



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1079: INDEPENDENT ETHICS COMMISSION JURISDICTION

Prime Sponsors:

Rep. Story; Marshall
Sen. Weissman

Fiscal Analyst:

John Armstrong, 303-866-6289
john.armstrong@coleg.gov

Bill Outcome: Deemed Lost

Drafting number: LLS 25-0624

Version: Final Fiscal Note

Date: May 15, 2025

Fiscal note status: The final fiscal note reflects the introduced bill, as amended by the House State, Civic, Military, and Veterans Affairs Committee. The bill was deemed lost in the Senate Appropriations Committee on May 8, 2025; therefore, the impacts identified in this analysis do not take effect.

Summary Information

Overview. The bill would have expanded the jurisdiction of the Independent Ethics Commission to include school district board members, superintendents, and administrators, and special district board members and their direct reports.

Types of impacts. The bill was projected to affect the following areas beginning in FY 2025-26 on an ongoing basis:

- State Expenditures
- School Districts
- Local Government

Appropriations. The bill would have required an appropriation of \$120,856 to the Judicial Department. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$139,093	\$164,359
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.9 FTE	1.1 FTE

¹ Fund sources for this impact are shown in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$120,856	\$141,563
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$18,237	\$22,796
Total Expenditures	\$139,093	\$164,359
Total FTE	0.9 FTE	1.1 FTE

Summary of Legislation

The bill expands the jurisdiction of the Independent Ethics Commission (IEC) in the Judicial Department to include:

- school district board members,
- superintendents or head administrative officers of schools districts,
- special district board members, and
- direct reports of special district boards.

The bill directs the IEC to expand its jurisdiction within existing appropriations.

Background and Assumptions

The Independent Ethics Commission (IEC) is an independent agency in the Judicial Department responsible for handling complaints, issuing findings, and imposing penalties related to ethics violations under the constitution and other applicable standards of conduct and reporting requirements. The IEC currently has jurisdiction over an estimated 125,000 employees and public officials working in the executive and legislative branches, institutions of higher education, and county and municipal governments. The bill's inclusion of school and special districts is assumed to add approximately 25,000 individuals to the IEC's jurisdiction. This represents a 20 percent increase.

State Expenditures

The bill increases state expenditures in the IEC in the Judicial Department by about \$140,000 in FY 2025-26, \$165,000 in FY 2026-27, and by similar amounts ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill may also increase trial court and administrative workload in the Judicial Department.

Table 2
State Expenditures
Independent Ethics Commission

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$89,223	\$111,529
Operating Expenses	\$1,024	\$1,280
Capital Outlay Costs	\$6,670	\$0
Legal Services	\$23,939	\$28,754
Centrally Appropriated Costs	\$18,237	\$22,796
FTE – Personal Services	0.8 FTE	1.0 FTE
FTE – Legal Services	0.1 FTE	0.1 FTE
Total Costs	\$139,093	\$164,359
Total FTE	0.9 FTE	1.1 FTE

Independent Ethics Commission

Staff

Beginning in FY 2025-26, the IEC requires an additional 1.0 FTE Investigator and Outreach Assistant to manage complaints against individuals newly subject to IEC jurisdiction under the bill. Staff will conduct investigations, issue advisory opinions and letter ruling requests, and assist with outreach and training programs for school districts and special districts. Costs are prorated to assume a September 2025 start date and standard capital outlay and operating costs are included.

Legal Services

The IEC requires an estimated 215 hours in legal services in the first full implementation year, corresponding to 0.1 FTE, provided by the Department of Law, to advise on additional ethics complaints. Legal services are billed at a blended rate of \$133.74 per hour.

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.

Other Judicial Department Impacts

Denver District Court

Under current law, Denver District Court provides judicial review for IEC decisions. The bill potentially increases the number of judicial reviews each year beginning in FY 2025-26. The number of judicial reviews of IEC findings, and subsequent appeals, have been historically low.

Office of Administrative Services for Independent Agencies

Beginning in FY 2025-26, workload will increase in the Office of Administrative Services for Independent Agencies to provide accounting, information technology, and human resources support for the new IEC staff.

Local Government and School Districts

School districts and special districts will have increased expenses for legal representation when responding to complaints filed with the IEC regarding a board member or administrator.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

The General Assembly has specified that the bill must be implemented within existing appropriations. However, the fiscal note estimates that, for FY 2025-26, the bill requires a General Fund appropriation of \$120,856 to the Judicial Department, and 0.8 FTE, of which \$23,939 is reappropriated to the Department of Law, with an additional 0.1 FTE.

State and Local Government Contacts

Independent Ethics Commission
Law

School Districts
Special District Association

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](#).