



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1141: DISCRIMINATORY PRACTICES IN PUBLIC SCHOOLS

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**Prime Sponsors:**

Rep. Bacon

Sen. Kolker

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

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### Summary Information

**Overview.** The bill defines discriminatory education practices in schools and allows individuals to file complaints with the Colorado Civil Rights Division alleging discrimination in public schools and in institutions of higher education. The bill also requires the institutions to establish a process to receive complaints of discrimination and designate a person to coordinate complaints for the school.

**Types of impacts.** The bill is projected to affect the following areas beginning in FY 2026-27:

- Minimal State Revenue
- State Expenditures
- Institutions of Higher Education
- School Districts

**Appropriations.** For FY 2026-27, the bill requires appropriations of \$710,092 to multiple agencies.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$815,292	\$686,551
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	5.9 FTE	5.6 FTE

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$531,189	\$474,096
Cash Funds	\$178,903	\$107,314
Federal Funds	\$0	\$0
Centrally Appropriated	\$105,200	\$105,141
<b>Total Expenditures</b>	<b>\$815,292</b>	<b>\$686,551</b>
<b>Total FTE</b>	<b>5.9 FTE</b>	<b>5.6 FTE</b>

Cash fund expenditures reflect estimated spending on legal services by institutions of higher education from institutional revenue sources such as tuition and fees. This money is reappropriated to the Department of Law.

## Summary of Legislation

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### Establishing Discriminatory Education Practices

The bill makes it a discriminatory education practice and unlawful for a school or their employees to engage in the following behaviors based on a person's or group's characteristics, including race, creed, sexual orientation, gender expression, national origin, or because of a disability:

- denying the full services of the school;
- communicating that services will be denied;
- acting on a policy that negatively affects a student or group of students;
- failing to respond to an instance of harassment; and,
- retaliating against a person for participating in an investigation of discrimination.

Any person alleging discrimination in education practice may file a complaint with the Colorado Civil Rights Division (the Division) against the public school or institution of higher education. The bill sets deadlines for alleging a complaint, and circumstances for waiving the deadline. A member of the Colorado Civil Rights Commission (the Commission) or the Attorney General may make similar charges alleging discrimination if they deem that the alleged violation imposes a significant community impact.

## Early Mediation

Any person who files a charge with the Division may seek early mediation. If the school or employee who is being charged (respondent) agrees to early mediation, this process will be managed by the Division. The Commission must monitor any plan to address the discrimination alleged through this mediation process.

## Resolution of Discriminatory Charges

Respondents have up to 60 days to resolve and cure any discriminatory practices. The school must inform the Division if the discriminatory practices have been cured. The Division may determine that the discriminatory behavior has been cured and dismiss the charges. If discrimination has not been cured, the division must investigate using procedures outlined in state law. The person filing the charge may be entitled to monetary compensation for damages, attorney fees and court costs.

## Collaboration with the Department of Education

The Division may consult and coordinate with the Colorado Department of Education (CDE) to monitor compliance or investigate alleged discrimination. The bill requires the CDE to employ one or more individuals to serve as a liaison to the Division, and provide information regarding school governance, funding, and reporting requirements. The liaison must provide best practices for engaging with school districts, teachers, students, and families, and when appropriate, may refer students and families to the Division.

## Institutions of Higher Education

Title VI of the Federal Civil Rights Act prohibits discrimination on the basis of race, color, and national origin for receiving any financial assistance for education. The bill requires each Institution of Higher Education (IHE) to establish grievance procedures for persons alleging Title VI violations and to designate an individual to serve as a Title VI coordinator. This coordinator must respond to alleged discrimination and harassment, enforce Title VI grievance procedures, provide Title VI training to IHE employees and provide de-identified data on Title VI violations to the public.

## Background and Assumptions

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Similar processes for filing claims of discriminatory education practices may be filed with the Federal Government's Office of Civil Rights (OCR). Nationwide, approximately 9,000 cases were [filed](#) with the OCR between March 2025 and December 2025. The OCR publishes this list of K-12 and post-secondary institutions that are currently under investigation for alleged civil rights misconduct at schools. Between 2014 and present day, Colorado has [223 unresolved cases](#) still

under investigation. Based on the number of pending cases filed in 2023 and 2024, the fiscal note assumes that Colorado’s Division will receive 125 additional cases in FY 2026-27, and approximately 100 cases in FY 2027-28 and ongoing that allege discriminatory education practices occurred at K-12 schools or at institutions of higher education.

## State Revenue

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If additional discrimination cases progress through the Civil Rights Division and require legal action in trial courts, state revenue to the Judicial Department may increase from filing fees. Revenue from filing fees is subject to TABOR. The fiscal note assumes that the number of additional cases heard in trial courts will be minimal and that any impact to revenue will be minimal.

## State Expenditures

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The bill increases state expenditures in the Civil Rights Division in the Department of Regulatory Agencies (DORA) by about \$550,000 in FY 2026-27, and by about \$491,000 in FY 2027-28. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also impacts workload at Institutions of Higher Education and minimally increases workload for the Judicial Department and the Department of Education.

## State Expenditures

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The bill increases state expenditures by about \$815,000 in FY 2026-27 and \$687,000 in FY 2027-28. These costs will be incurred in the Department of Regulatory Agencies and by Institutions of Higher Education for legal services, as shown in Table 2 and described in the sections below. Costs to the Department of Regulatory Agencies are paid from the General Fund, while Institutions of Higher Education spending is paid from institutional revenue sources for legal services.

**Table 2**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Department of Regulatory Agencies (General Fund)	\$636,388	\$579,237
Institutions of Higher Education (Cash Funds)	\$178,903	\$107,314
<b>Total Costs</b>	<b>\$815,292</b>	<b>\$686,551</b>

IHE costs are for legal services provided by the Department of Law.

**Department of Regulatory Agencies**

The Civil Rights Division in DORA will have staff and legal services costs beginning in FY 2026-27 to implement the bill, as outlined below.

**Staff**

The Division will require 4.8 FTE to implement the bill. Assuming the number of cases referred to the division will increase by the amounts detailed in the Background and Assumptions section above, this additional volume of cases will require 1.0 FTE Administrator V to manage additional cases in schools and coordinate between the Division and the Department of Education. Additionally, the Division will require 2.0 FTE Administrator III to serve as mediators for any additional cases that are referred to Early Mediation. Finally, the Division will require 2.3 FTE Compliance Investigator II in FY 2026-27 to investigate discriminatory education practices. The workload required is expected to decrease to 1.8 FTE in FY 2027-28 after the initial influx of cases lessens. Based on current staffing levels, it is assumed that each Compliance Investigator can manage approximately 55 cases annually. Costs are prorated for an assumed August 2026 start date, and standard operating and capital outlay costs are included.

**Legal Services**

The Division will require 775 hours of legal services in FY 2026-27, and 620 hours in FY 2027-28 to have administrative hearings for any cases for which the Division completes an investigation. Legal services are provided by the Department of Law at a rate of \$138.47 per hour.

**Table 2A  
State Expenditures  
Department of Regulatory Agencies**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$382,730	\$382,101
Operating Expenses	\$6,144	\$6,144
Capital Outlay Costs	\$35,000	\$0
Legal Services	\$107,314	\$85,851
Centrally Appropriated Costs	\$105,200	\$105,141
FTE – Personal Services	4.8 FTE	4.8 FTE
FTE – Legal Services	0.4 FTE	0.3 FTE
<b>Total Costs</b>	<b>\$636,388</b>	<b>\$579,237</b>
<b>Total FTE</b>	<b>5.2 FTE</b>	<b>5.1 FTE</b>

## **Institutions of Higher Education**

The bill will increase legal service costs for IHEs. Preliminarily, these costs are estimated to be \$178,903 in FY 2026-27 and \$107,314 in FY 2027-28 and future years, based on 1,292 hours of legal services in the first year and 775 hours in the second and future years. Legal services are provided by the Department of Law at a rate of \$138.47 per hour. It is assumed that legal costs will be paid using institutional revenue sources, which will be paid to the Department of Law as reappropriated funds.

Workload and costs will also increase for institutions of higher education (IHEs) to comply with the various requirements under the bill related to enforcement of federal law. These impacts include designating a Title VI coordinator, establishing grievance procedures, and sharing data between agencies. The fiscal note assumes that the majority of work required by the bill is already required under federal law and that any additional workload to share data and adjust current procedures will be addressed using institutional revenue sources.

## **Department of Education**

The CDE may require additional workload for to liaise between the CDE and the Division for investigations into public schools, and may incur additional legal service hours and investigation work for staff. At this time, these potential impacts have not been estimated. It is assumed that the CDE will request any additional resources through the annual budget process, if needed.

## **Judicial Department**

The trial courts in the Judicial Department may have an increase in cases filed alleging discrimination. The fiscal note assumes that any increase can be accomplished within existing resources and no change in appropriations is required.

## **Department of Law**

In addition to legal services provided to the Division and institutions of higher education, the Department of Law will also have workload and costs to the extent the Attorney General uses additional enforcement authority under the bill to pursue enforcement actions in education discrimination cases. It is assumed the Attorney General will prioritize any such cases within existing appropriations.

## **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

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If individual school districts have complaints levied against them, workload will increase to participate in mediation, when requested, and to provide information to the Division and the CDE to comply with investigations. If staff members or the school is out of compliance, these schools will adjust their procedures to address the findings of the investigation. School district expenditures will vary by district. These impacts may be offset to the extent that state complaints replace federal complaints that are investigated or adjudicated.

## Effective Date

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

## State Appropriations

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For FY 2026-27, the bill requires a General Fund appropriation of \$531,189 to the Department of Regulatory Agencies, and 4.8 FTE. Of this amount, \$107,314 is reappropriated to the Department of Law, with an additional 0.4 FTE.

In addition, for FY 2026-27, the Department of Law requires \$178,903 in reappropriated spending authority for legal services provided to institutions of higher education, and 0.7 FTE.

## Departmental Differences

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### Department of Regulatory Agencies

The Department of Regulatory Agencies estimates that \$1,506,840 and 15 FTE is required to implement the bill. These staff include 2.0 FTE for management, 2.0 FTE Compliance Investigators, 2.0 FTE Intake Specialists, 3.0 FTE for mediators, 1.0 FTE for liaisons, 1.0 FTE Data Technician, and 1.0 FTE Administrative Assistant. DORA's cost estimate is based on the assumption that the number of education discrimination cases filed under the bill will be similar to the current number of housing discrimination cases received by the Division. The Division also estimates that the scope of work required by these cases will exceed the workload currently performed by the Federal Government.

The fiscal note differs from this assumption by assuming a smaller number of cases, as outlined in the Background and Assumptions section. In addition, the fiscal note assumes that many cases will be dismissed, with an average case requiring 56 hours of work from a compliance investigator. The fiscal note also assumes that these compliance investigators can accomplish the work with oversight and support from 3.0 FTE Administrators rather than the additional support staff estimated by DORA.

## Department of Law

The Department of Law estimates that the bill requires \$994,984 and 4.0 FTE in legal services hours to implement the bill. This estimate assumes that the Division will require 2,700 hours in legal services, and that institutions of higher education will require 4,500 hours of legal services in FY 2026-27. The fiscal note differs from this estimate by assuming that IHEs are already in compliance with Title VI requirements and that any additional IHE legal services will be minimal. In addition, the fiscal note assumes that 775 legal services hours will be required by the Division based on the smaller number of annual cases assumed relative the DORA estimate.

## Institutions of Higher Education

Finally, some institutions of higher education estimated the need for a specific state appropriation to implement the bill. Specifically, the following IHEs identified annual expenditures for staff and other costs to implement the bill as follows:

- Colorado Mesa University estimates \$100,000;
- the Colorado School of Mines estimates \$275,000;
- Colorado State University estimates \$9,000;
- Metropolitan State University estimates \$50,000; and,
- the University of Colorado estimates \$630,000.

Other IHEs identified indeterminate expenditures. The fiscal note differs from these estimates by assuming that any additional work to comply with clarifications to existing federal law can be accomplished within existing staffing and resources, and that if any additional resources are required, these will be paid for using institutional revenue sources. The fiscal note estimate includes legal services provided to institutions by the Department of Law, as described in the State Expenditures section.

## State and Local Government Contacts

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Education	Law
Higher Education	Personnel
Judicial	Regulatory Agencies