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Fiscal Note

Drafting Number: LLS 24-0228 Date: January 10, 2024
Prime Sponsors: Rep. Vigil Bill Status: House Education
Sen. Winter; Marchman Fiscal Analyst: John Armstrong | 303-866-6289
john.armstrong@coleg.gov

Bill Topic: NON-LEGAL NAME CHANGES

- Summary of Fiscal Impact:
State Revenue
State Expenditure
State Transfer
TABOR Refund
School District
Statutory Public Entity

The bill deems a school's refusal to use a student's preferred name as a form of discrimination and establishes a task force in the Colorado Department of Education to provide guidance for school districts. The bill increases state expenditures for FY 2024-25 only.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$134,418 to the Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Colorado Youth Advisory Council Review Committee.

Table 1
State Fiscal Impacts Under HB 24-1039

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires public schools to address a student by their preferred name in school and in school-related publications, without requiring that the student obtain a court-ordered name or gender change. Failure to address a student by their preferred name is discriminatory.

The bill also establishes the Non-Legal Name Changes in Schools Task Force in the Colorado Department of Education (CDE). The task force must examine existing school policies regarding non-legal name changes and provide policy implementation recommendations for school districts. The nine-member task force must meet three times between July and December of 2024. By January 1, 2025, the task force must submit a report to the CDE that details recommended guidelines, and the department must publish the report and submit it to school districts. Schools must implement policy recommendations from the task force no later than July 1, 2025. The bill is repealed on July 1, 2026.

State Expenditures

The bill increases state expenditures in the CDE by \$151,587 and 0.7 FTE in FY 2024-25 only, paid from the General Fund. New expenditures are displayed in Table 2 and discussed below.

Table 2
Expenditures Under HB 24-1039

	FY 2024-25	FY 2025-26
Colorado Department of Education		
Personal Services	\$101,497	-
Operating Expenses	\$896	-
Contract Facilitator for Task Force	\$30,000	-
Task Force Travel Expenses & Per-Diem	\$2,025	-
Centrally Appropriated Costs ¹	\$17,169	-
Total Cost	\$151,587	-
Total FTE	0.7 FTE	-

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

Tax force facilitator and expenses. The CDE will hire a contract task-force facilitator for each of the meetings. Based on expenses for similar task forces in the department, the facilitator is estimated to cost \$30,000. Additionally, the nine members of the task force will require per-diem and travel expenses averaging \$75 per meeting per member.

Staff. The CDE will require a total of 0.7 FTE across several work units to contract and coordinate the facilitator and task force members, conduct administrative and accounting tasks, attend task force meetings, and provide subject matter expertise.

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.

School District

The bill will increase workload and expenditures for public schools to implement the policy changes and recommendations of the task force. While the bill does not specify remedies for the discriminatory action of referring to a student not by their preferred name, legal costs for school districts may increase if this provision results in lawsuits or other legal actions. It is assumed that school districts will abide by the bill and use students preferred names.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$134,418 to the Colorado Department of Education, and 0.7 FTE.

State and Local Government Contacts

Education