



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1042: AIR QUALITY CONTROL REGULATION WORKFORCE IMPACT

---

**Prime Sponsors:**

Rep. Bird  
Sen. Daugherty

**Fiscal Analyst:**

Shukria Maktabi, 303-866-4720  
shukria.maktabi@coleg.gov

**Published for:** House Energy & Environment**Drafting number:** LLS 25-0256**Version:** Initial Fiscal Note**Date:** January 23, 2025**Fiscal note status:** The fiscal note reflects the introduced bill.

---

### Summary Information

**Overview.** The bill creates a Workforce Advisory Council within the Department of Public Health and Environment to examine air quality control rulemaking.

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

- State Expenditures

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$202,364 to the Department of Public Health and Environment.

---

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

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
State Revenue	\$0	\$0
State Expenditures	\$213,283	\$86,247
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.1 FTE	0.6 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables 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	\$202,364	\$75,328
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$10,919	\$10,919
<b>Total Expenditures</b>	<b>\$213,283</b>	<b>\$86,247</b>
<b>Total FTE</b>	<b>1.1 FTE</b>	<b>0.6 FTE</b>

## Summary of Legislation

---

The bill creates a Workforce Advisory Council in the Department of Public Health and Environment (CDPHE) to discuss changing the rulemaking process for air quality control rules to include workforce impact analyses.

The bill outlines the council's membership, requires at least four meetings to take place by December 31, 2025, and requires the council to provide recommendations to the legislature by January 15, 2026. The council must then continue to meet at least four times per year, advise CDPHE on air quality rules and its impact on employment, and report on its activities during annual CDPHE SMART Act hearings.

## State Expenditures

---

The bill increases state expenditures in the Department of Public Health and Environment by \$213,000 in FY 2025-26 and \$86,000 in FY 2026-27 and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Labor and Employment.

**Table 2  
State Expenditures  
Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$50,615	\$50,615
Operating Expenses	\$640	\$640
Capital Outlay Costs	\$6,670	\$0
Legal Services	\$144,439	\$24,073
Centrally Appropriated Costs	\$10,919	\$10,919
FTE – Personal Services	0.5 FTE	0.5 FTE
FTE – Legal Services	0.6 FTE	0.1 FTE
<b>Total Costs</b>	<b>\$213,283</b>	<b>\$86,247</b>
<b>Total FTE</b>	<b>1.1 FTE</b>	<b>0.6 FTE</b>

**Staff**

Beginning in FY 2025-26, CDPHE requires 0.5 FTE annually to support the advisory council by conducting meetings, providing research and analytical support, and developing the council’s recommendations and annual reports.

Currently, economic analyses that inform air quality control rulemaking do not explicitly assess the impact of rules on labor and employment in affected industries. If the council recommends that a full-time workforce advocate position is necessary, beginning in FY 2026-27, CDPHE will require 1.0 FTE and approximately \$109,000 annually to hire an Economist who will analyze labor impacts of potential air quality control rules. This cost is not included in the fiscal note as it is conditional on the council’s recommendation.

**Legal Services**

CDPHE also requires about 1,000 hour of legal services in FY 2025-26, and about 180 hours in future years, to provide legal support to the council regarding air quality control recommendations and new rulemaking procedures. Legal services are provided by the Department of Law at a rate of \$133.74 per hour, paid using reappropriated funds.

**Other Agency Impacts**

Workload will increase in the Department of Labor and Employment to participate in the council. This workload is minimal and can be accomplished within existing resources.

## 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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

## Technical Note

---

The Stationary Sources Control Fund, which collects fees from stationary sources emitting air pollutants, currently has insufficient revenue to support existing obligations. As a result, the fiscal note assumes General Fund will be required to cover state expenditures for this bill. The CDPHE currently has a [decision item](#) pending for the FY 2025-26 budget to improve the solvency of this fund. Depending on future solvency and changes to fee structures, cash funds may become available to cover expenditures beginning in FY 2027-28 or future years.

## Effective Date

---

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

## State Appropriations

---

For FY 2025-26, the bill requires a General Fund appropriation of \$202,362 to the Department of Public Health and Environment, and 0.5 FTE. Of this amount, \$144,439 is reappropriated to the Department of Law, with an additional 0.6 FTE.

## State and Local Government Contacts

---

Labor

Public Health and Environment

Law

---

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](#).