



# STATE OF COLORADO

DEPARTMENT OF HIGHER EDUCATION  
*Colorado Commission on Higher Education*

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Executive Director

July 16, 2007

Senator Stephanie Takis  
Chairperson  
Legislative Audit Committee  
C/O Office of the State Auditor  
200 East 14th Avenue  
Denver, Colorado 80203

Dear Chairperson Takis:

Pursuant to the request of the Office of the State Auditor, I am pleased to submit the following status report on the implementation of certain recommendations contained in the Higher Education Personnel System Performance Audit Report from May 2006.

### **Recommendation 1 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with stakeholders, including the General Assembly and each of the higher education institutions, to develop a system for collecting, analyzing, and reporting meaningful personnel data across institutions to use in understanding and evaluating the costs and effectiveness of maintaining both the classified and nonclassified personnel systems at the higher education institutions. These data should also be used, as appropriate, by the institutions, to make a business case for exempting positions. Additionally, the Commission should propose statutory revisions to repeal current salary reporting requirements and determine whether any new reporting requirements should be added.*

**Status: Implementation Ongoing.** Department of Higher Education (DHE) staff recommends repeal of the current salary reporting requirement in C.R.S. §24-50-140 relating to public higher education. This recommendation is based on the audit's findings that this reporting requirement did not generate much useful information and on staff's finding that the requirement is somewhat burdensome for many institutions to produce relative to the value of the information for those who receive it. DHE staff believes that it is not necessary to enact new reporting requirements and recommends that data be produced for the General Assembly as may be specifically requested on an ad hoc basis, rather than annual reports that may not respond to legislators' concerns or needs. Currently, DHE receives aggregate personnel information on the salaries and benefits of exempt and non-exempt positions at all higher education institutions. Institutions have committed to provide any further personnel data when needed.

**Recommendation 3 (Define by Dec. 2006, Status by January 2007, Implement March 2007)**  
*The Colorado Commission on Higher Education and the Department of Personnel & Administration should improve the higher education personnel exemption process by:*

- A) Working with stakeholders to develop a standard, clear definition of "professional" that all institutions must apply consistently.*
- B) Working with each of the institutions to review the eight positions that were not professional in nature to determine if the positions are in compliance with statute and were exempted appropriately. If the positions are not in compliance with statute or were exempted inappropriately, the Commission should work with each of the institutions to determine the appropriate course of action, as discussed in part c.*
- C) Developing a range of remedies that can be applied if a position is found to have been exempted inappropriately, pursuing statutory change as necessary. Remedies could include reclassifying positions or modifying position duties to meet statutory criteria and, for repeat violations at specific institutions, transferring the authority for position exemption approval from the institution to the Colorado Commission on Higher Education until problems have been addressed, requiring human resource staff at these institutions to attend further training on the exemption process, and requiring the Department of Personnel & Administration to conduct more frequent postaudit reviews.*

**Status: Implemented**

- A) Currently, DPA's "Technical Assistance-Exempting Educational Positions from the State Personnel System" gives three examples of "Professional." Based on the recommendation of the State Auditor's Office and the Federal Office of Personnel Management, DPA has drafted a single definition for the technical assistance manual:

**"Professional Work:** Professional work involves exercising discretion, analytical skill, judgment, and personal accountability and responsibility for creating, developing, integrating, applying, and sharing and organized body of knowledge that characteristically is:

- Uniquely acquired through an intense education or training regimen at a recognized college or university;
- Equivalent\* to the curriculum requirements for a bachelor's or higher degree with major study in or pertinent to the specialized field; and
- Continuously studied to explore, extend, and use additional discoveries, interpretations, and application and to improve data, materials, equipment, applications and methods.

\*DHR note, as used in two year colleges, an associate's degree plus 2-3 years of relevant experience may fit this part of the definition.

DHE believes this single definition of "Professional Work" should help clear ambiguities that existed in the prior technical assistance. However, DHE acknowledges that

institutions are still bound to the requirements of the statute when exempting positions and these statutory requirements take precedence over technical assistance.

- B) The State Auditor's Office found that the following positions were not professional in nature.

Institution	Position Title	Position #
Metro State	Medical Assistant	E446
UNC	Administrative Aide	82029
UNC	Coordinator of Athletic Services	82057
Arapahoe CC	Maintenance Manager	99194
Arapahoe CC	Facilities Rental Manager	99198
Arapahoe CC	Grounds Manager	99195
Arapahoe CC	Building Maintenance Supervisor	99197
Arapahoe CC	Custodial Services Manager	99196

Working with the institutions, DHE assessed whether the positions were exempted properly and what the appropriate course of action was for positions not exempted properly. The justifications from the institutions for exempting each position are set out below. Attachment A contains documentation from the institutions in response to DPA's request for details about the exemption of each of the eight positions. Due to inquiries to DPA by employees' organizations, DPA will be reviewing these eight positions again as well as other instances of alleged abuse of exemption from the state classified system. DHE and institutions will work with DPA to address problems revealed in this review.

*Metro State, Medical Assistant*

This position was considered exempt from the State Classified System because it is solely funded by student fees as provided by the provisions of C.R.S. §24-50-135(1)(d). Additionally, the position was created as an exempt temporary position in January 2005 to provide immediate coverage of the Student Health Center as a result of a military leave situation. The position has subsequently been abolished as of April 2006 and is no longer being used.

*UNC, Administrative Aide*

*UNC Coordinator of Athletic Services*

Both of these positions were exempted based on C.R.S. §24-50-135(1)(a). Both positions serve as executive assistants to positions designated as officers of the institution. The Athletic Director in the case of the Coordinator of Athletic Services, and the Associate Vice President of Academic Affairs in the case of the Administrative Aide. The University of Northern Colorado has the statutory authority to make these decisions, followed the statute, used the technical assistance as guidance, and believes that both positions were properly exempted under C.R.S. §24-50-135(1)(a).

*Arapahoe CC, Maintenance Manager*  
*Arapahoe CC, Facilities Rental Manager*  
*Arapahoe CC, Grounds Manager*  
*Arapahoe CC, Building Maintenance Supervisor*  
*Arapahoe CC, Custodial Services Manager*

All five of these positions were exempted at the same time. Arapahoe Community College restructured the Physical Plant Division so that all of the management positions report directly to the Chief Operating Officer. These positions meet requirements in C.R.S. §24-50-135 since they supervise employees, sign leave slips, schedule work time, create and sign evaluations, write Position Descriptions, hire employees, write corrective actions and submit and oversee their budgets.

- C) DHE worked with DPA to establish remedies when a position has been exempted in error. Both departments recommended giving institutions the option once the position is vacated of automatic reclassification or required review for reclassification.

**Recommendation 4 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to determine whether efficiencies could be gained if the institutions developed a set of consistent position titles for nonclassified employees that could be used by all institutions.*

**Status: Implemented.** DHE staff and institutions have not identified any efficiencies to be gained by developing one set of position titles for all nonclassified employees that would be required for use by all institutions. All institutions agreed that a mandated list of position titles for the higher education system would be a tremendous burden, constrain their human resource departments and result in increased costs. Schools pointed out that each institution differs in its structure and mission. For example, the title "Provost" is commonly used in four-year institutions for the position of a senior academic administrator, while in the community college system the equivalent position is titled "Vice President for Instruction." Mandating specific titles would not only fail to improve efficiency, it would likely result in overlapping and confusing dual "official" and "working" titles that would only complicate matters.

**Recommendation 5 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to evaluate and develop consistent practices for exempting positions that give greater weight to factors such as position duties and responsibilities, personnel management goals, and institution need, in addition to organizational structure or position location, as a basis for exemption decisions.*

**Status: Implemented.** DHE staff found that all institutions have procedures in place for compliance with C.R.S. §24-50-135 criteria for exemption from the personnel system. While these procedures vary from school to school due to the nature of the institution, all take into account the statutory responsibility as well as factors such as personnel management goals and institutional needs. DHE staff believes that institutions' compliance with the statute governing

exemptions from the personnel system is reasonably consistent, given the diffuse and diverse governance structure of high education.

**Recommendation 6 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to develop documentation standards that institutions should use, in general and when exempting positions. Documentation should include position descriptions that are consistent within organizations and that sufficiently describe position duties and organizational charts.*

**Status: Implemented.** DHE staff requested and obtained sample documentation from each institution regarding their respective exemption processes. These forms are attached as attachment B. While the forms are not uniform for all institutions, they all properly document the exemption processes and comply with the statute. The differences in the forms reflect the differences among the various institutions and their respective human resource capabilities and needs.

**Recommendation 9 (Status by Jan. 2007)**

*The Colorado Commission on Higher Education should work with each of the higher education institutions to improve their total compensation practices and strategies. Working through performance contracts, as appropriate, the Commission should ensure the institutions:*

- A) Implement salary setting policies that consider market data and data for comparable positions within the institutions.*
- B) Award salary increases on the basis of performance.*
- C) Value the benefits offered to nonclassified employees and use this information to identify opportunities to leverage institutions' buying power and to ensure benefits are competitive and meet employee needs.*

**Status: Unresolved.** The current leadership of the Department of Higher Education believes that the institutions' governing boards have the proper authority and responsibility to supervise the compensation policies and practices at their respective institutions. The DHE does not have the capacity properly to oversee this aspect of institutional management and should conserve its authority and resources to be directed at critical coordination issues and progress system-wide.

**Recommendation 10 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the higher education to insure the institutions evaluate the operation of their current personnel systems and determine any changes needed to develop system(s) that meet the needs of higher education, as well as the State, proposing statutory change as necessary. Options include institutions moving toward an entirely nonclassified system or continuing with the current dual system.*

**Status: Implementation Ongoing.** DHE will continue to work with the institutions to ensure compliance with state personnel system requirements. At this time, DHE does not believe that

moving toward an entirely nonclassified system is feasible or desirable and therefore does not intend to propose any statutory changes in this area.

Please do not hesitate to contact me if you have any questions or would like additional information regarding this status report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David E. Skaggs". The signature is written in a cursive style with a large, looping "S" at the end.

David E. Skaggs

cc: Cindi Stetson, Deputy State Auditor  
Jennifer Harmon, Legislative Audit Supervisor  
John Karakoulakis, Director of Legislative Affairs

# STATE OF COLORADO

Department of Higher Education  
COLORADO COMMISSION ON HIGHER EDUCATION

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Judy Weaver



Bill Owens  
Governor

Jenna D. Langer  
Executive Director

December 22, 2006

Senator Jack Taylor  
Chairman  
Legislative Audit Committee  
200 East 14th Avenue  
Denver, Colorado 80203

Dear Chairman Taylor:

Pursuant to the request of the Legislative Audit Committee, the following is a status report on the implementation of certain recommendations contained in the Higher Education Personnel System Performance Audit Report:

### **Recommendation 1 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with stakeholders, including the General Assembly and each of the higher education institutions, to develop a system for collecting, analyzing, and reporting meaningful personnel data across institutions to use in understanding and evaluating the costs and effectiveness of maintaining both the classified and nonclassified personnel systems at the higher education institutions. These data should also be used, as appropriate, by the institutions, to make a business case for exempting positions. Additionally, the Commission should propose statutory revisions to repeal current salary reporting requirements and determine whether any new reporting requirements should be added.*

**Status: Implementation Ongoing.** CCHE staff is working with the institutions to propose legislation repealing the current salary reporting requirements. CCHE staff is also working with institutions to determine a more meaningful system for analyzing personnel data for the Department. CCHE staff does not believe that legislation is necessary to enact new reporting requirements and recommends that data be produced to the General Assembly in a form and manner specifically requested on an ad hoc basis as opposed to annual reports that may not address legislators' particular issues or concerns.

### **Recommendation 3 (Define by Dec. 2006, Status by January 2007, Implement March 2007)**

*The Colorado Commission on Higher Education and the Department of Personnel & Administration should improve the higher education personnel exemption process by:*

A) *Working with stakeholders to develop a standard, clear definition of "professional" that all institutions must apply consistently.*

B) *Working with each of the institutions to review the eight positions that were not professional in nature to determine if the positions are in compliance with statute and were exempted appropriately. If the positions are not in compliance with statute or were exempted inappropriately, the Commission should work with each of the institutions to determine the appropriate course of action, as discussed in part c.*

C) *Developing a range of remedies that can be applied if a position is found to have been exempted inappropriately, pursuing statutory change as necessary. Remedies could include reclassifying positions or modifying position duties to meet statutory criteria and, for repeat violations at specific institutions, transferring the authority for position exemption approval from the institution to the Colorado Commission on Higher Education until problems have been addressed, requiring human resource staff at these institutions to attend further training on the exemption process, and requiring the Department of Personnel & Administration to conduct more frequent postaudit reviews.*

#### **Status: Implemented**

A) Currently, DPA's "Technical Assistance-Exempting Educational Positions from the State Personnel System" gives three examples of "Professional." Based on the recommendation of the State Auditor's Office and the Federal Office of Personnel Management, DPA has drafted a single definition for the technical assistance manual:

**"Professional Work:** Professional work involves exercising discretion, analytical skill, judgment, and personal accountability and responsibility for creating, developing, integrating, applying, and sharing and organized body of knowledge that characteristically is:

- Uniquely acquired through an intense education or training regimen at a recognized college or university;
- Equivalent\* to the curriculum requirements for a bachelor's or higher degree with major study in or pertinent to the specialized field; and
- Continuously studied to explore, extend, and use additional discoveries, interpretations, and application and to improve data, materials, equipment, applications and methods.

\*DHR note, as used in two year colleges, an associate's degree plus 2-3 years of relevant experience may fit this part of the definition.

CCHE believes this single definition of "Professional Work" should help clear ambiguities that existed in the prior technical assistance. However, CCHE acknowledges that institutions are still bound to the requirements of the statute when exempting positions and these statutory requirements take precedence over technical assistance.

B) The State Auditor's Office found that the following positions were not professional in nature.

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Arapahoe CC	Building Maintenance Supervisor	99197
Arapahoe CC	Custodial Services Manager	99196

Working with the institutions, CCHE was able to determine if the positions were exempted properly and what the appropriate course of action is for positions not exempted properly.

*Metro State, Medical Assistant*

This position was considered exempt from the State Classified System because it is solely funded by student fees as provided by the provisions of C.R.S. §24-50-135(1)(d). Additionally, the position was created as an exempt temporary position in January 2005 to provide immediate coverage of the Student Health Center as a result of a military leave situation. The position has subsequently been abolished as of April 2006 and is no longer being used.

*UNC, Administrative Aide*

*UNC Coordinator of Athletic Services*

Both of these positions were exempted based on C.R.S. §24-50-135(1)(a). Both positions serve as executive assistants to positions designated as officers of the institution. The Athletic Director in the case of the Coordinator of Athletic Services, and the Associate Vice President of Academic Affairs in the case of the Administrative Aide. The University of Northern Colorado has the statutory authority to make these decisions, followed the statute, used the technical assistance as guidance, and believes that both positions were properly exempted under C.R.S. §24-50-135(1)(a).

*Arapahoe CC, Maintenance Manager*

*Arapahoe CC, Facilities Rental Manager*

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All five of these positions were exempted at the same time. Arapahoe Community College restructured the Physical Plant Division so that all of the management positions report directly to the Chief Operating Officer. These positions meet requirements in C.R.S. §24-50-135 since they supervise employees, sign leave slips, schedule work time, create and sign evaluations, write Position Descriptions, hire employees, write corrective actions and submit and oversee their budgets.

- C) CCHE worked with DPA to consider remedies for when a position has been exempted in error. Both departments recommend giving institutions the option of either making the position automatically reinstated as a classified position or flagged for reclassification once the position is vacated.

**Recommendation 4 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to determine whether efficiencies could be gained if the institutions developed a set of consistent position titles for nonclassified employees that could be used by all institutions.*

**Status: Implemented.** CCHE staff and institutions have not identified any efficiencies to be gained by developing one set of position titles for all nonclassified employees that would be required for use by all institutions. All institutions agreed that a mandated list of position titles for the higher education system would be a tremendous burden, constrain their human resource departments and result in increased costs. Schools pointed out that each institution differs in its structure and mission depending on several varying factors. For example, the title "Provost" is commonly used in four-year institutions for the position of a senior academic administrator, however, in the community college system the equivalent position would be titled "Vice President for Instruction." Mandating a single, specific set of titles would not only fail to increase efficiency of the system, it would presumably result in a set of dual "official" and "working" titles in an attempt to truly define a position and this would only complicate matters.

**Recommendation 5 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to evaluate and develop consistent practices for exempting positions that give greater weight to factors such as position duties and responsibilities, personnel management goals, and institution need, in addition to organizational structure or position location, as a basis for exemption decisions.*

**Status: Implemented.** CCHE staff found that all institutions have procedures in place which ensure compliance with C.R.S. §24-50-135 which defines the exemptions from the personnel system. While these procedures may vary from school to school due to the nature of the institution, all the procedures take into account the statutory responsibility and in addition, factors such as personnel management goals and institutional needs. CCHE staff believes that with the institutions' compliance of the statute governing exemptions from the personnel system, the institutions are following a consistent set of practices, with the needed flexibility for the unique characteristics of higher education.

**Recommendation 6 (Dec. 2006)**

*The Colorado Commission on Higher Education should work with each of the institutions to develop documentation standards that institutions should use, in general and when exempting positions. Documentation should include position descriptions that are consistent within organizations and that sufficiently describe position duties and organizational charts.*

**Status: Implemented.** CCHE staff requested and obtained documentation samples from each institution for their respective exemption process. These forms are attached as addendum A. While the forms are not uniform across all institutions, CCHE staff believes that they all properly document the exemption processes and are in accordance with the statutory regulations. The differences in the forms reflect the differences among the various institutions of higher education and their respective human resource capabilities and needs.

**Recommendation 9 (Status by Jan. 2007)**

*The Colorado Commission on Higher Education should work with each of the higher education institutions to improve their total compensation practices and strategies. Working through performance contracts, as appropriate, the Commission should ensure the institutions:*

*A) Implement salary setting policies that consider market data and data for comparable positions within the institutions.*

*B) Award salary increases on the basis of performance.*

*C) Value the benefits offered to nonclassified employees and use this information to identify opportunities to leverage institutions' buying power and to ensure benefits are competitive and meet employee needs.*

**Status: Implemented.** CCHE staff is reviewing the current performance contract goals and requirements and will make recommendations to the Commission for additional goals in the area of compensation practices and strategies that may be considered for possible amendments or additions to the performance contracts.

**Recommendation 10 (Dec. 2006)**

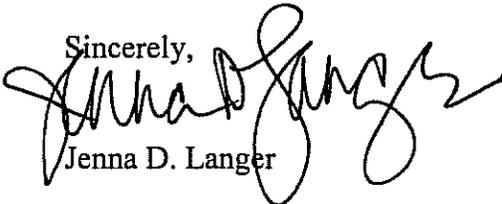
*The Colorado Commission on Higher Education should work with each of the higher education to insure the institutions evaluate the operation of their current personnel systems and determine any changes needed to develop system(s) that meet the needs of higher education, as well as the State, proposing statutory change as necessary. Options include institutions moving toward an entirely nonclassified system or continuing with the current dual system.*

**Status: Implementation Ongoing.** CCHE staff will continue to work with the institutions to ensure compliance with best practices in personnel systems. At this time, the Commission does not believe that moving the department toward an entirely nonclassified system is feasible and therefore does not intend to support any statutory changes in this area.

Additional information provided by the institutions with respect to the audit recommendations is attached in Addendum B. CCHE staff will brief the new administration on the auditor's recommendations and keep the Legislative Audit Committee apprised of any changes.

Please do not hesitate to contact me if you have any questions or would like additional information regarding this status report.

Sincerely,



Jenna D. Langer

cc: Cindi Stetson, Deputy State Auditor  
Jennifer Henry, Legislative Audit Supervisor  
John Karakoulakis, Director of Legislative Affairs

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

**Audit Recommendation No. 1**

Work with stakeholders to develop a system for collecting, analyzing, and reporting meaningful personnel data across institutions, propose statutory revisions to repeal current salary reporting requirements, and determine whether any new reporting requirements should be added. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*The University of Colorado supports modifying the law (Section 24-50-140, C.R.S.) to remove the requirement to report annual salaries and pay increases for exempt employees to the Joint Budget Committee. The University supports working with other higher education institutions, the Joint Budget Committee, and CCHE to design a brief standard report that provides useful information on salary increases for exempt professional staff.*

**Audit Recommendation No. 3**

Work with stakeholders to develop a standard, clear definition of “professional;” review the eight positions that were not professional in nature to determine if the positions are in compliance with statute; develop a range of remedies that can be applied if a position is found to have been exempted inappropriately; and pursue statutory change as necessary. Responding Agency: Colorado Commission on Higher Education and Department of Personnel and Administration

*University of Colorado Additional Comments:*

*The University of Colorado system-wide Administrative Policy Statement, Exemptions from the State Personnel System, effective October 22, 2004 (see <http://www.cusys.edu/policies/Personnel/exempt-state.html>), sets forth the University's definition of what constitutes a professional position and requires the campuses to adhere to it. The definition requires that the position fulfill all of the following to be considered professional:*

- 1. Demands knowledge in a field of learning customarily and characteristically acquired through education or training that meets the requirements of a bachelor's or higher degree, or equivalent specialized experience;*
- 2. Utilizes the creative and conceptual application of theories, methods, principles, and practices of a professional field, as well as management program objectives, law and regulations, general systems and guidelines to generate original, creative and/or novel work-product or solutions as circumstances warrant;*

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

3. *Performs duties and responsibilities that are predominantly intellectual and varied in nature, requiring creative, analytical, evaluative, interpretive, or critical thinking in the context of the identifiable professional field (or field of learning); and*
4. *Exercises discretion and independent judgment, requiring only general supervision in performing normal day-to-day work (the full ranges of professional tasks).*

*The University understands that the Department of Personnel and Administration and Colorado Commission on Higher Education are currently working toward a definition of "professional" that is to be applied state-wide. It is the University's desire that its definition, which is more narrowly defined than the language currently proposed by DPA and CCHE, will continue to be acceptable to use following the adoption of a state-wide definition.*

*The University believes that the exemptions statute in place serves the institution's needs and those of the State. The University does not support moving exemption authority back to DPA. Also, the University does not support giving CCHE greater oversight responsibility over University personnel, although we do welcome its assistance in bringing together representatives of higher education to discuss personnel issues of common concern. Providing regulatory authority in this area to CCHE risks limiting management flexibility for the institutions, a matter of particular concern in this time of reduced resources. Additionally, this would be inconsistent with CCHE's current role and authority and would expand CCHE's authority into an area currently reserved to the governing boards.*

**Audit Recommendation No. 4**

Work with each of the institutions to determine whether efficiencies could be gained if the institutions developed a set of consistent position titles for nonclassified employees that could be used by all institutions. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*The University of Colorado does not believe it would benefit from a set of non-classified position titles that would apply to all Colorado public higher education institutions. The human resources directors from CU campuses and system administration, however, are working to regularize exempt titles system-wide. CU-Denver and Health Sciences Center has initiated a discussion among the human resource directors across the University system on the use of exempt titles, including new definitions, and has proposed a series of*

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

*new titles, that will be available University-wide, which correspond more directly to the current statutory exemption criteria. We continue to find that some flexibility is important to institutional ability to meet unique institutional needs and effectively manage personnel resources. When flexibility is eliminated through over-regulation of position titles, working titles are routinely used to convey what these positions actually do. Giving the University a set of uniform non-classified position titles would not increase efficiency. Working titles would become even more important than they are now and comparison would be just as difficult.*

**Audit Recommendation No. 5**

Work with each of the institutions to evaluate and develop consistent practices for exempting positions that give greater weight to factors such as position duties and responsibilities, personnel management goals, and institution need. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*University of Colorado campuses have their own posted processes for reviewing positions for exemption. (See, <http://www.colorado.edu/policies/positionexemption.html>; <http://web.uccs.edu/vcafi/> and; <http://www.ucdhsc.edu/admin/policies/index.htm>). These campus policies share a number of commonalities. Generally, appointing authorities must send campus Human Resources departments a written request that a new position or vacant position be reviewed for exempt professional designation. The Human Resources department then uses the guidelines listed above to determine whether the position qualifies for exemption. Supporting documentation for each request must include a job description, an organizational chart, and a faculty/professional exempt position authorization form. Signed written documentation from a classified employee stating that he/she agrees to accept at-will employment and waives the right to appeal must accompany any applications to move a filled position from classified to exempt status. Some campuses go further in spelling out specific information which must be contained in job descriptions and in designating position titles that are ineligible for exemption.*

*Since issuance of the audit report, the campuses have undertaken additional efforts as follows: CU-Boulder has commenced a review of exempt job titles and definitions across the campus to ensure clarity and consistency in application. System administration has also undertaken such a review and is in the process of contracting with a consultant to provide system-wide advice on job titles and descriptions for exempt employees.*

**Audit Recommendation No. 6**

Work with each of the institutions to develop documentation standards that institutions should use, in general and when exempting positions. Documentation should include

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

position descriptions that are consistent within organizations and that sufficiently describe position duties and organizational charts. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*Documentation standards for faculty and exempt professional employees are provided in system-wide on-line handbooks for faculty (see, [http://www.cusys.edu/faculty/fac\\_handbook](http://www.cusys.edu/faculty/fac_handbook)) and exempt professional staff (see, <http://www.cu.edu/SysHR/oep>). Campuses use templates requiring that specific information be included in job descriptions. Offices are required to maintain accurate, up-to-date organizational charts.*

*Since issuance of the audit report, the campuses have undertaken additional efforts as follows: CU-Boulder has commenced a review of all current exempt position file documentation to ensure job description information is complete and up to date. Documentation will also be imaged for easier access. System administration similarly is in the midst of reviewing and, as needed, updating the supporting documentation for exempt professional positions. CU-Denver and Health Sciences Center has completed a review of all job descriptions. It is also reviewing salary documentation for all positions. Positions which had been vacant for more than six months were abolished.*

**Audit Recommendation No. 8**

Ensure that agencies and institutions are applying paid administrative leave in accordance with State Personnel Board and the Department of Personnel & Administration rules, notify all agencies and institutions of the reporting requirements, require agencies and institutions to report the length of time employees are on paid administrative leave, review the appropriateness of agencies' and institutions' use of paid administrative leave, and follow up where appropriate. Responding Agency: Department of Personnel and Administration

*University of Colorado Additional Comments:*

*The University of Colorado Administrative Policy Statement Paid Administrative Leave for Officers, Exempt Professionals, and Faculty on Twelve-Month Appointments, effective January 23, 2004, requires that "All use of paid administrative leave for eligible employees must be reported by use of the University's time collection procedures. The President shall review the use of short-term paid administrative leave on an annual basis." The FY06 annual report to the president shows, by campus, the number of employees who used short-term administrative leave, the number instances of short term administrative leave involved, the total number of hours of short term administrative leave taken, and the salary cost associated with the short term administrative leave. The University would be happy to provide to the Department of Personnel and Administration*

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

*this report or other information relevant to short term administrative leave of its employees not subject to the state personnel system.*

**Audit Recommendation No. 9**

Work through performance contracts, as appropriate, to ensure the institutions implement salary setting policies that consider market data and data for comparable positions within the institutions; award salary increases on the basis of performance; and value the benefits offered to nonclassified employees and use this information to identify opportunities to leverage institutions' buying power. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*The University of Colorado is currently developing a new system-wide Administrative Policy Statement on compensation principles and processes for exempt professionals to establish appropriate peer group comparisons to use in setting initial salaries, evaluating annual salary increases and documenting these processes.*

*In addition to the above, the campuses have undertaken the following efforts since issuance of the audit report: CU-Boulder has updated its campus procedures for reviewing salary ranges for new and vacant exempt positions to include documentation of peer market analysis and justification for setting position salaries. Further, in coordination with campus leadership, CU-Boulder is working to finalize strategies for evaluating existing encumbered positions. For example, the campus is in discussions with a consultant to assist with comprehensive review of all existing exempt positions with regard to job titles, salary ranges, peer data analysis and documentation, and identification of individual salary issues potentially in need of attention and possible action. System administration is also working with a consultant to ensure that its compensation processes are aligned with best practices. CU-Colorado Springs is nearing completion of a new campus-wide policy statement with respect to compensation of officers and exempt professionals. The policy addresses new and vacant positions, as well as the annual salary setting process, using peer market information, among other factors. CU-Denver and Health Sciences Center (UCDHSC) has implemented a new exempt professional compensation policy which includes initial and on-going analyses and documentation of the data used, analyses and compensation decisions. UCDHSC has dedicated one of its positions to expanded compensation analyses and strategies and filled it with a recognized expert in the area. Finally, UCDHSC is building a comprehensive exempt professional compensation database.*

Status Report Addendum  
Higher Education Personnel System  
Performance Audit Issued May 2006

University of Colorado

**Audit Recommendation No. 10**

Work with each of the higher education institutions to ensure the institutions evaluate the operation of their current personnel systems, determine any changes needed to develop system(s) that meet the needs of higher education, as well as the State, proposing statutory change as necessary. Responding Agency: Colorado Commission on Higher Education

*University of Colorado Additional Comments:*

*We believe that the exemptions statute in place serves the institution's needs and those of the State and do not now feel that we need more help from CCHE or DPA in this area. The most significant improvements to the operation of the University of Colorado's personnel system are likely to come out of the recommendations of the Personnel System Review Task Force report and corresponding changes that the University of Colorado has requested from the Department of Personnel and Administration (see, <http://www.cu.edu/taskforce>).*

*The University believes that, with the changes it is seeking in the classified system as a result of the work of the Personnel System Review Task Force, maintaining the classified system provides benefits to both the University and its employees. This is stated with the understanding that exempt positions will continue to be under the control of the University. The University does not support moving to an entirely nonclassified system, regulated on a state-wide basis.*

*As noted previously, the University does not support moving exemption authority back to DPA. Also, the University does not support giving CCHE greater oversight responsibility over University personnel, although we do welcome its assistance in bringing together representatives of higher education to discuss personnel issues of common concern. Providing regulatory authority in this area to CCHE risks limiting management flexibility for the institutions, a matter of particular concern in this time of reduced resources. Additionally, this would be inconsistent with CCHE's current role and authority and would expand CCHE's authority into an area currently reserved to the governing boards.*

# State of Colorado



Bill Owens  
Governor

Jeffrey M. Wells  
Executive Director

Paul Farley  
Deputy Executive Director

David M. Kaye  
Division Director

## DPA

Department of Personnel  
& Administration

Division of Human Resources  
1313 Sherman St., First Floor  
Denver, Colorado 80203  
Phone (303) 866-2323  
Fax (303) 866-2021  
[www.colorado.gov/dpa](http://www.colorado.gov/dpa)

November 6, 2006

Jenna Langer  
Executive Director  
Colorado Commission on Higher Education  
1380 Lawrence Street, Suite 1200  
Denver, CO 80204

Dear Jenna:

Based upon recommendations agreed to between DPA and CCHE as a result of the audit conducted by the State Auditor's Office in May 2006, I would like to offer assistance to CCHE on behalf of DPA in the following areas:

- Definition of "professional" for exemption purposes

Currently, the "Technical Assistance-Exempting Educational Positions from the State Personnel System" gives three examples of "Professional". Based on the recommendation for the State Auditor and the Federal Office of Personnel Management, it is DPA's recommendation that CCHE apply to following definition of professional when considering exemption from the state classified system:

**"Professional Work.** Professional work involves exercising discretion, analytical skill, judgment, and personal accountability and responsibility for creating, developing, integrating, applying, and sharing an organized body of knowledge that characteristically is:

- Uniquely acquired through an intense education or training regimen at a recognized college or university;
- Equivalent\* to the curriculum requirements for a bachelor's or higher degree with major study in or pertinent to the specialized field; and
- Continuously studied to explore, extend, and use additional discoveries, interpretations, and application and to improve data, materials, equipment, applications, and methods."

\* DHR note: as used in two-year colleges, an associate's degree plus 2-3 years of relevant experience may fit this part of the definition.

**CCHE Action Item:** Please distribute this definition to your stakeholders. If there is agreement that this definition (versus the three that are currently in the technical assistance) is acceptable, please respond back to me so that the technical assistance can be updated. If there is no agreement, please schedule a time for your stakeholders, yourself and DPA staff to meet and resolve this issue.

- Review of eight positions on exemption status

**CCHE Action Item:** Please advise your institutions to review the eight positions in question. If an agreement cannot be determined, how would you like DPA's assistance in resolving this matter?

- Remedies to consider when a position has been exempted in error

DPA would like to offer a recommendation to either make the position classified OR to redline the position. When the position becomes vacant, classify the position appropriately.

**CCHE Action Item:** Determine a policy on exemptions made in error and distribute to stakeholders by December 31, 2006.

- Administrative Leave Reporting

DPA's Executive Director, Jeff Schutt issued a letter dated June 6, 2006 that indicated agency responsibility on reporting of administrative leave. I have attached a copy of that letter for you.

The State Auditor's Office recommended that DPA track all administrative leave usage. However, an appointing authority alone has the authority and the right to grant administrative leave. The Total Compensation Unit within DPA decided that tracking all administrative leave usage was too cumbersome. Therefore, the only circumstance where DPA tracks paid administrative leave is when an employee is out for more than 20 consecutive days. When an employee has been placed on more than 20 consecutive days of paid administrative leave, the Executive Director of the agency and the State Personnel Director are notified.

Each of the issues above are to be implemented by December 2006.

If I can be of any assistance, please feel free to contact me at 303-866-2620.

Sincerely,



Kathy DePew  
Consulting Services

Cc: Office of the State Auditor

# State of Colorado



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**To:** Personnel Administrators  
**From:** Jeff Schutt  
**Date:** June 6, 2006  
**Re:** Use of Administrative Leave

As a result of the State Auditor's review of personnel system exemptions, I need to remind everyone that Administrative Procedure 5-20 requires departments to report to me any occurrence where administrative leave in excess of 20 consecutive working days is granted, regardless of the reason.

While such reporting of administrative leave has been required since 2000, the audit report determined that some changes and additional enforcement were necessary. Audit findings revealed some cases where administrative leave in excess of 20 days was not being reported and also recommended that we take a more active role in assessing appropriate use of administrative leave. We agreed to collect additional information about the actual amount of administrative leave granted and the reason.

Therefore, effective immediately, please revise your processes if necessary to ensure that I receive a report of administrative leave usage as follows:

- When the administrative leave first exceeds 20 consecutive days, including the reason for granting the leave.
- At the conclusion of the administrative leave period, including the total amount of leave granted (not just a report that it exceeded 20 consecutive days) and the reason for granting the leave.

Note that this may allow some departments to report less frequently, since reporting of occurrences of administrative leave is not required until the total exceeds 20 consecutive days.

Thank you, and please contact us if you have questions.

December 12, 2006

Senator Jack Taylor  
Chairman  
Legislative Audit Committee  
C/O Office of the State Auditor  
200 E. 14<sup>th</sup> Ave.  
Denver, Co., 80203

Dear Senator Taylor:

At its June 13, 2006 hearing on the Higher Education Personnel System Performance Audit-May 2006, the Legislative Audit Committee requested an update on the status of Recommendation No. 7. The status update follows.

**Recommendation No. 7:**

Colorado State University in Fort Collins should ensure compliance with the State Personnel Board and the Department of Personnel & Administration rules and procedures by timely reporting employees who are on paid administrative leave for more than 20 consecutive working days.

**Colorado State University Response:**

Agree. Implemented. As noted in our original response to this recommendation, the procedures in effect at the time of the audit contained no guidance as to the timing of the required notice of administrative leaves exceeding the 20 working day standard. Subsequently, the Department of Personnel and Administration has provided guidance on this issue. On June 6, 2006, Jeff Schutt, then Director of the State's Division of Human Resources (the Division), issued the attached memorandum directing that Administrative Leaves be reported on the 21st consecutive work day of such leave and again at the conclusion of such leave. The second report was to include an explanation for the Administrative Leave. The University had one instance of Administrative Leave that exceeded the 20 day threshold on September 27, 2006 and the required notice was sent to President Penley and Director Wells on September 28, 2006. This employee resigned in lieu of disciplinary action on December 05, 2006. The notice of the termination of her Administrative Leave was sent to President Penley and Director Wells on December 11, 2006.

More recently, on November, 8, 2006 the Division issued the attached "Technical Assistance" bulletin on Administrative Leave Reporting which revises the reporting deadlines and format. Since that time, there has been one instance of Administrative Leave which has exceeded the 20 day threshold. Notice of that leave was sent to President Penley and Director Wells on December 11, 2006. Notice of the termination of that leave will be sent to President Penley and Director Wells at such time that the leave is concluded in accordance with the Technical Assistance bulletin. As the only official at Colorado State University who has been designated by President Penley as the appointing authority for Administrative Leaves, I can assure the Committee that in the future, all incidences of Administrative Leave which exceed the 20 working day threshold will be reported in accordance with the procedures outlined in the Technical Assistance bulletin.

It should be noted that the LAC directed Colorado State University to work with the State Department of Personnel and Administration in developing "...deadlines and processes for reporting within a timeframe that is acceptable to the Department." As the referenced notices from the Department outlined above were unambiguous and straightforward, the directed dialogue between the University and the Department was deemed to be unnecessary.

Sincerely,



Carol J. Shirey  
Director

x.c. Rich Schweigert, Interim Vice-President of Administrative Services  
David Kaye, Director, Division of Human Resources

# State of Colorado



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Note that this may allow some departments to report less frequently, since reporting of occurrences of administrative leave is not required until the total exceeds 20 consecutive days.

Thank you, and please contact us if you have questions.

# **TECHNICAL ASSISTANCE – ADMINISTRATIVE LEAVE REPORTING**

Prepared by the Division of Human Resources in the Department of Personnel & Administration in November 8, 2006.

## **OVERVIEW**

This purpose of this technical assistance is to provide the data reporting requirements related to administrative leave granted to classified state employees. By rule, departments and institutions of higher education are required to report any occurrence of administrative leave that exceeds 20 consecutive working days to the State Personnel Director. Administrative leave of less than 20 consecutive days need not be reported.

## **REPORTING REQUIREMENTS**

Within 15 days of an administrative leave period exceeding 20 consecutive days, the following information is reported:

- The employee's name;
- The agency; and
- The reason for granting the leave. While administrative leave is most commonly granted during a period of investigation into an employee's actions or behavior, some detail must be provided regarding the reason for investigation (for example, to investigate alleged violation of the department's workplace violence policy).

Within 15 days of the conclusion of an administrative leave period, the following information is reported:

- The total number of leave days granted (not simply reporting that the leave exceeded 20 consecutive days); and,
- A statement of the resulting action taken with respect to the employee at the conclusion of the leave. For example, returned to regular position, resignation, termination for cause, etc.

Administrative leave reports are provided to the State Personnel Director at 1313 Sherman Street, 1<sup>st</sup> Floor, Denver, CO 80203. The information may be letter or spreadsheet format and must include the name and contact information of the individual who can clarify details regarding the administrative leave. A sample report format follows.

Each department and institution of higher education must develop and maintain a process that ensures consistent reporting of administrative leave data to the State Personnel Director.

**SAMPLE—Administrative Leave Report Format**

Initial report of administrative leave exceeding 20 consecutive working days:

Report of Administrative Leave That Exceeds 20 Consecutive Working Days				
Agency	Employee Name	Reason for Granting Admin Leave	Total Number Days Granted	Final Action Taken
ABC	Doe, John	Investigation of possible violation of substance abuse policy		
ABC	Mouse, Mickey	Investigation of alleged harassment		

Report following conclusion of administrative leave:

Report of Administrative Leave That Exceeds 20 Consecutive Working Days				
Agency	Employee Name	Reason for Granting Admin Leave	Total Number Days Granted	Final Action Taken
ABC	Doe, John	Investigation of possible substance abuse policy violation	24 days	Disciplinary Demotion
ABC	Mouse, Mickey	Investigation of alleged harassment	30 days	Voluntary Resignation
ABC	Monroe, Marilyn	Investigation of misuse of state resources	20 days	No action taken

TECHNICAL ASSISTANCE  
DHR APPROVAL FOR PUBLICATION

Technical Assistance Topic: Administrative Leave Reporting

Effective Date of Revisions: 11/8/06

Date of Superceded Version: New

Section Manager:

Laurie Benallu

Date:

11/7/06

Deputy Division Director:

\_\_\_\_\_

Date:

\_\_\_\_\_

Division Director:

[Signature]

Date:

11/7/06



December 1, 2006

Senator Jack Taylor  
Legislative Audit Committee Chairman  
c/o: The Office of the State Auditor  
200 East 14<sup>th</sup> Ave  
Denver CO 80203

The purpose of this letter is to update the Legislative Audit Committee on Adams State College's progress toward implementation of an audit recommendation from the Higher Education Personnel System Performance Audit, May 2006. For your convenience, I have included the audit recommendation, our response, and the implementation status.

**Recommendation:** Adams State College should ensure its electronic employee data are accurate, reliable, and maintained in a way that maximizes usefulness of the data by:

- a. Verifying that termination dates in all databases are accurate and reflect actual termination dates.
- b. Evaluating the data collected and reported for employees who have additional duties beyond those included in their employment contracts

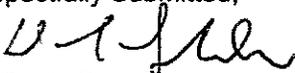
**Adams State College's Response:** Agree. Implementation Date: Ongoing.

**Adams State College's Implementation Status:**

- a. The verification of employee termination dates in our computer system continues to be an ongoing process. To date we have revised our data definitions to be more precise to insure consistency throughout various modules in our enterprise data system. We have also rebuilt queries and reports to insure that proper data sources are accessed in accordance with the refined definitions. Historic termination data has been validated back to January, 2002.
- b. Adams State College policies regarding creating, filling, and classifying positions have undergone revision. Our data entry processes, reporting, and data sets have been modified so that individual job assignments are reflected as fractional FTE, therefore no individual can hold more than one full time equivalent position. We have developed new internal reporting that enables us to evaluate employee FTE data to insure that it accurately reflects workload. Financial constraints have limited the College's ability to modify our enterprise software system to fully automate employee FTE reporting.

The Adams State College staff will continue to diligently monitor electronic employee data sets to insure that they are accurate.

Respectfully Submitted,

  
Dr. David Svaldi  
President

  
Bill Mansheim  
Vice President of Finance and Administration

**OFFICE OF THE PRESIDENT**

208 Edgemont Blvd. • Alamosa, CO 81102 • Fax: (719) 587-7522 • Phone: (719) 587-7341  
www.adams.edu

January 9, 2007

Ms. Sally Symanski  
Office of the State Auditor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203-2211

Dear Ms. Symanski,

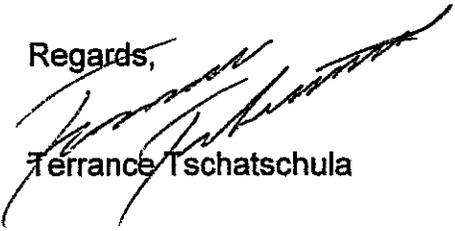
This request is made under the Colorado Open Records Act.

Please provide me with a copy the "Draft" version of the audit conducted of the Petroleum Storage Tank Program, Performance Audit, October 2006, Division of Oil and Public Safety, Department of Labor and Employment.

Copy can be sent to:      2121 South Oneida Street  
                                 Suite 625  
                                 Denver, Colorado 80224

You can contact me at 303 246 0423 with any questions.

Regards,

  
Terrance Tschatschula

RECEIVED

JAN 10 2007

OFFICE OF THE STATE AUDITOR  
DENVER, COLORADO