



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 22-0851	Date:	February 7, 2022
Prime Sponsors:	Rep. Herod; Esgar Sen. Moreno	Bill Status:	House Appropriations
		Fiscal Analyst:	Jake Carias 303-866-4776 Jake.Carias@state.co.us

Bill Topic: PAY EQUITY STUDY

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Personnel and Administration to solicit a contract for a pay equity study focused on protected classes to produce recommendations to alleviate potential pay inequities. This bill increases state expenditures in FY 2021-22 and FY 2022-23.

Appropriation Summary: For FY 2021-22, the bill includes an appropriation of \$500,000 to the Department of Personnel and Administration with roll forward authority through FY 2022-23.

Fiscal Note Status: The fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 22-1196**

		Current Year FY 2021-22	Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-	-
Expenditures	General Fund	\$500,000	-	-
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$67,000	-	-

Summary of Legislation

The bill requires the Equity Diversity and Inclusion Task Force established through the partnership agreement entered into under the “Colorado Partnership for Quality Jobs and Services Act” to solicit a vendor contract, through a competitive process, for a study to evaluate pay inequities specific to gender, race, and other protected classes in the state personnel system. The study must be conducted by a vendor, independent of the Department of Personnel and Administration, and be completed by September 30, 2022, with recommendations to alleviate discovered pay inequities. The Director of the Department of Personnel and Administration must provide a copy of the final report to the General Assembly within 30 days of the completion of the report.

Expenditures

The bill increases General Fund expenditures in the Department of Personnel and Administration by \$500,000 in FY 2021-22 to contract with a vendor to conduct the pay equity study.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 13.4 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2021-22. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$67,000 in FY 2021-22, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For the current FY 2021-22, the bill includes a General Fund appropriation of \$500,000 to the Department of Personnel and Administration. This appropriation may be spent through FY 2022-23.

State and Local Government Contacts

Personnel and Administration

Joint Budget Committee