[2020 - 2021]

PERFORMANCE MANAGEMENT PLAN

COLORADO
Department of Revenue

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Department of Revenue

Performance Management Plan
Fiscal Year 2020-2021
July 1, 2020 - June 30, 2021

Contents

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COLORADO
Department of Revenue

Vision
Empowering, enhancing, and enriching life in Colorado.

Mission
To become a Trusted Partner to every Coloradan to help them navigate the complexities of government so they can thrive.

Values

C **Communication**
Encourage an inclusive environment that fosters ongoing creative exchange of information and ideas between employees, management, and the public

D **Dedication**
Demonstrate a strong support for the mission of the organization and service to the people of Colorado

O **Ownership**
Promote active and constructive participation in the organization. Take pride in the organization and what you do. Create a sense of community.

R **Responsibility**
Guarantee responsiveness, accountability, and pursue policies and ideas that are prudent and consistent.

T **Teamwork**
Work collaboratively to achieve a common goal

R **Respect**
Value customers' and employees' opinions and thoughts and treat them with dignity

U **Unity**
Foster a unified Department of Revenue

S **Stewardship**
Ensure careful and responsible collection and distribution of the public's money and information

T **Transparency** — Utilize processes, procedures, and forms that are understandable and easy to use

Performance Management Plan

The State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act formalizes a performance management system in Colorado by providing broad parameters for the key elements of performance management: planning, management, data collection, reporting and evaluation. The SMART Act provides the framework for a customer-focused approach to the delivery of government goods and services through a variety of requirements, including this Performance Management Plan.

This performance plan summarizes the near-term strategic and operational priorities for the department, connecting organizational objectives to a system for achieving these priorities. This plan contains an overview of the department, down to the level of individual processes by which we deliver goods and services to our customers, residents of Colorado. This plan is a living document that department uses to set objectives to be achieved and measure progress throughout the year.

Our Process

This plan was created through a series of interactive stakeholder sessions with all members of the Executive Management Team, program managers and division staff to incorporate all aspects of the work of the Department and its four divisions.
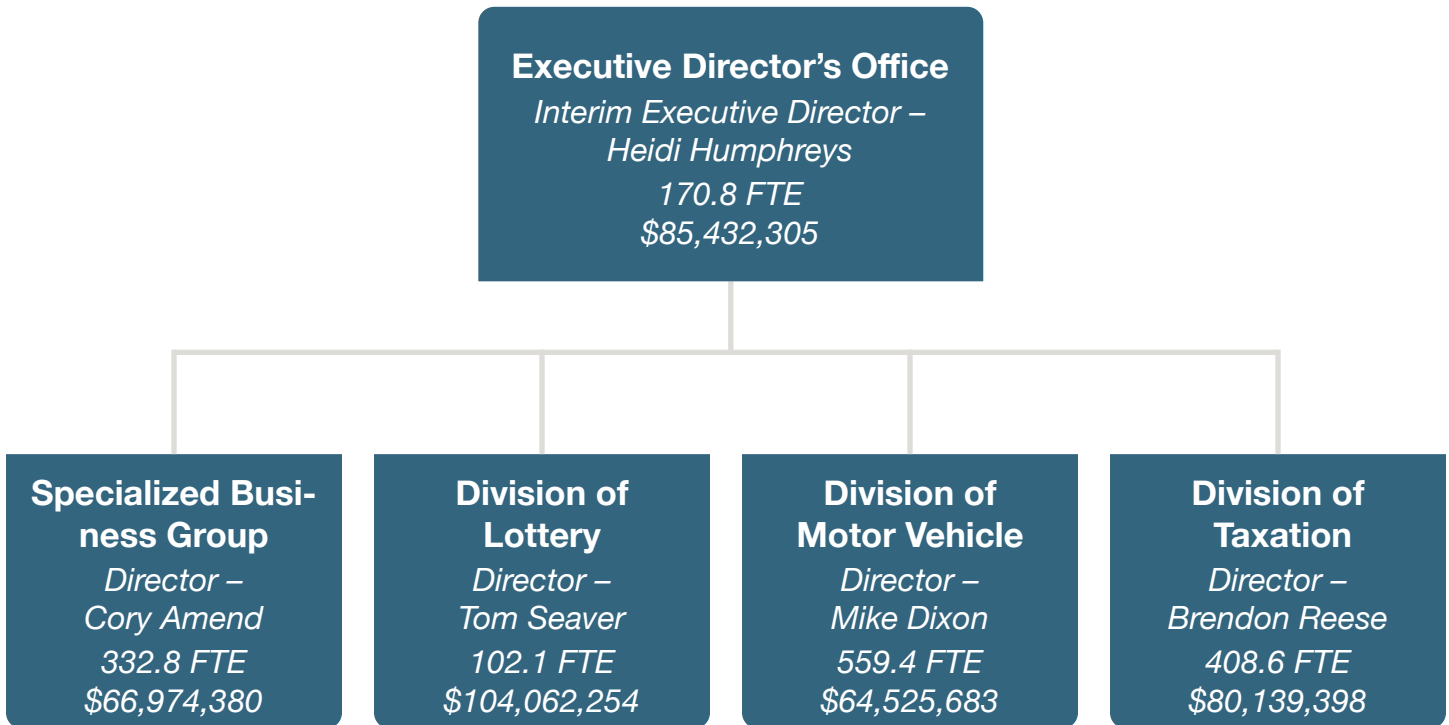
This year's plan features one transformational goal for the entire department, flowing down to a single transformational goal for each division. We are focused on **bold** change for Coloradans to deliver top flight customer service. We serve in the public sector to do the greatest good for the most people. Our role at the department is unique, our services are essential for Colorado residents, and that means we have an incredible impact on people's lives. We are here to educate, advise, and guide our stakeholders on laws and regulations. We are here to assist customers in answering questions. We are here to protect public safety. Every division in this department plays a role in empowering, enhancing and enriching life in Colorado. **Please note, all input and output data, as well as "actual" numbers are through 3rd quarter of FY2019-2020.**

We hope this plan becomes a valuable document for all employees as a strategic roadmap to fulfilling the Governor's vision and ultimately our core mission.

In each section, metrics and WIGS are measured with the following notations:

- **Actual - current number or percentage of the measured WIG**

- **Objective - measurement goal we're working toward**

- **Difference - variance between the objective and the actual**

Organizational Chart

Executive Director's Office
*Interim Executive Director –
Heidi Humphreys*
170.8 FTE
$85,432,305

Specialized Business Group
*Director –
Cory Amend*
332.8 FTE
$66,974,380

Division of Lottery
*Director –
Tom Seaver*
102.1 FTE
$104,062,254

Division of Motor Vehicle
*Director –
Mike Dixon*
559.4 FTE
$64,525,683

Division of Taxation
*Director –
Brendon Reese*
408.6 FTE
$80,139,398

Total Department FTE & budget breakdown (based on FY 2020-21 appropriations)	
DOR	1573.3
$405,987,406	Total funds
$118,141,241	General funds
$279,898,954	Cash funds
$6,910,698	Re-appropriated funds
$1,036,513	Federal funds

Department Overview

The Colorado Department of Revenue (CDOR) oversees the Division of Motor Vehicles, the Specialized Business Group, the Colorado Lottery, and the Taxation Division. These services touch almost every Colorado resident throughout the year.

Executive Director's Office

The Executive Director's Office (EDO) is committed to become a trusted partner to every Coloradan to help them navigate the complexities of government so they can thrive The EDO strives for bold service to the people of Colorado and consists of Administrative, Budget and Finance, Communications, Hearings, Stakeholder Liaison, Legislative Liaison, and Internal Audit.

Division of Motor Vehicles

The Division of Motor Vehicles (DMV) provides excellent identification, driver, and motor vehicle services. The DMV is comprised of: Driver License, Driver Control, Title and Registration, Emissions, and Investigations. In addition, the 64 County Clerks and Recorders serve as the Department's authorized agents for motor vehicle titling and registration.

Customers

Residents of Colorado, Law Enforcement, Colorado Counties, State, Federal Agencies

Lottery Division

The Colorado Lottery creates and sells lottery games of chance to support Colorado's beautiful outdoors. Games are held to the highest standards of integrity, efficiency, and entertainment, to maximize proceeds for the people of Colorado. The Colorado Lottery began in 1983 with just a single scratch game. Today, there are a variety of scratch and jackpot games. Since its inception, the Colorado Lottery has contributed more than $3 billion to the state of Colorado.

Customers

Residents of Colorado, Lottery Players, Retailers, Proceeds Recipients.

Specialized Business Group

The Specialized Business Group (SBG) regulates the auto, gaming, racing, marijuana, liquor and tobacco industries, helping them grow responsibly by creating a balance between the business needs of industry stakeholders and public safety. SBG focuses on protecting public safety, ensuring consumer confidence and serving the citizens of Colorado by keeping them safe from fraud, unsafe products, unfair business practices and criminal activities.

- **Auto Industry Division** — The Auto Industry Division (AID) regulates Motor Vehicles and Powersports sales in Colorado.

  Customers

  Motor Vehicle Dealer Board, Buying Public, Licensees, Law Enforcement

- **Division of Gaming** — The Division of Gaming ensures honesty and integrity in Colorado's gaming industry.

  Customers

  Colorado Limited Gaming Control Commission, Wagering Public, Licensees, Fund Recipients (i.e. Black hawk, Central City, Cripple Creek, Community Colleges, Law Enforcement

- **Liquor and Tobacco Enforcement Division** — The Liquor and Tobacco Enforcement Division (LED) oversees compliance with Colorado liquor and tobacco control laws.

  Customers

  Public, Licensees, Law Enforcement, Local Licensing Authorities

- **Marijuana Enforcement Division** — The Marijuana Enforcement Division (MED) administers and enforces medical and retail marijuana laws and regulation.

  Customers

  Public, Licensees, Consumers, Local Licensing Authorities, Patients, Physicians, Federal Agencies, Law Enforcement

- **Racing Events Division** — The Racing Division promotes and fosters public confidence in the pari-mutuel industry and protects the welfare of all racing participants, including the horses.

  Customers

  Colorado Racing Commission, Wagering Public, Horsemen, Equine Athletes, Fund Recipients, Veterinarians, Law Enforcement

Department Overview

Taxation Division

Roads, schools, parks and so much of the vital infrastructure that makes Colorado a wonderful place to live is powered by tax dollars. The Taxation Division is responsible for collecting those dollars as well as administering, auditing, and encouraging voluntary compliance with all taxes, fees, bonds and licenses under Colorado tax laws. The Taxation Division strives to serve the more than five million Colorado taxpayers as efficiently as possible, and in a way that protects the security of their personal information.

The mission of the Taxation Division is to promote voluntary compliance with all Colorado state tax laws through information, education, assistance and customer service. The Division strives to provide its services to the taxpayers of Colorado in a manner that is efficient, effective and elegant, which eliminates redundancy, and ensures integrity in its processes and data.

The Taxation Division is organized into four areas: Taxpayer Service, Tax Auditing and Compliance, Tax Conferee, and Tax Policy Analysis. While each section functions separately, they unite to achieve the Departmental goals of being the premier Department of Revenue known for its outstanding customer service, innovation and dedicated employees.

Customers
Individual & Business Taxpayers, Tax Attorneys, Certified Public Accountants

FY20 Performance Summary

- All of the Executive Director's goals are complete or on track for completion by the end of FY20.

- The DMV has made improvements in their goal objectives but will likely not meet all goal objectives due to impacts from COVID-19 (closed offices, suspension of services, increase in call volumes).

- The Lottery Division has submitted the World Lottery Association application after thorough review with other participating Lotteries, the Lottery is awaiting final confirmation of acceptance or decline. Lottery has seen a decline in sales quarter over quarter from last year, this will impact the Lottery's ability to increase proceeds transfer to Building Excellent Schools Today Program (BEST).

- The Taxation Division's goals have had direct and indirect impacts due to COVID-19 response. The Tax Division is on track to increase Customer Feedback response rate and meet this goal. Additionally, Tax has completed the initial Revenue Online redesign project. Call Center wait times have not been within the targeted thresholds due to a myriad of impacting circumstances (staffing, office closures, changes in State and Federal tax filing timelines).

- The Specialized Business Group (formerly Enforcement Business Group) is on track to meet all FY20 Goals.

Governor's Bold Four

Tax Reform & Economic Development
Fiscal reform that serves hard-working Coloradans

Energy & Renewables
Set Colorado on a path to 100% renewable energy by 2040

Health
Reduce the cost of healthcare

Education & Workforce
Implement free full-day kindergarten for all and expand preschool

Along with our duty to customer service, is our responsibility to promulgate rules to administer and execute legislation passed by the General Assembly. We focus on collaborative rulemaking to ensure the strongest public policy and this year, we established the following Guiding Principles that align with Governor's Bold Four:

1. Supporting Colorado businesses and empowering them to grow responsibly with regards to employees and other stakeholders.

2. Encouraging non-Colorado companies to come to Colorado and grow their business here according to our values.

3. Striving to create a level playing field between large and small companies, while recognizing that we must nurture small companies that provide 80% of the jobs in our state and offer Coloradans value in competition and choice.

4. Ensuring laws and rules are simple and clear as well as administered in a fair manner.

5. Embedding continuous process improvement and cost efficiencies with resourcefulness, creativity, innovation and technology to maximize resources and results.

6. Recognizing the value of every Coloradan and implementing tools to help each individual contribute and thrive in a nurturing workplace environment that promotes collaboration, trust, respect and empowerment.

Wildly Important Goals (WIG)

The state has gone through a comprehensive strategic planning process relying on the framework of the "Four Disciplines of Execution", which emphasizes focusing on a few Wildly Important Goals (WIGs) to effectively manage and achieve them in the midst of extensive daily responsibilities. In connection with the Governor's Office of State Planning and Budgeting (OSPB), the Department of Revenue has identified transformational WIGS, that drive our organization towards our mission and vision, as well as the high-impact strategies we must employ to achieve our priorities and goals. This focus on performance allows us to determine what is working and what needs improvement to yield more effective, efficient, and bold government service to the people of Colorado.

Department WIG

To digitally transform the Department of Revenue to go from a baseline in 2020 estimated to be about 50% of all services being available online to 95% of services being available virtually by June 30, 2021.

Bold Service

Drive transformational improvements of business processes, systems and policies to increase effectiveness and create a long-lasting culture of innovation.

Fiscal Stewardship

Ensure highest levels of customer service with balanced fiscal responsibility to Coloradans.

EXECUTIVE DIRECTOR WIG

Move EDO procedures (all except mail service) to a virtual process, from a measured baseline in 2020, to at least 90% by June 30, 2021.

FY21 Target

90%

Summary and Performance in FY20: This is a new goal for the department in FY21. The previous ED goal established a Net Promoter Score (NPS) to gather customer service feedback, close feedback loops and improve processes. The department has implemented NPS kiosks with interactive surveys at all main Tax, DMV and Lottery locations. Response rate has increased 25% (in FY20) and staff continues to monitor real time feedback from customers. This new goal focuses work to increase online services for our customers.

Key Strategies:

Foster a culture of innovation which uses technology to drive transformational improvements in business processes, systems and policies across all divisions to increase both the effectiveness and efficiency of DOR services to ultimately benefit the people of Colorado with less cost.

- Hearings (processed online with virtual hearings)
- Finance & Procurement (all aspects online and virtual)
- Human resources (recruitment, training, policies and materials)
- Communications (communicate via social media and intranet)
- Facilities management (space planning, division support services)
- Internal audit (conducted and reported online and virtually)

Lag Measures:

- Monthly, assessing increase of services and functions offered digitally, online or virtually

Lead Measures:

- Transition to permanently processing and holding all hearings virtually
- Transition all aspects of Budget & Financial Services to online/virtual
- Catalog and transition all Human Resources services to online/virtual (recruitment, training, policies and materials)
- Transition external communication to customers to online platforms
- Administrative Offices support services transition to online/virtual as much as possible (facilities management, division support services)
- Internal Audit conduct audits online/virtually and report online
- Measure cumulative services and increase in services monthly toward 90% target June 30, 2021

	FY20	FY21	FY22	FY23
Objective		90%	100%	**100%**
Actual	<50%			
Difference				

EXECUTIVE DIRECTOR WIG

Go from a measured baseline in 2020, to achieving over 70% of a primarily remote workforce by June 30, 2021.

FY21 Target

70%

Summary and Performance in FY20: This is a new goal for the department in FY21 in an effort to protect employee safety during COVID-19, reduce department operational costs, increase job opportunities for rural Colorado, reduce physical footprint and become an Employer of Choice.

Key Strategies:

- Equip employees with equipment to work remotely
- Introduce innovative ways to do business with customers
- Deploy remote workforce management technology

Lag Measures:

- Monthly review of percent of workforce working remotely and physical space overhead; monthly reporting outlining increase in virtual services offered

Lead Measures:

- Identify and implement tools to allow a remote workforce to be effective (e.g. softphones, digital signature)
- Identify Key Performance Indicators (KPIs) to align with remote workforce
- Innovate to identify new ways to offer our services to customers
- Position Description Qualification updates to align with remote work
- Develop new productivity measurements in order to manage a remote workforce

	FY20	FY21	FY22	FY23
Objective		70%	70%	**70%**
Actual	2%			
Difference				

Achieve 100% of services available online or virtually by June 30, 2021 from a baseline of 35% (35 of 101) to better serve all Coloradans through the utilization of technology.

FY21 Target

100%

Summary and Performance in FY20: FY20 was filled with many service improvements for DMV customers:

- All DMV call centers averaged a call wait of 9 minutes and 7 seconds
- 48.1% increase in online drivers license renewals
- 80.4% of the time (in high volume offices), the total customer experience time was under 45 minutes
- 77.5% of the time (in low volume offices), the total customer experience time was under 25 minutes

Customer wait metrics will continue to be monitored in the new fiscal year while DMV brings new ways of doing business to all Coloradans. This year's goal is increase online services for customers to meet them where they are.

Key Strategies:

- Additional call center technologies implemented to maximize customers' use of DMV State and County online services.
- Website upgrade to Drupal 8 in order to improve customer communications on online services.
- Improve MyDMV for better ease of use by customers.
- Leveraging existing vendors under contract with DMV to pilot and implement low to no cost technology digital servicing solutions.
- Partner with legislators and stakeholders to pass bills that allow for expansion of online and digital DMV services. (i.e. reducing costs for online services from in office transactions, etc.)
- With existing appropriations, partner with Business Innovation Group in identifying technologies to bring services to customers with convenience, inclusivity and without requiring a visit to offices.
- Transition from DOR to DMV social media platforms to improve customer and stakeholder communications.

Lag Measures:

- Quarterly reporting of online services available and virtual transactions completed by customers
- Comparative reporting on number of customers completing transactions online
- **Measure that the appointments being set, truly require an in person appointment and the service cannot be provided online (note when circumstances prohibit use of online services e.g. no computer/internet service)**

Lead Measures:

- Innovate to identify new ways to offer our services to customers
- Work with vendors to implement and release new, low cost services online
- Migration to Drupal 8 will allow for enhanced communication and instructions for online use
- Passage of new legislation allowing for more online services to customers

	FY20	FY21	FY22	FY23
Objective		100%	100%	**100%**
Actual	35%			
Difference				

SPECIALIZED BUSINESS GROUP WIG

Achieve 100% of services available online or virtually by June 30, 2021 from a baseline of less than 25% to better serve all Coloradans through the utilization of technology.

FY21 Target

100%

Summary and Performance in FY20: In FY20, SBG offered 50% of all licensing activities online. FY21 will move all transactions to an online format to better service stakeholders.

Key Strategies:

- Implement virtual customer meetings with licensing specialists to address customer questions
- Negotiate payment processing capabilities with our partner SIPA in order to increase accessibility while maintaining low costs
- Business Innovation Group support in identifying technologies to bring services to customers with convenience, inclusivity and without requiring a visit to offices

Lag Measures:

- Quarterly reporting percentage on online transactions completed and number of customer transactions
- Report monthly the number of customer interactions moved to online format that would have previously been conducted in person in an office

Lead Measures:

- Increase in online services provided by vendor
- Payment processing capabilities with SIPA
- Implement new technology to assist in virtual customer meetings and rulemaking feedback
- Migration to Drupal 8 will allow for enhanced communication and instructions for online use.

	FY20	FY21	FY22	FY23
Objective		100%	100%	**100%**
Actual	<25%			
Difference				

Achieve a 9% increase in sales by June 30, 2021 from a baseline of $650 million to $715 million.

FY21 Target

$715M

Summary and Performance in FY20: The Colorado Lottery works to increase revenue for all proceed partners. Prior to COVID-19, lottery scratch sales were up 11% and took a turn as the 3rd quarter ended -5.6% below fiscal year to date. As the lottery closes out the 4th quarter, evaluation of FY20 will be clearer.

Key Strategies

- Continue to implement industry best practices in games, promotion, distribution and sales across all products
- Increase support of large multi-state jackpots, while developing alternative games and distribution channels
- Explore iLottery and digital game space to expand the player base in FY22
- Refine sales representative's bonus incentive plan to focus on both jackpot and instant games
- Continue to evolve the relationship between the proceeds message and game message ("Play On" Scratch in FY20)

Lag Measures:

- Quarterly reporting on lottery sales

Lead Measures:

- Number of games available at retail
- Jackpots in "trigger" range
- Completion of consumer research on game development concepts

	FY20	FY21	FY22	FY23
Objective		$715M	$779M	>$1B
Actual	$650M			
Difference				

LOTTO
PICK 3
POWER BALL

LUCKY FOR LIFE
CASH 5
MEGA MILLIONS
SCRATC

TAXATION DIVISION GOAL

Achieve an 80% reduction of service center visits by June 30, 2021 from a baseline of 32,846 to better serve all Coloradans through the utilization of technology.

FY21 Target

-80%

Summary and Performance in FY20: The Taxation Division saw 32,846 visits to CDOR service centers (Denver: 13,801, Colorado Springs: 6,246, Pueblo: 4,467, Grand Junction: 4,376, Fort Collins: 3,956). The FY21 goal introduces more strategies for customers to use online services provided by the department.

Key Strategies:

- Revenue Online website improvements Phase I
- Revenue Online software upgrade to version 12 with many enhanced customer features
- Additional call center technologies that will provide guidance to customers
- Improve current instructions on Taxation forms
- Increased focus on customer communications
- Increase in Revenue Online training

Lag Measures:

- Quarterly reporting percentage on online transactions completed and number of customer transactions
- **Monthly reduction in appointments for the service center**

Lead Measures:

- Implement new technology to assist in virtual customer meeting
- Implement new technology in call centers
- Implement call center training to help customers navigate Revenue Online
- Migration to Drupal 8 will allow for enhanced communication and instructions for online use
- Increase in Revenue Online training materials produced based on customer feedback

	FY20	FY21	FY22	FY23
Objective		-80%	-85%	**-90%**
Actual	32,846			
Difference				