



Fiscal Note

Legislative Council Staff

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HB 26-1317: UNIFIED POSTSECONDARY TALENT DEVELOPMENT SYSTEM

Prime Sponsors:

Rep. McCluskie; Taggart
Sen. Bridges; Frizell

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Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill creates a transition committee to develop recommendations for integrating the duties of workforce development programs into the Department of Higher Education. Effective July 1, 2028, the bill also modifies the mission of the department and renames the executive director of the Colorado Commission on Higher Education as the executive director of the Department of Higher Education.

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

- State Revenue
- State Expenditures

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	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill modifies the mission of the Colorado Department of Higher Education (CDHE) and creates a transition committee to provide recommendations on the structure and operations of a reorganized CDHE.

CDHE Mission and Leadership

Effective July 1, 2028, the bill establishes that the mission of CDHE is to oversee a system of postsecondary talent development that integrates postsecondary education, training, and employment resources. It is the General Assembly's intent that any necessary changes to effectuate this expansion will be made after considering the transition committee report.

The bill also renames the executive director of the Colorado Commission of Higher Education as the executive director the Department of Higher Education. This executive director is appointed by the Governor, with the consent of the Senate, similar to current law.

Transition Committee

The bill creates the Postsecondary Talent Development System Transition Advisory Committee in the Governor's Office. Membership on the committee, qualifications and appointing authorities are specified in the bill; appointments must be made by June 23, 2026. Members serve without compensation and are not reimbursed for travel expenses. The bill specifies the persons and organizations with whom the committee should engage. The Governor's Office must provide staff support to the committee.

The committee's first meeting must take place by July 1, 2026; the committee must meet monthly through November 30, 2026, when a transition plan with recommendations is due to legislative committees specified in the bill. The committee may meet after this date but is not required to. The committee is repealed on June 30, 2027.

Transition Plan and Funding

The transition plan must include recommendations for the structure of CDHE in order to oversee a system of postsecondary talent development, including:

- governance models;
- technology and staffing needs;
- data collection and analysis systems necessary;
- renaming the department to reflects its revised mission; and,
- timelines for completing the transition.

Additionally, the bill specifies that the transition plan must include recommendations about how certain federal and state workforce development programs managed by other agencies could potentially transition to CDHE, including:

- programs administered by the Division of Employment and Training in the Department of Labor and Employment;
- state's responsibilities under the federal Workforce Innovation and Opportunity Act;
- determinations related to classification of apprenticeship programs;
- regional talent development initiatives and the associated grant programs;
- adult education and literacy programs in the Department of Education;
- the Colorado Office of New Americans; and
- the Colorado Disability Opportunity Office.

The committee may consider whether to include in their recommendations additional programs that may transition to CDHE, such as the state apprenticeship activities, History Colorado, and certain divisions in CDLE, among others. The committee must also consider how CDHE will coordinate with the Department of Education regarding workforce readiness activities, interactions with public assistance programs, and strategies to eliminate duplicative oversight, align programs, and ensure quality for workforce training programs.

The bill allows the Governor's Office to seek and accept gifts, grants and donations for these purposes, and specifies that they must use existing appropriations for transition committee activities.

State Revenue

The bill may increase revenue to the Governor's Office from gifts, grants and donations to fund the activities of the transition committee. At time of writing, no sources of funding have been identified. Gift, grants and donations are not subject to TABOR.

State Expenditures

The bill increases workload in the Governor's Office and the other state agencies discussed below.

Governor's Office

Workload will increase for staff in the Governor's Office to assist the committee, provide meeting space and audiovisual/IT support, and to compile the committee's final report and recommendations. Given the requirement that the Governor's Office use existing appropriations, it is assumed existing staff from the Governor's Office will be required to prioritize support for the committee within their current duties. Given the scope of the committee's work, in-kind

services and supports may be required from outside of the Governor’s Office to ensure that the committee’s requirements are met without additional state appropriations. A source of in-kind donations has not been identified at this time.

Other State Agencies

Staff at the Department of Labor and Employment, the Department of Higher Education, institutions of higher education, the Department of Education, History Colorado, and the Department of Human Services will have increased workload to support transition committee members and communicate with committee staff. This additional workload is assumed to be minimal and not require any change in appropriations.

Depending on committee recommendations and statutory changes adopted by the General Assembly, organizational and staffing structures could change for affected state agencies. Any fiscal impacts of committee recommendations will be addressed either through future legislation and/or through the annual budget process.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that the updated mission of CDHE and the renaming of the Executive Director takes effect on July 1, 2028.

State and Local Government Contacts

Governor	Labor
Higher Education	Office Of Economic Development
History Colorado	

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](#).