



Fiscal Note

Legislative Council Staff

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HB 26-1384: DIRECT TRANSFERS FOR CDLE SCHOOL-TO-WORK PROGRAM

Prime Sponsors:

Rep. Brown; Taggart
Sen. Bridges; Kirkmeyer

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Fiscal note status: The fiscal note reflects the introduced bill. The bill was recommended by the Joint Budget Committee as part of the FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill specifies that revenue transferred from the State Public School Fund to the School-to-Work program is exempt from TABOR.

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

- TABOR Refunds
- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	-\$7.0 million	-\$7.0 million
Change in State FTE	0.0 FTE	0.0 FTE

The change in TABOR refunds will affect the amount distributed through the six-tier sales tax refund mechanism.

Summary of Legislation

The bill specifies that revenue that is transferred directly from the State Public School Fund to the Department of Labor and Employment (CDLE) for the School-to-Work Alliance Program (SWAP) is exempt from TABOR.

Background

The School-to-Work Alliance Program is a partnership between school districts and the Colorado Division of Vocational Rehabilitation (DVR) within CDLE to provide employment assistance to young people with disabilities experiencing barriers to employment. School district participation in SWAP is voluntary. To fund SWAP sites, districts provide funding to DVR which are then matched with federal funds. Districts may use their own funds to send to DVR, or request that funds from the State Public School Fund be transferred directly to DVR rather than passing through the district.

State Expenditures

The bill increases workload in the Office of the State Controller in the current FY 2025-26, and increases the amount of General Fund revenue available to spend or save in FY 2026-27 and ongoing. These impacts are discussed below.

Office of the State Controller

The bill increases workload for the Office of the State Controller in the Department of Personnel and Administration to make accounting changes required by the bill. This workload increase is expected to be minimal and can be accomplished within existing appropriations.

General Fund

By reclassifying revenue as exempt from TABOR, the bill increases the amount available to spend or save by \$7.0 million in FY 2026-27 and similar amounts in future years.

TABOR Refunds

The bill is expected to reduce six-tier-sales tax TABOR refunds by \$7.0 million in FY 2026-27 and similar amounts in future years. The bill does not change current expectations that the state will be below its revenue limit in the current FY 2025-26. This estimate assumes the March 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28.

Effective Date

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

State and Local Government Contacts

Education	Labor
Joint Budget Committee Staff	Personnel

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](#).