

**NASPE Eugene H. Rooney, Jr., Awards Nomination
Leadership in State Human Resource Management**



Colorado
Department of Personnel
& Administration

Nominee: Kathy Nesbitt, Esq.
Title: State Personnel Director and Executive Director
State : Colorado
Agency: Department of Personnel & Administration
Address: 633 17th St., Suite 1600, Denver, CO 80202
Telephone: 303-866-3000
Fax: 303-866-2102
Email: Kathy.Nesbitt@state.co.us
Brief bio: See below

Nominator: Deborah Layton-Root
Title: Chief Human Resources Officer
State : Colorado
Agency: Department of Personnel & Administration, Division of Human Resources
Address: 1313 Sherman St., Denver, CO 80203
Telephone: 303-866-2105
Fax: 303-866-2102
Email: Deborah.Layton-Root@state.co.us

**Director of Personnel for the State of Colorado and
Executive Director of the Department of Personnel & Administration**
Kathy Nesbitt



Kathy Nesbitt was appointed by Governor John Hickenlooper in January 2011 as the Director of Personnel for the State of Colorado and Executive Director of the Department of Personnel & Administration. In this dual role, Kathy creates and administers the rules that govern the State's 33,000+ classified employees, as well as their compensation and benefits.

Kathy is also responsible for the efficient and effective management of five divisions: Human Resources; Central Services, including the fleet, printing operations, mail delivery and document scanning; Finance and Procurement; the State Controller's Office; and Administrative Courts. She also oversees statewide programs, including the State Architect's Office, State Archives and the Colorado State Employee Assistance Program.

Kathy has spent the majority of her career as a labor and employment attorney, and possesses her Senior Professional in Human Resources (SPHR) certification. Kathy previously served as Human Resources Director and Interim Vice President of Human Resources for Kaiser Permanente's Colorado Region, and as Staff Attorney at Mountain States Employers Council and at Qwest Communications.

Kathy was the 2010 winner of Denver Business Journal's "Forty Under 40" and previously served as a board member for the Children's Museum of Colorado. Her other associations include the State of Colorado's Claims Board and Correctional Industries' Advisory Board. She is happily married and the mother of two young boys.

1. Describe how the nominee has demonstrated leadership by participating on major state government committees, task forces and/or special projects related to state human resource management.

As the State Personnel Director, Kathy serves as the Executive Director of the Department of Personnel & Administration and is part of the Governor's Cabinet. She leads the State's HR Directors Forum monthly meetings, regularly attends State Personnel Board meetings and benefits administrator meetings. She serves with the State Attorney General and Treasurer on the State of Colorado's Claims Board, which has statutory authority to oversee the management of the State's Risk Management Fund, and to compromise or settle claims between \$100,000 and the maximum allowed under the Governmental Immunity Act. The Claims Board oversaw more than 90 claims associated with a wildfire in Colorado last summer. She also serves on the State's Correctional Industries Advisory Board. Kathy leads the State's efforts to recognize its employees as part of national Public Employee Appreciation Week each May, and created a special event in which nominees from each department are honored by the Governor in his residence with a special breakfast and award plaque. The event is highly publicized, with significant media for the great work of State employees.

2. Describe how the nominee has demonstrated exceptional leadership in the field of human resource management beyond your state human resources organization.

Kathy has shared her expansive human resources knowledge and vision in numerous leadership capacities. She has spoken about human resources concepts, and specifically her vision for State human resources, with extensive public and private sector audiences attending the Colorado Innovation Network, the Colorado Financial Managers Association, Colorado Municipal League, the Colorado Higher Education Insurance Benefits Alliance and other professional conferences. She works extensively with health providers in Colorado about the HR needs of the State. And she has contributed

her wealth of HR knowledge through her community service with organizations including the Denver Children's Museum and the Black Chamber of Commerce.

3. Describe the nominee's leadership and/or management skills in implementing human resource management programs.

Within weeks of being appointed State Personnel Director by the Governor, Kathy proposed an ambitious plan to ensure the State of Colorado was best positioned to recruit, retain and reward top talent. "The Talent Agenda," as it was called, was in response to the fact that a full third of the State's workforce is currently retirement eligible and the State had a 92-year-old personnel system that had not been updated to meet the needs of recruitment and selection in the 21st century. Kathy drafted significant legislation focused on increasing flexibility in hiring processes, making changes to employee compensation and aligning the State workforce environment with modern business practices. She worked with the Governor's Office, State Legislature, employee unions and State HR professionals to introduce a statewide ballot initiative for a necessary Constitutional amendment (Amendment S). She traveled throughout the State and met with more than 6,000 state employees in person to explain the changes she was proposing. The employee support she garnered significantly contributed to the amendment's passage with 56% of the statewide vote. This is the first significant change to the State's personnel system in more than 40 years, and three previous attempts to pass similar legislation failed. The amendment passed Nov. 4, 2012, and was fully implemented Jan. 1, 2013, through an extensive emergency and permanent rulemaking Kathy led, which included revisions to more than half of the existing personnel rules. Her involvement of employee organizations and stakeholders in the rulemaking process led to no testimony opposing the rules at the public hearing, which was attended by more than 300 people. In addition, Kathy led the effort to update technical guidance to HR community on how to

implement the new rules, and held multiple meetings to ensure the HR community had all of their questions answered.

4. Describe how the nominee has demonstrated leadership within the NASPE organization in support of NASPE's mission to share information on human resource issues so that members can better achieve their state's mission and business objectives. Include evidence of local or national acclaim in the field and influence on other states' personnel executives.

Kathy attended the NASPE conference in July 2011, just months after being appointed to serve as the Personnel Director for the State of Colorado. Kathy is enthusiastically supportive of staff involvement with NASPE. When State resources were very restricted for staff training and travel, Kathy ensured there was budget available for the State's new Chief Human Resources Officer Deborah Layton-Root to attend the NASPE conference in July 2012 and encouraged staff to participate in NASPE subcommittees to share the innovative practices we are putting into place in Colorado. As a result of her support, we currently have three staff participating on the compensation, benefits and leadership sub-committees.

5. Describe any relevant state human resource management programs or initiatives that were successful because of this nominee's involvement.

In addition to the Talent Agenda initiative discussed in #3 above, Kathy also worked to pass legislation to create a merit pay system. In addition to any monies appropriated for merit pay by the General Assembly, reversions from specified line items at the close of each fiscal year will provide for additional merit pay funding. Available monies will be distributed to one or more priority groups of employees as determined by the State Personnel Director, with the intent of moving the lowest paid employees toward the mid-range of base salaries.

Kathy drafted and introduced legislation that phases out the disruptive practice known as “bumping,” in which employees who lose their job are permitted to displace less senior employees in the State Personnel System. This practice is bad for both the organization and employees, leading to non-optimal staffing assignments that are ineffective and often result in turnover. Bumping rights will no longer be available to any employee who, as of January 1, 2013, is not within 5 years of full retirement, as defined in statute. Instead, employees who are separated from service due to lack of work, lack of funds or reorganization will be eligible to receive severance pay/post employment compensation or other benefits (such as health benefits, tuition or educational training vouchers, placement on a reemployment list or a hiring preference). In conjunction with this change, Kathy rewrote the personnel rules to ensure seniority and performance continue to be key considerations as a part of any layoff plan.

Kathy led and implemented a complete pay structure redesign for the State’s 33,000+ classified employees, adjusting the pay ranges to market midpoint for benchmarked jobs. In conjunction with this significant adjustment, she recommended an across the board raise for State employees for the first time in 5 years.

The State conducted its first employee engagement survey under Kathy’s guidance. It is being used in each of the State’s 20 executive branch departments to guide strategic planning, personnel and customer service improvements. The State has committed to biannual employee engagement surveys, so long as budget allows. She created a statewide new employee orientation program, instituted major enhancements in the state training and development center, and launched a wellness program for the State’s 33,000+ employees.

STATE OF COLORADO

OFFICE OF THE GOVERNOR

136 State Capitol
Denver, Colorado 80203
Phone (303) 866-2471
Fax (303) 866-2003



John W. Hickenlooper
Governor

March 19, 2013

Dear NASPE Eugene H. Rooney, Jr., Awards Judges:

Kathy Nesbitt was appointed to my cabinet in January 2011 as the Director of Personnel for the State of Colorado and Executive Director of the Department of Personnel & Administration. In this dual role, Kathy creates and administers the rules that govern the State's 33,000+ classified employees, as well as their compensation and benefits.

But Kathy does so much more than that. She has been a champion for our State's workforce, always looking for the most effective, efficient and elegant ways to be of service to them. She has the uncommon ability of being able to ferret out a problem and develop truly effective solutions that benefit all involved. And she has been willing to take on multiple incredibly tough issues in a very short timeframe so as to ensure we are making progress toward our workforce goals.

Our administration set out two years ago with a number of extremely ambitious goals we hoped to accomplish in our first term. One of those goals was to transform our State's personnel system. Many doubted it was possible. It had been tried before, to no avail. But Kathy was undeterred and forged ahead. She did so with great focus, but also with great care for the State employees whose daily lives she was affecting and remarkable candor. As a result, she has had unexpected – indeed surprising – support from even those employees and unions who may have wanted to go another direction.

What is truly amazing about Kathy is not only her determination to do something great for the State of Colorado, but how she is able to bring together best practices and innovations from thought leaders like NASPE with a real interest in the people in our workforce to make real and lasting change.

In short, Kathy epitomizes the qualities required of Eugene H. Rooney, Jr., awardees for leadership in State Human Resource Management. There is no question that she has demonstrated innovative state human resource management practices that ensure access and equity while enhancing productivity and service delivery in the State of Colorado. I highly endorse her for this award in recognition of her many achievements.

Sincerely,

John W. Hickenlooper
Governor