

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-1125.01 Nicole Myers x4326

HOUSE BILL 15-1392

HOUSE SPONSORSHIP

Young and Tate,

SENATE SPONSORSHIP

Newell,

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING CHANGES TO THE STATE'S PAYROLL SYSTEM TO ALLOW
102 ALL STATE EMPLOYEES TO BE PAID TWICE A MONTH.

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://www.leg.state.co.us/billsummaries>.)

Currently, the majority of state employees who are paid through the state's payroll system are paid on a monthly basis and some state employees are paid based on a bi-weekly pay period. For pay periods that begin on or after July 1, 2017, the bill implements a pay system in which all state employees who are paid through the state's payroll system are paid twice a month.

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

The bill specifies that beginning on July 1, 2017, state employees will be paid as follows:

! For employees hired on or after July 1, 2017, for work performed from the first day of the month through the 15th day of the month, employees will be paid on the last day of the same month, and for work performed from the 16th day of the month through the last day of the month, employees will be paid on the 15th day of the next month.

! For employees hired prior to July 1, 2017, employees will be paid as specified above; except that, for work performed from the first day of June through the 15th day of June, employees will be paid on July 1.

The bill allows any state employee to apply to the department of personnel for a one-time loan to assist the employee in July 2017. The amount of the loan cannot be more than an amount equal to the employee's net pay for a half-month pay period. The bill specifies 2 repayment options for employees who choose to take advantage of the loan and allows an employee to repay the loan early with no prepayment penalty. If an employee separates from state employment prior to the full loan repayment, the balance of the loan will be deducted from the employee's last paycheck.

The bill also makes necessary conforming amendments to allow the state's payroll system to pay employees twice a month.

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 (8) as follows:

4 **24-50-104. Job evaluation and compensation - state employee**
5 **reserve fund - created - definitions.** (8) **Payroll.** (a) FOR PAY PERIODS
6 BEGINNING BEFORE JULY 1, 2017, salaries for positions in the state
7 personnel system paid on a monthly basis shall be paid as of the last
8 working day of the month; except that:

9 (I) Salaries for the month of June shall be paid on the first
10 working day of July; and

11 (II) For state personnel employees in the department of
12 transportation hired before August 5, 1998, as amended, salaries for the

1 month of December shall be paid on the first working day in January,
2 unless any such employee informs the controller of the department of
3 transportation of the employee's desire to be paid in the same manner as
4 other employees in the state personnel system as provided in this
5 subsection (8), in which case, the employee shall be paid in such manner.

6 (a.5) FOR PAY PERIODS BEGINNING BEFORE JULY 1, 2017, for state
7 employment positions that are not in the state personnel system and that
8 are not otherwise covered by paragraph (a) of this subsection (8), salaries
9 paid on a monthly basis for the month of June shall be paid on the first
10 working day of July.

11 (a.6) FOR PAY PERIODS BEGINNING BEFORE JULY 1, 2017, for state
12 employment positions that are not otherwise covered by paragraph (a) or
13 (a.5) of this subsection (8), whether or not the positions are in the state
14 personnel system:

15 (I) ~~Salaries paid on a biweekly basis for the pay period~~
16 ~~commencing on May 31, 2003, and ending on June 13, 2003, shall be~~
17 ~~paid on July 1, 2003;~~

18 (II) ~~Effective July 1, 2003, for work performed through June 30,~~
19 ~~2012, salaries paid on a biweekly basis for the fourteen-day pay period~~
20 ~~preceding the first fourteen-day pay period for which salaries paid on a~~
21 ~~biweekly basis for any work performed during the month of June are paid~~
22 ~~on or after July 1 shall be paid on the first working day of July; and~~

23 (III) Effective July 1, 2012, AND FOR PAY PERIODS BEGINNING
24 BEFORE JULY 1, 2017, salaries paid on a biweekly basis shall be paid
25 fourteen days after the last day of the fourteen-day pay period.

26 (b) FOR PAY PERIODS BEGINNING ON OR AFTER JULY 1, 2017,
27 SALARIES FOR EMPLOYEES PAID THROUGH THE STATE'S PAYROLL SYSTEM

1 SHALL BE PAID TWICE A MONTH AS FOLLOWS:

2 (I) FOR WORK PERFORMED FROM JULY 1, 2017, TO JULY 15, 2017,
3 EMPLOYEES SHALL BE PAID ON JULY 31, 2017. FOR WORK PERFORMED
4 FROM JULY 16, 2017, TO JULY 31, 2017, EMPLOYEES SHALL BE PAID ON
5 AUGUST 15, 2017.

6 (II) EXCEPT AS OTHERWISE SPECIFIED IN SUBPARAGRAPH (III) OF
7 THIS PARAGRAPH (b), FOR ALL PAY PERIODS AFTER THE PAY PERIODS
8 SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), FOR WORK
9 PERFORMED FROM THE FIRST DAY OF THE MONTH TO THE FIFTEENTH DAY
10 OF THE SAME MONTH, EMPLOYEES SHALL BE PAID ON THE LAST DAY OF
11 THAT MONTH. FOR WORK PERFORMED FROM THE SIXTEENTH DAY OF THE
12 MONTH TO THE END OF THE SAME MONTH, EMPLOYEES SHALL BE PAID ON
13 THE FIFTEENTH DAY OF THE FOLLOWING MONTH.

14 (III) FOR EMPLOYEES HIRED BEFORE JULY 1, 2017, FOR WORK
15 PERFORMED FROM JUNE 1, 2018, TO JUNE 15, 2018, EMPLOYEES SHALL BE
16 PAID ON JULY 1, 2018, AND FOR WORK PERFORMED FROM JUNE 1 TO JUNE
17 15 EACH YEAR THEREAFTER, EMPLOYEES SHALL BE PAID ON JULY 1 OF THE
18 APPLICABLE YEAR.

19 (c) (I) ANY STATE EMPLOYEE MAY APPLY TO THE DEPARTMENT OF
20 PERSONNEL FOR A ONE-TIME LOAN TO ASSIST THE EMPLOYEE IN COVERING
21 EXPENSES IN JULY 2017. THE AMOUNT OF THE LOAN SHALL NOT BE MORE
22 THAN AN AMOUNT EQUAL TO THE EMPLOYEE'S NET PAY FOR A ONE-HALF
23 MONTH PAY PERIOD.

24 (II) AN EMPLOYEE WHO RECEIVES A LOAN FROM THE STATE
25 PURSUANT TO THIS PARAGRAPH (c) SHALL REPAY THE LOAN USING ONE OF
26 THE PAYMENT OPTIONS SPECIFIED IN THIS SUBPARAGRAPH (II). AN
27 EMPLOYEE MAY REPAY THE LOAN EARLY WITH NO PREPAYMENT PENALTY.

1 IF AN EMPLOYEE SEPARATES FROM STATE EMPLOYMENT PRIOR TO THE
2 FULL LOAN REPAYMENT, THE BALANCE OF THE LOAN SHALL BE DEDUCTED
3 FROM THE EMPLOYEE'S LAST PAYCHECK. AN EMPLOYEE SHALL CHOOSE
4 ONE OF THE FOLLOWING REPAYMENT OPTIONS:

5 (A) THE EMPLOYEE MAY REPAY THE LOAN OVER A THREE-YEAR
6 PERIOD WITH ANNUAL LEAVE. THE EXACT AMOUNT OF ANNUAL LEAVE
7 NEEDED TO REPAY THE LOAN SHALL BE CALCULATED BY THE DEPARTMENT
8 IN WHICH THE EMPLOYEE IS EMPLOYED PURSUANT TO GUIDELINES ISSUED
9 BY THE OFFICE OF THE STATE CONTROLLER.

10 (B) THE EMPLOYEE MAY REPAY THE LOAN OVER A THREE-YEAR
11 PERIOD WITH AN AFTER-TAX DEDUCTION IN EACH PAYCHECK EQUAL TO
12 ONE SEVENTY-SECOND OF THE LOAN AMOUNT PLUS SIMPLE INTEREST AT
13 THE STATE TREASURY'S INCREMENTAL BORROWING RATE.

14 ~~(b)~~ (d) Monthly salaries shall be converted to annual salary as the
15 basis for calculating amounts due for periods other than monthly.

16 ~~(c)~~ (e) The state personnel director or the director's designee shall
17 regulate, approve, and review all payroll deductions other than those
18 expressly authorized by statute or state-sponsored for all state employees.
19 The state personnel director may assess a charge to the organization that
20 receives the benefit from such a payroll deduction to offset the cost to the
21 state for this service.

22 ~~(d)~~ (f) No payroll deduction shall be made on behalf of a state
23 employee without prior written authorization from the state personnel
24 director or the director's designee. The state personnel director or the
25 director's designee may authorize a payroll deduction only after receiving
26 a written request for such payroll deduction from the employee, a
27 department or agency representative, or an organization.

1 **SECTION 2.** In Colorado Revised Statutes, 24-75-201, **amend**
2 (2) (a) (III) (A) and (2) (a) (IV) as follows:

3 **24-75-201. General fund - general fund surplus - custodial**
4 **moneys.** (2) (a) The general fund surplus shall be determined based upon
5 the accrual system of accounting, as enunciated by the governmental
6 accounting standards board; except that:

7 (III) (A) FOR STATE EMPLOYEES HIRED BEFORE JULY 1, 2017,
8 general fund revenues shall be restricted only upon actual payment on the
9 first AND FIFTEENTH working day of July of ~~monthly~~ salaries of state
10 employees for the month of June from general fund revenues.

11 (IV) (A) For the state fiscal year commencing July 1, 2010, and
12 each state fiscal year thereafter, general fund revenues shall be restricted
13 only upon payment for the purchase of services in July from the office of
14 information technology created in section 24-37.5-103 in an amount
15 reported to state agencies by the office of information technology as
16 required in sub-subparagraph (B) of this subparagraph (IV). State
17 agencies shall report to the office of information technology by June 30,
18 2010, the amounts for positions that restricted general fund revenues in
19 the 2009-10 fiscal year FOR POSITIONS EXISTING ON JUNE 30, 2010, FILLED
20 BY STATE EMPLOYEES HIRED BEFORE JULY 1, 2017.

21 (B) The office of information technology created in section
22 24-37.5-103 shall calculate and report to state agencies by June 30, 2011,
23 and each June 30 thereafter, according to the office of information
24 technology's accepted billing methodology, the amount of information
25 technology billings related to the current costs that are comparable to the
26 general fund personal services payments for work performed by
27 information technology employees of any state agency in June 2010, FOR

1 POSITIONS EXISTING ON JUNE 30, 2010, FILLED BY STATE EMPLOYEES
2 HIRED BEFORE JULY 1, 2017. The calculation shall be limited to amounts
3 for positions that would have restricted general fund revenues in the state
4 fiscal year that commences July 1, 2010, FOR STATE EMPLOYEES HIRED
5 BEFORE JULY 1, 2017, if not for those revenues subsequently being
6 reappropriated due to the consolidation of information technology
7 services required by Senate Bill 08-155, enacted in 2008.

8 **SECTION 3. 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, and safety.