



Fiscal Note

Legislative Council Staff

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SB 26-068: MODIFY ADMINISTRATION OF EDUCATION ASSESSMENTS

Prime Sponsors:

Sen. Kolker; Pelton B.
Rep. Hamrick; Garcia Sander

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

Summary Information

Overview. The bill requires that the Colorado Department of Education reduce statewide standardized testing to the minimum amount allowed under federal law.

Types of impacts. The bill is projected to affect the following areas in FY 2026-27 and FY 2027-28 only:

- State Expenditures
- School Districts

Appropriations. For FY 2026-27, the bill requires the following changes in appropriations to the Colorado Department of Education: an increase of \$91,945 from the General Fund and a reduction of \$2,276,536 from the State Education Fund.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	-\$2,125,212	-\$2,172,212
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.8 FTE	0.8 FTE

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$91,945	\$124,945
State Education Fund	-\$2,276,563	-\$2,276,563
Federal Funds	\$0	\$0
Centrally Appropriated	\$19,406	\$19,406
Total Expenditures	-\$2,165,212	-\$2,132,212
Total FTE	0.8 FTE	0.8 FTE

Summary of Legislation

The bill requires the Colorado Department of Education (CDE) to ensure that standardized testing of K-12 public school students is done to the minimum extent possible under federal law. The CDE must apply to the federal Department of Education (DOE) for a waiver of state testing requirements, if necessary, to administer tests to the minimum extent possible. The application may be for a strategic waiver that proposes a shortened assessment, a sampling model of assessment, a matrix sampling model of assessment, or any other strategy identified by the CDE

Background

Under current law, the majority of assessments administered as part of the Colorado Measures of Academic Success (CMAS) are federally required. Beyond federally required tests, Colorado students take the PSAT (Preliminary Scholastic Assessment Test) in grades 9 and 10, a digital test administered by the College Board and the National Merit Scholarship Corporation that serves as a precursor to the SAT test for college readiness. A social studies assessment is given in grades 4 and 7 to a representative sample of one third of schools. These tests are not required by federal law, so the state does not need a waiver to eliminate these tests in Colorado.

State Expenditures

On net, the bill decreases state expenditures in the CDE by about \$2.2 million in FY 2026-27, and \$2.1 million in FY 2027-28. Eliminating tests reduces expenditures from the State Education Fund. The bill also increases staffing costs, paid from the General Fund by about \$110,000 in FY-2026-27 and by about \$150,000 in FY 2027-28. These impacts are displayed in Table 2 and discussed below.

**Table 2
State Expenditures
Colorado Department of Education**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$83,921	\$83,921
Operating Expenses	\$1,024	\$1,024
Capital Outlay Costs	\$7,000	\$0
Travel Expenses / Stakeholder Engagement	\$0	\$40,000
Eliminate Social Studies & PSAT Assessments	-\$2,276,563	-\$2,276,563
Centrally Appropriated Costs	\$19,406	\$19,406
Total Costs	-\$2,165,212	-\$2,132,212
Total FTE	0.8 FTE	0.8 FTE

Reduced Test Administration

Eliminating the social studies assessment and the PSAT assessment will reduce appropriations from the State Education Fund by a combined \$2,276,563 in both FY 2026-27 and FY 2027-28. This is a reduction of \$836,563 for the social studies assessment, and \$1,440,000 for the PSAT in each fiscal year

Staff

The CDE will have increased costs of 0.5 FTE Principal Consultant and 0.3 FTE Senior Consultant in FY 2026-27 and FY 2027-28 only to reprogram school accountability and performance measurement systems to account for the elimination of student, school, and district level growth data from grades nine and ten. This technical staff will reprogram the performance frameworks and accountability reporting and support the changes to calculations, production, and reporting.

Changing high school assessments to eliminate reading and language arts data for grades 9 and 10 will also require stakeholder engagement to gather feedback on a new performance framework, as well as developing cut scores and other data to determine student progress. This requires an additional 0.3 FTE Senior Consultant to prepare materials, facilitate stakeholder feedback, and develop communication and guidance documents for the field.

Travel Expenses / Stakeholder Engagement

Once technical adjustments have been made in FY 2026-27, CDE will have additional travel and stakeholder engagement costs of \$40,000 in FY 2027-28 to provide training and technical assistance in the field. This is estimated at eight full day trainings delivered in all geographic areas of the state, and include travel, training operations, venue, catering, and materials costs.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

School District

This bill reduces the total number of statewide tests administered by the state in school districts. Therefore, schedule, workload and administrative costs related to social studies and PSAT testing will be reduced at the school and district level, as described below.

Statewide testing at the local level creates both direct and indirect costs for school districts, which will be reduced under the bill. These costs include one-time expenses to ensure a school district has the capacity to administer tests, such as the cost to purchase needed technology if it is not already owned by the school district; ongoing opportunity costs as a result of student and staff time spent administering and taking tests that could have otherwise been spent on instruction or other functions; and ongoing direct costs incurred to prepare for and administer tests, including the cost of hiring additional test proctors and classroom substitutes during test days, and any material management costs.

Direct costs range dramatically between districts and represent different resource starting points and capacity. While not a perfect correlation, smaller districts tend to have higher per-student cost than larger districts to administer statewide assessments and will correspondingly have relatively higher savings when testing is reduced.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2026-27, the bill requires the following changes in appropriations to the Colorado Department of Education:

- an increase of \$91,945 from the General Fund, and 0.8 FTE; and,
- a reduction of \$2,276,563 from the State Education Fund.

State and Local Government Contacts

Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).