



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 22-0851 Date: September 21, 2022
Prime Sponsors: Rep. Herod; Esgar Bill Status: Signed into Law
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Bill Topic: PAY EQUITY STUDY

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checkbox)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

The bill requires the Department of Personnel and Administration to solicit a contract for a pay equity study focused on protected classes to produce recommendations to alleviate potential pay inequities. This bill increases state expenditures in FY 2021-22 and FY 2022-23.

Appropriation Summary: For FY 2021-22, the bill includes an appropriation of \$500,000 to the Department of Personnel and Administration with roll forward authority through FY 2022-23.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 22-1196

Table with 4 columns: Category, Current Year FY 2021-22, Budget Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires the Equity Diversity and Inclusion Task Force established through the partnership agreement entered into under the “Colorado Partnership for Quality Jobs and Services Act” to solicit a vendor contract, through a competitive process, for a study to evaluate pay inequities specific to gender, race, and other protected classes in the state personnel system. The study must be conducted by a vendor, independent of the Department of Personnel and Administration, and be completed by September 30, 2022, with recommendations to alleviate discovered pay inequities. The Director of the Department of Personnel and Administration must publish the final report within 30 days of its completion.

Expenditures

The bill increases General Fund expenditures in the Department of Personnel and Administration by \$500,000 in FY 2021-22 to contract with a vendor to conduct the pay equity study.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 13.4 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2021-22. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$67,000 in FY 2021-22, which will decrease the amount of General Fund available for other purposes.

Effective Date

This bill was signed into law by the Governor and took effect on March 1, 2022.

State Appropriations

For the current FY 2021-22, the bill includes a General Fund appropriation of \$500,000 to the Department of Personnel and Administration. This appropriation may be spent through FY 2022-23.

State and Local Government Contacts

Personnel and Administration

Joint Budget Committee