



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated April 15, 2022)

<b>Drafting Number:</b>	LLS 22-0416	<b>Date:</b>	May 1, 2022
<b>Prime Sponsors:</b>	Rep. Lontine; Gray Sen. Winter; Pettersen	<b>Bill Status:</b>	Senate Judiciary
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**Bill Topic:**                   **UPDATES TO EMPLOYMENT DISCRIMINATION LAWS**

<b>Summary of Fiscal Impact:</b>	<input checked="" 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

This bill amends the Colorado Anti-Discrimination Act to cover individuals in domestic service, extends the timeline to file a charge with the Civil Rights Commission and that the commission has jurisdiction, and increases the damages that can be recovered in age discrimination cases. It increases state expenditures beginning in FY 2022-23 and may increase state revenue.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$113,548 to the Department of Regulatory Agencies.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill.

**Table 1  
State Fiscal Impacts Under HB 22-1367**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$113,548	\$121,162
	Centrally Appropriated	\$25,889	\$30,666
	<b>Total Expenditures</b>	<b>\$139,437</b>	<b>\$151,828</b>
	<b>Total FTE</b>	<b>1.7 FTE</b>	<b>2.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$17,032	\$18,174

## Summary of Legislation

This bill amends the Colorado Anti-Discrimination Act to:

- include individuals in domestic service in the definition of employee, but it is not a discriminatory or an unfair employment practice with respect to gender for a person to consider gender when hiring an employee engaged in child-care-related domestic services;
- extend the time to file a charge with the Civil Rights Commission from six months to 300 days after the occurrence and the time in which the commission has jurisdiction over complaints if written notice that a formal hearing will be held, from 270 to 450 days; and
- repeal the prohibition against the relief and recovery of certain damages in age discrimination cases.

## Assumptions

The fiscal note assumes that the bill will increase discrimination complaints filed with the Civil Rights Division by 200 complaints per year based on the number of cases that are filed with the Equal Employment Opportunity Commission under current law for non-jurisdictional reasons, primarily to do with required filing times.

## State Revenue

To the extent that the bill increases civil case filings with the trial courts, state revenue to the Judicial Department from filing fees will increase beginning in FY 2022-23. This fee revenue is subject to TABOR.

## State Expenditures

The bill increases state expenditures in the Department of Regulatory Agencies by \$139,437 in FY 2022-23 and \$151,828 in FY 2023-24, paid from the General Fund, for the investigation of civil rights complaints. The bill will also minimally increase workload in the Judicial Department. Increases in expenditures for the state as an employer will be addressed through the annual budget process. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1367**

	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$98,718	\$118,462
Operating Expenses	\$2,430	\$2,700
Capital Outlay Costs	\$12,400	-
Centrally Appropriated Costs <sup>1</sup>	\$25,889	\$30,666
<b>Total Cost</b>	<b>\$139,437</b>	<b>\$151,828</b>
<b>Total FTE</b>	<b>1.7 FTE</b>	<b>2.0 FTE</b>

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

**Department of Regulatory Agencies.** The Civil Rights Division requires 2.0 FTE of compliance investigators to address the expected increase in discrimination complaints filed as a result of the bill. Investigators review the evidence submitted by the complainant and respondent, interview the parties and witnesses, and analyze the evidence. Personal services costs are prorated to account for an August effective date and the General Fund pay date shift. Standard operating and capital outlay costs are included.

**Department of Personnel and Administration.** The bill may increase the number of civil rights cases the Office of Administrative Courts will hear. The State Office of Risk Management may be required to address additional civil rights claims against the state as an employer, which may increase legal defense costs and potentially settlements. The fiscal note assumes the state will comply with all applicable laws and that these cases will be rare. Any increase to workload in the administrative courts or to risk management costs can be accomplished within existing resources. The risk management program's actuary will capture the claim costs as well as external legal costs in the actuarial analysis of the state's claims experience, and this analysis will form the basis for any spending authority adjustments through the annual budget process.

**Judicial Department.** To the extent additional civil cases are filed with the trial courts after the administrative proceedings have been exhausted, workload in the Judicial Department will increase. No change in appropriations is required.

**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 increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

## Local Government

Like the state as an employer, local governments may have an increase in the number of civil rights claims filed, legal defense costs, and potential settlements.

## Technical Note

The Equal Employment Opportunity Commission may match costs for the caseload under this bill if a new cost-sharing agreement is established between it and the Civil Rights Division, which may reduce the General Fund impact in future fiscal years.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2022-23, the bill requires and includes a General Fund appropriation of \$113,548 to the Department of Regulatory Agencies and 1.7 FTE.

## State and Local Government Contacts

Counties

Municipalities

Special Districts

Information Technology

Personnel

Judicial

Regulatory Agencies