

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 26, 2015
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB15-133 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, strike everything below the enacting clause and
2 substitute:
3 "SECTION 1. In Colorado Revised Statutes, 24-50-104, **amend**
4 (4) (a), (4) (b) (I), (4) (c), and (10) (a) as follows:
5 **24-50-104. Job evaluation and compensation - state employee**
6 **reserve fund - created - definitions.** (4) **Annual compensation**
7 **process.** (a) The purpose of the annual compensation process is to
8 determine any necessary adjustments to state employee salaries, state
9 contributions for group benefit plans, RETIREMENT BENEFIT
10 COMPENSATION LEVELS, and merit pay. The annual compensation survey,
11 based on an analysis of surveys by public or private organizations,
12 including surveys by the state personnel director, shall include a fair
13 sample of public and private sector employers and jobs, including areas
14 outside the Denver metropolitan area. In order to establish confidence in
15 the selection of surveys, the state personnel director shall meet and confer
16 in good faith with management and state employee representatives.
17 (b) (I) The state personnel director shall prepare an annual
18 compensation report based on the analysis of surveys conducted pursuant
19 to paragraph (a) of this subsection (4). The purpose of the annual
20 compensation report ~~shall be~~ IS to reflect all adjustments necessary to
21 maintain the salary structure, state contributions for group benefit plans,
22 RETIREMENT BENEFIT COMPENSATION LEVELS, and merit pay for the
23 upcoming fiscal year. For the merit pay component, the state personnel
24 director shall include a description of the amount necessary for merit pay

1 for all eligible state employees, as well as the amount necessary for each
2 priority group of state employees. The state personnel director shall also
3 include a detailed analysis of salary ranges for all employees in the state
4 personnel system and how employees' salaries are distributed within these
5 ranges. Each department may provide the state personnel director with a
6 recommendation regarding the amount of moneys that should be
7 appropriated to the department for merit pay for the upcoming fiscal year.
8 The state personnel director shall establish deadlines for the
9 recommendations and shall include a summary of all the
10 recommendations he or she receives in the annual compensation report.
11 The state auditor is responsible for contracting with a private firm to
12 conduct a performance audit of the procedures and application of data,
13 including any survey conducted by the state personnel director. Beginning
14 January 1, 2005, the audits shall be conducted every four years. A report
15 shall be submitted to the governor and the general assembly by the June
16 30 immediately following the completion of the audit.

17 (c) By August 1, 2003, and by August 1 of each year thereafter,
18 the state personnel director shall submit the annual compensation report
19 and recommendations and estimated costs for state employee
20 compensation for the next fiscal year, covering salaries, state
21 contributions for group benefit plans, RETIREMENT BENEFIT
22 COMPENSATION LEVELS, and merit pay, to the governor and the joint
23 budget committee of the general assembly. THE STATE PERSONNEL
24 DIRECTOR SHALL INCLUDE THE BASIS FOR HIS OR HER RECOMMENDATIONS
25 IN THE REPORT. The recommendations shall reflect a consideration of the
26 results of the annual compensation survey, fiscal constraints, the ability
27 to recruit and retain state employees, appropriate adjustments with respect
28 to state employee compensation, and those costs resulting from
29 implementation of section 24-50-110 (1) (a). The recommendations for
30 state contributions for group benefit plans shall specify the annual group
31 benefit plan year established pursuant to section 24-50-604 (1) (m). The
32 annual compensation report shall include the results of the surveys of
33 public or private employers and jobs for prevailing total compensation
34 and the reasons for any deviation from prevailing total compensation in
35 the recommendations submitted to the governor and the joint budget
36 committee. The state personnel director shall also publish such report.
37 This paragraph (c) is exempt from the provisions of section 24-1-136
38 (11), and the periodic reporting requirements of this section are effective
39 until changed by the general assembly acting by bill.

40 (10) **Total compensation study including retirement benefits.**

41 (a) By January 15, 2015, and by January 15 every ~~eighth~~ FOURTH year

1 thereafter, the state personnel director shall submit to the governor and
2 the joint budget committee, along with the annual compensation report
3 required pursuant to paragraph (b) of subsection (4) of this section, an
4 addendum with a total compensation study that includes retirement
5 benefits.

6 **SECTION 2. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly
9 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,
10 if a referendum petition is filed pursuant to section 1 (3) of article V of
11 the state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2016 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor."

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