HB25-1001

JBC Staff Fiscal Analysis

Senate Appropriations Committee

Concerning the enforcement of wage and hour laws, and, in connection therewith, making an appropriation.

Prime Sponsors:
Representatives Duran; Froelich
Senators Danielson; Kolker

Date Prepared:
April 25, 2025

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Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund Impact

Significant Appropriation Increase in Second and Third Year

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/31/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill. The House adopted a floor amendment on second reading (04/01/25). Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

Amendments in This Packet

J.002	Staff-prepared appropriation amendment
J.003	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates $208,979 General Fund to the Department of Labor and Employment for FY 2025-26. The appropriation reflects 1.8 FTE. The appropriation must be updated to align with the Revised Fiscal Note.

Description of Amendments in This Packet

J.002

Staff amendment **J.002** (attached) appropriates a total of $236,658 General Fund to the Department of Labor and Employment for FY 2025-26. The appropriation reflects 1.8 FTE. Staff amendment **J.002** is lower than the attached Fiscal Note: the bill permits but does not require increased investigations due to new misclassification fines and broader anti-retaliation provisions. Therefore **J.002** appropriates 0.5 FTE in FY 2025-26, which annualizes to 1.0 FTE, towards implementing new misclassification fines, but does not appropriate FTE towards additional misclassification and retaliation investigations. Legislative Council Staff and JBC Staff agree that those investigations are not required by the bill, but the Fiscal Note reflects the bill's intent for the Department to implement those provisions of the bill.

The following table outlines the expenditure impacts included in **J.002**.

Table 1
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year 1 FY 2026-27	Out Year 2 FY 2027-28	Out Year 3 FY 2028-29
General Fund	$236,658	$836,382	$789,692	$789,692
Cash Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0
Centrally Appropriated	$37,746	$171,778	$171,778	$171,778
Total Expenditures	**$274,404**	**$1,008,160**	**$961,470**	**$961,470**
Total FTE	**1.8 FTE**	**8.7 FTE**	**8.7 FTE**	**8.7 FTE**

J.003

If the General Assembly intends for the Department to implement additional investigations towards misclassifications and retaliations, staff amendment **J.003** (attached) appropriates a total of $328,210 General Fund to the Department of Labor and Employment for FY 2025-26. The appropriation reflects 2.8 FTE. Staff amendment **J.003** aligns with the attached Fiscal Note.

The Committee should adopt either J.002 or J.003, but not both.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes $18.2 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2025 Legislation	
Description	FY 2025-26 Appropriation
Juvenile diversion, deflection, or detention	$10,000,000

General Fund Appropriation Placeholders for Other 2025 Legislation	
Description	FY 2025-26 Appropriation
General Assembly legislative priorities	6,521,739
Voter approved initiatives	1,700,000
Total	$18,221,739

Under staff amendment **J.002**, this bill requires a General Fund appropriation of $236,658 for FY 2025-26, reducing the $18.2 million set aside by the same amount. Under **J.002**, this bill is projected to require General Fund appropriations of $1,008,160 for FY 2026-27 and $961,470 for FY 2027-28.

Under staff amendment **J.003**, this bill requires a General Fund appropriation of $328,210 for FY 2025-26, reducing the $18.2 million set aside by the same amount. Under **J.003** and the Fiscal Note, this bill is projected to require General Fund appropriations of $1,232,899 in FY 2026-27 and $1,186,209 in FY 2027-28.