

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 20, 2026
Date

Committee on Education.

After consideration on the merits, the Committee recommends the following:

SB26-023 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, lines 8 and 9, strike "EIGHT THOUSAND NINE
2 HUNDRED NINE DOLLARS AND TEN CENTS (\$8,909.10)," and substitute
3 "EIGHT THOUSAND NINE HUNDRED DOLLARS AND FORTY CENTS
4 (\$8,900.40),".

5 Page 2, lines 11 and 12, strike "TWO HUNDRED SEVENTEEN DOLLARS AND
6 THIRTY CENTS (\$217.30)" and substitute "TWO HUNDRED EIGHT DOLLARS
7 AND SIXTY CENTS (\$208.60)".

8 Page 2, lines 20 through 22, strike "TEN BILLION TWO HUNDRED NINE
9 MILLION FIVE HUNDRED EIGHTY-NINE THOUSAND EIGHT HUNDRED
10 EIGHTY-EIGHT DOLLARS (\$10,209,589,888);" and substitute "TEN BILLION
11 ONE HUNDRED EIGHTY-NINE MILLION NINE HUNDRED EIGHTEEN THOUSAND
12 SIX HUNDRED FORTY-TWO DOLLARS (\$10,189,918,642);".

13 Page 3, after line 4 insert:
14 "SECTION 2. In Colorado Revised Statutes, 22-13-103, **amend**
15 (1)(c) introductory portion; and **add** (1)(c.5) as follows:

16 **22-13-103. School transformation grant program - created -**
17 **rules - repeal.**

18 (1) There is created in the department the school transformation
19 grant program to provide funding to:

20 (c) FOR GRANTS ISSUED ON OR BEFORE JUNE 30, 2026, assist
21 school districts, the institute, and charter schools that are implementing
22 priority improvement or turnaround plans in planning for and
23 implementing one or more of the following rigorous school redesign
24 strategies:

25 (c.5) FOR GRANTS ISSUED ON OR AFTER JULY 1, 2026, ASSIST

1 SCHOOL DISTRICTS, THE INSTITUTE, AND CHARTER SCHOOLS THAT ARE
2 IMPLEMENTING PRIORITY IMPROVEMENT OR TURNAROUND PLANS IN
3 PLANNING FOR AND IMPLEMENTING ONE OR MORE OF THE RIGOROUS
4 REDESIGN STRATEGIES DESCRIBED IN SECTION 22-11-209 (2)(a) OR
5 SECTION 22-11-210 (5)(a);

6 **SECTION 3.** In Colorado Revised Statutes, 22-13-105, **amend**
7 (1) introductory portion and (6)(b); and **add** (1.5) as follows:

8 **22-13-105. School transformation grants - application -**
9 **awards - report.**

10 (1) FOR GRANTS ISSUED ON OR BEFORE JUNE 30, 2026, the state
11 board, subject to available appropriations, shall award school
12 transformation grants to one or more school districts or charter schools or
13 to the institute to use in:

14 (1.5) FOR GRANTS ISSUED ON OR AFTER JULY 1, 2026, THE STATE
15 BOARD, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL AWARD SCHOOL
16 TRANSFORMATION GRANTS TO ONE OR MORE SCHOOL DISTRICTS OR
17 CHARTER SCHOOLS OR TO THE INSTITUTE TO USE FOR THE PURPOSES
18 DESCRIBED IN SECTION 22-13-103 (1).

19 (6) (b) Of the money annually appropriated for school
20 transformation grants, the department may expend an amount that is
21 necessary to enter into one or more contracts with a public or private
22 entity to provide the uses described in subsection (1) OR (1.5) of this
23 section to multiple school districts or charter schools that are eligible for
24 a school transformation grant. The entity shall use research-based
25 strategies and have a proven record of success working with schools
26 under similar circumstances.

27 **SECTION 4.** In Colorado Revised Statutes, 22-44-105, **amend**
28 (6)(d)(II) as follows:

29 **22-44-105. Budget - contents - mandatory- repeal.**

30 (6) (d) (II) ~~This subsection (6) is~~ SUBSECTIONS (6)(a), (6)(b), AND
31 (6)(d) OF THIS SECTION ARE repealed, effective July 1, 2026.

32 **SECTION 5.** In Colorado Revised Statutes, 22-54-103.3, **amend**
33 (3)(b) as follows:

34 **22-54-103.3. District total program - 2025-26 through 2030-31**
35 **budget years - definitions - repeal.**

36 (3) (b) (I) For the 2026-27 budget year, a district's total program
37 is the greater of the district's total program determination for the 2024-25
38 budget year or the amount calculated pursuant to section 22-54-104 plus
39 an amount equal to thirty percent of the difference between the district's
40 total program calculation pursuant to section 22-54-103.5 and the
41 district's total program calculation pursuant to section 22-54-104.

42 (II) WHEN DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT
43 TO SUBSECTION (3)(b)(I) OF THIS SECTION, IF THE DISTRICT'S TOTAL

1 PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 IS LESS THAN
2 THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
3 22-54-104, THEN NOTWITHSTANDING SUBSECTION (3)(b)(I) OF THIS
4 SECTION, THE DISTRICT'S TOTAL PROGRAM IS THE GREATER OF THE
5 DISTRICT'S TOTAL PROGRAM DETERMINATION FOR THE 2024-25 BUDGET
6 YEAR OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104.

7 **SECTION 6.** In Colorado Revised Statutes, 22-54-117, **amend**
8 (1)(a) introductory portion and (1)(a)(IX) as follows:

9 **22-54-117. Contingency reserve - fund - repeal.**

10 (1) (a) ~~For the 2007-08 fiscal year and fiscal years thereafter~~ The
11 general assembly shall annually determine the amount to appropriate to
12 the contingency reserve fund, which is created in the state treasury. In
13 deciding the amount to appropriate to the contingency reserve fund, the
14 general assembly may take into consideration any recommendations made
15 by the department of education, but nothing in this section obligates the
16 general assembly to provide supplemental assistance to all districts that
17 are found to be in need or to fully fund the total amount of such need. The
18 state board may approve and order payments from the contingency
19 reserve fund for supplemental assistance to districts determined to be in
20 need as the result of any or all of the following circumstances:

21 ~~(IX) (A) For the 2021-22, 2022-23, and 2023-24 budget years~~
22 Unusual financial burden caused by the withholding of local property
23 taxes pursuant to section 29-1-606 (5) for a rural or small rural school
24 district, as defined in section 22-7-1211 (4), because of a delay in filing
25 the audit report due to extraordinary problems that could not have been
26 reasonably foreseen or prevented by the rural or small rural school
27 district.

28 ~~(B) This subsection (1)(a)(IX) is repealed, effective July 1, 2026.~~

29 **SECTION 7.** In Colorado Revised Statutes, 22-54-205, **amend**
30 (2)(a), (2)(b)(I), (2)(c)(I), (2)(c)(II), (4)(c), and (4)(d); as follows:

31 **22-54-205. Sustain funding - rules - repeal.**

32 (2) (a) A local education provider is eligible to receive
33 ~~reimbursement~~ SUSTAIN FUNDING for students who, in the preceding
34 budget year, successfully satisfied postsecondary credit, received an
35 industry-recognized credential, or satisfied work-based learning
36 requirements as specified by state board rule. A local education provider
37 is eligible to receive multiple ~~reimbursements~~ SUSTAIN FUNDING
38 DISTRIBUTIONS for one student. A local education provider is eligible ~~for~~
39 ~~reimbursement~~ TO RECEIVE SUSTAIN FUNDING for students who are
40 enrolled in a p-tech school or participating in a TREP program.

41 (b) (I) For the 2026-27 budget year, the department shall divide
42 the total amount of sustain funding for ~~reimbursement~~ DISTRIBUTION into
43 the following categories:

1 (A) Twenty percent of the total amount of sustain funding for
2 ~~reimbursement~~ DISTRIBUTION for postsecondary credit attainment;

3 (B) Forty percent of the total amount of sustain funding for
4 ~~reimbursement~~ DISTRIBUTION for industry-recognized credentials earned;

5 (C) ~~Thirty-five~~ THIRTY-SEVEN percent of the total amount of
6 sustain funding for ~~reimbursement~~ DISTRIBUTION for work-based
7 learning; and

8 (D) ~~Five~~ THREE percent of the total amount of sustain funding to
9 offset the direct and indirect costs incurred in administering the sustain
10 funding.

11 (c) (I) For the 2027-28 budget year, and each budget year
12 thereafter, the state board shall determine the percentages of the total
13 amount of sustain funding for ~~reimbursement~~ DISTRIBUTION assigned to
14 the postsecondary credit attainment, industry-recognized credentials, and
15 work-based learning categories; except that the ~~five~~ THREE percent of the
16 total amount of sustain funding to offset the direct and indirect costs
17 incurred in administering the sustain funding must not be changed. The
18 percentages for each category are determined by state board rule.

19 (II) In determining the percentages of the total amount of sustain
20 funding for ~~reimbursement~~ DISTRIBUTION assigned to each category
21 pursuant to subsection (2)(c)(I) of this section, the state board shall
22 consider the availability of postsecondary and workforce readiness
23 opportunities offered by local education providers, student participation,
24 and evidence of student outcomes.

25 (4) The state board shall adopt rules governing:

26 (c) ~~Reimbursement eligibility and rates, including limits on a local~~
27 ~~education provider's annual total reimbursement and annual~~
28 ~~reimbursement from one or multiple categories, based on~~
29 ~~local-education-provider-specific features or other features;~~ SUSTAIN
30 FUNDING ELIGIBILITY REQUIREMENTS, INCLUDING LIMITS ON THE TOTAL
31 AMOUNT OF SUSTAIN FUNDING RECEIVED BY A LOCAL EDUCATION
32 PROVIDER FROM ONE OR MULTIPLE CATEGORIES BASED ON THE LOCAL
33 EDUCATION PROVIDER'S FEATURES.

34 (d) Requirements of a local education provider that receives
35 SUSTAIN funding pursuant to this section; and

36 **SECTION 8.** In Colorado Revised Statutes, 24-51-1101, **amend**
37 (1.9)(a)(I), (1.9)(a)(II)(B), (1.9)(a)(II)(C), and (1.9)(h) as follows:

38 **24-51-1101. Employment after service retirement - report -**
39 **definitions - repeal.**

40 (1.9)(a)(I) Subject to subsection (1.9)(h) of this section, a service
41 retiree who is a superintendent, AN ASSISTANT SUPERINTENDENT, a
42 principal, A VICE PRINCIPAL OR ASSISTANT PRINCIPAL, a teacher, a school
43 bus driver, a school food services cook, a school nurse, or a

1 paraprofessional, as defined in section 22-60.3-201, and is hired pursuant
2 to subsection (1.9)(b) of this section by an employer in the school division
3 of the association that satisfies the criteria specified in subsection
4 (1.9)(a)(II) of this section may receive salary without reduction in benefits
5 for any length of employment in a calendar year if the service retiree has
6 not worked for an employer, as defined in section 24-51-101 (20), during
7 the month of the effective date of retirement. A service retiree described
8 in this subsection (1.9)(a) who works for an employer, as defined in
9 section 24-51-101 (20), during the month of the effective date of
10 retirement is subject to a reduction in benefits as provided in section
11 24-51-1102 (2).

12 (II) The provisions of this subsection (1.9) apply only if:

13 (B) The school district, board of cooperative services, or charter
14 school hires the service retiree for the purpose of providing classroom
15 instruction or school bus transportation to students enrolled by the district,
16 enrolled by one or more of the districts served by the board of cooperative
17 services, or enrolled by the charter school, or for the purpose of being a
18 superintendent, AN ASSISTANT SUPERINTENDENT, a principal, A VICE
19 PRINCIPAL OR ASSISTANT PRINCIPAL, a school food services cook, a school
20 nurse, or a paraprofessional, as defined in section 22-60.3-201; and

21 (C) The school district, board of cooperative services, or charter
22 school determines that there is a critical shortage of qualified
23 superintendents, ASSISTANT SUPERINTENDENTS, principals, VICE
24 PRINCIPALS OR ASSISTANT PRINCIPALS, teachers, school bus drivers,
25 school food services cooks, school nurses, or paraprofessionals, as
26 defined in section 22-60.3-201, as applicable, and that the service retiree
27 has specific experience, skills, or qualifications that would benefit the
28 district, board of cooperative services, or charter school.

29 (h) A teacher, school bus driver, school food services cook, school
30 nurse, superintendent, ASSISTANT SUPERINTENDENT, principal, VICE
31 PRINCIPAL OR ASSISTANT PRINCIPAL, or qualified paraprofessional who
32 retires before ~~he or she has~~ THEY HAVE met the age and service credit
33 requirements for full service retirement benefits pursuant to section
34 24-51-602 shall not be employed after retirement pursuant to this
35 subsection (1.9) by the employer in the school division that was the
36 teacher's, school bus driver's, school food services cook's, school nurse's,
37 superintendent's, ASSISTANT SUPERINTENDENT'S, principal's, VICE
38 PRINCIPAL'S OR ASSISTANT PRINCIPAL'S, or qualified paraprofessional's last
39 employer until two years after the teacher's, school bus driver's, school
40 food services cook's, school nurse's, superintendent's, ASSISTANT
41 SUPERINTENDENT'S, principal's, VICE PRINCIPAL'S OR ASSISTANT
42 PRINCIPAL'S, or qualified paraprofessional's date of retirement.”

1 Renumber succeeding section accordingly.

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