

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 22-0844.01 Nicole Myers x4326

HOUSE BILL 22-1266

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A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law specifies that it is the policy of the state to provide prevailing total compensation to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent workforce. Current law also directs the state personnel director to prescribe procedures for leave benefits that are

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
March 18, 2022

HOUSE
3rd Reading Unamended
March 7, 2022

HOUSE
2nd Reading Unamended
March 4, 2022

typically consistent with prevailing practices. Current law has prevented the state personnel director from providing certain benefits to state employees that are not typically consistent with prevailing practices.

The bill eliminates references to "prevailing" total compensation and "prevailing practices" in connection with state employee benefits. The bill also modifies the total compensation philosophy to specify that it is the policy of the state to provide innovative total compensation that meets or exceeds total compensation provided by public or private sector employers to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent workforce.

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

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

4 **24-50-104. Job evaluation and compensation - state employee**
5 **reserve fund - created - definitions - repeal. (1) Total compensation**
6 **philosophy.** (a) (I) It is the policy of the state to provide ~~prevailing~~
7 INNOVATIVE total compensation THAT MEETS OR EXCEEDS TOTAL
8 COMPENSATION PROVIDED BY PUBLIC OR PRIVATE SECTOR EMPLOYERS OR
9 A COMBINATION OF BOTH, to officers and employees in the state personnel
10 system to ensure the recruitment, motivation, and retention of a qualified
11 and competent ~~work force~~ WORKFORCE. For purposes of this section,
12 "total compensation" includes, but is not limited to, salary, group benefit
13 plans, retirement benefits, merit pay, incentives, premium pay practices,
14 and leave AS SPECIFIED IN STATUTE OR IN POLICIES OF THE STATE
15 PERSONNEL DIRECTOR. For purposes of this section, "group benefit plans"
16 means group benefit coverages as described in section 24-50-603 (9).
17 ANY MONETARY COMPONENTS OF TOTAL COMPENSATION ARE SUBJECT TO
18 AVAILABLE APPROPRIATIONS BY THE GENERAL ASSEMBLY.

19 (II) The state personnel director shall establish technically and

1 professionally sound survey methodologies to assess prevailing total
2 compensation practices, levels, and costs. Except as provided in
3 ~~subparagraph (H) of this paragraph (a)~~ SUBSECTION (1)(a)(III) OF THIS
4 SECTION, for purposes of this ~~paragraph (a)~~ SUBSECTION (1)(a), to
5 determine and maintain salaries, state contributions for group benefit
6 plans, and merit pay that ~~are comparable to~~ MEET OR EXCEED TOTAL
7 COMPENSATION PROVIDED BY public and OR private employment SECTOR
8 EMPLOYMENT OR A COMBINATION OF BOTH, the state personnel director
9 shall annually review the results of appropriate surveys by public or
10 private organizations, including surveys by the state personnel director.
11 Any surveys provided on a confidential basis shall not be revealed except
12 to the state auditor's office and the private firm conducting the audit
13 required in ~~paragraph (b) of subsection (4)~~ SUBSECTION (4)(b) of this
14 section. The state personnel director shall adopt appropriate procedures
15 to determine and maintain other elements of total compensation,
16 including the payment of incentive awards to employees in the state
17 personnel system. The state personnel director's review and determination
18 of total compensation practices shall not be subject to appeal except as
19 otherwise authorized by law or state personnel director procedures.

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

1 actual average salary.

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

11 (4) **Annual compensation process.** (c) By September 15, 2017,
12 and by September 15 of each year thereafter, the state personnel director
13 shall submit the annual compensation report and recommendations and
14 estimated costs for state employee compensation for the next fiscal year,
15 covering salaries, state contributions for group benefit plans, and merit
16 pay, to the governor and the joint budget committee of the general
17 assembly. The recommendations shall reflect a consideration of the
18 results of the annual compensation survey, fiscal constraints, the ability
19 to recruit and retain state employees, appropriate adjustments with respect
20 to state employee compensation, and those costs resulting from
21 implementation of section 24-50-110 (1)(a). The recommendations for
22 state contributions for group benefit plans shall specify the annual group
23 benefit plan year established pursuant to section 24-50-604 (1)(m). The
24 annual compensation report shall include the results of the surveys of
25 public or private employers and jobs for ~~prevailing~~ total compensation
26 and the reasons for ~~any deviation from prevailing total compensation in~~
27 the recommendations submitted to the governor and the joint budget

1 committee. The state personnel director shall also publish such report.
2 This subsection (4)(c) is exempt from the provisions of section 24-1-136
3 (11), and the periodic reporting requirements of this section are effective
4 until changed by the general assembly acting by bill.

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

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