNT.

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 and Grand Junction. By completing these upgrades Network Services has been able to provide enhanced services and features to our customers.

Long Distance - 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.

Network Services has contracted with Qwest in 2006 to provide audio and web conferencing services in conjunction with the new Qwest Long Distance contract. The full-suite of conferencing services include reservation-less, automated pass-code, operator assisted, web conferencing and streaming. The contract between the Sate of Colorado and Qwest assures excellent pricing and features space availability with 40,000 digital ports, conferencing services via a fully digital bridging network and superior 24/7customer service and help desk support.

Data Services- Network Services operates and manages the State's Multi Use Network (MNT). This network is the primary method of transport for all statewide services.

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 sunset and migrated to the latest Internet Protocol (IP) technologies.

Trends and Other Baseline Information:

Network Services provides technological solutions to State and local government agencies that is essential in supporting the needs of citizens. It has completed the final tasks associated with the implementation of the Multi-Use Network (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.

With the completion of MNT, Network Services is focusing efforts on the support of our customers through the day-to-day operations of all aspects of the Network. In addition, the staff develops, designs and implements other special projects as required.

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.

		FY2003-04	FY2004-05	FY2006-07	FY2007-08
Measure 1.2.1: Complete the implementation of MNT in accordance with contract 00-AMA00044 and option years.	Target	CPOP Completion 12/31/03			
	Actual	Ongoing	Completed		
Measure 1.2.2 Develop a consistent rate setting model for voice, data and video services	Target				
	Actual	Completed			
Measure 1.2.3 Complete the design and implementation of redundant Internet service	Target	11/30/03			
	Actual			Completed	
Measure 1.2.4 Preliminary Design and Cost Estimates Next Generation MNT	Target				January 2008
	Actual				
Measure 1.2.5 PBX Statewide Upgrade to VOIP	Target			Phase I June 2006	Phase II June 2007
	Actual				

Additional Information:

Network Services accomplished performance measure 1.2.1 through 1.2.4 and has begun preliminary discussion on the next generation of the MNT network. Work is in the earliest stages with the initial focus upon improving speed, throughput and reliability while decreasing the cost per mega bit of service.

Network Services in the process of evaluating an RFP to replace DoIT owned legacy PBX facilities with Voice Over Internet Protocols. The project that results will take several years and a number of phase.

Similar or Cooperating Programs and Stakeholders

Network Services exists to support the network requirements 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 & Employment, Natural Resources and Higher Education.

Program Crosswalk

Program Title: DoIT 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:

Computer 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 Computer Services.

Program Description

Computer 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 State's general mainframe computer and tape, disk and printing resources for mainframe and server environments. Computer Services manages the operating system, transaction processing scheduling and systems management software associated with these resources.

Computer Services is responsible for the management and operation of statewide and selected individual customer systems. Its operations personnel maintain and operate the computer room on a 24-hour, seven day a week basis, 365 days a year. The technical support staff is responsible for maintenance of the operating systems and support software including databases. The Data Center itself is protected by an FM200 fire suppression system and three levels of access security – scramble keypads to enter the building, cipher locks for entrance to the computer room raised floor area, and sign in and out procedures at the Operations area entry door.

Some service delivery options available from Computer Services are summarized below:

<u>Anti Spam/Anti-Virus E-mail Filtering:</u>

The Data Center offers an anti spam/anti-virus managed service filtering solution through MX Logic. We currently have the capacity to serve 5,000 customers and can expand as the need arises.

Database, Storage, and Middleware Services:

DoIT Computer Services provides administrative services to support customers' data persistence and access needs. Technical infrastructure provides facilities to store, manage and gain access to data. The Database, Storage and Middleware group provides the following services to administer this infrastructure:

- Database creation, modification and administration,
- Database backup and restore,
- Database modeling and design,
- Data Warehouse design,
- Data Warehouse file loading & business intelligence tool support,
- Mainframe online transaction administration,
- Messaging middleware support,
- Storage management including tape and disk storage and back-up services to the mainframe customers,
- On-Call support for database, middleware and storage infrastructure, and
- Processing services including mainframe, CICS (Customer Information Control System) transactions, database and batch.

Email Operations

Computer Services manages Domain Name Service (DNS) and e-mail operations for DPA and other select State customers. DoIT conducted a project to design a consolidated email system for all State agencies in June and July of 2005. If the Governor's office makes a decision to proceed with the project, DoIT will initiate the RFP process.

Printing

Printing services include hard copy and electronic storage, and retrieval of reports. Our Xerox high-speed printers deliver printed output either generated by the mainframe or sent over the network.

Server Hosting

DoIT Computer Services offers tiered server housing and hosting. Both tiers provide a complete server environment including conditioned and uninterruptible power and full climate control, 100 mbps switched Internet access, and raised floor/rack support. Server housing provides for the placement and connection of customer-owned servers on the computer room floor in a physically secure environment with firewall protection, plus limited services such as mounting backup tapes. Server hosting adds services for the provisioning of the server hardware and installation and maintenance of the operating system. Custom hosting can be arranged on a case-by-case basis for customers with special support needs. Server hosting has grown from 150 to 380 in the past 2 years.

Virtual servers accessible on the mainframe and distributed systems (servers)

The use of virtual servers replaces the need to purchase individual, stand-alone servers. DoIT Computing Services offers server virtualization on two different architectures: IBM and Intel. The IBM architecture combines the rock-solid reliability and input-output capacity of the traditional mainframe with a state-of-the-art Linux environment. The Intel architecture allows the use of widely available Linux and Windows applications while exploiting the advantages of modern storage area networks.

DoIT currently operates approximately 70 virtual servers used for web hosting, web applications, file and print servers, database applications, web proxy and many other uses.

Other Trends and Baseline Information

Computer Services continues to move toward better understanding the needs of its customers and enhancing its service offerings. This includes gaining efficiencies through economies of scale to leverage shared resources such as processors and disk storage. The continued use of the large scale IBM mainframe for much of the State's business and the implementation of a storage area network that utilizes common, large-scale disk storage for both mainframe and server disk storage are good examples of how DoIT Computer Services continues to reduce IT costs wherever possible.

Consistent with the Statewide Information Technology Plan, Computer Services is aggressively undertaking server consolidation through a Virtual Linux Server architecture hosted by the IBM mainframe computer. Additionally, server security is being addressed through layered firewall and intrusion detection architecture that serves multiple servers rather than supporting a unique architecture for each.

Computer Services utilizes a usage-based cost allocation method of revenue recovery for the services we provide. This methodology is responsive to customer usage patterns using a two-year lag as the initial basis for Common Policy appropriations by agency and a mid-year supplemental adjustment to true-up appropriations annually. Computer Services educates its customers on the benefits of this approach and assists them in taking advantage of service offerings enabled by this cost recovery methodology.

For FY 2005-06 the Division completed a comprehensive examination of its rate setting and cost recovery methodologies. As a result, Computer Services has revised and/or recalculated the methods by which we bill utilization of our various services. DoIT used an activity based cost model process to assure that each and every activity was identified and the cost of that activity was associated with the correct service. This effort has been the most accurate rate refresh in the Division's history resulting in easily identified and justifiable rate algorithms.

In recent fiscal years, efficiencies have been realized as a result of the retirement of unused software and training offerings to the technical customers on selected remaining software products. The 2003 purchase of the IBM z800 which doubled our capacity at no additional cost, allowed DoIT to keep pace with modest increases in computing consumption and to implement the Integrated Facility for Linux, which allows us to build virtual servers on the mainframe. Since the purchase of the z800, Computer Services has have been able to meet all processor demands and have implemented a total thus far of 12 virtual servers on the mainframe. Further, we plan to upgrade the z800 to a z890 in order to convert to a usage-based software-pricing model and reduce mainframe costs further.

Prioritized Objectives and Performance Measures

OBJECTIVE 1 To be the provider of technology that delivers electronic commerce to State government.					
		FY2004-05	**FY2005-06**	**FY2006-07**	**FY2007-08**
MEASURE 1.1: **Modernize Database offerings to customers**	**Target**	**Add support for MySQL, MS SQL Server**	**Identify Adabas replacement platform**	**Initiate customer migration off Adabas**	
	Actual	**Complete**			
MEASURE 1.2: **Move to a web-based change and trouble ticket system**	**Target**	**Install Remedy Software**	**Implement Remedy Change Management**	**Implement Remedy Asset Manager**	
	Actual	**Completed June 2005**	**Completed June 2006**		
MEASURE 1.3: **Create an Executive Dashboard to communicate high-level performance information to our executives and customers.**	**Target**	**Implement a Dashboard**		**Automate information feeds to dashboard**	
	Actual	**Manual dashboard initiated**			

Similar or Cooperating Programs and Stakeholders

Computing Services exists by statute to serve all State agencies and departments with their computing infrastructure needs. In accordance with statute, other State agencies must request an exception waiver to use a provider other than Computer Services for any activity within the realm of services provided/offered by the unit.

Program Crosswalk

Program Title: Division of Information Technologies - Information Security Operations Center (ISOC)

Line Items:
Indirect Cost Assessment

Change Request: None

Federal/State Statutory and Other Authority:

The Information Security Operations Center operates under the same authority as the Division of Information Technologies Computing Services, C.R.S. 24-30-1601 through 21-30-1607 and Network Services, C.R.S. 24-30-901 through 24-30-909.

In addition, the Information Security Operations Center meets the cyber security requirements outlined in 24-37.5- 401 as amended by 2006 Session Law 344 (HB 1157) for the common Information Technology systems and services that the Division of Information Technologies manages.

Program Description

The Information Security Operations Center manages the cyber security for common IT services at the statewide data center and on the statewide network (Multiuse Network or MNT). State Multiuse Network customers include all state Departments, most State agencies any many county and municipal governments, school districts and nonprofits. Specific Information Security Operations Center (ISOC) services include: managing security devices such as firewalls and intrusion detection and protection devices; monitoring the network for security incidents; statewide cyber security incident response; managing sensitive information on statewide information technology assets, and some security awareness.

Other Trends and Baseline Information

There are five major trends that drive the Information Security Operations Center:

1) The rapidly increasing threat of identity theft to Colorado Citizens and State Employees. According to a 2005 Study by the Federal Trade Commission, Colorado ranked 5th in the nation for Identity Theft and one IT observer predicted the incidence of Identity Theft would rise from one in ten last year to one in three people this year.

The Division of Information Technologies hosts or houses several databases that contain citizen identity data including the driver's license database and the Colorado Benefits Management System database. All state-owned and managed systems including the Secretary of State's election system run on the statewide network.

2) Increasing attempts to break in to computer systems over the Internet. Most hacking attempts now come from organized crime as part of identity theft rings. The tools are readily available on the Internet and will run automatically to search vulnerable networks for openings. These searches take minutes to set up and need only succeed once out of millions of attempts to pay off. Conversely, the Information Security Operations Center sees evidence of these searches several times a minute at the state's Internet connection. Only one of these searches needs to succeed in penetrating our layered defenses for us to fail.

3) Federal and industry cyber security regulations are increasing in response to the growing threat of stolen data and hijacked computer systems, The Division of Information Technologies must continue to develop better security measures, monitoring, and response on the common network and data center to ensure State Departments continue to have access to federal funding and the bank card services that are central to e-government.

4) Increased interdependency between state agencies and departments. The damaging search programs and other programs with malicious intent (malicious code) attack and exploit every weakness from people's work practices such as placing sensitive data on laptops, to the applications that hold that data and the networks that carry it. Malicious code flows where it can and does not recognize organizational or functional boundaries. Each state agency is only as secure as the weakest agency it connects to. The ISOC can help this by managing the common network and datacenter to be resistant to malicious code and by monitoring and alerting agencies to malicious code that does get through our defenses before it gets to their systems or data.

5) The Information Security Operations Center is making a positive difference. The Information Security Operations Center was established in March of 2005. In the 6 months prior to this, the Division of Information Technologies handled several multi-agency cyber attacks that required more than a month to fully contain. Since then, most attacks have been contained within hours and none have required more than 3 days. In addition, the Division of Information Technologies has tripled the number of protective devices, (firewalls and intrusion detection devices) on the common network and datacenter since June 2004 and set up a confidential web site to give state agencies access to monitoring and incident information so they can be more proactive. The objectives below will help to maintain and improve the state's defenses in the face of this rising threat to our citizens.

Prioritized Objectives and Performance Measures

OBJECTIVE 1 Protect the statewide common IT systems by managing security devices on the network and at the datacenter and by adjusting the data center and network architecture to provide multiple layers of defense.					
		FY07-08	**FY08-09**	**FY09-10**	**FY10-11**
Measure 1.1 Develop and maintain a comprehensive data ware house of critical IT systems and their location within the state		Set up the initial database and populate with high level, statewide data.	Connect 2 or more additional, independently managed databases to the data warehouse	Connect all independent DoIT owned and managed databases to the data warehouse	Maintain a statewide data warehouse with complete critical system info and provide agency access to their data.
Measure 1.2 Regularly assess the security risk of the common systems and reduce risk by making changes as recommended		Write a security plan to show how the common IT systems will meet the requirements of the Colorado Cyber Security Program	Assess and report of the security risk at lease annually and incorporate the findings into the security plan submitted to the Colorado Cyber Security Program.	Continue risk assessments and ensure that the Colorado Cyber Security Plan is being met.	Continue risk assessments and ensure that the Colorado Cyber Security Plan is being met.
Measure 1.3 Set up regular cyber vulnerability testing program and incorporate the results into the security plan.		X	X	X	X

OBJECTIVE 1 Protect the statewide common IT systems by managing security devices on the network and at the datacenter and by adjusting the data center and network architecture to provide multiple layers of defense.					
		FY07-08	**FY08-09**	**FY09-10**	**FY10-11**
Measure 1.4 Set up a configuration management and change management process to ensure every change maintains or reduces the security risk.		Set up a change management process that ensures that a security risk assessment is part of every change and project.	Set up standard configurations and security rules for all devices on the network and at the datacenter and manage exceptions to those standards	Continue to manage changes and configurations to ensure best practice for security systems.	
Measure 1.5 Develop and maintain comprehensive network and architecture maps.		Develop an initial set of network and architecture maps of the infrastructure for the common IT systems.	Upgrade the architecture maps. Set up automatic systems to maintain the maps.	Connect the architecture maps to the asset management data warehouse.	Expand the architecture maps to include other state agencies as a service.
Measure 1.6 Develop a datacenter and network architecture that provides enclaves or areas that meet 4 levels of security control as listed in the Colorado Security Policies.		Complete an overall design and requirements definition for desired architecture and develop a plan for moving the current system to that design.	Implement the open, low and high enclaves and move 50% of the DoIT owned systems into them	Implement the medium enclaves and move 100% of the DoIT owned and 50% of the DoIT managed systems into them.	Move all DoIT owned and managed systems into the enclaves and 50% of our other customers into the appropriate enclaves.

OBJECTIVE 2 Improve system monitoring to provide more state-specific data on suspicious traffic and vulnerable areas and provide more useful data for agency proactive response					
		FY07-08	**FY08-09**	**FY09-10**	**FY10-11**
Measure 2.1 Set up a central logging system for monitoring information and connect to an event correlation engine to allow for effective incident identification.		Set up a central logging system and connect all security monitoring devices in the core.	Set up a state-owned and managed event correlation system for effective incident identification.		
Measure 2.2 Improved event correlation to show real threats to the environment		X	X		
Measure 2.3 Faster communication and response to agencies to incidents of suspicious traffic.		Implement CCSP Incident Response Plan			

OBJECTIVE 3 Extend and leverage state knowledge, skill and data by providing managed security services to other state agencies and network customers.					
		FY07-08	**FY08-09**	**FY09-10**	**FY10-11**
Measure 3.1 Services to all agencies Network and Datacenter Monitoring, Incident Response Managing Security Sensitive Information Security Awareness and Training Security Engineering		Service Level agreement and basic service			Best Practice level service
Measure 3.2 Optional Device monitoring and management services Firewalls Intrusion Detection/Prevention Systems Logging and Event Correlation Access Control Servers		Service Definition	Some external agency adoption	25% agencies and some external customers	50% agencies, 10% external customers
Measure 3.3 Optional Incident Response Services				Service Definition	10% adoption

OBJECTIVE 3 Extend and leverage state knowledge, skill and data by providing managed security services to other state agencies and network customers.					
		FY07-08	**FY08-09**	**FY09-10**	**FY10-11**
Measure 3.4 Optional security program management and agency specific standards development or architecture engineering					Service Definition and Service Level Agreement

Similar or Cooperating Programs and Stakeholders

The Information Security Operations center works closely with the state Chief Information Security Officer to ensure that our services are targeted to the most urgent statewide needs. We cooperate and serve every state agency and eligible law enforcement, school and local government using the statewide network and statewide datacenter.

Program Crosswalk

Program Title: Informational and Archival Services

Line Items:

Personal Services
Operating Expenses

Change Requests:

Federal/State Statutory and Other Authority:

Information and Archival Services operates under C.R.S. 24-80-101 through 24-80-113

Program Description:

Information and Archival 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.

Information and Archival Services is also responsible for managing and operating the State's home page content on the Internet. Colorado's State website offers many resources, such as a site limited and global search engine, site hosting for many State agencies, and support for web-based applications. The State website has been re-structured as a gateway, or a portal, to State government, local government, community, and regional information.

Other Trends and Baseline Information

As part of its duties, Information and Archival Services is responsible for maintaining the General Assembly's audio records. These recordings are maintained on tapes. These tapes are beginning to show signs of deterioration, and without a process for converting these tapes to a more durable format, these records may be soon lost. It has been estimated that the total cost to convert these tapes would be in excess of $1 million.

In addition, the areas where many of the State's important archival records are maintained are protected against fire damage by a water sprinkler based fire suppression system. Clearly, the damage caused by either an intentional (heat or fire activated) or an unintentional activation of the sprinkler system could cause damage equal to or in excess of any damage caused by fire. This activation could actually occur on a floor above the archival storage area with just as devastating results. The solution of course is to move to another location without the potential for water damage, or to somehow modify the current location to eliminate the risk by either replacing the current water based fire suppression system with other technologies or otherwise mitigating the water damage potential.

The Division expects to analyze/pursue mitigations options to address both these challenges through the budget process.

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 order to extend the convenience and reach to more users of archival records.

As referenced above, Information and Archival Services continues to move toward making more items available over the Internet. Initially indexes of information were made available at the Archives. This availability of information resulted in a slight increase in research requests over the past year. Until more actual records can be automated, we expect this trend to continue. The number of record retention policies approved continued to increase in FY 2005-06 due to additional information available on the Internet. The following information is presented to portray some baseline workload levels.

	FY 2004-05	FY 2005-06	FY 2006-07
State Homepage Hits	92,400,569	150,100,014	N/A
Archives Web Page Visits	507,112	664,880	N/A
Archives Web Page Hits	2,147,536	2,815,768	N/A
Research Requests	4,600	4,490	N/A
Number of Info Inquiries	17,106	15,783	N/A
Records Destroyed – Boxes	24,404	24,488	N/A
Electronic Indexes Made Available to Citizens	33	34	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.

		FY2004-05	FY2005-06	FY2006-07
MEASURE 1.3.1 Improve Customer Service	Target	Quarterly meetings with record officers	Meet quarterly during the year	Continue to meet quarterly
	Actual	See Comment Below	See Comment Below	

Additional Information

Measure 1.3.1 - Information and Archival Services began the process to meet with various customers to review their needs in FY 2000-01. This process has been expanded 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 allowed us to better focus our efforts on the areas that are of concern.

The target for FY 2006-2007 will be to continue regular quarterly meetings with the State agency records liaison officers and continue the records management training process to cover all parts of the state, so as to increase the records management knowledge at the custodial level, assuming funding is available.

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

		FY2004-05	FY2005-06	FY2006-07
MEASURE 2.1.1 Improve Program Processes	Target	School District records	State Agency records	Municipal records
	Actual	Completed	Review was completed and approved	TBD

Additional Information

Measure 2.1.1 - In FY 2001-02 Information and Archival 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 government cooperation to reduce costs to the taxpayer.

The municipal model was used to expand this effort to the State's judicial record keeping practices in FY 2002-03 to reduce the length of time many of these records need to be retained. This goal was met. In FY 2003-04 the State special districts were included as part of the process. This goal was met as well. In FY 2004-05, the Colorado School Districts were added as part of this model. In FY 2005-06, the State agencies were incorporated into this process.

The target for FY 2006-07 will be to update a statewide review of the existing record retention plan(s) for Municipal agencies. It will have been five years since this was last completed.

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

		FY 2004-05	FY 2005-06	FY 2006-07
MEASURE 2.2.1 Expand Web Access to Archival Holdings	Target	March 2005	March 2006	Increase the number of new indexes to 36
	Actual	33 new indexes were placed on-line for citizens to use.	34 additional indexes were placed on-line for citizens to use.	

Additional Information

Measure 2.2.1 – In FY 2000-01 Information and Archival Services converted 12 manual record indexes to electronic access on the Archives website. In FY 2001-02 there were 29 indexes made available.

The target for FY 2002-03 was to increase this effort to 30 indexes and look for ways to begin placing the electronic images online. The new indexes were achieved, but fiscal constraints precluded placing the images online at that time.

In FY 2004-05 there were 33 new information indexes added to the State Archives website. With this additional information made available via the web, the usage of the Archives web page has increased significantly. In FY 2005-06, we were able to add 34 more indexes to the large number already available to Colorado citizens. The continued success of this effort is reflected by the increase in the number of customer/citizen visits and hits to the State Archives web page (see trends and baseline graph).

Similar or Cooperating Programs and Stakeholders

DoIT Information and Archival Services provides services to all State agencies, county governments, municipalities, school districts, and special districts that create and maintain public records. The web management services provided by the unit are only directed to State agencies. The general public is a key customer that the unit serves by providing public access to archival records. Each of these stakeholders expects efficient, electronic access to the State's archival and records management information.

Program Crosswalk

Program Title: Technology Management Unit (TMU)

Line Items:

Personal Services
Operating Expenses

Change Requests:

Federal/State Statutory and Other Authority:

The Technology Management Unit (also known as Statewide Application Services) statutory authority exists through the annual Long Bill. The unit exists to support the statutory activities of statewide software applications such as the State accounting, payroll and personnel systems. In February 2003, TMU was moved from the Executive Director's Office to DoIT. In March 2005, part of TMU joined DoIT at 690 Kipling and is now referred to as Statewide Application Services to distinguish it from the Information Technology Unit (ITU) that supports applications used exclusively by DPA.

Program Description

The mission of Statewide Application Services is to provide application development and ongoing software support for the State's Cross-Departmental Administrative Systems. These applications include the Colorado Financial Reporting System (COFRS), the statewide Financial Data Warehouse (FDW), the statewide timekeeping system (Kronos), and human resource systems including the Job Announcements System, the Applicant Data System (ADS) and the state personnel system (Colorado Payroll and Personnel System-CPPS).

Other Trends and Baseline Information

By nature of the applications supported by the unit, Statewide Application Services 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. Statewide Application Services currently has 5 web-based applications: Job Announcements, Job Applications, the Financial Data Warehouse, Remedy, and KRONOS with 3 more near completion: Human Resources Data Warehouse, Employee Self Service and web-based access to CPPS. The growth of web-based applications is driven by the need for a convenient, simple, and effective customer self-serve functionality. Customer self-serve applications are best facilitated through browser technology on intranets and the Internet. For example, State employees can access various payroll and personnel applications to change withholding and submit address changes. In addition, accounting, finance and human resources application users can enter variable data themselves and then pull their own custom reports instead of relying on service agency personnel to do this for them. Thus, Statewide Application Services will play a major role in realizing the E-Government vision.

The Information Technology Unit (the name for the portion of TMU focused on DPA specific support activities) manages desktop support issues for all of DPA and 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. The rest of the unit remains focused on managing statewide administrative applications in the Division of Information Technologies.

Prioritized Objectives and Performance Measures:

Objective 1: Grow web-based technologies

		FY2004-05	FY2005-06	FY2006-07	FY2007-08
MEASURE 1.1 Retire EMPL	Target	Analysis and Design	Implemented 12/5/05	Convert individual agency applications to CPPS	
	Actual	Analysis and Design complete			
MEASURE 1.2 Implement HR Data Warehouse	Target	Analysis and Design Purchase Software	Implement October 2005	Enhance reporting capabilities	
	Actual	Analysis and Design complete, software purchase complete			
MEASURE 1.3. Provide a web-interface to CPPS	Target	Analysis and Design	Implement October 2005		
	Actual	Analysis and design complete	Actual production date 12/5/05		

Objective 1: Grow web-based technologies					
		FY2004-05	**FY2005-06**	**FY2006-07**	**FY2007-08**
MEASURE 1.4 Provide a web-interface to COFRS	Target	N/A	Analysis and design Purchase tools Proof of concept		
	Actual	N/A	Proof of concept was completed and a demo was given to users. Concept did not meet expectations.		
MEASURE 1.5 COFRS, KRONOS, and CPPS	Target	N/A	Initiate project to remove employee SSN from systems.	Analysis, design and removal of employee SSN from systems.	
	Actual	N/A			
MEASURE 1.6 Enhance KRONOS by converting to SQL Server	Target	N/A	Analysis and Design	Convert DB Provide users the ability to query DB	
	Actual	N/A			

Similar or Cooperating Programs and Stakeholders

The Technology Management Unit provides statewide application services to financial management and human resources personnel in all State agencies.

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Administrative
Courts

Office of Administrative Courts

DPA

Program Crosswalk

FY 2007-08

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Program Crosswalk

Program Title: Office of Administrative Courts

Line Items:

Personal Services
Operating Expense
Indirect Cost Assessment

Change Requests:

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

Program Description

The Colorado Office of Administrative Courts ("OAC") was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The OAC is one of 24 central panels of independent Administrative Law Judges (ALJs) in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities. The OAC currently employs 39 FTE; 20.45 are ALJs. In FY 2005-06, the OAC docketed 14,088 cases; conducted 3,798 hearings throughout the State; and issued 12,209 decisions (hearings held include procedural and merits hearings, and decisions issued include procedural and merits decisions). The OAC has three offices: the principal office in Denver, the Western Regional office in Grand Junction, and the Southern Regional office in Colorado Springs. The OAC also has a judge in Pueblo who offices and holds hearings at the Pueblo County Judicial Building.

The OAC conducts all workers' compensation merit 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.

In FY 2005-06, four client agencies accounted for most of the OAC's work:

Dept. of Labor and Employment/ Division of Workers' Compensation	58.13%
Dept. of Human Services	21.32%
Dept. of Regulatory Agencies	5.37%
Dept. of Health Care Policy and Financing	9.53%
Other	5.65%
Total	100%

Once decisions are issued by the OAC'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 the Industrial Claims Appeals Panel, or directly to the district or appellate courts.

Funding

The OAC is a cash funded entity, and billings are distributed using a Cost Allocation Model, which means the OAC bills its clients a proportionate share of its total recoverable program costs based on the percentage of total hours worked for each client. Allocations to State agencies are calculated annually during the Common Policy process, in collaboration with OSPB, and are based on the individual utilization data by agency for the prior fiscal year. An individual agency's share of total utilization, combined with total recoverable costs for providing ALJ services, results in the final appropriation by agency in a given year. Clients are billed one twelfth of the total allocation 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 OAC's total costs is the OAC's overhead, which includes salaries, rent, utilities, etc.

Enabling Statutes

The following are the enabling statutes authorizing and governing the Office of Administrative Courts' 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. (2005)}. In addition, the OAC's ALJs are specifically authorized by the following statutes and regulations to conduct hearings for the following departments:

<u>Department of Labor and Employment</u>

Workers Compensation, Section 8-43-201, C.R.S. (2005) provides that the OAC shall conduct merit hearings in all workers compensation cases. Note Section 8-43-207.5 (2005) which gives jurisdiction to the Division of Workers' Compensation ("DOWC") in prehearing matters. Thus, unlike any other legal area, the OAC shares jurisdiction with another agency in prehearing matters.

Division of Oil and Public Safety, Section 8-20-104(3)(a), C.R.S. (2005)

Unfair Labor Practice Proceedings, Section 8-3-110(8), C.R.S. (2005)

Regulation of Petroleum Storage Tanks, Section 8-20.5-107(5), C.R.S. (2005)

Department of Human Services

Rule 7.202.6(c), 12 CCR 2509-3 (hearings concerning confirmed reports of child abuse or neglect)
Section 26-1-106 (1)(a), C.R.S. (2005) (general authorization)
Section 26-2-127 (1)(a)(II), C.R.S. (2005) (appeals)
Section 26-4-402 (1)(a)(II), C.R.S. (2005) (appeals)
Section 26-6-108 (3), 114 (4) C.R.S. (2005) (child care licensing and penalties)
Section 26-7-107, C.R.S. (2005) (subsidized adoption appeals)

Department of Health Care Policy and Financing

Section 25.5-1-107(1)(a), C.R.S. (2005) (general authorization)

Department of Public Health and Environment

Shellfish Dealer Certification Act, Section 25-4-1805(3), C.R.S. (2005)
Water Quality Control Permits, Sections 25-8-503(1)(C) and 25-8-401(4), C.R.S. (2005)

Department of Agriculture

Forage Crop Certification, Section 35-27.5-105(4)(d), C.R.S. (2005)
Pesticide Applicator's Act, Section 35-10-118(6), C.R.S. (2005)
Pesticide Act, Section 35-9-118(6), C.R.S. (2005)
Alternative Livestock Act, Section 35-41.5-105(5), C.R.S. (2005)
Feedlot Certification, Section 35-53.5-111(2), C.R.S. (2005)
Pet Animal Care and Facilities Act, Section 35-80-109(3), C.R.S. (2005)

Department of Regulatory Agencies

Civil Rights Commission, Section 24-34-305(1)(d)(I), C.R.S. (2005) (civil rights violations)

Real Estate Commission, Section 12-61-114(1), C.R.S. (2005) (real estate salespersons and brokers licensing)

Division of Banking, Section 11-102-201(1), C.R.S. (2005) (all hearings other than charter applications)

Division of Securities:
Section 11-51-606(1), C.R.S. (2005) (all administrative proceedings)
Section 11-53-105(5), C.R.S. (2005) (commodity sales)
Section 11-59-116, C.R.S. (2005) (municipal bond supervision)

Division of Insurance:
Section 10-1-127, C.R.S. (2005) (general)
Section 10-1-204(3), C.R.S. (2005) (examinations by Commissioner)
Section 10-4-629(7), C.R.S. (2005) (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. (2005). Specific authority by agency is as follows:

State Board of Accountancy, Section 12-2-125(1)(b), C.R.S. (2005)

State Board of Examiners of Architects, Section 12-4-104(3), C.R.S. (2005)

Audiologist and Hearing Aid Dealer Registration, Section 12-5.5-106(3), C.R.S. (2005)

Automobile Dealers, Sections 12-6-119 and 12-6-104(3)(e)(I), C.R.S. (2005)

State Board of Barbers and Cosmetologists, Section 12-8-131(1), C.R.S. (2005)

Bingo and Raffles, Section 12-9-103(1)(a)(I), C.R.S. (2005)

Slaughter Business, Section 12-11-101(3), C.R.S. (2005)

Colorado Fair Debt Collection Practices, Section 12-14-130(8), C.R.S. (2005)

State Board of Pharmacy, Section 12-22-125.2(2)(a), C.R.S. (2005)

State Electrical Board, Section 12-23-104(2)(h), C.R.S. (2005)

State Board of Registration for Professional Engineers and Professional Land Surveyors, Sections 12-25-109(4) and 12-25-209(4), C.R.S. (2005)

Acupuncturist Registration, Section 12-29.5-110(1)(h), C.R.S. (2005)

Colorado Podiatry Board, Section 12-32-108.3(4), (6), C.R.S. (2005)

State Board of Chiropractic Examiners, Section 12-33-119(1), C.R.S. (2005)

State Board of Dental Examiners, Section 12-35-129(1), C.R.S. (2005)

State Board of Medical Examiners, Section 12-36-118(1)(c), C.R.S. (2005)

Midwives Registration, Section 12-37-107(4), C.R.S. (2005)

State Board of Nursing, Sections 12-38-116.5(1)(c) and 12-38-115(5), C.R.S. (2005)

Nurse Aides, Section 12-38.1-114(10)(a), C.R.S. (2005)

Psychiatric Technicians, Section 12-42-115.3, C.R.S. (2005)

Board of Nursing Home Administrators, Section 12-39-114(1), C.R.S. (2005)

State Board of Optometric Examiners, Section 12-40-119(2)(d), C.R.S. (2005)

Physical Therapy Licensure, Section 12-41-117(8), C.R.S. (2005)

Respiratory Therapy Practice Act, Section 12-41.5-109(5), C.R.S. (2005)

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. (2005)

Outfitter and Guides Registration, Section 12-55.5-106(2), C.R.S. (2005)

Examining Board of Plumbers, Section 12-58-104(1)(h), 110(3), C.R.S. (2005)

Private Occupational Schools, Section 12-59-105.3(1)(h), C.R.S. (2005)

Racing Licensing and Registration, Section 12-60-508(3)(b), C.R.S. (2005)

State Board of Veterinary Medicine, Section 12-64-105(9)(f), C.R.S. (2005)

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. (2005) (determination of disabilities in children)

Section 22-63-302(4)(a), C.R.S. (2005) (teacher dismissal)

Department of Revenue

State Lottery Division, Section 24-35-204(3)(e), C.R.S. (2005)

Secretary of State

Fair Campaign Practices Act Violations, Const. Art. 28, Section 9(1)(f)
Certification of Elections, Section 1-11-208.5(1), C.R.S. (2005)

Wildlife, Parks and Outdoor Recreation

River Outfitters, Section 33-32-109(3)(a), C.R.S. (2005)

Adult Parole
Section 24-60-307, C.R.S. (2005)

Children's Code
Juvenile Parole Board, Sections 19-2-208 and 19-2-1004(5), C.R.S. (2005)

Prioritized Objectives and Performance Measures

Case Management

The OAC utilizes the Legal Files case management software application to track and manage cases. Legal Files was fully implemented for all non-workers' compensation case types on July 1, 2005. Workers' compensation cases began transitioning into Legal Files on January 1, 2006; full implementation occurred on July 1, 2006. During FY2005-06 the OAC used Legal Files to review, cull, and update all non-workers' compensation case information that had been imported from the old Access database. Old cases were closed, out of date information was brought current, and tracking systems were designed to better assess compliance with statutory requirements and deadlines. Workers' compensation cases provided a unique challenge in that the OAC had for many years managed those cases as a "guest user" in the Division of Workers' Compensation (Department of Labor and Employment) database. That mainframe system, commonly called "GGCC", was designed to meet CDLE/DOWC's needs and could not be modified to meet the case management needs of OAC. Transitioning OAC's workers' compensation cases from the GGCC system to Legal Files was complex, time-consuming, and cumbersome particularly in light of the sheer volume of applications for hearings filed each year in workers' compensation matters. During the transition period, the OAC docket staff entered all case information into BOTH systems. By June 30, 2006, however, the OAC had successfully concluded the transition and was ready to decouple from GGCC. A final testing period was run from July 1 through August 31, 2006; and decoupling occurred on September 1, 2006. As of that date, all OAC case management tasks and data will only be recorded in the Legal Files system; OAC will no longer input data into the GGCC database owned by CDLE/DOWC.

With full implementation of Legal Files, the OAC can provide performance measures and other quantifiable statistics and metrics reflective of the entire division – there will no longer be apples compared to oranges. Comprehensive baseline data from the entire division will be collected in FY2006-07 and used to drive this section of the Crosswalk. Some of the types of information anticipated to be available include number and types of hearings requested, number of hours spent on each case, compliance with statutory deadlines, number of decisions appealed, number of decisions overturned or reversed on appeal, productivity metrics, resource usage, etc.

Provision of Hearings Services to Areas Outside the Denver Metro Area

Southern Colorado: The OAC offers hearings up to five days per week at its Southern Regional Office located at 1259 Lake Plaza Drive, Suite 210, Colorado Springs, CO. Permanently assigned personnel include a Supervising Administrative Law Judge, a second Administrative Law Judge, a full-time Regional Clerk, and a part-time Clerk. Also, the Southern Regional Office utilizes hearing and office space in Pueblo at the Pueblo County Judicial Building at no cost to OAC. The OAC offers hearing days two days per week for parties residing in or near Pueblo. Finally, the Southern Regional Office provides hearing services in Alamosa in addition to Pueblo, and does so utilizing existing ALJ FTE. An OAC judge 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: Hearings in Northern Colorado are held one day per week, alternating between Ft. Collins and Greeley. Northern Colorado hearings utilize judges traveling from the Denver office. The OAC continues to hold hearings in Ft. Collins at the Ft. Collins Justice Center and the City Council Chambers at no cost to the OAC. For hearings scheduled in Greeley, the OAC utilizes rented space at the University of Northern Colorado.

Western Colorado: The OAC holds hearings approximately three days every other week in its Western Regional Office located in the state office building at 222 S. 6th Street, Suite 414, Grand Junction, CO. As of July 1, 2006, all permanently assigned positions in the Western Regional Office were vacant and case processing was being handled from the Denver office. A search is underway to fill the vacant full-time Regional Clerk position; the OAC expects this position to be filled by September 30, 2006. Until the Administrative Law Judge vacancy is filled, judges from the Denver office will travel to the western slope to serve our customers there. In addition, by agreement with the City of Glenwood Springs, the Western Regional Office utilizes hearing space for 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 holds two days of hearings in Durango every six weeks. Durango hearing space is available to the OAC, at no cost, at the Federal Magistrate judge's courtroom. For the period of time that the Denver office is covering western slope cases, there will be an increase in in-state travel costs to the division.

In FY 2005-06 the OAC paid for hearing space in the following cities:

Grand Junction, leased space in state office bldg	$ 12,792.00/year
Glenwood Springs, housekeeping fee only	$ 650.00/year
University of Northern Colorado, room fee	$ 1,924.00/year
Alamosa, room fee only	$ 45.00/year
Colorado Springs, leased space on Lake Plaza Dr.	$27,480.00/year

Settlement Days (Alamosa, Pueblo) $617.00
$43,508.00/year

Comparison of workload (hearings and decisions/orders) vs. total appropriated resources FY 2001-02 through FY 2005-06

Item	FY 05-06	FY 04-05	FY 03-04	FY 02-03	FY 01-02
Hearings Held	3,798	4,782	5,381	5,004	4,144
% change over prior year	(20.5%)	(12%)	7.5%	20.8%	17.6%
Decisions/Orders Issued	12,209	11,499	13,434	12,718	12,675
% change over prior year	6.2%	(15%)	5.6%	0.3%	15.4%
Total Appropriations	$3,254,429	$3,183,122**	$3,118,916	$3,049,405	$2,987,532
% change over prior year	2.2%	2.1%	2.3%	2.1%	9.5%

** Does not reflect $200k in one-time funding (from reserves) for purchase and implementation of Case Management Software (Legal Files).

Trends and Other Baseline Information

Cases Docketed reflects all applications for hearings received.
Hearings Held reflects both procedural and merits hearings.
Decisions/Orders Issued reflects procedural, merits, and dispositive orders and decisions.

Caseload Statistics - FY 2005-06

Agency	Cases Docketed	Hearings Held	Decisions/Orders Issued
DOWC	10,999	2,931	7,940
Human Services	1,823	469	N/A
HCPF	950	260	N/A
DORA	188	71	N/A
All others	128	67	4,269
TOTAL	**14,088**	**3,798**	**12,209**

Caseload Statistics - FY 2004-05

Agency	Cases Docketed	Hearings Held	Decisions/Orders Issued
DOWC	9,752	3,128	8,236
Human Services	1,717	802	1,945
HCPF	852	792	1,120
DORA/misc.	253	60	198
TOTAL	**12,574**	**4,782**	**11,499**

Caseload Statistics - FY 2003-04

Agency	Cases Docketed	Hearings Held	Decisions/Orders Issued
DOWC	10,839	3,698	8,957
Human Services	1,630	610	2,029
HCPF	1,476	1,023	1,949
DORA/misc.	343	50	499
TOTAL	**14,288**	**5,381**	**13,434**

Caseload Statistics - FY 2002-03

Agency	Cases Docketed	Hearings Held	Decisions/Orders Issued
DOWC	12,753	3,532	10,252
Human Services	1,303	679	1,292
HCPF	1,215	731	999
DORA/misc.	255	62	175
TOTAL	**15,526**	**5,004**	**12,718**

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**

It is difficult for the OAC to accurately predict whether applications for hearings in any particular case type will increase or decrease in FY 2007-08; increases or decreases in filings can be driven by economic factors, legislative changes, or for unknown reasons. Implementation of best management practices can never account for or control the number of cases filed by the public. In addition, the number and type of cases filed with OAC can be affected by legislative actions. However, the OAC anticipates continuation of an upward trend in case filings in FY 2007-08.

Continuing Legal Education & Training

The OAC, as the Division of Administrative Hearings, received an appropriation of $21,000 for this purpose in FY 2000-01. Although the need was ongoing, annual appropriations did not continue to reflect funding for judicial education and training. Although funding did not continue, the OAC has been able to reprioritize an extremely limited operating budget and accomplish some training in each of the last two fiscal years using existing resources. In November 2005, the OAC hosted, at no cost to attendees, the State's fifth annual training for Administrative Law Judges on ethics and judicial independence. This CLE was attended by all OAC judges and legal assistants as well as adjudicators from throughout the State.

There is a critical need to emphasize a 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 OAC. Until such time as the state's economy recovers sufficiently to fund these endeavors, the OAC will continue to seek low-cost, high-results opportunities to train its judges and paralegals.

The OAC also has a continuing need to train its judges in mediation techniques. The OAC mediates regulatory agency disputes, Central Registry matters, teacher dismissal cases, Fair Campaign Practice Act cases, and other types of cases. The OAC has developed such a successful mediation program that the requests for mediation in all areas continue to increase. The OAC can assign only 15 of its 20 judges to mediations as the remaining judges have not received certified training; thus, the OAC will continue to train judges and legal assistants in mediation when the resources are available.

Other Pertinent Information

The OAC has made the following changes to its operations:

- Relocation of Denver Office. In June 2005, the OAC's Denver office lease at the Chancery Building expired, and OAC offices were relocated to 633 Seventeenth Street, Suite 1300. The OAC continues to be co-located with both the DOWC's Prehearings Unit judges and the State Personnel Board judges at the new location, and is now also co-located with the DPA Executive Office, the Division of Finance and Procurement, and many divisions of the Department of Labor and Employment, all of which should yield operational efficiencies.

- Judicial Evaluations. The OAC evaluates its ALJs under the Colorado Performance Management Program standards. In addition, the OAC utilizes a third-party vendor to conduct an annual customer service survey to provide additional input on ALJ performance. In FY05, the OAC also added an additional evaluative tool with regard to ALJ performance: the Administrative Court Performance Review Commission. This panel whose members are appointed by the Executive Director of the Department of Personnel & Administration, are charged with objectively observing hearings and reviewing decisions and orders of the OAC's ALJs.

- Use of digital recording equipment in the courtrooms. All OAC courtrooms, including those in Regional Offices, are equipped with digital recording systems. Begun in FY 2005-06, the transitioning of remaining OAC analog systems utilized to record hearings in outlying areas of the State to portable digital systems so that all hearings held are recorded on digital media will conclude in FY 2006-07.

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

Similar or Cooperating Programs and Stakeholders

Hearings

The OAC's primary activity is conducting hearings, which includes pre-hearing work and post-hearing work. The OAC 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, Prehearing 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).

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 also docketing, motions practice, and support for appellate proceedings.