



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

<b>Drafting Number:</b>	LLS 22-0864	<b>Date:</b>	March 28, 2022
<b>Prime Sponsors:</b>	Rep. Herod; Ransom Sen. Hansen; Rankin	<b>Bill Status:</b>	House Appropriations
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**Bill Topic:** STATE PERSONNEL DIRECTOR'S COMPENSATION REPORT

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

**Budget package bill.** The bill changes the compensation survey and report conducted by the director of the Department of Personnel and Administration from annual to quadrennial and removes the merit pay component of the report. The bill reduces state expenditures in FY 2022-23 and increases state expenditures beginning in FY 2023-24.

**Appropriation Summary:** For FY 2022-23, the bill reduces appropriations to the Department of Personnel and Administration by \$162,699.

**Fiscal Note Status:** The fiscal note reflects the introduced bill, which is recommended by the Joint Budget Committee as part of its FY 2022-23 Long Bill package.

**Table 1  
State Fiscal Impacts Under HB 22-1337**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	(\$162,699)	\$131,101
	Centrally Appropriated	\$10,128	\$10,111
	<b>Total Expenditures</b>	<b>(\$152,571)</b>	<b>\$141,212</b>
	<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	(\$24,404)	\$19,665

**Summary of Legislation**

The bill changes the compensation survey and report conducted by the director of the Department of Personnel and Administration from annual to quadrennial, with the first report to be prepared October 1, 2025, and removes the merit pay component of the report. The bill also moves other reporting deadlines and includes adjustments to the 2022 long bill.

**State Expenditures**

The bill reduces state expenditures in the Department of Personnel and Administration by \$152,571 in FY 2022-23 and increases expenditures by \$141,212 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1337**

	FY 2022-23	FY 2023-24
<b>Department of Personnel and Administration</b>		
Personal Services	\$129,751	\$129,751
Capital and Operating Expenses	\$7,550	\$1,350
Total Compensation Surveys	(\$300,000)	-
Centrally Appropriated Costs <sup>1</sup>	\$10,128	\$10,111
<b>Total Cost</b>	<b>(\$152,571)</b>	<b>\$141,212</b>
<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Personnel and Administration.** The DPA will add a Human Resources Specialist IV at the midpoint of the salary range to support the compensation manager by performing validations, verifications, and comparisons of the state's job classes to the market. Because the total compensation survey will not be conducted in FY 2022-23, the DPA appropriation is reduced by \$300,000. Standard operating and capital outlay costs are included for the new FTE and personal services include the General Fund pay date shift.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to change the amount of General Fund held in reserve by the amounts shown in Table 1, which will change the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2022-23, the bill includes a reduction of \$300,000 for total compensation and employee engagement surveys, and an increase of \$147,429 to the Department of Personnel and Administration from the General Fund, assuming the addition of 1.0 FTE.

## State and Local Government Contacts

Joint Budget Committee Staff

Personnel and Administration