

CUTTING **RED TAPE** IN COLORADO STATE GOVERNMENT

“MAKING GOVERNMENT MORE EFFICIENT,
EFFECTIVE AND ELEGANT”



PITS AND PEEVES 2.0 - PROGRESS IN MOTION

“CHANGES, CHALLENGES AND COMMITMENT”

AUGUST 2014



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INTRODUCTION

“I don’t make jokes. I just watch the government and report the facts.”

~ Will Rogers, American cowboy, vaudeville performer, social commentator, actor

This **Pits and Peeves 2.0 – Progress in Motion Report** is preceded by two others: The **Omnibus Report, Cutting Red Tape in Colorado State Government**, released in January 2012; and the **Supplemental Report on Rule Review by State Agencies**, released in February, 2013. The energy and effort that went into the three years spent compiling these reports indicate that Colorado state government is committed to systemically reducing regulatory burdens and inefficiencies and making positive and lasting changes and improvements. Since the initial Pits and Peeves Initiative, Colorado executive agencies have reviewed over 13,290 rules, of which approximately 5,322 have been or will be modified or amended and approximately 1,522 have been or will be repealed.

Will Rogers’ homespun critiques were no accident. We knew at the start of our effort that people might be skeptical of an outreach project like this: roundtables on cutting red tape, changing government culture, and creating a systemic mechanism for reviewing rules and regulations throughout Colorado. Hearing roundtable participants connect with the goals of Pits and Peeves and the Colorado Blueprint was rewarding and exciting. There was widespread agreement that cutting unnecessary and harmful regulations could help spur the economy and generate economic growth.

From Pueblo to Fort Collins and Grand Junction to Durango, roundtable participants were surprised and excited to see representatives of Colorado state government traveling the state to follow up on previous efforts to cut red tape and improve efficiency. In many instances, new people asked to be included in the sessions and demonstrated an eagerness to listen and learn about all that has been done to improve government as a result of previous efforts. Participants were also eager to share new ideas on how Colorado can continue to improve. Citizens were impressed that members of state government had returned to discuss successes and challenges with the implementation of efficiency measures discussed in previous discussions. The round tables resulted in real and meaningful connections with Colorado constituents and helped gather the valuable feedback essential for the success of the Pits and Peeves initiative.

A major point of **Pits and Peeves 2.0 - Progress in Motion** was to ask the difficult question, “Are we on the right track?” Will Rogers also had something to say about this: “Even if you’re on the right track, you’ll get run over if you just sit there.”

EXECUTIVE SUMMARY

During February and March of 2013, the Pits and Peeves team hit the road again, hosting roundtables across the state, following up on lessons learned in previous years, sharing positive changes recently implemented, and providing explanations for challenges state government continues to face. The second round of visits provided an opportunity to share much of the information found in this report and demonstrates the state's commitment to the continuing dialogue and engagement of businesses and associations, advocacy and public policy groups, local government, members of academia, and non-profit organizations in this important mission.



In 2011, Governor John Hickenlooper charged Barbara Kelley, Executive Director of the Department of Regulatory Agencies, with facilitating meetings to identify regulatory inefficiencies in state government. She was also tasked with leading efforts to cut red tape in order to improve business conditions for Colorado companies. The result was the **Omnibus Report, Cutting Red Tape in Colorado State Government**.

The **Omnibus Report** acknowledges that though the Pits and Peeves Roundtables Initiative has been successful in its initial mission, it is only part of a larger process that must continue in order to achieve the effective, efficient and elegant government the citizens of Colorado deserve. As a testament to the continuing change, challenges and commitment of the Initiative, this **Pits and Peeves 2.0 - Progress in Motion Report** provides an update from 2012 and 2013, highlighting busy years in the continuing effort of cutting red tape in state government.

Since Executive Order 2012-002 was issued, Executive agencies have reviewed, in the aggregate, approximately 13,290 rules, of which approximately 40 % have been or will be modified and 11% have been or will be fully repealed. This accomplishment exceeded the goal of a total of 10,000 rules to be reviewed during 2012-2013.

Meanwhile, Lean management principles have been adopted throughout State government. From October 2011 through June 2014, the Lean Program office in the Office of State Planning and Budgeting has sourced 94 projects in 19 executive departments or offices. State employees initiated 100 additional projects. To date, over 3,000 state employees have been trained in various levels of Lean tools and practices.

Highlights of just a few of the Lean projects include:

- ▲ The Department of Local Affairs eliminated 56 of the 103 forms that were required as part of the Housing Choice Voucher Program.
- ▲ The Department of Health Care Policy and Financing cut the average time to hire employees from 142 days to 60 days and reduced the number of times paperwork was handed off from 30 to less than 10.
- ▲ The Colorado Mental Health Institute at Pueblo reduced the time 80 percent of patients waited in jail for admission to the hospital from more than 28 days in January 2012 to zero by July of that year.
- ▲ The Division of Real Estate reduced the average time for an investigation from 180 days to 100 days.

Titled "Progress in Motion", this report conveys the message of the ongoing process of making Colorado government more efficient, effective and elegant in its service delivery.

The **Pits and Peeves 2.0 - Progress in Motion Report** provides an update on the status of some of the ever-increasing number and scope of Lean and other projects, rules and regulatory efficiency reviews, and culture-shifting efforts aimed at continuing the progress state government is making to cut red tape and reduce the regulatory burdens and costs on businesses – ultimately, for the benefit of the economy and consuming public. This report also features the recent unveiling of the new Pits and Peeves website and the Red Tape Reporting System.



WORKS IN PROGRESS

The process to reduce administrative burdens is an ongoing one. As identified in the initial roundtable discussions, the issues and concerns with respect to red tape impediments and inefficiencies were organized into nine common themes. It is apparent that the systemic issues underlying much of the red tape identified by participants has to do with the perception that as an institution, government functions tend to support government - or "itself." This approach tends to generate systems, processes and requirements that promote the interests of government, rather than the citizens it serves. The range of issues reflected in the following common themes is broad but interconnected:

- ▲ Need for change in governmental culture
- ▲ Regulatory inefficiencies and delays
- ▲ Need for greater coordination among agencies, such as with information sharing and consistency of administrative approaches
- ▲ Need for better coordination between federal and local agencies to achieve regulatory coherence and avoid conflicting or inconsistent requirements
- ▲ Need for periodic review of agency rules and regulations to evaluate continued need and effectiveness
- ▲ Need to make better use of available technology to improve communication and interaction with the public
- ▲ Need for a go-to person in each agency to help customers navigate the agencies' systems
- ▲ Need to pay greater attention to economic and unintended adverse impacts of proposed regulations, requirements and procedures
- ▲ Need to pay more attention to ensuring that new regulations reflect legislative intent.



LEAN

In 2011, Governor John Hickenlooper established a Lean Program Office in the Governor's Office of State Planning and Budgeting (OSPB) to promote the use of Lean Process Improvement across the state.

Between October 2011 and June 2014, OSPB directly supported 94 projects in 19 executive branch departments or offices to improve government processes, with another 100 projects completed by the departments. Much of this work was documented in the December 2013 *State of Colorado Lean Program Office Progress Report*. OSPB also has provided Lean training for more than 3,000 state employees, with the goal of transforming the collective mindset from one of "this is how we've always done it" to "how can we do it better."

Using tools and methodologies garnered under the Lean process, the agencies identified, designed and implemented solutions to cut red tape. For example, in March 2012, the Colorado Department of Transportation (CDOT) launched an effort to improve the Oversize/Overweight (OS/OW) Permits process -- a project that was a 2013 finalist for the International Team Excellence Awards.

The team developed a set of objectives including:

- ▲ Reduce the error rate in the OS/OW Permit process by 50 percent
- ▲ Reduce the cycle times for permit processing
- ▲ Improve communication with other local agencies such as enforcement agencies
- ▲ Provide permit writers with better tools for increased accuracy.

Using Lean principles and tools, as well as conducting interviews with those involved in the permit process, the team determined how the process could be improved, and established goals to measure progress. These goals were achieved and, in some instances, exceeded.

As a result of the project, CDOT has implemented an automated system that enables the Department to make the permitting process even more effective, efficient and customer-friendly.

The system, which went live earlier in 2014, includes:

- ▲ Self-issuance of certain permits
- ▲ 24/7 access and built-in bid schedule
- ▲ Graphical user interface (GUI) showing potential routing solutions
- ▲ Consolidation of maps, bridge programs, databases and other tools into one user-friendly location.

Governor John Hickenlooper, 2012 State of the State Address

"We initiated the Lean Program in almost every state agency, where employee teams are now actively identifying waste and inefficiency to create savings."



Greg Fulton, president of the Colorado Motor Carriers Association, said the permitting process has been easier to navigate since CDOT implemented the changes.

“It’s been smoother and more predictable,” Fulton said. “They’ve been very responsive, and it’s working a lot better.”

The Lean Program focuses on creating sustainable and independent capability to provide customer-focused improvements using the expertise and knowledge of the State’s workforce. Projects focused on improving key metrics with potential to demonstrate a return on investment for the program on a statewide level, including costs saved or avoided, time saved and process efficiency.

As a result of another extensive Lean project, the Department of Revenue developed and implemented policies designed to establish a Department-wide “best practices” process for rulemaking that is consistent, transparent and collaborative, to ensure compliance with HB 12-1008, 2011 Executive Order 005 and 2012 Executive Order 002 and to ensure efficient tracking of the rulemaking process. This process applies to all divisions, offices and sections of the Department, and includes new rule making, rule making to affect revisions to existing rule and continuous, routine review of all rules.

Examples of other successful projects include:

- ▲ Carving off more than 100 days from the resolution cycle when the Department of Education investigates educator licenses
- ▲ Reducing the time it takes for businesses to receive reimbursement payments from the Department of Labor and Employment from 84 days to 15 days
- ▲ Redesigning the tax document process in the Departments of Revenue and Personnel and Administration to save nearly \$2.1 million on an ongoing basis

One of the reasons Lean works is it empowers employees to scrutinize processes, eliminate waste and maximize value. It is a collaborative effort toward continuous improvement and eradication of waste from all activities that can be achieved only when all employees embrace, adopt and use new processes.

“Lean takes processes that are crazy and streamlines and standardizes them,” said Kathleen Newberg, Lean leader of the Department of Health Care Policy and Financing’s strategy section. “The idea of Lean is that everyone comes to work with the mindset of continuous improvements.”



CHANGE

State agencies have worked hard to cut the sometimes resilient cord of governmental red tape. The following stories demonstrate their sustained commitment to the success of the mission.

Red Tape Theme Area: Regulatory Inefficiencies and Delays

Department of Revenue: Tax Return Processing

The Colorado Department of Revenue (DOR) responded to criticism that its tax-return process was too cumbersome and difficult to understand by improving its correspondence, upgrading internal processes and increasing management of the Tax Professional Help Desk Hotline.

The Department and the Colorado Society of Certified Public Accountants (COCPA) formed a task force and have been working together to create effective, efficient and elegant service delivery. Based on feedback from the task force and recommendations from DOR's internal Lean project in the area of taxation, the Department made system and process changes in five areas for the 2012 return processing season:

1. Correspondence is more clear, concise, and directive.

Some of the measures the Department implemented include:

- ▲ Added an inquiry stage to the process, sending taxpayers letters seeking missing documentation that supports subtraction and credit claims before the return is adjusted and bill issued
- ▲ Added two resolution letters to inform taxpayers of the resolution of the review of their documentation submittal
- ▲ Enhanced the return adjustment letter to include the reason a line on the return was adjusted
- ▲ Enhanced the Notice of Deficiency letter to make it more clear, concise, and directive.

2. Upgraded internal processes and system work items for reviewing return attachments from the taxpayer.

3. Added methods by which taxpayers may respond with information and attachments to include email and fax.

4. Simplified the ways the Department can receive protests to return adjustments through Revenue Online so staff does not have to log in.

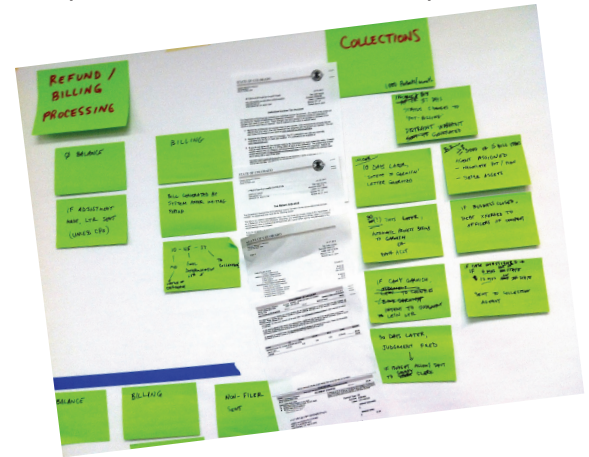
5. Renewed the focus on, and increased management of, the Tax Professional Help Desk Hotline.



“The notice process has been completely reengineered as a result of the feedback the Department received from our CPAs,” said Mary Medley, chief executive of the CPA organization. “The notice process is far enhanced and improved, and we anticipate it will work really, really well.”

The Department recognizes that this new approach has improved correspondence and upgraded internal processes that allow COCPA members, the taxpayer, and Department staff to have a laser-like focus on specific issues that arise as taxpayer returns are evaluated. After this pilot program, the intent is to further implement these changes for Corporate, Fiduciary, Partnership, and Sales Tax return filing in following years.

Additionally, the Department created a best-practices document for COCPA members that will contribute to a streamlined processing season for all. Initial customer and CPA comments have been very favorable.



Department of Regulatory Agencies, Division of Real Estate: Investigation Times

When DORA's Division of Real Estate undertook one of the state's first Lean projects in 2012, it set a goal to reduce the time it takes to complete an investigation by 20 percent. The Division, which licenses and regulates professions associated with real estate transactions, exceeded its expectations, reducing the average time for an investigation from 180 days to approximately 100 days.

On average, the Division of Real Estate receives and investigates more than 1,200 complaints against licensed real estate brokers, appraisers and mortgage loan originators each year. Because the division is statutorily mandated to investigate every complaint, its investigative resources are stretched thin, which often resulted in investigations taking months to complete. Before the Lean project, the division took an average of more than 180 days to complete an investigation, with 80 percent of all investigations ending up dismissed. The Division felt that improving the investigative process was an ideal Lean project that would provide value to real estate licensees, particularly those who have their complaints dismissed.

“It is not OK for someone to be under investigation for almost a year and at the end of it determine they're not guilty,” said Hollis Glenn, deputy director of the Division of Real Estate.

The Division sought ways to quickly identify and resolve those complaints that should be dismissed, leaving more time and resources to investigate the remaining 20 percent of complaints that involve serious consumer harm. Highlights of the process include:

- ▲ Establishing criteria empowering the investigators and team leaders to determine whether an investigation should be dismissed without necessity of review by the respective board or commission
- ▲ Reducing the length and simplifying the writing style of investigative reports
- ▲ Standardizing investigative procedures
- ▲ Developing a fast-track investigative process for licensees who receive their first complaint.

The Division's success in reducing the time it takes to complete an investigation has not compromised the quality or any facet of the investigative process. Through this Lean project, the Division now quickly resolves investigations that result in dismissals, which allows the real estate licensees to focus on more important business.





Department of Regulatory Agencies, Division of Real Estate: Streamlining-ESP Processes

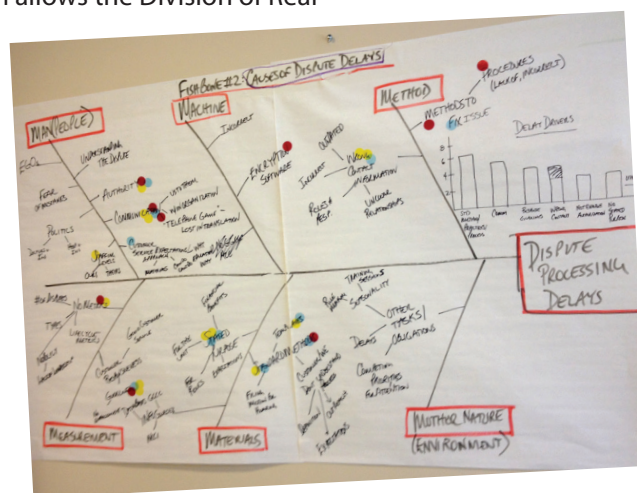
The Expedited Settlement Program (ESP) has surpassed its goal of resolving 75 percent of disciplinary cases within 60 days by implementing pre-hearing settlement conferences before the cases are referred to mediation.

Formally established in 2008, the Expedited Settlement Program allows the Division of Real Estate to quickly resolve disciplinary cases without litigation, saving money for all parties involved.

Using Lean process improvement tools and techniques, ESP determined the number of cases referred to the Office of the Attorney General could be reduced and case-resolution times could be decreased. Pre-Lean, the goal of ESP was to resolve cases within 90 days. Cases that could not be resolved were referred to the Office of the Attorney General for litigation. Under the system developed using the Lean process, ESP has been resolving 77 percent of the disciplinary cases within 60 days, on average.

Under the previous system, the process required cases in mediation to be referred to the Office of the Attorney General and a Notice of Charges be filed with the Office of Administrative Courts. Taking mediation cases through the courts requires using an administrative law judge that adds legal expenses but little value to the resolution of a case.

As an alternative, the division has implemented pre-hearing settlement conferences between ESP staff, a board or commission representative, the attorney general's office, the respondent and the respondent's counsel, if applicable. Since July, 2012, 12 conferences have been held, with settlements reached in 11 of them, resulting in an estimated avoidance of \$550,000 in costs since there was no need for a costly hearing for each of those disciplinary matters.



Department of Labor and Employment, Workers' Compensation: Medical Payment Dispute Resolution

The Workers' Compensation Division established a formal dispute-resolution process for parties involved in medical billing issues, denials of authorization of care, and other rule violations.

The intent behind the new process is to create a formal mechanism to receive, track, and resolve complaints in a timely manner. Since the inception of this process, the division has received and successfully resolved more than 950 disputes. Complaints are logged and acknowledged within 5 business days, and unless they involve circumstances beyond the division's authority to act, they are resolved within 30 days. Prior to the implementation of this process, dispute-resolution time exceeded 90 days.

Red Tape Theme Area: Customer Service

Department of Regulatory Agencies (DORA): Call Center Revamp

In early 2012, the Department of Regulatory Agencies implemented a Lean project to evaluate the processes in three of its call centers to determine how to improve operations and establish a gold standard of customer service. The project was designed to address foundational elements of customer service delivery, setting the stage for future, more targeted customer-service projects.

DORA receives more than 13,000 phone calls a month through its Division of Professions and Occupations (DPO), the largest of its divisions, and the Executive Director's Office (EDO). As the first point of public contact, the call center staff is the face of DORA, but over the years the system had become bureaucratic and impersonal.

"We found that the whole notion of dealing with call centers was really disjointed," said Barbara Kelley, DORA's Executive Director and sponsor of the project. "The reception desk at the Executive Director's office was supposed to be the main portal into the Department, but there was no dedicated staff or resources for that function."

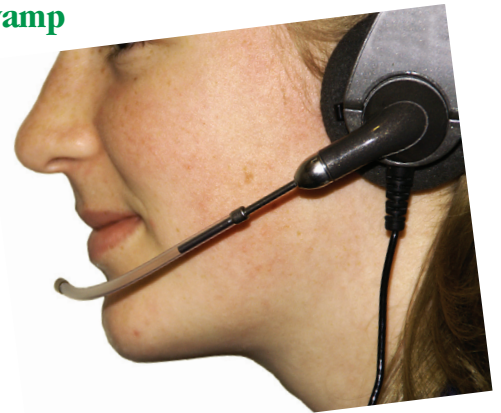
This project was the first step to improving customer service across DORA's nine divisions, and as the Department's first major Lean project, it educated management and staff on the elements of a successful Lean project.

The call center staff formed two teams to conduct an analysis of each step in the process of handling a call, from time in queue to the point of resolution. They compiled baseline performance data, including a limited customer survey, and examined call center/customer-care practices of private-sector companies and other state agencies. The analysis yielded and categorized the following areas for improvement, with respective and targeted action items:

Upstream Call Handling: Call-handling processes were modified to facilitate first-call resolution whenever possible. Improvements include enhanced training for customer-service personnel, and improved program and licensing information available to the call center team, enabling increased first call resolution rates.

Enhanced Use of Data to Target Opportunities for Improvement: Approximately 25% of all calls received by the DPO customer-service and licensing staff pertained to license status inquiries. In order to make information about license status more readily available to customers, the division reprogrammed its online licensing system to enable customers to view a detailed list of items required for application and determine whether those items have been received.

Improved Systems for Customer Support Staff: An analysis of DPO call center data and customer surveys revealed that while customer-service representatives were ranked positively, its telephone systems were ineffective -- specifically the auto-attendant messages.



A new set of clear and succinct auto-attendant messages that went live in mid-2012 reduced the number of up-front prompts from nine to six. The auto-attendant introductory message was cut in half -- from 2 minutes and 27 seconds to 1 minute and 12 seconds.

A follow-up survey revealed the foundational changes made to customer service are producing an improved experience in each of the five areas the Customer Service Lean team targeted for improvement: overall customer service, first-call resolution, phone-menu effectiveness, courteous and knowledgeable representatives.

In the EDO, previously the script for answering the phone began with "how may I direct your call?", setting up the expectation of being passed to yet another person. That script has been modified to say, "Thank you for calling DORA. This is (NAME.) How can I help you?" The greeting identifies the call center staff member, and sets the tone to resolve the question the first time.

Today, call centers in DORA are managed as a cohesive, organizational asset, with the primary focus on customer service.



Department of Labor and Employment, Unemployment Insurance (UI): Customer Service Center

Through two Lean projects in 2013, the UI Customer Service Center (CSC) addressed call handling times, wait times, speed of answer times and claims processing.

Specifically, outcomes of the Lean project:

- ▲ Decreased overall monthly average time it takes for a call to be answered from 2 hours 30 minutes to less than 20 minutes
- ▲ Reduced average handle time for calls from 17 minutes to less than 14 minutes
- ▲ Reduced unnecessary or additional steps in the call-handling and documentation process
- ▲ Improved training approaches and used mentor/ shadow programs to match senior with new agents
- ▲ Achieved a 25 percent increase in service hotline availability to partner Workforce Centers across the state (hotline phones in the WFCs allow on-site customers direct and immediate access to UI service agents)
- ▲ Increased fact-finding from claimants resulting in a 30 percent increase of accurate and timely information related to job separation. This reduced handoffs and rework, resulting in faster adjudication decisions for claimants.



Department of Labor and Employment (CDLE): Virtual Job Fairs

CDLE has hosted 70 Virtual Job Fairs serving 509 employers, 62,972 jobseekers and 7,338 veterans since it was launched in 2010 as an alternative to brick-and-mortar job fairs. The Virtual Job Fair tool provides 24/7 access, has reduced costs associated with traditional job fairs and has expanded the ability of the CDLE to reach more people, notably in rural parts of Colorado.

This tool has provided resources and job information to transitioning National Guard troops before their return from Afghanistan and for the Department of Corrections pre-release program, the first such technology-based initiative in the nation.

Department of Health Care Policy and Financing: Hiring Practices

Using Lean methods, the Department of Health Care Policy and Financing cut the average time to hire employees from 142 days to 60 days and reduced the number of times paperwork was handed off from 30 days to less than 10 days.

To accomplish this, the project team used the NeoGov technology the Department already had in place to identify additional bottlenecks in the process, such as a hiring manager not moving forward with interviews after receiving a referral list. Those issues now are addressed promptly to continuously improve the process. Human resource representatives consult with hiring managers to develop a robust job description, conduct a thorough job analysis and determine the most relevant exam plan. The improvements have increased customer satisfaction both internally and externally.





Red Tape Theme Area: Slow, Burdensome, Inefficient Agency Processes

Department of Local Affairs: Housing Choice Voucher

The Department of Local Affairs eliminated 56 of the 103 forms that were required as part of the Housing Choice Voucher Program, a federal plan that provides rental assistance to more than 7,000 low-income Coloradoans.

Under the program, participants pay 30 percent of their income toward rent, with the remainder paid monthly by the Public Housing Agency.

The benefits of the changes include:

- ▲ More friendly program administration for customers who can participate with less effort
- ▲ Less effort for staff, which enables them to focus on more important aspects of the program as it relates to quality assurance
- ▲ Less paperwork required from contractors and lower cost to administer program
- ▲ Fewer errors because of less duplicate data entry

The project was undertaken after customer surveys determined many of the forms were too lengthy and/or complicated for some participants with disabilities to complete. The Family Reporting Form, a six-page form used to collect information about participant families, was both the most disliked and the most needed. A new automated process has been developed that will result in a computer-generated summary document that can be reviewed annually by the participant family, and changes can be made to the data as needed, rather than forcing the family to complete a six page form.

The process involved examining the forms and determining whether they were required by the U.S. Department of Housing and Urban Development (HUD).

“We asked ourselves if it was a HUD-required form or state required,” said Susan Niner, program manager of the Housing Choice Voucher Program and the Lean project leader. “If it was state required, we asked ourselves if the value was still there.”

The process led to the Department examining other processes, with the goal of improving customer service and eliminating waste.

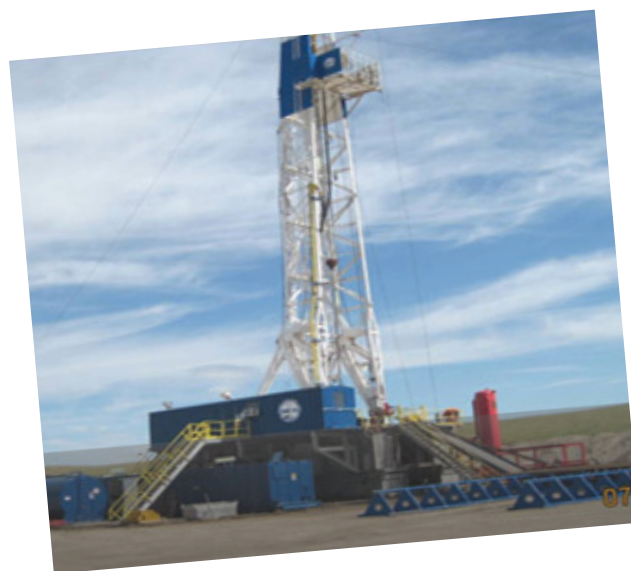
“It started out with the forms, but all kinds of other things came out of that,” Niner said. “It helped us look at things differently. It was kind of a mind shift.”

Department of Natural Resources, Colorado Oil and Gas Conservation Commission (COGCC): Enforcement Program

COGCC conducted a Lean process management review of its entire enforcement program and processes from discovery of a violation to resolution of the alleged violation. It is currently implementing changes to its enforcement program as a result.

The proposed changes resulted in:

- ▲ Uniform procedures across agency Departments for processing alleged violations
- ▲ Clear guidelines for use of a “warning letter” or “corrective action required” inspection report for less serious violations
- ▲ Clear guidelines for transitioning an enforcement proceeding from the agency work group that issues a warning letter or notice of alleged violation (NOAV) to the Hearings Group for formal enforcement when necessary
- ▲ Classification of certain violations as mandatory penalty violations (not eligible for resolution by corrective actions only)
- ▲ Establishing a target goal of resolving NOAVs within 90 days.



In addition, COGCC reviewed its existing rules and policies related to enforcement and penalties in response to Executive Order No. D 2013-004, which directed the commission to undertake a strategic review and evaluation of its violation and enforcement philosophy, approach, rules and program; and to ensure penalty and fine structures and schedules were designed to discourage violations and encourage prompt responses to environmental or public health and safety concerns, in the event that violations occur. As a result, the COGCC prepared its Enforcement and Penalty-Assessment Procedures and a stronger and clearer Enforcement Guidance and Penalty Policy.



Department of Transportation (CDOT): Electronic Purchase Orders

CDOT is now issuing 83 % of purchase orders valued between \$5,000 and \$100,000 through its new electronic order system that improves workflow and allows approval and distribution via email, eliminating the need for printing and signing documents.

This improvement streamlines the procurement process, saves money and reduces the cost of government. The new system eliminates the CDOT mailroom from the process and reduces the number of documents handled by CDOT purchasing division personnel. The new process is available to all vendors who meet prescribed requirements.

A pilot project for the concept of electronic purchase order approvals was put in place October 1, 2012. It worked so well it was included in CDOT's business practices beginning January 1, 2013. By the end of February, approximately 30 percent of all purchase orders approved were issued electronically, amounting to about 30 percent of all dollars of purchase orders for the month.

The electronic purchase order system is one of the components of the CDOT Contracting Improvement Initiative (CII), a multi-year program designed to improve efficiency, timeliness and effectiveness of all aspects of CDOT's contracting and procurement processes. CII is part of CDOT's overall effort to improve business processes for better customer service and efficiency. Additionally, it supports Governor Hickenlooper's initiative to make government more effective, efficient and elegant. This system is a first step toward eventual approval of an all-electronic contracting system.





Red Tape Theme Area: Streamlining Regulatory Processes

Department of Human Services (CDHS): Reducing Hospital Admission Wait Times

The Colorado Mental Health Institute at Pueblo (CMHIP) reduced the time 80 percent of patients had to wait in jail for admission to the hospital from more than 28 days in January, 2012 to zero by July of that year and has maintained that rate. Furthermore, the average number of days spent waiting for admission had dropped to 11 in May, 2012, and now averages less than 8 days per month.

To accomplish this, the Institute led a series of Lean projects incorporating input from judges, defense attorneys, evaluators and treatment staff and came up with three solutions:

1. Coordinate bed availability on both clinical divisions (forensics and civil) with individuals on the wait list and place people based on the seriousness of their offenses. For example, a person charged with murder is placed on the forensics units, while someone charged with bicycle theft could be placed in an available bed in the civil units.
2. Admit patients more rapidly by changing the process to decrease the amount of time between CMHIP's knowledge of a referral and the actual admission; improving forms; and reducing redundancies in the admission process.
3. Reduce the amount of time required to admit a patient to a treatment unit by providing a standard checklist for admissions packets, paging medical providers earlier, re-routing some admissions phone calls, standardizing nurse-to-nurse reporting, and providing a standardized admissions process script for Hospital Police.

The Department and the hospital are now in compliance with a settlement agreement that stipulates no person will wait in jail more than 28 days to be admitted for an inpatient evaluation or restoration. Representatives from CMHIP have had very positive reception about the changes from the Sheriff's Association, the Legal Center, and both the Judicial and District Attorney's conferences.

The hospital is planning future improvements, including finding more effective and efficient ways to evaluate and target treatments toward patients' specific behavior, as well as enhancing the discharge process.



Red Tape Theme Area: Agency Coordination

Department of Local Affairs (DOLA) and Department of Human Services: Quest Card

Through a collaboration between the Department of Local Affairs and the Department of Human Services, it is expected that all utility reimbursements to low-income participants in the Housing Voucher Program will be deposited onto their existing Quest cards by July, 2014. Previously, participants in the program had to complete complicated paperwork before receiving the funds and often had difficulty cashing the checks.

The Quest cards, which many participants already have, are debit cards where Temporary Assistance for Needy Families (TANF), Food Stamps, Aid to the Needy and Disabled, Old Age Pension and other types of benefits are deposited each month.

Benefits of the changes include:

- ▲ Easier and faster access to necessary utility funds for customers
- ▲ Less paperwork and less cost to administer payments
- ▲ Less cost/effort because of no lost utility checks to redistribute.

Department of Regulatory Agencies (DORA), Division of Real Estate and Department of Transportation (CDOT): Right of Way Agents

The Division of Real Estate partnered with the Department of Transportation to determine that CDOT staff would not need separate appraisal licenses to prepare value findings greater than the state limit of \$5,000 in cases where the Department is negotiating with owners to acquire private property for public use.

CDOT was concerned that its Right-of-Way Agents, or land agents, who negotiate with owners, needed appraisal licenses to comply with Uniform Standards of Professional Appraisal Practice, which would lead to increased delays and costs as the agents went through the licensing process.

The Department saves time and money because becoming a licensed appraiser requires 300 hours of coursework, 3,000 hours of experience and passing a licensing exam. The coursework costs \$5,500 and the experience must be gained in 30 months.





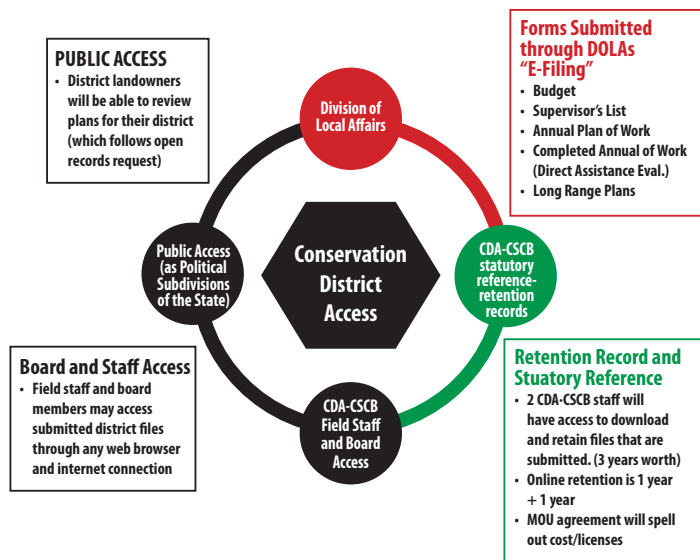
Department of Agriculture and Department of Local Affairs: Conservation Districts

The state's 76 conservation districts now are able to submit documents to a central collection point rather than three separate state agencies as a result of a collaborative effort between the Department of Agriculture and the Department of Local Affairs (DOLA) to improve customer relations, efficiency and staff productivity.

Conservation districts help landowners and citizens solve natural resource problems from soil erosion, water quality and quantity, noxious weed control and wildlife habitat.

The conservation districts now can submit documents on the Department of Local Affairs' online e-filing system, which generates automatic responses when documents are uploaded, as well as when they are approved or rejected. Previously, there were a variety of forms that were not easily shared among the various agencies, which often resulted in lost documents and delayed response times. In addition to DOLA and the Department of Agriculture, conservation districts must submit documents to the State Auditor's Office, which is working with DOLA to implement the system.

The e-filing system also allows state and federal staff, landowners and conservation district board members to share information about the districts. The records are accessible any time, which has created greater efficiency in open records requests.



Department of Revenue (DOR): Colorado Business Express

A partnership between Colorado's State Internet Portal Authority and the three state agencies with which new businesses must register, worked together to streamline a process that was paper-intensive and time-consuming.

The new-business registration questionnaires required by the Department of Revenue, Secretary of State and Department of Labor and Employment now have been combined into an interactive, online tool that enables new businesses to register with each agency simultaneously and instantly.

The web application walks customers through basic questions about their business, gathers information, and ultimately registers them in real-time with only the agencies that they need. It takes online payment when necessary and produces their new account numbers and temporary documents so that they can start their business immediately. Additionally, the data is directly entered into the Departments' systems by the taxpayer through self-editing configurations, eliminating data-entry errors. The project involved reviewing internal registration processes and existing forms, and tightening relationships with the partner agencies involved.

Customers have eagerly adopted Colorado Business Express (CBE), with 30,289 registrants since the site went live in October 2011. The service is especially helpful to small businesses with just one location that don't have a large staff with time to work through various requirements. Instead, everything is laid out in one system to avoid the confusion that arose when each agency had to be contacted.

Customers are pleased with the one-stop approach to satisfying state business application and registration requirements. Some businesses with more than one location have indicated they would like to be able to set up multiple sales tax sites/branches when they register online.



Department of Health Care Policy and Financing (HCPF) and Department of Human Services (CDHS): Medicaid Waiver Programs.

Shortly after the Centers for Medicare and Medicaid Services (CMS) issued new guidance in July, 2013, the Department of Health Care Policy and Financing and the Department of Human Services undertook a Lean project that resulted in developing a matrix of all Medicaid waiver-performance measures for the programs used to provide services to the elderly and people with disabilities.



HCPF incorporated the CMS' new guidance as it developed standard performance measures across all waiver programs and a data collection process that ensured accurate, reliable measures. The new standardized program has improved the HCPF's ability to meet CMS' reporting requirements and ensure that Medicaid clients have continuous access to services.

By improving the performance measure process, both agencies eliminated duplicative work, allowing each agency to focus on the mission-critical work of improving access and the client experience.

The project also led to improved understanding and relations between CDHS' Division of Developmental Disabilities and HCPF's waiver staff, who are working to consolidate waiver programs. For example, the Persons Living with AIDS waiver, which served fewer than 50 people but represented a significant amount of administrative work, was merged with the Elderly, Blind and Disabled waiver. The consolidation will increase administrative capacity and allow more time to be dedicated to Long-Term Services and supports redesign and innovation.

As programs continue to be combined, Medicaid waiver clients should experience less frustration and higher satisfaction.

Department of Agriculture and Colorado State University: Commercial Pesticides Testing

The Colorado Department of Agriculture created online testing modules to enable commercial pesticide applicators to maintain their licenses, eliminating the need for licensees to travel to metro Denver to take the test required annually.

After the testing modules were developed, the Department of Agriculture worked with Colorado State University (CSU) to provide weekly testing through the CSU Extension offices in Cortez, Grand Junction, Fort Collins, Sterling and Lamar. CSU charges a small fee for the service to cover its costs, while licensees save time and money by not having to travel to Lakewood to take the tests.

The testing process now is more efficient and provides more elegant and accessible customer service to pesticide applicators. Because of the easier testing mechanism, compliance is encouraged and fewer applicators will be operating without a license, helping to ensure public health and safety. Decreased expenses for licensee companies also will minimize fee increases to their customers.





Red Tape Theme Area: Better Use of Technology

Department of Natural Resources, Division of Reclamation, Mining and Safety (DRMS): E-permitting

DRMS has initiated an e-permitting project to enhance mine-permitting efficiencies, and improve customer service and responsiveness. The project is being incorporated into two current business systems, Laserfiche and the Permit Database system.

As mine operators convert to the e-permitting option, the following efficiencies are being phased in:

- ▲ Improved timeliness for mine operators to proceed with new or revised mining operations as Minerals Program staff completes review/approval of their applications in a more timely, efficient manner
- ▲ Added clarity and structure to the application process. The completeness review by program staff is required within 10 days. If something is omitted, the applicant has up to 60 days to correct the application, which often takes several weeks. The e-form will not allow an application to be submitted if sections are omitted, which enables staff to proceed to the formal review of the documents without wasting time on incomplete forms
- ▲ Data in the forms will be linked to current databases, eliminating redundant data entry and possible errors
- ▲ Forms will be pre-indexed and linked directly to the image server where all permit documents are stored, eliminating staff time for scanning/filing paper documents.

Customer service is significantly improved with the use of eNotify because operators are getting their permitting actions (completeness, decision, etc.) immediately without having to wait for regular mail. This new system is in the process of implementation.

Eliminating mail time and reducing the internal processing of documents is expected to save up to five days on permitting actions. For example, division staff will receive electronic applications immediately, saving up to three days of mail-delivery time. In addition, applications will not have to be date-stamped and scanned by hand, so the staff reviewer gets the application up to a full day sooner once it is submitted electronically. This timeline will not be subject to the availability and workload of administrative staff.

If Denver-based staff requests the assistance of field-office personnel, they can begin the review immediately, saving an additional two to three days by not waiting for materials to arrive from Denver by mail. In addition, applicants will save time and money preparing materials because they will no longer have to make three copies of all revision materials -- sometimes as many as 20 full-size maps and hundreds of pages.

Responsiveness also will improve because the Department will have the revision materials available for immediate review, rather than waiting for materials and information to be scanned and distributed. The Department often has operators needing a minor revision to do something right away, but can't review it until the materials arrive in its office. What was a two- to three-day process can now be turned around in less than a day.

Businesses will save money on printing and mailing, and also will be able to implement their requested revisions sooner, resulting in businesses not losing money due to production slowdowns waiting for revisions to be processed.



Department of Local Affairs: Direct Deposit for Landlords

The Division of Housing made a one-time \$20,000 expenditure for a landlord portal module that saves \$18,000 annually on postage paid to mail landlords their monthly rental-assistance payments. The module also saves staff time and other expenses incurred when issuing checks.

Benefits of using the landlord portal module include:

- ▲ More timely payments to landlords
- ▲ Less cost by eliminating many steps in the process and thus reducing staff time
- ▲ Reduced error rate and less staff time spent correcting errors
- ▲ Increased customer service and lower administrative costs because of fewer lost checks

The Jefferson Center for Mental Health is one agency that is pleased with the new system. Dena Kothe, the center's lead housing specialist, says it has cut the total time for processing everything from issuing housing vouchers to rent increases by about 30 percent.

"The turnaround time is much quicker now," Kothe said.

Department of Natural Resources, Division of Water Resources (DWR): Online Permit Applications

The Division of Water Resources adopted a new policy for allowing names entered on forms to be accepted, rather than requiring an original signature on all well-permit applications filed.

The new policy allowed the development of PDF format well-permit applications and implementation of systems to accept most applications via email, allowing customers to complete filings from their homes or businesses.

As of December, 2013, the online well-permitting project continues to grow, and customers are responding favorably to the option of filing their applications online. From July 1, 2013, through November, 2013, an average of 197.8 permits were filed via email each month, indicating an increase in permits received online from the previous 12-month period average of 171.58 per month.

The statistics are as follows:

July 1, 2012 thru June 30, 2013

Permit applications received electronically = 2,059

Total permit applications received = 5,542

Per month average electronic applications received = 171.58

July 1, 2013 thru November 30, 2013

Permit applications received electronically = 989

Total permit applications received = 2,348

Per-month average electronic applications received = 197.80



Department of Transportation (CDOT): Maintenance Training Academy Goes Paperless

CDOT's Maintenance Training Academy has recently stepped up its information technology efforts and eliminated printing of training binders, saving nearly \$20,000 each year.

All curriculum and training programs are now provided to employees via the Academy's SharePoint collaboration site. As employees navigate through classes during their training week, they can familiarize themselves with the content. This also helps employees understand how to use the SharePoint collaboration site. When maintenance employees complete their training and return to maintenance patrol, they can access the training material through the SharePoint collaboration site from any computer.

This green initiative supports CDOT's ongoing efforts to create a culture of continuous learning and gives maintenance employees the opportunity to work with technology and expand their learning capabilities. It also increases the effectiveness of the current maintenance training programs conducted at the Academy. In prior years, material for the Academy's weeklong maintenance training curriculum was provided to each employee in the form of a binder, which also was used as a reference when they returned to their regions.

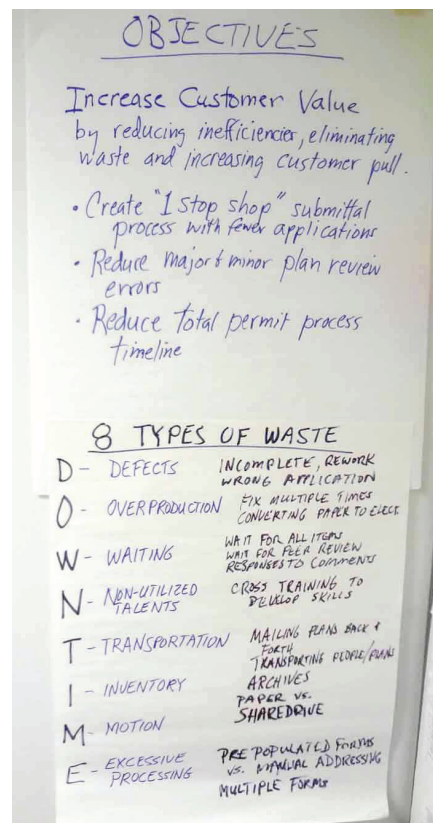
Department of Agriculture: Noxious Weed Program

The Department of Agriculture upgraded its GIS weed-mapping system to save time and money for the state's noxious weed-management programs.

Completed in 2013, the upgrade has reduced the time and inconvenience of the old paper system, which required maps to be sent back and forth between the counties and the Department to identify and monitor locations for noxious weed occurrences. This was a hindrance to obtaining weed information, which made it difficult for the Department to target funding and other resources.

County weed managers also can use the system for their own weed-management record-keeping, which alleviates the need for each county to develop its own weed-mapping system. The system allows weed managers in neighboring counties to share data, identify areas of concern and focus, and apply for grants to aid in noxious weed management.

Not native to Colorado, noxious weeds are plants that invade agricultural crops, reducing yields, as well as affecting the amount of forage available to livestock and wildlife on range lands. These weeds can replace native plant communities that provide food and shelter to native birds and wildlife and can be poisonous to people, pets and livestock. Eliminating noxious weeds when possible and preventing their spread benefits all Colorado residents and improves the state's natural vistas.



CHALLENGES

As with any project of this size and magnitude, the Pits and Peeves Initiative has challenges it must overcome. However, as the following examples show, Colorado's state agencies are not shying away from these challenges, but instead are facing them head on. As a result, they will continue to help lead the streamlining of Colorado state government.

Department of Natural Resources, Division of Reclamation, Mining & Safety (DRMS): Memorandums of Understanding

(Red Tape Area: Better Coordination with Federal Agencies)

The Department of Natural Resources reviewed the Memoranda of Understanding it has with federal land-management agencies to ensure coordination of jurisdictions associated with permitting, enforcement and final reclamation activities at active mines in Colorado.

As of December, 2013, the Department has entered into several MOU's with its sister state and federal agencies, including the Bureau of Land Management, the U.S. Forest Service and the U.S. Department of Energy, as well as the state's Division of Water Resources, Water Quality Control Division and Hazardous Waste and Waste Management Division.

The MOU's with the federal agencies acknowledge federal land ownership and federal permitting requirements, as well as the state's role in permitting all mining activities in Colorado, whether on federal, state or private lands. They describe the agencies' respective roles in obtaining and holding financial warranties to guarantee reclamation occurs on the permitted sites and conducting joint inspections as the need arises.

One of the challenges the Department has encountered in honoring MOU's with federal agencies is that they have been executed at the state or regional level, while their implementation is at a forest or district level. This can create inconsistent implementation of the MOU's, which may result in mixed messages to the operators/applicants.

This past year, the Department participated in a multi-agency meeting with the Western Small Miners Association in an effort to align review times and processes between various state and federal agencies. The Department also met with staff from individual forests to review the MOUs and ensure both parties were adhering to the conditions contained therein. Finally, the Department reengaged with BLM to review and update the MOU that was originally executed in 2003.

The process has reestablished meaningful communication with the appropriate authorities in the federal agencies.



Department of Natural Resources, Division of Reclamation, Mining and Safety: Custom Milling Jurisdiction

(Red Tape Area: Coordination among State Agencies)

The Department of Natural Resources is working on revisions to a Memorandum of Understanding that will allow its Division of Reclamation, Mining and Safety to regulate all milling operations*, including custom mills that now fall under the jurisdiction of another state agency, the Colorado Department of Public Health and Environment (CDPHE).

Custom mills are independently owned and operated entities in which ore is processed to recover metals that are smelted at another facility. Feedstock (ore) for the mills typically comes from nearby independently owned mines. The usual business model is for common ownership of the mine and mill. Today, there are only a few small custom mills operating in the state.

Because mills generate a lot of waste material, known as tailings, CDPHE formed the Hazardous Waste Management Division (Division) in the early 1990s. The Division assumed jurisdiction for custom mills, which at the time were not processing ore from a permitted mine under common ownership or control with the milling facility. However, the waste management division regulates only the waste stream from milling activities -- not processing facilities -- creating confusion over who regulates milling operations and allowing unscrupulous operators to skirt the regulations.

The Department's mining division regulates all milling activities except custom milling. Its division is responsible for monitoring the entire operation from feedstock management through physical and chemical separation processes to tailings disposal.

If the Department's division regulates all milling processes, it would provide a clear regulatory framework for those wishing to operate a mill. It also would assure local governments that milling is consistently permitted and regulated.

** Uranium mills are regulated under CDPHE's Radiation Control Division and are not part of the custom milling discussion.*





Department of Regulatory Agencies: Regulatory Requirements for Advance Practice Nurses

(Red Tape Area: Economic/unintended adverse impacts of proposed regulations, requirements and procedures)

In January, 2014, the Nurse Physician Advisory Task Force for Colorado Healthcare (NPATCH) started a Lean project to reevaluate the requirements for advanced practice nurses (APNs) in an effort to remove barriers that prevent them from writing prescriptions.

The task force is working with the Governor’s office, the Department of Healthcare Policy and Financing and other agencies and stakeholders to come up with recommendations after considering the impacts on the healthcare landscape and the requirements of other states.



The project is, in part, a result of the roundtable discussion the Pits and Peeves team facilitated in Durango. As stated by one of the participants:

“My specific concern had to do with the prescriptive authority restriction for new graduate advance practice nurses in Colorado. It is now my observation that new graduate APN’s are leaving the state due to not finding job opportunities in Colorado, as a result of the onerous prescriptive authority regulations. Practice managers/administrators are not even considering applications from the newly graduated APN, due to regulatory requirements for new graduate APN’s to obtain approval from the Board of Nursing for prescribing medications. Our highly educated APN new graduates are going to states with friendly practice environments. This is an economic problem for Colorado. We are paying for higher education of APN’s only to send them out of state to find a practice opportunity; at the same time, we are facing a shortage of primary care providers in our state. This concern needs to remain on the radar until solutions are found.”

Recommendations from the NPATCH task force addressing the prescriptive authority requirements are expected by Q3, 2014.





Department of Transportation (CDOT)

A Special Addition – September 2013 Flooding, and Process Improvement

Several Lean process improvement projects that were under way when the September, 2013 floods hit the state helped the Department of Transportation focus its strengths, time and resources on flood response efforts.

A key element of the Boulder Residency’s Roadway Data Cataloging System project involves gathering data about local highways, including some that were damaged in the floods. The intent of the project is to organize highway data so CDOT can design and build projects more quickly in the future. Data collection on State Highway 119 was completed before the floods, and the information proved to be helpful to the Boulder Residency and others in evaluating flood damage to the highway.



Because several damaged Boulder-area highways are now being rebuilt, the team’s data collection for these highways will be delayed until rebuilding is completed. Data for SH 119 also will need to be collected again, but the system the team put in place will make the cataloging process more effective and efficient.

The Evans Residency 5S project, another Lean project that was under way in Region 4, was making progress in its effort to create and maintain an organized, clean and high-performance workplace until the floods hit and destroyed the building that housed the team.

Reflecting the true can-do spirit of Coloradans, the sponsors and team members for both of these efforts indicate that they will work to respond to issues created by the floods, and will continue to make progress with these important process improvement efforts.





COMMITMENT

Changes of this size and magnitude do not happen overnight, but state government in Colorado is committed to becoming as lean and efficient as possible. The following are works in progress that have great potential to improve the interactions of Colorado's citizens with state government agencies.

Department of Revenue: Wait Less Project.

(Red Tape Theme Area: Streamlining Regulatory Processes)

Through a partnership with Colorado's Statewide Internet Portal Authority (SIPA), the Department of Revenue has implemented the Wait Less Project, exceeding the goal it set to reduce the time customers with appointments have to wait at one of its driver's license offices.

SIPA, created in 2004 to provide Colorado residents with electronic government services, helped the Department with two projects designed to reduce the time customers wait at driver's license offices:

1. Enabling residents to renew driver's licenses and identification cards online
2. Developing a customer queuing and management system for driver's license offices

Since these systems have been put in place in 13 Front Range offices, 94 percent of customers with appointments at driver's license offices are served within 15 minutes of arrival -- exceeding the Department's goal of 90 percent being served within 15 minutes. The Department also is working to ensure that the entire duration customers spend in a driver's license office is no more than 60 minutes, 70 percent of the time -- a goal it currently is achieving with 74 percent of customers being served within 60 minutes.

The Wait Less Project created a web-based system that provides an on-line appointment scheduling feature; kiosks with self-check-in at the 13 Front Range driver's license offices; video monitors that display both queue numbers and media content; audio and visual number calling both within offices and through outdoor speakers; queue management capabilities; and data that can be tracked and accessed from anywhere. This new tool also accommodates the complexity of driver's license offices with a user-friendly customer interface.

The queuing solution allows office managers and employees to view the queue and manage customer flow and office staff resources more effectively. Customers can be prioritized or routed based on service needs. For example, complex service needs are routed to more senior employees and volume transactions are handled by employees specifically assigned to that service for faster processing. Office managers have data in real time and can prioritize a customer who has been waiting longer than expected. Senior management can monitor and evaluate customer progress at all offices where the tool is deployed, all in real-time. With the availability of hard data, process bottlenecks are easily identified and resolved resulting in better overall service.

In preparation for the implementation of the Project, the Department examined customer flow in the offices, modified office procedures, and developed employee training. In addition, informative slides were created pertinent to obtaining a driver's license or ID that are displayed on video screens for the customers to view while they wait.



As of December, 2012, the Wait Less Project was successfully deployed in 13 Front Range Offices: Aurora, Denver Central, Denver NE, Golden, Greeley, Lakewood, Littleton, Northglenn, Parker, Boulder, Colorado Springs, Fort Collins, and Longmont. Customers have eagerly adopted the online appointment-scheduling feature and those with appointments have experienced a significant reduction in time waiting for service.

As of June 30, 2014, the Department added the appointment scheduling feature to the Grand Junction and Pueblo driver's licenses offices. It has also received budget authorization to add the appointment scheduling and queuing solution to the remaining 20 driver's license offices by June 30, 2015.

Customer comments continue to be favorable on appointment scheduling, outside speaker system and media screens. Customers have reported having the option to make appointments has made the process unexpectedly easy, quick and efficient. The Department will continue to monitor progress on performance goals and seek additional ways to improve the customer's experience and reduce wait times in driver's license offices.



Department of Regulatory Agencies, Division of Professions and Occupations (DPO): License Renewal Process

(Red Tape Theme Area: Customer Service)

In December, 2013, DPO conducted a Lean improvement event targeting its license renewal processes. The larger project consisted of five sub-projects and addressed the renewal services provided to DPO's more than 350,000 licensees — 13 percent of Colorado's workforce. Project highlights include:

- ▲ A 69 percent reduction in the number of renewal questions required of most DPO licensees
- ▲ Modernizing renewal notices and confirmations through increased use of electronic processes made possible with a new licensing system
- ▲ Better response to more than 10,000 customer inquiries per month through improved call routing and call handling, and more focused staff resources at high call times
- ▲ An overhaul of the web design and system through which renewal transactions are completed, driving improved usability
- ▲ Aligning customer service resources with weekly and monthly service demands by adjusting the license renewal schedule and staff schedules.

Items that would immediately make an impact were implemented first, and most remaining action items will be addressed in stages during the course of 2014.

Renewal Schedule and Staffing Optimization: The Lean team reviewed call-handling data that highlighted the relationship between the number of scheduled license renewals, the number and types of calls received and the rate at which calls were effectively handled. This resulted in a new staffing plan that directs relatively more resources to days early in the work week when approximately 35 percent more calls are received. The team also reviewed the renewal schedule for the highest volume license-renewal months and moved appropriate renewals to lower volume periods. This improved alignment of the DPO renewal schedule with full-time customer service resources will drive improved customer service and a better experience for staff, while minimizing the need for temporary staff and related expenses.



Website and Renewal System Enhancements: The DPO website and renewal system is used to process as many as 210,000 license renewals annually, so streamlining all aspects of those online systems is critical to a positive user experience. In order to assess the end-user needs, the project lead reviewed historical website usage data and conducted several focus groups. The focus groups included call center staff, new users, DPO licensees and industry experts. For example, DPO met with Denver Yahoo website design experts, collecting valuable private-sector best practices and recommendations. All the information supports new strategies and designs for the DPO online renewal system, as well as the necessary staff training. The team began making system changes in December, 2013, with more extensive changes continuing through Summer, 2014.

Paper to Electronic Conversion: DPO customers increasingly demand a full range of online services. In recognition of this, the project team developed a modernized approach to notifying customers of upcoming renewals and documenting the successful completion of the renewal process. Beginning in early 2014, DPO executed a pilot project for the delivery of renewal notices using primarily email notifications. DPO will reserve the standard postcard delivery only to those customers who have not renewed their licenses shortly prior to the renewal expiration. Later in 2014, the Lean project team will evaluate the results of this pilot, including the effect of the updated communication approach on license renewal rates, customer satisfaction and the cost of notice delivery.

The team also addressed the process for delivering license confirmations to customers following the license renewal. Currently, DPO staff prints confirmations of license renewals on perforated paper that is mailed to each licensee. This typically occurs within two weeks of license renewal. In 2014, DPO will also pilot the use of real-time license printing capability available in DPO's new licensing system. DPO customers will have the ability to print the same license confirmation printed by DPO staff, while having the option of requesting a card from the agency or an outside vendor.

Call Routing and Handling: This project focused on the effective routing of more than 10,000 monthly telephone calls, while also addressing a range of staff call-handling activities. With regard to call routing, the team developed a more simple, customer-focused system for addressing the large volume of renewal inquiries. DPO customers are currently encouraged to use the call center main line for general questions, the separate renewal line for renewal questions and yet another line for technical questions. Not surprisingly, customers are often confused about which line should be called, adding challenge to the staffing of each of these separate lines. The approach developed by this Lean project team will direct more DPO customers to the DPO general question line. Staff will be trained to address open renewal and general DPO questions. Customers in need of more specific renewal assistance or help with a technical issue will be directed to appropriate customer service personnel. This more simplified call distribution approach will lessen customer confusion, improve service delivery and ease the staffing and management of DPO telephone inquiries.

Renewal Question Reduction: This project team reviewed the questions included in the renewals for each of DPO's more than 50 regulatory programs and 136 distinct license types. The team formulated an approach for reducing the number of questions involved by focusing on two areas of inquiry. First, by eliminating most duplicative or inapplicable renewal questions, the team was able to reduce these questions for most licensees by 69 percent. The collective effect of these question-reduction strategies will streamline the renewal process and improve the customer experience, while maintaining DPO's focus on consumer protection.

Consistent with the implementation plans summarized above, DPO intends to implement the majority of the action items for each of these five projects throughout 2014. DPO customer and staff feedback will determine the extent of the projects' success and continue to drive future decision-making.



Department of Regulatory Agencies, Division of Professions and Occupations (DPO): Flood Damage Assessment Program

(Red Tape Theme Area: Customer Service)

After the September, 2013 floods, the Department of Regulatory Agencies, Division of Professions and Occupations began a free plumbing and electrical damage inspection program, in addition to its inspectors' normal workload, to provide assessments and unbiased evaluations to help homeowners and businesses avoid fraudulent bids from contractors and storm-chasers.

The inspectors worked in conjunction with utility companies to safely restore power to flood-damaged residential, business, community and public properties. It was not uncommon for a state inspector to work with an electrical contractor to ensure the necessary repairs were made and power restored as quickly as possible.

In the months after the floods, the inspectors:

- ▲ Completed 312 free damage-assessment inspections (as of July, 2014) Educated 28,000 electricians on best practices for rebuilding water-damaged installations (a relatively uncommon problem in Colorado's arid climate) to help better serve flood victims.

The genuine dedication of DORA's inspectors is demonstrated in just a few of the stories noted below:

- ▲ The Country Cowboy Church in Loveland was reconnected to power after sustaining floodwater depths of 64 inches. The damage assessment established that flooding affected both the electric service line and nearly all interior branch circuits, which if re-energized prematurely could have resulted in fire or injury. The damage assessment also provided important information to the church about the minimum repairs necessary for safe operation.
- ▲ The road to a house in the Big Thompson Canyon area was washed out so the homeowner and inspector had to hike into the property. The inspector provided the homeowner a list of corrections needed before power could be restored. After a re-inspection a few days later, the meter was released to be re-energized. This was very important to the homeowner considering the looming storm.
- ▲ One inspector spent two hours getting to a customer's home by Jeep. Fortunately, there was no severe damage to the home, and the inspector approved restoring electric utility service.
- ▲ Another inspector hiked more than a mile and a half to make an inspection, only to discover the owner had brought the wrong keys and could not gain access to the house. Arrangements were made to reschedule the inspection for another day.
- ▲ Once winter arrived, bringing cold weather and snowstorms, getting to some areas required crossing streams, some of which were partially frozen making crossing an adventure.

PITS AND PEEVES WEBSITE

This Report, along with the original Pits and Peeves Omnibus Report, the Supplemental Report and other useful Pits and Peeves information can be found online at <http://Colorado.gov/pitsandpeeves>. The website offers a wealth of information on the Pits and Peeves Initiative process, history, and a complete library of reports and updates.



The website also offers a place to report continuing red tape issues. This resource gives small businesses, licensees, regulated entities and citizens a way to have their ideas heard. If you have an idea on how to improve state government functions and processes or how to resolve regulatory roadblocks, please visit Colorado.gov/pitsandpeeves and click on the Red Tape Reporting System link. .

State of Colorado - Report Red Tape Issue

Gov. John Hickenlooper

Colorado state agencies are committed to providing a government to serve the people of Colorado which embodies the three "Es" of good government - effectiveness, efficiency and elegance in customer service.

We recognize that excessive, conflicting and redundant regulations and processes can result in unnecessary and costly burdens on businesses and consumers alike.

This resource is for small businesses, licensees, regulated entities, and citizens to have their ideas heard on how to improve state government functions and processes and to resolve regulatory roadblocks.

* - Required Field

PLEASE NOTE: This system is not designed to be used as a system for complaints against specific businesses or professionals. If you require immediate assistance or correspondence, please use the [Office of Constituent Services' Request for Assistance form](#).



REGULAR REVIEW OF AGENCY RULES

Colorado's business community is negatively affected by both the number of cumbersome regulations and the complexity of these regulations. It was noted in the **Omnibus Report** that over the years, layer upon layer of regulatory requirements have been imposed, often without any analysis of the continued necessity and effectiveness of these regulations. Furthermore, less imposing regulations that would still achieve the same effect are often ignored. As a result, the rules and requirements businesses deal with have become more complex and compliance more costly.

To address the need for an institutional process for the systemic and regular review of existing regulations, Governor Hickenlooper issued **Executive Order D 2012-002**, dated January 19, 2012, concerning **"Regulatory Efficiency Reviews."** This requires a continuing process of rules review across all executive agencies, public notification of the agencies' reviews and public input and participation in the review process. The Executive Order requires each agency to conduct a review of all its rules to assess whether the rules (1) are necessary and not duplicative; (2) are written in plain language; (3) achieve the intended result with the appropriate level of regulation; (4) can be amended to reduce their regulatory burdens while maintaining benefits; and (5) are implemented in an efficient and effective manner.

*In the aggregate, over
13,290 rules were
reviewed to eliminate
unnecessary, redundant or
outdated requirements.*

Since Executive Order 2012-002 was issued, executive agencies have reviewed, in the aggregate, approximately 13,290 rules, of which approximately 40% have been or will be modified and 11% have been or will be fully repealed. This accomplishment exceeded a goal of 10,000 rules to be reviewed during 2012-13.

Currently, 12 volumes hold the tens of thousands of rules and regulations that comprise the Code of Colorado Regulations (CCR). The CCR encompasses rules from all state agencies, including the executive agencies. A thorough and rigorous review and evaluation of all executive agencies' rules is an extended and sustained process that is well under way with notable results.

In reporting results of their rules-review processes, agencies generally have followed the organization of rules as set forth in the CCR. Accordingly, the review, revision and/or repeal of a single rule may consist of multiple chapters, subparts or subsections. However, for purposes of consistency, all activity under any such subsection is captured in revisions to and reported under the basic, single rule.

The rules review process continues in full swing, and the following stories illustrate some of the factors involved in this effort. The following is a sample of stories and information about the impact and outcomes of the rules review processes. These stories also help illustrate the real-world significance of the rules review process with respect to the impact on those businesses, citizens and local governments who have to contend with unnecessary, redundant or outdated requirements.

Department of Human Services – Rules Review and Reduction

After review of the more than 4,300 rules on the books, the Department of Human Services determined that approximately 21 percent of the existing rules could be repealed, 47 percent were in need of revisions, and 32 percent could continue as currently in effect because they had recently been updated through the normal rules promulgation process.

As of June 30, 2014, approximately 80 rules were repealed across a broad spectrum of programs.

Using the database prepared by the Division of Boards and Commissions, the Department is continuing the second phase of the rules-review process, addressing approximately 2,100 rules that are in need of revision. Many have already been updated and promulgated in order to meet the Dec. 31, 2013 deadline on this goal.

Phase three of the project will determine a timeframe for regularly scheduled rule reviews.

The process has been met with gratitude from stakeholders, community members, clients, and staff. Although it required a great deal of work by both Departmental staff and board members, all parties involved agree that reducing red tape and bureaucracy have had a positive impact on Coloradoans, making the hard work and long hours worthwhile.

Department of Transportation “A Tale of Two Rules”

The Colorado Department of Transportation (CDOT) undertook the effort to comprehensively review its rules and establish a process for doing so on an ongoing basis. In 2011-12, the Department reviewed 32 sets of rules. Two sets of rules that were included in the review were Harvesting Native Grasses on Highway Rights-of-Way and Uniform Relocation Assistance Rules; both of which tell an impactful story about the outcomes.

CDOT’s Harvesting Rules

CDOT is saving taxpayers money under a 2012 rules revision that reduces the need for the agency to mow some rights of way. The same revision saves ranchers money by allowing them to harvest hay to feed livestock.

CDOT is responsible for mowing grasses on the rights-of-way on interstates and highways in Colorado. Adopted in 2003, the Harvesting on Right-of-Way Rules were intended to set up a permitting system so that people who own land adjacent to state highway rights-of-way could mow and bale hay for their own use.





As part of a Lean initiative, CDOT looked at the permitting program governed by these rules and determined that very few permits had been issued since 2003. A team of engineers with different training and backgrounds, familiar with harvesting practices from both the private and public perspectives, formed a study group and determined that the rules were difficult to understand, poorly organized and placed a large burden on the landowner to submit documentation as part of the permit process. This group reached out to Colorado's ranchers and others who collaborated on the rule changes and learned that by issuing a permit only for the land adjacent to the landowner's property, the expense of harvesting that parcel sometimes outweighed the value of the hay to the rancher.

Using a variety of input and comments, the group made the following changes to the rules:

- ▲ Extended the permitting area that may be mowed to larger and more economically feasible parcels. CDOT reasoned that the amount of land available under a given permit must cover the expense of the equipment and work
- ▲ Removed the burdensome requirement that an applicant provide a title search and survey to establish that the right-of-way was owned or controlled by CDOT
- ▲ Eliminated redundant information already included in the harvesting application
- ▲ Determined not to increase the harvesting fee. Research showed that it is a reasonable fee for the value

Uniform Relocation Assistance Rules. Applying Lean principles, CDOT reviewed its Relocation Assistance Program to determine it needed to increase the statutory limit it pays small businesses when it has to acquire their property using its power of eminent domain.

Although frequently a challenging concept, "eminent domain" means that government sometimes has the right and power to take private property for public use after providing just compensation to the owner of the property. CDOT executes its power of eminent domain when it must acquire property for maintaining and improving interstate and state highways.

Federal law allows federal reimbursement of business reestablishment expenses at the State statutory level. Given the Governor's focus on reviewing rules and statutes to benefit small businesses and Colorado's citizens where possible, CDOT sought and obtained a state statutory increase from \$10,000 to \$50,000 per business. Further considering the Governor's emphasis on eliminating rules that are obsolete, CDOT then updated and/or repealed Uniform Relocation Assistance Rules -- unchanged since they were adopted in 1989 -- to reflect the increase in reimbursement expenses; and eliminated rules that added no value to the Uniform Relocation program. Repealing the Uniform Relocation Assistance Rules also makes the process more understandable to the small-business owner. The program has developed easy-to-understand brochures that reference state law and federal regulations, without an additional and unnecessary layer of confusing rules.

In June, 2012, the success of this project was formally celebrated, which included 14 others sets of rule updates or repeals within the fiscal year deadline, attributable to the same project. CDOT has made a concerted effort to keep rules as simple and understandable as possible. To this end CDOT has eliminated over 46 pages of rules.



DEPARTMENT OF AGRICULTURE

The Department of Agriculture requires each of its seven divisions to plan and schedule a regulatory efficiency review of their respective rules at least once every five years. Advisory committees, stakeholders, industry groups and impacted constituents unique to each rule are consulted during the review process. In the event that amendments are necessary, an opportunity for public comment is provided through a rule-making hearing in compliance with the Administrative Procedures Act. Opportunity for further comment also is provided by the Agricultural Commission when the rules are presented to them for approval at a public meeting.

In 2013, the Department conducted 17 rule-making hearings to revise 14 rules, repeal two and adopt one. Six of the revisions and one repeal were directly the result of the regulatory rules-review process, pursuant to Executive Order 002.

Among these proceedings was the repeal of the “Rules and Regulations Pertaining to the Production of Strawberry Nursery Stock”, at 8 CCR 1203-20. These rules were adopted in 2005 at the request of the CSU Research Center in the San Luis Valley and growers who believed there was an opportunity to raise strawberries certified for nursery stock. Strawberries for nursery stock require a low-disease or disease-free status, which demands particular attention to crop maintenance and the exclusion of other field-produced strawberries. In the eight years since the rule was adopted, only three applications were submitted, and ultimately, growers determined that growing strawberries for certified nursery stock is not feasible. Hence, this body of rules was determined to be unnecessary and has been eliminated.

The Department previously repealed Rules and Regulations Pertaining to the Production of Rapeseed (Canola), at 8 CCR 1203-3, after it was determined that the initial presumed risk from the industrial-grade canola market no longer existed and the prohibition under the rules was limiting producer resources. As a result, the decision was made to repeal the rule as no longer necessary.



DEPARTMENT OF HEALTHCARE POLICY AND FINANCING (HCPF)

The Department of Health Care Policy and Financing is committed to making its rule-making process effective, efficient and transparent for stakeholders. The Department has developed and implemented a review and evaluation process to comply with Executive Order D 2012-002 (EO 002.) Guidelines have been established to serve as the basis for the overall review and evaluation of rules in order to facilitate the most consistent results possible. This process provides an opportunity for the Department to improve the structure, accuracy, clarity and appropriateness of program rules.

The Long Term Services and Supports Division (LTSS) incorporated robust stakeholder engagement as part of its rule-review process. HCPF created a webpage centered on public participation. This page had a copy of the regulations, HCPF's 2013 review plan and instructions for how to comment on the rules. In addition to this web page, LTSS reached out to the stakeholder community through mass emails from Stakeholder Relations and more directly at all LTSS division meetings where stakeholders were present.

The Health Programs Services and Supports Division (HPSS) also incorporated a stakeholder engagement process as part of its review. The office used the Department's existing Benefits Collaborative process to receive public feedback. The Benefits Collaborative is a stakeholder-driven process and is well-supported by all participants interested in helping to craft Medicaid policy. The process is designed to ensure coverage standards are based on the best-available clinical evidence and best practices; outline the appropriate amount, scope and duration of Medicaid services; are cost effective and set reasonable limits upon those services; and promote the health and functioning of Medicaid clients. It is a process, not just a series of collaborative stakeholder meetings, beginning with the drafting of a benefit coverage standard and ending with a final proposed rule.

In 2013, the HPSS and LTSS performed reviews of 518 sections of the Medical Assistance Rule. The results of this review identified 210 rule sections that are recommended for revision, 14 rule sections recommended for repeal and the balance recommended to be extended as is. This allowed the development of a process that will be used in the future when the majority of the department's rules will be reviewed. The rules-making process for the amendments and repeals identified is ongoing during 2014.

DEPARTMENT OF LABOR AND EMPLOYMENT (CDLE)

Workers' Compensation: Changes to the final pay notice rule eliminated a regulatory requirement that mandated a final payment form be filed on every workers' compensation case.

In 2013, the modified rule eliminated the need for a final payment filing in connection with more than 25,000 claims. Eliminating this requirement saves approximately 854.7 hours (or about 107 work days) for businesses in Colorado. At the average wage for the state, that equates to \$20,541.88 savings in labor costs.

Revisions to the rule significantly changed the way lump-sum payments are handled. While reflective of statutory amendments, the rule change was highly beneficial to claimants. By making the initial \$10,000 lump sum payable automatically, the rule change allowed claimants to access funds quickly.

Oil and Public Safety: Changes to the division's boiler rules have resulted in a fee structure that has lowered fees for many regulated owners without raising fees for anyone.

The division charges a fee based on BTU (heat) output of a boiler, rather than a flat fee for all businesses. That means a business owner with a small boiler does not have to pay the same fee as someone with a large boiler, such as a power plant.

The division also recognizes an Owner User Program, which allows companies with National Board-commissioned inspectors on staff to conduct certain inspections in lieu of requiring it be done by a state inspector. Companies such as Suncor Energy and Xcel Energy can take advantage of the change, enabling them to proceed with business without waiting on an inspection from the state or an insurance company.

The division is proposing changes to its explosives regulations that would eliminate the requirement to have new fingerprint cards submitted with permit renewal applications every three years because fingerprint cards already are on file. This would reduce cost and time burden for regulated applicants, as well as streamline processes for the division.

Another rule change in the works is the Petroleum Cleanup and Redevelopment Fund that would provide reimbursement to owners who remove and clean up abandoned, non-regulated storage tanks and redevelop their properties for more beneficial use. Owners will be eligible for up to \$500,000 in matched dollars per site for cleanup, which could be essential for paying bills that have accumulated during an extended recovery period.





DEPARTMENT OF NATURAL RESOURCES (DNR)

The Colorado Oil and Gas Conservation Commission (COGCC) within DNR has undertaken five major rules-making proceedings since Executive Order 2012-002 went into effect. In doing so, the COGCC has assessed the continuing need for, appropriateness, and cost-effectiveness of its rules. It has also identified and addressed regulations that may no longer be needed or that should be modified or repealed.

For a rule designed to eliminate an exception for well location, spacing and unit designations for the City and County of Broomfield, the COGCC repealed a rule that had 11 subparts and ran to nearly five pages. In a rule making to oil and gas wells in the vicinity of occupied buildings, the COGCC simplified and added definitions to improve the usefulness and readability of the rules overall.

The COGCC also adopted changes to improve consistency and to conform to the practices of the Department's staff. The measure increased transparency and improved the availability of information for permitting decisions. It also repealed an obsolete regulatory deadline. Finally, in adopting rules to address spill reporting, the COGCC clarified a rule to avoid ambiguity as to what spills required reporting. It also succeeded in eliminating outdated reporting thresholds.

SUMMARY

The Pits and Peeves Initiative has been a catalyst for positive change throughout Colorado. Over the last two years, state government has reviewed well over 13,000 rules, 40% of which have been amended and another 11% have been repealed. The stories and data in this Pits and Peeves report highlight the progress state government has made in reducing unnecessary and debilitating regulations, but there is still enormous work to be done. Colorado state government is working diligently to implement an evolving culture that prioritizes elegance, efficiency, and stakeholder feedback. Pits and Peeves has been instrumental in generating positive discussion and strong feedback loops that provide government agencies the information they need to run as effectively as possible.

As Colorado strives for the most efficient, effective, and elegant government attainable, agencies will continue to implement the lessons from the Pits and Peeves report. With the help of stakeholders, citizens, and state agencies, Colorado can implement a paradigm shift that makes state government a powerful force for economic growth and constituent interests.