Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1130: LABOR REQUIREMENTS FOR GOV. CONSTRUCTION PROJECTS

Prime Sponsors:
Rep. Carter; Duran
Sen. Danielson

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill aligns labor requirements for public construction projects and energy sector public works projects, and allows counties to implement them with state support.

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

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of $50,639 to the Department of Personnel and Administration.

Table 1
State Fiscal Impacts

Type of Impact[1]	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	$0	$0
State Expenditures	$64,570	$72,375
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.8 FTE	1.0 FTE

[1] Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	$50,639	$54,961
Cash Funds	$0	$0
Federal Funds	$0	$0
Centrally Appropriated	$13,931	$17,414
Total Expenditures	**$64,570**	**$72,375**
Total FTE	**0.8 FTE**	**1.0 FTE**

Summary of Legislation

Under current law, certain public project and energy sector works public projects must meet apprenticeship utilization and prevailing wage requirements, depending on the type of project, the entity contracting for the project, and the type of construction. The bill aligns the requirements for public projects and energy sector public works projects.

The bill allows counties to opt in to the state apprenticeship utilization and prevailing wage requirements. They can enter into an intergovernmental agreement with the Department of Personnel and Administration (DPA) or another state agency to address how they will address the implementation, administration, and enforcement of those requirements. The agreement may specify an annual fee the county will pay the state, the resources or services the state will provide, and how the requirements will be enforced.

State Revenue

The bill may increase state revenue when DPA negotiates a fee in an intergovernmental agreement with a county. Because any revenue will depend on the number of counties seeking state support and the terms of each agreement, the fiscal note cannot estimate the total revenue.

State Expenditures

The bill increases state expenditures in the Department of Personnel and Administration by about $65,000 in FY 2025-26 and $70,000 in FY 2026-27 and subsequent years. 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 Personnel and Administration

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	$42,945	$53,681
Operating Expenses	$1,024	$1,280
Capital Outlay Costs	$6,670	$0
Centrally Appropriated Costs	$13,931	$17,414
Total Costs	**$64,570**	**$72,375**
Total FTE	**0.8 FTE**	**1.0 FTE**

Department of Personnel and Administration

DPA requires additional staff beginning in FY 2025-26 to coordinate with counties, including negotiating intergovernmental agreements and supporting counties or other state agencies with their implementation and enforcement of the state standards. This is estimated at 1.0 FTE beginning in FY 2025-26, prorated for the bill's effective date. The actual workload will depend on the number of counties that seek intergovernmental under the bill; if this leads to higher workload than expected, DPA will seek additional resources through the annual budget process. Standard operating and capital outlay costs are included.

Department of Labor and Employment

The bill may generate additional inquiries regarding craft labor certifications or apprenticeship requirements. This results in minimal additional workload and no change in appropriations is required.

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.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers, as discussed in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased General Fund revenue will increase the TABOR refund obligation, but result in no net change to the amount of General Fund available to spend or save.

Local Government

The bill increases expenditures in any county that adopts the apprenticeship utilization and prevailing wage requirements.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of $50,639 to the Department of Personnel and Administration, and 0.8 FTE.

State and Local Government Contacts

Counties

Labor

Law

Personnel