



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1272: EXTREME TEMPERATURES WORKER PROTECTIONS

Prime Sponsors:

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Published for: House Health & Human Services**Drafting number:** LLS 26-0085**Version:** Initial Fiscal Note**Date:** March 9, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires the Colorado Department of Labor and Employment to collect data on temperature-related injuries and develop training standards and a model plan for employers to use to prevent such injuries.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$377,464 to the Department of Labor and Employment.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
State Revenue	\$0	\$0	\$0	\$0
State Expenditures	\$448,521	\$5,365,162	\$5,575,516	\$5,150,071
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0	\$0
Change in State FTE	3.1 FTE	3.7 FTE	7.8 FTE	4.2 FTE

Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
General Fund	\$377,464	\$4,157,342	\$4,279,447	\$3,933,297
Risk Management Cash Fund	\$0	\$1,120,000	\$1,120,000	\$1,120,000
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$71,057	\$87,820	\$176,069	\$96,774
Total Expenditures	\$448,521	\$5,365,162	\$5,575,516	\$5,150,071
Total FTE	3.1 FTE	3.7 FTE	7.8 FTE	4.2 FTE

In FY 2027-28, assessments to the Risk Management Cash Fund will be paid by affected agencies from a mix of General Fund, cash funds, and federal funds.

Summary of Legislation

The bill requires the Colorado Department of Labor and Employment (CDLE) to collect data on temperature-related injuries, illnesses, and emergencies at worksites in the state beginning January 1, 2027. The department must develop a platform that allows users to submit data, as well as obtain data from the Colorado Department of Public Health and Environment (CDPHE) using an existing department surveillance program to track heat-related injuries. The CDLE must work with the Division of Workers' Compensation in the Department of Personnel and Administration (DPA) and the Center for Improving Value in Health Care (CIVHC) to collect information on workers' compensation claims involving temperature-related injuries.

The CDLE is required to begin rulemaking based on collected data for implementation by January 15, 2027. By January 1, 2028, the CDLE must develop a model temperature-related injury and illness prevention plan (TRIIPP), and make the plan available online.

By September 1, 2028, employers with workers exposed to extreme temperatures must develop and submit a TRIIPP to the CDLE for review and approval. Finally, the CDLE must develop training standards regarding the prevention of temperature-related injuries or illnesses; employers must train workers; and failures to do so may be reported to the CDLE and subject to civil actions allowed under current law. Any civil action pursued is in addition to remedies available through workers' compensation law.

Assumptions

The bill imposes duties on the CDLE with timelines as follows:

- on or before January 15, 2027 (FY 2026-27), develop a platform for temperature-related injuries, illnesses, and emergencies data collection;
- by January 15, 2027 (FY 2026-27), begin rulemaking to implement the bill based on data collected;
- on and after January 15, 2028 (FY 2027-28), publish a model TRIIPP on the CDLE's website;
- on or before September 1, 2028 (FY 2028-29), review TRIIPs submitted by employers, who must submit TRIIPs by this date; and
- develop training standards (no explicit time requirement provided) for the prevention of temperature-related injuries, illnesses, and emergencies that are used by employers to train employees.

The fiscal note assumes that impacts to the CDLE will generally follow this timeline. However, with no time requirement for the development of training standards, it is further assumed that these standards will be developed and implemented alongside the model TRIIPP requirement. Therefore, compliance with training standards, enforcement of these standards, and employer liability for failure to comply with these standards will begin in FY 2027-28. This will also be the year in which the CDLE begins to conduct outreach to relevant stakeholders.

State Revenue

Starting in FY 2027-28, the bill may increase state revenue from filing fees in the Judicial Department if violations occur and civil actions are filed by aggrieved parties. Revenue from filing fees is subject to TABOR. The fiscal note assumes that employers will follow the law, and that any increase in state revenue will be minimal.

State Expenditures

The bill increases state expenditures by about \$450,000 in FY 2026-27; expenditures will increase for FY 2027-28 and future years. These costs will be incurred by CDLE and DPA, as well as other state agencies as shown in Table 2 and described in the sections below. The CDLE's and affected agency costs are paid from the General Fund, while DPA costs are paid by the Risk Management Cash Fund. The bill also affects workload in the Judicial Department.

**Table 2
 State Expenditures
 All Departments**

Department	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Labor and Employment	\$448,521	\$745,162	\$955,516	\$530,071
Personnel and Administration	\$0	\$1,120,000	\$1,120,000	\$1,120,000
Agencies with Affected Workers	\$0	\$3,500,000	\$3,500,000	\$3,500,000
Total Costs	\$448,521	\$5,365,162	\$5,575,516	\$5,150,071

Department of Labor and Employment

The CDLE will have staff costs and other program expenditures totaling about \$450,000 in FY 2026-27, with varying costs in future years, to implement the bill. These costs are shown in Table 2A and discussed below.

**Table 2A
 State Expenditures
 Department of Labor and Employment**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Personal Services	\$296,266	\$367,361	\$676,975	\$385,677
Operating Expenses	\$3,840	\$4,736	\$9,984	\$5,376
Capital Outlay Costs	\$21,000	\$0	\$42,000	\$7,000
Legal Services	\$24,925	\$0	\$0	\$0
Staff Software Licenses	\$11,433	\$15,244	\$30,488	\$15,244
Outreach Campaign	\$0	\$250,000	\$0	\$0
Data Storage Costs	\$20,000	\$20,000	\$20,000	\$20,000
Centrally Appropriated Costs	\$71,057	\$87,820	\$176,069	\$96,774
FTE – Personal Services	3.0 FTE	3.7 FTE	7.8 FTE	4.2 FTE
FTE – Legal Services	0.1 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Total Costs	\$448,521	\$745,162	\$955,516	\$530,071
Total FTE	3.1 FTE	3.7 FTE	7.8 FTE	4.2 FTE

Staff

The CDLE will require varying amounts of staff based on when certain duties are required as follows:

- For FY 2026-27, a total of 3.0 FTE is needed for initial program development, public outreach, data collection, and to begin rulemaking; this includes 1.6 FTE Program Management I, 0.8 FTE Policy Advisor VI, 0.3 FTE Compliance Investigator II, and 0.3 FTE Program Assistant II, all prorated for a September 1, 2026 start date;
- For FY 2027-28, a total of 3.7 FTE is needed for ongoing program administration, model TRIIPP development, and training standards implementation; this includes 2.0 FTE Program Management I, 1.0 FTE Policy Advisor VI, 0.4 FTE Compliance Investigator II, and 0.3 FTE Program Assistant II;
- For FY 2028-29, a total of 7.8 FTE is needed for ongoing program administration, review of submitted TRIIPPs, and initial compliance enforcement; this includes 2.0 FTE Program Management I, 0.3 FTE Policy Advisor VI, 5.0 FTE Compliance Investigator II, and 0.5 Program Assistant II; and
- After FY 2028-29, a total of 4.2 FTE is required for ongoing program administration and enforcement; this includes 2.0 Program Management I, 0.3 Policy Advisor VI, 1.4 FTE Compliance Investigator II, and 0.5 FTE Program Assistant II.

Legal Services

The fiscal note estimates that the CDLE will require 180 legal services hours in FY 2026-27 for rulemaking. In future years, the number of legal services hours may change based on program activity and require an adjustment in appropriations through the annual budget process. Legal services are provided by the Department of Law at a rate of \$138.47 per hour.

Staff Software Licenses

The CDLE requires funding for specialized software used by its staff, at a total annual cost of about \$3,811 per each full 1.0 FTE. The fiscal note estimates the cost for these licenses by rounding to the nearest full FTE amount in Table 2A.

Outreach Campaign

To prepare state employers for new requirements beginning FY 2028-29, the CDLE will conduct a public outreach campaign in FY 2027-28 to communicate the results of data collection and rulemaking, and to inform employers of training requirements and TRIIPP reporting. Based on similar outreach conducted for past regulations, this expense is estimated at \$250,000 for content creation, ad purchase, printing and mailing, and other statewide outreach efforts. Because the bill does not explicitly require an outreach campaign, the fiscal note may be updated as outreach intent is clarified.

Data Storage Costs

Starting in FY 2026-27, the CDLE requires funding for additional data storage costs related to the data collection platform and ongoing program activities.

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 the expenditure table above.

Department of Personnel and Administration

The DPA's Risk Management Division oversees the state response to liability claims and lawsuits. Based on the bill's expansion of legal protections and prohibitions, expenditures will increase to pay for additional legal services and settlement costs starting in FY 2027-28. These costs are shown in Table 2B and discussed below.

Table 2B
State Expenditures
Department of Personnel and Administration

Cost Component by Claim	Cost per Occurrence	Occurrences	Total Cost
Weather-Related Legal Defense	\$21,449	15	\$321,735
Weather-Related Settlements	\$228,440	3	\$685,320
Whistleblower Legal Defense	\$21,449	3	\$64,347
Whistleblower Settlement	\$50,000	1	\$50,000
Total Annual Costs			\$1,121,402

Litigation and Settlement Costs

The bill will increase the state's liability risk for any failures to protect employees who are exposed to extreme temperatures at the worksite. Starting in FY 2027-28, the fiscal note assumes there will be 15 weather-related claims and 3 whistleblower claims annually. The costs estimated for each type of claim are shown in Table 2B. Costs may be higher or lower depending on the exact number of cases, the exact amount of settlement or jury awards, and the use of nonmonetary settlement terms.

Agency Assessments

The Risk Management Cash Fund is funded through risk assessments paid by agencies based on past experience and actuarial assumptions. It is assumed that assessments to cover the cost of the bill will begin in FY 2027-28 and be set through the annual budget process. If the bill results in cases that fall in different time frames or result in settlements, costs will be assessed to state agencies based on actual claims through the annual budget process.

Agencies Employing Workers Affected by Extreme Temperatures

Starting in FY 2027-28, other state agencies with employees that may be exposed to extreme temperatures—including the Departments of Agriculture, Local Affairs, Military and Veterans Affairs, Natural Resources, Public Health and Environment, Public Safety, and Transportation and institutions of higher education—will have increased expenditures to develop, submit, and implement a TRIPP. Estimated costs and affected agencies are shown in Table 2C below. Implementation costs may include additional staff, equipment to mitigate employee exposure to extreme temperatures, or other expenditures to otherwise comply with the bill. The fiscal note estimates an annual cost of \$500,000 for each affected department, for a total annual cost of \$3.5 million, paid from the General Fund. Institutions of higher education will use institutional funding. Adjustments to funding may be requested through the annual budget process as necessary once CDLE rulemaking is complete. It is likely to include additional staff to provide relief during extreme weather events.

Table 2C
State Expenditures
Agencies with Affected Workers

Affected Agency	Agency Costs Starting FY 2027-28
Department of Agriculture	\$500,000
Department of Local Affairs	\$500,000
Department of Military and Veterans Affairs	\$500,000
Department of Natural Resources	\$500,000
Department of Public Health and Environment	\$500,000
Department of Public Safety	\$500,000
Department of Transportation	\$500,000
Total Annual Costs	\$3,500,000

Judicial Department

Starting in FY 2027-28, the bill may increase workload for the trial courts for any noncompliance cases that are brought to the courts. The fiscal note assumes new cases will be minimal and any impact is absorbable within existing resources.

Local Government

Similar to the state, costs for local governments will increase to develop, submit, and implement a TRIIPP. The exact increase will depend on the extent to which the local government employs workers subject to extreme temperatures, and may include relief staff and equipment to mitigate employee exposure to extreme temperatures.

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 2026-27, the bill requires a General Fund appropriation of \$377,464 to the Department of Labor and Employment, and 3.0 FTE. Of this amount, \$24,925 is reappropriated to the Department of Law, with an additional 0.1 FTE.

State and Local Government Contacts

Health Care Policy and Financing	Law
Information Technology	Personnel
Judicial	Public Health and Environment
Labor	