

**DEPARTMENT OF PERSONNEL
&
ADMINISTRATION**

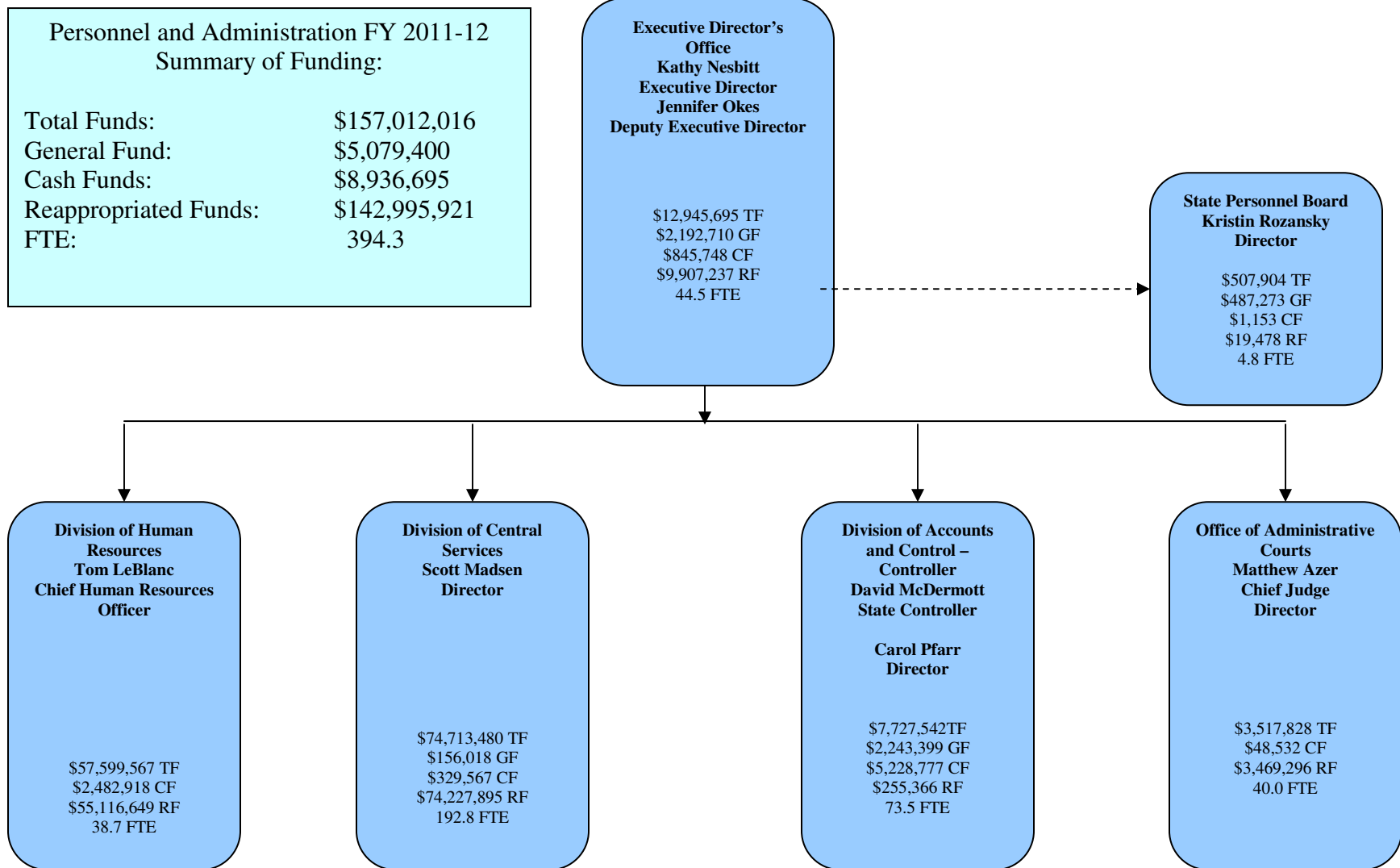


DPA

FY 2012-13 DEPARTMENT DESCRIPTION

NOVEMBER 1, 2011

DEPARTMENT STRUCTURE – ORGANIZATIONAL CHART November 1, 2011



Department of Personnel and Administration Background Information

The Department of Personnel and Administration (DPA) provides centralized human resources, information, tools, resources and materials needed for Colorado State government to function. The Department provides much of the infrastructure by which the rest of State government operates. The programs and services provided by the Department are vitally important to the efficient and effective operation of State government.

Due to the nature of the Department's business, service to customers is the Department's driving force. The Department's customer base is three-fold; the Department serves State agencies, State employees, and the public. The Department of Personnel and Administration's State government customers include State departments, institutions of higher education, the General Assembly, local government entities, and State employees. The Department operates as a business and service center for programs conducted throughout State government. The Department believes success depends upon offering quality and value to customers and stakeholders by providing economically efficient and sound services while adhering to the highest standards of integrity. Employees are an important base of the Department's internal customers and are the State's most valuable resource. The Department serves tens of thousands of public employees and is committed to ensuring human resources processes provide for the best recruitment, selection, job evaluation, compensation, and retention methods available today. The Department's goal is to develop an environment in which employees can be productive, creative and function at their highest level.

Executive Director's Office

The Executive Director's Office (EDO) is responsible for essential duties that impact the department and a multitude of State agency customers. The office provides the Department with operational management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations. In addition, the internal support functions of Budget, Accounting, Human Resources, the Public Information Officer and the Legislative Liaison interact with agencies statewide in many areas, including common policies, billing and Colorado Open Records Act requests. The Executive Director is Kathy Nesbitt and the Deputy Executive Director is Jennifer Okes. The office is funded with both General Fund and Reappropriated Funds, including indirect cost recoveries, fees from user agencies, and Statewide indirect cost recoveries.

The Colorado State Employee Assistance Program (C-SEAP) is directed by Randi Wood and consists of statewide services from professionals who provide State employers and employees with confidential counseling and referral, mediation, coaching, group

facilitation, crisis response, organizational consultation/development, and educational services. The program facilitates preventative intervention processes to help managers and supervisors improve productivity and curtail workplace risk issues before they become liabilities. The Program is funded with Reappropriated Funds including, but not limited to, funds from the Group Benefit Plans Reserve Fund, the Risk Management Fund, and any interest derived from said funds. The Colorado State Employee Assistance Program reports to the Executive Director's Office.

The Office of the State Architect (OSA) integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise. This office is overseen by the State Architect - Larry Friedberg. This position's primary duties include establishing policies and procedures for capital construction projects as well as the provision of administrative oversight and accountability associated these projects. This includes solicitation of design and construction services, code compliance, energy management and prioritizing and establishing the annual controlled maintenance budget. Comprehensive project administration support and training are also provided to all state agencies and institutions in all aspects of design and construction. In addition, the Office of the State Architect establishes policies, procedures, and training for all State agencies and institutions relating to state leases and other real estate transactions. The office provides an annual report to the Governor's Office and State Assembly outlying statewide construction and real estate activities. This program is funded by the General Fund and reports to the Executive Director's Office.

The Colorado State Archives plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado's territorial and State governments. The unit, which is managed by Terry Ketelsen, develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts in regards to preservation and management of records. These records are a valuable business asset to the State and are recorded in a variety of media including paper and electronic formats. The unit also provides citizens and State agency access to the records in its custody for legal and research purposes. This unit is funded by General Fund, Cash Funds from user fees from non-State agencies, and Reappropriated Funds from user fees from State agencies.

The Colorado State Archives is also responsible for managing and operating the State's home page content on the Internet. Colorado's 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. The Information and Archival Services unit reports to the Executive Director's Office.

The Address Confidentiality Program was transferred to the Department of Personnel and Administration as a result of HB 11-1080. This program, which is directed by Jacqueline Cash, provides a means to victims of violent crimes to conceal their true physical address when this information is required from entities whose records are subject to public scrutiny or easily obtained through simple inquiry. The program provides the victims that are enrolled in the program a generic address at a State facility, an identification card that is accepted at nearly all governmental offices, and the benefit of automatically forwarding personal mail (not packages, junk mail, flyers, or periodicals, such as magazines) to the victims physical address. The program works with utility companies to ensure that the individuals enrolled in the program are provided as much confidentiality as can be had while still providing essential services such as gas, electric, water, internet, and cable. This unit is funded through a fee (Cash Funds) assessed to individuals that are convicted of a number of crimes that may warrant the victims' enrollment into this type of service.

Finally, the Executive Director's Office, (B) Statewide Special Purpose section contains a section called (4) Other Statewide Special Purpose. This section contains three distinct line items that do not fit within the scope of any of the Department's other divisions.

The first line item is the Test Facility Lease which is funded through the General Fund. In 1970, the State agreed to a 50-year lease of 33,492 acres of land free of charge to the U.S. Transportation Department, Federal Railroad Commission (FRC). The site was to be used for a high speed train test site in order to boost economic development in that region. The appropriation to this line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado.

The second line item is the Employment Security Contract Payment, which was created in order for the State to enter into employment security contracts. This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports a contract with a private company (Employer's Edge, LLC) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding institutions of higher education.

The last line item is the Employment Emeritus Retirement line, which is funded through the General Fund. The original program allowed for monthly retirement benefits to be paid to former state employees who had retired from state service for superannuation on a full annuity or disability by July 1, 1967. The original act required eligible employees to apply for benefits by July 1, 1968. The act allowed for recipients to receive \$125 per month, less any pension or retirement funds supported in part by the State. The original act also called for payments to be prorated on an equal monthly basis within the limits of the appropriations made.

Division of Human Resources

The Division of Human Resources (DHR) provides expertise, leadership, and consultation in the development and strategic management of statewide human resources and protection of State assets. The Division's two primary duties are to maintain the integrity of the State Personnel System and to manage the State's risk. It derives its statutory authority to perform these duties through Art. XII, Section 14(4) of the State Constitution, 24-50-101(3)(c), 24-50-102, the Risk Management Act, C.R.S. 24-30-1501 et seq., and the Governmental Immunity Act, CRS 24-10-101 et seq. The Division Director and Chief Human Resources Officer (CHRO) is Tom LeBlanc.

The Division establishes statewide human resource programs and systems to meet statutory requirements and provides appropriate services to the Human Resources Offices located in state departments, institutions of higher education, and the offices of elected officials (hereafter "departments"). The CHRO is responsible for processing and final approval of Director's appeals and disputes and coordinates the division's participation in the Labor-Management Partnership Initiative.

The Division includes the Human Resources Analytics Unit, which maintains the complete statewide classified workforce and benefit dataset by integrating data from disparate sources, including higher education. These data are the basis for numerous fiscal impact and costing analyses that the unit conducts in collaboration with the Department's Executive Office, the Office of State Planning and Budgeting, and Legislative Council staff

The State Office of Risk Management (SORM) is a unit that operates under the authority of the Risk Management Act, CRS 24-30-1501 et seq., and the Governmental Immunity Act, CRS 24-10-101 et seq. The unit provides loss control training and consulting services and manages the State's self-insured liability and workers' compensation program. SORM also manages the property insurance programs, through a brokerage contract with IMA of Colorado. These services are provided to all state departments and institutions of Higher Education except the following: University of Colorado system, Colorado State University at Fort Collins, Adams State University, Western State University, Fort Lewis College, Mesa State College of Colorado, and the University of Northern Colorado. The State Office of Risk Management is funded with Reappropriated Funds, including the Risk Management Fund, the State Employee Workers' Compensation Fund, appropriations to other departments for the Risk Management Fund, appropriations to other departments for the Self-Insured Property Fund, and appropriations to other departments for the State Employee Workers' Compensation Fund. The Workers' Compensation Fund provides the funding source for the Colorado State Employees' Assistance Program (CSEAP) in the Executive Director's Office.

The Workforce Planning and Development Section is responsible for ensuring the integrity of the State Personnel System by providing training and technical advice to the human resource community and reviewing director's appeals. The section is comprised of two Units: Consulting Services and the Professional Development Center. The Consulting Services Unit is responsible for training and advising the human resource community to mitigate the State's employee liability risk. The Professional Development Center (Training Unit) offers state agencies and employees flexible and interactive training opportunities that include career development, leadership training, and supervisory certificate programs. This unit is mostly funded by Reappropriated Funds from training revenue from State agencies. A small portion of the PDC revenue is Cash Funds from the sale of job reference manuals to and training revenue from non-State agencies.

The Total Compensation Section is responsible for maintaining the State's job evaluation and compensation systems, including the establishment of job classes and pay, leave policy administration and employee group benefits. The Compensation Unit maintains the job evaluation system, which is a method of grouping individual job assignments into different job categories based on the nature of the work. The overall goal of the job evaluation system is to provide an efficient way for the State to organize its approximately 33,000 individual position assignments and ensure the equitable pay of employees performing similar work. The Compensation Unit oversees statewide compliance with the Family and Medical Leave Act (FMLA) and the Fair Labor Standards Act (FLSA). In addition, the Compensation Unit conducts the annual survey that compares state salaries and benefit contributions with those paid in the private and public sectors. The Executive Director bases recommendations to the Governor and General Assembly on the data collected through this survey process. The Employee Benefits Unit administers the employee group benefits plans which include the initial design of the employee benefit programs as well as the subsequent contractual, administrative, and financial management of these benefits programs. The unit is responsible for legal compliance with a number of federal and state laws, including administering COBRA and HIPAA. The Compensation Unit is funded with Reappropriated Funds, including indirect cost recoveries and Statewide indirect cost recoveries from other departments. The Employee Benefits Unit is funded by Cash Funds in the Group Benefit Plans Reserve Fund.

Constitutionally Independent Entities

The Constitutionally Independent Entities long bill group was created by the Department's realignment decision item that was passed during the 2009 Legislative Session. This group contains the State Personnel Board, which is a program created within the State's Constitution and is not subject to the oversight of the Department.

The State Personnel Board (SPB) adjudicates employment disputes within the State classified system and is responsible for promulgating rules to ensure that State employment is based on merit and fitness. The Board derives its constitutional authority from art. XII, §§ 13(10) and 14(3) and its statutory authority from §§ 24-50-101, *et seq.*, C.R.S. 2010. The Director is Kristin Rozansky. The Board employs Administrative Law Judges (ALJ), conducts administrative hearings, promulgates rules under the authority of the State Constitution, various State Statutes, and State Administrative Procedures Act, and facilitates dispute resolution. The Board is funded for personal services mostly through General Funds with Cash Funds making up the remainder through receipts collected for copies of information and case documentation, for legal services through General Funds and for operating expenses through Reappropriated Funds from Statewide indirect cost recoveries from other departments.

The Board is constitutionally established with five members, each serving five-year terms. The Governor appoints three members and the remaining two members are elected by State employees. The cases presented to the Board include issues of discrimination, retaliation under the State Employee Protection Act, layoff and retention disputes, wrongful discipline and other employment related issues. The Board's staff conducts settlement conferences, facilitates settlement negotiations between State agencies and their employees and encourages parties to resolve their cases on their own terms, whenever possible. Additionally, the Board conducts training for departments and agencies upon agency request. The Board ultimately seeks to provide guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management through rules, decisions, communication, and training.

Division of Central Services

The Division of Central Services (DCS) is managed by Scott Madsen and exists to maximize efficiencies for the State and for individual agencies by consolidating internal common business services to take maximum advantage of economies of scale. The Division's mission is to "provide the best value to the State in every service offered and to every customer served." The Division provides support and service needs for state agencies in the areas of state buildings and facilities, grounds maintenance, state fleet vehicles, motor pool services, graphic design, print services (digital and press), imaging services (scanning and microfilm), data entry, copiers, mail processing and delivery, state identification cards and administration of the State Travel Management Program. The Division of Central Services Administration is funded with Reappropriated Funds from user agencies deposited in the Department of Personnel Revolving Fund and the Motor Fleet Management Fund.

The Division's long-term goals are to create the highest possible value for its customers, to develop and sustain a thriving team of employees, and to be recognized as an industry leader in each of its service units. The Division of Central Services is able to provide

competitively priced and high valued services through professional management, skilled and dedicated employees, and consolidated service efficiencies. Because of its sizable customer base, the Division is able to coordinate and control common support services while providing lower costs through economies of scale and volume.

The Integrated Document Solutions (IDS) unit has operations in Pueblo and Denver and serves state agencies, institutions of higher education and municipalities statewide. The Integrated Document Solutions group exists to provide high quality, economical and comprehensive document and data related business support services to its customers. These services include graphic design, print operations, mail operations, data entry, imaging services, and warehousing and fulfillment. The program also manages the rental of low volume office copiers to state agencies. The unit strives for customer satisfaction through quality work, rapid turnaround time, discounted postage, advanced technology services and “one stop shopping.” Integrated Document Solutions is funded with Reappropriated Funds from user agencies deposited in the Department of Personnel Revolving Fund and is located in both Denver and Pueblo.

State Fleet Management (SFM) provides management oversight for all of the vehicles in the state fleet program. State Fleet Management provides vehicle purchasing, management of maintenance, repairs and preventive services, collision management, vehicle reassignment, fleet monitoring and reporting. The program also manages the auction and salvage of older vehicles and operates the State Motor Pool. State Fleet Management also manages the state fleet alternative fuels and energy sustainability programs in support of the Governor’s Greening Initiatives, and purchases as many alternative fuel vehicles for the state fleet as feasible in any given fiscal year to achieve the State’s energy program goals. State Fleet Management is assisted by an advisory body, the Motor Vehicle Advisory Council (MVAC), with representatives from each user agency and institution. The program is funded with Reappropriated Fund fees from user agencies deposited in the Motor Fleet Management Fund.

Facilities Maintenance (Capitol Complex) is responsible for property management and maintenance for all state buildings and facilities located downtown and at the Lakewood, Grand Junction, Camp George West and North Denver Campus locations. The unit is responsible for statewide coordination of services and required funding, including calculating and establishing rates for all services referenced, and periodically calculating and identifying appropriation needs for all state agencies that utilize its facilities and services. Working closely with the Office of the State Architect, this unit has implemented many energy efficiencies. The self funded savings generated through the performance contract have allowed for a broad range of energy and Greening Government initiatives throughout the complex including energy efficient lighting, upgraded HVAC, the placement of state-of-the-art solar panels at the State Capitol, the Governor’s Mansion, and the 1881 Pierce facility. The State Capitol and the Governor’s Mansion were the first in the nation to be

LEED certified for energy efficiency. Facilities Maintenance is funded almost entirely by Reappropriated funds from user fees from other state agencies deposited in the Department of Personnel Revolving Fund.

The State Travel Management Program (STMP) oversees and monitors all state employee travel, including travel suppliers, travel card systems, airlines, rental car agencies, lodging providers, travel agencies and various incidental suppliers. In addition, the program provides guidance, education and compliance support to travel compliance designees, state travelers, political subdivision program participants and travel vendors concerning the intricacies of the program policies, procedures, compliance, enforcement and rules. This high-volume customer base enables the State to negotiate exceptional rates and benefits. The program also provides consolidated reporting and analysis of state travel as requested. The program has an advisory body, the State Travel Management Program Vendor Roundtable, and is funded entirely through travel agency and car rental fees.

Division of Accounts and Control - Controller

This Long Bill Group consists of four primary components:

The Office of the State Controller (OSC) provides management, monitoring and oversight of the State's financial affairs. The State Controller's position, currently held by David McDermott, is appointed by the Executive Director of the Department with approval of the Governor but is required to report directly to the Legislature on fiscal matters. The State Controller also has Constitutional responsibilities related to fund deficits and the related validity of appropriations. The Office of the State Controller prepares the State's financial Statements and other constitutional and statutory reports including the TABOR Schedules. The office also administers the State budget; promulgates fiscal rules, policies, and procedures to implement a unified system of accounts; is the business owner of the state's accounting system – Colorado Financial Reporting System (COFRS); issues warrants to pay State obligations; develops procedures and administers training related to contract approval; manages the Vendor Offset Program, the Contract Management System, the Recovery Audits Program (related to the Federal Improper Payments Act), the Issuance and Post-Issuance Compliance Program (for centralized State borrowings), and the Fraud Hotline. This office is funded by General Fund, Cash Funds from rebates received from the Procurement Card Program, and Reappropriated Funds from Statewide indirect cost recoveries.

The State Purchasing Office (SPO), which is managed by Carol Pfarr, manages Statewide centralized procurement with duties that include the promulgation of the State's procurement rules; vendor BIDS system, electronic vendor notification system; procurement education and leadership; procurement and administration of Statewide price agreements; conducting procurement services for non-delegated agencies; and appeals authority for bid protests.

The Supplier Database Unit primarily supports business operational and database needs of the State Purchasing Office. This Office is funded by Cash Funds from the Supplier Database Cash Fund and includes the development of the statewide e-procurement system.

Central Collection Services is a program that serves as a central accounts receivable function and actively collects debts owed to State agencies, departments, and institutions after initial collections efforts have been unsuccessful. This office is funded with Cash Funds from collection fees assessed to individuals and Reappropriated Funds from collection receipts previously booked as cash.

The Office of Administrative Courts

The Office of Administrative Courts (OAC) provides an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The Chief Judge/Director of the Office is Matthew Azer. The Office of Administrative Courts is one of approximately two dozen central panels of independent Administrative Law Judges (ALJ's) in the United States. The judges are independent from the agencies for which they conduct hearings and decide cases. The Office of Administrative Courts hears and decides administrative law matters for a total of more than 50 State departments, agencies, boards and county departments. The Office of Administrative Courts serves the State's citizens from three office locations; the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional office in Colorado Springs. In addition, the Office of Administrative Courts provides hearings at other regional locations, such as Durango, Pueblo, Glenwood Springs, Loveland and Greeley. The operation of regional offices allows citizens to have easier access to administrative hearings without having to travel to the Denver metro area. The office is funded by Cash Funds from user fees from non-State agencies and Reappropriated Funds from user fees from State agencies.

The Office of Administrative Courts conducts all Workers' Compensation merits hearings for the entire State; all public benefits cases (food stamps, Colorado Works, Aid to Families with Dependent Children, 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.

Prior Year Legislation**SB 11-0025 (Carroll/Ferrandino) Colorado Taxpayer Empowerment Act 2011**

This legislation requires that personal services contracts of more than \$100,000 entered into under the state procurement code specify that the contract and its performance measures and standards are open to public inspection, unless prohibited by federal law. Access to these types of documents is governed by the Colorado Open Records Act (CORA). The legislation also clarifies that procurement information and contracts are public records. Current law requires that performance measures and standards are developed by the contracting governmental body specifically for each personal services contract and negotiated with the vendor prior to execution of the contract. The bill also makes the agreements with certified employee organizations (e.g., Colorado WINS) open to public inspection.

SB 11-0051 (Giron/Swerdfeger) Gaming & Lottery Intercepts State Debt

Under current law, outstanding debts related to unpaid child support certified by the Department of Human Services and court-ordered restitution are deducted by the Department of Revenue (DOR) prior to disbursement of a person's lottery winnings, limited gaming prizes, and pari-mutuel (racing) wagering winnings. The legislation establishes a similar program to allow the DOR to offset unpaid debts due to the state that are certified by the Department of Personnel, beginning January 1, 2012. An outstanding debt does not include any debt collected by the Department of Personnel for a political subdivision of the state. The offset for state debt will occur after existing offsets are complete. The legislation requires the Department of Revenue to promulgate a rule to allow each limited gaming and pari-mutuel wagering licensee to retain at least \$30 of each payment withheld to cover the licensee's costs of compliance with the bill. This amount will be added to the debtor's outstanding debt.

SB 11 -0076 (Steadman / Becker) PERA Contribution Rates

This legislation changes contributions to the Public Employees' Retirement Association (PERA). For the state and judicial divisions, it temporarily shifts 2.5 percent of the total contribution from employers to employees for FY 2011-12 only.

SB 11-0163 (Lambert/Gerou) Repeal Alternate Fuels Rebate Program

Under current law the Alternative Fuels Rebate Program allows certain state and local government entities and certain tax-exempt non-governmental entities to receive a tax rebate for specific types of alternative fuel vehicles and vehicles converted to use alternative fuels. The program is administered by the Colorado Department of Revenue (DOR) and rebates are given for vehicles that meet certain standards. This legislation repeals the Alternative Fuels Rebate Program and transfers the balance of the cash fund to the General Fund. The Department of Personnel and Administration frequently received rebates through this program in the past, and will cease to do so based on this legislation.

HB 11-1030 (Gardner/Boyd) Procurement Set Aside Program

Under current law, state agencies are required to first solicit bids for certain services from nonprofit agencies (vendors) that employ persons with severe disabilities. Each year, the Department of Personnel and Administration (DPA) publishes a list of services for which the requirements of this set aside program apply.

This legislation clarifies that participating vendors must operate in Colorado and directs state agencies to include language in all contracts that require a vendor to maintain requirements for self-certification through the end of the contract. The bill was signed into law by the Governor on March 21, 2011, and takes effect August 10, 2011, assuming no referendum petition is filed.

HB 11-1080 (Todd/King) Address Confidentiality Program

This legislation transfers the existing Address Confidentiality Program from the Office of the Secretary of State to the Department of Personnel and Administration (DPA). The Address Confidentiality Program was established in the Department of State in 2007. The purpose of the program is to establish a confidential substitute address for a program participant to be used by state and local government agencies whenever possible; to provide agencies access to the participant's actual address, when appropriate; to establish a mail forwarding system for program participants; and to ensure there is adequate funding to pay the program costs for everyone who applies. Program participants are victims of domestic violence, sexual offenses, or stalking.

HB 11-1115 (Priola/Tochtropp) Public Entity Construction Retainage

This legislation sets payment standards for construction contracts between contractors and public entities with contracts exceeding \$150,000 and reduces the amount that may be withheld from a contractor to ensure that work is satisfactorily completed.

Under current law, 10 percent of the contract amount is retained through the first half of the project. After the project reaches 50 percent completion, the state releases remaining installment payments without holding retainage, provided it determines that satisfactory progress is being made on the work. This bill reduces the amount of retainage held to 5 percent of the total project and removes the timing restrictions. A final settlement is to be made within 60 days of contract completion and acceptance by the public entity.

HB 11-1212 (Tyler/Spence) Lean Gov Principle & Performance Budgets

This legislation amends the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, concerning performance-based state budgeting, to incorporate lean government principles, including a detailed definition of principles authorized by the bill. The legislation requires a report on how LEAN principles are applied within the department, if the department elects to include lean government principles in its strategic plan.

HB 11-1216 (Riesberg/Aguilar) Disability Benefit License Plate Numbers

This legislation creates the Laura Hershey Disability-Benefit Support Act (Act), and subject to available moneys, establishes a program to award state contracts to one or more non-profit organizations that assist disabled persons with obtaining benefits. The 9-member Disabled-Benefit Support Contract Committee (DBSCC) is created in the Department of Personnel and Administration (DPA) and tasked with contracting and evaluation of services. Revenue for the program is generated through the receipt of gifts, grants, and donations, and the sale of uniquely valuable license plates. The DBSCC is authorized to hire employees or obtain the services of professional advisors, except legal counsel is to be provided by the Attorney General. The Act is repealed September 1, 2021, following a sunset review.

HB 11-1301 (Waller/Schwartz) Higher Ed Institutions Efficiency

This omnibus legislation makes several changes to state law concerning state institutions of higher education. The legislation impacts the Department of Personnel and Administration, as follows:

- **Indemnification.** The legislation allows an institution that has been designated as an enterprise to contract to indemnify and hold harmless a building contractor if there is a valid public purpose and the benefits of the contract outweigh the risks. The state risk management fund will not be responsible for any liability claims or expenses that may arise as a result of an indemnified contract. Rather, the institution is solely responsible for paying any claim.
- **Purchasing requirement.** Currently, state agencies and state institutions of higher education have discretion to purchase goods and services from CCI; however, all state agencies are required to use CCI when purchasing office furniture and office cubicles. The legislation removes the institutions from this requirement; however, when institutions make a request for competitive bids, they must allow CCI to participate in the competition. If an institution chooses to purchase goods and services from CCI, the institutions are not required to entertain other bids.
- **Personnel.** The legislation amends the types of employees that may be exempted from the state classified system to include employees in positions funded by private gifts and grants, or from revenue generated by auxiliary (self-supporting) activities. The bill removes the requirement that the president at each institution report to the Department of Personnel and Administration (DPA) a list of all positions at the institution that are exempt from the state classified system. The bill exempts the institutions from certain limitations on personal services contracts, providing the institution's chief executive officer determines that certain conditions are met for contracts that implicate the state personnel system. Currently, state employees may participate in a program to recognize employee ideas that improve state government operations. This bill exempts the employees of institutions of higher education from the program. State institutions are authorized to offer an employee incentive program to all employees as an alternative to the general employee incentive plan

offered for state classified employees; however, the institutions' incentive plan must include most of the elements required under the state plan.

Finally, this section of the bill allows the institutions to offer additional or separate group insurance plans to their classified employees, providing the institutions consult with the Governor's office and notify the director of the DPA at least 12 months in advance. If the director concludes, based on actuarial data, that ceasing to offer an existing insurance plan will result in an increase in costs for that plan, or any other insurance plan that DPA contracts to offer to state classified employees, the institutions may not opt out of that plan, and may not offer additional or separate plans to the institutions' employees.

- **Capital construction.** The legislation clarifies that adjustments to cash-funded projects that have been approved prior to January 1, 2010, are subject to the same streamlined approval process established for projects approved after this date, and that these approved projects may be reported in an annual expenditure report to the state controller instead of being reported quarterly. Higher education institution cash-funded projects approved after January 1, 2010, are not subject to appropriation. Currently, when an institution funds a capital construction project with both state and private money, spending must be done proportionally from both sources as the project progresses. This bill allows the institution to receive the full appropriation of state moneys at any time prior to, during, or after the receipt of the private money, but in the event there are moneys remaining after the project is completed, the institution is required to refund moneys to the state in proportion to the amount of state capital construction dollars appropriated for the project.

The legislation permits the institutions to purchase scientific equipment without approval or oversight by the DPA, if the purchase is made without state appropriations from the Capital Construction Fund. The bill also exempts this type of purchases from legislative oversight because it is no longer included in the definition of capital construction.

HB11-1307 (Becker/Steadman) Recovery Audits

This legislation extends an existing, time-limited recovery audit process under the Office of the State Controller. On or before July 1, 2011, and every third year thereafter, the State Controller is directed to contract with a consultant to conduct audits to recover improper payments of fees, gifts, grants, donations, and other state and federal moneys not specifically excluded by law or rule. It establishes a process to exempt all or part of a state agency when a recovery audit is unlikely to yield significant benefits or the state agency is already subject to recovery audits under federal or state law.

Moneys collected from a recovery audit, appropriated or transferred by the General Assembly are credited to the newly created Recovery Audit Cash Fund and are annually appropriated by the General Assembly to the State Controller to pay contractor fees, state agency recovery audit costs, and any amounts due to the federal government. At the end of the audit cycle, any remaining moneys are transferred to the General Fund or, if required by the constitution or as a result of a gift, grant, or donation, to the fund from which the

improper payment was originally made. By June 30, 2013, and every third year thereafter, the State Controller is directed to report on recovery audits to the General Assembly and post this information on its website.

HB 11-1310 (Sonnenberg/Bacon) Funding For Capitol Dome Restoration

This legislation transfers up to \$5.0 million from the State Historical Fund to the Capitol Dome Restoration Fund for FY 2013-14. All moneys transferred from the State Historical Fund shall be reduced, dollar for dollar, by the combined total of moneys deposited in the Capitol Dome Restoration Trust Fund from fund-raising efforts on behalf of the State Capitol Dome Restoration Project, or from grants made by the State Historical Society for the project.

In addition, the legislation permits the Department of Personnel and Administration, in cooperation with Colorado Preservation, Inc., to calculate the value of any in-kind gifts and donations that result in the reduction of the total project cost. The department shall present the calculation of value to the CDC for approval, no later than 60 days after the receipt of an in-kind gift and donation.

The legislation also applies the dollar for dollar reduction to the FY 2010-11 transfer from the State Historical Fund to the Capitol Dome Restoration Fund on behalf of the project. This transfer is already complete and moneys have been appropriated from this source. This section allows moneys to be repaid to the State Historical Fund at the end of the project in the event there are surplus moneys from the fund-raising efforts available in the Capitol Dome Restoration Trust Fund.

Finally, the legislation requires, prior to the end of FY 2014-15, a complete accounting of the total of in-kind and monetary donations received on behalf of the project and of project expenditures in order to ensure that all contributions from the State Historical Fund are reduced dollar for dollar.

Hot Issues

Transfer of the Address Confidentiality Program to DPA

HB 11-1080, "Address Confidentiality Program," transferred the Address Confidentiality Program from the Office of the Secretary of State to the Department of Personnel and Administration. The program provides a means to victims of violent crimes to conceal their true physical address when this information is required from entities whose records are subject to public scrutiny or easily obtained through simple inquiry. The program provides the victims that are enrolled in the program a generic address at a State facility, an identification card that is accepted at nearly all governmental offices, and the benefit of automatically forwarding personal mail (not packages, junk mail, flyers, or periodicals, such as magazines) to the victims' physical address. The program works with utility companies to ensure that the individuals enrolled in the program are provided as much confidentiality as can be had while still providing essential services such as gas, electric, water, internet, and cable. The program is currently tracking workload measures and associated costs in order to quantify the efficiencies achieved by transferring the program to the Department.

Geothermal Technologies Program: Ground Source Heat Pumps ARRA grant, Phase 1 Implemented

The Department was awarded a “Geothermal Technologies Program: Ground Source Heat Pumps” ARRA grant through the U.S. Department of Energy in January 2010. The grant is intended to allow the Department to demonstrate large-scale application of open-loop non-consumptive ground source heat pump (GSHP) technology while improving the energy efficiency of heating and cooling systems at the Colorado State Capitol building. In FY 2010-11, the Department completed the well permit process and drilling of the first well. Design Development drawings were prepared, building energy modeling completed, and second well flow tests completed from the upper Arapahoe aquifer. The pumping tests were successful, setting the stage for drilling of the production well, which would take place in Phase 2 if awarded in FY 2011-12.

Dependent Eligibility Audit in Process

During the Open Enrollment period, the Department contracted with the firm HMS Employer Solutions to conduct a dependent eligibility verification process. The Department undertook the dependent eligibility audit based on audit recommendations to conform to the industry standards. It is generally accepted within the industry that 5% of dependents are not eligible for coverage. The industry average to cover a dependent is \$2,500 annually. To date, approximately 90 percent of all covered dependents have been verified. The Department is finalizing the eligibility review process for the remaining dependents and unverified dependents will be removed from coverage by August 2011.

New Third Party Administrator for State Workers’ Compensation Claims

Pinnacol Assurance was the third-party-administrator (TPA) for all state workers’ compensation claims from the inception of the self-insured program in 1990. In January 2011 Pinnacol Assurance notified the Office of Risk Management that they were discontinuing their TPA department and that they would end services to the State as of July 1, 2011. This was one year earlier than provided for under the contract. The Office of Risk Management issued a Request for Proposal and received 8 proposals. After an extensive evaluation process Broadspire was awarded the contract to provide TPA services. Due to Broadspire’s expertise as a TPA, not an insurance company, they have many programs the Office of Risk Management believes will reduce the cost of workers’ compensation claims.

Offset to Employee Contributions for Medical Insurance for FY 2011-12

In FY 2010-11, the State entered into contracts with Kaiser Permanente to provide fully-insured, and with United Healthcare (UHC) to provide third-party administration services for the State’s self-funded medical options. This was the first year using UHC as the third-party administrator (TPA). UHC has its own provider network with different (higher) discount rates than the previous TPA, leading to

claim cost savings for the State. With this better network discount and lower claim experience in FY 2010-11, along with a healthy reserve balance, premiums for FY 2011-12 were set lower than would otherwise have been required.

For FY 2011-12, premium increases were trended at 8% by the State actuary consultant. In order to maintain the State's contribution level, as well as keep employee contributions for FY 2011-12 at FY 2010-11 levels, an additional \$18 million would be needed. The Executive Director from the Department decided to pull down reserves by approximately \$6.5 million. This action achieved the goal of capping employee contributions in FY 2011-12.

Implementation of NeoGov Applicant Data System

In February of 2011, DHR launched the Neo Gov™ Applicant Data System. The system is now branded as CO-Jobs and is used by nearly every executive agency. CO-Jobs replaced the original ADS, which was built and maintained by the Office of Information Technology (OIT). The success of this project was the result of a strong partnership with OIT and the decision to utilize a Software as a Service (SaaS) model to host the program. The SaaS model ensures that the program will be adequately supported and maintained by the vendor. The partnership with OIT allows DHR to be the business owner of the software and the End User Administrator. OIT is the Financial Administrator of the program.

E-procurement Contract Awarded

Senate Bill 09-099 authorized the Department to implement a centralized electronic procurement ("eProcurement") system for use by State agencies, local governments, and vendors. In June 2011, the new eProcurement contract was executed. Solicitation tools will be available to provide greater efficiencies as well as improved functionality. Examples of improvements include: completely electronic solicitation processes, web-based Request for Proposal evaluation processes, and improved reporting. The eProcurement System will also contain a module that replaces the current BIDS system to take advantage of new web based technology to provide significant functionality for State and Local Government solicitations.

Denver Business Secured by Integrated Document Solutions

During the summer of 2010, the Division of Central Services was approached by officials from the City and County of Denver with a request to aid in a Request for Proposal (RFP) to out-source their mail and printing needs. At the time, the personnel within the Division of Central Services were only providing the information necessary for the City and County of Denver to write a request that would satisfy their needs in the near- and long-term. However, as the relationship progressed, the officials from the City and County of Denver realized that the State could provide all of the goods and services necessary with the savings they had imagined when they first considered out-sourcing the projects. In addition, as this project allowed State government to help city and local government, the

efficiencies and savings generated by this relationship represent a greater overall savings to the taxpayer. After a number of meetings with the officials from the City and County of Denver, the Department finalized an agreement in late October of 2010 to provide the goods and services required beginning on January 1, 2011.

Recovery Audit Program Contract Awarded

The Office of the State Controller (OSC) has instituted a Recovery Audit Program with the associated policies and procedures to manage the State’s recovery audit responsibilities at the State level for CRS § 24-30-203.5 and at the Federal Level for the Improper Payments Elimination and Recovery Act of 2010 (IPERA). In accordance with Colorado statute OSC has contracted with a Colorado based recovery audit firm to conduct a recovery audit for all payments for goods and services during fiscal years 2008 – 2010 (July 1, 2007 through June 30, 2010) and recover improper payments identified during the audit.

Workload Indicators

Executive Director’s Office

C-SEAP Workload Indicator	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of contacts by the Colorado State Employees’ Assistance Program (e.g., employee cases, workplace consultations & auxiliary services)	8,149	9,001	9,224	8,456*

* The fluctuation in the total number of contacts reflects a shift in approach by agency leadership in addressing workplace concerns. Requests for specific and focused organizational development services have, in many instances, replaced previous requests for large group training/education efforts.

Division of Human Resources

Training Services Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of employees trained through the Professional Development Center (fee-based training program)*	1,678	1,794	2,115	1,565
Number of Registrations (total number of students enrolled in all classes)	2,851	3,475	2,997	2,325

Training Services Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number/dollar value of training waivers granted to departments, excluding Higher Education	329 \$2,161,269	375 \$10,999,361	795 \$4,279,998	776 \$4,214,128

* This number is unique student count and does not take into account one student taking several classes.

Risk Management Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of workers' compensation claims filed.	4,159	3,822	3,743	3,938
Number of liability claims filed.	1,645	1,400	1,447	1,237
Number of Property Damage Claims Filed	123	132	137	73

State Personnel Board

Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of Case Filings	231	256	278	255
Percentage of Cases Set for Hearing Which Have Settled	89%	71%	82%	84.74%
Number of Evidentiary Hearings Held and Decisions Issued	26	15	12	17
Number of Days in Evidentiary Hearing	85	107	104	123
Number of Preliminary Recommendations Issued	27	30	27	23

Division of Central Services

Mail Operations Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Pieces of Mail Processed	43,287,303	44,184,424	32,830,446	31,756,720
Total Number of Mail Stops (per month)	277	268	204	187
Total Demand / Special Runs	1,460	1,867	692	848

Print Operations Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Total Print Impressions	78,326,073	81,007,582	75,435,517*	75,367,841
Total Print Jobs	6,844	5,931	4,850	4561
“Right Sourced” Printing**	\$722,944	\$716,140	\$1,122,599	\$843,718
Total Design Jobs (Includes Business Card Orders)	3,927	3,491	4,181	4224
Total Design Units (15 minute increments)	14,043	14,442	10,814	11,190

*Beginning in FY 2009-10, IDS took steps to ensure that only critical documents are printed. Therefore, despite taking over general mainframe and warrant printing from OIT and assuming all printing for the City and County of Denver, IDS still experienced a decrease in total number of print impression from FY 2009-10 volumes.

** “Right Sourced” Printing is when IDS determines the best option for a customer is to outsource the job in order to ensure the best price, quality and turnaround time. This amount dropped in FY 2010-11 due to agencies cutting back on printing for budgetary reasons.

Imaging Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
-----------------------------	------------	------------	------------	------------

Imaging Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
16MM (# of images)	8,654,471	4,954,078	630,043*	343,872*
SCAN (# of images)	4,566,952	9,334,353	14,584,335	13,961,804
Total Images (includes all types)	13,221,423	14,288,431	15,214,378	14,305,676

*The use of microfilm has decreased in recent years, and the Integrated Document Solutions Group (IDS) has worked to reduce the reliance on microfilm even more dramatically in FY 2010-11. Currently IDS is working with Departments that rely on microfilm to determine a plan for the future, which may include the migration to scanned documents.

Electronic Data Warehouse (EDW) Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Electronic Documents Stored on the Electronic Data Warehouse	39,100,892	50,376,071	67,876,701	83,749,017

Document Conversion Workload Indicators <i>(measured in documents/images)</i>	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Data Entry	5,772,545	5,255,923	4,904,598	4,472,845
Online (includes both on-line documents and on-line hours)	299,178	208,425	209,977	398,161

State Fleet Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of Vehicles in the State Fleet	5,791	5,803	5,889	5,879
Number of Miles Driven	74,623,095	72,824,078	68,974,133	70,413,101
Number of Maintenance/Repair Work Orders Generated	64,918	55,242	50,374	51,612

State Fleet Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Average Cost per Work Order	\$129.44	\$155.62	\$163.87	\$155.91
Fuel Cost per Gallon	\$2.77	\$2.33	\$2.21	\$2.64
Total Fuel Expense	\$13,381,207	\$10,862,523	\$9,834,542	\$11,875,994
Average Miles/Gallon	15.47	15.62	15.50	15.67
Average Maintenance Cost/Mile	\$0.101	\$0.103	\$0.097	\$0.102
Average Operating Cost/Mile (Fuel & Maintenance)	\$.280	\$.251	\$.239	\$.2708

*Includes vehicles added to State Fleet through the passage of SB06-15.

Motor Pool Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of Rental Cars	68	61	59	54
Number Rental Days	8,343	6,976	6,094	6,674
Average Days per Rental	2.89	2.99	2.46	2.45
Average Miles per Rental	378	359	330	315

Capitol Complex Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of Work Orders	18,166	14,389	13,286	14,118

Capitol Complex Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number Of In House Projects	70	74	102	104
Number of Insurance Projects	8	9	8	1
Number of Emergency Projects	6	15	11	5
Controlled Maintenance Projects	4	2	2	2
Controlled Maintenance Project Cost	\$2.6 Million	\$860,750	\$518,643	\$588,643

Division of Accounts and Control - Controller

Procurement Workload Indicator	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Volume/Utilization of Price Agreements Statewide	\$372.5M	\$387.6M	\$342.7M	\$359.4M

Office of the State Controller Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Count of Funds Established on COFRS	749	805	837	699****
Payroll Count (General Government - Personnel System and Exempt - Excludes Higher Education)	30,380	30,829	30,794	31,491
Appropriation Documents and Appropriation Transfers Documents	16,034	17,390	18,932	19,204)
Governmental Accounting Standards Issued (Cumulative at year end)	53	56	59	64

Office of the State Controller Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Count of Vendors Paid*	69,273	65,202	65,135	67,469
Bills Signed By Governor	468	463	453	335
Statewide Contract Records	9,616	9,780	13,552***	11,113****

*Vendor count is used as a surrogate for workload related to warrant issuance, cancellation, tracking; 1099 reporting, and vendor file management.

** All values for FY 2005-06 are marked as Not Applicable as they were not recorded for workload indicator purposes that year.

*** The new Contract Management System (CMS) was active beginning July 1, 2009, and different requirements were placed on use of CMS as compared to the previously used COFRS Contract Log Information (CLIN) table. The FY 2009-10 and FY 2010-11 counts includes all contracts with entry dates in those years and excludes all ARRA and Purchase Order records. The reduction in volume from FY 2009-10 to FY 2010-11 is the result of agencies consolidating CMS contract records and the addition of a contract modification record that is now counted as part of the original contract rather than as a separate record.

**** Repealed funds were identified and removed from the count of COFRS Funds in Fiscal Year 2010-11 as part of the implementation of GASB 54.

Office of Administrative Courts

Office of Administrative Courts Workload Indicators	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of applications for hearings received/processed (Cases Opened)*	9,357	9,398	9,385	9,140
Number of hearings held**	2,712***	2,678****	2,598 [#]	2,620 ^{##}
Number of days/hours in hearings (Bench Time)	3418.6	3,386.6	3,179 ^{###}	3,080
Number of hours billed	40,892.80	42,804.8	39,810.5	43,323.70
Average number of days from application to hearing date (workers' compensation cases only)	96.4	121.7	Unavailable ^{####}	Unavailable

* This is data for total applications received for hearing in workers' compensation cases. Multiple applications can be filed under a single case number. The total number of cases opened (all matters) will only count a single case number, regardless of the number of requests. The "total cases opened" is used to determine the hearings held and the percentages.

** The OAC has refined how these statistics are calculated per the 2008 audit and believes that the current numbers are more accurate than previously reported.

*** In FY 07-08, CDLE had 1,669 hearings (61.5%); CDHS had 646 hearings (23.8%); HCPF had 236 hearings (08.7%)

**** In FY 08-09, CDLE had 1,693 hearings (63.2%); CDHS had 525 hearings (19.6%); HCPF had 233 hearings (08.8%)

In FY 09-10, CDLE had 1,720 hearings (66.2%); CDHS had 483 hearings (18.6%); HCPF had 242 hearings (09.3%)

In FY 10-11, CDLE had 1,627 hearings (62.1 %); CDHS had 587 hearings (22.4%); HCPF had 268 hearings (10.2%)

The OAC has refined how these statistics are calculated per the 2008 audit and believes the the current number are more accurate than previously reported.

The OAC is not confident that it can accurately report this data with its current case management system. Because multiple applications can be filed in a single workers compensation case, the data obtained through the reporting system is not accurate. The OAC has collaborated with the DOWC to use the GGCC database to generate case numbers with a two digit appendix that will indicate the application number for the workers compensation case. This will allow the OAC to accurately track the amount of time between case openings, the setting of the hearing and hearings held. This process began on July 1, 2011 and will allow for accurate data to be collected and reported in future years.