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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report
of the

Subcommittee on Boards, Bureaus and Institutions

Section 3

Higher Education

January, 1955

Administrative Science Quarterly
Research Publication no. 14, pt. 1, sec. 3

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LETTER of TRANSMITTAL

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January 9, 1955

Honorable Allyn Cole, Chairman
Governor's Committee on Administrative Organization
Glenwood Springs, Colorado

Dear Mr. Cole:

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- Section 1: Conservation
- Section 2: Department of Education
- Section 3: Higher Education
- Section 4: School for the Deaf and Blind
- Section 5: State Service for the Handicapped
- Section 6: Occupational Licensing

Sincerely,
S/ Vernon Cheever
VERNON CHEEVER, Chairman
Subcommittee on Boards, Bureaus
and Institutions, G. C. A. O.

*** *****

January 10, 1955

Honorable Dan Thornton
Governor, State of Colorado
State Capitol
Denver, Colorado

Dear Governor Thornton:

Transmitted herewith is a copy of the First Partial Report, consisting of six sections, of the subcommittee which has been studying boards, bureaus and institutions for your Governor's Committee on Administrative Organization.

Sincerely,
S/ Allyn Cole
ALLYN COLE, Chairman
G. C. A. O.

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*Resigned, September 23, 1954.

GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

Subcommittee on Boards, Bureaus and Institutions

Higher Education

The Governor's Committee on Administrative Organization has taken note of the problem of the state institutions of higher learning. The members of the GCAO subcommittee on Boards, Bureaus and Institutions recognize that many of the record number of youngsters now in our elementary schools will soon be seeking an educational opportunity in the state-supported colleges and university. In fact, in a 1954 release entitled "The Rising Tide" the association of state-supported institutions of higher education in Colorado (the Presidents of the 7 such institutions) states that for every 100 students on the 7 campuses today, including residents of other states, there will be 216 students in 1969, or whereas there are 14,800 enrolled in 1953 there will be an estimated 31,900 in 1969* (not including extension or University Medical Campus enrollment). Fortunately in this problem area, time is still available to do constructive planning to permit the state to adequately program its efforts in meeting the responsibility of providing post high school education opportunity for the youth of this state.

This GCAO subcommittee has not had an opportunity, as yet, to fully explore this problem area. However, if continued

* This estimate has already been determined to be ultra-conservative.

this subcommittee intends to make this inquiry one of the first orders of business during the 1955 calendar year.

This subcommittee points to the fact that there are at present 4 boards (one constitutional) consisting of 25 persons responsible for the administration of the 7 state institutions of higher learning. In addition, the subcommittee notes that there are now 6 tax-supported junior colleges, under local district administrative authority, operating in Colorado. Add to these the non-tax-supported institutions of higher learning in this state as well as the adult education and vocational education programs sponsored with tax dollars and there is gained an idea of the extent of educational opportunity which is available beyond the high school level.

Colorado in 1949 was the second highest ranking state in terms of resident college enrollment, per 10,000 of total population, in non-Federal institutions of higher education, according to a 1952 survey¹ by the Federal Office of Education. Colorado, with 280.7 students per 10,000 of total population, was exceeded only by Utah. The national average was 164.1, and the average for all the mountain states was 211.5 students per 10,000 population, and this was the highest of any of the regional averages, due principally to the high rank of Utah and Colorado. Colorado's institutions of higher learning surpass the other seven mountain states in the number of subject fields

1. "Statistics of Higher Education, 1949-50," Federal Security Agency, Office of Education. Table XVII, page 28.

in which a student may obtain a degree.²

Number of Subject Fields in Which College
Degrees Were Granted During 1951
Mountain States

<u>State</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctor's Degree</u>
Arizona	40	21	2
Colorado	49	47	13
Idaho	39	16	--
Montana	37	20	--
Nevada	23	6	--
New Mexico	35	24	6
Utah	47	35	10
Wyoming	30	21	2

We can indeed be proud of this high rank, but we must also recognize that to maintain this status will require maximum utilization of physical plant and tax dollars.

In 1952 a report was prepared by Mr. John W. Bartram, Assistant to the President, University of Colorado, in which were enumerated the educational offerings at state-supported Colleges and Universities in Colorado. The subcommittee has not as yet been able to evaluate the data contained in this report, but upon the initial review it appears that these 7 Colorado institutions tend to overlap in the offerings in the major fields of study.

The GCAO committee has as its purpose the review of the organizational structure of Colorado state government and the functions being performed by the numerous state agencies. It

2. "Higher Education in the Forty-Eight States, Chicago, The Council of State Governments, 1952.

must of necessity inquire as to "why" the functions are being performed, "who" is and/or should be performing them, in "what" manner are they being performed, "where" are they being performed. The field of higher education is no exception. The state-supported institutions and their programs may present a more complex problem than some of the other functional areas in which the GCAO committee has inquired, but this does not preclude need for an inquiry. This GCAO subcommittee believes that Colorado needs to consider the purposes and functions of the several segments of higher education. There needs to be a study of the administration, control and coordination of the several segments of higher education in Colorado. In addition, the subcommittee suggests that inquiry should logically be made as to the number and types of students for whom the State should provide educational opportunity beyond the high school level; the types of educational opportunity to be offered; the functions of the publicly controlled institutions (and the relationship with the private institutions); and how to sustain the overall program once it is evolved. In other words, the inquiry may well ask, who should be educated? why should they be educated? where should they be educated? in what fields should they be educated?

This inquiry into the broad philosophy upon which is based the state-supported program of education must be made as well as the statistical projections of enrollment. Future

fiscal outlay for operating needs as well as for physical plant expansion must be evaluated and measured carefully. These requirements must be related not only to the philosophical questions raised above, but also to such practical problems as the question of enrollment ceilings for state colleges and university campuses, examining the need for any additional institutions, and the size of lower division enrollments in four-year institutions as related to junior college enrollments.

This subcommittee believes that a comprehensive inquiry needs to be made into the expenditures by the institutions of higher learning in order that questions may be answered as to expenditures for selected areas of instruction, by department; by student credit hours produced; as to the average size of classes; as to the relationship between the several segments for which expenditures are made. In addition, study should be made of the means, present and future, of financing these expenditures.

The question of "whither higher education" is not unique to Colorado. In fact most states face this same problem. Consider the views expressed in a 1954 release,³ by the American Association of Collegiate Registrars and Admissions Officers, regarding the problems and issues facing higher education:

"In the face of the tremendous elementary and secondary school needs which must be met before the oncoming students reach college age, and in face of the

3. "The Impending Tidal Wave of Students", a presentation by the American Assn. of Collegiate Registrars and Admissions Officers, October, 1954.

keen competition for the taxpayer's and philanthropist's dollars, higher education will be hard pressed to obtain the support necessary for continued high-quality educational opportunities.

"The first problem which confronts us is the decision whether or not to continue to offer a college education to all who are willing and able to take advantage of the opportunity. The second problem is to determine whose responsibility it is to provide these facilities in higher education. A third problem immediately presents itself in the determination of the source of financial support. Many other problems confront us. Shall the present colleges and universities be expanded, new ones established, or shall the number of students permitted to attend institutions of higher education be limited to existing facilities? What is the optimum size for each specific type of school? What are the changing needs of society for the education and training of youth? These and other problems have been discussed more fully in a previous publication of the American Council on Education, 'A Call for Action'.

"We cannot default now in the solution of these critical problems because we are being confronted with fantastic numbers of students. Everyone knows that we are in a world-wide struggle for world power. Our enemies have more land, more resources, more people, and if we permit them to provide more mass higher education, it will mean disaster. Our hope rests in an enlightened people from whom we can obtain the essential leadership necessary to build the kind of world in which we all want to live."

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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report

of the

Subcommittee on Boards, Bureaus and Institutions

Section 4

Colorado School For The Deaf and Blind

January, 1955

Research Publication no. 14, pt. 1, sec. 4

LETTER of TRANSMITTAL

January 9, 1955

Honorable Allyn Cole, Chairman
Governor's Committee on Administrative Organization
Glenwood Springs, Colorado

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Sincerely,
S/ Vernon Cheever
VERNON CHEEVER, Chairman
Subcommittee on Boards, Bureaus
and Institutions, G. C. A. O.

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ALLYN COLE, Chairman
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COLORADO SCHOOL FOR THE DEAF AND BLIND:

As a result of a legislative resolution, the Legislative Council prepared Research Publication No. 4 relating to the Industries For The Blind and in that report called attention to the multiplicity of state agencies participating in providing services for the handicapped. One of the points of reference in that publication applied to the lack of coordination between the administration of the state school for the deaf and blind at Colorado Springs and the other state agencies seeking to provide service to deaf or blind persons. In addition, the Chairman of the GCAO subcommittee received a number of letters from citizens calling his attention to conditions alleged to exist at the Colorado Springs institution and urging that an official inquiry be made by the reorganization committee. This was at about the same time that one of the local Colorado Springs newspapers was giving considerable attention to affairs at the deaf and blind school.

The GCAO subcommittee held a series of meetings to which representatives of the numerous agencies providing services for the handicapped were invited and requested to inform the members (and each other) as to what the several agencies were doing in this functional area of state responsibility. However, due to the considerable and persistent interest by Colorado citizens in the affairs of the deaf and blind school and in view of the shortage of time available to the committee and staff, most of the committee's time was spent in reviewing the situation at that institution.

The Colorado School for the Deaf and Blind is a state-supported institution at Colorado Springs for the education of blind, partially blind, deaf

and partially deaf youngsters between the ages of 6 and 21 years. Students reside at the school during the school term and are returned to their homes during vacation. During the 1953-54 school term there were approximately 70 students in the blind department and 122 students in the deaf department. The institution expends approximately \$320,000 annually and is supported partially from the receipts from the statutorily earmarked mill levy (\$255,000 in 1953-54), institutional earnings (approximately \$30,000 in 1953-54) and General Fund appropriations, \$35,000 in 1953-54. The school is under the control of a five-member board appointed by the Governor, and is under the administrative direction of a superintendent (not subject to civil service) appointed by and responsible to the board of trustees. The institution is one of the first state institutions to have been established and is provided for both by the constitution and the statutes. The physical plant is reported to have an estimated replacement value of \$2,184,132.

The GCAO subcommittee held four meetings specifically concerned with the school for deaf and blind, one of which was held in the school administration building at Colorado Springs and was attended by four of the five board members of the institution, the retiring superintendent and the press. In addition, the subcommittee chairman and the secretary met on several other occasions with representatives of the school. While in California, on other legislative business, the chairman of the subcommittee and the secretary spent a day in Berkeley and Oakland visiting with the superintendent of the California School for the Blind, visiting the campus of the California School for the Deaf and had a conference with represen-

tatives of the California Orientation Center for the Blind in Oakland.

Following this, they met in San Francisco, California, with the President and the Executive Secretary of the National Federation for the Blind and conferred on this and related rehabilitation problems.

As an additional part of the field investigation in this problem area, the chairman and the secretary conducted a series of home interviews with students and parents of students at the state school for deaf and blind. These interviews, supplemented as they were by statements from official representatives of organized blind and deaf persons, justified the conclusion that the state was falling far short of meeting the responsibility which it has undertaken on behalf of these handicapped youngsters, and that the responsibility for this failure appeared to rest squarely upon the shoulders of the administration of the school. No satisfactory evidence to contradict this conclusion was forthcoming from the man who was then school superintendent. However, inasmuch as there has been a change in superintendent at the state school for the deaf and blind, and as a result of GCAO subcommittee meetings with the board and the new superintendent, it is felt that the best interests of the deaf and blind youngsters of this state will be served by giving the superintendent an opportunity to inaugurate and proceed with his program and to observe the results thereof before the subcommittee examines further into the feasibility of incorporation this institution within the organizational structure of the State Department of Education. However, in the meantime the subcommittee has suggested to the administration of the institution a six-point program of improvement as follows:

1. Better job of educating the children.
2. Major "housecleaning" of the faculty.
3. Improvement of domestic counselling and care.
4. Maintain closer supervision over the school superintendent in the future.
5. Work closer with the state department of education.
6. Improve psychiatric and medical attention.

These suggestions were made to the administration of the state school for the deaf and blind on August 24th, and it is pleasing to note, that observations of the subcommittee chairman and secretary and reports reaching the subcommittee indicate that there has been a material improvement at this school in the last four months. However, the subcommittee does feel that on the basis of information and data secured by it and contained in its files, and in recognition of the relatively new legislative supported program of special education for handicapped youngsters in the local school districts, that there should be considerable attention given in the near future to the feasibility of bringing the administration of the state school for the deaf and blind under the constitutionally established State Board of Education. In fact the entire fabric of logic in the state maintaining a residential school for deaf and blind students may well be reexamined. During the 1953-54 school year there were 192 students listed as being in attendance at the state school for deaf and blind. Of this total number,

47	were from Denver and vicinity	
26	were from Pueblo and vicinity	
25	were from Colorado Springs and vicinity	<u>1/</u>
5	were from Grand Junction	
4	were from Greeley	
<u>16</u>	were from Wyoming	
123		

1/ This number is probably due in part to the fact that parents with deaf or blind youngsters have moved into Colorado Springs in order to be near to this institution.

The remainder came from scattered areas throughout the state, with as many as 20 more listed as coming from towns in which sizeable school districts are operated. These statistics appear to point to the need for a thorough analysis of where is the state going in the field of providing education for the handicapped. The question arises, where lies the responsibility for educating these youngsters--with the local districts of residence or with the state, and, if it is the state's--why? Is the emphasis to be on the financial assistance to local school districts, to assist them in developing special education classes on a local day school basis and to maintain a limited residential state financed school for those students from outlying areas where it is not feasible to conduct these special education classes locally; or would it be better to contract with the larger local school districts which operate special classes to educate the children from outlying areas and board them, under supervision, near the school of attendance; or is it best to continue to operate a full scale residential school for deaf and blind youngsters, open to all applicants, and thus operate in competition with another state sponsored program which is designed to help these same youngsters? Which method will be the most profitable to the youngsters involved as well as the most sound financial approach from the taxpayers' point of view. The question is not one which can be dismissed lightly nor easily resolved--much study and attention will be necessary if the state is to properly chart the future course in this field of education, and this course must be charted as expeditiously as possible.

During the interim while study is being made of the question of the

feasibility of bringing this institution under the State Department of Education, or of discontinuing a residential school in favor of integration on the local level, the GCAO subcommittee suggests that:

- (1) The name of the institution be changed to the School for the Deaf or Blind; or the School for the Deaf, and the School for the Blind.
- (2) That the minimum age be lowered to 4 years (now is 6 years) in order that the youngsters may be enrolled and given pre-school training to better enable them to undertake the first grade training at age 6.
- (3) The State Department of Education which is given by statute supervisory control over the state educational institutions (other than those of higher education) should be provided with sufficient professional staff to permit it to provide supervision and assistance in matters of curriculum, teacher certification and educational program.

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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report

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Section 5

State Services for the Handicapped

January, 1955

Research Publication no. 14, pt. 1, sec. 6

LETTER of TRANSMITTAL

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Governor's Committee on Administrative Organization
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STATE SERVICES FOR THE HANDICAPPED

Research Publication No. 4 of the Legislative Council, entitled "Report on Colorado Industries For the Blind," issued in April 1954, called to the attention of the Governor's Committee on Administrative Organization the overall problem of state services for the handicapped. In this report the Council stated:

"There is the five member board (five year term) created to supervise the Colorado Industries for the Blind; in addition, there are the following boards, the function of which relate either directly or indirectly with the state's activities in the field of services for the handicapped:

"1. The Board of the Colorado School for the Deaf and Blind composed of five trustees (six year terms) to oversee the School for the Deaf and Blind at Colorado Springs.

"2. The State Board of Public Welfare, seven members (three year terms) administers the aid to blind and the aid for needy disabled programs. Included under the Department of Public Welfare is the Division of Services for the Blind, with a Director of Services for the Blind.

"3. The State Board of Vocational Education and Vocational Rehabilitation, five members (six year term), was established in recognition of the need for rehabilitation services to handicapped persons (other than blind). This program is administered by a full-time director and a sizable staff.

"4. The Public Institutions Advisory Board, three members (six year term) created in 1951 has the function 'to advise with the governor on the supervision, management, conduct and control of the public institutions...' The Department of Public Institutions with a full-time Director has 'general supervisory control' over the Board of Industries for the Blind and the Department of Public Welfare (as well as nine other institutions).

"Three of the above boards (all but welfare and the advisory board) are classified as being 'Educational' in nature and this

brings into the discussion:

"5. The State Board of Education, constitutionally provided for, five members, (six year term) which under said basic document has 'general supervision of the public schools of the state...' In addition, the Laws of 1949 included under the newly created Department of Education, among other activities, the State Board for Vocational Education -- however, the law further provides that the Vocational Education Board (also charged with supervision of vocational rehabilitation) would continue 'as now constituted and existing.' This situation has caused the State Board of Education concern as to where it stands legally in relation to the state vocational program.

"It appears reasonable to conclude that Colorado has more than a slight case of 'BOARDITIS' in the field of providing educational and rehabilitation services for the handicapped. Such a dispersal of authority readily lends itself to a lack of coordination of effort and can result in unnecessary duplications, overlapping of authority and an uneconomic expenditure of state funds."

In addition, the Council recommended that,

"...the permanent Subcommittee on Boards, Bureaus and Institutions of the Governor's Committee on Administrative Organization further examine this overall problem and attempt to effect an integration of services to the handicapped, including the blind. SPECIFICALLY, THAT SAID SUBCOMMITTEE EXAMINE THE FEASIBILITY OF COMBINING ALL REHABILITATION EFFORTS (INCLUDING THE SHELTERED WORKSHOP) AND PLACING THEM, AS A UNIT, WITHIN THE DEPARTMENT OF EDUCATION UNDER THE SUPERVISION OF THE STATE BOARD OF EDUCATION."

Following receipt of this report, the G.C.A.O. Subcommittee on Boards, Bureaus and Institutions called a meeting for May 14, 1954, and invited representatives of the several state agencies which provide service to the handicapped (and the Federal Rehabilitation Office) to appear for the purpose of informing the subcommittee as to their activities in this field. The following

persons and agencies were present:

Mrs. Alegra Saunders	Member, State Board of Education
H. Grant Vest	Commissioner of Education
Burtis E. Taylor	Asst. Commissioner, State Dept. of Educ.
B. C. Essig	Member, State Board of Vocational Education
Dorsey Richardson	Director of Rehabilitation, State Board for Vocational Education
A. R. Bunger	State Board for Vocational Education
H. C. Carpening	Federal Office of Vocational Rehabilitation
Mary N. Stephenson	State Department of Public Welfare
William T. Coughlin	State Department of Public Welfare
Ruth Da Volt	Colorado Industries for the Blind
Chuck Collins	Director of Rehabilitation, Industries for the Blind
A. J. Lockhart	Colorado Industries for the Blind
A. L. Brown	School for Deaf and Blind
Mrs. Paul Thompson	League of Women Voters of Colorado
Mr. D. W. MacCorquodale	League of Women Voters of Colorado
Beulah B. Black	Visitor
Veda Jones	Visitor

This meeting demonstrated the multiple approach which Colorado has in the provision of over \$1,100,000* in annual state expenditures for services for the handicapped. In addition, it was apparent that there was overlapping of services, lack of close liaison between the agencies and a need for tightening the overall control of the state program of services for the handicapped.

For example, there was not in existence a close liaison between the State School for Deaf and Blind and the Blind Rehabilitation facility, and this lack of liaison was working, in the opinion of the subcommittee, to the detriment of the blind youngsters (as well as the taxpayers). There was not a satisfactory liaison between the Industries For the Blind and the Blind Rehabilitation facility. Liaison between the Blind Rehabilitation facility and the Welfare Department's Division of Services For the Blind was not adequate, nor was it clearly demon-

*Does not include any state institution except the School for Deaf and Blind.
Includes approximately \$800,000 of state funds.

strated as to why a Division of Services for the Blind in the Department of Public Welfare is necessary in addition to the state--operated Blind Rehabilitation facility. In the five years which have elapsed since the General Assembly passed the "State Department of Education Act of 1949" there had been no contact between the administrative head of the Colorado School for the Deaf and Blind and the Department of Education -- despite the fact that the legislation specifically gave the state department supervisory powers over the school for deaf and blind.

It should be pointed out that in the last three months, due to a change in administrative personnel, there has been a considerable improvement in the administrative liaison between the Director of Blind Rehabilitation and the Industries for the Blind, and in the liaison between the School for Deaf and Blind and the Blind Rehabilitation facility and between the School for Deaf and Blind and the Department of Education. This has improved the level of state services and has been very gratifying for this subcommittee to observe. However, the diffused organizational structure continues to exist as does the very real possibility that these agencies may again drift far apart.

The Division of Vocational Rehabilitation is a unit within the State Department of Vocational Education, and is the principal rehabilitation facility of the state. The rehabilitation service for blind persons is separate and apart from this division -- Colorado is one of 35 states which operates separate programs of rehabilitation for the blind. It was reported to the subcommittee that there is not any major duplication of effort between these two agencies. However, again this appears to be directly related to the personalities of the individuals

administering the two programs and not due to the organizational structure.

There appears to be fairly close cooperation between the State Department of Welfare and the vocational rehabilitation agency, and also between the Office of Employment Security, the Workmen's Compensation Fund and the Division of Vocational Rehabilitation.

The attention of the subcommittee was diverted, shortly after this meeting, from its inquiry into the overall problem of state services for the handicapped, and it has not been able to fully inform itself on the extent of the problem nor the needed remedies. However, it is certain that the current situation with respect to the blind is considerably improved over that which it found when first delving into this area of state service.

The subcommittee suggests that there be a continuation of this inquiry into the rehabilitation services for the purpose of determining whether it is feasible to have a single rehabilitation agency in Colorado, particularly in light of the widely expanded federal program in vocational rehabilitation. With numerous state agencies each having a piece of the handicapped program, without adequate coordination of their efforts, such condition, unquestionably leads to duplication, waste, and unnecessary expense, on one hand, and does not contemplate the necessity or range of an overall program.

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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report

of the

Subcommittee on Boards, Bureaus and Institutions

Section 6

Occupational Licensing

January, 1955

Research Publication no. 14, pt. 1, sec. 6

LETTER of TRANSMITTAL

January 9, 1955

Honorable Allyn Cole, Chairmān
Governor's Committee on Administrative Organization
Glenwood Springs, Colorado

Dear Mr. Cole:

Transmitted herewith is the First Partial Report of your subcommittee on Boards, Bureaus and Institutions. This report contains the following sections:

- Section 1: Conservation
- Section 2: Department of Education
- Section 3: Higher Education
- Section 4: School for the Deaf and Blind
- Section 5: State Service for the Handicapped
- Section 6: Occupational Licensing

Sincerely,
S/ Vernon Cheever
VERNON CHEEVER, Chairman
Subcommittee on Boards, Bureaus
and Institutions, G. C. A. O.

*** *****

January 10, 1955

Honorable Dan Thornton
Governor, State of Colorado
State Capitol
Denver, Colorado

Dear Governor Thornton:

Transmitted herewith is a copy of the First Partial Report, consisting of six sections, of the subcommittee which has been studying boards, bureaus and institutions for your Governor's Committee on Administrative Organization.

Sincerely,
S/ Allyn Cole
ALLYN COLE, Chairman
G. C. A. O.

GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

(G C A O)

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Mr. Allyn Cole was named on May 17, 1954 to replace Jean S. Breitenstein as chairman of the full committee and the steering committee.

Senator James Mowbray was named on May 17, 1954 to replace Senator Ben Bezoff.

*Resigned, September 23, 1954.

OCCUPATIONAL LICENSING

Early in the deliberations of the GCAO subcommittee on Boards, Bureaus and Institutions there was considerable discussion regarding the functioning of occupational licensing boards. - Colorado has 21 separate boards¹ which conduct examinations to determine the fitness of candidates for licensure in the various professional and occupational fields, and there are over 35,000 individuals licensed by these agencies of state government. Although these boards (except for lawyers and plumbers) are placed nominally in the division of registrations under the Secretary of State, there is no coordination of the boards and they are for all practical purposes floating loosely about in the organizational structure of state government. Here indeed is an important segment of state government operations, deserving the subcommittee's attention not only from an organizational point of view but also, and perhaps most important, in terms of the public interest as affected by the actions of these boards.

Although this subcommittee was not able at this time to undertake a thorough inquiry into the field of occupational licensing boards, it was at the suggestion of the committee that a member of the graduate program in government administration at the University of Denver made an exhaustive analysis of this field and prepared a 147-page thesis² thereon which was accepted in partial fulfillment of the requirements of a Master's Degree in Government Management.

This report (the Lawless Report) contained a number of observations and

-
1. Does not include teacher certification.
 2. "A Study of the Occupational and Professional Examining Boards of Colorado," by Robert Lee Lawless, 1954.

conclusions which the GCAO subcommittee has not been able to fully evaluate as yet. However, the report does appear to provide an excellent foundation upon which future subcommittee's inquiry may be based. Concerning as it does the activities of 21 state boards which in turn license over 35,000 Colorado residents, this subcommittee felt that excerpts of the report should be reproduced at this time for the benefit of those interested in this field of state government operations. They are as follows (with page references):

"A recent study performed by the Council of State Governments stated the following: '...governmental restrictions on requirements for entrance to the professions and certain of the more common occupations do perform both of these functions. They promote the public welfare and protect public health, safety and morals, and at the same time lay the foundation for creating monopolies that inhibit market competition.' ...It is in the areas of setting standards and conducting hearings that emphasis can be shifted from a concept of the public's benefit to a program for professional advancement through monopolistic tendencies. The boards that hear evidence of violations of standards and rules are the boards that make rules, compose, administer and grade examinations. Professions and trades are competitive in nature and a government should think twice before granting final regulatory powers to men already established in a dominantly competitive position." (Pages 1 and 4)

"A study of the licensing function in Colorado poses the question as to whether or not concern for professional self-interest has become paramount in the minds of the members of the examining boards and other practitioners, as reflected in legislation governing the professions and occupations. A corollary of this question is whether or not concern for public welfare has become a subsidiary of legislation enacted controlling entrance into and regulation of the occupational and professional groups. (Page 2)

"This study is concerned with the following problems: (1) whether the greater emphasis in occupational licensing is placed on professional or public interest; (2) the effectiveness of state administrative control over the examining boards; and (3) the duplication of routine administrative functions." (Page 2)

"The legislation regulating professions and occupations in Colorado provides little administrative control over the practitioner-constituted examining boards. Thus, another question is raised as to whether the state has abdicated administrative control of professional and occupational licensing in favor of the group to be regulated." (Page 5)

"Interviews with at least one representative from each of the examining

boards revealed that the Department of State does not review the rules concerning the examinations in order to ascertain their fairness and impartiality. Thus, there is no effective administrative review of the examining procedure of the professional and occupation licensing boards in Colorado." (Page 6)

"TABLE I
 LICENSED OCCUPATIONS
 AND DATES OF LICENSING STATUTES
 (Page 8)

Licensed Group	Date of Statute	Reciprocity Provisions
Abstracters	1929	No
Accountants	1907	Yes
Architects	1909	Yes
Athletic Commission	1927	No
Barbers	1909	No
Basic Science	1937	Yes
Chiropractors	1933	Yes
Collection Agency	1937	No
Cosmetologists	1931	Yes
Dentists	1889	No
Engineers and Land Surveyors	1919	No
Funeral Directors and Embalmers	1918	No
Lawyers	1876	Yes
Medical and Osteopathic Doctors	1881	Yes
Nurses	1905	Yes
Optometrists	1913	No
Pharmacists	1893	Yes
Plumbers	1917	No
Real Estate Brokers and Salesmen	1925	No
Shorthand Reporters	1925	Yes
Teachers	1917	No
Veterinarians	1909	Yes

"TABLE VI

NUMBER OF EXAMINEES AND LICENSEES
IN THE LICENSED PROFESSIONS AND OCCUPATIONS IN 1953
(Page 30)

Licensed Group	Number of 1953 Licensees	Number of 1953 Examinees	Successful Examinees	Per Cent Passing
Abstracters	65	---	---	---
Accountants (CPA)	375	151	32	21
Architects	149	83	24	29
Barbers	2,250	180	---	---
Chiropractors	500	30	26	87
Collection Agencies	116	121	116	96
Cosmetologists	4,062	158	155	97
Dentists	1,101	88	61	67
Engineers and Land Surveyors	1,890	10	5	50
Funeral Directors and Embalmers	1,184	7	6	86
Lawyers	2,200	79	35	44
Medical and Osteopathic Doctors	3,276	228	227	99
Nurses	6,437	252	246	99
Optometrists	216	21	7	33
Plumbers (Master)	647	115	46	40
(Journeymen)	1,054	155	109	70
Pharmacists	2,397	80	58	72
Real Estate Brokers	2,418	304	226	75
and Salesmen	4,804	1,210	1,047	86.5
Shorthand Reporters	50	11	4	36
Veterinarians	---	64	63	98

Source: Interviews with a representative of each of the licensed professional or occupational groups. Data for the Athletic Commission, the Board of Examiners in the Basic Sciences, and the Examining Board of Teachers are not included in this table.

The Lawless report in commenting upon one Board stated:

"The Board...has one of the highest ratios of failures on examinations of any of the examining boards of the state. It is not within the purview of this study to review technical matters of the respective professions. Yet, when such a high percentage of examinees fail, even after meeting pre-examination qualifications, a question arises, 'Are the examinations constructed in order to weed out the incompetent applicants for the public's protection, or is there an intent to restrict the number of practitioners allowed to legally enter the profession each year, thus protecting the established members of the profession?' (Page 40)

"There is no close supervision of the activities of this board by an administrative department of government. Adequate administrative supervision over the content and method of testing could increase the fairness of examinations and decrease potential restrictive tendencies of a board, if they were to occur." (Page 40)

"The findings of this study recognize that professional regulation does help to keep out misfits from practice, and, in that way, the public is protected. No valid reason exists, however, for legislation permitting the examination, and subsequent licensing of practitioners, and regulation of matters affecting the general populace to be left entirely to professional discretion, without some control being exerted by a representative of the general public." (Page 68)

With respect to administrative functioning of the examining boards, the Lawless report included the following statements:

"The examining boards for the larger occupational licensing groups, such as medicine, nursing, barbers, cosmetology, real estate brokers, pharmacy and the athletic commission employ full-time civil service employees whose duties include accounting for the boards' operations. The remainder of the boards have a part-time employee, or employees, who are often jointly employed by a member of the examining board or the respective professional association, to perform accounting functions. In the smaller boards the accounting records have not as a general rule been maintained in the best manner; but, basic records have been maintained for the most part in accordance with the prescribed state account classification and have been reconcilable with the records of the state controller." (Page 95)

"Pre-numbered receipts and pre-numbered licenses are issued by most of the examining boards, and, according to the state auditor's reports, can be properly accounted for." (Page 98)

"The secretary of one of the smaller boards pointed out a problem inherent in administration by a board. He said that when he was appointed to the board he was completely unfamiliar with the situation and did not know what was expected of him as far as record keeping was concerned. He found that a practitioner of a licensed profession or occupation does not necessarily possess the necessary knowledge to permit the proper handling of accounts. Professional duties further handicap the average board member by the fact that he does not have time to devote to the board's operations." (Page 100)

"The views of the board member mentioned above summarize the prevailing condition of administration, especially in the small boards that have no regular office staff. Routine clerical work and account keeping is thrust upon a person engaged in full-time professional practice who ordinarily has neither the time nor training to devote the needed attention to the business affairs of the board." (Page 100)

"The audit report submitted to the governor in 1950 suggested that consideration be given to the establishment of a central accounting office for the maintenance of the records of the small boards which do not have a full time office staff. It stated that such a centralization would not change the responsibility for the funds of the various boards. The report further urged consideration of consolidation of office facilities for the examining boards." (Page 101)

"At the present time there is no coordination or cooperation among any of the boards for the inspection and policing of the licensed fields. There is no administrative supervision to determine the need for such functions." (Page 109)

"The state of Illinois has an investigation division in its Department of Registration and Education, which is the agency that handles the licensing for the occupations and professions. Each investigator employed by the department is required to complete a thorough indoctrination course in legal phases of the act governing the licensed occupations and professions, the gathering of evidence, and the prosecution of cases in the fields to which he is assigned." (Page 110)

"An attempt was made in the course of this study to examine the records of the Division of Registrations, but no such records exist. The office of the Secretary of State does not maintain any system of centralized records for the boards constituting the Division of Registrations. In the not too distant past, some of the boards have not submitted annual reports of their operations to the governor as is required by law. The administrative office of the governor has no extensive file of annual reports submitted by the examining boards." (Page 113)

"The appointed board of examiners in each licensed profession and occupation composing the Division of Registrations acts in a quasi-judicial capacity in cases involving alleged violations of the law and of the rules of the board. There is no lay member of the public on the boards which hold the hearings. (Page 115)

"Hearings are held by a group of practitioners who constitute the examining board. This group also makes the regulations and rules which have the force of law. In addition they supervise the composition, administration and grading of examinations for entrance to the groups. A single body then, has administrative, legislative and judicial powers. There are no lay members to represent the general public on the boards." (Page 120)

"The establishment of a separate department for professional and occupational licensure is recommended as the most practicable way to insure the licensing and certification of only qualified persons to practice in the professions or trades affecting the public health, safety and welfare. A separate licensing department could maintain fair and impartial treatment for candidates desiring admission to their chosen field and also create and maintain standards to protect the prestige and integrity of the professions and occupations." (Page 121)

"It is recommended that records and accounts of the present examining boards be integrated into a centralized accounting section under the proposed department of professional and occupational regulation." (Page 126)

"Advantages of Integration of Accounts and Records (Page 127)

"(a) The work load could be leveled. Issuance dates of licenses could be staggered for the various professions. At the present time different dates are employed by some of the boards for the renewal of licenses.

"(b) Office systems and procedures could be simplified and more easily reviewed. In the past, as indicated in previous sections of this study, the state auditors have not been able to review properly transactions of all the boards and have had to base their investigations in part on reports obtained from the controller's office.

"(c) Savings could be effected on fidelity bonds. The laws pertaining to most of the licensing boards in the state require the persons connected with the boards who handle revenue to be bonded. In several of the boards more than one person must be bonded according to the pertinent statute.

"(d) A mechanization of the issuance of licenses could be instituted which would prove advantageous. A uniformity could be achieved that is not presently existent in the various boards.

"(e) Office rental costs could be reduced, but more important the licensing functions could be under integrated administrative control instead of the present situation where the offices of the boards are widely dispersed and there is no cooperation among them for similar functional operations."

"...it is recommended that under an integrated system of professional and occupational regulation all revenue of the separate groups be paid into the general fund. Legislation should be enacted to abolish the nineteen funds established by the individual laws applicable to the examining boards constituting the Division of Registrations." (Page 130)

"A conclusion of this study is that if the general fund of the state helped to support the operation of licensing and examining of the professions and occupations, some of the feeling of self-sufficiency and the right of self-regulation would be diminished in the licensed fields." (Page 131)

"If the purpose of the examining boards is to license persons who are qualified to practice in fields affecting the public welfare, and not to act merely as a means of limiting competition, then effort should be taken to ensure every qualified person the opportunity to enter the field for which he has prepared himself." (Page 140)

"Under the usual hearing procedure an applicant for licensure or a licensee accused of a violation has no administrative relief from a board's decision. An appeal may be made to the district court, but the courts cannot require a board to issue a license; the board can only be directed to re-consider the facts involved. The courts can set aside a decision of a board pertaining to the revocation or suspension of a license if the aggrieved licensee can prove arbitrary and capricious action by the board. But as an attorney in the Attorney General's office has stated, such action is difficult to prove against a board. (Page 140)

"The (proposed) department of regulation should have an enforcement officer to prosecute violators of the law. The present procedure followed by the examining boards leaves the prosecution of violators to the district attorneys in the district where the alleged violations occur. A recent report of the Board of Pharmacy mentioned that sometimes after hours and days of investigation by the board's inspectors, an investigation must be dropped because a district attorney may be unsympathetic to a case, and will not prosecute it. (Page 141)

"It is recommended that the director of the (proposed) department of regulation be authorized to employ an enforcement officer who works in the name of the department, and who may press charges for violations instead of relying on separate departments of law enforcement." (Page 141)

"The examining boards as presently organized have but few employees. However, each of the larger boards has an executive secretary or an administrative assistant. An integrated department of licensing could conceivably eliminate duplicating features of similar jobs in the separate boards. In several of the boards; where a technically competent executive secretary or administrative assistant is employed, part of the work of that person consists of routine clerical work. Such work could be performed by competent clerical employees." (Page 142)

"A uniformity in the licensing field should exist so that the public can have responsive administrative control over them. If each licensed group is placed under the department to which it is most closely related, the idea of administrative control and responsibility is obscured. The duplication would exist in such an organizational pattern as it does in the present nineteen boards forming the Division of Registrations. Preferential treatment should not be accorded any profession or occupation. The basic purpose of licensing professions and occupations should be to secure qualified practitioners. This study concludes that a properly established examining department could function in one professional or occupational area as well as another, with proper advisory assistance from the respective licensed groups." (Page 143)

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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report

of the

Subcommittee on Personnel

Research Publication no. 14, pt. 2

January, 1955

LETTER OF TRANSMITTAL

January 9, 1955

Honorable Allyn Cole, Chairman
Governor's Committee on Administrative Organization
Glenwood Springs, Colorado

Dear Mr. Cole:

Transmitted herewith is the First Partial Report of your Subcommittee on Personnel.

Sincerely

/s/ Geo. Saunders

GEORGE SAUNDERS, Chairman
Subcommittee on Personnel
GCAO

January 10, 1955

Honorable Dan Thornton
Governor, State of Colorado
State Capitol
Denver, Colorado

Dear Governor Thornton:

Transmitted herewith is a copy of the First Partial Report of the Subcommittee which has been studying personnel problems for your Governor's Committee on Administrative Organization.

Sincerely

/s/ Allyn Cole

ALLYN COLE, Chairman
GCAO

GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

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Stephen Hart (Denver)
James Groves (Grand Jct.)
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* Resigned, September 23, 1954

MEMBERS OF THE SUBCOMMITTEE

George E. Saunders, Chairman, Former Secretary of State and administrator of that office at the time it was responsible for the motor vehicle department and other functions. Mr. Saunder's office was, during the time he occupied it, a principal employing department.

Walter W. Johnson, Former Governor of the State, Lt. Governor and State Senator for 12 years.

David Hamil, Speaker of the House of Representatives, and a legislator with fourteen years experience in the General Assembly.

William A. Carlson, Member of the Colorado State Senate, with sixteen years continuous legislative service, and chairman of the General Assembly Interim Committee on Salaries of the Colorado General Assembly in 1945-46.

James Groves, Attorney, Grand Junction,

Albert G. Davis*, Attorney, Pueblo, Member, House of Representatives, 39th General Assembly.

Staff for the Subcommittees:

Shelby F. Harper, Secretary for the Committee, Director of the Legislative Council.

Harry S. Allen, Senior Research Analyst, Legislative Council.

* Resigned, September 23, 1954

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A STUDY OF STATE PERSONNEL ADMINISTRATION

The state government is one of the largest employers in Colorado. More than 10,000 persons work for it in various units and the annual payroll exceeds \$32,000,000; 6,500 employees are in the classified service. In 1918, when Colorado adopted its present civil service amendment, there were approximately 1,250 employees in the state service.

The state government of Colorado comprises many enterprises, each requiring a number of special skills. Its expansion has brought an attendant expansion of problems. The practices of administration which were sufficient in the days of 1918 are no more applicable in 1954 than is the 1918 automobile sufficient for today's travel requirements. And in no area is this truer than in the field of personnel. In 1918, when the state government was relatively simple and special skills were not needed to the same degree as they are now needed, civil service reforms were keyed to one paramount thought -- eliminate the spoils system. Then the thought of the civil service reformers was to make sure that no political favoritism entered into public employ. The emphasis was entirely on a rigid separation of government employees from governmental politics. In this spirit was born the Colorado Civil Service amendment -- article XII of the constitution. Its high purpose was to bring into state government qualified persons. In this respect it should be noted that the civil service system has accomplished much good, and the subcommittee wishes to state clearly that the employees of Colorado state government compare in sincerity of purpose and devotion to their jobs and over-all effort with employees in private industry. The Colorado government service is not made up of "industrial rejects", but is composed of persons sincerely dedicated to public service.

But much has happened since 1918. A spoils system in the sense it once existed is no longer possible in state government. Not even the most calloused advocate of "to the victor belongs the spoils" could even begin to populate state government offices with the party faithful. So big and so complicated has become our government, that in large sense the technician has achieved a sort of security for that very reason. This fact does not mean that governments in general, and the Colorado state government in particular, should retreat from the principle of merit in public employment, but it does mean that other considerations are also now of great importance, and that a personnel system must be positive in its approach rather than merely act as a policeman to prevent administrative wrong-doing.

In approaching its work the subcommittee had no preconceived ideas about Colorado's Civil Service system. It heard testimony very ably and forthrightly presented by the members of the Colorado Civil Service Commission. This testimony gave the committee a better insight into the problems of the Commission and a sincere appreciation of the fine work which they have done. The personnel officers of the departments were heard, and they very clearly explained the results of Colorado's civil service program from the working level of their offices. Representatives of the employees association were before the committee, for the committee felt that the feelings and needs of the employees must be a prime consideration. The word, personnel, sometimes hides the fact that in this area of government we are dealing with the most personal problem a man can have -- his livelihood. Experts in the field of personnel from private industry and other government agencies were asked for their views and they presented them to the committee.

From all of these persons and from staff research into the problem

the committee arrived at its position which is indicated in the report. The committee, in the following pages principally identifies the problems, and suggest some methods, by which the General Assembly, can start modernizing Colorado's Civil Service program, even within the present constitutional limitations. Other issues are identified which can be solved only by the people through constitutional amendment.

In its deliberations, and its recommendations, the committee has had as its guiding thought, development of a career service which will select as public employees for the State of Colorado, the best of our citizens on merit, free of political influence, with incentives in genuine opportunity for promotion and a career in public service. The committee also had as a thought that inefficient and unnecessary employees must, through the system, be weeded out. In the combination of these two thoughts lies the method by which persons dedicated to the public service may continue to become members of our state employment and remain in its employ.

Chapter I

MAJOR CONSTITUTIONAL PROBLEMS

The fundamental question before the subcommittee concerns whether, in the interest of good and businesslike government, the Civil Service Commission should continue to occupy the dual role of a policy making body and an administrative agency. In addition, there are four constitutional operating questions involved: first, lowering of the age from 21 to 18 for certification of employees; second, limiting veterans preference to entrance examinations only instead of permitting veterans preference throughout the entire government service of the veteran; third, elimination of the rule one; and fourth, removal of department heads from civil service. On the first three issues, there was general agreement among the civil service commissioners, the department personnel officers and others concerned with the problem. The fourth major issue remains unresolved, and this subcommittee has no recommendations to make at this time, since it is not a major obstacle to civil service reform. Each of the issues on which there seemed to be agreement is briefly discussed as follows:

Age Requirements

One of the operating problems created by the constitutional limitations on civil service is the requirement that civil service employees be "qualified electors" of the state. This provision eliminates the possibility of employing any person under 21 years of age. Such a limitation precludes the recruitment of able high school graduates and creates serious problems in the secretarial and clerical areas particularly. Under the limitation it is virtually impossible to employ inexperienced persons for secretarial work and train them in the program. Normally a person graduates from high school or business school at 18 or 19, and seeks employment immediately. Thus

the committee arrived at its position which is indicated in the report. The committee, in the following pages principally identifies the problems, and suggest some methods, by which the General Assembly, can start modernizing Colorado's Civil Service program, even within the present constitutional limitations. Other issues are identified which can be solved only by the people through constitutional amendment.

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The fundamental question before the subcommittee concerns whether, in the interest of good and businesslike government, the Civil Service Commission should continue to occupy the dual role of a policy making body and an administrative agency. In addition, there are four constitutional operating questions involved: first, lowering of the age from 21 to 18 for certification of employees; second, limiting veterans preference to entrance examinations only instead of permitting veterans preference throughout the entire government service of the veteran; third, elimination of the rule one; and fourth, removal of department heads from civil service. On the first three issues, there was general agreement among the civil service commissioners, the department personnel officers and others concerned with the problem. The fourth major issue remains unresolved, and this subcommittee has no recommendations to make at this time, since it is not a major obstacle to civil service reform. Each of the issues on which there seemed to be agreement is briefly discussed as follows:

Age Requirements

One of the operating problems created by the constitutional limitations on civil service is the requirement that civil service employees be "qualified electors" of the state. This provision eliminates the possibility of employing any person under 21 years of age. Such a limitation precludes the recruitment of able high school graduates and creates serious problems in the secretarial and clerical areas particularly. Under the limitation it is virtually impossible to employ inexperienced persons for secretarial work and train them in the program. Normally a person graduates from high school or business school at 18 or 19, and seeks employment immediately. Thus

the state cannot offer a job for at least two years by which time the person has in most cases, become established in better paying private employment. The subcommittee strongly recommends as did the personnel directors of the departments, the Civil Service Commission, and the representatives of the Employees Association, and this constitutional provision be changed.

Veterans Preference

Colorado voters, by a decisive vote, wrote veterans preference into Civil Service in 1945. Under terms of the constitutional amendment, preference of five points for all veterans and ten points for disabled veterans must be added to their scores for all examinations. It is the term, "all examinations" which causes the most trouble, for it means that veterans preference is a lifetime benefit which carries through the entire career of a state employee. These bonus points must be added to promotional examinations as well as qualifying or entrance examinations. Thus the non-veteran must always be at a serious disadvantage as far as advancement within the state service is concerned. The effects of this can best be illustrated by a specific example. At one institution an examination for the position of business manager was held. The person holding the provisional appointment, and the one best qualified, ranked 19th on the examination. Had veterans preference not been granted to other examinees, he would have ranked first, but in eight cases five points were added to the scores of competitors and in ten cases, ten points were added. Here is a case of a man doing a good job, obviously qualified for promotion, but denied an opportunity to advance in his career, by a continuing liability. The committee recommends that the constitution be changed so as to provide veterans preference only on entrance examinations and not on promotional examinations. This basic purpose of veterans preference is to enable a returning

serviceman to be more easily integrated into civilian life, not to provide a permanent advantage.

The Rule of One

The Colorado constitution requires that the man placing first on a particular test be placed in a job if there is no eligible person on a re-employment list (persons who were displaced from state jobs through layoffs, and who are otherwise qualified for the positions in question). Thus a department head has not discretion in selecting any member of his staff, but must hire an individual despite the fact that such person may not be temperamentally suited to the job, or may not otherwise be able to fulfill the requirements. The situation is further complicated by the fact that there is no probationary period in state civil service in which it is possible to find out how a man will fit into an organization.

Modern personnel practice concedes that there has not yet been a test devised to measure how a man will fit into an organization or how well he will perform under actual job situations. Despite the fact that a person may place first on a test, it is conceivable that he may be a very poor person for a particular job.

Private industry recognizes that the intangibles are as important to job success as technical qualifications. Colorado's civil service system does not take this into account, and in keeping with the practices and philosophy of 1918, it rigidly requires that the first man on the list be hired.

Most public jurisdictions have softened this requirement and permit a department head to hire any of the top three persons, and the most modern merit systems require only that a person pass a qualifying examination rather than a competitive examination. The department head may then select from the entire list of qualified personnel.

The latter method achieves the principal goal of civil service --

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insuring that all persons in the public employ are qualified to hold the positions to which they are appointed. It also eliminates one of the biggest single objections to civil service by allowing the department head to choose his own staff within prescribed limits of ability.

The rule ^{of} one is perhaps more serious in regard to promotional examinations than it is in original entrance examinations. Virtually every department personnel office stated that there were many cases where persons were promoted into supervisory positions by virtue of placing first on the test, but the persons were not suited to those positions under the particular circumstances. Even were there tests to measure a person's ability to supervise on a more accurate basis than we now have, the very important problems of how a man gets along with the people whom he must supervise and the respect which his fellow employees have for him, are matters of extreme importance. A person may be able to pass all of the test with an exceptional grade, and yet be completely unsuited for a higher grade position which involves additional professional or supervisory responsibilities. The rule of one prevents extending recognition to this, and is probably the most serious constitutional defect in the entire merit system.

Even the rule of three which permits selection of any of the top three candidates has come in for serious criticism as being far too restrictive in its application. The Commission on the Reorganization of the Executive Branch of the Government (Hoover Commission) strongly advocated "that appointing officers should be given more leeway than the present rule of three permits in the selection of personnel from among qualified applicants."

Personnel officers have indicated to the committee that the rule of one has frequently resulted in the necessity of employing extra people since the person which they must hire often just cannot do the job -- yet there is nothing specific for which dismissal action can be started. An auditor for

example, may not have proper public relations with the private firms whose accounts he must audit. This is intangible, and could never be concretely proven as a cause for dismissal. The department head however realizes that this particular person is just not suited for field work -- and so he must then hire an additional person for the job. In some departments there have been two or three persons hired for a single job simply because the rule of one has forced people into the department.

Chapter II

OPERATING PROBLEMS IN COLORADO CIVIL SERVICE

Provisional Appointments

Only one-third of Colorado's 10,000 employees are fully protected under the merit system. The balance of the employees are either provisional appointees or work for agencies which are exempt from the system. A provisional appointee is a person designated to a classified position without passing a competitive examination. The intent of provisional appointment is to take care of emergency situations and fill positions until a test is given. In practice, however the provisional appointees have, in many cases remained in that status for the entire length of their state service. The table on the following page indicates that approximately 10% of all provisional appointees have been in that status prior to 1948.

In testifying before the committee, the Civil Service Commission indicated that provisional appointment, while a problem of long standing in Colorado civil service, is becoming more serious. At the close of 1952, 67% of the positions in the classified service were held by fully certified employees. At the end of fiscal 1954 only 45% of the positions in the classified service were staffed by fully certified employees. To put the situation differently, Colorado has 6,500 persons in the classified civil service out of 10,000 employees. Of the 6,500 positions, 3,125 are filled by provisional appointments. Only the remaining 3,375 employees fully certified can be classified as "civil service" employees.

The commission attributes the increase in the number of uncertified employees to cuts in the commission budget which have forced a curtailment of its testing program. This curtailment of testing combined with approximately at 25% turnover of employees a year has meant that most

new appointees to the state service have been on a provisional basis. The fact that provisional appointees have no tenure and may be dismissed by the department head without hearing, means that the intent of the merit system as originally conceived has been largely nullified in Colorado. It is interesting to note, however, that despite the fact that department heads have the dismissal power over their employees, merit principles have almost universally prevailed in both hiring and firing. This must be taken as an indication that the day when it was possible to fill state jobs on the basis of patronage alone, has vanished.

The reasons for the growth in the number of provisional appointees becomes fairly clear when the number of examinations given over the past three years is examined. In 1951 the civil service commission conducted 307 examinations of all types; in 1952 the number of examinations decreased to 224; and in 1953 only 41 examinations were given. From the commission staffing standpoint the reasons for the decline of the examination program are self-evident. Whereas, in 1951 the commission had a sufficient budget to employ ten staff persons as either job analysts or examiners, in 1953 there were only four such persons on the commission staff with combined duties of both classification and examination.

Possible Solutions to the Provisional Problem

The committee explored solutions to the problem of securing a larger percentage of certified employees; while the committee has not specific recommendation to make at this time, it believes that these approaches offer areas which bear closer investigation.

The first of these is a decentralization of the operation of the testing program to the departments themselves, while keeping it under the general supervision of the commission. In its studies of personnel systems in other government jurisdictions, the committee found that in a number of

Table I

Provisional Appointees, State Classified Service

December 1, 1953

	<u>Appointed 1-1-53 to 11-30-53</u>	<u>Appointed 1-1-51 to 12-31-52</u>	<u>Appointed 1-1-48 to 12-31-50</u>	<u>Appointed Prior to 1-1-48</u>	<u>Total</u>
<u>Departments (other than State Hospital)</u>	235	259	145	103	742
<u>State Highway Department</u>	123	140	148	149	560
<u>Colleges and Institutions (other than State Hospital)</u>	186	197	66	83	532
<u>State Hospital</u>	486	314	489	2*	1,291
Total	1,030	910	848	337	3,125

* Approximately 1,000 employees at the State Hospital were included in the Classified Service in 1948.

Total Employees in State Classified Service

6,500

areas, the central personnel agency has more and more assumed the role of staff advisor rather than a direct operator of personnel details.

The second area might be a greater use by the commission of oral and the so-called unassembled examinations, rather than written tests. Such tests would be especially applicable in the higher grade positions which required professional training and/or experience. Such jobs as auditors, accountants, engineers, and other technical positions might well all be filled in this manner. The unassembled examination is being used with greater frequency in a number of public agencies.

In the unassembled type of examination, the applicant is rated on his training and experience only and is not required to take a specific written examination. Such types of examinations are already being used within the state to some extent in the highest groups of positions, but it is quite possible that extension of this process to many other professional and semi-professional positions could well result in certification of a substantial number of employees without in any manner lowering the caliber of the state service or violating the spirit or the letter of the civil service laws and regulations.

The third possibility is either to expand the civil service commission staff to a point where a complete testing program can be established or to create a separate administrative unit to accomplish a complete testing program.

Classification

Job classification is at the core of any personnel system, and involves two basic aspects. The first is an accurate description of each individual job, the second is a grouping of jobs with similar responsibilities and requirements into a class of positions for pay purposes.

Job classification in Colorado is accomplished entirely at the level of

the State Civil Service Commission. When a department wishes to create a new position, or rewrite an existing one, a brief job description is written within the department and forwarded to the Civil Service Commission which assigns it to a predetermined job specification. The department head is then notified of the job classification assigned to the position, but the employee does not receive a copy of his job description.

Under the present system each department head writes his job descriptions independently of other state departments and without any published guides from the Civil Service Commission. There is no job manual which the commission issues as a guide to the operating departments. The commission takes the view that publication of such a manual would result in an artificial writing of job descriptions since the department would find a typical job description at the level at which it wants an employee placed, and then copy it.

Many government agencies and other personnel systems follow the practice of delegating the preliminary classification of positions to the departments, with review of the work by the civil service commission or central agency. In this way the central agency is relieved of much of the burdensome detail, the job descriptions may be geared more closely to the needs, and the department heads are given some latitude. Under such an arrangement the central personnel agency, which in the case of Colorado is the Civil Service Commission, would furnish a job classification manual to each department. This manual would contain what are known as benchmark positions. These are typical jobs for each class in the various pay categories. These benchmark positions are merely used as guides, really as outlines of what types of duties must be performed at each pay level. The job manual cannot be used as is in writing a job description -- it can only serve as a guide to achieve uniformity throughout all departments.

Under a decentralized system of classification, each department rates the job and recommends a classification. This is reviewed by the personnel office. The advantage of having initial classification made by the departments, subject to review by the commission, is that there are then two specific judgments involved in rating a job. This means that in cases of disagreement there are specific areas of controversy which can be resolved.

The delegation of classification authority in the federal service is best described in an article appearing in the Public Personnel Review for July, 1951. The article was written by the chief of the Navy Department area and wage classification office at Pearl Harbor. The article follows.

"Wherever a position classification plan exists, there is always the question of distributing the authority to classify. This problem is usually solved, at least in the public service, by passing final action authority from the central administering agency -- such as the Civil Service Commission -- to the heads of the various government departments, who determine, in turn, how far down in their respective jurisdictions they will further delegate control. Thus, in the federal government, classification authority passes from the U. S. Civil Service Commission to the sixty-odd executive agency heads, thence to subordinate echelons in diversified administrative patterns. Most agencies, however, subscribe to the practice of delegating classification authority as far down as the independent command level -- the regional or district office, or major installation. Almost without exception, such delegation is to the executive head of the office, not to the technicians who do the day-to-day work of classifying."

In a number of federal agencies, classification of the positions is made at the immediate supervisory level. In other words the head of each unit writes the job descriptions for the jobs under his immediate supervision, classifies the positions and turns the personnel action over to his immediate supervisor or a departmental personnel office for review. The whole action then goes to the central personnel office for final review and approval.

Under a system of decentralized classification, it is of utmost importance that good guides be furnished by the central personnel office, and that supervisors in turn make concerted effort to use the powers they have,

in good faith. Such a system usually involves periodic "desk audits" by the central personnel agency to determine compliance with published standards, and to insure that the jobs are in conformance with the specifications.

Accurate classification of jobs is hindered in Colorado, by the "rule of one". There are times when a department head will slightly alter the requirements of a job in order to avoid hiring the first person on an eligible list. For example, a department may wish an administrative assistant, but the department head is aware of the fact that the person at the top of the eligible list is a person who, from the standpoint of the appointing department, would be unsatisfactory. The department head will therefore request a new job description which is slightly different, and which carries a different classification. In this manner the person on top of the administrative assistant list may be passed over, and a person will be recruited for essentially the type of work needed, under a different title.

With the small classification staff available, and the requirement that all of the actual classification work be done centrally, it is impossible for the commission to police adequately the job descriptions for the various positions in the agencies. Accurate job classification requires that a periodic review be made of all job titles by a central agency. For this reason the subcommittee believes that, pending possible changes in the structure and organization of the commission, the present commission investigate the feasibility of decentralizing its own classification program as a means of reducing the administrative burden at the commission level in order to provide for policy supervision and continuous evaluation of classification procedures.

Restrictiveness of Job Descriptions

There is some indication that job titles and position descriptions as written in Colorado have tended to be too restrictive and thus preclude

valuable use of employees. There are 794 separate job titles or about 8 employees per classification within the Colorado classified service. This may be contrasted to a state like Illinois which has 700 job titles covering 26,000 positions or about 37 person per job title. The commission feels that such a wide variety of titles is necessary. Any final answer would require a detailed job analysis of each position in the state -- a program which the subcommittee, with its limited facilities, was unable to accomplish. It may well be that an excessive number of job titles is a hindrance to the examination program.

Payroll Procedures

The constitution provides that no employee in the classified service may be paid until and unless the Civil Service Commission certifies that he is eligible for payment. The Civil Service Commission is required to certify that proposed pay is at the rate set for the grade, and that an employee is being paid for the correct position. The commission has taken this to mean that each payroll of all civil service departments must be individually checked each month. This is the procedure that is now being followed. The payroll of every state department, operating within the classified service, is checked each pay period.

In 1948, the Division of Accounts and Control suggested an improved payroll procedure, which would insure compliance with the laws, provide greater accuracy, and reduce the detailed work of both the Civil Service Commission and the individual departments. This procedure took cognizance of the fact that the salaries and various deductions remain the same for about 90% of the employees each month. This being the case it is not necessary to check each employee every pay period, but merely review the payroll for those who have been added, or whose status has been changed during the period.

Under the plan proposed by the Division of Accounts and Control, a standard payroll would be prepared, and this payroll would be initially verified by the Civil Service Commission. After verification the payroll would be set up on the basis of an IBM card for each employee, and the checks would be written by these IBM cards. The Civil Service Commission would then examine only changes to the standard payroll, but would not examine each payroll each month in its entirety.

After examination of the procedures as outlined in a formal report by the Division of Accounts and Control, the subcommittee believes that the plan offers a good method of eliminating much of the detail from the payroll work of the commission itself. This added freedom could then be used for other pressing matters which come before the commission. The procedure conforms to all legal requirements, and, in the opinion of the subcommittee, insures an accurate payroll. It is recommended that the procedures as outlined in 1948 be adapted to the present payroll system. It should be noted that the law also requires the Governor's Office to approve the payroll. The Governor's Office, however, approves the payroll at the start of each fiscal year only, except for changes.

Management Training

Both private industry and governments have discovered that one of the more important aspects of a personnel program is the training of management personnel. A serious shortage of competent executive persons exists in all jurisdiction. Private industry as well as many progressive public jurisdictions have therefore geared their personnel systems to discovering potential executive talent, and providing a system of in-service training and development for them.

Evidence presented to the subcommittee indicated that in-service training is not of sufficient and adequate concern to the Colorado system. A

limited revenue agent development system has been started by the Revenue Department, but this is a departmental program which has been created solely by this department for its own use. As a matter of fact, the system of promotional examinations, which is required by the constitution largely precludes a comprehensive program of systematically advancing career employees into management positions. Actually Colorado has no system for promoting worthy employees; it has only a system for up-grading the positions. If a department head wishes to promote a person, he must then re-write the job description, placing additional duties and responsibilities on the job sheet. This new job must then be filled by competitive examination, and the person whom the department head is trying to promote may quite conceivably place behind some other aspirant in the test. If the person to be promoted is a non-veteran his chances of getting a promotion are materially decreased, because veterans preference continues through the veteran's service with the state.

The commission does give some preference in its promotional examinations to actual experience on the job. However, in order to promote a true career service within Colorado, considerably more emphasis must be placed on this phase in the program -- even within the constitutional limits.

One possible alternative -- or at least a beginning in the direction of establishing management training would be to create within the state service a "management trainee" classification. For this classification, promising young professional persons could be recruited to serve internships in various departments at the staff level. Persons hired as management trainees should be recruited with extreme care and have very high qualifications on the basis of an unassembled examination. After serving a specific period of time as trainees, they might then be placed in

departments at beginning staff positions, so that they would then be in a position to advance within the service. These persons must be given certification after a limited probationary period, and the rules amended so as to permit promotion more frequently than is now possible..

Another possible incentive to the career service would be to give added weight to the factor of service within the department, or within a related field of state government. Such preference might be of the same order of magnitude as is veterans preference so that the two would cancel out insofar as promotions are concerned.

The subcommittee recognized that the Civil Service Commission has been limited in this type of program by its small staff and relatively small budget. Nonetheless it is quite conceivable that by delegating the daily administrative matters to the departments themselves, and by having a full time personnel director at the state level, such programs as management training can be developed even within the present budget and constitutional limits.

Financing the Civil Service Program

For the fiscal year 1954-1955 the Civil Service Commission requested a legislative appropriation of \$117,248. The General Assembly appropriated \$87,075. For the fiscal year 1953-54 the commission requested \$155,490. The General Assembly appropriated \$86,600. The record as far back as 1949 indicated that each year the appropriation was considerably less than the request. While the subcommittee realized that there have been rather ample reasons for limiting appropriations, it is obvious that financing a comprehensive civil service program represents a major problem within state government.

It has been suggested that the agencies themselves be required to defray, on a pro rata share, the total cost of administering the program.

The purpose of such a plan is to recover part of the cost of the program from agencies operating either wholly or partially with dedicated funds. Such agencies employ a substantial percentage of the state civil service employees. For the month of June, 1954, there were approximately 6,631 positions in the classified service of the state, out of 10,740 full time employees. Those not in the civil service include a number of employees at the Colorado State Hospital, various educational institutions and other agencies exempt from civil service. Of the 6,631 positions in the classified service on June 30, 1954, 3,014 were in six agencies which operate with either all dedicated funds or dedicated administrative funds. These agencies together with the number of employees each had is listed below:

Compensation Administration	81
Department of Employment Security	347
Game and Fish Department	368
Highway Department	1,392
State Patrol	255
Revenue Department	561
Total	<u>3,014</u>

It is obvious that were the civil service program financed on a revolving fund basis, with each state department paying its pro-rata share of the total costs, the majority of the money would come from non-general fund agencies. Such a financial plan in no way solves the issue of how much a civil service program should cost, it merely shifts part of the burden of the cost from the General Fund to the dedicated funds. For example, had such a system been followed in 1954-55, approximately 46% of the Civil Service Commission budget request could have come from the above agencies. Applied to the Civil Service Commission request of \$117,248, this percentage would have meant that \$53,934 would have come from the agencies listed above and \$63,314 from the General Fund. Actually \$87,075 was appropriated from the General Fund.

Size of the Personnel Agency

It is difficult to say what the exact size of a personnel agency should be. The Congress, has by statute limited the number of people in personnel work to 1 for every 135 employees in the federal service. This ratio is applied to each agency independently.

According to the staffing patterns filed in the office of the Governor for fiscal 1956, the agencies of the state have a total of 22 persons classified directly in the field of personnel as either personnel officers or as persons working in a departmental personnel office. This figure does not include stenographic and administrative persons who may devote all or a portion of their time to personnel problems. In addition there are 18 persons, including the Civil Services Commissioners and secretarial employees, in the office of the Civil Service Commission. Thus there is a minimum of 40 persons in the state directly engaged in personnel work. There are 6,631 employees in the classified service. In other words the ratio of personnel employees to all employees in the classified service is about 1 to 165. In order to approximate the 135 ratio used in the federal government about eight additional persons would be required in the civil service field.

While the over-all ratio of personnel employees to total classified employees is relatively in keeping with standards, the difficulty in the Colorado staffing pattern is that at the commission level, a preponderance of the staff is of the clerical and stenographic level rather than of the staff level in the field of classification, testing, and other major phases. This suggests that perhaps the commission's work time is spent excessively in detail instead of major problems which should receive central guidance.

On the following page is a table which compares the staffing and budget patterns of state central personnel agencies. This is based on 1952, data, but does indicate that the total for the Civil Service Commission is not too far out of line in comparison with other states.

TABLE II

STAFFS AND BUDGETS OF PUBLIC PERSONNEL AGENCIES

(1) Agency	(2) Number of Employees	(3) Total Payroll (\$1000's)	(4) Personnel Agency Budget	(5) Personnel Agency Staff Salaries	(6) Personnel Agency Staff			(7) Staff and Budget Ratios				
					a. Prof.	b. Cler.	c. Total	a. Total Personnel Budget per Employee Covered	b. Budget for Personnel Staff Payroll per Employee Covered	c. Number of Employees per Personnel Staff Member	d. % of Total Personnel Budget to Total Annual Payroll	e. % of Personnel Salary Budget to Total Annual Payroll

U.S. Civil Service Comm. 2,040,580 n.a. \$17,000,000 \$14,756,000 900 2313 3213 \$ 8.33 \$ 7.23 635 n.a. n.a.

STATES - FULL COVERAGE

Massachusetts	85,000	\$270,000	799,460	661,995	32	169	201	9.41	7.79	423	0.30%	0.25%
California	56,545	216,000	1,724,882	1,452,068	92	245	337	30.50	25.68	167	0.79%	0.67%
Illinois	27,000	n.a.	304,025	250,200	34	34	68	11.26	9.27	397	n.a.	n.a.
Puerto Rico	26,577	41,000	480,102	402,722	64	95	159	18.06	15.15	167	1.2%	0.98%
Louisiana	25,000	61,103	351,000	267,603	31	47	78	14.04	10.70	320	0.57%	0.44%
Michigan	23,444	85,393	753,470	585,450	53	79	132	32.14	24.97	178	0.88%	0.69%
North Carolina	23,000	n.a.	118,262	77,453	16	5	21	5.14	3.37	1090	n.a.	n.a.
Virginia	20,700	n.a.	114,941	94,400	9	17	26	5.55	4.56	796	n.a.	n.a.
Connecticut	20,220	n.a.	252,926	227,656	32	30	62	12.51	11.26	326	n.a.	n.a.
Oregon	13,400	n.a.	181,785	142,934	14	27	41	13.56	10.66	327	n.a.	n.a.
Wisconsin	13,000	44,000	215,970	192,170	20	24	44	16.61	14.78	305	0.49%	0.44%
Kentucky	12,816	31,981	100,000	93,000	11	11	22	7.80	7.26	583	0.31%	0.29%
Minnesota	12,800	n.a.	231,241	199,253	19	41	60	18.07	15.57	213	n.a.	n.a.
Maryland	12,539	n.a.	276,339	206,056	19	42	61	22.04	16.43	206	n.a.	n.a.
Georgia	10,239	33,000	134,565	91,632	6	16	22	13.14	8.95	465	0.41%	0.28%
Alabama	8,492	22,750	112,500	90,000	9	10	19	13.24	10.59	447	0.49%	0.40%
Colorado	6,650	19,924	82,000	70,300	5	15	20	12.33	10.57	333	0.41%	0.35%
Maine	6,200	17,000	71,349	63,294	7	11	18	11.51	10.21	344	0.42%	0.37%
Rhode Island	5,869	15,089	170,345	148,511	16	43	59	29.02	25.30	98	1.12%	0.98%
Hawaii	4,811	17,769	100,421	87,687	12	10	22	20.87	18.26	229	0.57%	0.49%
Vermont	2,684	8,000	37,331	30,000	5.5	3	8.5	13.90	11.17	315	0.47%	0.37%
Nevada	1,700	5,500	60,000	35,578	5	3	8	35.29	20.93	213	1.09%	0.65%
Virgin Islands	1,151	1,820	15,716	14,400	3	4	7	13.65	12.51	164	0.86%	0.79%

CHAPTER III

THE POSITION OF THE EXECUTIVE IN COLORADO CIVIL SERVICE

Under present legal and administrative procedures, Colorado's chief executive has no jurisdiction over employment policies, personnel practice and employee problems.

The governor appoints the members of the Civil Service Commission for overlapping six year terms, but with that act his connection with the 6,000 Colorado civil service employees in the executive branch of the government ceases, with the exception of approving staffing patterns in the agencies. The intent of the system was, of course, to remove the "career employees" from any political pressure from the office of the governor. Colorado, which was the third state in the Union to adopt a merit system, has a personnel system which echoes the early philosophy of civil service -- "keep it out of politics." To the civil service reform group of the early 1900's the crying need was to eliminate the spoils system, thus Colorado in 1918 wrote civil service into its constitution. By this move it was hoped that future changes in the structure of "merit employment" would be barred, and the spoils system would become immobilized.

But the government of Colorado, as have other governments, has become much bigger and more complex since the days of 1918. In 1918 state revenues amounted to \$5,071,000. In 1954 state General Fund revenues alone totalled \$31,500,000. In 1918 there were 1,200 state employees. In 1954 there were more than 10,000 persons on the state payroll, 6,500 of whom are in the classified service. When Colorado civil service reforms were written into the basic law of the state, governmental services had not yet seen their expansion into the new areas of activity common today. Government in 1918 was largely non-technical -- its employees were not technicians. The current processes of government are

as different from the 1918 processes as the brand new motor car is from the "Model T." While a Model T. may still run, one would hardly suggest that it is superior transportation to a 1955 model. While the 1918 civil service amendment may still work it does not conform to the modern requirements of public personnel policies in terms of a positive approach to broad requirements of management.

The complexity and scope of modern government has made it necessary to reorient public personnel to the needs of management in addition to the philosophy of eliminating "politics" in employment. Personnel management in public bodies, as well as personnel management in private companies, both serve essentially the same needs: providing the administration of the enterprise with effective tools to administer effectively.

The concept of government personnel policy as a proper management tool rather than a reform measure was given tremendous importance by the Hoover Commission studies on federal personnel practices which in turn stimulated state studies, "Little Hoover Commissions." Surveyed in the following pages is a state by state analysis of recent major developments in the state field of public personnel since 1951.

State Trends in Civil Service

Alabama

The reorganization report of the Legislative Reference Service made no comprehensive recommendations for reorganizing the personnel system. At present there is a three-member Personnel Board, appointed by the Governor with the advice and consent of the Senate. The Board appoints the Personnel Director, who serves at its pleasure.

Board members serve for six years, and under the present system each governor has the opportunity to appoint two of its members. The Legislative Reference Service suggested that the Governor appoint members for twelve-

year terms, with the advice and consent of the Senate. This, it felt, would promote more effective operation of the merit system by making the Personnel Board independent of political control.

Arizona

In the staff report to the Arizona Special Legislative Committee on State Operations, it was proposed that a Department of Personnel be created, with responsibility for the central administration of the state personnel system.

It would include such functions as classification and pay plans, eligibility requirements, formulation and prescription with respect to employee problems.

The proposed statewide department would be headed by a qualified Commissioner of Personnel, appointed by the Governor from a list of eligibles submitted by a Board of Personnel after open, competitive examination. A three-member advisory Board of Personnel would be attached to the Personnel Department.

However, the Special Legislative Committee, in its first report, recommended against the immediate creation of a personnel department on the grounds that the other consolidation and reorganization proposals in the plan "...will provide the economic advantages within the separate proposed departments to a sufficient extent."

Arkansas

As part of its program, the "little Hoover" Commission proposed the creation of a State Personnel Office to be headed by a Director of Personnel appointed by a Personnel Board of five members. The Personnel Office would have the following function:

1. Establish and operate for the departments a modern and comprehensive personnel system governing recruitment, selection, placement, promotion, transfer, discipline, and termination.
2. Establish a system of job classification and fill every job with a

competent employee through practical tests of ability and qualification.

3. Develop, in conjunction with the federal security program, an employee retirement system.

4. Institute good working conditions and provide incentives for superior accomplishment.

The operations of the Personnel Office would extend to all employees except department heads, Governor's staff, certain professional persons, and specified principal assistants. The bill was introduced in 1951 but did not pass.

California

In its first partial report, the Assembly Interim Committee on Governmental Reorganization commended the State Personnel Board for fully or partially giving effect to over 100 out of 157 recommendations made in a report two years previous by the Assembly Interim Committee on Governmental Efficiency. The Committee recommended that seven of the original recommendations should be modified and the balance should now be adopted.

The Committee reaffirmed the principle that the Governor must have direct responsibility and authority in the personnel field. In any general reorganization of the state government, the personnel agency should be situated in close relationship to all other staff and service activities and close to the Chief Executive. The "theory of a completely independent personnel agency should be abandoned."

The Committee further recommended the consolidation of the classification and pay division; the delegation of more authority by the State Personnel Board to its branch offices; increased delegation of personnel authority to the operating departments; and the creation of a personnel council for better coordination of central and departmental personnel operations.

Its final point on internal organization called for a personnel agency

with all administrative authority centered in a professional administrator, with a board limited to rule-making, appeal, and advisory function. For immediate purposes the relative authority of the Personnel Board and the Executive Officer should be clarified.

Connecticut

The Commission on State Government Organization recommended the creation of a new and separate central personnel agency reporting directly to the Governor and the installation of a professional personnel unit within each department. Thus, there would be an Office of Personnel Service, headed by a Commissioner reporting to the governor and serving at his discretion. The Personnel Office should put its emphasis on positive recruitment, effect a complete review of existing position classification, and improve employee relations.

The Commission recommended that the present Advisory Personnel Committee be replaced by Citizens' Advisory Committee of broadly representative men and women experienced in labor relations or civil service administration to make investigations and advise the Commissioner. Finally, the Office of Personnel Service should be provided with the staff necessary to carry out effective personnel policies.

Delaware

The Delaware Commission on Reorganization of State Government made a unique proposal. It recommended that the Secretary of State, as the only appointive officer established by the constitution and the only administrative officer in line of succession to the Governor and serving at the Governor's pleasure, should supervise and coordinate on behalf of the Governor all of the staff and central service activities of state government, including personnel administration.

It recommended the organization of a Department of Administrative

Services, headed by a Director appointed by the Governor with Senate confirmation, but working generally under the guidance of the Secretary of State. An advisory Personnel Board would be attached to the Department.

The Department of Administrative Services would be concerned, among other staff functions, with all questions relating to personnel and would furnish such central personnel services as might be provided for.

Florida

A proposed reorganization act would place within the executive department, under the direction of the Governor, the functions of Director of Personnel to administer a state civil service system, as might be provided by law. The Director would be appointed by and serve at the pleasure of the Governor.

The Director would administer: (1) such civil service and merit system laws as may be enacted; (2) all functions now performed by the merit system of the Welfare Board and the Industrial Commission, the Merit Council, and the Board of Examiners of the Parole Commission. These agencies would be abolished.

Illinois

Illinois has had a civil service law since 1905. The present basic personnel agency is the Civil Service Commission and the Merit System extends to about half the state's employees. The Commission to Study State Government did not recommend blanket extension of the civil service law for all state personnel but proposed that present civil service laws be altered to authorize continuous recruiting and simplified examination techniques. It is recommended that the Civil Service Commission have power to certify whatever number of eligibles it deemed appropriate, subject to the restriction that appointments be made only from among the three highest actually available. It also should be given authority to conduct an in-service

training program and to develop suggested standards for guiding operating agencies on such matters as hours of work, sick leave, overtime credits, and vacation policies. The present Merit System Council should be taken over by the Civil Service Commission.

Iowa

The Iowa State Senate passed a bill, similar to one recommended by the Governmental Reorganization Commission, creating a State Personnel Division in the Office of the Comptroller. Under direction of the Executive Council and the Comptroller (appointed by the Governor and serving at his discretion), it would prescribe rules for hiring, salaries, promotions, transfers within departments, and duties of the various position classifications.

The Personnel Director would be named by the Comptroller and would have charge of state employees other than those under the Supreme Court, Attorney General, and certain specified departments. It appears that the present Joint Federal and State Merit System may remain untouched.

Kansas

The Commission on State Administrative Organization discovered duplication of effort and waste of money in the existence of both a Department of Civil Service and a Joint Merit System Council. It appeared to the Commission that the Merit System could be absorbed in the state Civil Service System at a substantial savings and with elimination of the confusion that results when both systems operate in the same office -- as is true, also, of the State Board of Public Health and the State Department of Social Welfare.

Michigan

In the staff report on personnel administration to the Michigan Joint Legislative Committee on Reorganization of State Government it was suggested that the state's personnel program be administered by a single,

qualified individual responsible to the Chief Executive and selected on a competitive basis. A commission or personnel board should be created with appellate and investigatory functions.

In addition, the report recommended establishing a personnel council of representatives from the office of the Chief Executive, the operating departments, and the personnel agency. It proposed an increase in the appointment authority of the Chief Executive and operating officials, with more exempt positions at the top level. The report also set forth a number of improvements with regard to specific personnel policies, including increased decentralization, veteran's preference, pay rates, and research programs.

In his comments on the staff report, the Director of the Committee on Reorganization stated that it did not discuss proper location of the central personnel agency. He asserted:

"The only logical location for a central service personnel agency as a part of the management function is as a division in the department of administration ... this division and its director would be responsible for recruitment, examination, position classification, training and processing, promotions, demotions, and discharges -- all of which are technical administrative actions."

The Director recommended that:

"Compensation schedules for all positions in the classified service be determined by the Legislature upon the recommendation of the governor -- he, in turn, relying upon the joint recommendation of his budget officer and personnel director."

Minnesota

The Minnesota Efficiency in Government Commission found as the major defect in the present civil service law the so-called "closed back door," which places upon the department head the burden of proof in discharging

an employee. It recommended that department heads be empowered to discharge civil service employees for cause, after notice and hearing by the appointing authority, but with the right of appeal to the Civil Service Board on political, racial, or religious grounds. Discharges by administrative action and the consequent appellate decisions by the Civil Service Board should not be subject to review by the courts.

The Commission recommended that the Director of the Department of Civil Service be appointed by the Governor instead of by the Civil Service Board. However, he should be selected from a list of three names prepared by the Civil Service Board. The Department of Civil Service should be retained as an operating department with a policy-making board, but with a Director having full responsibility for administration of the civil service program. The Director also should be included under civil service.

The Commission set forth a list of recommendations governing more specific personnel matters, such as the need for conferences among department heads, compensation, retirement, unemployment insurance, and veterans' preference. With respect to the latter, it recommended that no candidate should have preferences unless he first earned a passing grade.

Mississippi

The Mississippi Legislative Fact-Finding Committee on Reorganization of State Government recommended the creation of a Bureau of General Administration directed by a Comptroller appointed by the Governor. The Bureau would include a Division of Personnel responsible for the formulation and execution of service-wide personnel policies. It would assist agency heads in recruiting qualified personnel, establishing a fair compensation plan, classifying positions and testing qualifications of job applicants. The Committee recommended a state-wide personnel system.

Nebraska

The Committee on the Organization and Functions of State Government of the Nebraska Legislative Council found that Nebraska had no single integrated or centralized system for the selection, training, or supervision of its employees. Instead, there are several "systems" wholly independent of each other and some that are overlapping. The Committee further found that at present the State Tax Commissioner may be regarded as the Governor's chief personnel officer.

In its conclusions the Committee recommended creation of a code department, to be called the Department of Administration, which would perform all duties of the Tax Commissioner relating to the supervision of administrative personnel. Also recommended was enactment of OASI enabling legislation and uniform policies regarding work week and sick leave regulations.

Nevada

In the report of the Legislative Counsel Bureau, a program for achieving a more effective personnel administration was included. The Legislative Counsel Bureau felt that great strides can be made in raising morale "by the creation of a uniform job and classification system under the guidance of a qualified director of personnel."

It therefore recommended that an adequate and comprehensive personnel system be established with provision for uniform job and salary classifications and for the selection of employees on the basis of merit. The proposed general merit system would absorb the present merit systems now in operations for the three departments dependent wholly or partially upon federal funds.

The director of personnel would be in the classified service and would be selected by competitive examination under the provisions of the personnel system.

New Hampshire

The Report of the New Hampshire Reorganization Commission proposed a new Department of Administration and Control, within which would be Divisions of Budget, Accounts and Control, Purchase and Property, and Personnel. The Personnel Division would be headed by a Director and would include a Personnel Board, both appointed by the Governor and Council.

The proposed Division would combine the present functions of three personnel agencies. It would prepare and maintain a job classification and pay plan; recruit, test, and certify eligibles; maintain personnel records, formulate and prescribe personnel regulations; and approve the appointment of all subordinate employees.

Ohio

The Committee on State Government issued this year a report on "Organization Set-up for Personnel Administration." It stated that the present organization is "outmoded and in conflict with sound principles of management."

The Committee recommended that the central personnel agency, namely the Civil Service Commission, consist of three members appointed by the Governor and confirmed by the Senate, but serving at "the pleasure of the Governor." The Chairman of the commission should be designated by the Governor and he would be responsible for the day-to-day administrative functions of the commission.

A qualified Executive Director should be appointed by the commission after an open, competitive examination. He would be the top career officer of the commission and would be subject to the administrative direction of the chairman.

The committee recommended that the governor designate agencies which should have full-time personnel directors; other agencies should designate specific officials to handle personnel matters. Together, these personnel

officers would constitute a Council of Personnel Administration and meet regularly.

The classified service should include all but a very small percentage of the total number of state positions. Policy-making positions should be care-distinguished from purely administrative jobs.

South Carolina

The Legislature passed Reorganization Plan No. 2, as proposed by the State Reorganization Commission, creating a State Budget and Control Board. Under this were consolidated eight agencies, and these were organized into three divisions -- Finance, Purchasing and Property, and Personnel Administration.

The Division of Personnel Administration is headed by a Director who appoints his staff with the approval of the Budget and Control Board. Its work will embrace the functions of the Retirement Board and the administration of all laws relating to personnel.

Territory of Hawaii

The Subcommittee on Governmental Efficiency recommended creation of a Department of Civil Service under the administrative direction of a Personnel Director and including a commission of three members.

The Personnel Director would be appointed by the Governor as head of the Department of Civil Service. He should be thoroughly qualified in personnel administration and be selected after an examination held by the Commission. The Governor shall select one of the persons standing among the highest five.

The classified service would extend to all positions except the Governor's office, department heads, elective officials, and certain others. As department head, the Director would direct and supervise all administrative and technical activities. He would have the specific duties of establishing a job

classification system, a pay plan, and in-service training programs, and he would exercise leadership in developing a positive personnel administration.

Territory of Puerto Rico

The Commission for Reorganization stated that ultimate responsibility rests upon the Governor for attracting and holding a high-grade government service. It therefore recommended the transfer of the Office of Personnel to the Office of the Governor. The Personnel Director should be made responsible for formulating policies to extend the merit plan throughout the executive branch. The Commission further recommended that the administration of five retirement systems be made a responsibility of the Personnel Office.

Procedure for suspension and dismissal of employees, it was held, should be modified by limiting judicial review and by providing a more informal hearing procedure before the Personnel Board. New and vigorous efforts should be made to develop pre-service and in-service training of public employees through the University of Puerto Rico.

A Summary of Trends

As is common in the laboratory of the states, no single pattern of personnel organization has evolved from these studies. However, a number of important trends have become fairly prominent. Greater effort is being made to integrate the personnel agency with the rest of the administration, and particularly with the office of the governor.

A trend appears for achieving single-headed administration of the personnel agency generally through a personnel director. However, in most cases where single-headed personnel departments are recommended, it is proposed also that personnel boards be created within the department to advise and assist the director and to act as the appeals body in disciplinary cases. It also appears that the recommendations of the "little Hoover"

commissions, if accepted, would limit the role of judicial review with respect to personnel board decisions.

The recommendations would expand steadily the use of the merit system among the greater portion of state employees, ordinarily exempting elective officials, top policy positions, and certain other specified employees.

With regard to staffing the personnel agency, the commissions are recommending the appointment, usually by the governor, of a professionally qualified personnel officer and adequate staffing by competent, professional personnel assistants.

In addition, the reports emphasize that positive, imaginative steps must be taken by personnel agencies in recruiting personnel, in on-the-job training, and in assisting operating departments with personnel problems. Position classification, pay schedules, and retirement systems are achieving wide acceptance as a continuing responsibility of the personnel agency.

Finally, it appears that in those states where strong central personnel departments have been recommended, it is proposed to decentralize to the operating department a considerable share of the merit system administration.

It is significant to note that in addition to a state by state trend toward the creating of personnel systems managed by a professional director, there is a good example closer to home in the experience of the City and County of Denver. The voters in November, 1954, approved a charter amendment which created the Office of Personnel Director. The director's position was made a part of the merit system, and the standards were of the highest professional caliber including a college degree and a number of years of professional experience in the field of personnel.

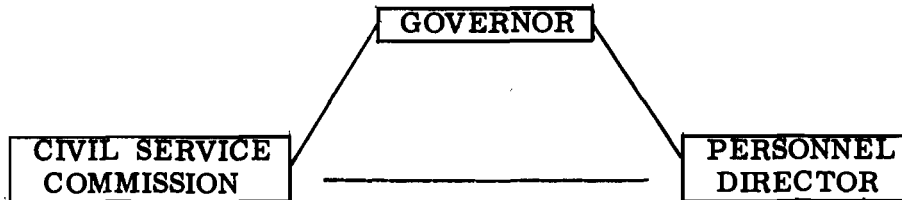
RECOMMENDATIONS

The subcommittee regrets that its limited time did not enable it to make a complete review of all of the details of the Colorado Civil Service System, nor to plan a comprehensive program of how changes may be effected. Nonetheless it believes that certain principles and practices which are to be preferred in Colorado Civil Service have become evident through the course of its studies, and hopes that this report may serve as a basis for additional review of Colorado's merit system.

The committee believes that policy making and administration of the merit system are separate functions, and that a clear distinction should be made in Colorado law between the two important aspects of civil service. It further believes that there should be created a personnel director who will be responsible for the administration of the personnel system, and that the Civil Service Commission should become a policy making, advisory, and merit appeal board.

If such a program can be carried on within the limits of the present constitution it is recommended that it be done. If not, it is recommended that a constitutional amendment be offered which would permit the creation of a professional personnel administration in Colorado, and the creation of a real career service within the state employ, as well as the correction of the other problems above mentioned.

TABLE III
 POSSIBLE CIVIL SERVICE ORGANIZATION
 IN COLORADO



- . Establish standards
- . Certify examinations
- . Act as appeal board
- . Certify appointees
- . Makes rules and regulations
- . Approve policies of Personnel Director
- . Advise the Governor and Personnel Director on matters of policy
- . Provide technical guidance to operating departments
- . Direct continuous classification studies of all state departments
- . Review job titles and descriptions for overlapping, excessiveness, restrictiveness, and other items
- . Develop comprehensive in-service training and supervisory development programs
- . Establish positive recruitment policies
- . Develop incentives of pay and promotions so as to establish a career service
- . Enforce the standards of job classification, and all rules and regulations promulgated by the commission
- . Act as the staff advisor to the Governor on personnel problems
- . Act as secretary to the Civil Service Commission

Creation of a personnel director in the office of the governor draws strong support from the National Civil Service League, which in its model law published in 1953, provides that, "Upon the recommendation of the Civil Service Commission, the governor shall appoint a director of personnel, who shall be experienced in the field of personnel administration."

In commenting on this proposal the National Civil Service League offers the following thought.

"Nearly all of the shortcomings of public personnel administration may be attributed directly to the ineptness of unqualified, inexperienced persons directing personnel programs... It is reasonable to demand that the administrative head of a system designed to improve public personnel standards and procedures should himself be required to meet the standards of competence."

In a further section of the so-called model bill the National Civil Service League advocates that the commission itself be divorced from the actual administration of the law. The League offers the following reasons for wishing to separate the Civil Service Commission from administration, as follows:

"...The commission's duties impose on administration only in participation in adoption of rules, and the classification plan and its appellate duties. Thus the commission is left free to devote its efforts to the broader aspects of the program through its studies, investigations and recommendations."

These suggestions from the model civil service law as suggested by the National Civil Service League follow very closely the trends which have been established through independent studies in each of the states indicated previously.

The committee feels that these principles can be applied in Colorado to the benefit of the merit system and the improvement of personnel practices. There is some difficulty in Colorado because of the constitutional nature of the Civil Service Commission. The specific duties of the

commission as set forth in the constitution have always been assumed to confer upon the commission administrative functions and further study to verify their assumption is needed.

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GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

First Partial Report

of the

Subcommittee on Fiscal Affairs

Research Publication no 14, pt. 3

January, 1955

LETTER of TRANSMITTAL

January 9, 1955

Honorable Allyn Cole, Chairman
Governor's Committee on Administrative Organization
Glenwood Springs, Colorado

Dear Mr. Cole:

Transmitted herewith is the First Partial Report of your sub-
committee on Fiscal Affairs.

Sincerely,
S/ Palmer L. Burch
PALMER L. BURCH, Chairman
Subcommittee on Fiscal Affairs
G. C. A. O.

January 10, 1955

Honorable Dan Thornton
Governor, State of Colorado
State Capitol
Denver, Colorado

Dear Governor Thornton:

Transmitted herewith is a copy of the First Partial Report of the sub-
committee which has been studying fiscal affairs for your Governor's
Committee on Administrative Organization.

Sincerely,
S/ Allyn Cole
ALLYN COLE, Chairman
G. C. A. O.

GOVERNOR'S COMMITTEE ON ADMINISTRATIVE ORGANIZATION

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Allyn Cole, Chairman
Vernon Cheever
Palmer L. Burch
George Saunders

Mr. Allyn Cole was named on May 17, 1954 to replace Jean S. Breitenstein as chairman of the full committee and the steering committee.

Senator James Mowbray was named on May 17, 1954 to replace Senator Ben Bezoff.

*Resigned September 23, 1954.

FISCAL PROBLEMS

The Governor's Committee on Administrative Organization named a subcommittee on fiscal problems and charged this group with the responsibility of examining the Colorado Tax Structure and to determine what, if any, changes appear to be necessary. Concurrent with this subcommittee's assignment there was a Joint Legislative Resolution (SJR 22, 1953) requiring that the Legislative Council undertake research on this same subject. Subsequently, the Council has issued three reports on the subject of state finances, namely:

- Research Publication No. 1, The Fund Structure (describing the extent and effect of earmarking of state revenues).
- Research Publication No. 9, Colorado Tax Structure--The Income Tax.
- Research Publication No. 9-1, Colorado Tax Structure--The Property Tax, Succession and Gift Taxes, Insurance Tax, and Sales and Use Taxes.

These publications provide the factual situation regarding the major portion of Colorado tax receipts (excluding the Highway User Taxes), and this subcommittee respectively suggests that they be made a part of the First Partial Report of the GCAO.

The subcommittee on fiscal affairs notes, in United States Bureau of Census reports that Colorado ranks 12th, among the 48 states, in terms of per capita tax burden on the state level, and only 20th, in terms of ability to pay as measured by per capita income. It further notes that the two other subcommittees of the GCAO are working in the subject areas of boards, bureaus, and institutions and in personnel. It is within the purview of these other subcommittees to review purpose and level of state expenditures. Therefore, this subcommittee respectfully submits that, in view of the basic principle of government finance, (i.e., expenditure requirements are first established and then

sufficient revenues are raised to meet these requirements) it defer recommendations relative to fiscal matters until the work of the other two subcommittees is nearer completion.

This subcommittee, at this point in its deliberations, concludes that Colorado taxpayers are already carrying a sizeable state tax burden, and that if some areas of state fiscal responsibility are not receiving adequate support, it is due to an overemphasis, within the state's overall fiscal ability, in other functional areas. The problem appears to be the matter of a more equitable distribution of the available resources among the functions for which state government is assumed to have a fiscal responsibility.