



Fiscal Note

Legislative Council Staff

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HB 26-1391: SAFE DRINKING WATER IN CHILD CARE CENTERS & SCHOOLS

Prime Sponsors:

Rep. Brown; Sirota
Sen. Amabile; Kirkmeyer

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting Number: LLS 26-0906

Version: Final Fiscal Note

Date: July 8, 2026

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

Summary Information

Overview. The bill extends the Test and Fix Water for Kids Program until June 30, 2029, and expands the program to include high schools. The Department of Public Health and Environment is prevented from issuing or renewing a license for a child care center unless it is in compliance for lead level limits in drinking water.

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 includes an appropriation of \$8.7 million to the Department of Public Health and Environment, with roll-forward spending authority through FY 2028-29.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	up to \$8,700,000	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	7.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below. State expenditures of \$8.7 million will be spent over three years from FY 2026-27 to FY 2028-29.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$8,700,000	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$8,700,000	\$0
Total FTE	7.0 FTE	0.0 FTE

Summary of Legislation

The bill extends the [Test and Fix Water for Kids](#) grant program from its current repeal date of June 30, 2026, to June 30, 2029. Grant program eligibility is expanded to include high schools.

The Colorado Department of Public Health and Environment (CDPHE) is required to provide training to high schools regarding water filter maintenance, flushing protocols, testing for lead, and reporting on samples within 180 days after the bill's effective date. Subject to available appropriations, testing for the presence of lead in drinking water sources using a state-certified laboratory by high schools, must be completed by May 31, 2027.

By July 1, 2027, the CDPHE is required to adopt rules establishing how a child care center shall demonstrate compliance with the requirements concerning the testing for the presence of lead in drinking water. The CDPHE is prevented from issuing or renewing a license for a child care center unless it is in compliance with testing requirements for lead levels in drinking water.

At the end of FY 2028-29, any money that remains in the cash fund is transferred to the General Fund.

Background

[House Bill 22-1358](#) created the Clean Water in Schools and Child Care Centers program and the associated School and Child Care Clean Drinking Water Fund in the CDPHE to use to help schools, child care centers, and family child care homes comply with the bill requirements and to reimburse as needed for costs. The bill transferred \$21.0 million from the General Fund to the fund. CDPHE currently has roll-forward spending authority for the fund through FY 2025-26.

State Expenditures

From FY 2026-27 to FY 2028-29, the CDPHE will spend down the \$8.7 million that remains in the School and Child Care Clean Drinking Water Fund after adjustments in the Long Bill and this bill. Additionally, 7.0 FTE existing staff will continue to support the program, administer grants, adopt rules, and provide required trainings.

CDPHE staff in the Child Care Licensing and Administration Unit are required to ensure that child care centers are in compliance with testing for the presence of lead in drinking. This workload can be accomplished within existing appropriations.

School Districts

School districts will incur costs to comply with the testing, remediation, and reporting requirements of the bill, with reimbursements from the CDPHE if sufficient funds are available.

Effective Date

The bill was signed into law by the Governor, and took effect on May 28, 2026.

State Appropriations

In FY 2026-27, the bill includes an appropriation of \$8,700,000 from the School and Child Care Clean Drinking Water Cash Fund to the Department of Public Health and Environment, and 7.0 FTE. Any money appropriated but not expended prior to July 1, 2029, is further appropriated to the department through the 2026-29 state fiscal year for the same purpose.

State and Local Government Contacts

Joint Budget Committee Staff