



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-184: FIREFIGHTER CANCER BENEFITS & WORKERS' COMP

Prime Sponsors:
Sen. Rodriguez

Fiscal Analyst:
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Fiscal note status: The fiscal note reflects the introduced bill. The fiscal note is preliminary due to time constraints and will be revised as additional information is collected.

Summary Information

Overview. The bill creates a legal presumption that certain types of cancers are a result of a firefighter’s employment or service and confers eligibility for workers’ compensation.

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

- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires appropriations totaling \$2.1 million to the Department of Personnel and Administration and the Department of Public Safety.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$2.1 million	\$4.1 million
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.4 FTE	0.4 FTE

Fund sources for these impacts are outlined in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year	Out Year
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	FY 2026-27	FY 2027-28
General Fund	\$2,113,472	\$23,472
Various Fund Sources	\$0	\$4,090,000
Total Expenditures	\$2,113,472	\$4,113,472
Total FTE	0.4 FTE	0.4 FTE

Costs are assumed to require General Fund in the first year. Starting in the second year, it is assumed that assessments to the Workers' Compensation Fund will be paid by affected agencies from a mix of General Fund, cash funds, and federal funds.

Summary of Legislation

In workers' compensation claims, certain cancers contracted by firefighters are considered occupational diseases, and presumed to be a result of the firefighters' employment. This bill expands the types of cancer that are presumed to be occupational diseases, and extends the presumption to include neurological disease. An employer may rebut the presumption with medical evidence that:

- the condition is preexisting and the claimant intentionally falsified information during hiring; or,
- the condition was caused solely by a nonoccupational circumstance and is unrelated to the claimant's service as a firefighter; however, a claimant's tobacco use, genetic predisposition, family history, or failure to obtain proper health screening is not sufficient evidence alone to rebut the presumption.

The bill applies to firefighters with at least five years of cumulative full- or part-time employment or volunteer service. A retired firefighter is also covered for up to ten years after employment, one year of coverage for each year of the person's employed service.

The bill repeals the exclusion to these requirements that currently exists for employers participating in the firefighter cancer benefits program, a multiple employer health trust.

Background

Largely, the state self-insures to cover its liabilities and legal costs, rather than buying an insurance policy from an outside company. The State Office of Risk Management (SORM) in the Department of Personnel and Administration (DPA) manages the state's self-funded liability, property, and workers' compensation insurance programs. The SORM is funded through assessments charged to state agencies based on each agency's actuarially determined risk profile and claims history, and paid with reappropriated funds. Assessments are adjusted through the annual budget process for common policy operating expenses.

State Expenditures

The bill increases state expenditures in the DPA for workers' compensation benefits by up to \$2.1 million in FY 2026-27 paid from the General Fund, and up to \$4.1 million in FY 2027-28, paid from the Workers' Compensation Fund. General Fund expenditures in FY 2026-27, are required until the SORM actuarial analysis determines agency costs beginning FY 2027-28, after which new costs are paid from reappropriated funds. The bill also increases costs in the CDPS for Firefighters Trust benefits by an estimated \$23,472 per year. The bill also increases workload for the Department of Labor and Employment. These impacts are displayed in Table 2 and described below.

Table 2
State Expenditures

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Personnel and Administration	\$2,090,000	\$4,090,000
Department of Public Safety	\$23,472	\$23,472
Total Costs	\$2,113,472	\$4,113,472

Department of Personnel and Administration

Increased Workers' Compensation Claims

The bill is expected to increase expenditures for workers' compensation claim settlements and related legal services. The state employs about 163 firefighters in the Division of Fire Prevention and Control in the Department of Public Safety (CDPS). Assuming two claims per year, costs increase by up to \$2 million in benefits and medical care, with the potential for an additional \$750,000 per claim in funeral and survivor benefits.

New claims will require legal services provided by the Department of Law, estimated at \$45,000 per claim, or \$90,000 annually, representing about 680 hours of legal services at an hourly rate of \$132.50. The DPA will also have some information technology modification costs, and the bill increases workload for the Office of Administrative Courts; no change in appropriations is required for these costs.

Agency Assessments

The Workers' Compensation Fund is funded through assessments paid by agencies based on past experience and actuarial assumptions. Future assessments are assumed to be reappropriated funds from the CDPS.

**Table 2A
 State Expenditures
 Department of Personnel and Administration**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Workers' Compensation Claims	\$2,000,000	\$4,000,000
Legal Services	\$90,000	\$90,000
Total Costs	\$2,090,000	\$4,090,000
Total FTE – Legal Services	0.4 FTE	0.4 FTE

Department of Public Safety

Agencies employing firefighters are required to contribute toward the Colorado Firefighter Trust. CDPS currently pays \$385 per firefighter per year. With the addition of cancers and neurological disorders in the bill, the trust has estimated a contribution of \$529 per firefighter per year, which represents an increase of \$144. Assuming 163 firefighters, this is \$23,472 per year.

The annual CDPS contribution to workers' compensation will continue to increase over time as more claims are received, with funding needs assessed through the annual budget process and reappropriated to the DPA.

**Table 2B
 State Expenditures
 Department of Public Safety**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Colorado Firefighter Trust Premiums	\$23,472	\$23,472
Total Costs	\$23,472	\$23,472
Total FTE	0.0 FTE	0.0 FTE

Department of Labor and Employment

Workload in the Department of Labor and Employment to implement the bill and perform any necessary rulemaking. No change in appropriations is required.

Local Government

Similar to the state, the bill increases workers' compensation costs for cities, special districts, and other local governments that employ firefighters. For local governments that self-insure or currently rely on multi-employer trusts for coverage, adding an immediate presumption of occupational diseases and extending the duration of coverage will result in higher premiums

and may result in stricter underwriting for policies. Increasing the number of complex claims will also increase local government costs for legal services to navigate cases and resolve disputes. Similar to the state, these costs are assumed to be about \$1 million per claim, including benefits and medical expenses.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to claims received on or after that date.

State Appropriations

For FY 2026-27, the bill requires the following General Fund appropriations:

- \$2,090,000 to the Department of Personnel and Administration, of which, \$90,000 is reappropriated to the Department of Law with 0.4 FTE; and
- \$23,472 to the Department of Public Safety.

State and Local Government Contacts

Counties	Pinnacol Assurance
Law	Public Safety
Municipalities	Special District Association
Personnel	