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Final Fiscal Note

Drafting Number: LLS 24-0433 Date: June 6, 2024
Prime Sponsors: Rep. Duran; Hernandez Bill Status: Vetoed by Governor
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Bill Topic: PROHIBITION AGAINST EMPLOYEE DISCIPLINE

Summary of Fiscal Impact:
State Revenue [ ] State Transfer [ ] Local Government [ ]
State Expenditure [x] TABOR Refund [ ] Statutory Public Entity [ ]

The bill prohibits an employer from taking action against an employee who declines to attend meetings, listen to speech, or view communications that include religious or political matters. The Colorado Department of Labor and Employment must investigate complaints, and create a notice for employers to provide to employees. The bill increases state expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$278,564 to the Colorado Department of Labor and Employment.

Fiscal Note Status: The final fiscal note reflects the final bill. The bill was vetoed by the Governor on May 17, 2024; therefore, the impacts identified in this analysis do not take effect..

Table 1
State Fiscal Impacts Under HB 24-1260

Table with 4 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill prohibits an employer from threatening to subject an employee to discipline or discharge as a result of the employee's refusal to attend an employer-sponsored meeting concerning religious or political matters, or for declining to listen to or view religious or political communications from the employer. The bill identifies exemptions for communications that are required by law, necessary for employees to perform duties, or are part of academic content discussions in public education. With respect to state agencies, the bill applies only to meetings and communications relating to the decision of a state employee to join or support a fraternal or labor organization.

The bill allows an aggrieved person to seek relief for violations by filing a complaint with the Colorado Department of Labor and Employment (CDLE) or with the courts; however, individuals must exhaust all available administrative remedies and file a complaint with the CDLE within one year of an alleged violation before filing an action in district court. If a complaint is filed with CDLE, the department must post the complaint publicly, investigate the complaint, or authorize an aggrieved person to proceed with an action in court.

## State Expenditures

The bill increases state expenditures in the CDLE by about \$334,000 in FY 2024-25, and by about \$283,000 in FY 2025-26 and subsequent years, paid from the General Fund. New costs are displayed in Table 2. The bill may also increase workload and expenses in other state agencies as described below.

**Table 2**  
**Expenditures Under HB 24-1260**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Labor and Employment</b>		
Personal Services	\$242,816	\$211,859
Operating Expenses	\$3,584	\$3,200
Capital Outlay Costs	\$20,010	\$6,670
Document Translation Services	\$2,250	\$2,250
Software and Licensing	\$9,904	\$9,904
Centrally Appropriated Costs <sup>1</sup>	\$55,531	\$49,118
<b>Total Cost</b>	<b>\$334,095</b>	<b>\$283,000</b>
<b>Total FTE</b>	<b>2.8 FTE</b>	<b>2.5 FTE</b>

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

**Colorado Department of Labor and Employment.** The CDLE requires 2.8 FTE in FY 2024-25 and 2.5 FTE in FY 2025-26 and ongoing in administrative and enforcement staff to accept, process, and investigate complaints alleging violations. The department also has costs to create the required notification, adopt rules, and update public guidance related to employer prohibitions, and for translation services of the new notification.

**Judicial Department.** The bill minimally increases civil case filings in the district courts; however, it is assumed that most employers will adhere to the law and not require employees to attend meetings or view religious or political communications. In addition, persons filing a complaint must first exhaust administrative processes in CLDE before filing with the courts. Therefore, any increase in workload for the courts is expected to be minimal and absorbable within existing appropriations.

**Department of Law.** The Department of Law will have increased costs for legal training of agency HR staff and general counsel to state agencies if litigation alleging violations is asserted from state employees. This effort is not anticipated to exceed the regular annual provision of legal services to any state agency, and requires no new appropriations.

**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. 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, decreasing the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2024-25, the bill requires and includes a General Fund appropriation of \$278,564 to the Colorado Department of Labor and Employment, and 2.8 FTE.

## State and Local Government Contacts

Judicial Personnel	Labor	Law
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