



Fiscal Note

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HB 25-1079: INDEPENDENT ETHICS COMMISSION JURISDICTION

Prime Sponsors:

Rep. Story
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Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 25-0624**Version:** Initial Fiscal Note**Date:** January 23, 2025**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill expands the jurisdiction of the Independent Ethics Commission to include school district board members, superintendents, and administrators, and special district board members and their direct reports.

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

- State Expenditures
- School Districts
- Local Government

Appropriations. No appropriation is required for FY 2025-26.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$171,029	\$164,359
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	1.1 FTE	1.1 FTE

¹ Fund sources for this impact are shown in the table below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$148,233	\$141,563
Cash Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$22,796	\$22,796
Total Expenditures	0.0 FTE	0.0 FTE	\$171,029	\$164,359
Total FTE	\$0	\$0	1.1 FTE	1.1 FTE

Summary of Legislation

The bill expands the jurisdiction of the Independent Ethics Commission in the Judicial Department to include:

- school district board members,
- superintendents or head administrative officers of schools districts,
- special district board members, and
- direct reports of special district boards.

Background and Assumptions

The Independent Ethics Commission (IEC) is an independent agency in the Judicial Department responsible for handling complaints, issuing findings, and imposing penalties related to ethics violations under the constitution and other applicable standards of conduct and reporting requirements. The IEC currently has jurisdiction over an estimated 125,000 employees and public officials working in the executive and legislative branches, institutions of higher education, and county and municipal governments. The bill's inclusion of school and special districts is assumed to add approximately 25,000 individuals to the IEC's jurisdiction. This represents a 20 percent increase.

State Expenditures

The bill increases state expenditures in the IEC in the Judicial Department by about \$170,000 in FY 2027-28, \$165,000 in FY 2028-29, and by similar amounts ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill may also increase trial court and administrative workload in the Judicial Department.

**Table 2
State Expenditures
Independent Ethics Commission**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$0	\$111,529	\$111,529
Operating Expenses	\$0	\$0	\$1,280	\$1,280
Capital Outlay Costs	\$0	\$0	\$6,670	\$0
Legal Services	\$0	\$0	\$28,754	\$28,754
Centrally Appropriated Costs	\$0	\$0	\$22,796	\$22,796
FTE – Personal Services	0.0 FTE	0.0 FTE	1.0 FTE	1.0 FTE
FTE – Legal Services	0.0 FTE	0.0 FTE	0.1 FTE	0.1 FTE
Total Costs	0.0 FTE	0.0 FTE	\$171,029	\$164,359
Total FTE	\$0	\$0	1.1 FTE	1.1 FTE

Independent Ethics Commission

Staff

Beginning in FY 2027-28, the IEC requires an additional 1.0 FTE Investigator and Outreach Assistant to manage complaints against individuals newly subject to IEC jurisdiction under the bill. Staff will conduct investigations, issue advisory opinions and letter ruling requests, and assist with outreach and training programs for school districts and special districts. Standard capital outlay and operating costs are included.

Legal Services

The IEC requires an estimated 215 hours in legal services, corresponding to 0.1 FTE, provided by the Department of Law to advise on additional ethics complaints. Legal services are billed at a blended rate of \$133.74 per hour.

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 above.

Other Judicial Department Impacts

Denver District Court

Under current law, Denver District Court provides judicial review for IEC decisions. The bill potentially increases the number of judicial reviews each year beginning in FY 2027-28. The number of judicial reviews of IEC findings, and subsequent appeals, have been historically low.

Office of Administrative Services for Independent Agencies

Beginning in FY 2027-28, workload will increase in the Office of Administrative Services for Independent Agencies to provide accounting, information technology, and human resources support for the new IEC staff.

Local Government and School Districts

School districts and special districts will have increased expenses for legal representation when responding to complaints filed with the IEC regarding a board member or administrator.

Effective Date

The bill takes effect on July 1, 2027, assuming no referendum petition is filed. It applies to applicable employees and officials who are or become employees or officials on or after the effective date of this act.

State and Local Government Contacts

Independent Ethics Commission

School Districts

Law

Special District Association

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](#).