



## Fiscal Note

### Legislative Council Staff

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## HB 25-1042: AIR QUALITY CONTROL REGULATION WORKFORCE IMPACT

### Prime Sponsors:

Rep. Bird  
Sen. Daugherty

### Fiscal Analyst:

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**Version:** First Revised Note

**Date:** April 3, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill, as amended by the House Energy and Environment Committee.

### Summary Information

**Overview.** The bill requires the Department of Public Health and Environment to review and report on procedures used in air quality control rule-making.

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

- State Expenditures

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$99,410 to the Department of Public Health and Environment.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$116,012	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.9 FTE	0.0 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$99,410	\$0
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$16,602	\$0
<b>Total Expenditures</b>	<b>\$116,012</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>0.0 FTE</b>

## Summary of Legislation

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The bill requires the Department of Public Health and Environment (CDPHE) to review its economic impact analysis and cost-benefit analysis procedures used in air quality control rulemaking. The review must assess current processes, the incorporation of workforce impacts, and the benefits of a workforce advisory council. CDPHE must engage stakeholders and submit a final report with findings and recommendations to the General Assembly by January 1, 2026.

## State Expenditures

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The bill increases state expenditures in the Department of Public Health and Environment by \$116,000 in FY 2025-26 only. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

**Table 2**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$71,655	\$0
Operating Expenses	\$1,024	\$0
Capital Outlay Costs	\$6,670	\$0
Legal Services	\$20,061	\$0
Centrally Appropriated Costs	\$16,602	\$0
FTE – Personal Services	0.8 FTE	0.0 FTE
FTE – Legal Services	0.1 FTE	0.0 FTE
<b>Total Costs</b>	<b>\$116,012</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>0.0 FTE</b>

## Staff

In FY 2025-26 only, CDPHE requires 1.3 FTE to conduct the review, engage stakeholders, and develop the report. This includes 1.0 FTE to perform research on current procedures and recommend updated processes to include workforce impacts, and 0.3 FTE to manage the administrative aspects of incorporating stakeholder feedback in the report. Staff costs are prorated for July 1, 2025 through January 31, 2026.

## Legal Services

CDPHE also requires 150 hours of legal services in FY 2025-26 only to provide legal support on the report regarding air quality control rulemaking procedures and recommendations. Legal services are provided by the Department of Law at a rate of \$133.74 per hour, paid using reappropriated funds.

## 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(s) above.

## Technical Note

The Stationary Sources Control Fund, which collects fees from stationary sources emitting air pollutants, currently has insufficient revenue to support existing obligations. The CDPHE submitted a [decision item](#) for the FY 2025-26 budget requesting \$14 million to improve the solvency of this fund, but only \$5 million was approved through [Senate Bill 25-254](#) to support

the existing obligations. As a result, the fiscal note assumes General Fund will be required to cover additional state expenditures for this bill. Depending on future solvency and changes to fee structures, cash funds may become available to cover expenditures beginning in FY 2027-28 or future years.

## Effective Date

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

## State Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$99,410 to the Department of Public Health and Environment, and 0.8 FTE. Of this amount, \$20,061 is reappropriated to the Department of Law, with an additional 0.1 FTE.

## Departmental Difference

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The Department of Law estimates that 360 hours of legal services are required in FY 2025-26 to support the development of the report, including advising on air quality rulemaking procedures and ensuring legal compliance in final recommendations. CDPHE also estimates an additional 0.2 FTE is required to plan the stakeholder process and support logistics for stakeholder meetings.

The fiscal note assumes fewer legal hours are required, as it is expected that the 1.0 FTE developing the report has the necessary expertise to review procedures, evaluate current practices in rulemaking, and identify updated processes with less legal support. Additionally, the fiscal note does not include the additional 0.2 FTE requested by CDPHE, as the 0.3 FTE managing the stakeholder process is expected to be able to accomplish this work.

## State and Local Government Contacts

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Labor

Law

Public Health and Environment