

**Amendment S
State Personnel System**

1 **Amendment S proposes amending the Colorado Constitution to:**

- 2 ♦ increase the number and types of state employees who may be exempt
3 from the state civil service system, also known as the state personnel
4 system;
- 5 ♦ change testing and hiring procedures for filling vacancies in the state
6 personnel system;
- 7 ♦ expand hiring preferences for veterans; and
- 8 ♦ adjust the terms of service and duties for members of the State
9 Personnel Board.

10 **Summary and Analysis**

11 The State of Colorado employs about 74,000 individuals in full- and part-time
12 positions within the executive, legislative, and judicial branches of government. These
13 positions are generally categorized as classified (about 33,000 current employees) or
14 nonclassified (about 41,000 current employees). All employees are covered under
15 applicable state and federal employment laws, such as those protecting against
16 discrimination. Classified employees are also governed by the state personnel
17 system.

18 ***State personnel system.*** In 1918, Colorado voters amended the state
19 constitution to create the state personnel system. It requires that:

- 20 • employees be hired and promoted according to merit and fitness;
21 • job candidates be scored and ranked using a competitive exam;
22 • hiring decisions be made from among job candidates with the
23 three highest scores on competitive exams;
24 • positions be filled by Colorado residents unless certain conditions
25 are met; and
26 • employees provide 12 months of satisfactory service before
27 becoming certified as classified.

28 Other portions of the system are governed by state law or rule, including
29 processes to evaluate candidates and job performance, respond to grievances, and
30 terminate employment. The system is administered by the state personnel director
31 (head of the Department of Personnel and Administration), with oversight from the
32 independent State Personnel Board.

1 **Exemption from the state personnel system.** Exempted positions are
2 specifically listed in the state constitution and include most employees of the state
3 courts, the legislature, the state's institutions of higher education, members of certain
4 boards and commissions, and department heads. Political appointees serving the
5 administration of the Governor and Lieutenant Governor are also exempt. Similar to
6 the private sector, these employees and employers may each end the employment
7 relationship at any time. In these positions, there are no universal standards for
8 evaluating candidates, assessing job performance, or responding to grievances.

9 Amendment S allows the state personnel director to exempt certain additional
10 management and support positions, up to 1 percent of the total number of employees
11 in the system. Based on the current figure of about 33,000 classified employees, the
12 measure allows an estimated 330 new positions to be exempted. Currently, most
13 departments have only one exempt position, the department head. If voters approve
14 Amendment S, additional exemptions may include deputy department heads, chief
15 financial officers, public information officers, legislative liaisons, human resource
16 directors, executive assistants to department heads, and members of the senior
17 executive service (SES). The SES is a performance pay plan authorized by statute to
18 compensate up to 125 positions with a high level of management responsibility.
19 Because SES positions are generally allocated according to department size, it could
20 be assumed that all new exemptions will be similarly apportioned.

21 **Evaluating and hiring job candidates.** Currently, candidates must be ranked
22 based on the results of a competitive exam using criteria set by the State Personnel
23 Board. In practice, each candidate is awarded up to 100 points based on the results
24 of his or her exam, with additional points awarded if he or she qualifies for a veteran's
25 preference. Hiring managers must choose among the three candidates with the
26 highest scores.

27 The measure allows the top six candidates to be considered, regardless of the
28 evaluation and ranking method used. It also allows for the use of other objective
29 methods to evaluate, compare, and rank job candidates. These other methods may
30 include written exams, oral boards, search committees, or the use of non-numerical
31 criteria, as long as they meet professionally accepted standards. The state personnel
32 director, rather than the State Personnel Board, will be required to issue rules for the
33 evaluation and ranking of candidates through the public rule-making process.

34 **Hiring preferences for veterans.** Under the current evaluation process, an
35 eligible veteran or his or her surviving spouse receives five additional points on his or
36 her competitive exam score. A disabled veteran receives ten additional points. Once
37 an individual has been hired by the state using a veterans' preference, he or she may
38 not apply the preference again to another position. Amendment S allows a veteran to
39 continue to use preference points when applying for most other positions in the
40 system.

1 **Hiring temporary employees.** Colorado's constitution allows for temporary
2 employment of persons for up to six months within a 12-month period to address a
3 short-term or urgent hiring need. The measure extends that time limit to nine months.

4 **Residency.** Colorado's constitution requires that positions within the system be
5 filled by residents of Colorado unless the State Personnel Board finds the position
6 requires special education or special qualifications and the position cannot be readily
7 filled by a Colorado resident. Amendment S gives the state personnel director the
8 authority to waive residency requirements as well. It also eliminates the residency
9 requirement for positions located within 30 miles of the state border.

10 **State personnel system oversight.** The five-member State Personnel Board,
11 which includes three members appointed by the Governor and two members elected
12 by classified employees, sets policy for the system. Currently, board members may
13 serve an unlimited number of five-year terms and may only be removed for cause.
14 The board is responsible for setting rules for conducting competitive exams used to
15 evaluate candidates for positions in the system, approving exemptions from residency
16 requirements, and hearing appeals to certain decisions made by the state personnel
17 director.

18 If approved, Amendment S:

- 19 • reduces board terms to three years for members appointed after
20 January 1, 2013;
- 21 • limits board members from serving more than two terms;
- 22 • allows two appointees to serve or be removed at the Governor's
23 pleasure;
- 24 • removes the authority of the board to set rules for the process and
25 criteria used to evaluate candidates for positions in the system; and
- 26 • allows the state personnel director to set the rules for evaluating and
27 hiring candidates and to approve residency exemptions.

28 **Arguments For**

29 1) The Governor is elected to enact a policy agenda and the measure provides
30 better tools for swiftly following through on promises made to citizens. The measure
31 gives the Governor the ability to hire a leadership team and other key staff who share
32 his or her values and policy goals, instead of being forced to inherit existing staff.

33 2) The measure helps make the State of Colorado, one of the state's largest and
34 most diverse employers, more responsive to the needs of the state and its citizens.
35 State employees provide a wide variety of services to citizens, and the public deserves
36 the most qualified employees to do the job. The current hiring process favors test
37 takers and may miss the most qualified candidates. By expanding the pool of eligible
38 candidates and considering a wider range of criteria, the state will be able to hire the
39 best candidate for each position. The measure also provides greater discretion in the
40 use of temporary positions and the hiring of non-residents, which creates a more
41 dynamic workforce to better meet the state's changing needs.

1 **Arguments Against**

2 1) The measure gives the Governor and political appointees, including the state
3 personnel director, too much power over the state's workforce. The Governor's
4 administration will be able to exempt about 330 additional positions from the system,
5 and members of the constitutionally independent State Personnel Board could be
6 removed without cause. Also, the state personnel director, appointed by the
7 Governor, will now have policymaking authority over areas of the system that the
8 board has traditionally overseen, including job candidate evaluation and exemption
9 from residency requirements. This overlap in authority could lead to potential conflicts
10 between the director and the board and create confusion for candidates and
11 employees.

12 2) The state personnel system exists to protect state employees from undue
13 political influence and this measure removes some of those protections, making the
14 system more vulnerable to favoritism and abuse. Comparing qualifications, rather
15 than using exam scores, makes it more difficult to objectively compare candidates.
16 The new system could make it easier to hire persons based on political or personal
17 connections rather than merit and result in more appeals of hiring decisions. In
18 addition, the new exemptions could displace experienced existing state employees
19 with political appointees. This may result in the loss of institutional knowledge and
20 subject traditionally neutral positions, such as chief financial officers and executive
21 assistants, to political pressure.