



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-1184	Date:	August 12, 2024
Prime Sponsors:	Rep. Bird; Sirota Sen. Zenzinger; Bridges	Bill Status:	Signed into Law
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Bill Topic: **MODIFICATION TO THE STATE PERSONNEL TOTAL COMPENSATION**

Summary of	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
Fiscal Impact:	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires the state to develop a pay structure that moves from a merit pay system to a step pay system. The bill increases workload in state agencies in FY 2024-25 only.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The final fiscal note reflects the enacted bill. This bill was recommended by the Joint Budget Committee.

Summary of Legislation

The bill requires the Department of Personnel and Administration (DPA) to develop an equitable pay structure that provides consistent and predictable salary increases, in consultation with the organization that represents state employees. The bill also repeals the requirement that the division of worker’s compensation and the division of labor standards and statistics in the Department of Labor and Employment pay their employees on a monthly basis.

Background

DPA, representing the state, and Colorado WINS, the organization representing state employees, agreed through the partnership agreement that step pay would be implemented across all executive branch agencies (excluding the Department of Higher Education and the Office of the State Auditor) by July 1, 2024. Funding to pay covered employees based on their initial step placement was included in the FY 2024-25 Long Bill.

State Expenditures

The bill increases state workload in all state agencies starting in FY 2024-25.

Department of Personnel and Administration. DPA will establish new rules, processes and updates to forms and documentation to finalize the transition to step pay in accordance with the partnership agreement developed between the state and Colorado WINS. This work will can be accomplished within existing resources.

Executive branch state agencies. Executive branch agencies have already begun the process of placing employees on the step progression under the partnership agreement with Colorado WINS. It is assumed any costs associated with implementation of step pay will be covered through the Long Bill for FY 2024-25, and through the budget process on an ongoing basis. Workload will increase initially for agencies finalize implementation of step pay based on DPA guidance and rules. On an ongoing basis, state agency human resources staff will be required to maintain information on employees step, process information related to step placement when employees move between agencies or change position. Workload will vary across agencies depending on the number of employees and various other factors. The fiscal note assumes that this workload will replace other methods (such as merit pay) used to determine employee compensation and pay increases, and that no additional appropriation is required.

Effective Date

The bill was signed into law by the Governor and took effect on June 5, 2024.

State and Local Government Contacts

All State Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).