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0199 Committee on Personnel

Report to the Colorado General Assembly:

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COMMITTEE ON PERSONNEL



COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO. 199

December, 1972

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OF THE
COLORADO GENERAL ASSEMBLY

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* * * * *

The Legislative Council, which is composed of six Senators, six Representatives, plus the Speaker of the House and the Majority Leader of the Senate, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on supplying legislators, on individual request, with personal memoranda, providing them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives.

COMMITTEE ON PERSONNEL

**Legislative Council
Report To The
Colorado General Assembly**

**Research Publication No. 199
January, 1973**

COLORADO GENERAL ASSEMBLY



LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
DENVER, COLORADO 80203
892-2285
AREA CODE 303

January 23, 1973

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WALLACE PULLIAM
Research Associate

To Members of the Forty-ninth Colorado General Assembly:

In accordance with the provisions of Senate Joint Resolution No. 11, passed by the Second Regular Session of the Forty-eighth General Assembly, the Legislative Council submits the accompanying report relating to the personnel system for state employees.

The Committee appointed by the Legislative Council to conduct the study was unable to submit its report to the Legislative Council in time for the Council's final meeting. However, the Council has voted to approve the Organization Committee's report and allow the Committee to report directly to the General Assembly.

Respectfully submitted,

/s/ Senator Fay DeBerard
Vice-chairman

FDeB/mp

COLORADO GENERAL ASSEMBLY



LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
DENVER, COLORADO 80203
892-2285
AREA CODE 303

January 22, 1973

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REP. CLARENCE QUINLAN

Senator Fay DeBerard
Vice-chairman
Colorado Legislative Council
Room 46, State Capitol
Denver, Colorado 80203

Dear Mr. Vice-chairman:

Your Committee on Personnel herewith submits its report. The Committee's findings and recommendation pertain to the areas of study assigned by S.J.H. No. 11 which continued, for the 1972 interim, the study of the state personnel system commended during the 1971 interim.

It has been my privilege to serve as chairman of the Personnel Study Committee for the past two years. The work of the Committee during this period has been diligent and their recommendations have gained broad acceptance. Thus much has been done in the study and implementation of a more responsive and modern personnel system for the State of Colorado.

Respectfully submitted,

/s/ Representative John Fuhr
Chairman
Committee on Personnel

JF/mp

FOREWORD

As prescribed by Senate Joint Resolution No. 11, 1972 Session, the Legislative Council appointed the following Committee to conduct a study of the state personnel system in Colorado:

Rep. John Fuhr, Chairman	Sen. William Garnsey
Sen. George Brown, Vice Chairman	Sen. Ben Klein
Sen. C. K. Enstrom	Rep. S. G. Arnold
	Rep. Forrest Burns
	Rep. Jerry Rose

Mr. Shelby Harper, Financial Vice President
Security Life Insurance Company

Mr. Arnold McDermott, Director
Denver Career Service Authority

Mr. C. W. Peterson, Salary and Classification
Analyst
Colorado Association of Public Employees

Mr. B. E. Teets, Executive Director
Department of Administration

Mr. Hugh Weed, Executive Director
Department of Local Affairs

Mr. Robert Wherry, Executive Director
Department of Personnel

The General Assembly directed the Committee on Personnel to concern itself with a study of the classification and pay plans for state employees, alternative methods of determining and establishing salary levels for employees of the executive branch, the judicial branch, and the legislative branch who are not within the state personnel system, the possibility of bringing state employees presently outside the personnel system into the system, and other related personnel issues.

The Committee and its staff express their appreciation to the following individuals for their assistance during the 1972 interim: the staff of the Department of Personnel; and staff of the Colorado Association of Public Employees (CAPE)

and in particular, Mr. Harry Reese and Mr. Jim Gilsdorf; and members of the Personnel Board, chaired this year by Mr. Laird Campbell.

Assembling this report was the responsibility of David Hite, Legislative Council Staff, who was assisted during the interim by Larry Thompson.

January, 1973

Lyle C. Kyle
Director

TABLE OF CONTENTS

	<u>Page</u>
LETTER OF TRANSMITTAL.....	iii
FOREWORD.....	vii
TABLE OF CONTENTS.....	ix
SUMMARY OF FINDINGS AND RECOMMENDATIONS.....	xi
Restructuring the Classification System.....	xii
Executive, Judicial and Legislative Pay Studies.....	xiii
State Employees Outside the Personnel System.....	xiv
Statutory Recommendations for Considera- tion During the 1973 Session.....	xv
CONSULTANT'S REPORT OF THE RE-STRUCTURING OF THE POSITION CLASSIFICATION PLAN.....	1
CONSULTANT'S EXECUTIVE PAY STUDY.....	37
TEXT OF COMMITTEE BILLS.....	61

Section 1. Title and Purpose

This document is a contract between the undersigned parties, entered into this day of [Month], 19[Year]. The purpose of this contract is to define the terms and conditions of the [Project/Service] to be provided by the [Party Name].

The [Party Name] shall provide the [Project/Service] in accordance with the specifications and requirements set forth in the attached [Document Name]. The [Party Name] shall be responsible for all costs associated with the [Project/Service], including but not limited to [List of Costs].

Section 2. Definitions

The following definitions shall apply to this contract:

- "[Term]" shall mean [Definition]
- "[Term]" shall mean [Definition]
- "[Term]" shall mean [Definition]

The [Party Name] shall be responsible for the [Project/Service] until the [Date].

This contract shall be governed by the laws of the State of [State]. Any disputes arising out of or in connection with this contract shall be resolved by arbitration in accordance with the rules of the [Arbitration Association].

The first step in the process of classifying the employees of the Department of the Interior is to determine the nature of their work. This is done by examining the job descriptions and the actual duties performed by the employees. The information obtained from this examination is used to determine the appropriate classification for each employee.

In addition to the examination of the job descriptions and the actual duties performed by the employees, the classification process also takes into account the employee's education, experience, and other factors. The information obtained from this examination is used to determine the appropriate classification for each employee. The classification process is a continuous one, and it is necessary to re-examine the classification of employees periodically to ensure that it remains accurate.

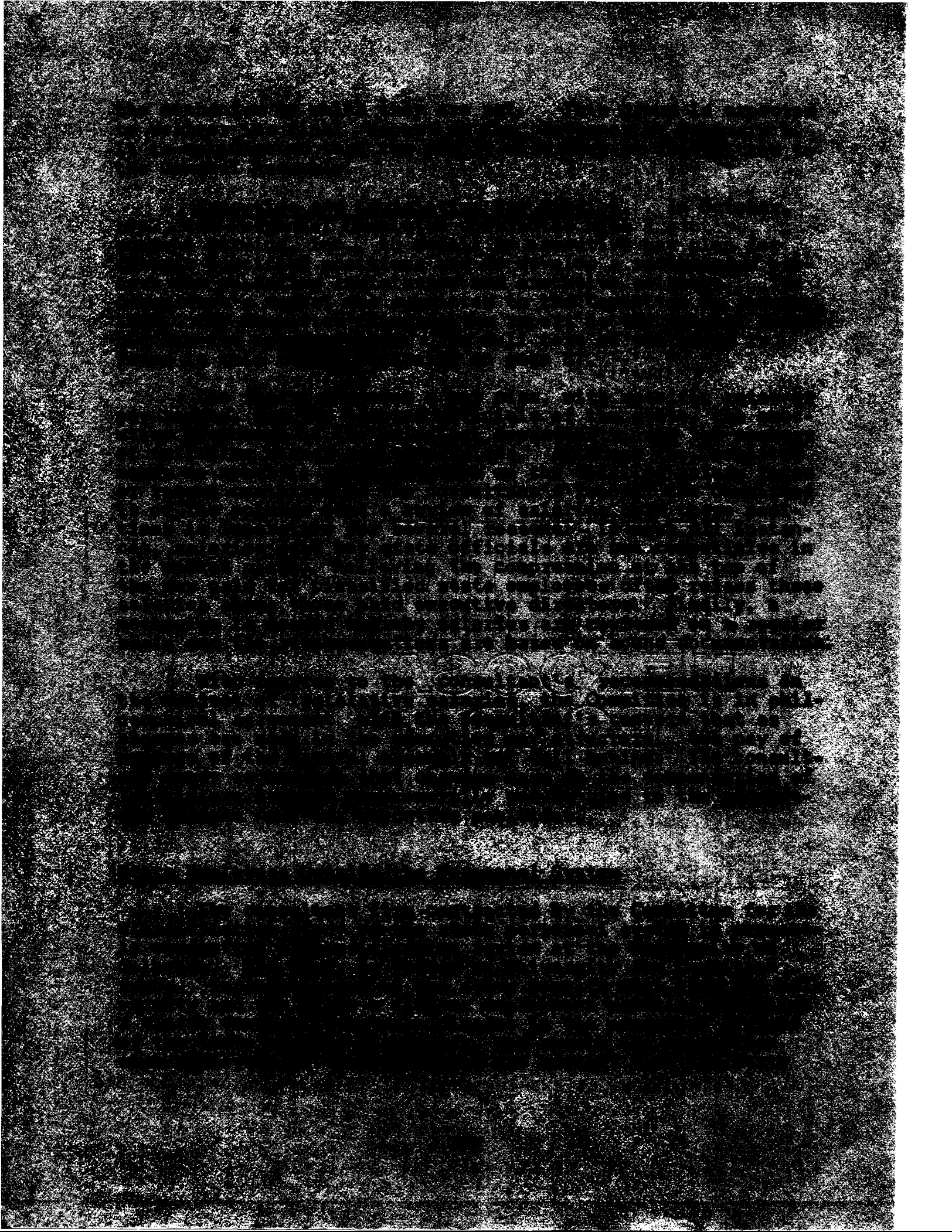
Implementation of the Classification System
of this Department, the following steps should be taken to implement the classification system and to ensure that it is applied consistently to all employees in specific class allocations.

After the development of these classification systems, the notification of employees of the proposed changes to their positions and the review of the classification of the re-structured positions with the Personnel Board. The plan should be implemented as soon as possible and the results should be reported to the Personnel Board.

Education, Training, and Development Programs

In view of the importance of the classification system, it is necessary to provide employees with the education, training, and development programs necessary to ensure that they are qualified to perform the duties of their positions. The Personnel Board should develop and implement a program of education, training, and development for all employees.

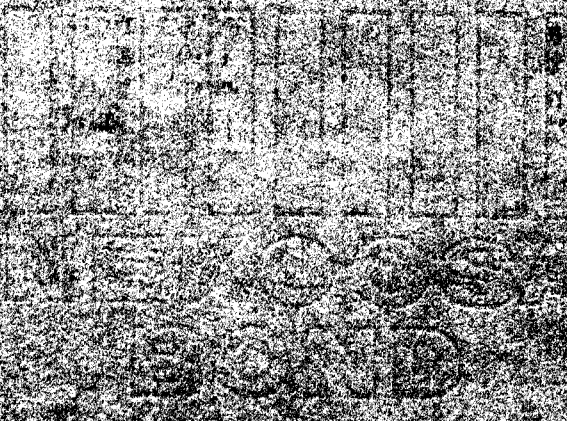
The Personnel Board should also be responsible for the implementation of the classification system and for the review of the classification of employees. The Personnel Board should also be responsible for the development and implementation of the education, training, and development programs for all employees.



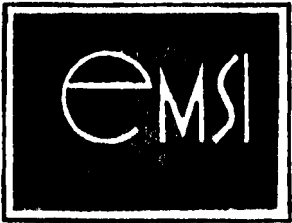
Personnel System. The State Personnel Director has reported that meetings have been held with state officials and employees in an effort to bring about a better understanding of the system. The following information is being furnished to you for your information.

Changes in the Personnel System for the State of Michigan

The Commission on Personnel System, which was created by Public Act 1961-100, has completed its report on page 41. The report contains a list of recommendations for the state personnel system. The report is being distributed to all state agencies and to the State Personnel Director for his information and guidance. The report is also being distributed to the State Personnel Director for his information and guidance.



REPORT OF THE RE-STRUCTURING OF THE
POSITION CLASSIFICATION PLAN
STATE OF COLORADO



EXECUTIVE MANAGEMENT SERVICE, INC.
MANAGEMENT CONSULTANTS

January 5, 1973

The Honorable John Fuhr
Chairman
Legislative Personnel Study Committee
State Capitol
Denver, Colorado 80203

Dear Mr. Chairman:

We are submitting this report on the re-structuring of the position classification plan for positions covered by the classified service of the State of Colorado in accordance with our contract dated January 5, 1972.

The project manager was Mr. Richard F. Romich, assisted by Messrs. Paulionis and Smith. Corporate level field supervision was provided by Mr. Thomas J. Brennan, Vice President of EMSI.

We wish to express our appreciation to you and the members of the Legislative Personnel Study Committee for your continued interest and your follow-through to ensure that personnel management measures up to the increasing program responsibilities expected of the State government by the citizens of Colorado.

We also extend our appreciation to the employees in the classified service, the Colorado Association of Public Employees, and State officials for the time and effort put forth toward that same objective.

Sincerely,

Merrill J. Collett
President

TABLE OF CONTENTS

	<u>Page Number</u>
I. THE POSITION CLASSIFICATION SURVEY	7
Objectives of the Survey	7
Survey Methodology	7
Allocation Factors Used	9
Preparation of Class Specifications	10
Operating Department Review	11
II. PRESENT PERSONNEL PHILOSOPHY AND PRACTICES	13
POSITION CLASSIFICATION PHILOSOPHY	13
PRESENT PERSONNEL PRACTICES	14
Minimum Preparation for Work	14
Promotional Practices	15
Examination Procedures	15
Trainee Classes	17
Organization and Staffing - Personnel Department	17
III. EVALUATION OF ALTERNATIVE CLASSIFICATION SYSTEMS	19
Systems of Classification	19
Our Approach	20
Procedural Considerations	21
Participation and Training Considerations	23
An Alternative Approach	23
IV. IMPLEMENTATION OF PROPOSED CLASSIFICATION PLAN	27
Administration of the Position Classification Plan	27
Manual of Class Specifications	28
"Bumping" Policy	29
LEGISLATIVE CHANGES	29
Pay Rate Determinations	29
V. PAY RELATIONSHIP DETERMINATION	31
VI. STATE ORGANIZATIONAL PROBLEMS	33
Departmental Organization Structure	33
Departmental Management	34

I. THE POSITION CLASSIFICATION SURVEY

Objectives of the Survey

A position classification plan is a tool of personnel management as basic as the budget is of fiscal management.

Position classification is a system of identifying and describing the different kinds of work in an organization and then grouping similar positions together under common job titles. The classification plan groups together into classes those positions which are basically similar in kind, difficulty, and responsibility of work performed, and in training and experience requirements, and which may be fairly compensated at the same general level of pay. Although reference is made to the similarity of positions in the same class, this should not be construed to mean that all positions in a class are identical.

A classification plan serves many useful purposes:

- It makes possible a common understanding of jobs by department heads, supervisors, and employees.
- Simplifies budgetary, program planning, and payroll activities.
- Clarifies recruitment, promotion, transfer, and related personnel transactions.
- Establishes the basis for "equal pay for equal work".
- Establishes a basis for a career system.
- Provides a guide for employees in preparing for promotion.

Thus, the major objective of the survey was to analyze all positions in the classified service and to group them into classes on the basis of duties and responsibilities.

During the course of the survey, however, consideration was also given to the following as by-products of the major objective: (a) present personnel practices were reviewed; (b) alternative personnel improvement methods were evaluated; (c) organizational problems symptomatic of underlying administrative problems were noted; and (d) implementation problems were noted.

Survey Methodology

In re-structuring the classification plan for the state, the following major steps were taken:

- Analysis of the work requirements of all positions in the state

classified service.

- Establishment of classes of positions, the selection of appropriate class titles, and the preparation of written descriptions of the nature of work and requirements for each class.
- Assignment of every position to one of the classes established.

It should be noted that a classification plan is an inventory of positions and not employees. A position is one cell in the organizational structure and it remains as such, barring organizational or assignment changes, while employees come and go. An employee is assigned to a class on the basis of the position he is occupying and not because of his personal knowledges, skills, or abilities. The knowledges, skills, or abilities possessed by an employee should be considered by management when initially placing him in a given position.

To classify the positions properly, it was necessary to obtain complete information regarding the duties and responsibilities of each position. Employees were provided questionnaires and asked to describe their jobs in their own words. These were reviewed by the immediate supervisors who were required to indicate whether the employees' statements were accurate and complete, add information omitted by employees, and state the experience and training believed essential for proper performance of work. The questionnaires were then submitted to the survey representatives, who reviewed them carefully and noted any items requiring further explanation. After this preliminary analysis, department heads, supervisors, and individual employees were questioned concerning the duties and responsibilities of employees whose positions were not clearly understood. Desk audits were conducted for 7,020, or approximately 38 per cent, of all positions in the state service. This is more than double the normal amount of desk audits conducted in surveys of this type. On the basis of the information so gathered, the class specifications, or descriptions, were written, and each position allocated to one of the classes.

Any position which was not comparable to any other position was placed in a class by itself; 1,002 classes were established, which is a reduction of 344, or 25 per cent, from the present number of 1,346 classes. The number of single position classes proposed is 227, and includes about 1.2 per cent of the total number of employees. This is a reduction of 50 from the present number of 277. Classes with five or less positions allocated to them, and excluding single position classes, include about 5.4 per cent of the total number of positions. This means a reduction of 70 classes with five or fewer positions. The remaining 17,377 positions were allocated to 369 classes; expressed in another way, 93.4 per cent of the State's Classified Service are allocated to 369 classes.

The proposed plan divides the classes in the classified service into 8 service areas with 62 specialized groups within these service areas. The combined numeric and adjective designations previously used in series of classes has been changed to a completely numeric system. This was done to eliminate the confusion which existed concerning the number of levels in each series.

Allocation Factors Used

The following factors were used in determining the class to which individual positions were allocated:

- Kind and Level of Work, including the presence or absence of supervisory or administrative responsibilities; extent to which tasks are homogenous or varied and thus make different demands on the knowledge, experience, and versatility of employees; relative difficulty and complexity of the work; length of time needed to learn the work; nature and relative complexity of subject matter in the field of work; level of non-supervisory duties; whether work is beginning-level or "journeyman-level;" whether the work is of a recognized profession, technical field, or trade.
- Nature and Extent of Guidelines for Work, including the extent to which employees are responsible for making changes in products after they receive them; whether employees actually process the work they receive or hand it on to someone else after checking it off or performing some other routine process; extent to which work may be described as routine or mechanical; nature and extent of available guidelines in the form of policies, procedures, or standard trade or occupational practices.
- Public Contacts, including responsibility for interpreting programs of the jurisdiction to the public; nature of public contact media, i.e., whether contacts are face-to-face, by telephone, or through correspondence; degree of discretion allowed in interpretation of public programs.
- Nature of Supervision Over Others, including size of the organization supervised and any special problems caused by the factor of size alone; nature of supervisory duties, i.e., to transmit orders only, to oversee work, to check quality and quantity of results, to assign work and priorities, or to plan or participate in planning programs; extent to which employees are merely "lead workers" rather than supervisors in the full sense of the term; relative routineness (or complexity) of the operation supervised; presence of subordinate supervisors through whom other workers are supervised; variety of functions supervised and the consequent demands for broader knowledge of subject matter; degree of responsibility for training other employees; existence of authority to change procedures when necessary, or only to note needed changes for action by others; level and kind of work performed by the employees supervised.
- Nature of Supervision Received, Independence of Action, including need for independence of judgment and action present in the work of the class; extent to which, and the purpose for which, work is reviewed by others; responsibility for planning programs or work processes independently; responsibility for determining how programs are to be implemented independently; finality of authority and the scope of matters on which authority is final; disposition of the work after

employees have made decisions and taken the action they are permitted to take; extent of responsibility for establishment or interpretation of policies, objectives, and procedures; level and kind of work performed by the immediate supervisor; extent to which the immediate supervisor has knowledge of the subject matter field in which employees work; availability of the supervisor to give guidance and instruction and to answer questions; whether supervision is received before or after work is performed; purpose of review of work, i.e., whether to verify the methods used or the conclusions reached; extent to which there is responsibility for devising new methods or deviating from established methods.

- Knowledges, Skills, and Abilities, including nature and relative difficulty of knowledges and skills involved; scarcity of the knowledges and skills involved; necessity for operating specialized machines and the training required.
- Training and Experience Requirements, including level of general education required; nature and level of specialized or professional education required; nature and amount of specialized training required; nature and length of experience required.

In applying the allocation factors, certain departures from present practices were adhered to. For example, a position was not considered as being supervisory if the elements of supervision consisted only of "supervision in the absences of" the normal supervisor, or if a person was acting merely as the "senior worker" or "lead worker". In these instances, such positions were allocated to the next lower level in the series. In a few instances, the "lead worker" element of a class of positions was coupled with other stronger job factors and was allowed to tip the scale in favor of creating a separate class of positions between the worker and supervisor. An example of this is the Custodial Worker II class where the element of "lead work" coupled with other stronger job duties necessitated the creation of two levels of custodial worker rather than one.

In all cases, the process of applying the allocation factors was diligently carried out in such a manner as to create classes of positions with substantial differences in the level of duties and responsibilities being performed. Classes were created which are broad enough to include all those positions which are substantially the same while at the same time are narrow enough to facilitate efficient personnel administration throughout the state service.

Preparation of Class Specifications

In preparing the class specifications, many modifying adjectives were used to describe the level of difficulty in duties and responsibilities of each class. These modifiers were used to denote the relative difference in difficulty among the duties and responsibilities of each class and therefore cannot be defined in terms of absolute values. For example, the modifier

"large" is used to denote the size of an institution such as the State Hospital as well as the size of a clerical group being supervised by one individual. **An exact definition of "large" therefore is not possible** and should be thought of in relative terms. Any personnel technician reviewing the positions allocated to a class in a series where the size of the group being supervised is one of the distinguishing features of the work would easily discern what "large" meant in this context as opposed to when it was used to denote the size of the buildings and grounds contained in a single institution.

In most cases the distinction made between classes involves more than just a single modifier. For that reason instructions accompanying all class specification manuals clearly advise the reader to look at the individual class specification as a whole and not to rely on any one word, phrase, or section in determining proper allocations.

It should be noted that the determination to express qualifications in terms of minimum qualifications for each class specification was made by the Personnel Department, being the user of the specification in candidate evaluations. **These minimum qualifications were initially prepared under the Department's direction, and cleared prior to finalization by the survey staff.**

Operating Department Review

Class specification manuals were prepared and, together with lists showing allocation of positions to proposed classes, distributed to each department and institution for review by operating department management.

Many comments and suggestions were received during this review process. All were seriously considered. A number of additional desk audits were completed, and as a result of this reconsideration process several of the proposed classes were abolished and others created. Also, a relatively large number of changes in allocation of positions was accomplished. **All class specifications and class concepts were then submitted to detailed evaluation by the survey staff in concert with members of the Personnel Department who had not been assigned to work on this project in a staff capacity, and also with representatives of C.A.P.E.**

The outcome of the above total process was modification of about 560 class specifications, 80 per cent involving change in the draft minimum qualifications. **Also, 18 additional proposed classes were created, bringing the total number of proposed classes from 984 to 1002.**

A second and final review of class specifications and allocation of positions with operating department management was then accomplished.

The complete listing of all proposed classes of positions appears as an occupational schematic in Volume I of the class specifications.

A detailing of the classes in the present plan which are equivalent to those in the proposed plan was also prepared and submitted separately to the Personnel Department.

EXECUTIVE MANAGEMENT SERVICE, INC.

II. PRESENT PERSONNEL PHILOSOPHY AND PRACTICES

POSITION CLASSIFICATION PHILOSOPHY

A rather marked departure from the present philosophy underlying position classification in the Colorado State Classified Service has been incorporated in the proposed plan.

Presently, position classification is being used extensively as a means of determining the pay rates for employees performing various kinds of work in the state service. What is proposed here and already built into the proposed classification plan is the use of position classification as a management tool. The concept of individual positions being the smallest units on the organizational table has been inculcated throughout the proposed plan. The allocation lists for each department showing the position incumbent's name, present title, and proposed title can be thought of as management's inventory of the kinds and levels of work being performed in the organization. A review of the list by management should quickly bring to mind questions concerning reasons for the existence of the number of positions of each kind and level and the way in which they are organized into operating units.

Previous to the re-structuring of the classification plan, management, in many instances, did not have an accurate list of the kinds and levels of work being performed by the organization. Instead, management's allocation list of employees seemed only to demonstrate differences in pay levels for numerous employees who were performing substantially the same kind and level of work. The idea is easily demonstrated by the first and second levels of many professional types of classification as shown in the present classification plan.

For example, positions presently allocated to Junior Personnel Technician and Assistant Personnel Technician are performing substantially the same kind and level of duties and responsibilities. The difference in class designation is for the purpose of increasing the salary of new employees at the end of their first year of employment. The fact that there is very little difference between the kind and level of duties being performed by employees allocated to each class is demonstrated by the examination process utilized to "promote" such employees. The examination usually consists of the employee completing a new application for employment form called a "current application" and the evaluation of an immediate supervisor. Each usually accounts for 50 per cent of the employee's final score.

No other form of examination -- for instance, one designed to measure an employee's ability to perform at the higher level -- is used.

The philosophy of position classification as being merely a tool to set salary rates not only governs the present personnel policies and practices utilized by the Personnel Department, but also prevails throughout most of the state's organization.

In discussions with department executive directors and their immediate subordinate staffs, this underlying philosophy was apparent. In most instances, departmental personnel contended that they could not agree or disagree with proposed allocation of positions to classes without the benefit of the salary range to which each proposed class might be assigned. The idea seemed to be that knowledge of how much a particular class of positions would be paid would be the measure, the prerequisite, for determining whether the level of complexity of the duties and responsibilities of an individual position met the level of the class as defined in the specification. This, of course, is not more true than that price rather than a performance measure should determine whether an engineering specification is met. The class specification defines, designates, the kind and level of job duties and responsibilities performed in the class.

Further discussions with employees of the Personnel Department and other departments served to reinforce the fact that many management level employees in the state service do not view position classification as a tool to be used in administering the programs of the state. Management level employees in most cases had a difficult time to separate incumbents from positions. In many cases, additional levels of classes were requested solely on the basis that additional places to promote "worthy" employees were needed. Classification of positions based upon duties and responsibilities of the work should determine pay. Pay desires should not determine classification.

The preponderance of this philosophy in and among the state's management level employees has far-reaching and deleterious effects on the organization and administration of the state's services and programs. These and other effects are presented in subsequent sections of this chapter.

PRESENT PERSONNEL PRACTICES

Classification and reclassification as presently administered must be viewed with the present classification philosophy in mind. An employee's position classification, and therefore his rate of pay, have often been allowed to change with no substantial change in duties and responsibilities. In evaluating positions, the "worth" of the incumbent has often been analyzed rather than the change, if any, in position duties and responsibilities. It was found that several classes existed merely to accommodate pay problems.

Minimum Preparation for Work

This section of the class specification was initially prepared under the direction of the Personnel Department. During this process, it became apparent that this section of the specification is presently being used to "block" employees from advancing from one level to another and/or from one series of classes to another. Considering the generalized testing program which exists, it is understandable that this kind of use is being made of the minimum qualifications.

The minimum qualifications are also being used excessively in establishing pay levels. For example, a number of management level employees complained that in order to get a salary rate high enough to attract persons to certain positions they were forced to request that the Personnel Department raise the educational level in the minimum qualifications. **This action often resulted in having the minimum qualifications so high that no likely candidates for the job could qualify for examination. This was especially true in positions requiring a preponderance of technical skills rather than educational attainment. Minimum qualifications should be an outgrowth of job analysis, not a function of compensation.**

There is also a tendency in the present system to confuse the concepts of the minimum qualification and the desirable qualification. For example, the specifications presently in use for Junior Personnel Technician require the possession of a bachelor's degree, but these qualifications are not adhered to in practice, as persons without a bachelor's degree are recruited, tested, and selected for employment. **It is reported that the examination used to select staff to assist EMSI in the conduct of this survey attracted some 800 applicants. Of the 11 persons selected for this purpose, two did not possess the required bachelor's degree.** This type of practice also has the effect of forcing the state to pay more than necessary for personnel in the labor market. All other things being equal, when educational qualifications are involved, a person without a bachelor's degree can be obtained for less compensation than one with the degree.

The minimum qualifications as requested by the Personnel Department **often have obscured the issue with equivalencies.** This practice has resulted in an abomination which may be called "desirable minimum qualifications".

Examination Procedures

There is no question but that the state can and does attract qualified or motivated employees. However, conversations with departmental officials and others close to or involved with the examination process raise some questions as to the methods employed in the examination process.

A modern and most effective recruitment, testing, and selection program is based upon the following:

Proper classification of positions together with a correct and meticulous detailing of required knowledges, skills, abilities, training, and experience requirements.

- Exhaustive job analysis of a representative sampling of positions within a class for the purpose of developing an examination plan.

- Selection of previously used test items which have demonstrated selective potential and, with the writing of new test items to improve tests, build an item file, and maintain confidentiality of tests.
- Use of technical experts to assist in checking appropriateness and technical correctness of items selected or developed.
- Use of practical examinations wherever possible.
- Validation of test items and all parts of the examination through the probationary period.

In the present system:

- It is often difficult to discern a difference between many classes within a series of classes; therefore, a detailing of distinct knowledges, skills, and abilities which may be of assistance in the development of tests of fitness, is difficult or impossible to accomplish.
- Exhaustive job analysis of a representative sampling of correctly classified positions for test development purposes rarely occurs.
- It is reported that one person in the Personnel Department has been performing the great bulk of test selection and test item development. It is impossible for one person to develop and maintain an effective item file for a system with 1,346 classes.
- The use of technical experts in the development and checking of items is a rarity.
- The use of practical tests of fitness is not done, with the exception of some clerical and similar classes. They are not difficult to develop, and are extremely effective instruments of selection where appropriate.
- The validation of test items and tests has not occurred, with the exception of that for several clerical classes.

It is true that tests of fitness such as written and performance are given for many classes of positions, but these are accomplished mainly at the entry level within a series of classes. Above the entry levels, the use of the departmental promotional review (d.p.r.) is prevalent, together with the personal interview. This is a device whereby, following the completion

of the probationary period and generally in lieu of any written or performance test of knowledge, skill, or ability, an incumbent's supervisor or superior rates the employee for promotional purposes. This is a questionable device from a testing standpoint mainly because of the factor of possible favoritism. If a real difference exists between two classes of positions relative to duties, responsibilities, knowledges, skills, and abilities, these items may be defined, measured, and tested with some amount of accuracy and objectivity by means other than the d.p.r.

Mention should be made of the extensive use of tests of "intelligence", "learning ability", and the like, such as the Army General Classification Test. These are extremely useful in testing that for which they are designed. However, they are no substitute for other types of tests which may be tailor-made for a class of positions, especially when they have not been validated for the class of positions involved, as represented by an exhaustive job analysis.

The use of the personal interview is, of course, excellent, especially if standardized. The evaluation of training and experience for higher level classes, where background has truly been the best test of knowledge, skill, and ability, is very useful, especially when conducted according to an objective and detailed weighting chart.

An exhaustive analysis of the process and flow of work related to the examination system was not within the scope of the survey; however, EMSI is of the opinion that it could benefit by review involving clarification and a better definition of lines of responsibility.

Trainee Classes

The concept of a "trainee" which has been used in the proposed class plan is a departure from the existing concept. Numerous cases of trainee classes were found which were merely an additional level in a series. There was little or no difference in job duties and responsibilities between a trainee and the next higher level. Trainee classes included in the proposed plan are for job situations where employees must be trained up to entry level, and where the training is formalized and lasts for most of the first year of employment.

Organization and Staffing - Personnel Department

Although an in-depth analysis of the organization and staffing of the central Personnel Department was beyond the scope of this survey, certain problem areas were observed. These could best be alleviated by having an in-depth organizational analysis conducted which would include the review of work flow and of forms presently in use.

Presently the Personnel Department's functions are divided into several "units", each of which is responsible for examinations, classification, and

pay for a specified group of classes. Being organized in this manner theoretically affords the unit team members with a comprehensive picture of the personnel process. During the course of the survey, however, it was observed that, as practiced, this organization tended, rather, to diffuse responsibility and authority within the organization and therefore accountability for the performance of essential personnel administrative processes. In addition to the "units", the department has a classification section, a recruitment and examinations section, and a pay section. The employees of these sections are responsible for the functions which are performed by the "units" and supervised by the unit supervisors. This arrangement in reality makes the section chiefs staff advisors and does not fix responsibility within the organization.

To correct this undesirable situation, and to fully utilize the talents of the employees involved, it is suggested that consideration be given to organization based upon the specialist rather than the present generalist-specialist use of personnel. The specialist organization would dictate four major divisions:

- Classification and Pay - responsible for all classification maintenance and development, salary surveys and grading of classes for salary purposes, and the lending of detailed knowledge to the examinations division on duties, functions, knowledges, skills, abilities, and other factors pertinent in development of sound and valid examinations.
- Recruitment and Testing - responsible for all recruitment, test development, test monitoring and scoring, production of eligible lists, test validation, and related statistics.
- Training - responsible for all coordination and development of training programs to develop the state employee.
- Transaction - responsible for all personnel transactions, employee records, and certification and administration of eligible lists.

With a streamlined organization such as the above, responsibility for action and accomplishment would be clearly fixed, and it could be evaluated. Also, it would make unnecessary the separately designated position of Assistant State Personnel Director without a major functional responsibility.

III. EVALUATION OF ALTERNATIVE CLASSIFICATION SYSTEMS

There are several approaches to the classification of positions, all of which are the outgrowth of the Federal government's position classification survey and installation in the 1920's, an effort directed by Ismar Baruch, who continued as director of the U. S. Civil Service Commission Classification Division until his retirement in the late 1950's. Mr. Baruch developed and defined the concepts of what position classification is, controlled their application in the Federal government, and was largely instrumental for their extension throughout much of the public service.

Systems of Classification

- a. Position Classification: Position classification is based upon an evaluation of several factors involved in the complexity of duties and the responsibility of work as found in positions included in the plan, and a grouping into separate classes of positions of those positions which are sufficiently similar in the complexity of duties and the responsibilities of work to require the same experience and education qualifications to perform required duties, and to which the same salary range can be applied with equity. This concept, by its nature, assumes the possibility of a range of duties and responsibilities being found in positions within a class. Equally, it assumes that levels of complexities and responsibilities are identifiable and definable between classes, levels which might not have to be considered if only the kind and amount of training and experience govern. Finally, this concept assumes that these groupings of positions into classes, which may involve several clearly definable levels in the same occupational series, will be based upon whatever duties and responsibilities management has assigned to individual positions. The manager orders assignments and determines work processes; the classification analyst evaluates.

This is the underlying philosophy of the present classification function in the State of Colorado, although the basic tenets have not been completely adhered to in their application. We believe the basic tenets are sound. We further believe that to change to any other basic system at this time would magnify rather than diminish the now-existing problems.

By "any other basic system", we mean such systems as factor analysis (commonly called the "point system"), ranking-the-man, or job evaluation. Job evaluation may be included as a part of factor analysis or may be separately applied.

- b. Job Evaluation: Job evaluation essentially separates from one another, based upon the narrowest common denominator, positions based upon the existence of distinctly recognized occupational tasks and preparation. For example, it would demand job titles for positions involving only typing, as differing from those com-

binning clerical and typing work; only transcription from recorded dictation as differing from either typing from handwriting or of transcribing from shorthand. It is generally applied in industry to plant, trades, office machine, or technical or professional positions composed of tasks which are found only in the particular trade or profession. We believe its application to the Colorado State Service would create more, rather than fewer titles, unnecessarily add work load to the examining division, and put a strait jacket on management.

- c. Factor Analysis: Factor analysis is essentially geared to a determination of the monetary worth of the job based upon all factors which affect that job. As such, it combines many of the allocation factors of position classification with such factors as physical working conditions, physical strain, safety, public contacts, living conditions, and so on. Each factor is assigned points within a total scale, and the evaluator assigns points within these factors as he concludes they exist, totaling the points to determine at which pay level the position falls. It is frequently used in industry, and occasionally within public jurisdictions. The weighting of factors in the total scale and the determination by the analyst of points to be assigned for each factor to the position under evaluation does not, as a process, protect itself from the critical opposition of union stewards or representatives who have mastered the "keys" to what some consider a scientific process. Finally, inclusion of salary with classification factors in initial levels determinations tends to cause problems when the competitive employment market is considered.

- d. Ranking-the-man: This is essentially the system used by the teaching and other professions when they assign additional pay based upon the degrees held, the hours of additional schooling undertaken, or the accreditation or diplomas received. We have yet to find a direct correlation in any large scale analysis between employee preparation and initiative in program development, responsibility accepted or sought, or effectiveness in program execution.

Our Approach

We have re-structured the State of Colorado system based upon modernization of its position classification philosophy. In our experience, that philosophy, as applied through the carefully worked out refinements of evaluation standards comprised in the terms "duties complexities" and "duties responsibilities", focuses on allocation factors basic to the evaluation of positions in the state service. We further believe that the written specifications for each class found to exist will provide an effective standard against which to measure the proper allocation of an individual position to a class.

Procedural Considerations

We believe that a sound classification plan is dependent upon these procedural steps, which were followed during the course of the survey:

- A complete and frank disclosure to employees, their representatives, and the state's managers of the objectives of the re-structuring study and the processes which would be followed, and a re-statement of these objectives and processes at key points during the work so all persons involved would gain confidence in the integrity of the analysts actually doing what they have said they would do.
 - Preparation by the employees of statements of their duties and responsibilities after they review detailed written instructions and explanations as to what is to be sought by the analysts, who will supplement these written instructions with oral discussions with departmental managers and the Colorado Association of Public Employees.
 - Review by management of the employee-prepared descriptions, and notation of differences as to the duties claimed to be performed or the responsibilities borne.
 - Careful review by the analysts of the questionnaires, with notation of conflicting or unclear statements, claimed responsibilities, or work processes, and preparation of detailed organization charts showing lines of supervisory authority as set forth.
 - Conduct of a field review of all positions. This means exactly what it says. This field review involves two actions:
 - One is the standard EMSI procedure of reviewing with each responsible supervisory official (department directors, division chiefs, and so on) the positions he has reviewed, verifying current duties of incumbents, clarifying discrepancies in statements, discussing supervisory comments in relation to specific positions, clarifying organizational relationships, and ascertaining organizational and functional responsibilities.
 - The second, and additional, action is what EMSI terms field audits. These involve actual viewing of the work and speaking with incumbents at their work sites. Field audits are conducted of all positions about which there are questions and of typical positions which establish the range of complexities and responsibilities which often exists in large classes of positions.
- As a result of this field review system--that is, both reviews with supervisors and field audits, an accurate judgment may be ensured of current position content, administrative relationships, and responsibilities.
- Determination of a sound grouping of positions into classes based

upon functional assignments, administrative processes, supervisory authorities, and laws and regulations existing in the Colorado State Service, and also upon sound selection and evaluation processes applied to candidates for filling vacancies; and preparation of written specifications defining the classes found to exist. In addition to a nature of work section in each specification, there is a section on illustrative examples of work performed in the class, a section setting forth knowledges, abilities, and skills required on entrance to the class, a section on minimum preparation for work, including experience and/or educational qualifications deemed necessary to be possessed by candidates before selection, and a section, as applicable, listing necessary special requirements, including professional accreditation or diplomas required of candidates before selection.

- Submission of the tentative class specifications for the review of the Personnel Department's examination division, officials of operating departments, and C.A.P.E., and subsequent meetings and revisions as necessary to ensure that specifications define clearly what is included in and excluded from the class on the basis of the basic allocation factors of complexities and responsibilities of work.
- Preparation and discussion of tentative allocation lists with department and division heads or their designated representatives. The lists contained the employee's name and the present and proposed class title for his position.
- Preparation after this preliminary and other necessary review, of final allocation lists and class specifications. In this survey copies of these items were submitted to the Personnel Department and to C.A.P.E.

Participation and Training Considerations

Under the previous heading, "Procedural Considerations", we have several times indicated our practice of explaining fully to management and employees, in advance, the steps undertaken and the reasons therefor, just as we have indicated specifically the clearance that staff followed with management on the class specifications, followed by full disclosure to it of the allocation lists.

However, an understanding of and agreement with objectives and methodology requires more than this. To secure maximum understanding of and participation in the re-structuring process, we built into this project itself the active participation of personnel technicians from the operating departments and the Personnel Department in all phases of the survey. In so doing, we not only trained these technicians in a common understanding and application of the classification factors which govern establishment of classes, written definition of classes, and allocation of positions to the classes, we ensured for the Personnel Department a reservoir of persons trained in the classifica-

tion techniques being proposed for the state so that as specialists in the classification division are promoted within the department or to personnel officer or other management positions in the other departments, the department can fill vacancies by promoting from the reservoir. In the process it will give impetus to an active career development program.

During the conduct of the survey, 20 professional staff assisted EMSI. Their composition was as follows: 6 assigned from the Personnel Department, 3 assigned from operating departments, and 11 newly hired employees, of whom 4 were subsequently added to the Personnel Department as permanent staff.

An Alternative Approach

As directed by the Personnel Committee, in the following paragraphs we have discussed our understanding of the "Recommended Colorado State Personnel System" prepared by the Management Services Office of the Colorado Department of Administration as it relates to major points of agreement and disagreement as regards the scope of this survey.

EMSI agrees wholeheartedly with the over-all goals and in the desirability of several concepts as presented in the special report by the Department of Administration, e.g.:

- Decentralization of personnel administration is a concept which may be desirable (pp. 3 - 4).
- The present administration of the classification plan is inefficient and needs revision (p. 5).
- A more effective system of employee performance rating is desirable (p. 6).
- A coordinated state-wide program for the development of employees is desirable (p. 7).
- The Department of Personnel should effect, in action, policies such as: provide for advancement of the deserving employee, recognize that incentives and imagination of employees are important in assessing fitness for promotion, provide that employees whose performance is satisfactory are retained in the state service, effect a continual striving to perfect rules and standards to select the best employees, and preserve equity in the selection and termination of employees (p. 8).
- The practice of creating in organizations one-over-one or one-over-two relationships should be given close scrutiny and be discouraged. There is too much layering and unnecessary multiplicity of classes in the present system because of this (pp. 25 - 26).

EMSI does disagree, in part, with the methods suggested to correct such deficiencies and to effect goals, as covered by the scope of this study. Primarily our difference involves the point evaluation system and a set number of 24 classes and levels of organization recommended for the Colorado State Service.

We agree that point evaluation is a system of determining classification of positions and setting salaries which may give more consistent results than a poorly administered position classification system, and that it does not take judgment out of the process. However, a well-administered position classification system will do the same, with greater clarity of understanding by all groups affected--managers, supervisors, and employees--and using less sophisticated and complex techniques. We believe it more desirable to improve, to build upon, what exists than to disrupt state administration to the extent the completely different approach would do without a resulting basic improvement.

Point evaluation is not a panacea for problems of administration and management in the public service. True, industry has used it, but essentially only for pay purposes. Experience in the public sector has demonstrated that it is not as effective in classifying a position as is the method which EMSI was retained to bring up to date and to modernize. Nor does it accomplish most of the management objectives listed as purposes on page 1 of this report.

It is used in industry for pay purposes, and has been installed in a few public jurisdictions. A prerequisite to such installations is first position classification, to which the point evaluation process is then applied. It is not a substitute for position classification but an added process to go through. In industry it has been turned to, frequently, in the hope that it would assist in dealing with unions and other employee groups. Later, management has often realized that it opened the door to those unions and other organizations to "nit-pick" and maneuver management to distraction. "Game-playing", whether by employees or by management, has no place in the critical management processes involved in providing essential services to the citizens of Colorado.

The essential question is not one of the specific system to use, but how it is used, by whom, and how motivated. The operating departments and the present staff of the Personnel Department are having difficulty in administering the relatively simple present system. We have seen no professional capabilities within the state service for developing, installing, and maintaining the much more sophisticated and complex point evaluation system. If, contrary to the intentions of the Department of Administration, it became necessary to seek outside assistance, we are constrained to point out that the cost of developing and installing the system would be two to three times that of a position classification installation, and that the state might well find itself "locked in" to the requirement for periodic technical assistance from the same outside source.

During our reviews with departmental management of the tentative classification recommendations, we frequently discussed the recommended combining of classes which are now "layered" within an occupational series. The

reaction was, generally, negative even though the recommendations were backed up by facts such as improper assignment of duties and responsibilities by management and the unnecessary layering of positions organizationally. We would foresee not only strong opposition by managers and employees but almost insurmountable management problems arising from an attempt to impose upon the state organization a set number of 24 classes and levels of organization, as is recommended by the special report.

The system proposed by the Department of Administration would demand as a prerequisite a high level of technical knowledge of point evaluation on the part of the personnel specialists, operating department managers, and supervisors, as well as real motivation on the part not only of these but of employees to accept and work at the goals sought by the new system. On the basis of our current study, EMSI does not believe this to be a practical assumption. As we have indicated, the special report prepared by the Department of Administration validly points out many of the management problems in the state service. With respect to the recommended point evaluation system and a set number of 24 classes and levels of organization, however, we are of the opinion that the suggestion could not be implemented, considering the present depth of knowledge of the classification specialists, the over-all management philosophy extant, and the motivational level of those concerned.

IV. IMPLEMENTATION OF PROPOSED CLASSIFICATION PLAN

The steps to be taken in the installation of the plan are:

- Notification to employees in the classified service of the proposed new allocation of their positions and the review of employee appeals.
- Adoption of the plan (titles, descriptions, and allocations) by the state as the official classification plan for the employees in the classified service. This should be done as soon as possible to ensure that all classifications will remain current as day-to-day changes occur. Any unnecessary delay in implementation will cause numerous administrative problems in implementation.
- Introduction of official titles in all budget, payroll, and personnel records.

An allocation list showing, by organizational unit, each position in the classified service with its present and proposed title has been submitted to the Personnel Department.

Administration of the Position Classification Plan

The Personnel Director is responsible for the administration of the position classification and salary plans. To keep the position classification plan current, the state should use a procedure of continuing appraisal, review, and revision of class specifications, positions, allocations, and policies.

The following policies for administering the classification plan are recommended:

- The classification plan will be maintained so that all positions substantially similar with respect to the kind, difficulty, and responsibility of work are included in the same class, that the same means of selection may be used for filling all positions in a class, and that the same schedule of pay may be applied with equity to all positions in a class.
- When a new position is to be established or a vacant position is to be filled, the operating department will notify the Personnel Department, which will either allocate the new position to its appropriate class or create a new class if necessary.
- Whenever a position appears to be improperly allocated, because of changes in the organizational structure of a department, in the duties of a position, or for some other reason, the Department of Personnel will, upon its own initiative or upon the request of a permanent employee or a department manager, investigate the duties of the affected position. Following that investigation, the position may be

reallocated to an appropriate class. In making a request for the review of a position, the permanent employee or the department should indicate (a) changes which have occurred in the particular position since the last review or (b) other factors which warrant reallocation. If the Department of Personnel makes a reallocation or denies an application for reallocation, it will notify the department and the employee affected of this action.

- The Department of Personnel will maintain and publish a complete set of specifications for all classes in the service. The specifications will include a title, a description of the duties and responsibilities of the work, and a statement of qualifications which a person should possess to enable him to enter upon the duties of a position of the class with reasonable prospects of success. The published specifications will be revised periodically, and copies of the revision furnished all who receive the original set.

The specifications of the classes of positions in the classification plan and their various parts will have the following force and effect:

- The definitions are descriptive, not restrictive. They are intended to indicate the kinds of positions which are allocated to the several classes, as determined by their duties and responsibilities, and should not be construed as declaring to any extent what the duties or responsibilities shall be, or as limiting or in any way modifying the power of any department manager to assign, direct, and control the work of employees under his supervision. The use of a particular expression or illustration as to duties shall not be held to exclude others not mentioned which are of similar kind or quality.
- In determining the class to which any position should be allocated, the definition of the class will be considered as a whole. Consideration will be given to the general duties, specific tasks, responsibilities, qualification requirements, and relationships to other classes as together affording a picture of the kind of employment which the class is intended to embrace.
- The title of a class will be the official title of every position allocated to the class for all purposes having to do with the position. It should be used on all payrolls, budget estimates, and official records and reports relating to the position, but working titles may still be used for internal purposes within a department and in the employee's dealings with the public.

Manual of Class Specifications

Class specifications, together with a section titled "Principles and Definitions That Apply to Position Classification", are submitted in two separate volumes.

"Bumping Policy"

The present policy concerning employee's rights to "bump" other employees with less seniority will have to be studied and appropriately changed so as to be equitable for the majority of the state employees. As the policy now stands, a chain of successive moves by employees within the state service could be set off during the implementation process. To avoid this disruption, the policy should be studied and appropriately changed prior to implementation.

LEGISLATIVE CHANGES

The proposed classification plan will require certain changes to present legislation to become fully operative. Such changes are discussed in the following paragraphs.

Pay Rate Determinations

Section 1, Chapter 26, Colorado Revised Statutes, which sets forth the legislative policy that, in general, an employee can receive a maximum increase of 12-1/2 per cent in salary as a result of promotion and dictates rates relative to demotion, will need to be changed to allow an equitable implementation of the proposed plan.

It is recommended that employees whose present salary is below the minimum of the new range assigned to their new classification be brought to the minimum regardless of the percentage increase which may be involved. On the other hand, an employee who is presently being paid at a rate higher than the maximum of the new salary range assigned to the new classification shall be "red circled", or held at that rate until the position (1) becomes vacant or the new pay plan catches up with the employee's present rate, or (2) is reclassified as a result of changes in duties and responsibilities. Employees whose present salary rates fall within the new range assigned to the new classification should receive an increase to the nearest step in the range allowing a one-step increase for employees with two or more years of service with the state.

This recommended method of implementation will (1) necessitate legislative policy changes; (2) cause a general increase in costs for personnel services; (3) cause the least amount of disruption in state services; and (4) be the most equitable to the present state employees.

V. PAY RELATIONSHIP DETERMINATION

Before salary ranges may be assigned to classes of positions two things must be done: (1) the ideal percentage differentials must be accomplished between classes, taking into account important organizational relationships; and (2) a salary survey must be performed and the data applied to the classification plan.

EMSI, together with assigned staff, has developed such ideal pay relationships between classes. The seven factors used to allocate positions to classes were also used to determine such pay relationships. Using these factors, classes in a series and in related series were linked to one another. Organizational relationships were also considered in developing such tentative and ideal relationships. Thus, the class which rated lowest of all in the proposed classification plan was allocated to a relationship category designation of 1, and others were related accordingly on up the line, at 5 per cent differentials, to a maximum of 45 categories.

Since no salary data are available at the time of preparing this report, these categories can not be related to specific dollar values. They are ideal relationships only, should be used only as guides or tentative suggestions, and will have to be revised when salary data are available.

These recommendations, together with the rationale for such relationships, have been given to the Personnel Department.

It should be noted that in the present compensation plan there is excessive compression of salaries, especially at the upper levels of management classes. This is a product of having had too few salary grades and/or of unwarranted organizational layering of classes. The practice of creating additional levels of classes merely to "give employees a place to go" must cease. It means poor classification, creates problems in salary administration, and is inequitable to employees of the state and taxpayers alike.

VI. STATE ORGANIZATIONAL PROBLEMS

Organizational analysis, per se, was not included in the scope of this survey. However, certain organizational problems became readily apparent during the classification re-structuring process. They are presented in the several sections of this chapter.

Departmental Organizational Structure

In 1968, the State of Colorado underwent a significant reorganization. Over 100 boards, commissions, and agencies were reorganized into 17 executive departments, the heads of which report directly to the Governor. In 1971 an 18th department, Personnel, was created. To accomplish this change, different types of organizational transfers were developed. Agencies were placed in the organizational structure of one of the departments and, theoretically, under the jurisdiction of that department's executive director. In fact, due to the type of transfer granted, the agency's personnel may or may not report to the assigned department's executive director. Of course this arrangement leaves the executive director without sufficient authority to direct and coordinate all of the activities of his department, or to be accountable for all of its operations. Examples of these kinds of arrangements can be found in the departments of Local Affairs and Regulatory Agencies.

Other organizational problems lie in the fact that reorganization in terms of the actual integration of operations has not been carried to the operating levels in most departments. Although this is not an unusual situation following a major reorganization, sufficient time has elapsed whereby serious questions should be raised as to when the process will be completed.

Centralization of staff services is perhaps the most serious problem in most large departments, and it has yet to be accomplished.

In many departments the functions of budgeting, accounting, personnel, and purchasing are to be found scattered throughout the organizational structure. A good example of this is within the Department of Institutions where there is no strongly organized centralized staff agency or unit to coordinate most efficiently all of these staff functions necessary to assist in the operation of so complex a department. This kind of administrative structure renders the most difficult planning process for institutional care in the State of Colorado. The departmental executive director can hardly be held accountable for providing an integrated and coordinated system of institutional care throughout the state. In this particular instance, as in others, the organizational arrangement is aggravated by the present budgetary process, individual appropriations being presently made to each institution. It would appear that under this arrangement the only opportunity for coordination of efforts lies with the analysts in the Executive Budget Office and the staff of the Legislative Joint Budget Committee, both of which are outside the organizational jurisdiction of Executive Director of the Department of Institutions.

In other departmental organizational structures, as for example the Department of Social Services, staff functions are divided among a number of high level administrative positions all reporting to the executive director. This assignment of duties has naturally affected the classification of positions.

With no one position being designated as manager of all staff operations, there are no positions allocated to the series of "Administrative Services Director". Instead, a series of Administrative Officer was created to accommodate these types of positions.

Interestingly enough, there were no "budget officer" type of positions found in the departmental organizational structures. The responsibility for preparation, presentation, and monitoring of a department's budget was generally found to be shared by two or more employees. For this reason, no classification of budget officer was created. Instead, positions of this type were allocated to a series of "Budget Analysts". The classification of "Budget Analyst" typically is used for employees involved more in budget monitoring, and in projecting and forecasting activities, and usually report to a "budget officer" who in turn reports to an administrative services director or a departmental deputy director for administration, depending upon the size of the department. It should be noted that no recommendations concerning changes in organization structure are being made here as this could not be done without considerable, in-depth, organizational analysis of each department's organizational structure. Rather, the intent is to point out organizational problems which should be the subject of further consideration.

Departmental Management

As noted earlier, a departure in personnel classification philosophy has been incorporated in the re-structuring of the classification plan. This will assist the state's management-level employee in more effectively managing the state's most expensive resource--its employees.

As mentioned previously, many managers presently appear to view the classification plan only as a designation of pay levels rather than as a management tool. For example, one employee, upon reading the class specification for his position, commented that the specification only described the duties and responsibilities which he was performing, rather than the duties he thought he could perform. This kind of attitude leaves one with the impression that the organization chain of command and supervisory delegation of duties, responsibilities, and authority are so weak that the individual employee is literally allowed to "make his own job" with no one assessing whether or not the management needs of the organization are being met. To a large extent, it appears that management and supervisory level employees are oriented toward "mothering" the state's employees instead of (a) looking after the management requirements of the agency to ensure that it is providing the services for which it was originally created, and (b) of exercising leadership in seeing to it that staff development programs are geared to those requirements.

This kind of attitude was evidenced in many ways. As one example only, as mentioned previously, during review of class specifications and allocation of positions, many top level managers appeared to have given little thought to the actual assignment of duties and responsibilities to positions for the purpose of meeting management requirements of the organization. Instead, the assignment of duties appeared to be done on a personal basis to ensure the promotion of "worthy" employees regardless of the management needs of the organization.

The assignment of duties and responsibilities to positions is, of course, a management function, and no attempt was made during the course of this survey to re-structure the positions. Some re-structuring was being carried on by supervisory personnel during the course of the survey, and an effort was made to accommodate these changes in the recommended plan. In several instances it became apparent that re-structuring was under way as a result of the survey. Managers suddenly became aware of the importance of the assignment of duties and responsibilities to positions, and began making changes. To complete the process, serious consideration should be given to "job engineering", or a review of the assignment of duties and responsibilities to positions in all agencies of the state.

EXECUTIVE PAY STUDY

STATE OF COLORADO

January, 1973



EXECUTIVE MANAGEMENT SERVICE, INC.
MANAGEMENT CONSULTANTS

January 5, 1973

The Honorable John Fuhr
Chairman
Legislative Personnel Study Committee
State Capitol
Denver, Colorado 80203

Dear Mr. Chairman:

We are pleased to submit this report of the executive pay study for the State of Colorado in accordance with the contract dated October 12, 1972 between the State of Colorado and Executive Management Service, Inc.

The survey was directed by Mr. Cass A. Kendzie who was assisted by Messrs. Romich and Dowling. Corporate field supervision was provided by Mr. Thomas J. Brennan, Vice President of EMSI.

We wish to acknowledge the time and cooperation extended to the staff by the Governor, Lieutenant Governor, and members of the cabinet positions, commissions, boards, and the administrative and clerical positions in the Governor's and Lieutenant Governor's offices.

The assistance of Mr. David Hite, of the Legislative Council, and Mr. Raymond A. Kimball, Executive Secretary of the Colorado Association of Commerce and Industry is most gratefully acknowledged and appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Merrill J. Collett", is written over a faint, larger version of the name.

Merrill J. Collett
President

TABLE OF CONTENTS

	<u>Page Number</u>
I. INTRODUCTION	43
Basic Considerations	43
Methodology	44
II. APPLICATION OF DATA	47
Standards for Allocation to Levels	47
Assignment of Executive Positions to Levels	50
Assignment of Administration and Clerical Positions to Levels	50
The Levels of the Positions of Governor and Lieutenant Governor	50
III. MAINTENANCE OF PAY PLAN	53
Fixed Base	53
Reference Classes for Executive Adjustments	53
Method of Application - Annual Adjustment	54
Method of Application - Quadrennial Review	54
APPENDIX A - PROPOSED PAY PLAN FOR SELECTED POSITIONS	57
APPENDIX B - REFERENCE CLASSES USED FOR EXTERNAL COMPARISONS	59

I. INTRODUCTION

This report is prepared under the terms of a contract with the State of Colorado entered into on October 19, 1972. IMSI undertook to:

- develop an executive pay plan for certain specified positions
- develop a recommended process for up-dating legislative and executive salaries

Basic Considerations

Government must seek to attract and keep the services of competent personnel. The increasing complexity of governmental operations resulting both from an unparalleled growth of technology and changing concepts of the role and function of government in today's society require the employment of talented and dedicated public servants at all levels of government service.

Personnel qualified to discharge the responsibilities of key positions in state governments are not overly plentiful. Competition for their services, both from other governmental organizations as well as from private industry, has been and is growing increasingly keen. Yet, paradoxically, the question of executive salaries has been largely neglected. The public has accepted the theoretical correlation between quality of service and salary levels, but this has not been reflected in a salary structure which would attract and retain executive talent of high quality in state governments.

However, the acceptance of the principle that the state should pay salaries which would be competitive in the market place, (external comparisons), will not, in itself, guarantee the integrity and soundness of a pay plan. Other factors must be taken into consideration.

Chief and foremost is the plan's internal consistency. It would be manifestly unfair to increase the salaries of those key officials who perform services similar to those which are found in private industry and in other governmental organizations, and for which competition in terms of salary inducements can be easily measured, and ignore others which are just as difficult and technically exacting because the element of competitiveness cannot be measured as precisely. It is extremely important to establish and define the inter-relationships of the various classes, within fairly narrow limits, in order that positions of like responsibilities can be paid at the same rate or at least within the same range of rates. Having once established the inter-relationships, it is equally important to use such information in making later adjustments to the plan.

However, analysis of data included in these basic considerations of

external comparisons and internal consistency may indicate conflicts between the two. Competitive salary data obtained for two executive positions which appear to require essentially similar skills and carry equal weights of responsibility may vary so widely that the initial judgment of placing these in the same level may be questioned. In such instances the original judgment should be re-examined and the factors on which the judgment was based reviewed to determine whether they were correctly applied. This is particularly important where the original judgments were made by different analysts. This interplay, the constant review of judgments on internal relationship and the application of data on external salary comparisons, constitutes a third Basic Consideration, that of flexibility.

Finally, it is important to keep in mind one additional Basic Consideration, that of reasonableness. Data in surveys such as this one may indicate the need for an adjustment. However, in fixing the specifics of the recommendation, care must be exercised to keep the judgments within reasonable limits. It would be of small service to the state, or to the incumbents of positions involved, if the recommendations were beyond the limits which the state could afford to pay or if they were considered so extreme as to ensure rejection of the plan.

Methodology

External Comparisons. To secure data on comparative positions, an inquiry was made with respect to salaries paid for similar positions in private industry in the State of Colorado, in other states, and in the federal service.

Data concerning salaries and pay policies in private industry were secured through personal interviews with representatives of member industries of the Colorado Association of Commerce and Industry who, through the good offices of Mr. Raymond A. Kimball, CACI's Executive Secretary, agreed to participate. Similar data were secured from 17 states which responded to a questionnaire sent them by Governor John Love. Federal data were secured through interviews and checks of published materials and other sources. In addition, a large volume of recent material published by various associations and government agencies was consulted.

Internal Relationships. To obtain data on which the internal relationships between the various positions were eventually established, EMSI employed a structured interview with the incumbents, conducted by senior EMSI associates, supplemented by the collection of budget documents, policy papers, memoranda, and similar materials relating to the programs of the agencies involved. The data thus elicited were used to assign rankings to the principal executive positions in each agency with respect to the following factors:

- Mental Demands. Under this major heading were considered such factors as:

- Depth of technical knowledge
- Application of judgment and analytical ability
- Sustained mental concentration
- The extent to which the official can or cannot divest himself of administrative, policy, and/or political problem solving to analytical and policy-making subordinates.

- Program Complexity. Consideration of this aspect included:

- Whether program was single or multiple and the varying levels of complexity which do or do not require coordination or integration
- The degree to which innovative or novel approaches are required to solve program problems
- Composition of the work force, particularly as to whether it is characterized by a high proportion of professional and technical personnel

- Managerial Requirements. This element was broken down into the following factors:

- Size of program as expressed in dollar volume of budget and number of personnel
- Skill required to integrate and/or coordinate multiple programs
- Geographical dispersion of personnel and other resources
- Current level or emphasis on program activity in terms of gubernatorial policy, public policy, or over-all importance to society

- Accountability. Under this were included:

- Freedom of action
- Availability of precedent; legal restrictions
- Impact on other state or local programs
- Over-all fiscal responsibility
- Consequence of decision or action

- Responsibility for Public Relations and Relations with Clientele Groups. Sub-factors in this category were:

- Requirement to meet with hostile or active clientele groups
- Level of contact with representatives of other government agencies, civic associations, and other groups
- Responsibility for legislative contacts--federal, state, and local
- Membership on state, federal, and local policy boards, or commissions, or similar groups

II. APPLICATION OF DATA

The reports of interviews, together with other organizational supporting data, were examined with respect to the five factors identified earlier to determine if the positions fell into easily identifiable groups or strata, or whether the effect of weighing one factor nullified the effect of other factors to such an extent that a reasonably precise rank order of groups of positions could not be established. Fortunately, it became apparent that there was a good deal of consistency between the requirements involving the five factors. There were individual differences, to be sure, so that a position ranked fairly low in over-all ratings might, on a particular rating factor, be rated higher than some position above it. On the whole, however, the patterns described below emerged.

Standards for Allocation to Levels

Level 1. In terms of mental demands, a position at this level requires a comprehensive to expert knowledge of program operations; an extraordinary capacity to analyze problems and apply sound judgment, and continued, sustained mental concentration. The possibility of divesting oneself of problem solving to highly qualified subordinates in analytical and policy-making positions is usually limited. In those instances where these functions can be delegated, this lessened requirement is offset by very high requirements on other elements considered in this factor.

In terms of program complexity, programs are invariably multiple requiring tight coordination and integration; are challenging, requiring the development of innovative or novel approaches in solving program problems; and the work force is characterized by a high proportion of professional and/or technical personnel to clerical or other sub-professional or administrative personnel.

In terms of managerial requirements, the programs administered are among the largest in the state, as expressed in dollar size of the budget and number of personnel supervised. Furthermore, because of geographical dispersion of personnel, the intrinsic complexity of the programs involved or other similar factors, the position requires a high order of skill in integrating and/or coordinating the programs. In addition, positions at this level deal with programs which are highly active and on which there is considerable current emphasis in terms of gubernatorial or public policy, or over-all importance to the state.

In terms of accountability, the executive at this level has a great deal of latitude in freedom of action, and is not bound to any great extent by precedent or legislative restriction. He has a great deal of fiscal responsibility and his decision or action may have very serious and far-reaching consequences. The effect of a decision, in a position at this level, or the continuing effect of the program operations which he directs, has considerable impact on other state or local programs.

In terms of public relations and relationships with clientele groups, a position at this level invariably requires frequent confrontations with hostile or active clientele groups, very frequent contacts with members of the state legislature and officials of state and local government, and frequent and high-level contacts with various levels of government officials, civic associations, and other groups. The incumbent of a position at this level is required to devote a great deal of time to active participation in state, federal, or local policy boards or commissions and receives frequent assignments to serve on special study groups.

In summary, the assignment of a position to this level requires that it be ranked among the highest of all state executive positions in at least four of the five factors discussed above and not less than average in the remaining, fifth, factor.

Level 2. Positions at level 2 are only slightly less demanding than those of level 1. A review of the requirements of positions assigned to this level indicates that, in general, they rate at or near the highest on at least three of the major factors and at or near the average for all positions on the remaining two.

In general, positions in level 2 require thorough knowledge of program activities, the sound application of judgment, and good analytical ability. By and large, incumbents of these positions can rely on subordinates to share in policy making and program planning and execution activities. Programs directed by level 2 executives are generally multiple rather than single and require considerable ingenuity in developing innovative or novel approaches. The composition of the work force is still weighted considerably in favor of professional or technical personnel. Programs are large but not among the largest in the state either in terms of budget size or number of employees. Programs may or may not be geographically dispersed but the level of skill required in integrating or coordinating them is still very high. They are highly visible, active, and subject to close scrutiny by the Governor, the legislature, and the public. An incumbent of a level 2 position has considerable freedom of action, a great deal of fiscal responsibility, and the possible consequences of an incorrect action or decision can be serious. The program has some effect on other state or local programs but not to the extent noted in level 1 positions. There exist legal restrictions on positions at this level but relatively few guidelines or precedents. In terms of public relations and relations with clientele groups the level of contacts is about the same as in the highest level; requirements for active participation in the work of boards and commissions are somewhat lower.

Level 3. The emphasis, in positions at this level, is on administration of an on-going program. While a position in this group may be rated very high on some particular factor, this would be an exception; generally the positions are substantially less demanding than those at levels 1 and 2.

Where a considerable depth of technical knowledge is required, this

usually applies to a single well-defined program; good judgment and analytical ability are still required but they generally apply to well established programs. In the case of positions directing or managing more than one major program, there is an intervening level of subordinates to whom most details of operation can be delegated; coordination of such programs is not particularly difficult and may be only nominal; programs follow well established precedents and require little in the way of innovative or novel approaches.

Both in terms of dollar volume and numbers of personnel, programs are at or about average for the state; geographical dispersion is not an important element; programs are not highly visible and follow well established policy.

Managers of programs at this level have an abundance of precedent as a basis for decision and have freedom to act only within well-defined legal limits; over-all fiscal responsibility is substantially lower than that of level 1 and level 2 positions, and the consequences of decisions or actions are not as far reaching.

In general, programs in this category are not subject to pressure by hostile clientele groups; program managers must deal with organizations or groups of clients who have or believe they have a vested interest in the programs, but the relationships with these groups are not inordinately difficult and seldom hostile; considerable contact is maintained with representatives of other governmental agencies, usually at the working level; participation in the work of inter-departmental boards or commissions is required, but this is not an important element of the position.

Level 4. Positions at level 4 are still demanding, but the impact of each of the five major factors is relatively small. Programs are well defined, there is ample historical and legal precedent for decisions, and the latitude for independent power of decision narrowly limited.

Level 4 positions do not normally require a profound depth of technical knowledge, analytical ability, or sustained mental concentration. A manager of a level 4 program seldom has high-ranking technical or policy-making subordinates since the program size and complexity do not require this intervening subordinate level; programs are generally limited to one major activity and very seldom require innovative or novel approaches to the solution of problems; there is a high proportion of clerical or sub-administrative personnel and the total work force may be very small.

Programs are small both in terms of budgetary and personnel terms and require no integration or coordination; geographic dispersion is not a factor; programs are of very low visibility, require little attention from the Governor's office, and seldom receive it from the public.

Level 4 executives have very little latitude in terms of freedom of action and decisions are invariably made on the basis of well-established precedent or a specific legal requirement; they have relatively low impact

on other state or local programs, involve relatively limited fiscal responsibility, and the consequences of incorrect decision or action are not likely to be serious.

The public relations aspect of positions in this group is minimal and generally restricted to small special interest groups.

Assignment of Executive Positions to Levels

Taking into consideration the standards defined above, the 32 positions in the study (excluding the administrative and clerical positions in the Governor's office and the Lieutenant Governor's office) were tentatively assigned to one of the four levels. The external comparison (pay) data were then reviewed, and the instances showing conflict between internal and external comparisons were meticulously re-examined. Occasionally, initial errors in judgment of assigning excessively high or low ratings, as evidenced by review of substantiating data, were corrected. Where such discrepancies continued to exist, the resolution as to which level a particular position should be assigned was made on the basis of internal relationships.

Assignment of Administrative and Clerical Positions to Levels

The assignment of administrative and clerical positions in the Governor's office to proposed salary levels was made on a different basis inasmuch as the application of the standards previously described was not feasible. Instead, the more conventional approach of position classification, essentially similar to that followed in classifying positions in the classified service, was followed. The use of this technique served to define the internal relationships between these positions and between them and similar positions in the classified service.

While the use of a conventional classification approach serves admirably to define the inter-relationships between the clerical positions in the Governor's office, it is not particularly helpful in establishing the absolute pay level of those positions. The difference between these and similar positions in the classified service is in the special relationship which exists between the former positions and the positions of their supervisors. This factor of confidentiality does exist in high-ranking clerical and secretarial positions in the classified service but it is not as important as that which characterizes the positions on the immediate staff of the Governor and Lieutenant Governor. To reflect this difference, due to the higher level of confidentiality and limited tenure involved, the proposed minimum rates should be fixed at a level approximately 15 per cent higher than current estimates of comparable minimum rates in the classified service when the pay plan for that service is accepted.

The Levels of the Positions of Governor and Lieutenant Governor

The position of the Governor is unique by definition, and the technique

of establishing internal comparisons cannot apply. The factor of external comparisons should apply, but, unfortunately, it has not been given much consideration in the past.

The analogy between the position of the Governor and the president of a private company or firm is very precise and measurable. We can easily compare operating budgets, sizes of the work force, complexity of programs, need for managerial know-how, and other similar factors. Furthermore, this analogy is well understood both within the government and by the public, but its application to fix more realistic salaries for chief executives of the various states has not been accepted.

But the Governor is more than an executive, carrying heavy management responsibilities. He is a political leader. As such he is accountable to an increasingly aware, educated, and participative--and demanding--citizenry for not only the programs of a state administration but of its relationship to and distribution of federal revenues to political subdivisions of the state. He not only is the focus of political accountability within the state, but he is immediately accessible to the citizens. In these aspects, political accountability and accessibility, he bears a heavier load than a cabinet officer in a federal department, whose role is becoming more administrative and correspondingly less involved in the area of policy and political accountability.

The salary problem lies with the constituencies of the various governors. While they accept the concept that the position of the governor is that of an extremely important public servant whose performance is subject to constant, searching scrutiny, they are less concerned with his pay--other than to concede that the job is undoubtedly underpaid while believing that it offers non-monetary rewards which make up for the difference.

In the case of other public employees (due perhaps to their number) the concept of equal pay for equal work and comparability of pay with like positions has been accepted. The essentially similar, and more provable, situation with respect to the Governor either encounters intractable opposition or casual indifference.

It is EMSI's hope that this situation, if placed in proper perspective, may be corrected, and that the public at large will accept the establishment of a more realistic and reasonable salary of the state's principal executive.

The situation is not unique to the State of Colorado. A comparison with the salaries of all states which responded to the questionnaire indicates that Colorado is a bit above average in terms of the Governor's salary. If states whose populations are less than half of the population of Colorado are excluded from the comparison, the salary of Colorado's Governor is slightly below the average. However, a comparison with private industry shows a glaring discrepancy. There are no industries within the State of Colorado which can compare, in terms of size, managerial requirements, or fiscal responsibility with the state itself. Yet many pay salaries considerably larger than that recommended for the Governor. Based on the magnitude and complexity of the duties and responsibilities of the Governor, his

salary should be established at a figure approximating \$75,000. However, an increase to this amount would undoubtedly attract strong opposition and might further delay the installation of an equitable executive pay plan. Consequently, without prejudice to a further increase at a future time, the salary for the Governor which EMSI recommends in the pay plan is \$60,000, or the equivalent of that enjoyed by a federal cabinet officer.

The problem of fixing the salary for the position of Lieutenant Governor presents yet another complication. The specific duties assigned to the position are not particularly onerous and, in themselves, would not justify a comparison with, let us say, the second ranking position in a large private firm. However, these duties are purely nominal and do not constitute the basis of requirements for which the Lieutenant Governor is elected. Rather, his position is that of an understudy who must be fully qualified to step into the primary position should the need for his services ever arise. In the meantime, his time is taken up with duties largely in the legislative area, and with duties of a public relations nature which impose a considerable financial burden.

Since the pay for this position should not, and admittedly does not, depend upon the actual duties performed, but rather on the qualifications and ability to perform the duties which he might be called upon to assume, the salary level of his position should bear a reasonable relationship to the salary of the latter position. In the opinion of EMSI, this should be in the neighborhood of 60 per cent of that established for the Governor and the salary recommended in the plan is based on this percentage. The legislature should also take into account the fact that the incumbent of the position undertakes heavy expenses in maintaining a second residence in the capitol and is required to engage in many official and semi-official activities of a representational nature. It is not suggested that his salary be further increased to offset these expenses. Instead, it would appear to be only equitable to provide the Lieutenant Governor with a housing allowance and a reasonable allowance for representational activities.

The proposed salary rates for Governor and Lieutenant Governor and the salary ranges for the positions at the executive cabinet level, as well as the salary ranges for administrative and clerical positions in the Governor's office, appear in Appendix A of this report. Pay ranges rather than flat rates were recommended for executive positions to give the Governor some leeway in relating qualifications of those he is considering to the positions available, and in rewarding superior performance during his incumbency. A range of approximately 15 per cent to 20 per cent above the minimum rate is considered reasonable to apply this leeway during a four-year term. In the case of administrative and clerical positions, the percentage spread from minimum to maximum rates which applies to comparable classified positions was maintained.

III. MAINTENANCE OF PAY PLAN

The terms of the agreement for this study stipulate that EMSI "develop a recommended process for up-dating legislative and executive salaries". This provision recognizes the basic fact that factors on which a pay plan is developed are subject to constant change, making necessary review at fairly frequent intervals to maintain the plan's currency. **The process** proposed by EMSI includes an annual and a quadrennial review, with adjustments based on the factors described below.

Fixed Base

To calculate an adjustment or variation, it is first necessary to establish a fixed reference point or base from which the variations or adjustments can be measured. **For executive positions, a logical starting point is the pay plan here recommended.**

For consistency, it is also recommended that the present salaries paid to members of the legislature constitute the base for future adjustments in legislative salaries. **The situation is no different than that found in another state which was the subject of a somewhat more comprehensive pay study made in recent months.** The Commission charged with the conduct of that study stated (with respect to legislative salaries):

"The American people, including the people of -----, have always placed a high value on representative government but a low value on their representatives in government, especially State government. Indeed, this disparity between admiration for the institution of representative government and lack of respect for those who are responsible for its working has reached such a high level as to seriously jeopardize democratic government."

The subject of legislative salaries is not within the scope of this study. Our concern is that, as changes are made in the executive pay structure, the salaries of members of the legislature not fall further behind. In other words, the present legislative salaries are considered as establishing a base only, with future changes in compensation tied directly to the (percentage) changes calculated for executive positions on a quadrennial basis.

Reference Classes for Executive Adjustments

It is expected that, in general, upward or downward changes in executive salaries will parallel and be roughly equivalent to changes in the higher grades of the classified service. **However, these latter changes are not usually uniform throughout the various grades and services, and it was thought advisable to select certain specific classes of positions to serve as reference classes for future adjustments. These reference classes are**

identified in Appendix B. It will be noted that the classes of positions selected, although at a lower level, bear a very definite internal relationship to many of the executive positions and are hierarchically sufficiently close to the latter that the external comparisons found in the annual reviews made by the Department of Personnel should also be applicable.

Method of Application - Annual Adjustment

At the time of the annual pay review, the Department of Personnel should report to the legislature the average over-all increase (or decrease) in the entrance rates to the reference classes (Appendix B). This amount of change, rounded off to the nearest percentage point, would then apply to the salaries of the positions covered in this study. (Executive and Administrative and Clerical in the offices of the Governor and Lieutenant Governor)

Although the changes in internal relationships between positions (such as those determining to which particular level a position is assigned) should not be very great in any one twelve-month period, they will occur in some positions and their cumulative effect over a two- or three-year period may be quite noticeable. Consequently, it is also suggested that a review of both internal and external factors be made prior to the adoption of annual changes to make sure that any possible change in the basic factors is taken into account.

Essentially, the methodology of this EMSI study should be followed, including a review of program responsibilities and a spot check of private and public salary data.

Method of Application - Quadrennial Review

The salaries for the Governor, Lieutenant Governor, and members of the legislature should be reviewed on a quadrennial basis. It is also recommended that an in-depth study be made for executive positions on a quadrennial basis also because positions are not static; nor are the conditions which exist at the time a decision is reached with respect to a particular salary level. Some programs expand rapidly; others may attenuate for a variety of reasons. The annual reconnaissance survey recommended above may recognize only the most obvious situation. From time to time it is necessary to make an in-depth comprehensive survey, or at least as comprehensive as the one just made, to re-establish and re-define the internal relationship between the different classes and to accumulate fresh and complete information on competitive salaries in other branches of the government, in private industry, and in the federal government.

The suggested interval for such in-depth review is four years. The first and subsequent reviews of this nature should be made after the election of the Governor so that his plans and policies with respect to the various programs can serve as a valuable input into the process.

Staff required to perform these reviews, particularly the quadrennial reviews, should be selected or assigned by the legislature or the Legislative Council. This is not a function which should be assigned to an organizational component of the executive branch.

STATE OF COLORADO
PROPOSED PAY PLAN FOR SELECTED POSITIONS

<u>Title</u>	<u>Present Rate or Range</u>	<u>Proposed Rate or Range</u>
<u>A. Executive Positions</u>		
Governor	\$40,000	\$60,000
Lieutenant Governor	25,000	36,000
<u>Level 1</u>		
Executive Director, Department of Administration	30,000	35,000 - 40,000
Executive Director, Social Services	30,000	35,000 - 40,000
Executive Director, Department of Highways	30,000	35,000 - 40,000
Executive Director, Department of Institutions	30,000	35,000 - 40,000
State Commissioner of Education	35,000	35,000 - 40,000
Executive Director, Colorado Commission on Higher Education	36,000	35,000 - 40,000
<u>Level 2</u>		
Attorney General	26,000	30,000 - 35,000
Executive Director, Department of Revenue	30,000	30,000 - 35,000
Executive Director, Department of Labor and Employment	25,000	30,000 - 35,000
Executive Director, Department of Natural Resources	30,000	30,000 - 35,000
Executive Director, Department of Health	30,000	30,000 - 35,000
Director of Personnel	30,000	30,000 - 35,000
Executive Director, Governor's Office	27,500	30,000 - 35,000
<u>Level 3</u>		
Adjutant General	25,000	25,000 - 29,000
Executive Director, Department of Local Affairs	25,000	25,000 - 29,000
Executive Director, Department of Regulatory Agencies	25,000	25,000 - 29,000
Commission Member, Public Utility Commission	20,000	25,000 - 29,000
Commissioner of Agriculture	25,000	25,000 - 29,000
Parole Board	19,500	25,000 - 29,000
Legal and Legislative Assistant (Governor's Office)	26,000	25,000 - 29,000

<u>Title</u>	<u>Present Rate or Range</u>	<u>Proposed Rate or Range</u>
<u>Level 4</u>		
State Treasurer	\$20,000	\$20,000 - 24,000
Secretary of State	20,000	20,000 - 24,000
Commission Member - Board of Land Commissioners	13,200	20,000 - 24,000
Commission Member - Industrial Commission	17,000	20,000 - 24,000

B. Administrative and Clerical Positions

Administrative Assistant (Lieutenant Governor's Office)	21,200	19,872 - 26,620
Director of Research	16,000	14,117 - 18,910
Governor's Personal Secretary	10,000	10,032 - 13,455
Press Secretary and Public Relations Aide	10,000	10,032 - 13,455
Junior Staff Assistant	10,000	10,032 - 13,455
Senior Administrative Secretary (2)	8,316 - 8,520	8,666 - 11,620
Lt. Governor's Personal Secretary	7,260	8,666 - 11,620
Administrative Secretary (4)	7,200	7,493 - 11,035
Secretary	4,800	6,472 - 8,655

STATE OF COLORADO
REFERENCE CLASSES
USED FOR
EXTERNAL COMPARISONS

A. Reference Classes for Executive Positions

Deputy Director, Department of Revenue
Deputy Director, Department of Social Services
Assistant Personnel Director
Psychiatric Hospital Director
Deputy Agricultural Commissioner
Director of Public Works
State Controller
Executive Budget Director
Assistant Director, Department of Health
Civil Defense Specialist II
State Auditor IV
Investment and Security Officer
Administrative Officer II
Inheritance Tax Analyst II
Water Conservation Director
State Engineer
Chief Highway Engineer
Property Tax Administrator
Insurance Commissioner
Banking Commissioner
Director, Division of Employment

B. Reference Classes for Administrative and Clerical Positions

Administrative Officer IV
Administrative Officer II
Accounting Technician III
Public Information Specialist I
Secretary III
Secretary II
Secretary I
Clerk Typist II

TEXT

EXPLANATION

A BILL FOR AN ACT

CONCERNING THE STATE PERSONNEL SYSTEM.

Be It enacted by the General Assembly of the State of Colorado:

SECTION 1. 26-1-1 (1), Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-1. (1) (a) Short title - legislative declaration - terminology. This chapter shall be known and may be cited as the "State Personnel System Act". It is the purpose of this chapter and the personnel rules adopted pursuant to this chapter to provide a sound, comprehensive, and uniform system of personnel administration for the employees within the state personnel system as defined by the constitution of the state of Colorado and laws enacted pursuant thereto, including all employees of the state colleges and universities, INCLUDING THE UNIVERSITY OF COLORADO, not otherwise exempted by law. Appointments and promotions to offices and employments in the personnel system of the state shall be made according to merit and fitness, to be ascertained by competi-

This legislative declaration section of the Personnel Act is amended to specifically provide for the inclusion of employees of the University of Colorado in the Personnel System. There is a consensus that, within the boundaries of the constitutional provision on personnel (Article XII, Section 13), those state employees not presently within the Personnel System should be brought into the system. With regards to employees of the University of Colorado, the Personnel Committee had been advised by the Attorney General in March, 1972 that: 1) under the provisions of Article XII, Section 13 (2) of the Constitution, non-academic employees of the University were not under the Personnel System; and 2) neither could these employees be brought into the system upon request of the University's Board of Regents. In November, 1972, the electorate amended Articles VIII and IX of the Constitution by reaffirming the Regents authority over the general supervision of the University, except as otherwise provided by the legislature. It is this expanded legislative authority over the affairs of the University

TEXT

tive tests of competence without regard to race, creed, color, or political affiliation.

(b) IN ORDER TO MORE FULLY PROVIDE A SOUND, COMPREHENSIVE AND UNIFORM SYSTEM FOR THE EMPLOYEES WITHIN THE STATE PERSONNEL SYSTEM, THE GENERAL ASSEMBLY HEREBY PROVIDES THAT ALL OFFICERS AND EMPLOYEES OF THE UNIVERSITY OF COLORADO, NOT OTHERWISE EXEMPTED BY LAW, ARE HEREBY INCLUDED WITHIN THE STATE PERSONNEL SYSTEM.

SECTION 2. 26-1-4 (1), Colorado Revised Statutes 1963, as amended, is hereby REPEALED AND REENACTED to read as follows:

26-1-4. Classification and compensation - payment of salaries - payroll deduction. (1) (a) Salaries of positions in the state personnel system are determined as provided in this article and, except for hourly, overtime, and supplemental purposes, shall be paid twelve times per year on the last working day of each month from funds made available therefor. For the purpose of calculating salaries due for periods other than monthly, monthly salaries shall be con-

EXPLANATION

that now gives merit to the Personnel Committee's objective.

Section 26-1-4 (1) presently reads as follows:

The monthly salaries of positions in the state personnel system are fixed as provided in this article and shall be paid on a basis of twenty-six standard pay periods per year from funds made available therefor.

This provision, which had an effective date of July 1, 1972, has not been implemented. The proposed subsection (a) would restore the once a month pay provision to the statutes.

TEXT

verted to annual salaries. Calculations for monthly salaries due shall be made in advance of pay day and, except for gross negligence or fraud, no state employee responsible for calculating pay shall be in any manner liable for overpayment of salaries paid.

(b) Upon receipt of a request in writing by a state personnel system employee or an employee organization whose primary purpose is representing state employees, the state official authorized to disburse funds in payment of the salaries or wages of such employees shall deduct from the salaries or wages of such employees, for payment to the employee organization, the amount of money indicated in such request for the employee organization dues and other economic benefits which the employee desires through membership in such organization. If the request for deduction is initiated by an employee organization, such organization shall maintain accurate documentation of requests for such deductions by employees.

EXPLANATION

Subsections (b) and (c) provide for the statutory recognition of payroll deductions. Payroll deductions are presently made by the State Controller without statutory authorization. Deductions authorized by these new subsections would include, but not be limited to, dues for an employee organization, i.e., the Colorado Association of Public Employees.

TEXT

(c) Nothing in this subsection shall preclude the payroll deduction for other economic benefits requested by an employee and approved by the state official authorized to disburse funds in payment of the salary or wages of such employee.

SECTION 3. 26-1-4 (3) (c), Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-4 (3) (c). Classes of positions shall be grouped and related to occupational levels of work which can be clearly distinguished and logically related to the A compensation plan.

EXPLANATION

The proposed language in Sections 3 and 4 which changes the word "the" to "a" implements the desire to remove the pay plan from the statutes thus giving the Personnel Director and the Personnel Board the needed flexibility and authority for administration of the pay system. These changes potentially authorize more than one pay plan for state employees as well as varying ranges of pay to meet the needs of a wide range of state occupations.

The Personnel Board favors removal of the pay grid from the statutes; the Committee's consultant also offered the following recommendation.

•With the Personnel Director a part of the Governor's cabinet, and with his salary determinations being submitted by report to the Joint Budget Committee where they are given substance through appropriation action, continuing to fix the "Basic Plan of Salary

TEXT

EXPLANATION

Ranges" in statutes appears to be highly rigid and undesirable.

"The Personnel Director should be responsible for maintaining the basic pay grid or revising it as called for by the needs of the service. For example, he should also be able to consider the traditions and requirements of certain established occupations (for example, trades) by reducing to not more than three steps the range of their salaries within the salary grade to which their class is assigned. He should be able to provide an end-to-end (double) range as an incentive to good teachers who wish to remain in the classroom (and make their maximum contribution there), but who now have no other recourse than to accept "promotions" to administrative positions in order to get salary recognition. He should be able to drop or add salary grades, or to reduce or add steps in a grade, if the salary survey or administrative experience convinces him that improved administration will result."

SECTION 4. 26-1-4 (3) (f), Colorado Revised Statutes 1963, as amended, is hereby amended as follows:

26-1-4 (3) (f). The state personnel director shall assign and may reassign classes of positions to grades, RATES OR RANGES in the A pay plan, subject to the provisions of this article.

TEXT

SECTION 5. 26-1-4 (5) (b), Colorado Revised Statutes 1963, as amended, is hereby amended as follows:

26-1-4 (5) (b). In order to establish confidence in the salary and fringe benefits survey, the state personnel director shall confer with employee and management representatives of the state in the design and methodology of the survey, the selection and description of the key classes to be used in the survey, and the system used in the collection, tabulation, and analysis of the survey data. SHALL MEET AND CONFER IN GOOD FAITH WITH MANAGEMENT AND EMPLOYEE REPRESENTATIVES OF THE STATE IN THE DESIGN AND METHODOLOGY OF THE SURVEY. THE STATE PERSONNEL DIRECTOR SHALL DEVELOP AND PUBLISH A STATEMENT OF POLICY AND A MANUAL OF PROCEDURES DETAILING THE METHODOLOGY USED IN THE SELECTION AND DESCRIPTION OF THE KEY CLASSES TO BE USED IN THE SURVEY, SELECTION OF THE SURVEY SAMPLE, AND THE SYSTEM USED IN THE COLLECTION, TABULATION, ANALYSIS AND APPLICATION OF THE SURVEY DATA. The survey shall include a fair sample of public and private employments in what the state personnel director determines to be the compe-

EXPLANATION

The recommended language makes both more formal and specific the procedure to be followed by the Personnel Director in the preparation for and documentation of the salary and fringe benefit surveys. It also specifically provides that objections to the actions of the Director in this area be resolved by the Personnel Board.

TEXT

titive labor market area for various key classes, including areas of the state which are outside the Denver metropolitan area. The state personnel director may use the results of other appropriate surveys conducted by public or private agencies and may contract with such agencies to conduct the survey. IF ANY INTERESTED PERSON OBJECTS TO THE ACTIONS OF THE DIRECTOR, SUCH OBJECTIONS WILL BE PROMPTLY HEARD AND RESOLVED BY THE BOARD.

SECTION 6. 26-1-4 (5) (c), Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-4 (5) (c). The state personnel director shall use valid statistical techniques and, after collecting all appropriate data, shall review the data and shall determine whether it is valid. Any interested person who objects to the director's determination may appeal to the board. The board shall hold hearings on such data, and shall exclude any data which it finds is clearly invalid. ~~due-to-the-use-of-improper-statistical-techniques-or-collection-of-inappropriate-data.~~ In such event, the state personnel director shall resurvey as

EXPLANATION

This proposed section calls for the deletion of language in the present statute which is regarded as vague and unnecessary. In the second instance, the Committee recommends striking the current provision specifying a formula for the application of salary data. The law should not contain this kind of technical and precise administrative procedure. Instead, the statutes should vest flexibility for the application of data in the Personnel Department.

required and resubmit new data to the board. If the resubmitted data is not valid, it may be disregarded. When the board finds that all survey data is valid, the state personnel director shall related these data to the state pay plan by use of the following formula:--When the data show the third quartile point, and either the first quartile or median point for any key class are equal to or greater than one-half the distance to the next higher grade in the state pay plan, the class shall be raised in pay,--However, if the weighted average hiring rate in the community, after applying this formula, is still higher than the starting rate produced by the formula, the pay range may be set on the basis of a starting rate which is within five percent of the weighted average starting rate in the community, A PAY PLAN.

SECTION 7. 26-1-4 (6), Colorado Revised Statutes 1963, as amended, is hereby REPEALED AND REENACTED to read as follows:

26-1-4 (6). Pay plans. There shall be established by the state personnel director a pay plan or plans for employees

This provision removes the present 82 grade pay grid from the statutes and directs that the Personnel Director establish a plan or

TEXT

in the state personnel system. Such plan or plans shall be designed in order to implement the policy of the state as set forth in subsection (2) of this section. The state personnel director shall assign and may reassign classes of positions to such plan or plans subject to the provisions of this article. If any interested person objects to the actions of the director, such objections will be promptly heard and resolved by the board.

SECTION 8. 26-1-4 (8), Colorado Revised Statutes 1963,
as amended, is hereby amended to read as follows:

26-1-4 (8) Initial hiring. Persons initially appointed into the state personnel system shall normally be hired at the first step of the salary range for their ENTRANCE SALARY FOR THAT class TO WHICH APPOINTED, but on a showing of recruiting difficulty by the state personnel director or a showing of other unusual conditions by the head of the principal department, the governor or his designee may authorize the appointment of a person ~~as not to exceed the third step~~ ~~except that as to grades forty and above an individual may be appointed~~

EXPLANATION

plans for the compensation of employees. Colorado is one of a very few states with a detailed pay grid locked into its statutes.

Changes are made in this section dealing with the initial hiring rate to conform with the Committee's recommendation that the pay plan be removed from the statutes. The proposed change also removes redundant language.

TEXT

EXPLANATION

~~at any step in the grade upon the approval of the governor or his designee.~~ AT A SALARY IN THE CLASS HIGHER THAN THE ENTRANCE SALARY.

SECTION 9. 26-1-4 (10), Colorado Revised Statutes 1963, as amended, is hereby REPEALED AND REENACTED to read as follows:

26-1-4 (10) (a). Salary administration. The board shall provide by rule, based upon a system of performance evaluation, for periodic salary increases for satisfactory performance; for the withholding of such increases for less than satisfactory performance; and for payment of a cash bonus in recognition of an unusually outstanding performance by an employee.

(b) In recognition of an employees contribution to the stability of state service and for satisfactory performance in the class in which he is working, the board shall provide by rule for additional compensation for work performed in the class beyond the length of time required to attain the maximum salary in the pay plan for his class.

This section re-writes a statute which was implemented in 1972, but has not met the desired objective which was to reward employees on the basis of performance evaluation and longevity. The statute provided for a two-step increase in recognition of outstanding performance, but also specified that an employee could not reach the final step (step 7) in his grade until he had completed five years in step 6. An additional problem: it was found that two-thirds of the state's employees are in steps 5, 6, and 7 and thus ineligible for the accelerated step increase. Another problem: a two-step increase gives an employee a permanent pay advantage over his peers while his performance may not merit this advantage past the year for which the increase was awarded.

The proposed language in subsection (a) simplifies the procedure and attains the desired objective of allowing for the recognition of satisfactory or outstanding service either through salary increases or other

TEXT

EXPLANATION

SECTION 10. 26-1-6, Colorado Revised Statutes 1963, as amended, is hereby REPEALED AND REENACTED to read as follows:

26-1-6. Transfer to new pay plan. The salaries of persons under the state personnel system on June 30, 1972 shall not be reduced as a result of the initial implementation of a new pay plan or plans by the state personnel director pursuant to subsection (6) of section (4) of this article.

SECTION 11. 26-1-9, Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-9. Insufficient funds. Within any fiscal year, no adjustment shall be made which will require expenditures greater than those for which appropriations have been made. Should funds made available for the payment of salaries be insufficient for the payment of the employees at the rate to which they are entitled under this article, the proper salary shall nevertheless be paid to all who are employed, and em-

bonus. The language of subsection (b) allows the Personnel Board to respond to the long service employee who is stuck at the end of his pay grade.

This is the necessary conversion language for transfer to a new pay plan or plans.

The language stricken in this section is redundant since there is a lay-off provision elsewhere in the statutes.

TEXT

ployees shall be separated in accordance with such deficiency. The order of separation due to reduction of force in accordance with such deficiency shall be based on quality of service and seniority under a formula established by the board.

SECTION 12. 26-1-10 (c), Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-10 (c). In their annual budget requests, the heads of all principal departments of state government shall set forth separately the projected costs of personal services arising from anticipated classification reviews, promotions, and ordinary and accelerated step increases for employees in their departments OTHER INCREASES IN COMPENSATION OR BONUSES FOR EMPLOYEES IN THEIR DEPARTMENTS.

SECTION 13. 26-1-13, Colorado Revised Statutes 1963, as amended, is hereby amended as follows:

26-1-13. Promotions. Positions above the entrance level may be filled by promotion through the creation of promotional eligible lists resulting from examinations limited to qualified employees, INCLUDING PERSONS ON RE-EMPLOYMENT LISTS,

EXPLANATION

This provision responds to the new language recommended for 26-1-4 (10) which abandons the concept of accelerated step increases.

The recommended language would specify that persons laid-off but on re-employment lists would be eligible to take promotional examinations.

TEXT

EXPLANATION

after determination by the state personnel director that the needs of the state personnel system can be fully met by such limited competition.

SECTION 14. 26-1-22 (b), Colorado Revised Statutes 1963, as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-1-22 (b). The director shall submit annually to the general assembly a budget request to fund a statewide tuition assistance program which will partially reimburse certified state employees who successfully complete approved off-duty courses at educational institutions where such courses enhance other types of training provided by the state, improve job performance, and increase career opportunities. The director shall establish policies and procedures and be responsible for the administration of this program.

SECTION 15. 26-1-35 (1) (a), Colorado Revised Statutes, as amended, is hereby amended to read as follows:

26-1-35.(1) (a). Exemptions from personnel system. Administrators employed in educational institutions and depart-

This recommended new subsection providing for a tuition assistance program as part of an emphasis on training and career development for state employees.

This is a conforming reference to the first section of the bill referring to personnel at the University of Colorado.

TEXT

ments not charitable or reformatory in character, INCLUDING THE UNIVERSITY OF COLORADO, shall include the following, who shall be exempt from the state personnel system:

SECTION 16. 26-1-36, Colorado Revised Statutes 1963, as amended, is hereby amended as follows:

26-1-36 (1). Persons brought into the state personnel system. Whenever persons employed by the state of Colorado, not within the state personnel system, ENTER OR are brought into the state personnel system, such persons ~~shall be granted status in such system equivalent to their former status and shall be credited with their former state service for purposes of accumulated leave, leave earning rates, longevity, and other benefit status~~ BENEFITS, EXCLUDING RETIREMENT CREDIT, afforded employees within the state personnel system. Whenever, by reason of constitutional amendment, legislative enactment, executive order, or by action of an executive department, functions outside state government are assumed by state government, persons performing such functions ~~shall be granted status in the state personnel system equivalent to that of~~

EXPLANATION

Employees not within the Personnel System can be brought into the system through the three provisions enumerated in this section. The intent of the present statute has been to credit these employees for past services for the purpose of establishing benefits under the Personnel system. In the application of the statute, reference to "status" has been construed by the Attorney General to refer to "pay" as one of the benefits. It was not the intent of the statute that "pay" be included. The proposed language answers that objection. In addition, the proposed language excludes retirement benefits because of provisions elsewhere in the statutes.

TEXT

EXPLANATION

~~their former positions and~~ shall be credited with years of service in their former positions for purposes of accumulated leave, leave earning rates, longevity, and other benefit ~~status~~ BENEFITS, EXCLUDING RETIREMENT CREDIT, afforded employees within the state personnel system.

(3) Whenever employees enter the state personnel system from political subdivisions of the state with merit systems similar to the state personnel system as a result of a formal arrangement with that merit system, the board shall, by rule, establish rates and conditions of accumulated leave carry-over, leave earning rates, longevity, and other ~~benefit-status~~ BENEFITS, EXCLUDING RETIREMENT CREDIT, afforded persons in the state personnel system. Such rates and conditions shall be such as ~~to~~ WILL fairly recognize such employees' prior employment and ~~to~~ provide a recruitment incentive to those persons who might benefit state government.

SECTION 17. 26-1-37, Colorado Revised Statutes 1963, as amended, is hereby amended to read as follows:

26-1-37 (3) ~~THIS~~ SUBSECTIONS (1) AND (2) OF THIS sec-

TEXT

tion shall be repealed on the second Tuesday of January, 1975.

(4) ANY CERTIFIED EMPLOYEE OF THE PERSONNEL SYSTEM WHO ACCEPTS AN APPOINTMENT TO AN EXEMPT POSITION AT THE REQUEST OF THE GOVERNOR OR OTHER ELECTED OR APPOINTED OFFICIALS OF THE STATE SHALL BE GRANTED LEAVE WITHOUT PAY FROM HIS PERSONNEL SYSTEM POSITION FOR THE INITIAL PERIOD OF APPOINTMENT TO THE EXEMPT POSITION. UPON TERMINATION OF THE INITIAL PERIOD OF SUCH APPOINTMENT, SUCH EMPLOYEE SHALL BE REINSTATED TO HIS FORMER POSITION WITH NO LOSS OF ANY RIGHTS OR BENEFITS ACCRUING TO THAT POSITION IN HIS ABSENCE WITH RESTORATION OF ALL ACCRUED UNUSED LEAVE WHICH HE HAD AT THE TIME OF ACCEPTANCE OF THE EXEMPT APPOINTMENT. IN THE EVENT HIS FORMER POSITION NO LONGER EXISTS, THE LAYOFF PROCEDURE SHALL BE FOLLOWED. IF SUCH EMPLOYEE DOES NOT APPLY TO RETURN TO HIS PERSONNEL SYSTEM POSITION WITHIN A 30 DAY PERIOD OF HIS TERMINATION FROM THE EXEMPT POSITION, HE SHALL BE DEEMED TO HAVE RESIGNED.

SECTION 18. 26-2-1. Status while in military service.

Whenever any officer or employee of the state of Colorado in the state personnel system under the provisions of section 13

EXPLANATION

This new subsection sets forth the rights of a certified employee who accepts an exempt position and then returns to the classified service of the state. The proposed language provides that, in essence, he be placed on leave without pay and return to his old position without losing accrued benefits and promotions.

The specific intent of the recommended amendments to 26-2-1 and 26-2-2 is to extend the same accrued benefits given veterans to those reservists who are on active duty for training purposes.

TEXT

EXPLANATION

of article XII of the constitution of the state of Colorado, and laws and rules and regulations pursuant thereto, shall enter active military service, INCLUDING ACTIVE SERVICE FOR TRAINING PURPOSES, with the armed forces of the United States or other branch of service engaged in the national defense, such officer or employee shall retain all state personnel system rights and privileges and shall retain such status in the state personnel system as held by him at the time of entering the armed forces, with the seniority and promotional rights and benefits provided for in section 26-2-2.

26-2-2. Rights. (1) The rights, privileges, and status retained by such officer or employee shall specifically include the right to reoccupy the place, employment, or position held by him at the time of entering the armed forces, upon the expiration of the period of initial service, plus any period of additional service imposed by law, and for one year thereafter; except that if such officer or employee served in any branch of the armed forces of the United States during any period and if he was separated OR SERVED under

TEXT

honorable conditions, the period of such service shall be considered as service in the personnel system of the state of Colorado for the purposes of seniority and for the purposes of promotion from one pay grade to another as well as movement from one step of the pay plan to a higher step in the pay plan and if the place, employment, or class held by such officer or employee at the time of entering the armed forces has been increased in pay grade during the time of such service, such officer or employee shall be entitled to reoccupy such place, employment, or position at such increased pay grade.

SECTION 19. Repeal. 26-1-4 (7), (9) and (11), Colorado Revised Statutes 1963, as amended, are repealed.

EXPLANATION

26-1-4 (7) specifies that, upon approval of the Personnel Director, persons may be employed by the state for six months or less at salaries below those specified in the pay plan. It is reported that there have been problems with the administration of this provision. The Personnel Board comments on the section as follows:

"This section permits the payment of lower salaries to persons not fully qualified. It is the Board's understanding that this section was passed for two purposes, first, to permit the employment of physically handicapped persons, and second, to allow hiring of temporary seasonal help at competitive rates which were then lower than the

TEXT

EXPLANATION

State's pay plan. The Board is in sympathy with both of these objectives but is concerned that the statute may be misinterpreted. For example, if a position requires a degree in engineering, could a person with two years of college demand employment as an engineer although not fully qualified?"

Removal of the plan grid from the statute would also make the current provision unnecessary.

26-1-4 (9) now specifies that for classes with standardized methods of operation and for which growth is limited, the Personnel Director may limit the number of steps within the grade. With removal of the pay plan from the statutes this provision would be unnecessary.

26-1-4 (11) refers to the mechanics of promotions and the subsequent salary adjustments by step and grade. Once again, removal of the pay plan would alter this. The Committee is of the opinion that these kinds of mechanical details should be removed from the statutes.

SECTION 20. Effective date. This act shall take effect July 1, 1973.

SECTION 21. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

TEXT

CONCERNING THE REEMPLOYMENT RIGHTS OF OFFICERS OR EMPLOYEES
OF THE STATE PERSONNEL SYSTEM ENTERING MILITARY SERVICE
AFTER AUGUST 5, 1964.

Article 2 of Chapter 26, Colorado Revised Statutes 1963,
as amended by section 1 of chapter 38, Session Laws of Colo-
rado 1972, is amended BY THE ADDITION OF A NEW SECTION to
read:

26-2-4. Applicability. The provisions of this article
shall apply to any officer or employee of the state personnel
system who entered the armed forces of the United States or
other branch of service engaged in national defense on or
after August 5, 1964.

EXPLANATION

Under existing law, veterans returning to civilian life after July 1, 1971, have full re-employment rights under provisions of the Personnel Act. However, the granting of these rights is not retroactive and thus persons leaving the armed services before July 1, 1971, do not now enjoy full re-employment benefits.

The recommended language makes re-employment rights retroactive to August 5, 1964, the day the United States Senate passed the Gulf of Tonkin Resolution authorizing expanded military action in Vietnam.