

Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 06-0134.01 Ed DeCecco

HOUSE BILL 06-1047

HOUSE SPONSORSHIP

Vigil, Coleman, Schultheis, and White

SENATE SPONSORSHIP

Takis, Hanna, and Taylor

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE INCLUSION OF PERFORMANCE AWARDS IN SALARIES**
102 **FOR PURPOSES OF MAKING ANNUAL ADJUSTMENTS TO THE**
103 **COMPENSATION OF STATE EMPLOYEES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Legislative Audit Committee. Specifies that performance awards are included in salaries for purposes of the annual compensation process used to adjust state employee salaries. Requires the general assembly to appropriate the adjustment necessary to maintain the salary structure and performance awards as a single item for each department in the general appropriation act. Requires the state personnel director to allocate the

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.

amount used for adjustments each year based on the appropriation by the general assembly and the annual compensation report.

Makes conforming amendments.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 24-50-104 (1) (a) (II), (4) (a), and (4) (c), Colorado
3 Revised Statutes, are amended to read:

4 **24-50-104. Job evaluation and compensation.** (1) **Total**
5 **compensation philosophy.** (a) (II) The state personnel director shall
6 establish technically and professionally sound survey methodologies to
7 assess prevailing total compensation practices, levels, and costs. Except
8 as provided in subparagraph (III) of this paragraph (a), for purposes of
9 this paragraph (a), to determine and maintain salaries, WHICH INCLUDE
10 PERFORMANCE AWARDS, AND state contributions for group benefit plans
11 ~~and performance awards~~ that are comparable to public and private
12 employment, the state personnel director shall annually review the results
13 of appropriate surveys by public or private organizations, including
14 surveys by the state personnel director. Any surveys provided on a
15 confidential basis shall not be revealed except to the state auditor's office
16 and the private firm conducting the audit required in paragraph (b) of
17 subsection (4) of this section. The state personnel director shall adopt
18 appropriate procedures to determine and maintain other elements of total
19 compensation, including the payment of incentive awards to employees
20 in the state personnel system. The state personnel director's review and
21 determination of total compensation practices shall not be subject to
22 appeal except as otherwise authorized by law or state personnel director
23 procedures.

24 (4) **Annual compensation process.** (a) The purpose of the

1 annual compensation process is to determine any necessary adjustments
2 to state employee salaries, WHICH INCLUDE PERFORMANCE AWARDS, AND
3 state contributions for group benefit plans. ~~and performance awards.~~ The
4 annual compensation survey, based on an analysis of surveys by public or
5 private organizations, including surveys by the state personnel director,
6 shall include a fair sample of public and private sector employers and
7 jobs, including areas outside the Denver metropolitan area. In order to
8 establish confidence in the selection of surveys, the state personnel
9 director shall meet and confer in good faith with management and state
10 employee representatives and the total compensation advisory council.

11 (c) (I) By August 1, 2003, and by August 1 of each year thereafter,
12 the state personnel director shall submit the annual compensation report
13 and recommendations ~~and~~ WITH estimated costs for state employee
14 compensation for the next fiscal year, covering salaries, WHICH INCLUDE
15 PERFORMANCE AWARDS, AND state contributions for group benefit plans
16 ~~and performance awards,~~ to the governor and the joint budget committee
17 of the general assembly. The recommendations shall reflect a
18 consideration of the results of the annual compensation survey, fiscal
19 constraints, the ability to recruit and retain state employees, appropriate
20 adjustments with respect to state employee compensation, and those costs
21 resulting from implementation of section 24-50-110 (1) (a). The
22 recommendations for state contributions for group benefit plans shall
23 specify the annual group benefit plan year established pursuant to section
24 24-50-604 (1) (m). The annual compensation report shall include the
25 results of the surveys of public or private employers and jobs for
26 prevailing total compensation and the reasons for any deviation from
27 prevailing total compensation in the recommendations submitted to the

1 governor and the joint budget committee. The state personnel director
2 shall also publish such report.

3 (II) FOR THE 2005-06 FISCAL YEAR AND EACH FISCAL YEAR
4 THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE THE
5 ADJUSTMENTS NECESSARY TO MAINTAIN THE SALARY STRUCTURE AND
6 PERFORMANCE AWARDS AS A SINGLE LINE ITEM FOR EACH DEPARTMENT IN
7 THE ANNUAL GENERAL APPROPRIATION ACT. BASED ON THE
8 APPROPRIATION BY THE GENERAL ASSEMBLY AND THE ANNUAL
9 COMPENSATION REPORT, THE STATE PERSONNEL DIRECTOR SHALL
10 ALLOCATE THE AMOUNT FOR THE NEXT FISCAL YEAR THAT IS TO BE USED
11 FOR THE ADJUSTMENTS NECESSARY TO MAINTAIN THE SALARY STRUCTURE
12 AND FOR PERFORMANCE AWARDS.

13 **SECTION 2. Effective date.** This act shall take effect at 12:01
14 a.m. on the day following the expiration of the ninety-day period after
15 final adjournment of the general assembly that is allowed for submitting
16 a referendum petition pursuant to article V, section 1 (3) of the state
17 constitution (August 9, 2006, if adjournment sine die is on May 10,
18 2006); except that, if a referendum petition is filed against this act or an
19 item, section, or part of this act within such period, then the act, item,
20 section, or part, if approved by the people, shall take effect on the date of
21 the official declaration of the vote thereon by proclamation of the
22 governor.