



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1286: PROTECTING WORKERS FROM EXTREME TEMPERATURES

**Prime Sponsors:**

Rep. Velasco; Froelich  
Sen. Weissman; Cutter

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**Fiscal note status:** The fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

### Summary Information

**Overview.** The bill creates requirements for employers to protect workers when temperatures are above or below a certain threshold.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

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

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$172,449 to the Department of Labor and Employment.

**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	at least \$198,799	at least \$1,722,489
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.3 FTE	6.8 FTE

<sup>1</sup> Fund sources for these impacts are shown in the table below.

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	at least \$172,449	at least \$503,622
Reappropriated Funds <sup>1</sup>	\$0	\$1,117,415
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	at least \$26,350	at least \$101,452
<b>Total Expenditures</b>	<b>at least \$198,799</b>	<b>at least \$1,722,489</b>
<b>Total FTE</b>	<b>1.3 FTE</b>	<b>6.8 FTE</b>

<sup>1</sup> Out-year costs will be paid using a combination of General Fund, cash funds, and federal funds, reappropriated to the Department of Personnel and Administration from affected state agencies.

## Summary of Legislation

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The bill creates requirements for employers when temperatures are at or above a high heat trigger (90 degrees Fahrenheit) or at or below an extreme cold temperature trigger (30 degrees Fahrenheit), including that employers must:

- monitor temperature and humidity conditions and develop and implement a monitoring plan for all work areas;
- for indoor work areas where workers may be exposed to heat above the initial heat trigger, provide increased air movement, air conditioning, or barriers to radiant heat sources;
- provide access to a nearby shaded or air-conditioned area for the worker to use to cool down or during breaks when temperatures are high, and provide access to a heated indoor area for low temperatures;
- provide each worker with sufficient water;
- allow workers a 15-minute paid rest break at least every two hours when temperatures are high;
- maintain an effective means of two-way communication with the worker and make contact with the worker at least every two hours;
- develop and implement a worksite temperature-related injury and illness prevention plan;
- provide workers with adequate training on temperature illness prevention before work in extreme temperatures; and,
- implement the bill's requirements at no cost to workers.

The bill also authorizes courts to order relief for any violations of the bill's requirements.

## State Revenue

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The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR. Overall, any change in state revenue is expected to be minimal.

## State Expenditures

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The bill increases state expenditures by at least \$199,000 in FY 2025-26 and \$1.7 million in FY 2026-27 and ongoing. Costs will be incurred in the Department of Labor and Employment (CDLE) and the Department of Personnel and Administration (DPA) as shown in Table 2 and described below. First-year costs are paid from the General Fund, and costs in outgoing years are paid from the General Fund, cash funds, and federal funds. Workload may also increase in the Judicial Department. Finally, other agencies may incur significant costs; however, the costs have not yet been estimated.

**Table 2**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Labor and Employment	\$198,799	\$605,074
Department of Personnel and Administration	\$0	\$1,117,415
Other Agencies	not yet estimated	not yet estimated
<b>Total Costs</b>	<b>at least \$198,799</b>	<b>at least \$1,722,489</b>

## Department of Labor and Employment

### Staff

Beginning April 2026, the CDLE requires 5.0 FTE annually in the Division of Labor Standards for compliance investigators to review, investigate, and adjudicate claims of violations, plus program and policy advisor staff to manage the unit enforcing the bill and develop internal processes and policies. The fiscal note includes non-standard costs such as compliance outreach materials and software licenses. Standard capital outlay and operating costs are also included.

### Legal Services

The CDLE requires 360 hours of legal services to assist with complaints, enforcement, and any appeals of CDLE administrative decisions. Legal services are provided by the Department of Law at a rate of \$134 per hour.

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

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$109,687	\$422,998
Operating Expenses	\$1,664	\$6,400
Capital Outlay Costs	\$40,020	\$0
Non-standard Costs	\$21,078	\$26,078
Legal Services	\$0	\$48,146
Centrally Appropriated Costs	\$26,350	\$101,452
FTE – Personal Services	1.3 FTE	5.0 FTE
FTE – Legal Services	0.0 FTE	0.2 FTE
<b>Total Costs</b>	<b>\$198,799</b>	<b>\$605,074</b>
<b>Total FTE</b>	<b>1.3 FTE</b>	<b>5.2 FTE</b>

**Department of Personnel and Administration**

The DPA’s Risk Management division oversees the state response to liability claims and lawsuits. Based on the expansion of legal protections and prohibitions under the bill, expenditures will increase to pay for additional legal services and settlement costs beginning in FY 2026-27.

**Liability 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. On an annual basis, beginning in FY 2026-27, the fiscal note assumes there will be 15 weather-related claims and 3 whistleblower claims, with each case requiring \$22,000 in legal costs on average. The fiscal note also assumes 3 weather-related cases and 1 whistleblower case will result in settlement or damage awards with the state, and that the average settlement amount will be \$228,000 for weather-related cases and \$50,000 for whistleblower cases. 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 non-monetary settlement terms.

State agencies make payments for legal services and risk management through common policy billings based on costs incurred in prior years. It is assumed any change in costs will be accounted for through the annual budget process.

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

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Legal Services	\$0	\$382,095
State Litigation and Risk Impacts	\$0	\$735,320
Centrally Appropriated Costs	\$0	\$0
FTE – Personal Services	0.0 FTE	0.0 FTE
FTE – Legal Services	0.0 FTE	1.6 FTE
<b>Total Costs</b>	<b>\$0</b>	<b>\$1,117,415</b>
<b>Total FTE</b>	<b>\$0</b>	<b>1.6 FTE</b>

**Judicial Department**

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.

**Other Agency Impacts**

Other agencies — including institutions of higher education and the Departments of Agriculture, Labor and Employment, Local Affairs, Military and Veterans Affairs, Natural Resources, Public Health and Environment, Public Safety, and Transportation — will incur costs to comply with the bill’s requirements. These costs may include staff to monitor covered workers and develop temperature-related injury and illness prevention plans; equipment such as water bottles, coolers, and two-way communication devices; and modifications to indoor facilities. For some agencies, meeting the bill’s requirements may result in substantial new costs. These costs have not yet been estimated and will be included in a future version of the fiscal note.

**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 District – Statutory Public Entity**

The bill will increase costs for local governments, school districts, and statutory public entities that have employees that work outside and may be exposed to extreme temperatures.

## **Effective Date**

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The bill takes effect April 1, 2026, assuming no referendum petition is filed.

## **State Appropriations**

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For FY 2025-26, the bill requires a General Fund appropriation of \$172,449 to the Department of Labor and Employment, and 1.3 FTE.

## **State and Local Government Contacts**

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All State Agencies

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).