Performance Management Plan

2016–2017

COLORADO
Department of Revenue

www.colorado.gov/revenue

Vision

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

Mission

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

Values

C - Communication

D - Dedication

O - Ownership

R - Responsible Government

T -Teamwork

R - Respect

U - Unity

S - Stewardship

T -Transparency

Values

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

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

Ownership -

- Promote active and constructive participation in the organization
- Take pride in the organization and what you do
- Create a sense of community

Responsible Government - Guarantee responsiveness, accountability, and pursue policies and ideas that are prudent and consistent.

Teamwork - Work collaboratively to achieve a common goal

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

Unity - Foster a unified Department of Revenue

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

Transparency - Utilize processes, procedures, and forms that are understandable and easy to use

Department Goals

The Department's FY 2016-17 Strategic Plan focuses on five overarching goals which are also the strategic policy initiatives for the Department:

- ***Customer Service***
- ***Fiduciary Responsibility***
- ***Statutory Responsibility***
- ***Employees***
- ***Public Confidence***

Customer Service - Be respectful to our customers by providing processes that are clear, simple, timely, and convenient.

Fiduciary Responsibility - Provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

Statutory Responsibility - Promote fairness and consistency in the application of the law.

Employees - Recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.

Public Confidence - Maximize public trust through responsible stewardship and transparent processes.

This plan outlines, by strategic policy initiative, the performance measures that the Department will employ to achieve these goals.

Department Description

The **Executive Director's Office** provides administrative support for the Department through: central budgeting, fiscal note coordination, revenue and expenditure accounting, purchasing and contract administration, research and analysis, human resources, internal auditing, project management, facility safety and security, and a hearings division. The office is funded through direct and indirect costs charged to the divisions. In addition, the Executive Director's Office includes a Citizen's Advocate who assists citizens and taxpayers with issues, grievances or inquiries. It also includes a Communications Team whose Director is the primary contact for all media queries and requests for information and a Legislative Liaison who directs all legislative matters for the Department.

Physical locations:

- Denver and Lakewood

The **Taxation Business Group** is charged with the collection, administration, audit, and enforcement responsibilities pertaining to all taxes, fees, bonds and licenses covered under Colorado's tax laws. The business group is directed by an administrative section. Senior management, policy-making, and budgetary support for the division are contained in this section. This division is primarily funded from General Fund appropriations, but does receive some funding from the Highway Users Tax Fund (HUTF) and federal programs.

The *Taxation and Compliance Division (TAC)* utilizes various methods to assist in the collection of monies due the State such as: filing bankruptcy claims; recording and releasing tax liens and judgments; garnishment of wages and bank accounts; income tax distraint warrants; resolution of taxpayer disputes; and the utilization of private collection agencies. The Division also audits or examines Colorado tax returns both at the Department through its Discovery program and at business locations through its Field Audit program. Audits are also conducted for the purpose of ascertaining whether royalties have been properly submitted to the State from operating and royalty mineral interests in Colorado.

The *Taxpayer Service Division (TPS)* administers the State's tax programs and provides assistance and information to Colorado taxpayers. The division maintains five service centers in Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo, as well as a tax information call center. The division produces public information campaigns, administers tax classes to promote voluntary compliance, and distributes information to the public to explain the State's tax laws and policies. TPS also issues licenses and permits, processes tax forms and requests for refunds, resolves taxpayer problems, and intercepts income tax refunds for payment of debts owed to other State agencies and the Internal Revenue Service.

The *Tax Conferee* serves as an intermediary in the hearing process and acts as the Executive Director's official designee for tax hearings. These can include tax assessment disputes and refund denials. Employees in this unit conduct reviews, legal research, investigations, interviews, and negotiations. They also assist taxpayers in clarifying decisions. If a meeting with the Tax Conferee fails to achieve a successful resolution, a formal hearing with the Executive Director is granted. Finally, if a feasible resolution is not attained, the aggrieved party may elevate the dispute to the judicial system.

Physical locations:

- Field Audit District Offices: Colorado Springs, Denver (headquarters), Fort Collins, Grand Junction, and Pueblo, Colorado; San Francisco and Los Angeles, California; Chicago, Illinois; Secaucus, New Jersey; Dallas and Houston, Texas
- Tax Auditing and Compliance District Offices: Colorado Springs, Denver, Grand Junction, and Pueblo
- Taxpayer Service Centers: Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo

The **Division of Motor Vehicles** consists of Administration, Driver Services, and Vehicle Services programs. These programs are responsible for the enforcement and administration of the laws governing driver licensing, and vehicle titling and registration. For FY 2016-17, this division is primarily funded with cash fund appropriations.

Motor Vehicle Administration provides oversight, investigative resources, budgetary and administrative support for the Driver Services and Vehicle Services programs. This includes investigating fraud related to driver licenses, identification documents and vehicle ownership documents.

The responsibilities of *Driver Services* include: issuing driver licenses, identification cards, and permits; verifying documents presented for identification, including the status of the applicant's legal presence in the U.S.; maintaining and updating driver records; identifying and assessing administrative sanctions against drivers, including all restraints for alcohol related driving offenses, and suspension of driving privileges for uninsured motorists. This section also provides oversight to interlock ignition device providers and regulating commercial driving schools and commercial driver license testing units.

Vehicle Services is responsible for: the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff examine all high-risk title applications to verify that the assignment of ownership has been properly made. The program provides operations support and coordination for the statewide vehicle titling and registration system (CSTARS), motor vehicle titling and registration process and license plate ordering and distribution. This section is also responsible for verifying compliance with registration requirements for the federal International Registration Plan. The program facilitates the management of the Motorist Insurance Identification Database (MIIDB) which helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The Emissions section licenses emissions testing site operators, inspectors, and mechanics; conducts inspections of the contractor's emissions testing facilities to ensure compliance with statutory requirements; and validates inspector and mechanic performance standards.

Physical locations:

- Driver and Vehicle Services: Lakewood (headquarters)
- Full-Service Driver License Offices: Akron, Alamosa, Aurora, Boulder, Burlington, Canon City, Cheyenne Wells, Colorado Springs, Cortez, Craig, Delta, Denver (2 locations), Durango, Fort Collins, Fort Morgan, Frisco, Glenwood Springs, Golden, Grand Junction, Greeley, Gunnison, Holyoke, Hot Sulphur Springs, Hugo, Julesburg, La Junta, Lamar, Littleton, Longmont, Meeker,

Montrose, Northglenn, Parker, Pueblo, Rangely, Salida, Springfield, Steamboat Springs, Sterling, Trinidad, Wray, and Yuma
- Limited Service Driver License Offices: Arapahoe County (Littleton), Arapahoe County (Aurora), Castle Rock, Centennial, Colorado Springs (4 locations), Eads, Lakewood, Leadville, Loveland, and Saguache
- Air Care Colorado (Emissions Contractor) Testing Stations: Arvada, Aurora (2 locations), Boulder, Broomfield, Castle Rock, Dacono, Denver (2 locations), Ft. Collins, Golden, Greeley, Littleton (2 locations), Longmont, Loveland, Northglenn, Parker, and Sheridan

The **Enforcement Business Group** regulates limited stakes gaming; enforces the State's liquor and tobacco laws through licensing and compliance checks; regulates the horse racing industry; regulates and licenses the motor vehicle dealer industry; and regulates and licenses the cultivation, distribution, and sale of medical and retail marijuana. With the exception of tobacco grants and a very small amount of General Fund to support the tobacco enforcement operations, programs within this division are wholly supported by specific cash funds.

The *Limited Gaming Division* licenses and regulates the Colorado limited gaming industry including gaming devices, facilities, personnel, and activities. This division also enforces the laws contained in the Limited Gaming Act, as well as rules and regulations promulgated by the Colorado Limited Gaming Control Commission. The Commission has the constitutional authority to allocate monies to the Division from the Limited Gaming Fund and is not subject to appropriation by the General Assembly.

The *Liquor Enforcement Division* licenses persons who manufacture, import, distribute or sell alcoholic beverages, and regulates the sale and distribution of liquor within the State by promoting awareness of and enforcing the provision of Liquor, Beer and Special Events Codes.

The *Tobacco Enforcement Program* enforces laws that prohibit the sale of tobacco products to minors. This allows the State to meet federal standards and qualify for the Substance Abuse Prevention and Treatment block grant.

The *Division of Racing Events* licenses and regulates horse racing events as well as off-track betting establishments; enforces all laws, rules and regulations related to racing activities; and are responsible for ensuring the health and welfare of horses racing in Colorado.

The *Motor Vehicle Dealer Licensing Board* is responsible for licensing and regulating the sale and distribution of motor vehicles, and promulgating consumer protection regulations. These responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

The *Marijuana Enforcement Division* is responsible for the regulation and licensing of the cultivation, manufacture, distribution, and sale of medical and retail marijuana in the state.

Physical locations:

- Limited Stakes Gaming Offices: Golden (headquarters), Central City/Black Hawk, and Cripple Creek
- Liquor and Tobacco Enforcement Offices: Lakewood (headquarters), Colorado Springs, Grand Junction, and Greeley

- Marijuana Enforcement Offices: Denver (headquarters), Colorado Springs, Grand Junction, and Longmont
- Motor Vehicle Dealer Licensing Board: Lakewood (headquarters), Colorado Springs, Ft. Collins, and Grand Junction
- Racing Offices: Lakewood (headquarters), and Aurora

The **State Lottery Division** is designated as a TABOR enterprise under Article X, Section 20 of the Colorado Constitution and supports its operations through lottery ticket sales, all of which are deposited into the Lottery Fund. The Colorado Lottery Commission governs the overall activities of the Lottery. The Colorado Lottery offers the following jackpot games (Powerball, Lotto, Cash 5, Pick 3, and Mega Millions) and several scratch ticket games at more than 3,000 retailers statewide. Proceeds are distributed according to Article XXVII, Section 3 of the Colorado Constitution on a quarterly basis in the following manner: 40 percent to the Conservation Trust Fund for distribution to eligible municipalities and counties for parks, recreation, and open space purposes; 10 percent to the Colorado Division of Parks and Outdoor Recreation for the acquisition, development, and improvement of parks land; and remaining proceeds to the Great Outdoors Colorado Trust Fund (GOCO Fund) up to $35 million per fiscal year that is adjusted each year according to the 1992 Consumer Price Index-Denver. Any amount exceeding the GOCO cap is distributed according to Section 22-43.7-104(2)(b)(III), C.R.S., to the Public School Capital Construction Assistance Fund to be used for supplemental assistance to school districts for capital expenditures to address immediate safety hazards or health concerns within existing school facilities. The Lottery also distributes proceeds to the Public School Capital Construction Fund.

Physical locations:

- Pueblo (headquarters), Denver, Fort Collins, and Grand Junction

Organizational Chart FY2016-17

Colorado Department of Revenue

Total Department FTE & budget breakdown *(based on FY 2016-17 appropriations)*	
DOR	1,414.7 FTE
$336,697,926	Total funds
$103,760,809	General funds
$225,641,524	Cash funds
$6,471,205	Re-appropriated funds
$824,388	Federal funds

Executive Director's Office
Executive Director - Barbara Brohl
124.1 FTE
$61,949,221 Budget

Division of Enforcement
Director - Ron Kammerzell
279.2 FTE
$57,603,151 Budget

Division of Lottery
Director - Laura Solano
117.1 FTE
$98,312,238 Budget

Division of Motor Vehicle
Director - Michael Dixon
490.1 FTE
$43,435,761 Budget

*Additional $4,701,277 ITD Budget (Includes CSTARS)

Division of Taxation
Director - John Vecchiarelli
404.2 FTE
$70,696,278 Budget

In 2012, the Colorado Department of Revenue (CDOR) developed its first integrated strategic plan. This plan was developed by an employee working group that worked in conjunction with the Department's Executive Leadership Team to incorporate all aspects of the work of the Department for its five divisions. The divisions within the CDOR include Taxation, Motor Vehicles, Enforcement, Lottery, and Administration. These five divisions impact almost every citizen within the state in some way. Because of that, the Department is focused on providing outstanding customer service and guidance to assist the citizens of Colorado in complying with the state's laws, rules and regulations. This Performance Management Plan is a living document that the Department uses to set objectives to be achieved and measure progress throughout the year.

Strategic Policy Initiatives

Major Program Area – Customer Service

The CDOR customer base is mainly outwardly focused. Even though most of the customers are statutorily required to do business with this Department, i.e. paying taxes or getting a license, CDOR still maintains a sense of responsibility that customers are to be treated with respect. In doing so, the staff strives to resolve matters at first contact, reduce the time it takes to obtain the services needed, provide education to the public to assist them in having a successful outcome and to offer a variety of options for citizens to use to transact business.

Call Centers (Tax, Title & Registration and Driver Control)

Tax Call Center

Processes:

- Answer telephone calls at the Tax Call Center.

Inputs:

- Total call volume was 429,655 through 3rd quarter FY 2015-16.
- Total of 26 FTE (including 3 supervisors) and up to 12 temporary staff assigned to the Tax Call Center through 3rd quarter FY 2015-16.

Outputs:

- Total number of calls answered was 179,828 through 3rd quarter FY 2015-16.
- Total number of calls blocked was 164,282 through 3rd quarter FY 2015-16.
- Total number of calls abandoned was 83,861 through 3rd quarter FY 2015-16.

Outcomes: The Tax Call Center will answer calls within an average of 9:25 minutes of entering the queue for FY 2015-16, with a reduction annually.

	FY15*	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16*	FY17	FY18	FY19
Objective	0:09:30	0:09:25	0:09:25	0:09:25	0:09:25	0:09:25	0:09:20	0:09:15	0:09:10
Actual	0:12:18	0:11:33	0:08:42	0:10:04					
Difference	0:02:48	0:02:08	0:00:43	0:00:39					

Outcomes: The Tax Call Center will block less than 23% of calls in FY 2015-16 with a decrease to 22.00% beginning in FY 2018-19.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16*	FY17	FY18	FY19
Objective	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	22.00%
Actual	40.01%	43.65%	29.05%	39.39%					
Difference	17.01%	20.65%	6.05%	16.39%					

*The Department of Revenue strives to protect taxpayers' information and to ensure that taxpayers receive the state income tax refund due to them. With this in mind, the Department continues to review refund claims for suspected fraud, and the reviews that take place may delay refunds due to taxpayers. As a result, the Department expects phone calls to the call center to inquire about refunds that are delayed as a result of fraud checks, and it will not meet its call center strategic goals in FY 2015-16. To account for an increase in inquiries, the Department secured resources to increase the average call center agents available for the public to call by close to 23% for the current fiscal year. The Department decreased wait times and blockage rates by approximately 15% and 10%, respectfully. It has answered 9% more phone calls compared to last year and blocked 13% fewer calls. With the additional resources provided by the General Assembly beginning in FY 2016-17, the Department expects to materially improve its performance at the call center in this and future fiscal years.

Strategy: The Tax Call Center strives to provide updated and relevant information to taxpayers when they call with questions regarding their sales or income tax obligations. The Department continues to find ways to improve customer service for taxpayers through reducing the wait time for calls to be answered and blocking fewer calls, which allows more taxpayers to speak with an agent. The Department continues to improve online services that provide the capability for customers to find answers to questions online as well as file returns and query their account status. It is envisioned that by expanding online services, calls will be reduced over time. Additionally, the Department reviews its correspondence with taxpayers for clarity and its tax return processes for efficiencies that benefit the taxpayer.

Titles and Registration Call Center

Processes:

- Answer telephone calls at the Title and Registration Call Center.

Inputs:

- Total call volume was 85,897 through 3rd quarter FY 2015-16.
- Total of 7 FTE answered calls through 3rd quarter FY 2015-16.

Outputs:

- Total number of calls answered was 82,880 through 3rd quarter FY 2015-16.
- Total number of abandoned calls was 3,017 through 3rd quarter FY 2015-16.
- Total calls answered within 1:30 minutes of entering the queue was 82,880 through 3rd quarter FY 2015-16.

Outcomes: Title and Registration Call Center will answer 100% of calls within an average of 1:30 minutes of entering the queue on an annual basis and maintain this percentage each year going forward.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	94.65%	95.51%	100.00%	100.00%					
Difference	5.35%	4.49%	0.00%	0.00%					

Driver Services Call Center

Processes:

- Answer telephone calls at the Driver Services Call Center.

Inputs:

- Total call volume was 371,604 through 3rd quarter FY 2015-16.
- Total of 14 FTE answered calls through 3rd quarter FY 2015-16.

Outputs:

- Total number of calls answered was 257,594 through 3rd quarter FY 2015-16.
- Total number of blocked calls was 7,292 through 3rd quarter FY 2015-16.
- Total number of abandoned calls was 106,718 through 3rd quarter FY 2015-16.

Outcomes: The Driver Services Call Center will have an average call wait time of 10:00 minutes on an annual basis beginning in FY 2015-16 and decreasing in FY 2018-19.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	0:09:00	0:10:00	0:10:00	0:10:00	0:10:00	0:10:00*	0:10:00	0:10:00	0:09:00
Actual	0:08:12	0:07:36	0:07:51	0:08:51					
Difference	0:00:48	0:02:24	0:02:09	0:01:09					

*This increase in the objective anticipates increased phone calls due to legislation related to HB13-1240 which changes the penalties for persistent drunk drivers and adds the new requirement to complete an investigation for the reinstatement of drivers with felony charges.

Outcomes: The Driver Services Call Center will block less than 5% of calls for FY 2015-16 and decrease annually beginning with FY 2016-17.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.00%	3.50%
Actual	4.88%	0.19%	0.94%	1.92%					
Difference	0.12%	4.81%	4.06%	3.08%					

Strategy: The Department continues to improve customer service provided by the Motor Vehicle Call Centers to meet the informational needs of all customers in an efficient manner. In doing so, the Department strives to reduce the number of callers by providing comprehensive and easily understandable information online. The Department has recently completed a web migration updating the Department of Revenue website. This new platform makes it easier for citizens to find and access the necessary information, and also makes it easier for staff to update. This allows Department staff the ability to assure that the information on the website is accurate and relevant as statutes, rules and requirements change. The goal is that the updated website will make general information more accessible and fewer calls will come to the call center. This will allow the call center agents to provide more specialized assistance when contacted which supports the strategy of providing all information required to resolve the issue the first time the customer calls. Additionally, the Department is working to reduce the blocked call rate. The impact realized from less blocked calls is a reduction in customer complaints regarding call wait times, allowing more time to help customers resolve their vehicle and driver issues. The number of staff answering calls is increased during high call volume times.

Customer Service in Driver License Offices

Processes:

- Provide driver license services in statewide offices.

Inputs:

- Total of 242 FTE staffed Driver License offices where the Wait-Less system is deployed through 3rd quarter FY 2015-16.
- 31 kiosks were deployed in 15 Driver License offices through 3rd quarter FY 2015-16.
- Total of 1,108,793 queuing tickets were issued to customers through 3rd quarter FY 2015-16.

Outputs:

- Total of 149,133 customers had pre-scheduled appointments through 3rd quarter FY 2015-16.
- Total of 89.90% customers with pre-scheduled appointments were served within 15 minutes of their scheduled appointment time through 3rd quarter FY 2015-16.
- Total of 907,066 transactions were completed in the Driver License offices where Wait-Less was deployed through 3rd quarter FY 2015-16. Transactions include: initial issuance of driver licenses, identification cards, and instruction permits; out of state driver license transfers; renewal of Colorado driver licenses and identification cards; issuance of commercial driver permits and licenses; obtaining motor vehicle records; changes of addresses; and testing (written and drive).

Outcomes: Driver License customers will be called to the counter within an average of 15 minutes 50% of the time for FY 2015-16 and increase annually.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	50.00%	50.00%	50.00%	50.00%	50.00%	65.00%	80.00%	85.00%
Actual	N/A	52.00%	56.40%	54.70%					
Difference	N/A	2.00%	6.40%	4.70%					

Outcomes: Driver License customers with pre-scheduled appointments will be called to the counter within 15 minutes of their scheduled appointment time 90% of the time on an annual basis in Driver License offices where Wait-Less is deployed, increasing annually in FY 2017-18.

	FY15*	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	92.00%	94.00%
Actual	87.01%	88.75%	89.65%	89.90%					
Difference	2.99%	1.25%	0.35%	0..10%					

*This objective was not met in FY 2014-15 due to funding issues during FY 2013-14.

Strategy: 34 additional full time and 37 part time employees were hired in FY 2014-15 to work in driver license offices and all have completed the training process. The objective is to increase the resources available to meet customers' needs through peak times, including lunch breaks, and provide upfront customer service to ensure customers are prepared when they are called to the counter. Managers and assistant managers in the Driver License offices continue to be trained to improve their understanding of the Wait-Less system and how to actively manage resources and report results. It is the desire of the Department to become more efficient when processing

transactions and serving customers that utilize the Wait-Less system and make appointments for their driver license needs.

Online Renewal and Payment – Driver License

Processes:

- Renew and accept payment of driver licenses online.

Inputs:

- Total of 678,285 adult driver licenses were issued through 3rd quarter FY 2015-16.
- Total of 102,355 identification cards were issued through 3rd quarter FY 2015-16.

Outputs:

- Total of 135,977 driver license and identification card renewals and payments were processed online through 3rd quarter FY 2015-16.

Outcomes: Increase the number of driver license renewals processed online by 5% over the previous year on an annual basis.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17*	FY18	FY19
Objective	148,621	142,224	142,224	142,224	142,224	142,224	N/A	N/A	N/A
Actual	135,451	44,736	37,200	135,977			N/A	N/A	N/A
Difference	13,170	97,488	105,024	6,247			N/A	N/A	N/A
Actual %	N/A	N/A	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%
Difference	N/A	N/A	N/A	N/A	N/A	N/A			

* Beginning in FY 2016-17, the data will be displayed using the actual percentage (increase or decrease) of online renewals in comparison to the total number of online renewals to be consistent with the desired outcome.

Strategy: Citizens may now renew their driver license and identification card online for two consecutive renewal cycles. Previously, only one online renewal was allowed. In conjunction with this change, the Department strives to enhance online services in an effort to increase the number of customers that renew online by 5% each year. To achieve this, the Department utilizes advertising and outreach efforts such as notifications to citizens to inform them if they are eligible to renew online and by providing information regarding online renewal on the State of Colorado website. The Department also partners with the Donor Alliance organization to promote the online renewal option.

Electronic Filing of Income and Sales Tax Returns

Processes:

- File taxes online.

Inputs:

- Total number of individual taxpayers that filed income tax returns was 1,745,480 through 3rd quarter FY 2015-16.
- Total number of sales tax returns filed was 1,817,741 through 3rd quarter FY 2015-16.

Outputs:

- Total of 1,560,340 individual income tax returns were filed electronically through 3rd quarter FY 2015-16.
- Total of 1,394,044 sales tax returns were filed electronically through 3rd quarter FY 2015-16.

Outcomes: Increase e-filed individual income tax returns as a percentage of total income tax returns filed to 83.60% in FY 2015-16 and increase annually.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	82.80%	83.60%	83.60%	83.60%	83.60%	83.60%	84.50%	85.00%	85.90%
Actual	82.36%	75.43%	74.58%	91.54%					
Difference	0.44%	8.17%	9.02%	7.94%					

Outcomes: Increase e-filed sales tax returns as a percentage of total sales tax returns filed to 75.00% in FY 2015-16 and increase annually.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16*	FY17*	FY18	FY19
Objective	60.70%	75.00%	75.00%	75.00%	75.00%	75.00%	77.00%	80.00%	82.00%
Actual	70.22%	75.10%	76.60%	76.60%					
Difference	9.52%	0.10%	1.60%	1.60%					

Strategy: The Department continues to make strides in providing online options for taxpayers to file their returns to encourage timely and accurate filing. Through outreach and information sharing efforts, the Department strives to increase the number of returns filed online annually. Without a statutory mandate to file electronically, some taxpayers will continue to file paper documents. Therefore, the Department estimates that 90% of tax returns will be filed electronically when online options are fully utilized.

<u>Liquor License Processing</u>

Processes:

- Process liquor license applications.

Inputs:

- Total of 1,291 new liquor license applications were received through 3rd quarter FY 2015-16.
- Total of 9,009 renewal liquor license applications were received through 3rd quarter FY 2015-16.
- Total of 5 licensing clerks processed license applications through 3rd quarter FY 2015-16.

Outputs:

New Applications:

- Total of 1,480 new liquor license applications received final agency action through 3rd quarter FY 2015-16.
- Total of 1,141 new liquor license applications received final agency action within 60 days of local approval through 3rd quarter FY 2015-16.

Renewal Applications:

- Total of 8,810 liquor license renewal applications received final agency action through 3rd quarter FY 2015-16.
- Total of 8,695 liquor license renewal applications received final agency action within 60 days of local approval through 3rd quarter FY 2015-16.

Outcomes: Increase the number of final agency actions (defined as approvals or notices of denial) for renewal license applications for liquor business licenses within 60 days of receipt 95% of the time by the end of FY 2015-16.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Actual	N/A	99.10%	99.10%	98.70%					
Difference	N/A	4.10%	4.10%	3.70%					

Outcomes: Increase the number of final agency actions (defined as approvals or notices of denial) for new applications for liquor business licenses within 90 days from 67% to 70% by end of FY 2015-16.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	70.00%	70.00%	70.00%	70.00%	70.00%	75.00%	77.50%	80.00%
Actual	N/A	64.30%	72.10%	77.10%					
Difference	N/A	5.70%	2.10%	7.10%					

Strategy: The Liquor Enforcement Division (LED) has taken many steps to ensure that businesses in Colorado receive their liquor licenses as soon as practicable. To continue providing excellent customer service, the LED has increased the number of licensing specialists that process liquor license applications. In the event of a licensing specialist vacancy, the division works to backfill the vacancy with temporary employees. Additionally, the supervision in the licensing section has been increased by two staff. Adding supervision ensures complex licenses are handled in a timely manner and issued correctly. These staffing enhancements ensure 75% of new licenses are issued within 90 days and 95% of license renewals are issued within 60 days. The LED strives to continue working with Local Licensing authorities to educate, communicate and create a process that is efficient and effective.

<u>Auto Industry Complaint Resolution</u>

Processes:

- Resolve consumer complaints.

Inputs:

- The Division has a total of 387 open investigations through 3rd quarter FY 2015-16.
- Total of 1,002 consumer complaints were received through 3rd quarter FY 2015-16.
- Total of 12 FTE (including criminal and compliance investigators) were assigned to investigate consumer complaints through 3rd quarter FY 2015-16.

Outputs:

- Total of 993 consumer complaints initial investigations were concluded through 3rd quarter FY 2015-16.
- Total of 873 consumer complaints initial investigations were concluded within 180 days through 3rd quarter FY 2015-16.

Outcomes: By the end of the fiscal year, the Auto Industry Division will reach the objective of concluding the initial investigation on complaints within 180 days of case initiation 82.00% of the time and increasing annually.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	76.00%	82.00%	82.00%	82.00%	82.00%	82.00%	84.00%	86.00%	88.00%
Actual	87.43%	86.52%	87.22%	87.13%					
Difference	11.43%	4.52%	5.22%	5.13%					

Strategy: Consumer protection continues to be a critical component in effectively regulating the auto industry. The Auto Industry Division (AID) continues to identify and place a high priority on processing complaints that negatively impact consumers. Because consumer complaints are of a high priority and are sometimes high profile, the AID would ultimately like to continue to increase its percentage of investigation conclusion within 180 days by streamlining existing procedures. Timely investigations support the overarching goal of achieving greater compliance throughout the industry resulting in fewer consumer complaints. The AID has implemented a new computer database that enhances the reporting component of the timeliness of completed investigations.

<u>International Registration Plan (IRP) Electronic Registration</u>

Processes:

- Issue and renew IRP registrations through electronic filing.

Inputs:

- Total of 6,662 registration applications were processed through 3rd quarter FY 2015-16.
- Total of 8 FTE processed IRP registrations through 3rd quarter FY 2015-16.

Outputs:

- Total of 2,172 IRP registrations were processed electronically through 3rd quarter FY 2015-16.

Outcomes: The percentage of International Registration Plan (IRP) registrations completed through electronic filing will increase to 35% in FY 2018-19.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	35.00%	30.00%	30.00%	30.00%	30.00%	30.00%*	30.00%	32.50%	35.00%
Actual	27.06%	35.85%	33.65%	27.52%					
Difference	7.94%	5.85%	3.65%	2.48%					

Strategy: The Department offers online registration for motor carriers in an effort to provide better customer service. The goal is to steadily increase the number of motor carriers using the online IRP registration application process for new registrations, renewals, and supplemental requests. The Department would also prefer to register the majority of motor carriers online to reduce the number of walk-in customers and increase customer convenience. The Department continues to work with the Colorado Motor Carrier Association (CMCA) to educate the industry on utilizing online registration through training. The Department developed several online videos for training that have been posted to the Department website to further educate the trucking industry on the process of online renewal.

Major Program Area – Fiduciary Responsibility

The CDOR collects more than $14 billion dollars per year on behalf of the citizens of Colorado. It is the Department's responsibility to ensure that those funds are collected in a fair and consistent manner as well as in accordance with the law. Additionally, it is the Department's responsibility to provide the best services possible for the citizens of Colorado in accordance with state fiscal rules and within its appropriation.

Lottery Sales and Profits

Processes:

- Marketing strategy.

Inputs:

- Total of 3,080 Lottery retailers through 3rd quarter FY 2015-16.
- Total of 34 sales representative FTE through 3rd quarter FY 2015-16.
- Total of $8,396,437 was spent on marketing through 3rd quarter FY 2015-16.
- Total of $28,247,160 was spent on Colorado Lottery administrative costs through 3rd quarter FY 2015-16.

Outputs:

- Total sales for the Colorado Lottery were $461,172,445 through 3rd quarter FY 2015-16.
- Total proceeds distributed were $111,654,636 through 3rd quarter FY 2015-16.

Outcomes: Grow Colorado Lottery sales and profits to maximize proceeds for recipients that are receiving funding at levels defined by the state and achieve a profitability percentage of 22.20% on an annual basis.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	23.50%	22.20%	22.20%	22.20%	22.20%	22.20%	22.20%	22.20%	22.20%
Actual	23.79%	22.50%	21.00%	23.80%					
Difference	0.29%	0.30%	1.20%	1.60%					

Strategy: The Lottery is focused on increasing sales and increasing the proceeds distribution amount and percentage to its beneficiaries. Additionally, the Lottery continues to develop system and process improvements, resulting in decreased administrative costs. Through targeted initiatives to reduce operating expenses, enhance Lottery brand loyalty, engage players through new technology, new distribution channels, and the deployment of new and enhanced games for the players, the Lottery strives to strengthen its overall performance each year.

Cash Handling

Processes:

- Receive and deposit cash.

Inputs:

- Total of $3,577,804,052 was deposited through 3rd quarter FY 2015-16.

Outputs:

- Total of $3,466,856,516 was deposited within 24 hours of receipt through 3rd quarter FY 2015-16.

Outcomes: Deposit funds within 24 hours of being received 95% of the time on an annual basis.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Actual	95.00%	98.00%	98.00%	97.00%					
Difference	0.00%	3.00%	3.00%	2.00%					

Strategy: The goal to deposit funds within 24 hours of receipt maximizes interest earned on the funds deposited and ensures the funds are accounted for properly and securely. The Department has been working on several initiatives to improve the timely deposit of funds. These include encouraging the use of online payments to process funds faster and more securely. In addition, the Department has implemented a new imaging system that images mailed checks, which in the future should significantly decrease processing time. This new process enables the Department to deposit check images electronically to the bank rather than depositing paper checks. This process is called CHECK 21. The 2016 tax season was the first tax season that Income Tax returns (all types) were processed through CHECK 21. Despite initial system issues, the Department continues to identify and resolve those issues while refining processes to fully maximize the benefits of this automated process.

Project Management
Processes:

- Manage projects.

Inputs:

- Total number of 7 FTE (1 Program Manager and 6 Project Managers) were assigned to the Project Management Office through 3rd quarter FY 2015-16.

Outputs:

- Total of 35 bills passed in the 2016 legislative session requiring implementation activities.

Outcomes: The Department will complete 100% of its projects related to legislation implementation within the required implementation date.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	100.00%	100.00%	100.00%	100.00%					
Difference	0.00%	0.00%	0.00%	0.00%					

Strategy: The Department experienced difficulties in the past in implementing projects in a timely manner, especially those that included changes due to legislation primarily for the Taxation and Motor Vehicle lines of business. Recognizing how important it is to implement legislative changes within the statutory timeframe, the Department developed criteria for project prioritization whereby these projects are rated as higher priorities. By performing a regular gap analysis some discretionary projects are put on hold, to focus Department resources on those projects that are statutorily mandated. These projects are then selected and tracked monthly as part of the Executive Project Dashboard and are reviewed by the Executive Director's management team to ensure the projects are on track. The Project Management Office will continue to employee these same tactics to ensure 100% completion success rate.

Major Program Area – Statutory Responsibility

As with all other state services, CDOR is governed by the statutes of the State of Colorado. Many times, those statutes are subject to interpretation by Department staff. The management staff of CDOR works hard to provide opportunities for stakeholders and the public to provide input as rules and regulations are being drafted to further define the statute. It is a priority of the Department that all current rules and regulations are reviewed on a regular basis to ensure that the existing rule is relevant, necessary, easy to understand and can be easily implemented. To comply with the Governor's Vision 2018 rulemaking requirements, the Department is establishing guidelines to measure customer impacts resulting from Department rules and regulations.

Rule and Regulation Review

Processes:

- Ensure stakeholder engagement in rule promulgation and review and update all promulgated rules.

Inputs:

- Because this is a new objective, there is currently no input data to report.

Outputs:

- Because this is a new objective, there is currently no output data to report.

Outcomes: The Department will implement Vision 2018 key rulemaking activities to include ensuring early stakeholder engagement in rule promulgation 100% of the time beginning in FY 2016-17 and ongoing.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	N/A	N/A	100.00%	100.00%	100.00%
Actual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*This objective is a new rulemaking objective that aligns with the Governor's strategic policies outlined in Vision 2018.

Outcomes: In compliance with Vision 2018, the Department will identify at least one rule or process to improve and estimate the impact to business beginning in FY 2016-17 and ongoing.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00
Actual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Strategy: It is understood that in order to instill public confidence, the Department needs to have rules that are relevant, relate to state statutes, and provide guidance to the public on complex matters. The rulemaking process is addressed in the Governor's Economic Development and Infrastructure Roadmap – Vision 2018. To ensure compliance with the rulemaking requirements outlined in Vision 2018, the Department is working to develop a central repository for all rules and rulemaking protocol that will be easily accessible to the public and include a web link from the DOR homepage to rulemaking information on the Secretary of State's website. This year the Department identified one staff member to be the Rules Coordinator, ensuring standardization and efficiency when counting and reviewing rules. The Rules Coordinator is in the process of gathering information to establish guidelines for department staff to evaluate opportunities to streamline processes and reduce customer impact as part of the rule review process. The rules coordinator will also review and refine rulemaking processes to ensure the Department is in compliance with the Secretary of State's policies and standards regarding rulemaking.

Racing Compliance

Processes:

- Inspecting horse racing facilities. Facilities include the racetrack and all stables on the premises.

Inputs:

- Total of 13 horse racing facilities through 1st quarter of CY 2016 (The horse racing season is from Memorial Day weekend through Labor Day weekend. This number will be updated at the end of 2nd quarter CY2016 after the season has begun, to include all facilities – not just off-season facilities).
- Total of 2 investigators conducted racing compliance inspections through 1st quarter of CY 2016.

Outputs:

- Total of 36 inspections were conducted by the Racing investigators through 1st quarter of CY 2016.
- Total of 36 inspections were completed within 45 days through 1st quarter of CY 2016.

Outcomes: The Division of Racing shall conduct facility inspections for its racetrack licensees 100% of the time prior to opening and all stables within 45 days after opening to ensure compliance with the Colorado Racing Act and Colorado racing regulations on an annual basis.

	CY15	CY16 1st Quarter	CY16 2nd Quarter	CY16 3rd Quarter	CY16 4th Quarter	CY16	CY17	FY18	FY19
Objective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	100.00%	100.00%							
Difference	0.00%	0.00%							

Strategy: In order for horse racing to continue in Colorado, it is necessary for the Division of Racing to inspect all stables. By inspecting all stables, the Department ensures the integrity of racing in Colorado and continues to promote animal welfare throughout the industry. The Department will employ the same tactics currently used to ensure 100% completion of all stable inspections within 45 days of opening. These inspections include all operations of the racing industry and provide proactive and invaluable feedback to the Division concerning compliance with statutory and regulatory requirements within the racing industry.

Marijuana License Processing

Processes:

- Process marijuana license applications.

Inputs:

- Total of 61 FTE assigned to the Marijuana Enforcement Division through 3rd quarter FY 2015-16.
- Total of 25 FTE assigned to processing retail and medical licenses through 3rd quarter FY 2015-16.
- Total of 240 new retail marijuana license applications received final agency action through 3rd quarter FY 2015-16. Final agency action includes license issuance, denial or

voluntary withdrawal.

- Total of 199 new medical marijuana license applications received final agency action through 3rd quarter FY 2015-16. Final agency action includes license issuance, denial or voluntary withdrawal.
- Total of 973 (546 medical and 427 retail) renewal marijuana license applications received final agency action through 3rd quarter FY 2015-16. Final agency action includes license issuance, denial or voluntary withdrawal.

Outputs:

- Total of 240 new retail marijuana license applications received final agency action within 90 days through 3rd quarter FY 2015-16.
- Total of 174 new medical marijuana license applications received final agency action within 90 days through 3rd quarter FY 2015-16.
- Total of 771 renewal marijuana license applications received final agency action within 90 days through 3rd quarter FY 2015-16.

Outcomes: Increase the number of final agency actions (defined as approvals or notices of denial) for new applications for medical marijuana business licenses within 90 days from 69% to 75% by end of FY 2015-16.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	75.00%	75.00%	75.00%	75.00%	75.00%	80.00%	80.00%	80.00%
Actual	N/A	100.00%	83.00%	87.43%					
Difference	N/A	25.00%	8.00%	12.43%					

Outcomes: The Marijuana Enforcement Division will approve and issue new retail marijuana business licenses, or issue a notice of denial for 100% of completed business license applications within 90 days of receipt on an annual basis beginning in FY 2015-16.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Actual	N/A	100.00%	100.00%	100.00%					
Difference	N/A	0.00%	0.00%	0.00%					

Outcomes: Increase the number of final agency actions (defined as approvals or notices of denial) for renewal applications for medical and retail marijuana business licenses within 90 days from 63% to 70% by end of FY 2015-16.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	72.50%
Actual	N/A	100.00%	93.00%	79.23%					
Difference	N/A	30.00%	23.00%	9.23%					

Strategy: The Department continues to refine processes and procedures to accommodate the licensure of retail marijuana facilities as well as the continued licensing of medical marijuana businesses. The Marijuana Enforcement Division established rules regarding retail marijuana enforcement and licensure that the Division will continue to uphold in an effort to meet their goal of processing 100% of license applications within 90 days of receipt. The Division will continue

to work with all stakeholders to ensure that this industry is properly licensed within the statutory timeframes and proper enforcement mechanisms are in place. In close collaboration with the Department's Human Resources Office, the Marijuana Enforcement Division continues to work diligently to fulfill the division staffing plan by hiring and training new staff.

Major Program Area – Employees

The employees of CDOR perform very important functions for the citizens of Colorado. To achieve the Department's goals and serve the public in the manner necessary, it is paramount that the best possible employees are recruited and hired. To that end, current hiring processes and practices are being reviewed to increase efficiencies and recruitment efforts. The leadership staff is also committed to addressing current DOR employee concerns identified through the Department of Personnel and Administration Employee Engagement Survey results in the areas of Lean, Leadership and Middle Level Management engagement.

Hiring Personnel

Processes:

- Fill vacant positions.

Inputs:

- Total of 127 personnel request forms were submitted for the Department through 3rd quarter FY 2015-16.
- Total of 6 FTE were assigned to facilitate the hiring process through 3rd quarter FY 2015-16.

Outputs:

- Total of 256 permanent new employees were hired through 3rd quarter FY 2015-16.
- Total of 204 employees (80%) were hired within 60 days from the date of the personnel request form arriving in the Office of Human Resources (OHR) through 3rd quarter FY 2015-16.

Outcomes: The average number of days it takes the Department to fill 100% of vacant positions from the submittal of the personnel request form to Human Resources, to the job offer will be 44 days or less on an ongoing basis.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
Actual	47.7	37.2	36.0	37.1					
Difference	3.7	6.8	8.0	6.9					

Strategy: The Department's employees are its greatest asset. Therefore, the Department has chosen to focus on the amount of time it takes to hire personnel for several reasons. First, the longer it takes to fill a position, the more likely the most qualified candidates will find other opportunities. Second, since a position cannot be filled until it becomes vacant, the longer it takes to fill a position, the more production time is lost resulting in diminished services to customers. Therefore, the Department's immediate goal is to reduce the average number of days

to fill a position from the time a personnel request form is submitted to OHR to the time a job offer is made. Recent changes to personnel rules have allowed the Department to utilize different exam processes such as a comparative analysis to accelerate the hiring process. Additionally, the Department has begun to leverage new third-party social media and recruitment tools to identify and attract quality applicants that may not have considered state government as an option for employment. Department staff is hopeful that this method of recruitment will generate more qualified applicants during the initial job posting process, eliminating the need to repost job announcements due to insufficient candidate pools.

Employee Satisfaction

Processes:

- Conduct employee satisfaction survey.

Inputs:

- This objective is measured using the Department of Personnel and Administration (DPA) Employee Engagement Survey to determine outcomes.
- There were a total of 1,287 permanent employees at the end of September 2015. The survey was conducted in October of 2015.
- The survey is a bi-annual survey and will be conducted again in the Fall of 2017. The results of the survey are provided to the Department in the year following the year the survey was conducted. Therefore, the data showing the survey results will be shown in the chart in the year following the year the survey was conducted.

Outputs:

- There were 656 DOR employees that responded to the 2015 Employee Engagement survey conducted by DPA.
- A favorable rating was determined by answering the question with agree or strongly agree.

Outcomes: Improve employee satisfaction by a rate of 5% points on an annual basis for each of the three categories.

- Capacity to act on innovative ideas.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17
Objective	34.00%	37.00%	37.00%	37.00%	37.00%	37.00%	
Actual	N/A	N/A	N/A	31.00%	N/A	31.00%	
Difference	N/A	N/A	N/A	6.00%	N/A	6.00%	

- Satisfied with opportunities for career growth and advancement.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	
Objective	36.00%	38.00%	38.00%	38.00%	38.00%	38.00%	
Actual	N/A	N/A	N/A	36.00%	N/A	36.00%	
Difference	N/A	N/A	N/A	2.00%	N/A	2.00%	

- Leaders give a clear picture of direction.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	
Objective	40.00%	42.00%	42.00%	42.00%	42.00%	42.00%	
Actual	N/A	N/A	N/A	34.00%	N/A	34.00%	
Difference	N/A	N/A	N/A	8.00%	N/A	8.00%	

*Based on the survey results from the 2015 DPA survey, Department leadership decided to replace these 3 goals and focus on 3 areas in which the results had trended downward since the 2013 survey: Lean, Leadership and Middle Level Management engagement.

Outcomes: Improve employee satisfaction by an average rate of 5% points on a bi-annual basis for each of the three categories each year.

- Lean – Increase familiarity with Colorado's Lean initiative, increase the number of Lean projects in progress throughout the Department, and increase visibility of Department leadership's support of Lean and process improvement initiatives.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56.23%	N/A
Actual	N/A	N/A	N/A	N/A	N/A	51.00%			
Difference	N/A	N/A	N/A	N/A	N/A	N/A			

*The Actual for FY16 is the average of favorable ratings for the CDOR survey responses for the questions in the Lean category.

- Leadership – Increase employee knowledge of Department direction and increase employee trust and confidence in Department leadership.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.69%	N/A
Actual	N/A	N/A	N/A	N/A	N/A	36.00%			
Difference	N/A	N/A	N/A	N/A	N/A	N/A			

*The Actual for FY16 is the average of favorable ratings for the CDOR survey responses for the questions in the Leadership Index.

- Middle Level Management – Increase middle level management favorable survey scores in the areas of engagement, efficiency, effectiveness and elegance.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55.13%	N/A
Actual	N/A	N/A	N/A	N/A	N/A	50.00%			
Difference	N/A	N/A	N/A	N/A	N/A	N/A			

*The Actual for FY16 is the average of the CDOR Second Line Supervisor scores for the four indexes in the survey of engagement, efficiency, effectiveness, and elegance.

Strategy: During FY 2016-17, Department leadership will focus on three areas where the survey scores have trended downward since the 2013 DPA Employee Engagement survey. In doing so, an engagement action plan has been developed to further open the lines of communication for employees. The Employee Engagement Action Plan includes providing Lean Practitioner training for Department employees, initiating Town Hall meetings for leadership to share insight to the strategic decisions being made to further the initiatives of the Department and conducting focus groups with middle level managers to identify and problem solve engagement

issues. Additionally, the Department leadership is making internal communications a priority through employee newsletters, award programs and process improvement activities.

Major Program Area – Public Confidence

So many of the Department's regulatory functions exist to ensure that the public is protected, ranging from inspecting gaming machines, licensing liquor and marijuana establishments, ensuring that complaints against auto dealers are investigated, and ensuring the integrity of lottery games. It is vital that the public have confidence that CDOR staff is doing their job to ensure citizens feel protected when they participate in these activities. This confidence is relayed through providing sound education for the public, presenting a positive image of the Department and the industries that it regulates, setting expectations for regulation and enforcement and living up to those expectations.

Gaming Compliance

Processes:

- Conduct compliance investigations of licensed casinos.

Inputs:

- Total of 35 licensed casinos through 3rd quarter of FY 2015-16.
- Total of 4,511 areas within the 35 casinos inspected through 3rd quarter of FY 2015-16.
- Total of 40 FTE (including criminal investigators, auditors and compliance investigators) performed compliance inspections through 3rd quarter of FY 2015-16.

Outputs:

- Total of 618 casino visits were conducted through 3rd quarter of FY 2015-16.
- Total of 227 instances of non-compliance were identified through 3rd quarter of FY 2015-16. This equates to an industry compliance rate of 94.97% during this time period.

Outcomes: The Division of Gaming shall conduct compliance inspections of licensed Colorado casinos on an annual basis to ensure 90% compliance with the Colorado Limited Gaming Act, Colorado Gaming Regulations, and minimum internal control standards increasing the rate to 92.50% in FY2018-19.

	FY15	FY16 1st Quarter	FY16 2nd Quarter	FY16 3rd Quarter	FY16 4th Quarter	FY16	FY17	FY18	FY19
Objective	N/A	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	92.50%
Actual	N/A	95.31%	95.70%	94.00%					
Difference	N/A	5.31%	5.70%	4.00%					

Strategy: The Division of Gaming performs biannual compliance inspections on all areas of casino gaming operations in order to assess the control environment in which each casino operates. The compliance inspections ensure limited gaming is conducted honestly in accordance with the strict requirement of the Colorado Limited Gaming Act. It is important the

casinos achieve a high level of compliance to foster confidence in limited gaming in Colorado. In order for the public to continue to have trust and confidence that gaming in Colorado is being conducted legally and casinos are complying with the Colorado Limited Gaming Act, Colorado Limited Gaming regulations, and internal control minimum procedures, the Division continues to perform both criminal and compliance investigations as well as financial audits. Through training and open communication with casino personnel, the Gaming Division strives to have the gaming industry attain and maintain a 90% compliance rate.