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**COLORADO**

**Department of Personnel  
& Administration**

**FY 2025-26 Annual  
Compensation Report  
Presentation**

November 13, 2024





## Agenda:

- Statutory Requirements and Survey Process
- Annual Compensation Summary FY 2025-26

# Compensation Terms

- **Benchmark jobs:** jobs used as anchor points for making State salary comparisons with the market.
- **Classification system:** a system that identifies each unique job that is performed by classified State employees.
- **Classification:** identifies a job with a unique set of duties and responsibilities within the classification system.
- **Occupational group:** a set of classifications that are alike enough to be treated similarly for purposes such as promotion and pay relationship structures.
- **Salary structure/pay plan:** establishes pay ranges for each classification. Employees may not be paid below the minimum of the range, or above the maximum of the range.
- **System Maintenance Study:** a structured review of part of the State's classification system. A system maintenance study may result in revising, abolishing, creating, and/or adjusting pay ranges for one or multiple class series.

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# Statutory Requirements and Survey Process

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# Statutory Requirements

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

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

# Total Compensation Philosophy

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

# Recent Historic Overview

- HB20-1153 Partnerships for Quality Jobs and Services Act.
  - Requires the State Personnel Director to negotiate wages and establish a pay plan pursuant to negotiations.
  - Requires the annual budget request include sufficient funds to implement the partnership agreement.
  - Allows for renegotiation based on approval or rejection of the request by the General Assembly.
- HB24-1467 Modifications to the State Personnel Total Compensation removed merit pay and codified step pay.
- Partnership Agreement signed Sept 23, 2024 effective through July 31, 2027.

# Compensation Survey Process

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Benchmark Jobs

2

Labor Market & Surveys

3

Adjustments & Comparison

4

Develop Report



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# FY 2025-26 Annual Compensation Report

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# Benchmark Jobs

- Benchmark jobs represent anchor points used for making State salary comparisons with the market.
- We utilize the following guidelines to select benchmark jobs:
  - Jobs which are a good representation of job series and levels across all occupational groups
  - Jobs with high utilization
  - Jobs found in most organizations
  - Jobs with recruitment or retention problems within the State
  - Jobs undergoing system maintenance studies
  - Jobs that have not been recently reviewed
- Benchmark jobs are assessed annually. Some jobs are added and some are removed to ensure all jobs are regularly reviewed.
- For FY 2025-26 a total of 367 out of 755 State classifications were identified as benchmarks.



# Base Salary Market Comparison

Occupational Group	% Difference from Market		
	FY 2024-25	FY 2024-25 and 2025-26 Common Benchmark Comparison	FY 2025-26
Enforcement and Protective Services	-11.5%	-21.8%	-9.6%
Healthcare Services	-4.7%	+1.3%	-2.5%
Labor, Trades, and Crafts	-4.9%	-1.4%	-9.1%
Administrative Support and Related	-13.1%	-0.7%	-16.3%
Professional Services	-8.9%	-7.9%	-11.0%
Physical Science and Engineering	-6.8%	-8.8%	-10.8%
Information Technology	**	**	-11.6%
<b>State of Colorado</b>	<b>-7.9%</b>	<b>-6.8%</b>	<b>-9.1%</b>

\*Common benchmarks refer to jobs that were analyzed in both years using substantially similar comparators.

\*\* IT positions were undergoing a system maintenance study.

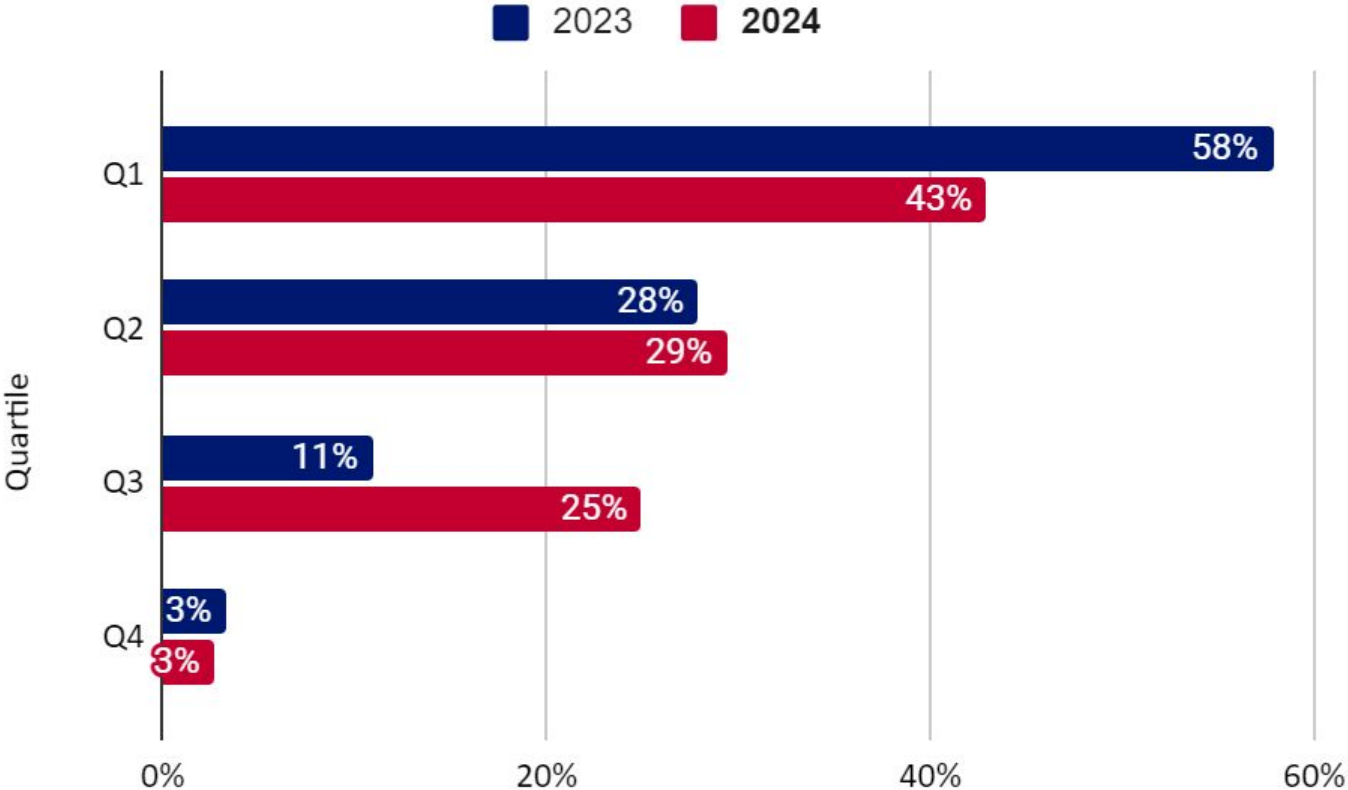
# Salary Structure Market Comparison

Occupational Group	% Difference from Market Median		
	FY 2024-25	FY 2024-25 and 2025-26 Common Benchmark Comparison	FY 2025-26
Enforcement and Protective Services	-12.4%	N/A	-13.4%
Healthcare Services	+10.8%	+12.7%	+6.4%
Labor, Trades, and Crafts	+0.6%	-4.0%	-6.6%
Administrative Support and Related	+1.1%	+9.7%	-23.9%
Professional Services	-4.0%	-4.9%	-9.6%
Physical Science and Engineering	-7.0%	-11.2%	-16.1%
Information Technology	*	*	-13.7%
<b>State of Colorado</b>	<b>+0.3%</b>	<b>-2.3%</b>	<b>-9.8%</b>

\*Common benchmarks refer to jobs that were analyzed in both years using substantially similar comparators.

\*\* IT positions were undergoing a system maintenance study.

# Salary Range Distribution



# Salary Range Distribution - Variance with FY 2024-25

OCCUPATIONAL GROUP	VARIANCE AVERAGE RANGE PROGRESSION (PERCENTAGE IN RANGE)	QUARTILE DISTRIBUTION VARIANCE			
		QUARTILE 1 %	QUARTILE 2 %	QUARTILE 3 %	QUARTILE 4+ %
Enforcement and Protective Services*	7%	-16%	0%	17%	-2%
Healthcare Services	3%	-12%	5%	8%	-2%
Labor, Trades, and Crafts	20%	-40%	14%	26%	0%
Administrative Support and Related	9%	-19%	6%	13%	0%
Professional Services	5%	-7%	-5%	12%	0%
Physical Sciences and Engineering	5%	-8%	2%	8%	-1%
Information Technology**	23%	-37%	-1%	18%	1%



\*Does not include State Patrol.

\*\* IT positions were undergoing a system maintenance study.

# Compensation Trends

	FY 2023-24	FY 2024-25	FY 2025-26
Variance Between State & Market Base Salary	-5.2%	-7.9%	-9.1%
Variance Between State and Market Pay Structure	-6.4%	+0.3%	-9.8%
Changes to Compensation Approved by the General Assembly	5.0% ATB Rebuilt pay plan	3.0% ATB 3.0% structure adjustment Implemented Step Pay	2.5% Cost of Living Adjustment (COLA) 2.0 structure adjustment



# Key Takeaways

- The Step Pay Program improved the overall salary range distribution.
- Salary and pay plan increases are outlined in the Partnership Agreement. The State will continue to collaborate with COWINS to bring compensation recommendations forward in order to maintain competitiveness with the market.



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# Thank You

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