



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 26-125: DISABILITY RIGHTS PROTECTIONS IN PUBLIC SCHOOLS

**Prime Sponsors:**

Sen. Kolker; Marchman  
Rep. Bacon; Phillips

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

#### Summary Information

**Overview.** The bill codifies in state law existing federal protections, processes, and requirements related to serving students with disabilities, and creates a state complaint and enforcement process for violations.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- State Expenditures
- School Districts

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$576,296 to the Colorado Department of Education.

**Table 1  
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$668,414	\$581,070
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	3.7 FTE	4.0 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	\$576,296	\$481,546
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$92,117	\$99,524
<b>Total Expenditures</b>	<b>\$668,414</b>	<b>\$581,070</b>
<b>Total FTE</b>	<b>3.7 FTE</b>	<b>4.0 FTE</b>

## Summary of Legislation

The bill codifies in state law existing federal protections and requirements related to serving students with disabilities who are entitled to a free public education (qualified students), and creates a complaint and enforcement process in the Colorado Department of Education (CDE).

### Codification of Federal Laws

The bill codifies in state law the existing federal protections described below.

#### Discrimination and Reasonable Accommodation

The bill prohibits local education providers (LEPs) from discriminating against or excluding a qualified student from its programs, services, and activities. An LEP must make reasonable accommodations when necessary to avoid discriminating against a qualified student, unless the accommodation would fundamentally alter the nature of the activity.

#### Location and Language Requirements

The bill prohibits LEPs from selecting facilities or locations that have the effect of excluding qualified students or impairing their accomplishments. LEPs may not deny a qualified student participation in a program or activity because the facilities are inaccessible. LEPs must conduct student evaluations in the student's primary language and communicate with parents in a language they can understand.

#### Grievance Process

LEPs must adopt a disability rights grievance process, notify students and families that discrimination on the basis of a disability is prohibited and designate at least one employee to oversee the process and serve as a point of contact for students, parents, CDE, and third parties.

## Effective Communication

LEPs must ensure that communication with a qualified students is as effective as communication with a student without a disability, and provide appropriate aids and services when necessary. LEPs may not require an adult accompanying the student to serve as an interpreter, except in emergencies, and may not require the student to provide an interpreter. The bill specifies the ways that LEPs must notify families of non-discrimination requirements.

## Free and Appropriate Public Education

LEPs must provide a free and appropriate public education to each qualified student in their jurisdiction, regardless of the severity of the disability. An LEP may provide services or pay a third party to provide services and must ensure adequate transportation to access services. LEPs must provide education in a regular educational environment with students without disabilities, unless demonstrated that the qualified student's education cannot be satisfactorily achieved in that environment.

## Evaluation and Placements

The bill requires that LEPs annually identify and locate every qualified student within their jurisdiction who is not receiving a public education, and if consented to by a parent, evaluate a student who may have a disability. LEPs must take certain steps to determine appropriate placement of a qualified student. The bill requires that this occur annually, which is more specific than the current federal requirement.

## Nonacademic and Extracurricular Services

LEPs must provide nonacademic and extracurricular activities in a way that allows qualified students equal opportunity to participate, and ensure that qualified students are not counseled towards more restrictive career objectives than other students.

## Harassment

LEPs must ensure a student is free from harassment that creates a hostile environment, and take immediate action to investigate and end disability-based harassment.

## Enforcement Procedures

The bill gives CDE the authority to investigate and resolve complaints of alleged violations and monitor implementation of the bill's requirements. The State Board of Education must adopt rules implementing the process. The bill specifies that the Colorado Civil Rights Division in the Department of Regulatory Agencies must refer any complaints related to the bill to CDE.

## Complaints

Complaints may be submitted to CDE by a parent, student, or third party after pursuing resolution through the LEP's grievance process, or if the LEP has not resolved the complaint within 60 days, with some exceptions. Complaints must allege violations that occurred within one calendar year of the complaint, or within 60 days of a complaint being dismissed due to lack of complainant response.

CDE must dismiss complaints if certain criteria are met, and may dismiss a complaint if an investigation is limited by the complainant's failure to provide information. Complainants have 14 days to respond to CDE requests for information. The complaint process must be no longer than 180 days from the date of filing, with some exceptions.

## Remedies

If CDE determines that a violation has occurred, it may require a corrective action plan, remedial measures, reinstatement of benefits for the qualified student, or additional staff training, among other remedies. CDE may monitor compliance for up to a year after a violation has been found.

The State Board of Education may withhold state funds from the LEP if it determines that the LEP has intentionally violated the bill's requirements and is unwilling to enter into a corrective action plan. By December 1, 2026, the board must adopt rules to establish procedures for withholding funds.

## Retaliation

An LEP must not coerce or discriminate against any individual who makes a complaint or participates in a proceeding under the bill or federal disability laws, or for the purpose of interfering with a right given under the bill or federal disability laws.

## Training

The bill requires that LEPs provide annual training on disability rights requirements to relevant staff, and that CDE provide training and technical assistance to LEPs about the bill's requirements. In addition, an LEP's required staff contact must complete training within 60 days of designation.

## Background

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There are three primary federal laws that impact students with disabilities:

- The **Individuals with Disabilities Act (IDEA)** guarantees that students with disabilities receive a free and appropriate public education, which includes special education services and individualized education plans, and provides funding for states and LEPs to provide services.
- The **Americans with Disabilities Act (ADA)** prohibits discrimination on the basis of disability in employment and public services and accommodations, including schools and educational facilities, and among other things, ensures access to facilities and programs and auxiliary aids for communication.
- **Section 504 of the Rehabilitation Act (504)** prohibits discrimination on the basis of disability in programs and activities that receive federal assistance, including that students with disabilities receive an education comparable to students without disabilities.

Under current law, there is a state process for IDEA complaints and dispute resolution. In 2025, CDE received about 160 complaints, of which 64 resulted in full investigations. This work was handled by 6.0 FTE investigators. The CDE staff that handle IDEA complaints are federally funded and cannot do work related to enforcing state laws, Section 504, or the ADA.

Complaints related to the ADA or Section 504 must be submitted to the federal Office of Civil Rights (OCR) in the U.S. Department of Education. There are currently 120 open cases before the OCR related to Colorado public schools.

## Assumptions

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The definition of LEP in the bill includes school districts, charter schools, boards of cooperative education services, and a state-operated program. The fiscal note assumes that the bill does not apply to the Colorado Department of Early Childhood (CDEC) or preschool providers that participate in the Universal Preschool Program, unless they are school districts, charter schools, or boards of cooperative educational services. If private preschool providers are subject to the bill, costs will be higher than estimated.

## State Revenue

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Although the majority of complaints will be resolved by the CDE, if some cases reach the trial courts via judicial review, revenue increases to the Judicial Department from filing fees. Revenue from filing fees is subject to TABOR.

## State Expenditures

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The bill increases state expenditures in CDE by \$668,000 in FY 2026-27 and \$581,000 in FY 2027-28. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Regulatory Agencies and the Judicial Department.

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

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$413,560	\$446,426
Operating Expenses	\$4,736	\$5,120
Capital Outlay Costs	\$28,000	\$0
Contract Mediation Services	\$30,000	\$30,000
Database Updates	\$100,000	\$0
Centrally Appropriated Costs	\$92,117	\$99,524
<b>Total Costs</b>	<b>\$668,414</b>	<b>\$581,070</b>
<b>Total FTE</b>	<b>3.7 FTE</b>	<b>4.0 FTE</b>

## Colorado Department of Education

The department will have staff, information technology, and contract costs beginning in FY 2026-27 to implement the bill.

### Staff

CDE requires 4.0 FTE on an ongoing basis, including 2.0 FTE for investigators to conduct complain investigations, issue findings, and determine remedies, 0.5 FTE to oversee the new complaint process and coordinate with the State Board of Education, and 1.5 FTE to conduct monitoring and provide technical assistance and training to LEPs.

The fiscal note assumes that the new complaint process will handle about 60 complaints annually, of which up to 25 will result in full investigations, primarily related to ADA and 504. First-year costs are prorated for an August 1 start date.

### Contract Mediation Services

CDE requires \$30,000 per year for contract mediation services to resolve disputes. This mirrors the current IDEA process; however, current contract services paid by federal funds cannot be used for ADA or 504-related disputes.

## Database Updates

CDE requires \$100,000 in FY 2026-27 only to create an electronic filing system for 504 and ADA complaints.

## Legal Services

CDE requires additional legal support from the Department of Law to handle complaints and conduct rulemaking. The increase is expected to be handled within CDE's current allotment of legal services hours. If needed, any additional funding for legal services will be requested through the annual budget process.

## Other Agency Impacts

The bill minimally increases workload for the Colorado Civil Rights Division in the Department of Regulatory Agencies to forward complaints related to the bill to CDE within 10 days of receipt, and for the trial courts in the Judicial Department to handle cases filed after the CDE administrative remedies have been completed. No change in appropriations is required.

## 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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The bill minimally increases school district workload to provide training to staff, and participate in the new state complaint process. The fiscal note assumes that school districts are already compliant with federal laws related to disability protections, thus, codifying those provisions in state law has minimal impact.

## Effective Date

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

## State Appropriations

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For FY 2026-27, the bill requires a General Fund appropriation of \$576,296 to the Colorado Department of Education, and 3.7 FTE.

## Departmental Difference

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CDEC estimates that the bill increases expenditures in the department by about \$1.1 million per year on an ongoing basis, based on the assumption that CDEC is a local education provider under the bill, and will be responsible for implementing the bill's requirements for the Universal Preschool Program. Estimated costs include 9.0 FTE to ensure that providers in the Universal Preschool Program comply with the bill's requirements, information technology costs to update existing databases to track the compliance, and legal services costs.

As noted in the Assumptions section, the fiscal note assumes that the bill does not apply to CDEC or preschool providers in the Universal Preschool Program, unless the providers are school districts, charter schools, or BOCES that are subject to CDE oversight.

## State and Local Government Contacts

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Early Childhood	Law
Education	Regulatory Agencies
Judicial	

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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](#).