Memorandum

DATE: May 18, 2018
TO: State of Colorado Employees
FROM: Division of Human Resources
RE: FY 2018-19 Annual Rate Increases and Compensation Plan

Each year at this time, annual adjustments to employee compensation are finalized for implementation in the next fiscal year. Following is information about across-the-board increases and adjustments to the State’s compensation plan.

FY 2018-19 Compensation Plan

The FY 2018-19 Compensation Plan applies to the state personnel system classified pay ranges and all have been adjusted by 2%. The State of Colorado FY 2018-19 Annual Compensation Report was published on September 1, 2017. The report and FY 2018-19 Compensation Plan are available at colorado.gov/dhr/compensationplans.

FY 2018-19 3% Across-the-Board (ATB) Pay Increase

All state classified employees, including employees in the State Patrol classes hired prior to July 1, 2018 will receive a pay increase of 3%. The increase may be base-building, non-base building or a combination of both as Colorado State Statute does not allow for base-building pay increases for employees whose pay is above the their respective pay range maximum. The following information outlines the details for implementing ATB increases:

1. The range maximum for all pay ranges will be increased by 2%.
2. A 3% increase will be applied to the employee’s base pay up to the new revised range maximum.
3. Individuals whose base pay reaches the range maximum without receiving the full 3% in base-building will receive the difference as a one-time, non-base building payment.
4. Individuals whose base pay is above the range maximum will receive the 3% as a one-time, non-base building payment.

Across-the-Board (ATB) Calculations

NOTE: The ATB increase shall be applied to all classified in the Executive Branch. ATB increases for non-classified employees are recommended, however are up to the discretion of individual departments.

1. As stated, pay ranges have been adjusted.
2. Calculate the 3% ATB based on the employee’s monthly salary as of June 30, 2018. This is the monthly ATB increase.
3. Add the monthly ATB increase to the employee’s salary.
   a. The monthly ATB is applied as a base-building increase, up to the pay range maximum. This is the new monthly salary.
   b. Any monthly ATB increase that exceeds the pay range maximum is multiplied by 12 and paid as a non-base, one-time lump sum in the July 2018 paycheck.
   c. Any monthly ATB increase for a salary in saved pay status is multiplied by 12 and paid as a non-base, one-time lump sum in the July 31, 2018 paycheck.
4. Compare new monthly salary to the FY 2018-19 Compensation Plan:
   a. If the new monthly salary after the ATB is still below the pay range minimum, increase the salary to the pay range minimum. This is the employee’s new final monthly salary.

**Shift Differential and On-Call Rates**

The compensation plan includes the official designation of eligibility for shift differential and on-call premium pay for each State job class, as required by Personnel Director’s Administrative Procedures rules 3-43 and 3-45. This information is coded in the compensation plan under ‘PAY DIFF’ and is interpreted as follows:

- **0** - No Systemic Pay Differential
- **1** - Shift Differential Eligible Only
- **2** - On-call Eligible Only
- **3** - Shift Differential and On-call Eligible

Agencies are required to pay shift differential and on-call premium pay to employees in classes that are designated as premium eligible, as appropriate (i.e., employees working eligible shifts or on-call assignments). Agency heads may approve shift differential and on-call eligibility pay for individual positions in classes that are not published as eligible for premium pay. Agencies must maintain records of such decisions. The following premium pay rates for shift differential and on-call are effective July 1, 2018.

<table>
<thead>
<tr>
<th>Group</th>
<th>Shift</th>
<th>Week Day</th>
<th>Weekend/Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Health Care Services Classes (class codes not beginning with &quot;C&quot;)</td>
<td>1st</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>2nd</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>3rd</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Health Care Services Classes (class codes beginning with &quot;C&quot;)</td>
<td>1st</td>
<td>N/A</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>2nd</td>
<td>7.5%</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>3rd</td>
<td>14%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>On-Call</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Employees</td>
<td>$2.00 per hour</td>
</tr>
<tr>
<td>Mid-Level Provider class (positions at correctional facilities only)</td>
<td>$722.80 per week</td>
</tr>
</tbody>
</table>

**Overtime Hourly Rate & Minimum Wage**

The hourly rate for overtime compensation must be calculated on a case-by-case basis. The overtime hourly rate is one and a half times an employee’s regular hourly base pay rate (based on 2,080 hours), plus any shift differential and on-call premium compensation received.

Agencies are required to designate overtime eligibility for all positions individually and enter such designation into their personnel and payroll records. The compensation plan reflects the Colorado minimum wage of $10.20 per hour. This rate applies to all state employees, including temporary and part-time employees.

**Hazardous Duty Premium**

The hourly rate for hazardous duty pay is $1.00. Hazardous duty pay is a non-base building pay premium added to employees' salaries who may be working in occupations where exposure to physical hazards is not a customary part or expectation of the occupation and its preparation for entry. Refer to Personnel Director’s Administrative Procedures rule 3-50 for additional information.
Statutory Lids

Colorado State Statute (C.R.S. §24-50-104(5)(b)) requires the greater of either (1) the percentage change in the Employment Cost Index for the preceding calendar year, or (2) the percentage change in the State's General Fund appropriations, in relation to the preceding fiscal year, to calculate salary lid values. For FY 2018-19 the change in the State’s General Fund appropriations was used to adjust the new salary lid values.

<table>
<thead>
<tr>
<th>General Lid</th>
<th>Medical Lid</th>
<th>SES Lid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,621</td>
<td>$27,744</td>
<td>$19,526</td>
</tr>
</tbody>
</table>

(25% above general lid)