



**OWENS ADMINISTRATION
FIRST YEAR PROGRESS REPORT**

FEBRUARY 2000

OVERVIEW

In his January 12, 1999 inaugural address as Colorado's 40th Governor, Bill Owens promised to be guided by one central principal: "Expanding opportunity for all Coloradans."

"I want a Colorado where our citizens have the broadest range of opportunities next century. I want a Colorado where the only limits we face are those which we place on ourselves ... a Colorado where those who are strong extend a helping hand to those in need. And I want a Colorado where every citizen has the opportunity to realize his or her God-given talent and ability."

During his first year in office, Governor Bill Owens swiftly moved forward on expanding opportunities for all Coloradans.

"It is heartening to see a politician moving deliberately ahead with his campaign promises, and particularly for putting a long-overdue tax cut at the top of a list of campaign promises fulfilled."

– Grand Junction Daily Sentinel

The Governor expanded opportunities by...

...winning voter approval for significant highway expansion and traffic congestion relief

...providing the largest tax relief package in Colorado history for hard working families

...fully-funding K-12 education while demanding true accountability for improving student achievement

"There's something especially gutsy about Gov. Bill Owens picking off some of the most intractable problems to face the state."

– Northern Colorado Business Report

Governor Owens rose above partisanship, working hard for all Coloradans and for the benefit of the whole state.

"The new governor has been responsive – to legislators of both parties. He has shown a knack for judiciousness – carefully weighing all sides before selecting the course he deems to be the most fair and reasonable."

– The Denver Post

Tax Relief for Colorado

“Gov. Bill Owens deserves credit for insisting that the biggest tax cut be permanent.”

– The Denver Rocky Mountain News

Governor Owens called on the State Legislature to work with him to reduce the tax burden on Colorado citizens. With such a large surplus, some legislators argued for tax refunds rather than tax relief. However, Governor Owens insisted on the right of Colorado citizens to keep more of their money. He signed into law the largest tax relief package in the state’s history, totaling more than \$922 million in temporary and permanent tax cuts.

Tax Cuts

- Permanent reduction in the state income tax rate from 5% to 4.75%, saving Colorado taxpayers nearly \$212 million dollars in the first year alone
- Elimination of the marriage tax penalty that discriminated against married taxpayers
- Reduction in the business personal property tax
- Reduction in the tax on capital gains, dividends and interest earnings
- Reduction in the mineral severance tax to help the hard-hit Colorado mining industry

Tax Credits

- Earned-income tax credit for the poor
- Tax credit for landowners who place conservation easements on their property to protect it from development
- Tax credit to encourage research and development in biotechnology

Taxpayer Savings

- Provided a six-tier TABOR refund system, instead of a sales tax refund system, to target tax relief to those who paid taxes
- Implemented zero-based, performance oriented budgeting for state departments
- Vetoed a proposed revenue building project and two other capital projects, saving taxpayers \$37 million
- Proposed \$12.7 million Life-Safety renovation plan for Capitol Building instead of an unnecessary \$140 million renovation that was planned
- First Governor to ever return unspent funds from the executive branch to Legislature

More Tax Relief Ahead

In his January 2000 State of the State Address, Governor Owens called on the legislature to pass an additional \$200 million in permanent, annual tax relief – by reducing either the state income tax or the state sales tax

Improving Colorado's Roads

"Tuesday's overwhelming passage of Referendum A was a clear-cut political victory for Gov. Bill Owens...By approving the measure nearly 2-1, Colorado voters told opponents that it is the political will of the electorate to proceed in the manner formulated by the governor."

– The Pueblo Chieftain

For too many years, Colorado under-invested in its transportation infrastructure to keep pace with the state's rapid population growth. In his first year in office, Governor Owens fulfilled a campaign pledge and immediately went to work to improve and upgrade Colorado's transportation system. He won voter approval for increased transportation funding and signed legislation to increase the speed and efficiency with which transportation funds are used. Governor Owens also worked to ensure that transportation funds were spent more efficiently through the privatization of bus routes in metro Denver and by preventing statewide funds from subsidizing local transit projects.

More Dollars for Roads

- Proposed a plan to accelerate \$1.7 billion of federal highway funds to jump-start construction on critical road projects around the state
- Sought and won voter approval for his plan, winning more than 60% of the votes statewide
- Made permanent investment in roads by using a portion of the state sales tax

Backed Light Rail

- Allowed the state to accept federal mass transit funds in the RTD service area in case RTD was unable to agree on building light rail
- Allowed RTD to claim, as part of a state match to receive federal transit funds, the state's costs to expand bridges and other improvements along I-25 in southeast Denver
- Required RTD to privatize more of its bus routes – a minimum of 35 percent – so it can reduce costs and thus have more funds for light rail

Building Transportation Projects Quicker

- Changed the law to accelerate highway projects by allowing companies to bid on road construction projects while the final design is being completed
- Reduced by ten years the time it will take to complete 27 critical highway projects around the state

Continuing to Invest in Roads

- 2000 budget requests an additional \$50 million to fund rural highway improvements

A Quality Education For Every Colorado Child

“Gov. Bill Owens is brilliantly walking the tightrope between public-school critics and defenders by offering tough, intelligent reforms to strengthen, not undermine, the existing system.”

– The Denver Post

Governor Owens is committed to ensuring that every child has a quality teacher, a safe and orderly school and an education that prepares them for the future. The Governor’s three children all attend public school, and he is investing significant new funds into the public education system while requiring true reform and accountability.

Investing in Education

- For the first time in a decade signed into law a School Finance Act that fully funds K-12 education for student enrollment growth and inflation
- Requiring that \$25 million annually from the state’s tobacco settlement go to help elementary school students reading below grade level improve their reading skills
- Advocating capital construction funds for schools in poor districts to be paid for out of tobacco settlement funds
- Reformed state financial aid program to provide more merit scholarships for low-income high school students to go to college on new *Opportunity Scholarships*
- Establishing greater utilization ratios for state college and university campus buildings, thus limiting unnecessary construction and leaving more dollars for instruction

Student Safety

- Co-hosted the *Summit on School Safety and the Prevention of Youth Violence*
- Signed legislation that requires background checks on prospective school employees in order to keep felons and sex offenders out of schools
- Signed legislation that prevents students who have been convicted of a crime from attending the same school as the victim
- Vetoed legislation that would have provided additional funding for Internet services in public libraries without preventing children from accessing obscene, violent and hateful material on taxpayer-funded computers

Charter Schools

- Established full funding charter schools by local school districts
- Signed legislation that provides third-party resolution to disputes between charter schools and school districts, allows charter schools to advertise in school district periodicals and newsletters, permits charter schools to retain any money remaining at the end of the year and allows charter schools to utilize more federal funds

- Signed legislation that clarifies the tax-exempt status of charter schools, clarifies that charter schools are public schools, and places charter school advocates and parents on district accountability committees

Improving Teacher Quality

- Hosted the *Summit on Quality Teachers for the 21st Century Classroom*, attended by teachers, parents and administrators to discuss ways to help teachers provide their students with a quality education
- Signed legislation that requires the Colorado Commission on Higher Education to review all teacher preparation programs in Colorado to ensure that prospective teachers learn the skills they will need in the classroom
- Signed legislation that allows teaching applicants with three years teaching experience in another state or country to receive provisional licenses, reducing the red tape necessary to hire good teachers from out of state
- Proposed \$4 million in new funds to pay for teacher training and professional development so they can better teach the basics of reading, writing and math

Technology Education

- Launched the Colorado Institute of Technology (CIT), to make Colorado a nationally recognized center of technology education excellence. While partnering with Colorado's existing institutions of higher education to provide common curriculum, CIT's \$250 million budget over the first five years will come completely from private contributions. CIT will attract the best professors and students from across the nation, boast roughly 6,000 students and graduate 1,200 per year. It will also pay for summer science and math courses for hundreds of top high school students.

More Education Reform on the Horizon

- Redirected the School to Career office to phase out in one year instead of five
- Introduced in December 1999 *Putting Children First: A Plan for Safe & Excellent Public Schools*

Modernizing Colorado State Government

”Gov. Bill Owens has created the aptly named Office of Innovation and Technology.... This is an announcement that should be greeted with a special enthusiasm.... Anyone who has struggled to find the right state agency or attempted to speak to one of its employees can imagine a better way of doing business.”

– The Denver Post

Governor Owens quickly set about to make Colorado’s government the most efficient and user-friendly in the nation. He created the nation’s second Cabinet-level Office of Technology to guide Colorado government into the technology era through initiatives such as on-line licensing. And he launched *New Century Colorado*, to identify ways for the government to eliminate waste and provide better stewardship of taxpayer resources.

E-government

- Created the Governor’s Office of Innovation and Technology (OIT) to ensure that State Government best utilizes technology to serve its citizens
- Signed legislation into law allowing state agencies to accept electronic authentication in lieu of hand-written signatures
- Appointed Colorado’s first Chief Information Officer

Government Reform

- Initiated a re-engineering effort, *New Century Colorado*, aimed at reducing government waste and inefficiency. Submitted Requests For Proposals to private sector entities and contracted with the accounting firm of KPMG for a top-to-bottom review of state government. Initial savings identified after first six months: \$17.1 million
- Streamline rules and regulations on businesses through the Department of Regulatory Agencies’ Y2Regulate review program
- Prevented the sale of driver’s license photos to outside vendors
- Issued an Executive Order strengthening ethics requirements of appointed officials; first Governor to require his senior staff to comply with gift reporting rules
- Helped ensure that the State was Y2K compliant through the Governor’s Y2K Task Force

State-wide Internet Access

- Launched the “multi-use network” project to help Colorado bridge the so-called “Digital Divide.” By connecting approximately 70 sites across the state to a high capacity broadband network, this multi-use network will expand Internet access in rural and underprivileged communities around Colorado
- Secured funding for a pilot project that will provide grants to rural communities that combine their need for telecommunications service in order to connect to the statewide network

Strengthening Colorado's Families & Communities

“Gov. Bill Owens put reason over politics by issuing what could be some controversial recommendations to reduce youth violence and improve school safety.”

– Fort Collins Coloradan

Governor Owens worked hard to cultivate a strong sense of community in Colorado. In order to strengthen Colorado's communities, he tackled critical issues such as youth violence, volunteerism, and children's health and welfare reform. He tapped into the expertise and resources of faith-based organizations, non-profit groups and business enterprises to bring all of Colorado together.

Protecting Children

- Called for using tobacco settlement funds to expand the Children's Health Plan to provide more low-income children with health insurance
- Created a Child Welfare Task Force to investigate the State's child welfare system and propose improvements
- Recommended the use of one-time Temporary Assistance to Needy Families money to help children in areas such as adoption, assistance for the developmentally disabled and safe playground equipment
- Reviewed youth prevention initiatives throughout the state to consolidate and make programs more effective and efficient
- Appointed new members to the Colorado Children's Trust Fund Board to increase accountability and shift the focus of the Board to child abuse issues
- Appointed new members to the Youth Crime Prevention Board to address recent youth violence and focus on continuing prevention efforts

Strengthening the Family.

- Created the Office of Families and Children to target resources toward the strengthening of the family in Colorado
- Prevented open records of adoption to decrease the possibility of biological parents trying to interfere with the raising of the adopted child
- Signed a bill to quickly move children awaiting adoption into permanent homes
- Enforced the voter-approved provisions of the Constitution of Colorado that prevent taxpayer funds from subsidy of abortion services
- Issued an Executive Order requiring state agencies to consider the impact on the family when making policy and creating programs

Increasing Civic Involvement

- Convened the first annual “Colorado Cares Day” to encourage civic activity around the state

- Redirected the Commission on Volunteerism to focus on mentoring initiatives and improving literacy
- Appointed a new board to the Caring for Colorado Foundation – created out of the sale of Blue Cross/Blue Shield – to ensure effective and efficient use of funds

Helping the Needy

- Created a Welfare Reform Task Force to explore how to most effectively help the needy get back on their feet
- Supported the Elderly Pension Exclusion, which would increase the amount of money from a pension or annuity income that an individual 65 years of age or older may subtract from federal taxable income for state income tax purposes.

Preventing Suicide

- Created a Suicide Prevention office in the Department of Public Health and included funding for the office in his budget
- Sought federal assistance to research the causes and solutions to Colorado's high suicide rate

Promoting Abstinence Education

- Promoted and reinvigorated abstinence education for teens by appointing a new program director and an advisory board committed to abstinence for youth

Tough on Crime

“The hope lies in the fact that we have a new governor with a different view of justice – a view shared by more Coloradans on issues like capital punishment.”

– The Colorado Springs Gazette

During his first year in office, Governor Owens showed a strong commitment to keeping Colorado safe. He worked to see that the judicial system is tougher on crime, while developing commonsense solutions to address youth violence and reaching out to the community in the days after the tragedy at Columbine High School. Governor Owens also pushed for more prison facilities to house violent offenders.

Cracking Down on Criminals

- Appointed former prosecutors and conservative, “tough-on-crime” attorneys to top judicial positions in order to ensure that the rule of law determines criminal convictions
- Appointed a parole board that will make it more difficult for criminals to receive parole
- Prohibited other states from sending their dangerous parolees to Colorado without prior notice

Securing Safety for All Coloradans

- Reinstated the Colorado Bureau of Investigation’s background check to protect the public from criminals who attempt to illegally purchase guns
- Supported commonsense gun safety regulation proposals such as requiring background checks at gun shows, eliminating “straw purchases” from gun dealers, and including juvenile records in adult criminal proceedings in an effort to help law enforcement officials solve gun crimes through information sharing
- Spearheaded a statewide effort to combat domestic violence. The initiative, known as *Call to Protect*, provided 500 wireless telephones and free airtime to Colorado domestic violence shelters
- Appointed over 60 legal and non-legal professionals to examine several aspects of the civil justice system and recommend reforms

Funding for New Prisons

- Dedicated the Sterling Correctional Facility, which will be the state’s largest prison and will house nearly 2,500 inmates upon completion
- Approved the final construction of phase I of the Trinidad Prison facility, while halting phase II and III to ensure that construction is completed efficiently
- Implemented an inmate smoking ban in all corrections facilities, resulting in decreased taxpayer costs for inmate health care

Columbine High School Tragedy

- Deployed the Colorado State Patrol to Columbine immediately after learning of the tragedy to enforce a 24-hour security perimeter and provide assistance to families of the victims
- Organized a statewide memorial service
- Provided \$500,000 in support funding directly to Jefferson County
- Secured \$4.5 million in federal funds to help mitigate the costs of providing emergency services

Summit on School Safety and Preventing Youth Violence

- Convened, along with the Attorney General, the *Summit on School Safety and Preventing Youth Violence*
- Made and implemented dozens of recommendations on improving school safety and reducing youth violence

Ramsey Case

- Convened a panel of criminal justice experts to review the JonBenet Ramsey case and determined that a special prosecutor was not warranted at this time
- Called on the Ramseys to return to Colorado and assist with the investigation

Smart Growth: Colorado's Future

"No issue is more important to Colorado than managing growth, and Bill Owens' smart growth plan will help to give it the prominence it deserves."

– The Boulder Daily Camera

One of the most distinctive features of Colorado is its special quality of life. Governor Owens recognized that with more than one million people projected to move to Colorado in the next 20 years, the state must take an active role in helping communities grow responsibly. Governor Owens launched his *Smart Growth: Colorado's Future* initiative to help communities as they grow.

Protecting the Colorado Way of Life

- Announced a *Natural Landscapes* initiative that focuses on saving Colorado's open spaces, farms and ranches from development through innovative tools such as tax credits, conservation leases and wildlife land strips
- Developed a *Strong Neighborhoods* initiative that provides tools and resources to local governments to help them grow responsibly. These tools include an Office of Smart Growth, grants for regional planning, stronger intergovernmental agreements and dispute resolution services
- Established a *Moving Forward* initiative to build a transportation system for Colorado's future through increased transportation funding and the more efficient completion of transportation projects
- Created an *Opportunity Colorado* initiative to promote economic development in the states economically depressed areas, through tax credits for homeownership, redevelopment of brownfields and the reform of the state's enterprise zone system

Funds to Help Colorado Grow Responsibly

- Set aside \$1.7 million dollars in his FY 2000-01 budget for *Smart Growth: Colorado's Future* initiative.

Preserving Wildlife & State Parks

- Executed land contracts to promote the eventual creation of two new state parks at Brush Creek and Cheyenne Mountain
- Declared the year 2000 as the Year of State Parks and committed to raise money for state parks
- Created a statewide management team to better coordinate endangered species protection activities

Protecting the Environment

- Prevented the licensing of a nuclear waste site in Colorado on Hwy. 36
- Protected Colorado's interests in negotiations with the Environmental Protection Agency and the Western Regional Air Partnership over a reduction of regional haze
- Reorganized the Regional Air Quality Control Commission to promote strategies for protecting Colorado's air quality and complying with the Federal Clean Air Act
- Worked with Energy Secretary Bill Richardson to ensure that Rocky Flats waste was shipped to the Waste Isolation Pilot Plant in New Mexico. These shipments are essential to expedite closure of Rocky Flats
- Signed an agreement with Secretary Richardson that commits the Department of Energy to a 2006 closure of Rocky Flats
- Forced the release of state records concerning the Shattuck Superfund Site which led to the EPA's decision to move the waste from the site
- Negotiated a landmark agreement between Public Service Company (PSC) and the State of Colorado to have PSC voluntarily reduce its air emissions
- Strictly enforced Colorado's environmental laws

Strengthening Farming and Ranching

- Improved the marketing of Colorado's agriculture products by creating a new logo and developing an aggressive marketing strategy
- Issued an Executive Order directing state agencies to develop and implement effective programs to manage noxious weeds

First Year Accomplishments: Department of Natural Resources

The Colorado Department of Natural Resources works to develop, protect and enhance Colorado's natural resources for the use and enjoyment of residents and visitors. The Department's 1999 activities and accomplishments include:

- **Preservation of East and West Brush Creek:** East and West Brush Creek in Eagle County are finally under contract to become part of Sylvan Lake State Park, thus protecting the last of the state's "crown jewels" and capping off years of effort to preserve these open spaces and wetlands.
- **New State Parks:** Land contracts were executed for Cheyenne Mountain State Park and for more than 11,000 acres in Dolores County for the future Lone Mesa State Park.
- **Governor's Conference on Flood and Drought Preparedness:** The Governor's Conference on Flood and Drought Preparedness brought over 250 people together to assess Colorado's vulnerability, the economic impacts associated with these natural disasters, and options for structural and management remedies to mitigate impacts in the future.
- **Record Number of State Park Visitors:** The State Parks system hosted a record 10 million visitors and volunteers logged 60,000 hours of time at 41 state parks.
- **State Park Improvements:** More than nine million dollars in substantive improvements were made at Eldorado Canyon, Rifle Falls, Bonny Lake State Parks and at State Forests.
- **Elimination of Oil and Gas Permit Fees:** All permit fees in the Oil and Gas Conservation Commission were eliminated and replaced by severance tax revenue.
- **Land for the Stewardship Trust:** The State Land Board designated over 215,000 acres for the Stewardship Trust as a result of an extensive public nomination process.
- **State Fish Hatcheries:** Five state fish hatcheries were modernized to address whirling disease and native species propagation.
- **Restoration of Trout Populations:** Efforts to restore populations of greenback cutthroat trout are proving so successful that the Division of Wildlife can now allow for some catch-and-release fishing opportunities for the Colorado State Fish.
- **New Wildlife Refuges:** Two new wildlife refuges were opened to the public: the 30,000-acre Bosque del Oso in Las Animas County and the 5,600-acre Bitter Brush Ranch in Moffat County.
- **Habitat Partnership Program:** Participation increased in the Habitat Partnership Program and new agreements with 65 private landowners will protect 1,750 acres of wetlands and another 5,000 acres under the Wetlands Initiative.
- **Information on the Internet:** The Division of Water Resources began providing well permit applications and instructions on the Internet to allow customers immediate and informative access to these documents and access to real-time stream flow data.
- **Planned Reduction in Fleet Size:** Recommendations from an audit of vehicle fleets were implemented and improved upon, resulting in the projected elimination of over 100 vehicles from the Department of Natural Resources.

First Year Accomplishments: Commission on Higher Education

The Colorado Commission on Higher Education (CCHE) is the state policy and coordinating board for Colorado's public higher education system. The mission of the Commission is to implement the directives of the General Assembly and promote quality, access, accountability, diversity and efficiency within the public higher education system. The Commission's 1999 activities and accomplishments include:

- **Statewide Review:** The Commission conducted a statewide review of governing board and institution plans, procedures and expenditures to guarantee that they are effective and efficient. This is part of an effort to ensure that students and taxpayers get a quality education at a fair price.
- **Governor's Opportunity Scholarships:** These scholarships are a pilot program operated by Commission to provide low-income students with the opportunity to attend college. Under the program, approximately 400 first-year students whose family incomes are in the bottom quartile of Colorado's income levels receive scholarships covering the complete cost of attending the first year of college, including tuition, fees and room and board.
- **Performance Funding of Higher Education:** Legislation from the 1999 session set in motion the Commission's development of quality indicators to implement performance funding. During the past few years, higher education budget increases were based upon enrollment and inflation. For FY 2000-01, the Commission has requested that after enrollment funding has been met, the remaining new money allocated to higher education be based on how well institutions have performed on benchmarks identified in the quality indicator system. These benchmarks will include graduation rates, achievement rates on standardized tests, faculty instructional productivity, the amount of administrative overhead, freshman retention rates and lower division class size.
- **Teacher Education:** The Commission has initiated a process to redesign the education of Colorado's teachers. With consultation from the business community as well as educational experts, the state's institutions that train teachers have begun to redesign the college degree programs to ensure that Colorado-educated teachers are well prepared for their jobs. The teacher education candidates in these new programs will have logged 800 hours in a K-12 classroom before graduation. In addition, the students will be able to graduate in four years, which is a significant change from the former five to six-year curriculum.
- **Capital Allocation:** The Commission has instituted a new allocation formula for capital construction. The new formula requires that existing classroom and lab space be better utilized before new space is approved.
- **Prevention of Unfair Competition with the Private Sector:** The Commission has re-committed itself to ensuring that the state's institutions do not take on unrelated activities that result in competition with private businesses.

First Year Accomplishments: Department of Corrections

The Colorado Department of Corrections works to safely and effectively incarcerate and supervise inmates under its jurisdiction, as well as to do everything possible, with available resources, to prepare inmates for successful reintegration into society. The Department's most challenging ongoing task is meeting the demands of growth. The Department's major initiatives and activities during the last year include:

- **Departmental Reorganization:** A reorganization of the Department resulted in an annual savings of \$300,000 to the state by eliminating an entire level of Regional Managers. The Department has also completed a top-to-bottom review of the management structure of all aspects of the Department, which resulted in the elimination of several top management positions. The Department's total immediate cost savings are \$646,544 in General Funds.
- **Emphasis on Community Reintegration:** The FY 2000-01 budget includes a three-year phase-in of additional community reintegration personnel so that each facility in the state will have services to assist offenders with job placement, housing and other concerns. It is estimated that the program will more than pay for itself.
- **Inmate Drug Testing:** Positive urinalysis results for random drug testing in state-operated facilities is now only two percent. The Department will continue to aggressively pursue such testing. The positive rate in private facilities under contract with the Department is 10.8 percent. The Department will make it a very high priority to accomplish reduction in those rates in Colorado's private facilities.
- **Smoking Prohibition Implemented:** The Department banned all inmate smoking in its facilities effective March 1, 1999. The implementation of that ban has proceeded with better than expected results, leading to reduced health care costs for the inmate population.
- **Opening of Sterling Correctional Facility:** In June of 1999, Governor Owens dedicated the Sterling Correctional Facility, the state's largest prison. At its completion in the summer of 2000, it will have a capacity of nearly 2500 inmates, making it approximately twice as large as any existing facility in Colorado.
- **Host of American Correctional Association Conference.** The Department acted as one of the hosts for the American Correctional Association Conference in Denver in August of 1999 that drew more than 4,800 correctional professionals from around the world to Colorado.
- **12-Hour Shift Project:** The Department initiated a 12-hour shift pilot project at the Denver Women's Correctional Facility and the Colorado Women's Correctional Facility in Cañon City in October 1999. Correctional Officers at those facilities are working 12-hour shifts instead of 8-hour shifts. The 12-hour shifts allow the employees 78 more days off per year and mitigate against high stress and burnout, which is common in corrections. In addition, the 12-hour shift system results in some savings to the state. The 12-hour shift pilot projects will last for six months before being fully evaluated.

- **Fallen Officer Memorial:** The first-ever fallen officer memorial has been commissioned. The memorial will be mobile, but generally housed at the Department's Training Academy. A dedication ceremony will occur in the spring of 2000.
- **Accreditation by the American Correctional Association (ACA):** Correctional Industries' (CI) private facilities in Colorado were audited by ACA in 1999 and received its initial accreditation. It is one of only three CI programs in the country to receive accreditation. The ACA also audited and re-accredited the Arkansas Valley Correctional Facility, the Colorado State Penitentiary and the Central Office in 1999. The Central Office is one of only seven in the United States to be accredited.

First Year Accomplishments: Department of Agriculture

The Colorado Department of Agriculture is committed to strengthening agriculture's future by providing consumer protection, promoting environmental quality and animal health and ensuring equity and integrity in business and government. The Department's activities and accomplishments over the last year include:

- **Colorado Proud:** The Department unveiled its new marketing campaign for Colorado agricultural products, *Colorado Proud*. This campaign replaces *Always Buy Colorado* and is designed to increase the purchase of Colorado agricultural products outside the state.
- **Colorado State Fair:** State Fair attendance increased by more than three percent from 1998, yielding a net profit of nearly one million dollars.
- **Protecting Elk from Disease:** Colorado has made rules and protocols in the last year to require submission of laboratory samples on any farmed elk that die for any reason to an approved laboratory for diagnosis. Research is ongoing to determine the mode of Chronic Wasting Disease (CWD) transmission, a disease similar to Mad Cow Disease that has infected a small portion of Colorado's elk and deer.
- **Science to Support Livestock:** The Rocky Mountain Regional Animal Health Laboratory has added several tests to support the livestock industries in Colorado. The new tests add to the ability of producers to market their livestock to other states and foreign countries. The laboratory has become a benchmark for accuracy as confirmed by national check tests.
- **Outreach to Small Acreage Farms:** The Department is developing an educational outreach for small acreage farms. With the growth of population in Colorado, many people are purchasing small acreage farms and raising livestock for the first time. They are in need of expertise to help them establish responsible operations.
- **Agricultural Land/Open Space Protection:** Through a group organized by the Department, a process has begun to document the open space and wildlife benefits of agricultural land. This information will help the public quantify the value of agricultural land as open space.
- **Arkansas Valley Water Transfers:** A public meeting was held in the Arkansas Valley on a wide range of agricultural issues such as concern about the continued sale of irrigation water to municipal interests. The Department and the Water Conservation Board have met with regional leaders to identify specific concerns and options of interest to these leaders.
- **Noxious Weeds:** Governor Owens issued an Executive Order directing Colorado state agencies, particularly the Departments of Agriculture, Natural Resources, Transportation and Colorado State University, to develop and implement effective programs to manage noxious weeds on lands controlled by the state and increase public awareness.

First Year Accomplishments: Department of Transportation

The Department of Transportation is responsible for improving and maintaining Colorado's transportation system. The Department has worked on important legislative initiatives and directed resources toward strategic 7th Pot projects. The Department's 1999 activities and accomplishments include:

- **Transportation Revenue Anticipation Notes (TRANS):** Voters approved a referendum passed by the legislature allowing the state to bond for \$1.7 billion of accelerated transportation funding.
- **Design-Build Construction:** Governor Owens signed a law during the 1999 session allowing design and construction of projects to proceed simultaneously, thereby accelerating the timeframe for project completion.
- **Co-Development:** Governor Owens signed into law a bill allowing for increased private sector participation in the development of transit transfer stations, thus reducing the cost of transportation projects to the public.
- **Permanent Extension of S.B. 1:** The Legislature approved a measure continuing the use of 10 percent of sales tax revenue for transportation projects. This will ensure a permanent source of revenue for the 7th Pot projects.
- **7th Pot Projects:** The Transportation Commission adopted the 7th Pot program in 1996, which identified 28 high priority projects to be placed on an accelerated construction schedule. The Department has worked to expedite the completion of these projects, to establish a minimum annual level of funding for the projects and to provide a process for monitoring and reporting project progress.
- **Southeast Corridor:** This project is one of the 7th Pot projects and it provides the public with long-term solutions to the traffic congestion in a 19-mile corridor in Southeast Denver. It includes double tracked light rail transit beginning at the existing I-25 and Broadway Station and ending at Lincoln Avenue in Douglas County. Light rail will also be added to the median of I-225, from I-25 to the existing Park-N-Ride at Parker Road. One additional highway lane in each direction will be added to I-25 from Logan to I-225 and on I-225 from I-25 to Yosemite. Two additional lanes in each direction will be added on I-25 from I-225 to C-470.
- **Construction Bidding:** The Chief Engineer worked to have 75 percent of the annual construction program ready for advertisement by the end of the calendar year. This is approximately four to five months sooner than in past years. The Department experienced the fewest number of projects rejected in the last five years during FY 1999, in large part because the construction industry had the opportunity to plan for projects, align the necessary materials, and complete more work during the construction season.
- **Contracting Time:** The Department has utilized consultants to dramatically reduce the time required to process contracts. Contract processing time has been reduced from 30 to 35 weeks to an average time of 12.6 weeks.

First Year Accomplishments: Department of Public Safety

The Department of Public Safety is responsible for maintaining a safe environment in Colorado for citizens and visitors. The Department accomplishes this through law enforcement and crime and accident prevention, as well as professional assistance to the criminal justice system, fire safety and other governmental and private entities. The Department's 1999 accomplishments and activities include:

- **Law Enforcement Support at Columbine:** State troopers provided a 24-hour security perimeter that allowed the investigative agency to focus on the crime scene. A mobile communications vehicle and dispatch support helped coordinate the communication of agencies at the scene. The Colorado State Patrol also had two full time victims advocates exclusively assigned to the families of two student victims. The Office of Drug Control and System Improvement received a special \$2.5 million grant from the U.S. Department of Justice to cover the expenses incurred by law enforcement, fire fighting and medical care teams. The Office of Victims Programs also worked with the Department of Justice to allocate \$1.5 million for crime victim compensation and programs to service the victims.
- **Aggressive Driving Initiative:** The Colorado State Patrol implemented a program called Aggressive Drivers Are a Public Threat to address the trend of aggressive driving. The program focuses on education and enforcement and has been nationally recognized for its innovative approach in obtaining widespread community support.
- **Governor's Summit on School Safety & the Prevention of Youth Violence:** The Office of Drug Control and System Improvement funded many of the costs of the Summit.
- **New Auto Theft Program:** The Office of Drug Control and System Improvement received a Department of Justice grant to launch a statewide auto theft prevention program.
- **Juvenile Diversion:** Juvenile Diversion is an alternative placement program across the state that serves 5,221 youths at various stages in the juvenile justice system. It is estimated that Juvenile Diversion saved the state taxpayers at least three million dollars in supervision costs. Youth participating in Juvenile Diversion programs paid \$562,900 in restitution to the victims of their crimes and served 87,552 hours of community service.
- **Juvenile Accountability Incentive Block Grant Program:** This new federal block grant award has assisted local governments with the development of programs to promote greater accountability in the juvenile justice system.
- **Reduction in Injury-Causing and Fatal Motor Vehicle Crashes:** In the last year, the State Patrol increased the number of safety education programs from 2,178 to 3,442. These programs play a vital part in reducing the number of injury and fatal accidents on Colorado highways. As of September 1999, fatal crashes have been reduced from 481 in 1998 to 429 during the same period in 1999.
- **Drunk and Drugged Driving Enforcement:** The Department increased drunk and drugged driving enforcement hours by 10 percent.

First Year Accomplishments: Department of Labor & Employment

The Department of Labor and Employment works to help Coloradans find employment and assist them as they claim their unemployment insurance benefits. The Department assisted over 200,000 people looking for a job and processed nearly 121,000 unemployment insurance benefit claims in 1999. The Department's services also include facilitating workers' compensation hearings and ensuring that employers contribute to unemployment insurance. The Department's 1999 accomplishments and activities include:

- **Flat Rate For Unemployment Insurance (UI) Tax Surcharge:** During the 1999 Legislative Session, the Department secured passage of a bill that created a flat rate for the Unemployment Insurance Tax Surcharge. The stabilization of the rate provides approximately \$11 million in tax savings for employers over the next two years while increasing the consistent flow of revenues into the Employment Support Fund.
- **Unemployment Insurance Staffing Efficiencies:** The Unemployment Insurance (UI) program reduced its Full Time Equivalent (FTE) level by 5.6 percent during FY 1998-99. When combined with reductions from the previous two years, the UI program has reduced FTE by 17.2 percent since FY 1995-96. While making these reductions, the program has been able to maintain and, in some areas, improve its delivery of services to customers and maintain high levels of customer satisfaction.
- **Workers' Compensation Coverage Compliance:** The number of apparent uninsured workers has declined by 90 percent since the Proof of Coverage System began in 1995.
- **Growth of the Department's Website:** The Department now has a sound technical infrastructure and has made sure that complex directories and linkages work at all times. The Department also developed a Standards and Policy Guide for its Internet site. A comprehensive redesign of the website, taking into account information concerning usage statistics, is in the planning stage.
- **Colorado Navigator:** The *Colorado Navigator* website was developed to better serve both job counselors and the public via the Internet. The site provides dynamic web access to the most current labor market information in the areas of Colorado employers, labor force data, license information, industry data, occupational projections, occupational wages and school and training programs data.
- **Continued Drop in Workers' Compensation Insurance Rates and Premium Surcharge:** The Division of Workers' Compensation is funded in major part by a surcharge on premiums written. The premium surcharge assessed by the Division declined 20 percent, from one percent to .08 percent, in FY 1998-99.
- **Risk Management:** The Department has experienced the best year in its history regarding lost time injuries. There were no lost time injuries in FY 1998-99. Injuries, which did occur, were less severe and costly.

First Year Accomplishments: Department of Human Services

The Department of Human Services administers health, welfare and vocational services to the citizens of Colorado. These services range from childcare to assisting adults with developmental disabilities. The Department's 1999 accomplishments and activities include:

- **Increased Child Care Capacity:** The Division of Child Care awarded \$1.7 million in federal child care block grant funds to 45 counties creating 2,450 new child care spaces statewide, 77 percent of which were for infants, toddlers or preschoolers.
- **Project Trustline:** The Department collaborated with the Colorado Department of Public Health and Environment to initiate *Project Trustline*, which targets 400 child care providers who are legally exempt from licensure with incentives to serve low income families, improve child care quality and receive licensure.
- **Colorado Child Care Assistance Program:** This program expended \$69.3 million in 1999 to serve 20,185 low-income families and 8,087 families in Colorado Works, Colorado's welfare reform program. While more low-income families received Colorado Child Care Assistance, fewer families on welfare participated in this program.
- **Rapid Response Child Care Licensing Oversight Team:** The Rapid Response Team was established to address high-risk safety issues and has already been involved in several oversight reviews of 24-hour care facilities.
- **Child Welfare Task Force:** Established by Governor Owens, the Task Force reviewed and investigated the current status of services for children and ways these services can be improved.
- **Emphasis on Adoption:** Colorado has increased the number of adoptions instate from 454 in 1996 to 717 in 1999. As a result of this increase, the U.S. Department of Health and Human Services awarded Colorado with a \$500,000 bonus to further expand adoptions. The Internet is also being used to help identify adoptive families.
- **Reduction in Overcrowding of Youth Corrections Centers:** State detention facilities operated below appropriated capacity and state commitment facilities operated at capacity in FY 1998-99. This was a significant improvement over the early part of the decade, when state commitment and detention facilities significantly exceeded capacity.
- **Privatization of Youth Corrections Facilities:** Sixty-six percent of committed youth served in privately operated prisons in FY 1998-99. For the first time, the Division of Youth Corrections is utilizing a facility designed, built and operated by the private sector.
- **Intensive Aftercare Project (IAP):** The Division of Youth Corrections became one of four national sites to participate in an experimental intensive aftercare project for repeat juvenile offenders. The federally funded program concentrates on care from institution to community and the prevention of repeat offending.
- **Effective Use of Mental Health Resources:** Mental Health Services has continued to direct its resources to those who are most seriously ill. Targeted clients made up 47 percent of the total clients served in 1989, while in 1999, 70 percent of the total clients served were considered the most seriously ill.

- **School to Work Alliance Program (SWAP).** A collaborative effort between the Division of Vocational Rehabilitation, the Colorado Department of Education and local school districts, this program provides employment preparation and needed vocational rehabilitation services to youth with disabilities who are not eligible under special education. The program helped nearly 500 SWAP youth find a job earning a typical wage of six-to-nine dollars per hour.
- **Colorado Kids Ignore Drugs (CKID).** The Division of Alcohol and Drug Abuse distributed a three-year 9 million-dollar federal grant to school and community projects that strive to reduce the use of marijuana, alcohol and tobacco among Colorado's 12-to-17 year old youth.
- **Reduction in Colorado Works Caseload:** The number of recipients of Colorado Works, Colorado's welfare reform program, continued to decline in 1999. The caseload dropped from 27,000 cases in July 1997 to 14,000 cases in July 1999. Roughly 99 percent of the 14,000 welfare cases in July met the program's work requirement.
- **Reduction in Foodstamp Caseload:** The Foodstamp caseload has decreased by five percent since FY 1998 and by 22 percent since FY 1996.
- **Low Income Energy Assistance Summer Crisis Intervention (LEAP):** LEAP successfully implemented a pilot Summer Crisis Intervention Program that repaired or replaced approximately 80 faulty furnaces before the winter season.
- **Y2K Readiness:** The Year 2000 remediation efforts were completed and fully tested for all major systems categorized as fatal/critical in June 1999.
- **Colorado Benefit Management Systems (CBMS):** This partnership between the Department, Health Care Policy and Financing, county departments of social services and non-county medical assistance sites will reengineer the business processes of these agencies to better serve clients. CBMS will support the annual delivery of over \$1.9 billion in public assistance, nutrition and medical benefits. The coordination of services through CBMS will improve efficiency in 2,500 jobs.

First Year Accomplishments: Department of Local Affairs

The Department of Local Affairs supports local governments through financial investments and technical assistance. Ninety percent of the Department's budget is invested in local community programs and projects through grants, contracts and pass-through distributions. The Department's 1999 activities and accomplishments include:

- **Grant Distributions:** The Department provided approximately \$135 million to local communities for projects and programs. Each dollar is matched with additional dollars from other sources, greatly increasing the number of funded projects.
- **Support for Columbine High School:** One of the Governor's first actions following the tragedy was to make an emergency \$1 million grant to Jefferson County --including the sheriff department and the school district. The Department also provided support to the *Governor's Task Force on Columbine Victims*.
- **Relief for Flooded Areas:** After significant flooding in southeastern Colorado in April of last year, Governor Owens declared a state disaster area, requesting assistance from the Federal Emergency Management Agency and requesting a Presidential Disaster Declaration. By the third week of May, assistance checks to victims began flowing with over \$14 million in assistance funding provided in the subsequent months.
- **Census 2000:** The Department has provided limited financial support to several affected regions of the state to enhance census preparation.
- **Affordable Housing:** The Department partnered with over 50 community groups to create over 2,000 affordable housing units throughout the state. The State contributed nearly 11 million dollars to affordable housing projects. Local governments and the private sector were able to leverage this investment into approximately \$115 million in additional funds.
- **Youth Crime Prevention and Intervention (YCPI):** YCPI grants to Colorado communities from the Office of Community Services in 1999 amounted to \$12,854,329. These grants were made to 267 organizations and communities that served 175,228 children, families and adults. The grants were from the YCPI Program, the Safe and Drug Free Schools and Communities Program and the Community Services Block Grant Program.
- **Energy and Mineral Impact Assistance Program (IMPACT):** The Department funded 154 projects with \$28 million in grants and loans through the program in 1999.
- **Rural Telecommunications:** The General Assembly has instituted a pilot program directing the Department to aggregate demand for telecommunications services in rural areas. This activity, designed to induce private sector investment, is to be linked to the State's proposed telecommunications backbone. The Department has provided grant funding of \$190,900 to seven project grants for local and regional technical planning. The next phase in the spring of 2000 will involve the award of more than four million dollars for local and regional connections to the state backbone.
- **Community Development Block Grants:** The Department has received and distributed \$5.8 million in local government public facilities and housing project grants provided by the U.S. Department of Housing and Urban Development.

- **Smart Growth: Colorado's Future:** The Department is heavily involved in Governor Owens' efforts to help Colorado grow responsibly. The Department will continue to assist local governments with comprehensive planning through best practices reports, grants and technical assistance.
- **Tourism:** The Department worked with the tourism industry, the Colorado Travel and Tourism Authority and the Colorado Tourism Board to develop a consensus on reorganizing the State's tourism promotion efforts. The preliminary plan calls for replacing the two existing state organizations with a single new state agency to direct the state's expanding tourism promotion efforts.

First Year Accomplishments: Department of Public Health and Environment

The Department of Public Health and Environment provides public health and protection services for the entire state. These services include regulation of environmental waste clean-ups, strengthening health care for children, and working to provide access to health care in rural areas. The Department's 1999 activities and accomplishments include:

- **Challenges and Opportunities for a New Century.** The Department adopted a four-year strategic plan and twenty-year perspective titled *Challenges and Opportunities for a New Century* to guide departmental actions. Central to this plan is the development of four critical investment areas: Prevention, Local Capacity, Disparities, and Protection. The Department is also inserting individual performance goals into employees' performance plans as it implements the Colorado Peak Performance program.
- **Office of Local Health:** This office will provide coordination, technical assistance, and other services to ensure that local health partners are receiving the necessary support from the state to carry out their critical functions.
- **Departmental Efficiency:** The Department was able reduce its FY 2000-01 budget request by 6.2 FTE and lower spending authority by \$630,000 through the consolidation of two similar programs while maintaining the current level of service.
- **Landmark Voluntary Emission Reductions Agreement:** The Department successfully facilitated an agreement with the Public Service Company of Colorado and the Public Utility Commission that will significantly reduce air pollutants in the Denver Metro area while providing the Public Service Company with regulatory certainty into the future.
- **Environmental Self-Evaluation Law:** The Department worked with the legislature to remove the sunset date on Colorado's Self-Evaluation law. This law allows a business, individual, or local government to spend their time and money to catalog the impact of their operation on the environment and to avoid fines through self-reporting and correction.
- **Cleanup of the Rocky Flats Environmental Technology Site.** The Department has worked closely with the Department of Energy, the Environmental Protection Agency, Kaiser-Hill and the local community to expedite cleanup of the Rocky Flats site. The Department's efforts helped facilitate the first actual removal of a plutonium contaminated building at the Rocky Flats plant, a significant step toward meeting the goal of having the site cleaned up by 2006.
- **Shattuck Radioactive Disposal Site:** The Department has been working with the local community, the Environmental Protection Agency (EPA) and the EPA's National Ombudsman's Office to remove the contaminated soil at the Shattuck Superfund site. The Department has cooperated in the investigation and encouraged the EPA at the regional and national level to support removal of the contaminated soil.
- **Streamlining Hazardous Waste Corrective Action:** The Hazardous Materials and Waste Management Division has developed and implemented a new process to oversee corrective action at hazardous waste facilities. This approach avoids negotiated

enforcement orders and saves both the regulated community and the Department a substantial amount of time and money. The Hazardous Waste Control Program has recommended a change in procedures regarding their regulatory program that will result in savings of \$388,624 cash funds and a reduction of 3.2 FTE.

- **Rocky Mountain Arsenal Hazardous Waste Clean Up:** The Environmental Toxicology Section collaborated with the Hazardous Materials and Waste Management Division, other Department staff, the Rocky Mountain Poison and Drug Center and private physicians and citizens to implement the biomedical aspects of the recommendations from the Rocky Mountain Arsenal Medical Monitoring Group. These recommendations include a help line for citizens with health concerns, an education program and surveillance for birth defects and cancer in the surrounding communities.
- **Immunization of Children:** The Department made increasing childhood immunization levels a department-wide initiative – the first time childhood immunizations have been given such a high priority.
- **HIV and STD Notification for Victims:** The Department worked with the Colorado Judicial Department to implement legislation requiring HIV testing of sexual assailants. The bill also ensures the distribution of HIV test results to victims of sexual assaults and to prosecutors in each of the 22 judicial districts.
- **Covering Kids:** *Covering Kids Colorado* is a 1999 grant-funded initiative administered by the Department and aimed at improving health care for low-income children. It has helped reduce documentation requirements for eligibility determination and develop a comprehensive strategic plan for marketing of Child Health Plan Plus.
- **State Funding for Family Planning Services:** For the first time in over two decades, the department issued a request for proposals for \$1.2 million in state family planning funds. The request was part of a department-wide effort to ensure competitive bidding for state funds and services. Twenty-three agencies bid for the funds, with all but one receiving funding.
- **Rural Access to Health Care:** The Department helped place 10 doctors in areas lacking health professionals. These doctors will serve for three years in rural areas where access to physicians is limited or in low-income areas where financial constraints have limited access to medical care. The Department was awarded a grant for \$382,000 from the Federal Bureau of Primary Care to assist rural hospitals in converting to limited service hospitals and developing networks to better serve their communities.
- **Information on the Internet:** The Department's overall home page is currently receiving over 100,000 contacts per month, a significant increase from 1998 and more than double the estimated level.

First Year Accomplishments: Department of Health Care Policy & Financing

The Department of Health Care Policy and Financing is the single state agency administering the Colorado State Medicaid program, the Colorado Indigent Care program, and the Children's Basic Health Plan. The Department works with counties, other state agencies and other medical providers to ensure access to appropriate medical services. The Department is accountable for expenses in excess of two billion dollars. The Department's accomplishments and activities in 1999 include:

- **Dental Services for Children:** The Department implemented Medicaid rate increases for dentists and also provided "seed money" to assist in establishing a Medicaid dental clinic in an area of great need. From July 1, 1999 through September 30, 1999, the clinic served 1,569 Medicaid children. The rate increase has also resulted in an increase in the number of participating dentists from 360 to 385 as of October 31, 1999.
- **Alternatives to Nursing Home Placement:** The Department has been very active in moving people out of institutional placements to less costly, less restrictive community placements. The Department received approval to fund the Home and Community Based Services Spousal Protection program. This program helps the spouse of an individual requiring nursing facility placement remain in the couple's residence for as long as possible.
- **Nursing Facility Personal Needs Allowance:** Beginning in FY 1999-00, the personal needs allowance for nursing home residents was increased to \$50 per month.
- **Colorado Benefits Management System (CBMS):** This partnership between the Department, the Health Care Policy and Financing, county departments of social services and non-county medical assistance sites will reengineer the business processes of these agencies to better serve clients. CBMS will support the annual delivery of over \$1.9 billion in public assistance, nutrition and medical benefits. The coordination of services through CBMS will improve efficiency in 2,500 jobs.
- **Nursing Facility Rate-Setting:** The Department completed an on-line rate setting system and database for nursing facilities in 1999. Through the streamlining of the rate-making process, the Department issued rates in the fastest timeframe in the history of the program.
- **Contingency-Based Contracts:** This project is designed to reduce Medicaid fraud and abuse activities through expanded reviews, audits and implementation.
- **HMO Site Review:** The first comprehensive reviews of HMO compliance with Medicaid contracts were completed in 1999. These detailed reviews allow the Department to see the actual level of compliance by each Medicaid HMO. The Department implemented the only known process to efficiently certify HMOs for accreditation by the National Committee on Quality Assurance, the national HMO accreditation body.
- **Health Plan Employer Data and Information Set (HEDIS) Results:** Colorado is one of the first states in the nation to collect nationally recognized quality and utilization measures for all of its programs, including HMOs, the Primary Care Physician Program, and fee-for-service for clients not assigned to any managed care. This data compares programs on consistent measures, such as childhood immunizations, mammograms and access to primary care.

- **Home Health Fraud and Abuse:** The Department has mailed demand letters to over 76 different home health agencies to recover over \$1.6 million in identified misspent funds.
- **Department Service to the Community:** As of November 9, 1999, the Department had exceeded its \$13,000 United Way Combined Campaign goal by 12 percent and had commitments for \$14,537.

First Year Accomplishments: Department of Revenue

The Colorado Department of Revenue processes state sales, fuel, motor vehicle, gaming, liquor and income taxes. It also oversees the collection of funds, licensing, and enforcement of state laws and regulations as mandated by the legislature. The Department's 1999 accomplishments and achievements include:

- **Department Reorganization:** The Department was reorganized in March, resulting in the elimination of 10 positions and the addition of 3 new positions. These savings are being offered to the Joint Budget Committee as an efficiency item for FY 2000-01 and as a negative supplemental for FY 1999-00. The reorganization promises greater efficiencies and the ability to handle increasing workloads without adding FTE.
- **Colorado Peak Performance System:** This employee incentive system has been implemented at the Department. Peak performers now have an opportunity to receive salary increases of up to 10 percent. Employees needing improvement in their performance will no longer receive automatic increases based on years of service.
- **Y2K Readiness:** The Department employed a major effort to make its systems Y2K compliant, expending more than \$1.2 million in reprogramming, testing and documentation.
- **Electronic Filing:** Electronic filing of income tax returns increased 91 percent over the previous year. This is a major benefit both from a customer service and an efficiency point of view. Much of this increase came from the new Internet and telephone filing system.
- **Internet Usage.** There was a 400 percent increase in the number of hits on the Revenue Internet home page. Distribution of information via this medium reduces the load on the manual forms distribution and telephone systems.
- **Prompt Distribution of Tax Refunds:** More than \$560,000,000 of Tabor refunds was distributed to 735,445 taxpayers. Only 13 extended beyond the statutory time limit, and the Department paid only \$286.54 in penalty interest resulting from the delays.
- **Increased Tax Processing Efficiency:** Income tax processing volumes increased about six percent over 1998, but the average time required to process the returns actually decreased. For instance, only 70 percent of the returns were processed in less than 14 days in 1998, but 91 percent were processed in less than 14 days in 1999. The Tax Group was able to process more than 60,000 requests for business personal property tax refunds without an increase in FTE or operating funds.
- **Online Motorist Insurance Identification Database:** As a result of an online database, the percentage of uninsured motorists dropped from 25 percent in April to 19 percent in August.
- **Joint Port-of-Entry Project with Utah:** The joint port-of-entry project with the State of Utah, requiring Utah employees to clear all westbound trucks at the Loma port and Colorado employees to clear all eastbound trucks, was implemented in September. This joint operation will result in the reduction of two FTE and \$1,500 of annual utility savings. More importantly, the industry estimates savings of about two million dollars each year, because trucks no longer have to stop at two ports.

- **Lottery Advertising:** The Lottery Commission adopted a new advertising policy. The policy directs radio and television advertising to focus on the environmental benefits of the lottery rather than on expectations of winning large amounts of money.
- **Tobacco Enforcement Program:** The tobacco enforcement program was able to prevent more children and teenagers from buying tobacco. The enhanced success of these efforts also ensures continual federal funding of the program
- **Consolidation of Liquor Enforcement and Racing Divisions:** A single division director now manages the Liquor Enforcement and Racing Divisions. The Racing Division budget was reduced by 14 percent with minimum impact on enforcement and regulatory activities.
- **Consumer Savings:** In the Motor Vehicle Dealer Board Section more than one million dollars was returned to Colorado consumers victimized by a lease fraud scheme perpetrated by a major new car dealer.

First Year Accomplishments: Department of Regulatory Agencies

The Colorado Department of Regulatory Agencies (DORA) encompasses nine different divisions plus several offices. The purpose of DORA is to regulate businesses and individuals where the state legislature has deemed necessary. The Department's 1999 accomplishments and activities include:

- **Budget Efficiencies:** The Department completed a four-year strategic plan and zero based budget for FY 2000-01 with identified efficiencies and only three decision items totaling \$342,497. This budget marks a significant decrease over previous Department budgets.
- **Reorganization of Executive Director's Office and Division of Administrative Services:** This reorganization eliminates the distinction between the two offices and will improve efficiency by redirecting existing resources. As a result, the Department will have the ability to focus efforts on important areas that have previously been given insufficient attention.
- **Eliminating Unnecessary Expenditures:** The Department is currently undertaking a review of all out-of-state travel requests, official function requests, and employee appreciation/incentive awards. New policies have been and are being instituted throughout the Department in an effort to reduce unnecessary expenditures. The Department also plans to reduce funding in Divisions that have excess resources.
- **Y2Regulate:** This agency evaluation project has involved holding more than sixty focus groups and over fifty interviews of business and consumer representatives to evaluate the performance of each Division, all regulatory functions and boards. Most of the recommendations deal specifically with current regulations, although the report identifies additional areas that will be considered for further efficiencies within the Department.
- **Agency by Agency Review:** As a part of the Y2Regulate program, the Department has initiated an agency by agency rule review. The Department has begun to review rules in a number of Divisions, including the Public Utilities Commission. This review will result in the elimination of obsolete rules as well as the identification of rules that may exceed statutory authority.

First Year Accomplishments: Office of Energy Management and Conservation

The Governor's Office of Energy Management and Conservation is Colorado's lead state agency on energy efficiency issues. The Office has grown from an agency created to respond to the energy crisis of the 1970s to one that supports cost-effective programs, grants, and partnerships that benefit the economic and natural environment of Colorado. The Office's activities and accomplishments in 1999 include:

- **Rebuild Colorado:** *Rebuild Colorado* helps state agencies, local governments, and public entities take advantage of the benefits of energy performance contracting. It has successfully helped more than 70 customers identify potential energy-saving opportunities, and overall money savings from reductions in energy costs could reach \$25 million annually, helping property and building owners throughout the state.
- **Green Builder Program of Colorado:** The Office assisted the Home Builders Association of Metro Denver in developing the Green Builder Program of Colorado. Through this program, home builders agree to meet specific criteria in the areas of energy and water efficiency, landscaping, solar orientation, building materials, indoor air quality, and solid waste. The largest green builder program in the country, the program enjoys the support of the home building industry in Colorado and serves as a model for a national green builder program. The program to date has registered more than 4,000 Built Green™ homes in Colorado.
- **E-Star Colorado:** With financial and technical assistance from the Office, *E-Star Colorado* makes it easy for buyers and owners to finance home energy improvements that will lower their utility bills and make for a quieter, cleaner home. *E-Star's* two focal points are Energy Efficient Mortgages (EEMs) and Energy Improvement Mortgages (EIMs). EEMs provide buyers with larger home loans to purchase homes that are certified as energy-efficient. EIMs enables buyers to improve a home's energy efficiency and roll the costs of these renovations directly into a normal 30-year mortgage. The energy savings, in many cases, outweigh the additional mortgage amount.
- **Energy Saving Partners:** The Office's Energy Saving Partners program offers free weatherization to eligible low-income, senior and physically-challenged Coloradans. Weatherization helps prepare a home for severe weather conditions during both the winter and summertime that tend to increase monthly energy bills. More than 3,000 homes are weatherized each year by local service agencies located in communities throughout the state.

- **Youth in Energy:** The Office is funding three programs across the state to employ at-risk youth in weatherization services. Agencies in Colorado Springs, Pueblo, and Grand Junction are training youth to inspect and clean furnaces; insulate attics, sidewalls, floors and ceilings; install energy-efficient windows and doors; reduce air leakage areas; operate blower door testing procedures; and work in a team environment. This innovative program funds meaningful youth employment opportunities in projects that produce real energy savings and provide potential increased value-to-life returns.
- **Renewable Energy:** The Office and the Colorado Solar Energy Industries Association (COSEIA), in a public-private partnership, issued a solar energy rebate program to meet the growing demand and interest in renewable energy. This program offered Colorado consumers a cash incentive of up to 25 percent of the cost of installing photovoltaic and solar hot water systems and radiant heat floors in their homes and businesses.
- **Department of Energy Special Projects:** The Office received nearly one million dollars in funding from the U.S. Department of Energy to fund special projects that will help improve energy efficiency in schools, homes and office buildings. Colorado led the nation in number of projects approved, receiving funding for 11 projects statewide, and was second only to California in overall funding for special projects.
- **Governor's Executive Residence Showcases Energy Efficiency:** The Office purchased the equivalent of 200,000 kilowatt-hours of electricity generated from *Windsorce*SM to power the Governor's Executive Residence. By purchasing 2,000 blocks of *Windsorce* for one year at the residence, approximately 400,000 pounds of carbon dioxide, 1,200 pounds of sulfur dioxide and 700 pounds of nitrous oxide is being reduced from Colorado's air. The residence also receives some of its electricity from solar panels. An 800-watt solar system is installed on the carriage house complex of the residence.
- **Communications and Outreach:** The Office operates a statewide toll-free information hotline to answer questions, refer callers to energy experts and provide follow-up materials. The Office established funding for *ColoradoEnergy.org*, a one-stop information network of Colorado's energy efficiency and renewable energy resources.
- **Administrative Efficiencies:** The Office reduced its staff from 35 employees to 20 employees.

First Year Accomplishments: General Support Services / Department of Personnel

General Support Services/Department of Personnel is responsible for conducting the day-to-day business of state government. The Department manages state assets and helps government discharge its functions smoothly and efficiently. The Department's 1999 accomplishments include:

- **Consolidation of the Division of Purchasing with the State Controller's Office:** The consolidation of these two entities eliminates duplication of services. Consolidation also brings together staff that participate in contract reviews and approval functions for all State agencies.
- **Consolidation of the Division of Real Estate Services with the Division of Central Services:** The consolidation of these two entities improves the efficiency with which the Department provides its services. Prior to consolidation, the two divisions used a similar process to provide their services to other departments of State Government, and each process has a common administrative structure that can best be coordinated through one Division Director.
- **Discounted Contract Airfares:** For the first time in recent history, the Statewide Travel Management Program negotiated discount contract airfares. Savings are estimated at \$2,414,789 for the year 2000.
- **Multi-Use Network (MNT):** The Multi-Use Network will connect 70 electronic access points around the state to create a statewide information infrastructure backbone. Most of the sites are county seats and were selected to make efficient use of state telecommunications traffic in those locations. The Request for Proposals for this project was released on October 22, 1999. A mandatory vendor conference was held on November 9 and had over 110 attendees from at least 25 companies.
- **Fleet Management:** Fleet Management instituted several cost saving activities including close monitoring of maintenance expenses and better warranty tracking. While experiencing a 4.3 million-mile increase in miles driven and a fleet growth of over 100 vehicles, Fleet had a \$506,000 decrease in maintenance and repair expenses. There were approximately 800 vehicle replacements this year.
- **Conversion from Paper Documents to Digital Images Continued:** The State will save agencies as much as 60 percent by offering scanning at or near cost. Imaging/Microfilm has seen a 400 percent increase of scanned images from 1997 to 1999.
- **Postage Discounts:** As a result of using bar coding and optical character reading equipment, the Department saved \$448,966. Mail Services processed an additional 1,464,000 pieces of mail this year without an increase in FTE or equipment.
- **Central Collections Services:** Central Collections Services collected a total of \$3,987,519 through October 1999, which is a 19.4 percent increase over last year at this time.

- **Implementation of the Vendor-Offset System:** The Vendor-Offset System allows the State to collect debts owed by vendors. The system was financed through a \$250,000 loan to the State Controller's Office that was paid off in the first four months of operation. While the system has only been operational for a year-and-a-half, it has collected almost \$2.5 million in debts due to the state. This volume is anticipated to grow significantly when the Department of Human Services automates collection of delinquent child support.
- **Streamlined and Developed a Computerized Tracking System:** The State Controllers' Office trained over 1,500 employees actively involved in contract writing, negotiating and processing. A Contract Processing Guide and a Contract Procedures and Management Manual were published to assist state managers. Over 4,000 contracts are reviewed and approved by the State Controller's Office annually and this effort has served to reduce the state's contract approval time to five calendar days due to reduced errors and more efficient processing.
- **Reduction in Personnel Rules and Procedures:** The Personnel Rules and Procedures manual was cut from 360 pages to approximately 80 pages. This project was designed to streamline processes, provide flexibility and make the rules clearer and more concise, thus allowing managers to focus on serving the public instead of satisfying bureaucratic mandates.
- **Consolidated Job Classes in Personnel System:** The Department reduced the number of job classes in the Professional Services occupational group by 83 percent and in the Labor, Trades and Crafts occupational group by 58 percent, making it easier for potential applicants to understand the application process.
- **Statewide Master Software Agreement:** Microsoft reported that the State saved over \$400,000 last year from use of the statewide master software agreement, an initiative that continues with other major software vendors.
- **Administrative Savings:** The Department experienced actual staff reductions in Real Estate Services of 7.8 FTE and approximately \$133,000 reduction in personal services over the FY 1998-99 appropriation through division reorganization efforts and a variety of efficiencies identified by staff.
- **Utilization of Video Conferencing Services.** Video conferencing was used to support two high profile conferences: Human Services' Case Manager Medicaid Fraud training and Public Safety's Sex Offender training. These conferences together hosted almost 400 people across six and five sites respectively. This approach saved the cost and time of over 70 personal trips to single site training.
- **Utilization of the Internet and Information Technologies:** There were 1,410,840 "hits" on the Colorado Home Page during April 1999. Enhanced software is currently under development that will facilitate the use of e-commerce and digital signatures for conducting business with the State.

First Year Accomplishments: Department of Military Affairs

The Department of Military Affairs is composed of the Army National Guard, the Air National Guard, and the Civil Air Patrol. These groups provide relief during emergency situations such as natural disasters and military engagements. The Department's 1999 accomplishments and activities include:

- **Support of Operation Southern Watch:** This operation is a combined federal agency effort designed to intercept the flow of illegal drugs into the United States. Over 300 Colorado airmen participated in the six-week deployment in the Netherlands Antilles.
- **Support of the European Command:** The Army National Guard mobilized 132 members of the 220th Military Police Company for a nine month deployment in Hungary. The Company provided armed convoy escorts for military and humanitarian relief supplies into Bosnia.
- **Support at Columbine High School:** An Army National Guard vehicle and troops were deployed in the aftermath of the tragedy at Columbine. Military policemen provided traffic and crowd control support for the Vice President's attendance at the memorial ceremony.
- **Search and Rescue Operations:** The Civil Air Patrol and Army helicopters have launched over 100 search and rescue missions in support of local sheriffs.
- **Youth ChalleNGe Program:** This national intervention program serves as an alternative school for students who have been expelled or have dropped out of other schools. The program is located in El Paso County School District 2 and is open to students around the state. The federal government funds the majority of the program's costs.
- **Denver Armory:** This \$7.3 million facility in Globeville opened for troop use in November.
- **State Support for Buckley Operations:** In an effort to help provide the resources and personnel needed to operate Buckley Air National Guard Base, the State has agreed to assist the Air Force with new arrangements that will provide adequate support to the service men and women who use the airfield.