



Joint Budget Committee

Staff Figure Setting FY 2026-27

Department of Education Programs *other than* School Finance & Categorical Programs

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The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

Department Overview

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs.

Summary of Staff Recommendations

Department of Education

Item	Total Funds	General Funds [1]	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$7,614,337,372	\$4,669,716,019	\$2,039,330,016	\$55,936,930	\$849,354,407	751.4
Long Bill supplemental	-1,400,000	0	-1,400,000	0	0	0.0
Total	\$7,612,937,372	\$4,669,716,019	\$2,037,930,016	\$55,936,930	\$849,354,407	751.4
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$7,612,937,372	\$4,669,716,019	\$2,037,930,016	\$55,936,930	\$849,354,407	751.4
R1/BA1 State share of total program	206,745,824	50,000,000	156,745,824	0	0	0.0
R2/BA2 Categorical programs increase	18,496,605	0	18,496,605	0	0	0.0
R3/BA3 CSI Mill Levy Equalization	2,040,383	-3,916,033	5,956,416	0	0	0.0
R4 BEST assessment IT system	179,195	0	179,195	0	0	0.0
R5 READ Act awareness campaign and evaluation	-200,000	0	-200,000	0	0	0.0
R6 Restructuring social studies assessment	0	0	0	0	0	0.0
R7 Local Accountability Grant Program reduction	-506,690	-506,690	0	0	0	-0.4
R8 Administrative efficiencies and reductions	-345,013	-202,079	-92,292	-8,646	-41,996	0.0
R9 CSDB teacher salary increase	47,603	47,603	0	0	0	0.0
BA4 HSMA program balancing	38,890,870	0	38,890,870	0	0	1.7
BA6 Fourth Year Innovation Pilot	-386,659	-386,659	0	0	0	0.0
BA7 Military interstate children's compact	11,623	0	11,623	0	0	0.0
BA8 Realign timing of standards review work	0	0	0	0	0	0.0
NP MTCF early literacy	0	0	0	0	0	0.0
SI Charter School Facilities Assistance	956,128	0	956,128	0	0	0.0
SI Indirect cost adjustments	525,469	0	525,469	0	0	0.0
SI State-operated schools	129,597	0	129,597	0	0	0.0
SI Teacher of the year	24,800	0	24,800	0	0	0.0

Item	Total Funds	General Funds [1]	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SI Legacy nutrition programs	24,271	588,940	-564,669	0	0	-0.4
SI Early literacy adjustments	0	0	0	0	0	0.0
SI CSDB fund splits	0	-162,433	0	162,433	0	0.0
SI BEST cash grants	-11,584,360	0	-11,584,360	0	0	0.0
SI Behavioral Health Care Professional Matching Grant	-3,000,000	0	-3,000,000	0	0	-1.0
SI Adult Education and Literacy Grants	-1,000,000	-1,000,000	0	0	0	0.0
SI School Counselor Corps Grant	-1,000,000	0	-1,000,000	0	0	0.0
SI School Bullying Prevention Grant	-1,000,000	-1,000,000	0	0	0	0.0
SI Technical changes	-535,370	0	0	-535,370	0	-6.9
SI Out-year impact corrections	-437,532	-237,532	-200,000	0	0	-1.2
SI Facility schools baseline funding model	-300,000	0	-300,000	0	0	0.0
SI CSDB technical correction	-289,235	-289,235	0	0	0	0.0
SI Underused appropriations	-256,542	-256,542	0	0	0	-1.7
SI Statewide assessment program	-158,019	0	-128,672	0	-29,347	0.0
SI Menstrual Hygiene Grant	-100,000	-100,000	0	0	0	-0.2
Employee compensation common policies	6,676,236	2,808,103	1,049,232	967,284	1,851,617	0.0
Operating common policies	-274,190	-251,729	32,369	9,382	-64,212	0.0
Impacts driven by other agencies	415,671	403,820	2,086	1,731	8,034	2.3
Prior year actions	7,576,124	-5,595,724	13,171,848	0	0	-3.2
Total	\$7,874,304,161	\$4,709,659,829	\$2,257,032,085	\$56,533,744	\$851,078,503	740.4
Changes from FY 2025-26	\$261,366,789	\$39,943,810	\$219,102,069	\$596,814	\$1,724,096	-11.0
Percentage Change	3.4%	0.9%	10.8%	1.1%	0.2%	-0.0
FY 2026-27 Executive Request	\$7,920,211,578	\$4,713,319,906	\$2,298,927,590	\$56,873,685	\$851,090,397	752.2
Staff Rec. Above/-Below Request	-\$45,907,417	-\$3,660,077	-\$41,895,505	-\$339,941	-\$11,894	-11.8

[1] Includes General Fund Exempt.

Changes are assumed to be ongoing unless otherwise noted.

R3 CSI Mill Levy Equalization: Staff recommends approval of the request to increase funding Charter School Institute (CSI) Mill Levy Equalization but at a higher amount.

Year 1: The recommendation is for total funding on \$56.7 million, including a net increase of \$2.0 million total funds, comprised of a reduction of \$3.9 million General Fund and an increase of \$6.0 million cash funds from the State Education Fund. The request is \$55.9 million, including the same General Fund reduction but a smaller cash funds increase.

This program provides funding for schools authorized by CSI so that these schools have the same per pupil funding as the district schools where CSI schools are located.

R4 BEST assessment IT system: Staff recommends approval of the Department’s request to increase funding for software for the Facility Insight system, but at a lower dollar amount. This system is used to track the condition of public school facilities statewide as part of the Building Excellent Schools Today (BEST) program.

Year 1: The recommended increase is \$175,195 cash funds from the Public School Capital Construction Assistance Fund, based on updated information from the Department.

R5 READ Act awareness campaign and evaluation [Legislation]: Staff recommends approval of the Department’s request to reduce the READ Act awareness campaign appropriation in the Long Bill. Staff also recommends the request that the JBC sponsor legislation to modify the READ Act evaluation schedule.

Year 1: The recommendation reduces the awareness campaign appropriation by \$200,000, from \$507,000 to \$307,000 cash funds in the Long Bill. Staff also recommends sponsoring legislation to allow the READ Act evaluation to occur biennially and, in this legislation, eliminating a \$750,000 appropriation for the READ Act evaluation in FY 2026-27.

R6 Restructuring social studies assessment [Legislation]: Staff recommends legislation to eliminate the social studies assessment, rather than reduce it as the Governor’s Office requests; however, no change can be included in the Long Bill.

R7 Local Accountability Grant Program reduction [Legislation recommended]: Staff recommends eliminating all funding for the Local Accountability Grant Program and repealing the program. The Department requested a \$100,000 General Fund reduction.

Year 1: The decrease is \$499,300 General Fund.

R8 Administrative efficiencies and reductions: Staff recommends approval of the Department’s request for ongoing administrative reductions in four categories.

Year 1: The requested decrease is \$345,013, including \$202,079 General Fund.

	Gen Dept. Admin	Educator Effectiveness	READ Act Administration	Capitol Complex	Total
General Fund	\$100,000	\$75,000	\$0	\$27,079	\$202,079
Cash Funds	0	0	75,000	17,292	92,292
Reappropriated Funds	0	0	0	8,646	8,646
Federal Funds	0	0	0	41,996	41,996
Total	\$100,000	\$75,000	\$75,000	\$95,013	\$345,013

R9 CSDB teacher salary increase: Staff recommends approval of the Department’s request for an increase to align Colorado School for the Deaf and the Blind (CSDB) teacher and educational specialist salaries with the Colorado Springs District 11 salary schedule.

Year 1: The increase is \$47,603 General Fund.

BA4 HSMA program balancing [legislation]: Staff recommends approval of the Department’s request for Healthy School Meals for All (HSMA) program balancing, with some adjustments to the amounts and proposed legislation.

Year 1: The increase is \$38,890,870 cash funds from the Healthy School Meals for All Cash Fund and 1.7 FTE.

BA6 Fourth Year Innovation Pilot: Staff recommends denial of the Department’s request for an increase for the Fourth Year Innovation Pilot. Based on anticipated enactment of H.B. 26-1176 (Modify Fourth Year Innovation Pilot), the recommendation eliminates all program funding for FY 2026-27.

Year 1: The decrease is \$386,659 General Fund.

BA7 Military interstate children's compact: Staff recommends approval of the Department’s request for increased dues to support the Military Interstate Children’s Compact.

Year 1: The increase is \$11,623 cash funds from the State Education Fund.

BA8 Realign timing of standards review work: Staff recommends approval of the Department’s request to provide roll-forward authority related to the biennial review of academic standards.

Year 1: \$0

NP MTCF early literacy: Staff recommends denial of the Department’s request to reduce Marijuana Tax Cash Fund appropriations and increase Early Literacy Fund appropriations for Early Literacy Competitive Grants.

SI Charter School Facilities Assistance: Staff recommends adjusting the appropriation for Charter School Facilities Assistance consistent with statutory formulas.

Year 1: The recommended net increase is \$956,128 cash funds, including an increase of \$661,428 from the State Education Fund, an increase of \$1,000,000 from the Charter School Facilities Assistance Account in the Public School Capital Construction Assistance Fund (PSCCAF) pursuant to H.B. 24-1448, and a decrease of \$705,300 from money in the Charter School Facilities Assistance Account that originates from Marijuana excise taxes.

SI Indirect cost adjustments: Staff recommends increasing indirect cost assessments from the Public School Capital Construction Assistance Fund (PSCCAF) and the Healthy School Meals for All (HSMA) Cash Fund.

Year 1: An increase of \$525,469 cash funds, including \$420,929 cash funds from the PSCCAF and \$104,540 from the HSMA Cash Fund

SI State-operated schools: Staff recommends increasing the appropriation for state-operated schools based on projected rates and utilization.

Year 1: An increase of \$129,597 cash funds from the State Education Fund.

SI Teacher of the year: Staff recommends providing an appropriation for the Teacher of the Year program based on the anticipated passage of H.B. 26-1175, which changes funding for this program from a transfer to an appropriation.

Year 1: An appropriation of \$24,800 cash funds from the State Education Fund.

SI Legacy nutrition programs: Staff recommends adjustments to legacy nutrition programs (state funded programs that existed prior to Healthy School Meals for All) that are consistent with current law. Staff also recommends legislation that will suspend or refinance legacy nutrition programs.

Year 1: A net increase of \$24,771 in the Long Bill, including a General Fund increase of \$588,490 and a reduction of \$564,669 cash funds from the State Education Fund.

The adjustments in the Long Bill include eliminating appropriations for the legacy (non-HSMA) local school food purchasing and technical assistance grant program (State Education Fund) and providing an appropriation of

\$700,000 General Fund to the Start Smart Nutrition Program Fund. The Start Smart appropriation is required under current law but can be removed in separate legislation.

SI Early literacy adjustments: Staff recommends net \$0 adjustments to the funding for early literacy programs. These include: (1) changes based on SB. 26-1175 (SEF READ Act and Teacher of the Year), which eliminates transfers from the State Education Fund to the Early Literacy Fund in favor of direct appropriations for early literacy from the State Education Fund; and (2) changes to the allocation of early literacy funds among line items.

Year 1: Net \$0 changes to replace Early Literacy Fund appropriations with appropriations from the State Education Fund and move appropriations among line items to increase appropriations for early literacy competitive grants and reduce appropriations for early literacy educator training and program administration.

SI CSDB fund splits: Staff recommends adjustments to the funding sources for the Colorado School for the Deaf and the Blind (CSDB) that reduce General Fund otherwise required.

Year 1: A net \$0 change, including a reduction of \$162,433 General Fund and an equal increase of reappropriated funds from multiple sources.

SI BEST cash grants: Staff recommends a reduction to the appropriation for Building Excellent Schools Today (BEST) cash grants based on funds anticipated to be available.

Year 1: A reduction of \$11.6 million cash funds from the Public School Capital Construction Assistance Fund, leaving an appropriation of \$107.4 million.

Although the appropriation is reduced, the cash grants available are expected to be greater than in FY 2025-26, because the Department did not fully use its FY 2025-26 cash grants appropriation when making awards in June 2025.

SI Behavioral Health Care Professional Matching Grant: Staff recommends reducing the appropriation for the Behavioral Health Care Professional Matching Grant program as a budget balancing measure.

Year 1: A reduction of \$3.0 million from the Marijuana Tax Cash Fund (MTCF) and 1.0 FTE. This reduces the total for this program from \$15.0 million to \$12.0 million from the MTCF and 4.0 FTE.

SI Adult Education and Literacy Grants: Staff recommends reducing the appropriation for Adult Education and Literacy Grants.

Year 1: A reduction of \$1.0 million General Fund, which leaves an appropriation of \$2.0 million General Fund.

The program is spending down approximately \$3.0 million rolled forward from previous one-time appropriations. These funds are available through FY 2028-29. The State also receives federal support for adult education.

SI School Counselor Corps Grant: Staff recommends reducing the appropriation for the School Counselor Corps Grant Program.

Year 1: A reduction of \$1.0 million from the State Education Fund, which leaves an appropriation of \$11.0 million.

A rigorous recent evaluation found little evidence that this funding improved student outcomes.

SI School Bullying Prevention Grant: Staff recommends eliminating funding for this program.

Year 1: A reduction of \$1.0 million General Fund.

In FY 2025-26, the General Assembly reduced this program from \$2.0 million to \$1.0 million.

SI Technical changes: The recommendation eliminates an unused reappropriated funds appropriation and related FTE notation.

Year 1: A reduction of \$535,370 and 6.9 FTE.

SI Out-year impact corrections: Staff recommends several corrections to eliminate appropriations from prior years based on prior year fiscal notes and JBC action.

Year 1: A reduction of \$437,552, including \$237,532 General Fund and \$200,000 from the State Education Fund.

SI Facility schools baseline funding model: Staff recommends a reduction to facility school funding to signal that the program should begin to restrict expansion, including pro-rating school funding as necessary.

Year 1: A reduction of \$300,000 (0.9%), leaving the Facility School Funding line item at \$33.0 million. Department data indicated a need for an *increase* of \$3.0 million based on inflation and projected opening of seven new schools.

Funding for facility schools, which serve students with exceptionally severe or specialized needs, was dramatically expanded in S.B. 23-219 (Supports to Students and Facility Schools). The JBC sponsored the bill to address the rapid disappearance of these schools. The bill added \$18.6 million from the State Education Fund, which was expected to increase to \$28.0 million of additional expenses by FY 2025-26. The program has expanded as intended and was approaching the projected \$28.0M increase by FY 2025-26¹. But new schools continue to apply for the program, and ongoing inflation and enrollment growth will be challenging for the budget. An evaluation of the system changes authorized by SB 23-219 is due October 2026.

SI CSDB technical correction: Staff recommends a reduction to correct prior year technical errors in funding added for CSDB salary survey and step pay.

Year 1: A reduction of \$289,235 General Fund

SI Underused appropriations: Staff recommends reductions to eliminate or reduce appropriations that are not being fully used, based on actual expenditure data.

Year 1: A reduction of \$256,542 General Fund

SI Statewide assessment program: Staff recommends a reduction based on anticipated expenses for the statewide assessment program.

Year 1: A reduction of \$158,019, including \$128,672 from the State Education Fund.

SI Menstrual Hygiene Grant: Staff recommends eliminating the appropriation for the Menstrual Hygiene Grant.

Year 1: A reduction of \$100,000 General Fund.

Employee compensation common policies: The request and those items on which the Committee has acted provide a net increase of \$6.7 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments. Committee action is pending on most items below.

¹ As of FY 2025-26, funding for the division had grown by over \$25.3M from the pre-SB23-219 base—from a base of \$11M to \$36.4M in FY 2025-26.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$2,249,446	\$850,268	\$353,093	\$270,332	\$775,753	0.0
Health, life, and dental	1,917,780	553,909	417,767	422,929	523,175	0.0
Unfunded liability amortization payments	898,321	507,408	80,254	140,333	170,326	0.0
Health, life, dental budget amendment	784,669	311,028	133,568	88,286	251,787	0.0
Step plan	672,640	507,163	42,981	28,466	94,030	0.0
HLD Jan 15 BA true-up	86,489	34,437	15,192	9,170	27,690	0.0
Paid family and medical leave insurance	40,424	22,199	4,246	6,315	7,664	0.0
Shift differential	11,412	11,412	0	0	0	0.0
PERA direct distribution	8,764	7,024	1,270	470	0	0.0
Short-term disability	6,291	3,255	861	983	1,192	0.0
Total	\$6,676,236	\$2,808,103	\$1,049,232	\$967,284	\$1,851,617	0.0

Operating common policies: The request and those items on which the Committee has acted provide a net decrease of \$0.3 million for operating common policies.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	\$249,676	\$154,300	\$83,641	\$11,735	\$0	0.0
State accounting system (CORE)	156,788	78,385	60,741	17,662	0	0.0
Workers' compensation	40,345	19,384	5,266	1,363	14,332	0.0
Vehicle lease payments	4,220	4,220	0	0	0	0.0
Risk management & property	-396,881	-396,881	0	0	0	0.0
Capitol Complex leased space	-177,702	-50,645	-32,342	-16,171	-78,544	0.0
Office of Information Technology services	-81,952	-60,492	-16,253	-5,207	0	0.0
Administrative law judge services	-68,684	0	-68,684	0	0	0.0
Total	-\$274,190	-\$251,729	\$32,369	\$9,382	-\$64,212	0.0

Impacts driven by other agencies: The request and those items on which the Committee has acted provide a net increase of \$0.4 million for requests from other state agencies. These are also called “non-prioritized requests.” The amount shown in the table below applies only to this department and does not necessarily reflect the total value of the request.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP SB24-205 AI compliance	\$178,791	\$178,759	\$24	\$8	\$0	0.9
NP IT accessibility	173,952	173,952	\$0	\$0	\$0	0.9
BA Language access	47,719	47,719	\$0	\$0	\$0	0.5
NP State accounting system (CORE) staff	24,387	10,164	3,883	2,306	8,034	0.0
NP Statewide enable AI	60	45	11	4	0	0.0
NP IT efficiencies	-9,025	-6,662	-1,790	-573	0	0.0
NP IT operating offset	-213	-157	-42	-14	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total	\$415,671	\$403,820	\$2,086	\$1,731	\$8,034	2.3

Prior year actions: The recommendation includes a net increase of \$7.6 million for the impact of prior year budget decisions and legislation.

Major Differences from The Request

Staff recommendations include spending reductions and revenue enhancements that were not included in the request. Many of these proposed changes require separate legislation and therefore are not shown in the department summary above. Staff will also be providing additional options to assist the Committee in considering deeper cuts if it wishes to do so.

Overview – Staff Additional Recommendations for General Fund Relief

The following table provides an overview of staff’s additional recommendations for reductions. Details are discussed throughout this packet. **The start of each option indicates the section or division** in which the issue is addressed.

Recommendations for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
<i>Nutrition:</i> Transfer Smart Start balance to General Fund	400,000	-400,000	Y	Transfer Balance of Smart Start fund to General Fund
<i>Nutrition:</i> Transfer from HSMA to SEF	\$0	\$31,066,831	Y	HSMA repayment of State Education Fund (shown here as \$31M because SEF can offset GF otherwise required)
Subtotal - Revenue	\$400,000	\$30,666,831		
Expenditure Reductions				
<i>Nutrition:</i> Eliminate funding/refinance legacy nutrition programs	-786,789	-841,460	Y	Includes removing GF appropriation for the Local School Food Purchasing Grant and SEF appropriation for School Lunch Protection and refinancing annual \$2.5M state match for federal funds from the State Public School Fund to HSMA
<i>Dis Affecting Multiple Divisions:</i> CDE annualization corrections	-237,532		N	Corrects errors that did not eliminate appropriations consistent with fiscal notes/JBC action
<i>School for Deaf/Blind:</i> CSDB annualization corrections	-289,235		N	Corrects prior year errors in calculating salary survey and step pay
<i>Dis Affecting Multiple Divisions:</i> Reductions for underused appropriations	-256,542		N	Reduces appropriations for programs where appropriations have been reverting
<i>Student Pathways:</i> End Adult HS program early	-1,600,000		Y	Eliminates final year of funding for a program created in S.B. 23-003 and appropriated with roll-forward authority in FY 2023-24

Option	General Fund	Other Funds	Bill? Y/N	Description
<i>DIs Affecting Multiple Divisions:</i> Increase indirect cost offsets	-525,469	525,469	N	In presentations to the State Board, the Department indicated that it had not been collecting indirect costs from either HSMA or BEST. The SBE did not wish to proceed with these adjustments, which include a further cut to BEST (which represents the majority of the total).
<i>School Quality:</i> Local Accountability System Grant Program	-506,690		N	Funding for this program may be reduced without a statutory change in FY 2026-27; however, staff recommends eliminating the program for FY 2027-28 and future years through a bill.
<i>Student Learning:</i> Science professional development HB24-1446	0	-1,500,000	Y	H.B. 24-1446 provided \$3.0 million from the State Education Fund for a contract with a higher education institution to provide free science pedagogy education statewide. The money was available through FY 2026-27. This portion has not been released thus far.
<i>Student Pathways:</i> Out-of-school Time Grant Program HB24-1331	-3,464,131	0	Y	End the Out-of-school Time Grant Program one year early
<i>Statewide Assessment Program:</i> Eliminate social studies assessment	0	-830,000	Y	Eliminate social studies assessment. The SBE has remained supportive of this change; the Governor's office has proposed a lower-savings alternative.
<i>Student Pathways:</i> Menstrual Hygiene Grant	-100,000		N	Staff recommends eliminating funding for this program and recommends repealing the program, although this is not required to stop the appropriation
<i>Student Learning:</i> Eliminate Bullying prevention grant program	-1,000,000		N	Staff recommends eliminating funding for this program. The Committee could also repeal the program, although this is not required to eliminate funding.
<i>Student Learning:</i> Reduce facility school rates and increase offsets		-300,000	N	This reduction is in lieu of a calculated need for an increase of \$3.0 million SEF submitted by the Department outside of the request process
<i>Student Pathways:</i> Reduce Adult Literacy Grant	-1,000,000		N	Staff recommends reducing funding for this grant program from \$3.0 million to \$2.0 million.
<i>Student Pathways:</i> Reduce School Counselor Corps		-1,000,000	N	Staff recommends reducing funding for this grant program from \$12.0 million to \$11.0 million.
<i>Student Pathways:</i> Behavioral Health Prof. Matching Grant		-3,000,000	N	Staff recommends reducing funding for this program from the MTCF from \$15.0 million to \$12.0 million. The Committee could consider redirecting savings to the SEF or General Fund.
<i>Student Pathways:</i> Phase out TREP/PTECH		-4,084,701	Y	Staff recommends the Committee sponsor legislation to phase out these programs.
<i>Student Pathways:</i> HB23-1231 Academic Accelerator	-1,500,000		Y	The Department rolled \$16.2M of this grant into FY 2025-26; funds are available to grantees through FY 2026-27. Preliminary information suggests a reduction of this scale may be feasible
<i>Charter School Institute:</i> Cap CSI MLE and reduce to 80% of full equalization	-12,963,963	0	Y	Re-cap funding or adopt other changes to CSI Mill Levy Equalization to better control or reduce program costs. Proposed reduction is based on funding CSI MLE at 80 percent of FY 2025-26 calculation.

Option	General Fund	Other Funds	Bill? Y/N	Description
Subtotal - Expenditures	-\$24,230,351	-\$11,030,692		
Net General Fund Relief	\$24,630,351			
SEF Relief	41,622,992			
Total	66,253,343			
One-time savings/revenue	\$39,530,962			
Ongoing savings/revenue	26,722,381			

In addition to the items above, staff has included a proposed reduction item that is conditioned on utilization this spring.

Option	General Fund	Other Funds	Bill? Y/N	Description
<i>Statewide Assessment:</i> Eliminate online testing (SB24-070)	0	-938,500	Y	Eliminate on-line testing option IF there is insufficient participation in FY 2025-26; alternatively explore steps to increase participation. Savings are SEF.

Other Options

Items not included for recommended action but that could be considered will be provided under separate cover. These include options for reductions to:

- Early literacy
- School Turnaround
- Educator Talent
- Libraries
- HSMA Grant Programs
- The Committee could also consider deeper reductions than have been recommended for Behavioral Health grants, the School Counselor Corps, CSI Mill Levy Equalization, BEST grants, Facility Schools, and/or the S.B. 23-1231 Academic Accelerator Program.
- Staff also believes the Committee and General Assembly should begin to explore whether the funding levels for **online** instruction are appropriate and whether funding reductions and/or changes to accountability metrics should be considered. From a funding perspective, this is a School Finance issue, but staff is recommending the JBC consider a request for information to move the discussion forward.

Decision Items Affecting Multiple Divisions

→ R8 Administrative Efficiencies and Reductions

Request

The Department requests ongoing administrative reductions in four categories. The requested decrease is \$345,013, including \$202,079 General Fund.

	Gen Dept. Admin	Educator Effectiveness	READ Act Administration	Capitol Complex	Total
General Fund	\$100,000	\$75,000	\$0	\$27,079	\$202,079
Cash Funds	0	0	75,000	17,292	92,292
Reappropriated Funds	0	0	0	8,646	8,646
Federal Funds	0	0	0	41,996	41,996
Total	\$100,000	\$75,000	\$75,000	\$95,013	\$345,013

The READ Act reduction was proposed to be from Early Literacy Funds. If H.B. 26-1175 is enacted, the reduction will be directly from State Education Fund appropriations.

Recommendation

Staff recommends the proposed reductions. The reductions represent small adjustments to several administrative line items. If the Department considers these manageable, staff sees no reason to reject the proposed cuts.

- The general department administration cut is 1.5 percent of the line item
- The educator effectiveness cut is 2.1 percent of the line item
- The READ Act cut is 4.0 percent of the administration line item—but just 10.0 percent of total reversions and transfers out of that line item in FY 2024-25. (READ act administration funds were transferred for use in additional grants in FY 2024-25, as authorized by a Long Bill footnote.)

→ SI CDE Annualization Corrections

Request

The Department's request omitted various adjustments that should have been included based on fiscal notes and previous JBC action. Staff identified some of the larger errors in the request earlier in the year; these were then corrected in the Department's January submission. However, staff only noted the following items more recently. They are not included in the request.

Recommendation

The staff recommendation includes the following budget adjustments that were not included in the request but that are based on out-year amounts projected in fiscal notes and JBC action in prior years.

Accountability and Improvement Planning: Beginning in FY 2023-24, the JBC added \$56,702 General Fund and 0.5 FTE for a three-year term-limited position to help this unit address workload driven by the reorganization of Adams 14 and the needs of other districts that are far along on the accountability clock. This additional position annualizes out in FY 2026-27. This was not reflected in the request, so staff has removed it.

College & Career Readiness: The recommendation removes \$89,123 and 0.2 FTE that was provided in H.B. 22-1215 (Study of Extended High School Programs) that was not annualized (reduced or removed) in FY 2023-24 or subsequent years, although the bill authorizing the related work repealed.

IEP Training Program: The recommendation removes \$91,707 General Fund and 1.0 FTE. Senate Bill 24-069 (Clarify Individualized Education Program Information) required the Department to make a training program available regarding individualized education program laws and procedures. The fiscal note for the bill indicated that the program required funding in FY 2024-25 and FY 2025-26 only, and costs after that could be absorbed. The Department's request continued this funding in FY 2026-27, so staff has removed it.

Facility Schools Work Group and Program Evaluation Contracts: The recommendation removes \$200,000 State Education Fund from this line item. The evaluation is due in fall 2026, based on provisions in S.B. 23-219 (Supports to Students and Facility Schools) as later amended. A future evaluation is not contemplated.

→ SI Underused Appropriations

Request

The Department did not request the following adjustments.

Recommendation

The staff recommendation eliminates appropriations in several line items where appropriations were either unused or under-used.

State Board of Education travel: The recommendation reduces the appropriation for the State Board of Education by \$30,000 General Fund. Between FY 2021-22 and FY 2024-25 the appropriation for State Board of Education increased from \$318,751 to \$575,805 General Fund to accommodate costs associated with an increase in the size of the board, travel, and IT support costs. This included an increase of \$133,250 in FY 2024-25, but the Board reverted \$100,677 of this appropriation. Staff supports leaving the Board with sufficient resources for it to travel and explore state needs but believes a \$30,000 reduction will not unduly constrain its activities.

HB22-1376 (Restraint Complaint): The recommendation reduces \$92,828 General Fund and 0.7 FTE, representing 75 percent of the appropriation for this program. The Department has reverted almost all related

funding for the last two years, but notes that if there is a restraint complaint that is not related to a student with an IEP, these funds would be needed to cover the investigation. (If a student has an IEP, federal funds can be used.)

HB24-1063 (Abbreviated School Days): The recommendation eliminates \$115,714 General Fund and 1.0 FTE added for training and assistance for school districts on abbreviated school days for students with disabilities. Actual expenditure data indicates that the Department has not been using this appropriation. The Department has indicated that it has had to rely more on attorney general resources than on a department position due to the complexity of the issue.

SB19-215 (Parents Encouraging Parents Conferences): The recommendation reduces \$18,000 General Fund for conference costs, leaving an appropriation of \$50,000. The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion. The recommended reduction is based on actual expenditures in recent years, which have not exceeded \$44,000.

→ SI Indirect Costs

Request

A comprehensive discussion of the Department’s indirect cost collection methodology, negotiated with the federal Department of Education, is attached. There are two components of the indirect cost plan that are relevant for the JBC’s consideration:

- The request for indirect cost assessments from cash and federal funding streams, which are shown in various line items in the department; and
- The request for spending authority from indirect cost assessments + money in the Department’s Indirect Cost Excess Recoveries Fund **to offset General Fund otherwise required.**

Assessments: The Department did not request an update to its indirect cost assessment request, as their agreement with federal authorities is unchanged. The total collections requested are shown below.

Department Indirect Cost Assessment Request

Division	Total	CF	RF	FF
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Assistance to Public Schools	\$3,967,960	\$25,000	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2026-27 Request	\$4,990,329	\$616,523	\$128,142	\$4,245,664

Use of Indirect Cost Collections in EDO: The request’s details include \$6,330,085 reappropriated funds from indirect cost collections and money in the Indirect Cost Excess Recoveries Fund to be used in the Executive Director’s Office. This includes changes in centrally-appropriated line items. *This appears to be more than the Department has suggested would be appropriate in communication with staff,* based on continuing to gradually

spend down money in the Indirect Cost Excess Recoveries Fund and the fact that the Department’s request did not include certain additional assessments based on direction from the State Board of Education.

Recommendation

Assessments: Staff has made two adjustments to the indirect cost assessments to *add* indirect cost assessments from the Healthy School Meals for All program and from the Building Excellent Schools Today (BEST) program. **The staff recommendation reflects an additional assessment of \$104,540 from the Healthy School Meals for All Program and \$420,540 from the Building Excellent Schools Today (BEST) program.** Staff notes that the State Board of Education has expressed opposition to indirect cost collections from the BEST program, now that total revenue to BEST is capped. Given the State’s current financial situation, however, staff has included this change in the staff recommendation, since this adjustment offsets General Fund otherwise required. Staff acknowledges that this will have the impact of reducing total funds available for BEST cash grants by the same amount. The impact is about 0.4 percent of total estimated cash grants.

Staff Indirect Cost Assessment Recommendation

Division	Total	CF	RF	FF
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Public School Operations	\$4,493,429	550,469	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2026-27 Recommendation	\$5,515,798	\$1,141,992	\$128,142	\$4,245,664

Use of Indirect Cost Collections in EDO: The Department has indicated that for the last two years its actual indirect cost collections have been greater than the indirect cost assessments included in its plan. Specifically, it reported collections of \$5,235,571 in FY 2023-24 and \$5,133,314 in FY 2024-25. Based on this, it anticipates indirect cost collections of approximately \$210,000 **more** than the \$5.0M assessments requested for the Long Bill. Further, although reserves in the Indirect Cost Excess Recovery Fund are being spent down over time, it projects reserves of \$729,867 at the start of FY 2026-27. **Based on the information provided, staff recommends targeting \$6,200,000 as the amount to be appropriated from indirect cost collections and the indirect cost excess recoveries fund in the Long Bill for FY 2026-27.** The recommendation leaves some reserves in the Department’s Indirect Cost Excess Recoveries Fund for FY 2027-28, but more General Fund will be required in future years as reserves are exhausted.

Indirect Cost Recommendation

Start of Year Reserve – IC Excess Recoveries Fund	\$729,867
Revenue	
Estimated Reserve in IC Excess Recovery Fund, July 1, 2026	
Projected FY 2026-27 Actual IC collections (inc. HSMA)	5,200,000
Department IC Plan assessments	4,990,329
HSMA IC assessment	104,540
BEST IC assessment	420,929

Staff Rec - IC assessments	\$5,515,798
Excess assessments anticipated, based prior years	209,671
Total Anticipated Revenue	\$5,725,469
Expense	
Use of FY 2026-27 Revenue	5,725,469
Use of Reserves	474,531
Staff Rec - Use of IC funds	\$6,200,000
End of Year Reserve	\$255,336

Staff requests permission to make fund split adjustments as necessary to achieve this target, after the JBC has made its common policy decisions.

→ Informational Funds Adjustments

Congress has recently taken action on the federal budget for education programs that supports state FY 2026-27. Funding appears to be largely flat, with some modest increases. Given this, staff is not recommending additional adjustments to informational funds. Amounts currently in the state budget are reasonable proxies for funds anticipated to be received.

i Shift of \$9.0M from General Fund to SEF

Staff notes that two components of the request have the effect of shifting \$9.0M in appropriations from the General Fund to the State Education Fund by refinancing existing funding. This provides near-term General Fund relief but also affects the speed with which SEF fund balances are spent down.

- The combination of an initial reduction for CSI Mill Levy Equalization (R3) and a budget amendment to increase CSI MLE (BA3) effectively replace \$3.9M General Fund for CSI MLE with State Education Fund.
- The initial request included a \$5.0M reduction for the Career Development Incentive Program to annualize the impact of S.B. 25-315. This was an error in the request, as the Department was supposed to move this General Fund to a different line item, rather than reduce the appropriation by this amount. The Department’s correction, through a technical change in January, replaced this \$5.0M General Fund with money from the State Education Fund.

There is no problem technically with these changes, and staff has included the adjustments in the recommendation. Staff is simply bringing the funding change to the JBC’s attention.

→ RFI on Accountability for Online Education

See attached memo.

(1) Management and Administration

This section includes funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including human resources, budgeting, accounting, and information technology management.

Management and Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$44,881,776	\$22,245,939	\$8,809,684	\$6,375,721	\$7,450,432	86.6
Total FY 2025-26	\$44,881,776	\$22,245,939	\$8,809,684	\$6,375,721	\$7,450,432	86.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$44,881,776	\$22,245,939	\$8,809,684	\$6,375,721	\$7,450,432	86.6
R7 Local Accountability Grant Program reduction	-7,390	-7,390	0	0	0	0.0
R8 Administrative efficiencies and reductions	-195,013	-127,079	-17,292	-8,646	-41,996	0.0
BA7 Military interstate children's compact	11,623	0	11,623	0	0	0.0
SI Teacher of the year	24,800	0	24,800	0	0	0.0
SI Technical changes	-535,370	0	0	-535,370	0	-6.9
SI Underused appropriations	-30,000	-30,000	0	0	0	0.0
Employee compensation common policies	6,664,824	2,796,691	1,049,232	967,284	1,851,617	0.0
Operating common policies	-278,410	-255,949	32,369	9,382	-64,212	0.0
Impacts driven by other agencies	415,671	403,820	2,086	1,731	8,034	2.3
Prior year actions	-1,677,781	-650,709	-291,069	-21,563	-714,440	1.4
Total FY 2026-27	\$49,274,730	\$24,375,323	\$9,621,433	\$6,788,539	\$8,489,435	83.4
Changes from FY 2025-26	\$4,392,954	\$2,129,384	\$811,749	\$412,818	\$1,039,003	-3.2
Percentage Change	9.8%	9.6%	9.2%	6.5%	13.9%	-3.7%
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$49,983,712	\$24,641,256	\$9,579,561	\$7,290,913	\$8,471,982	90.3
Staff Rec. Above/-Below Request	-\$708,982	-\$265,933	\$41,872	-\$502,374	\$17,453	-6.9

→ BA7 Military Interstate Children's Compact

Request

The Department requests an increase of \$11,623 in FY 2026-27 and \$12,918 in FY 2027-28 from the State Education Fund to support a national increase in fees related to the Military Interstate Children's Compact. The

request will increase State Education Fund appropriations for the Interstate Compact on Educational Opportunities for Military Children line item from \$21,298 in FY 2025-26 to \$32,921 in FY 2026-27.

Recommendation

Staff recommends the requested increase and anticipates ongoing annual increases based on projected increases in future years.

The General Assembly ratified the Military Interstate Children’s Compact in 2008, and State dues appear to be required, as specified in the Compact as it was adopted in Colorado statute:

“The Interstate Commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission’s annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, which shall promulgate a rule binding upon all member states.”²

Analysis

Interstate Compact: The Interstate Compact on Educational Opportunity for Military Children is a legally binding agreement across all 50 states and the District of Columbia that streamlines education for military-connected children. The members of the Military Interstate Children’s Compact Commission, which oversees the compact, include the 50 states, District of Columbia, as well as ex-officio representatives of US government agencies.

The Colorado Governor and General Assembly ratified the compact provisions, which are outlined in statute, in 2008.³

The Compact is designed is to ease the educational transitions of school-aged, military and uniform-connected students attending public schools. It addresses key issues encountered by military families: eligibility, enrollment, placement, and graduation. The goal of the Compact is to replace the widely varying policies affecting transitioning military students and provide a consistent policy, for the areas specified in the compact, in every school district and member state.

Projected Fee Schedule: The table below reflects the impact of projected fee increases over time. Under the Commission’s funding structure, fees are based on the number of military dependent children in Colorado.

	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32	FY32-33	FY33-34
Cost	\$32,931	\$34,216	\$35,540	\$36,990	\$38,470	\$39,949	\$41,614	\$43,278
Increase	\$11,623	\$12,918	\$14,242	\$15,692	\$17,172	\$18,651	\$20,316	\$21,980
Cost per Student	\$1.78	\$1.85	\$1.92	\$2.00	\$2.08	\$2.16	\$2.25	\$2.34

² Article XIV (B) of Compact printed in Section 24-60-3402, C.R.S.

³ Section 24-60-3402, C.R.S.

→ SI Technical Clean-up – Remove Unused RF for IT Services

Request

The Department did not request this change but has expressed support for the change in prior years.

Recommendation

The recommendation is to remove \$535,724 reappropriated funds and 6.9 FTE from the Department's Information Technology Services line item. This spending authority is not used.

Analysis

The Long Bill has reflected this amount for multiple years as an estimate of amounts that were being spent in other line items for information technology services. However, the Department spends money for information technology services directly from other line items, so this figure is not meaningful, the spending authority is not used, and Staff can now see that the estimate in the line item is not accurate.

JBC Staff now has better access to prior year spending detail for the entire Department. This provides a more accurate picture of spending related to information technology in other line items. State accounts indicate that in FY 2024-25, a total of \$3.0 million was spent in this department in accounting categories coded as related to information technology that were *not* in the Department of Education Information Technology section of the Long Bill. Of this amount \$1.8 million was from state fund sources (General Fund and cash funds), while the remaining \$1.2 million was from federal sources. These expenditures *add* to the spending in the information technology section (\$7.7 million requested for FY 2026-27, excluding the appropriation for "empty" spending authority).

→ SI Teacher of the Year

Request

The Department did not request an appropriation for this new line item due to the timing of H.B. 26-1175, which was introduced after the typical budget amendment timeframe.

Recommendation

Pursuant to H.B. 26-1175 (State Education Fund Reading to Ensure Academic Development Act & Colorado Teacher of the Year Program), the Teacher of the Year Program is now subject to annual appropriation from the State Education Fund, rather than an annual transfer. **The annual transfer was \$24,800. The staff recommendation is to appropriate \$24,800 instead. This amount could be reduced or eliminated, based on the changes in H.B. 26-1176.** *Staff has not included a reduction based on Department feedback that this*

program “punches above its weight” in bringing positive attention to the teaching profession and promoting teacher recruitment and retention. However, if the JBC wishes to reduce funding, Staff notes that the Department has been successful in the past soliciting donations to augment the state funds, and even at \$10,000 or \$15,000, this award could effectively celebrate outstanding Colorado teachers.

Analysis

This program was created in 2009 legislation, and a statutory transfer of \$24,800 for the program was established in 2014 legislation. Pursuant to H.B. 26-1176 (SEF for READ Act & Teacher of the Year), this structure is changed to authorize an annual appropriation from the State Education Fund for the Program.

As outlined in statute at Section 22-61.5-104, C.R.S., the program is “to honor and reward the teacher named annually as the Colorado teacher of the year....”

“(2) The state board shall adopt rules necessary for the creation and implementation of the program. Elements of the program may include, but need not be limited to, the following:

(a) The program may reward the award recipient with gifts, services, and opportunities that may include, but need not be limited to:

(I) A sabbatical from teaching responsibilities that includes moneys awarded to the award recipient’s employer for the purpose of hiring a substitute teacher during the award recipient’s sabbatical;

(II) A cash gift;

(III) Travel and lodging expenses;

(IV) A computer;

(V) Supplies and equipment for the award recipient’s classroom or school; and

(VI) The opportunity to receive additional training or education.

(b) During his or her tenure as Colorado teacher of the year, the award recipient may participate in activities that may include, but need not be limited to:

(I) Participating in local, regional, and national events related to the award recipient’s designation as Colorado teacher of the year;

(II) Promoting the teaching profession;

(III) Teaching best practices to other teachers;

(IV) Teaching temporarily in other public schools or school districts;

(V) Mentoring students in educator preparation programs and supporting newer teachers in Colorado;

(VI) Collaborating with institutions of higher education in scholarly research and teaching; and

(VII) Participating in special projects relating to education that are important to the award recipient.

The Department may spend up to 10.0 percent of the total on administration and may also accept gifts, grants, donations for the program.

The Department website for the program is located here:

<https://ed.cde.state.co.us/cdeawards/teacheroftheyear>

→ SI Fund Splits for Step Pay

The JBC has not yet taken action on funding for salary survey and step pay. However, based on further communication with the Department, staff has determined that there was a technical error in the Department's request for Step Pay for the Colorado School for the Deaf and the Blind that inflated the General Fund required. The FY 2025-26 Step Pay increase for this department included \$144,466 General Fund; the FY 2026-27 request is for \$507,163 General Fund. The difference was due to how common policy spreadsheets calculated step pay needs for part-time employees in the Colorado School for the Deaf and the Blind. *With corrections from CSDB, the step pay request for FY 2026-27 is \$82,015 General Fund (\$247,519 total funds)--\$425,148 General Fund lower.*

If the JBC approves step pay increases, staff requests permission to incorporate the correction for this department.

i Nonprioritized Requests and Common Policy

This budget section includes many items that are determined by common policy or decisions in other departments. The Committee has not yet reached decision on many common policy personal services items. Consistent with usual practice, staff will include Committee decisions in the Long Bill for this agency when those decisions are finalized. In addition to other personnel and operating common policies that have not yet been addressed, staff anticipates that the following nonprioritized items will be addressed in other figure setting packets.

- NP2-205 AI compliance will be addressed as part of figure setting for the Governor's Office of Information Technology on March 13.
- NP BA Language Access will be addressed as part of figure setting for the Department of Personnel (February 26).

Line Item Detail - (A) Administration and Centrally-Appropriated Line Items

State Board of Education

The Colorado Constitution charges the State Board of Education with the "general supervision of the public schools of the state". The Board has numerous powers and duties specified in state law. Each congressional district elects one Board member; the Board also includes on at-large member in years when Colorado has an even number of congressional districts. Members serve six-year terms without compensation but are entitled to reimbursement for any necessary expenses incurred in the performance of their duties as members. These

expenses generally include: (1) travel (in state and out of state, mileage, meals and lodging); (2) attendance at official functions; and (3) reimbursement for office related expenses.

Statutory Authority: Section 22-2-107, C.R.S.

Request: The Department requests \$598,447 General Fund and 2.5 FTE, including annualization of prior year step pay and salary survey.

Recommendation: As previously discussed, Staff recommends a reduction of \$30,000 General Fund, which reduces the \$133,250 General Fund increase the SBE received in FY 2024-25. Most of this increase which was reverted in the first year.

Management and Administration, Administration and Centrally-Appropriated Line Items, State Board of Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$591,597	\$591,597	\$0	\$0	\$0	2.5
Total FY 2025-26	\$591,597	\$591,597	\$0	\$0	\$0	2.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$591,597	\$591,597	\$0	\$0	\$0	2.5
Prior year actions	6,850	6,850	0	0	0	0.0
SI Underused appropriations	-30,000	-30,000	0	0	0	0.0
Total FY 2026-27	\$568,447	\$568,447	\$0	\$0	\$0	2.5
Changes from FY 2025-26	-\$23,150	-\$23,150	\$0	\$0	\$0	0.0
Percentage Change	-3.9%	-3.9%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$598,447	\$598,447	\$0	\$0	\$0	2.5
Staff Rec. Above/-Below Request	-\$30,000	-\$30,000	\$0	\$0	\$0	0.0

General Department and Program Administration

This line item provides funding and staff for the management and administration of a variety of education and library-related programs, and for general department administration, including human resources, budgeting, accounting, and information management. As a “program line,” This line item supports both personal services and operating expenses. The source of cash funds for this line item is general education development (GED) program fees. Sources of reappropriated funds are indirect cost recoveries.

Statutory Authority: Article IX of the State Constitution; Sections 22-2-105 through 109, C.R.S.; and much of Title 22 of the Colorado Revised Statutes.

Request: The Department requests an appropriation of \$7,532,419 and 47.6 FTE, including a decrease of \$100,000 General Fund for R8 administrative reductions, an increase of \$178,672 General Fund and 0.9 FTE for NP24-205 AI compliance, and an increase of \$55,782 General Fund and 0.5 FTE for NP BA Language Access

(Impacts driven by other agencies), as well as a total funds increase of \$267,955 for prior year salary survey and step pay (Prior year actions).

Recommendation: The staff calculation is shown in the table below. As described above, staff recommends the proposed \$100,000 reduction for R8 and prior year salary survey and step pay adjustments, consistent with common policy. The total includes the two nonprioritized items that are **pending**.

- NP2-205 AI compliance will be addressed as part of figure setting for the Governor’s Office of Information Technology on March 13.
- NP BA Language Access will be addressed as part of figure setting for the Department of Personnel (February 26).

Staff will reflect final committee action on the above items in the Long Bill. Staff also requests permission to work with Department staff to calculate the allocation of indirect cost recoveries in this line item and the associated centrally appropriated line items based on Committee common policies that are pending.

Management and Administration, Administration and Centrally-Appropriated Line Items, General Department and Program Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$7,130,010	\$3,398,673	\$189,578	\$3,541,759	\$0	46.2
Total FY 2025-26	\$7,130,010	\$3,398,673	\$189,578	\$3,541,759	\$0	46.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$7,130,010	\$3,398,673	\$189,578	\$3,541,759	\$0	46.2
Prior year actions	267,955	65,463	4,008	198,484	0	0.0
Impacts driven by other agencies	234,454	234,454	0	0	0	1.4
R8 Administrative efficiencies and reductions	-100,000	-100,000	0	0	0	0.0
Total FY 2026-27	\$7,532,419	\$3,598,590	\$193,586	\$3,740,243	\$0	47.6
Changes from FY 2025-26	\$402,409	\$199,917	\$4,008	\$198,484	\$0	1.4
Percentage Change	5.6%	5.9%	2.1%	5.6%	n/a	3.0%
FY 2026-27 Executive Request	\$7,532,419	\$3,598,590	\$193,586	\$3,740,243	\$0	47.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Grants Administration

This line item was created in FY 2024-25 as part of net \$0 reorganization of funding in this department. Funding for staff associated with administration of multiple grant programs that were previously funded in 30 other line items, as well as staff associated with three new programs created in FY 2024-25, were consolidated in this line item to limit the administrative burden on the department of charging costs associated with grants administration staff to multiple line items.

Statutory Authority: Article IX of the State Constitution; Sections 22-2-105 through 109, C.R.S.; and much of Title 22 of the Colorado Revised Statutes.

Request: The Department requests \$666,833 total funds and 0.7 FTE, including adjustments for prior year actions: an increase of \$55,377 and 0.5 FTE for S.B. 25-315 (Postsecondary Workforce Readiness), a decrease of \$3,505 and 0.1 FTE for S.B. 24-048 (Substance Use Disorder), and an increase for prior year salary survey and step pay.

Recommendation: The staff recommendation is reflected in the table below and, in addition to requested items, includes a reduction related to ending the Local Accountability Grant Program.

Management and Administration, Administration and Centrally-Appropriated Line Items, Grants Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$589,017	\$434,356	\$154,661	\$0	\$0	0.5
Total FY 2025-26	\$589,017	\$434,356	\$154,661	\$0	\$0	0.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$589,017	\$434,356	\$154,661	\$0	\$0	0.5
Prior year actions	77,816	67,201	10,615	0	0	0.4
R7 Local Accountability Grant Program reduction	-7,390	-7,390	0	0	0	0.0
Total FY 2026-27	\$659,443	\$494,167	\$165,276	\$0	\$0	0.9
Changes from FY 2025-26	\$70,426	\$59,811	\$10,615	\$0	\$0	0.4
Percentage Change	12.0%	13.8%	6.9%	n/a	n/a	80.0%
FY 2026-27 Executive Request	\$666,833	\$501,557	\$165,276	\$0	\$0	0.9
Staff Rec. Above/-Below Request	-\$7,390	-\$7,390	\$0	\$0	\$0	0.0

Health, Life, and Dental

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees.

Statutory Authority: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

Request: The Department requests \$12,981,674 total funds, including \$5,152,304 General Fund, including an increase of \$2,796,368 total funds and \$906,804 General Fund. This amount is based on Executive Branch common policy adjustments and the NP BA Language Access request.

Recommendation: The staff recommendation is **pending** Committee common policy decisions.

Short-term Disability

This line item provides funding for the employer's share of state employees' short-term disability insurance premiums.

Statutory Authority: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

Request: The Department requests \$50,109 total funds, including an increase of \$6,321 total funds, based on the Executive Branch common policy request

Recommendation: The staff recommendation is **pending** Committee common policy decisions.

Paid Family Medical Leave Insurance

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023. It finances up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024.

Statutory Authority: Section 8-13.3-516, C.R.S.

Request: The Department requests an appropriation of \$322,130 total funds, including an increase of \$40,617, based on the Executive Branch common policy request and the NP BA Language Access request.

Recommendation: The staff recommendation is **pending** Committee common policy decisions.

Unfunded Liability Amortization Equalization Disbursement Payments [*new line item name*]

This line item provides funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA). It combines the funding obligations that were included in the S.B. 04-257 Amortization Equalization Disbursement and S.B. 06-235 Supplemental Amortization Equalization Disbursement line items through FY 2023-24.

Statutory Authority: Section 24-51-411, C.R.S.

Request: The Department requests \$7,158,445 total funds, including \$3,013,279 General Fund. This includes an increase of \$902,605 total funds and \$511,692 General Fund, based on the Executive Branch common policy request and the NP BA Language Access request.

Recommendation: The staff recommendation is **pending** Committee common policy decisions.

Salary Survey

Prior to FY 2017-18, the Department used this line item to pay for annual increases for salary survey and senior executive positions for all of the Department's employees (with the exception of teachers at the School for the Deaf and the Blind). For FY 2017-18 and FY 2018-19, the Long Bill appropriation divided salary survey funding into two line items, one supporting salary increases for the Department's classified employees and one for the Department's exempt (at-will) employees. The FY 2019-20 Long Bill consolidated the line items back into a single Salary Survey line item, and this practice has continued.

Statutory Authority: Section 24-50-104, C.R.S.

Request: The Department requests \$2,249,446, including \$850,268 General Fund, based on the Executive Branch common policy request.

Recommendation: The staff recommendation is **pending** a Committee common policy decision.

Step Pay

This line item provides detail on the amount of funding appropriated to each department as a result of the step pay plan. The step pay plan took effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

Statutory Authority: Section 24-50-1101, C.R.S., et seq.

Request: The Department requests \$672,640 total funds, including \$507,163 General Fund, based on the Executive Branch common policy request.

Recommendation: The staff recommendation is **pending** a Committee common policy decision.

PERA Direct Distribution

The General Assembly added this line item to the FY 2019-20 Long Bill to provide a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200. House Bill 20-1379 (Suspend Direct Distribution to PERA for FY 2020-21) suspended the direct distribution payments for FY 2020-21. However, these appropriations returned in FY 2021-22. Amounts shown in this line item provide the PERA direct distribution directly associated with Department of Education staff and not the education system as a whole.

Statutory Authority: Section 24-51-414, C.R.S.

Request/Recommendation: The JBC common policy action for the Department of Education aligns with the Department request and is shown below.

Management and Administration, Administration and Centrally-Appropriated Line Items, PERA Direct Distribution

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,293,177	\$957,714	\$197,927	\$137,536	\$0	0.0
Total FY 2025-26	\$1,293,177	\$957,714	\$197,927	\$137,536	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,293,177	\$957,714	\$197,927	\$137,536	\$0	0.0
Employee compensation common policies	8,764	7,024	1,270	470	0	0.0
Total FY 2026-27	\$1,301,941	\$964,738	\$199,197	\$138,006	\$0	0.0
Changes from FY 2025-26	\$8,764	\$7,024	\$1,270	\$470	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	0.7%	0.7%	0.6%	0.3%	n/a	n/a
FY 2026-27 Executive Request	\$1,301,941	\$964,738	\$199,197	\$138,006	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Workers' Compensation

This line pays the Department's estimated share for inclusion in the State's workers' compensation program for state employees. This program is administered by the Department of Personnel and Administration.

Statutory Authority: Section 24-30-1510.7, C.R.S.

Request: The Department requests \$348,810, consistent with OSPB's common policies.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Workers' Compensation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$312,534	\$150,161	\$40,784	\$10,562	\$111,027	0.0
Total FY 2025-26	\$312,534	\$150,161	\$40,784	\$10,562	\$111,027	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$312,534	\$150,161	\$40,784	\$10,562	\$111,027	0.0
Operating common policies	40,345	19,384	5,266	1,363	14,332	0.0
Total FY 2026-27	\$352,879	\$169,545	\$46,050	\$11,925	\$125,359	0.0
Changes from FY 2025-26	\$40,345	\$19,384	\$5,266	\$1,363	\$14,332	0.0
Percentage Change	12.9%	12.9%	12.9%	12.9%	12.9%	n/a
FY 2026-27 Executive Request	\$348,810	\$167,590	\$45,519	\$11,788	\$123,913	0.0
Staff Rec. Above/-Below Request	\$4,069	\$1,955	\$531	\$137	\$1,446	0.0

Legal Services

This line item provides funding for the Department to purchase legal services from the Department of Law.

Statutory Authority: Sections 24-31-101 (1)(a) and 24-75-112 (1)(i), C.R.S.

Request: The Department requests \$1,444,458, including \$892,675 General Fund, based on Committee common policy.

Recommendation: The staff recommendation for the dollar amount for this line item is **pending** a Committee common policy decision regarding legal services.

Administrative Law Judge Services

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division. The appropriations for this line item consist of cash funds from the Educator Licensure Cash Fund.

Statutory Authority: Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

Request: The Department requests \$190,030 cash funds, based on OSPB common policy for administrative law judge services.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Administrative Law Judge Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$251,414	\$0	\$251,414	\$0	\$0	0.0
Total FY 2025-26	\$251,414	\$0	\$251,414	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$251,414	\$0	\$251,414	\$0	\$0	0.0
Operating common policies	-68,684	0	-68,684	0	0	0.0
Total FY 2026-27	\$182,730	\$0	\$182,730	\$0	\$0	0.0
Changes from FY 2025-26	-\$68,684	\$0	-\$68,684	\$0	\$0	0.0
Percentage Change	-27.3%	n/a	-27.3%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$190,030	\$0	\$190,030	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$7,300	\$0	-\$7,300	\$0	\$0	0.0

Payment to Risk Management and Property Funds

This line item provides funding for the Department's share of the statewide costs for two programs operated by the Department of Personnel and Administration: (1) the liability program, and (2) the property program. The state's liability program pays liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents.

Statutory Authority: Sections 24-30-1510 and 24-30-1510.5, C.R.S.

Request: The Department requests \$618,696 General Fund for this line item, based on OSPB's common policies.

Recommendation: The staff recommendation is \$627,918 General Fund and reflects Committee common policy.

Capitol Complex Leased Space

This line item supports payments to the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex.

Statutory Authority: Section 24-30-1104, C.R.S.

Request: The Department requests \$1,026,933 total funds, including \$255,018 General Fund, based on OSPB's common policies and Department request R8 which includes a reduction of \$95,013 for administrative efficiencies

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy and the staff recommendation for R8.

Management and Administration, Administration and Centrally-Appropriated Line Items, Capitol Complex Leased Space

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,288,751	\$367,293	\$234,554	\$117,276	\$569,628	0.0
Total FY 2025-26	\$1,288,751	\$367,293	\$234,554	\$117,276	\$569,628	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,288,751	\$367,293	\$234,554	\$117,276	\$569,628	0.0
Operating common policies	-177,702	-50,645	-32,342	-16,171	-78,544	0.0
R8 Administrative efficiencies and reductions	-95,013	-27,079	-17,292	-8,646	-41,996	0.0
Total FY 2026-27	\$1,016,036	\$289,569	\$184,920	\$92,459	\$449,088	0.0
Changes from FY 2025-26	-\$272,715	-\$77,724	-\$49,634	-\$24,817	-\$120,540	0.0
Percentage Change	-21.2%	-21.2%	-21.2%	-21.2%	-21.2%	n/a
FY 2026-27 Executive Request	\$1,026,933	\$255,018	\$162,856	\$81,427	\$527,632	0.0
Staff Rec. Above/-Below Request	-\$10,897	\$34,551	\$22,064	\$11,032	-\$78,544	0.0

CORE Payroll

This line item funds the Department's share of costs for the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

Statutory Authority: Section 24-30-209, C.R.S.

Request: The Department requests \$24,387 total funds, including \$10,164 General Fund, for this proposed new line item, based on OSPB's common policies.

Recommendation: The staff recommendation is **pending** a Committee common policy decision.

CORE Operations

This line item funds the Department’s share of costs for the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

Statutory Authority: Section 24-30-209, C.R.S.

Request: The Department requests \$214,577, including \$107,277 General Fund, based on OSPB’s common policies.

Recommendation: The staff recommendation is **pending** a Committee common policy. The JBC Staff common policy recommendation is for \$210,638, including \$105,307 General Fund.

Line Item Detail - (B) Information Technology

Information Technology Services

This line item provides funding and staff related to information technology support functions and includes funding and staff that were previously appropriated to the School Accountability Reports and State Data Reporting System line item, which was merged into the Information Technology Services line item in FY 2011-12.

As a program line, this line item includes funding for both personal services and operating expenses. Sources of reappropriated funds have included transfers from various line items in other sections of the budget and indirect cost recoveries.

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests \$6,169,264, including \$5,410,379 General Fund, and 37.4 FTE. The request includes the following adjustments for prior year action: a reduction of \$160,000 General Fund for FY 2025-26 R9 Student Information System, an increase of \$84,825 General Fund for the second year impact of SB 25-315 (Postsecondary Workforce Readiness); and annualization of prior year salary survey and step pay.

Recommendation: The staff recommendation is summarized in the table below. The difference between the request and recommendation is that, as previously discussed, the recommendation eliminates unused reappropriated funds spending authority in this line item.

Management and Administration, Information Technology, Information Technology Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$6,165,688	\$5,406,803	\$223,161	\$535,724	\$0	36.4
Total FY 2025-26	\$6,165,688	\$5,406,803	\$223,161	\$535,724	\$0	36.4
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$6,165,688	\$5,406,803	\$223,161	\$535,724	\$0	36.4
Prior year actions	3,576	3,576	0	0	0	1.0
SI Technical changes	-535,370	0	0	-535,370	0	-6.9
Total FY 2026-27	\$5,633,894	\$5,410,379	\$223,161	\$354	\$0	30.5

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	-\$531,794	\$3,576	\$0	-\$535,370	\$0	-5.9
Percentage Change	-8.6%	0.1%	0.0%	-99.9%	n/a	-16.2%
FY 2026-27 Executive Request	\$6,169,264	\$5,410,379	\$223,161	\$535,724	\$0	37.4
Staff Rec. Above/-Below Request	-\$535,370	\$0	\$0	-\$535,370	\$0	-6.9

Payments to OIT

This line item, created in FY 2014-15, supports various payments to the Governor’s Office of Information Technology (OIT) for services provided to the Department.

Statutory Authority: Section 24-27.5-104, C.R.S.

Request: The Department requests \$939,638, including \$693,599 General Fund, based on OSPB’s common policy.

Recommendation: The staff recommendation for this line item is **pending** a Committee common policy decision.

IT Accessibility

This line item was funded in FY 2023-24 as part of a statewide OIT request for accessibility testing and remediation, pursuant to the requirements of H.B. 21-1110 (Colorado Laws for Persons with Disabilities). There was no funding provided for FY 2025-26.

Statutory Authority: Section 24-27.5-104, C.R.S.

Request: The Department requests \$153,952 General Fund, including an increase of \$173,952 General Fund and 0.9 FTE for a non-prioritized IT Accessibility request, partially offset by a reduction of \$20,000 for the non-prioritized BA language access request.

Recommendation: The staff recommendation for this line item is **pending** Committee action on the two non-prioritized requests.

Information Technology Asset Maintenance

This line item provides funding for the Department to implement an asset management plan to achieve and maintain a standard information technology environment. Money is used to pay for critical hardware and software maintenance contracts, as well as the replacement of equipment (e.g., servers, switches, printers, or personal computers).

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests \$969,147 General Fund for FY 2026-27, with no change from the FY 2025-26 appropriation.

Recommendation: Staff recommends approving the request, consistent with common policy.

Disaster Recovery

This line item provides funding for the equipment, disks, and tapes necessary to implement a disaster recovery plan. The Department uses the funds for: equipment and supplies; offsite tape rotation; and server lease payments.

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests a continuation appropriation of \$19,722 General Fund, with no change from the FY 2025-26 appropriation.

Recommendation: Staff recommends approving the request.

Line Item Detail - (C) Special Purpose

BOCES Funding per Section 22-5-122, C.R.S.

The General Assembly created this program with an initial appropriation of \$1.3 million cash funds from the State Education Fund in H.B. 12-1345 to assist BOCES in working with partner districts to implement and meet the state's educational priorities. With the enactment of H.B. 14-1298 (School Finance), the General Assembly increased the appropriation by \$2.0 million (to a total of \$3.3 million) in FY 2014-15 and has maintained that level in subsequent years.

Statutory Authority: Section 25-2-122, C.R.S.

Request: The Department requests 3,327,275 cash funds from the State Education Fund and 1.0 FTE for FY 2026-27, with no change from the FY 2025-26 appropriation.

Recommendation: Staff recommends the request for an appropriation of \$3,327,275 cash funds from the State Education Fund and 1.0 FTE for FY 2026-27. The calculation is consistent with Committee common policy.

Interstate Compact on Educational Opportunity for Military Children

Through H.B. 08-1317 [see Sections 22-90-101 and 24-60-3401, C.R.S.], the General Assembly approved and ratified and authorized the Governor to enter into the Interstate Compact on Educational Opportunity for Military Children on behalf of the State. This compact was developed by the Council of State Governments. The Military Interstate Children's Compact Commission (MIC3) is a separate, non-profit entity based in Lexington, Kentucky. All 50 states have now adopted the Compact. Member states agree, as part of the Compact, to pay an annual assessment to cover the cost of the operations and activities of the Commission.

The Compact is intended to remove barriers to educational success that children of military families experience due to either frequent moves and/or the deployment of their parents. The Compact provides for uniform treatment of military children transferring between school districts and states. Specifically, the Compact addresses the following issues facing children of active duty service members, of members who die on active duty, and of veterans:

- Enrollment - educational records, immunizations, and kindergarten and 1st grade entrance age

- Placement and Attendance - course and educational program placement, special education services, placement flexibility, and absence related to deployment activities
- Eligibility - eligibility for student enrollment and extracurricular activities
- Graduation - waiving course requirements if similar courseware has been completed; flexibility in accepting state exit and end-of-course exams, national achievement tests, or alternative testing in lieu of graduation testing requirements; and allowing a student to receive a diploma from a sending school district

Statutory Authority: Sections 22-90-101 and 24-60-3401, C.R.S.

Request: The Department requests \$32,921 cash funds from the State Education Fund for FY 2026-27, including an increase of \$11,623 from the State Education Fund for BA7 Military Interstate Children’s Compact.

Recommendation: Staff recommends the request, including the requested increase, as previously discussed.

Teacher of the Year [new line item]

This program was created in 2009 legislation, and the current statutory transfer amount for the program was established in 2014 legislation. Through FY 2025-26, statute required an annual transfer from the State Education Fund of \$24,800 to the continuously-appropriated Colorado Teacher of the Year Fund. Pursuant to H.B. 26-1176, this structure is changed to authorize an annual appropriation from the State Education Fund for the Program. The Department may spend up to 10.0 percent on administration.

As outlined in statute., the program is “to honor and reward the teacher named annually as the Colorado teacher of the year....”, and provides funding that may be used for a recipient sabbatical, cash gift, travel, and other uses. During the recipient’s tenure, the recipient may participate in various events to promote teaching and support education.

The Department website for the program is located here:

<https://ed.cde.state.co.us/cdeawards/teacheroftheyear>

Statutory Authority: Section 22-61.5-104, C.R.S

Request: The Department did not include a request for this line item for FY 2026-27, because the change in the funding structure is included in the supplemental budget package in the 2026 legislative session.

Recommendation: Staff recommends \$24,800 from the State Education Fund, as previously discussed.

Line Item Detail - (D) Indirect Cost Assessment

Pursuant to the Committee’s common policy to improve the transparency of the treatment of indirect costs, the FY 2013-14 Long Bill included a new subdivision and line item to reflect indirect cost assessments from the various subdivisions and line items in the Management and Administration division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management Administration division for the General Department and Program Administration line item and a variety of centrally appropriated line items.

Statutory Authority: Sections 24-31-101 and 102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$967,042 total funds (including \$591,523 cash funds and \$375,519 federal funds) for FY 2026-27, with no change from the FY 2025-26 amount.

Line Items from Prior Years

The line items below are included in the numbers pages due to appropriations in FY 2022-23 or FY 2023-24. The Department does not request, and staff does not recommend, appropriations for these line items for FY 2025-26.

S.B. 04-257 Amortization Equalization Disbursement

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA). It was consolidated into a new line item in FY 2024-25.

Statutory Authority: Section 24-51-411, C.R.S.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA. It was consolidated into a new line item in FY 2024-25.

Statutory Authority: Section 24-51-411, C.R.S.

Leased Space

The General Assembly added this line item to the FY 2015-16 Long Bill to support all of the Department's appropriations for the purchase of leased space outside of the Capitol Complex. The Department ceased leasing commercial space beginning in FY 2024-25.

Statutory Authority: Section 22-2-112, C.R.S.

Secondary School Student Substance Use Committee

House Bill 23-1009 created the Secondary School Student Substance Use Committee to identify practices that identify substance abuse in secondary schools and connect students to resources. The bill included a one-time appropriation of \$49,950 General Fund for FY 2023-24. Statutory provisions repealed July 1, 2025.

Reprinting and Distributing Laws Concerning Education

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs. Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund. Pursuant to H.B. 10-1369, the revenue source was changed to interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund. The printing requirement was repealed, effective FY 2025-26, in S.B. 25-216 (Eliminate Printing of Education Laws).

Statutory Authority (repealed): Section 22-2-112 (1)(i), C.R.S.

Colorado Student Leaders Institute

The Colorado Student Leaders Institute is a competitive residential summer academic program for students who are entering tenth or eleventh grade in the coming fall semester. The institute operates at the University of Colorado at Denver for four weeks each summer during which time participating students attend college level classes and enrichment activities. The program was created as a pilot in the Lieutenant Governor's Office in 2015 and moved to the Department of Higher Education in FY 2017-18. The program was reauthorized during the 2019 session through S.B. 19-137 and the appropriation structure modified to provide a direct General Fund appropriation. Senate Bill 23-086 moved the program from the Department of Higher Education to the Department of Education, effective FY 2023-24. This statutory provision was repealed, effective FY 2025-26, in S.B. 25-215 (Repealing Colorado Student Leaders Institute).

Statutory Authority (repealed): Section 22-106-101 through 105, C.R.S.

Temporary Employees Related to Authorized Leave

This item was originally created and added as a statewide compensation policy for FY 2022-23. The line item provided backfill support for staff taking leave for family or medical reasons, so that the Department can fill a vacant position with a temporary replacement. It was eliminated in FY 2025-26, based on Committee common policy.

(2) Statewide Assessment Program

This division consists of a single line item that includes all funding for the statewide assessment program. This includes content coordination and purchase of the statewide exams delivered to Colorado students in elementary, middle, and high school.

Statewide Assessment Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
Total FY 2025-26	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
R6 Restructuring social studies assessment	0	0	0	0	0	0.0
SI Statewide assessment program	-158,019	0	-128,672	0	-29,347	0.0
Prior year actions	72,582	0	22,714	0	49,868	0.0
Total FY 2026-27	\$32,905,783		\$25,073,180	\$0	\$7,832,603	19.9
Changes from FY 2025-26	-\$85,437	\$0	-\$105,958	\$0	\$20,521	0.0
Percentage Change	-0.3%	0.0%	-0.4%	0.0%	0.3%	0.0%
FY 2026-27 Executive Request	\$32,830,529	\$0	\$24,968,579	\$0	\$7,861,950	19.9
Staff Rec. Above/-Below Request	\$75,254		\$104,601	\$0	-\$29,347	0.0

Background: Pursuant to H.B. 93-1313 and subsequent legislation, the Department developed educational model content standards in twelve subject areas and, each year since 1997, has administered student assessments in several subject areas and grades. The costs associated with administering the assessments include initial and ongoing development of the exams, printing and mailing of the exams (for paper versions), teacher training related to exam administration, scoring, and score reporting. The total cost of assessments thus directly relates to the number of subject areas and grade levels assessed each year.

Federal No Child Left Behind and Assessments through 2010: The federal No Child Left Behind Act, passed by Congress in December 2001, required Colorado to implement four new assessments: mathematics assessments for third and fourth grade students; a science assessment for third, fourth or fifth grade students; and a science assessment for tenth, eleventh, or twelfth grade students. House Bill 03-1306 [Section 22-7-409 (1) (g), C.R.S.] required the Department to develop and administer these four new assessments if the State received sufficient moneys from the federal government through the No Child Left Behind Act.

Senate Bill 08-212 [Section 22-7-1001 et seq., C.R.S.] expanded and connected instructional standards and assessments from preschool into college. The act required Colorado expand and revise P-13 standards to incorporate 21st Century skills, reflect postsecondary workforce readiness (PWR), and be internationally competitive new assessments which measure the newly adopted standards. As required by the act, the State

Board of Education adopted new academic standards in 2009, conducted a PWR assessments pilot program, and approved the attributes of a new statewide assessment system that would align with the new standards. The adopted standards include the national "Common Core" standards, an effort initiated and managed by the National Governor's Association. However, Colorado's standards also go beyond the Common Core by including: (1) additional content areas beyond English language arts and mathematics; and (2) additional expectations within each content area that is covered by the Common Core.

Development of Current Suite of Assessments – CSAP to CMAS: The adoption of new standards required the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., required the State Board to adopt a new system of assessments "on or before December 15, 2010, or as soon thereafter as fiscally practicable." After an extensive public participation process, the State Board adopted a framework of assessment attributes in December 2010. Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards, the Department discontinued use of the CSAP, and used a temporary assessment (Temporary Colorado Assessment Program, or TCAP) for reading, writing, and mathematics in spring 2012, 2013, and 2014.

Colorado then moved forward with a new set of assessments, titled the Colorado Measures of Academic Success (CMAS). Between FY 2013-14 and FY 2016-17, Colorado rolled out new exams, including state-specific science and social studies assessments. Science assessments are now mandated once in elementary school and once in middle school, while social studies are now administered on a sample basis only (currently once, in middle school). For mathematics and English language arts, Colorado first worked as a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC), and then transitioned to more Colorado-specific exams. In subsequent years, CMAS exams in mathematics and English Language Arts for 9th, 10th and 11th graders were replaced by college entrance preparation exams for 9th and 10th graders and a college entrance exam for 11th graders.

COVID-19 Response: House Bill 21-1161 allowed for the temporary reduction of assessments in response to the COVID-19 pandemic. The bill specified that, for FY 2020-21, if allowed by federal authorities, the Department could suspend the English Language Arts assessment in grades four, six and eight; suspend the mathematics assessment for grades three, five, and seven; and suspend social science and social studies assessments.

Testing Regimen for FY 2021-22 through FY 2026-27: The usual testing regimen was reinstated beginning in FY 2021-22. Although it has not been dramatically changed, there have been some modifications.

2023 Session: The General Assembly adopted H.B. 23-1241 (Accountability, Accreditation, Student Performance, and Resource Inequity Task Force). The bill created a 26-member task force in the Colorado Department of Education to study and make recommendations concerning best practices and improvements to the public school accountability and accreditation system.

2024 Session: The General Assembly adopted S.B. 24-070 (Remote Testing and Online Education Programs), which changes the testing system for students in online schools. Beginning in FY 2025-26, the bill allows an online school or program to administer state assessment remotely to students in their regular setting of instruction. Online students must take the assessment at a specific time, attend a synchronous session with other online students, and be video monitored by an assessment proctor of the online school.

2025 Session: The General Assembly adopted H.B. 25-1278 (Education Accountability System), responding to the recommendations from the H.B. 23-1241 Task Force.⁴ Among its many provisions, the bill addresses the following areas.

- *Assessments:* The bill eliminates paper-pencil format for state assessments (providing \$450,000 per year in savings that were offset by other provisions in the bill). It requires changes for assessing students with disabilities that involve dividing state assessments into shorter sections with age-appropriate time frames. It also requires the Department to administer assessments in languages other than English when (1) the number of students with a specific language background reaches at least 1,500 students statewide within an assessed grade level; and (2) requires reading and writing assessments in Spanish for grades 5-8 when English language learners who receive instructional reading and writing services in Spanish reaches 1,500 within an assessed grade level.⁵ Recent data from the Department indicates that these tests are unlikely to be required in the near future.⁶
- *Performance Frameworks:* Requires multiple changes to how the Department calculates various school performance indicators, including student academic achievement and postsecondary workforce readiness, that are expected to take effect for SY 2027-28.
- *Aggregating and Presenting Data:* Includes changes to how student data is aggregated in assessing school performance, and requires further work from technical advisory groups and stakeholders on aggregation and presentation of school performance data.
- *School Improvement:* Creates a multi-year pathway plan for school improvement for local education providers and the Charter School Institute and clarifies anticipated department support for schools.
- *Future work:* The bill includes various provisions to support ongoing efforts to improve school assessment and school performance.

The following table shows the planned assessments for FY 2026-27 by grade level based on current law, as well as the current federal requirements under the Every Student Succeeds Act.

Anticipated FY 2026-27 Statewide Assessment Schedule

Grade	Colorado State Assessment Requirements	Every Student Succeeds Act Federal Requirements
3	English language arts, including Spanish language arts math	reading/language arts math
4	English language arts, including Spanish language arts math social studies (sampled once in elementary)	reading/language arts math
5	English language arts	reading/language arts

⁴In addition to the legislative bill description, see: https://www.cde.state.co.us/accountability/hb251278_education_accountability_system#:~:text=Refines%20the%20posts econdary%20and%20workforce,a%20variety%20of%20stakeholder%20groups.

⁵ Earlier versions of the bill, which required assessments to be translated into additional languages when requested and required Spanish language assessments be available in grades 5-8, added \$4.0 to \$5.0M per year in additional costs.

⁶ While some figures were greater in FY 2024-25, in FY 2025-26 there are no more than 308 students in a grade level who would trigger the Spanish language assessments for grades 5-8, and no more than 181 English language learners in a grade level with the same language background other than English or Spanish.

Grade	Colorado State Assessment Requirements	Every Student Succeeds Act Federal Requirements
	math science	math science (in grades 3, 4, or 5)
6	English language arts math	reading/language arts math
7	English language arts math social studies (sampled once in middle school)	reading/language arts math
8	English language arts math science	reading/language arts math science (6, 7, 8, or 9)
9	reading: aligned to CAS and grade 10 math: aligned to CAS and grade 10	
10	reading: aligned to CAS and college entrance math: aligned to CAS and college entrance	
11	College entrance: reading/writing College entrance: math science	reading/language arts (9, 10, 11, or 12) math (9, 10, 11, or 12) science (10, 11, or 12)
K-12	English Language Proficiency	English Language Proficiency

*The Department also administers alternate assessments for children with the most significant cognitive disabilities who are unable to participate in CMAS/PSAT/SAT, even with accommodations. Alternate assessments are administered in the same grades and subjects as the general state assessments. The Department utilizes federal special education funding (IDEA Part B) to pay for the development and administration of some alternate assessments, including English language arts and math.

→ R6 Restructure social studies assessment/ SI Alternative to eliminate assessment [legislation]

Request

The Governor requests a reduction of \$233,273 cash funds from the State Education Fund to restructure the social studies assessment. The proposal is to move from a sampling basis for testing for fourth grade elementary and seventh grade middle school students to testing all students annually in seventh grade. This would remove a testing requirement in the fourth grade while expanding testing in the seventh grade.

Recommendation

The State Board of Education has recommended eliminating the social studies assessment entirely, which would provide annual savings -\$830,000 cash funds from the State Education Fund. Staff is supporting the State Board of Education proposal on the grounds that it provides greater savings. Further, staff believes that additional changes to make the social studies assessment more meaningful (e.g., by including it in the state accountability

standards process) would drive significant additional effort and cost. The SBE does not appear to be interested in this; and staff is not aware of any related legislative interest.

Staff recognizes that there are reasonable policy arguments on both sides of this debate, and has included some contextual information below. As the Committee is aware, debates about assessments typically focus on the following points:

- What gets measured gets done: If leaders believe social studies are important, creating a consistent testing structure will help ensure that state standards are actually used in instructing students
- Testing takes time and resources that could be better spent on instructing students in the classroom

State Board of Education discussions have also highlighted:

- Social studies are not part of the required federal minimum assessment requirements; and
- Social studies are not part of the state’s accountability framework.

Because both the State Board of Education and Governor proposals require legislation, the staff recommendation for the Long Bill does not include an associated reduction. **Regardless of whether JBC members are interested in eliminating the social studies assessment or strengthening it, e.g., by mandating it for all seventh graders, staff believes that a bill on this topic may be better handled outside of the JBC.**

Analysis

Actions by the State Board of Education v. Governor: The State Board of Education voted in favor of eliminating the Social Studies Assessment requirement in its review of budget proposals in August 2024, but the Governor’s Office did not include this item in the request. The presentation to the State Board of Education emphasized that because the social studies test is administered on a sample basis only, it offers little insight into school performance. It also is not part of any state or federally-mandated accountability component. The Governor’s Office has proposed, as an alternative, to administer a test consistently to one grade level (seventh grade).

Current Statutory Framework: Section 22-7-1006.3, C.R.S., requires the Department administer a state assessment in social studies to students enrolled in public elementary and middle schools throughout the State. It specifies that the Department shall administer the social studies assessment in a representative sample of public schools each year, ensuring that it administers the assessment in each school at least once every three years. The social studies assessment was briefly paused during the pandemic began again during the 2024 - 2025 school year. The assessment is not federally required nor used in the state performance framework calculations. House Bill 20-1135 eliminated the requirement for a school social studies assessment in high school but retained the elementary/middle school sample requirement.

Current State Social Studies Standards: State standards are based on requirements established by the General Assembly in statute⁷, including provisions outlined in legislation that require certain content related to civics education, media literacy, financial literacy, holocaust and genocide studies, and black historical and cultural studies. The State Board of Education is responsible for establishing and reviewing P-12 educational standards

⁷ Sections 22-1-104, 104.3, 104.5, 104.7, 104.9, C.R.S.; Section 22-7-1005, C.R.S.

on a six year cycle. It is also required to adopt a system of assessments that are aligned with the preschool through elementary and secondary education standards.⁸

Colorado’s social studies standards, last approved in 2022, may be found at the following link:

<https://www.cde.state.co.us/cosocialstudies/cas-ss-standards-p12-2022>

The state standards incorporate five areas:

- History
- Geography
- Economics
- Civics
- Personal Financial Literacy⁹

For preschool and each grade level, the standards outline student expectations and evidence outcomes. For example, by grade 7 (the grade proposed by the Governor for mandatory testing), the standards state that Prepared Graduates:

1. Apply the process of inquiry to examine and analyze how historical knowledge is viewed, constructed, and interpreted.
2. Analyze historical time periods and patterns of continuity and change, through multiple perspectives, within and among cultures and societies.
3. Apply geographic representations and perspectives to analyze human movement, spatial patterns, systems, and the connections and relationships among them.
4. Examine the characteristics of places and regions, and the changing nature among geographic and human interactions.
5. Evaluate how scarce resources are allocated in societies through the analysis of individual choice, market interaction, and public policy
6. Express an understanding of how civic participation affects policy by applying the rights and responsibilities of a citizen.
7. Analyze the origins, structures, and functions of governments to evaluate the impact on citizens and the global society.
8. Apply economic reasoning skills to make informed personal financial decisions

Sample CMAS social studies tests may be found here: <https://download.pearsonaccessnext.com/co/co-practicetest.html?links=1>

⁸ Sections 22-7-1005 and 1006, C.R.S.

⁹ H.B. 25-1192 requires that each school board incorporate financial literacy standards into a course that is required for high school graduation.

Colorado’s approach to social studies standards is built on the “College, Career, and Civic Life (C3)” Framework. The framework is a collaborative effort involving multiple states and national content organizations, coordinated by the National Council for the Social Studies. As of 2023, 38 states were using elements of the framework.¹⁰

While many states have social studies standards, federal data indicates that *Colorado is one of very few states in the nation that conducts any statewide social studies assessments*. Most states that have such assessments limit the content to U.S. civics and U.S. history.¹¹ Further, very few states use social studies as part of their accountability frameworks. According to the American Institutes of Research, as of 2017, 8 states (23.0 percent) used social studies performance as part of their accountability metrics.¹² The map at this [link](#)¹³ provides additional information by state on social studies graduation requirements by state.

Time Currently Spent on Testing: A Department presentation¹⁴ to the State Board of Education on February 5, 2026, emphasized that current Colorado testing requirements (time actually spent in tests) represent 1% or less of annual instructional time. The Department has also noted that H.B. 25-1278 (Education Accountability System) included requirements for further study of state testing requirements that is due November 1, 2026 and that address, among other issues, shortening statewide assessments and implementing adaptive assessment technology.

Students spend approximately 1% or less of annual instructional time on state assessments

Grade(s)	Available Testing Time	Number of Units/Test
3, 4, 6, 7 (ELA and Math)	7 hours, 45 minutes*	3 ELA Units; 3 Math Units
5 and 8 (ELA, Math, and Science)	11 hours	3 ELA Units; 3 Math Units; 3 Science Units
9 (PSAT)	2 hours, 14 minutes	2 Reading/Writing Units; 2 Math Units
10 (PSAT)	2 hours, 14 minutes	2 Reading/Writing Units; 2 Math Units
11 (SAT, CMAS Science)	3 hours, 54 minutes	2 Reading/Writing Units; 2 Math Units; 2 Science Units
Sampled 4 th and 7 th grade (1/3 of schools)	1 hour, 5 minutes	1 Social Studies Unit

What would it take to make social studies assessment more impactful? As noted above, social studies is not part of the federal or state accountability system. If the State wished to focus the educational system more on social studies education, *social studies could be incorporated into the statewide accountability structure, as*

¹⁰ S.G. Grant et. al., The State of the C3 Framework: An Inquiry Revolution in the Making, Social Education, National Center for the Social Studies, 2023. <https://www.socialstudies.org/system/files/2023-12/se-870623361.pdf#:~:text=In%202020%2C%20with%20our%20colleague%20Ryan%20New%2C,more%20states%20have%20joined%20the%20inquiry%20fold.>

¹¹ Federal National Center for Education Statistics, 2018. https://nces.ed.gov/programs/statereform/tab2_16.asp

¹² American Institutes of Research, 2017. [https://www.air.org/sites/default/files/Summary%20of%20State%20Accountability%20Snapshots_rev-Dec-2017.pdf#:~:text=Fewer%20states%20opted%20to%20integrate%20test%20results,8%20states%20\(23%25\)%20use%20social%20studies%20performance.](https://www.air.org/sites/default/files/Summary%20of%20State%20Accountability%20Snapshots_rev-Dec-2017.pdf#:~:text=Fewer%20states%20opted%20to%20integrate%20test%20results,8%20states%20(23%25)%20use%20social%20studies%20performance.)

¹³ <https://www.air.org/social-studies-standards-map>

¹⁴ <https://go.boarddocs.com/co/cde/Board.nsf/Public>

occurs for English language arts, math, and science tests. This could be accomplished, but it would raise other concerns:

- Administratively, including a new assessment in the state accountability structure would require a significant lift from the Department, the State Board of Education, and potentially the General Assembly. If Colorado moved in this direction, it would be charting new ground, since few states do this.
- The state’s current accountability system has a significant focus on *growth* and thus comparing results for the same students across years. This is currently only an option for reading and math, but not for science (which is not tested in consecutive years). To measure growth for social studies (or science), the State would need to add at least one additional year of testing.
- As the Committee knows, social studies standards often attract political attention, which could create unique challenges, *e.g.*, with respect to the level of legislative and public input.

i Pending Recommendation – Online Assessments

Option: This option would eliminate requirements added in S.B. 24-070 authorizing funding for remote online testing, reducing required expenditures from the State Education Fund by \$938,500 annually.

Key Considerations: About 3.5 percent of K-12 students (about 32,000) are enrolled in online schools. Historically, these students participated at a very low rate in CMAS assessments for which they had to go to a testing center. It is uncertain how many students will participate in the new online option.

The state-funded cost for providing online remote testing has been double the fiscal note estimate because the State received no related federal funding.

The State has very little insight into the quality of online education programs. **If** online students participate in statewide testing legislation, the State will be better positioned to evaluate these schools and hold them accountable. The first online testing will occur in spring 2026.

Additional Background: During the 2024 session, the General Assembly adopted S.B. 24-070 (Remote Testing and Online Education Programs) which changes the testing system for students in online schools. Beginning in FY 2025-26, the bill allows an online school or program to administer state assessments remotely to students in their regular setting of instruction. Online students must take the assessment at a specific time, attend a synchronous session with other online students, and be video monitored by an assessment proctor of the online school.

Students in online schools have historically participated in state testing at rates far below students in brick and mortar schools. CDE has reported that only 23 percent of students in online schools take the CMAS (compared to 91 percent at brick-and-mortar schools, and related to this, 48 percent of online schools receive “insufficient state data” rating.¹⁵ Because of this, the quality of online education, as well as the cost, is a significant question for the State.

¹⁵ <https://content.leg.colorado.gov/sites/default/files/CDE%202026%20SMART%20Act%20Hearing%20-%20Deck%20%281%29.pdf>

CMAS tests are typically administered in April, but test results are not usually available until June. It is unclear whether data about participation in the 2026 exams will be available before the end of the legislative session.

→ SI Cost Adjustment for Statewide Assessment Program

Request

The Department did not submit a formal request for a funding change, but updated data provided by the Department indicates that funding for this program should be adjusted.

Recommendation

The total recommendation for the Statewide Assessment Program line item is \$32,905,783 total funds and 19.9 FTE, including \$25,073,180 cash funds from the State Education Fund and the balance from federal fund. The total includes a net decrease of \$85,437 total funds, including a net reduction of \$105,958 cash funds from the State Education Fund.

The request and recommendation include increases to annualize prior year salary survey and step pay; but these are offset by a net reduction of \$158,019 total funds, including a reduction of \$128,672 SEF cash funds. The reductions are driven primarily by a decline in the cost for college entrance tests (to \$35 per test from \$42), partially offset by increases in costs for other exams, including costs for developing, reporting, and scoring the CMAS math and English language arts exams.

Summary of FY 2026-27 Recommendation for Statewide Assessment Program Line Item

Description	FY 2025-26 Appropriation	FY 2026-27 Request	Annual Change	Annual Change
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	\$12,598,785	\$12,825,350	\$226,565	1.8%
Cash Funds - State Education Fund	\$10,661,370	\$10,901,548	\$240,177	2.3%
Federal Funds	\$1,937,415	\$1,923,803	(\$13,612)	-0.7%
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Colorado alternate assessments	\$950,000	\$950,000	\$0	0.0%
Federal Funds	\$950,000	\$950,000	\$0	0.0%
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	\$6,225,935	\$6,299,587	\$73,652	1.2%
Cash Funds - State Education Fund	\$5,914,638	\$5,984,608	\$69,969	1.2%
Federal Funds	\$311,297	\$314,979	\$3,683	1.2%
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	\$1,784,143	\$1,765,123	(\$19,020)	-1.1%
Cash Funds - State Education Fund	\$1,070,486	\$1,059,074	(\$11,412)	-1.1%
Federal Funds	\$713,657	\$706,049	(\$7,608)	-1.1%

Description	FY 2025-26 Appropriation	FY 2026-27 Request	Annual Change	Annual Change
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English language proficiency assessment	\$3,124,135	\$3,105,967	(\$18,168)	-0.6%
Cash Funds - State Education Fund	\$1,093,447	\$1,087,088	(\$6,359)	-0.6%
Federal Funds	\$2,030,688	\$2,018,879	(\$11,809)	-0.6%
VI. College Entrance Suite: SAT for 11th grade students and PSAT for 9th and 10th grade students - Cash Funds (State Education Fund)	\$4,044,864	\$3,595,598	(\$449,266)	-11.1%
VII. Spanish Language Arts:	\$1,696,091	\$1,724,309	\$28,218	1.7%
Cash Funds - State Education Fund	\$1,696,091	\$1,724,309	\$28,218	1.7%
Federal Funds	\$0	\$0	\$0	0.0%
VIII. Administration: Staff and operating expenses	\$2,567,267	\$2,639,849	\$72,582	2.8%
FTE	19.9	19.9	\$0	0.0%
Cash Funds - State Education Fund	\$698,242	\$720,956	\$22,714	3.3%
Federal Funds	\$1,869,025	\$1,918,893	\$49,868	2.7%
Adjustment to Align with Request - Cash Funds	\$0		\$0	
Total	\$32,991,220	\$32,905,783	(\$85,437)	-0.3%
FTE	19.9	19.9	\$0	0.0%
Cash Funds - State Education Fund	\$25,179,138	\$25,073,180	(\$105,958)	-0.4%
Federal Funds	\$7,812,081	\$7,832,602	\$20,521	0.3%

Line Item Detail – Statewide Assessment Program

Statewide Assessment Program

This division includes only one line item, which encompasses all parts of the statewide assessment program, described in the table above.

Statutory Authority: Section 22-7-1006.3, et. seq., C.R.S.

Request/Recommendation: The request and recommendation are summarized below. The difference between the two is that: (1) the request included savings related to a statutory change which cannot be included in the Long Bill; and (2) the recommendation includes updated data on program costs.

Statewide Assessment Program, Statewide Assessment Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
Total FY 2025-26	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$32,991,220	\$0	\$25,179,138	\$0	\$7,812,082	19.9
Prior year actions	72,582	0	22,714	0	49,868	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R6 Restructuring social studies assessment	0	0	0	0	0	0.0
SI Statewide assessment program	-158,019	0	-128,672	0	-29,347	0.0
Total FY 2026-27	\$32,905,783	\$0	\$25,073,180	\$0	\$7,832,603	19.9
Changes from FY 2025-26	-\$85,437	\$0	-\$105,958	\$0	\$20,521	0.0
Percentage Change	-0.3%	n/a	-0.4%	n/a	0.3%	0.0%
FY 2026-27 Executive Request	\$32,830,529	\$0	\$24,968,579	\$0	\$7,861,950	19.9
Staff Rec. Above/-Below Request	\$75,254	\$0	\$104,601	\$0	-\$29,347	0.0

(3) School District Operations

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts. The following table summarizes staff’s recommendation for the Assistance to Public Schools division.

This presentation addresses solely the following subdivisions:

- Federal and Other Direct Support
- Nutrition
- Capital Construction
- Indirect Cost Assessment

Only the highlighted items are addressed in this packet. Because of the scale of the school finance component of this division, staff has included subdivision tables for those subdivisions addressed in this packet in separate Overview subsections.

School District Operations

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$7,217,370,411	\$4,554,997,948	\$1,852,878,003	\$357,397	\$809,137,063	228.2
Long Bill supplemental	-\$1,400,000	\$0	-\$1,400,000	\$0	\$0	0.0
Total FY 2025-26	\$7,215,970,411	\$4,554,997,948	\$1,851,478,003	\$357,397	\$809,137,063	228.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$7,215,970,411	\$4,554,997,948	\$1,851,478,003	\$357,397	\$809,137,063	228.2
R1/BA1 State share of total program	206,745,824	50,000,000	156,745,824	0	0	0.0
R2/BA2 Categorical programs increase	18,496,605	0	18,496,605	0	0	0.0
R4 BEST assessment IT system	179,195	0	179,195	0	0	0.0
BA4 HSMA program balancing	38,890,870	0	38,890,870	0	0	1.7
SI Charter School Facilities Assistance	956,128	0	956,128	0	0	0.0
SI Indirect cost adjustments	525,469	0	525,469	0	0	0.0
SI Legacy nutrition programs	24,271	588,940	-564,669	0	0	-0.4
SI BEST cash grants	-11,584,360	0	-11,584,360	0	0	0.0
Prior year actions	-1,246,993	177,401	-2,022,082	0	597,688	1.1
Total FY 2026-27	\$7,468,957,420	\$4,605,764,289	\$2,053,100,983	\$357,397	\$809,734,751	230.6
Changes from FY 2025-26	\$252,987,009	\$50,766,341	\$201,622,980	\$0	\$597,688	2.4
Percentage Change	3.5%	1.1%	10.9%	0.0%	0.1%	1.1%

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$7,507,504,613	\$4,605,175,349	\$2,092,237,116	\$357,397	\$809,734,751	231.0
Staff Rec. Above/-Below Request	-\$38,547,193	\$588,940	-\$39,136,133	\$0	\$0	-0.4

Overview & Requests - (C) Federal and Other Direct Support

This subdivision reflects federal funding anticipated to be received by the Department and cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies.

No changes are requested or recommended.

Federal and Other Direct Support

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Total FY 2025-26	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Prior year actions	200,572	0	0	0	200,572	0.0
Total FY 2026-27	\$260,703,874	\$0	\$7,503,302	\$0	\$253,200,572	61.3
Increase/-Decrease from FY 2026-27	\$200,572	\$0	\$0	\$0	\$200,572	0.0
Percentage Change	0.1%	n/a	0.0%	n/a	0.1%	0.0%
FY 2026-27 Executive Request	\$260,703,874	\$0	\$7,503,302	\$0	\$253,200,572	61.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Overview & Requests - (D) Nutrition

Background – Nutrition Programs. Beginning in FY 2023-24, Colorado began providing universal school meals for students using a combination of the National School Lunch and School Breakfast Programs, older state-funded programs, and the voter-authorized Healthy School Meals for All Public School Students program. These programs are described below. The Department operates the programs through agreements with local school food authorities (usually school districts).

Federal Nutrition Programs: The largest source of funding for school meals is the federal National School Lunch Program and School Breakfast Program.¹⁶ Federal nutrition programs provide low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential childcare

¹⁶ Nearly \$300 million spent from this source in FY 2024-25, with \$340 million projected for FY 2025-26.

institutions that participate in the program receive federal cash subsidies and donated commodities from the U.S. Department of Agriculture for each meal served. In return, they must serve meals that meet federal nutrition requirements. Schools are reimbursed for meals through one of two mechanisms: the community eligibility provision or student income eligibility.

Community Eligibility Provision: Currently, the majority of Colorado public schools are reimbursed for meals through the Community Eligibility Provision (CEP) following direction from the Colorado Department of Education on how to maximize federal reimbursements.

In schools that are participating in CEP, funding is based on the percentage of students in the school or group of schools whose families receive public benefits such as food assistance and Medicaid (the “identified student percentage” or ISP) multiplied by 1.6. Reimbursement at these schools is based on the free meal rate, and the schools must offer both free breakfast and free lunch for all students in the qualifying schools.

Income Eligibility: Schools that are not participating in the Community Eligibility Provision must offer free or reduced price meals to eligible children based on the following eligibility criteria:

Free meals: Families with incomes below 130% of the federal poverty level are eligible.

Reduced price meals: Families with incomes between 130% and 185% of the federal poverty guidelines are eligible.

In these schools, families are asked to complete a meal application to determine eligibility for free or reduced price meals.

Healthy School Meals for All: The State’s Healthy School Meals for All program wraps-around the funding provided from federal nutrition programs to allow school food authorities to offer free meals to all public school students.

During the 2022 legislative session, the General Assembly adopted H.B. 22-1414, which referred a measure to the voters to authorize and fund free meals for all students on an ongoing basis. Voters adopted the referred measure, Proposition FF, in November 2022. Statutory provisions added in Section 22-82.9-201 through 209, C.R.S., create the Healthy School Meals for All Program (HSMA). Statutory provisions added in Section 29-22-104 (p.5), C.R.S., establish a funding mechanism for the program through a change in income tax deductions for filers with incomes greater than \$300,000. The state program is designed to “wrap around” existing federal free meal programs.

In the first few years of the program, demand was far greater than originally projected, and revenue estimates fluctuated dramatically. The General Assembly adopted large supplemental funding adjustments for FY 2023-24 and FY 2024-25 and subsidized the program with the State Education Fund. The fiscal challenges prompted the JBC to sponsor H.B. 24-1390 (School Food Programs) and S.B. 25-214 (Healthy School Meals for All) to delay implementation of grant and wage enhancement provisions and restrict the program to available revenue going forward.

The program’s fiscal challenges also prompted the General Assembly to refer measures to the voters through H.B. 25-1274 (Healthy School Meals for All Program) to increase available revenue. In July 2025, changes to federal tax law led to significant increases in projected program revenue, and in August 2025, the General Assembly modified one of the referred measures through S.B. 25B-003 to expand the potential uses of program revenue to the Supplemental Nutrition Assistance Program (SNAP).

In November 2025, voters adopted the referred measures, Propositions LL and MM, adding revenue for the HSMA program, facilitating funding for universal free meals and the HSMA grant and wage stipend programs, and expanding uses of the funds to SNAP. The measures further reduce income tax deductions for filers with incomes greater than \$300,000. Adoption of Propositions LL and MM also triggered various statutory provisions in H.B. 25-1274, including a requirement for annual transfers *from* the State Education Fund to an HSMA account that is based on the additional SEF revenue generated by Proposition MM.

The program appears to be on a solid financial footing for the near term, although changes in federal tax law, federal school nutrition policy and funding, and federal public benefits policy may affect program finances in future years.

Legacy Nutrition Programs: Under the legacy Colorado Start Smart Nutrition Program and Child Nutrition School Lunch Protection Programs, the State reimburses school districts for the difference between federal reimbursements for free meals versus reduced price meals, so that students who qualify for reduced price meals are not required to pay for them. This reimbursement has become a small component of state support due to the Healthy School Meals for All Program.

Nutrition

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$487,325,742	\$334,995	\$148,655,141	\$0	\$338,335,606	22.3
Long Bill supplemental	-1,400,000	0	-1,400,000	0	0	0.0
Total FY 2025-26	\$485,925,742	\$334,995	\$147,255,141	\$0	\$338,335,606	22.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$485,925,742	\$334,995	\$147,255,141	\$0	\$338,335,606	22.3
BA4 HSMA program balancing	38,890,870	0	38,890,870	0	0	1.7
Prior year actions	433,669	7,866	368,000	0	57,803	0.0
SI Legacy nutrition programs	24,271	588,940	-564,669	0	0	-0.4
Total FY 2026-27	\$525,274,552	\$931,801	\$185,949,342	\$0	\$338,393,409	23.6
Increase/-Decrease from FY 2026-27	\$39,348,810	\$596,806	\$38,694,201	\$0	\$57,803	1.3
Percentage Change	8.1%	178.2%	26.3%	n/a	0.0%	5.8%
FY 2026-27 Executive Request	\$532,127,552	\$342,861	\$193,391,282	\$0	\$338,393,409	24.0
Staff Rec. Above/-Below Request	-\$6,853,000	\$588,940	-\$7,441,940	\$0	\$0	-0.4

→ BA4 HSMA Program Balancing (Including Transfer to SEF)

Request

This request for FY 2026-27, submitted January 2, includes several components related to the passage of Propositions LL and MM in November 2025.

- Additional staff for Healthy School Meals for All (HSMA) program administration
- HSMA meals costs
- HSMA grant and wage stipend costs
- A previously-discussed request from the Governor’s Office for a statutory change related to funds that could be transferred from the HSMA Cash Fund to the State Education Fund (and funds that are supposed to be transferred from the State Education Fund to an HSMA Account).

The JBC previously acted on requested changes for FY 2025-26, which are included in the Department of Education supplemental bill. The JBC also requested a bill draft based on the proposal from the Governor’s Office to change the flow of funds between HSMA and the State Education Fund. However, the staff recommendation includes updates to the amount for meals in FY 2025-26 and an update to the recommendation on legislation, as described below.

Recommendation

The recommendation includes the following components.

- *Administration:* Add \$183,882 HSMA cash funds and 1.7 FTE in FY 2026-27, annualizing to \$227,988 and 1.7 FTE in FY 2027-28 for HSMA staff. The total includes a reduction of \$45,000 for previously-approved consulting resources. The recommendation for the affected line item also includes *changing the fund source* for audit costs of \$400,000 from State Education Fund to HSMA cash funds.
- *Meals:* A reduction of \$1.4 million HMSA cash funds for school meals in FY 2025-26 and an appropriation of \$148,200,000 HSMA cash funds for school meals in FY 2026-27
- *Grant and Stipend Programs:* Appropriations for HSMA grant and stipend programs based on the assumption that the HSMA reserve will be at 35 percent of the cost of meals and administration and that grants and stipends will therefore be funded at the maximum. Based on Department projections, appropriations recommended are: Technical Assistance Grants: \$5,000,000; Wage Enhancements/Stipends: \$8,795,656; and Local Food Purchasing grants: \$18,249,964
- *Transfers between HSMA Cash Fund and State Education Fund:* Staff recommends the JBC reconsider its prior action to authorize a bill draft to suspend transfers FROM the State Education Fund (SEF) to the HSMA Fund until a total of \$31.0 million is reached. Instead, staff recommends transferring \$16,066,831 in FY 2025-26 and FY \$15,000,000 in FY 2026-27 from the HSMA Cash Fund to the SEF through transfer legislation. This would not change other provisions in current law, which *also* require transfers from the SEF to an HSMA account (\$7 to \$10 million per year), based on the additional SEF revenue derived from Proposition MM.

Analysis

FTE Request: The Department requests funding for an additional 1.7 FTE from the Healthy School Meals for All Cash Fund. This includes partial FTE in four positions, as shown below. The reason partial positions are shown is that the positions are funded by a combination of state and federal nutrition funding. Even the four positions shown below actually represent small portions of a much larger number of FTE. The Department indicates that the changes in the HSMA program are requiring additional work that cannot be charged to the federal funding. Particularly as the Department is anticipating a federal review in FY 2026-27, it wishes to ensure cost allocations between state and federal funds are correct. The Department indicates that all positions are either filled or will be filled in FY 2025-26.

FTE Position	Full-Year FTE
CDE – Senior Consultant (Nutrition)	0.9 FTE
CDE – Principal Consultant (Nutrition)	0.6 FTE
CDE – Director (Nutrition)	0.2 FTE
CDE – Principal Consultant (Grants)	0.1 FTE
TOTAL	1.7 FTE

Staff recommends the request, with the following adjustments:

1. The staff recommendation does not include the centrally-appropriated “pots” amounts in FY 2026-27, consistent with common policy. The fiscal impact is sufficiently small that staff anticipates that it can be absorbed within the Department’s totally centrally-appropriated amounts for FY 2026-27.
2. The staff calculations are slightly higher for FTE based on the use of Legislative Council Staff’s FTE spreadsheets for consistency. The impact is small.
3. The staff recommendation removes consulting costs (\$45,000) added in FY 2025-26. Legislative Council Staff are currently providing the data analysis needed by the Department at no cost, and the Department indicates that it therefore does not need this appropriation at present. JBC Staff assumes that if this arrangement is discontinued in the future, the Department may again require consulting resources.
4. Finally, in addition to the adjustments shown in the table below, staff recommends changing the fund source for a \$400,000 biennial audit included in the request. The request included this as State Education Funds. In light of the passage of Propositions LL and MM, this can be appropriated from the HSMA cash fund.

Costs by Major Categories	FY 2026-27	FY 2027-28 and Ongoing
Personal Services	\$193,578	\$193,578
Operating Costs for FTE	2,304	2,304
Capital Outlay for FTE	-	-
All Other Costs	-	-
Centrally Appropriated Costs [1]		44,106
Total FTE Costs	195,882	239,988
IT Operating Costs – State Share	33,000	33,000
Consulting costs [removed from prior year]	-45,000	-45,000
TOTAL	\$183,882	\$227,988

[1] Not included in year 1; centrally calculated in out-years

The HSMA statute specifies that administrative direct and indirect costs may be no more than 1.5 percent of the total HSMA appropriations for nutrition programs. With this addition, the administrative line item for the program will be \$1,020,706 and 4.9 FTE, including \$400,000 for a biennial program audit. Even after the inclusion of indirect costs and centrally-appropriated amounts, the total will remain under 1.0 percent. It also remains close to the 4.2 FTE that were originally projected in the fiscal note for H.B. 22-1414, which referred Proposition FF to voters.

HSMA Meals Costs for FY 2026 and FY 2027: In FY 2024-25, school food authorities served 31.6 million breakfasts and 72.9 million lunches, representing an increase of 43.7 percent in breakfasts and 34.0 percent in

lunches since FY 2022-23, the year before the program launched. In FY 2024-25, the number of lunches served was enough to serve about half of all public school students every school day.¹⁷

The Department has provided updated cost projections for meals costs. The table below summarizes department cost projections for the school meals for FY 2024-25 through FY 2027-28. As previously noted, HSMA funding “wraps around” federal funding to support free meals statewide.

Meals Reimbursement Forecast

	FY 2024-25 Actual [1]	FY 2025-26	% chg	FY 2026-27	% chg	FY 2027-28	% chg
State HSMA	\$134,036,274	\$138,328,991	3.2%	\$143,874,635	4.0%	\$148,910,648	3.5%
Federal	279,687,806	286,341,308	2.4%	298,517,324	4.3%	309,238,373	3.6%
Total	\$413,724,223	\$424,670,300	2.6%	\$442,391,959	4.2%	\$458,149,020	3.6%

[1] FY 2024-25 actuals shown here include expenses that were paid in FY 2025-26. The figure therefore differs from actuals reported through the CORE accounting system, which totaled \$127,820,967 in state share expenses.

The staff recommendation for HSMA meals appropriations is based on the state share of meals costs under HSMA, inflated by 3.0 percent and rounded. Staff recommends this “padding” because there is no longer over expenditure authority for the HSMA program, and staff would like to avoid a June interim supplemental adjustment. Any amount that is not used will revert to the HSMA Cash Fund.

The recommendation includes a reduction of \$1.4 million to the FY 2025-26 amount approved in January 2026, based on updated data. Please note, however, that *staff is in discussion with the Department about potential changes to accounting for HSMA to include accrued obligations. If this occurs, some additional adjustment may be needed in FY 2025-26 to address FY 2024-25 expenses paid. In this case, staff will bring a comeback.*

Recommended Appropriation - HSMA Meals

	FY 2025-26	FY 2026-27
Forecast – State HSMA	\$138,328,991	\$143,874,635
+3.0 percent	4,149,870	4,316,239
Total	142,478,861	148,190,874
Rounded	\$142,500,000	\$148,200,000
Current Approp	143,900,000	
Change	-\$1,400,000	

Grant and Stipend Programs: Proposition FF, adopted by voters in 2022, created three grant and stipend programs that were expected to launch in FY 2024-25, pending approval of the state’s participation in a federal demonstration program.¹⁸ Because costs for meals exceeded expectations and revenue available for meals appeared to be insufficient, H.B. 24-1390 delayed the launch of the grant and stipend programs and made the programs subject to available appropriation. No appropriations were provided for these programs in FY 2024-25 or FY 2025-26.

¹⁷ Assuming the state minimum of 160 instructional days and 881,065 students in FY 2024-25.

¹⁸ The program allowed the State to include Medicaid enrollment in calculating eligibility for nutrition programs under the Community Eligibility Provision.

With the passage of Propositions LL and MM, there is sufficient money for these grant and stipend programs, and statute specifies that they will begin July 1, 2026. The programs created in statute¹⁹ include:

- *Technical assistance grant*: a grant to a statewide nonprofit to manage a local school food purchasing technical assistance and education grant program;
- *Wage increase or stipend*: distributions to school food authorities that must be used for wage enhancements or stipends for food service workers; and
- *Local food purchasing grant*: Funds allocated to school food authorities that must be used to support the purchase of Colorado grown, raised, or processed products. School food authorities must commit to operating a local school food purchasing advisory committee to receive the funding.

H.B. 25-1274, as amended by SB 25B-003, which referred the propositions to the voters, included complex provisions regarding how much would be available for the grant and stipend programs if Proposition MM passed. The amount available is dependent on the size of reserves in the HSMA Cash Fund. H.B. 25-1274 also created a separate reserve for these grant and stipend programs, funded by State Education Fund transfers, in a new HSMA Account within the HSMA Cash Fund. The table below shows amounts to be allocated for the programs contingent on reserves.²⁰

**Proposed Allocation under SB 25B-003 of HSMA Program Fund Revenue
if Expansion Measure is Approved**

Calculated Reserve Percentage Under SB 25B-003	Grants for Technical Assistance	Distribution for Wages or Stipends	Local Food Purchasing Grants	SNAP Allocation
Less than 10%	\$250,000	6¢/lunch	Any Amount Remaining	None
10% to 25%	\$2,500,000	6¢/lunch	10¢-12.5¢/lunch	None
25% to 35%	\$3,750,000	9¢/lunch	16¢-18.75¢/lunch	None
35% or more	\$5,000,000	12¢/lunch	25¢/lunch	Any Remaining Funds as Necessary for SNAP

The bill specifies a minimum grant award to individual school food authorities for each tier. For some small districts, this may result in greater per lunch amounts than shown in this table. Available funding for SNAP is required to supplement and not supplant state expenditures.

Based on the passage of Propositions MM and LL, reserves at the end of FY 2025-26 are expected to exceed 35 percent of the amount required for school meals and administration. Given this, the Department has calculated the total costs for these programs *at the maximum level allowed*. The Department’s request for each of these programs, appropriated in separate line items, is shown below. Staff recommends the request.

- Technical Assistance Grants: **\$5,000,000**

¹⁹ Sections 22-82.9-205, 206, 207, C.R.S.

²⁰ Section 22-82.9-211 (3), C.R.S. Note that the reserve calculation is supposed to be based on the March revenue forecasts and could be interpreted as circular. Staff and the Department are interpreting the language as a calculation of the reserve that will be available at the *beginning of the upcoming budget year*. Thus, the March 2026 forecast will address the reserve anticipated on July 1, 2026 for use in FY 2026-27, based on the projected revenues and expenditures during FY 2025-26.

- Wage Enhancements/Stipends: 72,558,931 lunches served in 2024-25 x \$0.12 per lunch = **\$8,795,656**
- Local Food Purchasing grants: 72,558,931 lunches x \$0.25 per lunch, with adjustments = **\$18,249,964**

The Committee should note that current statute states that these appropriations **cannot be reduced from year-to-year except under very specific circumstances**, so this funding creates a floor except if reserves fall so sharply that the Department is emptying money in the “account” (the special reserve created for grant and stipend programs).

The complex provisions creating a funding “floor” for grants and stipends, detailing grant program allocations under various circumstances, and establishing the special reserve account supported by transfers from the State Education Fund are statutory and were not directly approved by the voters.²¹ *These provisions can be changed, but not without legislation. Staff is not proposing a statutory change at this time, although staff is in conversation with interested parties to ensure that all provisions can be implemented as written.*

Governor’s Office Bill Proposal (reconsideration): As discussed during the January 15, 2026 staff presentation on Department of Education supplemental requests, the Governor’s Office proposed a statutory change to address the flow of funds between the HSMA Cash Fund and the State Education Fund (SEF). The Governor’s Office has noted that H.B. 25-1274 requires transfers from the SEF to the HSMA Cash Fund annually, while there is **also** an expectation that the HSMA Cash Fund may “repay” the SEF for SEF money spent for the HSMA program through FY 2024-25.²² In other words, *funds could potentially flow in both directions between the HSMA Cash Fund and the SEF.*

The Governor’s Office thus proposed to *suspend* scheduled transfers from the State Education Fund to the HSMA cash fund until the \$31.0 million previously spent from the SEF for the HSMA program is “paid off”. The Governor’s Office estimated that this would occur half way into FY 2029-30.

Staff recommended—and the Committee approved—sending a bill to draft consistent with the Governor’s Office proposal, though staff noted that the staff recommendation might evolve after beginning work on this. *More recently, staff has spoken with the advocates who were most closely involved in H.B. 25-1274. Staff understands that they oppose changes to the statutory provisions added in H.B. 25-1274 regarding transfers from the SEF to HSMA, because those provisions were highly negotiated.* Under the provisions of H.B. 25-1274, the transfers from the SEF to HSMA are deposited in a special account that serves as a designated reserve for the grant/stipend programs, adding complexity. Staff understands that advocates would prefer a straight transfer from the HSMA Cash Fund to the SEF.

Staff recommends reverting to staff’s original transfer proposal and informing OLLS that a more complex bill draft that amends provisions in H.B. 25-1274 is not required.²³ *Specifically, staff recommends a bill to transfer \$16,066,831 in FY 2025-26 and FY \$15,000,000 in FY 2026-27 from the HSMA Cash Fund to the SEF.* This could be part of a larger transfer bill or a separate bill.

²¹ Section 22-82.9-211 (3), C.R.S.

²² During the staff briefing presentation on November 19, 2025, staff recommended \$31.0 million in transfers from the HSMA Cash Fund to the State Education Fund to repay prior-year State Education Fund expenses for the HSMA program. Most of these expenses occurred in FY 2024-25.

²³ Barring a committee decision to pursue an option, discussed at the end of the packet, to eliminate the transfer created in H.B. 25-1274 that annually transfers amounts from the SEF to an HSMA account based on the additional revenue from Proposition MM.

Rationale for the proposed transfer of \$31.0 million from the HSMA Cash Fund to the SEF.

- In the years in which the SEF was used to pay for the HSMA program (primarily FY 2024-25), there was actually sufficient HSMA revenue received to cover HSMA expenses. But in each of these years, HSMA revenue was under-estimated and thus under-appropriated, while expenses were overestimated.²⁴ Thus, SEF was spent, while HSMA funds built up in the HSMA cash fund. ***SEF was used in FY 2023-24 and FY 2024-25 instead of HSMA cash funds due to technical errors in forecasting HSMA revenue and expenses, as well as well as the need to set aside funds pending voter action on Proposition LL.*** The way to correct this is for HSMA funds to repay the SEF.

Specifically, \$6,483,450 in FY 2023-24 and \$24,583,381 in FY 2024-25 was expended from the State Education Fund for HSMA meals. In hindsight, no SEF funds were actually required. One factor is proposition LL, which allowed the state to retain \$12.4 million HSMA revenue received in FY 2023-24 and subsequent years. Whether the measure would pass (as it did in November 2025) was unknown when FY 2023-24 and FY 2024-25 were budgeted. However, even if LL had not passed, the gap between HSMA revenue and expenses would have been about half the \$31.0 million spent from the State Education Fund across FY 2023-24 and FY 2024-25.

Healthy School Meals Final Actual Revenue versus Expense for Meals + Administration (Million \$s)

	FY 2022-23	FY 2023-24	FY 23+FY 24	FY 2024-25
HSMA Final Revenue	\$54.6	\$112.0	\$166.6	\$132.3
HSMA Final Expense	0	162.4	162.4	128.3
HSMA revenue above/-below expense			\$4.2	\$4.0
SEF Spending due to incorrectly estimated HSMA shortfall & escrowed revenue			\$6.5	\$24.6

- Staff would not recommend this transfer if HSMA revenue did not appear ample, but the combination of the impact of federal HR1 and the adoption of Propositions LL and MM results in adequate revenue for full payment of HSMA meals and administration, full payment for HSMA grant programs, and support for Supplemental Nutrition Assistance Program implementation and outreach, as well as staff’s proposed transfer to the SEF.
- Transferring money from HSMA to the SEF provides maximum flexibility for the General Assembly. Since the SEF offsets General Fund otherwise required for School Finance, repaying the SEF effectively frees up General Fund, either this year or in future years. Keeping this money in the HSMA cash fund and spending for SNAP—another potential use of HSMA funds—may also represent a trade-off with the General Fund, but this option is less flexible.
- S.B. 25-214 (Healthy School Meals for All Program), a JBC bill, contemplated a transfer from HSMA to the SEF, if HSMA revenue was sufficient. It required the Department to provide related information to the JBC on or before January 15, 2027. The specific statutory provision²⁵ focused on expenditures from the SEF that

²⁴ See the staff briefing on November 19, 2025 for additional background on the challenges of estimating HSMA revenue and expenditures.

²⁵ Section 22-82.9-211 (8), C.R.S.

exceeded the additional revenue received by the SEF due to the passage of Proposition FF (\$7-\$8 million per year), but there was clear legislative intent to at least look at this issue.

→ SI Legacy Nutrition Programs [Legislation]

Recommendation

- Staff recommends eliminating the \$674,729 State Education Fund and 0.4 FTE appropriation for non-HSMA Local School Food Purchasing Programs in the Long Bill. Appropriations for this program are subject to appropriation, and the new appropriation for the HSMA local school food purchasing and technical assistance grant programs can replace the appropriation for this program.
- Staff recommends refinancing \$113,764 General Fund in the Federal Nutrition Programs line item with HSMA cash funds. Administration of HSMA and Federal Nutrition Programs appears to be closely related.
- Staff recommends adding an appropriation of \$700,000 General Fund to the Smart Start Nutrition Program Fund. *This appropriation should be removed in previously-authorized legislation addressing legacy nutrition programs, but is required by statute.*²⁶
- Staff recommends adjustments to the bill draft previously authorized by the Committee to suspend/refinance existing legacy nutrition programs. Changes are described below.
- Staff recommends continuing other legacy nutrition program appropriations in the Long Bill, consistent with statute, but modifying/eliminating them in the bill previously authorized by the JBC.

Background - Previous JBC Action to Draft Bill

In November 2025, the JBC authorized staff to draft legislation to suspend legacy state nutrition programs and allow the use of HSMA money for all state expenditures for nutrition programs. ***This bill is currently being drafted*** and is expected to include the following components:

Refinance State Match for Federal School Lunch Program: This program provides administrative support for school food authorities using \$2,472,644 appropriated from the State Public School Fund. The bill would expand the use of HSMA money to provide this administrative support, as well as reflecting the minimum federal match. (Section 22-54-123, C.R.S.)

Child Nutrition School Lunch Protection Program: This program, implemented prior to HSMA, covers the gap between the cost of reduced price and free meals, so that, even prior to HSMA, children eligible for reduced price meals would receive free lunch. This program would be made subject to available appropriation, effectively suspending it, and HSMA would cover all related costs. The FY 2025-25 appropriation and FY 2026-27 request is \$841,460 from the State Education Fund. (Sections 22-82.9-101 through 107, C.R.S.)

Smart Start Nutrition Program Fund and Smart Start Nutrition Program: This program, implemented prior to HSMA, covers the gap between the cost of reduced price and free meals, so that, even prior to HSMA, children

²⁶ Section 22-82.7-104 (1), C.R.S. The appropriation is General Fund because this program's statute does not include language that would authorize spending from the State Education Fund. This appropriation was not provided in recent years, but this is not consistent with statute.

eligible for reduced price breakfast would receive free breakfast. The cash fund will be eliminated, with the balance transferred to the General Fund (estimated at \$400,000). Money in the fund, which last received an appropriation in FY 2020-21, originates from the General Fund. The program itself would be made subject to available appropriation, effectively suspending it. There has not been an appropriation TO the cash for several years. The appropriation from the cash fund for FY 2025-26 and the FY 2026-27 request is \$296,484. (22-54-123.5, 22-82.7-101 through 107, C.R.S.)

Local School Food Purchasing Program²⁷: This program was created prior to HSMA and was revived when it became apparent that HSMA grant programs would not be available in FY 2024-25 and FY 2025-26. The program serves a function that is very similar to the HSMA Local School Food Purchasing Grant and the HSMA Technical Assistance Grant, though on a smaller scale. The program was extended beyond FY 2025-26, with various provisions subject to passage of Propositions LL and MM, in H.B. 24-1274. *The program is already subject to available appropriation.* It received an appropriation of \$675,729 State Education Fund in FY 2025-26. If necessary, new legislation may include related technical clean-up, but no appropriation is required in the Long Bill. (Section 22-82.9-301 through 306)

Suggested Bill Modification

As noted previously, the Department has requested that relevant programs be “suspended”, rather than repealed, due to concerns about the future funding position of HSMA. The staff recommendation reflects this; however, **staff suggests adding a conditional repealer to each of the programs in ten years if there has not been an appropriation for any of them in the intervening period.** If this is of interest to the Committee, staff will work with OLLS on the best way to effectuate it.

Staff is also exploring whether the Summer EBT program administration activities that are also included in this Long Bill section could also be refinanced with HSMA Cash Funds. If this appears feasible, staff requests permission to include this in the bill draft.

Long Bill Appropriations for Legacy Nutrition Programs

Most of the programs being eliminated or for which the funding source is changed include a statutory requirement for a related appropriation in a separate line item. Given this, staff anticipates that the new bill will need to carry most appropriation changes. However:

- Staff recommends eliminating the appropriation for the (non-HSMA) Local School Food Purchasing Program from the Long Bill, since it is subject to available appropriation.
- Staff recommends refinancing \$113,764 General Fund for Federal Nutrition Programs administration with HSMA cash funds.
- Staff also recommends adding an appropriation of \$700,000 General Fund for the Start Smart Nutrition Program Fund that will be eliminated in the separate bill. This appropriation was omitted from the Long Bill for several years because the money was not required, but this was not consistent with statute.²⁸

²⁷ Section 22-82.9-301 to 305, C.R.S.

²⁸ No funding was appropriated between FY 2021-22 and FY 2025-26, as neither staff nor the Department had noted that there is a statutory requirement for \$700,000 to \$1.5 million annually.

New Legislation Fiscal Impacts and Appropriations

Staff anticipates that this legislation will include the following funding changes for FY 2026-27:

- Transfer the balance in the Smart Start Nutrition Program Fund (approximately \$400,000) to the General Fund
- Eliminate a new \$700,000 General Fund appropriation to the Start Smart Nutrition Program Fund; and eliminate a cash fund appropriation of \$296,484 *from* the Start Smart Nutrition Program Fund
- Eliminate a \$841,460 State Education Fund appropriation for the Child Nutrition School Lunch Protection Program
- Modify the funding source from State Public School Fund cash funds to HSMA cash funds for \$2,272,644 in the State Match for Local School Lunch Programs line item
- If feasible, also modify the funding source for summer EBT administration to HSMA.

Overview & Requests - (E) Capital Construction

Background - Building Excellent Schools Today (BEST) Program. Prior to 1998, public school capital construction was largely funded from local rather than state sources. A class action lawsuit filed in 1998 (*Giardino v. Colorado State Board of Education*) alleged that the State had not fulfilled its constitutional responsibility to establish and maintain a through and uniform system of public schools because of the deteriorating condition of many public schools. The lawsuit was settled, and S.B. 00-181 implemented the terms of the settlement which required the General Assembly to appropriate \$190 million for public school capital construction over a period of 11 years. In 2008, the General Assembly enacted H.B. 08-1335 (the BEST act) which replaced the capital construction financial assistance programs that were established as part of the *Giardino* lawsuit settlement with the Building Excellent Schools Today (BEST) program. The BEST program was designed to increase the amount of state financial assistance and accelerate project completion.

The BEST program was initially supported primarily by money from the State Land Board Trust. With the passage of Proposition AA in November 2013, it began to receive revenue from taxes on recreational marijuana. This became an increasingly important part of funding, though State Land Board revenue has been even more important in recent years.

BEST is administered by a nine-member Public School Capital Construction Assistance Board, which includes experts in public school finance and facilities planning. The board is charged with annually submitting a prioritized list of projects recommended for funding to the State Board of Education.²⁹

School districts, charter schools (district and Charter School institute schools), Boards of Cooperative Educational Services, and the Colorado School for the Deaf and the Blind are all eligible to apply for BEST grants. Pursuant to statute³⁰, the BEST Board is required to prioritize "projects that will address safety hazards or health concerns at existing public school facilities". Although other types of needs are listed in priority order in statute, due to funding limitations, awards are typically limited to projects that address health and safety hazards.

²⁹ The Capital Development Committee also reviews grants to be funded with Certificates of Participation funds.

³⁰ Section 22-43.7-109(5), C.R.S.

Statute³¹ requires that funding recipients provide matching funding determined by the board. Match rates are based on an applicant's financial capacity, determined by the following for school districts: "the school district's assessed value per pupil relative to the state average; the school district's median household income relative to the state average; the dollar amount of all school district mills per capita, relative to the state average; the percentage of pupils enrolled in the school district who are eligible for free or reduced-cost lunch; and the district's current available bond capacity remaining." Charter schools and other entities that are eligible for grants are also subject to match requirements.

Match requirements range from as high as 72.0 percent local funds (Boulder RE-2, Littleton 6) to as little as 11.0 percent (Walsh RE-2). The board also has authority to waive match requirements. Larger BEST awards are often contingent on local elections to approve matching funds. If local bond measures fail, alternate projects are awarded in priority order.

From 2008 through 2025, BEST awarded over \$3.0 billion in grants to more than 600 schools. Most funding is used for either:

- Projects supported by Certificate of Participation payments issued by the State Treasurer (usually for larger projects); and
- Cash grants that are often used to fund smaller projects, including renovations, at public schools.

The BEST program also supports a statewide priority assessment database on the facility condition of public schools, as well as staff who support the priority assessment and grant award process.

Public School Capital Construction Assistance Fund. The BEST program is supported through the Public School Capital Construction Assistance Fund, which receives funding from multiple sources. The scale of funding from these sources varies substantially from year to year, since the Fund receives percentages of revenue from income streams that are themselves highly variable. Fund sources include:

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, with a guarantee of \$40.0 million per year (even if that is more than 50.0 percent of revenues);
- all recreational marijuana excise tax funds based on current law, with a guarantee of the first \$40.0 million raised from the recreational marijuana excise tax, pursuant to Section 16(5)(d) of Article VIII of the state constitution;
- interest earnings on the Permanent Fund –Until FY 2023-24, BEST received \$20.0 million of interest “spillover” after allocations to the State Public School Fund, but this was modified in H.B. 24-1448 so that by FY 2026-27 it includes all interest earnings on the Permanent Fund after Treasury investment costs;
- lottery “spillover” proceeds that would otherwise be transferred to the General Fund;
- interest and investment income earned on the Public School Capital Construction Assistance Fund; and
- other one-time transfers and investments from the General Assembly. This has included transfers from the Marijuana Tax Cash Fund and the State Education Fund, among other sources.

In 2025, in response to an executive request, the School Finance Act added provisions to cap revenue to the Public School Capital Construction Assistance Fund at **\$150.0 million per year, adjusted annually for inflation**, except that if total Permanent Fund interest exceeds \$41.0 million, this excess revenue is not subject to the cap. Amounts that exceed the cap are directed to the State Public School Fund, which supports school finance.

³¹ Section 22-43.7-109, C.R.S.

The money in the fund is used for BEST project funding, including cash grants and lease-purchase payments, and administrative expenses, including staffing and a contract for the statewide financial assistance priority assessment tool. In addition, a portion of money in the fund is allocated by statute to charter school facilities assistance.

Charter School Facilities Assistance. The Charter School Facilities Assistance Program distributes funds on a per-pupil basis to most charter schools in the State. Charter School Facilities Assistance currently draws on four sources: formula allocations from the Public School Capital Construction Assistance Fund that are based on the share of total public school student FTE enrolled in charter schools (\$7M for FY 26), additional allocations from the Public School Capital Construction Assistance Fund added in H.B 24-1448 (New School Finance Formula - \$12M in FY 2025-26 growing to \$15.0 million in FY 2028-29), State Education Fund formula allocations (\$23.5M in FY 2025-26), and off-budget federal grant funds (\$10M in FY 2025-26, declining through FY 2028-29).

Under current law and funding streams, the program receives an increasing share of money available in the Public School Capital Construction Assistance Fund through FY 2028-29 and then faces a cliff, losing approximately one-third of total funding (about \$18 million in state and federal funds) in FY 2029-30.

Capital Construction

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$313,335,439	\$0	\$313,335,439	\$0	\$0	16.0
Total FY 2025-26	\$313,335,439	\$0	\$313,335,439	\$0	\$0	16.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$313,335,439	\$0	\$313,335,439	\$0	\$0	16.0
SI Charter School Facilities Assistance	956,128	0	956,128	0	0	0.0
R4 BEST assessment IT system	179,195	0	179,195	0	0	0.0
Prior year actions	48,122	0	48,122	0	0	0.0
SI BEST cash grants	-11,584,360	0	-11,584,360	0	0	0.0
Total FY 2026-27	\$302,934,524		\$302,934,524	\$0	\$0	16.0
Increase/-Decrease from FY 2026-27	-\$10,400,915	\$0	-\$10,400,915	\$0	\$0	0.0
Percentage Change	-3.3%	n/a	-3.3%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$334,874,975	\$0	\$334,874,975	\$0	\$0	16.0
Staff Rec. Above/-Below Request	-\$31,940,451		-\$31,940,451	\$0	\$0	0.0

→ R4 BEST Assessment IT System

Request

The Department requests a cash funds increase for software costs for the Facility Insight system, which is used to track the condition of public school facilities statewide as part of the Building Excellent Schools Today (BEST)

program. The requested increase is \$450,000 cash funds from the Public School Capital Construction Assistance Fund.

Recommendation

Staff recommends an increase of \$179,195 cash funds for FY 2026-27 and ongoing from the Public School Capital Construction Assistance Fund, which will support a total ongoing annual appropriation of \$329,195 [note: correct to \$329,801] for the system in the “Financial Assistance Priority Assessment” line item. This is based on updated data from the Department.

The Department’s new contract begins in FY 2026-27 at \$320,902 and increases annually until FY 2035-2036 when the payment due will be \$342,511. **The staff recommendation is based on contract amount as of FY 2030-31 (5 years from now)**, so the total does not need to be adjusted for the next five years. Staff anticipates that the Department will submit a request or a technical adjustment in FY 2031-32 to address the higher amount required for the subsequent five years. The current contract is for \$150,000.

Analysis

Background: Statute³² requires the Public School Capital Construction Board, which oversees the Building Excellent Schools Today (BEST) grant program, to conduct or contract for a financial assistance priority assessment of public school facilities throughout the state. It also authorizes the use of the Public School Capital Construction Assistance Fund (which is used for BEST grants) to pay the costs of contracting for the financial assistance priority assessment.

The Board has implemented the statutory requirements by contracting for the online Facility Insight tool.³³ This tool stores data and provides information on the facility condition of school buildings throughout the State via an interactive interface.

The current tool is the product of a large one-time appropriation in FY 2015-16, which the General Assembly authorized to reconfigure and enhance the previous interface. The same vendor’s software (VFA software, owned by the Gordian Group) has been used since that time.

Re-procurement Process: As required by law, having used the same vendor for ten years, the State went through a re-procurement process in FY 2025-26. For this purpose, it received an FY 2025-26 IT Capital Construction appropriation of \$1.5 million cash funds from the Public School Capital Construction Assistance Fund. The IT Capital request projected that ongoing operating costs could increase by \$450,000 from the current \$150,000.

However, in fall 2025, **the State awarded the contract for the tool to the same vendor as previously held the contract.** Because of this, the large one-time IT capital construction appropriation for FY 2025-26 will not be required, and the annual operating cost will not increase as much as projected, although it will be greater than recent years. Because the previous contractor has been awarded the contract, the IT Capital appropriation will be allowed to revert.

³² Sections 22-43.7-108, C.R.S and 22-43.7-104 (3), C.R.S.

³³ <https://ed.cde.state.co.us/capitalconstruction/facilityinsight>

Contracted Amounts: The maximum operating cost in the contract for the next ten years will be \$342,511 from the Public School Capital Construction Assistance Fund.

State Fiscal Year 2027: \$320,902.00
State Fiscal Year 2028: \$323,029.06
State Fiscal Year 2029: \$325,219.93
State Fiscal Year 2030: \$327,476.53
State Fiscal Year 2031: \$329,800.83
State Fiscal Year 2032: \$332,194.85
State Fiscal Year 2033: \$334,660.70
State Fiscal Year 2034: \$337,200.52
State Fiscal Year 2035: \$339,816.53
State Fiscal Year 2036: \$342,511.03

→ SI Long Bill Adjustment for BEST Cash Grants

Request

The request reflects an increase of \$21.0 million for BEST cash grants for a total of \$140,068,774. The adjustment is described as “annualization” of H.B. 25-1320 (School Finance Act), but it is not clear how this amount was generated.

Recommendation

The **preliminary estimate for BEST Cash Grants** available for FY 2026-27 is \$107,442,711, which staff is rounding to **\$107,443,000**. This is a reduction of \$11.6 million from the FY 2025-26 appropriation, but an increase of \$2.3 million above the amount the Department actually awarded for cash grants in FY 2025-26.

Analysis

The amount available for BEST cash grants is based on a calculation of total revenue available from the current year (FY 2025-26) less amounts committed for prior years, less amounts allocated in the budget year (FY 2026-27) for BEST COP payments, administration, charter school facilities assistance, and required reserves. This calculation for FY 2026-27 is shown below.

Points of note.

- The Department only awarded \$105.1 million in cash grant awards for FY 2025-26, even though the appropriation was \$119.0 million. Because of this, more funds are available for FY 2026-27 cash grants.
- HB 25-1320 (School finance) capped revenue to BEST at \$150 million, adjusted annually by inflation. It also exempted from the \$150M cap any Permanent Fund interest that exceeds \$41.0 million. In FY 2024-25, this was \$12.0 million, which was more than the fiscal note estimate of \$7.6 million. The current assumption is \$12.0M for FY 2025-26, but this figure could change.

Preliminary FY 2026-27 BEST Cash Grant Estimate

	Amount
FY 2024-25 EOY Cash Balance	\$471,775,062
Less payables	\$457,302,756
FY 26 Revenue	
Lottery	\$1,500,000
MJ Funds	\$42,100,000
Interest on PSCCAF	\$13,000,000
4400 Transfer SB23-220	
State Land Board	\$112,000,000
Permanent Fund Interest allocated	\$36,000,000
Spill over \$41 million Permanent Fund Interest	\$12,000,000
Revenue total	\$216,600,000
Revenue after Diversion to School Finance, with cap of \$150M+Inflation+Permanent Fund Spillover Interest exceeding \$41M (\$51.15M diverted to State Public School Fund)	\$165,450,000
FY26 Expenditures/Obligations	
Admin	\$2,400,000
Cash Grants (less awarded than the appropriation)	105,127,360
State Debt Service	\$75,000,000
MJ Excise to Charter Schools	\$6,709,709
HB24-1448 Charter School funds	\$12,000,000
Prior year obligations	\$216,195,777
FY 26 Expend/Obligation total	\$417,432,846
EOY Balance/Avail for FY27	\$205,319,911
Available for FY27	
State Debt Service Reserve	\$75,000,000
MJ Excise to Charter Schools	\$6,052,200
HB24-1448 Charter School funds	\$13,000,000
Administration + priority assessment	\$2,825,000
Min Stat Reserve	\$1,000,000
FY 26 Other Obligations total	\$97,877,200

	Amount
Cash Grants	\$107,442,711

This figure is less likely to change than in prior years, in light of the BEST revenue cap. However, the portion of revenue that is uncapped could change and could result in a different estimate prior to Long Bill introduction. In this case, staff will return with a comeback.

→ SI Long Bill Adjustments for State Aid for Charter School Facilities

Request

The Department requests a continuation appropriation of \$42,280,571 for this line item, including \$23,523,071 from the State Education Fund, \$12,000,000 from the Charter School Facilities Assistance Account of the Public School Capital Construction Assistance Fund (PSCCAF), and \$6,757,500 from Marijuana Excise Revenue deposited in the Charter School Facilities Assistance Account of the PSCCAF.

Recommendation

The amount appropriated in this line item is driven entirely by statutory formulas. The preliminary staff recommendation for this line item is **\$43,236,699** based on the statutory formulas established in H.B. 19-1055 and H.B.24-1448 and updated data from the Department. This figure includes \$24,184,499 from the State Education Fund, \$6,052,200.00 from Marijuana Excise Revenue deposited in the Charter School Facilities Assistance Account of the PSCCAF, and \$13,000,000 from the Charter School Facilities Assistance Account of the PSCCAF pursuant to H.B. 24-1448.

Staff requests permission to adjust these amounts based on the March 2026 Revenue Forecast.

Analysis

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction. The program has been modified several times. H.B. 19-1055 modified the funding and annually adjusts the amount available from each of two fund sources based on statewide student enrollment in charter schools pursuant to Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d), C.R.S.

- From the State Education Fund, statute requires funding be tied to the previous base of \$20.0 million per year and adjusts this figure annually for charter school enrollment. The calculation compares charter school enrollment as a percentage of statewide pupil enrollment in the preceding budget year to the percentage of students who were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, statute requires that a portion of total marijuana excise tax revenues be deposited into the Charter School Facilities Assistance Account. The transfer is based on the percentage of

statewide student enrollment that was enrolled in charter schools in the previous school year compared to the overall population of students.

House Bill 24-1448 provided additional increases for charter school facility assistance. It provided \$11,500,000 for this program in FY 2024-25 as an additional diversion from the Public School Capital Construction Assistance Fund. The diversion increases annually, reaching \$15,000,000 in FY 2028-29, before ending entirely in FY 2029-30. This additional revenue matches federal grant funds that have been awarded to Colorado.

The following table is out of date, but provides a history of per pupil funding amounts for this line item from FY 2006-07 with earlier forecasts of revenue that would be available for this program. More recent estimates of FY 2026-27 available revenue are about \$3.0 million below the forecasts shown below due to the decline in Marijuana Excise Tax revenue deposited in the PSCCAF, as well as lower State Education Fund allocations based on the statutory formula.

State Funding for Charter School Capital Construction Grant Program (with projections for fiscal years through 2028-29)						
Fiscal Year	State Education Fund	Excise Tax Funding	One-Time Funding	State Legislated Funding for SFIG	Total Funding	Growth from Base year
FY01-02	\$ 6,471,051.60				\$ 6,471,051.60	
FY02-03	\$ 7,813,943.00				\$ 7,813,943.00	
FY03-04	\$ 5,000,000.00				\$ 5,000,000.00	
FY04-05	\$ 5,000,000.00				\$ 5,000,000.00	
FY05-06	\$ 5,000,000.00				\$ 5,000,000.00	
FY06-07	\$ 7,800,000.00				\$ 7,800,000.00	
FY07-08	\$ 5,000,000.00				\$ 5,000,000.00	
FY08-09	\$ 5,000,000.00				\$ 5,000,000.00	
FY09-10	\$ 5,000,000.00				\$ 5,000,000.00	
FY10-11	\$ 5,000,000.00				\$ 5,000,000.00	
FY11-12	\$ 5,000,000.00				\$ 5,000,000.00	
FY12-13	\$ 6,000,000.00				\$ 6,000,000.00	
FY13-14	\$ 7,000,000.00				\$ 7,000,000.00	
FY14-15	\$ 13,500,000.00				\$ 13,500,000.00	
FY15-16	\$ 20,000,000.00	\$ 2,000,000.00			\$ 22,000,000.00	
FY16-17	\$ 20,000,000.00	\$ 5,000,000.00			\$ 25,000,000.00	
FY17-18	\$ 20,000,000.00	\$ 5,000,000.00			\$ 25,000,000.00	
FY18-19	\$ 20,000,000.00	\$ 9,250,000.00			\$ 29,250,000.00	
FY19-20	\$ 20,656,559.00	\$ 7,951,358.00			\$ 28,607,917.00	
FY20-21	\$ 22,430,131.00	\$ 9,390,631.00			\$ 31,820,762.00	
FY21-22	\$ 22,829,962.00	\$ 8,696,085.00			\$ 31,526,047.00	
FY22-23	\$ 23,939,892.74	\$ 14,669,782.59			\$ 38,609,675.33	SFIG Base Year
FY23-24	\$ 24,379,016.00	\$ 8,855,662.60	\$ 10,000,000.00		\$ 43,234,678.60	
Total	\$ 282,820,555.34	\$ 70,813,519.19	\$ 10,000,000.00		\$ 363,634,074.53	
FY24-25	\$ 23,935,468.00	\$ 7,457,233.96		\$ 11,500,000.00	\$ 42,892,701.96	\$ 4,283,026.63
FY25-26	\$ 24,287,686.51	\$ 7,643,864.37		\$ 12,000,000.00	\$ 43,931,550.88	\$ 5,321,875.55
FY26-27	\$ 24,641,675.07	\$ 8,491,264.33		\$ 13,000,000.00	\$ 46,132,939.40	\$ 7,523,264.07
FY27-28	\$ 24,995,663.64	\$ 9,063,803.42		\$ 14,000,000.00	\$ 48,059,467.06	\$ 9,449,791.73
FY28-29	\$ 25,349,652.21	\$ 9,666,187.54		\$ 15,000,000.00	\$ 50,015,839.75	\$ 11,406,164.42

The table below shows the funding from the federal grant received for charter school capital construction which augments the funding in this line item.

Federal Charter School Assistance Grant

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Federal Funds Available for Awards	\$11,025,000	\$9,800,000	\$7,350,000	\$4,900,000	\$2,450,000	\$35,525,000

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Federal funds for Admin	347,375	354,162	363,535	373,195	383,148	1,821,414
Total Federal Award	\$11,372,375	\$10,154,162	\$7,713,535	\$5,273,195	\$2,833,148	\$37,346,414

→ SI BEST RFI on Planning Grants

Recommendation

Staff recommends a request for information on whether the BEST program should start to award planning grants to support efficient use of state public school capital construction funding. Staff has discussed this issue with national experts and understands that the BEST program is interested in exploring this issue further.

N Department of Education, School District Operations, Capital Construction, Division of Public School Capital Construction – The Public School Capital Construction Assistance Board is requested to provide a report to the Joint Budget Committee by November 1, 2026, addressing whether use of some BEST funds for planning grants could improve the effectiveness and efficiency of the state’s support for public school capital construction.

Analysis

National experts have emphasized to staff that front-end planning grants could help reduce construction and budget issues in awarded projects. Department staff have also noted that planning grants could create an environment where CDE can implement best practices in planning and procurement, including identifying the most cost effective and efficient solutions.

Staff understands that authority to do BEST planning grants will require statutory change. If responses from the Capital Construction Assistance Board are favorable, which seems likely, staff will recommend that the JBC sponsor related legislation next year. Staff assumes that planning grants will not require more than 1.0 percent of the total cash grants appropriation.

Overview & Requests - (F) Indirect Cost Assessment

This subdivision, consisting of a single line item, includes indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department did not request changes to the funding in this section. However, as previously discussed, the staff recommendation includes adding indirect cost collections from the Public School Capital Construction Assistance Fund (BEST) and the Healthy School Meals for All Cash Fund to offset General Fund otherwise required. This is reflected in the table below.

Indirect Cost Assessment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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FY 2025-26 Appropriation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Total FY 2025-26	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
SI Indirect cost adjustments	525,469	0	525,469	0	0	0.0
Total FY 2026-27	\$4,493,429		\$550,469	\$128,142	\$3,814,818	0.0
Increase/-Decrease from FY 2026-27	\$525,469	\$0	\$525,469	\$0	\$0	0.0
Percentage Change	13.2%	n/a	2,101.9%	0.0%	0.0%	#VALUE !
FY 2026-27 Executive Request	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Staff Rec. Above/-Below Request	\$525,469		\$525,469	\$0	\$0	0.0

Line Item Detail - (C) Federal and Other Direct Support

Appropriated Sponsored Programs

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district funds, and other “non-state” funds. Thus, no General Fund appropriation is included in this line item.

Statutory Authority: Sections 22-2-117 and 22-30.5-101, C.R.S. Various federal statutes.

Request/Recommendation: Staff recommends the request, as reflected below.

School District Operations, Federal and Other Direct Support, Appropriated Sponsored Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Total FY 2025-26	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Prior year actions	200,572	0	0	0	200,572	0.0
Total FY 2026-27	\$260,703,874	\$0	\$7,503,302	\$0	\$253,200,572	61.3
Changes from FY 2025-26	\$200,572	\$0	\$0	\$0	\$200,572	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	0.1%	n/a	0.0%	n/a	0.1%	0.0%
FY 2026-27 Executive Request	\$260,703,874	\$0	\$7,503,302	\$0	\$253,200,572	61.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Item Detail – (D) Nutrition

(I) Healthy School Meals for All

Program Administration

This line item includes the administrative costs for the Healthy School Meals for All Program. This includes personal services and operating expenses and bi-annual audit costs. Statute as adopted by voters in 2022 Proposition FF limits administrative costs to 1.5 percent of Healthy School Meals for All Program appropriations.

Statutory Authority: Sections 22-82.9-201 through 210, C.R.S.

Request/Recommendation: The staff recommendation and Department request are reflected in the table below. The recommendation includes an increase for BA4 HSMA Program Balancing which is lower than the request, as previously discussed. The recommendation also includes replacing the funding source for the audit costs in the request with HSMA cash fund instead of State Education Fund money.

School District Operations, Nutrition, Program Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$468,824	\$0	\$468,824	\$0	\$0	3.2
Total FY 2025-26	\$468,824	\$0	\$468,824	\$0	\$0	3.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$468,824	\$0	\$468,824	\$0	\$0	3.2
Prior year actions	368,000	0	368,000	0	0	0.0
BA4 HSMA program balancing	183,882	0	183,882	0	0	1.7
Total FY 2026-27	\$1,020,706	\$0	\$1,020,706	\$0	\$0	4.9
Changes from FY 2025-26	\$551,882	\$0	\$551,882	\$0	\$0	1.7
Percentage Change	117.7%	n/a	117.7%	n/a	n/a	53.1%
FY 2026-27 Executive Request	\$1,097,977	\$0	\$1,097,977	\$0	\$0	4.9
Staff Rec. Above/-Below Request	-\$77,271	\$0	-\$77,271	\$0	\$0	0.0

School Meal Reimbursements

This line item funds monthly meal reimbursements to school food authorities from the Healthy School Meals for All program. Funding is from the Healthy School Meals for All Program Cash Fund.

Statutory Authority: Sections 22-82.9-204, 209, and 210, C.R.S.

Request/Recommendation: The staff recommendation is shown in the table below and compared to the request. The recommendation also includes an adjustment to this line item for FY 2025-26 (reduction of \$1.4 million). As previously discussed under Department request BA4 HSMA Program Balancing, the total is based on updated forecasted expenditures plus a cushion of 3.0 percent, since the program no longer has overexpenditure authority.

School District Operations, Nutrition, School Meal Reimbursements

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$143,900,000	\$0	\$143,900,000	\$0	\$0	0.0
Long Bill supplemental	-1,400,000	0	-1,400,000	0	0	0.0
Total FY 2025-26	\$142,500,000	\$0	\$142,500,000	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$142,500,000	\$0	\$142,500,000	\$0	\$0	0.0
BA4 HSMA program balancing	5,700,000	0	5,700,000	0	0	0.0
Total FY 2026-27	\$148,200,000	\$0	\$148,200,000	\$0	\$0	0.0
Changes from FY 2025-26	\$5,700,000	\$0	\$5,700,000	\$0	\$0	0.0
Percentage Change	4.0%	n/a	4.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$155,000,000	\$0	\$155,000,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$6,800,000	\$0	-\$6,800,000	\$0	\$0	0.0

Local Food Purchasing Grant

Subject to available appropriation, participating school food authorities that establish a parent and student school food advisory committee may receive a grant to purchase Colorado grown, raised, or processed products.

Statutory Authority: Sections 22-82.9-205, C.R.S.

Request/Recommendation: As discussed under BA4 HSMA Program Balancing, the recommendation aligns with the request for \$18,249,964 cash funds from the HSMA cash fund.

Local Food Technical Assistance Grant

Subject to available appropriation, the Department may issue a grant to a statewide nonprofit to assist with the promotion of Colorado products to participating school food authorities and to assist them with preparing meals using basic ingredients with minimal reliance on processed products. Grants may be used for training, technical assistance, physical infrastructure for school food authorities, growers associations, and other organizations that

aggregate products for producers, as well as for education, outreach, and promotion for schools and growers to engage with school communities. A minimum of \$5.0 million must be appropriated for the program.

Statutory Authority: Sections 22-82.9-207, C.R.S.

Request/Recommendation: As discussed under BA4 HSMA Program Balancing, the recommendation aligns with the request for \$5,000,000 cash funds from the HSMA cash fund.

Wage Distributions

Subject to available appropriation, participating school food authorities may receive the greater of \$3,000 or \$0.12 per school lunch, to be used to increase wages or provide stipends for employees who prepare and serve school meals.

Statutory Authority: Sections 22-82.9-206, C.R.S.

Request/Recommendation: As discussed under BA4 HSMA Program Balancing, the recommendation aligns with the request for \$8,795,656 cash funds from the HSMA cash fund.

(II) Other Nutrition Programs

Federal Nutrition Programs

This line item reflects (for informational purposes) all federal funding that is available for nutrition programs. The federal funds and a small amount of General Fund included in this line item support 9.0 FTE who administer the various state and federal nutrition programs. The state funding in this line item is used to comply with a federal maintenance of effort requirement associated with these federal funds.

Statutory Authority: Federal nutrition program statutes.

Request/Recommendation: The request and recommendation are summarized in the table below. As previously discussed, the staff recommendation includes a fund source change from General Fund to HSMA cash funds for the portion of this line item that is from state funds.

School District Operations, Nutrition, Federal Nutrition Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$338,222,699	\$111,060	\$0	\$0	\$338,111,639	17.0
Total FY 2025-26	\$338,222,699	\$111,060	\$0	\$0	\$338,111,639	17.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$338,222,699	\$111,060	\$0	\$0	\$338,111,639	17.0
Prior year actions	60,507	2,704	0	0	57,803	0.0
SI Legacy nutrition programs	0	-111,060	111,060	0	0	0.0
Total FY 2026-27	\$338,283,206	\$2,704	\$111,060	\$0	\$338,169,442	17.0
Changes from FY 2025-26	\$60,507	-\$108,356	\$111,060	\$0	\$57,803	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	0.0%	-97.6%	n/a	n/a	0.0%	0.0%
FY 2026-27 Executive Request	\$338,283,206	\$113,764	\$0	\$0	\$338,169,442	17.0
Staff Rec. Above/-Below Request	\$0	-\$111,060	\$111,060	\$0	\$0	0.0

State Match for Federal School Lunch Program

Under federal law, states must comply with a maintenance of effort (MOE) requirement in order to receive a portion of federal funds available through the National School Lunch Program. Colorado must comply with a \$2,472,644 MOE requirement.

Pursuant to federal law [Title 42, Chapter 13, Section 1756, Subsection (1) (a), U.S. Code] and the associated federal regulations [Title 7, Chapter II, Part 210, Subpart D, Section 210.17, Subsection (d), U.S. Code of Federal Regulations], in order to comply with the state revenue matching requirement, state money must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses).

Pursuant to S.B. 01-129, statute requires the General Assembly to appropriate by separate line item an amount to comply with the MOE requirement for National School Lunch Program [see Section 22-54-123, C.R.S.]. Senate Bill 01-129 included an appropriation of \$2,472,644 from the State Public School Fund for FY 2001-02, and the General Assembly has appropriated the same amount annually in subsequent fiscal years. Subsequently, the federal government has indicated that states are required to meet the MOE requirement each school year as a condition of the state's receipt of federal "general cash assistance" funds, and the intent of this requirement is that a minimum amount of state revenues be provided to supplement the federal funds provided to schools to support the overall aim of the National School Lunch Program (which is to provide lunches to children in school).

The state matching funds are allocated by the Department among participating school districts, providing an additional form of support for school food authority operations.

The source of the state funds appropriation is interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund. However, staff has anticipated that this funding source will need to be changed in FY 2026-27 based on changes in the use of Permanent Fund interest included in H.B. 24-1448; beginning in FY 2026-27, Permanent Fund interest is no longer credited to the State Public School Fund.

Statutory Authority: Section 22-54-123, C.R.S.

Request: The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2026-27, unchanged from the FY 2025-26 appropriation.

Recommendation: Staff recommends the request for the Long Bill. However, as previously discussed under SI Legacy Nutrition Programs, staff anticipates that a separate JBC bill will change the funding source to HSMA cash funds.

Child Nutrition School Lunch Protection Program

Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in pre-kindergarten through twelfth grade who is eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through this program based on the number of lunches served to eligible children.

The General Assembly expanded the program multiple times after its creation in S.B. 08-123 (Child Nutrition School Lunch Protection).

- In FY 2008-09, the program only applied to students in kindergarten through second grade.
- In 2009, S.B. 09-133 (Early Childhood Education Services Free Lunch) expanded the program to include students in state-subsidized early education (pre-kindergarten) programs, thereby including students from pre-K through second grade.
- Starting in FY 2014-15, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include grades three through five.
- Beginning in FY 2018-19, S.B. 18-013 (Expand Child Nutrition School Lunch Protection Act) further expanded the program to include grades six through eight.
- Finally, starting in FY 2019-20, H.B. 19-1171 (Expand Child Nutrition School Lunch Protection Act) expanded the program to include grades nine through twelve. As a result, the program now applies to all grades from pre-K through twelve.

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Participation and expenditures decreased during the COVID-19 pandemic due to school closures and federal policy changes that increased student access to free meals.

Demand for the program has fallen further as a result of the launch of the Healthy School Meals for All Program in FY 2023-24, and the appropriation was reduced in FY 2024-25.

Statutory Authority: Section 22-82.9-101 et seq., C.R.S.

Request: The Department requested continuation funding of \$841,460 from the State Education Fund for FY 2026-27.

Recommendation: Staff recommends the request for continuation funding of \$841,460 from the State Education Fund in the Long Bill, as statute currently requires an appropriation for this purpose. However, as discussed under SI Legacy Nutrition Programs, staff anticipates that under separate JBC legislation, this statutory requirement will be modified and the appropriation will be eliminated.

Start Smart Nutrition Program Fund and Start Smart Nutrition Program

Pursuant to S.B. 07-059 [Section 22-82.7-101 et seq., C.R.S.], the Start Smart Nutrition Program provides state funding to reimburse school districts for each breakfast served to a child eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates

the amount of state funding each district is eligible to receive through the Start Smart Nutrition Program based on the number of breakfasts served to children eligible for reduced price meals. The cost of the Program is driven by three factors:

- The number of districts and schools that provide a school breakfast program.
- The number of children who are eligible for reduced price meals.
- The number of eligible children who participate in school breakfast programs.

Participation and expenditures declined dramatically in FY 2020-21 and FY 2021-22 as a result of the COVID-19 pandemic and associated changes in federal policy. Federal programs returned to their pre-pandemic policies for FY 2022-23. However, due to the launch of the Healthy School Meals for All Program in FY 2023-24, as well as changes in federal policy, use of the program has declined dramatically, and the appropriation was reduced in FY 2024-25.

Statutory Authority: Section 22-82.7-101 et seq., C.R.S.

Request: The Department requested no appropriation to the Smart Start Nutrition Program Fund and a continuing level of appropriation of \$296,484 cash funds *from* the Start Smart Nutrition Program Fund to the Department for FY 2026-27.

Recommendation: As previously discussed under SI Legacy Nutrition Programs, based on current law, staff recommends that the Long Bill includes an appropriation of \$700,000 General Fund to the Smart Start Nutrition Program Fund and a continuing level of appropriation of \$296,484 cash funds to the Department. However, staff anticipates that under separate JBC legislation, the statutory requirements will be modified and the appropriations will be eliminated.

Local School Food Purchasing Programs

This line item supports the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers). H.B. 20-1418 (School Finance) modified statute to delay implementation of the programs until FY 2021-22 as a budget balancing action. Both programs sunsetted in FY 2023-24 but were re-created by H.B. 24-1390, based on the lack of available funding for the Healthy School Meals for All local school food purchasing grant and technical assistance programs.

- The Colorado Food Products Purchasing Incentives Grant Program is intended to provide grants to encourage local education providers or residential child care centers to purchase Colorado grown, raised, and processed products for school meal programs. Grant recipients must participate in the National School Lunch Program. Authorizing up to \$500,000 in grants per year, the program will reimburse participants for the amount spent on Colorado grown, raised, and processed products, up to a maximum amount per reimbursement.
- The Local School Food Purchasing Technical Assistance and Education Grant Program is intended to promote Colorado grown, raised, and processed products to eligible school meal providers.

Funding for the program is subject to available appropriation.

Statutory Authority: Section 22-82.9-301 through 306, C.R.S.

Request: The Department requests continuation of the FY 2025-26 appropriation of \$675,729 from the State Education Fund and 0.4 FTE for this line item.

Recommendation: As previously discussed under SI Legacy Nutrition Programs, staff does not recommend an appropriation for this line item for FY 2026-27, in light of the HSMA program and funding available due to the passage of Propositions LL and MM.

Summer Electronic Benefits Transfer for Children Program

Senate Bill 23B-002 (Summer Electronic Benefits Transfer Program) creates the summer electronic benefits transfer program in the Department of Human Services to provide food benefits to students in low-income households for the summer months when students are not in school pursuant to federal law. The Department of Education is designated as a partner agency. Department of Education responsibilities include developing an outreach plan to local education providers and school food authorities, providing technical assistance to school food authorities, developing protocols for sharing of data necessary to administer the program, streamlining data collection, and developing and providing an opt-out process for parents, guardians, and emancipated student to the extent allowable by federal law.

Statutory Authority: Section 22-2-149, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$453,064 total funds, including \$229,097 General Fund and \$223,967 federal funds, and 1.7 FTE for this line item, including the annualization of prior year salary survey and step pay.

Line Item Detail – (E) Capital Construction

Division of Public School Capital Construction Assistance

This line item supports the PSCCA Board and the Division of PSCA staff (16.0 FTE).

Statutory Authority: Section 22-43.7-105, C.R.S.

Request/Recommendation: The Department requests \$1,925,630 cash funds from the Public School Capital Construction Assistance Fund and 16.0 FTE for FY 2026-27. The request includes an increase to annualize prior year salary survey and step pay. Staff recommends the request.

Public School Capital Construction Assistance Board – Lease Payments

This line item provides spending authority to make payments as required by lease-purchase agreements. The General Assembly has repeatedly increased the authorized amounts of lease purchase payments for the program.

- Prior to FY 2016-17, statute capped annual total lease payments (including state and local revenues) at \$80.0 million and limited the State's share to no more than \$40 million.
- Senate Bill 16-072 increased the cap on total lease payments to \$90.0 million (up to \$45 million state share) in FY 2016-17 and \$100.0 million (up to \$50 million state share) in FY 2017-18.
- House Bill 19-1055 (Public School Capital Construction Financial Assistance) further increased the cap to \$105.0 million in FY 2019-20 and \$110.0 million (\$55.0 million state share) in subsequent years.

- House Bill 20-1418 (School Finance) increased the cap to a total of \$125.0 million (\$62.5 million state share) in FY 2020-21 and subsequent years.
- House Bill 24-1448 (New School Finance Formula) further increased the cap to a total of \$150.0 million, with a \$75.0 million state share.

Pursuant to Section 22-43.7-104 (3), C.R.S., the use of any PSCCA Fund moneys to make lease payments required by lease-purchase agreements is subject to annual appropriation by the General Assembly.

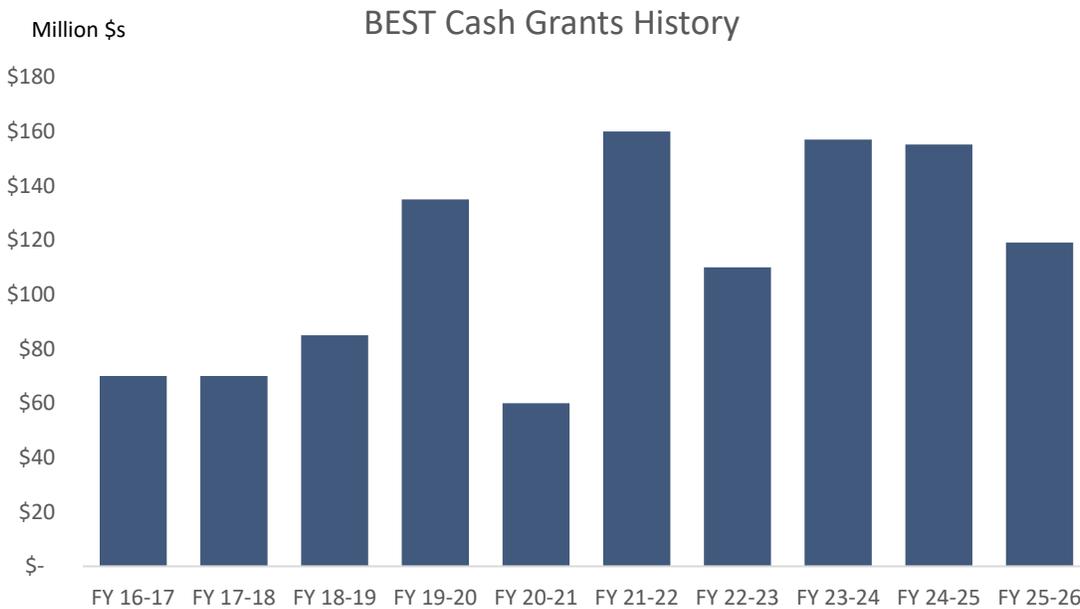
Statutory Authority: Section 22-43.7-104 (3), C.R.S.

Request/Recommendation: The Department requests a continuation appropriation \$150.0 million cash funds from the Public School Capital Construction Assistance Fund to support B.E.S.T. COP payments in FY 2026-27. This amount includes \$75.0 million originating from state funds in the Public School Capital Construction Assistance Fund and \$75.0 million from local matching funds. Staff recommends approving the request.

Public School Capital Construction Assistance Board – Cash Grants

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the B.E.S.T. Program’s cash grants. Prior to FY 2014-15, moneys for B.E.S.T. cash grants were continuously appropriated to the Department, but this was changed in S.B. 14-112.

Amounts available for this program are dependent upon the money available in the fund. This has fluctuated significantly in recent years.



Pandemic Cut and Repayment: Funding for grants was reduced when \$100.0 million in marijuana excise tax revenue was diverted to help balance the state budget for FY 2020-21. Most of this amount was “repaid” using transfers from various fund sources authorized and then amended in S.B. 21-207, H.B. 22-1341, and S.B. 23-220, although a final \$20.0 million repayment was eliminated in S.B. 25-268 due to shortfalls in the Marijuana Tax Cash Fund.

Marijuana Excise Tax and Land Board Revenue: Revenue to the Public School Capital Construction Assistance Fund, including marijuana excise taxes and state land board revenue, provided high total levels of revenue, supporting particularly high levels of cash grants in FY 2021-22, FY 2023-24, and FY 2024-25.

Revenue Cap: H.B. 25-1320 (School Finance) capped most revenue to the PSCCAF at \$150.0 million effective FY 2024-25 and reduced the BEST cash grants appropriation by \$38.0 million for FY 2025-26

The appropriation for this line item is based on a calculation of revenue to the PSCCAF anticipated in the current year (e.g., FY 2025-26 for FY 2026-27 appropriations) **less** existing commitments from the fund for:

- Administration, including statewide assessment tool costs;
- Certificate of participation obligations;
- Statutory direction of funds for charter school facilities assistance; and
- Required reserves

The combination of the PSCCAF revenue cap and pressure on the fund from increased BEST lease purchase payments and increased charter school facilities assistance authorized in H.B. 24-1448 (New School Finance Formula), will squeeze the balance available for BEST cash grants moving forward.

Statutory Authority: Section 22-43.7-104, C.R.S.

Request: The Department requests \$140,068,774 for this line item, including the second year impact of H.B. 25-1320 (School Finance), but the source of the calculation is not clear.

Recommendation: The preliminary staff recommendation is \$107,443,000 from the PSCCAF. Staff may recommend adjustments based on updated March 2026 revenue projections.

Financial Assistance Priority Assessment

This line item provides the funding necessary to conduct the financial assistance priority assessment of public school facilities throughout the state as required by Section 22-43.7-108, C.R.S. Pursuant to Section 22-43.7-104 (3), C.R.S., subject to annual appropriation, the Department may expend moneys in the PSCCA Fund to pay the costs of contracting for the financial assistance priority assessment. The appropriation supports the Department's online *Facility Insight* tool.

The program received a large one-time appropriation in FY 2015-16 to reconfigure and enhance the tool. The resulting contractor was used through FY 2025-26. As required by law, the State went through a re-procurement process in FY 2025-26, and the same vendor was awarded the contract. Because of this, a large one-time IT capital construction appropriation for FY 2025-26 will not be required, although annual obligations will increase.

Statutory Authority: Section 22-43.7-108, C.R.S.

Request: The Department requested \$600,000 from the Public School Capital Construction Assistance Fund, including an increase of \$450,000 for R4.

Recommendation: As previously discussed, the staff recommendation is \$329,195 cash funds from the PSCCAF, including an increase of \$179,195 for R4.

State Aid for Charter School Facilities

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction, providing that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school received per pupil was originally calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools received \$322 per pupil. The amount of funding was originally required to increase each year based on the number of qualified charter schools, the number of pupils attending such schools, and inflationary increases in the minimum per pupil capital reserve amount.

Subsequently, the General Assembly modified this program in significant ways. First, eligibility for funding was modified. As currently enacted, the program allocates annual appropriations among charter schools on a per pupil basis, except that a qualified charter school does not include one that does not have capital construction costs, is operating in a district school facility that does not have capital construction costs, or is operating in a state facility and is not obligated to make lease payments.

Second, the amount appropriated for the program was modified. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made changes to:

- Progressively increase the appropriation from the State Education Fund with the total reaching \$20.0 million in FY 2015-16 and subsequent years.
- Authorize additional funding for charter school capital construction from marijuana excise tax revenues. Beginning July 1, 2014, the bill directed the State Treasurer to deposit 12.5 percent of marijuana excise tax moneys deposited into the Public School Capital Construction Assistance Fund (PSCCAF) into the Charter School Facilities Assistance Account within the PSCCAF.

In the 2019 Session, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each fund source based on statewide student enrollment in charter schools.

- For the State Education Fund, the bill adjusted the previous base (\$20.0 million per year) based on a comparison of charter school enrollment (as a percentage of statewide pupil enrollment) in the preceding budget year to the percentage of students that were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, the bill continued to deposit a percentage of total marijuana excise tax revenues into the Charter School Facilities Assistance Account. However, the transfer is now based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year.

The formula above continues to provide the basic statutory funding structure for this program, but there have been temporary adjustments: H.B. 20-1418 changed the allocation of marijuana excise taxes for FY 2020-21; and Senate Bill S.B. 23-287 (School Finance) provided a one year increase of \$10.0 million from the State Education Fund.

House Bill 24-1448 (New School Finance Formula) increases funding from the Public School Capital Construction Assistance Fund to the Charter School Facilities Assistance Account by \$11.5 million in FY 2024-25, \$12.0 million in FY 2025-26, \$13.0 million in FY 2026-27, \$14.0 million in FY 2027-28 and \$15.0 million in FY 2028-29, in addition to the existing formula distributions. Funding under current law reverts to solely the previous formula distributions in FY 2029-30. This temporary increase is associated with a five year federal grant.

Statutory Authority: Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d).

Request/Recommendation: The Department requests continuation funding of \$42,280,571 cash funds. The staff recommendation is summarized in the table below. As discussed under SI Long Bill Adjustments for State Aid for Charter School Facilities, the recommendation adjusts funding based on existing statutory formulas.

Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account based on the March 2026 Revenue Forecast.

School District Operations, Capital Construction, State Aid for Charter School Facilities

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$42,280,571	\$0	\$42,280,571	\$0	\$0	0.0
Total FY 2025-26	\$42,280,571	\$0	\$42,280,571	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$42,280,571	\$0	\$42,280,571	\$0	\$0	0.0
SI Charter School Facilities Assistance	956,128	0	956,128	0	0	0.0
Total FY 2026-27	\$43,236,699	\$0	\$43,236,699	\$0	\$0	0.0
Changes from FY 2025-26	\$956,128	\$0	\$956,128	\$0	\$0	0.0
Percentage Change	2.3%	n/a	2.3%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$42,280,571	\$0	\$42,280,571	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$956,128	\$0	\$956,128	\$0	\$0	0.0

Line Item Detail - (F) Indirect Cost Assessment

Indirect Cost Assessment

This line item reflects indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

Statutory Authority: Section 24-31-101 and 102, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and discussed earlier in this packet.

School District Operations, Indirect Cost Assessment, Indirect Cost Assessment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Total FY 2025-26	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
SI Indirect cost adjustments	525,469	0	525,469	0	0	0.0
Total FY 2026-27	\$4,493,429	\$0	\$550,469	\$128,142	\$3,814,818	0.0
Changes from FY 2025-26	\$525,469	\$0	\$525,469	\$0	\$0	0.0
Percentage Change	13.2%	n/a	2,101.9%	0.0%	0.0%	n/a
FY 2026-27 Executive Request	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Staff Rec. Above/-Below Request	\$525,469	\$0	\$525,469	\$0	\$0	0.0

Line Items from Prior Years

Distributions to School Districts for Projects to Replace Prohibited American Indian Mascots as Required by Section 22-1-133, C.R.S.

Request/Recommendation: The FY 2023-24 School Finance Act included an appropriation of \$300,000 from the State Education Fund to assist school districts in renovations to replace prohibited American Indian mascots. This was a one-time appropriation.

(4) Educator Talent

This section includes funding that is associated with a variety of programs related to educator licensure, educator effectiveness, training, recruitment, and retention efforts.

General Background – Educator Shortage: As reflected in the Department’s annual research, Colorado continues to struggle with significant educator shortages particularly in rural areas of the State. Out of approximately 55,000 teaching positions in the state, about 7,800 needed to be filled in FY 2024-25 and about 2,800 of these had to be filled with shortage mechanisms (alternative candidates, long-term substitutes, retired educators) or were left unfilled. The shortage is down from its FY 2022-23 and FY 2023-24 peak, but remains acute in some regions and disciplines. <https://ed.cde.state.co.us/educatortalent/researchandimpact/colorados-educator-shortage-survey-results/educator-shortage-survey-results>

The only adjustments in this section are addressed under Decision Items Affecting Multiple Divisions.

Educator Talent

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$15,699,096	\$12,642,487	\$3,056,609	\$0	\$0	47.6
Total FY 2025-26	\$15,699,096	\$12,642,487	\$3,056,609	\$0	\$0	47.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$15,699,096	\$12,642,487	\$3,056,609	\$0	\$0	47.6
R8 Administrative efficiencies and reductions	-75,000	-75,000	0	0	0	0.0
Prior year actions	118,365	66,707	51,658	0	0	0.0
Total FY 2026-27	\$15,742,461	\$12,634,194	\$3,108,267	\$0	\$0	47.6
Changes from FY 2025-26	\$43,365	-\$8,293	\$51,658	\$0	\$0	0.0
Percentage Change	0.3%	-0.1%	1.7%	0.0%	0.0%	0.0%
FY 2026-27 Executive Request	\$15,742,461	\$12,634,194	\$3,108,267	\$0	\$0	47.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Item Detail – Educator Talent

Office of Professional Services

This office is responsible for administration of the Colorado Educator Licensure Act and is funded primarily through fees paid by educators seeking licenses, endorsements, and authorizations. Section 22-60.5-112, C.R.S., authorizes the State Board of Education to adjust fees charged for licensing purposes annually, if necessary, so that the revenue generated approximates the direct and indirect costs of administering the Colorado Educator Licensing Act. Fee revenues are deposited into the Educator Licensure Cash Fund.

Educator Licensure Fund: Prior to FY 2011-12, all funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund), S.B. 21-206 (Educator Licensure Cash Fund), and H.B. 24-1391 continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2029-30. H.B. 24-1391 added a provision requiring the Department to provide a report regarding the fund and whether the continuous appropriation authority should be maintained, by November 1, 2029.

House Bill 21-1104 (Professional Educator Licensure Renewal Period) significantly modified funding for this Office. This bill extended the licensing period for professional educators from five to seven years. Based on this, revenue to the Educator Licensure Cash Fund was expected to decline by \$1.82 million in both FY 2021-22 and FY 2022-23, as license renewal payments moved out to future years. The bill included a reduction of 4.0 FTE and \$358,512 cash funds for the office and provided backfill of \$2,922,976 General Fund to be spent over FY 2021-22 and FY 2022-23.

Most positions in this line item are supported with fee revenue of approximately \$4.0 million per year. At the beginning of FY 2025-26, the balance in the Educator Licensure Fund was \$1.2 million. The Department projects that the fund balance will decline and higher fees may be required in FY 2027-28.

Other positions: This line item also includes over \$800,000 of General Fund that originates from H.B. 22-1220 (Removing Barriers to Educator Preparation). Under the provisions of this bill, beginning in FY 2023-24, educator applicants may demonstrate professional competencies by completing an approved performance-based or content-based assessment, submitting a portfolio of coursework for review by a panel, submitting evidence of sufficient grades on higher education courses aligned with relevant standards, or through a combination of the three methods. The General Fund helps to subsidize the additional costs associated with assessing teachers this way. The fiscal note assumed that up to 1,000 applicants would use the portfolio review option and up to 5,000 would use the coursework review option.

Statutory Authority: Sections 22-60.5-101, 22-60.5-203, 22-2-109, and 22-9-101, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include annualization of prior year salary survey and step pay.

Educator Talent, Office of Professional Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,706,445	\$804,147	\$2,902,298	\$0	\$0	27.2
Total FY 2025-26	\$3,706,445	\$804,147	\$2,902,298	\$0	\$0	27.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,706,445	\$804,147	\$2,902,298	\$0	\$0	27.2
Prior year actions	63,365	15,587	47,778	0	0	0.0
Total FY 2026-27	\$3,769,810	\$819,734	\$2,950,076	\$0	\$0	27.2
Changes from FY 2025-26	\$63,365	\$15,587	\$47,778	\$0	\$0	0.0
Percentage Change	1.7%	1.9%	1.6%	n/a	n/a	0.0%

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$3,769,810	\$819,734	\$2,950,076	\$0	\$0	27.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Educator Effectiveness Unit Administration

This line item supports both educator effectiveness and educator recruitment activities.

Educator Effectiveness: The General Assembly created this line item in FY 2012-13 to support the ongoing costs of the Educator Effectiveness Unit charged with implementation of S.B. 10-191 (Principal and Teacher Effectiveness), which was amended in S.B. 22-070 (K-12 Licensed Personnel Performance Evaluations). The Department’s Educator Effectiveness Office supports schools and districts with guidance on educator evaluation systems. All licensed personnel are required to be evaluated and receive a final effectiveness rating every year. The majority of funding relates to these functions.

Educator Recruitment and Retention: This line item also supports educator recruitment and retention responsibilities added under Senate Bill 21-185 (Supporting Educator Workforce in Colorado). This includes FTE administrative support for the Quality Teacher Recruitment Program, the Educator Recruitment and Retention program, and the Teacher Recruitment and Educator Preparation Program (TREP).

The Department is responsible for ensuring prospective educators involved in these programs receive appropriate supports such as one-on-one counseling, job placement opportunities; professional development through the first three years of service as an educator; and retention counseling.

Statutory Authority: Section 22-9-104, C.R.S., and Sections 22-60.3-201 through 205.

Request/Recommendation: The request and recommendation are summarized in the table below and include annualization of prior year salary survey and step pay, as well as the administrative reduction proposed in R8.

Educator Talent, Educator Effectiveness Unit Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,638,702	\$3,484,391	\$154,311	\$0	\$0	18.2
Total FY 2025-26	\$3,638,702	\$3,484,391	\$154,311	\$0	\$0	18.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,638,702	\$3,484,391	\$154,311	\$0	\$0	18.2
Prior year actions	52,105	48,225	3,880	0	0	0.0
R8 Administrative efficiencies and reductions	-75,000	-75,000	0	0	0	0.0
Total FY 2026-27	\$3,615,807	\$3,457,616	\$158,191	\$0	\$0	18.2
Changes from FY 2025-26	-\$22,895	-\$26,775	\$3,880	\$0	\$0	0.0
Percentage Change	-0.6%	-0.8%	2.5%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$3,615,807	\$3,457,616	\$158,191	\$0	\$0	18.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Quality Teacher Recruitment Program

The General Assembly added this line item to the FY 2014-15 Long Bill to support appropriations for the Quality Teacher Recruitment Program created in S.B. 13-260 (School Finance). Section 22-94-102, C.R.S., directs the Department to contract with organizations working with school districts and boards of cooperative educational services (BOCES) to recruit, select, train, and retain highly qualified teachers in areas that have historically had difficulty attracting and retaining such teachers.

Program Origins: In December 2013, the Department selected the Public Education Business Coalition (PEBC) and Teach for America (TFA-Colorado) as grant recipients, with each program receiving half of the annual grant funds (\$1,470,000 per year). The programs divided the State geographically, with each program placing teachers in specific districts, with PEBC largely serving rural districts and TFA Colorado's efforts focused in Denver, Harrison, and Pueblo City.

The TFA-Colorado program places most teachers as the "teacher of record" in the first year of the program and requires a two-year commitment from recruits. In contrast, PEBC has placed the majority of recruits as "residents" in mentor teacher classrooms for the first year. The PEBC participants become teachers of record in the second year and have made a three year commitment to the program (including the residency year). The PEBC also makes a five-year commitment to provide supports to program participants.

Beginning in the 4th grant period (FY 2018-19) Fort Lewis College became an additional grantee.

Recent History and Expansion to Additional Providers: The General Assembly appropriated \$3.0 million per to support the program from FY 2014-15 through FY 2018-19. The FY 2019-20 Long Bill also included \$3.0 million to support the program. Due to the revenue shortfalls associated with the COVID-19 pandemic, the General Assembly eliminated the FY 2019-20 and FY 2020-21 state funding for the program through adjustments during the 2020 Session, but these reductions were backfilled by the Governor's Office using federal COVID-19 funds (GEER funds).

Beginning in FY 2021-22, funding for the program was restored in S.B. 21-185 (Supporting Educator Workforce in Colorado). This bill also modified the statute to specify that contractors must supply "licensed" teachers, rather than "highly qualified" teachers.

In recent years, the Department has awarded grants on two-year cycles. Grantees from FY 2018-19 through FY 2024-25 were the same as in recent years: PEBC, TFA-Colorado, and Fort Lewis College. However, the Department's website indicates that for the FY 2025-26 through FY 2026-27 grant cycle, awards have been awarded to Canon City Schools, Morgan County School District, and Saint Vrain Valley School District, in addition to PEBC, TFA-Colorado, and Fort Lewis College.

Evaluation: Section 22-94-103, C.R.S., requires the vendors conducting the program to submit annual reports to the Department and requires the Department to contract with a third party to conduct annual evaluations of the program. The Department has contracted with OMNI Research to evaluate the program, and OMNI. Program materials, including evaluations, are available on the Department's website:

<https://ed.cde.state.co.us/educatortalent/researchandimpact>

A July 2025 evaluation report³⁴ on the FY 2024-25 funding cycle indicates that in school year 2024-25, the three entities participating collectively placed 189 new teachers, while they continued to support teachers from previous cohorts. The numbers being supported from previous years declines over time, so that among teachers who entered in the SY 2020-21 cohort, between 21 and 37 percent were still being supported in a grant-partner district.

If the most recent 3 cohorts only are included (FY 23, FY 24, and FY 25), the program actively supported 402 teachers in FY 2024-25 at a cost of about \$7,354 per teacher. If only the recruitment cohort is counted (FY 2024-25), the cost of the program, the cost was \$3.0 million to recruit and place 189 teachers—a cost of about \$15,873 per teacher.

Statutory Authority: Section 22-94-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, continuation funding of \$3,000,000 General Fund for the program.

Educator Recruitment and Retention Program - Financial Assistance

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) created the Educator Recruitment and Retention Program to provide financial support for aspiring educators in rural areas, and H.B. 22-1390 expanded eligibility to include educator shortage areas elsewhere in the state.

The program provides qualified program applicants with up to \$10,000 in one-time financial assistance toward their educator preparation program costs. Recipients must commit to teaching in a rural, small rural, or educator shortage area for three years in a Colorado public school. Students may be enrolled in a Colorado-approved traditional or alternative educator preparation program. The program is opened to individuals with a bachelor's degree or higher who have secured employment as an alternative teacher or temporary educator; is employed as a paraprofessional in a school district, charter school or BOCES; or has secured a position as a CTE instructor in a rural district. Statute identifies the program as particularly targeted at members of the armed forces who seek to transition to a career in education, although it is not limited to this population.

The administrative costs related to this program, as well as \$575,000 General Fund for educator recruitment and support services, is included in the Educator Effectiveness Unit Administration line item.

Evaluation and Recommendations: The program is required to submit an annual report, which may be found here:

<https://resources.finalsite.net/images/v1763577996/cdestatecous/essbkrs7ryfmmijoyxko/ERREvaluationReportNovember2025.pdf>

The report indicates that in FY 2024-25, the program awarded \$5.1 million in tuition assistance for 660 educators (an average of \$7,729 per educator).

Demand for the program is high, with all funding allocated six weeks after the application was open.

Based on surveys, 53 percent of recipients indicated that without the financial assistance they would not have become an educator and 87 percent indicated that the assistance was “essential” to their choice to become an educator; 55 percent of local education agencies that were served by educators who received financial

³⁴ <https://www.cde.state.co.us/cdedepcom/qualityteacherrecruitmentyear2report>

assistance said that the addition of these educators allowed class sizes to remain stable, and 81 percent said they increased student access to learning supports.

The Department’s annual report indicates that on November 13, 2025, the State Board of Education voted to seek additional authority to set funding distribution priorities to help ensure resources address the most pressing needs.

Statutory Authority: Sections 22-60.3-201 through 205, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$5,000,000 General Fund for the Educator Recruitment and Retention Program – Financial Assistance line item.

School Leadership Pilot Program

The General Assembly added this line item to the FY 2020-21 Long Bill to support the School Leadership Pilot Program created in H.B. 19-1002 (Leadership Professional Development for School Principals) to provide training for school principals. The bill requires the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

H.B. 19-1002 required the Department of Education to design the program in FY 2019-20 and to implement the program no later than July 2020. By January 15, 2022, the Department was required to report to the General Assembly, including detailing actual participation, an evaluation of the program’s impact, and recommendations.

For FY 2019-20, General Assembly appropriated \$272,929 General Fund and 0.9 FTE to the Department of Education to support program design. The Final Legislative Council Staff Fiscal Note for the bill anticipated an appropriation of \$751,615 General Fund per year in FY 2020-21 and FY 2021-22, but the General Assembly reduced the appropriation as a budget balancing measure. Funding was restored for FY 2021-22 through S.B. 21-268 (Public School Finance); however, House Bill 22-1248 (Extend School Leadership Pilot Program) both struck the previous July 1, 2022 repeal date for the program and modified statute to specify that the General Assembly “shall annually appropriate up to two hundred fifty thousand dollars to the department for the implementation of [the program], including money to pay the costs of designing and implementing the program...”

Statutory Authority: Section 22-13-201 through 205, C.R.S.

Request/Recommendation: The Department requests and staff recommends \$250,000 General Fund for FY 2026-27 and 1.2 FTE, including annualization of prior year salary survey and step pay.

Teacher Degree Apprenticeship Program

As an alternative route to teacher licensure, S.B. 23-087 creates a teacher degree apprenticeship program. The program builds on elements of existing alternative teacher licensure programs, including a bachelor’s degree requirement, training programs approved by the Department, and structured on-the-job training. The program is run collaboratively with the U.S. Department of Labor Office of Apprenticeship and the state apprenticeship office. Additional information may be found here: <https://www.cde.state.co.us/educatortalent/tdadccdata>

Statutory Authority: Section 22-60.5-111 and 111.5, C.R.S.

Request/Recommendation: The Department requests and staff recommendation, including annualization of prior year salary survey and step pay, is reflected in the table below.

Educator Talent, Teacher Degree Apprenticeship Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$103,949	\$103,949	\$0	\$0	\$0	1.0
Total FY 2025-26	\$103,949	\$103,949	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$103,949	\$103,949	\$0	\$0	\$0	1.0
Prior year actions	2,895	2,895	0	0	0	0.0
Total FY 2026-27	\$106,844	\$106,844	\$0	\$0	\$0	1.0
Changes from FY 2025-26	\$2,895	\$2,895	\$0	\$0	\$0	0.0
Percentage Change	2.8%	2.8%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$106,844	\$106,844	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Items from Prior Years

Transfer to Department of Higher Education for Student Educator Stipend Program

House Bill 24-1290 (Student Educator Stipend Program) provided a one-time appropriation of \$4,197,000 cash funds from the State Education Fund for student educator stipends. The amount was for transfer to the Department of Higher Education, which administers the program. The funding provided in H.B. 24-1290 was for one year only.

(5) Student Learning

This section includes: (1) funding and oversight for facility schools that serve students in specialized out-of-district placements and related programs to improve services for students with exceptionally severe or specialized needs; (2) funding and technical assistance to school districts to improve early literacy services; and (3) other programs to enhance educational learning supports, interventions, and planning.

Student Learning

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2025-26 Appropriation					
FY 2025-26 Appropriation	\$86,587,995	\$2,763,274	\$83,824,721	\$0	46.3
Total FY 2025-26	\$86,587,995	\$2,763,274	\$83,824,721	\$0	46.3
FY 2026-27 Recommended Appropriation					
FY 2025-26 Appropriation	\$86,587,995	\$2,763,274	\$83,824,721	\$0	46.3
R5 READ Act awareness campaign and evaluation	-200,000	0	-200,000	0	0.0
R8 Administrative efficiencies and reductions	-75,000	0	-75,000	0	0.0
BA8 Realign timing of standards review work	0	0	0	0	0.0
NP MTCF early literacy	0	0	0	0	0.0
SI State-operated schools	129,597	0	129,597	0	0.0
SI Early literacy adjustments	0	0	0	0	0.0
SI School Bullying Prevention Grant	-1,000,000	-1,000,000	0	0	0.0
SI Out-year impact corrections	-291,707	-91,707	-200,000	0	-0.5
SI Facility schools baseline funding model	-300,000	0	-300,000	0	0.0
SI Underused appropriations	-226,542	-226,542	0	0	-1.7
Prior year actions	-3,365,679	-111,630	-3,254,049	0	-2.1
Total FY 2026-27	\$81,258,664	\$1,333,395	\$79,925,269	\$0	42.0
Changes from FY 2025-26	-\$5,329,331	-\$1,429,879	-\$3,899,452	\$0	-4.3
Percentage Change	-6.2%	-51.7%	-4.7%	0.0%	-9.3%
FY 2026-27 Executive Request	\$82,197,316	\$2,651,644	\$79,545,672	\$0	44.2
Staff Rec. Above/-Below Request	-\$938,652	-\$1,318,249	\$379,597	\$0	-2.2

→ R5 READ Act Awareness Campaign and Evaluation Reductions [Legislation]

Request

The Department requests that READ Act program evaluations occur every other year, rather than annually, and also requests a reduction to the READ Act awareness campaign appropriation. The READ Act supports school districts in providing high quality early literacy instruction through grants, targeted per pupil funding, teacher and administrator training, shared materials, and technical assistance. The Department notes that statute requires an annual program evaluation and would need to be modified to instead conduct the evaluations on a biennial basis.

Year 1: The requested decrease is \$950,000 cash funds from the Early Literacy Cash Fund to eliminate the \$750,000 appropriation for the evaluation and reduce the awareness campaign appropriation by \$200,000, from \$507,000 to \$307,000.

Year 2: The requested decrease is \$200,000 for the awareness campaign. The request anticipates that the evaluation originally scheduled for FY 2026-27 would occur in FY 2027-28.

The Early Literacy Fund was derived from an annual transfer of \$34.0 million from the State Education Fund through FY 2025-26. Pursuant to H.B. 26-1175, any reductions would be to appropriations from the State Education Fund.

Recommendation

Staff recommends the request as a budget balancing initiative, with two adjustments. Staff concurs with the Department that the areas proposed to be reduced are least likely to have a direct impact on students. As part of this, Staff recommends that the JBC sponsor legislation that would enable the Department to eliminate the \$750,000 appropriation for the Early Literacy Program External evaluation in FY 2026-27. The Department believes the statute must change for this funding to be eliminated, and staff defers to the Department on this. This bill would then carry the \$750,000 reduction for the evaluation.

However staff also notes:

- The Committee has expressed concern about whether the READ Act is delivering desired results. Given this, any change to statute to reduce the frequency of evaluations raises concern about reducing insight into the progress of the program. **Staff recommends that any legislation that eliminates the requirement for an annual external evaluation maintain the requirements that school districts report student data annually and adds a requirement that in years in which an external evaluation is not provided the Department still prepares a report that summarizes relevant data and includes any Department input on proposed program changes.** For FY 2026-27, this report could also be the vehicle by which the Department addresses concern about the program that the JBC has raised. *The details requested could appear in the Committee bill or in an RFI.*

- Amounts in the Long Bill must be written to current law, including minimum appropriations of \$34.0 million from the State Education Fund for early literacy programs excluding appropriations for the literacy assessment tool (ELAT; SEF appropriation of \$3.0 million). **In legislation to change the READ Act evaluation requirement, the Committee could *also* reduce the minimum appropriation requirement from the State Education Fund by \$1.0 million. Alternatively—and this is the staff recommendation—it could adjust fund sources in the Long Bill between the Marijuana Tax Cash Fund and the Early Literacy Fund so that \$34.0 million from the SEF for early literacy programs remains**, even after reductions are included. Specifically, the staff recommendation is to reduce the appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program by **\$621,849** and to increase the appropriation in this line item from the State Education Fund by the same amount. This change reduces the total appropriation from the MTCF for the Early Literacy Competitive Grant Program from \$5.4 million to \$4.8 million and increases the SEF appropriation in this line item from \$2.1 million to \$2.7 million.

Analysis

General Background – READ Act: House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. The program has been modified multiple times in recent years to help ensure that districts implement early literacy programs that are based on the most recent evidence on the science of reading, as required in S.B. 19-199 (READ Act Implementation Measures). Statutory provisions are located at Section 22-7-1201 through 1213, C.R.S.

The program provides:

- Formula distributions to districts (\$26.3 million);
- Competitive grants (\$7.5 million);
- A shared contract for an early literacy assessment tool available to districts (\$3.0 million)³⁵;
- Funding for administration and training for teachers and administrators (\$1.9 million);
- An annual external program evaluation (\$0.75 million); and
- A public information campaign (\$0.5 million)

In FY 2025-26, the program also received an additional appropriation of \$3.4 million for targeted training to be used over two years.

The program has been supported from three sources in recent years:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund;
- \$5.4 million appropriated directly from the Marijuana Tax Cash Fund (when funds are available); and
- \$3.0 million from the State Education Fund for the Early Literacy Assessment Tool.

In FY 2023-24, FY 2024-25, and FY 2025-26, the \$5.4 million from the MTCF was refinanced by reserves in the Early Literacy Fund due to underexpenditure of the money in the Early Literacy Fund.

The JBC’s H.B. 26-1175 (State Education Fund Reading to Ensure Academic Development Act & Colorado Teacher of the Year Program) requires an annual appropriation of \$34.0 million from the State Education Fund for early literacy programs, rather than an annual transfer, effective FY 2026-27.

³⁵ This amount is not included in the programs to receive a minimum \$34.0 million appropriation from the State Education Fund pursuant to H.B. 26-1175.

Ongoing Outcome Concerns: In January 2026, the JBC discussed READ Act outcomes as part of its decision to introduce H.B. 26-1175. The bill prompted discussion about the strengths, weaknesses and accomplishments of the program, although the introduced bill only made a technical funding change.

The Department responded to JBC questions, noting that the program has had an impact, though there remains room for improvement. As described in a write-up from the Department (attached to a January 25, 2026 supplemental comeback):

- The READ Act has resulted in nearly universal adoption of evidence based literacy instruction. In 2020, 40.1 percent of districts used state-approved core literacy curriculum from the Department’s Advisory List. Today, more than 98% of schools use state-recommended curricula.
- The READ Act contributed to post-pandemic recovery in student performance.
- Students who are identified early with a Significant Reading Deficiency and receive interventions in kindergarten or first grade are much more likely to be meet third-grade proficiency standards, although the impact is much smaller for students who receive supports later.
- Early Literacy Grants (one component of the program) have been shown to decrease the percentage of students identified with a significant reading deficiency, with sustained outcomes by years 3 and 4.
- School districts use their per pupil funding from the READ act for activities that are expected to improve student performance: interventionist salaries, tutors and coaches, as well as early literacy materials.

The most recent program evaluation is here: <https://ed.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

JBC members have noted that *the program is still not reflecting adequate impact on the most important measure of success: student test scores*. The percentage of students who met or exceeded expectations on English Language Arts **CMAS testing in grade 3** improved from 39.9 percent in 2023 to 42.1 percent in 2024, but **remains at 42.0 percent in 2025**.³⁶

The Department has also acknowledged concerns about the program. For example, as part of an FY 2025-26 request for additional targeted resources, the Department stated that external evaluation of READ Act services and internal department analysis indicates that:

“While some positive outcomes are being achieved [from READ Act programs], students in the lowest score range on approved reading interim assessments, largely consisting of students with [individualized education plans/IEPs], student with or at-risk for dyslexia, and multilingual learners, have persistent reading deficits. While not unique to Colorado, these gaps are stubborn and disturbing.”

JBC Staff concurs that the Department, State Board of Education, and General Assembly need to consider how to make further progress on READ Act goals. However, staff also notes that **Colorado is still performing better than most of the nation**. The National Assessment of Educational Progress (NAEP), the “nation’s report card” shows that all states have seen declines in 4th grade reading scores since 2019, but **in the latest NAEP assessment (2024), Colorado’s 4th grade reading score** (36 percent proficient) **was lower than only one other entity** (the

³⁶ <https://ed.cde.state.co.us/assessment/cmas-dataandresults-2025>

national Department of Defense Education Activity) **and higher than all 39 other states that participated**. The national average on the NAEP test was 30 percent proficient.³⁷

Department-requested Reductions:

Public Awareness Campaign: The request notes that the awareness campaign is required by statute at Section 22-7-1209 (7), C.R.S. The Department’s proposal is to reduce funding for the public awareness campaign from \$507,000 to \$307,000. The Department notes that it “used the allocated funds in full during the 2024-25 school year with the intention of recommending reductions in subsequent years.” The Department has not requested a change to this statutory section, through a modification to eliminate the requirement entirely would be an option if the JBC sponsors related legislation.

Evaluation: The request states that the language in Section 22-7-1209 (7) requires a multi-year cycle of external program evaluations that relies on annual data submissions: “The Department recommends reducing the READ Act Evaluation allocation by \$750,000 every other state fiscal year and changing legislation to reflect the requirement to be every other year instead of annually. This change allows the department, as well as districts, to continue making recommended changes provided by the evaluator in their report.”

Current Statutory Requirements:

22-7-1209 (7): Beginning in the 2019-20 budget year, the department shall develop and implement a public information campaign to emphasize the importance of learning to read by third grade and to highlight the local education providers that are achieving high percentages of third-grade students who demonstrate reading competency. The public information campaign must be disseminated statewide and must emphasize the important roles that educators and parents have in teaching children to read and in providing a school and home environment that promotes reading. The department is encouraged to work with the public and private library agencies throughout the state in developing and implementing the public information campaign.

22-7-1209 (8)(a) By October 1, 2019, the department shall issue a request for proposals to contract with an entity to act as an independent evaluator to provide independent evaluations of the use of per-pupil intervention money and money received through the early literacy grant program by local education providers and to conduct a multi-year evaluation to determine whether the student outcomes achieved by local education providers in implementing this part 12 meet the goals of this part 12 as described in section 22-7-1202 (2) and (3)(a)....

(e) The independent evaluator contracted pursuant to this subsection (8) shall complete the evaluation of the implementation of this part 12 as described in subsection (8)(c) of this section by July 1, 2021. ... The independent evaluator shall continue evaluations of the growth in reading achieved by local education providers’ use of per-pupil intervention money and money received through the early literacy grant program.

³⁷ <https://nces.ed.gov/nationsreportcard/subject/publications/stt2024/pdf/2024220CO4.pdf>

→ SI Align with H.B. 26-1175 READ Act Requirements + Related Appropriation Adjustments

Recommendation

- Staff recommends that the Long Bill include appropriation changes to align with H.B. 26-1175 (SEF READ Act and Teacher of the Year). This bill requires annual appropriations from the State Education Fund of \$34.0 million for READ Act programs, in lieu of an annual \$34.0 million transfer from the Early Literacy Fund. Consistent with this, the staff recommendation replaces Long Bill appropriations from the Early Literacy Fund with appropriations from the State Education Fund.
- Staff also recommends eliminating a Long Bill footnote that provided the Department with flexibility to move up to \$1.5 million between READ Act line items. In lieu of this, staff recommends increasing the appropriation for the Early Literacy Competitive Grant Program by \$1.0 million (to \$8.5 million), and reducing the Early Literacy Evidence Based Training Provided to Teachers line item by \$1.0 million.
- Based on historic expenditures, staff was planning to shift additional amounts to the Competitive Grants line item. However, the Department indicated that it is pursuing a grant opportunity that could require approximately \$500,000 from the public service campaign and administrative line item amounts to serve as the required match. The opportunity, with a private philanthropic group that seeks to implement evidence based programs, would be for a program similar to the Imagination Library that allows older children to select free books. The Department believes that this will improve reading while also meeting the requirements of the statewide campaign regarding the importance of reading.

Analysis

Fund Source Change: Staff anticipates that H.B. 26-1175 will be enacted prior to introduction of the Long Bill, so the changes proposed to fund sources for FY 2026-27 will align with statute. These changes improve transparency in the Long Bill, by showing the originating sources of early literacy funds, and also makes it easier to run reports for the JBC and other legislators showing how State Education Fund money is used.

Eliminate Footnote and Adjust appropriations for Grants and Evidence Based Training: The Department has reverted money appropriated for early literacy programs for multiple years. The reasons have varied including COVID restrictions that moved trainings to less-expensive online settings and staff vacancies. Based on this, in FY 2022-23, staff added flexibility for the Department to move money from the Early Literacy Fund among several line items based on program needs. *Staff now recommends **eliminating** this footnote.*

13 Department of Education, Student Learning, Early Literacy, Early Literacy Program Administration and Technical Support; Early Literacy Competitive Grant Program; Early Literacy Program Evidence Based Training Provided to Teachers; Early Literacy Program Per Pupil Intervention Program -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., among the line items designated with this footnote, except that the amount for Early Literacy Program

Administration and Technical Support may be increased by no more than ten percent based on an assumption that the Department may require an additional 2.0 FTE.

The Department's budget schedules indicate that it used this flexibility in FY 2022-23, FY 2023-24, and FY 2024-25 but nonetheless reverted funds back to the Early Literacy Fund.

Modify line item amounts: The staff recommendation for line item adjustments is based on the following.

- The **Early Literacy Competitive Grant Program is the program for which the Department has the best evidence of program impact**, so increasing this funding should support READ Act outcomes.
- Department submissions indicate that it has transferred money **to** the Early Literacy Competitive Grant Program line item in the last two years, including \$1.25 million transferred in FY 2024-25.

If the Department still does not fully spend appropriated amounts even with these changes, unused funds will simply revert to the State Education Fund from which amounts can be appropriated in future years.

With these and other recommended changes, the affected early literacy line items for FY 2026-27 will include:

- \$1.9 million and 9.3 FTE for Early Literacy Program Administration and Technical Support
- \$8.5 million for the Early Literacy Competitive Grant Program
- \$1.8 million for Early Literacy Evidence Based Training Provided to Teachers
- \$26.3 million for Early Literacy Program Per Pupil Intervention
- \$0.3 million for the Early Literacy Program per Pupil Intervention Program.
- \$3.0 million for the Early Literacy Assessment Tool

Staff has included additional reductions to this section under Additional Reduction Options, but has not included these as recommendations.

→ NPBA3 MTCF/YMHC/Early Literacy

Request

Statewide request NPBA 1 MTCF Balancing and YMHC Funding proposes a reduction of \$1.5 million Marijuana Tax Cash Fund money from the Early Literacy Competitive Grant Program and a new \$1.5 million appropriation for the Youth Mental Health Corps in the Office of the Lieutenant Governor for each of the next two years.

Recommendation

- **Staff does not recommend a reduction or fund source change in the appropriation for the Early Literacy Competitive Grant Program line item for this statewide request.** The total staff recommendation for the Early Literacy Competitive Grant Program is based on what staff believes is an appropriate level of funding for this program, as well as statutory requirements.
- However, as described above under R5 READ Act, staff recommends reducing the appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program by \$621,849 and increasing the appropriation in this line item from the State Education Fund by the same amount to comply with the

requirement for \$34.0 million in SEF appropriations for early literacy programs. This **does** reduce the Early Literacy Program’s demands on the Marijuana Tax Cash Fund.

- **Staff anticipates that the Committee will decide whether to provide an appropriation from the MTCF for the Youth Mental Health Corps on its own merits**, when setting figures for the Governor’s Office. This decision does not need to be linked to funding changes in the Department of Education.

→ BA8 Realign Timing of Standards Review Work

Request

The Department requested a footnote to allow carry-forward of \$118,246 General Fund in the Content Specialists line item, based on the two-year timing cycle for standards review work.

Recommendation

Based on further communication with the Department, staff has determined that this request should have been submitted as an FY 2025-26 supplemental (not a budget amendment), based on the cycle of standards review work. However, in order to reduce workload for JBC Staff and the Department in future years, staff recommends adding a new footnote as follows to the FY 2026-27 Long Bill, which could then be continued in subsequent fiscal years, when it would apply:

N Department of Education, Student Learning, Learning Supports, Intervention, and Planning, Content Specialists – In a year in which the Department receives an appropriation for biennial standards review pursuant to Section 22-7-1005, C.R.S., the appropriation in this line item for the biennial standards review, in an amount not to exceed \$118,500, remains available for expenditure until the close of the subsequent state fiscal year.

Analysis

As described in the request, H.B. 20-1032 staggered K-12 standards review so that one-third of standards are revised every two years. FY 2025-26 is a review year. So is FY 2027-18. Colorado originally created model content standards in 1993. More recent provisions are largely included in Section 22-7-1005, C.R.S., which describes which content areas will have statewide standards. Statute specifies that the State Board of Education must adopt and revise standards in a staggered six year cycle, following a process that involves stakeholders and consultation with national organizations.

The Department notes that the current process in which it receives a General Fund appropriation of just over \$118,000 every-other-year for standards work truncates the processes needed for the work. It has “patched” this problem by contracting benchmarks reports later and hosting meetings virtually, but the process would operate more smoothly if funds could be spread across two years.

Because the Department did not correctly identify this initiative as requiring supplemental action, it will again “patch” its process for FY 2025-26. However, staff supports addressing this problem on an ongoing basis through a footnote, as reflected in the recommendation.

→ SI HB 24-1446 Science Professional Development [legislation]

Request

The budget request submitted by the Department did not include a reduction for the HB24-1446 Science Professional Development program. The State Board of Education voted to approve a \$1.5 million State Education Fund reduction for this program in a public meeting in August 2025, but this reduction was not included in the budget request submitted by the Governor’s Office.

Recommendation

As a budget reduction measure, staff recommends that the JBC sponsor legislation to implement the reduction recommended by the State Board of Education. This would involve a statutory change to:

- Modify a statutory requirement for a FY 2024-25 appropriation of \$3.0 million for this program (22-2-146.8 (4)(b), C.R.S.), to allow an appropriation of \$1.5 million instead;
- Reduce the FY 2024-25 appropriation by \$1.5 million, leaving the \$1.5 million already expended/committed; and
- Eliminate provisions that allow expenditures after the close of FY 2025-26, excluding any expenditures necessary to maintain the resources already developed. Statute currently authorizes expenditure through FY 2026-27.

Note: Because this change requires legislation and modifies a prior year appropriation, it would not be included in the FY 2026-27 Long Bill.

Analysis

Key Considerations:

- In presentation to the State Board of Education in August 2025, the Department reported that \$1.5 million of the total appropriated for this program had not been released. Staff understand this continues to be the case.
- According to the Department’s presentation to the State Board, the program developed with the first \$1.5 million would still be available in FY 2025-26 and FY 2026-27, even if \$1.5 million was cut/reverted. This would be one-time savings related to a one-time program.

Additional Background: H.B. 24-1446 (Section 22-2-146.8, C.R.S.) requires that the Colorado Department of Education (CDE) contract with a Colorado institution of higher education to develop and offer a free, optional professional development program to improve teaching around the Colorado academic standards in science.

The program must include instruction on interventions for students who are below grade level or struggling in science, children with disabilities, and students who are English language learners. Teachers who participate in this professional development may earn credit towards license renewal. Rural school districts must be prioritized if demand for the training exceeds capacity. The program must be available beginning with the 2025-26 school year. By January 30, 2027, the CDE must report to the General Assembly and the State Board of Education the number of eligible teachers, disaggregated by license type and local education provider, who participated in the program. For FY 2024-25, the bill requires that the General Assembly appropriate \$3.0 million from the State Education Fund to the CDE. Unexpended funds remain available to the department through FY 2026-27.

→ SI Bullying Prevention Grant

Request

The Department did not request this change.

Recommendation

As a budget balancing measure, staff recommends eliminating the remaining \$1.0 million General Fund appropriation for the School Bullying Prevention and Education Cash Fund line item. This accomplished without a statutory change, although the Committee could also consider a statutory change to eliminate the relevant statutory provisions [Sections 22-93-101 through 106, C.R.S.] if it does not anticipate any future state support for the program.

Analysis

Key Considerations: School districts are required to adopt bullying prevention policies that incorporate, at a minimum, provisions in Colorado’s bullying Prevention and Education Best Practices Model Policy which is required by Section 22-2-144, C.R.S.³⁸ Bullying negatively affects school climate and preventing bullying should be important at the local level for schools seeking to improve student attendance. Further, national research suggests bullying prevention initiatives can be effective.

Nonetheless—like state grant programs in general—this program is only available to schools that actively apply, and the State is not in position to offer targeted funding in all schools. Districts that apply are in many cases already relatively well-funded. The Department’s most recent legislative report highlights that bullying does *not increase*, on average, in participating schools, running counter to widespread increases in school bullying; but at the same time, outcomes do not actually show *declines* in bullying at “treated” schools.

³⁸<https://www.cde.state.co.us/mtss/2025bullyingpreventionmodelpolicy#:~:text=The%20state%20of%20Colorado%20first,for%20bullying%20prevention%20and%20education.>

The scale of this program has ebbed and flowed over the last ten years based on funds available, and the program was cut in half (by \$1.0 million) in FY 2025-26 to help balance the Marijuana Tax Cash Fund. The remaining \$1.0 million General Fund could be eliminated in FY 2026-27.

Staff notes that the program began the first year of a three year grant cycle in FY 2025-26. Therefore, if the JBC chooses to eliminate the program, it will effectively be ending the program early, and grant recipients will need to decide whether to proceed with program out-years using their internal resources.

Program Operations: Subject to available appropriation, statute³⁹ requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. It also requires the Department to collaborate with the School Safety Resource Center, school districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department's website.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

History: This program originally created in H.B. 11-1254 (Bullying in Schools). The bill authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding, and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the continuously-appropriated School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation from the Marijuana Tax Cash Fund, but reduced the annual total to \$900,000 to balance appropriations from the Marijuana Tax Cash Fund.

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.
- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.
- In response to the revenue challenges associated with the COVID-19 pandemic, the General Assembly reduced the appropriation to the School Bullying Prevention Cash Fund to \$1.0 million from the Marijuana Tax Cash Fund for FY 2020-21, a reduction of \$1.0 million below the FY 2019-20 appropriation. Funding was then restored to \$2.0 million in FY 2021-22 (\$1.0 million from the MTCF and \$1.0 million from the General Fund), based on a Long Bill floor amendment and action by the conference committee on the Long Bill.

³⁹ Sections 22-93-101 through 106, C.R.S.

- In FY 2025-26, the JBC reduced funding for the program by \$1.0 million MTCF to help balance the Marijuana Tax Cash Fund.

Legislative Report: For additional information, see the following report:

<https://www.cde.state.co.us/mtss/2025-legislative-report>

→ SI Facility School Baseline Model Inflation (out-year impacts of S.B. 23-219)

Request

The Department did not include a request to address inflation and expansion in the use of facility schools based on the model created in S.B. 23-219 (Supports to Students and Facility Schools). Instead, it provided information in an email on January 26, 2026 that it subsequently updated February 17. The informational submission and spreadsheet project a need for an **increase of a \$2,978,599 from the State Education Fund compared with the FY 2025-26 appropriation, for a total appropriation of \$36,299,500** for the Facility Schools line item. The total incorporates inflation of 2.3 percent, as well as the impact of new schools anticipated to open.

Recommendation

- **Given the tight budget situation, staff recommends adjustments to the S.B. 23-219 model to keep total funding slightly lower than flat for FY 2026-27.** Because of the overall growth in the projected number of facility schools and facility school placements, even keeping the total budget flat will require a reduction in rates and/or adjustments to offsets, i.e., amounts incorporated in the model to reflect other sources of revenue to facility schools (special education amounts from schools districts and patient revenue at hospitals. The general structure of the model is outlined in statute, but specific figures were not after the first (FY 2023-24) year.
- The Staff recommendation is for a decrease of \$300,000 from the State Education Fund in the facility school line item—a cut of 0.9 percent. This impact will be compounded at the school level because the model will need to accommodate additional schools and students, and there will be no inflationary increase for rates. **Compared to the Department’s “informational” proposal, the staff recommendation is a cut of \$3.3 million to a base of \$33.3 million—about 10.0 percent. The recommendation is \$33,043,020.**
- Staff has explored more detailed model changes, but after further discussion with the Department is instead simply signaling the JBC’s intent that the Department take necessary steps to constrain model costs. Pursuant to Section 22-54-129 (2.5)(f), CRS "Subject to available appropriations, funding for each approved facility school may be prorated proportionately based on enrollment". Thus, the Department has this authority. It indicates it is also prepared to limit school expansion/new schools to schools that meet a clear state need.
- While staff is initiating the necessary update this year, to assist the General Assembly in balancing the budget, **staff believes that moving forward the Department should submit an annual decision item to address program funding needs.** Based on recent-year requests, funding for this program may increase by

several million dollars each year, with material impacts on the State Education Fund. Estimated impacts should be reflected in the executive request, ideally as a decision item. *This will ensure the JBC is aware of how the Department is handling growth pressure and can weigh in, whether or not it chooses to provide an increase or reduction.*

Analysis

Key considerations:

- The JBC sponsored legislation in 2023 to greatly expand funding for this program based on evidence that facility schools serving students with exceptionally severe or specialized needs were closing. District special education directors expressed concern about the lack of available placements in state for their most high need students. The JBC's intent with this legislation was to create a higher and more stable funding baseline to keep these schools in business and expand the offerings statewide.
- An evaluation of the expansion is due in October 2026, which will offer an inflection point for determining how the State should proceed.
- The model is based on a projection that facility school annual enrollment will be 1,138 in 42 schools that range in size from 8 students to 105 students. This includes residential schools, hospital-based schools, day treatment centers, and specialized day schools. The average state cost per student before proration is \$31,997, though actual school revenue is higher per student for small schools and averages over \$40,000 once special education revenue from districts is included. The Department's baseline projection includes 7 new schools for FY 2026-27 that range in size from 12 to 40 students.
- Comparing the FY 2026-27 model with the FY 2025-26 model, there appears to be a substantial growth in the number of schools (about 20 percent) but much more limited growth in the number of students (about 2 percent), and it appears that some schools are reducing size to serve fewer students. Smaller schools are more costly per student, though they may be the most appropriate placement for some students.

Additional Background – S.B. 21-274 and S.B. 23-219 (Supports for Students and Facility Schools): The facility school system was authorized by the General Assembly to ensure that students receiving publicly-funded educational services in various types of specialized institutions such as hospitals and therapeutic residential and day treatment facilities receive appropriate educational services. Due in part to a national movement away from residential placements for youth (many of whom were in the child welfare system), Colorado experienced a decline from 61 schools serving 1,882 students in 2010 to just 30 schools serving 769 students in 2022. Facing a decline of this magnitude, school districts struggled to find appropriate placements for their most difficult-to-serve youth.

In response, the Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility Students), which created a work group to study the problem. The report and recommendations of the group were developed into a JBC bill, S.B. 23-219 (Supports for Students and Facility Schools), which significantly increased funding for these types of schools using a new baseline funding model and launched various initiatives to improve oversight of the system through accreditation of the schools, create a new pathway to develop day school programs for students with exceptionally severe or specialized needs, create a new shared operational services grant program to support more efficient back-end services for schools, and create a new technical

assistance office, among other efforts. (See the description in the Facility School subdivision for additional detail.)

The intent of these initiatives was to reverse the decline in available placements for students with the most serious placement needs and support expansion of these needed services. This is expected to be a long-term project, since it takes time to develop and launch a new school.

Baseline Funding Model: The baseline funding model established in S.B. 23-219 outlined the costs and structure for the new funding model. Consistent with prior law and practice, facility schools continue to be supported by a combination of state and other funding sources. Funding sources include special education payments from school districts and, for hospital based schools, insurance and other hospital revenues. *The bill identified specific amounts built into the model for FY 2023-24 and specified that inflationary and other adjustments in future years would be established through the annual budget process.*

As specified in the bill, for FY 2023-24, the state was to pay:

- Up to \$50,149 per school per month less the offset for special education payments (\$55 per student day) or hospital revenue (\$75 per student per day) for schools with up to eight students.
- Up to \$59,697 per school per month, less the same offsets, for schools with up to sixteen students.
- No more than \$2,549 per month per student for student enrollment counts over 16 (less the same offsets). The per student (SFTE) amount decreases based on student enrollment thresholds. (These thresholds are for up to 32 students, up to 44 students, and more than 44 students in FY 2023-24.)

Baseline Funding - Existing Schools – FY 2023-24

	Baseline funding	Enrollment	Funding per SFTE
Total Baseline Funding Required	\$30,883,093	832	\$37,119
Tuition offset - school districts	(5,688,452)	709	8,023
Hospital offset - insurance/other	<u>(1,623,600)</u>	123	13,200
Balance - state payment*	\$23,571,041	832	\$28,330

*Included base amounts in the FY 2023-24 Long Bill, as well as new appropriations in S.B. 23-219.

Adjustments in FY 2024-25 and FY 2025-26: The model was increased by 5.2 percent in FY 2024-25, based on CY 2023 inflation, and 2.3 percent based on CY 2024 inflation. Staff included inflationary adjustments to both model costs and model offsets.

Recent Program Report: The most recent program report for the Facility Schools workgroup is here: <https://www.cde.state.co.us/cdedepcom/facilityschoolworkinggroupreport>

Evaluation due in fall 2026: S.B. 23-219 was created to counteract the disappearance of facility schools, which special education directors indicated were a critical resource for students with exceptionally severe or specialized needs. **Fall 2026 will offer an inflection point for examining the impact of the program.** The program appears to have been effective in spurring the creation of new facility schools. However, if the State is in a very tight budget situation, the JBC will need to consider the growth trajectory.

The evaluation due October 1, 2026, pursuant to Section 22-2-405 (4), C.R.S., requires the Facility Schools Office to consult with the facilities school work group and qualified third-party evaluator to evaluate and report on the program’s impact, including:

- (I) Whether the number of approved facility school placements for students with exceptionally severe or specialized needs has stabilized or increased;
- (II) Whether reliance on homebound and out-of-state placements has decreased;
- (III) Whether administrative units that are unable to access approved facility school placements due to geographic or other constraints receive sufficient support from the technical assistance center created in section 22-2-412 to provide effective services to students with exceptionally severe or specialized needs;
- (IV) Whether parents, guardians, advocates, county departments of human or social services, and other interested parties assess that the work group’s implementation plan described in section 22-2-407.5 (4) has had a positive impact on services for students with exceptionally severe or specialized needs; and
- (V) Any other measure of success the office, work group, and third-party evaluator determine necessary.

For the JBC’s purposes, this information will have to be combined with budget considerations.

→ SI State School Costs in Facility School Section

Previously, funding for private facility schools and state schools for students with specialized needs, including the Colorado School for the Deaf and the Blind and the school at the Mental Health Institute at Pueblo, were funded through the same mechanism. Senate Bill 23-219 separated out the funding for the private institutions, which are now funded using a baseline funding model. The state-funded institutions are, however, funded in the same manner as in the past. Notably, this funding represents only a small portion of the total support received by these state facilities, which also receive direct General Fund subsidies for their operations. However, it is a component of their funding that is variable and adjusts for enrollment.

Request/Recommendation: The Department’s FY 2026-27 budget request includes no change in funding for the state schools, which are appropriated at \$1,925,110 in FY 2025-26. In response to staff questions, the Department indicates that based on the increase in base per pupil funding, the total required should be \$2,054,707. This is the staff recommendation.

Pupil count: The Department is estimating approximately 9.7 student FTE at CMHI Pueblo and 123.8 student FTE eligible for payment at the Colorado School for the Deaf and the Blind.

Per pupil funding amount: State school per pupil funding is calculated as the statewide base per pupil amount times 1.73. The Colorado Constitution requires the statewide base per pupil funding amount to increase by the rate of inflation each year. Base per pupil funding is \$8,692 for FY 2025-26 and is estimated to be \$8,900 for FY2026-27 for purposes of this calculation, although this figure may still be slightly adjusted.

State Facility School Funding

	FY25-26	FY26-27
	Projection	Projection

	FY25-26	FY26-27
CDE: CSDB	\$1,780,986	\$1,905,649
CDHS: CMHI	138,666	<u>149,058</u>
Appropriation (FY 26) /Current Recommendation (FY 27)	\$1,925,110	\$2,054,707
Statewide Base Per Pupil (x 1.73)	\$15,037	\$15,398

Line Item Detail - (A) Learning Supports, Intervention and Planning

Preschool to Postsecondary Education Alignment

Senate Bill 08-212 (Colorado Achievement Plan for Kids or "CAP4K") required the State Board of Education, assisted by the Colorado Commission on Higher Education (CCHE), to develop standards and assessments for children progressing through the public education system [Sections 22-7-1001 through 1019, C.R.S.]. This line item provides funding for the personal services and operating expenses associated with the ongoing implementation of this bill.

Statutory Authority: Section 22-7-1001, C.R.S.

Request/Recommendation: The request and recommendation are reflected in the table below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Preschool to Postsecondary Education Alignment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$779,088	\$39,025	\$740,063	\$0	\$0	4.0
Total FY 2025-26	\$779,088	\$39,025	\$740,063	\$0	\$0	4.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$779,088	\$39,025	\$740,063	\$0	\$0	4.0
Prior year actions	22,807	1,021	21,786	0	0	0.0
Total FY 2026-27	\$801,895	\$40,046	\$761,849	\$0	\$0	4.0
Changes from FY 2025-26	\$22,807	\$1,021	\$21,786	\$0	\$0	0.0
Percentage Change	2.9%	2.6%	2.9%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$801,895	\$40,046	\$761,849	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Content Specialists

This line item provides funding to support "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

During the 2020 Session, H.B. 20-1032 (Timing K-12 Education Standards Review) adjusted the statutory timeline for the Department's review of statewide academic content standards. Rather than reviewing all of the content standards at one time (previous statute would have required the next review by July 2024), the bill requires the Department to review one third of the standards by July 1, 2022, one third by July 1, 2024, and the final set by July 1, 2026. This modified the timing for additional appropriations required to support the content review.

Statutory Authority: Section 22-7-1005, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include adjustments for the second-year impacts of H.B. 25-1149 (Black History) an annual adjustment related to the timing of content standards reviews (H.B. 20-11032 (Standards Review)), as well as annualization of prior year salary survey and step pay. The request and recommendation also include a previously-discussed footnote to allow roll-forward of funding for content standards review.

Student Learning, Learning Supports, Intervention, and Planning, Content Specialists

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$733,486	\$163,873	\$569,613	\$0	\$0	5.4
Total FY 2025-26	\$733,486	\$163,873	\$569,613	\$0	\$0	5.4
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$733,486	\$163,873	\$569,613	\$0	\$0	5.4
BA8 Realign timing of standards review work	0	0	0	0	0	0.0
Prior year actions	-108,729	-126,614	17,885	0	0	-0.1
Total FY 2026-27	\$624,757	\$37,259	\$587,498	\$0	\$0	5.3
Changes from FY 2025-26	-\$108,729	-\$126,614	\$17,885	\$0	\$0	-0.1
Percentage Change	-14.8%	-77.3%	3.1%	n/a	n/a	-1.9%
FY 2026-27 Executive Request	\$624,757	\$37,259	\$587,498	\$0	\$0	5.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Bullying Prevention and Education Cash Fund

Subject to available appropriation, statute requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. It also requires the Department to collaborate with the School Safety Resource Center, school

districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department's website.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

History: This program originally created in H.B. 11-1254 (Bullying in Schools). The bill authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding, and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the continuously-appropriated School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation from the Marijuana Tax Cash Fund, but reduced the annual total to \$900,000 to balance appropriations from the Marijuana Tax Cash Fund.

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.
- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.
- In response to the revenue challenges associated with the COVID-19 pandemic, the General Assembly reduced the appropriation to the School Bullying Prevention Cash Fund to \$1.0 million from the Marijuana Tax Cash Fund for FY 2020-21, a reduction of \$1.0 million below the FY 2019-20 appropriation. Funding was then restored to \$2.0 million in FY 2021-22 (\$1.0 million from the MTCF and \$1.0 million from the General Fund), based on a Long Bill floor amendment and action by the conference committee on the Long Bill.
- In FY 2025-26, the JBC reduced funding for the program by \$1.0 million MTCF to help balance the Marijuana Tax Cash Fund.

For additional information, see the following report: <https://www.cde.state.co.us/mtss/2025-legislative-report>

Statutory Authority: Sections 22-93-101 through 106, C.R.S.

Request/Recommendation: The Department requests continuing funding of \$1.0 million General Fund. As previously discussed, staff does not recommend an appropriation for FY 2026-27.

English Language Learners Technical Assistance

The General Assembly added this line item to the FY 2014-15 Long Bill to support additional technical assistance staff related to English language learners (ELLs). The line item supports staff providing technical assistance to local education providers to improve services for ELL students statewide.

The Department has used these funds to provide a series of professional development opportunities and to provide one-on-one support to school districts as needed and requested. The Department has worked to target the professional development opportunities based on the needs of school and district personnel to both improve understanding of requirements related to EL services and deliver effective practices to support improved services. The Department (Office of Culturally and Linguistically Diverse Education or CLDE) offers a series of professional learning opportunities, including regional professional learning, webinars, regional director networking meetings, and targeted support. In addition, the Department hosts an annual CLDE Academy for district CLDE directors, coordinators, and teachers. Finally, the Department offers district-wide reviews and is in the process of developing school-level reviews of English language development programs.

Statutory Authority: Section 22-24-106, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, English Language Learners Technical Assistance

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$456,302	\$394,205	\$62,097	\$0	\$0	5.0
Total FY 2025-26	\$456,302	\$394,205	\$62,097	\$0	\$0	5.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$456,302	\$394,205	\$62,097	\$0	\$0	5.0
Prior year actions	1,263	0	1,263	0	0	0.0
Total FY 2026-27	\$457,565	\$394,205	\$63,360	\$0	\$0	5.0
Changes from FY 2025-26	\$1,263	\$0	\$1,263	\$0	\$0	0.0
Percentage Change	0.3%	0.0%	2.0%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$457,565	\$394,205	\$63,360	\$0	\$0	5.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Working Group for Identification of and Educational Support for Students with Dyslexia

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Working Group for Identification of and Educational Support for Students with Dyslexia created in H.B. 19-1134 (Identification and Interventions for Students with Dyslexia). Statute requires the Department of Education to convene an eleven-member group to study the identification of and support for dyslexic students. Funding supports working group meetings, travel expenses, and contracted facilitation.

Beginning no later than July 1, 2020, the working group is required to submit a report of its recommendations to the Commissioner of Education and to continue these reports annually. Beginning no later than February 1, 2021, the Commissioner is required to submit the working group's report and any recommendations for legislation to the State Board of Education and the Education Committees of the General Assembly and to continue these reports annually. The working group repeals September 1, 2029.

The group has submitted several reports thus far and continues to meet regularly. The most recent report is located here: <https://www.cde.state.co.us/coloradoliteracy/2025-dyslexia-working-group-annual-report>

Statutory Authority: Sections 22-20.5-103, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$40,616 General Fund to support the working group's activities in FY 2026-27.

Parents Encouraging Parents Conferences

The General Assembly added this program through S.B. 19-215 (Parents Encouraging Parents Conference). The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion.

The conferences have historically been funded entirely with federal funds provided through the federal Individuals with Disabilities Education Act (IDEA). However, beginning in FY 2018-19, the U.S. Department of Education does not allow the use of federal funds to provide food for the conference participants. Federal funding continues to cover facility, lodging, and conference costs. The state funding (\$68,000 General Fund appropriated in S.B. 19-215) is intended to cover food costs for the four conferences each year.

Statutory Authority: Section 22-20-120, C.R.S.

Request/Recommendation: The Department requests a continuation appropriation of \$68,000 General Fund for FY 2026-27. As discussed previously (SI Underused Appropriations), Staff recommends \$50,000 General Fund based on recent year utilization.

Restraint Complaint H.B. 22-1376

House Bill 22-1376 changed state law related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, and school resource officers. Funding in this line item supports

Department of Education enforcement authority for investigations and decisions regarding the use of restraint on students and related training provided by the Department.

Statutory Authority: Sections 22-32-147, C.R.S.

Request/Recommendation: The request and recommendation are reflected in the table below. As previously discussed, (SI Underused appropriations), staff recommends significantly reducing the appropriation.

Student Learning, Learning Supports, Intervention, and Planning, Restraint Complaint H.B. 22-1376

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$122,501	\$122,501	\$0	\$0	\$0	1.0
Total FY 2025-26	\$122,501	\$122,501	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$122,501	\$122,501	\$0	\$0	\$0	1.0
Prior year actions	1,269	1,269	0	0	0	0.0
SI Underused appropriations	-92,828	-92,828	0	0	0	-0.7
Total FY 2026-27	\$30,942	\$30,942	\$0	\$0	\$0	0.3
Changes from FY 2025-26	-\$91,559	-\$91,559	\$0	\$0	\$0	-0.7
Percentage Change	-74.7%	-74.7%	n/a	n/a	n/a	-70.0%
FY 2026-27 Executive Request	\$123,770	\$123,770	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	-\$92,828	-\$92,828	\$0	\$0	\$0	-0.7

School Climate H.B. 22-1376

House Bill 22-1376 changed state law related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, and school resource officers. This includes requiring the Department to develop online profile reports for each school district reporting absenteeism, expulsion, suspension, arrest, and use of physical restraint and seclusion on students. It also requires the Department of Education to standardize the reporting method schools use to collect and report on suspensions, arrests, absenteeism, and other school infractions.

Statutory Authority: Sections 22-1-138 and 139, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$110,130 General Fund for FY 2026-27, including annualization of prior year salary survey and step pay.

Legal Representation for Due Process Complaints Pursuant to Section 22-20-108 (3), C.R.S.

House Bill 23-1168 requires the Department of Education to contract with a nonprofit organization to develop a list of attorneys qualified to represent parents in special education disputes with public schools and to pay the organization \$20,000 General Fund per year thereafter to pay attorneys.

Statutory Authority: Sections 22-1-141, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$20,000 General Fund for FY 2026-27, consistent with the fiscal note for H.B. 23-1168.

Math Educator Training and Improvement Planning

House Bill 23-1231 (Math in PreK-12th Grade) requires the Department to make available free, optional trainings for K-12 educators in math education using a train-the-trainer model. Training must include interventions to assist students who are struggling in mathematics. The Department must create and maintain a list of evidence-based curricula and assessment options for math, including remote options available to parents, and, if requested, must provide technical assistance to rural and small rural districts in interventions to help students struggling in math. To support these requirements, the bill appropriated \$594,530 General Fund and 3.2 FTE for FY 2023-24, which was to annualize to \$470,892 General Fund and 3.5 FTE in FY 2024-25.

The Department indicates that the online train-the-trainer programs it is offering are being extensively used. Additional program information may be found here: <https://www.cde.state.co.us/node/48>

Statutory Authority: Sections 22-2-146.5, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Math Educator Training and Improvement Planning

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$482,373	\$482,373	\$0	\$0	\$0	3.5
Total FY 2025-26	\$482,373	\$482,373	\$0	\$0	\$0	3.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$482,373	\$482,373	\$0	\$0	\$0	3.5
Prior year actions	8,889	8,889	0	0	0	0.0
Total FY 2026-27	\$491,262	\$491,262	\$0	\$0	\$0	3.5
Changes from FY 2025-26	\$8,889	\$8,889	\$0	\$0	\$0	0.0
Percentage Change	1.8%	1.8%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$491,262	\$491,262	\$0	\$0	\$0	3.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Expulsion Hearing Officer Training and Support

House Bill 23-1291 clarifies the school expulsion hearing process, including specifying that a school district has the burden of providing by a preponderance of the evidence that a student violated state law and the school district's policy. Among other provisions, the Department of Education is required to create and maintain an

online training program for hearing officers. The bill included funding for the Department for a staff position to manage the stakeholder process, report data on trainings, and manage contracts with a vendor to develop trainings, and included funding for training costs. The bill included an appropriation of \$162,720 General Fund for FY 2023-24, and the fiscal note reflected a need for an appropriation of \$113,949 and 1.0 FTE in FY 2024-25.

Statutory Authority: Section 22-33-105 (2.4)(c), C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Expulsion Hearing Officer Training and Support

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$117,645	\$117,645	\$0	\$0	\$0	1.0
Total FY 2025-26	\$117,645	\$117,645	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$117,645	\$117,645	\$0	\$0	\$0	1.0
Prior year actions	1,290	1,290	0	0	0	0.0
Total FY 2026-27	\$118,935	\$118,935	\$0	\$0	\$0	1.0
Changes from FY 2025-26	\$1,290	\$1,290	\$0	\$0	\$0	0.0
Percentage Change	1.1%	1.1%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$118,935	\$118,935	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Abbreviated School Day Training and Assistance

House Bill 24-1063 (Abbreviated School Day) establishes policies for the use of an abbreviated school day for students with disabilities. An abbreviated school day (ASD) is defined as any school day in which a student with disabilities receives instruction for fewer hours than the majority of students in the same grade and school district. The bill requires that Colorado Department of Education (CDE) create and implement a policy related to the use of an ASD and requires administrative units (school districts and other entities that oversee special education services) to adopt the policy created by CDE and create a plan to support a student who is assigned an ASD. The Department is required to provide ongoing technical assistance and training to administrative units. The bill included an appropriation of \$250,108 General Fund and 1.2 FTE to the Department in FY 2024-25, including one-time funding for development of a data collection system. The fiscal note indicated that this should be annualized to a total of \$115,714 General Fund and 1.0 FTE in FY 2025-26

Statutory Authority: Section 22-20-123, C.R.S.

Request/Recommendation: The Department requested continuation funding of \$115,714 General Fund and 1.0 FTE, but as previously discussed (SI Underused appropriations), staff recommends eliminating this appropriation.

H.B. 24-1446 Professional Development for Science Teachers

H.B. 24-1446l requires that the Colorado Department of Education (CDE) contract with a Colorado institution of higher education to develop and offer a free, optional professional development program to improve teaching around the Colorado academic standards in science. The program must include instruction on interventions for students who are below grade level or struggling in science, children with disabilities, and students who are English language learners. Teachers who participate in this professional development may earn credit towards license renewal. Rural school districts must be prioritized if demand for the training exceeds capacity. The program must be available beginning with the 2025-26 school year. By January 30, 2027, the CDE must report to the General Assembly and the State Board of Education the number of eligible teachers, disaggregated by license type and local education provider, who participated in the program. For FY 2024-25, the bill required that the General Assembly appropriate \$3.0 million from the State Education Fund to the CDE. Unexpended funds remain available to the department through FY 2026-27.

Statutory Authority: Section 22-2-146.8, C.R.S.

Request/Recommendation: The bill included a one-time FY 2024-25 appropriation. As previously discussed (SI HB24-1448 Science Professional Development), staff recommends a statutory and appropriation change to reduce the previous FY 2024-25 appropriation to \$1.5 million cash funds from the SEF

IEP Training Program

Senate Bill 24-069 requires that the Colorado Department of Education (CDE) create a training program that includes easy to understand explanations of federal and state laws and procedures related to individualized education programs. The training must be available by July 1, 2026, and must be developed for delivery both in person and online. It may include interpersonal and communication strategies and exercises. CDE must collaborate with stakeholders to create the training. Upon request, CDE must provide resources or materials in any language requested, and make training materials and a recording of the training available. The bill specifies that the General Assembly may appropriate money for this purpose for FY 2024-25 and FY 2025-26, but that for subsequent years the CDE must accomplish any additional work to implement the bill within existing resources.

Statutory Authority: Section 22-20-122, C.R.S.

Request: The Department requested \$91,707 General Fund and 0.5 FTE.

Recommendation: Staff recommends eliminating this appropriation, as previously discussed (Annualization corrections).

Line Item Detail – (B) Early Literacy

Background – Early Literacy, H.B. 12-1238, and S.B. 19-199. House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Recent law and practice provides three fund sources for the Early Literacy Program:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund for early literacy programs, following significant expansion in 2014 legislation. This funding structure is changed in H.B. 26-

1175, which requires an *appropriation* of at least \$34.0 million from the State Education Fund for early literacy programs.

- Up to \$5.4 million appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program.
- \$3.0 million from the State Education Fund for the Early Literacy Assessment Tool.

For FY 2014-15 through FY 2018-19, the READ Act directed the Department to:

- Provide at least \$4.0 million per year in competitive grants (H.B. 18-1393 amended this requirement from \$4.0 million to “at least” \$4.0 million and added \$1.0 million to the program).
- Spend \$1.0 million per year on regional professional development provided by the Department.
- Utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program.
- Distribute any remaining funds as “per pupil intervention funding,” distributed to local education providers based on the number of students in each district identified as having significant reading deficiencies in the preceding school year.

Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds.

Some of the key changes in S.B. 19-199, as subsequently amended, included:

- Requiring that early literacy services provided by local education providers (LEPs) be evidence-based;
- Requiring that each early grade teacher successfully completes evidence-based training in teaching reading, provided by the LEP, CDE, or an institution of higher education. If requested by the LEP, CDE must provide training at no cost. LEPs must submit evidence to CDE that teachers have successfully completed training. H.B. 21-1129 extended the deadline for completing this training to the beginning of the FY 2022-23 school year.
- Requiring that per-pupil funding allocations to LEP be used strictly for specified early literacy activities, rather than allowing these funds to be more broadly embedded in school district spending plans.
- Requiring multi-year professional evaluation of the program, with the first report completed by July 1, 2021.

Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department’s new responsibilities.

Additional changes adopted during the 2022 legislative session included:

- Adding new training requirements in the science of reading for principals, administrators, and reading interventionists, with a related appropriations increase (S.B. 22-004 Evidence-Based Training in Science of Reading); and
- Adding flexibility in the Long Bill, though a footnote, to enable the program to move up to \$1,500,000 among program line items. This was to address a pattern of reversions and a growing Early Literacy Fund balance. The program expected to use this flexibility to increase Early Literacy Grants.

Despite changes to increase funding flexibility, the Early Literacy Fund balance was sufficiently large for both FY 2023-24 and FY 2024-25 that the fund balance was used in lieu of \$5,378,678 that had been appropriated in prior years from the Marijuana Tax Cash Fund. This occurred again in FY 2025-26.

Program Impact: Ongoing program evaluations are required by the READ Act and may be found here:

<https://ed.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

Early Literacy Program Administration and Technical Support

The General Assembly added this line item to the FY 2020-21 Long Bill to support Early Literacy Program administration, technical assistance, and monitoring activities under H.B. 12-1238 and S.B. 19-199. Prior to the enactment of S.B. 19-199, the General Assembly had supported the Department’s administrative costs in the appropriation for the Early Literacy Competitive Grant Program. However, S.B. 19-199 separated appropriations for program administration and technical assistance from the actual grant program.

Statutory Authority: Section 22-7-1210 (4)(d)(I), C.R.S.

Request/Recommendation: The table below summarizes the request and recommendation, which includes annualization of prior year salary and step pay, as well as previously-discussed Request R8 Administrative Efficiencies and Reductions and staff initiated SI Align with HB26-1175 READ Act Requirements.

Student Learning, Early Literacy, Early Literacy Program Administration and Technical Support

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,930,481	\$0	\$1,930,481	\$0	\$0	9.3
Total FY 2025-26	\$1,930,481	\$0	\$1,930,481	\$0	\$0	9.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,930,481	\$0	\$1,930,481	\$0	\$0	9.3
Prior year actions	25,396	0	25,396	0	0	0.0
SI Early literacy adjustments	0	0	0	0	0	0.0
R8 Administrative efficiencies and reductions	-75,000	0	-75,000	0	0	0.0
Total FY 2026-27	\$1,880,877	\$0	\$1,880,877	\$0	\$0	9.3
Changes from FY 2025-26	-\$49,604	\$0	-\$49,604	\$0	\$0	0.0
Percentage Change	-2.6%	n/a	-2.6%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,880,877	\$0	\$1,880,877	\$0	\$0	9.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Early Literacy Competitive Grant Program

Created in FY 2013-14, this line item supports the Early Literacy Competitive Grant Program. Prior to FY 2019-20, this line item also included funding to support the Department’s costs for program administration and technical assistance provided to local education providers under the READ Act. As discussed above, those activities now fall under the Early Literacy Program Administration and Technical Support line item.

Senate Bill 19-199 appropriated \$7.5 million total funds (including \$2,121,322 cash funds from the Early Literacy Fund and \$5,378,678 cash funds from the Marijuana Tax Cash Fund) for the Early Literacy Competitive Grant

Program in FY 2019-20, an increase of \$2.5 million above the \$5.0 million provided for competitive grants in FY 2018-19. The FY 2020-21 through FY 2024-25 appropriations continued that level of funding.

Statutory Authority: Sections 22-7-1210 (4)(d)(I)(C) and 22-7-1211, C.R.S.

Request: The request includes annualization (reversal) of the previous refinance of \$5.3 million Marijuana Tax Cash Fund amounts with Early Literacy Fund money, NPBA3 proposal to replace \$1.5 million of MTCF money with Early Literacy Fund money, and annualization of prior year salary survey and step pay.

Recommendation: The staff recommendation does not include NPBA3 but does include staff initiated SI Align with HB26-1175 READ Act Requirements. The staff recommendation includes a total appropriation of \$8.5 million (an increase of \$1.0 million), comprised of \$3,743,171 from the State Education Fund and \$4,756,829 from the Marijuana Tax Cash Fund.

Student Learning, Early Literacy, Early Literacy Competitive Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
Total FY 2025-26	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
SI Early literacy adjustments	1,000,000	0	1,000,000	0	0	0.0
Prior year actions	0	0	0	0	0	0.0
NP MTCF early literacy	0	0	0	0	0	0.0
Total FY 2026-27	\$8,500,000	\$0	\$8,500,000	\$0	\$0	0.0
Changes from FY 2025-26	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
Percentage Change	13.3%	n/A	13.3%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0

Early Literacy Program Evidence Based Training Provided to Teachers

The General Assembly added this line item to the FY 2020-21 Long Bill to support the evidence based training activities required by S.B. 19-199. By the start of the 2021-22 school year, the bill required local education providers that receive funding through either the competitive grant program or per pupil intervention funding to ensure that all teachers employed to teach kindergarten through third grade completes (or has completed) evidence based training in teaching reading. As a result of the COVID-19 pandemic, the State Board of Education delayed that requirement until January 31, 2022, to allow additional time for teachers to receive the training. House Bill 21-1129 extended the deadline to fall 2022.

Statute requires the Department to provide evidence based training in reading instruction at no cost to local education providers that request such training. Senate Bill 19-199 appropriated \$2,702,557 cash funds from the Early Literacy Fund for this purpose for FY 2019-20 and continued that amount for FY 2020-21. The Long Bill included an appropriation of the same amount for subsequent years, but actual expenditure data indicated that

training expenditures were only \$611,091 in FY 2020-21, \$1,020,261 in FY 2021-22, \$1,373,958 in FY 2022-23, and \$1,233,542 in FY 2023-24. Lower expenditures in part reflected more use of on-line training than was originally anticipated; however, the program’s external evaluation indicated that teachers were seeking additional support and not solely online training.

New flexibility that began in FY 2022-23 enabled the Department to reallocate unspent training funds to other line items and it used that flexibility to transfer money to the Competitive Grants line item. With the adoption of H.B. 26-1175, staff is recommending that the appropriation in this line item be reduced and grant funding be increased on an ongoing basis.

Statutory Authority: Section 22-7-1208 (6)(c), C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The recommendation includes a reduction for the relocation of \$1.0 million to the Grants line item.

Student Learning, Early Literacy, Early Literacy Evidence Program Evidence Based Training Provided to Teachers

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,784,277	\$0	\$2,784,277	\$0	\$0	3.5
Total FY 2025-26	\$2,784,277	\$0	\$2,784,277	\$0	\$0	3.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,784,277	\$0	\$2,784,277	\$0	\$0	3.5
Prior year actions	22,826	0	22,826	0	0	0.0
SI Early literacy adjustments	-1,000,000	0	-1,000,000	0	0	0.0
Total FY 2026-27	\$1,807,103	\$0	\$1,807,103	\$0	\$0	3.5
Changes from FY 2025-26	-\$977,174	\$0	-\$977,174	\$0	\$0	0.0
Percentage Change	-35.1%	n/a	-35.1%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,807,103	\$0	\$2,807,103	\$0	\$0	3.5
Staff Rec. Above/-Below Request	-\$1,000,000	\$0	-\$1,000,000	\$0	\$0	0.0

READ Act Targeted Training Initiative

This line item was added in the FY 2025-26 Long Bill, with roll-forward authority through FY 2026-27, to develop and provide a training program targeted to the needs of students who have not demonstrated as much success under new early literacy initiatives. This includes English language learners and students with disabilities including dyslexia. The appropriation provided was \$3,361,590 from the Early Literacy Fund and 2.0 FTE.

Statutory Authority: Section 22-7-1208 (6)(c), C.R.S.

Request/Recommendation: The Department does not request, and staff does not recommend, funding for this line item in FY 2026-27.

Early Literacy Program External Evaluation

The General Assembly added this line item to the FY 2020-21 Long Bill to support the external evaluation of the Early Literacy Program required by S.B. 19-199. No later than October 1, 2019, the bill required the Department to issue a request for proposals and contract for an independent evaluation of the use of per pupil intervention funding and the competitive grant program. The evaluation also has to include a multi-year evaluation to determine whether student outcomes meet the goals of the READ Act.

Senate Bill 19-199 appropriated \$750,000 cash funds from the Early Literacy Fund to support the evaluation costs in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected WestEd to perform the independent evaluation of whether grants to local education providers are successful in moving students’ reading growth to the state standards and whether the providers’ use of per pupil intervention funding and/or competitive grant program funding result in measurable progress in students’ reading. The reports are available at the following link:

<https://www.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

Statutory Authority: Section 22-7-1209 (8)(a), C.R.S.

Request/Recommendation: The Department requests that the evaluation be changed to a biennial cycle, allowing for an appropriation reduction of \$750,000 in FY 2026-27. However, because this requires statutory change, the Staff recommendation includes an appropriation of \$750,000 from the State Education Fund in the FY 2026-27 Long Bill, which will be removed in the separate bill.

Early Literacy Program Public Information Campaign

The General Assembly added this line item to the FY 2020-21 Long Bill to support the public information campaign required by S.B. 19-199. Beginning with FY 2019-20, the bill requires the Department to contract with an external entity to develop and implement a public information campaign related to the importance of reading and to highlight local education providers that are achieving success.

The bill appropriates \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE to support the campaign in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected Cactus (a full-service marketing and research firm with a price agreement with the State) to research, develop, and implement the campaign in Spring of 2020. The campaign is ongoing (for more information see the campaign’s website at: <https://readwithme.today/>).

Statutory Authority: Section 22-7-1209 (7), C.R.S.

Request/Recommendation: The Department and staff recommendation are reflected in the table below.

Student Learning, Early Literacy, Early Literacy Program Public Information Campaign

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$505,240	\$0	\$505,240	\$0	\$0	0.5
Total FY 2025-26	\$505,240	\$0	\$505,240	\$0	\$0	0.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$505,240	\$0	\$505,240	\$0	\$0	0.5
Prior year actions	2,058	0	2,058	0	0	0.0
SI Early literacy adjustments	0	0	0	0	0	0.0
R5 READ Act awareness campaign and evaluation	-200,000	0	-200,000	0	0	0.0
Total FY 2026-27	\$307,298	\$0	\$307,298	\$0	\$0	0.5
Changes from FY 2025-26	-\$197,942	\$0	-\$197,942	\$0	\$0	0.0
Percentage Change	-39.2%	n/a	-39.2%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$307,298	\$0	\$307,298	\$0	\$0	0.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Early Literacy Program Per Pupil Intervention Funding

Created in FY 2014-15, this line item reflects funding to be distributed to local education providers based on the statutory formula for early literacy per pupil intervention funding. The FY 2013-14 Long Bill supported this line item with interest income earned on the Public School (Permanent) Fund transferred to the Early Literacy Fund. However, S.B. 13-260 (School Finance) eliminated the annual transfer of interest earned on the Permanent Fund and instead transferred \$16.0 million from the State Education Fund to the Early Literacy Fund to support the Early Literacy Program in FY 2013-14. The enactment of H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance) increased the annual transfer from the State Education Fund to the Early Literacy Fund by \$18.0 million (for a total transfer of \$34.0 million) in FY 2014-15 and subsequent years.

The Department allocates per pupil intervention funding to local education providers based on the number of students identified with SRDs in the previous budget year. Section 22-7-1210.5, C.R.S., directs the distribution and use of per pupil intervention funds, including reporting requirements for local education providers that receive funding. Section 22-7-1210.5 (4), C.R.S., specifies the eligible uses of per pupil intervention funds.

The General Assembly appropriated more than \$33.2 million per year to this line item for FY 2014-15 through FY 2018-19 (all funding dedicated to early literacy that was not appropriated for program administration or the competitive grant program). The enactment of S.B. 19-199 shifted some funds previously appropriated for per pupil intervention funding to the uses outlined in the previous line items (additional funding for the competitive grant program, evidence based training for teachers, the external evaluation, and the public awareness campaign). Those shifts reduced the amount available for per pupil intervention funding to \$26,261,551 in FY 2019-20 (appropriated in S.B. 19-199). Funding at this level has continued.

Statutory Authority: Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$26,261,551 cash funds. However, pursuant to H.B. 26-1175, the staff recommendation appropriates this amount from the State Education Fund, rather than the Early Literacy Fund.

Early Literacy Assessment Tool Program

The General Assembly added this line item to the FY 2014-15 Long Bill to provide ongoing support for the Early Literacy Assessment Tool (ELAT) Program originally created in H.B. 12-1345 (2012 School Finance Bill). The READ Act (H.B. 12-1238) requires public school teachers in kindergarten through third grade to administer an interim assessment to all students to determine whether children are on track to reach grade level reading proficiency. Students identified as significantly below grade level must take a diagnostic assessment to determine specific areas of need for reading improvement. Teachers then use the assessment data to develop a collaborative intervention plan (READ Plan) with the child's parents.

Associated with the early literacy assessment requirements in the READ Act, House Bill 12-1345 required the Department to issue a competitive request for proposals to procure an Early Literacy Assessment Tool (ELAT) for districts' use and appropriated \$3.0 million cash funds from the State Education Fund to procure the tool. For participating districts, the use of the ELAT defrays assessment costs that would otherwise be required by the READ Act; districts may choose between state-approved assessments for READ Act implementation (one of which is the ELAT) but must pay for tools other than the ELAT. The ELAT provision (Section 22-2-141, C.R.S.) requires the ELAT software to, at a minimum:

- Provide individualized assessments with immediate results.
- Store and analyze assessment results, recommend activities that are aligned with the assessment results, and assist in tracking student performance and identifying strategies to improve student performance.
- Provide student grouping recommendations based on the assessment scores and provide proposed lesson plans on a short-term cycle.
- Assist in generating and populating individualized plans to improve students' reading skills.

The Department began transitioning from the diagnostic assessment that the state provided in FY 2013-14 ("Burst") to Amplify's "DIBELS Deep" diagnostic assessment in FY 2014-15. The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. For FY 2018-19 through FY 2022-23, the Department contracted with both Amplify and Istation to provide two options for participating districts. Beginning in FY 2023-24, it has selected Amplify DIBELS and Lectura to provide the assessments under ELAT.

Statutory Authority: Section 22-2-141, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$2,997,072 cash funds from the State Education Fund.

Line Item Detail - (C) Facility Schools

While most children in Colorado receive public education services through school districts (or schools that are authorized by the State Charter School Institute), some children receive their education through schools operated by community-based facilities or state-operated programs. In 2008, the General Assembly took steps to improve the quality and consistency of education provided in these community-based facilities and state-operated schools through several structural changes. The General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.

- Requiring facility schools and state-operated programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools and state-operated schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education charged with:

- Developing and maintaining a list of approved facility schools.
- Making recommendations concerning curriculum standards and graduation standards.
- Maintaining information and records for students who receive educational services from approved facility schools.
- Communicating and collaborating with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

S.B. 21-274 (Sustainable Model to Serve Facility School Students). In response to sharp declines in enrollment in facility schools and many facility school closures, the Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility School Students). The bill incorporated appropriations for one-time supplemental payments for FY 2021-22 (\$5.7 million), which were followed by additional one-time payments of \$5.1 million, while a work group, funded through S.B. 21-274, developed recommendations for how to address the decline and the lack of appropriate placements for students with exceptionally severe or specialized needs.

S.B. 23-219 (Supports to Students and Facility Schools). During the 2023 legislative session, the JBC sponsored S.B. 23-219. The bill made multiple changes to the regulation and funding of facility schools, and modified the duties of the Office of Facility Schools in the Colorado Department of Education. These changes support services for children and youth with exceptionally severe or specialized needs that school districts are unable to serve adequately within their regular or specialized educational services. The bill:

- Creates a new baseline funding model for facility schools effective FY 2023-24. Previously, funding for facility schools was based on a per-pupil model (1.73 x state base per pupil funding/\$55 per student per day in FY 2022-23). The new model provides a stable revenue stream to enable small schools to maintain operations even when student numbers fluctuate. Average state funding provided for schools under this new model is approximately 76.0 percent more than the funding provided for schools in the prior two years, which included temporary supplemental payments.
- Creates the specialized day school as a type of approved facility school. Previously, facilities had to be licensed by the Department of Human Services (for residential and day treatment programs) or the Department of Public Health and Environment (for hospitals) before they could seek and receive approval to become a facility school. This new category of facility school can be authorized by the Department of Education without prior licensing by another agencies. The bill requires the Facility Schools Board in the Department of Education to promulgate rules for authorizing specialized day schools as facility schools by July 1, 2024.

- Requires the State Board of Education to begin accrediting facility schools by December 1, 2026, based on the recommendations of the Facility Schools Board. The bill expands the oversight role of the Facility School Board to accreditation. Schools have one year from approval as a facility school to become accredited. Beginning October 1, 2026, the bill requires the Office of Facility Schools and the Facility Schools Board to create and publish an accreditation outcome report for each approved facility school as part of the process to determine whether an approved facility school becomes and remains accredited.
- Created a one-time Shared Operational Services Grant Program for FY 2023-24 and FY 2024-25. This was a two-year grant program pilot to support an eligible applicant in providing shared operational services for facility schools, such as food services, janitorial, shared office spaces, billing and other “back end” services, with the goal of lowering facility school operational costs.
- Created the Technical Assistance Center in the Office of Facility Schools to provide technical assistance support to school districts and related administrative units, with priority to serve rural and remote school districts and related administrative units. The center is intended to improve services for students with exceptionally severe or specialized needs, with a focus on those who cannot access an appropriate facility school placement for geographic or other reasons.
- Extends and adds responsibilities for the Facility School Work Group to monitor implementation of changes to the facility school system. Requires the Department to contract for a third-party program evaluation through the Office of Facility Schools. Modifies Work Group membership to include parents and guardians and schools that are not currently approved facility schools.
- Requires the Departments of Education, Human Services, Health Care Policy and Financing, and Public Health and Environment to collaborate to create an interagency resource guide to provide assistance to facilities that are pursuing licensing to operate as an approved school. Requires state agencies to identify and recommend legislation and changes to rules and administrative processes to facilitate licensing and approval processes.
- Requires the Department of Health Care Policy and Financing to recommend a plan to ensure approved schools may access Medicaid reimbursement funding for therapeutic services to the maximum extent feasible.
- Makes changes to the structure for funding Department of Education administration for facility schools. Under current law, administration for the Department is tied to 2.0 percent of state expenditures for facility schools. As modified in this bill, administration amounts are based on appropriations.

The bill included an appropriation of \$18,780,654 cash funds from the State Education Fund and eliminated an existing Long Bill appropriation of reappropriated funds for facility school administration. The fiscal impact was projected to grow, driven primarily by the expected addition of new facility schools, as reflected in the table below. These amounts added to \$11.0 million in base funding appropriated for the Division in the Long Bill.

S.B. 23-219 Fiscal Note Expenditures/Appropriations Required for Department of Education Related to New Functions - Amounts are from the State Education Fund

Cost Components	FY 2023-24	FY 2024-25	FY 2025-26
Department of Education			
Personal Services	\$509,642	\$548,950	\$638,225
Operating Expenses	5,535	6,210	7,560
Capital Outlay Costs	6,680	1,670	1,670

Cost Components	FY 2023-24	FY 2024-25	FY 2025-26
Shared Operational Services Grant	200,000	0	0
Evaluation Contractor	50,000	150,000	150,000
Working Group Facilitator Contract	50,000	50,000	50,000
Funding for New Specialized Day Schools	3,077,269	6,778,019	11,211,736
Additional Funding for Baseline Model	14,664,903	15,383,484	15,798,838
Data System Costs	0	129,450	0
Centrally Appropriated Costs ¹	80,712	89,903	109,283
FTE – Personal Services	4.1 FTE	4.6 FTE	5.6 FTE
Total	\$18,644,741	\$23,137,686	\$27,967,312
Total FTE	4.1 FTE	4.6 FTE	5.6 FTE

1 Not included in appropriation in first year.

As reflected in the table, the bill was expected to add \$26.9M for new schools and the funding model to the existing base of \$8.9M for the schools, for a total of \$35.8M by FY 2025-26. Costs were slightly below this--\$34.4 million in FY 2025-26. Although the Department has projected a significant increase for FY 2026-27 based on inflationary and enrollment trends, the staff recommendation includes adjustment to keeps funding largely flat in light of state fiscal constraints.

Facility Schools Office, Facility Schools Board, and Facility School Technical Assistance Center

This line item supports several different functions related to administration of the facility school system: the Facility Schools Office, Facility Schools Board, and the Facility School Technical Assistance Center. Previously, administrative costs were funded by withholding up to 2.0 percent of the amount payable to each approved facility school. However, changes included in S.B. 23-219 allows for direct appropriation from the State Education Fund for these functions.

The Facility School Technical Assistance Center, created in S.B. 23-219, is expected to grow annually for five years “to provide technical assistance to school districts and related administrative units serving students with exceptionally severe or specialized needs who need to be served by an approved facility school but are unable to access an approved facility school due to lack of proximity....or other factors.”

Statutory Authority: Sections 22-2-401 through 22-2-407, 410, and 412, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. Funding for FY 2026-27 includes annualization of prior year salary survey and step pay.

Student Learning, Facility Schools, Facility Schools Office, Facility School Board, and Facility School Technical Assistance Center

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$894,607	\$0	\$894,607	\$0	\$0	8.6

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2025-26	\$894,607	\$0	\$894,607	\$0	\$0	8.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$894,607	\$0	\$894,607	\$0	\$0	8.6
Prior year actions	16,327	0	16,327	0	0	0.0
Total FY 2026-27	\$910,934	\$0	\$910,934	\$0	\$0	8.6
Changes from FY 2025-26	\$16,327	\$0	\$16,327	\$0	\$0	0.0
Percentage Change	1.8%	n/a	1.8%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$910,934	\$0	\$910,934	\$0	\$0	8.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

State School Funding

Although Senate Bill 23-219 changed the funding structure for community-based facility schools managed by private operators, it did not change the structure created in 2008 for students attending state programs (state-operated schools). Pursuant to Section 22-54-129 (1)(f), C.R.S., “state programs” include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the remaining state programs. Statute requires that these schools receive funding in an amount equal to the pupil enrollment of each state program for the applicable budget year multiplied by 1.73x the statewide base per pupil funding for the applicable budget year. This amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year. The state programs also receive direct General Fund support for their operations.

Statutory Authority: Section 22-54-129 (2)(c)(II), C.R.S.

Request/Recommendation: The Department requested a continuation amount of \$1,925,110 cash funds from the State Education Fund for FY 2026-27. The staff recommendation is included in the table below.

Student Learning, Facility Schools, State School Funding

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,925,110	\$0	\$1,925,110	\$0	\$0	0.0
Total FY 2025-26	\$1,925,110	\$0	\$1,925,110	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,925,110	\$0	\$1,925,110	\$0	\$0	0.0
SI State-operated schools	129,597	0	129,597	0	0	0.0
Total FY 2026-27	\$2,054,707	\$0	\$2,054,707	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	\$129,597	\$0	\$129,597	\$0	\$0	0.0
Percentage Change	6.7%	n/a	6.7%	n/a	n/a	n/a
<hr/>						
FY 2026-27 Executive Request	\$1,925,110	\$0	\$1,925,110	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$129,597	\$0	\$129,597	\$0	\$0	0.0

Facility Schools Funding

This line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Prior to FY 2023-24, this provision authorized the payment of the state average per pupil revenue times 1.73 and included funding for state-operated programs. Pursuant to S.B. 24-219, facility schools are funded beginning in FY 2023-24 using a baseline funding model that is described in statute. This line item now includes solely funding for facility schools (excludes state-operated programs) and is calculated using the baseline funding model. The new model provides a higher level of funding than the prior model and allows for more stable support, particularly for schools serving fewer than 16 students.

Statutory Authority: Section 22-54-129, C.R.S.

Request/Recommendation: The Department requested a continuation appropriation, but later provided data indicating a \$3.0 million increase is required. The previously-discussed staff recommendation is included in the table below.

Student Learning, Facility Schools, Facility School Funding

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<hr/>						
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$33,343,020	\$0	\$33,343,020	\$0	\$0	0.0
Total FY 2025-26	\$33,343,020	\$0	\$33,343,020	\$0	\$0	0.0
<hr/>						
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$33,343,020	\$0	\$33,343,020	\$0	\$0	0.0
SI Facility schools baseline funding model	-300,000	0	-300,000	0	0	0.0
Total FY 2026-27	\$33,043,020	\$0	\$33,043,020	\$0	\$0	0.0
<hr/>						
Changes from FY 2025-26	-\$300,000	\$0	-\$300,000	\$0	\$0	0.0
Percentage Change	-0.9%	n/a	-0.9%	n/a	n/a	n/a
<hr/>						
FY 2026-27 Executive Request	\$33,343,020	\$0	\$33,343,020	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$300,000	\$0	-\$300,000	\$0	\$0	0.0

Facility School Work Group and Program Evaluation Contracts

Senate Bill 21-274 (Sustainable Model for Facility School Funding) required the Department to convene a work group of stakeholders related to facility schools to develop a new model for educational services for a target population of students. The resulting recommendations were used to develop S.B. 24-219. Senate Bill 24-219 continues the work group and requires it to continue to report annually throughout the program's implementation period. Statute details specific items that must be included in annual reports through October 1, 2026.

This line item also includes funding for a qualified third-party evaluator to report on whether facility school placements for students with exceptionally severe or specialized needs has stabilized or increased, whether reliance on homebound and out-of-state placements has decreased, whether administrative units that are unable to access approved facility schools receive sufficient support, and whether parents, guardians, advocates, county human services agencies, and other interested parties find that the facility school implementation plan has had a positive impact on student services, among other measures. The evaluator is required to submit a report to the work group and the Facility School Office to be included in a legislative report on October 1, 2026. Senate Bill 24-188 (School Finance) delayed the date for this report, which was previously scheduled for October 1, 2025, to October 1, 2026.

Statutory Authority: Section 22-2-407.5, C.R.S.

Request/Recommendation: The Department requested a continuation appropriation of \$200,000 State Education Fund for this line item for FY 2026-27. This amount includes \$50,000 for a facilitator for the work group and \$150,000 for the third-party evaluation. As previously discussed under SI Annualization Corrections, staff does not recommend an appropriation for this line item for FY 2026-27.

Line Items from Prior Years

Computer Science Education Grants

The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support appropriations for a grant program created in S.B. 17-296 (School Finance). The program provided grants for eligible teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. Funding at the \$500,000 level was provided from FY 2020-21 through FY 2024-25 but the appropriation was eliminated and the program was repealed in a JBC package bill during the 2025 legislative session.

Previous Statutory Authority: Section 22-97-101 through 103, C.R.S.

Colorado High Impact Tutoring Program

House Bill 21-1234 (Supplemental Education High-impact Tutoring Programs) created the Colorado High-impact Tutoring Program to provide grant funding to local education providers to create high-impact tutoring programs to address learning loss and unfinished learning related to the COVID-19 pandemic. The bill authorized local

education providers to apply for grants and specified required components of applicants' program plans as well as criteria that the Department must use in awarding grants. Funding of just under \$5.0 million was appropriated through FY 2024-25 but was eliminated in FY 2025-26, one year before the program's repeal date.

Statutory Authority: Sections 22-104-101 through 107, C.R.S.

Facility Schools Shared Operational Services Grant Program

Senate Bill 23-219 created a shared operational services grant program to award an eligible applicant grant money for the span of two budget years to contract with an organization that provides or coordinates shared operational services for facility school grantees. The goal of the grant is to demonstrate whether facility schools, which are often small, can reduce their costs by collaborating in obtaining services such as food services, janitorial services, office space, technical assistance on Medicaid services, security, and technology. One component for assessing applicants is the sustainability of services after the grant has completed. A grant for this initiative was successfully awarded. An interim and final report on the impact of the grant was included in reports due to the General Assembly on October 1, 2025, and October 1, 2026. This was a one-time funding opportunity.

Statutory Authority: Section 22-4-411, C.R.S.

(6) School Quality and Support

This section contains appropriations associated with a variety of accountability and school improvement programs, as well as the Department’s efforts associated with schools of choice, blended, and on-line education programs.

Background – Accountability System and School Transformation Funding: Colorado currently operates under two different accountability systems: the state system first created in 2009 (and recently modified in H.B. 25-1278) and the federal system. Schools may be identified as failing to meet standards and requiring additional support under either or both of the systems.

Under the State system, the Department evaluates the performance of schools and school districts relative to state expectations for academic performance. Schools identified in the bottom rating categories--priority improvement or turnaround--have historically been eligible for state funding supports (funded primarily in the School Transformation Grant Program line item) and are subject to sanctions if they are not successful in improving their results over time. The separate federal accountability system also identifies and provides supports for schools deemed to be struggling.

Though eligibility for supports under the state and federal accountability systems differ, the State attempts to provide a unified system of support offerings that can be accessed by schools through a single application, known as Empowering Action for School Improvement (EASI). The application uses a needs-based approach to award services and funding. Through the EASI application process, schools can access a various levels and types of supports.

The Department’s School Transformation Grant Program provides high levels of individualized technical assistance, partnership and support for schools. The model includes a CDE staff transformation manager that works on-site with the school, providing feedback and support through implementation challenges and the Department provides professional learning for participating districts and schools across the state.

In addition to State support, federal funding adds approximately \$7 million per year for school transformation supports, and the Department typically awards \$15 to \$16 million annually in combined state and federal funding.

The Department has emphasized that the School Transformation Grants are grounded in evidence-based strategies, and includes continued evidence-based evaluation, continuous improvement implementation, and ongoing innovation. There is evidence that these interventions make a difference, though not always at the level desired.

School Quality and Support

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$25,750,962	\$9,834,467	\$3,755,001	\$0	\$12,161,494	44.9
Total FY 2025-26	\$25,750,962	\$9,834,467	\$3,755,001	\$0	\$12,161,494	44.9

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$25,750,962	\$9,834,467	\$3,755,001	\$0	\$12,161,494	44.9
R7 Local Accountability Grant Program reduction	-499,300	-499,300	0	0	0	-0.4
SI Out-year impact corrections	-56,702	-56,702	0	0	0	-0.5
Prior year actions	-235,043	-255,316	20,273	0	0	-1.6
Total FY 2026-27	\$24,959,917	\$9,023,149	\$3,775,274	\$0	\$12,161,494	42.4
Changes from FY 2025-26	-\$791,045	-\$811,318	\$20,273	\$0	\$0	-2.5
Percentage Change	-3.1%	-8.2%	0.5%	0.0%	0.0%	-5.6%
FY 2026-27 Executive Request	\$25,415,919	\$9,479,151	\$3,775,274	\$0	\$12,161,494	43.3
Staff Rec. Above/-Below Request	-\$456,002	-\$456,002	\$0	\$0	\$0	-0.9

→ R7 Local Accountability Grant Program Reduction [legislation recommended]

Request

As a budget balancing measure, the Department request a reduction of \$100,000 to the Local Accountability System Grant Program. The request includes conflicting information on whether the intent is an ongoing or one-time reduction, but the Department has confirmed the intent is for an ongoing reduction. The request reduces the appropriation to \$399,300 General Fund annually.

Recommendation

- Staff recommends repealing this program at the end of FY 2025-26.
- The recommendation includes de-funding the program in the Long Bill and then running separate legislation to repeal. The total reduction is \$506,690 General Fund and 0.4 FTE, including a reduction of \$499,300 General Fund and 0.4 FTE the program line item with the balance of the reduction in the Grants Administration line item in the Management and Administration section.

Analysis

Key Considerations: This program was not developed as an alternative to the state’s accountability system but rather supports local education entities that wish to supplement state and federal measures. Based on the information below, staff believes this was a useful experiment but that the State should phase the program out, given the tight budget situation.

- Based on program evaluations from the first cohort of program participants, staff understands that this program has provided useful opportunities for district/school self-reflection and ownership of accountability

data. However, as indicated in the March 2025 program report, there are challenges related to implementing and maintaining local data infrastructure and responding to staff turnover; it is not clear the measures developed locally would be useful to other districts; and it may be difficult to scale up alternative improvement plans and framework report flexibility statewide.

- The size of cohort 2 is smaller than cohort 1 (8 grantees instead of 11), and 4 of the grantees are continuation grantees from cohort 1. Thus, statewide enthusiasm for this project does not appear to be growing.
- FY 2026-27 is the third and final year of cohort 2's work. H.B. 25-1278 (Education Accountability System) provides for ongoing stakeholder work on accountability measures. Given this, there may be some statewide value in allowing the existing grantees to wrap up their local accountability system work. *If the Committee wished to continue some funding in FY 2026-27 to allow for wrap-up*, staff would recommend \$200,000 (statute specifies that grantees should receive at least \$25,000 per year), and the program could then repeal at the end of FY 2026-27.
- The appropriation for the program was previously eliminated in FY 2020-21 based on the state's budget shortfall and then brought back.

Program Background: SB 19-204 established the Local Accountability System Grant Program to provide funding to local education agencies for piloting and enhancing local accountability systems that complement the state's existing accountability framework. The program also serves as a means for the state to learn from innovative practices implemented at the local level. Additionally, the legislation grants roll-forward authority, allowing unspent funds to be carried into the following fiscal year for continued use.

Last year, the state legislature passed H.B. 25-1278 (Education Accountability) which made improvements to the state's education accountability system based upon the recommendations of the HB 23-1241 Task Force. This introduced changes to measures in the performance frameworks, including revising the post-secondary and workforce readiness indicator and other adjustments in the way students are counted. Staff understands that the Local Accountability System Grant Program work contributed to the H.B. 25-1278 discussions. Staff anticipates that there will be ongoing work on the state's accountability system but probably not on the scale of H.B. 25-1278 in the near term.

The department identified savings for the Local Accountability System Grant Program due to lower than expected need from the second cohort of grantees, in conjunction with roll forward authority. Budget reductions were applied in FY 2024-25 and FY 2025-26, and the Department indicated it could meet the demand for the program at a lower funding level. However, it did not request phase-out.

The program's 2025 report is located here:

<https://www.cde.state.co.us/sites/default/files/docs/accountability/LocalAccountabilitySystemsGrantAnnualReport2025.pdf>

Line Item Detail - (A) Accountability and Transformation

Longitudinal Analyses of Student Assessment Results

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools. This includes General Fund to staff

for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state’s data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state’s data systems. Funding added in FY 2014-15 to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services was removed after the adoption of H.B. 22-1295 (Department of Early Childhood), which moved related functions to the new Department of Early Childhood.

Statutory Authority: Section 22-2-134, C.R.S.

Request/Recommendation: The request and recommendation are shown in the table below and include annualization of prior year salary survey and anniversary.

School Quality and Support, Accountability and Transformation, Longitudinal Analysis of Student Assessment Results

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$715,780	\$715,780	\$0	\$0	\$0	5.1
Total FY 2025-26	\$715,780	\$715,780	\$0	\$0	\$0	5.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$715,780	\$715,780	\$0	\$0	\$0	5.1
Prior year actions	10,355	10,355	0	0	0	0.0
Total FY 2026-27	\$726,135	\$726,135	\$0	\$0	\$0	5.1
Changes from FY 2025-26	\$10,355	\$10,355	\$0	\$0	\$0	0.0
Percentage Change	1.4%	1.4%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$726,135	\$726,135	\$0	\$0	\$0	5.1
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Accountability and Improvement Planning

The General Assembly created this line item in FY 2013-14 to support accountability and improvement planning efforts associated with the implementation of S.B. 09-163. The line item supports training, technical assistance, and data analysis provided to districts and schools, especially low-performing districts and schools. The line item also supports an independent State Review Panel to review struggling schools’ and districts’ improvement plans and advise the State Board of Education regarding consequences for those districts and schools under the accountability clock created by S.B. 09-163. Beginning in FY 2023-24, the JBC added \$56,702 General Fund and 0.5 FTE for a three-year term-limited position to help this unit address workload driven by the reorganization of Adams 14 and the needs of other districts that are far along on the accountability clock. This additional position annualizes out in FY 2026-27.

Statutory Authority: Section 22-11-201, C.R.S.

Request/Recommendation: The request and recommendation are shown in the table below. Both eliminate one-time funding provided in S.B. 25-315 and H.B. 25-1278. The difference between the two is the removal of the 0.5 FTE term-limited position discussed earlier in this packet as an annualization correction.

School Quality and Support, Accountability and Transformation, Accountability and Improvement Planning

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,154,573	\$2,089,304	\$0	\$0	\$1,065,269	19.6
Total FY 2025-26	\$3,154,573	\$2,089,304	\$0	\$0	\$1,065,269	19.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,154,573	\$2,089,304	\$0	\$0	\$1,065,269	19.6
Prior year actions	-310,584	-310,584	0	0	0	-1.6
SI Out-year impact corrections	-56,702	-56,702	0	0	0	-0.5
Total FY 2026-27	\$2,787,287	\$1,722,018	\$0	\$0	\$1,065,269	17.5
Changes from FY 2025-26	-\$367,286	-\$367,286	\$0	\$0	\$0	-2.1
Percentage Change	-11.6%	-17.6%	n/a	n/a	0.0%	-10.7%
FY 2026-27 Executive Request	\$2,843,989	\$1,778,720	\$0	\$0	\$1,065,269	18.0
Staff Rec. Above/-Below Request	-\$56,702	-\$56,702	\$0	\$0	\$0	-0.5

Local Accountability System Grant Program

Senate Bill 19-204 created the Local Accountability System Grant Program to provide grants to local education providers who wish to create local accountability systems to supplement the state accountability system. The grants are to establish and implement local accountability systems, including identifying and developing appropriate measures, evaluating quality, analyzing data, and assisting with stakeholder communication. Grants must be \$25,000 to \$50,000 per year for single local education provider and must not exceed \$75,000 per year for a group of local providers. In the third year of the grant program, the Department is required to contract with an external evaluator to prepare a summary evaluation report of the implementation of the local accountability systems that receive grants. Funds must be distributed over three budget years. Unexpended amounts from each annual appropriation may be rolled forward for expenditure in the following fiscal year.

Senate Bill 19-204 included an appropriation of \$493,097 General Fund for FY 2019-20, but funding was eliminated for FY 2020-21 as a budget balancing measure. Senate Bill 21-168 (Public School Finance) restored funding of \$493,907 General Fund for the program for FY 2021-22.

Changes included in H.B. 22-1390 (School Finance) specified that as a result of the suspension of funding during FY 2020-21, this year would not be considered a grant program year for purposes of determining the third year of the program. This made FY 2022-23 the third year of the grant program, and H.B. 22-1390 thus added \$100,000 for the program evaluation that is required to occur on the third year of each grant cycle. The program and related reporting continues indefinitely.

Additional information about the program may be found on the Department’s website, including reports to the General Assembly about the program (third legislative report submitted January 23, 2024 and first evaluation report submitted July 2023). <https://www.cde.state.co.us/localaccountabilitysystemgrant>

Statutory Authority: Section 22-11-703, C.R.S.

Request/Recommendation: The Department requests \$399,300 General Fund and 0.4 FTE, including a reduction of \$100,000. As previously discussed, staff recommends eliminating the appropriation for this program beginning in FY 2026-27.

School Transformation Grant Program

The General Assembly added the School Turnaround Leaders Development Program line item to the FY 2015-16 Long Bill to support the School Turnaround Leaders Development Program created in S.B. 14-124 (School Turnaround Leaders Development Program). The program, first funded with \$2.0 million cash funds from the State Education Fund in FY 2014-15, requires the Department to contract with providers of high-quality turnaround leadership development programs and award grants to school districts and charter schools throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools. Leaders of schools in Turnaround or Priority Improvement status under the statewide accountability system are eligible to participate.

House Bill 18-1355 (Public Education Accountability System) expanded the program to include additional supports and activities and renamed the program the School Transformation Grant Program. In addition to leadership development, the grant program can now support school wide improvement activities as well as planning and implementation for accountability pathways directed by the State Board of Education.

Based on the changes in H.B. 18-1355, the General Assembly renamed the line item “School Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. The General Assembly initially added a further \$1,000,000 for FY 2020-21, but this was removed to help balance the budget in the wake of the COVID-19 pandemic. The JBC and General Assembly approved a request to increase funding by \$2,000,000 General Fund in FY 2022-23, added an additional \$1,000,000 for a proactive intervention pilot (services for schools that are early in the accountability clock) in FY 2023-24, and added a further \$500,000 for proactive intervention in FY 2024-25.

The JBC also sponsored S.B. 23-218 (Repeal School Transformation Grant Program Administration Cap) to eliminate a statutory restriction on the portion of the funding that could be used for administration and added a new 1.0 FTE position in FY 2023-24. The General Assembly has also made statutory changes to increase the Department’s ability to contract directly with providers for the benefit of participating school districts.

Statutory Authority: Section 22-13-103, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. Funding includes the annualization of prior year salary survey and step pay but no other changes.

School Quality and Support, Accountability and Transformation, School Transformation Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$8,121,243	\$6,102,141	\$2,019,102	\$0	\$0	4.0
Total FY 2025-26	\$8,121,243	\$6,102,141	\$2,019,102	\$0	\$0	4.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$8,121,243	\$6,102,141	\$2,019,102	\$0	\$0	4.0
Prior year actions	15,959	12,350	3,609	0	0	0.0
Total FY 2026-27	\$8,137,202	\$6,114,491	\$2,022,711	\$0	\$0	4.0
Changes from FY 2025-26	\$15,959	\$12,350	\$3,609	\$0	\$0	0.0
Percentage Change	0.2%	0.2%	0.2%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$8,137,202	\$6,114,491	\$2,022,711	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Federal School Transformation Administration and Support

This line item includes funding provided by the federal government for administration and support of school transformation activities. Additional funding that is used to provide grant support to qualifying schools (approximately \$8.0 million per year) is included in the Appropriated Sponsored Programs line item. This administration funding was relocated from the Appropriated Sponsored Programs line item in the School District Operations division in FY 2024-25.

Request/Recommendation: The request and recommendation include a continuation amount of \$769,725 federal funds, shown for informational purposes, and 4.2 FTE to more transparently reflect department staff working on school transformation activities.

Educator Perception

The General Assembly added this line item to the FY 2014-15 Long Bill to provide \$100,000 General Fund to support the administration of the biennial Teaching, Empowering, Leading, and Learning (TELL) Survey which surveys school-based educators statewide to assess teaching conditions.

House Bill 08-1384 (Retention of Qualified Educators) authorized the Department to conduct a biennial survey of teaching and learning conditions. The goal of the bill and program is to survey every school-based licensed educator regarding their perceptions of teaching and learning conditions to provide insights for policy decisions at the school, local district, and state levels. The Department has worked with a variety of partners to administer the survey. According to the tellcolorado.org website, the Department has partnered with the New Teacher Center, the Colorado Association of School Boards (CASB), the Colorado Association of School Executives (CASE), the Colorado League of Charter Schools, the American Federation of Teachers (Colorado), and the Colorado Education Association. The Department administered the survey for the fifth time in FY 2017-18, although previous administrations were largely supported by alternative fund sources.

Beginning with FY 2019-20, the Department transitioned to a new system to fund the survey. The FY 2019-20 appropriation included \$75,000 General Fund to support the administration of the survey in FY 2019-20, with the assumption that the “off-year” appropriation (FY 2020-21) would provide \$25,000 to support the vendor’s costs for analysis and maintenance. House Bill 21-1087 (Teaching and Learning Conditions Survey) provided funding for investments in FY 2021-22 to enhance online tools. The fiscal note for the bill indicated that “on year” costs would be \$83,500, while “off year” costs would be \$25,000.

Statutory Authority: Section 22-2-503, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$25,000 for the “off year” costs of the Educator Perception line item in FY 2026-27.

Line Item Detail - (B) Schools of Choice

Schools of Choice

The General Assembly added this line item to the FY 2019-20 Long Bill to support the staff carrying out the Department’s responsibilities under the State’s Charter Schools Act (Sections 22-30.5-101 through 22-30.5-704, C.R.S.). In FY 2019-20, the line item included an appropriation of \$315,504 General Fund and 2.6 FTE to reflect the state-funded staff related to charter school oversight. In FY 2020-21, the Committee began reflecting \$10.0 million federal funds and 4.0 FTE associated with federal charter school grants (and under the supervision of the Schools of Choice Office) from the Appropriated Sponsored Programs line item in the Assistance to Public Schools section of the Long Bill. As a result, the line item now seeks to reflect the total funds associated with the Schools of Choice Office.

Statutory Authority: Section 22-30.5-101 through 22-30.5-704, C.R.S.

Request/Recommendation: The Department request and staff recommendation are included in the table below and annualize prior year salary survey and step pay. Based on actual expenditures, it does not appear that the federal funding for the line item has continued. *Staff may recommend removing the federal funds amount in a comeback after further consultation with the Department.*

School Quality and Support, Schools of Choice, Schools of Choice

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$10,704,219	\$377,719	\$0	\$0	\$10,326,500	6.8
Total FY 2025-26	\$10,704,219	\$377,719	\$0	\$0	\$10,326,500	6.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$10,704,219	\$377,719	\$0	\$0	\$10,326,500	6.8
Prior year actions	8,158	8,158	0	0	0	0.0
Total FY 2026-27	\$10,712,377	\$385,877	\$0	\$0	\$10,326,500	6.8
Changes from FY 2025-26	\$8,158	\$8,158	\$0	\$0	\$0	0.0
Percentage Change	0.1%	2.2%	n/a	n/a	0.0%	0.0%

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$10,712,377	\$385,877	\$0	\$0	\$10,326,500	6.8
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Supplemental On-line Education Services

Pursuant to H.B. 06-1008 [Section 22-5-119, C.R.S.], this program provides funding to ensure that supplemental on-line courses are affordable for school districts, BOCES, and charter schools. This line item provides funding to the Colorado River BOCES (formerly part of the Mountain BOCES) to contract with a supplemental on-line course provider to offer on-line courses at a cost of no more than \$200 per student per semester course. This is subject to available appropriations. The source of funding is federal mineral lease revenues that are credited to the State Public School Fund.

For FY 2007-08 through FY 2015-16, the General Assembly annually appropriated \$480,000 cash funds for this purpose. The enactment of H.B. 16-1222 (Supplemental Online and Blended Learning Resources) increased the appropriation to \$960,000 in FY 2016-17. The General Assembly increased the appropriation to \$1,020,000 for FY 2017-18 and further increased the appropriation to \$1,220,000 in FY 2018-19. The Colorado River BOCES is contracting with two providers, Colorado Digital Learning Solutions (providing courses) and the iLearn Collaborative (providing blended learning professional development opportunities to districts and schools), to operate the program.

The Colorado River BOCES has reported significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to 3,352 courses in FY 2019-20 to 11,943 course provided in FY 2021-22. JBC staff has previously observed that this program model is a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines.

Statutory Authority: Section 22-5-119, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,220,000 cash funds from the State Public School Fund (derived primarily from federal mineral lease revenue) for FY 2026-27. Staff notes that an FY 2025-26 RFI about this program has raised additional questions about state online school programs.

Office of On-line and Hybrid Learning and Innovation Schools

Senate Bill 07-215 changed the oversight, structure, and funding of public school on-line education. This act required the State Board of Education to establish quality standards for on-line programs. The act also created the Division of On-line Learning in the Department to support on-line programs, certify multi-district programs, and document and track complaints about on-line programs. Finally, S.B. 07-215 also created a nine-member On-line Learning Advisory Board to report to the State Board on the operations of on-line programs and to provide policy recommendations. Provisions related to certifying and funding multi-district online schools have been amended in subsequent legislation.

For FY 2023-24, the Department requested, and the JBC and General Assembly approved, the addition of 1.5 FTE in this line item. This included 1.0 FTE to address administrative work (such as reviews of on-line school applications and managing complaints) and technical assistance (such as how to start on-line schools and programs) for online and blended learning programs. It also included 0.5 FTE to manage Department workload related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools require State Board approval, and the Department has related workload. The name of the line item was also changed in FY 2023-24 to reflect broader responsibilities.

Statutory Authority: Section 22-30.7-101 et seq., C.R.S.

Request/Recommendation: The Department request and staff recommendation are summarized in the table below and include annualization of prior year salary survey and step pay.

School Quality and Support, Schools of Choice, Office of Online and Hybrid Learning and Innovation Schools

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$564,576	\$48,677	\$515,899	\$0	\$0	4.8
Total FY 2025-26	\$564,576	\$48,677	\$515,899	\$0	\$0	4.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$564,576	\$48,677	\$515,899	\$0	\$0	4.8
Prior year actions	17,615	951	16,664	0	0	0.0
Total FY 2026-27	\$582,191	\$49,628	\$532,563	\$0	\$0	4.8
Changes from FY 2025-26	\$17,615	\$951	\$16,664	\$0	\$0	0.0
Percentage Change	3.1%	2.0%	3.2%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$582,191	\$49,628	\$532,563	\$0	\$0	4.8
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Items from Prior Years

H.B. 23-1241 Accountability, Accreditation, Student Performance, and Resource Inequity Task Force

House Bill 23-1241 created the 25-member Accountability, Accreditation, Student Performance, and Resource Inequity Task Force in the Colorado Department of Education (CDE) to study academic opportunities, inequities, best practices, and improvements to the K12 accountability and accreditation system. The Department must contract with a facilitator to guide the work of the task force and write related reports. An interim report is due by March 1, 2024 and a final report before November 15, 2024. The bill included an appropriation \$300,709 General Fund and 0.3 FTE for FY 2023-24 and made this funding available through FY 2024-25. A link to the results of this work, completed November 2024, are found below. Changes to the State’s accountability system were enacted in H.B. 25-1278.

<https://www.cde.state.co.us/accountability/1241taskforcefinalreport>

(7) Student Pathways

This section contains funding for a variety of programs associated with health and wellness, dropout prevention, student reengagement, and career readiness.

Background – S.B. 25-315 (Postsecondary Workforce Readiness) – Program Consolidation and Cuts: The Department has been engaged in a serious effort to restructure and provide a more consistent and coherent set of supports and guidance for school districts. The Student Pathways section has been on the forefront of this effort, focusing on the goal that all high school graduates, beginning with the class of 2029, will have a quality work-based learning experience, college credits, and/or an industry recognized credential (the “big three”).

During the 2025 legislative session, the General Assembly adopted H.B. 25-1278 (Education Accountability System) and S.B. 25-315 (Postsecondary Workforce Readiness Programs; a JBC bill). The two bills were related, since the accountability bill added new school accountability measures related to preparing students for the workforce and postsecondary education, and S.B. 25-315 shifts money from various grant programs and distributions into formula allocations that support school postsecondary and workforce readiness efforts.

Many of the changes included in S.B. 25-315 are first implemented in FY 2026-27. This includes fully eliminating the ASCENT program (a high school 5th year program) and the Career Development Incentive Program (CDIP) and folding the savings into ongoing “sustain” support for school district postsecondary workforce readiness programs. The formula that will be used to distribute funds is still being negotiated, with State Board of Education action anticipated in April 2026.

Note: Staff understands that a technical change to S.B. 25-315 may be needed and will bring a comeback on this topic when more information is available.

Student Pathways

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$59,233,630	\$18,579,800	\$31,272,243	\$188,112	\$9,193,475	37.6
Total FY 2025-26	\$59,233,630	\$18,579,800	\$31,272,243	\$188,112	\$9,193,475	37.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$59,233,630	\$18,579,800	\$31,272,243	\$188,112	\$9,193,475	37.6
BA6 Fourth Year Innovation Pilot	-386,659	-386,659	0	0	0	0.0
SI Behavioral Health Care Professional Matching Grant	-3,000,000	0	-3,000,000	0	0	-1.0
SI Adult Education and Literacy Grants	-1,000,000	-1,000,000	0	0	0	0.0
SI School Counselor Corps Grant	-1,000,000	0	-1,000,000	0	0	0.0
SI Technical changes	0	0	0	0	0	0.0
SI Out-year impact corrections	-89,123	-89,123	0	0	0	-0.2
SI Menstrual Hygiene Grant	-100,000	-100,000	0	0	0	-0.2
Prior year actions	13,413,721	-5,230,682	18,644,403	0	0	-2.0
Total FY 2026-27	\$67,071,569	\$11,773,336	\$45,916,646	\$188,112	\$9,193,475	34.2

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	\$7,837,939	-\$6,806,464	\$14,644,403	\$0	\$0	-3.4
Percentage Change	13.2%	-36.6%	46.8%	0.0%	0.0%	-9.0%
FY 2026-27 Executive Request	\$72,822,856	\$13,524,623	\$49,916,646	\$188,112	\$9,193,475	35.6
Staff Rec. Above/-Below Request	-\$5,751,287	-\$1,751,287	-\$4,000,000	\$0	\$0	-1.4

→ BA6 Fourth Year Innovation Pilot Program Funding

Request

The request is for an increase of \$175,505 General Fund for the Fourth Year Innovation Pilot Program incentives for school districts, which would bring the total appropriation for this program in the Department of Education to \$562,154 General Fund.

Recommendation

Staff does not recommend an appropriation for this program in the FY 2026-27 Long Bill. H.B. 26-1176 (Modify Fourth-Year Innovation Pilot Program), if enacted prior to Long Bill introduction, eliminates the need for an appropriation for this program in the Department of Education for FY 2026-27.

Analysis

S.B. 21-106 created the Fourth-Year Innovation Pilot Program. The program incentivizes early graduation from high school for qualified low-income students at pilot sites. Prior to enactment of H.B. 26-1176, the program is in effect for students who graduate early at participating schools between FY 2021-22 and FY 2025-26.

Participating local education providers receive \$1,371 for every qualified student who graduates early, and qualifying students may claim a scholarship of up to \$2,468 if they graduate one semester early or \$4,113 if they graduate a full year early and commence postsecondary education within 18 months.

Incentives to local education providers are appropriated to the Department of Education.

H.B. 26-1176, included in the JBC's supplemental budget package, makes the following changes to the program:

- Discontinues payments to local education providers for eligible students who graduate during the 2025-26 school year.
- Requires the Department of Education to prorate the amount distributed to local education providers for students who graduated early prior to FY 2025-26, based on available appropriations.
- For students graduating early in FY 2025-26, requires students to commence postsecondary education by December 31, 2026.
- Requires the Department of Higher Education to complete all scholarship distributions to postsecondary institutions by the close of FY 2026-27.
- Repeals a requirement that the Department of Higher Education prepare a final program evaluation.

→ SI SB 23-003 Adult High School Program

Request

The Department did not request this change.

Recommendation

As a budget balancing measure, staff recommends the Committee sponsor legislation to modify a required appropriation for the Adult High School Program and eliminate General Fund appropriations **for FY 2023-24** that have not been expended or encumbered by the close of FY 2025-26. This would provide savings of \$1.6 million.

Analysis

Key considerations: The program's performance has not met expectations thus far, based on the Department's legislative report. If the program is ended one year early, savings of \$1.6 million General Fund would be available to assist with budget balancing.

Background: Senate Bill 23-003 created the Colorado Adult High School Program for adults without a high school education to earn a diploma, industry certificate or college credit at no cost. The bill required an appropriation of \$5.0 million from the General Fund for FY 2023-24 to be expended through FY 2026-27.

Statute⁴⁰ required that the adult high school program serve Colorado residents who were 21 years of age by the pupil enrollment count date and that the educational service offered should be free of charge to any learner interested in participating. Applicants were required to be classified as a Colorado community based non-profit organization in order to apply. The only applicant meeting the required program criteria was Goodwill Excel Center in Aurora.

News reports indicate that Goodwill operates more than 30 similar Excel Centers across the country, which offer educational programming, as well as free child care and transportation. Excel Centers may be supported by sale of good donated to Goodwill, as well as other philanthropic, state, and local support.

Legislative Report: The Department's legislative report on the program, dated November 2025, indicates that program roll-out was delayed and that the contractor had failed to comply with multiple legislative requirements and grant applications commitments after two years of funding allocations (FY 2023-24 and FY 2024-25).

No students were enrolled in year 1, as the program's space was unusable. In year 2, the program indicated that enrollment and results had exceeded expectations (350 average students enrolled), but this translated to 72 diplomas awarded from \$1.5 million in state funds expended over two years. Though the program indicated in its application that multiple industry-recognized credentials would be offered, only 10 of 100 credentials that students earned were industry-recognized. The Department's recommendations for the program effectively highlighted key weaknesses. The Department recommended:

⁴⁰ Section 22-10-201 through 205, C.R.S.

- stronger partnerships for concurrent enrollment, as no postsecondary credits are offered;
- a robust special education team to comply with the individualized education plan requirement in statute;
- only offer validated industry-recognized credentials included on the eligible training provider list, as required by statute;
- create curriculum for employment readiness training and decide how students will show success/ the program will track progression and effectiveness

As of the beginning of FY 2025-26, \$3.2 million out of the \$5.0 million General Fund appropriated for this program in FY 2023-24 was unspent and had been rolled forward. Based on data included in the Department’s report about the first two years of spending and the award for year 3 (FY 2025-26), money could be recaptured. Specifically, if the program ends at the end of FY 2025-26, approximately \$1.6 million would be available for recapture.

The report is accessed here: <https://www.cde.state.co.us/cdegen/y339-goodwillcolegreport-nov2025>

→ SI HB24-1331 Out of School Time Grant Program

Request

The Department did not request this reduction.

Recommendation

Staff recommends ending the new program authorized in H.B. 24-1331 (Out-of-school Time Grant Program) one year early, providing savings of \$3.5 million General Fund in FY 2026-27. (Staff assumes the first two years of program funding of approximately \$7.0 million will be disbursed by the end of FY 2025-26.)

A bill is required to eliminate the appropriation under current law.

Analysis

Key Considerations: This is a term-limited program, and the State does not have the fiscal capacity to continue it over the longer term. While the amount of funding is significant from a State perspective, it pales in comparison to federal 21st Century Community Learning Center (CCLC) funding, on which this program is modeled. Federal funding to Colorado for CCLC was \$11.9 million. In 2024.⁴¹ The recently adopted federal budget maintains funding for CCLC in 2026.⁴²

Additional Background: H.B. 24-1331 created the Out-of-School Time program Grant Program, which awards grants to non-profit organizations that provide enrichment activities outside of school hours to students in

⁴¹ https://osc.colorado.gov/sites/osc/files/FY24_Federal_Expenditure_Report.pdf Federal funding for the program was temporarily withheld in July 2025 but later released.

⁴² https://www.afterschoolalliance.org/afterschoolSnack/Bipartisan-bicameral-FY-2026-Education-spending-bill-includes_01-21-2026.cfm

primary and secondary schools. The bill requires the General Assembly to appropriate \$3.5 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

Non-profit organizations that wish to receive a grant must submit an application to the CDE. Organizations must provide evidence of their ability to provide education services in their application and the CDE must prioritize grant awards to organizations that are able to serve students who are English language learners and students who qualify for free and reduced lunch. Organizations that are awarded a grant must submit program outcomes data to the CDE, including student identifiers and total hours of participation for students, no later than December 31, 2025 and each year thereafter. The CDE must annually submit a report to the legislature on program outcomes beginning in January 31, 2026. CDE must also conduct an evaluation of the grant program based on data that is received from grantees.

Colorado's program was launched on May 1, 2025, after a delay while the JBC decided whether to retain the program. Grants were awarded to 11 nonprofit grantees for the three-year period. Most grantees began implementation in summer 2025. Because the launch of the program was delayed, grantees have reported only participation data thus far. As of January 1, 2026, 1,887 students have participated in programming funded by the grant; the Department expects this to increase significantly. The January 2026 report is here: <https://resources.finalseite.net/images/v1770661940/cdestatecous/hkkdipckf2u284elbp/ColoradoNonprofitsOut-Of-SchoolTimeOSTGrantProgram.pdf>

→ SI Menstrual Hygiene Grant

Request

The Department did not request this reduction.

Recommendation

Staff recommends eliminating the \$100,000 General Fund appropriation for this program in the Long Bill. Statutory provisions could be repealed, although this would not be required to make the reduction.

Analysis

Key Considerations: This program was created to address a real problem, but the State does not have resources to provide equitable support across the state. Statute now requires all school districts to provide free menstrual products in female-designated and gender neutral bathrooms by June 30, 2028. Most grant funding is used for products that schools must provide whether or not there is a grant.

Additional Background:

Grant Program: Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. As modified in H.B. 24-1164, the program may also pay for product dispensers. Grant recipients must have at least 50.0 percent of students eligible for free or

reduced price lunch, be located in a rural or small rural district, or be an approved facility school or the Colorado School for the Deaf and the Blind.

The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation. House Bill 24-1164 (Free Menstrual Products to Students) increased funding in FY 2024-25 to \$200,000 General Fund for one year. Funding for FY 2025-26 returned to \$100,000. Statutory authority for the grant program is at Section 22-2-147, C.R.S.

In FY 2023-24, the program provided funding to 35 eligible educational providers. The FY 2023-24 report is here: <https://www.cde.state.co.us/cdedepcom/menstrualhygieneproductsaccessibilityreport>

State Mandate: H.B. 24-1164 requires free menstrual products in at least 25 percent of female-designated and gender neutral school bathrooms by June 30, 2025, scaling to 100 percent by June 30, 2028, with certain exceptions.

→ SI Adult Education and Literacy Grants

Request

The Department did not request this reduction.

Recommendation

Staff recommends reducing the appropriation for this program by \$1.0 million General Fund on an ongoing basis, leaving an appropriation of \$1,971,512 General Fund and 2.3 FTE.

Analysis

Key considerations: The State has historically provided little funding in this area, and there have been significant increases in recent years. The program has had difficulty expending the large temporary increases it has received; as a result, funds provided in FY 2023-24 and FY 2024-25 may be spent through FY 2028-29. At the end of FY 2024-25, \$2.6 million General Fund—almost all of the prior year appropriation—had been rolled forward for use in FY 2025-26.

Funding is provided on a four year cycle. A new four-year cycle began in FY 2025-26. However, Department staff have indicated that with a reduction at the \$1.0 million level the Department should be able to keep funding relatively steady for the remainder of the grant cycle, given approximately \$3.0 million in funds that were still available in FY 2025-26 for roll-forward through FY 2028-29.

Colorado receives approximately \$9.2 million federal funds annually for adult education support. However, the Department indicates that the standards for accessing related federal grant support are so high that the state funding often serves as the bridge that providers use to gain experience.

Additional Background: The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). S.B. 20-009

expanded the program beyond its original focus on employment to include services which assist adults in attaining basic literacy and numeracy skills and assist their own children.

The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults. Since 2020, programs can apply for funds as either an Educational Attainment Partnership, a collaboration that assists adults in attaining basic literacy and numeracy skills that lead to additional skill acquisition, or a Workforce Development Partnership, a collaboration that assists adults in attaining basic literacy and numeracy skills leading to additional skill acquisition, postsecondary credentials, and employment.

- The program received a substantial short-term increase through an FY 2021-22 appropriation of \$5.0 million in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund (federal ARPA Funds, later refinanced to General Fund), as well as a one-time appropriation of \$800,000 General Fund and 0.4 FTE for FY 2022-23 in S.B. 22-192 (Opportunities for Credential Attainment).
- Senate Bill 24-051 allows unexpended funding for the program appropriated in FY 2023-24 and FY 2024-25 to be spent through FY 2028-29. The program has used this authority—as intended—to spend its one-time funds over a longer period. The program rolled forward \$2.6 million General Fund and \$356,888 from its ARPA funds into FY 2025-26—about \$3.0 million total. Staff anticipates that this \$3.0 million will be spent between now and FY 2028-29. This will soften the impact of the proposed \$1.0 million per year cut.
- Senate Bill 23-007 (Adult Education) added \$2,000,000 General Fund to the \$1.0 million base and made other program changes. Over the longer term, the staff recommendation will leave the program with more funds than it had prior to SB 23-007 (\$2.0M instead of \$1.0M)—but considerably less than the \$3.0M envisioned. Federal funding of over \$9.0M per year is assumed to continue.

Statutory Authority is at Section 22-10-104, C.R.S.

Legislative Report: In 2021-2022, the grant program served 2,272 learners through 14 grantee organizations. Grant recipients serve areas along the Front Range, the Western Slope, and in the Southwest corner of the state. Many regions of the State are not served by grantees.

Grantees are adult education providers, which may include school districts, community-based nonprofit agencies, state institutions of higher education, libraries and Indian tribes. The Department’s report notes that approximately 250,000 Colorado adults lack a high school diploma, and most postsecondary and employment opportunities assume a basic level of literacy and numeracy. This program helps to address these basic skills and reports success on various outcomes measures, including postsecondary entrance and credential attainment, obtaining employment or improving wages, and various types of civic and community engagement.

For additional information, the legislative report is here:

<https://www.cde.state.co.us/cdedepcom/adulteducationliteracyannualreport>

→ SI Behavioral Health Care Professional Matching Grant Program

Request

The Department did not request this reduction.

Recommendation

The staff recommendation includes a reduction of \$3.0 million Marijuana Tax Cash Funds and 1.0 FTE for the Behavioral Health Care Professional Matching Grant Program, returning funding to the FY 2018-19 level. This would leave an appropriation of \$12.0 million and represent a 20.0 percent cut to this program.

Analysis

Key Considerations:

- Staff is recommending a cut of this magnitude at this time because the program is soliciting applications for its next 3-year grant cycle, which will continue through FY 2028-29⁴³. It will be far more difficult to take related reductions for several years after this. The program funds staff in schools, so reducing funding mid-grant directly affects school employment.
- This will only assist with *overall* state balancing if the money is not redirected to a different Marijuana Tax Cash Fund use and is deposited in the General Fund or State Education Fund.
- This may be a better use of MTCF revenue than some other options: it was created just after legalization of marijuana as part of the creation of the Marijuana Tax Cash Fund. The legislative declaration highlights youth use of marijuana, the expectation that this will increase with legalization, and the expectation that school health professionals can help to address this.
- Staff is not convinced that a grant program is the best mechanism for supporting these important school services. The program has often funded the same grantees in multiple cycles, creating ongoing support for certain districts. Staff would prefer to see this program re-shaped to provide more equitable support statewide. However, staff does not believe changes of this scope can be addressed by the JBC alone, particularly on a short timeline. *If the JBC is interested in more substantive changes, it could consider pausing the program for a year while alternatives are explored.*
- The program does not prepare a useful outcomes report. Since the program is designed to pay for school staff, program reports focus on numbers of staff employed, numbers of students served, and similar measures. This does not mean the program is not valuable, but it does make it harder to assess the value.

Additional Background:

⁴³ Cohort 8. The Department is currently soliciting applications for grants that go through FY 2028-29. <https://ed.cde.state.co.us/healthandwellness/shpg/fundingopportunity>

Program History and Requirements: This program was created in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue), which created the Marijuana Tax Cash Fund and outlined initial fund uses.⁴⁴ Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals in schools throughout the State to address student behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students who need behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

The program was initially for secondary schools but was extended to elementary schools in 2017 legislation, and participation in spread across elementary, middle and high schools.

The Department is required to prioritize applications based on factors that include need for and use of the funds, the existence of a successful school health team, the amount of matching funds the grantee can commit, the provider's commitment to evidence-based programs, and the likelihood that the provider will continue to fund increases in the level of services after the grant.

Statute restricts administrative costs to 3.0 percent of the annual appropriation to offset costs incurred in implementing the program.

Funding History: The program has grown dramatically in the last ten years to reach the **current ongoing funding level of \$15.0 million** and 5.0 FTE.

- In FY 2016-17, the program received \$2.3 million and 1.0 FTE.
- In FY 2017-18, it was greatly expanded to \$12.0 million and 4.0 FT.
- The annual appropriation has been increased by \$3.0 million and 1.0 FTE since then. S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million and 1.0 FTE in FY 2019-20. This additional funding was removed in FY 2020-21 but then restored in FY 2021-22 in S.B. 21-268 (School Finance). *The staff recommendation would return funding to the FY 2018-19 (and FY 2020-21) level.*
- The program also received **one-time funding** which added about \$1.75 million per year for the four-year period from FY 2022-23 through FY 2025-26. In FY 2022-23, the General Assembly added \$7.0 million cash funds on a one-time basis from federal ARPA funds deposited to the Behavioral and Mental Health Cash Fund pursuant to S.B. 22-147 and H.B. 22-1243. Of this amount \$668,857 was encumbered but not yet spent as of the end of December 2025.

While early program cohorts were funded for a single year, since 2016, the program has funded cohorts for 3 years, sometimes in overlapping cycles.

⁴⁴ Department resources identify this program as the "Colorado School Health Professionals Grant" or SPG.

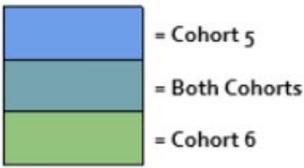
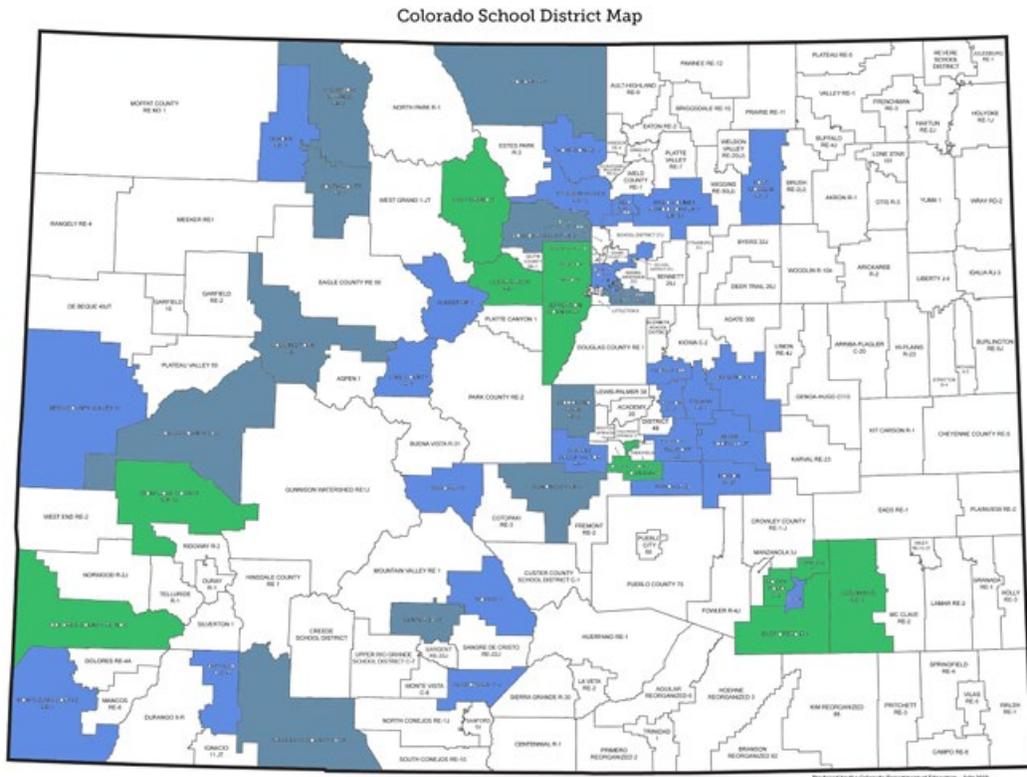
Legislative Report: The FY 2022-23 legislative report (the most recent one currently accessible online), indicated that:

- 192 school health professionals were hired with the use of these grant funds in the FY 2022-23 school year.
- School counselors and school social workers were hired more frequently than school nurses or school psychologists.
- Local Education Provider (LEP)-employed, grant-funded SHPs supported a total of 248 unique schools (**13% of all Colorado schools**) that served a total of 149,829 students (17% of all Colorado students) (although, not all students in all grant-funded schools received direct services funded by the grant).
- Sixty-three percent of these students were in high school grades (9-12), 21% in middle school grades (6-8) and 16% in elementary grades (K-5).
- In response to difficulty hiring school-based mental health professionals, 36 of the 78 grantees reported they used SHPG funding to contract with community-based mental health professionals who in turn provided mental health services to their students.

Historically, the program has provided funding in overlapping cohorts, though staff understands the Department expects to use most funds for a new FY 2026-27 cohort.

Cohort	Funding Cycle	Annual Funded Amount	Number of Funded LEPs
1	2014-15	\$2,332,760	25
2	2015-16	\$2,154,094	20
3	2016-19	\$2,283,155	22
4	2017-20	\$9,123,471	41
5	2019-22	\$5,203,269	42
6	2020-23	\$9,296,314	36

The map below, from the FY 2020-21 legislative report, shows how inconsistent funding is statewide and demonstrates how grantees funded in one cohort have frequently been funded in the following cohort too. The program has no related restrictions.



For additional information, see these two legislative reports:
<https://www.cde.state.co.us/cdedepcom/schoolhealthprofgantreport>
<https://www.cde.state.co.us/healthandwellness/2021shpglegreport#:~:text=Statute%20requires%20grant%20recipients%20to,Thursday%2C%20July%202016%2C%202020.&text=The%20maps%20below%20highlight%20the,the%20funded%20efforts%20are%20distinct>
 For a broader picture of the Department’s health-related programs, see here:
<https://ed.cde.state.co.us/healthandwellness>

→ **SI School Counselor Corps Grant Program**

Request

The Department did not request this reduction.

Recommendation

The staff recommendation reduces funding for the School Counselor Corps Grant Program by \$1.0 million from the State Education Fund, from \$12.0 million to \$11.0 million ongoing.

Analysis

Key Considerations: A recent evaluation of the School Counselor Corps Grant Program by the University of Denver Colorado Evaluation and Action Lab using a quasi-experimental design found the program had no statistically significant impact on 4- and 6-year graduation, 4-year completion, school dropout, dual enrollment, FAFSA completion or READ plan/reading deficiency rates. It did have a statistically significant positive impacts on graduation and completion for students with a disability and English language learners.

Program funds are used by schools to employ counselors, so substantial changes mid-stream will directly impact school staff. As for the Behavioral Health Matching Grant Program, Department staff note that the program is popular with school districts, and staff hopes that a more limited cut this year will prompt the Department and stakeholders to think about how to improve the program, given the DU findings. The program appears to start new 4-year cohort each year, so a deep cut would affect current multi-year grantees or stop any new grantees.

Additional Background:

Program History and Requirements: Established in 2008 [Section 22-91-101, et seq., C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling. The stated goals include improving educational attainment, academic performance, and postsecondary success, particularly for low-income students. Subject to available appropriations, the State Board now awards four-year grants based on statutory criteria.

The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

Funding History: The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program's operation (FY 2010-11 through FY 2013-14).

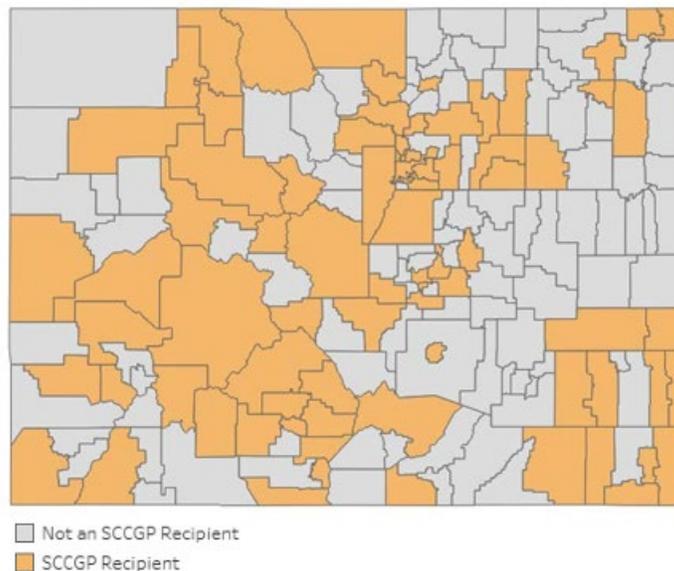
The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

In the FY 2021-22 School Finance Act (S.B. 21-268) the General Assembly removed the statutory cap of \$10.0 million on appropriations for the School Counselor Corps Grant program and increased the appropriation by \$2,000,000 from the State Education Fund beginning in FY 2021-22. *Funding has remained at approximately the \$12.0 million level in the intervening years.*

Funding structure: Based on information on the program website, the program offers awards of between \$30,000 and \$50,000 per funded local education provider for the first year and then provides \$90,000 per funded school for the following three years. The money is used to improve counselor-to-student ratios at participating schools.

Like other grant programs, this program does not distribute funds to all parts of the state, although it appears that there is an effort to move funds to different grantees. The following map shows grantee locations for cohorts funded through 2022. The Department’s annual report notes that students served are more likely to be from underserved backgrounds (low income, minority, more mobile, more homeless) than the average for public schools. This is consistent with the program’s design.

MAP 2: SCCGP Grantee Locations, All Cohorts, 2009-2022



Evaluations and Reports: The report from the DU Evaluation and Action Lab, and the Department’s most recent legislative report are linked below.

https://coloradolab.org/wp-content/uploads/2025/07/SCCGP-QED-Technical-Report_FINAL.pdf

<https://www.cde.state.co.us/cdedepcom/schoolcounselorcorpsreport>

→ SI Phase-out TREP/PTECH [adjustment outside of this division]

Request

The Department did not request this reduction.

Recommendation

Staff recommends that the Committee explore phasing out the P-tech and TREP programs, providing savings of \$4.1 million State Education Fund per year which could be used to help balance the budget or be reinvested in more equitable postsecondary workforce readiness funding mechanisms.

Analysis

Key Considerations: When the General Assembly took steps to phase out the Accelerating Students through Concurrent Enrollment program (ASCENT) and implement S.B. 25-315 (Postsecondary Workforce Readiness), it included provisions for studying two related programs, rather than eliminating them. These programs are the Pathways in Technology Early College High Schools (P-Tech) and Teacher Recruitment Education and Preparation (TREP) programs. The resulting reports from the task forces that studied the programs recommended continuing them, but JBC staff remains concerned that these programs have the same characteristics as the ASCENT program, *i.e.*, they are a mechanism that inequitably distribute state resources and substitutes for other sources of post-secondary funding, including federal funding.

Additional Background:

Program Costs: Students participating in P-Tech and TREP programs remain in high school for a fifth and sixth year, even if they have met their high school's graduation requirements. Their local education provider receives a payment from the State at the extended high school rate. The extended high school rate for FY 2026-27 is \$10,721 per student FTE. There is no local match component to these funds, so the State is paying State Education Fund for the total for each student funded. The FY 2026-27 estimated costs are \$4.1 million for the two programs, including:

TREP: \$2,680,250 (250 student FTE budgeted)

P-Tech: \$1,404,451 (131 student FTE budgeted)

The P-tech program remains relatively stable in size. However, the TREP program continues to grow and is likely to reach the capped figure in the Long Bill (250 slots) within the next 1-2 years, based on its rapid growth so far in a limited number of districts. At that point, the General Assembly will either need to uncap it—presumably leading to cost spikes—or enrollment will need to be frozen and limited to those districts that were first in the door.

TREP Growth

- FY 2022-23 (first year of program): 43.0 FTE in 18 districts
- FY 2023-24: 79 FTE in 25 districts
- FY 2024-25: 99 FTE in 36 districts and 1 CSI school
- FY 2025-26: 193 FTE, in 30 districts (and 23 additional budgeted slots).

Program Details:

P-tech was created in H.B. 15-1270 to support innovative partnerships between a school district, a community college, and one or more high growth industry partners. IBM was a significant participant. Students begin in 9th grade and receive six years in high school, with the last two paid at the extended high school rate. The students graduate with a high school diploma and an industry recognized associates degree.

TREP was created by S.B. 21-185. Students following an educator career pathway may concurrently enroll in postsecondary courses and earn college credit at no tuition costs to them or their families, for up to two years after the 12th grade year. Additional costs, such as textbooks, fees, and transportation may be covered by the student's school district but this is not guaranteed.

Concerns About Programs Mirror Those for ASCENT:

These two programs look similar to ASCENT—but both offer **two** years of extended high school and not just one. The TREP program has particular similarities, since students on an educator career path will typically attend a postsecondary institution while their high school is paid the extended high school rate by the State (just like ASCENT) and the program has capped slots in the Long Bill (just like ASCENT did originally).

The ASCENT fifth-year high school program was historically capped annually in the Long Bill, and this, in combination with some administrative obstacles, kept growth in this high-cost program in check. But H.B. 22-1390 removed the cap, and enrollment increased from 500 in FY 2021-22 to 1,986 in FY 2024-25. The JBC sponsored H.B. 24-1393 to reduce rates for FY 2024-25 and re-cap numbers for FY 2025-26. Subsequently, S.B. 25-315 (also a JBC bill) further reduced rates for FY 2025-26 and ended the program effective FY 2026-27, generating savings of over \$20 million. As highlighted by staff in discussions about ASCENT:

- Providing over \$10,000 per student for a small number of students in a limited number of districts is fundamentally inequitable—and the State cannot afford to offer the benefit to similarly-situated students throughout the State
- The programs do not have income-eligibility requirements
- Funding provided per student at the extended high school rate exceeds the cost of enrollment at a public community college. In FY 2023-24, when the ASCENT rate was \$9,588, a full time student at the Community of College of Denver paid \$6,062 including fees. A similar gap remains today.
- A student who does qualify for free and reduced-price lunch may be eligible for a federal Pell grant if the student graduates from high school rather than participating in a fifth or sixth year program. By using a fifth-year high school model, the State is potentially substituting state funds for federal scholarship support.

P-Tech and TREP Workgroup Report

A recent report submitted to the JBC about these programs⁴⁵ encourages retention of both programs; but some of the data submitted raises concerns:

- Growth in the TREP program has been rapid, and almost all of the growth is in large urban areas, rather than rural areas that face particular teacher shortages. As of 2024-25, 22 urban/suburban districts participated, compared to only 7 rural districts.
- Only 10 students (4.5 percent) of the 221 in TREP have earned a credential through the TREP program. 129 of them were still enrolled, but it will clearly be many years (and dollars) before the State knows whether any of these students will actually become teachers.
- P-tech enrollment for student school years 5 and 6 has been relatively stable, but program costs have continued to increase (now at \$1.4 million). P-TECH is also primarily in urban/suburban areas.

⁴⁵ TREP and P-TECH Working Group Findings and Recommendations Report, submitted to JBC, December 2025.

- Only 13 percent of students in the P-TECH data set have earned a credential, based on National Student Clearinghouse data. This is 236 students out of 1097 who have participated in the program. This count of credentials may include multiple credentials earned by a single student.

→ SI Academic Accelerator Grant Program [legislation]

Request

The Department did not request this reduction.

Recommendation

Staff recommends a reduction of \$1.5 million in funding provided in FY 2023-24 through H.B. 23-1231 (Math in Pre-K through Twelfth Grade). The Department received a one-time FY 2023-24 appropriation of \$24,500,000 General Fund for the Math Accelerator Grant Program. Statute specified the required appropriation and specified that the money could be used through FY 2026-27. Of the total, \$16,242,845 was rolled forward into FY 2025-26. The Department indicates that approximately \$8.0 million is expected to be spent in FY 2025-26, and an additional \$6.7 is committed for FY 2026-27. It therefore appears that \$1.5 million may be available for recapture to assist with budget balancing. A bill would be required.

Analysis

Key Considerations: Spending on this large one-time appropriation has been much slower than originally anticipated, although it is expected to increase for the two implementation years (FY 2025-26 and FY 2026-27). This was a multi-year grant program that required considerable up-front work from the recipients. Given this, staff is not recommending removing all funding, but does believe that some reduction should be feasible. The initial program results do not seem particularly impressive to staff.

Additional Background: H.B. 23-1231 (Section 22-2-146.6, C.R.S.) created the Colorado Academic Accelerator Grant Program in the CDE to create community learning centers that provide free academic enrichment and support activities to help students in science, technology, engineering, and math. Eligible grantees may include at least one LEPs, community-based organizations, Indian tribes, or a public or private entity. The CDE must administer the grant program based on rules adopted by the State Board of Education (SBE). The bill establishes prioritization criteria for applicants and allowable uses for the funds. By July 1, 2024, the CDE must contract with a third party evaluator to review and report on the impact the grant program. The report must be submitted to the General Assembly by January 1 each year.

The program is similar to federal and state out-of-school time grant programs, but particularly focuses on math enrichment to be provided by collaborators outside of school hours.

Year 1 report: The first year report for the program (December 2024) is at the following link:

<https://www.cde.state.co.us/studentsupport/coaapyr1rpt>

Year 2 report: The second report for the program was included in the Department’s SMART Act presentation. As described in this report, the department allocated \$7,556,121 to 22 grantees operating 53 community learning centers in 2024-2025. For the first year of funding, grantees reported serving 4,660 students. Of these students, half (50.3%) were in first through fifth grades and 40% were in sixth through eighth grades, with the remainder in pre-K or high school.

More than one-third of grantees (40%) are from the Metro region; the remainder are in other parts of the State, although there are no grantees in the northeast. Grantees are primarily community-based organizations (40%) and districts (43%), with the remaining grantees being charter schools (8%), consortiums (8%), and Institutes of Higher Education (2%).

According to outcomes reported in the Department’s SMART Act report:

- Availability of the program saved families money (as would be expected when free after-school care and tutoring is provided). The report calculated over \$650,000 in savings for participating families in FY 2024-25. Staff notes that this is a small amount compared to the \$7.6 million annual program cost.
- Schools participating in the program had lower chronic absenteeism in FY 2024-25 than the prior year. For students for whom data was available, about one-third who had been chronically absent in FY 2023-24 were not in FY 2024-25. Staff notes that even in schools with this program, over 40 percent of students for whom there was data were chronically absent.
- Of the 2,335 students who were assessed, 76.4 percent of students showed improvement in math after program participation. The report did not indicate the degree of improvement or how this compared to students who were not participants.

i HCPF Interagency Agreement

The following information is used to update the S.B. 97-101 Public School Health Services line item. The Department has not requested any changes for FY 2026-27.

Background: Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

Most funding for this program is in the budget for the Department of Health Care Policy and Financing and includes federal funds and certified local matching funds. However, the Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program. The table below

HCPF Interagency Agreement

Line Item	FY 2025-26	FY 2026-27 Estimate
S.B. 97-101 Public School Health Services	\$158,140	\$158,140
Indirect Costs (included in this line item)	24,512	24,512

Line Item	FY 2025-26	FY 2026-27 Estimate
Health, Life, and Dental	11,446	11,446
Short-term Disability	163	163
AED	5,379	5,379
SAED	5,379	5,379
Salary Survey	3,520	3,520
Total	\$208,269	\$208,269

Line Item Detail - (A) Health and wellness

S.B. 97-101 Public School Health Services

Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

Districts are required to use the Medicaid funds received to provide student health care services. Each district is required to develop a local services plan that identifies the types of health services needed by students and the services it plans to provide. Districts spend the Medicaid funds for a variety of health-related purposes. The majority of funds are spent: providing nursing and other health clinic services; providing mental health services; providing speech, language, and vision services; providing physical and occupational therapy services; for health-related materials, equipment, and supplies; and conducting health insurance outreach activities (for Medicaid and CHP+).

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for submitting claims and contracting with individual districts. The Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Up to ten percent of the federal Medicaid funds that districts "earn" may be used to cover administrative costs incurred by the Department of Health Care Policy and Financing (DHCPF) and the Department of Education, and the remainder is paid directly to districts and BOCES for the provision of health care services.

The appropriations to DHCPF for this program include both the federal Medicaid funds (reflected as federal funds) and the local certified matching funds (reflected as cash funds). The total funds appropriated to DHCPF cover the administrative costs incurred by the DHCPF and the Department of Education, as well as actual costs of health care claims. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program.

Statutory Authority: Section 25.5-5-318, C.R.S.

Request/Recommendation: The Department requests, and staff recommends a continuation appropriation of \$188,112 and 1.4 FTE.

Behavioral Health Care Professional Matching Grant Program

Program History and Requirements: This program was created in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue), which created the Marijuana Tax Cash Fund and outlined initial fund uses.⁴⁶ Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals in schools throughout the State to address student behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students who need behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

The program was initially for secondary schools but was extended to elementary schools in 2017 legislation, and participation is spread across elementary, middle and high schools.

The Department is required to prioritize applications based on factors that include need for and use of the funds, the existence of a successful school health team, the amount of matching funds the grantee can commit, the provider's commitment to evidence-based programs, and the likelihood that the provider will continue to fund increases in the level of services after the grant.

Statute restricts administrative costs to 3.0 percent of the annual appropriation to offset costs incurred in implementing the program.

Funding History: The program has grown dramatically in the last ten years to reach the current ongoing funding level of \$15.0 million and 5.0 FTE.

- In FY 2016-17, the program received \$2.3 million and 1.0 FTE.
- In FY 2017-18, it was greatly expanded to \$12.0 million and 4.0 FT.
- The annual appropriation has been increased by \$3.0 million and 1.0 FTE since then. S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million and 1.0 FTE in FY 2019-20. This additional funding was removed in FY 2020-21 but then restored in FY 2021-22 in S.B. 21-268 (School Finance).
- The program also received one-time funding which added about \$1.75 million per year for the four-year period from FY 2022-23 through FY 2025-26. In FY 2022-23, the General Assembly added \$7.0 million cash funds on a one-time basis from federal ARPA funds deposited to the Behavioral and Mental Health Cash Fund pursuant to S.B. 22-147 and H.B. 22-1243. Of this amount \$668,857 was encumbered but not yet spent as of the end of December 2025.

⁴⁶ Department resources identify this program as the "Colorado School Health Professionals Grant" or SPG.

While early program cohorts were funded for a single year, since 2016, the program has funded cohorts for 3 years, sometimes in overlapping cycles.

Statutory Authority: Sections 22-96-101 through 105, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. Both include annualization of prior year salary survey and step pay, but the staff recommendation includes a \$3.0 million cash funds reduction.

Student Pathways, Health and Wellness, Behavioral Health Care Professional Matching Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$14,984,818	\$0	\$14,984,818	\$0	\$0	5.0
Total FY 2025-26	\$14,984,818	\$0	\$14,984,818	\$0	\$0	5.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$14,984,818	\$0	\$14,984,818	\$0	\$0	5.0
Prior year actions	14,829	0	14,829	0	0	0.0
SI Behavioral Health Care Professional Matching Grant	-3,000,000	0	-3,000,000	0	0	-1.0
Total FY 2026-27	\$11,999,647	\$0	\$11,999,647	\$0	\$0	4.0
Changes from FY 2025-26	-\$2,985,171	\$0	-\$2,985,171	\$0	\$0	-1.0
Percentage Change	-19.9%	n/a	-19.9%	n/a	n/a	-20.0%
FY 2026-27 Executive Request	\$14,999,647	\$0	\$14,999,647	\$0	\$0	5.0
Staff Rec. Above/-Below Request	-\$3,000,000	\$0	-\$3,000,000	\$0	\$0	-1.0

Mental Health Education Resource Bank and Technical Assistance

The General Assembly added this line item to the FY 2020-21 Long Bill to support the mental health education resource bank required by H.B. 19-1120 (Youth Mental Health Education and Suicide Prevention). With assistance from the Office of Suicide Prevention and the Suicide Prevention Commission in the Department of Public Health and Environment, the bill requires the Department to create and maintain the resource bank. The resources must be available to elementary and secondary schools free of charge and must be available in both English and Spanish.

In addition, upon request, the bill requires the Department to provide technical assistance to a school district, charter school, or board of cooperative services in designing age-appropriate curricula pertaining to mental health. The bill included an appropriation of \$116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20, including one-time costs that were eliminated in subsequent years.

Statutory Authority: Section 22-2-127.9, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$52,387 General Fund and 0.6 FTE for FY 2026-27, including annualization of prior year salary survey and step pay.

Menstrual Hygiene Product Accessibility Grant Program

Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. As modified in H.B. 24-1164, the program may also pay for product dispensers. Grant recipients must have at least 50.0 percent of students eligible for free or reduced price lunch, be located in a rural or small rural district, or be an approved facility school or the Colorado School for the Deaf and the Blind.

The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation. House Bill 24-1164 (Free Menstrual Products to Students) increased funding in FY 2024-25 to \$200,000 General Fund for one year. Funding for FY 2025-26 returned to \$100,000. Statutory authority for the grant program is at Section 22-2-147, C.R.S.

Statutory Authority: Section 22-2-147, C.R.S.

Request/Recommendation: The Department requests \$100,000 General Fund. Staff recommends eliminating this appropriation.

S.B. 24-048 Substance use Disorders Recovery Grant Pilot Program

House Bill 24-048 creates several programs to support substance use recovery. Among other components, the bill creates the Recovery School Grant Program in the Department of Education (CDE). The program awards recovery schools with grants to cover expenses related to assisting students with their sobriety. The Department must develop program rules and award grants by January 1, 2025. The bill appropriates \$50,000 to the department to implement the program in FY 2024-25 only, and the program repeals September 1, 2026. The bill also adds provisions to allow school districts to include in their pupil count a student who has transferred to a recovery high school before the pupil count date and provides a one-time appropriation to the Department to modify its existing data collection system. Funding in the Department of Education is anticipated in FY 2024-25 and FY 2025-26 only.

Statutory Authority: Section 22-1-146 and 22-54-103, C.R.S.

Request/Recommendation: The Department does not request, and staff does not recommend, an appropriation for this line item in FY 2026-27. The fiscal note indicated that funding was not needed on an ongoing basis.

Line Item Detail - (B) Dropout Prevention and Student Reengagement

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student Reengagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The Office's duties include:

- Analysis of student data related to dropout rates, completion rates, truancy, suspension and expulsion rates, safety and discipline incidents, and student growth.

- Coordination of departmental efforts and initiatives to address dropout prevention, student reengagement, and adult education.
- Identification of best practices and strategies to reduce dropout rates and increase student engagement and reengagement.
- Securing and managing resources to fund services and supports.

The Department received a five-year competitive grant award of \$14.1 million through the U.S. Department of Education’s High School Graduation Initiative Program that funded services between FY 2010-11 and FY 2015-16 to develop dropout prevention and recovery models.

The Office currently works in three main areas that are supported by both state and federal funds:

- Administers competitive grants, including state grants reflected in this section and the federal Expelled and At Risk Student Services grant, which is included in the Appropriated Sponsored Programs line item in the School District Operations section.
- In collaboration with the Department’s data team, supports the collection and sharing of data related to student engagement, dropout, and graduation.
- Develops tools, resources, and other supports to accelerate school and district efforts to improve student engagement, re-engagement, dropout, and graduation rates.

Dropout Prevention

This line item includes \$2.0 million cash funds from the Marijuana Tax Cash Fund and related FTE to support the Student Re-engagement Grant Program created in H.B. 09-1243, which provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement. (A previous version of this line item (in place through FY 2022-23) supported both the Student Re-Engagement Program and the Educational Stability Grant Program. The Educational Stability Grant Program is now funded in a separate line item.)

Statutory Authority: Section 22-14-109, C.R.S.

Request/Recommendation: The Department request, and staff recommendation, from Marijuana Tax Cash Funds, is summarized below and includes annualization of prior year salary survey and step pay.

Student Pathways, Dropout Prevention and Student Reengagement, Dropout Prevention

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,005,329	\$0	\$2,005,329	\$0	\$0	1.0
Total FY 2025-26	\$2,005,329	\$0	\$2,005,329	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,005,329	\$0	\$2,005,329	\$0	\$0	1.0
Prior year actions	1,828	0	1,828	0	0	0.0
Total FY 2026-27	\$2,007,157	\$0	\$2,007,157	\$0	\$0	1.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	\$1,828	\$0	\$1,828	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,007,157	\$0	\$2,007,157	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Ninth Grade Success Grant Program

This line item supports the Ninth Grade Success Grant Program. Senate Bill 19-246 (School Finance) created the Ninth Grade Success Program to provide grants to local education providers to establish ninth grade success programs. Under the bill, programs must include the following components:

- Establishing a cross-disciplinary team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out.
- Ensuring that ninth grade classes are taught by a single group of teachers, if practicable.
- Implementing a data system that provides real-time access to student behavior, attendance, and grades, as well as the ability to compare data across student groups.
- Prioritizing services, and providing instructional support, for ninth graders at risk of academic failure.
- Ensuring that school personnel receive data on incoming ninth graders and that teachers receive professional development regarding the use of data to inform instruction.
- Providing summer orientation for incoming ninth graders and their families.
- Evaluation of the impact of interventions provided through the program.

Senate Bill 19-246 included an appropriation of \$800,000 General Fund and 0.6 FTE to support the program in FY 2019-20. However, the General Assembly eliminated the appropriation for the program for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic. Funding of \$800,000 General Fund and 0.6 FTE was restored for FY 2021-22 through S.B. 21-268 (Public School Finance).

- House Bill 23-1231 (Math in Pre-K) added one-time funding of \$1,600,000 General Fund and 1.2 FTE for the program in FY 2023-24 and added requirements that the Department and State Board prioritize grant applicants that:
 - Propose programming focused on evidence-informed math skills, and intervention and acceleration strategies; and
 - Have academic achievement levels that are consistently ranked lowest for public high schools in the State.

The bill also restricted administrative costs to 5.0 percent of state funds.

House Bill 24-1282 (Ninth grade success grant and performance reporting) eliminated the program's July 1, 2025 repeal date and added new reporting requirements. The bill eliminated the \$0.8 million General Fund appropriation that had been included in the Long Bill. In lieu of this, it added a statutory provision requiring an annual appropriation of \$2.0 million from the State Education Fund through FY 2027-28. The bill appropriated

that amount from the State Education Fund for FY 2024-25, including \$74,950 for information technology services and the balance of \$1,925,050 and 1.0 in this line item. All related costs were moved to this line item and the Grants Administration line item in FY 2024-25.

Statutory Authority: Section 22-14-109.5, C.R.S.

Request/Recommendation: The request and recommendation, from the State Education Fund, is summarized in the table below.

Student Pathways, Dropout Prevention and Student Reengagement, Ninth Grade Success Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,007,458	\$0	\$2,007,458	\$0	\$0	1.4
Total FY 2025-26	\$2,007,458	\$0	\$2,007,458	\$0	\$0	1.4
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,007,458	\$0	\$2,007,458	\$0	\$0	1.4
Prior year actions	5,095	0	5,095	0	0	0.0
Total FY 2026-27	\$2,012,553	\$0	\$2,012,553	\$0	\$0	1.4
Changes from FY 2025-26	\$5,095	\$0	\$5,095	\$0	\$0	0.0
Percentage Change	0.3%	n/a	0.3%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,012,553	\$0	\$2,012,553	\$0	\$0	1.4
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Supports for Foster Care Students (H.B. 22-1374)

House Bill 22-1374 created the Fostering Educational Opportunities for Youth in Foster Care program in the Department of Human Services, and modified Department of Education training and reporting requirements related to foster youth educational attainment. The bill required the Department of Education to identify goals for improving foster youth educational attainment and expands annual education reporting requirements related to foster youth. The new responsibilities include providing training for new child welfare education liaisons and county department of human services caseworkers; updates to foster education data collection, reporting requirements, and sharing agreements; and annual reporting on the Department’s website and to the General Assembly concerning students in out-of-home placement.

Statutory Authority: Section 22-32-138, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$74,074 General Fund for this line item, including annualization of prior year salary survey and step pay, and 0.4 FTE.

Educational Stability Grant

The Educational Stability Grant Program was established in H.B. 18-1306 (Improving Educational Stability for Foster Youth). Beginning in FY 2019-20, H.B. 18-1306 requires the Department to provide grants to local

education providers to provide services to students in foster care and other highly mobile students. The Legislative Council Staff Fiscal Note for H.B. 18-1306 anticipated \$1.0 million in annual expenditures for the Department starting in FY 2019-20 and a need for 2.0 FTE. Following a department reorganization, 3.0 FTE were reflected in the FY 2023-24 Long Bill.

Statutory Authority: Section 22-32-138.5, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The total includes annualization of prior year salary and step pay.

Student Pathways, Dropout Prevention and Student Reengagement, Educational Stability Grant

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,035,679	\$1,035,679	\$0	\$0	\$0	3.0
Total FY 2025-26	\$1,035,679	\$1,035,679	\$0	\$0	\$0	3.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,035,679	\$1,035,679	\$0	\$0	\$0	3.0
Prior year actions	6,658	6,658	0	0	0	0.0
Total FY 2026-27	\$1,042,337	\$1,042,337	\$0	\$0	\$0	3.0
Changes from FY 2025-26	\$6,658	\$6,658	\$0	\$0	\$0	0.0
Percentage Change	0.6%	0.6%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,042,337	\$1,042,337	\$0	\$0	\$0	3.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

H.B. 24-1216 Supports for Youth in Juvenile Justice System

The bill establishes rights for justice-engaged students, requires the state and local school districts to provide certain support to these students, and encourages courts to delay sentences to commitment to the Division of Youth Services in the Department of Human Services.

In FY 2024-25, the Department of Education is responsible for leading a working group to make recommendations on identifying and collecting data on the number of justice-engaged students and providing a liaison to work with justice-involved students. The bill provides an appropriation of \$82,883 General Fund and 0.1 FTE for the Department for FY 2024-25.

In FY 2025-26, the Department is anticipated to require appropriations to support 0.5 FTE for a liaison for justice involved students, a position that will continue in subsequent years, as well as temporary appropriations for 0.3 FTE to develop guidance for local education providers and to issue an RFP for a statewide hotline. In FY 2026-27 and subsequent years, the Department is anticipated to require funding to contract for the hotline for justice-involved students (\$50,000) and to support a 0.5 FTE liaison for justice-involved students.

Statutory Authority: Section 22-108-103 through 109, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include second-year impacts of the legislation.

Student Pathways, Dropout Prevention and Student Reengagement, H.B. 24-1216 Supports for youth in juvenile justice system

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$92,362	\$92,362	\$0	\$0	\$0	0.8
Total FY 2025-26	\$92,362	\$92,362	\$0	\$0	\$0	0.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$92,362	\$92,362	\$0	\$0	\$0	0.8
Prior year actions	-11,084	-11,084	0	0	0	-0.3
Total FY 2026-27	\$81,278	\$81,278	\$0	\$0	\$0	0.5
Changes from FY 2025-26	-\$11,084	-\$11,084	\$0	\$0	\$0	-0.3
Percentage Change	-12.0%	-12.0%	n/a	n/a	n/a	-37.5%
FY 2026-27 Executive Request	\$81,278	\$81,278	\$0	\$0	\$0	0.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

H.B. 24-1331 Out-of-School Time Grant Program

H.B. 24-1331 created the Out-of-School Time program Grant Program, which awards grants to non-profit organizations that provide enrichment activities outside of school hours to students in primary and secondary schools. The bill requires the General Assembly to appropriate \$3.5 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

Non-profit organizations that wish to receive a grant must submit an application to the CDE. Organizations must provide evidence of their ability to provide education services in their application and the CDE must prioritize grant awards to organizations that are able to serve students who are English language learners and students who qualify for free and reduced lunch. Organizations that are awarded a grant must submit program outcomes data to the CDE, including student identifiers and total hours of participation for students, no later than December 31, 2025 and each year thereafter. The CDE must annually submit a report to the legislature on program outcomes beginning in January 31, 2026. CDE must also conduct an evaluation of the grant program based on data that is received from grantees.

In addition to the appropriation in this line item, an appropriation of \$38,021 General Fund and 0.4 FTE is included in the Department’s Grants Administration line item, so that a total appropriation of \$3,500,000 General Fund is provided.

Statutory Authority: Section 22-105.5-101 through 106, C.R.S.

Request/Recommendation: The request in this line item is for \$3,461,131 General Fund and 1.6 FTE. As discussed elsewhere in this packet, staff recommends eliminating this appropriation; however, this will require separate legislation, so staff recommends the request amount be included in the Long Bill.

Homeless Student Scholarship Program

House Bill 24-1403 (Higher Education Support Homeless Youth) creates the Financial Assistance Program for Students Experiencing Homelessness in the Department of Higher Education (DHE). Beginning in the 2024-25 academic year, public institutions of higher education must provide financial assistance to qualifying students for the remaining balance of the student’s total cost of attendance, minus financial aid received for the student’s first 132 semester hours. By December 1, 2024, and each December thereafter, school districts must provide the Department of Education with data identifying prospective qualifying students. By January 2, 2025, and each January 2 thereafter CDE must provide the school district data to DHE. This bill included an appropriation of \$26,055 General Fund and 0.2 FTE to the Department of Education for this function.

Statutory Authority: Section 22-33-103.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$28,123 General Fund and 0.2 FTE for FY 2026-27 including annualization of prior year salary survey and step pay.

Line Item Detail - (C) Career Readiness

Postsecondary Workforce Readiness Administration

This line item is added to the Long Bill to reflect the second year impact of S.B. 25-315 (Postsecondary and Workforce Readiness). This bill changes the structure and support of these programs, and provides related administrative resources for the Department.

Statutory Authority: Section 22-43-201 through 208, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below.

Student Pathways, Career Readiness, Postsecondary Workforce Readiness Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$482,217	\$482,217	\$0	\$0	\$0	5.1
Total FY 2025-26	\$482,217	\$482,217	\$0	\$0	\$0	5.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$482,217	\$482,217	\$0	\$0	\$0	5.1
Prior year actions	687,078	0	687,078	0	0	-1.1
Total FY 2026-27	\$1,169,295	\$482,217	\$687,078	\$0	\$0	4.0
Changes from FY 2025-26	\$687,078	\$0	\$687,078	\$0	\$0	-1.1

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	142.5%	0.0%	n/a	n/a	n/a	-21.6%
FY 2026-27 Executive Request	\$1,169,295	\$482,217	\$687,078	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Career Development Success Program

The General Assembly created the Career Development Success Pilot Program in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill established the program on a pilot basis, for FY 2017-18 and FY 2018-19, to provide financial incentives for participating school districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry certificate programs, internship or pre-apprenticeship programs, and advanced placement courses in computer science. Beginning in FY 2017-18, the bill authorized participating districts and charter schools to receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completed a qualified program. The program was expanded over time. S.B. 23-065 Career Development Success Program) added an additional \$5,000,000 General Fund for FY 2023-24 and ongoing and modified statutory provisions to require an annual minimum appropriation of \$9,500,000 General Fund for the program. S.B. 25-315 (Postsecondary Workforce Readiness) stepped the program down in FY 2025-26 and phased it out in FY 2026-27 in favor of the new PWR start-up and sustain funding mechanisms.

Statutory Authority: Section 22-54-138, C.R.S.

Request/Recommendation: Based on the changes in S.B. 25-315, the Department does not request, and staff does not recommend, an appropriation for this line item in FY 2026-27.

College and Career Readiness

The General Assembly added this line item to the FY 2014-15 Long Bill to provide additional technical assistance associated with college and career readiness reforms. Specifically, the Department requested the creation of the line item to increase assistance related to individual career and academic plans (ICAPs), new statewide graduation guidelines, concurrent enrollment programs, and the implementation of school and district innovation status.

Senate Bill 19-176 (Expanding Concurrent Enrollment Opportunities) modified concurrent enrollment programs and requirements and requires the Department to provide support to local education providers and to develop a website providing information on concurrent enrollment requirements. For FY 2019-20, the bill appropriated \$44,916 and 0.5 FTE to the College and Career Readiness line item to support those efforts, with the majority of that funding continuing in subsequent years. H.B. 22-1215 (Study of Extended High School Programs) added \$89,123 and 0.2 FTE for a facilitated work group to study extended high school programs in FY 2022-23 and FY 2023-24 only. H.B. 22-1390 (School Finance) added \$43,113 for a 0.5 FTE position related to statutory changes that uncapped the ASCENT program. S.B. 24-014 (Seal of Climate Literacy) added \$9,375 and 0.1 FTE.

Statutory Authority: Section 22-2-136, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. As previously discussed, the recommendation includes a technical correction to a prior year annualization.

Student Pathways, Career Readiness, College and Career Readiness

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$369,125	\$369,125	\$0	\$0	\$0	2.9
Total FY 2025-26	\$369,125	\$369,125	\$0	\$0	\$0	2.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$369,125	\$369,125	\$0	\$0	\$0	2.9
Prior year actions	5,909	5,909	0	0	0	0.0
SI Out-year impact corrections	-89,123	-89,123	0	0	0	-0.2
Total FY 2026-27	\$285,911	\$285,911	\$0	\$0	\$0	2.7
Changes from FY 2025-26	-\$83,214	-\$83,214	\$0	\$0	\$0	-0.2
Percentage Change	-22.5%	-22.5%	n/a	n/a	n/a	-6.9%
FY 2026-27 Executive Request	\$375,034	\$375,034	\$0	\$0	\$0	2.9
Staff Rec. Above-/Below Request	-\$89,123	-\$89,123	\$0	\$0	\$0	-0.2

School Counselor Corps Grant Program

Established in 2008 [Section 22-91-101, et seq., C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling. The stated goals include improving educational attainment, academic performance, and postsecondary success, particularly for low-income students. Subject to available appropriations, the State Board now awards four-year grants based on statutory criteria.

The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

Funding History: The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program's operation (FY 2010-11 through FY 2013-14).

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

In the FY 2021-22 School Finance Act (S.B. 21-268) the General Assembly removed the statutory cap of \$10.0 million on appropriations for the School Counselor Corps Grant program and increased the appropriation by \$2,000,000 from the State Education Fund beginning in FY 2021-22. Funding has remained at approximately the \$12.0 million level in the intervening years; however, between FY 2019-20 and FY 2022-23 the line item received

an additional \$250,000 for H.B. 19-1187 provisions related to assisting students to complete the FAFSA. Related statutory provisions repealed July 1, 2023.

Statutory Authority: Section 22-91-101, et seq., C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The recommendation includes the previously-discussed reduction of \$1.0 million, as well as annualization of prior year salary survey and anniversary.

Student Pathways, Career Readiness, School Counselor Corps Grant Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$12,029,506	\$0	\$12,029,506	\$0	\$0	2.0
Total FY 2025-26	\$12,029,506	\$0	\$12,029,506	\$0	\$0	2.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$12,029,506	\$0	\$12,029,506	\$0	\$0	2.0
Prior year actions	10,334	0	10,334	0	0	0.0
SI School Counselor Corps Grant	-1,000,000	0	-1,000,000	0	0	0.0
Total FY 2026-27	\$11,039,840	\$0	\$11,039,840	\$0	\$0	2.0
Changes from FY 2025-26	-\$989,666	\$0	-\$989,666	\$0	\$0	0.0
Percentage Change	-8.2%	n/a	-8.2%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$12,039,840	\$0	\$12,039,840	\$0	\$0	2.0
Staff Rec. Above/-Below Request	-\$1,000,000	\$0	-\$1,000,000	\$0	\$0	0.0

Fourth-year Innovation Pilot Program - Distributions to LEPs

The Fourth-year Innovation Pilot Program (known as Path4ward) was created in S.B. 21-106 (Concerning Successful High School Transitions) for up to five pilot sites that wished to provide incentives for students to graduate high school early. The program was expanded in S.B. 22-140 and then restricted in H.B. 24-1392. H.B. 26-1176 (Modify Fourth Year Innovation Pilot Program) was introduced as part of the JBC’s supplemental budget package. If adopted, the program will end early: no appropriation will be required in the Department of Education in FY 2026-27, and appropriations in the Department of Higher Education will be reduced in FY 2026-27 and eliminated in FY 2027-28. The program fully repeals on December 31, 2027.

Additional Background: As originally created, the program provided state funding for low-income students who graduate early from a participating high school to use for postsecondary education. It also provided incentives to the local education providers (LEPs) that graduate these students early. A participating LEP that graduated a qualified low-income student before their fourth year of high school received \$1,378 per student. The students who graduated early were eligible to receive postsecondary scholarships (\$4,113 for students graduating a year early or \$2,468 for students graduating a semester early). Although the program was created and administered in the Department of Higher Education, the Department of Education had related statutory responsibilities to distribute incentives to LEPs.

The bill was initially limited to five local education providers or groups of providers, with the first cohort of graduates graduating early during FY 2021-22 and the last graduating during FY 2025-26. Senate Bill 22-140 eliminated the provision that limited the program to five local education providers without otherwise changing the program. House Bill 24-1392 (Cap Schools in Early High School Graduation Pilot) limited pilot program participation to local education providers, groups of providers, and schools participating in the FY 2023-24 school year but did not cap the number of students. It also required an evaluation.

From FY 2021-22 through FY 2024-25, the incentives claimed by school districts related to early graduates increased annually, ultimately reaching claims for 410 students. However, only 22 percent of students graduating early sought a scholarship.

H.B. 26-1176 specifies that incentives for LEPs are not provided for students graduating early in FY 2025-26 (which would be paid in FY 2026-27). It also authorizes the Department of Education to prorate LEP incentives for students who graduated early in prior years, reducing payments required in FY 2025-26. The bill also requires students graduating early in FY 2025-26 who claim scholarships to commence postsecondary education in fall 2026 and requires that all scholarship payments be completed by the end of FY 2026-27. It also eliminates the program evaluation.

Statutory Authority: Section 23-3.3-1301 et. seq., C.R.S.

Request/Recommendation: The Department of Education requested \$562,165 General Fund for this line item. Based on the provisions in H.B. 26-1176, staff does not recommend an appropriation for this line item for FY 2026-27.

Adult Education and Literacy Grant Program

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). S.B. 20-009 expanded the program beyond its original focus on employment to include services which assist adults in attaining basic literacy and numeracy skills and assist their own children.

The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults. Since 2020, programs can apply for funds as either an Educational Attainment Partnership, a collaboration that assists adults in attaining basic literacy and numeracy skills that lead to additional skill acquisition, or a Workforce Development Partnership, a collaboration that assists adults in attaining basic literacy and numeracy skills leading to additional skill acquisition, postsecondary credentials, and employment.

- The program received a substantial short-term increase through an FY 2021-22 appropriation of \$5.0 million in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund (federal ARPA Funds, later refinanced to General Fund). The program had authority to roll-forward unspent funds through December 2026. As of the end of December 2025, \$444,605 was unspent (mostly encumbered), but spending from this source has occurred in lieu of spending from the program's annual General Fund appropriation.
- The program received a further one-time appropriation of \$800,000 General Fund and 0.4 FTE for FY 2022-23 in S.B. 22-192 (Opportunities for Credential Attainment), and then Senate Bill 23-007 (Adult Education)

added \$2,000,000 General Fund, which was expected to be ongoing, and made other changes to the grant program.

Senate Bill 24-051 allows unexpended funding for the Program appropriated in FY 2023-24 and FY 2024-25 to be spent through FY 2028-29, after which any unexpended funds revert to the General Fund.

Statutory Authority: Section 22-10-104, C.R.S.

Request: The request and recommendation are summarized in the table below. As previously discussed, the recommendation is to reduce the appropriation by \$1.0 million.

Student Pathways, Career Readiness, Adult Education and Literacy Grant

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,965,365	\$2,965,365	\$0	\$0	\$0	2.3
Total FY 2025-26	\$2,965,365	\$2,965,365	\$0	\$0	\$0	2.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,965,365	\$2,965,365	\$0	\$0	\$0	2.3
Prior year actions	6,147	6,147	0	0	0	0.0
SI Adult Education and Literacy Grants	-1,000,000	-1,000,000	0	0	0	0.0
Total FY 2026-27	\$1,971,512	\$1,971,512	\$0	\$0	\$0	2.3
Changes from FY 2025-26	-\$993,853	-\$993,853	\$0	\$0	\$0	0.0
Percentage Change	-33.5%	-33.5%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,971,512	\$2,971,512	\$0	\$0	\$0	2.3
Staff Rec. Above/-Below Request	-\$1,000,000	-\$1,000,000	\$0	\$0	\$0	0.0

Federal Adult Education Support

Beginning in FY 2024-25, an informational amount for federal support of adult education was moved from the Appropriated Sponsored Programs line item to this new line item to provide additional transparency on federal funding for these programs.

Request/Recommendation: The Department requests, and staff recommends, a continuation informational amount of \$9,193,475 federal funds and 8.9 FTE in this line item.

Line Items from Prior Years

K-5 Social and Emotional Health Pilot Program

This line item was added in FY 2020-21 to support the K-5 Social and Emotional Health Pilot Program created by H.B. 19-1017 (K-5 Social and Emotional Health). The program was intended to place additional school mental health professionals (including school counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. The bill authorized the pilot program for three years (FY 2020-21 through FY 2022-23) unless the General Assembly extended the program. House Bill 20-1418 (Public School Finance) delayed implementation as a budget balancing measure and included modifications, including extending the repeal date to July 1, 2033.

Under the program, the Department is required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). The legislation requires participating schools to hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professional. It also requires the Department to adopt rules for the program, to employ or contract with a pilot program coordinator, and to contract for preliminary and final program evaluations. The legislation authorizes appropriations for the program from the Marijuana Tax Cash Fund.

Although funding for the program was not included in the FY 2021-22 Long Bill, \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE was added in S.B. 21-268 (Public School Finance), making this the first year of implementation. The final year of the program was FY 2024-25. The program has not been continued.

Previous Statutory Authority: Sections 22-102-101 through 108, C.R.S.

H.B. 23-1231 Colorado Academic Accelerator Grant program

House Bill 23-1231 (Math in Pre-K-12th Grade) created the Colorado Academic Accelerator Grant Program to create community learning centers that provide free academic enrichment and support activities to help students in science, technology, and math. Eligible grant recipients may include local education providers, community-based organizations, Indian tribes, or a public-private entity. The bill required an appropriation to the Department of Education of \$25.0 million for the program with continuous spending authority through FY 2026-27. The Department may use up to 5.0 percent for monitoring and evaluation programs, including a required contract with a third-party evaluator. This was a one-year appropriation with roll-forward authority.

Statutory Authority: Section 22-2-146.6, C.R.S.

Concurrent Enrollment Expansion and Innovation Grant Program

The Concurrent Enrollment Expansion and Innovation Grant Program was created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). Senate Bill 19-176 requires each local education provider that enrolls students in grades 9-12 to provide concurrent enrollment opportunities (which may include coursework related to apprenticeship programs or internship programs) for qualified students beginning in the FY 2020-21 school year. The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to support the

creation and expansion of concurrent enrollment opportunities through partnerships between local education providers and institutions of higher education. Grants may be used to:

- Assist teachers with the cost of obtaining a graduate degree that allows the teacher to teach a postsecondary course.
- Cover the cost of books, supplies, fees, and transportation.
- Purchase technology to share data and streamline the enrollment process.
- Provide services, support, and coordination resources for local education providers and institutions of higher education.

For FY 2019-20, the bill appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund for the grant program. While the Committee had initially approved an increase of \$1.0 million General Fund for FY 2020-21 (based on a decision item), that increase was eliminated as a budget balancing measure for FY 2020-21 and the appropriation continued at \$1.5 million cash funds from Marijuana Tax Cash Fund. For FY 2021-22, the Long Bill included \$1.5 million cash funds from the Marijuana Tax Cash Fund and this was increased in S.B. 21-268 (Public School Finance) by \$1,750,000 cash fund from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds). Because the Department was unable to fully expend the FY 2021-22 increase during the fiscal year, the JBC added a footnote through the supplemental appropriation bill for the Department of Education that allowed unexpended funds to roll forward for expenditure in FY 2022-23. This money was still not fully expended at the end of FY 2022-23. The program was eliminated in FY 2025-26.

Previous Statutory Authority: Section 22-35-114, C.R.S.

Accelerated College Opportunity Exam Fee Grant Program

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP exam fees. House Bill 18-1396 appropriated \$554,869 General Fund and 0.3 FTE to the Department for FY 2018-19. House Bill 19-1222 modified the program to include International Baccalaureate (IB) exam fees in addition to AP fees.

The line item was renamed the Accelerated College Opportunity Exam Fee Program in the FY 2020-21 Long Bill to align with changes in H.B. 19-1222.

The General Assembly reduced the program by \$280,730 (50.0 percent) as a budget balancing measure for FY 2020-21. The reduction was continued in the FY 2021-22 Long Bill, but FY 2021-22 funding was fully restored through S.B. 21-268 (Public School Finance). The program was eliminated in FY 2025-26.

Previous Statutory Authority: Section 22-95.5-102, C.R.S.

High School Innovative Learning Pilot Program

The General Assembly created this program in S.B. 19-216 (High School Innovative Learning Pilot/ILOP) to increase innovative learning opportunities for high school students. Statutory provisions define innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based

learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

The bill required the State Board of Education to adopt rules for the program, including application requirements and timelines, and included criteria for the selection of pilot program participants. Local education providers could submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill included an appropriation of \$129,563 General Fund and 0.3 FTE for FY 2019-20, and funding at a similar level was continued in FY 2020-21.

For FY 2021-22, the Long Bill included \$127,095 and 0.3 FTE, but this amount was increased by \$220,115 and 0.3 FTE in S.B. 21-106 (Concerning Successful High School Transitions). This bill modified the program to allow a school of a school district or of a board of cooperative services to participate in the program independently. It also required the Department and the State Board of Education to consider whether the applying program would provide opportunities for apprenticeships, technical training through an industry provider, teacher training, concurrent enrollment, and certificates. The fiscal note for the bill indicated that the program as originally created supported a \$100,000 contract with a nonprofit and 0.2 FTE and was expected to have 17 participants in FY 2021-22. The additional funding in S.B. 21-106 was to support an additional 0.2 FTE and \$200,000 for technical assistance, which was expected to support 20 new participants and increase support for all participants. The program repealed July 1, 2025.

Previous Statutory Authority: Section 22-35.6-101 through 107, C.R.S.

John W. Buckner Automatic Enrollment in Advanced Courses Grant Program

Senate Bill 19-059 (Automatic Enrollment in Advanced Courses Grant Program) created the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program to provide assistance to local education providers that automatically enroll students in advanced courses (including Advanced Placement courses, International Baccalaureate courses, or any courses designated as honors, gifted, or accelerated). To be eligible, a local education provider must automatically enroll each qualified student (based on scores from the statewide assessments in the previous year or on another measure defined by the local education provider) entering ninth grade or higher in an advanced course. The local education provider must allow a parent to remove their student from the advanced course if requested.

Recipients may use the grants to:

- Expand the number of advanced courses available, including through the use of technology.
- Incentivize teachers to teach advanced courses (but not to hire new teachers).
- Develop advanced course curricula.
- Expand parent and student engagement related to advanced course availability and success.

Senate Bill 19-059 included an appropriation of \$250,000 General Fund and 0.3 FTE to support the program in FY 2019-20. During the 2021 Session, the General Assembly reduced that appropriation to \$50,000 for FY 2019-20

and eliminated the appropriation for FY 2020-21 to delay implementation of the program as a budget balancing measure. The General Assembly restored funding to \$250,000 General Fund and 0.3 FTE for FY 2021-22 in S.B. 21-268 (Public School Finance). The program was eliminated in FY 2025-26.

Previous Statutory Authority: Section 22-95.5-201 through 204, C.R.S.

Basic Skills Placement or Assessment Tests

With the enactment of H.B. 12-1345, the General Assembly established a program to reimburse school districts for costs incurred in administering basic skills placement or assessment tests. The bill authorized school districts to administer the tests as frequently as desired during high school but specifies that the state will only reimburse school districts for one administration per student. The bill provided \$1.0 million cash funds from the State Education Fund in FY 2012-13 for such reimbursements. The General Assembly created this line item in the FY 2013-14 Long Bill to continue to provide funding for the program but reduced the amount of funding to \$320,917 in FY 2013-14 based on actual use of the program. The General Assembly further reduced the appropriation to \$50,000 for FY 2015-16 based on the lack of use of the program (there were no expenditures in FY 2014-15 or FY 2015-16). The Department reimbursed \$13,736 in expenses for FY 2016-17 but did not make any reimbursements in FY 2017-18, FY 2018-19, or FY 2019-20. During the FY 2021-22 budget cycle the Department proposed eliminating the line item; however, this requires a statutory change, and no related legislation was adopted during the 2021 legislative session. The program was eliminated in FY 2025-26.

Previous Statutory Authority: Section 22-32-109.5, C.R.S.

Colorado Career Advisor Training Program

Senate Bill 22-165 created the Colorado Career Advisor Training Program to provide training programs and courses to Colorado career advisors to help them guide individuals toward meaningful careers. The Department is required to administer the program in coordination with the Department of Higher Education, Department of Labor and Employment, Colorado Workforce Development Council, and the Colorado Community College System. The program is expected to require \$1,000,000 General Fund per year ongoing. The program was eliminated in FY 2025-26.

Previous Statutory Authority: Section 22-10-108, C.R.S.

Colorado Adult High School Program

Senate Bill 23-003 created the Colorado Adult High School Program for adults without a high school education to earn a diploma, industry certificate or college credit at no cost. The bill required an appropriation of \$5.0 million from the General Fund for FY 2023-24 to be expended through FY 2026-27.

Statutory Authority: Section 22-10-201 through 205, C.R.S.

Implementation of H.B. 22-1215 Task Force Report

H.B. 24-1364 (Education-based Workforce Readiness) provided a one-time appropriation of \$767,405 General Fund and 0.2 FTE for a study of the next steps required to implement the recommendations of the H.B. 22-1215 Task Force.

ASCENT Program Study

H.B. 24-1393 (ASCENT) provided a one-time appropriation of \$45,600 General Fund for a study of the ASCENT program. This study was completed as a section of the H.B. 24-1364 (Education-based Workforce Readiness) study.

(8) Library Programs

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources. The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, including:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;
- Colorado Historic Newspaper Collection; and
- development of digital infrastructure for improved access to state and local digitized materials and other electronic resources.

The State Library also provides development services for public libraries, school libraries, and institutional libraries in adult and youth correctional facilities and state veterans hospitals. Services to public and school libraries include support of early literacy activities and summer reading programs. The State Library also operates the State Publications Library (which provides free access to state government documents) and the Colorado Talking Book Library (which provides free materials to individuals who are unable to read standard print material). Finally, the State Library provides research and statistical information to support policy-making, budgeting, planning, and evaluation activities for libraries and library agencies at the local, regional, state, and federal levels.

The following table summarizes the staff recommendation for the Library Programs division. The Department did not request, and staff does not recommend, changes.

Library Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$10,661,543	\$5,656,414	\$287,413	\$1,117,855	\$3,599,861	41.8
Total FY 2025-26	\$10,661,543	\$5,656,414	\$287,413	\$1,117,855	\$3,599,861	41.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$10,661,543	\$5,656,414	\$287,413	\$1,117,855	\$3,599,861	41.8
Prior year actions	97,314	28,230	0	2,200	66,884	0.0
Total FY 2026-27	\$10,758,857	\$5,684,644	\$287,413	\$1,120,055	\$3,666,745	41.8
Changes from FY 2025-26	\$97,314	\$28,230	\$0	\$2,200	\$66,884	0.0
Percentage Change	0.9%	0.5%	0.0%	0.2%	1.9%	0.0%
FY 2026-27 Executive Request	\$10,758,857	\$5,684,644	\$287,413	\$1,120,055	\$3,666,745	41.8
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Item Detail – Library Programs

Administration

This line item provides state funding and staff for the general administration of library programs and the provision of library services.

Statutory Authority: Section 24-90-105, C.R.S.

Request/Recommendation: The request and recommendation are summarized below. Funding includes annualization of prior year salary survey and step pay.

Library Programs, Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,320,400	\$1,052,987	\$267,413	\$0	\$0	14.3
Total FY 2025-26	\$1,320,400	\$1,052,987	\$267,413	\$0	\$0	14.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,320,400	\$1,052,987	\$267,413	\$0	\$0	14.3
Prior year actions	28,230	28,230	0	0	0	0.0
Total FY 2026-27	\$1,348,630	\$1,081,217	\$267,413	\$0	\$0	14.3
Changes from FY 2025-26	\$28,230	\$28,230	\$0	\$0	\$0	0.0
Percentage Change	2.1%	2.7%	0.0%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,348,630	\$1,081,217	\$267,413	\$0	\$0	14.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Federal Library Funding

This line item reflects federal funding that is anticipated to be available for library programs, and the Department staff who are supported by such funds. The federal funds supporting this line item are shown in the Long Bill for informational purposes only.

Statutory Authority: 22 U.S.C. 72

Request/Recommendation: The request and recommendation are summarized below. Funding includes annualization of prior year salary survey and step pay.

Colorado Library Consortium

The Colorado Library Consortium is a statewide library cooperative that was formed as a successor to the seven regional library systems that existed prior to significant state funding reductions in 2003. The Consortium supports publicly-funded libraries statewide by:

- Expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services).
- Administering a cooperative purchasing program (negotiating significant discounts on books and other library materials).
- Providing and supporting learning opportunities for ongoing professional development to improve library services.
- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's \$2.6 million budget in FY 2024-25 consisted of state funding provided through this line item (\$1,150,000 General Fund that year), courier income (\$840,000), administrative fees (\$142,600), AspenCat integrated library system fees (\$285,000), continuing education fees (\$11,000), book recycling (\$10,000), and other miscellaneous sources such as grants, cooperative projects, and reserve carryover (\$157,350).

The statewide courier system sorts and transports 2.8 million items annually. The AspenCat integrated union-catalog serves 160 primarily small, rural public and school libraries across Colorado. On average, each AspenCat member library holds 15,000 items in its respective collection, but rural users of these libraries have access to more than 1.7 million items in the shared collection. Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education. The JBC added \$150,000 General Fund to this line item for FY 2023-24, increasing the state appropriation from \$1.0 million (which had been the appropriation since FY 2006-07).

Statutory Authority: Section 24-90-105, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,150,000 General Fund for FY 2026-27.

Colorado Virtual Library

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents and to students and staff at higher education institutions and public

schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- Other services associated with providing computer-based library resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. This line item provides funding for ongoing operations, including contract technical staff for operations and programming, contract training and user support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

Statutory Authority: Section 24-90-302, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$379,796 total funds (including \$359,796 General Fund and \$20,000 from gifts, grants, and donations) for FY 2026-27.

Colorado Talking Book Library [Previously: Colorado Talking Book Library Building Maintenance, and Utility Expenses]

The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000 eligible patrons each year, representing every county in the State. In FY24, the library served this population by: circulating more than 735,600 audio books to patrons; circulating more than 10,738 large print books to patrons and public libraries; registering almost 900 new patrons for library service; adding 67 titles to the local and national library collections, including recording 36 books and 10 magazines; and helping patrons by phone, email, and even fax, including answering more than 15,400 phone calls.

The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. The library's recorded materials and playback machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials narrated by volunteers and library staff. Since 1991, the library has been located at 180 Sheridan Boulevard in Denver. The building was purchased after the General Assembly appropriated \$750,000 from the Capital Construction Fund for FY 1989-90 (H.B. 90-1297), and Capital Construction Fund money has been provided over the years to maintain and improve the building.

House Bill 19-1332 (Telephone Users Disabilities Fund Talking Book Library, a Joint Budget Committee bill) authorized the use of the Colorado Telephone Users with Disabilities Fund (reflected as reappropriated funds from the Department of Regulatory Agencies) to support the Talking Book Library. For FY 2019-20, the bill included a one-time appropriation of \$250,000 from that fund source to support the library. For FY 2020-21, the Long Bill continued the appropriation from the Colorado Telephone Users with Disabilities Fund but reduced the amount to an appropriation of \$200,000. For FY 2021-22 this reappropriated fund spending authority was eliminated from the Long Bill. However, S.B. 21-115 (Annual Funding for Talking Book Library Services) made

statutory changes to require the General Assembly to make annual appropriations from the Colorado Telephone Users with Disabilities Fund in the Department of Regulatory Agencies to support talking book library services. The bill included a \$250,000 cash funds appropriation in the Department of Regulatory Agencies and a \$250,000 reappropriated funds appropriation to the Department of Education for FY 2021-22 from funds transferred from the Department of Regulatory Agencies.

State funds currently support a portion of the program. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines which are circulated to visually and reading impaired clients of the Colorado Talking Book Library. The existing inventory of materials and equipment provided by NLS is valued at over \$5.5 million. The Library also houses a large print collection valued at more than \$1.2 million. Finally, the U.S. Postal Service has a line item in the federal budget for the mail service of materials sent to and returned from Library patrons.

Amounts appropriated in this line item were previously limited to the library's maintenance and utility expenses, and staff support was included only in the Administration line item. However, with the ongoing support from the Colorado Telephone Users with Disabilities Fund authorized under S.B. 21-115, this line item now also supports Talking Book Library staff and operating expenses.

The appropriation from the Colorado Telephone Users with Disabilities Fund is used as the basis for the related appropriation in the Department of Regulatory Agencies.

Statutory Authority: Section 24-90-105 (1)(e), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$860,000 reappropriated funds from the Colorado Telephone Users with Disabilities Fund in the Department of Regulatory Agencies.

Reading Services for the Blind

This line item authorizes the Department of Education to spend money in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind and also includes a General Fund appropriation. The Reading Services for the Blind Cash Fund is supported by money from the Colorado Telephone Users with Disabilities Fund that is initially appropriated in the Department of Regulatory Agencies. The money originates from a surcharge on telephone access lines. H.B. 25-1154 (Communication Services Disability Enterprise) refinanced \$250,000 General Fund in this line item with a larger transfer from the Department of Regulatory Agencies, but did not make other changes to the funding structure. (The bill created a new enterprise structure for programs in the Department of Human Services that use these funds.)

The Department annually uses the funds to support two different external programs:

- The Department spends a portion of the funds to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The services provided by AINC are also made available through the internet, telephone, and podcasts. The General Assembly has increased funding for the AINC program several times in recent years, from \$200,000 in FY 2011-12 to \$350,000 in FY 2015-16 (and continued in FY 2016-17). An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including

\$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years. The JBC initiated an increase of \$100,000 for this program FY 2022-23, bringing the total to \$540,000.

- The Department uses the remaining funds to purchase services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database. The FY 2017-18 supplemental adjustment added \$60,000 in ongoing funding to the NFB programs (for a total appropriation of \$120,000 in FY 2017-18 and subsequent years).
- S.B. 24-153 (News Access for Print Disabled) added \$200,000 General Fund to the line item. The fiscal note indicated that this assumes the General Assembly will appropriate \$75,000 for the Aftersight (AINC) program and \$125,000 for the National Federation for the Blind (NFB).

Statutory Authority: Section 24-90-105.5, C.R.S.

Request/Recommendation: The request and recommendation are for \$860,000 reappropriated funds that are transferred from the Department of Regulatory Agencies, Public Utilities Commission, for Reading Services for the Blind. The total recommendation includes \$615,000 for the AINC and \$245,000 for the NFB programs.

State Grants to Publicly-Supported Libraries Program

Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The bill created the State Grants to Publicly-Supported Libraries Fund, which consists of any moneys appropriated by the General Assembly and any other moneys collected by the State Librarian for such purpose. Statute (Section 24-90-407 (2), C.R.S.) allows the Department to spend up to 2.5 percent of the appropriation to administer the program. Because of the structure in statute, the appropriation historically consisted of two line items: one to appropriate General Fund into the cash fund and one providing spending authority from the cash fund. The enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) eliminated the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-03 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million General Fund to the State Grants to Publicly-Supported Libraries Fund line item and \$2.0 million reappropriated funds for the State Grants to Publicly-Supported Libraries Program line item. In FY 2015-16, the General Assembly appropriated an additional \$500,000 General Fund, for a total appropriation of \$2.5 million. For FY 2019-20, the General Assembly added \$500,000 General Fund for a total appropriation of \$3.0 million.

Facing the budget crisis associated with the COVID-19 pandemic in FY 2020-21, the General Assembly reduced the appropriation by \$500,000 General Fund as a budget balancing measure. This \$500,000 was restored in the FY 2021-22 Long Bill.

The program awarded \$2,943,925 to 316 grantees statewide (representing 97.2 percent of 325 potential applicants) in FY 2024-25, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between 1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000). The Department used the \$500,000 increase provided in FY 2019-20 to increase the base amount by \$1,000 for all population tiers. It eliminated that adjustment for FY 2020-21 based on the reduction in funding but restored it in FY 2021-22.

The Department reports that grantees are using the funds to: update their physical and online resources collections; purchasing materials to fill unmet needs for their communities such as large-print books, items in different languages, and in multiple formats; and launch new programs all in an effort to support educational growth.

Statutory Authority: Sections 24-90-401 through 408, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$2,997,485 General Fund for FY 2026-27.

Indirect Cost Assessment

This line item reflects indirect cost assessments associated with Library Programs. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

Statutory Authority: Section 24-31-101 and 102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$55,327 federal funds.

Line Items from Prior Years

Colorado Imagination Library Program

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five years. The bill required the State Librarian to contract with a nonprofit organization to operate the program and would require the contractor to:

- Create and operate the program, including establishing county affiliate programs in all Colorado counties.
- Manage daily operations of the program.
- Develop, promote, and coordinate a public awareness campaign.
- Contract with a national nonprofit (such as the Dolly Parton Imagination Library) to provide high-quality, age-appropriate books to eligible children.

Senate Bill 21-268 (Public School Finance) eliminated requirements that made the program “subject to available appropriation”, among other changes. Appropriations to the Department of Education for the program were adjusted over several years, reaching \$1,624,365 General Fund in FY 2023-24.

House Bill 24-1205 (Colorado Imagination Library Program; a JBC supplemental package bill) transferred the Imagination Library Program to the Department of Early Childhood effective FY 2024-25.

Statutory Authority: Sections 24-90-120, C.R.S.

(9) School for the Deaf and the Blind

The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the school opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the school moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. As a "Type 1" agency within the Department of Education, the CSDB is overseen by a seven-member board appointed by the Governor and confirmed by the Senate.

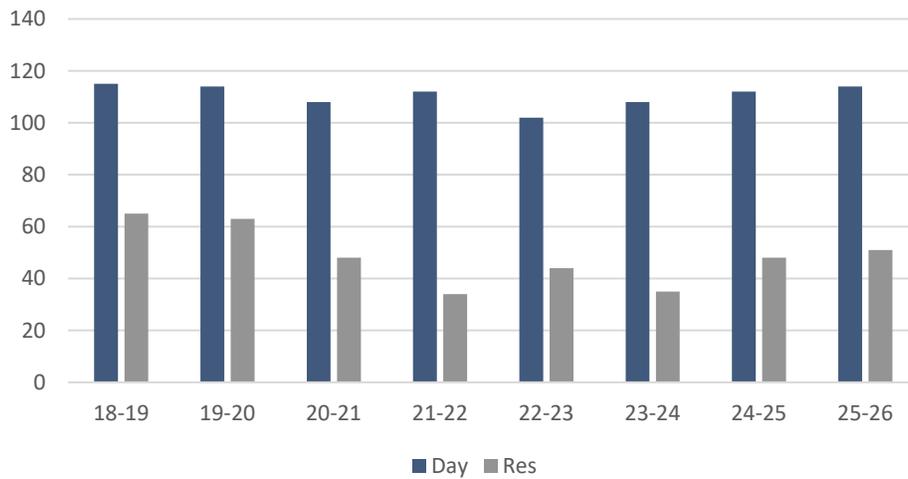
The CSDB currently occupies 18 buildings on 37 acres. Colorado students from the ages of birth through twenty-one are eligible to receive services either at or through the CSDB. Students enrolled at CSDB must have a documented hearing and/or vision loss and meet the enrollment criteria established by the Board of Trustees. Students may also be enrolled on a diagnostic basis in order to make an accurate determination of the student's eligibility status. A staffing team, including a CSDB staff member, the student's parents, and a local school district representative, determines if the CSDB is the appropriate learning environment based on the educational needs of the student. If a student's parents or legal guardians reside within Colorado and outside the El Paso County area, the student is eligible to participate in the residential living program during the week. There is no tuition for room and board. Out-of-state students are considered on a space available basis and are required to pay tuition.

In addition, pursuant to Section 22-80-102 (2), C.R.S., the CSDB is to "be a resource to school districts, state institutions, and other approved education programs." In this capacity, the CSDB is to provide the following services:

- Assessment and identification of educational needs;
- Special curricula;
- Equipment and materials;
- Supplemental related services;
- Special short-term programs;
- Program planning and staff development;
- Programs for parents, families, and the public; and
- Research and development to promote improved educational programs and services.

Enrollment. CSDB had an on-campus enrollment of 165 students (ages 3 to 21) as of the October 2025 count, reflecting little change from last year. Of the on-campus enrollment, 51 students were resident on campus as of the October 2025 count. Total enrollment included 71 students who were blind or visually impaired and 94 students who were deaf or hard of hearing.

Day/Residential by Year



In addition to the on-campus enrollment, as of October 1, 2025 the school provided:

- In-home services to 450 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program for children who are deaf and hard-of-hearing;
- Services for 100 children from birth to age 8 through the Early Literacy Development Initiative (ELDI);
- Services for 62 children from birth to age 3 who are blind and visually impaired for billable early intervention services; and
- Outreach services to 57 school-age students being served in local districts, supported by fees paid by the local school districts; and
- Community classes in American Sign Language classes for 672 community members (billable).

Colorado School for the Deaf and the Blind General Fund Appropriations History

JBC Staff notes that CSDB is an extremely expensive setting, with a total appropriation exceeding \$20 million (General Fund of \$15.8 million) and under 200 students served on campus. Staff has not been able to identify good metrics for assessing the reasonableness of CSDB costs, given the specialized population served. Staff simply notes the scale and that the student population has shrunk, while staffing generally has not.

Current ratios of students to teachers, professional support staff, and principals is approximately 2.8, with 59 teachers (excluding outreach staff), professional support staff, and principals for 165 students. In addition, the school has dining staff, grounds staff, and other administrators. When these staff are included, ratios are approximately 1.0 staff person per student. Whether ratios at this level are appropriate or not depends greatly on the particular students being served.

Colorado School for the Deaf and the Blind General Fund Appropriations History

Fiscal Year	General Fund Appropriation	Increase	Percent Increase
2019	\$11,695,433	\$191,207	1.7%
2020	12,288,455	593,022	5.1%
2021	12,587,980	299,525	2.4%
2022	12,657,907	69,927	0.6%

Fiscal Year	General Fund Appropriation	Increase	Percent Increase
2023	13,347,209	689,302	5.4%
2024	13,685,566	338,357	2.5%
2025	15,119,445	1,433,879	10.5%
2026	15,774,994	655,549	4.2%

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

School for the Deaf and the Blind

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$20,599,477	\$15,774,994	\$1,070,000	\$3,754,483	\$0	180.7
Total FY 2025-26	\$20,599,477	\$15,774,994	\$1,070,000	\$3,754,483	\$0	180.7
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$20,599,477	\$15,774,994	\$1,070,000	\$3,754,483	\$0	180.7
R9 CSDB teacher salary increase	47,603	47,603	0	0	0	0.0
SI CSDB fund splits	0	-162,433	0	162,433	0	0.0
SI CSDB technical correction	-289,235	-289,235	0	0	0	0.0
Employee compensation common policies	11,412	11,412	0	0	0	0.0
Operating common policies	4,220	4,220	0	0	0	0.0
Prior year actions	399,638	380,275	0	19,363	0	0.0
Total FY 2026-27	\$20,773,115	\$15,766,836	\$1,070,000	\$3,936,279	\$0	180.7
Changes from FY 2025-26	\$173,638	-\$8,158	\$0	\$181,796	\$0	0.0
Percentage Change	0.8%	-0.1%	0.0%	4.8%	0.0%	0.0%
FY 2026-27 Executive Request	\$21,068,228	\$16,224,382	\$1,070,000	\$3,773,846	\$0	180.7
Staff Rec. Above/-Below Request	-\$295,113	-\$457,546	\$0	\$162,433	\$0	0.0

→ R9 CSDB Teacher Salary Increase

Request

This request will allocate \$47,603 General Fund for FY 2026-27 and ongoing to increase salaries for CSDB staff, who follow the Colorado Springs District 11 pay scale and provide an incentive for hard-to-fill positions.

Recommendation

Staff recommends the request for \$47,603 to provide a salary increase consistent with Colorado Springs D11 salaries, reflecting current statute and practice.

Analysis

The request provides salary increases for teachers in lieu of state salary survey and step pay.

Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires the CSDB to compensate teachers “in accordance with the salary schedule adopted pursuant to section 22-63-401, as of January 1 of the preceding fiscal year by resolution of the board of education of the school district within the boundaries of which the main campus of the school is located and with the salary policies that the board of trustees adopts to implement the salary schedule.” Thus, the CSDB salary schedule must align with the District 11 salary schedule in place in the prior fiscal year, but, as this provision was amended by S.B. 14-168 (Teacher Salaries at CO School for the Deaf and Blind), the compensation is also "subject to salary policies that the board of trustees adopts," which allows for some leeway in the compensation. The fiscal note for S.B. 14-168 acknowledged this by indicating that the bill would drive a potential increase in state expenditures. This flexibility has been used to increase and constrain teacher salaries in the past, including during the pandemic, when funding for increases was suspended for one year. Although it is possible to provide funding that is lower than the D11 salary increase, staff recommends attempting to stay abreast of annual inflationary increases to the extent possible.

The request indicates that it reflects the following District 11 salary adjustments:

- 2.0 Percent base pay increase
- One-step advancement on pay scale
- One-time non-recurring 6% compensation pay. This is a reduction from 6.5 percent in FY 2025-26.

Differences between the CSDB scale and District 11 include:

- CSDB compensation is adjusted based on 195 days of school, instead of 185 for District 11;
- CSDB adds a “hard to fill” increment for positions ranging from \$1,377 to \$4,131, depending upon the position;
- the full cost of CSDB teacher compensation includes adjustments consistent with the state pension and benefits system; staff assumes District 11 makes similar adjustments for its pension plan.

The CSDB spreadsheets reflect 62 filled positions and 54.3 FTE total positions to be counted in the D11 comparisons. There are 156.1 FTE positions in the CSDB personal services line item in FY 2025-26. Thus, in addition to the currently filled teaching, administrator and school specialist positions listed, CSDB has dozens of staff who are in non-teaching positions funded through the more typical state personal services structure.

The CSDB calculations appear reasonable and, in total, represent a 1.1 percent increase on the FY 2025-26 salary calculation.

→ RFI on Centrally Appropriated Amounts for CSDB

Determining appropriate levels of funding for centrally-appropriated amounts for this department has been an ongoing challenge due to the calculation for the Colorado School for the Deaf and the Blind.

- Salary levels for CSDB teachers are supposed to be tied to the funding for D11 teachers, although there is some flexibility in statute.

- Because of the above, salary requests for CSDB teachers are supposed to be included in separate decision items and these salaries are supposed to be **excluded** from centrally-appropriated amounts for step pay and salary survey.
- All CSDB staff, including teachers, receive the state benefit package, and thus centrally-appropriated amounts for health, life and dental, PERA ULAD and other centrally-appropriated benefits must **include** teachers.

Due to the complexity above, JBC and department staff have struggled to ensure requests for centrally-appropriated amounts for CSDB are accurate.

- Staff currently believes that the Department’s salary increase needs for CSDB were probably overstated in FY 2023-24 by the inclusion of teachers, driving an increase above the amount that **should** have been provided. This was then continued in the CSDB base.
- Centrally appropriated pots for the Department for HLD/similar were *understated* by nearly \$1.0 million in the FY 2024-25 request, leading JBC Staff to recommend a greater appropriation than the original request.
- Staff believes the Department’s FY 2026-27 request for step-pay increases is also over-stated due to errors in the CSDB section of the request. Staff has recommended that this be corrected if the JBC approves step pay increases for FY 2026-27.

Given this history of issues, staff proposes that a new request for information be added for the Department as follows:

N Colorado Department of Education, Management and Administration; and Colorado School for the Deaf and the Blind – The Department and the Colorado School for the Deaf and the Blind are requested to submit a report as part of the annual budget request that describes the procedures for incorporating CSDB staff into DPA common policy templates submitted by the Department. The submission should identify the portion of the Department’s base salary and FTE that is for the Colorado School for the Deaf and the Blind and demonstrate that the personnel benefit calculations cover all staff at CSDB, while salary survey and step pay calculations exclude increases for staff who receive increases that align with the D11 school district salary schedule. To ensure step-pay increases are accurately calculated, common policy templates and the Department’s submission is requested to accurately reflect part-time FTE.

→ SI CSDB Annualization Corrections

As described above, staff has determined that the increase for salary survey for CSDB for FY 2023-24 was too great by \$252,069, including \$240,914 General Fund, which was included in \$548,550 General Fund for salary survey that was built into the CSDB base in FY 2024-25. The total increase for CSDB in FY 2024-25 (once this annualization was combined with other decision items) was \$1.4 million (10.5 percent). The staff recommendation is to adjust FY 2026-27 Personal Services funding for CSDB to **remove \$254,345** General Fund, based on inflating \$240,914 by the 3.0 percent across the board increase provided in FY 2024-25 and the 2.5 percent across the board increase provided in FY 2025-26 (this aligns closely with CPI). Staff is **also removing \$34,890** for the salary survey and step pay associated with five positions that CSDB staff note were incorrectly included in the FY 2024-25 calculations. The total reduction is therefore **\$289,235**. The corrections represent a decrease of approximately 2.0 percent in the CSDB personal services line item.

→ SI CSDB Fund Source Adjustments

The CSDB personal services line item has, in the past, included fund source adjustments based on the following calculation that determines the share of costs anticipated to come from facility school funding and nutrition programs. Staff's recommendation is based on an estimate of \$1,905,649 (4.3 increase from the previous \$1,826,787, based on CDE calculations) in facility school funding for this state-operated program (see Facility School section). The calculation assumes that billable enrollment at CSDB will increase modestly and the per-student amount will be \$15,397 (statewide base per pupil funding x 1.73) per billable enrollment (an increase of 2.4 percent from FY 2025-26). Note that CSDB only receives the reappropriated funds for its operations as a facility school to the extent that this is earned by its enrollment.

CSDB has also indicated that its funding should be corrected to more accurately show federal and state nutrition funds that are used to offset its personal services costs. Staff has included these below.

CSDB Personal Services – FY 2026-27 Funding Splits

	Amount
Total Recommended Funding	\$14,752,252
Less: Estimated Transfer from the Facility Schools Funding Line item	-1,905,649
Less State Nutrition Funds (HSMA) [FY 2024-25]	-33,801
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item [FY 2024-25]	-101,053
General Fund portion of appropriation	\$12,711,749

Line Item Detail - (A) School Operations

Personal Services

This line item provides funding for most School employees and for certain professional and temporary services.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The staff recommendation includes previously discussed corrections and fund split adjustments.

School for the Deaf and the Blind, School Operations, Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$14,635,354	\$12,773,567	\$0	\$1,861,787	\$0	156.1
Total FY 2025-26	\$14,635,354	\$12,773,567	\$0	\$1,861,787	\$0	156.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$14,635,354	\$12,773,567	\$0	\$1,861,787	\$0	156.1
Prior year actions	358,530	342,247	0	16,283	0	0.0
R9 CSDB teacher salary increase	47,603	47,603	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SI CSDB fund splits	0	-162,433	0	162,433	0	0.0
SI CSDB technical correction	-289,235	-289,235	0	0	0	0.0
Total FY 2026-27	\$14,752,252	\$12,711,749	\$0	\$2,040,503	\$0	156.1
Changes from FY 2025-26	\$116,898	-\$61,818	\$0	\$178,716	\$0	0.0
Percentage Change	0.8%	-0.5%	n/a	9.6%	n/a	0.0%
FY 2026-27 Executive Request	\$15,041,487	\$13,163,417	\$0	\$1,878,070	\$0	156.1
Staff Rec. Above/-Below Request	-\$289,235	-\$451,668	\$0	\$162,433	\$0	0.0

Early Intervention Services

Since April 2001, the "Colorado Home Intervention Program" (called "CHIP") has been operating within the CSDB. This program was first started with federal grants in 1969, and it operated within the Colorado Department of Public Health and Environment from 1975 through March 2001. This home-based, family-centered early intervention program serves hearing impaired children (ages zero to three), and their parents. The program involves collaboration between a Colorado Hearing Resource Coordinator (CO-HEAR) hired through CSDB and a parent facilitator who is hired by the local Community Centered Board (CCB) to work with the child to develop language skills; provide parents with information and counseling to identify strategies to use in communicating with their child; and assess the dynamics of the parent-child interaction and provide support to lessen the impact of the hearing loss.

The regional CO-HEARS, employed by CSDB, provide service coordination for families. The CO-HEARS collaborate, train, mentor, and support the local parent facilitators (employed by CCBs) in their respective regions. The CO-HEARS provide an initial contact with the family to describe the available early intervention services and support the parent facilitators through the early intervention process. Other CO-HEARS duties include both seeking resources to provide financial support to families for equipment such as hearing aids and collaborating with the local CCB's team of interventionists to provide specialized training regarding the impact of the child's hearing loss.

A separate complementary program involves specially trained fluent sign language instructors (language and literacy instructors), most of whom are deaf or hard of hearing themselves, visiting families weekly to provide support and instruction in techniques to build the child's literacy skills and teach the parents reading strategies. The Colorado Shared Reading Program (CSRP) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who want to learn American Sign Language and literacy development strategies. In addition to CSRP, the program involves group and community-based literacy events for families who have children who are deaf or hard of hearing.

Statutory Authority: Section 22-80-102 et seq., C.R.S.

Request/Recommendation: The Department request and staff recommendation are shown below and include an increase to annualize prior year salary survey and step pay.

School for the Deaf and the Blind, School Operations, Early Intervention Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,446,524	\$1,446,524	\$0	\$0	\$0	10.0
Total FY 2025-26	\$1,446,524	\$1,446,524	\$0	\$0	\$0	10.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,446,524	\$1,446,524	\$0	\$0	\$0	10.0
Prior year actions	38,028	38,028	0	0	0	0.0
Total FY 2026-27	\$1,484,552	\$1,484,552	\$0	\$0	\$0	10.0
Changes from FY 2025-26	\$38,028	\$38,028	\$0	\$0	\$0	0.0
Percentage Change	2.6%	2.6%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,484,552	\$1,484,552	\$0	\$0	\$0	10.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Shift Differential

This line item is used to pay for the adjustment to compensate employees for work performed outside a Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift differential (7.5 percent for second or "swing" shift, 14.0 percent for third or "graveyard" shift, and 20% for weekends). The school uses its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

Statutory Authority: Section 24-50-104 (1) (a), C.R.S.

Request: The Department's requests an appropriation of \$86,710, based on OSPB's common policy request for FY 2026-27.

Recommendation: The staff recommendation is pending a Committee common policy for shift differential.

Operating Expenses

This line item provides funding for supplies and materials, as well as for certain services that are not covered by other line items such as capital outlay, custodial services, equipment rental, storage, dues and subscriptions, and printing.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The request and recommendation are for continuation of \$86,710 General Fund.

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles

[see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles that are all utilized at the CSDB.

Statutory Authority: Section 24-30-1104 (2), C.R.S.

Request/Recommendation: The recommendation, based on Committee common policy, aligns with the request for \$43,553.

Utilities

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The Department's request and staff's recommendation includes \$745,981 General Fund, which is a continuation amount from FY 2026-27.

Allocation of State and Federal Categorical Program Funding

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

Statutory Authority: Section 22-20-103 et seq., C.R.S. (Special Education for Children with Disabilities).

Request/Recommendation: The Department requests, and staff recommends, \$192,800 reappropriated funds spending authority and 0.4 FTE, including annualization of prior year salary survey and step pay. The disbursements of categorical funding are based on the CSDB's annual student count and, as a result, fluctuates from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible.

Medicaid Reimbursements for Public School Health Services

Similar to school districts, the CSDB is authorized to enter into contracts and receive federal matching funds for moneys spent in providing student health services [i.e., preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services that are furnished to students by a school district, a board of cooperative services, or a state educational institution pursuant to the S.B. 97-101 Public School Health Services program]. Section 25.5-5-318 (2) (b), C.R.S., states that "any moneys provided to a school district pursuant to a contract entered into under this section shall not supplant state or local moneys provided to school districts" for:

- (a) special education services for children with disabilities;
- (b) the Colorado preschool program; or
- (c) the School Finance Act.

Based on this provision, the CSDB has used the additional federal Medicaid moneys available to increase special education services to its students (e.g., providing an additional day of occupational or physical therapy, in accordance with a student's individual education program) and at times to purchase equipment approved through the Medicaid plan.

Statutory Authority: Section 22-80-102 (5), C.R.S.

Request/Recommendation: The Department requests, and staff recommends an appropriation of \$452,976 reappropriated funds spending authority and 2.0 FTE, including an increase to annualize prior year salary survey and step pay.

Line Item Detail - (B) Special Purpose

Fees and Conferences

This line item provides spending authority for the Department to spend fees charged and received for various conferences or meetings held at the CSDB. Pursuant to Section 22-80-102, C.R.S., the CSDB is charged with being "a resource to school districts, state institutions, and other approved education programs". Among other resource services, the CSDB is required to provide "programs for parents, families, and the public". This appropriation allows the CSDB to host conferences that benefit professionals working with students who are deaf/hard of hearing or blind/visually impaired, parents of those children, and the students themselves. These fees offset additional custodial, maintenance, and security costs incurred. The CSDB also collects other fees, including fees paid for counseling services provided to students who are deaf/hard of hearing or blind/visually impaired in schools throughout Colorado.

Statutory Authority: Section 22-80-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$120,000 cash funds for FY 2026-27. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years, as the recommendation is intended to allow the Department to receive and spend any fees earned.

Outreach Services

The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of students' educational needs; special curricula; equipment and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The reappropriated funds portion of this appropriation represents federal funds transferred from school districts or the Department of Education for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting CSDB enrollment criteria. Typically, these students require a one-on-one aide who must be supplied by the home school district. Often, the districts themselves are unable to find qualified applicants willing to work for district-level salaries while living in the Colorado Springs area. To address this

issue, this line item provides spending authority for the CSDB to hire these professionals using federal special education funds transferred from school districts.

- CSDB employees travel to districts to provide training for district staff and/or to provide direct support to students. Districts pay the CSDB for their staff time and travel expenses.
- The Department supplies funding (also originally from federal funding) to provide Braille and large print materials for blind/visually impaired students through the Colorado Instructional Materials Center.

In FY 2009-10, this line item was increased by \$755,836 cash funds and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The outreach services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, and student support services such as communication assessments, counseling support, and short-term and summer enrichment courses. In FY 2015-16, the General Assembly added an additional 0.8 FTE associated with FY 2015-16 R5 (CSDB Strategic Plan Implementation). The source of the cash funds is reimbursements that the CSDB collects from school districts and BOCES.

For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) to better align appropriations with actual expenditures and reflect that the appropriation is an estimate of available revenues.

Statutory Authority: Section 22-80-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) and 6.2 FTE, with no change from the FY 2025-26 appropriation.

Tuition from Out-of-state Students

The CSDB is statutorily authorized to admit students from other states "...upon payment to the superintendent of such a sum quarterly as the board of trustees determines, to be not less than the total cost per capita of the students for the year immediately preceding the year in which the application is made." [see Section 22-80-110, C.R.S.] The CSDB is not allowed to admit a student from another state, however, to the exclusion of any Colorado resident. Tuition payments are generally used for curriculum, technology, and dorm furniture.

Historically, the CSDB has admitted students from Wyoming who could not be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal Individuals with Disabilities Education Act), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

Statutory Authority: Section 22-80-110, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuing appropriation of \$200,000 cash funds spending authority for FY 2026-27. The CSDB will only be able to spend funds actually received as tuition from out-of-state students. There are currently no out-of-state students enrolled.

Grants

This line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items. For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 reappropriated funds and 6.0 FTE (a reduction of \$206,079 and 3.0 below the FY 2019-20 appropriation) to better align appropriations with available revenues and to reflect the estimated nature of the appropriation.

Statutory Authority: Section 22-80-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuing appropriation of \$1,000,000 reappropriated funds and 6.0 FTE for FY 2026-27.

(10) Charter School Institute

This division includes funding for the State Charter School Institute (CSI), which is as an independent agency in the Department of Education. The CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization. A nine-member board governs the CSI with a statutory mission to "foster high-quality public school choices offered through institute charter schools, including particularly schools that are focused on closing the achievement gap for at-risk students". Statute authorizes the board to hire staff or contract employees. Any CSI staff shall be deemed employees subject to the state personnel system, except that all positions classified by the board as professional officers and professional staff "are declared to be educational in nature and exempt from the state personnel system". [Section 22-30.5-505 (1), C.R.S.]

The Charter School Institute Funding: Similar to a school district, CSI is authorized to use a portion of its charter schools' per pupil revenues to cover its expenditures related to authorizing and overseeing charter schools. Thus, statute directs the Department to withhold a portion of the State Share of Districts' Total Program funding from each school district where an Institute charter school is located and to forward the withheld amount to the Institute. Currently, a total of 4.0 percent may be withheld from payments to Institute charter schools and spent at the state level for the following purposes:

- Up to 3.0 percent for the CSI's costs for administration, oversight, and management services [Sections 22-30.5-513 (2)(b) and (4)(a), C.R.S.]; and
- Up to 1.0 percent for the Department as reimbursement for the reasonable and necessary costs associated with the CSI and its charter schools [Section 22-30.5-501 (4)(a)(I), C.R.S.].

Section 22-30.5-506, C.R.S., as amended by S.B. 12-121 during the 2012 Session, continuously appropriates the State Charter School Institute Fund, which is the Institute's primary fund source, to the Institute. Prior to FY 2012-13, the Institute's funds were subject to annual appropriation in the Long Bill. However, of the Institute's line items in the current Long Bill, three are now continuously appropriated and are shown for informational purposes only. Three of the existing line items are subject to annual appropriation: Institute Charter School Assistance Fund, Department Implementation of Section 22-30.5-501 et seq., C.R.S., and CSI Mill Levy Equalization (created in FY 2018-19).

Funding for Schools Authorized by the Charter School Institute: There are currently 43 Institute charter schools, located in 18 different school districts. The CSI schools have a total pupil count of 19,607 funded pupils in FY 2025-26. This makes CSI comparable in size to the 15th largest school district in the State. However, CSI's portfolio of charter schools is about 16 percent of the approximately 262 charter schools operating statewide, most of which operate under the authorization of their local school district. For the five year period from FY 2018-19 to FY 2023-24, CSI enrollment increased by 26.0 percent, while state enrollment as a whole fell by 3.3 percent over the same period. However, CSI enrollment fell in FY 2024-25, primarily due to the closure of a large online school, and fell by a further 1.0 percent in FY 2025-26. CSI enrollment is still stronger than the State as a whole's: over the last five years, CSI enrollment has increased by 1.0 percent, while statewide enrollment has declined 1.4 percent. CSI enrollment is projected to increase by 2.5 percent to 20,092.0 pupils in FY 2026-27.

CSI schools have access to per pupil operating revenue (PPOR) equal to the PPOR for the district in which they are geographically located. For students enrolled in CSI schools, state fund allocations to the district are reduced by an amount equal to the full PPOR calculated for the district (including the state and local share) multiplied by the number of CSI students. However, the school district's total local mill levy funds do not change, despite serving fewer students.

- The net fiscal impact for the district is that its total PPOR support is reduced by the number of students who are served in a CSI school instead of a district school.
- The impact for CSI is that it receives a PPOR payment for each student in a CSI charter school that equals the PPOR for the district in which the CSI charter school is located.
- The net impact on the state budget is the same as if the student were enrolled in the student's school district.

In addition, CSI schools receive allocations for federal funds distributed by the Department, consistent with the various federal allocation policies. This includes allocations of federal Title I and special education funds and, most recently, federal ESSER funds. Further, CSI schools have access to some funds specifically designated for charter schools, such as the BEST Charter School Facilities Assistance program.

CSI Mill Levy Equalization: Unlike schools in most public school districts, CSI schools generally do not receive support from mill levy overrides and bond measures approved by voters. Instead, they receive funding to equalize local mill levy override funding using state General Fund through the Mill Levy Equalization Fund.

Senate Bill 23-287 (School Finance) incorporated several significant changes to funding CSI schools that included:

- Beginning in FY 2024-25, required the General Assembly to appropriate from the General Fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year. [Section 22-30.5-513.1 (a.5), C.R.S.]
- Specified that each institute charter school's certified pupil enrollment and online pupil enrollment count, except for at multidistrict online schools, is calculated as the greater of the average of the institute charter school's pupil enrollment for the applicable budget year or several possible averages: a two-year average, three-year average, four-year average or five-year average of pupil enrollment (as for school districts). This added CSI schools to the overall averaging system applied to school districts. [Sections 22-54-103(7)(f)(II.5) and (II.6), C.R.S.]

The bill also added Institute charter schools into special distributions for rural schools, among other provisions.

During the 2024 legislative session, the General Assembly made several significant changes to CSI Mill Levy Equalization and its funding structure.

- Consistent with previously adopted legislation, funding for CSI for FY 2024-25 increased by \$22.2 million (81.0 percent) to \$49.2 million from state funds, versus the FY 2023-24 appropriation of \$27.0 million General Fund;
- Pursuant to H.B. 24-1394 (a JBC bill), funding from the State Education Fund was authorized, and \$22.0 million of the increase was funded by the State Education Fund. This bill also eliminated the previous CSI MLE Fund and the budget double-counts that had occurred due to this structure.

During the 2025 legislative session the General Assembly adopted statutory changes to exclude multi-district online schools authorized by CSI from the MLE calculation and provided for some additional reporting related to school district support for CSI schools (S.B. 25-223 and S.B. 25-221).

Charter School Institute

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$100,561,262	\$27,220,696	\$29,197,204	\$44,143,362	\$0	17.8
Total FY 2025-26	\$100,561,262	\$27,220,696	\$29,197,204	\$44,143,362	\$0	17.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$100,561,262	\$27,220,696	\$29,197,204	\$44,143,362	\$0	17.8
R3/BA3 CSI Mill Levy Equalization	2,040,383	-3,916,033	5,956,416	0	0	0.0
Total FY 2026-27	\$102,601,645	\$23,304,663	\$35,153,620	\$44,143,362	\$0	17.8
Changes from FY 2025-26	\$2,040,383	-\$3,916,033	\$5,956,416	\$0	\$0	0.0
Percentage Change	2.0%	-14.4%	20.4%	0.0%	0.0%	0.0%
FY 2026-27 Executive Request	\$101,887,087	\$23,304,663	\$34,439,062	\$44,143,362	\$0	17.8
Staff Rec. Above/-Below Request	\$714,558	\$0	\$714,558	\$0	\$0	0.0

→ R3/BA3 CSI Mill Levy Equalization

Request

The November 1, 2025 budget request included a *decrease* of \$3,916,033 General Fund for mill levy equalization for Charter School Institute (CSI) charter schools. This was amended through BA3 on January 15, 2026 to restore the proposed decrease using the State Education Fund and add additional money from the State Education Fund for the program. When these two elements are combined, the FY 2026-27 budget request is for total funding of \$55.9 million, including \$23.3 million from the General Fund and \$33.7 million from the State Education. This incorporates both an increase in total funding and a net refinance of \$3.9 million General Fund with State Education Fund money.

Staff Recommendation

For purposes of complying with current law in the Long Bill, the staff recommendation is shown in the table below and is based on the Legislative Council Staff forecast for CSI MLE. Note that the base figure shown includes the FY 2025-26 adjustment for CSI that was part of the FY 2025-26 supplemental bill for the Department of Education. This supplemental bill added \$1.0 million to the appropriation.

As shown, the staff recommendation—based on the LCS estimate—is \$56.7 million in total funds (\$714,558 higher than the official request). Staff has retained the \$3.9 million General Fund decrease in the request, and reflected State Education Fund as the source of the increase.

Charter School Institute, CSI Mill Levy Equalization

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0
Total FY 2025-26	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0
R3/BA3 CSI Mill Levy Equalization	2,040,383	-3,916,033	5,956,416	0	0	0.0
Total FY 2026-27	\$56,658,283	\$23,304,663	\$33,353,620	\$0	\$0	0.0
Changes from FY 2025-26	\$2,040,383	-\$3,916,033	\$5,956,416	\$0	\$0	0.0
Percentage Change	3.7%	-14.4%	21.7%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$55,943,725	\$23,304,663	\$32,639,062	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$714,558	\$0	\$714,558	\$0	\$0	0.0

Analysis

Background: The State Charter School Institute (CSI) is a statewide charter school authorizer, functioning as an independent agency in the Department of Education. CSI schools have access to per pupil operating revenue (PPOR) equal to the PPOR for the district in which they are geographically located. However, they do not generally have access to mill levy override funding approved by voters to support the operations of their local school district, which can add up to 30.0 percent to district PPOR, depending upon the district.

This is because CSI is not legally connected to local school districts, and neither the State nor CSI appear to have authority to require school districts to transfer funds to CSI or to request that voters authorize mill levy or bond funding for CSI schools. This differs from the situation for district-authorized charter schools. District-authorized charter schools historically had uneven access to local mill levy override revenues, based on decisions at the district level. However, H.B. 17-1375 required all districts to share override revenues with district-authorized charter schools on an equal per pupil basis beginning in FY 2019-20.

Since CSI-authorized schools do not have access to local override revenues, H.B. 17-1375 created the Mill Levy Equalization Fund to support state payments to CSI schools to equalize the local override revenues available in CSI schools' geographic districts. The General Assembly provided \$5.0 to \$7.0 million General Fund per year for CSI Mill Levy Equalization between FY 2018-19 and FY 2020-21. Funding was increased to \$9.0 million General Fund in FY 2021-22, \$17.0 million General Fund in FY 2022-23, and \$27.0 million General Fund in FY 2023-24. Section 22-30.5-513.1 (a.5), C.R.S. requires the General Assembly to fund "full mill levy equalization" for all institute charter schools beginning in FY 2024-25.

FY 2026-27 Calculation: Similar to the original Long Bill calculation for FY 2024-25 and FY 2025-26, the FY 2026-27 calculation is based on:

- District per pupil MLO revenue based on each district’s FY 2025-26 adjusted MLO, FY 2026-27 LCS enrollment forecasts by district for non-CSI students, and the FY 2026-27 LCS forecast of assessed values by district. These are used to generate a per pupil MLO amount by district.
- CSI FY 2025-26 per pupil counts by school with some adjustments for schools that are anticipated to open or close in FY 2026-27. CSI student numbers are multiplied by the per pupil MLO for the district in which the CSI school is located to generate the state CSI mill levy equalization calculation.
- For the one school district that shares a portion of its MLO revenue with its CSI schools (Durango), the state obligation is limited to mills approved prior to 2016 (5.517 of the 8.47 total mills used in Durango).

Under current law, the FY 2026-27 estimate will be adjusted during the 2027 legislative session through the supplemental budget process to accurately reflect October count data, school decisions to join/leave CSI, and any voter-approved changes to mill levy override funding in the district schools where CSI is located.

The approach used for the mid-year adjustment, consistent with past practice, will be:

- Total mill levy override (MLO) revenue certified for FY 2026-27 by each district where a CSI school is located, divided by the total October 2026 pupil count enrolled in that district to generate a per pupil MLO amount.
- October 2026 counts of students enrolled in each CSI school, assigned to the district in which the CSI school is physically located. CSI student numbers are multiplied by the per pupil MLO for the district in which the CSI school is located to generate the state CSI mill levy equalization calculation.
- For the one school district that shares a portion of its MLO revenue with its CSI schools (Durango), the state obligation is limited to mills approved prior to 2016 (5.517 of the 8.47 total mills), reducing the state’s obligation.

Language in each local mill levy is different. Therefore, staff has determined that it is better to rely on each district’s final certified MLO revenue for the mid-year adjustment, rather than making assumptions about the impact of new MLOs adopted.

CSI MLE FY 2026-27

CSI School	District	CSI Pupils	Per pupil MLE	Total MLE
Academy Of Charter Schools	Adams 12	1,804.0	\$3,405.1	\$6,142,818
Global Village Academy - Northglenn	Adams 12	866.0	3,405.1	2,948,825
The Pinnacle Charter School	Adams 12	1,905.0	3,405.1	6,486,734
Community Leadership Academy/ Victory Prep	Adams 14	538.0	3,114.1	1,675,405
University Prep	Adams 14	58.0	3,114.1	180,620
High Point Academy	Brighton	658.0	1,184.2	779,218
Ascent- Northern Denver	Brighton	357.0	1,184.2	422,767
Crown Pointe Charter Academy	Westminster	520.0	4,086.7	2,125,099
Ricardo Flores Magon Academy	Westminster	291.0	4,086.7	1,189,238
Academy Of Advanced Learning	Aurora	830.0	3,645.3	3,025,622
Colorado Early Colleges - Aurora	Aurora	580.5	3,645.3	2,116,113
Montessori Del Mundo Charter School	Aurora	326.0	3,645.3	1,188,377

CSI School	District	CSI Pupils	Per pupil MLE	Total MLE
New America School - Lowry	Aurora	64.0	3,645.3	233,301
New Legacy Charter High School	Aurora	96.0	3,645.3	349,951
Wildflower - Aurora	Aurora	58.0	3,645.3	211,429
Global Village Academy - Aurora	Aurora	789.0	3,645.3	2,876,164
Vivo Aurora - New In 26-27	Aurora	20.0	3,645.3	72,907
Salida Montessori Charter School	Salida	172.0	2,568.2	441,730
Ascent Classical Academy - Douglas County	Douglas	931.0	2,373.7	2,209,912
Colorado Early Colleges Douglas County	Douglas	1,001.0	2,373.7	2,376,071
John Adams Academy - Maybe New In 26-27	Douglas	410.0	2,373.7	973,216
Stone Creek School	Eagle	215.0	2,896.6	622,768
Coperni 3	Colorado Springs	364.0	3,667.6	1,335,003
Colorado Springs Charter Academy	Colorado Springs	251.0	3,667.6	920,565
Colorado Springs Early Colleges	Colorado Springs	717.5	3,667.6	2,631,496
Colorado International Language Academy	Colorado Springs	351.0	3,667.6	1,287,324
Mountain Song Community School	Colorado Springs	411.0	3,667.6	1,507,380
Ross Montessori School	Roaring Fork	170.0	3,169.3	538,775
Goldenview	Jefferson	732.0	2,211.1	1,618,525
Prospect Academy	Jefferson	79.5	2,211.1	175,782
Animas High School [1]	Durango	232.0	2,862.7	342,922
Mountain Middle School [1]	Durango	325.5	2,862.7	516,432
Axis International Academy	Poudre	247.0	2,314.9	571,788
Academy Of Arts & Knowledge	Poudre	222.5	2,314.9	515,073
Ascent Classical Academy - Northern Colorado	Poudre	665.0	2,314.9	1,539,430
Colorado Early College Fort Collins	Poudre	1,116.0	2,314.9	2,583,465
Caprock Academy	Mesa Valley	780.0	913.7	712,680
Ascent - Grand Junct.	Mesa Valley	513.5	913.7	469,181
Monument View Montessori	Mesa Valley	25.0	913.7	22,842
Wildflower - Grand Junction	Mesa Valley	42.0	913.7	38,375
Mountain Village Montessori Charter School	Steamboat Springs	135.0	2,472.8	333,834
Kwiyagat Community Academy	Montezuma-Cortez	79.0	923.2	72,935
Battle Rock Charter School	Montezuma-Cortez	94.0	923.2	86,783
High Rockies Community School	Park	50.0	3,788.2	189,408
Total		19,534.5		\$56,658,283

[1] Reduced for Durango MLO contribution and excludes online schools

→ SI CSI Mill Levy Equalization [Legislation]

Recommendation

Staff recommends that the General Assembly again consider capping funding for CSI Mill Levy Equalization as a budget balancing measure. This is most easily accomplished by making the funding for CSI MLE subject to available appropriation, although other approaches could be considered.

Given state budget constraints, the staff recommendation for FY 2026-27 would be to sponsor legislation that makes CSI MLE subject to appropriation **and establishes an appropriation for FY 2026-27 that is based on 80.0 percent of “full” equalization in FY 2025-26. With this change, the FY 2026-27 cost for equalization would be \$43,694,320—a reduction of \$13.0 million.** A deeper cut could also be considered.

Funding CSI MLE is one of the largest areas of increase since FY 2018-19 in the areas covered by this budget packet. The risk of ongoing future increases is high. Capping the program, which could include reducing or eliminating funding from the base, is the most obvious way to address this problem.

Even capping the FY 2026-27 funding at the FY 2025-26 amount would provide savings of \$2.0 million.

Analysis

Key Considerations: State funding for Charter School Institute Mill Levy Equalization has been one of the largest drivers in this part of the budget in recent years. Funding increased from \$5.5 million General Fund in FY 2018-19 to \$48.4 million (\$27.2 million General Fund and \$21.2 million from the State Education Fund) in FY 2024-25, after the General Assembly passed legislation indicating its intent to “fully fund” this program.

The table below summarizes the **further** growth since “full equalization” was implemented in FY 2024-25.

CSI MLE Since "Full" Equalization

	Appropriations	Change	% chg	Student FTE [2]	Change	% chg	Avg MLE/FTE	Change	% chg
FY 2024-25	\$48,422,849	n/a	n/a	19,892	n/a	n/a	\$2,434.35	n/a	n/a
FY 2024-25 Adjusted [1]	47,503,463	n/a	n/a	19,484	n/a	n/a	2,438.14	n/a	n/a
FY 2025-26	54,617,890	\$7,114,427	14.7%	19,607	124	0.6%	2,785.63	\$347	14.3%
FY 2026-27 [2]	56,658,283	2,040,393	3.7%	20,092	485	2.5%	2,819.94	34	1.2%

[1] For comparison purposes, amounts in this row are adjusted to exclude multi-district online schools. These schools were eligible for CSI MLE in FY 2024-25 but not in FY 2025-26 and subsequent years.

[2] Recommended appropriation; amounts will be “trued up” in FY 2026-27 under current law.

As shown, the appropriation grew quickly in FY 2025-26, driven primarily by increases in the average cost per MLE per CSI student. Growth in FY 2026-27 reflects both CSI student FTE and average MLE per student FTE. The

average MLE amount per CSI student is affected by multiple factors: (1) school district mills and assessed values; (2) school district populations; and (3) CSI student FTE located within the district boundaries.

As staff has noted in the past:

- Current statutory provisions that provide for “full” equalization for CSI schools drive General Fund increases based on local voter decisions to increase mill levy overrides for their local school district, as well as student and school decisions to join CSI. These are not factors the General Assembly can control.
- The most significant cost driver has been local mill levy override votes. **Legislative Council Staff estimate that if all districts raise their MLOs to their current caps, the total cost of CSI MLE will increase to \$74.8 million.** This is a significant risk for the state budget.
- The State is adding as much as \$4,087 per pupil in some districts beyond usual PPOR. This is a significant amount of funding for a subset of state pupils.
- CSI's position is that its schools should not receive less funding per student than students at neighboring public schools. This is compelling. CSI charter schools fill important niches in the array of school offerings. CSI charters clearly face more financial obstacles than most district schools. Nonetheless, staff remains concerned about the source for equalizing funding (state General Fund/State Education Fund) and the resulting impact on the state budget.

Additional background:

- Since FY 2024-25, when the General Assembly adopted “full” equalization, the key driver of CSI MLE costs has been local voter decisions to increase mill levy overrides. Staff requested LCS Staff calculate state “exposure” to additional mill levy override increases in districts where CSI schools currently operate. Even if CSI schools and pupil counts remain stable, over time the cost of equalizing funding for CSI students will increase based on factors such as total funding (since mill levy overrides are capped at 25 to 30 percent of total program formula funding, as adjusted based on H.B. 24-1448) and property values. Based on the LCS analysis, if voters in all of the districts where CSI schools operate voted to increase their local district mill levy overrides to the maximum now allowed under state law, \$75 million would be required, representing an increase of nearly 50.0 percent over the current cost.
- The number of students enrolled in CSI schools increased rapidly during the pandemic. Although the numbers have stabilized, CSI’s enrollment has been more robust than statewide student enrollment.
- The number of schools authorized by CSI has not changed substantially in recent years, but presents some risk. Allowing a school to be authorized by CSI is typically a district, as well as school, decision: 172 of 178 school districts have retained exclusive chartering authority and so must “release” a school to CSI for CSI to become the authorizer. Districts and schools have many considerations when selecting an authorizer. However, JBC staff has expressed concern over the years about the disadvantage to the State of the current mill levy override equalization structure: charter schools that are authorized by their districts have the cost of mill levy overrides covered by local taxing revenue; CSI school override costs are being covered by the State. It is in the State’s interest to encourage charter schools to be locally authorized instead of using CSI. By fully funding mill levy equalization, the State is building incentives for schools to seek CSI authorization and districts to support this, since state funds, rather than local district funds, cover mill levy override costs.
- Because of the way the CSI MLE calculation operates, declining school district populations may **also** drive CSI MLE cost increases. The MLE amount per CSI student FTE is driven by district revenue divided by the number of district student FTE.

- If the JBC/General Assembly determines that it does not have sufficient funds to fully cover CSI Mill Levy Equalization for FY 2026-27 or another year, a statutory change would be needed to state that funding for CSI Mill Levy Equalization may be capped at a specific dollar amount or a percentage of the “full equalization” calculation.

Line Item Detail – Charter School Institute

State Charter School Institute Administration, Oversight, and Management

This line item reflects the SCSi’s expenditure of a portion of Institute charter schools’ per pupil funding. Section 22-30.5-513 (2)(b) authorizes the SCSi to withhold up to 3.0 percent of Institute charter schools’ per pupil funding for administrative overhead costs for services provided to Institute charter schools. Section 22-30.5-506 (1), C.R.S., enacted through S.B. 12-121, continuously appropriates these funds to the CSI.

Statutory Authority: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$5,000,000 reappropriated funds and 11.7 FTE for FY 2026-27. The funds are continuously appropriated to the Department and are shown in the Long Bill for informational purposes only.

Institute Charter School Assistance Fund

Sections 22-30.5-506 (4) and 22-30.5-515.5, C.R.S., transfer excess revenues retained by the Charter School Institute (over and above amounts necessary for the Institute’s overhead administration costs) to the Institute Charter School Assistance Fund. Once in the Institute Charter School Assistance Fund, the moneys are subject to annual appropriation and are available for the following purposes:

- Awarding grants and interest-free loans to assist Institute charter schools in meeting capital construction needs, including obtaining financial assistance through the Building Excellent Schools Today (B.E.S.T.) program or repaying bonds issued by the Colorado Educational and Cultural Facilities Authority for construction of buildings; or
- Addressing “reasonable funding emergencies,” as defined by rule of the Institute Board.

This is one of the three Institute line items that remain subject to annual appropriation. However, Section 22-30.5-515.5 (1)(c), C.R.S., limits the year-end balance of the fund to no more than \$750,000 at the end of any given year or, pursuant to 22-30.5-515 (d), another limit established by the institute board in collaboration with a council of institute charter schools. The statute requires the CSI to distribute any amount above the cap in the fund at the end of the year to all CSI schools on an equal per pupil basis and continuously appropriates the excess balance to the CSI.

Statutory Authority: Section 22-30.5-515.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,800,000 cash funds from the Institute Charter School Assistance Fund.

Other Transfers to Institute Charter Schools

This line item reflects anticipated transfers of other state moneys (e.g., state funding for categorical programs) to Institute charter schools. Prior to FY 2012-13, the line item was subject to annual appropriation. However, pursuant to S.B. 12-121, current law continuously appropriates the funds to the CSI.

Statutory Authority: Section 22-30.5-513 (9) (a), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an informational appropriation of \$21,500,000 reappropriated funds for FY 2026-27.

Transfer of Federal Money to Institute Charter Schools

This line item reflects federal funds received by the SCSi for pass-through to Institute charter schools, along with the SCSi FTE supported with federal funds. Moneys appropriated to this line item are reflected as reappropriated funds because they are first reflected within other line items within the Department’s budget (e.g., Special Education Programs for Children with Disabilities, English Language Proficiency Program, Federal Nutrition Programs, and Appropriated Sponsored Programs). The request reflects the SCSi’s anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

Statutory Authority: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$17,400,000 reappropriated funds and 4.5 FTE, with no change from the prior year appropriation.

CSI Mill Levy Equalization

The General Assembly created this line item in FY 2018-19 to support mill levy override equalization payments to SCSi schools authorized by H.B. 17-1375 (Distributing Mill Levy Override Revenue to Schools). Under H.B. 17-1375, the Department distributes any funds appropriated to this line item to CSI schools on a per pupil basis based on the amount of mill levy override revenue available per pupil in each school’s geographic school district. Thus, CSI schools located in school districts without mill levy override revenues are not eligible for distribution and payments are limited to no more than override revenues per pupil in a school’s geographic school district.

Statutory Authority: Section 22-30.5-513.1 (2)(b), C.R.S.

Request/Recommendation: The table below summarizes the request and recommendation. As discussed previously in this packet, the staff recommendation for the Long Bill is based on the estimated total funding required for CSI mill levy equalization based on the current statutory structure. The differences between the request and recommendation are due to slightly different methodologies in calculating the funding required.

Charter School Institute, CSI Mill Levy Equalization

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0
Total FY 2025-26	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$54,617,900	\$27,220,696	\$27,397,204	\$0	\$0	0.0
R3/BA3 CSI Mill Levy Equalization	2,040,383	-3,916,033	5,956,416	0	0	0.0
Total FY 2026-27	\$56,658,283	\$23,304,663	\$33,353,620	\$0	\$0	0.0
Changes from FY 2025-26	\$2,040,383	-\$3,916,033	\$5,956,416	\$0	\$0	0.0
Percentage Change	3.7%	-14.4%	21.7%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$55,943,725	\$23,304,663	\$32,639,062	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$714,558	\$0	\$714,558	\$0	\$0	0.0

Department Implementation of Section 22-30.5-501 et seq., C.R.S.

This line item authorizes the Department to spend a portion of CSI charter schools' per pupil funding. Pursuant to Section 22-30.5-513 (4)(a)(I), C.R.S., the Department is authorized to withhold up to 1.0 percent of SCSi charter schools' per pupil funding as reimbursement for the "reasonable and necessary costs to the department to implement" [Part 5 of Title 22, Article 30.5, C.R.S.].

Statutory Authority: Section 22-30.5-513 (4)(a)(I), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$243,362 reappropriated funds and 1.6 FTE. The (non-CSI) Department staff incur costs associated with SCSi activities, and this line item is the mechanism to cover at least a portion of the necessary costs.

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends the following NEW footnote:

N Department of Education, Student Learning, Learning Supports, Intervention, and Planning, Content Specialists – In a year in which the Department receives an appropriation for biennial standards review pursuant to Section 22-7-1005, C.R.S., the appropriation in this line item for the biennial standards review, in an amount not to exceed \$118,500, remains available for expenditure until the close of the subsequent state fiscal year.

Comment: Staff recommends adding this footnote on an ongoing basis to assist the Department in managing its biennial appropriation for standards review.

Staff recommends **CONTINUING** or **CONTINUING AND MODIFYING** the following footnotes:

12 Department of Education, School District Operations, Public School Capital Construction, Public School Capital Construction Assistance Board - Cash Grants -- This appropriation remains available until the completion of the project or the close of the ~~2027-28~~ 2028-29 state fiscal year, whichever comes first.

Comment: This footnote has been included in the Long Bill for more than five years. This footnote makes funding appropriated to the Building Excellent Schools Today (BEST) Program for cash grants available for up to three years to allow for the completion of projects requiring funding for more than a single fiscal year.

16 Department of Education, Library Programs, Reading Services for the Blind -- This appropriation is for the support of privately operated reading services for the blind, as authorized by section 24-90-105.5, C.R.S. It is the General Assembly's intent that \$615,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$245,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced material

Comment: This footnote has been included in the Long Bill for at least five years to express the General Assembly's intent concerning this appropriation. The Department annually contracts with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHz. AINC is currently working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts. In FY 2012-13, the General Assembly increased the allocation for the contract with AINC from \$200,000 per year to \$300,000. The General Assembly added \$10,000 in FY 2014-15, \$50,000 in FY 2015-16, and \$80,000 in 2018-19 for a total of \$440,000. The JBC initiated a further increase of \$100,000 for this program in FY 2022-23, and new legislation brought the total to \$615,000 in FY 2023-24.

The remaining funding (currently \$245,000) is used to purchase services from the National Federation for the Blind (NFB) for its Newslines service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newslines services now include television

listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database.

Staff recommends **DISCONTINUING** The following footnotes:

14 Department of Education, Student Learning, Early Literacy, READ Act Targeted Training Initiative -- This appropriation remains available until the close of the 2026-27 state fiscal year.

Comment: This footnote was added as part of a one-time initiative funded in FY 2025-26. As reflected, the JBC and General Assembly agreed that the funds could be used over two years.

13 Department of Education, Student Learning, Early Literacy, Early Literacy Program Administration and Technical Support; Early Literacy Competitive Grant Program; Early Literacy Program Evidence Based Training Provided to Teachers; Early Literacy Program Per Pupil Intervention Program -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., among the line items designated with this footnote, except that the amount for Early Literacy Program Administration and Technical Support may be increased by no more than ten percent based on an assumption that the Department may require an additional 2.0 FTE.

Comment: This footnote was added in FY 2022-23. It provides additional flexibility for the Department to move money from the Early Literacy Fund among several line items based on program needs. The Department's budget schedules indicate that it used this flexibility in FY 2022-23, FY 2023-24, and FY 2024-25 but nonetheless reverted funds back to the Early Literacy Fund. Given that the Early Literacy program will now receive direct State Education Fund appropriations, staff does not recommend continuing this flexibility. Unused funds will revert to the State Education Fund.

15 Department of Education, Student Pathways, Career Readiness, Career Development Success Program -- It is the General Assembly's intent that \$200,000 of this appropriation be used for activities other than direct grants to school districts.

Comment: This footnote was first included in the FY 2019-20 Long Bill. The General Assembly added this footnote to authorize the Department to hold back \$200,000 from the appropriation for the Career Development Success Program. It is staff's understanding that the Department has used these funds to support the TEACH Colorado program, a joint teacher recruiting effort between the Department and number of other partners, including school districts and the Department of Higher Education.

FY 2025-26 will be the last year for this line item, as the associated funding will be folded into the new Postsecondary Workforce Readiness "SEED Funding" line item and distributed using a different formula. Staff recommends that this footnote also be eliminated.

Note: The Department has indicated that it hopes to fund this program out of the existing Quality Teacher Recruitment Program line item. Staff does not recommend moving the footnote to a new line item. Instead, staff has asked the Department to explore whether additional statutory authority or a new line item is needed, with money moved from the existing Quality Teacher Recruitment Program line item.

Requests For Information

Staff recommends the following **NEW** requests for information:

N Department of Education, School District Operations, Capital Construction, Division of Public School Capital Construction – The Public School Capital Construction Assistance Board is requested to provide a report to the Joint Budget Committee by November 1, 2026, addressing whether use of some BEST funds for planning grants could improve the effectiveness and efficiency of the state’s support for public school capital construction.

Comment: As described previously, staff believes a new planning grant system will likely be beneficial for the BEST program.

N Colorado Department of Education, Management and Administration; and Colorado School for the Deaf and the Blind – The Department and the Colorado School for the Deaf and the Blind are requested to submit a report as part of the annual budget request that describes the procedures for incorporating CSDB staff into DPA common policy templates submitted by the Department. The submission should identify the portion of the Department’s base salary and FTE that is for the Colorado School for the Deaf and the Blind and demonstrate that the personnel benefit calculations cover all staff at CSDB, while salary survey and step pay calculations exclude increases for staff who receive increases that align with the D11 school district salary schedule. To ensure step-pay increases are accurately calculated, common policy templates and the Department’s submission is requested to accurately reflect part-time FTE.

Comment: As described previously, staff recommends a documented system for determining CSDB centrally appropriated amounts and systemizing the collaboration between the Department and CSDB.

Staff recommends continuing and **CONTINUING AND MODIFYING** the following request for information:

1. Department of Education; and Colorado School for the Deaf and the Blind – The Department of Education and the Colorado School for the Deaf and the Blind are requested to provide to the Joint Budget Committee, by September 1, ~~2025~~2026, detailed information concerning each entity’s implementation of the recommendations of the independent review panel for the Colorado School for the Deaf and Blind. The requested information should include both detail on the progress made to date and each entity’s plans going forward.

Comment: *Staff anticipates that this will be the final year for this footnote.* CSDB has been reporting on its progress in addressing the independent review panel’s recommendations for multiple years. CSDB is currently in the process of seeking accreditation from external entities for its programs, which staff believes is the most important item that has not yet been addressed.

Staff recommends **DISCONTINUING** The following requests for information:

5. Department of Education, School Quality and Support, Schools of Choice, Supplemental On-line Education Services – The Department is requested to work with interested stakeholders to review the adequacy of funding for the Colorado Empowered Learning (CEL) program. As part of this review, the Department is requested to:

- Assess the growth and demand for the program, including participation trends and areas of unmet need.

- Evaluate whether additional funding would enhance the availability, accessibility, and quality of online and blended course offerings and professional development opportunities for educators.
- Examine how the program aligns with state educational goals, including equity in access for underserved populations, workforce readiness, and student outcomes.
- Identify any potential barriers to program expansion and recommend strategies to address them.
- The Department is requested to submit a report of its review, along with any recommendations, by November 1st, 2025.

Comment: This was a one-time request.

Indirect Cost Assessments

Description of Indirect Cost Assessment Methodology

The Department of Education annually calculates two separate indirect cost rates, one affecting federal funds and another for cash funds. The Department's indirect cost methodology is based on three components: an "Indirect Cost Pool", an "Indirect Cost Base", and an "Indirect Cost Rate". The following discussion reflects the calculations underlying the Department's indirect cost process for FY 2026-27. The Department negotiated an indirect cost plan with the U.S. Department of Education for FY 2023-24, these negotiations resulted in a rate of 15.5%. In January 2024, this rate was extended through FY 2024-25 and was later extended for FY 2025-26 as well as FY 2026-27. Given the rate is based on information compiled for the FY 2023-24 submission, the information below reflects the data used in that submission and uses actual expenditures from FY 2021-22.

The Department calculates and negotiates the federal indirect cost rate with the U.S. Department of Education (USDE). The Department had negotiated a three-year fixed federal indirect cost rate with USDE for FY 2015-16 through FY 2017-18, showing a previous precedent for extending the current rate for a third year. While more recently, the Department negotiated an annual rate with the federal agency. The Department calculates the federal rate based on the most recent year of actual expenditures. For example, actual expenditures from FY 2021-22 are the basis of the most recently negotiated rate for FY 2023-24, generating a federal indirect rate of 15.5 percent (which was later extended for FY 2024-25, FY 2025-26 and FY 2026-27). The Department calculates the federal rate as the indirect cost pool divided by the indirect cost base (as illustrated in the tables below) but must negotiate the final rate with USDE.

The Department bases the cash fund indirect cost rate on the approved federal rate, with some modifications. For example, the USDE prohibits the inclusion of the Commissioner and her immediate staff in the indirect cost pool. For the cash fund rate, the Department adds the USDE exclusions back into the indirect cost pool to arrive at the cash fund indirect cost rate. The Department primarily applies the cash fund rate to the Educator Licensure Cash Fund but also applies the rate to private gifts, grants, and donations.

The following data provided the basis for the calculations in the FY 2026-27 appropriation. As discussed above, the information for the FY 2026-27 calculations is based on the extension of the FY 2023-24 rate of 15.5%.

Indirect Cost Pool

The Indirect Cost Pool is comprised of expenses in the Management and Administration Division, including expenses associated with the following line items: General Department and Program Administration, Information Technology Services, Health, Life, and Dental, Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Payment to Risk Management and Property Funds. The Department categorizes the indirect cost pool differently, however, based on the costs actually included in the pool for calculation purposes. Table 1 (on the following page) outlines which costs are included in the department's Indirect Cost Pool.

TABLE 1: Department of Education Indirect Cost Pool

Division/Cost	FY 2021-22 Actual
Management and Administration	
Human Resources	410,316
Accounting/Purchasing/Budget	1,731,990
Department Overhead	2,963,169
Sick and Annual Leave Payouts	681,062
Information Management	2,746,085
Total Departmental Indirect Cost Pool	\$8,532,622
Other Costs	
Statewide Indirect Costs FY21-22	\$710,059
Depreciation	354,440
State Auditor	187,628
Adjustment (Added to Indirect Cost Base)	(66,262)
Total Other Costs	,185,865
Total Indirect Cost Pool	\$9,718,487

Indirect Cost Base

The Indirect Cost Base is the denominator in the calculation of the federal indirect cost rate. The indirect cost base consists of Departmental salaries, fringe benefits, and operating expenses. The federal calculation excludes the items for which the USDE prohibits indirect cost collections and excludes departmental indirect costs. Table 2 summarizes the department's indirect cost base using the FY 2021-22 actuals that provided the base for the current federal rate.

Table 2: Department of Education Indirect Cost Base

	FY 2021-22 Actual
CDE salaries, fringe benefits, operating expenses	\$108,067,307
Less: Expenditures Excluded by USDE	(\$36,973,108)
Less: Departmental Indirect Costs	(\$8,532,622)
Add Adjustment Removed from Pool	\$66,262
Total Indirect Cost Base	\$62,627,839

Indirect Cost Rate

The federal indirect cost rate is calculated by dividing the indirect cost pool by the indirect cost base. Table 3 illustrates how the Department calculates the federal indirect cost rate. The following table shows the

negotiated rate for FY 2023-24 and FY 2024-25 (15.5 percent) as well as the actual negotiated rate for FY 22-23 (14.5 percent).

**TABLE 3: Department of Education Indirect Cost Rate
Federal Rate = Indirect Cost Pool / Direct Cost Base**

Division	FY 2021-22 Actual
Indirect Cost Pool	\$9,718,487
Indirect Cost Base	\$62,627,839
Negotiated Federal Rate (FY 2023-24/FY 2024-25/FY 2025-26/FY 2026-27)	15.5%
Negotiated Federal Rate (Actual Rate for FY 2022-23)	14.5%

The Department applies the federal indirect cost rate to all federally funded expenditures for salaries, fringe benefits, operating expenses, and travel costs. The USDE prohibits charging indirect costs to federal funds supporting contracts in excess of \$25,000, grant distributions to school districts and other recipients, and capital expenditures in excess of \$5,000. In addition, some federal programs impose limits on total administrative costs, which includes indirect costs. For example, the Library Service and Technology Act (LSTA) limits total administration to 4 percent of the award, regardless of the negotiated indirect cost rate for other federal funds (20 U.S.C. 9132(a))

The Department also does not charge indirect costs to General Fund expenditures or some cash funded expenditures (most importantly those supported by the State Education Fund). Based on updated information provided by the Department, Table 4 reflects the recommended indirect cost assessments for each of the Department’s divisions for FY 2026-27.

Table 4: Department Indirect Cost Assessment Recommendation

Division	Total	CF	RF	FF
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Assistance to Public Schools	\$3,967,960	\$25,000	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2026-27 Recommendation	\$4,990,329	\$616,523	\$128,142	\$4,245,664
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Assistance to Public Schools	\$3,967,960	\$25,000	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2025-26 Appropriation	\$4,990,329	\$616,523	\$128,142	\$4,245,664
Increase (Decrease) FY2025-26 to FY2026-27	\$0	\$0	\$0	\$0

Additional Balancing Options

Staff has provided multiple balancing recommendations. Other options will be provided under separate cover.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, the requested appropriation for next fiscal year, and the staff recommendation. Appendix A organizes this information by line item and fund source.

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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DEPARTMENT OF EDUCATION
Susana Cordova, Commissioner

(1) MANAGEMENT AND ADMINISTRATION

Funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities.

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>418,474</u>	<u>475,128</u>	<u>591,597</u>	<u>598,447</u>	<u>568,447</u>
FTE	2.5	2.5	2.5	2.5	2.5
General Fund	418,474	475,128	591,597	598,447	568,447
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 General Department and Program Administration	 <u>6,348,949</u>	 <u>6,481,682</u>	 <u>7,130,010</u>	 <u>7,532,419</u>	 <u>7,532,419</u> *
FTE	43.2	46.0	46.2	47.6	47.6
General Fund	2,968,442	3,222,669	3,398,673	3,598,590	3,598,590
Cash Funds	152,594	242,542	189,578	193,586	193,586
Reappropriated Funds	3,227,913	3,016,471	3,541,759	3,740,243	3,740,243
Federal Funds	0	0	0	0	0
 Grants Administration	 <u>0</u>	 <u>651,491</u>	 <u>589,017</u>	 <u>666,833</u>	 <u>659,443</u>
FTE	0.0	1.0	0.5	0.9	0.9
General Fund	0	480,057	434,356	501,557	494,167
Cash Funds	0	171,434	154,661	165,276	165,276

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Health, Life, and Dental	<u>5,197,910</u>	<u>8,731,241</u>	<u>10,109,661</u>	<u>12,981,674</u>	<u>12,906,029</u> *
General Fund	3,478,301	3,396,511	4,029,691	5,152,304	4,936,495
General Fund Exempt	0	0	0	0	0
Cash Funds	810,609	1,135,475	1,639,924	2,187,971	2,206,451
Reappropriated Funds	909,000	968,342	990,042	1,483,294	1,510,427
Federal Funds	0	3,230,913	3,450,004	4,158,105	4,252,656
Short-term Disability	<u>31,514</u>	<u>64,545</u>	<u>43,788</u>	<u>50,109 0.0</u>	<u>50,109 0.0</u> *
General Fund	27,325	26,181	17,808	21,093	21,093
General Fund Exempt	0	0	0	0	0
Cash Funds	4,189	5,137	6,486	7,347	7,347
Reappropriated Funds	0	0	4,657	5,640	5,640
Federal Funds	0	33,227	14,837	16,029	16,029
Paid Family Medical Leave Insurance	<u>0</u>	<u>50,311</u>	<u>281,513</u>	<u>322,130</u>	<u>322,130</u> *
General Fund	0	49,034	113,206	135,598	135,598
General Fund Exempt	0	0	0	0	0
Cash Funds	0	1,277	42,985	47,231	47,231
Reappropriated Funds	0	0	29,940	36,255	36,255
Federal Funds	0	0	95,382	103,046	103,046
Unfunded Liability Amortization Equalization					
Disbursement Payments	<u>0</u>	<u>5,358,464</u>	<u>6,255,840</u>	<u>7,158,445</u>	<u>7,158,445</u> *
General Fund	0	1,998,998	2,501,587	3,013,279	3,013,279
General Fund Exempt	0	0	0	0	0
Cash Funds	0	488,726	969,318	1,049,572	1,049,572
Reappropriated Funds	0	655,574	665,340	805,673	805,673
Federal Funds	0	2,215,166	2,119,595	2,289,921	2,289,921

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Salary Survey	<u>1,502,424</u>	<u>1,999,620</u>	<u>1,659,158</u>	<u>2,249,446</u>	<u>2,249,446</u>
General Fund	1,046,240	778,984	649,333	850,268	850,268
General Fund Exempt	0	0	0	0	0
Cash Funds	118,079	163,902	251,468	353,093	353,093
Reappropriated Funds	338,105	240,788	182,709	270,332	270,332
Federal Funds	0	815,946	575,648	775,753	775,753
Step Pay	<u>0</u>	<u>1,570,898</u>	<u>377,596</u>	<u>672,640</u>	<u>672,640</u>
General Fund	0	551,383	144,466	507,163	507,163
Cash Funds	0	77,143	57,000	42,981	42,981
Reappropriated Funds	0	205,099	37,338	28,466	28,466
Federal Funds	0	737,273	138,792	94,030	94,030
PERA Direct Distribution	<u>192,678</u>	<u>1,304,359</u>	<u>1,293,177</u>	<u>1,301,941</u>	<u>1,301,941</u>
General Fund	142,198	963,385	957,714	964,738	964,738
General Fund Exempt	0	0	0	0	0
Cash Funds	28,890	195,067	197,927	199,197	199,197
Reappropriated Funds	21,590	145,907	137,536	138,006	138,006
Federal Funds	0	0	0	0	0
Temporary Employees Related to Authorized Leave	<u>0</u>	<u>29,961</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	29,961	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Workers' Compensation	<u>63,738</u>	<u>253,391</u>	<u>312,534</u>	<u>348,810</u>	<u>352,879</u>
General Fund	63,738	124,390	150,161	167,590	169,545
General Fund Exempt	0	0	0	0	0
Cash Funds	0	10,305	40,784	45,519	46,050
Reappropriated Funds	0	0	10,562	11,788	11,925
Federal Funds	0	118,696	111,027	123,913	125,359
Legal Services	<u>1,550,421</u>	<u>1,324,188</u>	<u>1,194,782</u>	<u>1,444,458</u>	<u>1,444,458</u>
General Fund	928,297	818,348	738,375	892,675	892,675
General Fund Exempt	0	0	0	0	0
Cash Funds	584,295	443,603	400,252	483,893	483,893
Reappropriated Funds	37,829	62,237	56,155	67,890	67,890
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>187,253</u>	<u>209,603</u>	<u>251,414</u>	<u>190,030</u>	<u>182,730</u> *
General Fund	0	0	0	0	0
Cash Funds	187,253	209,603	251,414	190,030	182,730
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>1,504,490</u>	<u>821,832</u>	<u>1,024,799</u>	<u>618,696</u>	<u>627,918</u>
General Fund	1,504,490	821,832	1,024,799	618,696	627,918
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Leased Space	<u>89,992</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	75,133	0	0	0	0
Cash Funds	14,859	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Capitol Complex Leased Space	<u>321,888</u>	<u>118,742</u>	<u>1,288,751</u>	<u>1,026,933 0.0</u>	<u>1,016,036 0.0</u>
General Fund	154,336	118,742	367,293	255,018	289,569
Cash Funds	57,552	0	234,554	162,856	184,920
Reappropriated Funds	110,000	0	117,276	81,427	92,459
Federal Funds	0	0	569,628	527,632	449,088
CORE Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,387</u>	<u>24,387</u> *
General Fund	0	0	0	10,164	10,164
Cash Funds	0	0	0	3,883	3,883
Reappropriated Funds	0	0	0	2,306	2,306
Federal Funds	0	0	0	8,034	8,034
CORE Operations	<u>228,808</u>	<u>66,377</u>	<u>53,850</u>	<u>214,577</u>	<u>210,638</u>
General Fund	114,393	33,185	26,922	107,277	105,307
Cash Funds	88,642	25,715	20,862	83,129	81,603
Reappropriated Funds	25,773	7,477	6,066	24,171	23,728
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (A) Administration and Centrally-					
Appropriated Line Items	17,638,539	29,511,833	32,457,487	37,401,975	37,280,095
<i>FTE</i>	<u>45.7</u>	<u>49.5</u>	<u>49.2</u>	<u>51.0</u>	<u>51.0</u>
General Fund	10,921,367	13,888,788	15,145,981	17,394,457	17,185,016
General Fund Exempt	0	0	0	0	0
Cash Funds	2,046,962	3,169,929	4,457,213	5,215,564	5,247,813
Reappropriated Funds	4,670,210	5,301,895	5,779,380	6,695,491	6,733,350
Federal Funds	0	7,151,221	7,074,913	8,096,463	8,113,916

(B) Information Technology

Information Technology Services	<u>5,991,190</u>	<u>5,198,114</u>	<u>6,165,688</u>	<u>6,169,264</u>	<u>5,633,894</u>
<i>FTE</i>	35.9	36.9	36.4	37.4	30.5
General Fund	5,749,687	5,148,114	5,406,803	5,410,379	5,410,379
Cash Funds	241,503	50,000	223,161	223,161	223,161
Reappropriated Funds	0	0	535,724	535,724	354
Federal Funds	0	0	0	0	0
Payments to OIT	<u>1,209,781</u>	<u>1,579,878</u>	<u>954,117</u>	<u>939,638</u>	<u>863,106</u> *
General Fund	610,015	1,166,192	704,286	693,599	637,107
Cash Funds	275,511	318,377	189,214	186,341	171,164
Reappropriated Funds	324,255	95,309	60,617	59,698	54,835
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
IT Accessibility	<u>329,270</u>	<u>898,213</u>	0	<u>153,952</u>	<u>153,952</u> *
FTE	1.8	0.0	0.0	0.9	0.9
General Fund	265,270	896,035	0	153,952	153,952
Cash Funds	64,000	2,178	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>
General Fund	969,147	969,147	969,147	969,147	969,147
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Disaster Recovery	<u>19,095</u>	<u>19,714</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	19,095	19,714	19,722	19,722	19,722
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	8,518,483	8,665,066	8,108,674	8,251,723	7,639,821
FTE	<u>37.7</u>	<u>36.9</u>	<u>36.4</u>	<u>38.3</u>	<u>31.4</u>
General Fund	7,613,214	8,199,202	7,099,958	7,246,799	7,190,307
Cash Funds	581,014	370,555	412,375	409,502	394,325
Reappropriated Funds	324,255	95,309	596,341	595,422	55,189
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(C) Special Purpose					
BOCES Funding per Section 22-5-122, C.R.S.	3,256,616	3,327,275	3,327,275	3,330,051	3,330,051
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	3,256,616	3,327,275	3,327,275	3,330,051	3,330,051
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Interstate Compact on Educational Opportunity for					
Military Children	<u>21,298</u>	<u>21,298</u>	<u>21,298</u>	<u>32,921</u>	<u>32,921</u> *
General Fund	0	0	0	0	0
Cash Funds	21,298	21,298	21,298	32,921	32,921
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Reprinting and Distributing Laws Concerning					
Education	<u>25,517</u>	<u>24,955</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	25,517	24,955	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 23-029 School Discipline Task Force					
FTE	<u>87,424</u>	<u>42,003</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.5	0.0	0.0	0.0	0.0
General Fund	87,424	42,003	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Colorado Student Leaders Institute	<u>69,134</u>	<u>208,914</u>	0	0	0
FTE	0.0	0.1	0.0	0.0	0.0
General Fund	69,134	208,914	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 24-162 Training for LEPs responding to harassment and discrimination	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Teacher of the Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,800</u> *
Cash Funds	0	0	0	0	24,800
SUBTOTAL - (C) Special Purpose	3,459,989	3,624,445	3,348,573	3,362,972	3,387,772
FTE	<u>1.5</u>	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
General Fund	156,558	250,917	0	0	0
Cash Funds	3,303,431	3,373,528	3,348,573	3,362,972	3,387,772
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(D) Indirect Cost Assessment					
Indirect Cost Assessment	0	886,498	967,042	967,042	967,042
General Fund	0	0	0	0	0
Cash Funds	0	510,979	591,523	591,523	591,523
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	375,519	375,519	375,519	375,519
SUBTOTAL - (D) Indirect Cost Assessment	0	886,498	967,042	967,042	967,042
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	510,979	591,523	591,523	591,523
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	375,519	375,519	375,519	375,519

0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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TOTAL - (1) Management and Administration	29,617,011	42,687,842	44,881,776	49,983,712	49,274,730
<i>FTE</i>	<u>84.9</u>	<u>87.5</u>	<u>86.6</u>	<u>90.3</u>	<u>83.4</u>
General Fund	18,691,139	22,338,907	22,245,939	24,641,256	24,375,323
General Fund Exempt	0	0	0	0	0
Cash Funds	5,931,407	7,424,991	8,809,684	9,579,561	9,621,433
Reappropriated Funds	4,994,465	5,397,204	6,375,721	7,290,913	6,788,539
Federal Funds	0	7,526,740	7,450,432	8,471,982	8,489,435

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(2) STATEWIDE ASSESSMENT PROGRAM

Funding for the staff, operating expenses, and contract expenses associated with the State’s standardized assessments.

Statewide Assessment Program	<u>29,610,515</u>	<u>31,601,372</u>	<u>32,991,220</u>	<u>32,830,529</u>	<u>32,905,783</u> *
FTE	16.5	19.9	19.9	19.9	19.9
General Fund	0	0	0	0	0
Cash Funds	20,633,589	24,737,026	25,179,138	24,968,579	25,073,180
Reappropriated Funds	0	0	0	0	0
Federal Funds	8,976,926	6,864,346	7,812,082	7,861,950	7,832,603
TOTAL - (2) Statewide Assessment Program	29,610,515	31,601,372	32,991,220	32,830,529	32,905,783
FTE	<u>16.5</u>	<u>19.9</u>	<u>19.9</u>	<u>19.9</u>	<u>19.9</u>
General Fund	0	0	0	0	0
Cash Funds	20,633,589	24,737,026	25,179,138	24,968,579	25,073,180
Reappropriated Funds	0	0	0	0	0
Federal Funds	8,976,926	6,864,346	7,812,082	7,861,950	7,832,603

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(3) SCHOOL DISTRICT OPERATIONS

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts.

(A) Public School Finance

Administration	<u>4,384,542</u>	<u>4,000,222</u>	<u>2,471,809</u>	<u>2,645,074</u>	<u>2,645,074</u>
FTE	15.5	17.5	17.5	18.6	18.6
General Fund	1,481,791	2,105,942	2,210,618	2,380,153	2,380,153
Cash Funds	2,902,751	1,894,280	261,191	264,921	264,921
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Transparency System Maintenance	<u>87,896</u>	<u>90,671</u>	<u>92,786</u>	<u>97,731</u>	<u>97,731</u>
FTE	1.0	0.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	87,896	90,671	92,786	97,731	97,731
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Share of Districts' Total Program Funding	<u>4,996,063,570</u>	<u>5,569,835,306</u>	<u>5,350,410,772</u>	<u>5,577,078,125</u>	<u>5,567,435,495</u> *
General Fund	4,238,686,861	4,238,686,861	3,095,718,552	3,145,718,552	3,145,718,552
General Fund Exempt	0	0	1,292,968,309	1,292,968,309	1,292,968,309
Cash Funds	757,376,709	1,331,148,445	961,723,911	1,138,391,264	1,128,748,634
Extended High School	<u>0</u>	<u>22,376,720</u>	<u>14,363,600</u>	<u>355,984</u>	<u>4,084,701</u> *
General Fund	0	0	0	0	0
Cash Funds	0	22,376,720	14,363,600	355,984	4,084,701

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
School Finance Audit Payments	<u>5,251,851</u>	<u>1,621,801</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	5,251,851	1,621,801	3,000,000	3,000,000	3,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
At-risk Per Pupil Additional Funding	<u>4,999,997</u>	<u>4,999,994</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	4,999,997	4,999,994	0	0	0
At-risk Supplemental Aid	<u>7,009,989</u>	<u>6,727,485</u>	<u>7,009,989</u>	<u>3,504,995</u>	<u>3,504,995</u>
General Fund	0	0	0	0	0
Cash Funds	7,009,989	6,727,485	7,009,989	3,504,995	3,504,995
District Per Pupil Reimbursements for Juveniles					
Held in Jail	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
General Fund	0	0	0	0	0
Cash Funds	10,000	10,000	10,000	10,000	10,000
Additional Funding for Rural Districts and Institute					
Charter Schools	<u>30,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	30,000,000	0	0	0	0
Mill Levy Override Matching Pursuant to Sec. 22-54-107.9, C.R.S.	<u>32,511,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	32,511,319	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Contingency Reserve Fund	0	0	1,000,000	1,000,000	1,000,000
General Fund	0	0	0	0	0
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
New Arrival Students Funding	23,950,000	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	23,950,000	0	0	0	0
SUBTOTAL - (A) Public School Finance	5,104,269,164	5,609,662,199	5,378,358,956	5,587,691,909	5,581,777,996
FTE	16.5	17.5	18.5	19.6	19.6
General Fund	4,240,168,652	4,240,792,803	3,097,929,170	3,148,098,705	3,148,098,705
General Fund Exempt	0	0	1,292,968,309	1,292,968,309	1,292,968,309
Cash Funds	864,100,512	1,368,869,396	987,461,477	1,146,624,895	1,140,710,982
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Categorical Programs

(1) District Programs Required by Statute

Special Education - Children with Disabilities	561,542,608	588,527,830	591,135,231	600,395,183	607,145,997 *
FTE	63.0	100.0	100.0	100.0	100.0
General Fund	93,572,347	93,572,347	93,572,347	93,572,347	93,572,347
Cash Funds	247,285,957	281,992,829	295,122,451	304,062,431	310,813,245
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	220,684,304	212,962,654	202,249,343	202,569,315	202,569,315

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
English Language Proficiency Program	<u>42,681,475</u>	<u>44,954,232</u>	<u>47,603,560</u>	<u>48,232,868</u>	<u>48,273,896</u> *
FTE	4.6	4.6	4.6	4.6	4.6
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	3,101,598
Cash Funds	28,192,293	31,500,608	32,764,666	33,374,633	33,415,661
Reappropriated Funds	0	0	0	0	0
Federal Funds	11,387,584	10,352,026	11,737,296	11,756,637	11,756,637
SUBTOTAL - (1) District Programs Required by Statute	604,224,083	633,482,062	638,738,791	648,628,051	655,419,893
FTE	<u>67.6</u>	<u>104.6</u>	<u>104.6</u>	<u>104.6</u>	<u>104.6</u>
General Fund	96,673,945	96,673,945	96,673,945	96,673,945	96,673,945
Cash Funds	275,478,250	313,493,437	327,887,117	337,437,064	344,228,906
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	232,071,888	223,314,680	213,986,639	214,325,952	214,325,952
(2) Other Categorical Programs					
Public School Transportation	<u>68,839,945</u>	<u>71,840,106</u>	<u>73,461,986</u>	<u>75,480,999</u>	<u>75,616,802</u> *
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	36,922,227
Cash Funds	31,884,000	34,905,938	36,501,594	38,520,607	38,656,410
Reappropriated Funds	33,718	11,941	38,165	38,165	38,165
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education					
	<u>30,514,944</u>	<u>31,993,182</u>	<u>32,689,057</u>	<u>33,644,645</u>	<u>32,689,057</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	12,722,094	14,200,332	14,896,207	15,851,795	14,896,207
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Education Programs for Gifted and Talented Children					
	<u>14,669,280</u>	<u>15,829,446</u>	<u>16,793,762</u>	<u>18,182,256</u>	<u>17,851,877</u> *
FTE	1.5	1.5	1.5	1.5	1.5
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	9,169,280	10,329,446	11,293,762	12,682,256	12,351,877
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Expelled and At-risk Student Services Grant Program					
	<u>9,471,511</u>	<u>9,548,112</u>	<u>9,473,039</u>	<u>9,477,647</u>	<u>9,473,039</u> *
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	5,759,731	5,788,807	5,788,807	5,788,807	5,788,807
Cash Funds	3,711,780	3,759,305	3,684,232	3,688,840	3,684,232
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Small Attendance Center Aid					
	<u>1,599,991</u>	<u>1,604,359</u>	<u>1,606,548</u>	<u>1,607,114</u>	<u>1,606,548</u> *
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	812,346	816,714	818,903	819,469	818,903
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Comprehensive Health Education	<u>1,009,575</u>	<u>1,015,502</u>	<u>1,115,829</u>	<u>1,117,631</u>	<u>1,115,829</u> *
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	300,000	300,000	300,000	300,000	300,000
Cash Funds	709,575	715,502	815,829	817,631	815,829
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (2) Other Categorical Programs	126,105,246	131,830,707	135,140,221	139,510,292	138,353,152
FTE	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,062,453	67,091,529	67,091,529	67,091,529	67,091,529
Cash Funds	59,009,075	64,727,237	68,010,527	72,380,598	71,223,458
Reappropriated Funds	33,718	11,941	38,165	38,165	38,165
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Categorical Programs	730,329,329	765,312,769	773,879,012	788,138,343	793,773,045
FTE	<u>73.1</u>	<u>110.1</u>	<u>110.1</u>	<u>110.1</u>	<u>110.1</u>
General Fund	163,736,398	163,765,474	163,765,474	163,765,474	163,765,474
Cash Funds	334,487,325	378,220,674	395,897,644	409,817,662	415,452,364
Reappropriated Funds	33,718	11,941	229,255	229,255	229,255
Federal Funds	232,071,888	223,314,680	213,986,639	214,325,952	214,325,952
(C) Federal and Other Direct Support					
Appropriated Sponsored Programs	<u>770,548,842</u>	<u>539,743,335</u>	<u>260,503,302</u>	<u>260,703,874</u>	<u>260,703,874</u>
FTE	56.1	59.8	61.3	61.3	61.3
General Fund	0	520,976	0	0	0
Cash Funds	959,995	4,984,372	7,503,302	7,503,302	7,503,302
Reappropriated Funds	0	0	0	0	0
Federal Funds	769,588,847	534,237,987	253,000,000	253,200,572	253,200,572

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (C) Federal and Other Direct Support	770,548,842	539,743,335	260,503,302	260,703,874	260,703,874
<i>FTE</i>	<u>56.1</u>	<u>59.8</u>	<u>61.3</u>	<u>61.3</u>	<u>61.3</u>
General Fund	0	520,976	0	0	0
Cash Funds	959,995	4,984,372	7,503,302	7,503,302	7,503,302
Reappropriated Funds	0	0	0	0	0
Federal Funds	769,588,847	534,237,987	253,000,000	253,200,572	253,200,572

(D) Nutrition

(I) Healthy School Meals for All

Program Administration	<u>267,313</u>	<u>533,981</u>	<u>468,824</u>	<u>1,097,977</u>	<u>1,020,706</u> *
<i>FTE</i>	3.1	3.2	3.2	4.9	4.9
General Fund	0	0	0	0	0
General Fund Exempt	267,313	0	0	0	0
Cash Funds	0	533,981	468,824	1,097,977	1,020,706
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Meal Reimbursements	<u>162,062,095</u>	<u>127,820,967</u>	<u>142,500,000</u>	<u>155,000,000</u>	<u>148,200,000</u> *
General Fund	0	0	0	0	0
General Fund Exempt	155,578,645	0	0	0	0
Cash Funds	6,483,450	127,820,967	142,500,000	155,000,000	148,200,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Local Food Purchasing Grant	0	0	0	<u>18,898,681</u>	<u>18,898,681</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	18,898,681	18,898,681
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Food Technical Assistance Grant	0	0	0	<u>5,000,000</u>	<u>5,000,000</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	5,000,000	5,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Wage Distributions	0	0	0	<u>9,108,307</u>	<u>9,108,307</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	9,108,307	9,108,307
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (I) Healthy School Meals for All	162,329,408	128,354,948	142,968,824	189,104,965	182,227,694
FTE	<u>3.1</u>	<u>3.2</u>	<u>3.2</u>	<u>4.9</u>	<u>4.9</u>
General Fund	0	0	0	0	0
General Fund Exempt	155,845,958	0	0	0	0
Cash Funds	6,483,450	128,354,948	142,968,824	189,104,965	182,227,694
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(II) Other Nutrition Programs					
Federal Nutrition Programs	<u>265,553,674</u>	<u>285,061,666</u>	<u>338,222,699</u>	<u>338,283,206</u>	<u>338,283,206</u>
FTE	9.0	17.0	17.0	17.0	17.0
General Fund	98,433	102,810	111,060	113,764	2,704
Cash Funds	0	0	0	0	111,060
Reappropriated Funds	0	0	0	0	0
Federal Funds	265,455,241	284,958,856	338,111,639	338,169,442	338,169,442
State Match for School Lunch Program	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>
General Fund	0	0	0	0	0
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Child Nutrition School Lunch Protection Program	<u>917,065</u>	<u>224,129</u>	<u>841,460</u>	<u>841,460</u>	<u>841,460</u>
General Fund	880,855	0	0	0	0
Cash Funds	36,210	224,129	841,460	841,460	841,460
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Start Smart Nutrition Program Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>
General Fund	0	0	0	0	700,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Smart Start Nutrition Program	<u>260,058</u>	<u>54,230</u>	<u>296,484</u>	<u>296,484</u>	<u>296,484</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	260,058	54,230	296,484	296,484	296,484
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local School Food Purchasing Programs	<u>672,620</u>	<u>673,366</u>	<u>675,729</u>	<u>675,729</u>	<u>0</u>
FTE	0.4	0.4	0.4	0.4	0.0
General Fund	672,620	0	0	0	0
Cash Funds	0	673,366	675,729	675,729	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Summer Electronic Benefits Transfer for Children Program	<u>0</u>	<u>203,890</u>	<u>447,902</u>	<u>453,064</u>	<u>453,064</u>
FTE	0.0	1.7	1.7	1.7	1.7
General Fund	0	203,890	223,935	229,097	229,097
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	223,967	223,967	223,967
SUBTOTAL - (II) Other Nutrition Programs	269,876,061	288,689,925	342,956,918	343,022,587	343,046,858
FTE	<u>9.4</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>18.7</u>
General Fund	1,651,908	306,700	334,995	342,861	931,801
Cash Funds	2,768,912	3,424,369	4,286,317	4,286,317	3,721,648
Reappropriated Funds	0	0	0	0	0
Federal Funds	265,455,241	284,958,856	338,335,606	338,393,409	338,393,409

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (D) Nutrition	432,205,469	417,044,873	485,925,742	532,127,552	525,274,552
<i>FTE</i>	<u>12.5</u>	<u>22.3</u>	<u>22.3</u>	<u>24.0</u>	<u>23.6</u>
General Fund	1,651,908	306,700	334,995	342,861	931,801
General Fund Exempt	155,845,958	0	0	0	0
Cash Funds	9,252,362	131,779,317	147,255,141	193,391,282	185,949,342
Reappropriated Funds	0	0	0	0	0
Federal Funds	265,455,241	284,958,856	338,335,606	338,393,409	338,393,409

(E) Capital Construction

Division of Public School Capital Construction

Assistance	<u>1,462,498</u>	<u>1,612,285</u>	<u>1,877,508</u>	<u>1,925,630</u>	<u>1,925,630</u>
<i>FTE</i>	0.0	16.0	16.0	16.0	16.0
General Fund	0	0	0	0	0
Cash Funds	1,462,498	1,612,285	1,877,508	1,925,630	1,925,630
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Public School Capital Construction Assistance

Board - Lease Payments	<u>92,627,976</u>	<u>77,103,152</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	92,627,976	77,103,152	150,000,000	150,000,000	150,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Public School Capital Construction Assistance					
Board - Cash Grants	<u>127,341,788</u>	<u>135,421,914</u>	<u>119,027,360</u>	<u>140,068,774</u>	<u>107,443,000</u>
General Fund	0	0	0	0	0
Cash Funds	127,341,788	135,421,914	119,027,360	140,068,774	107,443,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Assistance Priority Assessment	<u>113,200</u>	<u>138,200</u>	<u>150,000</u>	<u>600,000</u>	<u>329,195</u> *
General Fund	0	0	0	0	0
Cash Funds	113,200	138,200	150,000	600,000	329,195
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Aid for Charter School Facilities	<u>43,234,671</u>	<u>42,892,693</u>	<u>42,280,571</u>	<u>42,280,571</u>	<u>43,236,699</u>
General Fund	0	0	0	0	0
Cash Funds	43,234,671	42,892,693	42,280,571	42,280,571	43,236,699
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Distributions related to mascots pursuant to Sec.22-1-133 (7)(b)(II), C.R.S.,	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	300,000	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (E) Capital Construction	265,080,133	257,168,244	313,335,439	334,874,975	302,934,524
<i>FTE</i>	<u>0.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>
General Fund	0	0	0	0	0
Cash Funds	265,080,133	257,168,244	313,335,439	334,874,975	302,934,524
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(F) Indirect Cost Assessment

Indirect Cost Assessment	<u>0</u>	<u>3,967,960</u>	<u>3,967,960</u>	<u>4,493,429</u>
General Fund	0	0	0	0
Cash Funds	0	25,000	25,000	550,469
Reappropriated Funds	0	128,142	128,142	128,142
Federal Funds	0	3,814,818	3,814,818	3,814,818
SUBTOTAL - (F) Indirect Cost Assessment	0	3,967,960	3,967,960	4,493,429
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0
Cash Funds	0	25,000	25,000	550,469
Reappropriated Funds	0	128,142	128,142	128,142
Federal Funds	0	3,814,818	3,814,818	3,814,818

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
TOTAL - (3) School District Operations	7,302,432,937	7,588,931,420	7,215,970,411	7,507,504,613	7,468,957,420
<i>FTE</i>	<u>158.2</u>	<u>225.7</u>	<u>228.2</u>	<u>231.0</u>	<u>230.6</u>
General Fund	4,405,556,958	4,405,385,953	3,262,029,639	3,312,207,040	3,312,795,980
General Fund Exempt	155,845,958	0	1,292,968,309	1,292,968,309	1,292,968,309
Cash Funds	1,473,880,327	2,141,022,003	1,851,478,003	2,092,237,116	2,053,100,983
Reappropriated Funds	33,718	11,941	357,397	357,397	357,397
Federal Funds	1,267,115,976	1,042,511,523	809,137,063	809,734,751	809,734,751

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(4) EDUCATOR TALENT

Funding for the Office of Professional Services and programs related to educator effectiveness.

Office of Professional Services	<u>3,143,308</u>	<u>3,712,363</u>	<u>3,706,445</u>	<u>3,769,810</u>	<u>3,769,810</u>
FTE	27.8	27.2	27.2	27.2	27.2
General Fund	514,588	586,678	804,147	819,734	819,734
Cash Funds	2,628,720	3,125,685	2,902,298	2,950,076	2,950,076
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educator Effectiveness Unit Administration	 <u>3,321,533</u>	 <u>3,460,402</u>	 <u>3,638,702</u>	 <u>3,615,807</u>	 <u>3,615,807</u>
FTE	18.2	18.2	18.2	18.2	18.2
General Fund	3,133,979	3,321,866	3,484,391	3,457,616	3,457,616
Cash Funds	187,554	138,536	154,311	158,191	158,191
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Quality Teacher Recruitment Program	 <u>2,988,409</u>	 <u>2,956,250</u>	 <u>3,000,000</u>	 <u>3,000,000</u>	 <u>3,000,000</u>
General Fund	2,988,409	2,956,250	3,000,000	3,000,000	3,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educator Recruitment and Retention Program	 <u>4,984,347</u>	 <u>4,999,945</u>	 <u>5,000,000</u>	 <u>5,000,000</u>	 <u>5,000,000</u>
General Fund	4,984,347	4,999,945	5,000,000	5,000,000	5,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
School Leadership Pilot Program	<u>240,799</u>	<u>236,932</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
FTE	1.2	1.2	1.2	1.2	1.2
General Fund	240,799	236,932	250,000	250,000	250,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Teacher Degree Apprenticeship Program	<u>0</u>	<u>132,172</u>	<u>103,949</u>	<u>106,844</u>	<u>106,844</u>
FTE	0.0	1.0	1.0	1.0	1.0
General Fund	0	132,172	103,949	106,844	106,844
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Transfer to Dept. of Higher Ed for student educator stipend program	<u>0</u>	<u>3,273,086</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	3,273,086	0	0	0
TOTAL - (4) Educator Talent	14,678,396	18,771,150	15,699,096	15,742,461	15,742,461
FTE	47.2	47.6	47.6	47.6	47.6
General Fund	11,862,122	12,233,843	12,642,487	12,634,194	12,634,194
Cash Funds	2,816,274	6,537,307	3,056,609	3,108,267	3,108,267
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(5) STUDENT LEARNING

Funding for learning supports, intervention, planning, early literacy, and facility schools.

(A) Learning Supports, Intervention, and Planning

Preschool to Postsecondary Education Alignment	<u>717,222</u>	<u>709,607</u>	<u>779,088</u>	<u>801,895</u>	<u>801,895</u>
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	53,881	35,014	39,025	40,046	40,046
Cash Funds	663,341	674,593	740,063	761,849	761,849
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Computer Science Education Grants	<u>491,014 0.4</u>	<u>526,056 0.4</u>	<u>0 0.0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	491,014	526,056	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado High-impact Tutoring Program	<u>4,463,759 1.2</u>	<u>4,942,615 1.2</u>	<u>0 0.0</u>	<u>0</u>	<u>0</u>
General Fund	4,463,759	4,942,615	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Content Specialists	<u>678,333</u>	<u>569,231</u>	<u>733,486</u>	<u>624,757</u>	<u>624,757</u> *
FTE	5.0	5.3	5.4	5.3	5.3
General Fund	57,500	18,021	163,873	37,259	37,259
Cash Funds	620,833	551,210	569,613	587,498	587,498
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Bullying Prevention and Education Cash Fund	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	0
Cash Funds	1,000,000	1,000,000	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Working Group for Identification of and Educational Support for Students with Dyslexia	<u>23,046</u>	<u>25,623</u>	<u>40,616</u>	<u>40,616</u>	<u>40,616</u>
General Fund	23,046	25,623	40,616	40,616	40,616
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
English Language Learners Technical Assistance	<u>425,824 5.0</u>	<u>385,015 5.0</u>	<u>456,302 5.0</u>	<u>457,565 5.0</u>	<u>457,565 5.0</u>
General Fund	377,962	338,935	394,205	394,205	394,205
Cash Funds	47,862	46,080	62,097	63,360	63,360
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Parents Encouraging Parents Conferences	8,580	43,952	68,000	68,000	50,000
General Fund	8,580	43,952	68,000	68,000	50,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Restraint Complaint H.B. 22-1376	<u>0</u>	<u>8,944 1.0</u>	<u>122,501 1.0</u>	<u>123,770 1.0</u>	<u>30,942 0.3</u>
General Fund	0	8,944	122,501	123,770	30,942
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Climate H.B. 22-1376	<u>94,314</u>	<u>89,041 1.0</u>	<u>107,615 1.0</u>	<u>110,130 1.0</u>	<u>110,130 1.0</u>
General Fund	94,314	89,041	107,615	110,130	110,130
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Legal Representation for Due Process Complaints					
Pursuant to Sec. 22-20-108 (3), C.R.S.	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
General Fund	20,000	20,000	20,000	20,000	20,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Math Educator Training and Improvement Planning	<u>469,522</u>	<u>442,884</u>	<u>482,373</u>	<u>491,262</u>	<u>491,262</u>
FTE	3.2	3.5	3.5	3.5	3.5
General Fund	469,522	442,884	482,373	491,262	491,262
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Expulsion Hearing Officer Training and Support	<u>121,630</u>	<u>80,393</u>	<u>117,645</u>	<u>118,935</u>	<u>118,935</u>
FTE	0.9	1.0	1.0	1.0	1.0
General Fund	121,630	80,393	117,645	118,935	118,935
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Abbreviated School Day Training and Assistance	<u>0</u>	<u>0</u>	<u>115,714</u>	<u>115,714</u>	<u>0</u>
FTE	0.0	1.2	1.0	1.0	0.0
General Fund	0	0	115,714	115,714	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 24-1446 Professional Development for Science Teachers	<u>0</u>	<u>189,021</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	189,021	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
IEP Training Program	0	0	<u>91,707</u>	<u>91,707</u>	0
FTE	0.0	0.4	0.5	0.5	0.0
General Fund	0	0	91,707	91,707	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Learning Supports, Intervention, and Planning	9,513,244	10,032,382	4,135,047	4,064,351	2,746,102
FTE	<u>19.7</u>	<u>24.0</u>	<u>22.4</u>	<u>22.3</u>	<u>20.1</u>
General Fund	6,690,194	7,045,422	2,763,274	2,651,644	1,333,395
Cash Funds	2,823,050	2,986,960	1,371,773	1,412,707	1,412,707
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Early Literacy

Early Literacy Program Administration and Technical Support	<u>1,140,834</u>	<u>1,111,816</u>	<u>1,930,481</u>	<u>1,880,877</u>	<u>1,880,877</u>
FTE	9.3	9.3	9.3	9.3	9.3
General Fund	0	0	0	0	0
Cash Funds	1,140,834	1,111,816	1,930,481	1,880,877	1,880,877
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Early Literacy Competitive Grant Program	<u>8,091,177</u>	<u>8,747,518</u>	<u>7,500,000</u>	<u>7,500,000 0.0</u>	<u>8,500,000 0.0</u> *
General Fund	0	0	0	0	0
Cash Funds	8,091,177	8,747,518	7,500,000	7,500,000	8,500,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Evidence Program Evidence Based Training Provided to Teachers	<u>1,223,542</u>	<u>1,451,701</u>	<u>2,784,277</u>	<u>2,807,103</u>	<u>1,807,103</u>
FTE	3.5	3.5	3.5	3.5	3.5
General Fund	0	0	0	0	0
Cash Funds	1,223,542	1,451,701	2,784,277	2,807,103	1,807,103
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
READ Act Targeted Training Initiative	<u>0</u>	<u>0</u>	<u>3,361,590</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	2.0	0.0	0.0
Cash Funds	0	0	3,361,590	0	0
Early Literacy Program External Evaluation	<u>750,000</u>	<u>749,817</u>	<u>750,000</u>	<u>0</u>	<u>750,000</u> *
General Fund	0	0	0	0	0
Cash Funds	750,000	749,817	750,000	0	750,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Early Literacy Program Public Information Campaign	<u>468,740</u>	<u>483,314</u>	<u>505,240</u>	<u>307,298</u>	<u>307,298</u> *
FTE	0.5	0.5	0.5	0.5	0.5
General Fund	0	0	0	0	0
Cash Funds	468,740	483,314	505,240	307,298	307,298
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Per Pupil Intervention Program	<u>25,474,497</u>	<u>26,218,470</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	25,474,497	26,218,470	26,261,551	26,261,551	26,261,551
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Assessment Tool Program	<u>2,055,748</u>	<u>1,867,891</u>	<u>2,997,072</u>	<u>2,997,072</u>	<u>2,997,072</u>
General Fund	0	0	0	0	0
Cash Funds	2,055,748	1,867,891	2,997,072	2,997,072	2,997,072
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Early Literacy	39,204,538	40,630,527	46,090,211	41,753,901	42,503,901
FTE	<u>13.3</u>	<u>13.3</u>	<u>15.3</u>	<u>13.3</u>	<u>13.3</u>
General Fund	0	0	0	0	0
Cash Funds	39,204,538	40,630,527	46,090,211	41,753,901	42,503,901
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(C) Facility Schools					
Facility Schools Office, Facility School Board, and Facility School Technical Assistance Center	<u>696,882</u>	<u>606,046</u>	<u>894,607</u>	<u>910,934</u>	<u>910,934</u>
FTE	7.1	7.6	8.6	8.6	8.6
General Fund	0	0	0	0	0
Cash Funds	696,882	606,046	894,607	910,934	910,934
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 State School Funding	 <u>1,566,230</u>	 <u>1,857,109</u>	 <u>1,925,110</u>	 <u>1,925,110</u>	 <u>2,054,707</u>
General Fund	0	0	0	0	0
Cash Funds	1,566,230	1,857,109	1,925,110	1,925,110	2,054,707
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Facility School Funding	 <u>23,975,383</u>	 <u>27,849,822</u>	 <u>33,343,020</u>	 <u>33,343,020</u>	 <u>33,043,020</u>
General Fund	0	0	0	0	0
Cash Funds	23,975,383	27,849,822	33,343,020	33,343,020	33,043,020
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Facility Schools Work Group and Program					
Evaluation Contracts	<u>0</u>	<u>76,827</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	76,827	200,000	200,000	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Facility Schools Shared Operational Services Grant					
Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (C) Facility Schools	26,238,495	30,389,804	36,362,737	36,379,064	36,008,661
<i>FTE</i>	<u>7.1</u>	<u>7.6</u>	<u>8.6</u>	<u>8.6</u>	<u>8.6</u>
General Fund	0	0	0	0	0
Cash Funds	26,238,495	30,389,804	36,362,737	36,379,064	36,008,661
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (5) Student Learning	74,956,277	81,052,713	86,587,995	82,197,316	81,258,664
<i>FTE</i>	<u>40.1</u>	<u>44.9</u>	<u>46.3</u>	<u>44.2</u>	<u>42.0</u>
General Fund	6,690,194	7,045,422	2,763,274	2,651,644	1,333,395
Cash Funds	68,266,083	74,007,291	83,824,721	79,545,672	79,925,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(6) SCHOOL QUALITY AND SUPPORT

Funding for the Division of Online Learning, Schools of Choice Office, and programs related to accountability and transformation.

(A) Accountability and Transformation

Longitudinal Analysis of Student Assessment

Results	<u>617,045</u>	<u>549,816</u>	<u>715,780</u>	<u>726,135</u>	<u>726,135</u>
FTE	5.6	5.1	5.1	5.1	5.1
General Fund	617,045	549,816	715,780	726,135	726,135
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Accountability and Improvement Planning	<u>1,270,113</u>	<u>1,348,365</u>	<u>3,154,573</u>	<u>2,843,989</u>	<u>2,787,287</u>
FTE	11.9	15.1	19.6	18.0	17.5
General Fund	1,270,113	1,348,365	2,089,304	1,778,720	1,722,018
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,065,269	1,065,269	1,065,269

Local Accountability System Grant Program	<u>406,616 0.4</u>	<u>449,960 0.4</u>	<u>417,346 0.4</u>	<u>399,300 0.4</u>	<u>0 0.0</u> *
General Fund	406,616	449,960	417,346	399,300	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
School Transformation Grant Program	<u>6,826,480</u>	<u>8,008,677</u>	<u>8,121,243</u>	<u>8,137,202</u>	<u>8,137,202</u>
FTE	3.9	4.0	4.0	4.0	4.0
General Fund	4,985,875	6,073,920	6,102,141	6,114,491	6,114,491
Cash Funds	1,840,605	1,934,757	2,019,102	2,022,711	2,022,711
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal School Transformation Administration and Support	<u>0</u>	<u>0</u>	<u>769,725</u>	<u>769,725</u>	<u>769,725</u>
FTE	0.0	4.2	4.2	4.2	4.2
Cash Funds	0	0	0	0	0
Federal Funds	0	0	769,725	769,725	769,725
Educator Perception	<u>83,500</u>	<u>25,000</u>	<u>83,500</u>	<u>25,000</u>	<u>25,000</u>
General Fund	83,500	25,000	83,500	25,000	25,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 23-1241 Accountability, Accreditation, Student Performance, and Resource Inequity Task Force	<u>119,560</u>	<u>139,953</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	119,560	139,953	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (A) Accountability and Transformation	9,323,314	10,521,771	13,262,167	12,901,351	12,445,349
<i>FTE</i>	<u>22.1</u>	<u>28.8</u>	<u>33.3</u>	<u>31.7</u>	<u>30.8</u>
General Fund	7,482,709	8,587,014	9,408,071	9,043,646	8,587,644
Cash Funds	1,840,605	1,934,757	2,019,102	2,022,711	2,022,711
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,834,994	1,834,994	1,834,994

(B) Schools of Choice

Schools of Choice	<u>325,806</u>	<u>350,288</u>	<u>10,704,219</u>	<u>10,712,377</u>	<u>10,712,377</u>
<i>FTE</i>	6.8	6.8	6.8	6.8	6.8
General Fund	325,806	350,288	377,719	385,877	385,877
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,326,500	10,326,500	10,326,500
Supplemental Online Education Services	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Office of Online and Hybrid Learning and Innovation Schools	<u>470,137</u>	<u>523,077</u>	<u>564,576</u>	<u>582,191</u>	<u>582,191</u>
FTE	4.7	4.8	4.8	4.8	4.8
General Fund	46,347	46,177	48,677	49,628	49,628
Cash Funds	423,790	476,900	515,899	532,563	532,563
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Schools of Choice	2,015,943	2,093,365	12,488,795	12,514,568	12,514,568
FTE	<u>11.5</u>	<u>11.6</u>	<u>11.6</u>	<u>11.6</u>	<u>11.6</u>
General Fund	372,153	396,465	426,396	435,505	435,505
Cash Funds	1,643,790	1,696,900	1,735,899	1,752,563	1,752,563
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,326,500	10,326,500	10,326,500
TOTAL - (6) School Quality and Support	11,339,257	12,615,136	25,750,962	25,415,919	24,959,917
FTE	<u>33.6</u>	<u>40.4</u>	<u>44.9</u>	<u>43.3</u>	<u>42.4</u>
General Fund	7,854,862	8,983,479	9,834,467	9,479,151	9,023,149
Cash Funds	3,484,395	3,631,657	3,755,001	3,775,274	3,775,274
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	12,161,494	12,161,494	12,161,494

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(7) STUDENT PATHWAYS

Funding for health and wellness, dropout prevention, and career readiness programs.

(A) Health and Wellness

S.B. 97-101 Public School Health Services	<u>184,940</u>	<u>173,411</u>	<u>188,112</u>	<u>188,112</u>	<u>188,112</u>
FTE	1.4	1.4	1.4	1.4	1.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	184,940	173,411	188,112	188,112	188,112
Federal Funds	0	0	0	0	0
 Behavioral Health Care Professional Matching					
Grant Program	<u>14,979,305</u>	<u>14,959,092</u>	<u>14,984,818</u>	<u>14,999,647</u>	<u>11,999,647</u>
FTE	5.0	5.0	5.0	5.0	4.0
General Fund	0	0	0	0	0
Cash Funds	14,979,305	14,959,092	14,984,818	14,999,647	11,999,647
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 S.B. 24-048 Substance use disorders recovery grant					
pilot program	<u>0</u>	<u>69,007</u>	<u>25,011</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.2	0.2	0.0	0.0
General Fund	0	69,007	25,011	0	0
Cash Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Mental Health Education Resource Bank and Technical Assistance	<u>49,959</u>	<u>46,592</u>	<u>51,321</u>	<u>52,387</u>	<u>52,387</u>
FTE	0.6	0.6	0.6	0.6	0.6
General Fund	49,959	46,592	51,321	52,387	52,387
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
K-5 Social and Emotional Health Pilot Program	<u>2,461,585</u>	<u>2,423,128</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.0	1.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	2,461,585	2,423,128	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Menstrual Hygiene Product Accessibility Grant Program	<u>97,499</u>	<u>190,129 0.2</u>	<u>100,000 0.2</u>	<u>100,000 0.2</u>	<u>0 0.0</u>
General Fund	97,499	190,129	100,000	100,000	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Epinephrine Administration	<u>0</u>	<u>0</u>	<u>9,379</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.1	0.0	0.0
General Fund	0	0	9,379	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (A) Health and Wellness	17,773,288	17,861,359	15,358,641	15,340,146	12,240,146
<i>FTE</i>	8.0	8.4	7.5	7.2	6.0
General Fund	147,458	305,728	185,711	152,387	52,387
Cash Funds	17,440,890	17,382,220	14,984,818	14,999,647	11,999,647
Reappropriated Funds	184,940	173,411	188,112	188,112	188,112
Federal Funds	0	0	0	0	0

(B) Dropout Prevention and Student Reengagement

Dropout Prevention	<u>1,996,390</u>	<u>1,995,296</u>	<u>2,005,329</u>	<u>2,007,157</u>	<u>2,007,157</u>
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	1,996,390	1,995,296	2,005,329	2,007,157	2,007,157
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Ninth Grade Success Grant Program	 <u>2,394,535</u>	 <u>1,919,251</u>	 <u>2,007,458</u>	 <u>2,012,553</u>	 <u>2,012,553</u>
FTE	1.8	1.4	1.4	1.4	1.4
General Fund	2,394,535	0	0	0	0
Cash Funds	0	1,919,251	2,007,458	2,012,553	2,012,553
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Foster Care H.B. 22-1374	 <u>61,386</u>	 <u>67,604</u>	 <u>72,316</u>	 <u>74,074</u>	 <u>74,074</u>
FTE	0.0	0.4	0.6	0.6	0.6
General Fund	61,386	67,604	72,316	74,074	74,074
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Educational Stability Grant	<u>954,627</u>	<u>841,847</u>	<u>1,035,679</u>	<u>1,042,337</u>	<u>1,042,337</u>
FTE	3.0	3.0	3.0	3.0	3.0
General Fund	954,627	841,847	1,035,679	1,042,337	1,042,337
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 23-1231 Colorado Academic Accelerator Grant Program	<u>7,793,259</u>	<u>463,896</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.6	0.0	0.0	0.0	0.0
General Fund	7,793,259	463,896	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 24-1216 Supports for youth in juvenile justice system	<u>0</u>	<u>46,543</u>	<u>92,362</u>	<u>81,278</u>	<u>81,278</u>
FTE	0.0	0.1	0.8	0.5	0.5
General Fund	0	46,543	92,362	81,278	81,278
Cash Funds	0	0	0	0	0
H.B. 24-1331 Out-of-School Time Grant Program	<u>0</u>	<u>3,371,878</u>	<u>3,461,979</u>	<u>3,464,131</u>	<u>3,464,131</u>
FTE	0.0	1.3	1.4	1.6	1.6
General Fund	0	3,371,878	3,461,979	3,464,131	3,464,131
Cash Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Homeless student scholarship program	0	<u>23,772</u>	<u>26,632</u>	<u>28,123</u>	<u>28,123</u>
FTE	0.0	0.2	0.2	0.2	0.2
General Fund	0	23,772	26,632	28,123	28,123
Cash Funds	0	0	0	0	0
SUBTOTAL - (B) Dropout Prevention and Student Reengagement	13,200,197	8,730,087	8,701,755	8,709,653	8,709,653
FTE	8.4	7.4	8.4	8.3	8.3
General Fund	11,203,807	4,815,540	4,688,968	4,689,943	4,689,943
Cash Funds	1,996,390	3,914,547	4,012,787	4,019,710	4,019,710
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(C) Career Readiness

Postsecondary Workforce Readiness

Administration	0	0	<u>482,217</u>	<u>1,169,295</u>	<u>1,169,295</u>
FTE	0.0	0.0	5.1	4.0	4.0
General Fund	0	0	482,217	482,217	482,217
Cash Funds	0	0	0	687,078	687,078

Career Development Success Program

	<u>9,508,466</u>	<u>9,509,690</u>	<u>5,000,000</u>	0	0
FTE	0.9	1.1	0.5	0.0	0.0
General Fund	9,508,466	9,509,690	5,000,000	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
College and Career Readiness	<u>352,991</u>	<u>352,735</u>	<u>369,125</u>	<u>375,034</u>	<u>285,911</u>
FTE	3.1	3.2	2.9	2.9	2.7
General Fund	352,991	352,735	369,125	375,034	285,911
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Concurrent Enrollment Expansion and Innovation	<u>1,456,830</u>	<u>1,474,978</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	1,456,830	1,474,978	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Accelerated College Opportunity Exam Fee Grant	<u>535,702 0.4</u>	<u>524,998 0.4</u>	<u>0 0.0</u>	<u>0</u>	<u>0</u>
General Fund	535,702	524,998	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Counselor Corps Grant Program	<u>12,015,310</u>	<u>11,992,298</u>	<u>12,029,506</u>	<u>12,039,840</u>	<u>11,039,840</u>
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	12,015,310	11,992,298	12,029,506	12,039,840	11,039,840
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Fourth-year Innovation Pilot Program -					
Distributions to LEPs	<u>283,824</u>	<u>386,659</u>	<u>386,659</u>	<u>562,164</u>	<u>0</u> *
General Fund	283,824	386,659	386,659	562,164	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
High School Innovative Learning Pilot Program	<u>299,750 0.6</u>	<u>320,531 0.6</u>	<u>0 0.0</u>	<u>0</u>	<u>0</u>
General Fund	299,750	320,531	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
John W Buckner Automatic Enrollment in Advanced Courses Grant Program	<u>254,266</u>	<u>31,290</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.3	0.0	0.0	0.0
General Fund	254,266	31,290	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Basic Skills Placement or Assessment Tests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Colorado Career Advisor Training Program	<u>982,416</u>	<u>0 0.0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	982,416	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Adult Education and Literacy Grant	<u>2,618,926</u>	<u>744,029</u>	<u>2,965,365</u>	<u>2,971,512</u>	<u>1,971,512</u>
FTE	2.3	2.3	2.3	2.3	2.3
General Fund	2,618,926	744,029	2,965,365	2,971,512	1,971,512
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Adult High School Program	<u>322,594</u>	<u>1,449,594</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.7	0.0	0.0	0.0	0.0
General Fund	322,594	1,449,594	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal Adult Education Support	<u>0</u>	<u>0</u>	<u>9,193,475</u>	<u>9,193,475</u>	<u>9,193,475</u>
FTE	0.0	8.9	8.9	8.9	8.9
General Fund	0	0	0	0	0
Federal Funds	0	0	9,193,475	9,193,475	9,193,475
Implementation of H.B. 22-1215 Task Force Report	<u>0</u>	<u>761,534</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.2	0.0	0.0	0.0
General Fund	0	761,534	0	0	0
Cash Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
ASCENT Program Study	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Postsecondary Workforce Readiness Start-up for LEPs	<u>0</u>	<u>0</u>	<u>4,536,498</u>	<u>9,759,112</u>	<u>9,759,112</u>
General Fund	0	0	4,291,366	4,291,366	4,291,366
Cash Funds	0	0	245,132	5,467,746	5,467,746
Postsecondary Workforce Readiness Sustain for LEPs	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,702,625</u>	<u>12,702,625</u>
Cash Funds	0	0	0	12,702,625	12,702,625
Support to LEPs for Student Financial Literacy Initiatives	<u>0</u>	<u>0</u>	<u>210,389</u>	<u>0</u>	<u>0</u>
General Fund	0	0	210,389	0	0
SUBTOTAL - (C) Career Readiness	28,631,075	27,548,336	35,173,234	48,773,057	46,121,770
FTE	<u>10.3</u>	<u>19.0</u>	<u>21.7</u>	<u>20.1</u>	<u>19.9</u>
General Fund	15,158,935	14,081,060	13,705,121	8,682,293	7,031,006
Cash Funds	13,472,140	13,467,276	12,274,638	30,897,289	29,897,289
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	9,193,475	9,193,475	9,193,475
TOTAL - (7) Student Pathways	59,604,560	54,139,782	59,233,630	72,822,856	67,071,569
FTE	<u>26.7</u>	<u>34.8</u>	<u>37.6</u>	<u>35.6</u>	<u>34.2</u>
General Fund	26,510,200	19,202,328	18,579,800	13,524,623	11,773,336
Cash Funds	32,909,420	34,764,043	31,272,243	49,916,646	45,916,646
Reappropriated Funds	184,940	173,411	188,112	188,112	188,112
Federal Funds	0	0	9,193,475	9,193,475	9,193,475

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(8) LIBRARY PROGRAMS

Funding for all of the department's library-related programs and staff.

Administration	<u>963,807</u>	<u>1,355,706</u>	<u>1,320,400</u>	<u>1,348,630</u>	<u>1,348,630</u>
FTE	14.3	14.3	14.3	14.3	14.3
General Fund	941,789	1,335,422	1,052,987	1,081,217	1,081,217
Cash Funds	22,018	20,284	267,413	267,413	267,413
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Federal Library Funding	 <u>3,556,003</u>	 <u>3,469,216</u>	 <u>3,544,534</u>	 <u>3,611,418</u>	 <u>3,611,418</u>
FTE	23.8	24.8	24.8	24.8	24.8
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,556,003	3,469,216	3,544,534	3,611,418	3,611,418
 Colorado Library Consortium	 <u>1,150,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>
General Fund	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Colorado Virtual Library	 <u>359,796</u>	 <u>338,330</u>	 <u>379,796</u>	 <u>379,796</u>	 <u>379,796</u>
General Fund	359,796	338,330	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Colorado Talking Book Library	<u>276,849</u>	<u>343,685 2.7</u>	<u>354,001 2.7</u>	<u>356,201 2.7</u>	<u>356,201 2.7</u>
General Fund	94,512	90,304	96,146	96,146	96,146
Cash Funds	0	0	0	0	0
Reappropriated Funds	182,337	253,381	257,855	260,055	260,055
Federal Funds	0	0	0	0	0
Reading Services for the Blind	<u>660,000</u>	<u>860,000</u>	<u>860,000</u>	<u>860,000</u>	<u>860,000</u>
General Fund	50,000	250,000	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	610,000	610,000	860,000	860,000	860,000
Federal Funds	0	0	0	0	0
State Grants to Publicly-Supported Libraries					
Program	<u>2,976,150</u>	<u>2,997,485</u>	<u>2,997,485</u>	<u>2,997,485</u>	<u>2,997,485</u>
General Fund	2,976,150	2,997,485	2,997,485	2,997,485	2,997,485
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Imagination Library Program	<u>819,973</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	819,973	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Indirect Cost Assessment	0	0	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	55,327	55,327	55,327
TOTAL - (8) Library Programs	10,762,578	10,514,422	10,661,543	10,758,857	10,758,857
<i>FTE</i>	<u>38.1</u>	<u>41.8</u>	<u>41.8</u>	<u>41.8</u>	<u>41.8</u>
General Fund	6,392,220	6,161,541	5,656,414	5,684,644	5,684,644
Cash Funds	22,018	20,284	287,413	287,413	287,413
Reappropriated Funds	792,337	863,381	1,117,855	1,120,055	1,120,055
Federal Funds	3,556,003	3,469,216	3,599,861	3,666,745	3,666,745

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(9) SCHOOL FOR THE DEAF AND THE BLIND

Funding to support the operation of the Colorado School for the Deaf and the Blind, located in Colorado Springs, which provides educational services for children throughout the State who are deaf, hard of hearing, blind, or visually impaired.

(A) School Operations

Personal Services	<u>12,343,103</u>	<u>13,907,714</u>	<u>14,635,354</u>	<u>15,041,487</u>	<u>14,752,252</u> *
FTE	153.1	156.1	156.1	156.1	156.1
General Fund	10,616,610	12,080,631	12,773,567	13,163,417	12,711,749
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,726,493	1,827,083	1,861,787	1,878,070	2,040,503
Federal Funds	0	0	0	0	0
 Early Intervention Services	 <u>1,334,132</u>	 <u>1,376,111</u>	 <u>1,446,524</u>	 <u>1,484,552</u>	 <u>1,484,552</u>
FTE	10.0	10.0	10.0	10.0	10.0
General Fund	1,334,132	1,376,111	1,446,524	1,484,552	1,484,552
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Shift Differential	 <u>66,000</u>	 <u>76,680</u>	 <u>75,298</u>	 <u>86,710</u>	 <u>86,710</u>
General Fund	66,000	76,680	75,298	86,710	86,710
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Operating Expenses	<u>694,291</u>	<u>794,291</u>	<u>694,291</u>	<u>694,291</u>	<u>694,291</u>
General Fund	694,291	794,291	694,291	694,291	694,291
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Vehicle Lease Payments	<u>35,112</u>	<u>42,433</u>	<u>39,333</u>	<u>49,431</u>	<u>43,553</u> *
General Fund	35,112	42,433	39,333	49,431	43,553
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Utilities	<u>726,161</u>	<u>745,981</u>	<u>745,981</u>	<u>745,981</u>	<u>745,981</u>
General Fund	726,161	745,981	745,981	745,981	745,981
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Allocation of State and Federal Categorical Program					
Funding	<u>157,549</u>	<u>116,293</u>	<u>191,920</u>	<u>192,800</u>	<u>192,800</u>
FTE	0.4	0.4	0.4	0.4	0.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	157,549	116,293	191,920	192,800	192,800
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Medicaid Reimbursements for Public School Health Services	<u>218,291</u>	<u>234,966</u>	<u>450,776</u>	<u>452,976</u>	<u>452,976</u>
FTE	1.5	2.0	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	218,291	234,966	450,776	452,976	452,976
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) School Operations	15,574,639	17,294,469	18,279,477	18,748,228	18,453,115
FTE	<u>165.0</u>	<u>168.5</u>	<u>168.5</u>	<u>168.5</u>	<u>168.5</u>
General Fund	13,472,306	15,116,127	15,774,994	16,224,382	15,766,836
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,102,333	2,178,342	2,504,483	2,523,846	2,686,279
Federal Funds	0	0	0	0	0
(B) Special Purpose					
Fees and Conferences	<u>93,772</u>	<u>97,561</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
General Fund	0	0	0	0	0
Cash Funds	93,772	97,561	120,000	120,000	120,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Outreach Services	<u>362,996</u>	<u>472,089</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
FTE	6.2	6.2	6.2	6.2	6.2
General Fund	0	0	0	0	0
Cash Funds	283,215	399,324	750,000	750,000	750,000
Reappropriated Funds	79,781	72,765	250,000	250,000	250,000
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Tuition from Out-of-state Students	0	0	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	200,000	200,000	200,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Grants	<u>350,007</u>	<u>511,248</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
FTE	6.0	6.0	6.0	6.0	6.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	350,007	511,248	1,000,000	1,000,000	1,000,000
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Special Purpose	806,775	1,080,898	2,320,000	2,320,000	2,320,000
FTE	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>
General Fund	0	0	0	0	0
Cash Funds	376,987	496,885	1,070,000	1,070,000	1,070,000
Reappropriated Funds	429,788	584,013	1,250,000	1,250,000	1,250,000
Federal Funds	0	0	0	0	0
TOTAL - (9) School for the Deaf and the Blind	16,381,414	18,375,367	20,599,477	21,068,228	20,773,115
FTE	<u>177.2</u>	<u>180.7</u>	<u>180.7</u>	<u>180.7</u>	<u>180.7</u>
General Fund	13,472,306	15,116,127	15,774,994	16,224,382	15,766,836
Cash Funds	376,987	496,885	1,070,000	1,070,000	1,070,000
Reappropriated Funds	2,532,121	2,762,355	3,754,483	3,773,846	3,936,279
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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(10) CHARTER SCHOOL INSTITUTE

Funding for the Charter School Institute, which is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization.

State Charter School Institute Administration,

Oversight, and Management	<u>6,899,950</u>	<u>7,511,931</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
FTE	11.7	11.7	11.7	11.7	11.7
General Fund	0	0	0	0	0
Cash Funds	1,899,950	2,511,931	0	0	0
Reappropriated Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Federal Funds	0	0	0	0	0
 Institute Charter School Assistance Fund	 <u>2,961,248</u>	 <u>3,083,480</u>	 <u>1,800,000</u>	 <u>1,800,000</u>	 <u>1,800,000</u>
General Fund	0	0	0	0	0
Cash Funds	2,961,248	3,083,480	1,800,000	1,800,000	1,800,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Other Transfers to Institute Charter Schools	 <u>24,809,219</u>	 <u>37,424,675</u>	 <u>21,500,000</u>	 <u>21,500,000</u>	 <u>21,500,000</u>
General Fund	0	0	0	0	0
Cash Funds	3,316,987	15,932,646	0	0	0
Reappropriated Funds	21,492,232	21,492,029	21,500,000	21,500,000	21,500,000
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Transfer of Federal Money to Institute Charter Schools	<u>18,028,576</u> 4.5	<u>15,780,692</u> 4.5	<u>17,400,000</u> 4.5	<u>17,400,000</u> 4.5	<u>17,400,000</u> 4.5
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	17,400,000	17,400,000	17,400,000
Federal Funds	18,028,576	15,780,692	0	0	0
CSI Mill Levy Equalization	<u>54,688,664</u>	<u>48,422,849</u>	<u>54,617,900</u>	<u>55,943,725</u>	<u>56,658,283</u> *
General Fund	27,000,000	27,220,696	27,220,696	23,304,663	23,304,663
Cash Funds	688,664	21,202,153	27,397,204	32,639,062	33,353,620
Reappropriated Funds	27,000,000	0	0	0	0
Federal Funds	0	0	0	0	0
Implementation of Section 22-30.5-501	<u>114,317</u> 1.6	<u>200,562</u> 1.6	<u>243,362</u> 1.6	<u>243,362</u> 1.6	<u>243,362</u> 1.6
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	114,317	200,562	243,362	243,362	243,362
Federal Funds	0	0	0	0	0
TOTAL - (10) Charter School Institute	107,501,974	112,424,189	100,561,262	101,887,087	102,601,645
<i>FTE</i>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	27,000,000	27,220,696	27,220,696	23,304,663	23,304,663
Cash Funds	8,866,849	42,730,210	29,197,204	34,439,062	35,153,620
Reappropriated Funds	53,606,549	26,692,591	44,143,362	44,143,362	44,143,362
Federal Funds	18,028,576	15,780,692	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
TOTAL - Department of Education	7,656,884,919	7,971,113,393	7,612,937,372	7,920,211,578	7,874,304,161
<i>FTE</i>	<u>640.3</u>	<u>741.1</u>	<u>751.4</u>	<u>752.2</u>	<u>740.4</u>
General Fund	4,524,030,001	4,523,688,296	3,376,747,710	3,420,351,597	3,416,691,520
General Fund Exempt	155,845,958	0	1,292,968,309	1,292,968,309	1,292,968,309
Cash Funds	1,617,187,349	2,335,371,697	2,037,930,016	2,298,927,590	2,257,032,085
Reappropriated Funds	62,144,130	35,900,883	55,936,930	56,873,685	56,533,744
Federal Funds	1,297,677,481	1,076,152,517	849,354,407	851,090,397	851,078,503



Memorandum

To:
From: Amanda Bickel, JBC Staff (303-866-4960)
Date: February 24, 2026
Subject: Department of Education other than School Finance – Additional Balancing Options

Given the challenging budget situation facing the Committee, staff is providing additional information and options that may be helpful in thinking about the parts of the Department of Education that are not school finance or categorical programs.

Where is the money in this part of the Department of Education?

Below is a summary of appropriations for FY 2025-26 by major program area.

FY 2025-26 Appropriations for Programs *other than* School Finance, Categorical

Program Group	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Nutrition	\$485,925,742	\$334,995	\$147,255,141	\$0	\$338,335,606	19.1
Capital Construction	313,335,439	0	313,335,439	0	0	16.0
Federal and Other Direct Support	260,503,302	0	7,503,302	0	253,000,000	61.3
State Charter School Institute	100,561,262	27,220,696	29,197,204	44,143,362	0	17.8
Early Literacy	46,090,211	0	46,090,211	0	0	15.3
Management and Administration	44,881,776	22,245,939	8,809,684	6,375,721	7,450,432	86.6
Facility Schools	36,362,737	0	36,362,737	0	0	8.6
Career Readiness	35,173,234	13,705,121	12,274,638	0	9,193,475	21.7
Statewide Assessment Program	32,991,220	0	25,179,138	0	7,812,082	19.9
Colorado School for the Deaf and the Blind	20,605,355	15,780,872	1,070,000	3,754,483	0	180.7
Educator Talent	15,699,096	12,642,487	3,056,609	0	0	47.6
Health and Wellness	15,358,641	185,711	14,984,818	188,112	0	7.2
School Accountability and Transformation	13,262,167	9,408,071	2,019,102	0	1,834,994	33.3

Program Group	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Schools of Choice	12,488,795	426,396	1,735,899	0	10,326,500	11.6
Library Programs	10,661,543	5,656,414	287,413	1,117,855	3,599,861	41.8
Dropout Prevention and Student Reengagement	8,701,755	4,688,968	4,012,787	0	0	8.4
Learning Supports, Intervention, and Planning	4,135,047	2,763,274	1,371,773	0	0	22.4
Indirect Cost Collections, Other	3,967,960	0	25,000	128,142	3,814,818	0.0
Total	\$1,460,705,282	\$115,058,944	\$654,570,895	\$55,707,675	\$635,367,768	619.3

What funds are driven by General Assembly decisions and how have they grown?

In addition to the General Fund, there are various sources of cash funds within this Department that originate as tax revenues or are relatively “fungible”. The cash fund sources are predominantly State Education Fund, Healthy School Meals for All Cash Funds, Marijuana Tax Cash Funds, and the Public School Capital Construction Assistance Fund, which originates from multiple sources including State Land Board and Permanent Fund earnings (earnings on assets held in trust for public schools) and marijuana excise tax revenue.

The table below drills down to FY 2025-26 amounts that are most clearly under the General Assembly’s control and highlights how much funding from these sources has changed since FY 2018-19. Staff has excluded Healthy School Meals for All Cash Funds, since this is new revenue provided based on votes of the people for a specific purpose.¹

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	\$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
General Fund	\$51,909,026	\$67,552,774	\$115,058,944	\$47,506,170	70.3%
State Ed Fund + Early Literacy [1]	124,778,813	162,383,224	190,820,668	28,437,444	17.5%
Marijuana Tax CF	21,398,827	27,847,761	17,242,066	-10,605,695	-38.1%
Public School Cap Construction Assistance Fund	146,090,205	190,117,199	215,454,077	25,336,878	13.3%
Total	\$344,176,871	\$447,900,958	\$538,575,755	\$90,674,797	20.2%

[1] FY 2018-19 State Education Fund appropriations have been adjusted to exclude English Language Learner support that was removed associated with increases in school finance and categorical program funding for this population.

¹ Of the total funding for Public School Capital Construction, \$40.0 million is from Marijuana Excise Tax is also based on a popular vote and is constitutional, but this is no longer the predominant source of funding.

How much is this compared to School Finance & Categorical Program funding?

FY 2025-26 appropriations for School Finance and Categorical Programs include \$5.9 billion from the General Fund and cash funds. **The \$538.6 million shown above represents 8.3 percent of total General Fund + (selected) cash funds in this department.**

- The General Assembly must retain *some* centralized resources for the Department if it wishes to have any oversight or ability to shift the behavior of the State’s 178 school districts.
- This part of the budget also includes the funding for the Colorado School for the Deaf and the Blind, as well as facility schools that serve students with exceptionally severe or specialized needs. Eliminating or severely reducing the funding for these budget components would result in school closures.

What has grown the most since FY 2018-19?

A comparison by division is challenging, because the budget has been reorganized since FY 2018-19. However, some of the programs that have grown the most are highlighted below.

What has grown the most FY 2018-19 to FY 2025-26?
 [General Fund, State Education Fund, Marijuana Tax CF,
 & Public School Capital Construction Assistance Fund Only]

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	\$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
Charter School Institute	\$5,523,862	\$7,188,580	\$56,417,900	\$49,229,320	684.8%
Public School Capital Construction	146,090,205	190,117,199	215,454,077	25,336,878	13.3%
Facility schools	15,987,271	20,805,332	36,362,737	15,557,405	74.8%
School Transformation Grants	2,001,900	2,605,210	8,121,243	5,516,033	211.7%
Everything Else	174,573,633	227,184,637	222,219,798	-4,964,839	-2.2%
Total	\$344,176,871	\$447,900,958	\$538,575,755	\$90,674,797	20.2%

How far do staff recommendations get you toward eliminating growth since FY 2018-19?

The staff recommendations make a significant dent in the \$90.7 million above, but a considerable share of the staff recommendations are one-time options and some of the staff options are controversial and will require a bill. Further, the General Assembly already made adjustments to funding for Public School Capital Construction Assistance that will bring that funding down over time.² Given this, staff suggests that a reasonable goal might be to reduce funding for General Fund, State Education Fund, and Marijuana Tax Cash Fund back to the FY 2018-19 level, after adjusting for inflation.

² H.B. 25-1320 (School Finance) capped revenue to the Public School Capital Construction Assistance Fund at \$150.0M per year, except that interest on the Permanent Fund that exceeds \$41.0M is not capped.

Reduction Goal: Eliminate the Increase from FY 18-19 (inflation adjusted) to FY 2025-26
 [General Fund, State Education Fund, Marijuana Tax Cash Fund Only]

	Amount
Total of General Fund and Cash Funds Above	\$90,674,797
Less Public School Capital Construction	-25,336,878
Goal: GF, SEF, MTCF	\$65,337,919

If the JBC were to proceed with the staff recommendation included in the Staff Figure Setting packet, it would achieve the goal above, *but much of the savings would be one-time.*

Staff Recommendation to Compare to Goal

Staff Recommendations	Amount
Ongoing savings	-\$26,722,381
One-time savings	-39,530,962
Total	-\$66,253,343

In addition, some of the changes recommended by staff will require a bill, and there may not be consensus on the items requiring legislation. The table below focuses on the ongoing staff and Department reduction items and separates out items requiring a bill that may be more controversial.

Ongoing Reduction Items v. Goal

Ongoing Reduction Items	Amount
Ongoing Staff Recommendations that do not require a bill + Legacy Nutrition Programs Bill (being drafted)	-\$9,843,717
Ongoing cuts offered by Department and recommended by staff that don't duplicate staff recommendations [1]	-920,013
Subtotal	-10,763,730
<u>Other Ongoing Staff Recommendations that Require a Bill</u>	
Phase-out P-tech/ TREP	-4,084,701
Eliminate Social Studies Assessment	-830,000
Cut CSI Mill Levy Equalization by 20.0 Percent	-12,963,963
Subtotal	-17,878,664
Short of Goal – Even if take all Staff and Department Ongoing Reduction Recommendations	\$36,695,525

[1] Includes R6 Administrative Efficiencies and R5 READ Act, with evaluation change spread across two years

What additional options could get the JBC to—or beyond—the \$36.7 million needed to achieve the goal on an ongoing basis?

As reflected below, **staff believes that the key change that is needed to return to FY 2018-19 funding levels is to repeal statutory provisions that provide for Charter School Institute Mill Levy Equalization.** However, some other options are included below.

For items shown as an across the board (ATB) reduction, staff anticipates that additional work would be needed to drill down to specific line item cuts, determine viability, and determine if statutory changes are needed.

Staff also notes that strictly limiting growth for facility schools will also be a necessary component of keeping this part of the budget in check.

For additional detail on programs, please refer to the main figure setting packet.

Additional Ongoing Options for State Funds Relief - Beyond Figure Setting Packet

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
<i>Nutrition:</i> Eliminate Transfers from SEF to HSMA authorized in H.B. 25-1274	\$0	\$8,000,000	Y	H.B. 25-1274 provided that if Proposition MM passed, the additional SEF received as a result of Proposition MM would be deposited into a special account in the HSMA cash fund to be used as a reserve for grants programs. The first year transfer is \$11.4M, but approximately \$8.0M is expected on an ongoing basis. (p. 58 Figset packet)
Subtotal - Revenue	\$0	\$8,000,000		
Expenditure Reductions				
<i>Charter School Institute:</i> Entirely eliminate CSI MLE for FY 2026-27 (balance after staff rec)	-10,340,700	-33,353,620	Y	Reflects the balance of the CSI appropriation for FY 2026-27 after the reduction included in the staff figure setting packet. CF is State Ed Fund (p. 202 Figset packet)
<i>Student Pathways:</i> Entirely eliminate behavioral health matching grant for FY 2026-27 and put the MTCF savings in GF or SEF (balance after staff rec)	0	-11,999,647	Y	Reflects the balance of this MTCF appropriation after the reduction included in the staff figure setting packet (p. 146 Figset packet)
<i>Student Pathways:</i> Further reduce School Counselor Corps by FY 2027-28, so no new cohort funding & can rethink balance	0	-2,600,000	N	Based on eliminating funding for the cohort that begins in FY 2025-26, less the reduction included in the staff figure setting packet. This cohort will begin at \$600K in FY 2026-27 but increase to \$3.6M in FY 2027-28. Staff hopes the department will restructure the program as other cohorts roll off. (p. 149 Figset packet)
<i>All:</i> Reduce balance of funding from GF/SEF/MTCF by 5.0%. Would need further work with Department on details	-\$3,839,583	\$7,885,399	?	Reflects scale of savings available from a 5% ATB cut, after the reductions above. Some adjustments would require statutory change, e.g., eliminating some statewide assessments, while others would not.
<i>Capital Construction:</i> Further reduce funding for Public School Capital Construction Assistance by 5.0%		-\$11,396,726	Y	Reflects scale of savings available from a further 5% ATB cut; details would depend on how this was implemented. (p.62)
Subtotal - Expenditures	-\$14,180,283	-\$67,235,392		
Net General Fund Relief	\$89,415,675			

The table below provides the detail associated with the 5.0 percent across the board calculation. These figures represent rough estimates.

5% Cut in GF/SEF/MTCF if take other options above (approximate)

	Total Funds	General Fund	Cash Funds
Management & admin - excluding centrally-appropriated	\$905,570	\$724,456	\$181,114
Statewide assessments	1,645,289	0	1,645,289
Educator Talent	787,123	787,123	0
Learning supports	137,305	68,653	68,652
Early literacy	2,125,195	0	2,125,195
Facility Schools	1,800,433	0	1,800,433
Accountability & Transformation	530,518	424,414	106,104
Schools of Choice	109,403	109,403	0
Health & Wellness	0	0	0
Dropout Prevention & student reengagement	435,483	217,742	217,741
Career Readiness	2,176,089	435,218	1,740,871
Library Programs	284,232	284,232	0
School for Deaf-Blind	788,342	788,342	0
Charter School Institute	0	0	0
All areas except Public School Capital Construction	\$11,724,982	\$3,839,583	\$7,885,399
Public School Capital Construction (excludes local match)	11,396,726	0	11,396,726



Memorandum

To: Joint Budget Committee
From: Amanda Bickel, JBC Staff (303-866-4960)
Date: February 24, 2026
Subject: RFI on Online Enrollment, Performance, and Costs

During the Department's hearing presentation to the Committee on December 9, 2025, Commissioner Cordova responded to questions about the growth of online education and student performance in these placements. As she noted [emphasis added]:

- **“There are 44 multi-district online schools (MDOLS) and 16 single-district online schools (SDOLS) under Article 30.7 of Title 22, C.R.S. Together, these programs account for most of the state's online enrollment and serve students across all region...**
- Statewide online enrollment increased sharply during the pandemic — rising more than 50 percent between 2019–20 and 2020–21 — and has remained well above pre-pandemic levels.... **In SY 2024-25, 33,629 students were enrolled** in online only programs.
- **Online schools have a lower state assessment participation rate (approximately 23% compared to approximately 91% in 2025 statewide across grades 3-8).**
- Schools are assigned an Insufficient State Data rating when total participation is below 25% or when they have a small n-count, which means there is not enough publicly reportable data to calculate a plan type. **Online schools have a much higher incidence of Insufficient State Data rating (47.5% compared to 6.7% of all schools).**
- Online schools generally have similar percentages of schools with Improvement, Priority Improvement and Turnaround plan types as compared to non-online schools.
- **Online schools have lower percentages of schools in the highest performance plan type (i.e., Performance).**

In January, Department staff provided a more extensive presentation to the State Board of Education about these issues. The following charts are borrowed from the January 15 enrollment presentation to the State Board, linked [here](#).¹ Some of this information is also relevant for the Part-time Homeschool Students bill that the JBC has sent to draft. (Additional slides on part-time homeschool enrichment are [here](#).)

¹ [https://go.boarddocs.com/co/cde/Board.nsf/files/DQB45Y09F336/\\$file/2025-26%20Preliminary%20Colorado%20Student%20Enrollment%20Analysis%20January%202026.pdf](https://go.boarddocs.com/co/cde/Board.nsf/files/DQB45Y09F336/$file/2025-26%20Preliminary%20Colorado%20Student%20Enrollment%20Analysis%20January%202026.pdf)

Part-Time Homeschool Students and Online School Funded Student Counts have Continued to Grow since 2019



Approach to School	2019-20 Funded Pupil	2025-26 Funded Pupil	# Difference 2019-2025	Growth 2019 to 2025
Brick and Mortar	844,863	781,879	-62,984	-7.5%
Part-Time Homeschool Students	8,812	18,695	9,883	112.2%
Online Schools	22,022	34,043	12,021	54.6%
Funded Students Overall	875,697	834,617	-41,080	-4.7%

- While overall funded students have declined 4.7% since 2019-20, Online Schools have had significant growth over the same period.
- The number of part-time homeschool students has also increased notably.
- Brick & Mortar Schools are declining at a greater rate than the overall state.

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Note: Data includes K-12 even if a school has PK. Part-Time Homeschool refers to both homeschool and private school students who were funded as participating in public schooling for a portion of the day.



Across All Online School Types, Enrollment has Increased since 2019



Approach to School	2019-20 Funded Pupil	2025-26 Funded Pupil	# Difference 2019-2025	Growth 2019 to 2025
Funded Students Overall	875,697	834,617	-41,080	-4.7%
Online Schools Overall	22,022	34,043	12,021	54.6%
Multi-District Online Schools	20,129	30,116	9,987	49.6%
Single District Online Schools	1,893	3,927	2,034	107.4%

- All types of online schools have increased enrollment since 2019.
- Single district online schools are the smallest group, but have seen the highest rate of growth.

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Note: Data includes K-12 even if a school has PK. Does not include students enrolled in online programs.



The information that has been presented raises important questions about the accountability of online schools—but also the amount the State is paying for online education.

A window into online – Colorado Digital Learning Solutions: Staff has learned more about the online education sphere based on response to a JBC request for information that was submitted November 1, 2026. The RFI asked

about the adequacy of funding for the Colorado Empowered Learning Program. The Long Bill includes \$1.22 million from the State Education Fund for Supplemental Online Education Services, which are provided through Colorado River BOCES.² Colorado Empowered Learning supports four programs through the line item, the largest of which is online supplemental courses provided through Colorado Digital Learning Solutions (CDLS).

CDLS provides online classes to school districts at a low price that the districts would not otherwise be able to offer, e.g., online Latin in Lamar, Colorado. In some cases, courses from CDLS may be one of multiple options considered by a school district when offering part-time or full-time online education for students. CDLS notes that it is one of the lower-cost options, because the Long Bill line item covers the program’s fixed costs. Based on conversations with the Colorado River BOCES director and other program leaders, **staff understands that most CDLS coursework is procured from one of six national providers. CDLS indicated that this is typically the case for online programs.**

At CDLS (and presumably at other online schools) a licensed Colorado teacher is still used to grade students’ assessments and may provide additional materials or enrichment. CDLS pays teachers \$210 per student per semester class--\$5,250 per semester for a teaching a course with 25 students. CDLS says some teachers will add this work to their normal teaching load at a brick and mortar school. For example, a Latin teacher at Boulder High might add just a few students through CDLS from Lamar or other schools that don’t have Latin instruction.

CDLS seems to offer a great deal for Colorado schools and students. **But the payment/revenue structure raises serious questions about whether Colorado is overpaying school districts for online courses.**

CDLS provided staff with a simplified version of its budget. CDLS typically charges schools \$250 per student per class, while the direct state payment covers the cost of the online content. As shown in the table below, it appears that **if a school is providing online courses, its cost to provide courses for a fully online student for the year is probably \$3,000 to \$6,000. But this is far less than the statewide average PPOR of \$11,858 that the state pays to “regular” school districts or the statewide multidistrict online rate of \$10,480.**

Comparison of Online Cost Structure v. State Payment Structure

	Amount
Colorado Digital Learning Solutions Budget (FY 2025-26)	
Direct State Support	\$715,000
District Payments	1,855,000
Reserve	300,000
Total CDLS Budget	\$2,870,000
Total courses (half-year)	7,500
Total cost to provide course	\$383
Total cost per course charged to district	\$250
What do schools pay to provide online classes per student FTE?	

² Pursuant to statute, the Colorado Department of Education (CDE) — in consultation with the statewide BOCES association — designates a Board of Cooperative Educational Services (BOCES) to lead, manage, and administer the program. The Colorado River BOCES was first designated to administer CEL in 2017 and was re-designated in 2022 for a five-year term that extends through June 30, 2026.

	Amount	
Annual District payment to CDLS if student takes only CDLS classes	\$3,000	Based on \$250*12 courses per year
If district pays another provider, might be double this	\$6,000	Based on \$500 * 12 courses per year
How much does the State pay districts per online student FTE?		
Statewide multi district online rate	\$10,480	
Statewide average PPOR	\$11,858	

Staff recognizes that there may be more to the picture: overhead and IT costs for districts, as well as additional supports and activities for students who engage with the school in person some of the time. Further, Staff's information is currently limited to a single source. Nonetheless, given the state's tight budget, **state funding for online students should not become a profit center for either single district or multi-district online education providers.**

Staff recommends the following request for information.

N Department of Education, Administration and Centrally-Appropriated Line Items, General Department and Program Administration; and School District Operations, Public School Finance, Administration – The Department is requested to submit a report by November 1, 2026, regarding enrollment in single-district and multi-district online education. This report should evaluate the academic performance of students in these programs and outline current or proposed measures to enhance oversight of online school quality. Additionally, the report should include a fiscal analysis comparing state payments to districts for online education against the actual costs incurred by districts. Finally, the Department should provide options and recommendations to address any significant funding disparities.