



COLORADO

State Controller Flexible Payroll Options

Introduction

The Department of Personnel & Administration is currently seeking funds to modernize the State's outdated payroll system.

Problem

Statute currently requires that, with the implementation of a modern payroll system, DPA shifts to a twice-monthly pay cycle for all state employees. While this may seem to be innocuous, twice-monthly pay is different from bi-weekly pay and would lead to inconsistent paychecks for wage earners. While wage-earning employees would still earn the same amount, the inconsistencies from paycheck to paycheck would inevitably lead to confusion for many employees and a dramatic, unnecessary increase in workload for human resource and payroll managers in each state agency.

Solution

The proposed bill would amend 24-50-104(8) CRS to allow for monthly and biweekly payroll cycles already in effect. Passing the bill would maximize flexibility in support of the State's total compensation philosophy and minimize costs associated with developing, customizing, and implementing a new payroll system.

Support

Proposed legislation was presented to the Joint Technology Committee in December of 2022 and won the unanimous approval of voting members.

Amendments

1. **Remove reference to State Personnel System**
 - a. Senate amendments remove references to the State Personnel System to maintain consistency with the practices and understanding of the Office of State Controller with regard to the state's payroll system as well as payroll accounting practices for non-classified and classified employees.
2. **Exempt Institutes of Higher Education from the pay date shift**
 - a. The amendment added in the Senate exempts IHEs from the pay date shift.
 - b. SB 23-180 removes language from the 2015 law that arguably exempted IHEs from the pay date shift.
 - c. Without OSC's amendment, IHEs would again be subject to the pay date shift.