

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 22-0844.01 Nicole Myers x4326

HOUSE BILL 22-1266

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A BILL FOR AN ACT

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

Bill Summary

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

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

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

HOUSE
3rd Reading Unamended
March 7, 2022

HOUSE
2nd Reading Unamended
March 4, 2022

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

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

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

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

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

17 (II) The state personnel director shall establish technically and
18 professionally sound survey methodologies to assess ~~prevailing~~ total
19 compensation practices, levels, and costs. Except as provided in

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

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

27 (g) Benefits shall include insurance, retirement, and leaves of

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

9 (4) **Annual compensation process.** (c) By September 15, 2017,
10 and by September 15 of each year thereafter, the state personnel director
11 shall submit the annual compensation report and recommendations and
12 estimated costs for state employee compensation for the next fiscal year,
13 covering salaries, state contributions for group benefit plans, and merit
14 pay, to the governor and the joint budget committee of the general
15 assembly. The recommendations shall reflect a consideration of the
16 results of the annual compensation survey, fiscal constraints, the ability
17 to recruit and retain state employees, appropriate adjustments with respect
18 to state employee compensation, and those costs resulting from
19 implementation of section 24-50-110 (1)(a). The recommendations for
20 state contributions for group benefit plans shall specify the annual group
21 benefit plan year established pursuant to section 24-50-604 (1)(m). The
22 annual compensation report shall include the results of the surveys of
23 public or private employers and jobs for ~~prevailing~~ total compensation
24 and the reasons for ~~any deviation from prevailing total compensation in~~
25 the recommendations submitted to the governor and the joint budget
26 committee. The state personnel director shall also publish such report.
27 This subsection (4)(c) is exempt from the provisions of section 24-1-136

1 (11), and the periodic reporting requirements of this section are effective
2 until changed by the general assembly acting by bill.

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

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