



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-068: MODIFY ADMINISTRATION OF EDUCATION ASSESSMENTS

Prime Sponsors:

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

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Published for: Senate Appropriations

Drafting number: LLS 26-0741

Version: First Revised Note

Date: April 7, 2026

Fiscal note status: The fiscal note reflects the introduced bill, as amended by the Senate Education Committee.

Summary Information

Overview. The bill creates the State Assessments Modifications Working Group and requires that local education providers bear the cost of administering any portion of a state assessment conducted by pencil and paper that would otherwise be completed using a computer.

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

- State Expenditures
- School Districts

Appropriations. For FY 2026-27, the bill requires an appropriation of \$75,000 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 (General Fund)	\$75,000	\$75,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

State Assessments Working Group

The bill creates the 12-person State Assessments Modifications Working Group and specifies the group's composition and appointing authorities. The working group must investigate options and make recommendations related to reducing the time dedicated to administering state assessments in English language arts, mathematics, science, and social studies in grades three through eight.

The Commissioner of Education must appoint an employee of the Colorado Department of Education (CDE) to serve as a consultant to the working group. The working group must hold their first meeting no later than September 1, 2026, and submit a report to the education committees of the state legislature no later than December 1, 2026. The working group is repealed effective July 1, 2027.

Pencil and Paper Assessments

Under current law, schools and districts must have a policy for administering paper and pencil assessments. This bill requires that a local education provider (LEP) bear the cost of administering any portion of a state assessment conducted by pencil and paper that the students would otherwise be completed using a computer.

Background and Assumptions

Working Group

The CDE is required to identify an employee to serve as a consultant to the working group. This fiscal note assumes that the role of the consultant is to attend working group meetings and answer questions and provide technical support as needed. As such, this analysis assumes that the department does not convene meetings, set agendas, facilitate outcomes, or prepare any reports. This analysis also assumes that the working group completes its meetings and report by the December 1, 2026, and has no additional meetings or activities during FY 2026-27.

Pencil and Paper Assessments

[House Bill 25-1278](#) removed the option for local education providers (LEPs) to select paper and pencil testing at the school or district level. Prior to this change, all LEPs were required to maintain a policy for the administration of pencil and paper tests; this requirement remains in current law, but is no longer active, since paper and pencil testing was eliminated beginning in the current FY 2025-26.

Under current law, paper and pencil testing is permitted only as an accommodation based on a student's individualized education plan (IEP) and documented need. At the local level, LEPs transcribe student responses from these accommodation assessments into the vendor's testing platform, rather than returning materials for centralized scanning.

Eliminating paper and pencil testing resulted in an annual cost reduction from eliminating expenses associated with printing, processing, shipping, scanning, and scoring large volumes of paper materials, as well as the development, testing, and validation of separate scanning programs for each assessment (approximately 19 tests).

State Expenditures

The bill increases state expenditures in the CDE by \$75,000 annually, beginning FY 2026-27, paid from the General Fund. The bill also increases workload for the CDE to provide a consultant to the work group. These costs are described below.

Scoring Paper and Pencil Assessments

With the elimination of paper-based testing, the CDE discontinued maintenance of scan programs used to process and score paper tests. If paper and pencil testing is reintroduced, the CDE must recreate these scan programs to make paper scanning and scoring viable, at a cost of \$75,000 per year.

About 19 distinct scan programs must be developed, tested, and validated annually to align with each assessment. These are upfront costs required in order to have the infrastructure in place for paper testing, prior to knowing if any schools or districts would opt for paper testing. Thus, these costs cannot be conditioned on the receipt of funding from a school or district. Some costs may later be offset if districts opt to use paper tests and pay a per-student or per-test fees to CDE.

Assessments Modifications Working Group

The bill will require CDE staff with background in assessments and school accountability laws to be available to the workgroup. This likely involves the department's chief assessment officer or a similar level of professional staff. The workgroup will only meet September through November 2026, in order to prepare a report by December 1, 2026. Assuming a total of 6 two-hour meetings, conducted remotely, and including time for meeting preparation and follow-up, CDE staff workload is expected to increase by about 30-40 hours in FY 2026-27 only.

School Districts

The bill increases workload and costs for any school district that chooses to use paper testing. It is assumed that these costs would be paid to test vendors. If the CDE develops a system to charge a fee or implements another method to recoup its costs for providing infrastructure for paper testing, school district costs will increase.

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 a General Fund appropriation of \$75,000 to the Colorado Department of Education.

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](#).