



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-005: WORKER PROTECTION COLLECTIVE BARGAINING

**Prime Sponsors:**  
Sen. Rodriguez; Danielson  
Rep. Mabrey; Bacon

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**Version:** Initial Fiscal Note  
**Date:** January 15, 2025

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

#### Summary Information

**Overview.** The bill eliminates the requirement for employees to conduct a second election to negotiate a union security agreement clause in the collective bargaining process.

**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 a reduction in appropriations of \$20,246 from the Colorado 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	-\$24,614	-\$36,920
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	-0.2 FTE	-0.3 FTE

<sup>1</sup> Fund sources for this impact are shown in Table 1A 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	-\$20,246	-\$30,369
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	-\$4,368	-\$6,551
<b>Total Expenditures</b>	<b>-\$24,614</b>	<b>-\$36,920</b>
<b>Total FTE</b>	<b>-0.2 FTE</b>	<b>-0.3 FTE</b>

## Summary of Legislation

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Under current law, employees may unionize with a simple majority vote but must conduct a second vote with 75 percent approval to negotiate a union security agreement clause in the collective bargaining process. The bill eliminates the requirement for a second election.

## Background

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A union security agreement is a contractual provision between an employer and a collective bargaining unit. It allows a labor union to require that union fees be paid by all covered workers, even those that choose not to join the union, and may require the automatic withdrawal of union dues from an employee's wages as a condition of employment.

The Division of Labor Standards and Statistics in the Colorado Department of Labor and Employment (CDLE) currently administers and certifies elections regarding union security agreement clauses at no cost to the collective bargaining unit or the employer.

## State Expenditures

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The bill reduces General Fund costs in the CDLE by about \$25,000 in FY 2025-26 and \$37,000 in FY 2026-27 and ongoing years. These impacts are summarized in Table 2 and discussed below.

**Table 2**  
**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	-\$20,246	-\$30,359
Centrally Appropriated Costs	-\$4,368	-\$6,551
<b>Total Costs</b>	<b>-\$24,614</b>	<b>-\$36,920</b>
<b>Total FTE</b>	<b>-0.2 FTE</b>	<b>-0.3 FTE</b>

### **Staff**

The bill reduces staff in the CDLE by 0.2 FTE in FY 2025-26 and 0.3 FTE in FY 2026-27 and ongoing years. This reduction is a result of approximately 600 hours less work (0.3 FTE) for policy advisor staff in the Division of Labor Standards and Statistics to administer and certify second union elections. The CDLE also requires an increase of 0.1 FTE in FY 2025-26 only to update existing public guidance and field public inquiries about the new law.

### **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.

### **Effective Date**

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

### **State Appropriations**

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For FY 2025-26, the bill requires a reduction in appropriations of \$20,246 from the Department of Labor and Employment, and 0.2 FTE.

## State and Local Government Contacts

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Education

Local Affairs

Labor

Personnel

Law

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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](#).