State of Colorado

SMART Annual Performance Report

Office of State Planning and Budgeting

December 2012

STATE OF COLORADO

John W. Hickenlooper
Governor

Henry Sobanet
Director

December 3, 2012

We are pleased to present the first State of Colorado Annual Performance Report, as required by the State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act (C.R.S. 2-7-205). This document contains four-page summaries of the strategic plan documents for each of Colorado's Executive Branch agencies.

With this summary report, we hope to give our readers a simple and concise primer on each department's critical areas of focus, and an easy-to-follow description of successes and challenges from the most recently completed fiscal year. More importantly, we hope these short summaries also provide you with a sense of how each department's budget fits into the larger picture of Colorado government.

If you would like to review a department's entire Strategic Plan document, please visit our Web Site at http://www.colorado.gov/ospb. Here, you will find our entire FY 2013-14 Budget submission, including the complete Strategic Plans for every Executive Branch department.

The Hickenlooper administration is pleased that all of our departments have taken steps to invigorate their strategic and operational planning activities in the last two years. In the coming months, we intend for these planning activities to enhance the focus of all our departments on providing better, more efficient, and more elegant service to you, our customers, clients, and taxpayers.

If you have questions about the content of this document, please contact the Office of State Planning and Budgeting at 303-866-3317.

Sincerely,

Henry Sobanet, Director

DEPARTMENT OF AGRICULTURE

December 3, 2012

SMART Annual Performance Report

Department of Agriculture				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$39,656,357	$42,157,510	$2,501,153	6.3%
General Fund	$6,860,032	$7,238,712	$378,680	5.5%
Cash Funds	$27,819,174	$29,142,534	$1,323,360	4.8%
Reappropriated Funds	$1,090,001	$1,659,122	$569,121	52.2%
Federal Funds	$3,887,150	$4,117,142	$229,992	5.9%
FTE	282.4	282.4	0.0	0.0%

Department Description

Colorado's agriculture industry contributes significantly to the state's overall economy, creates employment for more than 170,000 Coloradans, and generates an estimated $40 billion in economic activity annually. The Colorado Department of Agriculture (CDA) supports the industry and all of Colorado's citizens through a wide range of regulatory and service related activities that are delivered through the Office of the Commissioner and CDA's seven operating divisions. These divisions include the Animal Industry Division, the Brands Division, the Colorado State Fair, the Conservation Services Division, the Inspection and Consumer Services Division, the Markets Division, and the Plants Division.

Mission Statement

To strengthen and advance Colorado's agriculture industry; promote a safe, high quality, and sustainable food supply; and protect consumers, the environment, and natural resources.
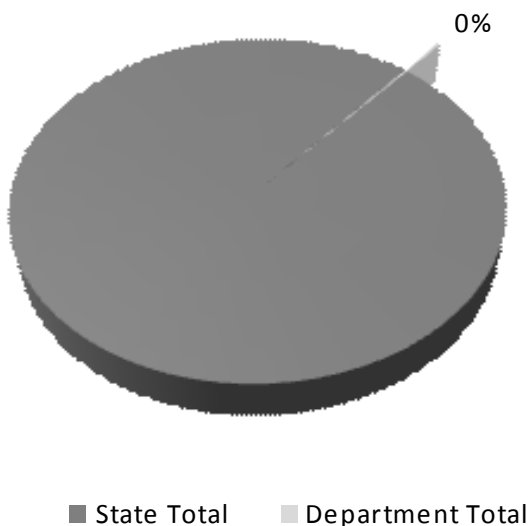
Vision Statement

That Colorado's agriculture industry is strong and vibrant, a key driver of the state's economy, and is recognized worldwide for its safe, affordable, and abundant supply of high quality food and agriculture products.
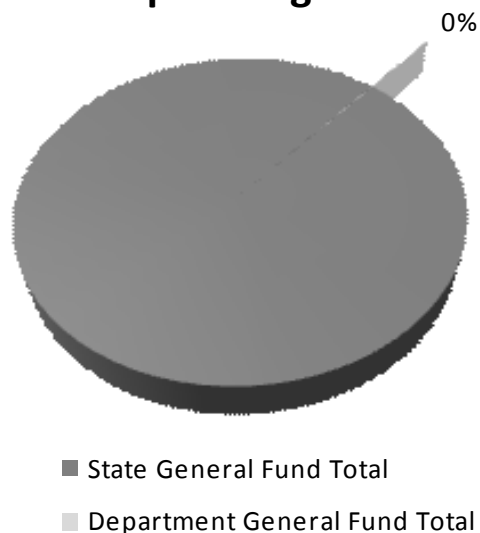
Key Trends and Accomplishments

- Exports- As is evident by President Obama's recent export initiative, various new free trade agreement prospects and renewed market access for U.S. beef, a significant push to grow global exports is underway. The Department is optimistic that State exports could increase as much as 10% per year over the next four years, adding as much at $110 million per year to Colorado's export business.

Department of Agriculture
Share of Statewide Budgets

Share of Statewide Operating Total

0%

State Total   Department Total

Share of Statewide General Operating Fund

0%

State General Fund Total

Department General Fund Total

Key Trends and Accomplishments (continued)

- *Federal Funding:* States around the country are experiencing increased uncertainty regarding the duration and level of federal grant awards to anticipate in coming years. Current communication has implied that agricultural grants for the Microbiological Data Program (MDP) and Pesticide Data Program (PDP) are in jeopardy of expiring at the end of FY 2012-13. If not renewed, the absence of these grants will be significant, and will diminish the Department's efforts to address various health concerns in Colorado.
- *Efficiencies:* Looking to maximize existing resources and further improve its effectiveness, the Department has been actively reviewing real estate options around the Denver metro area which would allow it to consolidate five separate office locations under one roof. The benefits of a single office include reduced centralized operating services, reduced travel time between locations, improved staff communication opportunities, and refocused staff resources on regulatory, promotion, and partnership with industry and less focused on administrative issues.
- *Traceability:* The U.S. Department of Agriculture recently published a proposed rule regarding animal disease traceability. As Colorado's cattle industry is the single largest sector of the larger agricultural economy, the Department is committed to implementing a new traceability system for the State that complies with this proposed federal rule – one that will better trace, track, control, and contain livestock diseases.

Operational Initiatives for FY 2012-13

- Creating opportunities for developing and expanding food and agricultural product exports,

- Developing agriculture-related opportunities for implementing energy efficiency and renewable energy technologies,

- Fostering continued growth of local marketing initiatives like Colorado Proud,

- Maintaining a disease free status for our livestock industry, and

- Positioning the Colorado State Fair for long-term financial sustainability.

Excerpts from Department of Agriculture Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Major Program Area   Colorado State Fair
Strategic Objective   To display livestock and agriculture, horticulture, industrial, mining, water conservation, tourist industry, recreational, educational, and scientific facilities, processes, and products of the State of Colorado

	Strategy	Processes	Inputs	Outputs	Performance Measures				
					Description	Baseline	1 Year	2 Year	5 Year
						FY12	FY13	FY14	FY17
Facilities Utilization	Increase the year-round use of the Colorado State Fair facilities during the non-Fair time frame	• Evaluate facilities utilization and identify target dates and opportunity areas for increased rentals • Develop and implement marketing plan		Greater non-Fair utilization of facilities	Revenues generated from non-Fair activities	$243,000	$267,000	$280,000	$310,000
CSF Foundation	Raise monies through the Colorado State Fair Foundation to fully fund the cost of annual 4H and FFA programs conducted by the State Fair	• Develop a strong state-wide Board of Directors • Develop a 5-Year Plan including goals and processes for fund raising • Implement the Plan including making proposals to other foundations and seeking in-kind contributions from local businesses to improve dormitories		Funds available to offset the costs of 4H and FFA programs and improved dormitories	Funds raised annually by the Colorado State Fair Foundation in support of 4H and FFA programs	$0	$50,000	$200,000	$350,000

Major Program Area   Animal Industry
Strategic Objective   To promote animal health through livestock disease control and animal care activities

	Strategy	Processes	Inputs	Outputs	Performance Measures				
					Description	Baseline	1 Year	2 Year	5 Year
						FY12	FY13	FY14	FY17
Disease Traceability	Advance animal disease traceability capabilities necessary to prevent, mitigate and control significant livestock diseases	• Register livestock premises and maintain an animal health information management system (USAHerds) • Capture livestock movement data from paper Certificates of Veterinary Inspection (CVI's) and Federal forms into searchable data fields • Transition private veterinarians to use electronic CVI's	• Cooperative Agreement with USDA/APHIS • 1.9 FTE supported by Federal Funding • 3.5 FTE supported by General Funding	• Livestock premises are registered • USAHerds is populated with livestock CVI data and connected to a location identifier • Veterinarians issuing electronic CVI's reduces staff time and increases efficiency • Meet USDA/APHIS Animal Disease Traceability Standards (starting in FY13)	Number of livestock premises registered	36,683	37,000	38,000	40,000
					Number of paper CVI's where data has been entered into USAHerds	69,014	72,000	80,000	85,000
					USDA APHIS Veterinary Services Standards for Animal Disease Traceability	N/A	Pass	Pass	Pass
					Number of private veterinarians using electronic CVI's	N/A	55	75	125

Major Program Area   **Brands**
Strategic Objective   **To protect the livestock industry from loss by theft, illegal butchering, or straying of livestock**

	Strategy	Processes	Inputs	Outputs	Performance Measures				
					Description	Baseline	1 Year	2 Year	5 Year
						FY12	FY13	FY14	FY17
Brand Inspection	Minimize theft of livestock and maximize the return of estrays	• Process applications for and maintain records of brand ownership • Inspect and verify the ownership of livestock before sale, transportation beyond 75 miles, transportation out of state, or before slaughter • Inspect and license livestock markets and certified feed lots	• State Board of Stock Inspection Commissioners (Brand Board) • Brand Board staff (66.3 FTE) supported by Cash Funding	• 32,000 brands recorded, administered, and published in the Colorado Brand Book • 4 million + inspections • Licenses issued to 36 livestock markets • Licenses issued to 16 certified feed lots	% of inspections conducted in compliance with statute	100%	100%	100%	100%

	Strategy	Processes	Inputs	Outputs	Performance Measures			
					Description	Baseline	1 Year	2 Year	5 Year
						FY12	FY13	FY14	FY17
		Investigate reports of lost or stolen livestock	• Brand inspectors • Livestock producers and trade groups • Local law enforcement agencies	Lost or stolen livestock are identified and returned to rightful owners	% of missing or stolen livestock reports that are cleared in accordance with established procedures	100%	100%	100%	100%
		Design and implement a training program for state and local law enforcement personnel of the statutory rights and powers of law enforcement regarding the transportation and ownership of livestock	• 10 Brand Board staff are currently designated to conduct the training • Support of Country Sheriff's Departments and Colorado State Patrol	A functional program for training state and local law enforcement personnel of the statutory rights and powers of law enforcement regarding the transportation and ownership of livestock	% of County Sheriff's Departments and Colorado State Patrol offices that have received training	New program	50%	100%	100%
		Train local prosecutors on the investigation, charging, and prosecution of livestock-related crimes	• 2 Brand Board staff are currently designated to conduct the training • Support from District Attorneys	A functional program for training local prosecutors on the investigation, charging, and prosecution of livestock-related crimes	% of District Attorney's that have received training	New program	50%	100%	100%
		Exchange and monitor information among other brand states and Canada regarding livestock theft and estrays	• 1 Brand Board staff designated as a liaison officer • Liaison officers from brand states and Canada (14)	A functional program for exchanging and monitoring of information regarding livestock theft and estrays	Degree to which the program among brand states and Canada is fully functional	New program	Fully Functional	Fully Functional	Fully Functional
Electronic Certificates	Transition from paper-based brand inspection certificates to electronic-based brand inspection certificates	• Design and develop database and interface to support the issuance of electronic brand inspection certificates • Train Brands Division staff on procedures for issuing electronic brand inspection certificates • Issue electronic brand inspection certificates	• 1 Brand Board staff designated as project manager • Development and programming support from the Colorado Office of Information Technology • Electronic devices for field use by brand inspectors	Fully functioning database and interface supporting the issuance of electronic brand inspection certificates	Percent of brand inspection certificates issued that are electronic	New initiative	10%	20%	100%

DEPARTMENT OF CORRECTIONS

December 3, 2012

SMART Annual Performance Report

Department of Corrections				
	FY 2012-13 Appropriation	**FY 2013-14 Request**	**FY 2013-14 Change**	**Percent Change**
Total Funds	$737,580,936	$742,698,794	$5,117,858	0.7%
General Fund	$651,332,037	$655,570,996	$4,238,959	0.7%
Cash Funds	$39,590,087	$40,045,839	$455,752	1.2%
Reappropriated Funds	$45,644,484	$46,072,992	$428,508	0.9%
Federal Funds	$1,014,328	$1,008,967	($5,361)	-0.5%
FTE	6,022.9	5,886.3	(136.6)	-2.3%

Department Description

The Colorado Department of Corrections (DOC) manages, supervises and operates 19 state-owned correctional facilities and contracts with private providers for additional bed space at four correctional facilities. As of September 30, 2012, the DOC is responsible for housing and supervising a total of 20,628 offenders in both state and private facilities as well as community corrections settings and for supervising 8,606 parolees. The DOC budget includes 6,022.9 FTE in FY 2012-13, including correctional officers, parole officers, teachers, medical providers, food service staff, and administrators. The DOC also operates the Youthful Offender System which serves as a middle tier sentencing option for violent youthful offenders. In addition, the DOC operates treatment and education programs for offenders who are incarcerated and on parole to help reduce the likelihood that an offender returns to prison. The Department also operates the Colorado Correctional Industries (CCi) which is a self-funded enterprise agency within the DOC that employs offenders in various businesses.

Mission Statement

To protect the citizens of Colorado by holding offenders accountable and engaging them in opportunities to make positive behavioral changes and become law-abiding, productive citizens.
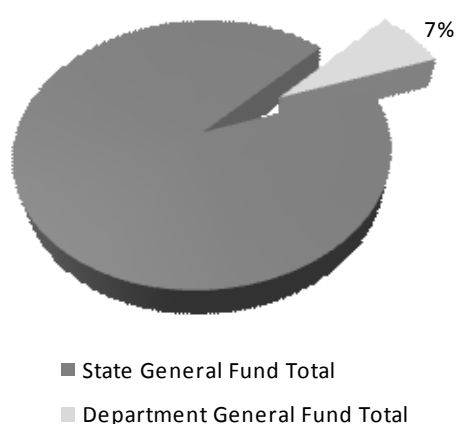
Vision Statement

Building a Safer Colorado for Today and Tomorrow.

Department of Corrections
Share of Statewide Budgets

Share of Statewide Operating Total

3%

■ State Total   ■ Department Total

Share of Statewide General Fund

7%

■ State General Fund Total
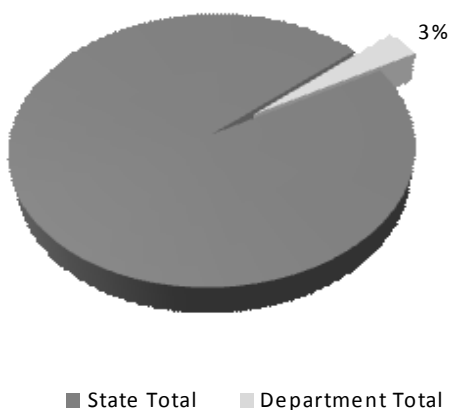
■ Department General Fund Total

Key Trends and Accomplishments

- **Jurisdictional Population:** Over the past three years the Department has experienced an unprecedented decline in the prison population. From a peak of 23,220 inmates in July, 2009, the total inmate population fell to 21,037 at the end of June 2012. There are several factors contributing to this decline including a decrease in crime rates, court commitments, fewer parole revocations, and a small increase in offenders releasing through discretionary parole. While the prison population has declined, the Department has experienced an increase in the parole population. At the beginning FY 2012-13, the Division's parole population was 605 offenders higher than the estimated 7,840.

- **Offenders with Mental Illness:** The Department has identified a total of 6,135 offenders that require a high level of mental health treatment. This is a dramatic increase from 1999 when a total of 1,523 offenders were diagnosed with mental illnesses. Approximately 67 percent of the female offenders require mental health treatment compared to 29 percent of male offenders.

- **Aging Offenders:** While the overall offender population is declining, the number of aging offenders in the Department is on the rise. Given the higher medical needs of this population, it is important to have appropriate medical services, including hospital services, convenient to facility placement. This presents greater facility placement challenges for the Department.

- **Administrative Segregation:** In August 2011, Executive Director Tom Clements directed that all offenders housed in administrative segregation environments for one year or longer shall have his/her placement reviewed by a deputy director of prison operations. Additionally, an independent review of administrative segregation policies and practices was completed by two outside experts. As a result of these actions, the administrative segregation population has declined from 1,468 in August 2011 to 916 in June 2012. In addition, in FY 2011-12 the Department reduced the number of offenders released directly from administrative segregation to parole or the community from 47 to 23 percent.

- **Parole/Community Corrections:** For FY 2011-12, the Department has surpassed a number of its performance indicators in this area including reducing the rate of regressions from residential community corrections from 38 to 34 percent, reducing the technical parole revocation rate from 37 to 34 percent, and increasing the number of moderate to high risk offenders who complete pre-release programs prior to parole or release into the community from 866 to 965.

Operational Initiatives for FY 2012-13

- **Closure of Centennial Correctional Facility - South (CSP II):** With the decline in the offender population and specifically the decline in the administrative segregation population, the Department submitted a budget action for FY 2012-13 to decommission CSP II. During the 2012 legislative session, HB 12-1337 directed the Department to actively seek options to sell or lease the facility. The Department is decommissioning the facility and developing marketing materials to support the repurposing efforts.

- **Sex Offender Treatment Study:** For FY 2012-13, the General Assembly appropriated $100,000 and directed the Department to contract for an independent analysis of the sex offender treatment program. The Department anticipates a full report by February 1, 2013. There is currently a backlog of 1,734 offenders awaiting required and needed treatment. This situation is compounded with 1,300 new offenders being sentenced to the Department of Corrections each year and in need of sex offender treatment.

- **Administrative Segregation Lawsuit:** At the end of August 2012, Federal District Court ruled that an offender housed in administrative segregation must have access to outdoor exercise. This ruling may have a significant impact on Department operations for all offenders in administrative segregation and the structures of facilities. For example, Colorado State Penitentiary, constructed in 1993, does not have an outdoor exercise area.

- **Classification Revalidation:** The classification instrument is an objective tool utilized to place offenders in the appropriate secured setting. The Department had not revalidated its classification instrument since 1996. The Department contracted for an independent review of its instrument and the results will help ensure that offenders are placed in the appropriate facilities. Once completed in FY 2012-13, the revalidated classification instrument will impact the placement of offenders in facilities.

Excerpts from Department of Corrections Strategic Plan, Key Goals/Objectives, Performance Measures, Strategies, and Analysis

From the Department of Corrections FY 2013-14 Strategic Plan, the following is a partial list of important outcome measures.

	Baseline FY2011-12	Target FY2012-13
Housing and Security		
Reduce the number of escapes from secure confinement to zero.	1	0
Increase the number of video court hearings by 100%.	25	50
Offender Programs		
Increase by 10, the number of volunteer programs, with emphasis on recruiting education-based volunteers.	170	180
Increase the number of career and technical education certificates awarded by 5%.	2,897	3,042
Medical / Dental		
Reduce medical transports, the number of specialty appointments completed off site, to community hospitals/clinics by 25%.	7,670	5,752
Reduce outside ambulatory surgical expenditures by 25%.	$184,870	$138,652
Behavioral Health		
Increase number of eligible sex offenders in prison who participate in sex offender treatment by 5%.	393	413
Increase by 200, the number of alcohol and drug therapeutic community beds for male offenders housed in Level III facilities.	0	200
Implement in-reach transition appointments for at least 25% of high-risk (P3's with a qualifier of C and O, P4's and P5's) mentally ill offenders within 90 days of release to parole.	0	49
Increase the number of Certified Addiction Counselors (CAC) levels II and III and Health Care Service Trainees by 20%.	81.5	98
Parole		
Parole supervision outcomes: In FY 2012-13, reduce the technical parole revocation rate by an additional 0.05%.	34%	33.95%
Progression / regression rates for community corrections: Reduce by 0.1%, from 9.0% to 8.9% the rate of new crime revocations.	9.00%	8.90%
Community Corrections		
Decrease the number of walk-away escapes from residential community corrections centers by 2%.	16.70%	14.70%

DEPARTMENT OF EDUCATION

December 3, 2012

SMART Annual Performance Report

Department of Education				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$4,421,710,962	$4,634,730,118	$213,019,156	4.8%
General Fund	$3,015,437,087	$3,016,915,356	$1,478,269	0.0%
Cash Funds	$753,491,302	$960,890,281	$207,398,979	27.5%
Reappropriated Funds	$24,078,570	$26,831,691	$2,753,121	11.4%
Federal Funds	$628,704,003	$630,092,790	$1,388,787	0.2%
FTE	565.7	566.1	0.4	0.1%

Department Description

The Colorado Department of Education (CDE) is the administrative arm of the Colorado State Board of Education. CDE provides leadership, resources, support, and monitoring for the state's 178 school districts, 1,600 schools, and over 130,000 educators to meet the needs of the state's 840,000 plus public school students. CDE also provides services and support to boards of cooperative educational services (BOCES), to early learning centers, state correctional facility schools and libraries, the state's library system, adult/family literacy centers, and General Education Diploma (GED) testing centers. In addition, CDE supports the Colorado School for the Deaf and the Blind and the Charter School Institute.
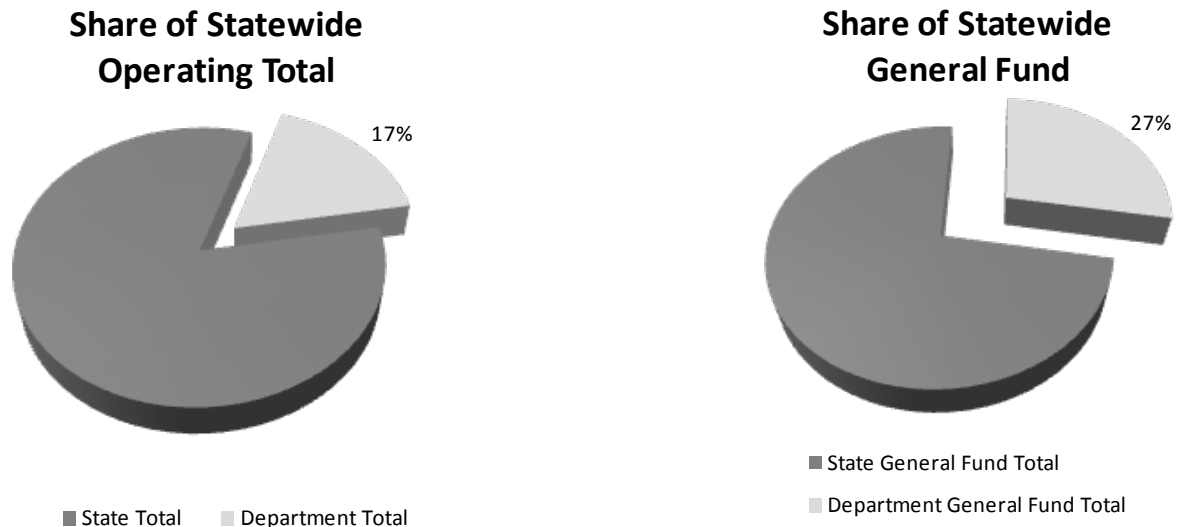
Mission Statement

The mission of the Colorado Department of Education is to shape, support, and safeguard a statewide education system that prepares all students for success in a globally competitive world.

Vision Statement

All students in Colorado will become educated and productive citizens capable of succeeding in a globally competitive workforce.

Department of Education
Share of Statewide Budgets

Share of Statewide Operating Total

17%

■ State Total ■ Department Total

Share of Statewide General Fund

27%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments

- *Standards and Assessments (S.B. 08-212)* – Colorado is transitioning to a new assessment system that is aligned with the new state standards for student achievement. In December 2009, the State Board adopted new academic standards and the Department is working with districts to implement these new standards statewide by the 2013-14 school year. The new assessments for these standards will start being used in 2014 and 2015.

- *Educator Effectiveness (S.B.10-191)* – In 2010, Colorado adopted S.B. 10-191 that establishes a statewide educator evaluation system designed to support and increase the effectiveness of all educators. During the 2012-13 school year, the Department will focus on designing, piloting and testing elements of the state's model evaluation system with 27 districts across the state, while helping all districts prepare for implementation in the 2013-14 school year.

- *Education Accountability (S.B. 09-163)* – The Department publishes school and district performance frameworks every fall that assign districts/schools to one of five accreditation categories based on indicators from the Colorado Growth Model, graduation rates, drop-out rates, and progress toward closing the achievement gap. This information is available to the public through a web portal called SchoolView. Several enhancements and upgrades to SchoolView will occur during the 2012-13 school year.

- *Race to the Top* – The Department was awarded $17.9 million Race to the Top Phase Three grant. The grant will supplement funding for the Colorado education reforms mentioned above and increase access to science, technology, engineering, and mathematics education across the state.

Operational Initiatives for FY 2012-13

- *School Finance* – Through this program, the Department allocates funding to public schools and monitor and audit the costs of public education. The Department will review the school finance business processes in the coming year to improve efficiency and ensure quality.

- *Standards and Assessments* – The Department will provide technical assistance to school districts as they implement the Colorado Academic Standards (CAS). The Department will improve the accuracy and timeliness of student performance reporting so that this data can be used for improvement planning.

- *Educator Effectiveness* – The Department will improve the timeliness and quality of the process of evaluating applications for teacher licensure.

- *Accountability and Improvement* – The Department will review and provide feedback to all schools and districts that have a priority improvement or turnaround plan.

- *Education Innovation* – The Department will improve the review and approval processes for requested school waivers that seek to implement innovations that result in improved student outcomes.

Excerpts from Department of Education Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

The Department of Education's Strategic Plan can be accessed at http://www.cde.state.co.us/cdecomm/download/StrategicPlanOSPBSubmission.pdf. Following are the goals, objectives and major performance measures from the plan.

- Goal 1 -- Prepare students to thrive in their education and in a globally competitive workforce.
    - o Ensure every student is making adequate growth to graduate from high school postsecondary and workforce ready.
        - Performance is measured by the percent of students scoring at or above proficient in reading, writing, math, and science by elementary, middle, and high school.
        - Performance is measured by percent of students making adequate growth to catch up and keep up on the path to proficiency.

    - o Increase achievement for all students and close achievement gaps.
        - Performance is measured examining the performance of student subpopulations, namely free and reduced lunch students, minority students, students with disabilities, and English Language Learners.

    - o Ensure students graduate ready for postsecondary and workforce success.
        - Selected performance measures include graduation rates and ACT scores.
    - o Increase national and international competeveness for all students.
        - Selected performance measures include increasing scores on the National Assessment of Educational Progress (NAEP), a national biannual test.

- Goal 2 – Ensure effective educators for every student and effective leaders for every school and district.
  - Increase and support the effectiveness of all educators.
    - Performance measures include the number of districts provided full training on the state model educator evaluation system and the number of educators who have received full training in the state model system.
  - Optimize the preparation, licensure, retention, and effectiveness of new educators.
    - Performance is measured by the average length of time it takes to process educator licenses.
  - Eliminate the educator equity gap.
    - Selected performance measure is to use effectiveness ratings to identify and measure the educator equity gap.

- Goal 3 – Build the capacity of schools and districts to meet the needs of Colorado students and their families.
  - Increase performance for all districts and schools.
    - Performance measures include the number of districts accredited with distinction, priority improvement and turnaround plans, and the number of schools assigned priority improvement and turnaround plan types.
  - Turnaround the state's lowest performing districts and schools.
    - The performance measure is to have 100 percent of districts with a Turnaround or Priority Improvement plan to move out of these categories within five years.
  - Eliminate the educator equity gap.
    - Selected performance measure is to use effectiveness ratings to identify and measure the educator equity gap.

- Goal 4 – Build the best education system in the nation.
  - Lead the nation in policy, innovation, and positive outcomes for education.
  - Operate with excellence, efficiency and effectiveness to become the best State Education Agency in the nation.
    - Performance is measured by the percentage of performance targets met on the strategic plan.
  - Attract and retain outstanding talent to CDE.
    - Performance measures include employee opportunities for career growth, ability to act on innovative ideas, and satisfaction with work recognition.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

December 3, 2012

SMART Annual Performance Report

Department of Health Care Policy & Financing				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$5,561,158,114	$6,036,722,041	$475,563,927	8.6%
General Fund	$1,856,673,875	$2,031,840,027	$175,166,152	9.4%
Cash Funds	$925,374,919	$916,573,919	($8,801,000)	-1.0%
Reappropriated Funds	$8,170,248	$5,929,334	($2,240,914)	-27.4%
Federal Funds	$2,770,497,472	$3,082,378,761	$311,881,289	11.3%
FTE	326.2	338.2	12.0	3.7%

Department Description

The Department of Health Care Policy and Financing receives federal funding as the single state agency responsible for administering the Medicaid program (Title XIX) and the State Child Health Insurance Program (Title XXI), known as the Children's Basic Health Plan. In addition to these programs, the Department administers the Colorado Indigent Care Program, the Old Age Pension State Medical Program, the Primary Care Fund as well as the Home and Community-Based Services Medicaid Waivers. The Department also provides health care policy leadership for the state's Executive Branch. Most of the Department's programs are funded in part by the federal Centers for Medicare and Medicaid Services (CMS). The Medicaid program receives approximately 50% of its funding from the federal government and the Children's Basic Health Plan receives approximately 65% of its funding from the federal government.
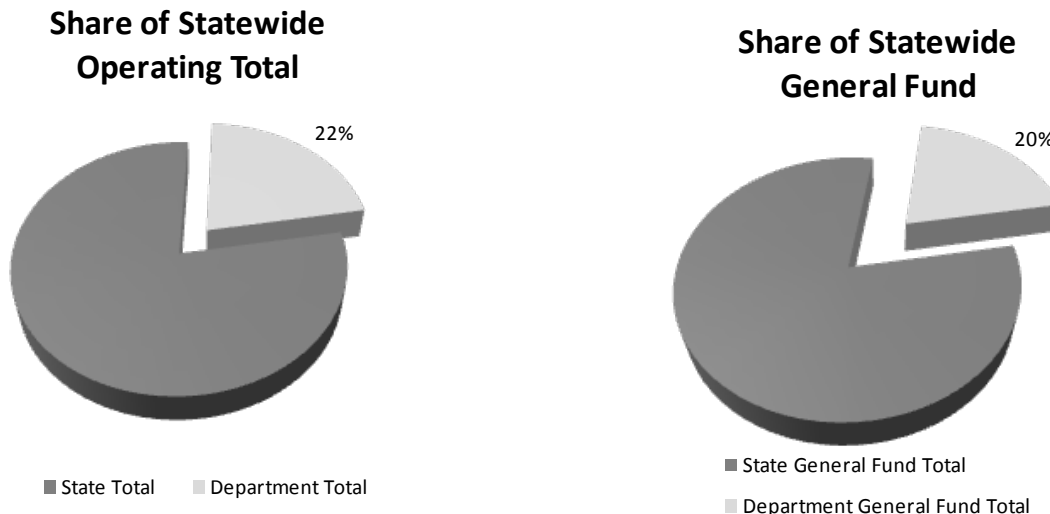
Mission Statement

The mission of the Department of Health Care Policy and Financing is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

Vision Statement

- The Governor, policymakers, local and federal partners trust and respect department management.
- Consumers and advocates are confident that individuals are being treated fairly in determining eligibility and benefits.
- Department staff routinely work in collaboration with other state agencies to share data and resources, solve problems, and use best practices to implement initiatives and programs.
- Providers are eager and willing to work with the Department, and to serve families and individuals enrolled in public insurance programs.
- Turnover of key personnel is minimal, and the Department is able to keep and attract bright, enthusiastic, and talented professionals for public service.
- Taxpayers are confident that dollars appropriated to the Department are being spent wisely, and that the Department is focused on efforts consistent with its mission and goals.
- Vendors and contractors are treated as partners, held accountable, are rewarded for success and creating savings, and take responsibility for failure and improvement.

Department of Health Care Policy and Financing
Share of Statewide Budgets

Share of Statewide Operating Total

22%

- State Total
- Department Total

Share of Statewide General Fund

20%

- State General Fund Total
- Department General Fund Total

Key Trends and Accomplishments

- The Department's General Fund request continues to be driven primarily by caseload growth and cost-per client (per capita) spending. Caseload and per capita increases account for approximately $362.8 million total funds and $105.2 million General Fund.

- Medicaid caseload growth in FY 2013-14 is 7.41% over the FY 2012-13 Appropriation, or nearly 51,000 additional clients, the majority of who are traditional Medicaid low-income children and adults, not expansion populations. The major drivers in the increased caseload include the following:
  - o Increase in over-all State population, 15.35% from July 2002 to July 2012;
  - o Increase in the average "length of stay:" the severity and length of the recent economic downturn has prolonged the average amount of time clients remain on the Medicaid program; and
  - o Economic indicators such as high unemployment rates drive the Medicaid caseload increases.

- The FY 2013-14 Budget Request includes a 1.5% provider rate increase – maintaining and growing our provider network is critical to ensuring our clients have access to health care when they need it.

Operational Initiatives for FY 2012-13

- The Accountable Care Collaborative (ACC) is a client-centered approach to managed care that is focused on delivering efficient and coordinated care that improves the overall health of clients. This model of care differs from capitated managed care by investing directly in community infrastructure to support care teams and care coordination and creates aligned incentives to measurably improve client health and reduce avoidable health care costs.

- The <u>All-Payer Claims Database</u> (APCD) is a data collection system of all health care claims paid by all payers across the state. The APCD will provide a more complete picture of a person's experience with the health care system and include claims paid by private and public payers, including insurance carriers, health plans third-party administrators, pharmacy benefit managers, Medicaid, and Medicare.

- The <u>Colorado Choice Transitions</u> initiative is Colorado's Money Follows the Person Demonstration grant proposal to the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services. Colorado Choice Transitions will support the state's effort to reform the long term care system for people of all ages with long term care needs and rebalance funding and policy towards home and community based services.

- The <u>Colorado Comprehensive Health Access Modernization Program (CO-CHAMP)</u> is Colorado's grant proposal to the federal Health Resources and Services Administration (HRSA), which awarded $70.9 million in grants to 13 states under the State Health Access Program (SHAP). CO-CHAMP includes a variety of projects that will lead to greater access to health care, increase positive outcomes and reduce cost-shifting.

- The <u>Colorado Health Care Affordability Act</u>, HB09-1293, was signed by Governor Ritter on April 21, 2009. The Act authorizes the Department to collect a hospital provider fee and will expand health care coverage to more than 100,000 Coloradans. When fully implemented, an estimated $600 million will be collected to be matched by $600 million federal dollars for a total of $1.2 billion annually.

- <u>Healthy Living Initiatives</u> The Department is committed to improving the health of our clients, staff, and community. Our focus on healthy living extends from healthy development during infancy and childhood through the life span to healthy aging. Our prevention efforts are based in an understanding of the social determinants of health, and the importance of building healthy communities.

- <u>Planning for Health Care Reform: Colorado Medicaid</u>, is an online resource center about the planning process that includes stakeholders to prepare the Department to meet requirements of the Affordable Care Act. This can include upgrading and coordinating systems to prepare for additional clients who will enroll in 2014 and initiatives to interface with the Colorado Health Benefits Exchange. The Department must submit planning documents to the federal government for approval, this web resource center will help stakeholder become familiar with the process and comment on draft proposals.

Excerpts from Department of Health Care Policy and Financing Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Goal	FY 2011-12	FY 2012-13
Increase the Number of Insured Coloradans	87% of eligible children are enrolled in Medicaid. 64% of eligible children are enrolled in CHP+. 76% of eligible parents are enrolled in Medicaid. Determine annual benchmarks to	Meet timely processing requirements for 95% of all new applications for medical assistance. Meet timely processing requirements for 95% of all redeterminations for medical assistance. 89% of eligible children are enrolled

Goal	FY 2011-12	FY 2012-13
	measure enrollment of newly eligible populations under HB 09-1293 expansions.	in Medicaid. 67% of eligible children are enrolled in CHP+. 79% of eligible parents are enrolled in Medicaid. Finalize plans to coordinate with the Colorado Health Insurance Exchange for public medical assistance.
Improve Health Outcomes	Reduce the percent of Medicaid children with dental caries experience from 57.2% to 55%. Increase the percent of Medicaid children who receive a dental service from 49% to 51%. Increase the percent of CHP+ children who receive a dental service from 44% to 46%. Initiate development of a data strategy for long term integration of clinical and claims data.	Maintain or improve the percent of Medicaid children with dental caries experience at <55%. Increase the percent of Medicaid children who received a dental service in the last year from 51% to 53%. Increase the percent of CHP+ children who received a dental service in the last year from 46% to 48%. Develop baseline data for measuring the percentage of adult Medicaid clients who report being in excellent or very good physical health. Increase the number of annual depression screenings for adolescents (age 11-20) on Medicaid/ CHP+ combined from 1,500 to 3,000. 1.25% of Medicaid provider payments are linked to value-based outcomes. Develop a plan to integrate systems of care for mental and physical health.
Increase Access to Health Care	Increase the percent of adult Medicaid clients that have a medical home or focal point of care from 38% to 42%. Increase the percent of Medicaid children that have a medical home or focal point of care from 78% to 80%. Increase provider participation in Medicaid by 5% above the 27,336 providers in FY 2010-11. Determine appropriate benchmarks to measure increases in provider participation to serve future expansion populations.	Increase the percent of adult Medicaid clients that have a medical home or focal point of care from 42% to 52%. Increase the percent of Medicaid children that have a medical home or focal point of care from 80% to 86%.

Goal	FY 2011-12	FY 2012-13
Contain Health Care Costs	Complete Phase I of the Accountable Care Collaborative. Implement payment reform via the Benefits Collaborative, National Correct Coding Initiative, and Behavioral Health Organization rate reform. Reduce the number of hospital readmissions within 30 days by 4% from FY 2010- 11. Initiate development of a data strategy for long-term containment of health care costs.	Reduce Medical Services Premiums expenditures for clients enrolled in the Accountable Care Collaborative (ACC) by 7% compared to clients not enrolled in the ACC. Audit Community Mental Health Centers. Money Follows the Person: Reduce Medical Services Premiums expenditures for nursing facilities by 0.7% from FY 2011-12. Implement the federal integrated care for dual eligibles contract.
Improve Long-Term Supports and Services	Develop a 5-year strategy to increase the number of dually eligible long-term care clients who have a health home. Develop a 5-year strategy to improve long-term care population outcomes. Develop a roadmap for waiver consolidation.	Enroll 60% of the dual- eligible population into the Accountable Care Collaborative for a focal point of care. Transition 100 persons from facility-based care to community-based care. Implement the roadmap for waiver consolidation.

DEPARTMENT OF HIGHER EDUCATION

December 3, 2012

SMART Annual Performance Report

Department of Higher Education				
	FY 2012-13 Appropriation	**FY 2013-14 Request**	**FY 2013-14 Change**	**Percent Change**
Total Funds	$3,033,991,124	$3,102,280,175	$68,289,051	2.3%
General Fund	$619,261,908	$656,729,783	$37,467,875	6.1%
Cash Funds	$1,851,045,974	$1,852,371,714	$1,325,740	0.1%
Reappropriated Funds	$544,570,013	$573,996,703	$29,426,690	5.4%
Federal Funds	$19,113,229	$19,181,975	$68,746	0.4%
FTE	21,458.9	21,458.9	0.0	0.0%

Department Description

The Department of Higher Education serves as the central administrative and coordinating agency for higher education (comprised of 28 public institutions, 3 area vocational schools, over 330 occupational schools, and over 100 private degree authorizing institutions). Over 160,000 resident full-time FTE attend Colorado institutions, with 45 percent of the students attending two-year and certificate institutions.

The Department oversees system-wide planning, financial aid allocations, degree and program authorizations; recommends state funding allocations to the colleges; and approves tuition flexibility plans. The Department collects and analyzes data to help inform decision makers, colleges, students, and the public and collaborates with other state agencies including the Colorado Department of Education on P-20 alignment and the Department of Labor and Employment on workforce training.

Mission Statement

Colorado Department of Higher Education: The mission of the Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to, postsecondary education for the people of Colorado. In pursuing its mission, the Department of Higher Education will act as an advocate for the students and institutions of postsecondary education and will coordinate and, as needed, regulate the activities of the state's postsecondary education institutions.
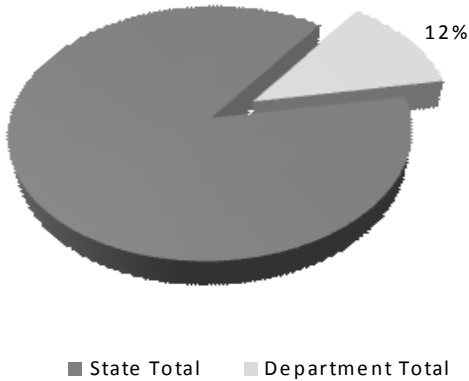
The Colorado Commission on Higher Education: CCHE's mission is to provide access to high quality, affordable education for all Colorado residents that is student-centered, quality driven and performance-based. CCHE's primary "customers" are Colorado students and citizens. CCHE is committed to providing the best quality education at the best price with the best possible service for its customers.

Vision Statement

Higher education must fulfill its essential role in creating the conditions for a healthy state economy, a productive society and a high quality of life for the people of the state. While serving these greater societal needs, the department and the state's institutions understand that their main purpose is the rigorous instruction of students. The department, working together with the state's institutions of postsecondary education, seeks a future for Colorado in which its institutions are accountable for continued improvement in the quality, efficiency and results of postsecondary education and are adequately funded to do so.

Department of Higher Education
Share of Statewide Budgets

Share of Statewide Operating Total

12%

■ State Total　■ Department Total

Share of Statewide General Fund

7%

■ State General Fund Total

■ Department General Fund Total
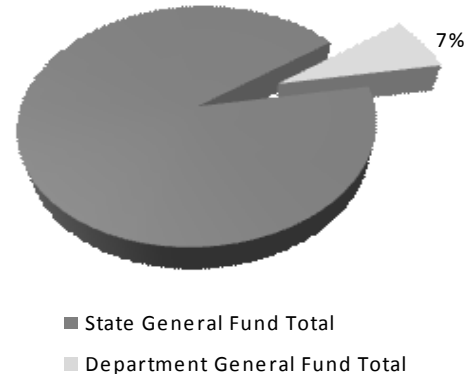
Operational Initiatives for FY 2012-13

The primary performance goal established by this Master Plan is to increase the number of Coloradans aged 25-34 who hold high-quality postsecondary credentials—certificates and degrees—to 66 percent by 2025. This goal is consistent with the opinion of the Lumina Foundation for Education, which argues that: "The United States risks an unprecedented shortage of college-educated workers in coming years. With the global economy demanding more and more highly skilled workers, economists and labor experts say increasing college attainment is a national imperative." (Lumina Foundation for Education)

In addition to this principal performance goal, the Commission identified three complementary goals that address areas of critical concern to the postsecondary system: Improving student progress and momentum; diminishing historical disparities among students from certain populations; and demonstrating the need and justification for improved investments in the postsecondary sector.

The Commission's four performance goals are as follows:

- **Goal 1. Credential Completion:** Increase the attainment of high-quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.

- **Goal 2. Student Momentum and Success:** Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.

- **Goal 3. Closing Progress and Attainment Gaps:** Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

- **Goal 4. Financial Stewardship:** Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

Excerpts from Department of Higher Education Strategic Plan
Key Goals, Performance Measures, Strategies, and Analysis

Goal 1 - Credential Completion
Target: Reach 66 percent postsecondary credential attainment for Colorado citizens aged 25-34 by 2025 (1,000 additional undergraduate credentials per year).
Indicators of Progress:
- Graduation rates (cohort rate)
- Increased number of credentials (annual number)
- Increase STEM credentials, including in health fields (either the proportion of total credentials awarded or the annual number of new degrees)

Goal 2 - Student Momentum and Success
Targets:
- Eliminate disparities in the completion rates of college-level English and mathematics courses between students originally assigned to remediation and those not assigned to remediation.
- Improve student persistence and credit hour accumulation.
- Reduce average credit hours to degree for undergraduate students.
Indicators of Progress:
- Successfully completing (grade of C or better) introductory gtPathways courses in English and mathematics.
- Successfully completing the remedial sequence.
- Persistence and retention rates.
- Credit hour accumulation.
- Successful transfer out.

Goal 3 - Closing Progress and Attainment Gaps
Target:
- Eliminate disparities in postsecondary access, progress, and completion between resident underserved students and resident non-underserved students.
Indicators of Progress:
- Increasing the number and proportion of newly enrolled students from traditionally underserved populations.

- Reducing disparities in initial gtPathway course completion in English and math between underserved and non-underserved students.
- Reducing disparities in persistence rates and credit hour attainment between underserved students and non-underserved students.
- Reducing disparities in successful transfer and degree completion between underserved and non-underserved students .
- Increasing retention and graduation rates for underserved students.
- Increasing the share of degrees in STEM fields among students from underserved populations.

Goal 4 – Financial Stewardship
Targets:
- Increase the relative share of college costs shouldered by the state, and reverse the trend of increasing the student's burden, in order to bolster access to degrees and credentials for those who would pursue them.
- Maintain the state's national leadership in efficiency and productivity.

Indicators of Progress:
- Maintain efficiency by moderating tuition, increasing financial aid expenditures and increasing instructional expenditures when general fund dollars increase.
- Efficiency and productivity will be maintained above peer levels.

Excerpts from the History Colorado Strategic Plan
(Note: History Colorado is a Division within the Department of Higher Education but it has its own separate strategic plan. This section contains information for History Colorado's strategic plan.)

Mission Statement
As the designated steward of Colorado history, History Colorado aspires to engage people in our State's heritage through collecting, preserving, and discovering the past in order to educate and provide perspectives for the future.

Vision Statement
In five years, History Colorado will serve as a national model 21st century history museum network. History Colorado will aspire to excite Coloradans about our shared history and to foster active engagement in their communities – an engagement that is inspired and enriched by an understanding of our shared heritage.

Key Goals for FY 2012-13
- Excite audiences about Colorado history through compelling learning experiences for audiences of all ages.

- Build a better Colorado through economic development and community enrichment.
- Build a sustainable organization.

Key Objectives, Performance Measures, Strategies, and Analysis

The following performance measure is associated with History Colorado's first key goal (excite audiences).

- Develop exhibits and programs that attract and engage diverse audiences in all of the facilities.

Performance Measure	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Forecast
History Colorado Center Visitation: opened to the public April 28, 2012.	**Benchmark**	**n/a**	**37,800**	**120,000**	**137,000**
	Actual	**n/a**	**35,736***		
* FY 2011-12 actual reflects two months of attendance to the new HCC. FY12-13 estimate anticipates a full year of attendance. Visitation numbers include paid visits to the museum, attendance at free days and special events, and member visits.					
Program Assessment Plan to evaluate exhibit phases	**Benchmark** **New measure**	**n/a**	**1 assessment plan** **New Measure**	**2 assessment plans** **New Measure**	**Under analysis**
	Actual	**n/a**	**Underway**		
Regional Museum Visitation numbers reflect paid visits to the museum, attendance at free days and special events, and member visits.	**Benchmark**	**175,000**	**175,000**	**175,000**	**180,000**
	Actual	**167,805***	**155,380**		
*Regional Museum visitation numbers no longer include visitation numbers from Pearce-McAllister Cottage, a property leased to a separate museum, and not managed by History Colorado.					

Strategies – Providing compelling exhibits, high quality visit experiences, dynamic programs for children, access to collections. History Colorado hosted a traveling exhibit (Race: Are we so Different), launched a new second phase exhibit (Living West: Natural Systems and Human Choices) and are working to secure sponsorship for informal programs (to replace the capital campaign which is drawing to a close). History Colorado is doing a study on two of its regional museums (El Pueblo History Museum and Fort Garland Museum) on its audiences and to ensure that the programs could be financially sustainable.

Analysis – In April 2012, the History Colorado Center opened its doors to the public and saw a significant increase in membership. History Colorado conducted a First Encounter Visitor Research Study to assess their audience (families). Additionally, comment cards are used. Note that regional museum visitation growth attributable to the Denver History Colorado Center was not realized; efforts are underway to build brand recognition with all History Colorado facilities statewide.

DEPARTMENT OF HUMAN SERVICES

December 3, 2012

SMART Annual Performance Report

Department of Human Services				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$2,071,322,439	$2,121,783,957	$50,461,518	2.4%
General Fund	$642,011,487	$680,113,157	$38,101,670	5.9%
Cash Funds	$336,871,969	$333,282,024	($3,589,945)	-1.1%
Reappropriated Funds	$475,870,742	$493,399,494	$17,528,752	3.7%
Federal Funds	$616,568,241	$614,989,282	($1,578,959)	-0.3%
Medicaid GF	$223,898,349	$233,552,211	$9,653,862	4.3%
Medicaid CF	$453,222,229	$471,512,702	$18,290,473	4.0%
Net GF	$865,909,836	$913,665,368	$47,755,532	5.5%
FTE	4,878.6	4,886.7	8.1	0.2%

Department Description

The Colorado Department of Human Services serves Colorado's most vulnerable populations. It assists struggling Colorado families who need food, cash, and energy assistance to provide for their families; families in need of safe and affordable child care; children at risk of abuse or neglect; families who struggle to provide care for their adult children with developmental disabilities; youth who have violated the law; Coloradoans who need effective treatment for mental illness or substance abuse issues; and families who need resources to care for their elderly parents or nursing home care for their veteran parents. The Department of Human Services is the third largest agency in Colorado State government, with more than 5,000 employees and a budget of $2.1 billion in FY 2012-13.

Mission Statement

Collaborating with our partners, the mission of the Department of Human Services is to design and deliver high quality human and health services that improve the safety, independence and well-being of the people of Colorado.

Vision Statement

The people of Colorado are safe, healthy and are prepared to achieve their greatest aspirations.
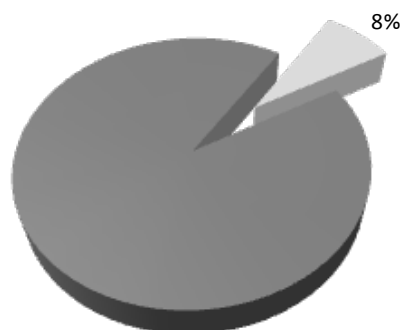
Department of Human Services
Share of Statewide Budgets
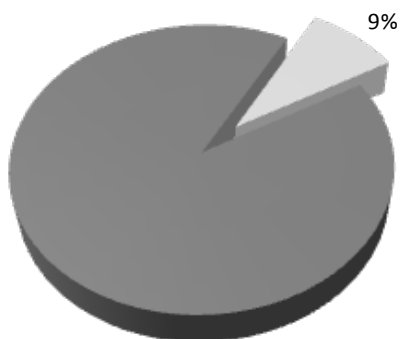
Share of Statewide Operating Total

9%

■ State Total   ■ Department Total

Share of Statewide General Fund

8%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments

- *Early Childhood Services* – In June 2012, the Governor authorized the creation of a new Office of Early Childhood to consolidate seven programs already residing in the Department of Human Services and, to enhance communications, has co-located the newly created Office both the Head Start State Collaboration Office and the Early Childhood Leadership Commission, each under the direction of the Lieutenant Governor. Other efforts the Department is pursuing include the expanded collaboration with the Colorado Department of Education in the Colorado Preschool Program, and developing a universal application for major early childhood services.

- *Office of Community Living* – In July 2012, the Governor established the Office of Community Living within the department of Health Care Policy and Financing. This office will focus on increasing access to efficient and person-centered care by developing appropriate service models, payments structures and data systems. These efforts will improve services for the developmentally disabled, strengthen outreach, prevention and system navigation, reduce reliance on institutional care, and build upon the strong service infrastructure and partners that Colorado currently has.

- *Strengthening the Behavioral Health System* – In partnership with Health Care Policy and Financing, Public Health and Environment and other partners and advocates across the state, the Department is pursuing budgetary and legislative proposals to strengthen behavioral health services and supports. The proposal will present a restructured system so ensure high-quality care is aligned with statutory requirements and ensure service capacity is available statewide.

Operational Initiatives for FY 2012-13

Office of Long-Term Care – The Department has several operational initiatives to improve the outcomes for individuals receiving long-term care services. These initiatives include: (1) reducing the length of stay from the time a resident is ready to transition, or be discharged, to the time the resident actually transitions or is discharged from a Regional Center in order to enhance independence and community-living more quickly; (2) ensuring state nursing home residents receive safe, high-quality care, evidenced by a low number of resident falls in the state operated nursing homes; (3) ensuring a timely response to adult protective services inquires in order to improve the safety of vulnerable adult; (4) improving the timeliness of processing benefit applications for Old Age Pension and Aid to Needy Disabled programs and (5) helping people with developmental disabilities gain greater independence and increase their daily living skills when employed.

Office of Behavioral Health – Major operational initiatives the Department is pursuing for behavioral health include: (1) making sure individuals in county jails with serious mental illnesses receive evaluation and are restored to competency to stand trial as quickly as possible; (2) ensuring that people who enter mental health treatment have improved outcomes after treatment; and (3) civil patients should be treated in the most appropriate least restrictive setting available.

Office of Self Sufficiency – The Department is pursuing implementation of business process reengineering best practices in local offices that administer the federal Supplemental Nutrition Assistance Program. The Department is seeking to streamline work processes and improve service delivery to people receiving food assistance.

Excerpts from Department of Education Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Following are few of the goals, objectives and major performance measures from the Department's Strategic Plan. The full plan can be accessed at the following website link: http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition &blobheadername2=Content-Type&blobheadervalue1=online%3B+filename%3D%222013%2 F14+CDHS+Strategic+Plan.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobt able=MungoBlobs&blobwhere=1251833037139&ssbinary=true

- Goal 1 -- To improve the lives of Colorado families in need by helping them to achieve economic security.

- Goal 2 -- To ensure Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families.

- Goal 3 -- To assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productivity and integration within the community.

- o Following are the performance measures the Department is using to access progress towards this goal.
  - The Regional Centers performance is being measured the percentage of residents that were ready to transition to the community and actually did transition.
  - State nursing facilities will determine performance by the percent of nursing home residents experiencing falls.
  - For adult protection inquires, performance is measured by dividing the total number of responses by the number of responses made timely.
  - For the Old Age Pension and Aid to Needy Disabled program, performance is measured by the number of applications processed within the guidelines.

- Goal 4 -- To promote quality and effective behavioral health practices to strengthen the health, resiliency and recovery of Coloradans.
  - o There are three major performance measures that the Department is using to access this goal.
    - The percentage of patients needing competency exams that exceeded the 28 day wait before receiving the exam.
    - The percentage of patients receiving mental health treatment who had lesser symptom severity at follow-up.
    - The percentage of civil patient in the two Mental Health Institutes that are ready for discharge but have experienced barriers.

- Goal 5 -- To achieve kindergarten readiness and educational success for Colorado children by providing high-quality, coordinated, collaborated programs for families and children.

DEPARTMENT OF LABOR
AND EMPLOYMENT

December 3, 2012

SMART Annual Performance Report

Department of Labor and Employment				
	FY 2012-13 Appropriation	**FY 2013-14 Request**	**FY 2013-14 Change**	**Percent Change**
Total Funds	$158,116,661	$159,825,863	$1,709,202	1.1%
General Fund	$0	$0	$0	0.0%
Cash Funds	$60,488,778	$61,352,512	$863,734	1.4%
Reappropriated Funds	$651,881	$651,881	$0	0.0%
Federal Funds	$96,976,002	$97,821,471	$845,469	0.9%
FTE	1,006.3	1,006.3	-	0.0%

Department Description

The Colorado Department of Labor and Employment (CDLE) provides information and tools to help Colorado businesses and workers remain competitive. CDLE is comprised of five main divisions. These include the Division of Labor, which administers Colorado employment and labor laws; the Division of Oil and Public Safety, which is responsible for a variety of regulatory functions related to public health and safety; the Division of Workers' Compensation, which administers and enforces the provisions of the Workers' Compensation Act; the Division of Employment and Training, which includes Workforce Development Programs, the Colorado Workforce Development Council and Labor Market Information; and the newly created Division of Unemployment Insurance.

Mission Statement

The mission of the Colorado Department of Labor and Employment (CDLE) is to protect and promote the integrity and vitality of Colorado's employment environment.

Vision Statement

CDLE's vision is quality and excellence in all we do. "All" includes external and internal customer service, products, relationships with partners and stakeholders, processes, information technology, and our values-based culture. This is an aspirational and motivational vision to which all our work relates and was created with staff input and agreement. To reach toward this vision, we have committed to:
- o Outstanding customer service
- o An inclusive culture
- o Knowledgeable employees who drive our success
- o Being a trusted and strategic partner
- o Continuing process improvement

Department of Labor and Employment Share of Statewide Budgets

Share of Statewide Operating Total

1%

■ State Total ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total

■ Department General Fund Total
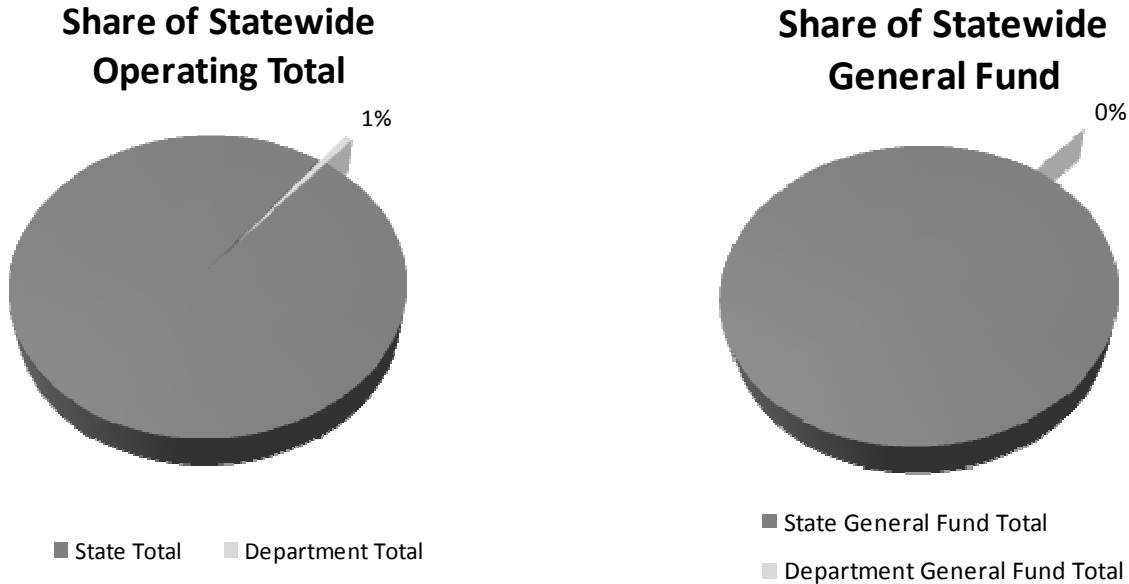
Key Trends and Accomplishments

- The unemployment rate in Colorado declined two tenths of one percentage point from 8.1 percent in October 2011 to 7.9 percent in October 2012. The number of Coloradans participating in the labor force decreased by 1,200, while total employment increased 4,700 and the number of unemployed decreased 5,900.

- The Unemployment Insurance Program is taking steps to replace its aging legacy systems, which were created over 25 years ago. The legacy systems have a severe impact on program performance because of slow response time and downtime, and staff must use several applications to access information in order to process a single claim. Also, the inadequate design of the legacy systems has resulted in extensive manual processes. It is a priority of the Department to improve these systems.

- Recent legislation (House Bill 12-1272) extends enhanced unemployment insurance compensation benefits for eligible unemployment insurance claimants until June 30, 2014. This program focuses on short-term training programs that are in-demand and lead to stable and long-term employment. In addition, claimants may be eligible for employer-based training with the assistance of the local Workforce Centers.

Operational Initiatives for FY 2012-13

- In 2011, Colorado joined a four-state consortium (WYCAN) to pursue an IT system replacement for the UI divisions' tax and benefits platforms. The Current UI system is more than 20 years old and new technology is essential to meeting claimant and employer needs. A vendor will be selected in the fall of 2012. It is estimated the full system replacement will be completed by 2016

- The UI Program is undergoing the organizational redesign in an effort to streamline services; maximize resources designated to direct customer service; provide more comprehensive team and individual accountability metrics; and improve overall federal and state performance expectations.

- Extensive collaboration with the Colorado Community College System (CCCS) has resulted in the September 2011 award of $17+ million for the Trade Adjustment Assistance grant from the U.S. Department of Labor for the Colorado Online Energy Training Consortium. Workforce Center Business Service Units will provide information on employer needs and assist student placement in internships and employment. This partnership will result in more than $668,542 being awarded to the CDLE to provide these concurrent services in the workforce centers as part of the grant deliverables. Over the 3-year life of the grant:
  - o A total of 2,106 will be enrolled in the green energy training programs
  - o 75% or 1,579 of those enrolled will attain industry recognized certificates or AAS degrees
  - o 75% or 1,184 of those attaining certificates or degrees will enter employment in a training related field

Excerpts from Department of Labor and Employment Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Employment and Training and the Colorado Workforce Development Council

Objective: Increase entered employment outcomes and business participation in the workforce system to support the Colorado Blueprint goal to "Educate and train the workforce of the future."

Measurement: Meet the negotiated percentage goal of persons working in the quarter immediately following receipt of workforce services.

Performance Measure	Outcome	FY 2010-11 Actual		FY 2011-12 Actual		FY 2012-13 Estimate		FY 2013-14 Estimate	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
The percentage of persons working in the quarter immediately following receipt of workforce services	Benchmark*	50%	-7%	53%	+3%	54%	+1%	55%	+1%
	Actual	53.19%	+.60%	52.01%	-1.18%				

*This measure is negotiated annually with the US Department of Labor

Unemployment Insurance

Measurement: Meet all federal compliance standards by FY 2014-15

Performance Measure	Outcome	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Meet all federal compliance standards by FY 2014-15	Benchmark*	22	22	22	22
	Actual	9			

*US DOL Requirements

Evaluation of Prior Year Performance:
First Pay Promptness
The UI Division studied national best practices and worked in consultation with USDOL to develop new procedures and policies to reach our timeliness goals no later than September 2013. As am initial measure in 2012 we stabilized staffing pattern and work load distribution:

- The reorganization and hiring freeze associated with the reorganization resulted in a 17 percent vacancy rate in the Claimant Services Branch. Additionally, staff moved into Claimant Services through the reorganization required training in the new job duties, which negatively affects first-pay promptness.
- The unprecedented workload and increased call volume causes claimants without Internet access to have difficulty getting through to Claimant Services' Customer Service Center (CSC) to file timely initial claims. This negatively affects first-pay promptness.
- In FFY13 more staff will be focused on direct-service duties and the Division will track, through the workload-distribution system, staff productivity.

Worker's Compensation (New Measure)

Objective: Reduce costs associated with workplace accidents for employers participating in the Premium Cost Containment program (PCC).
Measurement: Reduce costs associated with workplace accidents for employers participating in the Premium Cost Containment Program (PCC) by five percent annually. Benchmark represents 5% increase in cost reduction over prior year.

Performance Measure	Outcome	FY 2011 Actual		FY 2012 Actual		FY 2013 Estimate		FY 2014 Estimate	
		reduction	change	reduction	change	reduction	change	reduction	change
Reduce costs associated with workplace accidents for employers participating in the Premium Cost Containment program (PCC) by 5%.*	Benchmark	$17.1M		$17.9M	5.0%	$18.8M	5.0%	$19.7M	5.0%
	Actual	$17.1M		$16.9M	0.5%				

*This is measured in reduced costs in the latest year as compared to the previous year. PCC accident cost reduction. Benchmark was derived from previous years' historical averages.

DEPARTMENT OF LOCAL AFFAIRS

December 3, 2012

SMART Annual Performance Report

Department of Local Affairs				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$327,238,113	$336,056,742	$8,818,629	2.7%
General Fund	$11,098,481	$18,780,295	$7,681,814	69.2%
Cash Funds	$206,386,363	$206,598,274	$211,911	0.1%
Reappropriated Funds	$7,129,597	$7,958,963	$829,366	11.6%
Federal Funds	$102,623,672	$102,719,209	$95,537	0.1%
FTE	163.2	164.3	1.1	0.7%

Department Description

The Department of Local Affairs (DOLA) serves as the state agency link between the state and local communities. DOLA provides training, technical assistance and financial support to local communities and community leaders. Financial resources are made available to communities either through statutory formula distributions or through grants at the discretion of the Executive Director with guidance from citizen boards. Roughly 90% of the Department's annual budget is invested directly in local communities in the form of grants or low interest loans. DOLA provides assistance through equitable and consistent implementation of property tax laws; financial support for community needs; and safe, affordable housing.

Mission Statement

DOLA strengthens communities and enhances livability in Colorado by providing accessible assistance in the following areas:

- Equitable and consistent implementation of property tax laws;

- Community development that is revitalizing and sustainable;

- Financial support for community needs; and

- Safe, affordable housing.

DOLA strives to be responsive, attentive, solutions-oriented and respectful, within and beyond our departmental boundaries.

Vision Statement

The Colorado Department of Local Affairs strengthens communities and enhances livability in Colorado. Using reliable and objective assessment methods, DOLA bridges the gap between localities and state government, partnering with local leadership to solve a wide range of problems and address a broad spectrum of issues and challenges. Through responsive action, flexibility, and unparalleled customer service, DOLA helps to ensure safety, equity, and vitality throughout the state.

Department of Local Affairs
Share of Statewide Budgets

Share of Statewide Operating Total

2%

■ State Total   ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total
■ Department General Fund Total
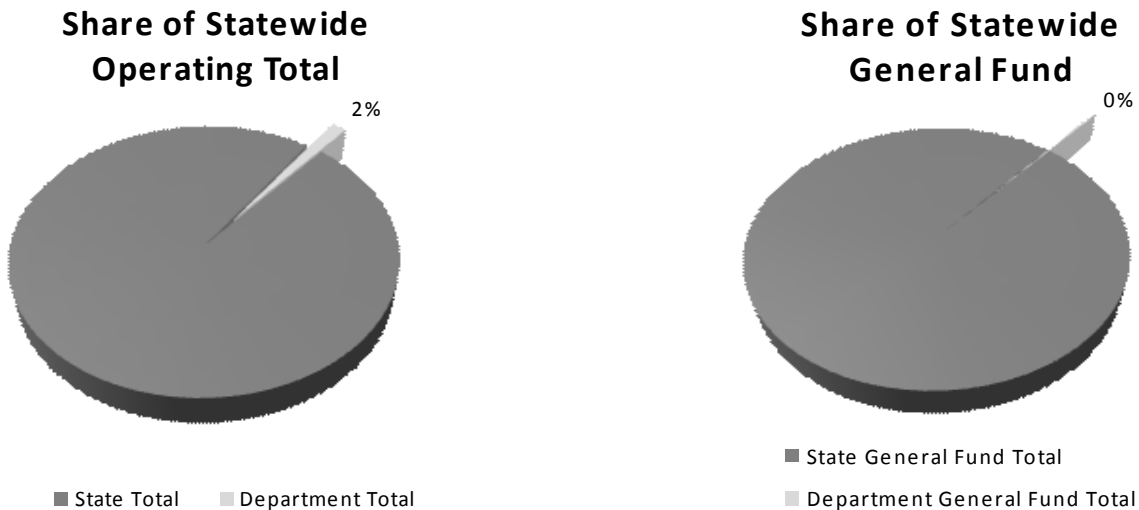
Key Trends and Accomplishments

- *Energy Impact Grants* - The funds for the competitive grant portion have been swept into the state's General Fund for the last several years to help balance the state's budget. This diversion of energy impact funds has caused serious hardship on local governments and has resulted in a huge backlog of much needed community infrastructure projects. DOLA expects community needs will far exceed the availability of funds for the first round of grant funding available in early 2013.

- *Shortage of Affordable Rental Housing* - Currently in Colorado, there are 142,940 renter households that pay 35% or more of their household income for housing and also earn a household income of $20,000 per year or less. Exacerbating the problem, new construction is not keeping up with household formation and consequently rental rates have risen to unaffordable levels. For example, since 2007 there have been 74,000 more households formed than there have been new rental units built.

- *Board of Assessment Appeals (BAA) Appeals* - The number of appeals resolved by the BAA has increased every year. 1,750 appeals were resolved by the BAA during the fiscal year prior to the adoption of the strategic plan. During the 2012 fiscal year, the BAA resolved 3,359 appeals (a 92% increase). This increase in performance was realized through the implementation of process improvements with no additional resources.

Operational Initiatives for FY 2012-13

- *Ft. Lyon* - In partnership with Bent County, HCPF, DHS, DOC, and DOLA are working with the Federal Veterans Administration (VA) and Housing and Urban Development (HUD) to repurpose the Fort Lyon facility to provide transitional housing, support services, and job training for chronically homeless individuals. The start up phase of the project is anticipated to start in the spring of 2013.

- *Main Street Program* - The Division of Local Governments (DLG) continues its efforts to enhance technical assistance to local government customers in pursuing local community and economic development initiatives. DLG's Main Street program for 14 communities delivers training and technical assistance in downtown revitalization efforts.

- *Energy Impact Grants* - Based on revenue projections, DOLA anticipates three annual funding cycles of $20 million each for discretionary competitive grants to local governments. It is estimated that approximately $60 to $90 million dollars of requests will compete in each cycle for the $20 million available. Preparations to implement the program have been completed. The first funding cycle has an application deadline of December 3, 2012. Grants from this first cycle will be awarded in spring of 2013.

Excerpts from Department of Local Affairs Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Division of Housing Goal: Ensure that Coloradans live in safe, decent, and affordable housing. We do this by helping communities meet their housing goals.

Objective 1: Preserve the existing statewide supply of affordable rental or home-ownership housing. **Strategy:** To preserve existing statewide affordable housing, DOLA Housing Division will fund projects that involve acquisition and/or rehabilitation of affordable rental properties or rehabilitation of owner-occupied housing.

Objective 2: Meet community needs for the homeless statewide by providing supportive services and increasing the number of shelter beds available. **Strategy:** To meet community needs for homeless shelters and services statewide, DOLA Housing Division will use ESG and CDBG funds to support homeless shelter operations and services, and CDBG funds to increase shelter capacity in non-entitlement areas of the state.

Objective 3: Increase statewide supply of housing for persons with special needs coupled with services that increase or maintain independence. **Strategy:** To increase the statewide supply of housing for persons with special needs coupled with services that increase or maintain independence, DOLA Housing Division will fund permanent supportive housing for seniors, the disabled, the chronically homeless and victims of domestic violence using HOME, CDBG, HDG and RLF funds.

Performance Measure	Outcome	FY09	FY10	FY11	FY12	FY13
Preservation of affordable rental and homeownership housing	Benchmark	910	910	910	910	910
	Actual	509	774	257	744	TBD

Performance Measure	Outcome	FY09	FY10	FY11	FY12	FY13
Increase the number of shelter beds or the number of homeless service agencies funded	**Benchmark**	80	90	90	90	115
	Actual	56	64	66	52	TBD
Fund 50 units of special needs housing.	**Benchmark**	250	250	250	250	250
	Actual	292	307	372	253	TBD

Division of Local Government Goal: Enhance local governments' community and economic development efforts, including land use planning and downtown revitalization. **Strategy**: Identify communities that need technical assistance in developing plans for community and economic development. In coordination with Regional Managers, identify communities that have community development needs and the desire to make improvements, and deliver community and economic development assistance. Increase webinar training for local government officials. **Savings statement**: None forecasted, however, more effective community and economic development assists in long-term sustainability of a community and reduces the potential for local governments to request financial assistance from the state as they achieve their community vision.

Performance Measure	Outcome	FY13	FY14	FY15	FY16	FY17
Main Street communities' detailed work plans	**Benchmark**	12	12	12	12	12
	Actual	10 est.	TBD	TBD	TBD	TBD
Webinar trainings on community development	**Benchmark**	50	50	50	50	50
	Actual	50 est.	TBD	TBD	TBD	TBD
Communities receiving competitive funding resulting from technical assistance	**Benchmark**	96	96	96	96	96
	Actual	96 est.	TBD	TBD	TBD	TBD
Intensive technical assistance to communities	**Benchmark**	125	125	125	125	125
	Actual	290 est.	TBD	TBD	TBD	TBD

Division of Property Taxation Goal: Assist county appraisal staff and the public with ad valorem valuation issues. This includes the application of sound appraisal principles, compliance with statutory and constitutional mandates and interpretation of applicable court decisions. **Strategy:** The division will accomplish this goal through classes offered to assessment personnel as well as technical assistance offered to the public and county assessment staff though in person and phone conversation, information available on our website and written brochures available for distribution. **Savings statement:** Increased competency of county staff leads to more accurate valuation, reducing the General Fund cost for backfill for under-valued school districts and reduced protests at the county and state level.

Performance Measure	Outcome	FY10	FY11	FY12	FY13	FY14
No. of Students in Tested Courses	**Benchmark**	225	225	225	225	225
	Actual	138	204	52	TBD	TBD
Pass Rate	**Benchmark**	95%	95%	95%	95%	95%
	Actual	97.9%	97.44%	94.2%	TBD	TBD
Student Satisfaction	**Benchmark**	80%	80%	80%	80%	80%
	Actual	90%	92%	94.23%	TBD	TBD
Assessor Satisfaction	**Benchmark**	80%	80%	80%	80%	80%
	Actual	80%	87.98%	87.94%	TBD	TBD

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

December 3, 2012

SMART Annual Performance Report

Department of Military and Veterans Affairs				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$222,946,109	$223,644,808	$698,699	0.3%
General Fund	$6,681,430	$6,503,671	($177,759)	-2.7%
Cash Funds	$1,332,993	$1,351,377	$18,384	1.4%
Reappropriated Funds	$803,662	$803,662	$0	0.0%
Federal Funds	$214,128,024	$214,986,098	$858,074	0.4%
FTE	1384.9	1387.6	2.7	0.2%

Department Description
The Department of Military and Veterans Affairs provides assistance and protection in the event of emergencies and disasters for the citizens of Colorado, provides assistance for Colorado veterans, and houses the state's Civil Air Patrol. The National Guard maintains a ready military force that can augment the active duty military, and is available to the state for assistance during emergencies and disasters.

Mission Statement
To provide guidance, support, and legislative coordination to the divisions of the Colorado National Guard, Civil Air Patrol, and Veterans Affairs enabling the divisions to assist Colorado's Veteran Community; and to provide ready forces at home or abroad, protecting the citizens and property of Colorado and the United States of America.

Vision Statement
To enhance Department of Military and Veterans Affairs capabilities and efficiency providing Colorado a high value organization, fully engaged with our communities, staged for the growing needs of our divisions and State through 2030 and beyond.

Department of Military and Veterans Affairs
Share of Statewide Budgets

Share of Statewide Operating Total

1%

■ State Total ■ Department Total

Share of Statewide General Operating Fund

0%

■ State General Fund Total

■ Department General Fund Total
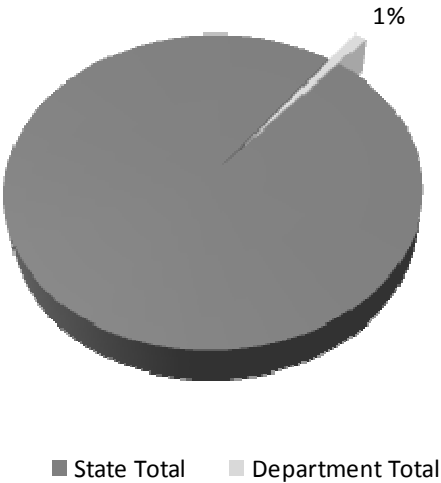
Key Trends and Accomplishments
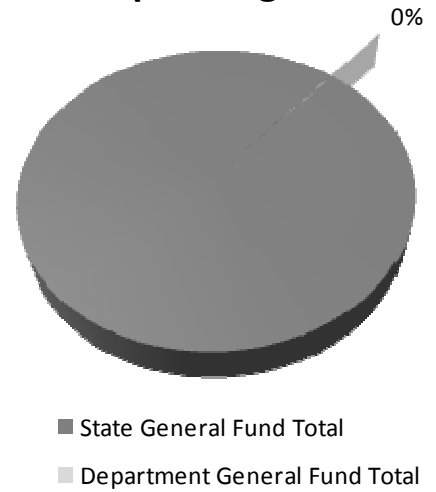
- More than 400 Guard members were deployed this year to support ongoing military operations in Iraq, Afghanistan, and other locations throughout the world. More than 6,000 members of the Army National Guard and the Air National Guard have been deployed and many have deployed three or four times in the last 11 years in support of the nation.

- During the most recent wildfire season, over 300 Guard members assisted local authorities with firefighting and security assets.

- The Department met the end-strength goals established by the National Guard Bureau for the fourth consecutive year. Success in this area allowed the Department to continue fielding fully manned, fully trained military first-responder teams that are vital to Colorado in responding to natural disasters and potential terrorist attacks.

- The Division of Veterans Affairs has also felt the impact of the nation's wars as the number of new veterans, many of them Guardsmen and Reservists, who qualify for benefits increased. In addition to this growing caseload, which has doubled in the last two or three years, the Division of Veterans Affairs has been participating in transition-assistance programs to explain veteran benefits to those returning from deployments.

- The Division of the Civil Air Patrol flew more than 2,600 hours in support of search and rescue, cadet programs, and aerospace education in Colorado. The nearly 2,100 volunteers of the Colorado Civil Air Patrol proudly serve their communities and the state by attending regular training events and meetings, as well as conducting self-guided proficiency flights in preparation for emergency services missions.

Operational Initiatives for FY 2012-13

- Provide Colorado's communities and nation a ready, reliable, essential and accessible military force, fully equipped for national defense, military support and defense support to civil authorities.

- Provide the Governor a trained and ready National Guard force able to conduct National Guard Civil Support within Colorado and Federal Emergency Management Agency Region VIII as required.

- Operate relevant and effective National Guard member and family support/readiness programs to meet the needs of Colorado's citizen soldiers/airmen and their families to include current employment initiatives.

- Have sufficient trained and available volunteers in Civil Air Patrol to provide timely 24/7 response to search and rescue, disaster relief and homeland security mission requests.

- Deliver timely, accessible, relevant, and the highest quality services needed to establish veteran's benefits through a core of well educated and trained State and County Veterans Service Officers (CVSOs).

Excerpts from Department of Military and Veterans Affairs Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

National Guard Federal:

Goal #1: Man the All-volunteer Force in accordance with Title 10, USC, Sections 117, 153, and 482. **Strategy:** *Personnel (P-level).* This measure is an aggregate of the personnel readiness rating for each Colorado Army National Guard unit or Colorado Air National Guard Unit. The applicable manning document that reflects the unit's core functions/designed capabilities is the authoritative source for the unit's required strength. Army Compliance Benchmark: 90% mandated by Headquarters, Department of the Army and Department of the Air Force.

Fiscal Year	Goal	Actual	Percentage of Goal Achieved
2009	90%	87%	97%
2010	90%	86%	96%
2011	90%	89%	99%
2012	90%	87%	97%
2013	90%	TBD	TBD

Figure 4: Colorado Air National Guard Personnel Readiness

Fiscal Year	Goal	Actual	Percentage of Goal Achieved
2009	90 %	82%	91%
2010	90 %	86%	96%
2011	90 %	88%	98%
2012	90 %	91%	101%
2013	90 %	TBD	TBD

Figure 2: Colorado Army National Guard Personnel Readiness

National Guard State:
Goal #1: Provide the Civil Support Team in less than two hours of a validated request for support and accepted mission assignment. **Strategy:** The Colorado National Guard will accomplish Performance Based Goal #1 by ensuring that the Civil Support Team is staffed, trained, equipped, and available for rapid deployment in response to operations 24 hours a day, seven days a week, with the ability to conduct sustained operations for a minimum of 72 hours. The Civil Support Team is federally funded. Personnel serve in a USC Title 32, Fulltime National Guard duty status.

Fiscal Year	Validated Requests with Response	Validated Requests with Response within 2 hours	Percentage of Goal Achieved
2009	4	4	100%
2010	4	4	100%
2011	3	3	100%
2012	4	4	100%
2013	TBD	TBD	TBD

Figure 18: Colorado National Guard Civil Support Team Response

National Guard Family:
Goal #1: Performance Based Goal #1: Maintain a dynamic Yellow Ribbon program for National Guard Service Members and their Families. This measure is an aggregate of the Yellow Ribbon Events for each Colorado National Guard deploying unit. **Strategy:** Educating the family about expectations upon the return of a soldier is imperative to create a supportive environment and integrating soldiers back to day-to-day life will allow them to regain their former role of spouse, child, parent, grandparent, sibling, and productive member of society. Taking a proactive approach to successfully prepare for these various dynamics will make for a healthier workforce.

Fiscal Year	Mandatory Yellow Ribbon Events	Actual	Percentage of Goal Achieved
2009	14	14	100%
2010	24	24	100%
2011	22	22	100%
2012	34	34	100%
2013	21	TBD	TBD

Figure 26: Yellow Ribbon Events Held

Civil Air Patrol:
Goal #1: Maintain a minimum membership in Colorado Wing of 2,000 members to include cadets and adults. **Strategy:** The Colorado Wing does some direct recruiting but participation in public events such as parades and veterans functions, media coverage of Civil Air Patrol activities and word of mouth are the primary recruiting tools. Participation in public events, performing emergency services missions and having trainings, meetings or lectures with aerospace, military or emergency response themes help with member retention.

Fiscal Year	Membership Benchmark	Actual	Percent of Benchmark achieved
2009	2,000	1,871	93.6%
2010	2,000	2,074	103.7%
2011	2,000	2,106	105.3%
2012	2,000	TBD	TBD
2013	2,000	TBD	TBD

Figure 33: Colorado Civil Air Patrol Membership

Veterans Affairs:
Goal #1: Increase the number of trained County Veteran Service Officers (CVSO's). **Strategy:** This goal will be accomplished by increasing the level of awareness of policy and decision makers at the state, county and municipal levels in those underrepresented areas by face-to-face or group meetings. In addition, the Division will enhance outreach to CVSO's in rural communities through regional training throughout the year.

Fiscal Year	Benchmark	Actual	Percent of Benchmark achieved
2009	N/A	60*	N/A
2010	N/A	65*	N/A
2011	N/A	67*	N/A
2012	70	TBD	TBD
2013	72	TBD	TBD
2014	74	TBD	TBD

Figure 39: Number of Trained CVSOs

DEPARTMENT OF NATURAL RESOURCES

December 3, 2012

SMART Annual Performance Report

Department of Natural Resources				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$262,617,572	$242,688,254	($19,929,318)	-7.6%
General Fund	$23,740,163	$24,089,080	$348,917	1.5%
Cash Funds	$209,496,335	$179,771,768	($29,724,567)	-14.2%
Reappropriated Funds	$8,636,648	$9,333,473	$696,825	8.1%
Federal Funds	$20,744,426	$29,493,933	$8,749,507	42.2%
FTE	1,464.1	1,452.1	(12.0)	-0.8%

Department Description

The Colorado Department of Natural Resources (DNR) is responsible for the management of the water, land, wildlife, minerals and energy, oil & gas, state trust lands, and outdoor recreation resources of the State. Its mission is to develop, preserve, and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors. This includes use or access to some resources, promotion of the responsible development of select resources, and the protection or preservation of other resources.

Mission Statement

Colorado is blessed with a wealth of natural resources, including beautiful landscapes, abundant energy and mineral resources, diverse wildlife, and unique geology. The State's high quality natural resources play a significant role in the high standard of living enjoyed by Coloradans. Out-of-state visitors and Coloradans alike enjoy hunting, fishing, outdoor recreation, and visiting Colorado's public lands. Wise use of the state's many high quality natural resource have a variety of positive impacts on Colorado's economy.

Vision Statement

Under the leadership of the Department of Natural Resources, Colorado will:

- **Water** - Provide for the long-term municipal, industrial, and agricultural water needs of the State in a way that recognizes and provides for the instream flow needs of fish, wildlife, and recreation.
- **State Parks** - Maintain a system of parks across the State that offers diverse outdoor recreation opportunities, protects high quality landscapes for current and future generations, and fosters natural resource education.
- **Energy** - Promote responsible and sustainable development of Colorado's energy and mineral resources in a manner that is consistent with environmental protection, maintenance of Colorado's quality of life, and protection of Colorado's diverse economic base.
- **Wildlife** - Manage and conserve healthy and sustainable wildlife populations for the benefit of current and future Coloradans.
- **State Lands** – Manage state school lands held in a perpetual, inter-generational trust for the benefit and support of public schools.

Department of Natural Resources
Share of Statewide Budgets

Share of Statewide Operating Total

1%

■ State Total   ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total
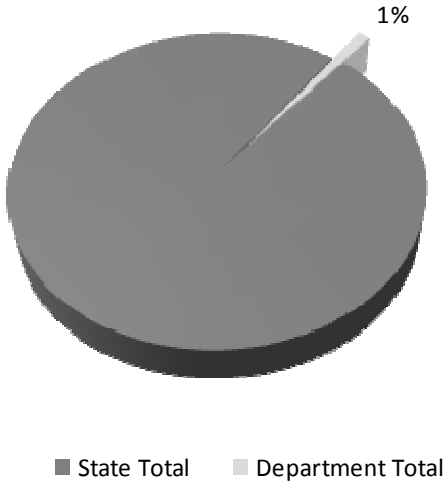
■ Department General Fund Total
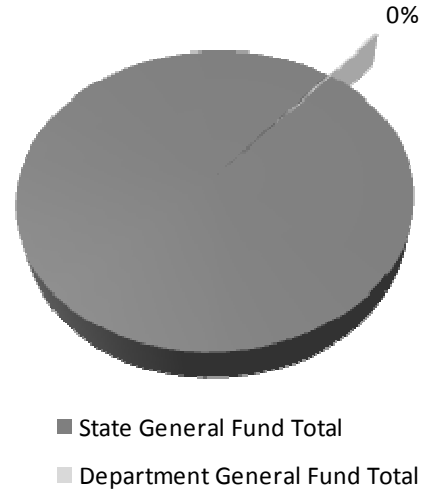
Key Trends and Accomplishments

- **Oil and Gas**. The Department and OGCC have participated in a Task Force established by Governor Hickenlooper to create a more collaborative approach to oil and gas regulation with local governments. The OGCC has also been working with stakeholders to establish new rules on "setbacks" to determine how far oil and gas wells must be located away from buildings and is considering new rules for water well sampling.
- **Merger of Parks and Wildlife**. The Division of Parks and Wildlife successfully prepared a transition report for the merger of the two former Divisions (Colorado Division of Wildlife and the Colorado Division of Parks and Outdoor Recreation).
- **State Land Board Revenue Growth**. Revenues earned by the State Land Board in the period from 2008 through fiscal year end in 2012 represent the highest revenue years on record, with total annual revenues exceeding $146 million in FY 2011-12.
- **Statewide Water Supply Initiative**. The Colorado Water Conservation Board recently completed a comprehensive update to the Statewide Water Supply Initiative (SWSI 2010), which examined Colorado's projected water supplies and water demands.

Excerpts from Department of Natural Resources Strategic Plan – Key Objectives, Performance Measures, Strategies, and Analysis

Objective: Provide and promote a variety of outdoor recreational opportunities for citizens and visitors.

Performance Measure	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Annual Visitation to State Parks *	Benchmark	12,480,000	12,387,874	12,600,000	12,750,000
	Actual	12,338,520	12,233,271	Unknown	Unknown

* Note: The Division is in the process of installing Entrance Automation stations at pilot parks throughout the Parks system. This number may be adjusted depending on the outcome of this project.

Strategies: Expanding the number of parks and recreational opportunities within the parks, broadening agency visibility, expanding marketing. While out of DNR's control, growth in state population will affect this area too.
Analysis: Visitation has slightly decreased (0.9%), mostly due to weather issues and drought affecting water recreation. Wildfires close to several parks had also an impact.

Objective: Maximize efficient use of Colorado's water resources in compliance with interstate compacts.

Performance Measure	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Overall compliance with interstate water compacts (expressed as a percentage)	Benchmark	100%	100%	100%	100%
	Actual	88%	88%	Unknown	Unknown

Strategies: Meet contractual water delivery obligation for nine compacts while protecting interstate compact apportionment. Each compact/decree has difference compliance components.
Analysis: State of Colorado was in compliance with all Court Decrees, agreements, and eight of its nine compacts in FY 2010-11. It was not in compliance with the Republican River Compact.

Objective: Meet the current and future water supply needs of the State.

Performance Measure	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Increase water storage to meet long term water supply needs.	Benchmark	122,265 ac ft.	36,455 ac ft.	5,740 ac ft.	5,740 ac ft.
	Actual	75,802 ac ft.	3,500 ac ft.	Unknown	Unknown

Strategies: The Statewide Water Supply Initiative examined, on a basin by basin basis, Colorado's projected water supplies and demand.

Analysis: By 2050, Colorado will need an additional 750,000 to 1,100,000 acre feet of water supply.

Objective: Ensure that energy development is undertaken in a responsible manner that encourages protection of environmental resources such as water and wildlife habitat.

Performance Measure	Outcome	FY 2010-11 Actual	FY 11-12 Actual	FY 12-13 Estimate	FY 13-14 Request
Percent of oil and gas wells permitted using a closed loop drilling system	Benchmark	37%	37%	80%	80%
	Actual	67%	74%	Unknown	unknown

Strategies: Department is working with federal land agencies, the federal government, and local governments to encourage sound practices that minimize impacts on wildlife, the environment, and local communities. Minimizing adverse impacts to water resources is an important measure. A closed loop drilling system replaces a drilling pit with storage tanks that separate liquids and solids – this minimizes the drilling waste and better protects groundwater and provides for easier reclamation.
Analysis: Closed loop drilling in certain situations is required. More operators are satisfying their Wildlife consultation before they drill in sensitive Wildlife habitats.

Objective: Earn reasonable and consistent revenue on State Land Board properties for the benefit of all trusts

Performance Measure	Outcome				
Increase revenues to the school trust by 5 percent annually	Benchmark	$ 68,142,859	$ 71,550,002	$ 120,853,570	$124,297,724
	Actual	$120,557,842	$144,738,002	Unknown	Unknown

Strategies: Mineral, surface, and commercial areas are the sources of revenue. Diversification of portfolio ownership and leasing will help minimize revenue instability.
Analysis: Past year revenue records are based on per acre bonus revenues which are paid at auction to lease land for oil and gas development on State Trust lands. These levels likely cannot be maintained. Projections for FY 2012-13 and FY 2013-14 are considered reasonable.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

December 3, 2012

SMART Annual Performance Report

Department of Personnel and Administration				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$160,021,572	$169,888,884	$9,867,312	6.2%
General Fund	$6,596,233	$5,682,518	($913,715)	-13.9%
Cash Funds	$11,997,536	$14,286,437	$2,288,901	19.1%
Reappropriated Funds	$141,427,803	$149,919,929	$8,492,126	6.0%
Federal Funds	$0	$0	$0	0.0%
FTE	394.9	393.4	(1.5)	-0.4%

Department Description
The Department of Personnel & Administration (DPA) provides centralized services to state agencies that are necessary for the operation of Colorado State government. These services include: supporting and maintaining the integrity of the State personnel system; managing the State's insurance pool; providing management, monitoring, and oversight of the State's financial and purchasing operations; providing administrative law judge services statewide; developing statewide total compensation and operating expense policies common to all departments; and providing statewide central services such as travel, mail, data entry, reprographics, facility maintenance and fleet.
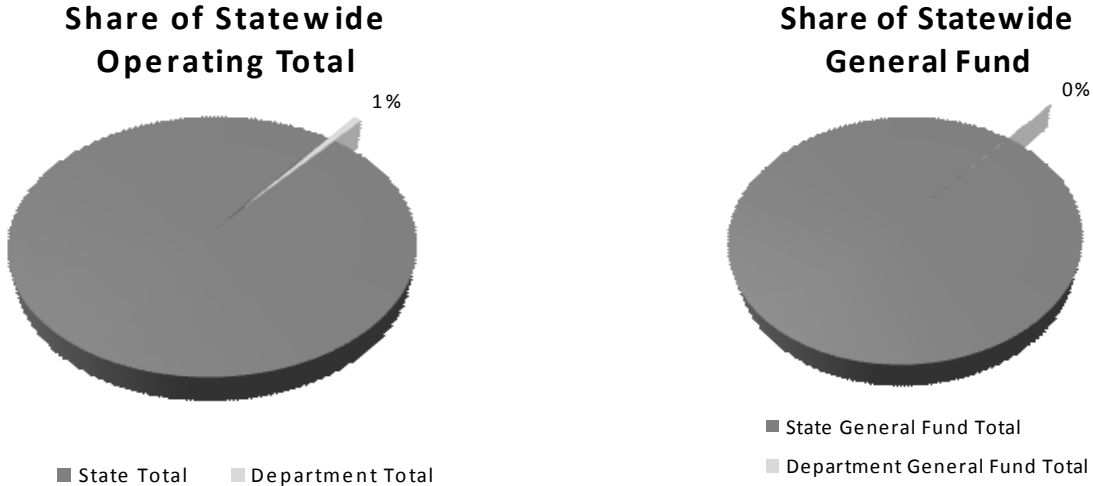
Mission Statement
The mission of the Department of Personnel & Administration is to provide quality services to enhance state government.

Vision Statement
Our vision is to be the leader in service excellence.

Department of Personnel & Administration
Share of Statewide Budgets

Share of Statewide Operating Total

1%

■ State Total ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments

- Improve customer service – DPA undertook a strategic planning effort that focused on opportunities for improving customer service.

- Increase employee engagement – DPA has made significant progress in engaging state employees, through multiple outreach efforts.

- Modernize statewide financial system – DPA is working to modernize the Colorado Financial Reporting System, also known as COFRS.

- Chair Talent Agenda initiative – DPA spearheaded an effort to modernize the State's 92-year-old personnel system.

- Implementation of e-procurement – Implementation of the State's new electronic procurement system, Colorado Market Passport (COMPASS), is scheduled for completion in FY 2012-13.

Operational Initiatives for FY 2012-13

- *Key Goal #1 - Improve DPA Customer Service* - The Department of Personnel & Administration provides a number of services to state agencies, state employees, the citizens of Colorado, and various governments and jurisdictions. As a service organization, the Department recognizes the importance of establishing a rapport with its clients and associating quality services with its name and image through branding. To effectively brand the Department with its products and services, the Department will focus on improving its communication to concerned parties, customer service to all

entities that use its products and services, the effectiveness of its products and services, the value/savings potential or revenue maximization potential associated with its products or services, and the overall quality of its offerings. Accomplishment of this particular strategic goal will be measured through a number of surveys regarding the Department's general reputation and the reputation of the vast number of programs it administers.

- *Key Goal #2 - Modernize DPA Systems that are Outdated, Ineffective, or on the Verge of Failure* - The Department of Personnel & Administration is the business owner of a number of systems that support many of the functions necessary to effectively manage state government, including finance, procurement, collections, fleet, and court related systems. As the owner of many of the systems that are integral to the function of state government, the Department's leaders assessed the overall state of the systems by researching their ability to perform the task originally intended, the system's ability to adapt to ongoing reporting requirements and modifications, the applicability of the database or system in the future, and the viability of the system from a maintenance and upkeep perspective. The Department concluded that a number of the systems under its purview are outdated, obsolete, and at risk of imminent failure. Success for this strategic goal is not limited to whether or not the State replaces a system, but also includes the maximization of scalability, effectiveness, and ongoing viability while minimizing costs for procurement, programming, implementation, training, and ongoing maintenance.

- *Key Goal #3 - Implement the Talent Agenda Initiative* - During the 2012 legislative session, the Governor's Office and Department of Personnel & Administration (DPA) worked together to propose changes to the State Personnel System. House Bill 12-1321 and House Concurrent Resolution 12-1001 (Amendment S) jointly are referred to as the "Talent Agenda." The Talent Agenda ensures the State is better able to recruit, retain and reward top talent by increasing flexibility in hiring processes, making changes to employee compensation and moving the State workforce environment into the 21st Century. State Personnel Director's Administrative Procedures were updated following passage of House Bill 12-1321. With the passage of Amendment S, many internal policies, procedures, and technical assistance needs to be updated and human resources personnel and supervisors and managers will need to be trained. Furthermore, the Department is investigating the creation and implementation of a statewide wellness program to further enhance employee engagement and productivity.

Excerpts from Department of Personnel & Administration Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Objective 1: Increase the percent of customers reporting satisfaction with overall services received from DPA. (Applies to Key Goal #1)

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
All Divisions	1	Benchmark	N/A	N/A	40%	42%
		Actual	N/A	38%	TBD	TBD

Objective 2: Complete scheduled implementation task through month 10 and month 22 for modernization of the Colorado Financial Reporting System (COFRS) by July 1, 2013. (Applies to Key Goal #2)

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Office of the State Controller	2	Benchmark	N/A	N/A	Yes	Yes
		Actual	N/A	N/A	TBD	N/A

Objective 3: Complete scheduled implementation task through month 10 and month 22 for the E-Procurement system as part of the Colorado Financial Reporting System (COFRS) by July 1, 2014. (Applies to Key Goal #2)

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
State Purchasing Office	2	Benchmark	N/A	N/A	Yes	Yes
		Actual	N/A	N/A	TBD	TBD

Objective 4: Increase the efficiency of the OAC as measured by the number of cases that are electronically opened through the soon to be implemented e-filing system. (Applies to Key Goal #2)

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Office of Administrative Courts	2	Benchmark	N/A	N/A	50	250
		Actual	N/A	N/A	TBD	TBD

Objective 5: Move the State's workforce to 100% of prevailing salary compensation through the total compensation process as measured by the percentage difference between the State's average salary and market average salary reported through the total compensation letter and reports (negative value indicates the State is below market average by that percent). (Applies to Key Goal #3)

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Division of Human Resources - Compensation Unit	3	Benchmark	0%	0%	0%	0%
		Actual	0.50%	-3.20%	TBD	TBD

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

December 3, 2012

SMART Annual Performance Report

Department of Public Health and Environment				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$466,101,507	$471,224,767	$5,123,260	1.1%
General Fund	$30,725,111	$31,354,622	$629,511	2.0%
Cash Funds	$157,156,520	$154,142,912	($3,013,608)	-1.9%
Reappropriated Funds	$32,052,315	$32,426,913	$374,598	1.2%
Federal Funds	$246,167,561	$253,300,320	$7,132,759	2.9%
FTE	1,223.1	1,212.1	(11.0)	-0.9%

Department Description
The Department of Public Health and Environment is comprised of 11 divisions. These divisions are organized into three groups: Administration and Support. Environmental Programs consisting of Air Pollution Control Division, Water Quality Control Division, Hazardous Materials and Waste Management Division and Environmental Health and Sustainability. Health Programs consisting of the Center for Health and Environmental Information, Laboratory Services, Disease Control and Environmental Epidemiology, Prevention Services, Health Facilities and EMS and the Emergency Preparedness and Response Division.

Mission Statement
The mission of the Colorado Department of Public Health and Environment is to protect and improve the health of Colorado's people and the quality of its environment.
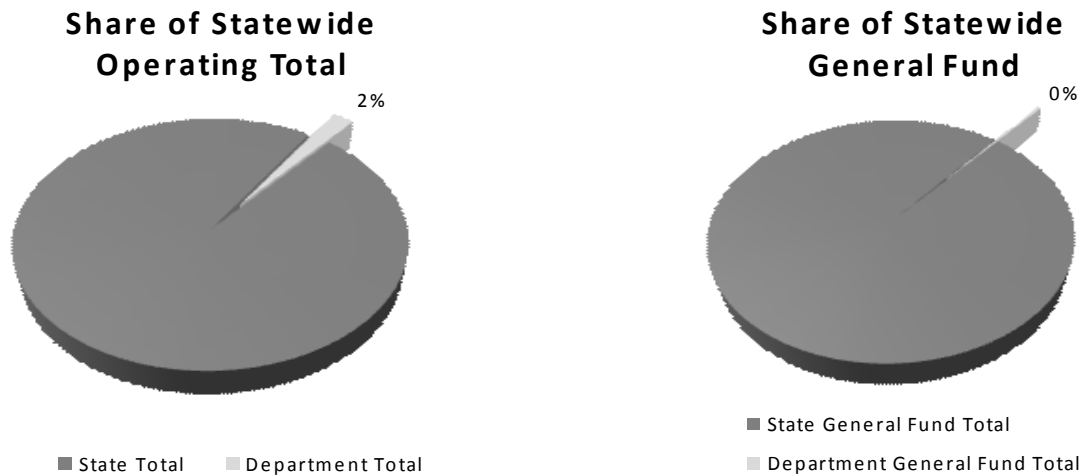
Vision Statement
Colorado will be the healthiest state with the highest quality environment.

Key Trends and Accomplishments
- *Affordable Care Act (ACA).* In 2010 Congress passed the Patient Protection and Affordable Care Act. This legislation made a number of changes that will impact access to, and delivery of, quality health care. As there is a strong emphasis in the Act on public health infrastructure, prevention, and health care workforce development, a number of programs within CDPHE will be impacted.
- *Preventative Health and Health Services Block Grant.* For FY 2013 this important source of public health funding has been targeted for elimination within the President's budget submission to Congress. In FY 2011 Colorado received $961,423 and $932,651 in FY 2012.

Department of Public Health and Environment
Share of Statewide Budgets

Share of Statewide Operating Total

2%

■ State Total   ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total
■ Department General Fund Total

Key Trends and Accomplishments (continued)

- *Medical Marijuana.* The medical marijuana registry currently tracks 96,700 patients (as of April 2012). The registry experienced explosive growth, going from 5,000 applications during 2008 to a high of almost 130,000 in 2011 and now is back down to the current 90,000 plus.

- *Oil & Gas Permitting/Enforcement.* From 2008-2010, the Air Division experienced an approximately 70% increase in permit applications for oil and gas facilities. The growth, in conjunction with the promulgation of new and complex regulatory requirements at the federal level, place burdens on existing enforcement staff. The division is moving forward with hiring additional FTE while also implementing LEAN principles to address the permitting backlog and to streamline the permitting process.

- *Numeric Nutrient Criteria Development and Implementation.* The development of water quality criteria and subsequent standards to address phosphorus and nitrogen is a national priority for EPA. In March 2012, The Water Quality Control Commission conducted a rulemaking hearing to consider adoption of rules proposed by the Division to address nutrients and these rules were finalized by the Commission in June 2012. At the request of the Governor, the Commission delayed the effective date of the portion of the new regulations that require installation of some treatment by some wastewater plants until July 2013. Actual installation of treatment infrastructure will occur slowly over the next ten years.

Operational Initiatives for FY 2012-13

- Achieve Targeted Achievements in Colorado's Winnable Battles
- Promote Programmatic Excellence
- Strengthen the Integrated Public and Environmental Health Systems
- Foster a Competent, Empowered Workforce

- Create a more Efficient, Effective and Customer-Oriented Department
- Promote Health Equity and Environmental Justice
- Use Performance-Based Measures and Evaluation to Continuously Improve Effectiveness and Prioritize Resources
- Strengthen Internal and External Communication

Excerpts from Department of Public Health and Environment Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Clean Air - Objective: Achieve Targeted Improvements in Colorado's Winnable Battles, Promote Programmatic Excellence and Create a More Efficient, Effective, Customer-Oriented Department.

	Baseline (Year)	Colorado 2016 Target
Clean Air		
Reduce emissions of mercury.	80% mercury capture at three large CO power plants (2011)	80% mercury capture from large power plants in CO
Emissions of harmful ground-level ozone forming pollutants from major sources in the ozone non-attainment area	16,500 tons per year of NOx (nitrogen oxides) (2008)	Reduction of 11,000 tons of NOx in Denver metro and North Front Range

Strategies: Implement Colorado regulations for mercury reductions from Colorado power plants and implement retirements of older, less efficient coal-fired power plants, fuel switching from coal to natural gas, and emission controls provided for by the Colorado Clean Air - Clean Jobs Act.

Analysis: Colorado has adopted regulatory provisions that will require large power plants to capture 80% of mercury emissions commencing in 2014. Additional provisions that are slated to take effect in 2018 will require a 90% mercury capture rate from these sources

Clean Water - Objective: Achieve Targeted Improvements in Colorado's Winnable Battles, Promote Programmatic Excellence and Create a More Efficient, Effective, Customer-Oriented Department.

	Baseline (Year)	Colorado 2016 Target
Clean Water		
Percent of water bodies that attain compliance with water quality standards	52% of river/stream miles attain standards	60% of river/stream miles attain standards
	30% of lakes/reservoirs attain standards (2010)	40% of lakes/reservoirs attain standards (2010)

Improve the quality of surface water and ground water that contains hazardous contaminants by treating the contaminated water	2,441 million gallons of water treated (2010)	2,628 million gallons of water treated
Number of people served by public drinking water systems that are not in compliance with uranium and radium standards	21,204 people (28 systems – 1.7% of total systems) (2010)	4,116 people (16 systems – 0.8% of total systems)

Strategies: The Department provides technical and financial assistance to the communities with elevated uranium and radium levels in their drinking water supplies, coordinates with local and federal agencies to support the Arkansas Valley Conduit that will bring fresh, clean water to communities along the Lower Arkansas River Valley and responds to violations for discharges to waters not meeting standards.

Analysis: Since 2007, the Colorado Department of Public Health and Environment has identified 43 Public Water Systems in Colorado where uranium or radium levels in drinking water exceeded health standards. Today about 28 systems serving about 21,000 remain out of compliance.

LEAN - Objective-Employ Lean Methodologies to Improve Business Processes

Lean is a process improvement approach that looks at reallocating resources to achieve better results for customers, both internal and external, with whom the department works. It is about efficiently deploying the department's resources. The department's goal is to embed Lean methodologies into everyday work processes to eliminate waste and improve customer service.

Strategies to Create a More Efficient, Effective, Customer-Oriented Department
- Utilize Lean experts to train departmental staff in Lean methodologies.
- Utilize Lean experts and trained staff to facilitate Lean events to improve the efficiency of programs and activities.
- Require divisions to identify Lean activities within their expertise areas and implement as part of their adopted work plans.

Performance Evaluation
During this initial year of the CDPHE Lean program, as is standard for any new performance improvement initiative, the focus is on building capacity and infrastructure. During the initial year, the department has invested heavily in building capacity in each of the 11 divisions through training and events. Over the next year the Department will begin to see quantifiable results from these initiatives and the exponential progression of Lean throughout the department as more staff are trained, more initiatives are undertaken and there is greater alignment of these efforts toward strategic priorities.

DEPARTMENT OF PUBLIC SAFETY

December 3, 2012

SMART Annual Performance Report

Department of Public Safety				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$320,196,864	$334,566,017	$14,369,153	4.5%
General Fund	$84,624,139	$87,200,253	$2,576,114	3.0%
Cash Funds	$155,103,072	$164,239,554	$9,136,482	5.9%
Reappropriated Funds	$27,113,894	$28,762,765	$1,648,871	6.1%
Federal Funds	$53,355,759	$54,363,445	$1,007,686	1.9%
FTE	1,558.3	1,579.1	20.8	1.3%

Department Description
The Colorado Department of Public Safety [CDPS] is the single, statewide law enforcement agency in Colorado. CDPS provides a broad range of public safety services throughout the state. Agencies within CDPS include; the Executive Director's Office [EDO], the Colorado State Patrol [CSP], the Division of Fire Prevention and Control [DFPC], the Division of Homeland Security and Emergency Management [DHSEM], the Division of Criminal Justice [DCJ], and the Colorado Bureau of Investigation [CBI].
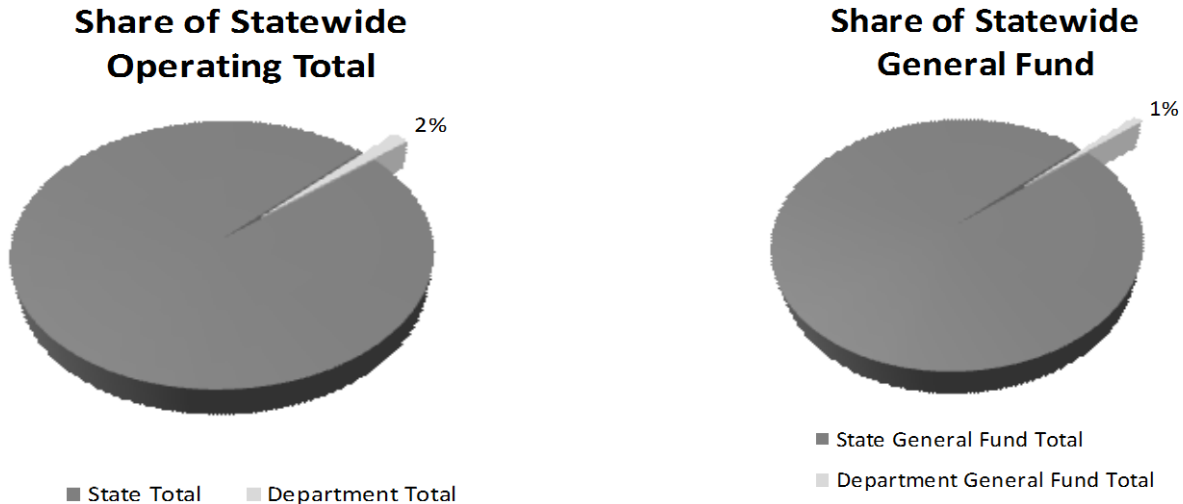
Mission Statement
The mission of the Colorado Department of Public Safety is to provide a safe environment in Colorado by maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy. The CDPS also provides professional support of the criminal justice system, fire safety and emergency management communities, other governmental agencies, and private entities. Throughout, our goal is to serve the public through an organization that emphasizes quality and integrity.

Vision Statement
The Colorado Department of Public Safety seeks excellence in public safety through integrity, science, research, technical competence and community partnerships. Over the next five years, CDPS will continue to apply this standard to its existing functions as well as new service areas and business units within the Department. Through effective use of resources, CDPS will efficiently deliver statewide public safety services, including traffic enforcement, criminal investigations, fire prevention, criminal justice research and education, and emergency response.

Department of Public Safety
Share of Statewide Budgets

Share of Statewide Operating Total

2%

■ State Total   ■ Department Total

Share of Statewide General Fund

1%

■ State General Fund Total
■ Department General Fund Total

Key Trends and Accomplishments

- The Colorado Department of Public Safety's most noteworthy challenge resulted from the state's hottest weather and worst wildland fire season in history. During the first half of the year, more than two dozen devastating wildland fires developed throughout the state, including the most destructive fire in the state's history.

- Pursuant to House Bill 12-1283, CDPS now includes the newly-created Division of Homeland Security and Emergency Management and the re-created Division of Fire Prevention and Control (formerly the Division of Fire Safety). This legislation consolidated homeland security, emergency response, and wildfire suppression functions that were previously divided between three state entities.

- House Bill 12-1019 transferred the remaining components of the Ports of Entry program to Colorado State Patrol within CDPS. This transfer became effective July 1, 2012.

- Taken together, the administrative changes increased the department's size by nearly 250 FTE, an increase of approximately 20 percent in FTE, who were transferred into the department from other executive departments.

Operational Initiatives for FY 2012-13

In addition to the operational objectives highlighted in its Strategic Plan, the Department of Public Safety will focus on two significant initiatives in FY 2012-13:

- The Division of Homeland Security and Emergency Management will seek improved prevention, protection, mitigation, response and recovery efforts, and will provide quality customer service to citizens and local governments. The Division will evaluate operations, identify additional efficiencies to ensure maximum use of limited resources, and distribute federal grant dollars in compliance with federal standards and statewide

needs. By February 2013, the Division will report to the legislature on any future efficiencies or opportunities to improve homeland security and disaster preparedness capabilities.

- The Division of Fire Prevention and Control will work through FY 2012-13 to incorporate the responsibility for providing safety inspections for health care facilities throughout the State.

Excerpts from Department of Public Safety Strategic Plan
Key Goals/Objectives and Performance Measures, Strategies, and Analysis

1. Maximize Intelligence-Led Strategies to Protect Life and Property: Traffic Safety (Colorado State Patrol)

Objective: The Colorado State Patrol will employ intelligence-led strategies to meet its strategic goals. Initiatives will be focused on developing data-driven strategies to enhance traffic mitigation and combat traffic safety challenges.

Performance Measure	Outcome	CY 2010 Actual		CY 2011 Actual		CY 2012 Approp.		CY 2013 Request	
		Incidents	Change	Incidents	Change*	Incidents	Change*	Incidents	Change*
Reduce by *five percent* the number of fatal and injury crashes investigated by troopers statewide.	Benchmark	4,288	(2.0%)	3,780	(5.0%)	3,520	(5.0%)	3,344	(5.0%)
	Actual	3,389	(9.0%)	3,429	(7.5%)				

* Change based on a four-year average.

2. Forensic Services (Colorado Bureau of Investigation)

Objective: Reduce the turnaround time for providing forensic analysis and results to submitting agencies.

Performance Measure	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request	FY 2014-15 Estimate
Decrease the overall average number of days it takes the forensic laboratory system to process and return results.	Benchmark	N/A	90 days	75 days	60 days	60 days
	Actual	N/A	163 days			

Note: The CBI updated this performance measure for FY 2011-12. As such, the CBI does not have actual data for FY 2010-11.

3. Emergency Management (DHSEM)

Objective: Increase the number of Homeland Security Exercise and Evaluation Program (HSEEP) compliant state-level exercises conducted annually to improve Colorado's response and recovery capabilities through scheduled training and exercises based on written plans, procedures and measured performance standards.

Performance Measure	Outcome	CY 2010 Actual	CY 2011 Actual	CY 2012 Approp.	CY 2013 Request	CY 2014 Estimate
Number of state-level HSEEP exercises conducted annually to improve state government response capability in accordance with the State Emergency Operations Plan	Benchmark	N/A	N/A	6	6	8
	Actual	N/A	N/A			

4. Community Corrections (DCJ)

Objective: Division of Criminal Justice Office of Community Corrections will improve the efficiency and effectiveness of Community Corrections programs

Performance Measure	Outcome	FY 2010-11 Actuals	FY 2011-12 Actuals	FY 2012-13 Approp.	FY 2013-14 Request	FY 2014-15 Estimate
Improve overall Community Corrections program compliance through an annual decrease in the average Risk Factor Analysis score.	Benchmark	Decrease in RFA scores of 3- 5%	Decrease in RFA scores of 1%	Decrease in RFA scores of 1%	Decrease in RFA scores of 1%	Decrease in RFA scores of 1%
	Actual	Decrease in RFA scores of 2.4%	Decrease in RFA scores of 2.5%			

5. Fire Prevention and Control (DFPC)

Objective: Contribute to an annual reduction in the occurrence of fire-related fatalities in Colorado.

Performance Measure	Outcome	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2013-14 Estimate
Contribute to an annual reduction in the number of fire-related deaths per 100,000 population in Colorado.[1]	Benchmark	0.500 deaths per 100,000 population	0.480 deaths per 100,000 population	0.480 deaths per 100,000 population	0.480 deaths per 100,000 population	0.480 deaths per 100,000 population
	Actual	0.460 deaths per 100,000 population	0.378 deaths per 100,000 population	0.488 deaths per 100,000 population		

	John W. Hickenlooper
	Governor

DEPARTMENT OF REGULATORY AGENCIES

December 3, 2012

Henry Sobanet
Director, OSPB

SMART Annual Performance Report

Department of Regulatory Agencies				
	FY 2012-13 Appropriation	**FY 2013-14 Request**	**FY 2013-14 Change**	**Percent Change**
Total Funds	$78,558,839	$81,166,414	$2,607,575	3.3%
General Fund	$1,714,111	$1,777,317	$63,206	3.7%
Cash Funds	$71,265,174	$73,661,623	$2,396,449	3.4%
Reappropriated Funds	$4,265,351	$4,368,294	$102,943	2.4%
Federal Funds	$1,314,203	$1,359,180	$44,977	3.4%
FTE	557.9	562.8	4.9	0.9%

Department Description
The Colorado Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating state-chartered financial institutions, public utilities, insurance providers, and a host of professional occupations, and it enforces state civil rights laws. The Department is primarily cash funded by regulated entities and collects fees from professional licensing, registration, and public utilities, which are set based on legislative appropriations specific to operating and regulatory oversight expenses.

Mission Statement
DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission. Working toward this end demonstrates the value Colorado places on a safe and competitive business environment. Adhering to the consumer protection mission also requires that DORA promotes fair standards across the professions.
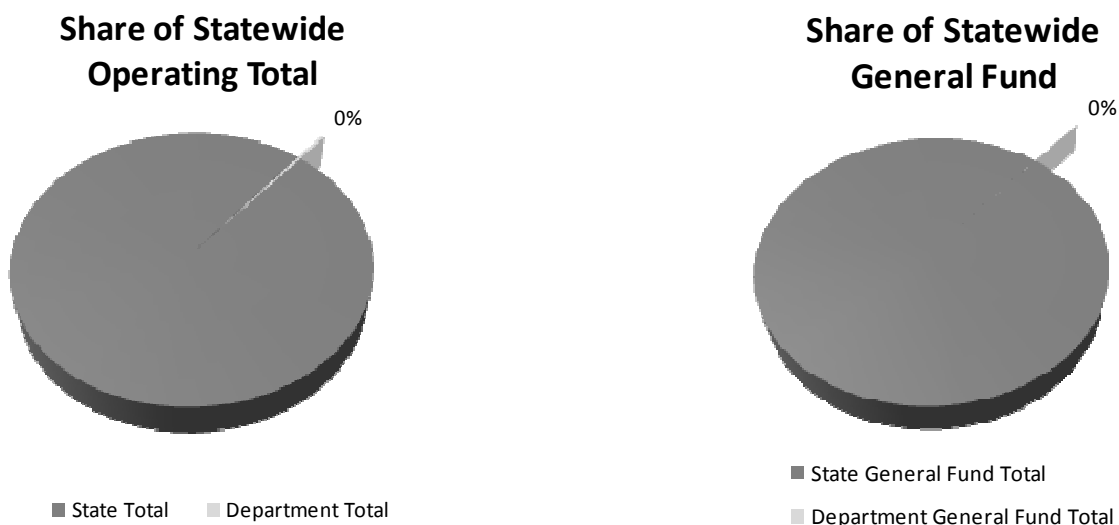
Vision Statement
The goals of increasing consumer and professional outreach, timely access to information, and improving complaint resolution time are being achieved with renewed vigor and focus. Through these and other efforts to promote a fair and competitive business environment in Colorado, DORA will preserve the integrity of the Colorado economy.

Key Trends and Accomplishments

- The Civil Rights Division has made numerous adjustments in its work processes as a result of a series of budget cuts and FTE reductions over the past six years that included closing all regional offices in 2006. In the past several years regional offices have reopened in Pueblo and Grand Junction. CCRD has met its statutory mandates and contractual requirements with US HUD and the US EEOC regarding processing cases in spite of the budget crisis.
- The Division of Real Estate. The Division will begin implementing HB12-1110 which requires the licensure of appraisal management companies. The law is effective July 1, 2013 and also requires fingerprint-based background checks for all existing appraisers and future applicants for appraiser licensure.

Department of Regulatory Agencies
Share of Statewide Budgets

Share of Statewide Operating Total

0%

■ State Total ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments (continued)

- Telecommunications Rulemaking. The PUC formed the Telecommunications Advisory Group in August 2010 to study and inform the Commission on marketplace, technology, legal, regulatory and other changes currently taking place in the telecommunications sector. After industry-supported legislation failed for the second year in a row, the PUC has pledged to revisit this issue by the end of 2012 and determine by rulemaking which services are regulated and to what degree.

- The Public Utilities Commission. This year, the Commission's internet based electronic filings system (E-Filings) has been expanded and improved. All filings in docketed proceedings may be filed and viewed electronically through the E-Filings system. The net savings to industry resulting from the implementation and continued use of E-Filings is immeasurable, but significant. The net saving to the PUC is also significant and growing. This fiscal year, the PUC saved in excess of $37,000 in postage over the previous year.

- The Division of Securities- With the passage of the federal Dodd-Frank Act in 2010, and commencing June 30, 2012, states will have sole regulatory authority over investment adviser firms with assets under management up to $100 million, with the SEC having sole regulatory oversight of firms with assets over $100 million. The Division anticipates that the examination of firms with $100 million is assets will inherently be more complex, and require additional staff time. With this background, the state legislature approved three new field examiners positions for the Division in 2011.

Operational Initiatives for FY 2012-13

- Consumer Outreach-– In the current economic climate it is more important than ever to actively reach out to consumers and share information and educate consumers about their rights, and ways they can help protect their interests. We do this because smart consumers are good for business. Smart consumers are more confident and show that confidence by actively engaging in the marketplace.

- Professional Outreach-– It is part of our goals to educate professionals as to their responsibility to consumers and the marketplace, as well as to provide guidance as to how they can comply with the practice standards required of their professions.
- Complaint Resolution- DORA continues to work on improving its complaint resolution process in every division, and shares best practices across divisions in order to achieve greater customer service. DORA is now using the data from the types of complaints we receive to drive our outreach efforts to both professionals and consumers.
- Timely Access- DORA offers a valuable service 24/7 to all professionals needing to renew licenses with 100% of renewal applications available online. Also, most of DORA's divisions allow complaints to be filed online. DORA has also initiated outreach and translated web pages for Spanish speakers.
- Qualified Professionals-– Through an agency-wide training program focusing on managerial, supervisory, and technical job-related training sessions as well as mandatory orientation sessions for all new employees, DORA aims to accomplish its goal of its employees having the knowledge, skills, and abilities to effectively and fairly regulate Colorado professionals and industries.
- Economic Environment- DORA understands its role in the current economic environment as supporting economic development, with the ultimate goal of job creation. By protecting consumers without erecting unnecessary barriers and costs to businesses and professionals, DORA positively impacts both business efficiency and consumer confidence, which will, in turn, enhance the level of activity in Colorado's marketplace.

Excerpts from Department of Regulatory Agencies Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Consumer Outreach Objective: Consumers are educated about their rights and understand how the violation of those rights can be addressed and resolved.

Performance Measure #1	Outcome	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Approp.	FY 13-14 Request
10% increase in number of web hits.	Benchmark	+10%	+10%	+10%	+10%
	Hits	+12.8% 200,163,133	+2.9% 205,893,801	Unknown	Unknown

Strategy: Consumers are educated about their rights and the protections the state provides through awareness campaigns, electronic publications, enhanced use of technology, public information events and media coverage.

Evaluation of Prior Year Performance: FY 2011-12 performance was not as good as the prior year, as web hits increased only 2.9 percent to 205.9 million. However, overall page views increased 29.5% over this same period. This measure was adopted in the FY 2010-11 Strategic Plan and has continued relevance into the future. It is believed that if this measure continues in next year's strategic operational plan, the measure will be revised to more accurately gauge performance in light of the cumulative success the website has already created.

Key Workload Indicators: Relevant workload indicators to this measure are set forth in the following table:

	Actual	Actual	Actual
	FY 09-10	**FY 10-11**	**FY 11-12**

Total Web Hits	177,498,380	200,163,133	205,893,801

Complaint Resolution Objective: Consumer complaints are resolved in accordance with specifically-tailored Division performance targets.

Performance Measure #3	Outcome	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Approp.	FY 13-14 Request
100% percent of Divisions meeting their custom-tailored complaint performance measures	Benchmark	N/A	100%	100%	100%
	Actual	N/A	71%	Unknown	Unknown

*Strategy***:** Identify and share efficiency strategies across divisions in order to process complaints and applications more efficiently.

Evaluation of Prior Year Performance: The measure has been changed based on legislative feedback and the Department believes it more appropriate to report the extent to which Divisions met their more specific measures as a Department wide measure, with additional detail available at the Division level in this document. This is now consistent with other Department-wide measures. This measure is likely to be revisited during the current Strategic Operational Planning process.

Key Workload Indicators: The overall number of complaints for the Department is included below:

	Actual	Actual	Estimate	Estimate
	FY 10-11	**FY 11-12**	**FY 12-13**	**FY 13-14**
Complaints	14,809	13,674	14,000	14,000

Qualified Professionals Objective: DORA's employees have the knowledge, skills, and abilities to effectively and fairly regulate Colorado professionals and industries.

Performance Measure #5	Outcome	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Approp.	FY 13-14 Request
% employees who received job-specific training.	Benchmark	85%	85%	90%	90%
	Actual	87%	81%	Unknown	Unknown

*Strategy***:** DORA's implementing a department-wide training program that will address the job specific needs of its employees.

Evaluation of Prior Year Performance: In FY 2011-12, performance under the measure was 81%, just short of the benchmark. The benchmark is at 85% because although all employees are targeted for this training, not all of this occurs within a given fiscal year, and 85% represents the best approximation of what can reasonably expected to occur in a given fiscal year. The Department therefore believes that the spirit of the measure was attained even as performance was just shy of the benchmark.

Key Workload Indicators: 81% of DORA employees participated in the training program. 67 sessions of 33 different classes were offered, and 81% of DORA's workforce (455 of 563 actual employees) participated in at least one session.

John W. Hickenlooper
Governor

DEPARTMENT OF REVENUE

December 3, 2012

Henry Sobanet
Director, OSPB

SMART Annual Performance Report

Department of Revenue				
	FY 2012-13 Appropriation	**FY 2013-14 Request**	**FY 2013-14 Change**	**Percent Change**
Total Funds	$287,699,701	$294,819,200	$7,119,499	2.5%
General Fund	$73,668,142	$77,201,572	$3,533,430	4.8%
Cash Funds	$211,751,066	$215,480,992	$3,729,926	1.8%
Reappropriated Funds	$1,456,105	$1,312,248	($143,857)	-9.9%
Federal Funds	$824,388	$824,388	$0	0.0%
FTE	1,250.3	1,238.8	(11.5)	-0.9%

Department Description
The Department of Revenue's mission is to provide exceptional service in an effective and innovative manner that instills public confidence while fulfilling their duties to collect revenues, responsibly license and regulate qualified persons and entities, increase productivity, and assure the vigorous and fair enforcement of the laws of Colorado. The Department's key responsibilities are to (1) administer, audit, and enforce taxes, fees, and licenses covered under Colorado's laws, including the collection and distribution of more than $10.0 billion annually; (2) issue drivers licenses and identification cards, oversee the statewide vehicle titling and registration system, maintain driver records, and enforce the State's auto emissions program through the Division of Motor Vehicles; (3) regulate individuals and entities in the liquor, tobacco, gaming, racing, auto, and medical marijuana industries through the Enforcement Business Group; and (4) administer the Colorado Lottery.

Mission Statement
The Department of Revenue will provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

Vision Statement
To become a premier Department of Revenue known for its outstanding customer service, innovation, and dedicated employees.
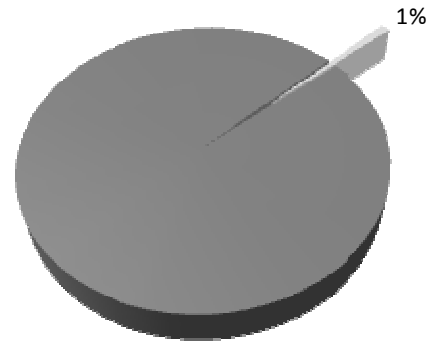

Department of Revenue
Share of Statewide Budgets
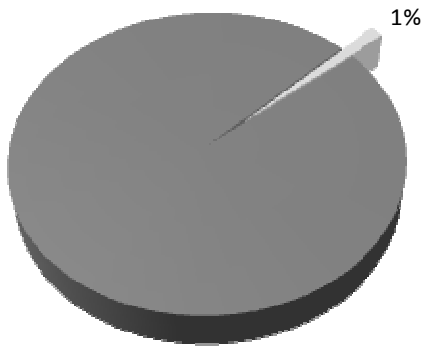
Share of Statewide Operating Total

1%

■ State Total   ■ Department Total

Share of Statewide General Fund

1%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments
- **Colorado Integrated Tax Architecture (CITA) Project:** The Department completed the CITA project, replacing 50-year old legacy technology system allowing for greater adoption of tax administration best practices.
- **Remittance Processing and Document Management:** Using the LEAN process, both The Department of Revenue and the Department of Personnel and Administration (DPA), began a project to streamline workflow by leveraging new equipment and technology for processing tax returns and tax payments and managing tax records.
- **Conservation Easements:** HB 11-1300 authorized a new expedited method for resolving, disputed conservation easement income tax credit claims by providing the option of either an administrative hearing before the Executive Director of the Department or adjudication through a hearing in district court.
- **Driver and Vehicle Services:** The Department is performing detailed studies and analyses of the Division's existing business processes, cost accounting, and information technology infrastructure, with the end goal of developing a long-term comprehensive financing plan for the Motor Vehicles Division.
- **Medical Marijuana Regulation, Licensing, and Enforcement**: The Department took numerous actions to reduce costs and to increase revenue generated to the Marijuana License Cash Fund in order to prevent insolvency.
- **Technology Infrastructure Support, Maintenance, and Replacement:** The Department is developing plan to meet current and future IT needs in the most cost efficient and effective way as the Department uses antiquated systems and is continually challenged to deliver services to citizens.

Operational Initiatives for FY 2012-13
- **Key Goal #1** - Customer Service – The Department is highly focused on providing excellent customer service. The Department offers account maintenance to individuals including the ability to file online, track refunds, and assign duly authorized representatives. The Department hires additional temporary staff assigned to the Call Center to answer calls during times of high call volume to limit call wait times.

- **Key Goal #2** - Fiduciary Responsibility – The Department provides responsible financial, resource, and project management building a sustainable foundation using a high standard of care while recognizing the importance of a fair tax code and ensuring all businesses and individuals pay their fair share of taxes. This goals is accomplished through a newly implemented audit selection system capable of automatically comparing different data sets ensures that the Department audits entities with high potential for tax liability changes.

- **Key Goal #3** - Statutory Responsibility – To promote fairness and consistency in the application of the law, the Colorado Lottery monitors compliance with the Lottery's rules and procedures protecting Lottery players. The Colorado Lottery conducts independent compliance investigations and covert operations at retailers to deter theft of winning tickets and to ensure that Lottery transactions are handled correctly by store personnel.\

- **Key Goal #4** - Employees – The Department aims to recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.   However, due to large numbers of applications, recruiting employees is very time consuming and extensive. The Department is developing an expedited exam process that identifies the qualified applicants in a shorter period of time in order to accelerate the hiring process.

- **Key Goal #5** - Public Confidence – The Department maximizes public trust through responsible stewardship and transparent processes demonstrated in the Colorado Limited Gaming Act requiring the public to have trust and confidence in the gaming industry.   One of the ways the Division accomplishes this mandate is to inspect all new slot machines placed into service by licensed casinos to ensure they meet statutory and regulatory requirements.

Excerpts from Department of Revenue Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Objective 1: Taxation will strive to have average wait times for all call centers fall within 10% of programmatic standards identified below on a monthly basis. The Tax Call Center will answer calls within an average of 10 minutes of entering the queue for FY13.

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
TAXATION DIVISION	1	Benchmark	0:05:00	0:05:00	0:05:00	0:10:00
		Actual	0:08:35	0:13:05	TBD	TBD

Objective 2: Taxation will strive to have $385,000,000 in audit assessments each year.

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
TAXATION DIVISION	2	Benchmark	$281,769,447	$281,769,447	$379,592,528	$385,000,000
		Actual	$349,962,657	$483,926,076*	$532,696,470*	N/A

*In FY11 and FY12, the Department conducted several audits that generated large assessments, which are not expected to occur in FY13 and FY14.

Objective 3: The Lottery Division shall increase the percentage of regular compliance investigations annually.

Program	Applies to Strategic Goal	Outcome	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request	Y 2014-15 Request
LOTTERY DIVISION	3	Benchmark	N/A	12%	25%	
		Actual	N/A	8%	TBD	TBD

*The percentages identified are the percentages of the total retailers of which compliance investigations are anticipated to be completed (objective) or have been completed (actual) in a fiscal year.

Objective 4: Decrease the average number of days it takes the Department to fill 100% of vacant positions from the submittal of the personnel request form to Human Resources to the job offer will be reduced by 10% each year.

Program	Applies to Strategic Goal	Outcome	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request	FY 2014-15 Request
EXECUTIVE DIRECTOR'S OFFICE	4	Benchmark	N/A	N/A	54 days	49 days
		Actual	N/A	60 days	TBD	TBD

Objective 5: The Division of Gaming shall inspect 100% of new slot machines introduced to the gaming floor within 90 days to ensure compliance with the Gaming Act, Colorado Gaming Regulations, and internal control standards.

Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
DIVISON OF GAMING	5	Benchmark	100%	100%	100%	100%
		Actual	100%	100%	TBD	TBD

DEPARTMENT OF TRANSPORTATION

December 3, 2012

SMART Annual Performance Report

Department of Transportation				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	$1,119,353,686	$1,267,760,876	$148,407,190	13.3%
General Fund	$0	$0	$0	0.0%
Cash Funds	$706,181,582	$759,829,076	$53,647,494	7.6%
Reappropriated Funds	$3,763,059	$19,788,816	$16,025,757	425.9%
Federal Funds	$409,409,045	$488,142,984	$78,733,939	19.2%
FTE	3,308.8	3,317.5	8.7	0.3%

Department Description

The Colorado Department of Transportation (CDOT) is the cabinet department that plans for, operates, maintains, and constructs the state-owned transportation system, including state highways and bridges. The Department coordinates modes of transportation and integrates governmental functions in order to reduce the costs incurred by the state and the public in transportation matters.

The state's transportation system is managed by CDOT under the direction of the Colorado Transportation Commission, composed of eleven members who represent specific districts. Each commissioner, appointed by the Governor and confirmed by the Senate, serves a four-year term. The commission directs policy and adopts departmental budgets and programs.
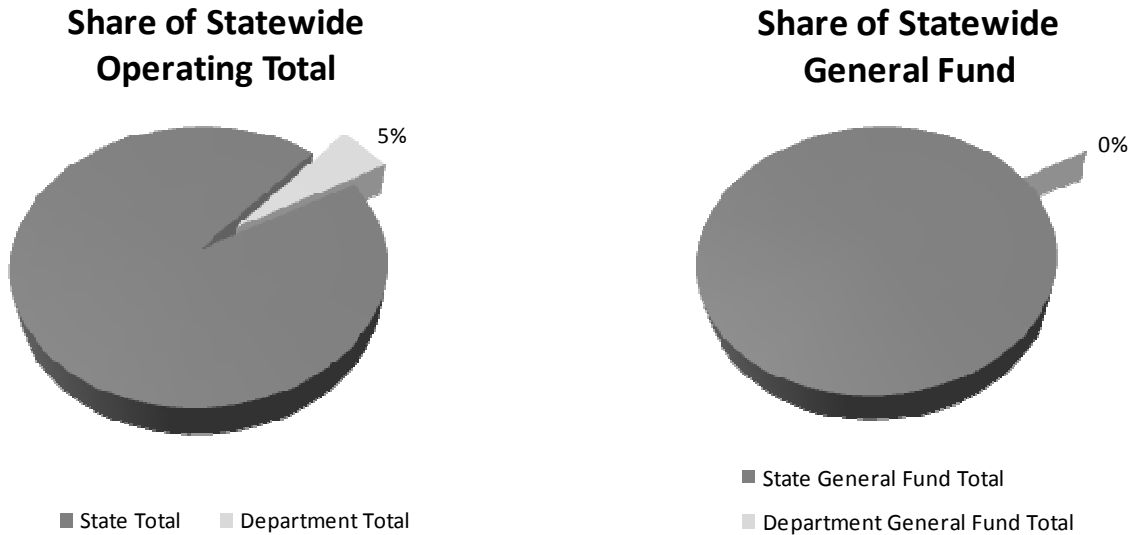
Mission Statement

CDOT's mission is to provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information.

This mission is manifested in part through operating principles within Transportation Commission Policy Directive 13: customer focus, leadership, partnership, integrated regional and statewide priorities, financial responsibilities, balanced quality of life, environment, accessible connectivity and modal choices, and social responsibility.

Vision Statement

The vision of the department is to enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people and goods and by offering convenient linkages among modal choices. It accomplishes this by relying on its core values of safety, people, respect, integrity, customer service, and excellence.

Department of Transportation
Share of Statewide Budgets

Share of Statewide Operating Total

5%

■ State Total   ■ Department Total

Share of Statewide General Fund

0%

■ State General Fund Total

■ Department General Fund Total

Key Trends and Accomplishments

- On July 6, 2012, President Obama signed into law a new 27-month federal transportation authorization, Moving Ahead For Progress in 21st Century Act (MAP-21). CDOT is in the process of studying the legislation and incorporating its changes into the budget, as well as changing policies, processes, and program funding to comply with this legislation. FHWA is busily promulgating rules and compiling guidance for DOT usage. This information will be forthcoming over the next 18 months, creating changes to how CDOT funds projects, manages assets, and measures performance.

- CDOT's key program area goals as defined in Policy Directive 14 are broad, aspirational, department-wide and long term. Five of the goals identify specific desired performance levels that cannot be met with currently anticipated resources. The key program area objectives are specific, measurable, achievable (at adoption), results-oriented, and time-bound. The difference between the performance goals and objectives, depicted in Figure 1, on the last page of this summary, from the 2035 Long Range Plan, illustrates the gap between the desired level of performance and the reasonably achievable performance based upon anticipated resources as adopted by the Transportation Commission during the 2008-2035 resource allocation. The Commission will soon revisit Policy Directive 14 in preparation of the 2040 Long Range Plan.

- CDOT continues to pursue the goal of being transparent and accountable to the public. This is reflected by the budget narrative that has been transformed into a more public-friendly format, the utilization of budget categories developed while working with the FASTER-created Efficiency and Accountability Committee, and the launch of www.yourCDOTdollar.com, a website created to provide accessible information to Colorado taxpayers and drivers about the Department's expenditures and performance.
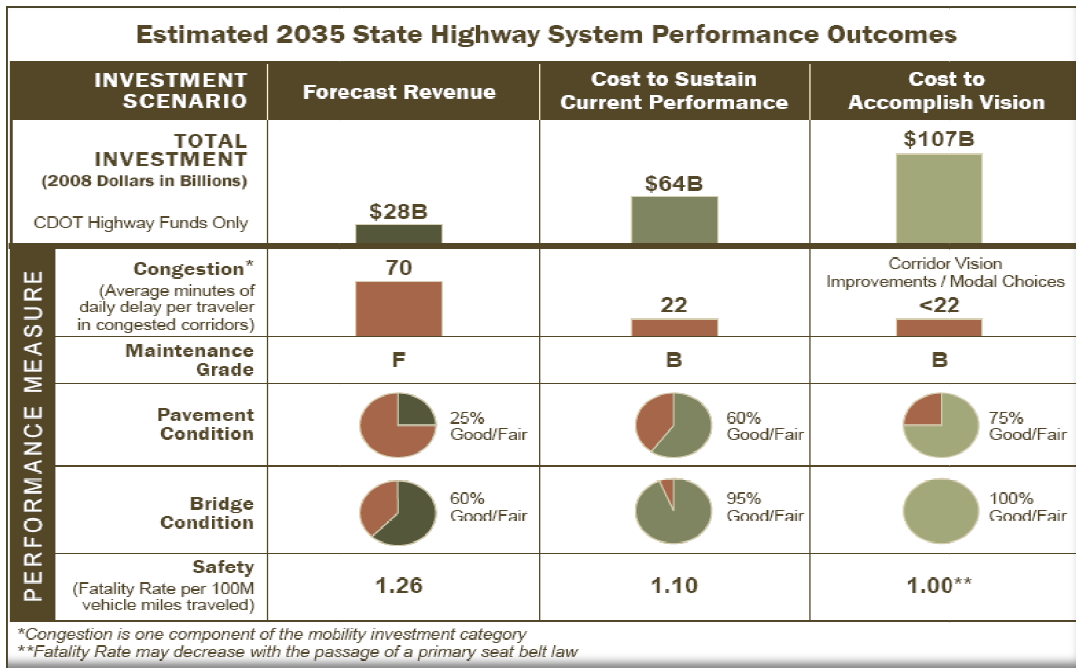
Operational Initiatives for FY 2012-13

- CDOT will begin or continue several large-scale projects in 2013 that will positively impact Colorado residents and drivers. These include a project to increase the size of the eastbound bore of the Twin Tunnels on I-70 near Idaho Springs, replacement of the I-25 bridges over South Santa Fe Drive in Denver, and a multi-modal project to improve US 36 from Federal Boulevard to 88th Street in Louisville/Superior which includes an express lane in each direction, replacement of several bridges, and many other improvements.

- CDOT will implement Accelerated Program Delivery, designed to decrease the time from project conception to project completion in order to deliver highway and bridge improvement projects more quickly.

- CDOT's FY2014 Strategic Plan is organized to address the key program areas, goals, objectives and performance measures established by Policy Directive 14 and the newly enacted federal transportation legislation, MAP-21. This bill stipulates that state departments of transportation implement the national performance measurement and management program following federal rulemaking, scheduled to conclude in April 2014.

    MAP-21 clearly outlines national performance areas that CDOT must report under the new transportation funding bill. CDOT staff has assimilated existing, pre-MAP-21 Transportation Commission policy directives with national performance areas of **Safety, Infrastructure Condition, Mobility, Environmental Sustainability, and Program Delivery**.

Excerpts from Department of Transportation Strategic Plan
Key Goals/Objectives, Performance Measures, Strategies, and Analysis

Shortfall of resources to meet long-term goals – As described on page 2, there is a gap between the desired level of performance and the reasonably achievable performance based upon anticipated resources as adopted by the Transportation Commission during the 2008-2035 resource allocation. This gap is depicted in **Figure 1** below from the 2035 Long Range Plan. Policy Directive 14 recognizes that funding often limits CDOT's ability to reach the desired level of performance, and thus sets achievable, short-term objectives that are at the time determined to be achievable. Those realistic objectives are often lower than the desired goals, but help guide annual budget and ongoing program funding decisions.

Figure 1 – Select 2035 Long Range Plan Forecasted Revenues against Performance

Estimated 2035 State Highway System Performance Outcomes

INVESTMENT SCENARIO	Forecast Revenue	Cost to Sustain Current Performance	Cost to Accomplish Vision
TOTAL INVESTMENT (2008 Dollars in Billions) CDOT Highway Funds Only	$28B	$64B	$107B
Congestion* (Average minutes of daily delay per traveler in congested corridors)	70	22	Corridor Vision Improvements / Modal Choices <22
Maintenance Grade	F	B	B
Pavement Condition	25% Good/Fair	60% Good/Fair	75% Good/Fair
Bridge Condition	60% Good/Fair	95% Good/Fair	100% Good/Fair
Safety (Fatality Rate per 100M vehicle miles traveled)	1.26	1.10	1.00**

*Congestion is one component of the mobility investment category
**Fatality Rate may decrease with the passage of a primary seat belt law

Highway vehicle safety - Providing a safe and secure transportation system is among CDOT's highest priorities. The mission of CDOT's Office of Transportation Safety and Traffic Engineering Branch is to reduce the incidence and severity of motor vehicle crashes and the associated human and economic loss. Between 2009 and 2011, the number of fatalities decreased by 3.9 percent, from 465 to 447. This is a marked improvement over the recent high of 743 traffic fatalities in Colorado in 2002. CDOT worked quickly to capitalize on the introduction of FASTER Safety funds. Examples of FY 2011 FASTER Safety projects include concrete repair and traffic signal replacement along University and Wadsworth Boulevards in the Denver area, extended acceleration and deceleration lanes on Interstate-70 in Clifton, and realignment to improve visibility and smooth turns at the intersection of State Highway 13 and Railroad Avenue in Rifle.

System-wide pavement condition - CDOT's surface treatment program is generally able to achieve the target established by the Transportation Commission at the beginning of each year. The annual target continues to be established each year at a level lower than the prior year's actual level, which is indicative of the continued system deterioration caused by insufficient investment in surface treatment.

Maintenance level of service grade - This year's statewide maintenance level of service grade of B- exceeded the annual objective of C. The Maintenance and Operations Branch attributes this to a milder winter in the Eastern half of the state, which allowed them to exceed target levels of service for *non-snow* related maintenance activities. The statewide overall maintenance objective and actual grades over an eight-year period range from a C to a B+. The steady grades reflect a carefully administered maintenance management system. The decrease to a C benchmark in FY 2012 is largely the result of budgeted dollars not keeping up with the rising costs of fuel and materials, inflation and increasing needs for bridge maintenance activities.