



# Stateline

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## GOVERNOR ESTABLISHES COMMISSION ON CIVIL SERVICE REFORM

BY GOVERNOR BILL OWENS

I recently established the Commission on Civil Service Reform to review Colorado's state personnel service system and to identify and recommend reforms to better serve the needs of state government, public employees, and taxpayers. The Commission will review and consider proposals for reform of the Colorado Constitution with respect to the civil service system, including, but not limited to: improving the application of the merit principle; employee selection, retention, discipline, and separation; the role of classified employees in institutions of higher education and senior management positions; and parameters of privatization, outsourcing, and temporary employees.

Co-chaired by former Governor Richard Lamm and DPA Executive Director Troy Eid, the Commission consists of twelve distinguished Coloradans from government, business, and academia - one-third of them are either current or former members of the state civil service. Together, these experts bring a wealth of practical experience with some of the challenges facing Colorado state government and its employees.

Colorado's civil service laws are the most restrictive in the entire nation, having been inserted into our Constitution in 1918, when there were only 1,000 state employees. Although a veteran's preference was added in 1944, and there was some marginal updating in 1970 (the old Civil Service Commission was replaced by the State Personnel Board, managers were allowed to hire from the top three qualified applicants rather than only the top one, and the Governor was permitted to choose his own cabinet), the system has been essentially unchanged since the First World War. The federal government and most state governments throughout the nation have already reformed or are considering changes to meet state employees' needs and to provide better service to taxpayers.

Sub-groups of the Commission will be conducting public meetings throughout the State, and the full Commission will meet once a month. The Commission must report its findings and recommendations by September 1, 2003. Schedules and updates will be available both in *Stateline* and on the web at [www.colorado.gov/dpa](http://www.colorado.gov/dpa). For more information on the Commission's members, schedules and contact information, see page 3.



The Commission on Civil Service Reform and staff, pictured from left to right, back row: Jon Anderson (staff), John Bliss, Troy Eid, Dick Lamm, Jeff Schutt, Dr. Al Yates, Brian Burnett. Front row: Stacy L. Worthington (staff), Ken Allilkian (staff), Diedra Garcia, Steve Chavez (staff) and Paul Farley (Director). Members not pictured: Senator Norma Anderson, Representative Rosemary Marshall, Greg Walcher, Salvador Gomez and Steve Farber.

## PAY DATE SHIFT Q & A

BY JENNIFER OKES  
CHIEF FINANCIAL OFFICER, DPA

Last month, Governor Owens signed Senate Bill 197, authorizing June's pay date for State employees be moved to the first working day of July for 2003 and every year thereafter. This once a year change is expected to help alleviate the current fiscal year budget shortfall and balance the budget as required by the State's Constitution.

The version of the bill signed into law depicts both the Governor's and the General Assembly's concern in making cuts that carefully try to minimize the impact on state citizens, services, and the state workforce. The following questions and answers will help clarify the details of the new law and its impact on state employees.

### What does Senate Bill 197 change?

While many possibilities were originally suggested, SB 197 essentially changes the last June pay date, for both monthly and biweekly employees, to the first working day in July. There are some minor differences for biweekly and monthly payrolls, but basically from this year forward (unless changed by law), the end-of-the-month June payroll will be paid on the first working day of July. This year, employees paid monthly will be paid on Tuesday, July 1, instead of on June 30. Employees paid biweekly will be paid for the pay period ending June 13 on Tuesday, July 1, instead of on June 27.

### Does this mean employees paid monthly will get two paychecks in July?

Yes. Employees paid monthly (this year and in future years) will get their June paycheck on the first working day of July and their July paycheck on the last working day of July.

### What about employees paid biweekly?

Generally, the bill shifts the pay date for the pay period that normally gets paid at the end of June to the first working day of July, moving one additional biweekly payday into July. This year, employees paid biweekly will get checks on July 1, July 11, and July 25, but not a check on June 27.

### How exactly will employees be impacted by this change?

Because each employee has a unique financial situation, it is difficult to make generalizations for all employees. However, SB 197 limits the impact on all employees because it affects only one month (June) each year. Depending upon account balances,

employees with end-of-the-month automatic debt payments may have to make arrangements with their banks and/or creditors to adjust their payments for the end of June. In some years, the first business day might fall as late as July 3rd. It is encouraged that employees who have questions or concerns about automatic payments to contact their banks and creditors directly.

It is important to note, however, the Colorado State Employee Credit Union has made the decision to honor all automatic debits scheduled from June 27, 2003 through June 30, 2003 for state employees who have direct deposit or payroll deduction with them. This means if a member has an automatic payment that is deducted on the 30th from a CSECU checking or savings account it will be paid when received. For example, if a member has a scheduled mortgage payment due to a mortgage company on June 30th, the credit union will honor that payment. No special requests are needed from members in this regard.

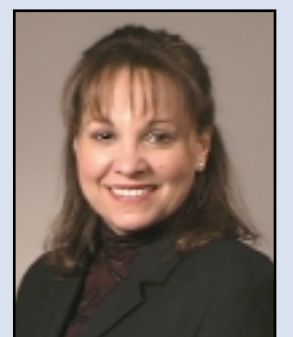
### Will SB 197 affect my taxable income?

No. Employees that are paid monthly will still get 12 paychecks each calendar year, this year and in future years. Thus, their yearly taxable income will not be affected. SB 197 will not affect the yearly taxable income of employees paid biweekly either.

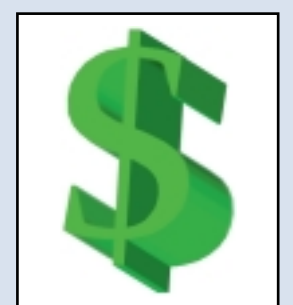
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## PAY FOR PERFORMANCE REVIEW STILL IMPORTANT

JEFF SCHUTT, DIRECTOR  
DIVISION OF HUMAN RESOURCES, DPA

I recently began doing final performance evaluations with my staff. Although performance award funding has been eliminated to help balance next year's budget, final evaluations and the performance management process are important. In some ways, they may be more important than ever.

There are some very pragmatic reasons for taking the system seriously: performance management, communication and rating performance are challenging, and supervisors continually need to hone these skills; performance ratings are a part of an employee's permanent record, and, therefore, they need close attention; performance ratings must make up at least 51% of a department's layoff matrix. During a layoff, a department's matrix is used to differentiate employees within the same "time band," a three-year period used to determine seniority.

There are other important and perhaps less obvious reasons that employees and supervisors alike need to actively participate in following through with this year's performance cycle.

Employees deserve to be recognized for their contribution to the success of the organization. At times like these when additional compensation is not available, supervisors must take the time to recognize the hard work of their employees.

In past years when compensation was not attached to ratings, ratings appeared to be inflated. Supervisors didn't want to do the difficult task of making real differentiation among their employees. Last year, this changed somewhat, but in departments where payouts were significantly lower, ratings tended to be inflated. We cannot afford to lapse back into the poor habit of taking the easy road.

As the state continues its push toward a performance driven culture, supervisors and employees must understand performance objectives. Everyone in the system needs to use this time to refocus on that connection. When additional compensation is available to reward performance, employees must clearly know how to merit increased compensation to move through pay ranges and earn the raises they want.

Appointing authorities have had to rethink their business approaches and realign the way their organizations do business. In some ways they have had to justify the business need of their programs and people. Our accountability to each other and to taxpayers has become paramount.

A long-time and respected colleague recently put it best: "More than at any time in my career, I have to make sure that the programs for which I am responsible, programs that the public depends

upon, are providing a real return on the state's investment. For programs and people in the state system, accountability through definitive measures of performance and return on investment may very well portend whether they make it through the next round of budget cuts."

When you apply the idea of setting priorities, intense reexamination, and trimming of state programs to employees, it is easy to see that we are all doing more with less. Performance and performance management become necessary to differentiate employees. Simply put, at times like these everyone must perform, and those who perform well differentiate themselves.

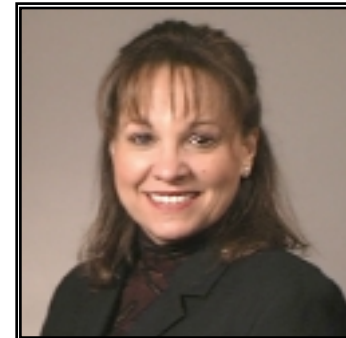
Due to the budget constraints, some employees may be asked to do very different jobs than the ones that they are doing today. Well applied performance management will help ensure that such employees know what is expected of them, and ultimately whether or not the employee is successful. The state cannot afford to have it any other way.

I encourage employees and supervisors to use the end of this performance cycle to communicate clearly, to lay the foundation for future performance objectives, to recognize achievement, and to work together to increase the value of their future.



*We all owe a heartfelt thanks to those state employees who braved the elements, in the worst blizzard Colorado has seen in decades, to perform essential duties for our State and its citizens. This photo was taken at the corner of Steele Street and Evans Avenue.*

*Photo Courtesy of Greg Gargan, CDOT Staff Photographer*



### Linda Summers Named Head of Central Services

Linda Summers, a 27-year veteran of the Department of Personnel & Administration (DPA), has recently been named Director of DPA's Division of Central Services (DCS). With her new position, Linda will be responsible for the Capitol Complex, the State's motor vehicle fleet, printing, mail, imaging and many other mission-critical business functions.

Prior to her promotion, Linda served as the division's Deputy Director where she continually demonstrated her commitment to customer service. Her willingness to serve in this new role, at this time of budget challenge, is welcome news for Colorado state government.

#### **PAY DATE** from p. 1

#### **Will SB 197 affect my PERA service credit or my highest annual salary calculation?**

No. PERA computes service credit and salary based on the dates that services are performed; therefore, SB 197 will not affect an employee's service credit or highest annual salary.

#### **Will this change affect the state's match to my 401(k) or 457 plan?**

No. The State will still contribute the same yearly amount.

#### **Does the change really save the state?**

It is an option that provides the state a one-time savings of nearly 100 million in General Fund dollars while keeping to a minimum the impact on services and citizens. Without SB 197, that money would have to come from somewhere else in the General Fund, and at this late stage of the fiscal year, such cuts would almost certainly result in

additional program cuts and potential layoffs this fiscal year.

#### **Does the change impact the state's financial reporting?**

The state's general purpose financial statements will continue to follow Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The government-wide financial statements will continue to be reported using the full accrual basis of accounting. The fund financial statements will continue to be reported using the modified accrual basis of accounting. However, this bill will require a change in how we report the budgetary statements in order to report payroll on the cash basis of accounting. The pay date shift will require some additional accounting entries to achieve the budgetary savings and to ensure accurate financial reporting.

### IMPORTANT TRAVEL CARD ANNOUNCEMENT

The State's contract with the current travel card vendor, Diner's Club, is expiring on **April 30, 2003**. The State's new travel card vendor, US Bank, will be implemented effective May 1, 2003. The State has developed new criteria for issuing cards to individuals. Therefore, some current cardholders may not receive an individual card under the new criteria and some individuals may now receive a travel card. Department representatives and individual card holders will be contacted with pertinent information on the new travel card and associated policies and procedures in the upcoming weeks. If you have questions, please contact Linda Summers at 303-866-3975 or [linda.summers@state.co.us](mailto:linda.summers@state.co.us).



# CIVIL SERVICE REFORM COMMISSION

## MEMBERS OF THE GOVERNOR'S COMMISSION ON CIVIL SERVICE REFORM

### TASK FORCE MEMBERS

Richard D. Lamm, former Governor, *Co-Chair*

Troy Eid, Executive Director, DPA, *Co-Chair*

The Hon. Norma Anderson, State Senator

John Bliss, former Vice Chancellor for Finance and Administration, University of Colorado

Brian Burnett, Chief Financial Officer, Colorado Commission on Higher Education

Steven Farber, Partner, Brownstein, Hyatt & Farber

Diedra Garcia, Vice President, DRG Construction Corp., and member, State Personnel Board

Salvador Gomez, President and CEO, SourceOne Management, Inc., and

Chairman of the Board, Denver Hispanic Chamber of Commerce

The Hon. Rosemary Marshall, State Representative

Jeffrey C. Schutt, Director, Division of Human Resources, DPA

Greg Walcher, Executive Director, Department of Natural Resources

Dr. Al Yates, President and Chancellor, Colorado State University

### CONTACT INFORMATION

Civil Service Reform Commission

1600 Broadway, Suite 1030

Denver, CO 80202

Attn: Paul Farley, *Director*

CSRC@state.co.us

check our web site at [www.colorado.gov/dpa/](http://www.colorado.gov/dpa/)

## CIVIL SERVICE REFORM COMMISSION SCHEDULE

### April 22

9:00 Public Meeting - Canon City  
Fremont County Admin. Bldg. #206

1:00 Public Meeting - Pueblo  
Colorado State University, Occhiato University  
Center

### April 23

9:00 Public Meeting - La Junta  
Otero Junior College, Humanities Center Theatre

### May 9

9:00 Public Meeting - Denver, Auraria Campus

### May 15

9:00 Commission Meeting  
DPA, 1600 Broadway, 5th Floor Conference Room  
· Working Group Reports  
· Discussion

### May 16

Public Meeting - Greeley [tentative]

### June

Additional Public Meetings, TBA

### June 26

9:00 Commission Meeting  
DPA, 1600 Broadway, 5th Floor Conference Rm.  
· Staff Recommendations  
· Discussion

## STATE OF COLORADO

### EXECUTIVE CHAMBERS

136 State Capitol  
Denver, Colorado 80203-1792  
Phone (303) 856-2471



Bill Owens  
Governor

B 003 03

### EXECUTIVE ORDER

#### CREATING THE GOVERNOR'S COMMISSION ON CIVIL SERVICE REFORM

Pursuant to the authority vested in the Office of the Governor of the State of Colorado, I, Bill Owens, Governor of the State of Colorado, hereby issue this Executive Order creating the Governor's Commission on Civil Service Reform.

#### 1. Background and Need

Colorado's civil service system is the most rigid in the country. It was established as part of the State Constitution in 1918, in a time before wage and hour laws, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Hatch Act, the Civil Rights Act of 1964, the Americans with Disabilities Act, and their counterparts in state law. While the world has changed substantially since 1918, the Colorado civil service system has remained largely unchanged. The result is a rigid employment system that causes waste and inefficiency and hinders the effectiveness of the state workforce.

Despite some important strengths – most notably the "merit principle" – Colorado's civil service system has failed to keep pace with changing legal and economic circumstances. This static employment system has prevented Colorado state government from modernizing its processes in ways currently enjoyed by almost every other state. For example, Colorado is one of only two states that restricts state managers to considering only the top three candidates for a position, rather than all qualified applicants. In addition, Colorado is the only state where the Constitution prescribes the probationary period for new employees. Only three other state legislatures are prevented by their constitutions from determining what positions should be covered by the civil service. Over two-thirds of all states do not even mention the civil service in their constitutions.

Accordingly, I hereby create the Commission on Civil Service Reform (the "Commission"). I am appointing this Commission to review Colorado's civil service system and to identify and recommend reforms to better serve the needs of state government, public employees, and taxpayers. I request that the Commission identify and make specific recommendations for constitutional reforms to be proposed for consideration by Colorado voters.

#### 2. Membership and Organization

A. The Commission shall consist of no more than 12 voting members to be appointed by the Governor. Members shall have a demonstrated record of achievement in government,

business, higher education, or other disciplines where human resources management for large organizations is critical.

B. The Governor shall appoint two members of the Commission to serve as Co-Chairs of the Commission.

C. All appointees of the Commission shall serve at the pleasure of the Governor.

D. The Governor shall appoint a Director of the Commission who shall be responsible for its staffing and operations.

#### 3. Powers and Duties

The Commission shall have the following powers and duties.

A. The Commission shall meet as determined by the Co-Chairs.

B. The Commission shall review and consider proposals for reform of the Colorado Constitution with respect to the civil service system, including, but not limited to:

- i. Improving the application of the merit principle;
- ii. Employee selection, retention, discipline, and separation;
- iii. The role of classified employees in institutions of higher education and senior management positions; and
- iv. Parameters of privatization, outsourcing, and temporary employees.

C. The Commission shall report its findings and recommendations to the Governor by September 1, 2003.

#### 4. Duration

The Commission and this Executive Order shall expire on September 1, 2003 unless otherwise terminated or extended by the Governor.



Given under my hand and the  
Executive Seal of the State of  
Colorado, this 12th day of  
March, 2003.

*Bill Owens*  
Bill Owens  
Governor

## LETTERS

Dear Mr. Eid:

I just wanted to vent some of my problems with our health benefits: Both me and my wife are state employees and have been for many years. Each year the benefits get worse and it is to the point where we can not afford to go to the doctor. My wife and 2 children were so sick a couple of weeks ago but did not go to the doctor for help because of the cost. My wife had to take a week off to take care of everyone. In the past with a co-pay for office visits we would not have hesitated to go in. The only thing our insurance is good for is major medical.

I went to fill a prescription that I have been taking for years two days ago and they informed me that our insurance was not going to pay for it because it was not a necessary drug and that I could be taking something else for my problem. What's next?

I owe our hospital here in Craig \$750.00 for tests that my daughter had a while back, the doctor for her cost an additional \$170.00 and \$400.00 for her dentist. I will be making monthly payments for a very long time for this and praying nothing else happens.

When we are paying the high costs every month for our so called benefits then we should have some benefits. If we can find some other plan that would work better for us we will be dropping the state plan. I guess what is so hard to understand is seeing what other companies even city and county governments are offering their employees vs ours, when we have so many more employees.

One of the big reasons that I went to work for CDOT eighteen years ago and my wife 25 years ago was because of the benefits and look where we are today, that is not the case anymore and we are losing valuable people because of it.

Sincerely,

Adam Slonksnes  
Craig, CO



Dear Troy,

I wanted to take a second to give you a first hand account of what the insurance increases are doing to my family. My son had an ear infection and between the doctor visit, follow up visit, and drugs we spent \$100. My husband had an ingrown toe nail and between the doctor visit, specialist visit, follow-up specialist visit, and drugs cost \$145. Our monthly medication bill has gone from \$125 per month to \$225 per month. Our premiums also went up to almost \$600 per month, a \$100 increase.

I really enjoy the work I do and the contribution I feel I make to the State of Colorado. I am 30 years old, professionally skilled, and one of the type of workers I think the State is trying to attract and keep. These increases are putting a financial hardship on my family. In addition, I know I will be faced with another increase in insurance next January and no salary survey or performance pay to help cover that increase. Next January my take home pay will be less than it is today. The outlook is bleak, but and I know you are doing your best to help the situation.

I have written to my legislators.

Sincerely,

Sally Langston



Please send your letters to:  
Stateline  
c/o DPA  
1600 Broadway, Suite 1030  
Denver, CO 80202  
or via email to  
[stateline@state.co.us](mailto:stateline@state.co.us)

## COLORADO COMBINED CAMPAIGN DRIVE HIGHLY SUCCESSFUL

BY CHRISTINE GARDINER, CCC MANAGER

In spite of unprecedented state budget shortfalls, furloughs, lay-offs, and increasing healthcare costs - State of Colorado employees have (once again) gone above and beyond the call of duty. The Colorado Combined Campaign (CCC), the State employees' charitable giving campaign, broke its own record of giving during its 15th anniversary campaign by donating over \$1.465 million.

The Colorado Combined Campaign includes over 630 Colorado charities that meet financial and program standards and are reviewed by the appointed board of the CCC before being admitted to the campaign. It has been the charitable giving campaign of state employees since 1988.

## DENVER HISPANIC CHAMBER OF COMMERCE NAMES TROY EID GOVERNMENT ADVOCATE OF THE YEAR FOR 2003

*Executive Director of the Colorado Department of Personnel & Administration honored for contributions and commitment to Colorado's Hispanic Community*

On April of this year the Denver Hispanic Chamber of Commerce (DHCC) honored Troy Eid with the 2003 Government Advocate of the Year Award.

Eid was recognized for his outstanding contributions and commitment to advance DHCC's work, which includes creating more opportunities for Hispanic businesses and increasing economic development for the Colorado Hispanic community as a whole.

"Troy has been part of my team to reform state government from my first day in office and I'm delighted to see him honored by such a prestigious organization," said Colorado Gov. Bill Owens, who was in attendance for the awards luncheon.

"Troy has gone well beyond just providing assistance and guidance to the DHCC. Through his work he has become actively involved in making a positive difference through identifying numerous opportunities for Hispanic owned firms, organizations and businesses. We are proud and happy to have him in our ranks," said Salvador Gomez, president and chief executive officer, Source One Management Inc., and Chairman of the DHCC Board of Directors.

Eid was honored at the DHCC Awards Luncheon held at the Colorado Convention Center, that featured keynote speaker Alberto Gonzales, counsel to the President of the United States. In addition to Eid, DHCC 2003 honorees are:

Corporate Advocate of the Year: Clara Rivas, vice president, KMAS Telemundo

Business Man of the Year: Eugene R. Lucero, Metro Brokers - Lucero Real Estate

Business Woman of the Year: Danna A. Chavez Arriola, Chavez Sheet Metal Company

Chamber Advocate of the Year: Maria P. Fernandez Yoos, director, Supplier Diversity, Global Procurement and Supply Chain, Qwest Communications

### Mark Your Calendars for the Annual Governor's STAR Awards Luncheon



THURSDAY, MAY 8<sup>TH</sup>  
ADAMS MARK HOTEL  
DOWNTOWN DENVER  
11:00AM - 1:00PM  
ADMISSION IS \$35

REGISTER ON-LINE AT [WWW.COLORADO.GOV/DPA/](http://WWW.COLORADO.GOV/DPA/)

