

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2022-23

STATEWIDE COMPENSATION POLICIES

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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HOW TO USE THIS DOCUMENT

Compensation policies overview covers the basics of compensation policies. Section 1 discusses new compensation policy line item and departmental prioritized requests. Sections 2 through 4 cover existing compensation policy line items including salary components, benefits components, and other non-salary/non-benefit components. Section 5 provides a summary table of all requested and recommended compensation component line items. Section 6 includes a policy decision item for appropriation assumptions for new FTE and targeted salary adjustments. Section 7 provides all requested and staff recommended components by department.

COMPENSATION POLICIES OVERVIEW

The Department of Personnel produces an annual total compensation report to compare the State's compensation to prevailing market rates. The General Assembly is not required to follow the recommendations of the report, but the report expresses the professional opinion of the Department regarding how compensation should be adjusted annually. Following issuance of the report, the Department of Personnel works with the Office of State Planning and Budgeting (OSPB) to build the total compensation request for the following year, and directs executive agencies to apply consistent policies in their budget requests.

During the annual budget process, the Joint Budget Committee and the General Assembly finalize compensation common policies, which determine the amount of salary and benefit increases. Historically, in addition to salary and benefit increases, Committee policy establishes standard methods for calculating base salaries and for determining the cost of compensation for new FTE.

Compensation common policies generally apply to a subset of all compensation that excludes higher education institutions. A large portion of positions at the higher education institutions are exempt from the constitutionally created State Personnel System, and so the compensation for those positions is not bound by the same job classes and pay ranges. Nevertheless, there are still a significant number of positions at the higher education institutions that are part of the State Personnel System. So, while the common policies are not developed to apply to the higher education institutions, it is important to consider that the common policy decisions will impact expenditures by the higher education institutions.

Staff recommendations in this document are based on the objective of providing state employees with prevailing compensation, based on the statutory guidance in Section 24-50-104 (1), C.R.S.:

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 work force. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, performance awards, incentives, premium pay practices, and leave.

ANNUAL COMPENSATION REPORT FY 2022-23

The FY 2022-23 Annual Compensation Report, prepared at the direction of the Department of Personnel, estimates the State's median total compensation package is 2.8 percent below the prevailing market; this compares to 16.4 percent below and 11.5 percent below in the prior two years. The report provides additional information about specific components of compensation, including base salary, which accounts for 69.0 percent of the total compensation package; benefits, including health, life, dental, short- and long-term disability benefits, account for 31.0 percent.

The report estimates that the State's average base salary for state employees lags the market median by 6.5 percent, a substantial decrease when compared to the lag of 11.6 percent estimated in the prior year. Annual base salary is analyzed using the average of actual salaries – not salary ranges, which are analyzed separately.

The report projects market employee pay will increase between 3.0 and 3.3 percent in the next year and in order to maintain alignment with the market, the report recommends: "... the State should ensure base salary adjustments occur in accordance with the market trend projection of 3% (median) for FY 2022-23."

The report identifies that the State salary range structure is 4.0 percent below the market range midpoint. This compares to an estimate of 9.1 percent below the market range midpoint in the prior year. The report identifies that the projected salary structure increase for the market is 2.2 percent for FY 2022-23 and recommends that range minimums and maximums for all occupational groups be increased by 2.0 percent to ensure the State's salary range structure remains competitive.

Medical benefits are estimated as on par with the market. Dental benefits are estimated as 16 percent below the public sector median and 10.0 below the private sector market; this compares to an estimate of 5.0 percent below market in the prior year.

The value of retirement benefits is estimated as 18 percent of pay is below the public sector median (20 percent of pay) but above the private sector median (14 percent of pay) (inclusive of payments for social security). Changes included in S.B. 18-200 decreased the value of the retirement plan as a percent of annual salary due to increased employee contributions, a reduced cost of living adjustment cap, and an extended highest average salary calculation.

TOTAL COMPENSATION REQUEST FY 2022-23

The FY 2022-23 request, including estimated salary base, is \$3.1 billion total funds, an increase of \$173.2 million over the FY 2021-22 appropriation. This represents a 5.9 percent increase in total compensation-related appropriations compared to the prior year. This includes a 6.1 percent increase in the estimated salary base and a 5.4 percent increase in statutory and discretionary, non-salary-base compensation components.

Of the \$173.2 million increase in total compensation, \$136.7 million, representing 78.9 percent of the total, is the increase in the salary base, which represent budget policy decisions already made through prior year budget actions and legislation. Of the \$173.2 million increase in total compensation, \$36.5 million, representing 21.1 percent of the total, is the increase in statutory and discretionary, non-salary-base compensation components that are the subject of this figure setting. When compared to the FY 2021-22 total compensation amount, the request for statutory and discretionary compensation components represents a 1.3 percent increase over FY 2021-22 total compensation.

SUMMARY OF STAFF RECOMMENDATIONS

SALARY BASE, COMPENSATION COMMON POLICIES, AND PERA PAYROLL COMPONENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2021-22 Appropriation					
Base Salary Estimate	\$1,995,668,714	\$1,125,169,833	\$448,502,662	\$219,551,726	\$202,444,494
PERA	222,029,092	125,417,999	50,365,033	24,137,561	22,108,499
Medicare (FICA)	28,937,194	16,314,961	6,503,290	3,183,499	2,935,444
Shift Differential	19,993,498	15,908,039	770,360	2,238,323	1,076,776

SALARY BASE, COMPENSATION COMMON POLICIES, AND PERA PAYROLL COMPONENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Salary Survey	67,661,572	38,024,868	15,387,857	7,423,089	6,825,758
Minimum Wage	0	0	0	0	0
Merit Pay	0	0	0	0	0
Health, Life, Dental	323,239,697	184,703,695	72,455,165	34,419,425	31,661,411
Short-term Disability	3,234,767	1,836,926	711,955	358,274	327,612
Paid Family Medical Leave Insurance	0	0	0	0	0
AED	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
SAED	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
PERA Direct Distribution	57,559,623	31,451,770	16,625,625	6,210,053	3,272,175
TOTAL	\$2,924,835,682	\$1,655,293,376	\$657,605,947	\$320,336,464	\$291,599,895
FY 2022-23 Request					
Base Salary Estimate	\$2,098,366,201	\$1,181,558,215	\$466,652,996	\$218,627,953	\$231,527,037
PERA	253,282,261	143,252,350	56,558,972	26,040,759	27,430,180
Medicare (FICA)	31,653,682	17,871,542	7,006,935	3,293,516	3,481,689
Shift Differential	16,049,041	12,699,428	742,385	1,755,688	851,540
Salary Survey	66,265,624	36,666,318	15,146,039	6,720,421	7,732,846
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Merit Pay	0	0	0	0	0
Health, Life, Dental	347,941,052	199,586,005	78,344,196	33,312,313	36,698,538
Short-term Disability	3,401,364	1,926,738	743,502	356,031	375,093
Paid Family Medical Leave Insurance	4,263,336	2,139,639	1,072,372	511,063	540,263
AED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
SAED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
TOTAL	\$3,098,080,132	\$1,749,656,102	\$691,524,625	\$318,756,618	\$338,142,787
Increase/(Decrease)	\$173,244,450	\$94,362,726	\$33,918,678	(\$1,579,846)	\$46,542,892
Percent Change	5.9%	5.7%	5.2%	(0.5%)	16.0%
FY 2022-23 Recommendation					
Base Salary Estimate	\$2,098,366,201	\$1,181,558,215	\$466,652,996	\$218,627,953	\$231,527,037
PERA	253,282,261	143,252,350	56,558,972	26,040,759	27,430,180
Medicare (FICA)	31,653,682	17,871,542	7,006,935	3,293,516	3,481,689
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Merit Pay	0	0	0	0	0
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Short-term Disability	3,401,364	1,926,738	743,502	356,031	375,093
Paid Family Medical Leave Insurance	4,263,336	2,139,639	1,072,372	511,063	540,263
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Percent Change	5.9%	5.7%	5.2%	(0.5%)	16.0%

TOTAL COMPENSATION COMPONENTS

BASE SALARY ESTIMATE: The continuation funding for employee salaries appropriated in each department’s personal services or program line items that includes a personal services component.

The Base Salary Estimate recommendation totals \$2.1 billion total funds, including \$1.2 billion General Fund.

PERA: The employer contribution to the employee retirement plan is 11.4 percent in FY 2022-23. The employer PERA contribution recommendation totals \$253.3 million total funds, including \$143.3 million General Fund.

MEDICARE (FICA): The employer contribution to Medicare is 1.45 percent. The recommendation is \$31.7 million total funds, including \$17.9 million General Fund.

SHIFT DIFFERENTIAL: Shift Differential funds compensation adjustments for employees (except State Troopers) who work outside of normal Monday through Friday day-time hours. The Governor requested Shift Differential at 100 percent of prior year actual expenditures. The Shift Differential recommendation totals \$16.0 million total funds, including \$12.7 million General Fund.

SALARY SURVEY: The executive branch Salary Survey request includes a 3.0 percent across-the-board salary survey increase and a 2.0 percent salary range structural adjustment increase. The salary survey recommendation totals \$66.4 million total funds, including \$33.7 million General Fund, for both components.

MINIMUM WAGE: The Governor's request includes a proposed minimum wage of \$15 effective July 1, 2022, which is consistent with the Colorado WINS partnership agreement. The recommendation totals \$0.9 million total funds, including \$0.1 million General Fund to increase the minimum wage for state employees currently paid less than \$15 per hour.

MERIT PAY: The Governor's request includes no Merit Pay increase.

HEALTH, LIFE, DENTAL: The request amounts submitted for Health, Life, and Dental are based on employee health and dental elections as of July of the current year. The request estimates health premiums will increase 5.0 percent and dental premiums will remain the same as FY 2021-22 rates. The recommendation for HLD totals \$347.9 million total funds, including \$199.6 million General Fund.

SHORT-TERM DISABILITY: Short Term Disability (STD) provides partial payment of an employee's salary if an individual becomes disabled and cannot perform work duties. STD is requested at a rate of 0.16 percent of revised base salary. The recommendation for STD totals \$3.4 million total funds, including \$1.9 million General Fund.

PAID FAMILY AND MEDICAL LEAVE INSURANCE [NEW LINE ITEM]: Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020. The newly created paid family and medical leave insurance program requires employers and employees in Colorado to pay a payroll premium to finance paid family and medical leave insurance benefits beginning January 1, 2023 in order to finance up to 12 weeks of paid family medical leave for eligible employees beginning January 1, 2024. The premium is 0.9 percent with at least half of the cost paid by the employer. The FY 2022-23 request was calculated using an assumption of six months of premiums at the minimum employer contribution of .45 percent. The recommendation is \$4.3 million total funds, including \$2.1 million General Fund.

AED: Amortization Equalization Disbursement (AED) is a payment to buy down PERA's unfunded liability and is set at a statutory rate of 5.0 percent, except for judges set at 4.6 percent in 2022. The recommendation for SAED totals \$108.9 million total funds, including \$61.4 million General Fund.

SAED: Similar to AED, Supplemental Amortization Equalization Disbursement (SAED) is a payment to buy down PERA's unfunded liability and is set at a statutory rate of 5.0 percent, except for judges set at 4.6 percent in 2022. The recommendation for SAED totals \$108.9 million total funds, including \$61.4 million General Fund.

PERA DIRECT DISTRIBUTION: In FY 2019-20, a common policy allocation to state agencies was added for the State's \$225.0 million statutory PERA Direct Distribution payment. This allocation was added to common policies to charge cash and federal funds sources for what would otherwise be a General Fund payment. The allocation is not created in statute as a calculation on payroll but was handled as a budget process allocation. The methodology agreed upon in 2019 is that the allocation to fund sources by state agency should match the proportions included for the AED and SAED appropriations. There is no service provided for the PERA Direct Distribution common policy payment. This is simply a payment to PERA that reduces the State's General Fund obligation that is more similar to the existing AED and SAED amortization payment policies. The PERA Direct Distribution recommendation totals \$58.1 million total funds, including \$31.0 million General Fund.

STAFF RECOMMENDATION CONCERNING PRIORITIZED BUDGET REQUESTS

DEPARTMENT OF PERSONNEL FY 2022-23 JBC STAFF RECOMMENDATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R2 Paid family medical leave funding	\$0	\$0	\$0	\$0	\$0	0.0
R4 Total compensation and compensation analyst	(176,319)	(176,319)	0	0	0	0.9
BA1 Colorado WINS Partnership Agreement (shift differential, on-call pay)	0	0	0	0	0	0.0
TOTAL	(\$176,319)	(\$176,319)	\$0	\$0	\$0	0.9

R2 PAID FAMILY MEDICAL LEAVE FUNDING: The Department requested \$5,400,366 total funds, including \$3,029,606 General Fund, to cover the backfill costs associated with state employees utilizing 160 hours or four weeks of paid family and medical leave in FY 2022-23. JBC staff recommends denial of the Department's request.

R4 TOTAL COMPENSATION AND COMPENSATION ANALYST [REQUIRES LEGISLATION]: The request includes a decrease of \$144,505 General Fund and 1.0 FTE to realign the total compensation survey process and provide resources for ongoing analysis of the state's compensation framework for classified staff. JBC staff recommends a reduction of \$176,319 General Fund and 0.9 FTE. The Department requests Joint Budget Committee sponsorship of the required legislation.

BA1 COLORADO WINS PARTNERSHIP AGREEMENT: The request includes \$4,873,621 total funds, including \$3,560,157 General Fund, to implement the Colorado Workers for Innovative and New Solutions (Colorado WINS) Partnership Agreement, ratified on November 18, 2021.

- JBC staff recommendation concerning the request for the reduction of \$713,581 total funds relative to the November 1, 2021 budget request for Health, Life, and Dental appropriations is reflected in the HLD recommendation above.

- The request for funding to process tuition reimbursements will be addressed by Tom Dermody during the Department of Personnel figure setting presentation.
- JBC staff recommends denial of the Department's request for \$4,638,458 total funds for proposed changes in shift differential.
- JBC staff recommends denial of the Department's request for \$832,456 total funds for proposed changes in on-call pay.

(1) NEW COMPENSATION POLICY LINE ITEM AND PRIORITIZED BUDGET REQUESTS

PAID FAMILY AND MEDICAL LEAVE INSURANCE [NEW LINE ITEM]

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020. The newly created paid family and medical leave insurance program requires employers and employees in Colorado to pay a payroll premium to finance paid family and medical leave insurance benefits beginning January 1, 2023. The premium will finance up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024.

DEPARTMENT REQUEST

The Department requests \$4.3 million total funds, including \$2.1 million General Fund, to cover the cost of six months of the minimum employer contribution of 0.45 percent of the paid family and medical leave insurance premium. The estimated FY 2023-24 cost of 12 months of the premium is \$8.6 million total funds, including \$4.2 million General Fund. A breakdown of the request by department is provided in the table below.

PAID FAMILY AND MEDICAL LEAVE INSURANCE						
DEPARTMENT	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	
Agriculture	\$42,824	\$14,457	\$28,367	\$0	\$0	
Corrections	861,098	840,117	20,981	0	0	
Education	106,042	37,264	13,122	12,340	43,316	
Governor's Office	245,352	27,282	10,073	203,852	4,146	
Health Care Policy and Financing	119,081	48,017	8,034	2,240	60,789	
Higher Education - Admin & History Colorado	31,600	5,208	15,526	5,557	5,308	
Human Services	742,438	498,132	31,921	97,122	115,264	
Judicial	194,462	192,672	960	830	0	
Labor and Employment	215,486	12,492	84,188	1,636	117,170	
Law	123,526	26,236	17,793	76,608	2,889	
Legislature	75,613	75,613	0	0	0	
Local affairs	39,281	11,243	8,718	11,170	8,149	
Military and Veterans Affairs	27,330	11,199	363	0	15,767	
Natural Resources	291,635	45,180	230,041	9,599	6,815	
Personnel	62,419	26,171	2,107	34,141	0	
Public Health and Environment	334,888	56,856	100,970	27,765	149,298	
Public Safety	348,961	98,843	219,685	21,932	8,501	
Regulatory Agencies	106,337	3,165	96,147	6,208	818	
Revenue	232,816	105,511	125,210	63	2,033	
State	26,846	0	26,846	0	0	
Transportation	29,126	0	29,126	0	0	
Treasury	6,174	3,981	2,193	0	0	
TOTAL PAID FAMILY AND MEDICAL LEAVE INSURANCE	\$4,263,336	\$2,139,639	\$1,072,372	\$511,063	\$540,263	

JBC STAFF RECOMMENDATION

Staff recommends approval of the Department's request. Staff recommends that the line item in each department's section of the Long Bill be identified as "Paid Family and Medical Leave Insurance" as opposed to "Paid Family Medical Leave Initiative."

PAID FAMILY AND MEDICAL LEAVE INSURANCE - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Paid Family Medical Leave Insurance	\$0	\$0	\$0	\$0	\$0
FY 2022-23 Request and Recommendation					
Paid Family Medical Leave Insurance	\$4,263,336	2,139,639	1,072,372	511,063	540,263
PFML Percent of Salary Base	0.2%	0.2%	0.2%	0.2%	0.2%
Increase/(Decrease)	\$4,263,336	\$2,139,639	\$1,072,372	\$511,063	\$540,263
Percent Change	n/a	n/a	n/a	n/a	n/a
Recommendation difference from Request	\$0	\$0	\$0	\$0	\$0

→ R2 PAID FAMILY MEDICAL LEAVE FUNDING

DEPARTMENT REQUEST

The Department requests \$5.4 million total funds, including \$3.0 million General Fund, to cover the backfill costs associated with state employees utilizing 160 hours or four weeks of Paid Family Medical Leave. This is a statewide request and includes the creation of a new line item in each affected department’s section of the Long Bill.

JBC STAFF RECOMMENDATION

Staff recommends denial of the Department’s request.

ANALYSIS

The Department’s statewide FY 2022-23 R2 Paid Family Medical Leave Funding request should not be confused with the Proposition 118 Paid Family and Medical Leave Insurance approved by voters in November 2020 (discussed above). This request is for funds to cover the backfill costs associated with state employees utilizing 160 hours or four weeks of Paid Family Medical Leave. According to the Department the funding applies only to departments that have positions that cannot be left vacant, including 24/7 work centers, direct care positions, and hourly non-exempt positions. It is estimated that one-third of all positions will require funding to cover the cost of backfilling the temporarily vacant positions.

Prior to the legislative session, the Department of Personnel authorized the use of up to 80 hours per employee for paid family medical leave. At that time, the cost of backfilling essential positions was absorbed by each department’s budget through vacancy savings. The Department contends that increasing the number of hours to 160 per the Colorado WINS partnership agreement may result in the inability of state departments to fully fund the cost of the temporary hires within existing resources.

AUTHORITY TO IMPLEMENT PAID FAMILY MEDICAL LEAVE

The Department cites the last sentence of Section 24-50-104 (1)(g), C.R.S., as its authority to implement and establish a number of hours available to an employee under the paid family medical leave program:

*Section 24-50-104 (1)(g), C.R.S., Employee 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.***

In a March 5, 2021 legal opinion, the State Attorney General’s Office responded to two specific questions posed by the Department related to the paid family leave:

1 “Is the State Personnel Director (“Personnel Director” or “Director”) authorized to adopt and implement a new type of leave, specifically paid family leave, for employees within the Colorado state personnel system?”

Attorney General’s Response: “Yes, as a general rule, the State Personnel System Act (“Act”), § 24-50-101, et seq., C.R.S. authorizes the Personnel Director to adopt benefits, including leave benefits, even if not explicitly provided for by statute. The power to do so is significantly circumscribed, however, and the Director must ensure that any new type of leave benefit: (1) is adopted pursuant to technically and professionally sound survey methodologies; (2) is typically consistent with prevailing practices; (3) is adopted pursuant to formal rulemaking processes; and (4) is not inconsistent with and does not change any leave provisions already provided for by statute. Only if all these conditions are satisfied does the statute authorize the Personnel Director to adopt paid family leave as a nonstatutory benefit. However, while the Personnel Director may establish such a benefit nonstatutorily, implementation of the benefit remains subject to the General Assembly’s power of appropriation.

2 “If so, is it lawful for the Personnel Director to adopt and implement a job protected leave benefit for family and medical reasons as codified in 4 Code Colo. Regs. 801-1, § 5-16?”

Attorney General’s Response: Yes, based on the analysis, the promulgation of Rule 5-16 is a lawful action by the Personnel Director to grant new leave benefits to state employees.

COMMITTEE ON LEGAL SERVICES

On December 20, 2021, the Committee on Legal Services reviewed State Personnel Rule 5-16 through which the State Personnel Director created the benefit for full time employees in which up to 80 hours of paid leave per rolling 12 month period is made available for the following:

- Birth and care of a child;
- Placement and care of an adopted or foster child;
- Serious health condition in a person related to the employee;
- Employee’s own serious health;
- Certain active duty military leave;
- Military care giver leave; and
- Employee or family member who is victim of domestic violence, stalking, or other related crime.

The 80 hour leave benefit was established based on the passage of Proposition 118, however the proposition does not give the Department the authority to establish the benefit prior to the implementation identified in the proposition (January 1, 2024).

In a memo presented to the committee, the Office of Legislative Legal Services (OLLS) recommended that the rule not be extended “because it conflicts with Section 24-50-104 (1)(g), [C.R.S.], and because [paid family medical leave] is not typically consistent with prevailing practices.” The Committee on Legal Services voted not to extend Rule 5-16.

The OLLS recommendation and the subsequent committee vote was related to the original benefit of 80 hours of paid family and medical leave. The Department’s R2 budget request is for funding to expand this benefit to 160 hours. Because the committee determined that the State Personnel Director does not have the authority to implement the 80 hour benefit, it cannot be expanded to 160 hours per 12 month period. JBC staff recommends denial of the Department’s request.

LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

The Department identified five factors supporting the premise that paid family and medical leave programs are economically beneficial, including: increased labor-force participation, increased employee retention, limited or positive impacts on business operations, increased lifetime earnings and retirement security among workers, especially women, and increased used of leave among working fathers. The Department indicates that this budget request is for funding to support a theory-informed practice.

Based on a limited review of scholarly articles, JBC staff found that contrary to the assertion by the Department that the program would increase employee retention, some research indicates that “[women] who had access to paid leave were no more likely to remain with their pre-birth employer than women without paid leave access, both in the short and long run.”¹ That said, there is some evidence to indicate that a paid family and medical leave program may improve the health and well-being of newborns by reducing abuse², may reduce the number of children born but tended to increase investments in children, may increase the duration of breastfeeding, and may increase involvement of the father.³

The Department has identified the theory of change for this request as “providing 160 hours of paid family and medical leave” with the objective of ensuring “that the state is an employer of choice.” A theory of change is a method that explains how a given intervention, or set of interventions, is expected to lead to specific outcomes, drawing on a causal analysis based on available evidence. JBC staff believes that a paid family and medical leave program may qualify as a theory-informed practice. Staff does not believe, however, that the request for funds to cover the cost of temporary employees filling positions vacated by staff who utilize this benefit is evidence-informed. Pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget), assignment of a level of evidence is not applicable to this request.

¹ https://www.nber.org/system/files/working_papers/w26416/w26416.pdf, pg 4.

² <https://injuryprevention.bmj.com/content/22/6/442.short>

³ Ibid, www.nber.org, pg 4-5.

STATEWIDE REQUEST (FOR REFERENCE ONLY)

The Department estimated the required funding by state department to backfill paid family medical leave positions based on an estimated utilization rate of 10.2 percent applied to the number of permanent employees. The estimated percent of employees that are in job classes requiring backfill is applied to the number of employees using the benefit to estimate how many positions would require backfill. Finally, an average actual weekly salary is used to calculate the impact of 4 weeks of leave backfill for those positions. The following table identifies the requested appropriations by state department.

STATEWIDE REQUESTS APPROPRIATION TO BACKFILL PAID FAMILY MEDICAL LEAVE POSITIONS		
DEPARTMENT	FY 2022-23 REQUESTED APPROPRIATION	PERCENT OF UTILIZED BENEFIT REQUIRING BACKFILL
Personnel	\$27,923	14.3%
Agriculture	41,536	39.1%
Corrections	2,025,459	76.8%
Education	29,961	7.7%
Governor's Office	0	0.0%
Public Health and Environment	268,051	36.1%
Higher Education	664,209	33.8%
Transportation	31,381	2.2%
Human Services	1,575,727	73.3%
Judicial Branch	0	0.0%
Labor and Employment	371,656	67.2%
Law	0	0.0%
General Assembly	0	0.0%
Local Affairs	0	0.0%
Military and veterans Affairs	17,716	25.0%
Natural Resources	111,198	18.0%
Public Safety	43,460	4.1%
Regulatory Agencies	36,163	11.5%
Revenue	143,618	21.3%
Health Care Policy and Financing	5,978	1.9%
State	6,330	8.3%
Treasury	0	0.0%
TOTAL	\$5,400,366	31.2%

➔ R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST [REQUIRES LEGISLATION]

DEPARTMENT REQUEST

The Department requests a decrease of \$144,505 General Fund to realign the Total Compensation survey process and provide resources for ongoing analysis of the State’s compensation framework for classified staff. The Department requests that the JBC consider sponsoring legislation to change the statutory timeline and reporting requirements associated with the Total Compensation Report.

DEPARTMENT OF PERSONNEL REQUEST R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Executive Director's Office, Department Administration						
Health, Life, and Dental	\$10,042	\$10,042	\$0	\$0	\$0	0.0

DEPARTMENT OF PERSONNEL REQUEST R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Short-term Disability	128	128	0	0	0	0.0
S.B. 04-257 Amortization Equalization Disb.	4,012	4,012	0	0	0	0.0
S.B. 06-235 Suppl. Amortization Equalization Disb.	4,012	4,012	0	0	0	0.0
SUBTOTAL, DEPARTMENT ADMINISTRATION	\$18,194	\$18,194	\$0	\$0	\$0	0.0
Human Resource Services, State Agency Services						
Personal Services	\$90,156	\$90,156	\$0	\$0	\$0	1.0
Operating Expenses	47,145	47,145	0	0	0	0.0
Total Comp. and Employee Engagement Surveys	(300,000)	(300,000)	0	0	0	0.0
SUBTOTAL, STATE AGENCY SERVICES	(\$162,699)	(\$162,699)	\$0	\$0	\$0	0.0
TOTAL DEPARTMENT REQUEST	(\$144,505)	(\$144,505)	\$0	\$0	\$0	1.0

JBC STAFF RECOMMENDATION

Staff recommendation is itemized in the table below. Because changing the timeline for the Total Compensation Report and associated activities requires a statutory change, JBC staff recommends that all appropriations associated with this request be made in the bill as opposed to the FY 2022-23 Long Bill.

JBC STAFF RECOMMENDATION R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Executive Director's Office, Department Administration						
Health, Life, and Dental	\$9,000	\$9,000	\$0	\$0	\$0	0.0
Short-term Disability	96	96	0	0	0	0.0
S.B. 04-257 Amortization Equalization Disb.	0	0	0	0	0	0.0
S.B. 06-235 Suppl. Amortization Equalization Disb.	0	0	0	0	0	0.0
SUBTOTAL, DEPARTMENT ADMINISTRATION	\$9,096	\$9,096	\$0	\$0	\$0	0.0
Human Resource Services, State Agency Services						
Personal Services	\$67,440	\$67,440	\$0	\$0	\$0	0.9
Operating Expenses	47,145	47,145	0	0	0	0.0
Total Comp. and Employee Engagement Surveys	(300,000)	(300,000)	0	0	0	0.0
SUBTOTAL, STATE AGENCY SERVICES	(\$185,415)	(\$185,415)	\$0	\$0	\$0	0.9
TOTAL JBC STAFF RECOMMENDATION	(\$176,319)	(\$176,319)	\$0	\$0	\$0	0.9

The FY 2023-24 fiscal impact is provided in the following table.

JBC STAFF RECOMMENDATION – FY 2023-24 FISCAL IMPACT R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Executive Director's Office, Department Administration						
Health, Life, and Dental	\$10,000	\$10,000	\$0	\$0	\$0	0.0
Short-term Disability	104	104	0	0	0	0.0
S.B. 04-257 Amortization Equalization Disb.	3,257	3,257	0	0	0	0.0
S.B. 06-235 Suppl. Amortization Equalization Disb.	3,257	3,257	0	0	0	0.0
SUBTOTAL, DEPARTMENT ADMINISTRATION	\$16,618	\$16,618	\$0	\$0	\$0	0.0
Human Resource Services, State Agency Services						
Personal Services	\$72,947	\$72,947	\$0	\$0	\$0	1.0

JBC STAFF RECOMMENDATION – FY 2023-24 FISCAL IMPACT						
R4 TOTAL COMPENSATION REPORT AND COMPENSATION ANALYST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating Expenses	40,545	40,545	0	0	0	0.0
Total Comp. and Employee Engagement Surveys	215,000	215,000	0	0	0	0.0
SUBTOTAL, STATE AGENCY SERVICES	345,110	345,110	\$0	\$0	\$0	1.0
TOTAL JBC STAFF RECOMMENDATION	\$361,728	\$361,728	\$0	\$0	\$0	1.0

ANALYSIS

In its FY 2022-23 R4 Total Compensation Report and Compensation Analyst budget request the Department requests a reduction of \$144,505 General Fund and JBC-sponsored legislation to:

- Adjust the timing of the annual Total Compensation report and move the full actuarial total compensation analysis from a biennial requirement to a quadrennial requirement;
- Fund the procurement of surveys and data necessary to perform focused compensation analysis; and
- Create a 1.0 FTE midrange Human Resource Specialist IV position in order to support the State’s Compensation Manager.

TOTAL COMPENSATION REPORT

The State’s total compensation process undergoes a mandatory audit every four years, with the most recent audit presented to the Legislative Audit Committee on June 22, 2021. The auditor included two recommendations in its report:

- Recommendation 1: “The Department should continue to strengthen its annual compensation study process and ensure the validity and reliability of the underlying data being used to assess the prevailing labor market...” and
- Recommendation 2: “The Department should consider and assess alternatives to its full-year/maintenance-year approach to the annual compensation study....”

In order to implement Recommendation 1, the Department must perform additional validations, verifications, and comparisons of the State’s job classes to the market. This increased workload will apply to years in which the full report is produced and those years in which the maintenance and actuarial analyses are performed. In addition, the Department must use at least three market data sources per benchmark comparison and obtain salary information that is as current as possible to avoid aging data beyond a 24 month period.

In order to implement Recommendation 2, the Department identified changes that could be made that would allow for implementation of alternatives to the full-year/maintenance-year approach to providing the Total Compensation Survey, including:

- Modifying the static focus of Compensation Unit staff from maintaining and updating the same general information year-over-year to a proactive focus on analysis of, and change to, specific areas of demonstrated need or divergence with the market;
- Updating the annual submission date of any required report to allow for time to process and analyze compensation surveys released in the late summer or early fall;
- Revising the effective date of the Total Compensation Survey to reduce or eliminate the need to use data aged more than 24 months; and

- Leveraging the savings associated with moving the full total compensation analysis from a biennial (every two years) to quadrennial (every four years) cycle and instead providing the focused analysis referenced in the first bullet.

The Department requests that the Joint Budget Committee consider sponsoring legislation to:

- Change the requirement for the full Total Compensation Report from biennial to quadrennial; and
- Change the submission dates of all total compensation-related reports to the General Assembly to October 1 of each year.

JBS staff recommends approval of the Department’s request

SURVEY AND DATA PROCUREMENT

Reducing the frequency of the full report will also reduce the frequency in which the Department will need to contract with an actuarial and thereby reduce the associated General Fund expenditures by \$300,000 every four years. It will then allow for Department resources to be directed at focused analysis of the State’s compensation framework. The reprocurement of the vendor to perform the necessary actuarial analysis every four years will eliminate the Department’s access to compensation survey data. The Department requests \$39,595 General Fund on an annual basis to secure the necessary surveys in the absence of the full analysis.

COMPENSATION SURVEYS	
SURVEY NAME	ANNUAL COST
Willis Towers Watson - General Industry	
Accounting Compensation	\$2,600
Human Resources Compensation	2,600
Information Technology Compensation	2,600
Middle Management Compensation	2,600
Business & Office Support Compensation	2,600
Professional Survey	2,600
WILLIS TOWERS WATSON - SUBTOTAL	
CompData	3,495
Mercer Benchmark Database	20,500
TOTAL ANNUAL SURVEY NEED	
	\$39,595

JBC staff recommends approval of the Department’s request.

COMPENSATION UNIT WORKLOAD

The Compensation Unit in the State Agency Services division consists of two full time employees that are responsible for analyzing, coordinating, communicating, and implementing any necessary changes to the State’s compensation framework, including regular training and communication for stakeholders in various state agencies, observation and monitoring of market employment and salary trends, coordination of the Annual Total Compensation Report, responding to department-specific requests for analysis on positions that may have recruitment and retention issues, providing salary expertise and analysis to the Labor Relations unit in its efforts to negotiate a labor contract as required under H.B. 20-1153 (Colorado Partnerships for Quality Jobs and Services Act), and implementation of the Equal Pay for Equal Work Act. A workload analysis performed by the Department indicates that performance of additional responsibilities in order to implement the audit recommendations will exceed the capacity of the two FTE currently assigned to the Compensation Unit.

COMPENSATION UNIT WORKLOAD ANALYSIS			
DESCRIPTION	COMPENSATION MANAGER (1.0 FTE, EXISTING)	HUMAN RESOURCES SPECIALIST IV (1.0 FTE, EXISTING)	HUMAN RESOURCES SPECIALIST IV (1.0 FTE, REQUESTED)
Strategic compensation planning	10.0	2.0	5.0
Labor negotiations	3.0	0.0	0.0
Meetings (planned and ad hoc)	20.0	4.0	0.0
Agency compensation support	8.0	10.0	0.0
Compensation initiatives	4.0	0.0	0.0
Job evaluation	0.0	2.0	4.0
Contracts	0.0	5.0	0.0
Salary survey & research	1.0	15.0	0.0
System maintenance studies	0.0	5.0	30.0
leadership team	2.0	0.0	0.0
Review of technical guidance	0.0	0.0	4.0
WEEKLY TOTAL HOURS	48.0	43.0	43.0
ANNUAL TOTAL HOURS	2,496.0	2,236.0	2,236.0

The Department’s request includes \$115,900 General Fund in FY 2022-23 for 1.0 Human Resources Specialist IV. The salary identified in the request is based on bi-weekly pay for 12 months and is identified at the mid-point of the salary range. Standard practice is for salaries for new FTE to be requested and approved at the minimum of the current year range for the job class, to be calculated based on monthly payroll, and to be adjusted for the pay-date shift. The Department did not provide turnover, time-to-fill, or vacancy rate data to justify its request for a mid-point salary request. JBC staff recommendation, including the standard practice of appropriating funding for new FTE at the minimum of the salary range, is provided in the table below.

HUMAN RESOURCES SPECIALIST IV FY 2022-23						
Personal Services	DEPARTMENT REQUEST			JBC STAFF RECOMMENDATION		
	Biweekly Salary	FTE	Amount	Monthly Salary	FTE	Amount
Salary	\$3,086	1.0	\$80,245	\$5,428	0.9	\$59,708
PERA			8,747			6,866
AED			4,012			0
SAED			4,012			0
Medicare			1,164			866
STD			128			96
Health, Life, Dental			14,086			9,000
SUBTOTAL, PERSONAL SERVICES			\$112,394			\$76,536
Operating Expenses						
Regular Operating			\$500			\$500
Telephone			450			450
PC, one-time			1,600			1,600
Office Furniture, one-time			5,000			5,000
Indirect Costs			0			0
Leased Space			0			0
SUBTOTAL, OPERATING EXPENSES			\$7,550			\$7,550
TOTAL GENERAL FUND			\$119,944			\$84,086

The FY 2023-24 fiscal impact is provided in the following table.

HUMAN RESOURCES SPECIALIST IV FY 2023-24 FISCAL IMPACT						
Personal Services	DEPARTMENT REQUEST			JBC STAFF RECOMMENDATION		
	Biweekly Salary	FTE	Amount	Monthly Salary	FTE	Amount
Salary	\$3,086	1.0	\$80,245	\$5,428	1.0	\$65,136
PERA			8,747			6,866
AED			4,012			3,257
SAED			4,012			3,257
Medicare			1,164			945
STD			128			104
Health, Life, Dental			14,086			10,000
SUBTOTAL, PERSONAL SERVICES			\$112,394			\$89,564
Operating Expenses						
Regular Operating			\$500			\$500
Telephone			450			450
PC, one-time			0			0
Office Furniture, one-time			0			0
Indirect Costs			0			0
Leased Space			0			0
SUBTOTAL, OPERATING EXPENSES			\$950			\$950
TOTAL GENERAL FUND			\$113,944			\$90,515

LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

Senate Bill 21-284 states that a program or practice is “theory-informed” if a theory of change has been identified and implemented. The Department identified this budget request as a theory-informed practice, and identified the theory of change as “total compensation survey process and State’s compensation framework for classified staff.” The Department’s objective is “to complete the total compensation survey process and an analysis of the State’s compensation framework.”

A theory of change is a method that explains how a given intervention, or set of interventions, is expected to lead to specific outcomes, drawing on a causal analysis based on available evidence. While there are identifiable outputs related to the total compensation survey process and it is an operational necessity, JBC staff disagrees that it qualifies as an intervention that is intended to lead to a specific change with measurable outcomes. JBC staff has determined that, pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget), assignment of a level of evidence is not applicable to this request.

→ BA1 COLORADO WINS PARTNERSHIP AGREEMENT

DEPARTMENT REQUEST

The Department requests \$4,873,621 total funds, including \$3,560,157 General Fund, to implement the terms of the Colorado Workers for Innovative and New Solutions (Colorado WINS) Partnership Agreement that was ratified on November 18, 2021.

The request includes:

- A reduction of \$713,581 total funds relative to the November 1, 2021 budget request for Health, Life, and Dental appropriations;
- Funding for proposed changes in shift differential;
- Funding for proposed changes in on-call pay; and

- Funding for FTE to process tuition reimbursements.

JBC STAFF RECOMMENDATION

Staff recommends denial of the Department’s request for:

- \$4,638,458 total funds for proposed changes in shift differential; and
- \$832,456 total funds for proposed changes in on-call pay.

The Department’s request for an adjustment related to the cost of Health, Life, and Dental is captured in the common policy recommendation below.

The Department’s request for funds to process tuition reimbursements will be addressed by Tom Dermody during the Department of Personnel figure setting presentation.

ANALYSIS

In its FY 2022-23 BA1 Colorado WINS Partnership Agreement budget request, the Department requests \$4,873,621 total funds, including \$3,560,157 General Fund, to implement the partnership agreement ratified on November 18, 2021. The request includes the following adjustments:

- A reduction of \$713,581 total funds relative to the November 1, 2021 budget request for Health, Life, and Dental appropriations;
- An increase of \$4,638,458 total funds for proposed changes in shift differential;
- An increase of \$832,456 total funds for proposed changes in on-call pay; and
- An increase of \$116,289 total funds for FTE to process tuition reimbursements.

This analysis will address the request for increased funding for shift differential and for on-call pay. The health, life, and dental adjustment is captured in the common policy Health, Life, and Dental decision item presented below. The request concerning FTE to process tuition reimbursements will be addressed by Tom Dermody during the Department of Personnel figure setting presentation.

SHIFT DIFFERENTIAL

Shift differential is additional pay beyond base pay for employees working shifts during non-regular working hours (Monday through Friday between 8:00 and 5:00). The Department publishes eligible classes in the annual pay plan. Department heads may designate eligibility for individual positions in classes not published and must maintain records. Shift differential does not apply to any periods of paid leave. Shift differential includes two shift rates: second shift (when half or more of the scheduled work hours fall between 4:00 and 11:00 p.m.) and third shift (when half or more of the scheduled work hours fall between 11:00 p.m. and 6:00 a.m.). The following table includes the current and proposed rates for both the non-health care and health care services classes.

SHIFT DIFFERENTIAL ADJUSTMENTS					
		CURRENT RATES AS OF JULY 1, 2021		PROPOSED RATES FOR FY 2022-23	
GROUP	SHIFT	WEEKDAY	WEEKEND/ HOLIDAY	WEEKDAY	WEEKEND/ HOLIDAY
Non-health care services classes	1	n/a	n/a	n/a	20.0%
	2	7.5%	7.5%	7.5%	20.0%
	3	10.0%	10.0%	14.0%	20.0%
Health care services classes	1	n/a	7.5%	n/a	20.0%
	2	7.5%	14.0%	7.5%	20.0%
	3	14.0%	20.0%	14.0%	20.0%

Estimated department allocations are provided below.

ADDITIONAL SHIFT DIFFERENTIAL EXPENSES AS A RESULT OF PARTNERSHIP AGREEMENT			
DEPARTMENT	FY 2022-23	FY 2023-24	FY 2024-25
Agriculture	\$126	\$130	\$134
Corrections	2,023,211	2,083,907	2,146,424
Education	9,571	9,859	10,154
Governor's Office	27,637	28,466	29,320
Higher Education	6	6	7
Human Services	2,453,122	2,526,716	2,602,517
Military & Veterans Affairs	7,700	7,931	8,169
Natural Resources	89	92	95
Personnel	3,836	3,951	4,070
Public Safety	89,104	91,777	94,530
Revenue	24,056	24,777	25,521
TOTAL	\$4,638,458	\$4,777,612	\$4,920,941

ADDITIONAL SHIFT DIFFERENTIAL EXPENSES AS A RESULT OF PARTNERSHIP AGREEMENT (FULLY BURDENED)							
Department	FY 2022-23 Salary	PERA @ 10.9%	Medicare @ 1.45%	AED @ 5%	SAED @ 5%	STD @ 0.16%	Total
Agriculture	\$103	\$11	\$1	\$5	\$5	\$0	\$125
Corrections	1,651,466	180,010	23,946	82,573	82,573	2,642	2,023,210
Education	7,813	852	113	391	391	13	9,573
Governor's Office	22,559	2,459	327	1,128	1,128	36	27,637
Higher Education	5	1	0	0	0	0	6
Human Services	2,002,385	218,260	29,035	100,119	100,119	3,204	2,453,122
Military & Veterans Affairs	6,285	685	91	314	314	10	7,699
Natural Resources	73	8	1	4	4	0	95
Personnel	3,131	341	45	157	157	5	3,947
Public Safety	72,732	7,928	1,055	3,637	3,637	116	89,020
Revenue	19,636	2,140	285	982	982	31	24,025
TOTAL	\$3,786,188	\$412,695	\$54,899	\$189,310	\$189,310	\$6,057	\$4,638,459

ON-CALL PAY

The State’s current on-call policy includes additional pay beyond base pay for employees (excluding State Troopers) specifically assigned, in advance, to be accessible outside of normal work hours and where freedom of movement and use of personal time is significantly restricted. Time while on-call is paid at a rate of two additional dollars per hour. The estimated costs for the changes are identified in the following table.

ADDITIONAL ON-CALL EXPENSES AS A RESULT OF PARTNERSHIP AGREEMENT			
BENEFIT	FY 2022-23	FY 2023-24	FY 2024-25
Increase from \$2 to \$5 per hour	\$830,647	\$830,646	\$830,646
Min 2 hours callback	786	810	834
Min 2 hours callback, overtime	1,023	1,054	1,086
TOTAL	\$832,456	\$832,510	\$832,566

Estimated department allocations are provided below.

ON-CALL EXPENSES BY DEPARTMENT					
DEPARTMENT	ON-CALL \$5	MIN 2 HR CALL BACK	MIN 2 HR CALL BACK, OT	TOTAL	
Personnel	\$26,082	\$0	\$0	\$26,108	
Corrections	462,247	0	0	462,247	
Education	5,046	0	0	5,046	
Governor's Office	69,717	0	0	69,717	
Human Services	233,340	0	996	234,336	
Military & Veterans Affairs	14,598	786	0	15,384	
Revenue	19,617	0	0	19,617	
TOTAL	\$830,647	\$786	\$1,023	\$832,456	

JBC STAFF RECOMMENDATION

Shift differential appropriations have historically been made based on 100 percent of the previous year's expenditures. While the partnership agreement results in significant anticipated increases in shift differential and on-call expenditures, JBC staff is concerned that changing the methodology for shift differential and on-call appropriations will set a precedent for ongoing adjustments to be requested outside of the regular common policy methodology and process. Staff recognizes that, barring any changes in the agreement, this may result in the need for departments to utilize vacancy savings or indirect cost recoveries to cover the additional cost; however, JBC staff recommends denial of the Department's request.

→ PERA DIRECT DISTRIBUTION PAYMENT (STAFF INITIATED)

Pursuant to Section 24-51-414, C.R.S., the State Treasurer is required to issue an annual warrant on July 1st to the Public Employees Retirement Association in the amount of \$225.0 million. The distribution ends when there are no unfunded actuarial accrued liabilities of any division of PERA. Payment may be made from the General Fund or any other fund. The portion of each payment that is attributable to the state division is allocated across state departments and appropriated in the PERA Direct Distribution line item in each department's section of the Long Bill.

The direct distribution payment is allocated across four of the five divisions of PERA. The annual payment of \$225.0 million is projected to reduce the Unfunded Actuarial Accrued Liability (UAAL) by \$852.5 million. For every additional \$100 million above the statutorily required amount, the projected reduction in the UAAL is \$374 million. The following table shows the projected reduction in UAAL in each division that would result from a one-time payment in the current year for each identified amount. This summary of impact assumes contributions scheduled to be made under current law, along with economic and demographic experience meeting expectations over time.

PERA ESTIMATED REDUCTION IN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY BY DIVISION						
ONE-TIME PAYMENT OF:	\$225.0 MILLION	\$325 MILLION	\$425 MILLION	\$525 MILLION	\$625 MILLION	\$725 MILLION
State	\$280.0 million	\$410 million	\$530 million	\$650 million	\$780 million	\$900 million
School	540.0 million	770.0 million	1,010.0 million	1,250.0 million	1,490.0 million	1,730 million
Local	0	0	0	0	0	0
Judicial	2.1 million	3.1 million	4.0 million	4.8 million	5.9 million	6.9 million
DPS	30.4 million	43.9 million	57.4 million	70.9 million	84.4 million	97.9 million
TOTAL REDUCTION	\$852.5 million	\$1,227.0 million	\$1,601.4 million	\$1,975.7 million	\$2,360.3 million	\$2,734.8 million

With the enactment of S.B. 21-228, the General Assembly appropriated \$380.0 million General Fund to the newly created PERA Payment Cash Fund (cash fund). The cash fund consists of money appropriated or transferred to the fund. Subject to annual appropriation, the money in the fund is available to be used by the State for any employer contribution to or disbursement required by statute. The bill requires that the PERA direct distribution payment scheduled to be paid on July 1, 2022, be made from the cash fund as opposed to the General Fund. The bill allows for the payment of some or all of a future payment to be made from the cash fund as well.

Given the excess General Fund that is forecast to be available for one-time expenditures in FY 2022-23, JBC staff recommends that the Committee consider the feasibility of:

- Using General Fund to make the required July 1, 2022 payment of \$225 million instead of making the payment from the PERA Payment Cash Fund
- Repealing the PERA Payment Cash Fund and paying the entire balance of the cash fund to PERA in order to realize an improved return on investment
- Increasing the July 1, 2022 payment by at least \$100 million General Fund in order to further reduce the UAAL

Each of the above options will require legislation.

(2) SALARY

BASE SALARY

This common policy establishes a standard method for JBC staff to calculate the continuation salaries appropriated in each department's personal services or program line items that includes a personal services component. The JBC has generally followed the same method for calculating the continuation personal services since FY 1995-96. This method is summarized in the table below.

Prior year Long Bill
+/- Any other prior year appropriation bills
+/- Supplemental bills recommended by the JBC in the current session
= Current year appropriation
+/- Annualizations of prior year legislation that were delineated in a fiscal note
+/- Annualizations of prior year budget decisions funded in the Long Bill
+/- The line item's share of any prior year salary increases provided in a centralized appropriation
+/- Technical adjustments, such as fund source adjustments
- Base personal services reduction, if applicable
= Continuation funding
+/- Staff recommendations on department change requests
+/- Other staff recommended adjustments
= Staff recommendation

DECISION ITEMS – BASE SALARY

→ CALCULATION OF BASE SALARY

REQUEST: The request is consistent with the JBC's traditional method of calculating base continuation personal services. Although the budget requests from the Judicial Department and elected official agencies are not overseen by the Office of State Planning and Budgeting (OSPB), these agencies calculate continuation personal services consistent with the OSPB budget instructions.

RECOMMENDATION: Staff recommends that the Committee continue the use of the established calculation of base continuation personal services, described above.

→ BASE SALARY ESTIMATE

REQUEST: The request includes annualizations for prior year legislation and budget actions and technical adjustments. The request does not include a base personal services reduction.

Annualizations submitted in state agency budget requests include a single annualization for S.B. 18-200, *PERA Unfunded Liability*. The annualization includes a PERA-determined "Defined Contribution Supplement", calculated by PERA to equal an additional 0.1 percent in FY 2022-23, which covers the loss of revenue to pay for PERA's unfunded liability when employee's elect to join the defined contribution plan.

FY 2022-23 ANNUALIZATION OF S.B. 18-200 BY DEPARTMENT					
DEPARTMENT	BASE SALARY ADJUSTMENT	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$92,488	31,233	61,255	\$0	\$0
Corrections	1,917,119	1,869,574	0	0	0
Education	230,660	79,922	28,371	28,728	93,639
Governor	436,869	6,190	0	430,679	0
Health Care Policy and Financing	457,518	203,830	17,381	4,847	231,460
Higher Education	107,913	6,320	38,145	11,829	51,609
Human Services	0	0	0	0	0
Judicial	1,440,267	1,404,118	34,235	1,914	0
Labor and Employment	177,360	0	177,360	0	0
Law	57,647	21,125	34,383	2,139	0
Legislature	0	0	0	0	0
Local Affairs	84,894	24,300	18,840	24,142	17,612
Military and Veteran Affairs	58,870	24,190	785	0	33,895
Natural Resources	626,190	97,560	493,188	20,727	14,715
Personnel	134,764	43,484	3,950	87,330	0
Public Health and Environment	724,697	124,210	218,021	59,980	322,486
Public Safety	751,351	213,256	472,592	47,140	18,363
Regulatory Agencies	0	0	0	0	0
Revenue	502,106	227,901	269,676	136	4,393
State	58,005	0	58,005	0	0
Transportation	0	0	0	0	0
Treasury	13,393	8,635	4,758	0	0
Total	\$7,872,111	\$4,385,848	\$1,930,945	\$719,591	\$788,172

RECOMMENDATION: The following table includes the estimated salary base but excludes the S.B. 18-200 annualization adjustments. Staff recommends reflecting the following amounts included in the compensation templates as the estimated salary base.

ESTIMATED SALARY BASE (INCL. PERA AND FICA) - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2021-22 Appropriation					
Base Salary	\$1,995,668,714	\$1,125,169,833	\$448,502,662	\$219,551,726	\$202,444,494
PERA	222,029,092	125,417,999	50,365,033	24,137,561	22,108,499
Medicare (FICA)	28,937,194	16,314,961	6,503,290	3,183,499	2,935,444
Subtotal - Estimated Salary Base	\$2,246,635,000	\$1,266,902,793	\$505,370,985	\$246,872,786	\$227,488,437
FY 2022-23 Request and Recommendation					
Base Salary	\$2,098,366,201	\$1,181,558,215	\$466,652,996	\$218,627,953	\$231,527,037
PERA	253,282,261	143,252,350	56,558,972	26,040,759	27,430,180
Medicare (FICA)	31,653,682	17,871,542	7,006,935	3,293,516	3,481,689
Subtotal - Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
Increase/(Decrease)	\$136,667,144	\$75,779,314	\$24,847,918	\$1,089,443	\$34,950,469
Percent Change	6.1%	6.0%	4.9%	0.4%	15.4%

STATEWIDE SALARY INCREASES

Statewide salary increases are comprised of salary survey – across-the-board increases and merit pay increases.

The total compensation request for salary survey components includes the following:

- A salary range adjustment of 2.0 percent for all occupational groups; and
- A 3.0 percent across-the-board (ATB) salary survey increase for all state employees, including State Patrol Trooper classes, including base building up to the range maximum.

The total compensation request includes no merit pay increase.

DECISION ITEMS - SALARY SURVEY

→ SALARY RANGE ADJUSTMENT

REQUEST: The request is for a 2.0 percent salary range adjustment for all occupational groups.

RECOMMENDATION: Staff recommends that the Committee approve the request.

The requested salary range adjustment is the recommended adjustment in the annual compensation report. As salaries in the market adjust, the salary range adjustment serves to keep classification minimums, maximums, and midpoints in line with market salaries. To the extent that these adjustments move an employee's salary below the range minimum, the associated funding has been requested within the salary survey compensation component.

→ SALARY INCREASE

REQUEST: The request is for a 3.0 percent across-the-board salary increase for all state employees, including State Trooper classes, including base building up to the range maximum.

RECOMMENDATION: Staff recommends that the Committee approve the request.

For reference, the State has provided the following increases since FY 2013-14:

- FY 2021-22 - 3.0 percent across-the-board; no merit pay;
- FY 2020-21 – no across-the-board; no merit pay;
- FY 2019-20 – 3.0 percent across-the-board; no merit pay;
- FY 2018-19 – 3.0 percent across-the-board; no merit pay;
- FY 2017-18 – 2.0 percent across-the-board; 0.75 percent merit pay;
- FY 2016-17 – no across-the-board; no merit pay;
- FY 2015-16 – 1.0 percent across-the-board; 1.0 percent merit pay;
- FY 2014-15 – 2.5 percent across-the-board; 1.0 percent merit pay; and
- FY 2013-14 – 2.0 percent across-the-board; 1.5 percent merit pay.

STATEWIDE SALARY INCREASES - REQUEST AND RECOMMENDATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Salary Survey	\$67,661,572	\$38,024,868	\$15,387,857	\$7,423,089	\$6,825,758
Minimum Wage	0	0	0	0	0
Merit Pay	0	0	0	0	0

STATEWIDE SALARY INCREASES - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Subtotal - Statewide Salary Increases	\$67,661,572	\$38,024,868	\$15,387,857	\$7,423,089	\$6,825,758
FY 2022-23 Request					
Salary Survey - 2.82 percent	\$66,265,624	\$36,666,318	\$15,146,039	\$6,720,421	\$7,732,846
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Merit Pay	0	0	0	0	0
Subtotal - Statewide Salary Increases	\$67,125,340	\$36,789,931	\$15,841,781	\$6,755,472	\$7,738,156
Increase/(Decrease)	(\$536,232)	(\$1,234,937)	\$453,924	(\$667,617)	\$912,398
Percent Change	n/a	n/a	n/a	n/a	n/a
Statewide Salary Increase on Salary Base	2.82%	2.74%	2.99%	2.72%	2.95%
FY 2022-23 Recommendation					
Salary Survey - 2.82 percent	\$66,265,624	\$36,666,318	\$15,146,039	\$6,720,421	\$7,732,846
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Merit Pay - 0.0 percent	0	0	0	0	0
Subtotal - Statewide Salary Increases	\$67,125,340	\$36,789,931	\$15,841,781	\$6,755,472	\$7,738,156
Increase/(Decrease)	(\$536,232)	(\$1,234,937)	\$453,924	(\$667,617)	\$912,398
Percent Change	n/a	n/a	n/a	n/a	n/a
Statewide Salary Increase on Salary Base	2.82%	2.74%	2.99%	2.72%	2.95%
Recommendation difference from Request	\$0	\$0	\$0	\$0	\$0

The following table outlines all components affected by the recommendation:

ALL COMPONENTS TIED TO STATEWIDE SALARY INCREASES - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2021-22 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Salary Survey	\$67,661,572	\$38,024,868	\$15,387,857	\$7,423,089	\$6,825,758
Minimum Wage	0	0	0	0	0
Merit Pay	0	0	0	0	0
Short-term Disability (total approp.)	3,234,767	1,836,926	711,955	358,274	327,612
AED (total approp.)	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
SAED (total approp.)	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
Subtotal - Statewide Salary Increases	\$277,407,864	\$156,327,079	\$62,383,812	\$30,595,877	\$28,101,096
FY 2022-23 Request and Recommendation					
Salary Survey - 2.82 percent	\$66,265,624	\$36,666,318	\$15,146,039	\$6,720,421	\$7,732,846
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Merit Pay	0	0	0	0	0
Short-term Disability (increase for SS)	166,597	89,812	31,547	(2,243)	47,481
AED (increase for SS)	5,678,504	3,176,974	1,019,857	(50,302)	1,531,975
SAED (increase for SS)	5,678,504	3,176,974	1,019,857	(50,302)	1,531,975
Subtotal - Statewide Salary Increase Only	\$78,648,946	\$43,233,691	\$17,913,043	\$6,652,625	\$10,849,587

OTHER STATEWIDE SALARY COMPONENTS

DECISION ITEMS – SHIFT DIFFERENTIAL

→ SHIFT DIFFERENTIAL

Shift differential is adjustments for employees who work outside of normal Monday through Friday day-time hours (excluding State Troopers). Departments only pay shift differential when it is the prevailing market practice for a job classification. The majority of shift differential payments occur in the Department of Corrections and the Department of Human Services, primarily for employees providing direct supervision or care in institutional settings.

REQUEST: The FY 2022-23 request is at 100 percent of prior year actual expenditures (FY 2020-21). The Shift Differential request totals \$16.0 million, including \$12.7 million General Fund.

RECOMMENDATION: Staff recommends that the Committee approve the FY 2022-23 request at 100 percent of prior year actual expenditures and appropriations as outlined in the following table.

SHIFT DIFFERENTIAL - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Shift Differential	\$19,993,498	\$15,908,039	\$770,360	\$2,238,323	\$1,076,776
FY 2022-23 Request and Recommendation					
Shift Differential	\$16,049,041	\$12,699,428	\$742,385	\$1,755,688	\$851,540
Shift Diff. Approp. Percent of Salary Base	0.7%	0.9%	0.1%	0.7%	0.3%
Increase/(Decrease)	(\$3,944,457)	(\$3,208,611)	(\$27,975)	(\$482,635)	(\$225,236)
Percent Change	(19.7%)	(20.2%)	(3.6%)	(21.6%)	(20.9%)
Shift Diff. Increase on Salary Base	(0.17%)	(0.24%)	(0.01%)	(0.19%)	(0.09%)

(3) BENEFITS

The benefits components include Health, Life, and Dental, Short-term Disability, and Paid Family and Medical Leave Insurance line items.

Health, life, and dental pays for the state contribution to health insurance, life insurance, and dental insurance. The state contribution for health insurance and dental insurance has four tiers based on employee, employee + spouse, employee + children, and family. Employees may choose from four different health benefit packages and two different dental benefit packages. The health plans range from high deductible plans to co-pay plans from Cigna and Kaiser.

The following table outlines the proposed FY 2022-23 monthly state contributions for Health, Life, and Dental components as included in the January 2nd budget amendment request. For the upcoming fiscal year, health premiums are projected to increase by 5.0 percent, with the increase absorbed by the employer in order to keep employee premium payments static. Dental premiums are projected to remain constant, however the cost to employees for the Dental Basic Plus plan has been significantly reduced with the difference paid by the employer. A primary provision of the ratified partnership agreement included funding the first \$20 million of health, dental, or vision premiums before passing any increases on to employees.

FY 2022-23 HEALTH, LIFE, AND DENTAL MONTHLY STATE CONTRIBUTION BY PLAN AND TIER						
TIER	HEALTH	DENTAL	LIFE	FY21-22 REQUEST	FY20-21 RATE	PERCENT CHANGE
Cigna - High Deductible						
Tier 1 – Employee	\$707.10	\$32.34	\$8.49	\$747.93	\$714.02	4.7%
Tier 2 - Employee + Spouse	1,259.18	53.46	8.49	1,321.13	1,260.92	4.8%
Tier 3 - Employee + Children	1,239.00	57.78	8.49	1,305.27	1,246.02	4.8%
Tier 4 – Family	1,731.32	78.00	8.49	1,817.81	1,735.12	4.8%
Cigna - Co-pay Basic						
Tier 1 – Employee	\$701.28	\$32.34	\$8.49	\$742.11	\$708.48	4.7%
Tier 2 - Employee + Spouse	1,293.40	53.46	8.49	1,355.35	1,293.52	4.8%
Tier 3 - Employee + Children	1,285.38	57.78	8.49	1,351.65	1,290.20	4.8%
Tier 4 – Family	1,831.44	78.00	8.49	1,917.93	1,830.48	4.8%
Cigna - Co-pay Plus						
Tier 1 – Employee	\$669.54	\$32.34	\$8.49	\$710.37	\$678.24	4.7%
Tier 2 - Employee + Spouse	1,238.66	53.46	8.49	1,300.61	1,241.38	4.8%
Tier 3 - Employee + Children	1,236.16	57.78	8.49	1,302.43	1,243.32	4.8%
Tier 4 – Family	1,723.62	78.00	8.49	1,810.11	1,727.80	4.8%
Kaiser - High Deductible						
Tier 1 – Employee	\$614.82	\$32.34	\$8.49	\$655.65	\$626.14	4.7%
Tier 2 - Employee + Spouse	1,108.48	53.46	8.49	1,170.43	1,117.40	4.7%
Tier 3 - Employee + Children	1,106.28	57.78	8.49	1,172.55	1,119.62	4.7%
Tier 4 – Family	1,584.68	78.00	8.49	1,671.17	1,595.46	4.7%
Kaiser - Co-pay Basic						
Tier 1 – Employee	\$637.32	\$32.34	\$8.49	\$678.15	\$647.56	4.7%
Tier 2 - Employee + Spouse	1,217.30	53.46	8.49	1,279.25	1,221.04	4.8%
Tier 3 - Employee + Children	1,198.90	57.78	8.49	1,265.17	1,207.84	4.7%
Tier 4 – Family	1,695.38	78.00	8.49	1,781.87	1,700.90	4.8%
Kaiser - Co-pay Plus						
Tier 1 – Employee	\$654.00	\$32.34	\$8.49	\$694.83	\$663.44	4.7%
Tier 2 - Employee + Spouse	1,219.28	53.46	8.49	1,281.23	1,222.92	4.8%
Tier 3 - Employee + Children	1,216.44	57.78	8.49	1,282.71	1,224.54	4.8%
Tier 4 – Family	1,698.22	78.00	8.49	1,784.71	1,703.60	4.8%

The state paid life insurance provides a benefit equal to the employee's annual salary up to a maximum of \$150,000. For FY 2022-23 the premiums are projected to increase by 3.0 percent.

LIFE INSURANCE - FY 2022-23 PROPOSED EMPLOYER MONTHLY PREMIUM				
PLAN	FY21-22 RATE	FY22-23 REQUEST	CHANGE	PERCENT CHANGE
Life Insurance	\$8.24	\$8.49	\$0.25	3.0%

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023. It will finance up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024. For the FY 2022-23 total compensation request, the request was calculated using an assumption of six months of premiums at the minimum employer contribution of half of .90 percent, or .45 percent.

DECISION ITEMS – BENEFITS

→ HEALTH, LIFE, AND DENTAL

REQUEST: The health insurance portion of the FY 2022-23 request is for an average 80 percent employer-paid premium with premium adjustments outlined in the health, life, and dental premiums tables above. The FY 2022-23 appropriation request for Health, Life, and Dental is for \$347.9 million total funds including \$199.6 million General Fund.

RECOMMENDATION: Staff recommends that the Committee approve the Health, Life, and Dental appropriation request and appropriations as outlined in the following table.

HEALTH, LIFE, AND DENTAL - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Health, Life, Dental	\$323,239,697	\$184,703,695	\$72,455,165	\$34,419,425	\$31,661,411
FY 2022-23 Request and Recommendation					
Health, Life, Dental	\$347,941,052	\$199,586,005	\$78,344,196	\$33,312,313	\$36,698,538
HLD Approp. Percent of Salary Base	14.6%	14.9%	14.8%	13.4%	14.0%
Increase/(Decrease)	\$24,701,355	\$14,882,310	\$5,889,031	(\$1,107,113)	\$5,037,126
Percent Change	7.6%	8.1%	8.1%	(3.2%)	15.9%
HLD Increase on Salary Base	1.0%	1.1%	1.1%	(0.4%)	1.9%

→ SHORT TERM DISABILITY

Short Term Disability is used to provide partial payment of an employee’s salary in the event that the employee becomes disabled and cannot perform the employee's work duties. This benefit is provided for all employees except temporary employees.

REQUEST: The FY 2022-23 request is for short-term disability funding at a rate of 0.16 percent of revised base salaries. The request is for \$3.4 million total funds, including \$1.9 million General Fund.

RECOMMENDATION: Staff recommends that the Committee approve short-term disability funding at a rate of 0.16 percent of revised base salary and appropriations as estimated in the following table.

SHORT TERM DISABILITY - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Short-term Disability	\$3,234,767	\$1,836,926	\$711,955	\$358,274	\$327,612
FY 2022-23 Request and Recommendation					
Short-term Disability	\$3,401,364	\$1,926,738	\$743,502	\$356,031	\$375,093
STD Approp. Percent of Salary Base	0.1%	0.1%	0.1%	0.1%	0.1%
Increase/(Decrease)	\$166,597	\$89,812	\$31,547	(\$2,243)	\$47,481
Percent Change	5.2%	4.9%	4.4%	(0.6%)	14.5%

→ PAID FAMILY AND MEDICAL LEAVE INSURANCE [NEW LINE ITEM]

REQUEST: The Department requests \$4.3 million total funds, including \$2.1 million General Fund, to cover the cost of six months of the minimum employer contribution of 0.45 percent of the paid family and medical leave insurance premium.

RECOMMENDATION: Staff recommends that the Committee approve the Paid Family and Medical Leave Insurance request.

PAID FAMILY AND MEDICAL LEAVE INSURANCE - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
Paid Family Medical Leave Insurance	\$0	\$0	\$0	\$0	\$0
FY 2022-23 Request and Recommendation					
Paid Family Medical Leave Insurance	\$4,263,336	2,139,639	1,072,372	511,063	540,263
PFML Percent of Salary Base	0.2%	0.2%	0.2%	0.2%	0.2%

PAID FAMILY AND MEDICAL LEAVE INSURANCE - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Increase/(Decrease)	\$4,263,336	\$2,139,639	\$1,072,372	\$511,063	\$540,263
Percent Change	n/a	n/a	n/a	n/a	n/a

(4) OTHER NON-SALARY/NON-BENEFIT COMPONENTS

Other non-salary/non-benefit components include budget items which are tied or associated with compensation, salary, or payroll, but that are not employee compensation or benefits.

Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) are calculated on revised base salary, which includes base salary, salary survey, merit pay, and shift differential. They are commonly considered to be part of the total compensation package because payment amounts are calculated on total salary. However, these payments are amortization payments for PERA's unfunded liabilities and do not represent current employee compensation. Nevertheless, as created in statute and by federal pension fund rules, SAED contributions are structured as employee compensation and represent salary increases foregone by employees; essentially SAED reflects an amount that would otherwise be reflected and located in base salary.

DECISION ITEMS – PERA AMORTIZATION PAYMENTS

→ AMORTIZATION EQUALIZATION DISBURSEMENT (AED)

Pursuant to Section 24-51-411, C.R.S., the State contributes additional funds to assist in the amortization of PERA's unfunded liability. During the 2005 legislative session the General Assembly created a separate line item to provide funding for this commitment. By statute, the AED rate increased 0.4 percent each calendar year until it reached the maximum contribution rate of 5.0 percent for CY 2017, except for judges where the state contribution remained constant at 2.2 percent. However, H.B. 17-1265 (*PERA Judicial Division Total Employer Contribution*) enacted increases to 3.4, 3.8, 4.2, 4.6, and 5.0 percent in each succeeding year beginning in calendar year 2019.

REQUEST: The FY 2022-23 request is based on the statutory rate of 5.0 percent for state employees and an average 4.8 percent (4.6 percent for CY 2022 and 5.0 percent for CY 2023) for judges applied to the revised base salary. The request is for \$108.9 million total funds, including \$61.4 million General Fund.

RECOMMENDATION: Staff recommends that the Committee approve the request amounts calculated using the statutory rate and appropriations estimated in the consolidated line item table below.

→ SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT (SAED)

Similar to the AED line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases contributions to PERA to amortize the unfunded liability. By statute, the SAED rate increased 0.5 percent each calendar year until it reached the maximum contribution rate of 5.0 percent for CY 2017, except for judges where the state contribution remained constant at 1.5 percent. However, as with AED, H.B. 17-1265 (*PERA Judicial Division Total Employer Contribution*) enacted increases to 3.4, 3.8, 4.2, 4.6, and 5.0 percent in each succeeding year beginning in calendar year 2019. Although the SAED payment is made by the State, statute specifies that funding is to come from money that would have otherwise gone to state employees as part of salary increases, pursuant to Section 24-51-411 (10), C.R.S., and if paid as salary increases would appear in the salary base.

REQUEST: The FY 2022-23 request is based on the statutory rate of 5.0 percent for state employees and an average 4.8 percent (4.6 percent for CY 2022 and 5.0 percent for CY 2023) for judges applied to the revised base salary. The request is for \$108.9 million total funds, including \$61.4 million General Fund.

RECOMMENDATION: Staff recommends that the Committee approve the request amounts calculated using the statutory rate and appropriations estimated in the consolidated line item table below.

→ PERA DIRECT DISTRIBUTION

In FY 2019-20, a common policy allocation to state agencies was added for the State's \$225.0 million statutory PERA Direct Distribution payment. This allocation was added to common policies to charge cash and federal funds sources for what would otherwise be a General Fund payment. The allocation is not created in statute as a calculation on payroll but instead has been structured exclusively as a non-statutory budget process construct. The methodology agreed upon in FY 2019-20 is that the allocation to fund sources by state agency should match the proportions determined for the AED and SAED appropriations.

The executive branch has submitted this common policy as an operating common policy. However, JBC staff will continue to reflect this item as a compensation common policy for PERA amortization payments for the unfunded liability, primarily due to its connection to AED and SAED policy. Operating common policies are services provided to state agencies by a centralized service provider. There is no service provided for the PERA Direct Distribution common policy payment. This is simply a payment to PERA that reduces the State's General Fund obligation that is more similar to the existing AED and SAED amortization payment policies.

The PERA Direct Distribution totals \$58.1 million in FY 2022-23. The total PERA Direct Distribution is allocated to the public schools divisions and the state employee divisions of PERA based on total payroll.

PERA DIRECT DISTRIBUTION CALCULATION	
	2020 COVERED PAYROLL FROM PERA CAFR
State Division	\$3,089,161,000
School Division	5,146,118,000
Local Government Division	698,060,000
Judicial Division	54,780,000
DPS Division	771,347,000
TOTAL	\$9,759,466,000
TOTAL EXCLUDING LOCAL GOVERNMENT DIVISION	9,061,406,000
Total Gross Payroll FY21	\$2,341,037,123
Percent of Gross Payroll to Allocate Across State Departments	0
TOTAL DIRECT DISTRIBUTION	\$225,000,000
TOTAL TO ALLOCATE ACROSS STATE DEPARTMENTS	\$58,129,321

REQUEST: The FY 2022-23 request is for \$58.1 million total funds, including \$31.0 million General Fund, \$16.2 million cash funds, \$5.3 million reappropriated funds, and \$5.5 million federal funds.

RECOMMENDATION: Staff recommends approval of the Department’s request.

PERA DIRECT DISTRIBUTION - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 PERA DIRECT DISTRIBUTION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$465,007	\$156,982	\$308,025	\$0	\$0
Corrections	10,736,225	10,474,638	261,587	0	0
Education	1,203,101	422,778	148,880	140,005	491,438
Governor's Office	2,500,965	264,985	97,121	2,098,887	39,971
Health Care Policy and Financing	1,120,362	451,764	75,591	21,079	571,928
Higher Education - Admin & Hist.CO	479,537	75,182	187,201	119,488	97,665
Human Services	8,603,791	5,772,629	369,916	1,125,499	1,335,747
Judicial	8,665,860	8,507,150	158,710	0	0
Labor and Employment	2,184,841	126,659	853,594	16,587	1,188,001
Law	1,221,178	259,367	175,904	757,350	28,557
Legislature	745,375	745,375	0	0	0
Local affairs	355,929	101,878	78,991	101,217	73,843
Military and Veterans Affairs	305,754	125,293	4,064	0	176,397
Natural Resources	3,003,818	535,547	2,369,405	98,866	0
Personnel	630,727	264,451	21,287	344,989	0
Public Health and Environment	3,098,690	526,081	934,266	256,905	1,381,438
Public Safety	3,917,272	1,109,564	2,466,079	246,198	95,431
Regulatory Agencies	1,066,205	31,730	964,030	62,245	8,199
Revenue	2,217,857	1,024,483	1,192,776	598	0
State	282,593	0	282,593	0	0
Transportation	5,267,647	0	5,267,647	0	0
Treasury	56,587	36,484	20,103	0	0
TOTAL	\$58,129,321	\$31,013,021	\$16,237,771	\$5,389,913	5,488,616

The following table outlines the appropriation request and recommendation for all PERA Amortization Payments.

PERA AMORTIZATION PAYMENTS - REQUEST AND RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2022-23 Estimated Salary Base	\$2,383,302,144	\$1,342,682,107	\$530,218,903	\$247,962,228	\$262,438,906
FY 2021-22 Appropriation					
AED	\$103,255,763	\$58,232,643	\$23,142,000	\$11,407,257	\$10,473,863
SAED	\$103,255,763	\$58,232,643	\$23,142,000	\$11,407,257	\$10,473,863
PERA Direct Distribution	\$57,559,623	\$31,451,770	\$16,625,625	\$6,210,053	\$3,272,175
Subtotal - PERA Amortization Payments	\$264,071,148	\$147,917,055	\$62,909,625	\$29,024,567	\$24,219,901
FY 2022-23 Request and Recommendation					
AED	\$108,934,267	\$61,409,617	\$24,161,857	\$11,356,955	\$12,005,838
SAED	\$108,934,267	\$61,409,617	\$24,161,857	\$11,356,955	\$12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
Subtotal - PERA Amortization Payments	\$275,997,855	\$153,832,255	\$64,561,485	\$28,103,823	\$29,500,292
PERA Amort. Approp. Percent of Salary Base	11.6%	11.5%	12.2%	11.3%	11.2%
Increase/(Decrease)	\$11,926,707	\$5,915,199	\$1,651,860	(\$920,744)	\$5,280,391
Percent Change	4.5%	4.0%	2.6%	(3.2%)	21.8%
PERA Amort. Payments Increase on Salary Base	0.5%	0.4%	0.3%	(0.4%)	2.0%

(5) SUMMARY OF COMPENSATION COMPONENTS

SUMMARY OF ALL STATEWIDE COMPENSATION AND PERA AMORTIZATION COMPONENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2021-22 Appropriation					
Shift Differential	\$19,993,498	\$15,908,039	\$770,360	\$2,238,323	\$1,076,776
Salary Survey	67,661,572	38,024,868	15,387,857	7,423,089	6,825,758
Minimum Wage	0	0	0	0	0
Merit Pay	0	0	0	0	0
Health, Life, Dental	323,239,697	184,703,695	72,455,165	34,419,425	31,661,411
Short-term Disability	3,234,767	1,836,926	711,955	358,274	327,612
Paid Family Medical Leave Insurance	0	0	0	0	0
AED	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
SAED	103,255,763	58,232,643	23,142,000	11,407,257	10,473,863
PERA Direct Distribution	57,559,623	31,451,770	16,625,625	6,210,053	3,272,175
TOTAL	\$678,200,682	\$388,390,584	\$152,234,962	\$73,463,678	\$64,111,458
FY 2022-23 Request and Recommendation					
Shift Differential	\$16,049,041	\$12,699,428	\$742,385	\$1,755,688	\$851,540
Salary Survey	66,265,624	36,666,318	15,146,039	6,720,421	7,732,846
Minimum Wage	859,716	123,613	695,742	35,051	5,310
Merit Pay	0	0	0	0	0
Health, Life, Dental	347,941,052	199,586,005	78,344,196	33,312,313	36,698,538
Short-term Disability	3,401,364	1,926,738	743,502	356,031	375,093
Paid Family Medical Leave Insurance	4,263,336	2,139,639	1,072,372	511,063	540,263
AED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
SAED	108,934,267	61,409,617	24,161,857	11,356,955	12,005,838
PERA Direct Distribution	58,129,321	31,013,021	16,237,771	5,389,913	5,488,616
TOTAL	\$714,777,988	\$406,973,995	\$161,305,722	\$70,794,390	\$75,703,881
Increase/(Decrease)	\$36,577,306	\$18,583,412	\$9,070,760	(\$2,669,288)	\$11,592,423
Percent Change	5.4%	4.8%	6.0%	(3.6%)	18.1%
Discretionary Compensation Components Increase on FY19-20 Total Compensation	1.3%	1.1%	1.4%	(0.8%)	4.0%
Discretionary Compensation Components Increase on FY 2021-22 Salary Base	1.5%	1.4%	1.7%	(1.1%)	4.4%

(6) COMPENSATION ASSUMPTIONS FOR NEW FTE

When estimating funding required for new FTE, JBC staff and Legislative Council (LCS) Fiscal Notes Staff generally use the same assumptions. The key components of the assumptions for compensation for new FTE include:

- Salaries at the minimum of the current year range for the job class unless sufficient evidence is provided to deviate from this policy. The evidence should include vacancy rates, time-to-fill data, and turnover rates.
- Salaries paid on a monthly payroll cycle.
- First-year impacts are prorated to reflect the effective date of the bill and reflect the payday shift for General Fund employees.
- FTE assumptions are based on a work year of 2,080 hours.
- Certain benefits and operating expenses are estimated, but excluded from the total cost identified in fiscal notes, including compensation POTS and some operating costs as follow:
 - Health, life, and dental;
 - Short-term disability;
 - AED and SAED; and
 - Leased space and indirect costs.
 - An exception to the exclusion is provided for increases of at least 20.0 new FTE in staff.

Providing funding for new FTE at current year salary rates and excluding related compensation and certain operating costs results in less-than-full-funding for new FTE. However, it is not uncommon for departments to experience delays in hiring, which reduces the FTE cost in the first year. Additionally, the budget policies for new FTE require departments to dedicate some vacancy, turnover, or other operating savings, to fully fund new staff in the first year of operations. This policy serves to ensure that departments are also committed to the cost of new FTE.

In the second year of operations, all excluded benefits and operating expenses are built into a department's budget through the normal budget processes. Costs for health, life, and dental insurance are re-estimated every year based on current enrollment. Similarly, the base salary assumptions that drive expenditures for short-term disability, AED, and SAED, are recalculated each year.

Leased space costs are driven by actual leased space needs determined independent of staffing adjustments and through their own decision items. Other centralized operating and indirect costs are likewise structured into the budget as operating common policy base adjustments.

DECISION ITEM – COMPENSATION ASSUMPTIONS FOR NEW FTE AND TARGETED SALARY ADJUSTMENTS

→ FUNDING ASSUMPTIONS FOR NEW FTE AND TARGETED SALARY ADJUSTMENTS

REQUEST: State agency request items generally estimate salaries for new FTE at the minimum of the current year range for the job class, with occasional exceptions with accompanying explanations and justifications, consistent with the JBC and LCS Fiscal Note assumptions. However, Executive Branch requests generally include benefits, non-compensation components, and operating expenses that are

excluded from the JBC and LCS Fiscal Note assumptions. In addition, some departments submit requests for funding based on bi-monthly payroll.

RECOMMENDATION: Staff recommends continuing the current JBC and LCS Fiscal Note assumptions when estimating funding for new FTE, however further recommends that JBC staff consider the following when preparing recommendations for funding for new FTE or targeted salary adjustments:

- Is the department or position within the classified personnel system?
 - If so, the request is subject to state personnel rules.
 - If not, it is recommended that a comparison be made with state classified job classes, if possible.

- Does the department have the legal authority to request targeted salary adjustments?
 - Section 24-50-101, C.R.S., sets forth two broad areas of authority and responsibility for the administration of the state personnel system:
 - (3)(c) It is the duty of the state personnel director to establish the general criteria for adherence to the merit principles and for fair treatment of individuals within the state personnel system. It is the responsibility of the state personnel director to provide leadership in the areas of policy and operation of the state personnel system....
 - (3)(d) The heads of principal departments and presidents of colleges and universities shall be responsible and accountable for the actual operation and management of the state personnel system for their respective departments, colleges, or universities.
 - While statute makes it clear that heads of principal departments are responsible and accountable for the operation and management of personnel system, rule identifies when a department has the authority to increase starting salaries (within the established range) in order to fill vacant positions:
 - Chapter 3 of the State Personnel Rules provides a department the authority to adjust salaries. Rule 3-9 states:

“The appointing authority shall determine the hiring salary within the pay grade for a new employee, including one returning after resignation, which is typically the grade minimum unless recruitment difficulty or other unusual conditions exist.” It goes on to define recruitment difficulty as “difficulty in obtaining qualified applicants or an inadequate number of candidates to promote competition despite recruitment efforts.”

The Department must consider the labor market supply, recruitment efforts, required competencies, qualifications and salary requirements of the best candidate, salaries of current and recently hired employees in similar positions in the department, and other factors when establishing the starting salary.
 - In addition, through State Personnel Rule 3-18, the Department is allowed to provide compression pay/in-range salary increases to existing staff.

- Did the department work with the Department of Personnel to develop the new salaries?

- The Department of Personnel exists to provide support to departments for issues related to the state personnel system. Typically, the Department of Personnel will work with a department to establish a competitive salary which is typically the mid-point of the range (because that is determined by the Department of Personnel to be a market competitive salary).
- Departments that do not fall under the purview of the state personnel system will not indicate that they have worked with the Department of Personnel to arrive at the salary.
- Is there data concerning comparative market salaries in the request?
 - The statewide salary survey looks at the salaries in the market if there are comparative salaries in other states or industries. The salaries identified in the request should be based on these data and not randomly selected.
 - A department does not have the authority to adjust a salary range, but can adjust within it. It is recommended that staff review the salaries and determine whether or not the requested salaries are at or near the midpoint of the existing salary range.
 - Regardless of whether or not the department falls under the purview of the state personnel system, there should be data in the request.
- Did the department provide recruitment and retention data for the analysis?
 - Some of the most useful information includes vacancy rates, time to fill rates, and turnover rates.
 - It is recommended that staff consider these data when analyzing a request for funding for new FTE that is not at the minimum of the salary range or for requests for targeted salary adjustments.
- Is there sufficient funding in the fund source to cover the costs of the adjustments?
 - For cash (or other) funded positions, it might be necessary to determine if enough funding exists to cover the salary increases into the future. If there does not appear to be enough funding in the cash (or other) fund source, staff may consider recommending a different source of funding for any recommended adjustments.
 - If there is sufficient funding for the requested year, but there may not be in the future, it is recommended that staff highlight this for the committee members in the future fiscal year impact table or narrative for each relevant decision item.
- Is the targeted salary adjustment to be applied in lieu of or in addition to the common policy salary survey adjustment?
- If the request is approved, should the committee expect to see similar requests in the future to address compression pay issues or disparities caused between like positions in different divisions or state departments?

Finally, JBC staff recommends:

- Calculation of the salary for newly requested FTE funding be based on the minimum of range, unless the department has provided compelling data concerning vacancy, turnover, and time-to-fill rates, or other data that supports an appropriation at the mid-range;
- Calculation of the salary for newly requested FTE funding be based on monthly payroll;

- Calculation of the first year funding for newly requested FTE reflect the pay-date shift if the position is funded with General Fund; and
- Staff analysis of requests for funding for new FTE or targeted salary adjustments be based on recruitment and retention or other relevant data provided by the department.

(7) REQUEST AND RECOMMENDATION COMPENSATION COMPONENTS BY DEPARTMENT

The following tables outline the request and recommendation (or request for policies not recommended) for compensation common policy components in Long Bill order by department.

HEALTH, LIFE, AND DENTAL (HLD) - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 HLD	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$3,404,610	\$926,072	\$2,478,538	\$0	\$0
Corrections	69,064,644	67,284,480	1,780,164	0	0
Education	7,007,102	2,627,473	952,716	776,887	2,650,026
Governor's Office	13,732,878	1,332,951	448,287	11,738,221	213,419
Health Care Policy and Financing	8,112,414	3,341,455	578,415	163,138	4,029,406
Higher Education	2,319,729	359,478	1,175,233	311,082	473,937
Human Services	57,795,288	36,830,231	2,829,274	8,680,892	9,454,891
Judicial	55,782,207	54,196,702	1,538,433	47,072	0
Labor and Employment	17,250,695	1,013,465	7,043,312	93,442	9,100,476
Law	6,529,979	1,301,948	1,013,242	4,040,209	174,580
Legislature	3,869,037	3,869,037	0	0	0
Local affairs	2,346,059	687,889	569,468	614,550	474,152
Military and Veterans Affairs	1,754,376	730,698	29,918	0	993,760
Natural Resources	19,324,272	3,192,933	15,185,594	552,228	393,517
Personnel	4,410,291	1,546,592	164,409	2,699,290	0
Public Health and Environment	21,060,300	4,764,923	6,677,639	1,655,301	7,962,437
Public Safety	23,601,333	6,595,215	14,894,629	1,540,742	570,747
Regulatory Agencies	7,165,894	241,045	6,482,690	395,186	46,973
Revenue	19,305,564	8,514,392	10,626,882	4,073	160,217
State	1,740,831	0	1,740,831	0	0
Transportation	1,988,575	0	1,988,575	0	0
Treasury	374,973	229,026	145,947	0	0
TOTAL	\$347,941,052	\$199,586,005	\$78,344,196	\$33,312,313	\$36,698,538

SHORT TERM DISABILITY - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 SHORT TERM DISABILITY	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$29,132	\$9,838	\$19,294	\$0	\$0
Corrections	599,581	584,711	14,870	0	0
Education	74,570	26,070	9,254	8,702	30,544
Governor's Office	171,254	18,460	6,797	143,200	2,797
Health Care Policy and Financing	84,676	34,144	5,713	1,593	43,226
Higher Education	21,306	3,421	10,329	3,877	3,679
Human Services	512,902	345,080	22,260	66,216	79,346
Judicial	594,201	582,317	11,293	591	0
Labor and Employment	151,717	8,495	58,532	1,167	83,523
Law	87,841	18,657	12,653	54,477	2,054
Legislature	46,008	46,008	0	0	0
Local affairs	26,068	7,462	5,785	7,413	5,408
Military and Veterans Affairs	18,528	7,613	247	0	10,668
Natural Resources	184,943	28,814	145,661	6,122	4,346
Personnel	44,099	18,517	1,491	24,091	0
Public Health and Environment	227,615	38,531	68,651	18,887	101,546
Public Safety	242,938	68,953	152,806	15,242	5,937

SHORT TERM DISABILITY - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 SHORT TERM DISABILITY	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Regulatory Agencies	75,519	2,247	68,282	4,409	581
Revenue	164,289	74,569	88,238	44	1,438
State	19,091	0	19,091	0	0
Transportation	20,695	0	20,695	0	0
Treasury	4,391	2,831	1,560	0	0
TOTAL	\$3,401,364	\$1,926,738	\$743,502	\$356,031	\$375,093

PAID FAMILY AND MEDICAL LEAVE INSURANCE - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 PAID FAMILY AND MEDICAL LEAVE INSURANCE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$42,824	\$14,457	\$28,367	\$0	\$0
Corrections	861,098	840,117	20,981	0	0
Education	106,042	37,264	13,122	12,340	43,316
Governor's Office	245,352	27,282	10,073	203,852	4,146
Health Care Policy and Financing	119,081	48,017	8,034	2,240	60,789
Higher Education	31,600	5,208	15,526	5,557	5,308
Human Services	742,438	498,132	31,921	97,122	115,264
Judicial	194,462	192,672	960	830	0
Labor and Employment	215,486	12,492	84,188	1,636	117,170
Law	123,526	26,236	17,793	76,608	2,889
Legislature	75,613	75,613	0	0	0
Local affairs	39,281	11,243	8,718	11,170	8,149
Military and Veterans Affairs	27,330	11,199	363	0	15,767
Natural Resources	291,635	45,180	230,041	9,599	6,815
Personnel	62,419	26,171	2,107	34,141	0
Public Health and Environment	334,888	56,856	100,970	27,765	149,298
Public Safety	348,961	98,843	219,685	21,932	8,501
Regulatory Agencies	106,337	3,165	96,147	6,208	818
Revenue	232,816	105,511	125,210	63	2,033
State	26,846	0	26,846	0	0
Transportation	29,126	0	29,126	0	0
Treasury	6,174	3,981	2,193	0	0
TOTAL	\$4,263,336	\$2,139,639	\$1,072,372	\$511,063	\$540,263

Appropriations for AED and SAED for each state agency is the same. For brevity, staff includes a single table reflecting the appropriations to be made for AED and SAED policies. The tables should be read as appropriations for each policy and not as a sum of both policies.

AED/SAED - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 AED/SAED	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$951,652	\$321,268	\$630,384	\$0	\$0
Corrections	19,135,506	18,669,272	466,234	0	0
Education	2,356,489	828,086	291,609	274,225	962,569
Governor's Office	5,452,257	606,262	223,837	4,530,035	92,123
Health Care Policy and Financing	2,646,244	1,067,047	178,542	49,788	1,350,867
Higher Education	702,217	115,734	345,027	123,491	117,965
Human Services	16,498,628	11,069,593	709,350	2,158,256	2,561,429
Judicial	18,514,833	18,143,692	352,701	18,440	0
Labor and Employment	4,788,588	277,602	1,870,851	36,354	2,603,781
Law	2,745,025	583,018	395,406	1,702,410	64,191

AED/SAED - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 AED/SAED	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Legislature	1,680,284	1,680,284	0	0	0
Local affairs	872,902	249,852	193,722	248,231	181,097
Military and Veterans Affairs	607,333	248,875	8,072	0	350,386
Natural Resources	6,480,775	1,004,010	5,112,022	213,304	151,439
Personnel	1,387,094	581,580	46,815	758,699	0
Public Health and Environment	7,441,964	1,263,462	2,243,778	616,995	3,317,729
Public Safety	7,754,689	2,196,509	4,881,886	487,378	188,916
Regulatory Agencies	2,363,055	70,325	2,136,603	137,955	18,172
Revenue	5,173,697	2,344,687	2,782,442	1,394	45,174
State	596,581	0	596,581	0	0
Transportation	647,253	0	647,253	0	0
Treasury	137,201	88,459	48,742	0	0
TOTAL	\$108,934,267	\$61,409,617	\$24,161,857	\$11,356,955	\$12,005,838

PERA DIRECT DISTRIBUTION - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 PERA DIRECT DISTRIBUTION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$465,007	\$156,982	\$308,025	\$0	\$0
Corrections	10,736,225	10,474,638	261,587	0	0
Education	1,203,101	422,778	148,880	140,005	491,438
Governor's Office	2,500,965	264,985	97,121	2,098,887	39,971
Health Care Policy and Financing	1,120,362	451,764	75,591	21,079	571,928
Higher Education	479,537	75,182	187,201	119,488	97,665
Human Services	8,603,791	5,772,629	369,916	1,125,499	1,335,747
Judicial	8,665,860	8,507,150	158,710	0	0
Labor and Employment	2,184,841	126,659	853,594	16,587	1,188,001
Law	1,221,178	259,367	175,904	757,350	28,557
Legislature	745,375	745,375	0	0	0
Local affairs	355,929	101,878	78,991	101,217	73,843
Military and Veterans Affairs	305,754	125,293	4,064	0	176,397
Natural Resources	3,003,818	535,547	2,369,405	98,866	0
Personnel	630,727	264,451	21,287	344,989	0
Public Health and Environment	3,098,690	526,081	934,266	256,905	1,381,438
Public Safety	3,917,272	1,109,564	2,466,079	246,198	95,431
Regulatory Agencies	1,066,205	31,730	964,030	62,245	8,199
Revenue	2,217,857	1,024,483	1,192,776	598	0
State	282,593	0	282,593	0	0
Transportation	5,267,647	0	5,267,647	0	0
Treasury	56,587	36,484	20,103	0	0
TOTAL	\$58,129,321	\$31,013,021	\$16,237,771	\$5,389,913	\$5,488,616

SALARY SURVEY - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 SALARY SURVEY	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$554,177	\$187,122	\$367,055	\$0	\$0
Corrections	10,919,143	10,648,363	270,780	0	0
Education	1,378,504	487,803	169,823	159,783	561,095
Governor's Office	3,185,153	364,531	130,391	2,636,567	53,664
Health Care Policy and Financing	1,541,501	621,580	104,005	29,003	786,913
Higher Education - Admin & Hist.CO	406,239	65,503	200,987	71,032	68,717
Human Services	11,151,262	7,099,514	485,945	1,344,653	2,221,150

SALARY SURVEY - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 SALARY SURVEY	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Judicial	10,868,504	10,652,304	205,457	10,743	0
Labor and Employment	3,949,130	411,369	1,997,930	21,176	1,518,655
Law	1,623,770	339,180	232,460	1,014,737	37,393
Legislature	978,806	978,806	0	0	0
Local affairs	508,486	145,545	112,848	144,600	105,493
Military and Veterans Affairs	366,312	149,388	4,702	0	212,222
Natural Resources	3,751,196	584,804	2,953,948	124,247	88,197
Personnel	806,824	338,756	27,287	440,781	0
Public Health and Environment	4,444,618	827,824	1,324,965	359,414	1,932,415
Public Safety	4,512,906	1,279,156	2,841,205	282,511	110,034
Regulatory Agencies	1,376,537	40,972	1,244,619	80,356	10,590
Revenue	3,138,307	1,392,269	1,718,912	818	26,308
State	347,523	0	347,523	0	0
Transportation	376,803	0	376,803	0	0
Treasury	79,923	51,529	28,394	0	0
TOTAL	\$66,265,624	\$36,666,318	\$15,146,039	\$6,720,421	\$7,732,846

SHIFT DIFFERENTIAL - REQUESTED AND RECOMMENDED STATE AGENCY APPROPRIATIONS					
FY 2022-23 SHIFT DIFFERENTIAL	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Agriculture	\$5,090	\$48	\$5,042	\$0	\$0
Corrections	7,964,177	7,933,176	31,001	0	0
Education	116,968	116,968	0	0	0
Governor's Office	78,652	0	0	78,652	0
Health Care Policy and Financing	0	0	0	0	0
Higher Education	0	0	0	0	0
Human Services	7,154,072	4,599,120	167,587	1,589,618	797,747
Judicial	0	0	0	0	0
Labor and Employment	15,066	0	0	0	15,066
Law	0	0	0	0	0
Legislature	0	0	0	0	0
Local affairs	0	0	0	0	0
Military and Veterans Affairs	30,443	0	0	0	30,443
Natural Resources	48,509	0	48,509	0	0
Personnel	39,253	0	0	39,253	0
Public Health and Environment	11,184	198	2,702	0	8,284
Public Safety	487,122	49,918	389,039	48,165	0
Regulatory Agencies	0	0	0	0	0
Revenue	87,850	0	87,850	0	0
State	0	0	0	0	0
Transportation	10,655	0	10,655	0	0
Treasury	0	0	0	0	0
TOTAL	\$16,049,041	\$12,699,428	\$742,385	\$1,755,688	\$851,540

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

There are no recommended statewide compensation policy-related Long Bill footnotes for FY 2022-23.

REQUESTS FOR INFORMATION

JBC staff recommends modification and continuation of the following request for information for all state departments:

N All Departments – THE DEPARTMENTS ARE REQUESTED TO PROVIDE BY NOVEMBER 1 OF EACH FISCAL YEAR RESPONSES TO THE FOLLOWING:

- Based on the Department's most recent available record, what is the FTE vacancy and turnover rate: (1) by department; (2) by division; (3) by program for programs with at least 20 FTE; and (4) by occupational class for classes that are located within a larger occupational group containing at least 20 FTE.
- To what does the Department attribute this turnover/vacancy experience?
- Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?