



Fiscal Note

Legislative Council Staff

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HB 26-1319: RIGHT TO BE OUT AT WORK

Prime Sponsors:

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Published for: House Business Affairs & Labor**Drafting number:** LLS 26-0350**Version:** Initial Fiscal Note**Date:** April 13, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill places requirements on employers and grants protections to employees regarding an employee's sexual orientation, gender identity, and gender expression.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2027-28:

- Minimal State Revenue
- State Expenditures
- Local Government and School Districts
- Statutory Public Entities

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$17,423	\$1,121,709
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.1 FTE	7.3 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
General Fund	\$0	\$15,220	\$988,075
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$2,203	\$133,634
Total Expenditures	\$0	\$17,423	\$1,121,709
Total FTE	0.0 FTE	0.1 FTE	7.3 FTE

Summary of Legislation

The bill places requirements on employers and grants protections to employees regarding an employee’s sexual orientation, gender identity, and gender expression, as discussed below.

Employers

Requirements are placed on employers, defined as private or public entities employing one or more individuals in the state. Other requirements are placed on “public employers,” which includes only certain public entities and political subdivisions of the state, including all local governments, legislative service agencies, institutions of higher education, school districts, and assorted other public bodies. All employers are prohibited from retaliating against an employee for disclosures of or communications about the employee’s sexual orientation, gender identity, or gender expression. Retaliation is also prohibited against an employee who supports, assists, or advocates for a coworker, student, or client.

Employers cannot establish a dress code with different requirements on the basis of sexual orientation, gender identity, or gender expression. Employers must provide certain accommodations within buildings, including at least one restroom that is accessible to all individuals regardless of sexual orientation, gender identity, or gender expression and is compliant with the Americans with Disabilities Act (ADA) if the employer operates a public building. Employers must ensure equal access to employment benefits without regard to an employee’s sexual orientation, gender identity, or gender expression. Public employers must provide annual training regarding inclusive workplaces.

Employees

All employees are allowed to determine the names, pronouns, and personal titles used to refer to the employee in the workplace; employers must update internal and public-facing records to reflect the employee’s determination. If an employee uses a name other than their legal name,

employers are only allowed to use the employee's legal name where such use is required by law. Employees are allowed to use available sick or personal leave time for the purpose of legal name changes or obtaining gender-affirming care.

The bill allows employees to develop a transition plan. Public employers must provide a process for employees to initiate transition plans, which are voluntary and initiated only at the request of an employee. Requirements for and procedures regarding transition plans are established. Employees of private employers may request to collaborate with their employer on development of a transition plan, but private employers are not required to offer a transition plan process. All public employers must provide annual training to all employees regarding inclusive workplaces and support for LGBTQ+ employees.

Colorado Department of Labor and Employment

The Colorado Department of Labor and Employment (CDLE) is authorized to receive and investigate complaints. The CDLE can issue findings and order relief for violations, but can also refer cases to the Attorney General or the Colorado Civil Rights Commission within the Department of Regulatory Agencies (DORA). The CDLE must adopt rules to implement the bill. Additionally, the CDLE is required to develop model language for and conduct regular compliance audits regarding inclusive employee benefit policies, as well as develop and make available training materials used by public employers. Finally, the bill does not diminish rights, privileges, remedies, or obligations under a collective bargaining agreement or an employment contract.

State Revenue

Starting in FY 2027-28, the bill may increase state revenue in the Judicial Department from filing fees if civil actions are filed by employees against employers for violations. Revenue from filing fees is subject to TABOR. Given the uncertainty around the number of claims that may be initiated, the fiscal note cannot estimate an impact to state revenue at this time.

State Expenditures

The bill increases state expenditures by about \$17,000 in FY 2027-28 and \$1.1 million in FY 2028-29. Future year costs will be determined through the annual budget process. These costs will be incurred in the Department of Labor and Employment (CDLE), the Department of Personnel and Administration (DPA), and the Department of Law (DOL), as shown in Table 2 and described in the sections below. Costs are paid from the General Fund. Additionally, workload will increase for all public entities, which includes institutions of higher education, among others.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Department of Labor and Employment	\$0	\$0	\$612,617
Department of Personnel	\$0	\$17,423	\$135,223
Department of Law	\$0	\$0	\$373,869
Total Costs	\$0	\$17,423	\$1,121,709

Department of Labor and Employment

Starting in FY 2027-28, the CDLE will have staff and specialized software costs to establish a program that will receive, investigate, and adjudicate complaints, in addition to other duties required by the bill.

Staff

The CDLE requires a total of 4.8 FTE in FY 2028-29, which will change slightly in future years. This includes 1.0 FTE Program Management II, 1.4 FTE Policy Advisor VI, 2.2 FTE Compliance Investigator II, and 0.2 FTE Program Assistant II. Staff will develop program guidelines and process complaints received, in addition to creating model language and conducting compliance audits as required by the bill. In future years, staff amounts will change to reflect resources needed to adjudicate complaints. Amounts include standard operating and capital outlay costs and are based on a July 1, 2028, start date. Costs also include specialized software at a cost of \$3,811 per FTE.

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
Personal Services	\$0	\$0	\$451,622
Operating Expenses	\$0	\$0	\$6,144
Capital Outlay Costs	\$0	\$0	\$28,000
Software Costs	\$0	\$0	\$15,244
Centrally Appropriated Costs	\$0	\$0	\$111,608
Total Costs	\$0	\$0	\$612,617
Total FTE	0.0 FTE	0.0 FTE	4.8 FTE

Department of Personnel and Administration

The DPA requires staff in the Division of Human Resources to ensure training required by the bill is disseminated to and completed by state employees, in addition to a one-time update to employee training software. Staff will also ensure that an employee's chosen name is reflected in employment records. The bill will also increase costs in the Division of Capital Assets, and may increase costs in the State Office of Risk Management.

Staff

The DPA requires 1.0 FTE Human Resources Specialist IV to ensure state employees receive and complete required training, and to update employee records to reflect chosen names. This will include providing training on the statewide human resources system, reporting to the CDLE that training requirements have been met, and coordinating with institutions of higher education to ensure training is complete. This amount is prorated to 0.1 FTE for FY 2027-28 based on the June 1, 2028, effective date of the bill, and increases to 1.0 FTE in FY 2028-29. Amounts include standard operating and capital outlay costs.

Statewide Human Resources System Update

The DPA requires \$31,000 in funding for FY 2028-29 only to complete an update to the statewide human resources system to ensure training is available to state employees. This platform is used to distribute training modules to employees and track completion.

Division of Capital Assets

The bill requires a gender-neutral restroom that is ADA compliant in each public building. It is estimated that up to seven public buildings under the control of the DPA would require renovations to comply with this requirement. The fiscal note for [House Bill 23-1057](#) estimated an average cost of about \$153,700 for a single-stall, gender-neutral restroom. Given inflation and costs to make a restroom ADA compliant as well, this fiscal note estimates a cost of about \$175,000 to renovate a single restroom that is compliant with this bill. However, this amount is informational only, as actual costs will depend on the building and the scope of actual changes needed. The fiscal note assumes that any funding needed to comply with this provision of the bill will be requested through the annual capital construction request process, and will most likely involve General Fund.

State Office of Risk Management

The bill increases the liability of the state to the extent that claims against the state for violations are filed as lawsuits. Payment of successful claims in these actions would come from the Liability Fund. The fiscal note does not estimate an amount of potential claims borne by the Liability

Fund given the variety of remedies available to aggrieved employees, including the CDLE and the Colorado Commission on Civil Rights in the Department of Regulatory Agencies (DORA). If the bill results in additional costs borne by the Liability Fund, the fiscal note assumes those will be addressed through the annual budget process.

**Table 2B
 State Expenditures
 Department of Personnel and Administration**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$8,092	\$80,916
Operating Expenses	\$0	\$128	\$1,280
Capital Outlay Costs	\$0	\$7,000	\$0
Statewide HR System Updates	\$0	\$0	\$31,000
Centrally Appropriated Costs	\$0	\$2,203	\$22,026
Total Costs	\$0	\$17,423	\$135,223
Total FTE	0.0 FTE	0.1 FTE	1.0 FTE

Department of Law

The DOL provides legal services to client agencies, which fall under the definition of employers and public employers. The fiscal note assumes that the DOL will provide legal services as necessary for any complaints filed, as well as to advise agencies on complying with other requirements of the bill. Across all state agencies, the total amount of legal hours required is estimated at 2,700 hours, with the number of hours needed for a specific agency dependent on the total number of employees. This results in a total cost of \$373,869 and 1.5 FTE beginning in FY 2028-29, as shown in Table 2C.

**Table 2C
 State Expenditures
 Department of Law**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Legal Services – All Agencies	\$0	\$0	\$373,869
Total Costs	\$0	\$0	\$373,869
Total FTE – Legal Services	0.0 FTE	0.0 FTE	1.5 FTE

All Other State Agencies and Institutions of Higher Education

For all other state agencies and institutions of higher education, workload will increase to update policies and procedures to ensure compliance with the bill. Additionally, the requirements for granting medical leave may increase costs. The exact impact will depend on the number of employees falling under the bill's provisions. The fiscal note assumes that, given the centralized resources for compliance provided by the CDLE, the DPA, and the DOL, that the workload increase for individual agencies will be minimal, with no discrete increase in costs estimated at this time. Should more funding be required in the future, the fiscal note further assumes it will be addressed through the annual budget process.

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 tables above.

Local Government, School Districts, and Statutory Public Entities

The bill will increase workload and costs for units of local government and other political subdivisions of the state, including special districts, statutory public entities, and school districts. These costs will be similar to those for the state, including staff to ensure training requirements are met, initially respond to complaints, costs for renovating public buildings, and potential increases in medical leave utilization. The exact costs will vary by jurisdiction.

Technical Note

The bill places duties on employers and public employers. Although the definition of public employers is specific, the definition of employer includes "a public entity employing one or more individuals within the state." The fiscal note assumes that all state agencies would fit this broad definition of a "public entity," although an amendment could clarify that the only state agencies impacted by the bill are those covered by the definition of "public employer."

Effective Date

The bill takes effect June 1, 2028, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Municipalities

Judicial

Personnel

Labor

Regulatory Agencies

Law