

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 15-0765.01 Nicole Myers x4326

SENATE BILL 15-133

SENATE SPONSORSHIP

Lambert,

HOUSE SPONSORSHIP

Rankin,

Senate Committees

Finance
Appropriations

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/billsummaries>.)

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.*

SENATE
3rd Reading Unamended
April 16, 2015

SENATE
Amended 2nd Reading
April 15, 2015

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), and (10) (a) 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 BENEFIT**
9 **COMPENSATION LEVELS, and merit pay. The annual compensation survey,**
10 **based on an analysis of surveys by public or private organizations,**
11 **including surveys by the state personnel director, shall include a fair**
12 **sample of public and private sector employers and jobs, including areas**
13 **outside the Denver metropolitan area. In order to establish confidence in**
14 **the selection of surveys, the state personnel director shall meet and confer**
15 **in good faith with management and state employee representatives.**

16 **(b) (I) The state personnel director shall prepare an annual**
17 **compensation report based on the analysis of surveys conducted pursuant**
18 **to paragraph (a) of this subsection (4). The purpose of the annual**
19 **compensation report shall be IS to reflect all adjustments necessary to**
20 **maintain the salary structure, state contributions for group benefit plans,**
21 **RETIREMENT BENEFIT COMPENSATION LEVELS, and merit pay for the**
22 **upcoming fiscal year. For the merit pay component, the state personnel**
23 **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

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

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

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

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

- 1 November 2016 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.