


Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
REVISED FISCAL IMPACT
 (Replaces fiscal note dated January 13, 2007)

Drafting Number: LLS 07-0173
Prime Sponsor(s): Sen. Veiga
 Rep. Madden

Date: April 23, 2007
Bill Status: House Judiciary
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE EXPANSION OF EMPLOYMENT NONDISCRIMINATION PROTECTIONS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue	\$ 0	\$ 0
State Expenditures		
General Fund	\$ 62,586	\$ 144,321
FTE Position Change	0.8 FTE	1.6 FTE
Effective Date: Unless a referendum petition is filed, the bill will take effect August 8, 2007, assuming the General Assembly adjourns on May 9, 2007, as scheduled. The bill will apply to discriminatory or unfair employment practices committed on or after that date.		
Appropriation Summary for FY 2007-2008: See the State Appropriations section.		
Local Government Impact: Minimal.		

Summary of Legislation

Persons subject to discriminatory or unfair employment practices may seek civil damages against an employer. Under current state employment law, a person may not be discriminated against on the basis of disability, race, creed, color, sex, age, national origin, or ancestry. This **reengrossed** bill adds sexual orientation and religion to the list of protected classes for employment. It specifies an employer's ability to enforce a dress code and it excludes religious organizations from the definition of employer for the purposes of complying with state employment non-discrimination laws.

State Expenditures

Total state expenditures are \$62,586 and 0.8 FTE in FY 2007-08 and \$144,321 and 1.6 FTE in FY 2008-09. This bill has expenditure impacts on the Department of Regulatory Agencies (DORA) and the Department of Law as detailed in Table 1 on page 2.

Table 1. Expenditure Detail for the Department of Regulatory Agencies, Division of Civil Rights and Department of Law		
	FY 2007/2008	FY 2008/2009
Personal Services	\$24,119	\$48,238
Operating Expenses	1,457	2,759
IT and Capital Expenses	3,125	0
Hearing Costs (expert testimony)	0	12,000
Legal Services Cost - transfer to Department of Law	33,885	81,324
Subtotal - DORA, Division of Civil Rights	0.5 FTE - \$62,586	1.0 FTE - \$144,321
Attorney General Services - Department of Law*	0.3 FTE - \$33,885	0.6 FTE - \$81,324
Bill Total:	\$62,586	\$144,321
FTE	0.8	1.6

**These funds will be appropriated to the Department of Law from the Department of Regulatory Agencies.*

The Division of Civil Rights in the Department of Regulatory Agencies requires \$62,586 and 0.5 FTE in FY 2007-08 and \$144,321 and 1.0 FTE in FY 2008-09. Cost estimates assume 80 complaints annually alleging employment discrimination on the basis of sexual orientation. Of the 80 complaints, 10 are assumed to have sufficient probable cause to pursue as cases. Of the 10 cases, 6 settle without a hearing, and 4 require a hearing. The division incurs \$3,000 in expert testimony expenses per hearing. These costs are in addition to other legal expenses.

The Department of Law requires \$33,885 CFE and 0.3 FTE in FY 2007-08 and \$81,324 CFE and 0.7 FTE in FY 2008-09 for legal services to the Division of Civil Rights. The first year costs represent expenditures necessary to provide legal services, support, promulgation of rules and advice on complaint resolution. The second year costs represent legal services for advice on complaint/case resolution and to represent the division in court.

Additionally, the workload of the Office of Administrative Courts within the Department of Personnel and Administration (DPA) is impacted by any hearings that result from this bill. However, this bill alone does not generate the need for more administrative law judges. Should a number of bills pass this session and significantly impact the DPA, it is assumed that any additional resources will be addressed through the annual budget process.

Personnel rules for the State of Colorado currently prohibit discrimination based on sexual orientation or religion. Therefore, as an employer, this bill will not result in any additional claims against the state.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

Local Government Impact

Since local governments are included in the definition of employers, they may be sued for discrimination based on sexual orientation and religion. The specific fiscal impact will depend on the number of complaints filed.

State Appropriations

This bill's appropriations clause reflects fiscal note costs identified for the Department of Regulatory Agencies, Division of Civil Rights as follows:

\$ 62,586 Total and 0.5 FTE
\$ 33,885 From the General Fund Appropriation to the Controlled Maintenance Trust Fund in the Annual Long Bill
\$ 28,701 General Fund

Of these monies, the Department of Law receives a cash funds exempt appropriation of \$33,885 and 0.3 FTE.

Departments Contacted

Judicial	Law
Local Affairs	Personnel and Administration
Regulatory Agencies	Labor and Employment