HB 26-1078

Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1078: OFF-CAMPUS COURSES & CONCURRENT ENROLLMENT PROGS

Prime Sponsors:
Rep. Smith; Hamrick
Sen. Marchman; Kirkmeyer

Fiscal Analyst:
Anna Gerstle, 303-866-4375
anna.gerstle@coleg.gov

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Fiscal note status: This final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill allows off-campus courses to be included in concurrent enrollment if certain requirements are met.

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

- State Expenditures
- Institutions of Higher Education
- School Districts

Appropriations. For FY 2026-27, the bill includes net zero change in appropriations to the Colorado Department of Education and the University of Colorado. See State Appropriations Section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	$0	$0	$0
State Expenditures	$0	$0	up to $85,374
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$0	$0	$0
Change in State FTE	0.6 FTE	0.7 FTE	0.7 FTE

State expenditures in FY 2026-27 and FY 2027-28 include an increase of $80,178 General Fund for the Department of Education and a corresponding decrease to the University of Colorado. These impacts are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund - CDE	$66,056	$68,899	up to $68,899
General Fund - CU	-$80,178	-$85,374	$0
Cash Funds	$0	$0	$0
Federal Funds	$0	$0	$0
Centrally Appropriated	$14,122	$16,475	$16,475
Total Expenditures	**$0**	**$0**	**up to $85,374**
Total FTE	**0.6 FTE**	**0.7 FTE**	**0.7 FTE**

Summary of Legislation

Under current law, off-campus courses are excluded from concurrent enrollment programs unless they are part of the Teaching Recruitment Education and Preparation (TREP) program. The bill allows off-campus courses to be included in concurrent enrollment if they meet existing requirements in state law, and meet the requirements of an accrediting agency recognized by the federal Department of Education.

After July 1, 2028, no additional off-campus courses concurrent enrollment courses may be approved unless the Colorado Department of Education (CDE) has sufficient appropriations to comply with audit and oversight requirements, as determined in a FY 2028-29 Long Bill footnote. Courses approved before that date may continue.

For FY 2026-27, the bill decreases appropriations for College Opportunity Fund fee-for-service contracts that the Department of Higher Education enters into with the University of Colorado (CU).

Background and Assumptions

The fiscal note assumes that the bill allows both current on-campus concurrent enrollment courses, and courses offered through extended studies programs offered by four-year institutions of higher education to be eligible for concurrent enrollment.

CDE conducts annual audits of student counts submitted by school districts for funding, including verifying whether course schedules and attendance meet state requirements. For students in concurrent enrollment, the audit includes whether the course qualifies, the associated credit hours, and verification of the cooperative agreements and tuition payments between school districts and institutions of higher education.

The fiscal note assumes that 20 school district audits that include students in concurrent enrollment will be conducted each year. Allowing off-campus programs, including extended studies, to be counted as part of concurrent enrollment will increase the complexity of the audits, increasing staff time by an assumed 15 additional hours per audit, for a total of 300 additional hours.

State Expenditures

The bill has no net change on state General Fund expenditures in FY 2026-27 and FY 2027-28, and increases state expenditure beginning in FY 2028-29. Specifically, it increases state General Fund expenditures in the CDE by $80,000 in FY 2026-27, and by $85,000 beginning in FY 2027-28, with a corresponding decrease in appropriations to CU in FY 2026-27 and FY 2027-28 only. CDE costs are summarized in Table 2 and discussed below. The bill also affects institutions of higher education, a discussed below.

Table 2
State Expenditures
Department of Education

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	$58,288	$68,003	$68,003
Operating Expenses	$768	$896	$896
Capital Outlay Costs	$7,000	$0	$0
Centrally Appropriated Costs	$14,122	$16,475	$16,475
Total Costs	**$80,178**	**$85,374**	**up to $85,374**
Total FTE	**0.6 FTE**	**0.7 FTE**	**0.7 FTE**

Colorado Department of Education

Staff

CDE requires 0.7 FTE beginning in FY 2026-27, split between the Audit and the Postsecondary Workforce Readiness divisions. The Audit division requires 0.2 FTE to handle more complex audits of student counts, including verifying if off-campus courses meet concurrent enrollment requirements, as discussed in the Assumptions Section above, as well as to provide guidance for districts to submit student count and audit materials for the new courses. If more districts and institutions use off-campus concurrent enrollment courses than expected, additional resources may be requested through the annual budget process.

In addition, CDE requires 0.5 FTE in the Postsecondary Workforce Readiness division to update guidance eligibility requirements and cooperative agreements for school districts and institutions of higher education, as well as handle questions from families, schools, and institutions. Costs in the first year are prorated for a September 1 start date.

Out Year Impacts

Beginning in FY 2028-29, no new courses may be authorized unless sufficient appropriations are provided to CDE. The fiscal note assumes that courses approved through FY 2027-28 will continue, and will require audits and oversight by CDE starting in FY 2028-29. Thus, the costs reflected in Table 2 will continue on an ongoing basis, paid from the General Fund. Costs may be lower than estimated if the audit process for off-campus courses becomes streamlined, or is used less than anticipated. Beginning in FY 2028-29, additional appropriations above the amount identified in this fiscal note must be provided in the FY 2028-29 Long Bill for any additional courses to be authorized.

Institutions of Higher Education

The bill reduces state fee-for-service contract funding for CU by $80,178. It will be up to the university to determine how the funding decrease is implemented. The fiscal note assumes this reduction will occur in FY 2026-27 and FY 2027-28 only. If the General Assembly continues this reduction into FY 2028-29 and future years, the net costs under the bill will be lower than estimated.

The bill also increases costs for state institutions of higher education that choose to modify or expand concurrent enrollment course offerings to include off-campus courses. Any changes are at the discretion of the institutions and are assumed to be paid for by institutional revenue, including tuition paid by school districts on behalf of participating students.

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

The bill may increase workload and costs for school districts that choose to offer additional off-campus concurrent enrollment courses, including negotiating any changes to current agreements with institutions, and paying negotiated tuition on behalf of students who choose to begin concurrent enrollment courses as a result of the bill. Any additional costs or workload is at the discretion of the school district.

Effective Date

The bill was signed into law by the Governor and took effect on June 1, 2026.

State Appropriations

In FY 2026-27, the bill requires and includes the following changes in General Fund appropriations:

- an increase of $66,056 to the Colorado Department of Education, and 0.6 FTE; and
- a decrease of $80,178 to the Department of Higher Education, and the corresponding reappropriation to the University of Colorado.

State and Local Government Contacts

Education

Higher Education