



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1027: BOCES DEFINITION & EXECUTIVE DIRECTOR

Prime Sponsors:

Rep. Story; Stewart K.
Sen. Kolker

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting Number: LLS 26-0392

Version: Final Fiscal Note

Date: July 20, 2026

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

Summary Information

Overview. The bill permits a retiree to work as an executive director of a Board of Cooperative Educational Services (BOCES) without losing retirement benefits, and allows a local education provider to have some or all of its distribution of postsecondary and workforce readiness funding made directly to a BOCES.

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

- State Expenditures
- School Districts
- Statutory Public Entity

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

Under current law, all Public Employees' Retirement Association (PERA) retirees may work up to 110 calendar days without experiencing a reduction in retirement benefits. Under the Critical Shortage Retiree Program, retired teachers, school bus drivers, cooks, school nurses, and paraprofessionals employed by rural school districts, charter schools within those districts, and Boards of Cooperative Educational Services (BOCES), may work after retirement for more than 110 days without a reduction in their retirement benefits. This bill adds an executive director of a BOCES to the list of individuals who may be re-employed without changing their PERA retirement benefits.

The bill also allows a local education provider to elect to have some or all of its distribution of postsecondary and workforce readiness funding made directly to a BOCES

Background

During the 2025 legislative session, [Senate Bill 25-315](#) created a postsecondary workforce readiness (PWR) funding distribution mechanism and repealed or consolidated several PWR-related programs and grant opportunities in the Colorado Department of Education (CDE). The consolidated programs provide start-up funding, innovation grant program funding, and sustain funding to local education providers (LEPs). The sustain funding is used to reimburse students who obtain postsecondary credit or satisfied work-based learning requirements in the prior year.

State Expenditures

This bill minimally increases the number of recipients eligible to receive the PWR funding distributions described in the Background section above, but does not change the amount appropriated for these purposes.

School District

BOCES will have additional flexibility to address administrator shortages. As a result, employer contributions to PERA may increase depending on the number of additional service retirees that become employed by a BOCES.

Statutory Public Entity

The overall impact to PERA will vary based on member behavior, as described below.

Utilization by Currently Retired Administrators

Any currently retired administrators who are hired by a BOCES under the bill's provisions will generate additional employer and employee contributions to PERA, increasing PERA's revenues.

Utilization by Administrators Who are Nearing Retirement

Administrators currently employed by a BOCES may retire sooner as a result of the bill, which will reduce revenue to PERA. Currently employed administrators in a BOCES could retire and then immediately be rehired on a temporary or contract basis as of the bill's effective date.

Administrators who do this would likely pay less in contributions to PERA due to a reduced salary, while also beginning to withdraw their retirement benefits sooner than if they had not retired. As the population of BOCES administrators is limited, this change is not anticipated to directly impact PERA's funded percentage for the School Division, the Actuarially Determined Contribution rate, or the activation of PERA's Automatic Adjustment Provision, which automatically increases employer and employee contributions in order to maintain the target date to achieve full funding.

Effective Date

The bill was signed into law by the Governor and took effect on March 12, 2026.

State and Local Government Contacts

Education

PERA

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](#).