

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0765.01 Nicole Myers x4326

SENATE BILL 15-133

SENATE SPONSORSHIP

Lambert,

HOUSE SPONSORSHIP

Rankin,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING THE COMPENSATION REPORT OF THE STATE PERSONNEL
102 SYSTEM PREPARED BY THE STATE PERSONNEL DIRECTOR.

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/bills/summaries>.)

Current law requires the state personnel director to prepare an annual compensation report of the state personnel system. The bill changes this requirement to apply every odd-numbered year. The bill also requires the state personnel director to include in the biennial compensation report recommendations and estimated costs for state employee retirement benefits. The state personnel director is required to

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.

include in the compensation report recommendations and estimated costs for state employee salaries, state contributions for group benefit plans, retirement benefits, and merit pay for the next 2 fiscal years rather than for the next fiscal year only.

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 (4) (a), (4) (b) (I), (4) (c), (10) (a), and (10) (c) as follows:

4 **24-50-104. Job evaluation and compensation - state employee**
5 **reserve fund - created - definitions.** (4) **Annual compensation**
6 **process.** (a) The purpose of the annual compensation process is to
7 determine any necessary adjustments to state employee salaries, state
8 contributions for group benefit plans, RETIREMENT BENEFITS, and merit
9 pay. The annual compensation survey, based on an analysis of surveys by
10 public or private organizations, including surveys by the state personnel
11 director, shall include a fair sample of public and private sector employers
12 and jobs, including areas outside the Denver metropolitan area. In order
13 to establish confidence in the selection of surveys, the state personnel
14 director shall meet and confer in good faith with management and state
15 employee representatives.

16 (b) (I) The state personnel director shall prepare ~~an annual~~ A
17 BIENNIAL compensation report IN EACH ODD-NUMBERED YEAR based on
18 the analysis of surveys conducted pursuant to paragraph (a) of this
19 subsection (4). The purpose of the ~~annual~~ BIENNIAL compensation report
20 ~~shall be~~ IS to reflect all adjustments necessary to maintain the salary
21 structure, state contributions for group benefit plans, RETIREMENT
22 BENEFITS, and merit pay for ~~the upcoming fiscal year~~ EACH OF THE NEXT
23 TWO FISCAL YEARS. For the merit pay component, the state personnel

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

19 (c) By August 1, 2003, and by August 1 of each year thereafter
20 THROUGH AUGUST 1, 2015, AND BY AUGUST 1 OF EACH ODD-NUMBERED
21 YEAR THEREAFTER, the state personnel director shall submit the ~~annual~~
22 BIENNIAL compensation report and recommendations and estimated costs
23 for state employee compensation for EACH OF the next ~~fiscal year~~ TWO
24 FISCAL YEARS, covering salaries, state contributions for group benefit
25 plans, RETIREMENT BENEFITS, and merit pay, to the governor and the joint
26 budget committee of the general assembly. The recommendations shall
27 reflect a consideration of the results of the annual compensation survey,

1 fiscal constraints, the ability to recruit and retain state employees,
2 appropriate adjustments with respect to state employee compensation, and
3 those costs resulting from implementation of section 24-50-110 (1) (a).
4 The recommendations for state contributions for group benefit plans shall
5 specify the annual group benefit plan year established pursuant to section
6 24-50-604 (1) (m). The ~~annual~~ BIENNIAL compensation report shall
7 include the results of the surveys of public or private employers and jobs
8 for prevailing total compensation and the reasons for any deviation from
9 prevailing total compensation in the recommendations submitted to the
10 governor and the joint budget committee. The state personnel director
11 shall also publish such report. This paragraph (c) is exempt from the
12 provisions of section 24-1-136 (11), and the periodic reporting
13 requirements of this section are effective until changed by the general
14 assembly acting by bill.

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

16 (a) By January 15, 2015, and by January 15 every eighth year thereafter,
17 the state personnel director shall submit to the governor and the joint
18 budget committee, along with the ~~annual~~ BIENNIAL compensation report
19 required pursuant to paragraph (b) of subsection (4) of this section, an
20 addendum with a total compensation study that includes retirement
21 benefits.

22 (c) For purposes of the addendum to the ~~annual~~ BIENNIAL
23 compensation report required pursuant to this subsection (10), the public
24 employees' retirement association created in article 51 of this title shall
25 provide access to official association member information and data under
26 a confidentiality agreement with the third-party compensation consulting
27 firm.

1 **SECTION 2.** In Colorado Revised Statutes, 24-50-604, **amend**
2 (3) as follows:

3 **24-50-604. Powers and duties of the director.** (3) The director
4 shall have the authority to adopt procedures to determine benefit
5 eligibility requirements and the percentage of the state contribution to
6 health benefits for all employees, as defined in section 24-50-603 (7),
7 who work less than full time, are governed by the rules established
8 pursuant to subsection (2) of this section, and are hired on or after January
9 1, 2005. The director shall include any proposed changes to the group
10 benefits policy in the ~~annual~~ BIENNIAL compensation report and
11 recommendations submitted to the governor and the joint budget
12 committee of the general assembly pursuant to section 24-50-104 (4) (c).

13 **SECTION 3. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2016 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.