

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0425.01 Gregg Fraser x4325

HOUSE BILL 12-1145

HOUSE SPONSORSHIP

Bradford,

SENATE SPONSORSHIP

(None),

House Committees

Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE MODIFICATION OF STATE PERSONNEL TOTAL
102 COMPENSATION POLICIES.

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.>)

The bill makes the following changes to the total compensation laws affecting state employees:

- ! A statutory provision specifying that state employees are typically hired at the minimum rate in a pay grade unless there is a showing of recruiting difficulty or other unusual

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.

condition is amended to specify that employees are typically hired at the mid rate.

! References to the "annual compensation report" and "annual compensation survey" are changed to the "total compensation report" and "total compensation survey". The total compensation report of the state personnel director is required to be published every 2 years instead of every year.

! A provision governing the manner in which holidays and paid leave are counted for certain employees performing essential services is repealed.

! The children of employees are considered dependents for group benefit purposes up to the age of 26, unless the United States supreme court finds the federal "Patient Protection and Affordable Care Act" to be unconstitutional, in which case the current statutory provisions defining children as dependents will be reinstated.

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 (1) (e), (1) (f), (4) (a), (4) (b) (I), (4) (c), (5) (b), and (6) (a) as follows:

4 **24-50-104. Job evaluation and compensation.** (1) **Total**
5 **compensation philosophy.** (e) The state personnel director shall sustain
6 an employee's base salary in the event such employee's position is placed
7 in a lower pay range due to an allocation of such employee's position, a
8 system maintenance study of all positions in a class, a general job
9 evaluation study of the state personnel system, or the ~~annual~~ TOTAL
10 compensation survey for a period not to exceed three years from the
11 effective date of such placement.

12 (f) Initial hiring shall typically be at the ~~minimum~~ MID rate in the
13 pay grade. On a showing of recruiting difficulty or other unusual
14 condition, the appointing authority may authorize the appointment of a
15 person at a higher base salary within the pay grade.

16 (4) **Total compensation process.** (a) The purpose of the ~~annual~~

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

10 (b) (I) The state personnel director shall prepare ~~an annual~~ A
11 TOTAL compensation report based on the analysis of surveys conducted
12 pursuant to paragraph (a) of this subsection (4). The purpose of the ~~annual~~
13 TOTAL compensation report shall be to reflect all adjustments necessary
14 to maintain the salary structure, state contributions for group benefit
15 plans, and performance awards for the upcoming fiscal year. The state
16 auditor is responsible for contracting with a private firm to conduct a
17 performance audit of the procedures and application of data, including
18 any survey conducted by the state personnel director. Beginning January
19 1, 2003, such audits shall be conducted every two years, and beginning
20 January 1, 2005, the audits shall be conducted every four years. A report
21 shall be submitted to the governor and the general assembly by the June
22 30 immediately following the completion of the audit.

23 (c) By August 1, 2003, and by August 1 of each year thereafter,
24 the state personnel director shall submit the ~~annual~~ TOTAL compensation
25 report and recommendations and estimated costs for state employee
26 compensation for the next fiscal year covering salaries, state contributions
27 for group benefit plans, and performance awards, to the governor and the

1 joint budget committee of the general assembly. The recommendations
2 shall reflect a consideration of the results of the ~~annual~~ TOTAL
3 compensation survey, fiscal constraints, the ability to recruit and retain
4 state employees, appropriate adjustments with respect to state employee
5 compensation, and those costs resulting from implementation of section
6 24-50-110 (1) (a). The recommendations for state contributions for group
7 benefit plans shall specify the annual group benefit plan year established
8 pursuant to section 24-50-604 (1) (m). The ~~annual~~ TOTAL compensation
9 report shall include the results of the surveys of public or private
10 employers and jobs for prevailing total compensation and the reasons for
11 any deviation from prevailing total compensation in the recommendations
12 submitted to the governor and the joint budget committee. BY AUGUST 1,
13 2012, AND BY AUGUST 1 OF EACH EVEN-NUMBERED YEAR THEREAFTER,
14 the state personnel director shall also publish ~~such~~ THE TOTAL
15 COMPENSATION report.

16 (5) **Pay plans.** (b) No employee in any pay plan may exceed an
17 established maximum salary amount for such plan, except as provided in
18 paragraph (e) of subsection (1) of this section. The maximum monthly
19 salary for any employee whose position is assigned to a nonmedical pay
20 plan in effect prior to July 1, 1991, shall be calculated based on the 1991
21 maximum of five thousand seven hundred ninety-four dollars, plus the
22 subsequent adjustments made under this paragraph (b) since July 1, 1991;
23 except that classes in the medical pay plan requiring licensure as a
24 physician or dentist shall be subject to a maximum monthly salary
25 calculated on the basis of the 1991 maximum of seven thousand eight
26 hundred twelve dollars, plus the subsequent adjustments made under this
27 paragraph (b) since July 1, 1991. Effective July 1, 2010, the maximum

1 monthly salary in the medical pay plan shall be seventeen thousand nine
2 hundred twenty-seven dollars, plus any subsequent adjustments made
3 under this paragraph (b). Such amounts shall be adjusted by the state
4 personnel director in accordance with the change in the employment cost
5 index for the preceding calendar year or the percentage increase in state
6 general fund appropriations in relation to such appropriations for the
7 preceding fiscal year, whichever is greater. In no event shall such
8 amounts exceed the maximum found in the market as determined by the
9 ~~annual~~ TOTAL compensation survey. The maximum monthly salary for the
10 senior executive service plan shall not exceed the maximum monthly
11 salary of any nonmedical pay plan by more than twenty-five percent.

12 (6) **Job evaluation.** (a) System maintenance studies involving the
13 assignment of classes to increased pay grades shall be incorporated into
14 the ~~annual~~ total compensation request reported to the general assembly
15 and shall be effective on July 1 of each year unless otherwise ordered by
16 the governor acting pursuant to section 24-50-109.5.

17 **SECTION 2.** In Colorado Revised Statutes, 24-50-104.5, **amend**
18 (1) as follows:

19 **24-50-104.5. Compliance with federal laws.** (1) The state
20 personnel director shall establish the general criteria and processes
21 necessary for the state personnel system to fully comply with all
22 applicable federal employment laws. ~~Holidays and periods of authorized~~
23 ~~paid leave falling within a regularly scheduled workweek shall be counted~~
24 ~~as work time in determining overtime for employees performing essential~~
25 ~~law enforcement, highway maintenance, and other support services~~
26 ~~directly necessary for the health, safety, and welfare of patients, residents,~~
27 ~~and inmates of state institutions or state facilities.~~

1 **SECTION 3.** In Colorado Revised Statutes, 24-50-603, **amend**
2 (5) (a); and **add** (5) (a.5) as follows:

3 **24-50-603. Definitions.** As used in this part 6, unless the context
4 otherwise requires:

5 (5) "Dependent" means:

6 (a) (I) An employee's legal spouse;

7 (II) Each ~~unmarried child~~ OF AN EMPLOYEE'S CHILDREN, including
8 adopted children, stepchildren, and foster children, through the end of the
9 month in which the child turns ~~nineteen~~ TWENTY-SIX years of age; ~~for~~
10 ~~whom the employee is the major source of financial support or for whom~~
11 ~~the employee is directed by court order to provide coverage; each~~
12 ~~unmarried child nineteen years of age, through the end of the month in~~
13 ~~which that child is no longer a full-time student in an educational or~~
14 ~~vocational institution, but no longer than through the end of the month in~~
15 ~~which the full-time student turns twenty-four years of age, and for whom~~
16 ~~the employee is the major source of financial support or for whom the~~
17 ~~employee is directed by court order to provide coverage; or~~

18 (III) An EMPLOYEE'S unmarried child of any age who has either a
19 physical or mental disability, as defined by the carrier, not covered under
20 other government programs, and for whom the employee is the major
21 source of financial support or for whom the employee is directed by court
22 order to provide coverage;

23 (a.5) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (II)
24 OF PARAGRAPH (a) OF THIS SUBSECTION (5), IF THE DIRECTOR SENDS
25 NOTICE TO THE REVISOR OF STATUTES THAT THE PROVISIONS OF THE
26 FEDERAL "PATIENT PROTECTION AND AFFORDABLE CARE ACT", PUB.L.
27 111-148, ALLOWING INDIVIDUALS TO REMAIN ON THEIR PARENTS' HEALTH

1 CARE PLAN UNTIL THE INDIVIDUAL TURNS TWENTY-SIX YEARS OF AGE
2 HAVE BEEN FOUND UNCONSTITUTIONAL OR OTHERWISE UNENFORCEABLE
3 BY THE UNITED STATES SUPREME COURT, THEN "DEPENDENT", FOR
4 PURPOSES OF SAID SUBPARAGRAPH (II), SHALL MEAN EACH OF AN
5 EMPLOYEE'S UNMARRIED CHILDREN, INCLUDING ADOPTED CHILDREN,
6 STEPCHILDREN, AND FOSTER CHILDREN, THROUGH THE END OF THE MONTH
7 IN WHICH THE CHILD TURNS NINETEEN YEARS OF AGE, FOR WHOM THE
8 EMPLOYEE IS THE MAJOR SOURCE OF FINANCIAL SUPPORT OR FOR WHOM
9 THE EMPLOYEE IS DIRECTED BY COURT ORDER TO PROVIDE COVERAGE AND
10 EACH OF AN EMPLOYEE'S UNMARRIED CHILDREN NINETEEN YEARS OF AGE,
11 THROUGH THE END OF THE MONTH IN WHICH THAT CHILD IS NO LONGER A
12 FULL-TIME STUDENT IN AN EDUCATIONAL OR VOCATIONAL INSTITUTION,
13 BUT NO LONGER THAN THROUGH THE END OF THE MONTH IN WHICH THE
14 FULL-TIME STUDENT TURNS TWENTY-FOUR YEARS OF AGE, AND FOR WHOM
15 THE EMPLOYEE IS THE MAJOR SOURCE OF FINANCIAL SUPPORT OR FOR
16 WHOM THE EMPLOYEE IS DIRECTED BY COURT ORDER TO PROVIDE
17 COVERAGE.

18 **SECTION 4.** In Colorado Revised Statutes, 24-50-604, **amend**
19 (3) as follows:

20 **24-50-604. Powers and duties of the director.** (3) The director
21 shall have the authority to adopt procedures to determine benefit
22 eligibility requirements and the percentage of the state contribution to
23 health benefits for all employees, as defined in section 24-50-603 (7),
24 who work less than full time, are governed by the rules established
25 pursuant to subsection (2) of this section, and are hired on or after January
26 1, 2005. The director shall include any proposed changes to the group
27 benefits policy in the ~~annual~~ TOTAL compensation report and

1 recommendations submitted to the governor and the joint budget
2 committee of the general assembly pursuant to section 24-50-104 (4) (c).

3 **SECTION 5. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take effect
10 unless approved by the people at the general election to be held in
11 November 2012 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.