



Joint Budget Committee

Staff Figure Setting FY 2026-27

**Department of Education
Public School Finance and Categorical Programs Only**

Prepared by:
Andrea Uhl, JBC Staff
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Joint Budget Committee Staff

200 E. 14th Avenue, 3rd Floor

Denver, Colorado 80203

Telephone: (303) 866-2061

leg.colorado.gov/agencies/joint-budget-committee

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How to Use this Document

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 Colorado Department of Education (CDE) 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 administers a variety of education-related programs.

Summary of Staff Recommendations

Department of Education

Item	Total Funds	General Fund [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
Total	\$7,614,337,372	\$4,669,716,019	\$2,039,330,016	\$55,936,930	\$849,354,407	751.4
FY 2026-27 Recommended 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
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	2,359,940	-3,916,033	6,275,973	0	0	0.0
R4 BEST assessment IT system	179,195	0	179,195	0	0	0.0
R5 READ Act awareness campaign eval	-200,000	0	-200,000	0	0	0.0
R6 Restructuring social studies asmt	0	0	0	0	0	0.0
R7 Local Accountability Grant Program	-100,000	-100,000	0	0	0	0.0
R8 Administrative efficiencies/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
Employee comp. 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	7,608,124	-5,595,724	13,203,848	0	0	-3.2
NP MTCF early literacy	0	0	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	175,505	175,505	0	0	0	0.0
BA7 Military interstate children's compact	11,623	0	11,623	0	0	0.0
BA8 Realign timing standards review work	0	0	0	0	0	0.0
Total	\$7,895,025,365	\$4,713,085,485	\$2,273,925,349	\$56,906,681	\$851,107,850	752.2
Changes from FY 2025-26	\$280,687,993	\$43,369,466	\$234,595,333	\$969,751	\$1,753,443	0.8
Percentage Change	3.7%	0.9%	11.5%	1.7%	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	-\$25,186,213	-\$234,421	-\$25,002,241	\$32,996	\$17,453	-0.0

[1] Includes General Fund Exempt.

R1/BA1 State share of total program [legislation]: Staff recommendation reflects the requirement to appropriate FY 2026-27 state share costs pursuant to current law in the Long Bill.

Year 1: State share increase of \$206.7 million, including a \$50.0 million General Fund increase as requested.

Year 2: The Governor’s request proposes policy changes related to the formula implementation timeline, specific ownership tax (SOT), and student averaging starting in FY 2027-28.

The Governor’s R1/BA1 proposal requires legislative changes that carry significant policy implications; staff therefore expects that legislation related to the school finance formula will not be sponsored by the JBC. Staff notes that implementing the new school finance formula as planned *is not financially sustainable* under current projections *when taken into consideration with the rest of the budget*. This assertion is explained in the statutorily required Sustainability Plan for the new school finance formula, which is presented in conjunction with this document.

R2/BA2 Categorical programs increase: Staff recommends an \$18.5 million increase from the State Education Fund, as well as \$1.0 million for expanded talented and gifted screening reflected as an annualization of S.B. 23-287 (Public School Finance).

The Colorado Constitution requires that funding for categorical programs increase by at least the rate of inflation annually.¹ This requirement is \$12.9 million based on the 2.3 percent CY 2025 inflation rate. Statute requires an inflationary increase specific to special education², which exceeds the constitutional requirement by \$2.8 million in FY 2026-27. The recommendation fulfills the statutory requirement for special education and provides increases to three other categorical line items at a cost of \$6.7 million in excess of the Amendment 23 requirement. The request proposes a statutory change to effectively eliminate the special education inflation requirement; staff does not recommend that aspect of the request.

Prior year actions: The recommendation includes a net decrease of \$1.9 million for the impact of prior year budget decisions and legislation. The table below is specific to the Public School Finance and Categorical subdivisions.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 23-287 School Finance Act	\$1,058,115	\$0	\$1,058,115	\$0	\$0	0.0
FY 25-26 Salary survey	320,267	40,340	6,531	0	273,396	0.0
SB 25-315 Postsecondary & Workforce Readiness Corrections	122,936	122,936	0	0	0	1.1
FY 25-26 Step Plan	74,320	6,259	2,144	0	65,917	0.0
HB 25-1320 School Finance Act	-3,504,994	0	-3,504,994	0	0	0.0
Total	-\$1,929,356	\$169,535	-\$2,438,204	\$0	\$339,313	1.1

¹ Colorado Constitution, Article IX, Section 17, created by Amendment 23.

² Section 22-20-114, C.R.S. (1)(c)(III) and (1.3)

Major Differences from The Request

R1/BA1 State share of total program: The recommendation for the state share of districts' total program funding/extended high school is about \$5.0 million less due to differences between the Legislative Council Staff (LCS) and Office of State Planning and Budgeting (OSPB) models. The recommendation and request for FY 2026-27 both implement the new school finance formula pursuant to current law and include a \$50.0 million General Fund increase. R1/BA1 includes several legislative proposals impacting FY 2027-28 and later years. Staff does not recommend any of those changes as a JBC bill but agrees with the need for cost savings measures related to the school finance formula.

R2/BA2 Categorical programs increase: The recommendation exceeds the requested minimum constitutionally required increase by \$6.7 million in order to meet statutory requirements specific to special education and provide increases for some other categorical lines. This amount includes the annualization of S.B. 23-287 for expanded talented and gifted screening. Staff does not recommend the proposed legislative change to effectively eliminate inflationary requirements for special education.

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 tables summarize staff's recommendation for the (A) Public School Finance and (B) Categorical Programs subdivisions within the School District Operations division. All other subdivisions and line items are presented separately.

(A) Public School Finance

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$5,378,358,956	\$4,390,897,479	\$987,461,477	\$0	\$0	18.5
Total FY 2025-26	\$5,378,358,956	\$4,390,897,479	\$987,461,477	\$0	\$0	18.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$5,378,358,956	\$4,390,897,479	\$987,461,477	\$0	\$0	18.5
R1/BA1 State share of total program	206,745,824	50,000,000	156,745,824	0	0	0.0
Prior year actions	-3,326,784	169,535	-3,496,319	0	0	1.1
Total FY 2026-27	\$5,581,777,996	\$4,441,067,014	\$1,140,710,982	\$0	\$0	19.6
Increase/-Decrease from FY 2026-27	\$203,419,040	\$50,169,535	\$153,249,505	\$0	\$0	1.1
Percentage Change	3.8%	1.1%	15.5%	n/a	n/a	5.9%
FY 2026-27 Executive Request	\$5,587,691,909	\$4,441,067,014	\$1,146,624,895	\$0	\$0	19.6
Staff Rec. Above/-Below Request	-\$5,913,913	\$0	-\$5,913,913	\$0	\$0	0.0

(B) Categorical Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$773,879,012	\$163,765,474	\$395,897,644	\$229,255	\$213,986,639	110.1
Total FY 2025-26	\$773,879,012	\$163,765,474	\$395,897,644	\$229,255	\$213,986,639	110.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$773,879,012	\$163,765,474	\$395,897,644	\$229,255	\$213,986,639	110.1
R2/BA2 Categorical programs increase	18,496,605	0	18,496,605	0	0	0.0
Prior year actions	1,397,428	0	1,058,115	0	339,313	0.0
Total FY 2026-27	\$793,773,045	\$163,765,474	\$415,452,364	\$229,255	\$214,325,952	110.1
Increase/-Decrease from FY 2026-27	\$19,894,033	\$0	\$19,554,720	\$0	\$339,313	0.0
Percentage Change	2.6%	0.0%	4.9%	0.0%	0.2%	0.0%
FY 2026-27 Executive Request	\$788,138,343	\$163,765,474	\$409,817,662	\$229,255	\$214,325,952	110.1
Staff Rec. Above/-Below Request	\$5,634,702	\$0	\$5,634,702	\$0	\$0	0.0

→ R1/BA1 State share of total program funding [legislation]

Request

The Governor's R1/BA1 request for total program includes funding for FY 2026-27 pursuant to current law and including a \$50.0 million General Fund increase. R1/BA1 proposes the following policy changes that impact FY 2027-28 and later years:

- Change the new formula implementation period from seven years back to six;
- Require school districts to count all specific ownership tax (SOT) revenue received toward the local share of total program (phased in starting FY 2027-28); and
- Use two-year averaging or a smoothing factor beginning in FY 2027-28.

Recommendation

Implementing the school finance formula pursuant to current law for the Long Bill requires a state share increase of \$206.7 million for FY 2026-27. Staff recommends a \$50.0 million General Fund increase, as requested by the Governor. The remainder of the increase will be paid for by the State Education Fund and State Public School Fund. Details are provided on the next page.

The Governor's R1/BA1 proposal requires legislative changes that carry significant policy implications; staff therefore expects that the requested legislation will not be sponsored by the JBC. The proposed legislative changes do not impact the school finance formula until FY 2027-28. While it is not staff's place to recommend policy changes, staff does note that implementing the new school finance formula as planned *is not financially sustainable* under current projections *when taken into consideration with the rest of the budget*. This assertion is discussed in detail in the statutorily required Sustainability Plan for the new school finance formula, presented in conjunction with this document. The Sustainability Plan analyzes required General Fund increases and the State Education Fund's depletion under current law, R1/BA1, and other cost saving scenarios.

Analysis

Current Law

The Long Bill is required to be written to current law. For FY 2024-25 through FY 2029-30, H.B. 24-1448 establishes conditions that, if met, pause the implementation of the new formula during the phase-in period³. The conditions include the following:

- the change in local share of total program is less than inflation minus 2.0 percent over the prior year in a property tax assessment year or decreases by at least 2.0 percent in a property tax non-assessment year; or
- the March revenue forecast adopted by the JBC for budget balancing estimates that the Amendment 23 income tax deposits to the State Education Fund will decrease by 5.0 percent or more in the current or next budget year.

³ Section 22-54-103.3 (5)(b)

Projected deposits to the SEF in FY 2025-26 are forecast to be 3.9 percent lower than FY 2024-25 under the December 2025 Legislative Council Staff (LCS) forecast, and 3.3 percent lower under the Office of State Planning and Budgeting (OSPB) forecast. The determination of whether one of the conditions is met is based on whichever March revenue forecast the JBC adopts. If forecast diversions to the SEF fall by another \$11.2 million in the LCS forecast or \$17.9 million in the OSPB forecast, the 5.0 percent condition to pause the formula will be met.

Projected Income Tax Diversions to SEF

Fiscal Year	LCS December 2025 Forecast	Year over Year % Change	OSPB December 2025 Forecast	Year over Year % Change
FY 2023-24*	1,209.0		1,209.0	
FY 2024-25	1,060.6	-12.3%	1,060.6	-12.3%
FY 2025-26	1,018.8	-3.9%	1,025.5	-3.3%
FY 2026-27	1,119.0	9.8%	1,124.9	9.7%

*Includes a \$135.1 million one-time correction initiated by LCS in June 2024 to account for historical errors. Excluding the correction transfer, SEF deposits decreased by 1.2% from FY 2023-24 to FY 2024-25.

If none of the conditions to pause the formula are met, then the Long Bill should include appropriations to fund the school finance formula pursuant to current law. The following figures are current law based on LCS modeling and verified by CDE. Total program is expected to increase by \$184.3 million in FY 2026-27. The state share needs to increase by \$206.7 million because of a slight forecasted decrease in assessed values for 2026 (a non-reassessment year). FY 2026-27 total program requirements and staff’s suggested fund splits are shown below.

Staff Rec. Fund Sources for State Share of Districts' Total Program

Item	FY 2025-26 Adjusted Appropriation	FY 2026-27 Recommendation	Annual Change
Local Share	\$4,633,283,691	\$4,610,872,239	-\$22,411,451
State Share [1]	\$5,364,774,372	\$5,571,520,196	\$206,745,824
General Fund	4,388,686,861	4,438,686,861	50,000,000
Cash Funds - State Education Fund [2]	905,420,579	964,610,241	59,189,662
Cash Funds - State Public School Fund	70,666,932	168,223,094	97,556,162
Total Program	\$9,998,058,063	\$10,182,392,436	\$184,334,373

[1] Includes \$4,084,701 for Extended High School programs in FY 2026-27, which is calculated as part of the formula but shown in the Long Bill as a separate line item.

[2] Of this amount, an estimated \$218.2 million will be from the Kids Matter Account within the SEF.

The Governor requested, and staff recommends, an increase of \$50.0 million General Fund for FY 2026-27. The appropriation from the State Public School Fund can be increased significantly due to additional funds generated by the cap on revenue to the Public School Capital Construction Assistance Fund for the Building Excellent Schools Today (BEST) program. The BEST cap generated \$67.2 million in FY 2024-25 and is expected to generate \$30.0 million in FY 2025-26; both amounts will be put toward the FY 2026-27 state share appropriation. The remaining state share increase is paid for by the State Education Fund, which is expected to contribute \$964.6 million in FY 2026-27. See the accompanying Sustainability Plan for multi-year projections of the State Education Fund’s solvency.

Governor’s R1/BA1

The Governor’s R1/BA1 request for total program funding proposes the following policy changes related to the school finance formula:

- Change the new formula implementation period from seven years back to six;
- Require school districts to count all specific ownership tax (SOT) revenue received toward the local share of total program (phased in starting FY 2027-28); and
- Use two-year averaging or a smoothing factor beginning in FY 2027-28.

The proposal also specifies General Fund increases and forecasts the State Education Fund balance.

R1/BA1 General Fund and SEF Balance

Item	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
General Fund increase	\$150.0	\$50.0	\$175.0	\$200.0	\$100.0
SEF Ending balance	\$629.8	\$411.0	\$269.6	\$293.4	\$443.6

Phase-in Timeline

The implementation timelines for the new formula under H.B. 24-1448, H.B. 25-1320, and the Governor’s proposal are shown below. Accelerating the timeline by 5 percent a year increases total program costs by an average of \$26.4 million from FY 2027-28 through FY 2029-30. Accelerating the phase-in by 10 percent in FY 2030-31 increases total program costs by approximately \$56.2 million.

New Formula Implementation Timeline

Fiscal Year	H.B. 24-1448	H.B. 25-1320 (Current Law)	Governor's R1/BA1
FY 2025-26	18.0%	15.0%	15.0%
FY 2026-27	34.0%	30.0%	30.0%
FY 2027-28	50.0%	45.0%	50.0%
FY 2028-29	66.0%	60.0%	65.0%
FY 2029-30	82.0%	75.0%	80.0%
FY 2030-31	100.0%	90.0%	100.0%
FY 2031-32	100.0%	100.0%	100.0%

Specific Ownership Tax

Specific ownership tax (SOT) is an annual tax paid during vehicle registration and collected by the counties. Not all SOT revenue received by school districts is included in the local share calculation for the school finance formula. Statute⁴ instructs county treasurers to distribute SOT revenue to local governments (school districts, cities, special districts, and the county itself) in proportion to the amount of property taxes collected by each. For example, a school district that receives 50 percent of all the property taxes collected in a county would receive 50 percent of the SOT collected in the county.

The school finance formula does not count all SOT revenue against the district’s local share. Some districts collect more specific ownership taxes than others because the voters in those districts have approved additional

⁴ Section 42-3-107 (24) (a), C.R.S.

property taxes. The formula specifically does not count any SOT revenue attributable to bond redemption or override mills approved by voters⁵. This system results in districts that are successful in passing voter-approved mill levy override and bond measures receiving an added benefit of additional SOT that is in a sense “sheltered” from inclusion in the local share. Conversely, districts that are not successful in passing voter-approved mills are essentially required to contribute all of their SOT receipts to the local share calculation.

In FY 2024-25, school districts received \$451.8 million in SOT. Of that amount, \$261.3 million (57.8 percent) was included in the subsequent year local share calculation for the school finance formula, while \$190.5 million (42.2 percent) was retained by districts for unrestricted use (and deposited in their general funds in most cases). Detailed amounts by district are found in *Appendix B*. A statutory change requiring all SOT revenue to be counted toward local share would decrease the state share by the amount of “sheltered” revenue. While this change would not result in a net gain to school districts as a whole, the funds would be redistributed through the school finance formula rather than remaining with the districts that have passed voter-approved mill levy overrides and bond referendums.

The Governor’s R1/BA1 proposes a legislative change to count half of the “sheltered” SOT revenue toward local share starting in FY 2027-28, and all of it beginning in FY 2028-29. This would increase the local share by \$110.0 million in FY 2027-28, \$222.2 million in FY 2028-29, \$226.6 million in FY 2029-30, and similar amounts in later years under OSPB estimates.

Two-year Averaging

The switch to two-year averaging would result in 4,738 fewer funded pupils and a \$53.8 million total program decrease in FY 2027-28 compared to three-year averaging allowed under current law. Current law states that if the SEF balance is projected to fall below \$200 million on June 30, 2027, then two-year averaging or a smoothing factor should be used for FY 2027-28. Although the SEF balance is projected to remain above \$200 million for the forecast period, the request assumes a switch to two-year averaging due to the ongoing structural budget deficit. H.B. 25-1320 did not establish specific parameters for a smoothing factor but requires consultation with superintendents and chief financial officers from geographically diverse school districts regarding its development and implementation. Given the absence of parameters, OSPB projections use two-year averaging as a proxy for a smoothing factor.

⁵ Section 22-54-103 (11), C.R.S.

→ R2/BA2 Categorical program funding

Request

Amendment 23 of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs (in aggregate) annually by at least the rate of inflation. The request, based on the actual Denver-Aurora-Lakewood inflation rate for CY 2025 (2.3 percent), includes an increase of \$12.9 million from the State Education Fund to meet the requirement. The request would allocate the increase among all eight categorical lines, with two major components:

- Allocate \$8.9 million to special education programs for children with disabilities based on the current appropriation increased by inflation; and
- The remainder (\$3.9 million) would be distributed to the seven other categorical programs using a model that allocates increases based on each category's share of the gap in state/federal funding compared to total district expenditures.

R2/BA2 Requested Increases in State Funding for Categorical Programs

Long Bill Line Item	FY 2025-26 Appropriation	FY 2026-27 Request	Change in State Funding	Percent Change
Special Education - Children with Disabilities	\$388,694,798	\$397,634,778	\$8,939,980	2.3%
English Language Proficiency Program	35,866,264	36,476,231	609,967	1.7%
Public School Transportation	72,973,821	74,992,834	2,019,013	2.8%
Career and Technical Education Programs	32,689,057	33,644,645	955,588	2.9%
Special Education - Gifted and Talented Children	16,793,762	17,124,141	330,379	2.0%
Expelled and At-risk Student Services Grant Program	9,473,039	9,477,647	4,608	0.0%
Small Attendance Center Aid	1,606,548	1,607,114	566	0.0%
Comprehensive Health Education	1,115,829	1,117,631	1,802	0.2%
Total	\$559,213,118	\$572,075,021	\$12,861,903	2.3%

The request also proposes a legislative change “to clarify that satisfaction of the constitutionally required inflationary increase to the state share of categorical funding in the aggregate in each fiscal year would also satisfy the corresponding statutory requirement. This will allow the General Assembly to preserve flexibility to increase special education in the excess of the inflationary increase required under Amendment 23, but not mandate it”. Simply put, the request proposes undoing the inflationary requirements specific to special education funding for children with disabilities created by Senate Bill 22-127 (Special Education Funding).

Recommendation

Staff recommendation, shown on *Table A* on page 14, is for an increase of **\$19.6 million from the State Education Fund**. The recommendation exceeds the minimum constitutionally required increase by \$6.7 million in order to meet statutory inflationary requirements specific to special education and provide increases for some other categorical lines. Staff does not recommend the requested legislation to effectively repeal special education inflationary requirements.

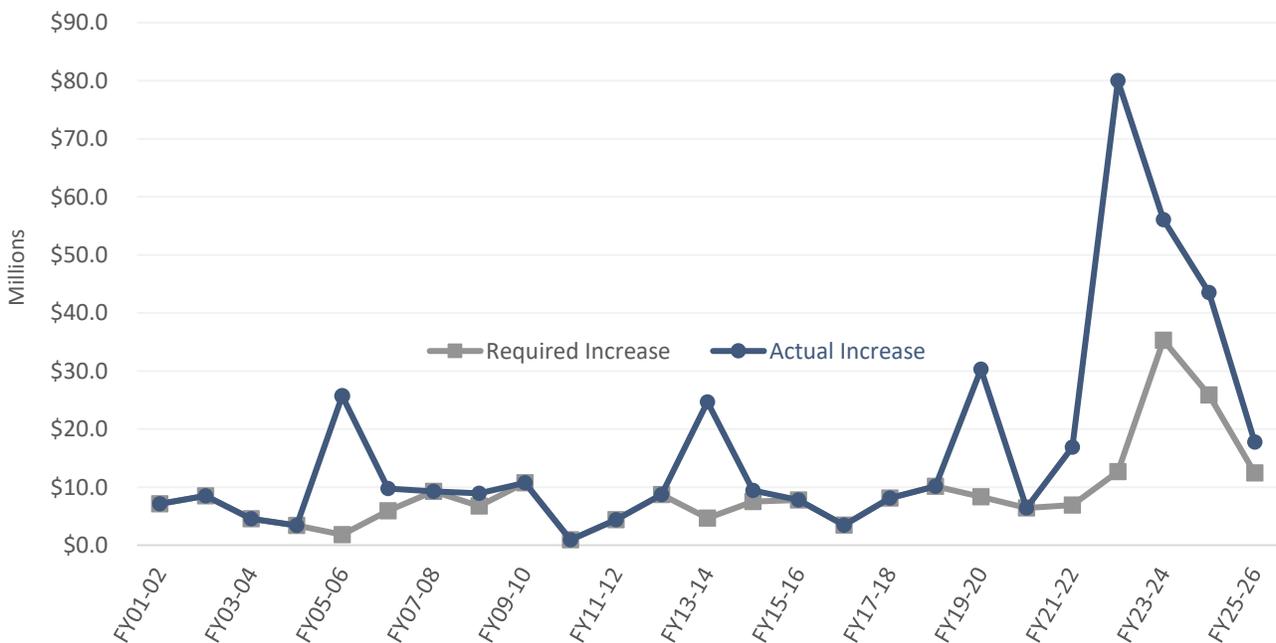
Analysis

Background

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. The Constitution requires the General Assembly to increase *total state funding for all categorical programs* annually by at least the rate of inflation. Senate Bill 22-127 (Special Education Funding) created inflationary requirements specific to special education starting with the 2024-25 budget year and declared the General Assembly's intent to fully fund special education services each year⁶. Specifically, the per pupil funding provided to Tier A students was increased to \$1,750 and increases annually by inflation. A series of bills provided additional appropriations totaling \$109.0 million between FY 2013-14 and FY 2023-24 with the intention of funding Tier B pupils at or near the maximum \$6,000 per student. The \$109.0 million is also subject to annual inflationary increases. Because these calculations are tied to the number of students receiving special education services, the annual increase required to comply with special education statute has and will likely continue to exceed the Amendment 23 requirement for categorical programs as a whole if student counts continue to increase.

The General Assembly annually determines how to allocate the required increase among the eight categorical line items. In certain fiscal years (including every year since FY 2021-22), the General Assembly has elected to increase state funding by more than the minimum constitutionally-required amount, resulting in a larger base to which the required inflationary requirement is applied each year.

Actual Increases Compared to Minimum Required



⁶ Section 22-20-114, C.R.S. (1)(c)(III) and (1.3)

For the 2024-25 fiscal year, the JBC approved an increase of \$34.7 million (\$8.8 million in excess of the Amendment 23 requirement) to fully fund special education. For the 2025-26 fiscal year, the JBC chose to meet the statutory inflationary requirement but not the intention to fully fund special education. This resulted in an increase of \$13.1 million (\$676,500 above the Amendment 23 requirement) for special education. The Committee also approved further increases above the Amendment 23 requirement for the other seven categorical line items in both years.

The constitution also requires that money from the State Education Fund not supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs. This provision actually requires the General Assembly to maintain an appropriation of at least \$141,765,474 General Fund; however, the General Assembly added \$22.0 million General Fund to the Special Education Programs for Children with Disabilities line item in FY 2019-20 through S.B. 19-246 (School Finance), so the current appropriation includes \$163,765,474 General Fund. All of the increases (in the Long Bill and other legislation) for categorical programs since then have been paid from the State Education Fund.

Staff's analysis of R2/BA2 summarizes the recommendation for how to distribute the required inflationary increase for FY 2026-27. A more detailed description of each categorical program line item can be found in the Line Item Detail section for categorical programs.

FY 2026-27 Recommended Allocation

The Constitution requires the General Assembly to increase total state funding for all categorical programs by \$12.9 million for FY 2026-27. Statute requires a separate calculation for special education for children with disabilities starting and states the General Assembly's intent to fully fund special education.

Special education funding for FY 2026-27 will be distributed based on the Special Education December Count data from December 2025, which is finalized in the spring of 2026. The Department's best estimate at this time is that an **increase of \$15.7 million is required to meet the special education inflationary requirements**, and an **increase of \$25.6 million is needed to fully fund** special education. Even if the Committee allocated the entire Amendment 23 increase to special education with no change to other categoricals, the appropriation would still be \$12.7 million short of fully funded.

Staff recommendation, shown in *Table A*, is for an **increase of \$19.5 million** from the State Education Fund. The recommendation exceeds the minimum required increase by 6.7 million. For reference, *Table B* shows the gap between state and federal funds and total district expenditures for each categorical program. This is the basis for the Executive Branch request and served as the basis for staff recommendations prior to changes in special education funding. *Table C* shows the gap between appropriations and maximum state funding ("fully funding") for categorical lines with a relevant statutory calculation.

Staff's reasoning for each individual categorical line is:

- **Special education programs for children with disabilities:** \$15.7 million is the increase needed to fulfill inflationary requirements specific to special education. December 2025 special education pupil counts are not yet available; this amount is based on Department estimates and will therefore need to be updated prior to Long Bill introduction. Staff is not recommending fully funding special education due to budget constraints and the sustainability of the State Education Fund. Full funding would require an additional \$9.9 million, or \$25.6 million total. The recommendation would cause Tier B funding to prorate to \$5,652 per

pupil, rather than the maximum \$6,000. Staff does not recommend the requested legislation to effectively repeal special education inflationary requirements. Staff believes the sponsors of Senate Bill 22-127 added the requirements because the Amendment 23 increase by itself was not providing adequate increases for special education funding. However, the Committee could pursue this policy change as a balancing action.

- **English language proficiency programs:** Staff recommends an increase of \$650,995 based on the model that allocates the Amendment 23 increase based on each line’s share of the gap between state/federal funds and local district expenditures. As shown in *Table B*, state and federal funds accounted for 57 percent of total district expenditures if funding provided through the English Language Learner (ELL) factor in the school finance formula is included. That figure drops to 25 percent if only categorical funding is counted. *Table C* shows that for categorical funding only, state funds are providing 20 percent of the maximum state funding allowed under statute. The new school finance formula increases the ELL factor from 0.08 to 0.25. The ELL factor accounted for 0.6 percent of total formula funding in FY 2024-25 under the old formula. When the new formula is fully implemented, the ELL factor is estimated to account for 1.6 percent of formula funding.
- **Public school transportation:** Staff recommends an increase of \$2,154,816 based on the model that allocates the Amendment 23 increase based on each line’s share of the gap between state/federal funds and local district expenditures. As shown in *Table B*, state funds accounted for only 24 percent of total district expenditures. The General Assembly recently examined the adequacy of public school transportation funding through S.B. 23-094 (School Transportation Task Force); recommendations related to transportation funding are listed in the line item detail.
- **Career and technical education:** Staff does not recommend an increase for this line item. Similar to the request, the model discussed above would yield an increase of approximately \$1.0 million. The Department of Higher Education uses this funding as the state match (maintenance of effort) for federal Career and Technical Education Perkins funding. The Department of Education has indicated that cutting this line or failing to keep up with federal increases would negatively impact federal Perkins funding. As shown below, recent increases to this line item have substantially outpaced federal increases. Staff therefore believes a \$0 increase for FY 2026-27 will not be detrimental.

Growth in Career and Technical Education Funding

Fiscal Year	Perkins Funds	Annual Increase	State Funds	Annual Increase
2019-20	\$18,868,489	n/a	\$27,238,323	n/a
2020-21	19,173,648	\$305,159	27,778,242	\$539,919
2021-22	19,975,087	801,439	28,244,361	466,119
2022-23	20,677,590	702,503	28,244,361	0
2023-24	21,378,823	701,233	30,514,944	2,270,583
2024-25	21,384,540	5,717	31,993,182	1,478,238
2025-26	21,315,945	-68,595	32,689,057	695,875
Total increase		\$2,447,456		\$5,450,734

- **Special education programs for gifted and talented children:** The request includes \$330,379 related to the expenditure gap model as well as an increase of \$1,058,115 for the third of five annual increases required by S.B. 23-287 for universal screening. Staff recommends only the \$1.1 million for universal screening, which counts toward the Amendment 23 increase.
- **Other categorical line items:** Staff does not recommend increase for **Expelled and at-risk student services** or **Comprehensive health education**, both of which are grant programs and yield very small increases from

the expenditure gap model. Lastly, staff does not recommend an increase for **Small attendance center aid**, which is currently funded at 96 percent of its statutory maximum.

Table A: Staff R2/BA2 Recommendation for FY 2026-27

Line Item	Dept. Amend 23 Request	SB 23-287 Annualization	Total Dept. Request	Amend 23 Staff Rec.	SB 23-287 Annualization	Total Staff Rec. [1]
Special education programs for children with disabilities	\$8,939,980	\$0	\$8,939,980	\$15,690,794	\$0	\$15,690,794
English language proficiency programs	\$609,967	\$0	\$609,967	\$650,995	\$0	\$650,995
Public school transportation	2,019,013	0	2,019,013	2,154,816	0	2,154,816
Career and technical education	955,588	0	955,588	0	0	0
Special education programs for gifted & talented children	330,379	1,058,115	1,388,494	0	1,058,115	1,058,115
Expelled and at-risk student services grant program	4,608	0	4,608	0	0	0
Small attendance center aid	566	0	566	0	0	0
Comprehensive health education	1,802	0	1,802	0	0	0
Subtotal: Everything but special education for children with disabilities	\$3,921,923	\$1,058,115	\$4,980,038	\$2,805,811	\$1,058,115	\$3,863,926
Total Increase, All Categoricals	\$12,861,903	\$1,058,115	\$13,920,018	\$18,496,605	\$1,058,115	\$19,554,720

[1] Staff recommendation exceeds the requested increase by \$6.7 million due to \$2.8 million for special education programs for children with disabilities and \$3.9 million for other categoricals above Amendment 23. Staff also recommends federally-funded salary increases not reflected above for Special Education for Children with Disabilities and English Language Proficiency Programs.

Table B: Categorical Program Revenues and Expenditures: FY 2023-24

Line Item	State Funds	Federal Funds	Total State and Federal Funds	Total District Expenditures	State/Federal Share of Expenditures	Local Share of Expenditures
Special Education - Children with Disabilities [1]	\$363,628,010	\$205,798,519	\$569,426,529	\$1,534,954,188	37%	\$965,527,659
English Language Proficiency Program [2]	83,586,158	10,957,262	94,543,419	166,989,267	57%	72,445,848
Public School Transportation	74,404,441	0	74,404,441	\$314,202,702	24%	239,798,261
Career and Technical Education	30,409,006	6,616,339	37,025,345	150,520,529	25%	113,495,184
Gifted and Talented	14,143,575	0	14,143,575	53,382,701	26%	39,239,126
Expelled and At-risk Student Services Grant Program	8,261,044	0	8,261,044	8,808,280	94%	547,236
Small Attendance Center Aid	1,599,991	0	1,599,991	1,667,001	96%	67,010
Comprehensive Health Education	666,041	0	666,041	880,101	76%	214,060
Total	\$576,698,266	\$223,372,119	\$800,070,386	\$2,231,404,770		\$1,431,334,384

[1] Includes \$22.8 million in funding provided for Universal Pre-K through CDEC.

[2] State funds include \$52.3 million distributed through the English Language Learner factor in the school finance formula.

Table C: Maximum Amount of State Funds Districts Were Statutorily Eligible to Receive

Line Item	Description of What Determines Maximum State Funding	State Funds	Maximum State Funding	Percent of Max Covered by State	Estimated Increase to Fund Statutory Max
Special Education - Children with Disabilities [1] [2]	Number of students eligible for Tier A and Tier B funding, inflationary adjustments, max of \$6,000 per Tier B student	\$388,694,798	\$414,256,671	93.8%	\$25,561,873
English Language Proficiency Program [1] [2]	Number of eligible students and statewide average per pupil operating revenue	35,865,832	179,717,555	20.0%	143,851,723
Public School Transportation [3]	Total miles traveled and total transportation-related costs (excluding capital outlay expenses)	75,629,969	126,687,570	59.7%	51,057,602
Colorado Vocational Distributions Act [4]	Number of students participating in vocational education programs and cost of services per FTE in relation to each district's per pupil operating revenue	31,993,182	43,139,202	74.2%	11,146,020
Small Attendance Center Aid [4]	Number of eligible schools, those schools' enrollment, and eligible districts' per pupil funding	1,604,359	1,667,001	96.2%	62,642
Total					\$231,679,859

[1] State funds based on FY 2025-26 appropriation and estimated statutorily calculated maximum estimated for FY 2026-27.

[2] State funds only reflects categorical program funding and does not include amounts attributable to related factors received through the school finance formula.

[3] State funds and maximum state funding based on FY 2023-24 appropriations and statutorily calculated maximum.

[4] State funds and maximum state funding based on FY 2024-25 appropriations and statutorily calculated maximum.

Line Item Detail – Public School Finance

Administration

This line item includes funding to support Department staff who administer the School Finance Act. This unit oversees the Financial Policy and Procedures Advisory Committee, and provides technical assistance to school districts related to statutory and regulatory budgetary, accounting, and reporting requirements. This unit works with the State Treasurer’s Office to intercept charter school debt payments, and with the Department of Human Services to withhold School to Work Alliance Program matching funds for vocational rehabilitation. This unit also distributes funding for other programs, including facility school funding, transportation reimbursements, small attendance center aid, grant writing funds for boards of cooperative services, and concurrent enrollment funding.

This line item also supports an audit team to ensure compliance related to funds that districts receive for school finance, public school transportation, and English language proficiency programs, as well as funds that facility schools and state agencies receive for education programs.

Statutory Authority: Sections 22-2-112, 22-2-113, and 22-54-114 (2.3), C.R.S.

Request and Recommendation: The following table summarizes the Department request and staff recommendation.

School District Operations, Public School Finance, Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,471,809	\$2,210,618	\$261,191	\$0	\$0	17.5
Total FY 2025-26	\$2,471,809	\$2,210,618	\$261,191	\$0	\$0	17.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,471,809	\$2,210,618	\$261,191	\$0	\$0	17.5
Prior year actions	173,265	169,535	3,730	0	0	1.1
Total FY 2026-27	\$2,645,074	\$2,380,153	\$264,921	\$0	\$0	18.6
Changes from FY 2025-26	\$173,265	\$169,535	\$3,730	\$0	\$0	1.1
Percentage Change	7.0%	7.7%	1.4%	n/a	n/a	6.3%
FY 2026-27 Executive Request	\$2,645,074	\$2,380,153	\$264,921	\$0	\$0	18.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Financial Transparency System Maintenance

The General Assembly added this line item to the FY 2018-19 Long Bill to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act). The original legislation transferred \$3.0 million cash funds from the State Education Fund to the newly created Financial Reporting Fund and continuously appropriated those funds to the Department for FY 2014-15 through FY 2017-18 to create a

financial transparency system allowing for the comparison of expenditures across schools, districts, and other local education providers. The fund became subject to legislative appropriation in FY 2018-19 and subsequent years.

The Final Fiscal Note for H.B. 14-1292 assumes ongoing expenses of \$600,000 per year to maintain the system. For FY 2020-21, the General Assembly reduced the appropriation to \$462,000 total funds based on revised contract information. For FY 2021-22, the General Assembly approved the Department’s request to reduce funding for this line item and operate and maintain the system “in house” rather than contracting for the operation and maintenance of the system.

Statutory Authority: Section 22-44-105 (4), C.R.S

Request and Recommendation: The following table summarizes the Department request and staff recommendation.

School District Operations, Public School Finance, Financial Transparency System Maintenance

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$92,786	\$0	\$92,786	\$0	\$0	1.0
Total FY 2025-26	\$92,786	\$0	\$92,786	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$92,786	\$0	\$92,786	\$0	\$0	1.0
Prior year actions	4,945	0	4,945	0	0	0.0
Total FY 2026-27	\$97,731	\$0	\$97,731	\$0	\$0	1.0
Changes from FY 2025-26	\$4,945	\$0	\$4,945	\$0	\$0	0.0
Percentage Change	5.3%	n/a	5.3%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$97,731	\$0	\$97,731	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Finance Audit Payments

The General Assembly added this line item to the FY 2021-22 Long Bill to support audit payments to school districts. The Department makes these payments to make up for previous underpayments to school districts and schools that are discovered through the audit process. Prior to FY 2020-21, the Department made audit payments to districts from audit revenues collected from districts and deposited to the State Public School Fund. The payments out to districts were not specifically appropriated and were effectively off budget. However, in FY 2020-21, the anticipated payments exceeded anticipated revenues, requiring an additional appropriation which the General Assembly included in the annual school finance bill (H.B. 20-1418). The Department requested the creation of the new Long Bill line item for FY 2021-22 to reflect anticipated audit payments on a more transparent basis.

Statutory Authority: Section 22-2-113 (1)(j), C.R.S. and Section 22-54-114 (4)(a), C.R.S.

Request and Recommendation: The Department requests, and staff recommends, a continuation of \$3.0 million cash funds from the State Public School Fund.

State Share of Districts’ Total Program Funding

The State Share of Districts’ Total Program Funding line item provides for the State’s share of funding under the statutory school finance formula; the appropriation does not reflect the local share of funding. The recommendation for this line item is discussed in R1/BA1 (State Share of Total Program) earlier in this document.

Statutory Authority: Section 22-54-101, et seq., C.R.S.

Request and Recommendation: The request and recommendation are discussed in the R1/BA1 section of this document. Staff recommendation for the Long Bill is based on current law assuming that a condition to pause the implementation of the new formula has not been met.

School District Operations, Public School Finance, State Share of Districts' Total Program Funding

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$5,350,410,772	\$4,388,686,861	\$961,723,911	\$0	\$0	0.0
Total FY 2025-26	\$5,350,410,772	\$4,388,686,861	\$961,723,911	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$5,350,410,772	\$4,388,686,861	\$961,723,911	\$0	\$0	0.0
R1/BA1 State share of total program	217,024,723	50,000,000	167,024,723	0	0	0.0
Total FY 2026-27	\$5,567,435,495	\$4,438,686,861	\$1,128,748,634	\$0	\$0	0.0
Changes from FY 2025-26	\$217,024,723	\$50,000,000	\$167,024,723	\$0	\$0	0.0
Percentage Change	4.1%	1.1%	17.4%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$5,577,078,125	\$4,438,686,861	\$1,138,391,264	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$9,642,630	\$0	-\$9,642,630	\$0	\$0	0.0

Extended High School

This line item was first included in the FY 2024-25 Long Bill to split out the portion of the state share of districts’ total program funding that is attributable to extended high school programs. Extended high school pupils are funded at a flat rate (\$10,721 per pupil for FY 2026-27) that increases by inflation every year. The estimated FY 2026-27 cost of this line is \$4.1 million. Of this amount, \$2.7 million is for Teacher Recruitment Education and Preparation (TREP) and \$1.4 million is for Pathways in Technology Early College High Schools (P-TECH). Senate Bill 25-315 (Postsecondary and Workforce Readiness Programs) repealed Accelerating Students Through Concurrent Enrollment (ASCENT) effective FY 2026-27 and required a working group to make recommendations regarding the TREP and P-TECH programs.

TREP was created by S.B. 21-285 and allows participating students to concurrently enroll in postsecondary courses for two years following the student’s twelfth grade year. The Department can designate students as

TREP participants if they are following the teaching career pathway, are on schedule to complete the specified courses by senior year, and are enrolling in the pathways postsecondary courses for the fifth and sixth year, among other requirements. TREP participation is capped at 250 slots by a Long Bill footnote. The JBC has the authority to raise or lower the cap through the footnote. TREP participation has steadily increased since the program’s inception and is at 193 in the current fiscal year, with 23 funded rollover slots.

P-TECHs were created by H.B. 15-1270 and consist of an innovative partnership between a school district, a community college(s), and one or more local high growth industry employer(s). P-TECHs are designed for students to begin in 9th grade on a specific career pathway in a cohort model. Students have up to six years to graduate with both a high school diploma and an industry-recognized associate degree, in addition to gaining relevant workplace skills.

The working group study recommended continuing TREP funding through FY 2029-30 and better aligning the program with existing postsecondary workforce readiness infrastructure. The study also recommended continuing P-TECH with additional funding that covers students in grades 9 through 12, as opposed to just grades 13 and 14.

Statutory Authority: Section 22-54-101, et seq., C.R.S.

Request and Recommendation: The Department does not formally request funding for this line item, it is calculated through the school finance formula model. LCS estimates the cost of FY 2026-27 extended high school programs at \$4.1 million. Staff recommends this amount as a component of total program funding. Staff is aware of discussions related to TREP and P-TECH programs as part of larger changes to postsecondary workforce readiness programs, which are discussed in a separate presentation for the remainder of the Department of Education.

School District Operations, Public School Finance, Extended High School

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$14,363,600	\$0	\$14,363,600	\$0	\$0	0.0
Total FY 2025-26	\$14,363,600	\$0	\$14,363,600	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$14,363,600	\$0	\$14,363,600	\$0	\$0	0.0
R1/BA1 State share of total program	-10,278,899	0	-10,278,899	0	0	0.0
Total FY 2026-27	\$4,084,701	\$0	\$4,084,701	\$0	\$0	0.0
Changes from FY 2025-26	-\$10,278,899	\$0	-\$10,278,899	\$0	\$0	0.0
Percentage Change	-71.6%	n/a	-71.6%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$355,984	\$0	\$355,984	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$3,728,717	\$0	\$3,728,717	\$0	\$0	0.0

At-risk Supplemental Aid

House Bill 12-1345 created a program to provide supplemental aid to qualifying school districts and charter schools in specific circumstances related to their relative shares of at-risk student percentages. This

appropriation has ranged from \$3.8 million to \$7.0 million since its inception. It was originally paid from the State Public School Fund but is currently paid from the State Education Fund. H.B. 24-1448 created statutory issues with how the funds are calculated and distributed. H.B. 25-1320 subsequently specified that districts and charter schools would receive their FY 2024-25 distribution level in FY 2025-26, 50.0 percent of that amount in FY 2026-27, and payments are eliminated in FY 2027-28.

Statutory Authority: Section 22-30.5-112.2, C.R.S.

Request and Recommendation: Staff recommends the request for \$3.5 million pursuant to current law.

School District Operations, Public School Finance, At-risk Supplemental Aid

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$7,009,989	\$0	\$7,009,989	\$0	\$0	0.0
Total FY 2025-26	\$7,009,989	\$0	\$7,009,989	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$7,009,989	\$0	\$7,009,989	\$0	\$0	0.0
Prior year actions	-3,504,994	0	-3,504,994	0	0	0.0
Total FY 2026-27	\$3,504,995	\$0	\$3,504,995	\$0	\$0	0.0
Changes from FY 2025-26	-\$3,504,994	\$0	-\$3,504,994	\$0	\$0	0.0
Percentage Change	-50.0%	n/a	-50.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$3,504,995	\$0	\$3,504,995	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

District Per Pupil Reimbursements for Juveniles Held in Jail

Section 22-32-141 (4), C.R.S., requires the General Assembly to appropriate moneys to reimburse school districts for educational services provided to juveniles held in jails. This line item has historically provided funding for two types of expenses:

- Funding for all juveniles receiving educational services in jail (whether or not they were included in a district's pupil enrollment): The district providing educational services receives the daily rate established for facility schools for each day of service (recognizing that they are only required to provide four hours of educational services per week).
- Funding for juveniles who were not included in a district's pupil enrollment: The district providing educational services can receive reimbursement for costs incurred up to state average per pupil revenue, prorated for the period services are provided.

Statutory Authority: Section 22-32-141 (4), C.R.S.

Request: The Department requests a continuation appropriation of \$10,000 cash funds.

Recommendation: Staff recommends approval of the request. Section 22-54-114 (4)(b), C.R.S., requires this amount to be appropriated from the State Public School Fund.

Contingency Reserve Fund

The Contingency Reserve Fund provides a fund source for the State Board of Education to assist school districts facing specific circumstances. Statute authorizes the State Board to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- financial emergencies caused by nonpayment of property taxes pending the outcome of an administrative appeal or litigation or both challenging the inclusion of the value of certain property in a county's abstract of assessment, which resulted from a change in the applicable state law;
- revenues are insufficient to make abatements and refunds of property taxes;
- unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);
- unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;
- unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- unusual financial burden caused by a significant enrollment decline pursuant to a reorganization;
- beginning in FY 2016-17, unusual financial burden caused by a significant reduction in assessed value within a district whose state share of total program prior to the application of the budget stabilization factor was less than 0.5 percent of total program funding in the previous budget year and the reduction in assessed value is causing a negative factor reduction in the budget year (repealed July 1, 2025);
- For the FY 2021-22 through FY 2023-24 budget years, unusual financial burden caused by the withholding of local property taxes for a rural or small rural school district because of a delay in filing the audit report due to extraordinary problems that could not have been reasonably foreseen or prevented by the district (repealed July 1, 2026); and
- in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

Statute indicates that, "In deciding the amount to be appropriated to the contingency reserve, the general assembly may take into consideration any recommendations made by the department of education, but nothing in this section shall be construed to obligate the general assembly to provide supplemental assistance to all districts determined to be in need or fully fund the total amount of such need." When a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

Statutory Authority: Section 22-54-117, C.R.S.

Request: The Department requests a continuation appropriation of \$1.0 million cash funds from the Contingency Reserve Fund, with no change from the FY 2025-26 appropriation.

Recommendation: Staff recommends approving the request. To date, the Department has not identified a need to use the Contingency Reserve Fund in the current year. Without use of the fund in FY 2025-26, the \$1.0 million currently in the fund would be available for appropriation in FY 2026-27. The recommendation will allow the Department to access the fund balance if needed in FY 2026-27.

At-risk Per Pupil Additional Funding [Discontinued Line Item]

Created in S.B. 15-267 (School Finance), this line item provided additional funding to school districts and Institute charter schools for at-risk pupils. The program provided funding on a per pupil basis, calculated as a statutorily required \$5.0 million appropriation divided by the number of at-risk pupils statewide for the applicable budget year. This line item was repealed by H.B. 25-1320 (School Finance Act).

Statutory Authority: Section 22-54-136, C.R.S. [Repealed]

Request: The Department did not request funding for this line item.

Recommendation: Staff does not recommend funding for this line item.

Mill Levy Override Matching Pursuant to Section 22-54-107.9, C.R.S. [Discontinued Line Item]

The mill levy override matching program was created in S.B. 22-202 (State Match for Mill Levy Override Revenue), which transferred \$10.0 million from the General Fund to the Mill Levy Override (MLO) Match Fund and made a corresponding appropriation. In an attempt to address funding inequities among districts, this program provides state matching funds for qualifying school districts and Charter School Institute (CSI) schools that raise local revenue through the passage of mill levy overrides. S.B. 23-287 (Public School Finance) transferred \$23.4 million (the estimated cost to fully fund the program) from the State Education Fund to the MLO Match Fund and made a corresponding appropriation for FY 2023-24. The actual FY 2023-24 cost was \$21.1 million; \$2.2 million remained in the MLO Match Fund and was put toward changes to the program in H.B. 24-1448 (New Public School Finance Formula). H.B. 24-1448 made changes to the MLO Match program effective for FY 2023-24 only at a cost of \$11.4 million.

H.B. 24-1448 also created a working group that met over the 2024 legislative interim to make recommendations on how the program could be modified to provide a more equitable funding distribution and greater access for eligible districts. The working group recommendations included changes that would determine rural and small rural district allocations through an alternative model, and non-rural district allocations through the existing model, with some alterations. Should the appropriation for the program be less than the total cost, only the allocation for non-rural districts will be scaled back proportionally. S.B. 24-188 (Public School Finance) transferred \$15.7 million (the estimated cost to fully fund the program) from the SEF to the MLO Match Fund in FY 2024-25. Payments do not go to districts until the end of the fiscal year.

Statutory Authority: Section 22-54-107.9, C.R.S.

Request: The Department did not request funding for this line item.

Recommendation: Staff does not recommend funding for this line item.

New Arrival Students Funding [Discontinued Line Item]

H.B. 24-1389 (School Funding 2023-24 for New Arrival Students) provided \$24.0 million in one-time funding from the SEF for school districts and institute charter schools that enrolled new arrival students after the 2023-24 pupil count enrollment day.

Statutory Authority: Section 22-54-147, C.R.S.

Request: The Department did not request funding for this line item.

Recommendation: Staff does not recommend funding for this line item.

Additional Funding for Rural Districts and Institute Charter Schools [Discontinued Line Item]

The General Assembly added this line item to the FY 2021-22 Long Bill to support additional per pupil payments to rural school districts and institute charter schools pursuant to H.B. 20-1427 (Cigarette Tobacco & Nicotine Products Tax) and Proposition EE (adopted by the voters at the November 2020 election). H.B. 20-1427 required distributions of \$25.0 million, \$30.0 million, and \$35.0 million in FY 2020-21, FY 2021-22, and FY 2022-23, respectively. S.B. 23-287 (Public School Finance) appropriated \$30.0 million from the State Education Fund for this purpose in FY 2023-24.

Statutory Authority: Section 22-54-145, C.R.S.

Request: The Department did not request funding for this line item.

Recommendation: Staff does not recommend funding for this line item.

Line Item Detail – Categorical Programs

(1) District Programs Required by Statute

Special Education Programs for Children with Disabilities

The federal Individuals with Disabilities Education Act (IDEA) and the state Exceptional Children's Educational Act [Article 20 of Title 22, C.R.S.] require school districts to provide free educational services to children, ages three to 21, who by reason of one or more conditions are unable to receive reasonable benefit from ordinary educational services. Districts are also required to provide free educational services to children "whose presence in the ordinary educational program is detrimental to the education of others and who must therefore receive modified or supplementary assistance and services in order to function and learn". Services provided must be individualized and appropriate for the specific needs of the child, and, to the extent possible, be provided in the least restrictive environment. Federal and state law require administrative units (usually a school district or a board of cooperative service) to provide all necessary services to children identified as having a disability regardless of the cost or other district needs and priorities.

In addition to total program funds districts receive to provide educational services to children with disabilities, districts are statutorily eligible to receive reimbursement for additional costs incurred in providing educational services to school-age children with disabilities. These reimbursements include federal funding and state funding (subject to available appropriations). Federal funds are generally allocated based on the total number of elementary and secondary students within the boundaries of each administrative unit, with a portion of the funding allocated based on the number of children living in poverty.

The Department allocates state funds among units as follows:

- "Tier A": Administrative units receive \$1,750 for each child with a disability who was reported on the prior year special education count. Senate Bill 22-127 (Special Education Funding) increased Tier A funding from \$1,250 to \$1,750 per student beginning in FY 2022-23. In addition, that bill requires Tier A funding to increase annually based on inflation beginning in FY 2024-25. For FY 2025-26, districts received \$1,883 per identified student.
- "Tier B": Administrative units receive an additional \$6,000 per student for a percentage of the children reported on the prior year special education count with the following disabilities: intellectual disability; serious emotional disability; hearing impairment, including deafness; vision impairment, including blindness; deaf-blindness; autism spectrum disorders; traumatic brain injury, and multiple disabilities. S.B. 22-127 (Special Education Funding) added statutory language stating the General Assembly's intent to fully fund special education services beginning with the FY 2023-24 budget year, which would result in an appropriation sufficient to provide \$6,000 per "Tier B" student.
- "Tier C": Administrative units receive grants for reimbursement of high costs incurred in providing special education services to a child in the preceding fiscal year. These grants are distributed based on recommendations from the Colorado Special Education Fiscal Advisory Committee, taking into consideration the magnitude of the high costs incurred by a unit in relation to its budget. A total of \$4.0 million is allocated for this purpose, including \$2 million for costs incurred to serve students within the school district, and \$2 million for costs incurred to serve students outside the district.
- "Educational Orphans": Up to \$500,000 is used to reimburse administrative units for excess costs paid to eligible facilities within the unit's boundaries for "educational orphans", those students with disabilities: (a) for whom parental rights have been relinquished or terminated; (b) the parents of whom are incarcerated or cannot be located; (c) the parents of whom reside out of the state but the Department of Human Services has placed such children within the administrative unit; or (d) who are legally emancipated.

Section 22-20-114 (1)(c)(III)(D), C.R.S., added by S.B. 22-127 (Special Education Funding), states the General Assembly's intent to fully fund special education services beginning with the FY 2023-24 budget year.

Statutory Authority: Sections 22-20-114 and 114.5, C.R.S.

Request: The Department requests an increase of \$8.9 million from the State Education Fund as part of R2/BA2. The request also includes prior year salary increases paid by federal funds.

Recommendation: As discussed in R2/BA2, staff recommends an increase of \$15.7 million to fulfill statutory inflationary requirements specific to special education, as well as the federally funded salary increases.

School District Operations, Categorical Programs, Special Education - Children with Disabilities

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$591,135,231	\$93,572,347	\$295,122,451	\$191,090	\$202,249,343	100.0
Total FY 2025-26	\$591,135,231	\$93,572,347	\$295,122,451	\$191,090	\$202,249,343	100.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$591,135,231	\$93,572,347	\$295,122,451	\$191,090	\$202,249,343	100.0
R2/BA2 Categorical programs increase	15,690,794	0	15,690,794	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Prior year actions	319,972	0	0	0	319,972	0.0
Total FY 2026-27	\$607,145,997	\$93,572,347	\$310,813,245	\$191,090	\$202,569,315	100.0
Changes from FY 2025-26	\$16,010,766	\$0	\$15,690,794	\$0	\$319,972	0.0
Percentage Change	2.7%	0.0%	5.3%	0.0%	0.2%	0.0%
FY 2026-27 Executive Request	\$600,395,183	\$93,572,347	\$304,062,431	\$191,090	\$202,569,315	100.0
Staff Rec. Above/-Below Request	\$6,750,814	\$0	\$6,750,814	\$0	\$0	0.0

English Language Proficiency Program

Pursuant to the federal No Child Left Behind Act [Title III - Language Instruction for Limited English Proficient and Immigrant Students], the federal Civil Rights Act of 1964 [Title VI], and the English Language Proficiency Act [Article 24 of Title 22, C.R.S.], districts are required to identify and provide programs for students with limited English proficiency. Some federal funding is available for such programs, and the State provides assistance to districts through two mechanisms. First, districts receive funding through the School Finance Act for some students with limited English proficiency. This funding was originally provided through the English Language Learners Professional Development and Student Support Program, but was moved into the English language learner factor of the school finance formula in FY 2021-22. Districts also receive funding through the English Language Proficiency Act (ELPA) categorical program for students with limited English proficiency. Statute limits state ELPA funding to a maximum of five years per student (prior to FY 2014-15, statute limited payments to no more than two years per student).

It is important to note that it often takes more than five years for students to progress out of English language services and that state and federal law require school districts to continue to provide services beyond the five-year window based on the needs of the student. School districts must absorb those costs within their operating budgets, increasing the gap between state and federal funds available for ELL services and the school districts' total costs for those services.

House Bill 18-1379 (School Finance) adjusted the allocation of the categorical funding.

- Prior law required the Department to allocate three-quarters of the total appropriation to districts serving students considered non-English proficient (NEP), defined as students who: (a) speak languages other than English and do not comprehend or speak English; or (b) students who comprehend or speak some English, but whose primary comprehension or speech is in a language other than English. The remaining 25 percent of the amount appropriated was distributed to districts serving students considered limited-English proficient (LEP), defined as students who comprehend and speak English and one or more other languages but whose English language development and comprehension is either (1) at or below the district mean or below the mean or equivalent on a nationally standardized test; or (2) below the acceptable proficiency level based on the instrument or technique developed and approved by the Department.
- House Bill 18-1379 adjusted the allocation so that the Department distributes funds based on the proportion of eligible students in each category. As under prior law, the statute limits per pupil funding for each classification of students (the greater of \$400 or 20.0 percent of statewide average per pupil funding for NEP students and \$200 or 10.0 percent of statewide average per pupil funding for LEP students).

Statutory Authority: Section 22-24-106, C.R.S.

Request: The Department requests an increase of \$609,967 from the State Education Fund as part of R2/BA2. The request also includes prior year salary increases paid by federal funds.

Recommendation: Staff recommends an increase of \$650,995 due to slightly different methodology used for the expenditure gap model discussed in R2/BA2. Staff also recommends federally funded salary increases as requested.

School District Operations, Categorical Programs, English Language Proficiency Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$47,603,560	\$3,101,598	\$32,764,666	\$0	\$11,737,296	4.6
Total FY 2025-26	\$47,603,560	\$3,101,598	\$32,764,666	\$0	\$11,737,296	4.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$47,603,560	\$3,101,598	\$32,764,666	\$0	\$11,737,296	4.6
R2/BA2 Categorical programs increase	650,995	0	650,995	0	0	0.0
Prior year actions	19,341	0	0	0	19,341	0.0
Total FY 2026-27	\$48,273,896	\$3,101,598	\$33,415,661	\$0	\$11,756,637	4.6
Changes from FY 2025-26	\$670,336	\$0	\$650,995	\$0	\$19,341	0.0
Percentage Change	1.4%	0.0%	2.0%	n/a	0.2%	0.0%
FY 2026-27 Executive Request	\$48,232,868	\$3,101,598	\$33,374,633	\$0	\$11,756,637	4.6
Staff Rec. Above/-Below Request	\$41,028	\$0	\$41,028	\$0	\$0	0.0

(2) Other Categorical Programs

Public School Transportation

Pursuant to Section 22-32-113, C.R.S., a school district *may* provide transportation for students to and from school. However, a school district *must* provide transportation for students who fall under the federal Individuals with Disabilities Education Act or Section 504 of the federal Rehabilitation Act of 1973, as well as homeless students.

This line item provides state funding to reimburse school districts for a portion of the costs incurred to transport students. Pursuant to statute, and subject to available appropriations, each district is eligible to receive reimbursement equal to \$0.3787 per-mile-traveled plus 33.87 percent of its total transportation-related costs (excluding capital outlay expenses) in excess of the per-mile-traveled reimbursement. Districts are authorized to generate additional local revenues to support their transportation programs via an additional mill levy or a transportation user fee. While voter approval is required to levy additional taxes, as of FY 2005-06, a district is allowed to impose a user fee without prior voter approval.

This line item also supports 2.0 FTE who provide oversight of student transportation programs in school districts. This unit administers regulations related to safe transportation of students, and provides extensive training,

technical assistance, and monitoring to assist districts in providing safe, efficient, and effective transportation of children.

The General Assembly recently examined the adequacy of public school transportation funding. S.B. 23-094 created the School Transportation Modernization Task Force to study issues facing school transportation systems and use the findings to develop and recommend policies, laws, and rules to improve public school transportation across the state in order to better meet student needs and alleviate burdens on school districts. The final task force report was released on December 1, 2024 and includes twelve recommendations, three of which relate specifically to funding:

- Recommendation #4 proposes the creation of a Transportation Innovation Fund, similar to what was proposed by H.B. 22-1395 (Transportation Innovation Grant Program). That bill would have provided \$7.5 million for grants from the Revenue Loss Restoration Cash Fund; it was deemed postponed indefinitely. The task force recommendation does not suggest a dollar amount or fund source for the grant program.
- Recommendation #10 suggests the General Assembly should examine reimbursement percentages and the gap between state funding and expenditures while considering the categorical budget request each year. While there is no dollar amount tied to this recommendation, the most recent available expenditure data shows a 78 percent gap between state funding and district expenditures; this data is considered in the calculation of the request and recommendation.
- Recommendation #11 proposes utilizing a single-factor reimbursement process and increasing public school transportation funding by \$10.0 million.

Given that keeping up with special education funding alone requires more than the Amendment 23 increase, it will be not be possible to close the gap in transportation funding without additional funding that substantially exceeds the R2/BA2 request.

Statutory Authority: Section 22-32-113 and Section 22-51-104, C.R.S.

Request: The Department requests an increase of \$2,019,013 from the State Education Fund as part of the R2/BA2 increase.

Recommendation: Staff recommends an increase of \$2,154,816 from the State Education Fund. See R2/BA2 for additional details.

School District Operations, Categorical Programs, Public School Transportation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$73,461,986	\$36,922,227	\$36,501,594	\$38,165	\$0	2.0
Total FY 2025-26	\$73,461,986	\$36,922,227	\$36,501,594	\$38,165	\$0	2.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$73,461,986	\$36,922,227	\$36,501,594	\$38,165	\$0	2.0
R2/BA2 Categorical programs increase	2,154,816	0	2,154,816	0	0	0.0
Total FY 2026-27	\$75,616,802	\$36,922,227	\$38,656,410	\$38,165	\$0	2.0
Changes from FY 2025-26	\$2,154,816	\$0	\$2,154,816	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	2.9%	0.0%	5.9%	0.0%	n/a	0.0%
FY 2026-27 Executive Request	\$75,480,999	\$36,922,227	\$38,520,607	\$38,165	\$0	2.0
Staff Rec. Above/-Below Request	\$135,803	\$0	\$135,803	\$0	\$0	0.0

Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education

The State Board for Community Colleges and Occupational Education is responsible for approving career and technical education programs, as well as distributing state funds to school districts with students enrolled in approved programs [see Article 8 of Title 23, C.R.S.]. The state funds are distributed to school districts to partially reimburse costs related to personnel, books and supplies, and equipment for approved programs. Specifically, state funding is available to a district if its approved program cost per full-time equivalent student exceeds 70 percent of the district's per pupil operating revenues for the same fiscal year. A district is eligible to receive reimbursement for 80 percent of the first \$1,250 in "excess costs" incurred, and 50 percent of any excess costs above \$1,250.

The program requires each participating district to estimate program costs and enrollments at the beginning of each school year and provide actual cost data at the end of the school year. Districts receive funding quarterly based on such estimated figures. Any difference between a district's estimated and actual costs is added or subtracted from the first quarterly payment in the following fiscal year. If the appropriation is insufficient to fully fund the amount districts are eligible to receive, the Department of Higher Education prorates distributions accordingly.

The Department of Higher Education uses this funding as the state match (maintenance of effort) for federal Career and Technical Education Perkins funding. The Department has indicated that cutting this line or failing to keep up with federal increases would negatively impact federal Perkins funding. Recent increases to this line item have substantially outpaced federal increases. Federal allocation information is found at:

cte.ed.gov/grants/state-formula-grants/state-allocations

Statutory Authority: Section 23-8-102, C.R.S.

Request: The Department requests an increase of \$955,588 from the State Education Fund as part of R2/BA2.

Recommendation: As discussed in R2/BA2, staff does not recommend an increase for FY 2026-27.

School District Operations, Categorical Programs, Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$32,689,057	\$17,792,850	\$14,896,207	\$0	\$0	0.0
Total FY 2025-26	\$32,689,057	\$17,792,850	\$14,896,207	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$32,689,057	\$17,792,850	\$14,896,207	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R2/BA2 Categorical programs increase	0	0	0	0	0	0.0
Total FY 2026-27	\$32,689,057	\$17,792,850	\$14,896,207	\$0	\$0	0.0
Changes from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$33,644,645	\$17,792,850	\$15,851,795	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$955,588	\$0	-\$955,588	\$0	\$0	0.0

Special Education Programs for Gifted and Talented Children

The state Exceptional Children's Educational Act defines a gifted child as one whose "aptitude or competence in abilities and talents and potential for accomplishments in one or more domains, as defined by state board rule, are so outstanding that he or she requires special provisions to meet his or her educational needs". Each administrative unit is required to adopt and implement a program to identify and serve gifted children. The plan must be implementable within the local, state, and federal resources available for gifted education programs. State funding for gifted programs must supplement, not supplant, programs for students with disabilities.

State distributions may be used for universal screening of students, employing a gifted education coordinator, teacher salaries for appropriately licensed and endorsed personnel, programming options and counseling related to serving gifted children, materials used in serving gifted children, professional development for personnel who serve gifted children, and direct administrative costs incurred in implementing the gifted education program. In order to receive funding, an administrative unit (district, multi-district administrative unit, or board of cooperative service) must submit a comprehensive program plan and annual proposed budget for gifted education identification, programming, personnel, and accountability. The Department uses the appropriation: (a) for administrative unit per pupil distributions; (b) for "hold-harmless" allocations for certain rural school districts and boards of cooperative services that provide services to multiple school/rural districts; (c) to support ten regional grants for gifted education consultants and professional development; and (d) for state administration.

Statutory Authority: Sections 22-20-204 and 22-20-205, C.R.S.

Request: The request includes an increase of \$1,058,115 to reflect the annualization of S.B. 23-287, which requires an increase of \$1.1 million annually from FY 2023-24 through FY 2027-28 to implement full universal screening no later than second grade and a second screening of gifted children in conjunction with the creation of each child's individual career and academic plan. The request includes an additional increase of \$330,379 as part of R2/BA2.

Recommendation: Staff recommends an increase of \$1,058,115 to fulfill the statutory requirements related to S.B. 23-287, but does not recommend additional funding related to R2/BA2.

School District Operations, Categorical Programs, Special Education Programs for Gifted and Talented Children

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	\$16,793,762	\$5,500,000	\$11,293,762	\$0	\$0	1.5
Total FY 2025-26	\$16,793,762	\$5,500,000	\$11,293,762	\$0	\$0	1.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$16,793,762	\$5,500,000	\$11,293,762	\$0	\$0	1.5
Prior year actions	1,058,115	0	1,058,115	0	0	0.0
R2/BA2 Categorical programs increase	0	0	0	0	0	0.0
Total FY 2026-27	\$17,851,877	\$5,500,000	\$12,351,877	\$0	\$0	1.5
Changes from FY 2025-26	\$1,058,115	\$0	\$1,058,115	\$0	\$0	0.0
Percentage Change	6.3%	0.0%	9.4%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$18,182,256	\$5,500,000	\$12,682,256	\$0	\$0	1.5
Staff Rec. Above/-Below Request	-\$330,379	\$0	-\$330,379	\$0	\$0	0.0

Expelled and At-Risk Student Services Grant Program

This program, first funded in FY 1997-98, provides grants to school districts, boards of cooperative services, and charter schools for the provision of educational services to expelled students and to students at risk of being suspended or expelled. The Department evaluates grant applications received, and the State Board of Education approves annual grant awards. The Department places strong emphasis on research-validated programs and strategies, and programs are required to show significant district support for program sustainability after grant funding ends. The Board is required to award grants based on the following:

- at least 45 percent of moneys appropriated for the program shall be annually awarded to applicants that provide educational services to students from more than one school district; and
- at least one-half of any increases in the appropriation for FY 2009-10 (\$500,000) shall be annually awarded to applicants that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

The Department awards grants on a rolling basis (i.e., when one grant is completed, the funding is reallocated to fund a new award).

The Department is also authorized to retain: (a) up to one percent of moneys appropriated for the purpose of annually evaluating the program; and (b) up to two percent of moneys appropriated for the purpose of partnering with organizations and agencies that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

Statutory Authority: Sections 22-33-205 and 22-38-115, C.R.S.

Request: The Department requests an increase of \$4,608 from the State Education Fund as part of R2/BA2.

Recommendation: As discussed in R2/BA2, staff does not recommend an increase for FY 2026-27.

School District Operations, Categorical Programs, Expelled and At-risk Student Services Grant Program

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	\$9,473,039	\$5,788,807	\$3,684,232	\$0	\$0	1.0
Total FY 2025-26	\$9,473,039	\$5,788,807	\$3,684,232	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$9,473,039	\$5,788,807	\$3,684,232	\$0	\$0	1.0
R2/BA2 Categorical programs increase	0	0	0	0	0	0.0
Total FY 2026-27	\$9,473,039	\$5,788,807	\$3,684,232	\$0	\$0	1.0
Changes from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$9,477,647	\$5,788,807	\$3,688,840	\$0	\$0	1.0
Staff Rec. Above/-Below Request	-\$4,608	\$0	-\$4,608	\$0	\$0	0.0

Small Attendance Center Aid

School districts that operate a school with fewer than 200 pupils that is located twenty or more miles from any similar school in the same district are eligible to receive additional state funding to offset the unique costs associated with operating such schools. In addition, since FY 2008-09, small attendance center aid has been limited to those districts that received the aid prior to FY 2008-09. The amount of additional state aid that a district is eligible to receive is based on the number of eligible schools it operates, the number of pupils in each eligible school, and the district's per pupil funding.

Similar to other categorical programs, whether a school district eligible for Small Attendance Center Aid actually receives the maximum reimbursement allowable is subject to appropriation. The FY 2024-25 appropriation includes \$1,604,359 total funds for this line item. However, based on the calculations directed by statute, full funding for the formula this year would require \$1,667,359, a shortfall of \$62,642. FY 2024-25 payments are prorated at 96 percent.

Statutory Authority: Section 22-54-122, C.R.S.

Request: The Department requests an increase of \$566 from the State Education Fund as part of R2/BA2.

Recommendation: As discussed in R2/BA2, staff does not recommend an increase for FY 2026-27.

School District Operations, Categorical Programs, Small Attendance Center Aid

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,606,548	\$787,645	\$818,903	\$0	\$0	0.0
Total FY 2025-26	\$1,606,548	\$787,645	\$818,903	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,606,548	\$787,645	\$818,903	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R2/BA2 Categorical programs increase	0	0	0	0	0	0.0
Total FY 2026-27	\$1,606,548	\$787,645	\$818,903	\$0	\$0	0.0
Changes from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$1,607,114	\$787,645	\$819,469	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$566	\$0	-\$566	\$0	\$0	0.0

Comprehensive Health Education

The Colorado Comprehensive Health Education Act of 1990 requires the Department of Education to promote the development and implementation of local comprehensive health education programs and local student wellness programs. The Department is to: develop recommended guidelines for implementing these local programs; develop a plan for training teachers to provide comprehensive health education and student wellness; and provide technical assistance upon the request of a school district or board of cooperative services (and within available resources).

This line item provides funding for grants to school districts, facility schools, and boards of cooperative services to implement local comprehensive health education and student wellness programs, and for 1.0 FTE to administer the program and perform the duties required by the act. The Department of Education works with the Department of Public Health and Environment to review applications for state funding, and the State Board of Education allocates available funds.

Statutory Authority: Section 22-25-101, et seq., C.R.S.

Request: The Department requests an increase of \$1,802 from the State Education Fund as part of R2/BA2.

Recommendation: As discussed in R2/BA2, staff does not recommend an increase for FY 2026-27.

School District Operations, Categorical Programs, Comprehensive Health Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,115,829	\$300,000	\$815,829	\$0	\$0	1.0
Total FY 2025-26	\$1,115,829	\$300,000	\$815,829	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,115,829	\$300,000	\$815,829	\$0	\$0	1.0
R2/BA2 Categorical programs increase	0	0	0	0	0	0.0
Total FY 2026-27	\$1,115,829	\$300,000	\$815,829	\$0	\$0	1.0
Changes from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,117,631	\$300,000	\$817,631	\$0	\$0	1.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	-\$1,802	\$0	-\$1,802	\$0	\$0	0.0

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends **CONTINUING AND MODIFYING** the following footnote:

- 11 Department of Education, Assistance to Public Schools, Public School Finance, Extended High School -- Pursuant to Section 22-35-108.5 (2)(b)(II), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Teacher Recruitment Education and Preparation (TREP) Program for FY ~~2025-26~~ 2026-27. It is the General Assembly's intent that the Department of Education be authorized to utilize up to ~~\$2,263,680~~ \$2,680,250 of this appropriation to fund qualified students identified as TREP Program participants. This amount is calculated based on an estimated ~~216~~ 250 FTE TREP Program participants funded at a rate of ~~\$10,480~~ \$10,721 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

Comment: The Committee added the Teacher Recruitment Education and Preparation (TREP) program footnote for FY 2022-23 to designate a cap required by S.B. 21-285 (Supporting Educator Workforce in Colorado). The program, which started in FY 2022-23, allows participating students to concurrently enroll in postsecondary courses for two years following the student's twelfth grade year. The Department can designate students as TREP participants if they are following the teaching career pathway, are on schedule to complete the specified courses by senior year, and are enrolling in the pathways postsecondary courses for the fifth and sixth year, among other requirements.

Statute requires the General Assembly to decide on the number of TREP participants each year through the Long Bill process (with this footnote as the mechanism). The General Assembly initially approved 250 slots for FY 2025-26 but then adjusted the limit down to 216 FTE at mid-year (with H.B. 26-1174) to reflect the actual usage (193) and rollover slots (23) in the current year. The recommendation would continue to allow up to 250 slots for allocation in FY 2026-27.

Senate Bill 25-315 (Postsecondary and Workforce Readiness Programs) required a working group to make recommendations regarding the TREP program to the JBC by December 1, 2025. The working group study recommended continuing TREP funding through FY 2029-30 and better aligning the program with existing postsecondary workforce readiness infrastructure. The study also recommends funding a joint CDE-CDHE longitudinal data initiative and creating partnerships to prioritize rural and small districts. The study points out that because the program launched in fall 2022, the first potential bachelor's degree completers will not graduate until May 2026.

Staff recommends **ELIMINATING** the following footnote:

- 10 Department of Education, Assistance to Public Schools, Public School Finance, State share of Districts' Total Program Funding -- It is the General Assembly's intent that a portion of the amount appropriated for this line item, not to exceed \$200,000 for fiscal year FY 2025-26, shall be transferred to the Legislative Council for the purpose of funding the biennial cost of living analysis pursuant to Section 22-54-104 (5)(c)(III)(B), C.R.S.

Comment: Statute requires the Legislative Council Staff to conduct a biennial study concerning the relative cost of living in each school district. The results of the study are then to be used to adjust each school district’s cost of living factor for purposes of calculating per pupil funding for the following two fiscal years. A study was conducted in FY 2025-26; this footnote will be needed again for FY 2027-28. The results of the study conducted in FY 2025-26 will impact funding requirements for FY 2026-27 and FY 2027-28.

H.B. 24-1448 modified the procedure for how cost of living factors are calculated. Under the old formula, a district’s cost of living factor could only go up and could never decrease. In the new formula, factors can increase or decrease every two years, depending on the results of the study. This modification was at least partially intended both to make the factors more responsive to districts’ actual current cost of living, and to address distortions that had occurred over time within the context of the old formula.

Requests For Information

Staff recommends continuing and **CONTINUING AND MODIFYING** the following request for information:

[Multi-Department - Impacts the Department of Education and Department of Higher Education]

- 3 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. – The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2024-25~~ 2025-26 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year ~~2023-24~~ 2024-25 and actual district expenditures for each program in fiscal year ~~2023-24~~ 2024-25. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2023-24~~ 2024-25 and actual district expenditures in fiscal year ~~2023-24~~ 2024-25.

Comment: This request provides the Joint Budget Committee with data that is used to annually determine the allocation of the required increase in state funding for categorical programs. The data provided through this request are essential to the formulation of recommendations for categorical program funding.

Additional Balancing Options

As part of staff budget briefings in November and December 2025, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

This document includes subdivisions (A) Public School Finance and (B) Categorical Programs of the School District Operations division of the Department of Education only. The Executive Branch’s R1/BA1 includes policy changes that reduce the cost of the school finance formula/increase the local share contribution starting in FY 2027-28. Staff has identified additional balancing options below that could be adopted for FY 2026-27 or later years.

Items in the table are ordered from lowest impact on program operations to highest, based on staff’s understanding of the impact of the change.

Additional Options for General Fund/SEF Relief

Option	SEF/General Fund	Other Funds	Bill? Y/N	Description
Specific ownership tax for local share – future bond and mill levy overrides	\$0	\$0	Y	Require districts to count SOT attributable to future referendums toward local share, thereby reducing state share. Amount unknown.
Reduce or eliminate certain categorical programs	-10,588,868	0	Y	Partially reduce or eliminate Comprehensive Health Education and Expelled and At-risk Student Services categorical grant programs
Part-time enrichment funding	-23,600,000	0	Y	Change the rate used to fund part-time enrichment students from 0.5 to 0.25
Subtotal - Expenditures	-\$34,188,868	\$0		

Revenue Enhancements

Specific Ownership Tax – Future Referendums

In the event that the SOT component of the Governor’s R1/BA1 proposal is not approved, the General Assembly could require all SOT attributable to bonds and override mills approved after a future date to count toward local share. It is unclear if CDE or LCS will be able to provide even a rough estimate of what this change would add to local share in the future.

Expenditure Reductions

Reduce or Cut Certain Categorical Grant Programs

Amendment 23 requires total funding for all categorical programs to grow annually by the rate of inflation. The General Assembly could choose to reduce or eliminate some categories in order to increase others while meeting the constitutional requirement. The \$10.6 million in the table above represents the full cost of the

Comprehensive Health Education and Expelled and At-risk Student Services Grant Program categorical line items. Unlike other categories that distribute funds through a statutory formula, these two are grant programs. The General Assembly could consider cutting other categorical programs, except that Special Education Programs for Children with Disabilities, English Language Proficiency Program, and Career and Technical Education all have federal funding implications.

Part-time Enrichment Funding

After reviewing a March 2025 OSPB proposal to adjust a handful of districts' historic enrollment counts as a result of misclassified homeschool enrichment students, staff learned of a potential balancing-related option that would save upwards of \$23.6 million in total program costs annually. This option would align funding for certain part-time students to the number of instructional hours the student actually receives.

To qualify as being enrolled full-time (1.0 FTE), a student must be enrolled in at least 360 instructional hours. However, part-time enrollment (0.5 FTE) only requires a minimum of 90 instructional hours. There are generally four categories of part-time students:

1. Students with disabilities whose Individualized Education Programs call for less than full-time enrollment;
2. Kindergarten students in half-day programs;
3. Students past the age of compulsory education, usually completing a fifth year of high school or a dropout recovery program; and
4. Nonpublic home-based educational programs authorized under Section 22-33-104.5(6)(a), C.R.S., which are commonly known as “enrichment” or “homeschool enrichment” programs.

The Department has anecdotally observed that the first three categories of part-time students are typically participating in approximately 180-instructional hours (half of the required 360 hours for full time enrollment), but that recent audits have revealed that part-time enrichment programs are typically designed to just meet the minimum required 90-hours of instructional time. Historically, the enrichment programs were designed to augment homeschool programming such as enrolling students in courses taken at the “brick and mortar” school – such as advance math courses or band. Over time, the programs have evolved to allow part-time enrollment to take place outside of a “brick and mortar” school.

The enrichment category has grown significantly in recent years. Between FY 2019-20 and FY 2025-26 the Department’s preliminary data estimate that enrollment has grown by more than 110 percent (from 8,780 to 18,494). In FY 2024-25, it accounted for 86.0 percent of all part-time students.

The Department notes that districts do not typically provide the same services and incur the same level of expenditures for those students as regular full-time students. Using preliminary data for FY 2025-26, the Department estimates that aligning part-time enrichment funding at 0.25 PPR (90 hours of instructional hours) instead of 0.5 PPR would reduce total program costs by \$40.2 million annually if adjustments are made to prior year counts, or \$23.6 million annually if no prior year adjustments are made.

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

(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

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
Extended High School	0	<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
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

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
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
Contingency Reserve Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
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	<u>23,950,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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
<i>FTE</i>	<u>16.5</u>	<u>17.5</u>	<u>18.5</u>	<u>19.6</u>	<u>19.6</u>
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

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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(B) Categorical Programs

(1) District Programs Required by Statute

Special Education - Children with Disabilities	<u>561,542,608</u>	<u>588,527,830</u>	<u>591,135,231</u>	<u>600,395,183</u>	<u>607,145,997</u> *
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
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
<i>FTE</i>	<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

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
(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
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

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
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
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

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 - (B) Categorical Programs	730,329,329	765,312,769	773,879,012	788,138,343	793,773,045
<i>FTE</i>	<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

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
TOTAL - Department of Education	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

* Indicates the FY 2026-27 request is affected by one or more decision items.

Appendix B: SOT District Detail

The following data was provided by Legislative Council Staff in consultation with the Colorado Department of Education.

County	District	FY 2024-25 Certified SOT for Local Share	FY 2024-25 Local Share Percentage	FY 2025-26 Estimated Total SOT Revenue	FY 2025-26 Estimated SOT Not in Local Share
ADAMS	MAPLETON	\$2,486,104	52.0%	\$4,783,959	\$2,297,855
ADAMS	NORTHGLENN	5,722,195	44.0%	13,009,968	7,287,773
ADAMS	COMMERCE CITY	1,488,922	72.9%	2,041,108	552,187
ADAMS	BRIGHTON	8,370,815	48.1%	17,414,190	9,043,375
ADAMS	BENNETT	589,323	100.0%	589,323	0
ADAMS	STRASBURG	53,874	61.3%	87,913	34,039
ADAMS	WESTMINSTER	1,602,194	46.3%	3,461,221	1,859,027
ALAMOSA	ALAMOSA	531,892	80.1%	663,734	131,842
ALAMOSA	SANGRE DE CRISTO	144,747	80.4%	180,023	35,275
ARAPAHOE	ENGLEWOOD	1,464,763	60.9%	2,404,927	940,165
ARAPAHOE	SHERIDAN	482,582	60.4%	798,986	316,404
ARAPAHOE	CHERRY CREEK	12,636,999	51.7%	24,422,221	11,785,222
ARAPAHOE	LITTLETON	5,371,193	59.3%	9,056,027	3,684,833
ARAPAHOE	DEER TRAIL	85,687	72.7%	117,886	32,199
ARAPAHOE	AURORA	9,409,438	38.3%	24,569,317	15,159,880
ARAPAHOE	BYERS	104,826	88.5%	118,438	13,612
ARCHULETA	ARCHULETA	1,058,700	88.9%	1,191,163	132,464
BACA	WALSH	7,797	52.6%	14,836	7,039
BACA	PRITCHETT	70,031	100.0%	70,031	0
BACA	SPRINGFIELD	86,203	70.2%	122,743	36,540
BACA	VILAS	18,404	100.0%	18,404	0
BACA	CAMPO	25,569	63.0%	40,589	15,020
BENT	LAS ANIMAS	137,009	100.0%	137,009	0
BENT	MCCLAVE	62,530	100.0%	62,530	0
BOULDER	ST VRAIN	6,826,845	47.6%	14,328,063	7,501,218
BOULDER	BOULDER	12,703,218	66.4%	19,117,524	6,414,307
CHAFFEE	BUENA VISTA	733,088	60.1%	1,220,398	487,310
CHAFFEE	SALIDA	765,339	62.8%	1,218,796	453,457
CHEYENNE	KIT CARSON	60,785	36.2%	168,061	107,276
CHEYENNE	CHEYENNE R-5	96,621	54.0%	178,964	82,343
CLEAR CREEK	CLEAR CREEK	332,294	43.3%	768,252	435,958
CONEJOS	NORTH CONEJOS	162,874	71.0%	229,513	66,639
CONEJOS	SANFORD	56,052	75.4%	74,292	18,241
CONEJOS	SOUTH CONEJOS	139,696	64.7%	215,782	76,086
COSTILLA	CENTENNIAL	50,153	73.7%	68,010	17,857
COSTILLA	SIERRA GRANDE	136,478	62.5%	218,262	81,783
CROWLEY	CROWLEY	108,754	76.4%	142,305	33,551
CUSTER	WESTCLIFFE	518,654	92.8%	558,898	40,245
DELTA	DELTA	1,736,922	86.8%	2,002,206	265,284
DENVER	DENVER	36,419,101	60.3%	60,358,489	23,939,388
DOLORES	DOLORES	114,154	63.7%	179,244	65,090

County	District	FY 2024-25 Certified SOT for Local Share	FY 2024-25 Local Share Percentage	FY 2025-26 Estimated Total SOT Revenue	FY 2025-26 Estimated SOT Not in Local Share
DOUGLAS	DOUGLAS	20,329,146	59.3%	34,274,142	13,944,996
EAGLE	EAGLE	3,012,131	57.6%	5,232,891	2,220,761
ELBERT	ELIZABETH	1,131,092	82.5%	1,370,794	239,702
ELBERT	KIOWA	193,574	100.0%	193,574	0
ELBERT	BIG SANDY	165,381	85.5%	193,375	27,995
ELBERT	ELBERT	112,909	81.4%	138,716	25,806
ELBERT	AGATE	81,831	100.0%	81,831	0
EL PASO	CALHAN	133,276	74.1%	179,949	46,674
EL PASO	HARRISON	1,536,087	43.8%	3,509,386	1,973,299
EL PASO	WIDEFIELD	2,320,786	66.4%	3,496,324	1,175,538
EL PASO	FOUNTAIN	492,666	82.0%	601,035	108,369
EL PASO	COLORADO SPRINGS	8,357,424	52.3%	15,985,947	7,628,523
EL PASO	CHEYENNE MOUNTAIN	1,340,448	49.2%	2,725,999	1,385,551
EL PASO	MANITOU SPRINGS	451,730	52.9%	853,901	402,170
EL PASO	ACADEMY	7,293,315	57.8%	12,612,779	5,319,464
EL PASO	ELLCOTT	124,917	100.0%	124,917	0
EL PASO	PEYTON	184,335	77.0%	239,395	55,060
EL PASO	HANOVER	70,285	44.5%	157,991	87,706
EL PASO	LEWIS-PALMER	1,941,439	62.6%	3,099,628	1,158,190
EL PASO	FALCON	3,573,444	59.4%	6,014,952	2,441,508
EL PASO	EDISON	17,266	100.0%	17,266	0
EL PASO	MIAMI-YODER	95,252	86.6%	110,002	14,750
FREMONT	CANON CITY	1,135,082	63.0%	1,800,414	665,332
FREMONT	FLORENCE	373,634	60.2%	621,125	247,491
FREMONT	COTOPAXI	231,957	92.5%	250,737	18,780
GARFIELD	ROARING FORK	2,156,349	59.4%	3,632,180	1,475,831
GARFIELD	RIFLE	582,213	37.0%	1,572,881	990,668
GARFIELD	PARACHUTE	309,914	42.0%	738,575	428,661
GILPIN	GILPIN	161,091	74.0%	217,690	56,599
GRAND	WEST GRAND	93,412	51.9%	179,910	86,498
GRAND	EAST GRAND	752,816	66.5%	1,132,783	379,967
GUNNISON	GUNNISON	856,290	56.0%	1,529,225	672,935
HINSDALE	HINSDALE	91,405	78.9%	115,802	24,396
HUERFANO	HUERFANO	318,902	75.1%	424,362	105,460
HUERFANO	LA VETA	91,685	69.0%	132,807	41,122
JACKSON	NORTH PARK	358,754	100.0%	358,754	0
JEFFERSON	JEFFERSON	24,362,000	61.3%	39,713,789	15,351,788
KIOWA	EADS	6,523	100.0%	6,523	0
KIOWA	PLAINVIEW	89,626	100.0%	89,626	0
KIT CARSON	ARRIBA-FLAGLER	118,160	100.0%	118,160	0
KIT CARSON	HI PLAINS	83,737	79.5%	105,362	21,625
KIT CARSON	STRATTON	60,761	78.4%	77,531	16,770
KIT CARSON	BETHUNE	30,110	64.8%	46,487	16,377
KIT CARSON	BURLINGTON	251,140	66.9%	375,358	124,218
LAKE	LAKE	413,657	79.1%	522,872	109,215
LA PLATA	DURANGO	1,699,098	45.6%	3,726,346	2,027,247
LA PLATA	BAYFIELD	238,218	30.4%	782,712	544,494
LA PLATA	IGNACIO	186,303	30.3%	614,211	427,908
LARIMER	POUDRE	8,558,860	50.9%	16,819,320	8,260,460
LARIMER	THOMPSON	5,388,104	59.5%	9,062,477	3,674,372

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LARIMER	ESTES PARK	748,538	71.7%	1,044,470	295,933
LAS ANIMAS	TRINIDAD	404,599	81.8%	494,871	90,272
LAS ANIMAS	PRIMERO	75,866	41.9%	181,128	105,263
LAS ANIMAS	HOEHNE	233,976	85.1%	275,011	41,036
LAS ANIMAS	AGUILAR	88,616	100.0%	88,616	0
LAS ANIMAS	BRANSON	52,287	77.3%	67,638	15,351
LAS ANIMAS	KIM	40,493	47.2%	85,731	45,238
LINCOLN	GENOA-HUGO	171,301	72.5%	236,218	64,917
LINCOLN	LIMON	229,723	79.4%	289,225	59,502
LINCOLN	KARVAL	20,357	100.0%	20,357	0
LOGAN	VALLEY	736,830	72.1%	1,021,956	285,126
LOGAN	FRENCHMAN	156,502	97.7%	160,133	3,630
LOGAN	BUFFALO	120,477	87.2%	138,103	17,626
LOGAN	PLATEAU	152,541	48.3%	315,957	163,416
MESA	DEBEQUE	84,776	55.1%	153,949	69,172
MESA	PLATEAU VALLEY	223,667	45.8%	488,709	265,043
MESA	MESA VALLEY	7,700,362	60.1%	12,811,295	5,110,933
MINERAL	CREEDE	138,144	63.5%	217,672	79,528
MOFFAT	MOFFAT	944,995	68.6%	1,377,332	432,337
MONTEZUMA	MONTEZUMA	1,275,976	90.3%	1,413,766	137,790
MONTEZUMA	DOLORES	158,596	70.3%	225,520	66,923
MONTEZUMA	MANCOS	87,605	70.3%	124,694	37,088
MONTROSE	MONTROSE	2,625,339	91.2%	2,879,164	253,824
MONTROSE	WEST END	78,403	60.6%	129,421	51,018
MORGAN	BRUSH	599,030	55.2%	1,085,797	486,767
MORGAN	FT. MORGAN	765,444	73.8%	1,037,313	271,869
MORGAN	WELDON	60,640	67.0%	90,528	29,888
MORGAN	WIGGINS	483,160	66.3%	729,108	245,948
OTERO	EAST OTERO	361,121	83.4%	433,126	72,005
OTERO	ROCKY FORD	214,726	76.8%	279,446	64,720
OTERO	MANZANOLA	55,058	100.0%	55,058	0
OTERO	FOWLER	124,347	67.0%	185,694	61,347
OTERO	CHERAW	49,615	100.0%	49,615	0
OTERO	SWINK	111,040	71.4%	155,484	44,444
OURAY	OURAY	143,951	68.6%	209,954	66,003
OURAY	RIDGWAY	239,561	54.6%	439,087	199,526
PARK	PLATTE CANYON	412,967	72.9%	566,686	153,719
PARK	PARK	679,726	76.2%	892,351	212,625
PHILLIPS	HOLYOKE	248,733	72.4%	343,449	94,716
PHILLIPS	HAXTUN	110,129	68.9%	159,725	49,596
PITKIN	ASPEN	691,195	62.4%	1,107,978	416,783
PROWERS	GRANADA	65,386	100.0%	65,386	0
PROWERS	LAMAR	326,679	86.4%	378,184	51,505
PROWERS	HOLLY	113,174	75.6%	149,643	36,469
PROWERS	WILEY	51,090	100.0%	51,090	0
PUEBLO	PUEBLO CITY	3,110,099	67.0%	4,644,596	1,534,496
PUEBLO	PUEBLO RURAL	2,226,591	67.7%	3,288,327	1,061,736
RIO BLANCO	MEEKER	129,585	43.3%	299,280	169,694
RIO BLANCO	RANGELY	85,115	74.5%	114,296	29,180
RIO GRANDE	DEL NORTE	279,061	48.2%	578,424	299,362

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RIO GRANDE	MONTE VISTA	268,552	72.0%	373,109	104,557
RIO GRANDE	SARGENT	112,545	71.7%	156,901	44,355
ROUTT	HAYDEN	205,284	51.5%	398,771	193,487
ROUTT	STEAMBOAT SPRINGS	916,334	47.8%	1,917,562	1,001,228
ROUTT	SOUTH ROUTT	204,634	77.5%	264,173	59,539
SAGUACHE	MOUNTAIN VALLEY	227,451	71.0%	320,512	93,061
SAGUACHE	MOFFAT	126,251	66.5%	189,788	63,537
SAGUACHE	CENTER	171,621	72.2%	237,547	65,926
SAN JUAN	SILVERTON	73,634	91.9%	80,100	6,466
SAN MIGUEL	TELLURIDE	310,410	55.5%	559,292	248,881
SAN MIGUEL	NORWOOD	20,467	46.4%	44,145	23,678
SEDGWICK	JULESBURG	106,067	67.2%	157,758	51,691
SEDGWICK	REVERE SCHOOLS	93,571	66.4%	140,918	47,347
SUMMIT	SUMMIT	1,701,019	73.2%	2,323,558	622,539
TELLER	CRIPPLE CREEK	327,880	69.4%	472,538	144,658
TELLER	WOODLAND PARK	873,424	90.6%	964,490	91,066
WASHINGTON	AKRON	157,050	73.4%	214,105	57,055
WASHINGTON	ARICKAREE	67,031	69.8%	96,074	29,043
WASHINGTON	OTIS	71,710	79.3%	90,484	18,775
WASHINGTON	LONE STAR	84,557	100.0%	84,557	0
WASHINGTON	WOODLIN	110,593	85.9%	128,685	18,091
WELD	GILCREST	692,424	71.8%	964,463	272,039
WELD	EATON	944,064	67.1%	1,406,894	462,830
WELD	KEENESBURG	912,429	63.9%	1,428,734	516,305
WELD	WINDSOR	2,192,500	60.9%	3,600,249	1,407,749
WELD	JOHNSTOWN	901,145	63.6%	1,416,132	514,987
WELD	GREELEY	3,229,587	57.5%	5,618,335	2,388,748
WELD	PLATTE VALLEY	804,160	77.7%	1,035,410	231,250
WELD	FT. LUPTON	700,658	72.9%	961,476	260,818
WELD	AULT-HIGHLAND	404,419	85.4%	473,460	69,040
WELD	BRIGGS DALE	271,259	89.8%	302,097	30,839
WELD	PRAIRIE	94,817	90.0%	105,331	10,514
WELD	PAWNEE	93,903	86.0%	109,193	15,290
YUMA	YUMA 1	329,990	57.6%	573,064	243,075
YUMA	WRAY RD-2	205,512	47.9%	428,832	223,320
YUMA	IDALIA RJ-3	48,224	65.3%	73,815	25,590
YUMA	LIBERTY J-4	37,973	56.9%	66,706	28,732
	Statewide	\$261,311,707		\$451,816,240	\$190,504,533