



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-179: PUBLIC HEALTH EMPLOYEE WHISTLEBLOWER RIGHTS

Prime Sponsors:
Sen. Rodriguez

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill provides that all public health employee whistleblower claims are not subject to the Colorado Governmental Immunity Act, and applies public health emergency whistleblower protections to the University of Colorado Hospital Authority and the Denver Health and Hospital Authority.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Revenue
- State Expenditures
- Local Government
- Statutory Public Entity

Appropriations. For FY 2026-27, the bill requires an appropriation of \$870,000 to the Department of Personnel and Administration.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$870,000	\$870,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.2 FTE	1.2 FTE

Fund sources for these impacts are outlined in the table below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$870,000	\$0
Risk Management Fund	\$0	\$870,000
Total Expenditures	\$870,000	\$870,000
Total FTE	1.2 FTE	1.2 FTE

Costs are assumed to be paid from the General Fund in the first year. Starting in the second year, it is assumed that assessments to the Risk Management Fund will be paid by affected agencies from a mix of General Fund, cash funds, and federal funds.

Summary of Legislation

The bill makes any action arising under public health emergency whistleblower (PHEW) protections not subject to the limitations, notice and procedural requirements, and liability restrictions under the Colorado Governmental Immunity Act (CGIA).

The bill also clarifies that the University of Colorado Hospital Authority and the Denver Health and Hospital Authority are covered by PHEW protections.

Assumptions

This analysis assumes that removing the CGIA restrictions from all PHEW claims will shift these cases from early dismissal prospects to more discovery-intensive litigation, further incentivized by the PHEW's attorneys' fee provision for prevailing plaintiffs. This is assumed to result in four new claims against the state per year beginning in FY 2026-27. Expenditures will be incurred in the state's risk management program in the Department of Personnel and Administration (DPA).

State Revenue

Starting in FY 2026-27, to the extent the bill results in additional court filings, state revenue in the Judicial Department from filing fees will increase. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in the Department of Personnel and Administration by an estimated \$870,000 per year beginning in FY 2026-27. First-year costs are paid from the General Fund. Ongoing costs will be paid from the Risk Management Fund. These impacts are summarized in Table 2 and discussed below. The bill also minimally affects workload in the CDLE and the Judicial Department.

Table 2
State Expenditures
Department of Personnel and Administration

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Legal Services	\$304,000	\$304,000
Settlement Costs	\$566,000	\$566,000
Total Costs	\$870,000	\$870,000
Total FTE	1.2 FTE	1.2 FTE

Department of Personnel and Administration

As discussed in the Assumptions section, the bill is expected to increase expenditures in the state's risk management program in the DPA. Expenditures are for legal services and settlements. The state's actual costs will depend on several factors, including the number and complexity of cases, case outcomes, and the timing of proceedings and judgments.

Litigation Costs

For the purposes of this fiscal note, four claims in FY 2026-27 are assumed to require legal services, at a cost of about \$76,000 per claim, or \$303,000 total. This equates to 1.2 FTE in the DOL.

Settlement Costs

Settlement costs or damage awards will depend on claim-specific factors, including the nature of the alleged violation, the role and level of participation of state officials in alleged violations, and their share of liability. This fiscal note estimates that about two claims will require settlement costs of \$283,000 each, or \$566,000 total.

Agency Assessments

The Risk Management Fund receives revenue from assessments paid by agencies based on past experience and actuarial assumptions that do not account for changes under the bill. Therefore, the costs identified in this note require a General Fund appropriation for FY 2026-27. Any General Fund appropriated for this bill will revert back to the General Fund if unspent at the end of FY 2026-27. In subsequent years, costs will be paid from the Risk Management Fund using assessments paid by state agencies based on actual claims and updated actuarial assumptions, and adjusted through the annual budget process.

Department of Labor and Employment

To the extent additional PHEW claims occur, workload in the CDLE will increase. Given the limited change to the applicability of PHEW protections, any increase is assumed to be minimal. No change in appropriations is required.

Judicial Department

Workload in the trial courts will increase if additional court filings occur. The overall increase in filings is assumed to be minimal, and no change in appropriations is required.

Local Government – Statutory Public Entity

Similar to the state, if exempting PHEW claims from the CGIA increases the liability for local governments, statutory public entities, and other entities of state government, workload and costs for these entities will increase.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$870,000 to the Department of Personnel and Administration. Of this amount, \$304,000 is reappropriated to the Department of Law, with 1.2 FTE.

State and Local Government Contacts

Counties

Law

Higher Education

Municipalities

Judicial

Personnel

Labor

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](#).