

COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT  
*STRATEGIC PLAN FY 2010-2011*

I. EXECUTIVE DIRECTOR'S LETTER

My fellow Coloradans:

The National Bureau of Economic Research has set December 2007 as the start date for the national recession. However, Colorado's economic downturn started much later than that. In fact, throughout most of 2008, the three key measurements of an economy's health – the unemployment rate, job growth or loss and the pace of wage growth – all indicated that Colorado was strong and healthy.

The recession that had the nation in its grasp was largely nonexistent in Colorado throughout most of 2008. The state's unemployment rate did not reach 5 percent until September of 2008. Prior to that, it held steady between 4.3 percent (in January) to 4.9 percent in August. By December, it had reached 5.8 percent. That was a startling rise of eight-tenths of a percent in just the last three months of the year.

During this time demand for the Department's core services – administering the worker's compensation law, ensuring fair labor practices and protecting Coloradans with a variety of safety programs continued at a standard pace, but the recession's impact to the Department's Unemployment Insurance program was incredible and unavoidable.

By January 2009 record new jobless claims were being reported nationally and Colorado was no exception. Businesses faced limited access to credit and were forced to trim payrolls. More workers were filing claims and staying on unemployment longer than ever before. Although Colorado's Unemployment Insurance program has not been hit as hard as Unemployment Insurance programs in other states, the recession's impact has been unprecedented.

Over 6,000 initial claims were being filed each week during July of 2009, compared with an average of about 2,900 a year ago. Even during the severe economic downturn of 2002-2003 the peak average number of new claims filed weekly was less than 4,400.

The Department of Labor and Employment responded to the unprecedented demand through a variety of short term solutions. Some services requiring a customer service agent were made available online. Temporary workers were hired to take new claims and overtime was authorized in key areas, like adjudication, to avoid logjams of claims needing processing. Automated phone systems were upgraded to handle more capacity.

At the same time the Department was addressing the tsunami of unemployment insurance claims, several proactive measures were being introduced to the Colorado legislature that would ultimately save adjudication time on claims and create a savings account for future IT systems replacement. These newly enacted laws will serve the Department now and well into the future.

A significant step toward improving service delivery will launch in the fall of 2009. The Department's Internet Self-Service (ISS) project, which received Joint Budget Committee spending authority in 2007, will implement its first module with the claimant-focused *MyUI*. This online service will address general claim information such as current claim balance, weekly benefit amount, wage information by employer, payment & deduction information, work search information needing agent intervention. The employer module to the ISS project will launch 3rd quarter 2010. It will allow employers access to basic employer account information such as change of address and tax rate look up also the ability to file tax and wage reports online.

Increased staffing levels, automated services and long-term IT projects that have been fast-tracked to address the demand for services will all aid in our effort to address our customer's needs quickly and efficiently but there is still more to do. The turbulent economy is placing a great deal of strain on Colorado workers and is taxing our system like never before. The steps we are taking now will help us maximize existing federal resources and deliver benefits more efficiently in these critical times.

While new claims have leveled off and continued claims may be moderating, the Department is still feeling the strain and there is much more to do to improve service delivery. Even as the State's economic health improves, across the board Coloradans will continue to have an increasing need for services. They deserve products and delivery systems to meet that demand. The strategic vision of CDLE is to ensure that the products and systems are not only in place, but that they are delivered efficiently and effectively. The Colorado Department of Labor and Employment will meet the challenges ahead with programs that directly impact workers and business every day.

Sincerely,

Donald J. Mares  
Executive Director

## II. INTRODUCTION, STATUTORY AUTHORITY, AND ORGANIZATIONAL CHART

### A. INTRODUCTION

There has been an increasing need for services to the citizens of Colorado. They deserve products and delivery systems to meet that demand. The strategic vision of the Colorado Department of Labor and Employment (CDLE) is to ensure that the products and systems are not only in place, but that they are delivered efficiently and effectively. CDLE will meet the challenges ahead with programs that directly impact workers and business every day in six important ways.

**We connect job seekers with great jobs.** We've been assisting Colorado's workforce for decades by providing funding for job training and employment services. CDLE continues to enhance the delivery of new programs and services throughout our network of Workforce Centers.

**We help people who have lost their jobs** by providing temporary wage replacement through the Unemployment Insurance program. Unemployment Insurance helps worker's pay bills and contributes to the economic stability of the state. New delivery and customer services systems will continue to help these workers.

**We assist workers who have been injured on the job.** The Division of Workers' Compensation administers the system to provide for quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, while minimizing the need for litigation.

**We ensure fair labor practices.** Workers who have not been paid or have been subjected to unfair labor practices are assisted. We make sure that workers receive the wages they have earned and understand their rights and also assist employers in understanding their responsibilities.

**We protect the workplace — and Colorado communities — with a variety of safety programs.** The Division of Oil and Public Safety oversees the use of explosives in the state, ensures that boilers are operating safely and properly, that leaking petroleum storage tanks are remediated quickly and efficiently.

**We provide an up-to-date and accurate picture of the economy that helps in decision making.** Economic data collected and analyzed by Labor Market Information helps guide the future development of our economy as policy makers, educators, and employers develop their strategies into the next decade.

## B. STATUTORY AUTHORITY

### *Division of Employment & Training*

Unemployment Insurance (UI) Program: 8-70-101 through 8-82-103, C.R.S. is the Colorado Employment Security Act which establishes the framework for Colorado's UI Program. The UI program was originally authorized under the Social Security Act and Federal Unemployment Tax Act.

Employment and Training Programs: 8-71-101 through 8-71-224, C.R.S. creates Work Force Development; and 8-15.5-101 through 8-15.5-108, C.R.S., establishes the Displaced Homemakers Act. Employment and Training administers the following federal programs: the Wagner-Peyser Act; the Workforce Investment Act; the Trade Adjustment Assistance Program (Public Law 93-618); and the Trade Act of 2002 (Public Law 107-210).

Colorado Workforce Development Council: 24-46.3-101 through 24-46.3-102, C.R.S creates the state work force development council (state council) within the department of labor and employment. The statute establishes the state council as a state work force investment board in accordance with the federal "Workforce Investment Act of 1998".

Labor Market Information: 24-1-136 C.R.S. directs the heads of the principal departments to develop and direct a system for the collection, coordination, control and distribution of state operational and administrative reports and information. 8-72-106, C.R.S. provides for appropriate steps to promote the reemployment of unemployed workers throughout the state in every way feasible.

### *Division of Labor*

8-1-103 C.R.S. The Colorado Division of Labor administers laws and regulations governing wages, minimum wage, working conditions, youth employment, certain union issues and grievances, and employment-related immigration laws.

### *Division of Oil and Public Safety*

Storage Tanks: 8-20.5-101 through 8-20.5-401 C.R.S. provides for the regulation of above- and below-ground storage tanks.

Fuel Products: 8-20-101 through 8-20-415 C.R.S. governs the Divisions development of rules covering the design, construction, location, installation, and operation of equipment for storing, dispensing, handling, and utilizing liquid fuel products.

Boilers: 9-4-103 (3) C.R.S. requires the Division to establish rules and a schedule for the inspection of boilers and pressure vessels to ensure they conform to the Colorado boiler construction code.

Conveyances: 9-5.5-101. C.R.S. creates the "Elevator and Escalator Certification Act" that requires the Division to license inspectors/mechanics and register all conveyances in the State.

Explosives: 9-7-105 C.R.S. requires the Division to ensure the safety of workers, the public, and the protection of property by promulgating rules related to the use, storage, and transport of explosives.

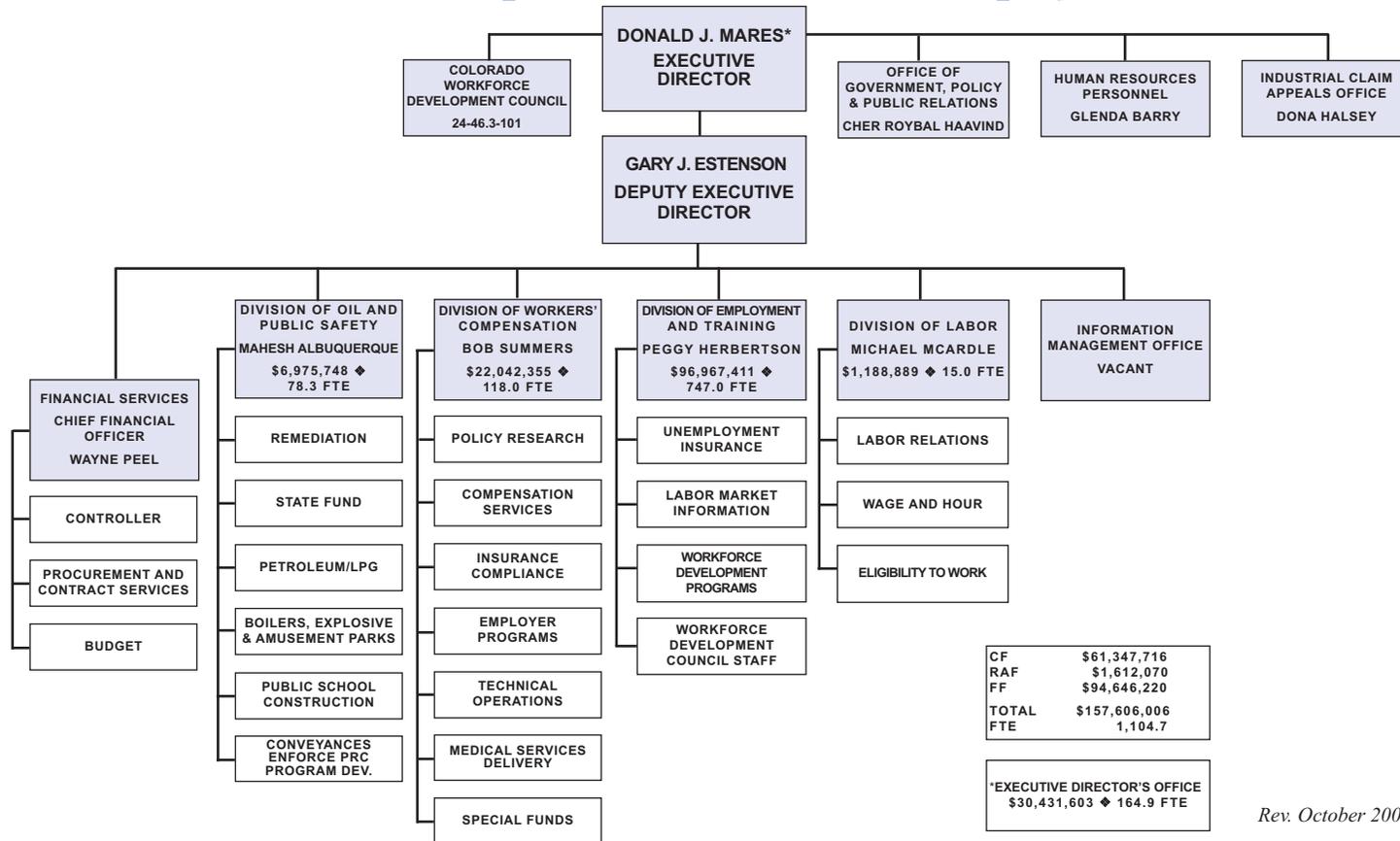
#### *Division of Workers' Compensation*

8-40-101 through 8-47-209 C.R.S. The Colorado Division of Workers' Compensation is the state office responsible for administering and enforcing the workers' compensation law in this state. In doing so, it recognizes the intent of the Colorado General Assembly to ensure the quick and efficient delivery of disability and medical benefits to injured workers, at a reasonable cost to employers. As the agency overseeing workers' compensation in this state, the Division establishes rules, procedures and programs to enforce the law and to resolve disputes that may arise between the employer and the injured worker.

The Workers' Compensation Cost Containment Program 8-14.5-101 C.R.S. sets forth the legislative declaration that adjustments to employer's premiums should be weighted in a manner to encourage the adoption and implementation of workplace safety programs. The Cost Containment Program is a voluntary safety program that allows qualifying employers to receive discounts on their premiums. In addition, participating employers realize savings by reducing the number and costs of workplace accidents.

The Special Funds Unit, consisting of the Major Medical Fund 8-46-201 C.R.S., the Subsequent Injury Fund 8-46-101 C.R.S., and the Medical Disaster Fund 8-46-301 C.R.S., provides benefits for workers' under certain circumstances; such as when the amount spent on medical benefits exceeds a certain level or when injuries at two or more employers combined to result in permanent, total disability. The Major Medical Fund was closed to work-related injuries occurring on or after July 1, 1981. The Subsequent Injury Fund was closed to work-related injuries occurring on or after July 1, 1993; and to occupational diseases occurring on or after April 1, 1994. As of June 30, 2009, there are 1, 555 injured workers receiving benefits from these funds.

# Colorado Department of Labor and Employment



Rev. October 2009

### III. MISSION STATEMENT

The Colorado Department of Labor and Employment's mission is to maximize the value of employment, training and workers' compensation services; dispute resolution processes; and public and workplace protections to our customers and stakeholders. Our work, which is customer-oriented and results-driven, fosters economic growth by supporting businesses and workers. Support is provided through job matching resources, economic and labor market information and training opportunities, all of which advance commerce and lead to a better quality of work-life for Colorado workers and their families.

### IV. VISION

The Colorado Department of Labor and Employment assists Colorado's workforce at every step in their career by providing:

- ♦ Training to workers so they can find meaningful employment;
- ♦ Benefits to bridge the employment gap and help families when they are temporarily out of work;
- ♦ A fast and efficient system to ensure that injured worker benefits are paid in a timely manner;
- ♦ Ensure wages earned are paid through enforcement of the state's labor laws;
- ♦ Protection to workers, consumers and all Colorado citizens through the enforcement of safety regulations governing boilers, gas stations, petroleum storage tanks, and school construction projects; and
- ♦ Innovative concepts and sponsoring policy initiatives that contribute to the building of the 21<sup>st</sup> Century workforce.

The Department's goals of meeting the growing demands of a vibrant and dynamic workforce will be met by a dedicated staff through innovative funding streams, utilization of technology to provide services in a more efficient and effective manner, and developing various partnerships throughout the state.

### V. OBJECTIVES, PERFORMANCE MEASURES, STRATEGIES AND EVALUATION OF SUCCESS

*Objective 1:* Provide quality, customer-driven employment and training services to job seekers and the business community through result-driven workforce development, timely and accurate payment of Unemployment Insurance benefits, and comprehensive labor market data & analysis.

*Division of Employment and Training*

*Division Objectives: Workforce Development Programs*

- a. Develop strategies to address the needs of high growth industries, to enhance incumbent worker training, to coordinate services in collaboration with the Colorado Community College System and the Adult Education and Family Literacy programs, and to expand labor exchange opportunities for businesses.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Percentage of persons working in the quarter immediately following the receipt of workforce services.	Benchmark	61 %	62 %	57 %	57 %
	Actual	61.68%	60.32%		

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Number of employers obtaining services through the workforce center system.	Benchmark	22,500	23,000	23,000	23,000
	Actual	21,549	23,305		

Note: The actual FY08-09 figures represent preliminary estimates and will be finalized by September 30, 2009. These figures are expected to change less than 2%.

*Strategy:*

The Department is dedicated to implementing the vision detailed in the Colorado Promise and the American Recovery and Reinvestment Act of 2009 (ARRA); and to take an active role in economic development by focusing on the common goal of job creation. The following initiatives will assist the department in creating an environment within state government that promotes a shared economic vision, fosters collaboration across all levels, and promotes economic recovery.

ARRA Programs and Initiatives

- ♦ Implement the ARRA Summer Youth Employment Program and the Reemployment Services Program for UI Claimants;
- ♦ Increase training opportunities for adults and dislocated workers;
- ♦ Direct ARRA resources to those most in need including veterans, low income adults, and out-of-school, older, and disconnected youth; and
- ♦ Support regional sector strategies that address the needs of businesses as they recover from the current economic downturn.

### Sector Initiatives

- ♦ Develop and implement a sector academy and toolkit to implement workforce solutions for specific high-growth industries;
- ♦ Fund initiatives that result in regional economic growth;
- ♦ Leverage resources among the workforce system, industry, education and other stakeholders; and
- ♦ Collaborate with community colleges to align training programs across the state.

### Technology Initiatives

The department will use technology to provide additional learning opportunities to workers and job seekers, especially those in rural and remote areas. Collaborative technology initiatives will support talent development of Colorado's job seekers, students, employers, and workforce professionals. The various projects will enable access and use of learning resources through a comprehensive, easy-to-navigate electronic interface. E-Colorado portal and other technologies offer Colorado citizens anywhere, anytime educational and occupational opportunities that are designed to strengthen Colorado's competitive advantage.

Workforce Development Programs will continue to expand the use of technology in the following ways:

- ♦ Expand the use of online meeting software for local, regional, and statewide meetings and training.
- ♦ Increase the use by students and job seekers of the ePortfolio to organize and share education and career-related information with employers, counselors, and educators.

### *Evaluation of Prior Year Performance:*

To meet the performance goals, specific strategies included targeted outreach for clients, enhancement of service delivery to job seekers and employers, and additional methods of tracking and reporting outcomes. Colorado expects to successfully meet its U.S. Department of Labor performance objectives during FY08-09. In FY08-09, Workforce Development Programs expect to meet eight of the twelve measures at 100% or more of the target level. The four remaining measures will be met at least 94% of target level which is considered successful by USDOL.

*Division Objectives:* Colorado Workforce Development Council

- a. Plays a critical role in creating and overseeing a strategic vision for the continuous improvement of Colorado’s broad workforce development system by engaging in creative alliances with industry, economic development and education.
- b. Support the operation of the statewide Disability Program Navigator (DPN) initiative in workforce centers.

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Percentage of persons with disabilities served in the workforce system because of the DPN initiative	Benchmark	6.3 %	6.3 %	4.8 %	4.8%
	Actual	7.3%	6.6%		

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Persons with Disabilities served in the Workforce System	Benchmark	15,126	27,624	20,000	20,000
	Actual	17,530	28,960		

*Strategy:*

The Colorado Workforce Development Council (CWDC) provides Social Security trained benefit planners in three workforce centers to provide technical Social Security Income or Social Security Disability Income and other social security requirements and regulations for Disability Program Navigators (DPNs). Additionally, the CWDC has developed a seven module on line training course to help DPNs train the staff of workforce centers across the State. Each month CWDC staff conduct briefings and provide guidance and technical assistance to the DPNs in the workforce system. A CWDC staff member seeks federal funds to help defray the cost of providing the service of DPNs. The CWDC also provides assistive technology in every workforce region and contributes to the assistive technology equipment loan program.

*Evaluation of Prior Years Performance:*

The DPN project exceeded its performance objective by .3% and served 1,336 more people with disabilities than the goal for the previous year. The declining economy and the dislocation of workers that resulted increased the number of people accessing the workforce centers. The number of unemployed increased faster than the number of people with disabilities.

*Division Objectives: Unemployment Insurance Program*

- a. Delivering accuracy, timeliness, and fairness in its services.
- b. Ensuring access to its Internet and telephony applications 24 hours per day, seven days a week.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Ensure that 90% of UI payments processed are accurate and timely.	Benchmark	90 %	90 %	90 %	90 %
	Actual	82.3%	82.5%		

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Increase Internet usage to result in 75% of the UI Program's workload conducted via electronic means.	Benchmark	75 %	75 %	50 %	50 %
	Actual	60.0%	71.6%		

*Strategy:* The Unemployment Insurance (UI) Program will build on recent successes in improving the accuracy and timeliness of benefit payments through a continued, focused, self-assessment program that analyzes and detects systemic quality issues. The program will use continuing education for both adjudicators and hearing officers to address these quality issues. To increase the use of our internet tools, the program is initiating a two-year Internet Self-Service (ISS) project. The ISS project allows the program to streamline and update its delivery of services by increasing customers' use of electronic filing methods. The UI Program will implement the provisions of the American Recovery and Reinvestment Act (Recovery Act) to promote economic recovery and to assist those most impacted by the recession.

*Evaluation of Prior Year Performance:* In spite of the significant increase in workload, there were five major successes in SFY 2008-09 for the UI Program:

- ♦ Significant improvement was made related to the quality of UI decisions. The Appeals unit continued to excel in the area of lower authority appeals by obtaining a quality score of 99.0%, exceeding the U.S. Department of Labor target by almost 19%.

- ♦ Implementation of direct deposit offered claimants an alternative payment method to the UI benefits payment card. Direct deposit allows claimants to receive UI benefits through an automated-electronic transaction directly into their checking or savings account.
- ♦ The UI Program replaced the interactive voice response system that claimants use to file for benefits payments to improve customer service as well as reduce staff workload.
- ♦ In early 2009, Internet applications were enhanced to give claimants more control of their claim by allowing them to reset personal identification numbers, change addresses, and apply for emergency unemployment compensation.
- ♦ The Recovery Act provided the UI Program with opportunities to expand the availability of benefit payments. The program implemented a new temporary federal additional compensation program. An additional \$25 per week is being issued to individuals eligible for benefit payments as of February 28, 2009, through July 3, 2010. Legislation passed that creates an alternate base period that allows claimants who might otherwise not be eligible for UI benefits the possibility of receiving benefits, allows UI benefits to individuals who separate from employment for certain compelling family reasons, authorizes training benefits to dislocated workers, and provides state extended benefits during a period of high unemployment.

*Division Objectives:* Labor Market Information

- a. Gather, analyze and produce comprehensive information on employment conditions in Colorado.
- b. Serve policy makers, the workforce development system, educators, employers, jobseekers and the general public through the dissemination of information, including the development of comprehensive training curriculum in the retrieval and use of this information.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Complete 80% of information/data requests within 24 hours, meeting the needs and expectations of the requesting party to achieve 100% customer satisfaction.	Benchmark	n/a	n/a	n/a	80%
	Actual	n/a	n/a		

*Strategy:*

Labor Market Information will complete the requirements of the Bureau of Labor Statistics (BLS) funded programs as specified in the BLS Cooperative Agreement and will complete the requirements of the Employment and Training Administration funded programs per the federal Workforce Information Core Products and Services Grant.

*Evaluation of Prior Year Performance:* This performance measures are new for the FY 2010-11 budget request year.

*Objective 2:* Increase efficiencies throughout the workers' compensation system resulting in cost savings.

Division of Workers' Compensation Objectives:

- a. Increase efficiencies throughout the workers' compensation system resulting in cost savings.
- b. Enforce the provisions of the Workers' Compensation Act to assure the quick and efficient delivery of disability and medical benefits to injured workers.
- c. Maximize the percentage of workers insured under the workers' compensation system.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Total dollar amount of incorrect benefit payments to injured workers detected and corrected.	Benchmark	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
	Actual	\$2,273,775	\$2,534,976		

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Reduce costs associated with workplace accidents for employers participating in the Premium Cost Containment program (PCC). This is measured in reduced costs in the latest year as compared to the previous year. PCC accident cost reduction	Benchmark	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
	Actual	\$15,154,703	\$12,150,466		
Number of businesses that were fined for not having the required workers' compensation insurance.	Benchmark	New	436	396	396
	Actual	n/a	408		

*Strategy:* The Division will continue efforts to increase participation in its Premium Cost Containment (PCC) program and let employers know the benefits of participation. The Division will work with adjusters and review claim filings on a daily basis to ensure that injured workers receive the benefits to which they are legally entitled. The Division will also continue to conduct trainings for adjusters to ensure workers' compensation claims are handled properly. It is the Division's goal to see the number of incorrect payments decrease, as it will reflect that benefits are being paid properly in the first instance.

The Division's goal is for all employers to have workers' compensation insurance in place to protect the well-being of workers. The legislature has provided the Division with increased authority to take action against uninsured employers. The Division continues to use that authority to investigate and fine employers that are in violation. In addition, the Division is identifying industries with the greatest likelihood for uninsured claims so that it can focus its efforts on those industries.

*Evaluation of Prior Year Performance:* Employers who implement the required elements of the PCC program reduce their accident costs. This is demonstrated every year by comparing accident costs before and after acceptance into the program. The Division has some impact on this number by working with employers to make sure they properly implement the elements of the program. Nevertheless, the Division does not directly control the level of involvement by employers. Employers' interest in this program can fluctuate depending on the cost of purchasing insurance. Even employers who put all safety measures in place still may have accidents, and a major injury accident can impact these numbers.

While training and other tools are made available to insurers to try to make certain injured workers' receive the correct amount of benefits, the Division continues to find errors in the payment of benefits. This includes both overpayments and underpayments made to injured workers; however, the vast majority of incorrect payments are underpayments. In its oversight of day to day claims handling and filings from insurers the Division has moved toward "sampling." This process involves, where appropriate, reviewing a sample of an insurer's filings instead of checking all the filings. This process is one reason why the Division has been able to reduce the number of division claims managers and redirect resources to other areas. Nevertheless, the importance of the Division's oversight is reflected by the payment of benefits performance measure. If the Division only reviews a sample of claims more incorrect payments could go by unnoticed. It is hoped that correct payments will be made without the Division's intervention and this measurement will go down, but this is not something that is under the direct control of the Division.

*Objective 3:* Protect the health and safety of the citizens of the State and prevent harm to our environment through inspections and recommendations for remedial actions related to petroleum products & storage tanks, explosives, and boilers.

Division of Oil and Public Safety Objectives:

- a. Protect the health and safety of workers, students, and all Colorado citizens.
- b. Protect the environment.
- c. Protect consumers.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Protect the health and safety of workers, students, and citizens by minimizing hazards that cause injuries, as identified through violations noted during field inspections: Percent of field inspections with noted violations.	Benchmark	10 %	10 %	20 %	20 %
	Actual	18%	28%		

Division Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Protect health and safety of workers, students, and citizens by minimizing hazards that cause injuries, as identified through deficiencies or violations noted during remediation and construction plan reviews, and permit and certification submittal reviews: Effectiveness determined based on a reduction in the percentage of plan, permit, and certification reviews that note safety violations.	Benchmark	30%	30%	30%	30%
	Actual	31%	30%		
Protect the environment and minimize the number of petroleum releases by maximizing operational compliance through facility inspections. Effectiveness determined based on an increase in the percent of petroleum facilities that are operating in compliance with regulations.	Benchmark	70%	70%	75%	75%
	Actual	66.7%	70.4%		
Protect consumers by minimizing the amount of fuel sold that is metered inaccurately or out-of-compliance with quality standards: Effectiveness determined based on a reduction in the percent of fuel inspected with quality and meter violations.	Benchmark	3%	3%	3%	3%
	Actual	2.1%	2.7%		

*Strategy:* The Division performance measures relate to ensuring public safety and protecting consumers, human health, and the environment. Strategies to ensure public safety include implementing quality control measures to improve the thoroughness of the Division's field inspections. Violations or deficiencies noted and corrected as a result of field inspections should minimize the potential for incidents that can cause injuries to persons at these locations.

Strategies to protect human health and the environment include routine inspection of petroleum storage tank facilities to ensure that these facilities are operating in compliance with the Division's safety regulations. The potential for petroleum releases from underground and aboveground storage tanks is minimized at facilities that are in operational compliance with release prevention and release detection requirements. In addition the Site Summary Form (SSF) has been revised to include the collection of additional data during the first 60 days following a release that will allow Remediation Section staff to better evaluate the risk the release poses to points of exposure. The Petroleum Storage Tank Fund provides reimbursement for assessment and cleanup of releases. Prompt payment from the Fund ensures owners and operators have the funding to continue their cleanup efforts, thus facilitating cleanup of the environment. To better understand and define the source and cause of releases, the Division has created a new database for release report tracking that requires detailed information be collected concerning the source and cause. Analysis of these statistics will identify the most common areas associated with releases and allow our oil inspectors to focus on these areas during inspections.

Consumer protection is ensured by routine dispenser meter testing and product quality analysis. The Division's petroleum inspectors annually inspect and test the meters on petroleum dispensers throughout the State. If the meter is inaccurate, the inspector will calibrate the meter at the time of the inspection. During an inspection, or in response to a consumer complaint, inspectors also collect samples of petroleum product. These samples are returned to the OPS Product Quality laboratory for analysis. If a sample does not meet specifications, steps are taken that may include shutting down the tank system until the issue is resolved, ensuring consumer protection.

Protection of the public, maintenance personnel, and inspection personnel when riding and/or working on conveyances in Colorado is accomplished by requiring proper registration, permitting, and inspection of the units and licensing of those that conduct work on the units. All new and existing conveyances are required to be registered with the Division. This registration information is maintained within the Division database which allows the Division to identify, among other items, which conveyances are in compliance with code and operating under a current Certificate of Operation. The Certificate of Operation is issued by the Division or an Approved Authority Having Jurisdiction (AHJ) based on receipt and approval of an inspection report describing activities conducted during the required annual inspection of the unit. These inspections are conducted and report prepared by 3<sup>rd</sup>-party inspectors. To ensure that conveyances are installed or altered according to standards adopted in regulations, the contractor must submit a permit application to the Division on appropriate forms and receive a permit from the

Division prior to commencing construction activities. Inspectors, mechanics and contractors who perform work in Colorado must be licensed on an annual frequency with the Division, which ensures that all of these entities maintain appropriate qualifications to conduct this work. In addition, all accidents on conveyances that cause injury to passengers or maintenance/inspection personnel must be reported to the Division or Approved AHJ. The units on which accidents occur are inspected prior to being put back into service and the information is tracked for trend monitoring.

The Division's boiler inspection program ensures protection for workers and the public in commercial buildings, and for residents in housing where there are six or more units containing boilers. Over the past two years the Division has implemented a risk-based schedule to utilize resources more efficiently. Higher risk boilers that operate under extreme pressure and temperature continue to be inspected annually and lower risk boilers are inspected biennially. The boiler inspection section has added checking for high levels of carbon monoxide to their inspections to ensure safety to our customers. Each inspector utilizes a carbon monoxide detector to capture readings in boiler rooms. If a carbon monoxide level is higher than 50 ppm the boiler is required to have an inspection and repair by a qualified boiler repair company within seven days. Boilers with levels that exceed 200 ppm will be "red-tagged" and are prohibited from operation until repairs are made or the boiler is replaced.

The Division's explosives section has developed a cooperative effort with the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives to eliminate overlap between the federal and state explosives programs. The primary overlap was with the inspection of storage magazines where both agencies require an inspection once in every 3- year period. The Division continues to be the only agency providing testing for potential blasters before issuing a permit. The efficiencies gained will allow the Division to observe more blasting operations and evaluate the use of explosives including scale-to-distance calculations, proper stemming, and supervision of the workers by the blaster in-charge. Where appropriate, violations are noted, the users receive additional training, and/or enforcement is taken. Effective inspections and observations provide a safer working environment and protect residences during blasting operations.

The amusement rides section reviews records for daily inspections, training and maintenance of rides. The section is developing a state inspector certification process to ensure that annual third-party inspections on amusement rides and devices are performed by qualified inspectors. To ensure a uniform method of identification and confirmation of a current inspection, the Division is developing a sticker program for all rides and devices. This will give the public, law enforcement, county fair officials and others, an easy way to determine that the rides are operating with a current state permit and that the rides have had a third-party inspection within the most recent 12 months.

*Evaluation of Prior Year Performance:* Overall, the Division is trending towards meeting its performance objectives. Results above the benchmarks can be explained by the increase in the number of inspections and audit inspections being performed, especially considering the new conveyance programs and added emphasis on the quality and thoroughness of inspections in existing programs. Going forward, all benchmarks are expected to hold relatively stable, with the exception of those related to operational compliance which is expected to improve with the new protections afforded by the Energy Act.

*Objective 4:* Serve the best interest of employees and employers through the responsible administration and enforcement of labor laws.

Division of Labor Objectives:

- a. The Division of Labor provides assistance to employers and employees in understanding and complying with Colorado’s labor laws through the comprehensive program of “Compliance through Education.”
- b. To respond to written inquiries from the public and successfully resolve wage disputes in a timely fashion.

Department Performance Measures		FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Appr	FY 10-11 Request
Percentage of claims successfully resolved* through mediation, conciliation, and other efforts.	Benchmark	70%	70 %	70 %	70 %
	Actual	72 %	67%		

\* Successful claims include paid wage claims and achievement of employer compliance. Unsuccessful claims include employer bankruptcy, lack of Division authority, and employer noncompliance.

*Strategy:* The Division will continue to utilize a multifaceted approach in making sure that employees are treated fairly. This approach consists of extensive educational efforts, rulemaking, and compliance activities. In order to meet the percentage of claims successfully resolved benchmark, the Division will focus on: increased staff training, new, improved, and standardized agency claim processing and quality control review procedures, and innovative ways to achieve compliance.

*Evaluation of Prior Year Performance:* The Division generally met or exceeded its FY 08-09 benchmark. A new Wage Order was successfully issued on schedule, and new Advisory Bulletins were issued on their target date (and subsequent improvements have also occurred). Accompanying fact sheets, guides to the law, and staff training documents were all updated and disseminated in a timely fashion. The Division recorded a significant number of new claims with 7,221 received in FY 08-09. The 7,221 new claims were slightly lower than the 7,564 new claims received in FY 07-08. The percentage of claims successfully resolved was also slightly below the benchmark for FY 08-09, due in large part to a significant number of failed or bankrupt businesses which were unable to meet their payroll and other financial obligations.