

CHAPTER 49

**GOVERNMENT - STATE**

HOUSE BILL 22-1266

BY REPRESENTATIVE(S) Tipper and Gray, Amabile, Bacon, Bernett, Bird, Boesenecker, Duran, Esgar, Gonzales-Gutierrez, Herod, Hooton, Jodeh, Kennedy, Kipp, Lindsay, Lontine, McCluskie, McCormick, Mullica, Ricks, Sirota, Titone, Valdez A., Valdez D., Weissman, Woodrow, Garnett, Benavidez; also SENATOR(S) Winter, Buckner, Donovan, Fields, Ginal, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Story, Fenberg.

**AN ACT**

**CONCERNING MODIFICATIONS TO THE STATE EMPLOYEE TOTAL COMPENSATION PHILOSOPHY TO PROVIDE FLEXIBILITY IN STATE EMPLOYEE TOTAL COMPENSATION PRACTICES.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 24-50-104, **amend** (1)(a)(I), (1)(a)(II), (1)(a)(III)(A), (1)(g), (4)(c), and (5)(a) as follows:

**24-50-104. Job evaluation and compensation - state employee reserve fund - created - definitions - repeal.** (1) **Total compensation philosophy.** (a) (I) It is the policy of the state to provide ~~prevailing~~ **INNOVATIVE** total compensation THAT MEETS OR EXCEEDS TOTAL COMPENSATION PROVIDED BY PUBLIC OR PRIVATE SECTOR EMPLOYERS OR A COMBINATION OF BOTH, to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent ~~work force~~ **WORKFORCE**. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, merit pay, incentives, premium pay practices, and leave AS SPECIFIED IN STATUTE OR IN POLICIES OF THE STATE PERSONNEL DIRECTOR. For purposes of this section, "group benefit plans" means group benefit coverages as described in section 24-50-603 (9). ANY MONETARY COMPONENTS OF TOTAL COMPENSATION ARE SUBJECT TO AVAILABLE APPROPRIATIONS BY THE GENERAL ASSEMBLY.

(II) The state personnel director shall establish technically and professionally sound survey methodologies to assess ~~prevailing~~ total compensation practices, levels, and costs. Except as provided in ~~subparagraph (III) of this paragraph (a)~~ **SUBSECTION (1)(a)(III) OF THIS SECTION**, for purposes of this ~~paragraph (a)~~

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

SUBSECTION (1)(a), to determine and maintain salaries, state contributions for group benefit plans, and merit pay that ~~are comparable to~~ MEET OR EXCEED TOTAL COMPENSATION PROVIDED BY public ~~and~~ OR private ~~employment~~ SECTOR EMPLOYMENT OR A COMBINATION OF BOTH, the state personnel director shall annually review the results of appropriate surveys by public or private organizations, including surveys by the state personnel director. Any surveys provided on a confidential basis shall not be revealed except to the state auditor's office and the private firm conducting the audit required in ~~paragraph (b) of subsection (4)~~ SUBSECTION (4)(b) of this section. The state personnel director shall adopt appropriate procedures to determine and maintain other elements of total compensation, including the payment of incentive awards to employees in the state personnel system. The state personnel director's review and determination of total compensation practices shall not be subject to appeal except as otherwise authorized by law or state personnel director procedures.

(III) (A) The methodologies used for purposes of determining and maintaining ~~prevailing~~ compensation for state law enforcement officers employed by the Colorado state patrol shall be the same as the methodologies established pursuant to ~~subparagraph (II) of this paragraph (a)~~ SUBSECTION (1)(a)(II) OF THIS SECTION; except that the amount of salary shall be at least ninety-nine percent of the actual average salary provided to the top three law enforcement agencies within the state that have both more than one hundred commissioned officers and the highest actual average salary.

(g) Benefits shall include insurance, retirement, and leaves of absence with or without pay and may include jury duty, military duty, or educational leaves. The state personnel director shall prescribe procedures for the types, amounts, and conditions for all leave benefits, ~~that are typically consistent with prevailing practices~~, subject to the provisions governing the benefits provided in subsection (7) of this section. The general assembly shall approve any changes to leave benefits granted by statute before such changes are implemented. The state personnel director shall prescribe by procedure any nonstatutory benefits.

(4) **Annual compensation process.** (c) By September 15, 2017, and by September 15 of each year thereafter, the state personnel director shall submit the annual compensation report and recommendations and estimated costs for state employee compensation for the next fiscal year, covering salaries, state contributions for group benefit plans, and merit pay, to the governor and the joint budget committee of the general assembly. The recommendations shall reflect a consideration of the results of the annual compensation survey, fiscal constraints, the ability to recruit and retain state employees, appropriate adjustments with respect to state employee compensation, and those costs resulting from implementation of section 24-50-110 (1)(a). The recommendations for state contributions for group benefit plans shall specify the annual group benefit plan year established pursuant to section 24-50-604 (1)(m). The annual compensation report shall include the results of the surveys of public or private employers and jobs for ~~prevailing~~ total compensation and the reasons for ~~any deviation from prevailing total compensation~~ in the recommendations submitted to the governor and the joint budget committee. The state personnel director shall also publish such report. This subsection (4)(c) is exempt from the provisions of section 24-1-136 (11), and the periodic reporting

requirements of this section are effective until changed by the general assembly acting by bill.

(5) **Pay plans.** (a) The state personnel director shall establish pay plans as technically and professionally necessary and shall establish any procedures and directives required to implement the state's ~~prevailing~~ INNOVATIVE total compensation philosophy as defined in subsection (1) of this section.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: March 30, 2022