



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1245: HVAC IMPROVEMENT PROJECTS IN SCHOOLS

Prime Sponsors:

Rep. Lieder; Hamrick

Sen. Kipp; Danielson

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0016

Version: Final Fiscal Note

Date: July 11, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill requires that public schools and districts satisfy certain requirements concerning installation, inspection, and maintenance of heating, ventilation, and air conditioning systems when using federal and state funding.

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

- Minimal State Workload
- School Districts

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires that all public schools and districts adhere to technical specifications for the installation, inspection, maintenance, review, and reporting of heating, ventilation, and air conditioning (HVAC) systems whenever improvements are made using money from the Infrastructure Investment and Jobs Act Cash Fund (IIJA Cash Fund). Schools must only employ HVAC contractors on the certified contractor list maintained by the Colorado Department of Labor and Employment. The certified contractor must prepare a detailed HVAC verification report within 30 days of completing any work, the school must maintain the report for five years and submit a copy to the Colorado Department of Education (CDE).

Under current law, money in the IIJA fund may be used as matching funds for federally funded infrastructure projects conducted by local governments. This bill expands allowable uses of the cash fund to include matching funds for projects conducted by public schools and school districts.

Background

The IIJA Cash Fund was created in the Governor's Office as a source of funding to assist with drawdown of federal funds under the federal IIJA and the federal Inflation Reduction Act (IRA). Money in the fund is used for grant funding match requirements, coordination of federal grant opportunities, and planning and grant writing support for state agencies and local governments.

State Expenditures

The bill increases workload in the Governor's Office to assist school districts in facilitating capital projects funded with federal money and supported with matching funds from the IIJA Cash Fund. The office is currently doing similar work with state agencies and local governments; therefore, no change in appropriations is required.

School District

Public schools and districts may receive specialized support in applying for federal grants, and other technical assistance from the Governor's Office in order to address HVAC system upgrades. Cost may increase to pursue additional HVAC projects, with costs offset to the extent that additional grants and other resources become available. These costs will vary by school district.

Effective Date

The bill was signed into law by the Governor on June 3, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Education	Law
Governor	Personnel
Labor	Public Safety