FY 2027-28 Budget Briefing Summary

Education

Programs *other than* School Finance and Categorical Programs

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

The Department's FY 2026-27 appropriation represents approximately 15.8 percent of statewide operating appropriations and 26.3 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs. The sections addressed in this summary are the Department's other divisions and sections.

Summary of Request

Department of Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Appropriation						
HB 26-1410 Long Bill	$7,864,717,607	$4,586,880,882	$2,371,460,540	$56,341,459	$850,034,726	739.1
Other legislation	-1,931,853	-163,041	-1,768,812	0	0	2.9
Total	$7,862,785,754	$4,586,717,841	$2,369,691,728	$56,341,459	$850,034,726	742.0
FY 2027-28 Requested Appropriation						
FY 2026-27 Appropriation	$7,862,785,754	$4,586,717,841	$2,369,691,728	$56,341,459	$850,034,726	742.0
R1 State share of total program	154,720,356	125,000,000	29,720,356	0	0	0.0
R2 Categorical programs increase	22,982,530	0	22,982,530	0	0	0.0
R3 CSI Mill Levy Equalization	619,893	0	619,893	0	0	0.0
R4 Facility schools caseload adjustment	2,350,274	0	2,350,274	0	0	0.0
R5 School finance district support	554,011	554,011	0	0	0	4.5
R6 Out of School Time programming	3,500,000	0	3,500,000	0	0	2.0
R7 Contingency Reserve increase	1,500,000	0	1,500,000	0	0	0.0
R8 SB 26-125 disability rights funding	574,205	574,205	0	0	0	3.7

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R9 Colorado Performance Management System for Educators	300,000	300,000	0	0	0	0.0
R10 CSDB teacher salary increase	316,622	316,622	0	0	0	0.0
R11 P-Tech Eliminate 6th year	-598,396	0	-598,396	0	0	0.0
Employee compensation common policies	4,663,689	1,267,446	955,326	905,976	1,534,941	0.0
Operating common policies	306,873	222,779	21,892	-23,729	85,931	0.0
Prior year actions	1,041,342	-3,304,711	4,346,053	0	0	-1.9
Total	$8,055,617,153	$4,711,648,193	$2,435,089,656	$57,223,706	$851,655,598	750.3
Increase/-Decrease	$192,831,399	$124,930,352	$65,397,928	$882,247	$1,620,872	8.3
Percentage Change	2.5%	2.7%	2.8%	1.6%	0.2%	1.1%

Changes are assumed to be ongoing unless otherwise noted.

R3 CSI Mill Levy Equalization: The request includes an increase for Charter School Institute (CSI) Mill Levy Equalization based on projected utilization in FY 2027-28. This program provides funding for schools authorized by CSI so that these schools have the same per pupil funding as the district schools where CSI schools are located.

Year 1: The requested increase is $619,893 cash funds from the State Education Fund.

This represents an early estimate of funding required for this program, which is driven by local mill levy override elections and the number of students enrolled in CSI and district schools in each district with a mill levy override. Funding for full mill levy equalization for all institute charter schools is required by statute, and current year amounts, as well as FY 2027-28 amounts, will be adjusted to reflect the October 2026 pupil count and November 2026 mill levy elections.

The request would increase the total CSI MLE appropriation to $57.3 million, including $23.3 million from the General Fund and $34.0 million from the State Education Fund. The request is based on providing mill levy equalization funding for 21,133.4 student FTE enrolled in 48 CSI schools.

R4 Facility schools caseload adjustment: The request includes an increase for facility schools, which serve students with exceptionally severe or specialized needs.

Year 1: The requested increase is $2.4 million cash funds from the State Education Fund.

The request is for an increase of 7.0 percent to provide total funding of $35.7 million for facility schools in FY 2027-28. The requested increase incorporates inflation of 4.0 percent and an increase in enrollment, but it assumes no new schools will open, although the Department has received requests to add three. See the briefing issue on this topic for further information.

R6 Out of School Time programming [legislation]: The Governor's Office requests an appropriation to continue the Out of School Time Grant Program for three additional years. This includes a proposal for a statutory change to allow use of the State Education Fund to support the program.

Year 1: The requested increase is $3,500,000 from the State Education Fund and 2.0 FTE to be continued annually through FY 2029-30.

HB 24-1331 created the Out of School Time program Grant Program to support grants to non-profit organizations that provide enrichment activities outside of school hours to students in primary and secondary schools.[1] H.B. 24-1331 required the General Assembly to appropriate $3.5 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

R8 SB 26-125 Disability Rights funding: The Governor's Office requests funding to implement SB 26-125 Disability Rights Protections in Public Schools, which codified in state law existing federal civil rights protections for students with disabilities.

Year 1: The requested increase is $574,205 General Fund and 3.7 FTE.

Year 2: The requested increase is $479,284 General Fund and 4.0 FTE.

S.B. 26-125 did not include a General Fund appropriation consistent with the fiscal note; instead, it indicated that the Department could seek funding from gifts, grants, donations, "and other agreements for resources" and specified that enforcement and training provisions would only take effect if the Department received sufficient funding. The General Fund amount requested is consistent with the funding need specified in the bill's fiscal note.

R9 Colorado Performance Management System for Educators: The Department requests an increase for the re-procurement of the Colorado State Model Performance Management System (COPMS), an electronic interface and data collection tool that supports district use of the state model educator evaluation rubrics at no cost to districts.

Year 1: The requested increase is $300,00 General Fund.

Year 2: The requested increase is $29,000 General Fund.

Statute[2] requires that every school district provide an annual assurance that demonstrates implementation of the Colorado State Model Evaluation System or a locally created evaluation system that meets statutory and regulatory requirements for evaluating educators. In FY 2013-14, Colorado launched the COPMS system, which, as of June 2026, is used by 161 districts and 15 BOCES for evaluation of teachers, special service providers, and principals.

The Department proposes to build, develop, and deploy a new system in FY 2027-28, while the existing system is still in operation, to support a smooth transition. The initial costs associated with the new system in FY 2027-28 are followed by an ongoing cost increase of $29,000 General Fund for annual platform hosting and maintenance.

R10 CSDB teacher salary increase: The Department requests an increase to align Colorado School for the Deaf and the Blind (CSDB) teacher and educational specialist salaries with the Colorado Springs District 11 salary schedule, consistent with statute.

Year 1: The requested increase is $316,622 General Fund.

R11 P-Tech Eliminate 6th year [legislation]: The Governor's Office proposes reducing the extended high school per pupil rate for students in the Pathways in Technology Early College High Schools (P-Tech) program from

[1] The federal 21st Century Community Learning Center (CCLC) program supports after-school academic programs and enrichment at low-income low-performing schools with an annual grant to Colorado of approximately $12 million per year. The Out of School Time Grant Program differs in that it is non-profit led, with less restrictive guidelines for location, programming, hours, and outcomes.

[2] Article 9 of Title 22, C.R.S.

$10,732 to $7,104 beginning in FY 2027-28 and limiting the program to funding for one year of extended high school, rather than two, beginning in FY 2028-29.

Year 1: The requested decrease is $598,396

Year 2: The requested decrease is $1,062,241

Students participating in P-Tech remain in high school for a fifth and sixth year, even if they have met their high school's graduation requirements. Their local education provider receives a payment from the State at the extended high school rate and then pays community college tuition for the student. There is no local match component to these funds, so the State pays the total cost. Since the per pupil funding typically exceeds community college tuition costs, school districts use the excess to support programs for their K-12 students, e.g., by paying for P-tech staff who serve students in grades 9-12.

The current FY 2026-27 appropriation for P-Tech is based on 131 students participating at a rate of $10,732 (total cost of $1.4 million), which will be adjusted based on the October count. As of SY 2025-26, 13 school districts offer P-Tech programs, including nine suburban and four rural districts. Since the other fifth and sixth year programs (ASCENT and TREP) have been eliminated and P-Tech enrollment is not capped, the Department anticipates an annual growth of 10 percent in the P-Tech program.

The State Board of Education recommended that funding for the 6th year be eliminated but did not recommend reducing the P-tech reimbursement rate. Its proposal was projected to provide no savings in FY 2027-28 and save approximately $600,000 in FY 2028-29.

Employee compensation common policies: The request includes a net increase of $4.7 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	$2,568,542	$790,088	$543,938	$447,600	$786,916	0.0
Step plan	1,239,040	359,946	230,073	187,333	461,688	0.0
Salary survey	1,052,852	335,252	184,358	144,973	388,269	0.0
Unfunded liability amortization payments	-127,429	-162,042	12,239	119,739	-97,365	0.0
PERA direct distribution	-62,304	-46,167	-16,137	0	0	0.0
Paid family and medical leave insurance	-4,761	-7,028	740	5,479	-3,952	0.0
Shift differential	-1,510	-1,510	0	0	0	0.0
Short-term disability	-741	-1,093	115	852	-615	0.0
Total	$4,663,689	$1,267,446	$955,326	$905,976	$1,534,941	0.0

Operating common policies: The request includes a net increase of $0.3 million for operating common policies.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	$420,820	$420,820	0	0	0	0.0
Statewide indirect cost adjustment	235,945	0	-$20,594	$15,028	$241,511	0.0
Administrative law judge services	155,376	0	155,376	0	0	0.0
NP Statewide training system	16,864	6,672	2,874	1,941	5,377	0.0
NP DPA Personnel Board	2,874	2,129	440	305	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex leased space	-362,009	-103,172	-65,886	-32,943	-160,008	0.0
Legal services	-132,103	-81,639	-44,255	-6,209	0	0.0
State accounting system (CORE)	-12,958	-6,389	-4,776	-1,440	-353	0.0
Vehicle lease payments	-10,827	-10,827	0	0	0	0.0
Office of Information Technology services	-5,429	-4,008	-1,067	-354	0	0.0
Workers' compensation	-1,680	-807	-220	-57	-596	0.0
Total	$306,873	$222,779	$21,892	-$23,729	$85,931	0.0

Prior year actions: The request a net increase of $1.0 million for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 26-023 School Finance	3,095,563	0	3,095,563	0	0	0.0
SB 23-287 School finance	1,058,115	0	1,058,115	0	0	0.0
HB 24-1448 New School Finance Formula	1,000,000	0	1,000,000	0	0	0.0
HB 26-1352 Reducing Frequency of READ Act Independent Evaluations	750,000	0	750,000	0	0	0.0
HB 20-1032 Timing K-12 Ed Standards Review	132,462	132,462	0	0	0	0.0
HB 08-1384 Teacher Quality Recruitment and Retention	50,000	50,000	0	0	0	0.0
HB 21-1087 Teaching and Learning Conditions Survey	8,500	8,500	0	0	0	0.0
HB 26-1078 Off-campus courses concurrent enrollment	2,843	2,843	0	0	0	0.1
Statewide OIT Accessibility	1,484	1,484	0	0	0	0.0
Military Interstate Children's Compact	1,295	0	1,295	0	0	0.0
HB 24-1331 Out of School Time Grant Program	-3,500,000	-3,500,000	0	0	0	-2.0
SB 25-315 Postsecondary Workforce Readiness	-1,158,920	0	-1,158,920	0	0	0.0
SB 23-221 Healthy School Meals for All Program Fund	-400,000	0	-400,000	0	0	0.0
Total	$1,041,342	-$3,304,711	$4,346,053	$0	$0	-1.9

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

H.B. 26-1428 and Online Education: This issue brief describes the report submitted pursuant to H.B. 26-1428 (Administration of Publicly Funded Ed Programs), which includes data, analysis, options, and recommendations on K-12 online education. Students in online schools represent less than 4.0 percent of Colorado's student population, but the numbers continue to grow, even as K-12 enrollment shrinks overall. Outcomes data is very limited, but generally reflects poorer results than traditional brick and mortar education programs.

Request R4 and Facility Schools: Facility schools are private placements that serve students with exceptionally severe or specialized needs. The State provides funding to these schools to support the education of students who are placed by school districts and other public entities. Senate Bill 23-219 (Supports to Students and Facility Schools) dramatically increased state funding and added substantive provisions intended to strengthen the facility school system. A program evaluation was recently completed, and the General Assembly faces questions about future growth and funding. Appropriations for the program were held flat in FY 2026-27, and a $2.4 million State Education Fund increase is requested for FY 2027-28.

Early Literacy: The State Board of Education has voted to advance a budget request to add nearly $75 million for early literacy programs. Any action by the Governor's Office on the proposal is still pending. This issue provides relevant history and context on the READ Act and the state's early literacy system.

Budget Reduction Options: The Executive Budget Request includes a reduction of $598,396 State Education Fund for the P-tech program. This issue brief reviews this proposal and additional options identified by staff.

For More Information

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To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2026.