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**COLORADO**

**Department of Personnel  
& Administration**

**FY 2024-25 Annual  
Compensation Report  
Presentation  
Nov. 29, 2023**





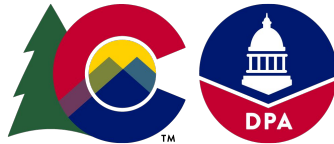
## Agenda:

- Statutory Requirements and Survey Process
- Annual Compensation Summary FY 2024-25

# Compensation Terms

- **Classification system:** a system that identifies and groups positions with similar duties into classifications with progressive levels of complexity and scope.
- **Classification:** A unique code or title within the State's classified pay system that identifies a position or positions with a substantially similar set of duties and responsibilities.
- **Occupational group:** a set of classifications that are alike enough to be treated similarly for purposes such as promotion and pay relationship structures
- **Salary structure/pay plan:** establishes pay ranges for each classification. Employees may not be paid below the minimum of the range, or above the maximum of the range.
- **System Maintenance Study:** a structured review of part of the State's classification system. A system maintenance study may result in revising, abolishing, creating, and/or adjusting pay ranges for one or multiple class series.

# Statutory Requirements and Survey Process



# Statutory Requirements

Per CRS 24-50-104, for all jobs in the state personnel system the State Personnel Director shall:

- Assess total compensation practices, levels, and costs against the market;
- Determine classes of positions and the uniform alignment of classes and occupational groups;
- Establish a pay plan and assess effectiveness of salary range quartiles;
- Prepare a quadrennial total compensation report; and
- Prepare an annual compensation report that includes recommendations and estimated costs for the upcoming fiscal year.

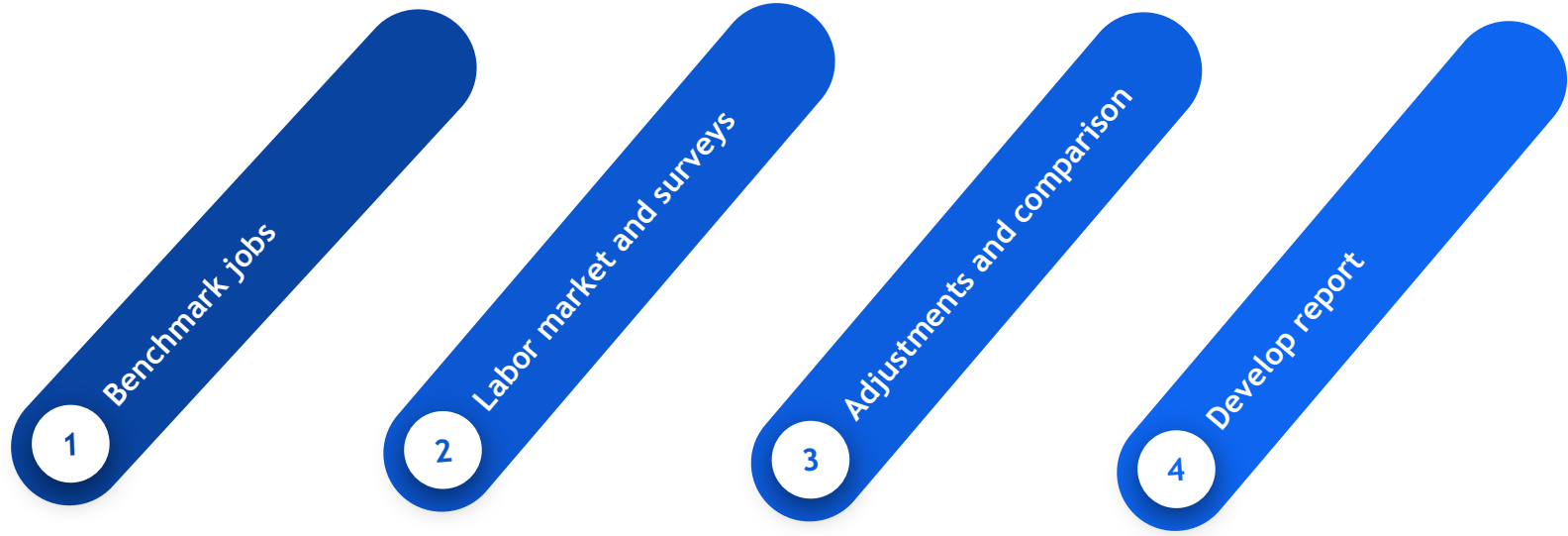
# Total Compensation Philosophy

CRS 24-50-104 defines the State's philosophy to "provide innovative total compensation that meets or exceeds total compensation provided by public or private sector employers... to ensure the recruitment, motivation, and retention of a qualified and competent workforce."

# Recent Historic Overview

- HB20-1153 Partnerships for Quality Jobs and Services Act
  - Requires the Personnel Director to negotiate wages and establish a pay plan pursuant to negotiations
  - Requires the annual budget request include sufficient funds to implement the partnership agreement
  - Allows for renegotiation based on approval or rejection of the request by the GA
- HB22-1266 Total Compensation Philosophy
  - Specifies policy to provide innovative total compensation that...ensures recruitment, motivation, and retention of a qualified, competent state workforce
- FY 2023-24 Budget
  - DPA worked closely with COWINS to develop recommendations to fund negotiated salary increases for FY 2024-25
  - JBC approved and allowed the State to deliver one of the largest compensation packages ever to State employees

# Compensation Survey Process





# Benchmark Jobs

- Benchmark jobs represent anchor points used for making State salary comparisons with the market
- We utilize the following guidelines to select benchmark jobs:
  - Jobs which are a good representation of job families and levels across all occupational groups
  - Jobs with high utilization
  - Jobs found in most organizations
  - Jobs with recruitment or retention problems within the State
  - Jobs undergoing system maintenance studies
- A total of 268 out of 681 State classifications were identified as benchmarks



**Administrative  
Support Services**



**Enforcement &  
Protective Services**



**Health Care Services**



**Information  
Technology Services**



**Labor,  
Trades, & Crafts**



**Physical Science &  
Engineering**



**Professional  
Services**

# Survey Sources

- The annual compensation study is conducted by a third-party and is based on an analysis of surveys published by public and private organizations and includes both national and local data. The following criteria is used to identify and approve survey sources:
  - Be conducted by a reputable salary survey firm
  - Survey data is not self reported
  - Survey is conducted on a continual basis instead of a one-time event
  - Survey reports its data sources, the effective date of the data, and be tested to ensure accuracy
- For the FY 2024-25 Annual Compensation Report, we used **22** published compensation surveys for market comparison, which combined contain hundreds of thousands of participating organizations across both the public and private sectors.

# FY 2024-25 Annual Compensation Report



# Base Salary Market Comparison

STATE AVERAGE BASE SALARY COMPARISON WITH MARKET MEDIAN BASE SALARY		
Occupational Group	% Difference from Market Median (FY 2023-24)	% Difference from Market Median (FY 2024-25)
Enforcement and Protective Services*	+11.0%	-11.5%
Healthcare Services	-3.7%	-4.7%
Labor, Trades, and Crafts	-5.5%	-4.9%
Administrative Support and Related	-12.3%	-13.1%
Professional Services	-8.8%	-8.9%
Physical Science and Engineering	+0.8%	-6.8%
Information Technology**	+7.1%	**
<b>State of Colorado</b>	<b>-5.2%</b>	<b>-7.9%</b>

\*Does not include State Patrol Troopers

\*\*IT positions are currently undergoing a system maintenance study

# Salary Structure Market Comparison

SALARY STRUCTURE MARKET COMPARISON		
Occupational Group	% Difference from Market Median (FY 2023-24)	% Difference from Market Median (FY 2024-25)
Enforcement and Protective Services*	+3.3%	-12.4%
Healthcare Services	+0.3%	+10.8%
Labor, Trades, and Crafts	-2.6%	+0.6%
Administrative Support and Related	-9.1%	+1.1%
Professional Services	-11.1%	-4.0%
Physical Science and Engineering	-3.7%	-7.0%
Information Technology**	+11.6%	**
<b>State of Colorado</b>	<b>-6.4%</b>	<b>+0.3%</b>

\*Does not include State Patrol Troopers

\*\*IT positions are currently undergoing a system maintenance study

# Pay Range Penetration

OCCUPATIONAL GROUP	AVERAGE RANGE PROGRESSION (PERCENTAGE IN RANGE)	QUARTILE DISTRIBUTION			
		QUARTILE 1 %	QUARTILE 2 %	QUARTILE 3 %	QUARTILE 4+ %
Enforcement and Protective Services*	19%	68%	24%	5%	3%
Healthcare Services	29%	54%	21%	20%	5%
Labor, Trades, and Crafts	16%	74%	15%	8%	3%
Administrative Support and Related	20%	69%	16%	11%	4%
Professional Services	27%	50%	36%	11%	3%
Physical Sciences and Engineering	33%	38%	40%	17%	4%
Information Technology**	32%	48%	21%	19%	11%

\*Does not include State Patrol Troopers

\*\* IT positions' pay ranges are being evaluated and updated as part of an ongoing system maintenance study

# Compensation Trends

	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Variance Between State & Market Base Salary	-11.5%	-16.4%	-2.8%	-5.2%	-7.9%
Variance Between State and Market Pay Structure	-1.7%	-9.1%	-4.0%	-6.4%	+0.3%
Changes to Compensation Approved by the General Assembly	No pay changes.	3.0% ATB 2.0% structure adjustment	3.0% ATB 2.0% structure adjustment	5.0% ATB Rebuilt pay plan	Pending approval from general assembly

# FY 2024-25 Recommended Compensation Adjustments

**3.0%**

Across the  
board increase

**3.0%**

Pay range  
structure increase



# Key Takeaways

- State base salaries continue to lag behind the market in every occupational group. We will need to continue to review and make adjustments to base salary in order to stay competitive with the market.
- The State's salary structure is currently competitive with the market. The 3% salary structure increase will keep us competitive with increases in the market.

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# Thank You

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