



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 23-0214	Date:	July 25, 2023
Prime Sponsors:	Sen. Winter F. Rep. Willford; Joseph	Bill Status:	Signed into Law
		Fiscal Analyst:	Colin Gaiser 303-866-2677 colin.gaiser@coleg.gov

Bill Topic: ADDITIONAL USES PAID SICK LEAVE

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill adds new uses for accrued paid sick leave. The bill increases state and local expenditures and minimally increases state revenue on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$74,927 to the Department of Labor and Employment.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 23-017**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$74,927	\$57,724
	Centrally Appropriated	\$29,354	\$23,150
	Total Expenditures	\$104,281	\$80,874
	Total FTE	0.9 FTE	0.7 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$11,239	\$8,659

Summary of Legislation

The bill allows an employee to use accrued paid sick leave for the following occurrences:

- when the employee needs to care for a family member whose school or place of care has been closed due to unexpected occurrences like inclement weather or loss of power, heating, or water;
- when the employee has to evacuate their residence because of unexpected occurrences; or
- to grieve, attend memorial services, or deal with financial and legal matters that arise from the death of a family member.

Background

Passed in 2020, Senate Bill 20-205, the Healthy Families and Workplace Act (HFWA), requires all employers in Colorado to provide paid sick leave to each employee as of January 1, 2022. In addition to establishing rules for employers, the bill specifies that paid sick leave may be used for:

- the employee's own health care or that of any person whom the employee is responsible for providing or arranging health-related care;
- absences related to domestic abuse, sexual assault, or harassment; or
- when a public official has ordered the closure of the employee's workplace, or the school or child care facility of the employee's child, due to a public health emergency.

Data and Assumptions

In November 2022, Executive Order D 2022-044 expanded conditions covered by the HFWA to include RSV, the flu, and other respiratory illnesses. As a result, the CDLE experienced an increase in HFWA-related inquiries in December relative to the previous month; therefore, the fiscal note assumes that additional conditions and reasons for accrued sick leave will increase the number of HFWA inquiries.

The CDLE currently receives approximately 515 HFWA complaints per year. The fiscal note assumes CDLE will see a 6 percent increase in HFWA complaints annually, resulting in 30 additional HFWA complaints. A compliance investigator typically takes 48 hours to process, investigate, and adjudicate HFWA complaints, as these complaints are generally more complex than the typical unpaid wage complaints.

State Revenue

Beginning in FY 2023-24, this bill may increase revenue credited to the General Fund as a result of any civil fines. Because the Colorado Wage Act encourages the waiving of most fines assessed against employers if the ordered wages are paid to claimants within specified timeframes, any increase is expected to be minimal. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in CDLE by \$104,281 in FY 2023-24 and \$80,874 in FY 2024-25, paid from the General Fund. The bill will also increase state agency workload in FY 2023-24. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 23-017**

	FY 2023-24	FY 2024-25
Department of Labor and Employment		
Personal Services	\$64,139	\$53,876
Operating Expenses	\$4,118	\$3,848
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$29,354	\$23,150
Total Cost	\$104,281	\$80,874
Total FTE	0.9 FTE	0.7 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. As discussed in the Data and Assumptions section, the CDLE requires 0.7 FTE annually to review, investigate, and adjudicate the 30 anticipated additional HFWA complaints. In addition, CDLE requires 0.3 FTE in FY 2023-24 only to update guidance and rules, and handle an increase in phone and email inquiries regarding the new uses of paid sick leave. Standard operating and capital outlay costs are included, plus an ongoing \$2,903 each fiscal year for software licenses. First-year costs are prorated to reflect a September 1, 2023, hire date. If the volume or complexity of cases exceed this estimate, these impacts will be addressed through the annual budget process.

All state agencies. State agencies will have a workload increase to update time tracking systems with the changes in the bill, and may experience minimal cost increases related to substitute labor due to increased utilization of paid sick leave. The Department of Personnel and Administration will also have minimal workload increase to update rules, guidance, and documentation related to paid sick leave. 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 include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

Similar to state agencies, local governments and statutory public entities may experience cost increases related to the use of sick leave. These impacts have not been estimated.

Effective Date

The bill was signed into law by the Governor on June 2, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$74,927 to the Department of Labor and Employment from the General Fund, and 0.9 FTE.

State and Local Government Contacts

District Attorneys
Labor

Information Technology
Office of State Planning and Budgeting

Judicial