



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1278: EDUCATION ACCOUNTABILITY SYSTEM

**Prime Sponsors:**

Rep. Bird; Lukens

Sen. Kirkmeyer; Michaelson Jenet

**Fiscal Analyst:**

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**Version:** Initial Fiscal Note

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**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill makes changes to state assessments and school accountability laws, and implements some of the recommendations of the Accountability, Accreditation, Student Performance, and Resource Inequity Task Force.

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

- State Expenditures
- School Districts

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$5,561,704 to the Colorado Department of Education.

**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact<sup>1</sup></b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
State Revenue	\$0	\$0	\$0
State Expenditures	\$5,750,648	\$6,213,456	\$5,841,557
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	8.6 FTE	6.4 FTE	5.5 FTE

<sup>1</sup> Fund sources for these impacts are shown in the table below.

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$5,561,704	\$6,073,897	\$5,721,225
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$188,944	\$139,559	\$120,332
<b>Total Expenditures</b>	<b>\$5,750,648</b>	<b>\$6,213,456</b>	<b>\$5,841,557</b>
<b>Total FTE</b>	<b>8.6 FTE</b>	<b>6.4 FTE</b>	<b>5.5 FTE</b>

## Summary of Legislation

The bill makes multiple changes to state accountability laws for public schools and districts and implements some of the recommendations of the [House Bill 23-1241](#) Accountability, Accreditation, Student Performance, and Resource Inequity Task Force.

## Assessments

The bill requires that the Colorado Department of Education (CDE) collaborate with local education providers to divide state tests into shorter sections with age-appropriate time frames to evaluate students. The bill expands administration of language arts tests in Spanish to include grades five through eight, and requires that the CDE develop versions of state test in languages other than English and Spanish, if requested. The department must provide guidance to local education providers on encouraging student participation in state tests.

## Performance Indicators

The bill modifies the way certain performance indicators are measured, and beginning in the 2026-27 school year, requires that the CDE apply two performance sub-indicators to measure the postsecondary and workforce readiness (PWR) of students: the college and career readiness before graduation sub-indicator, and the postsecondary progress sub-indicator.

When calculating student academic achievement, the bill requires that the State Board of Education ensure the consideration of the academic achievement of students with disabilities, and include those students in the calculation for two years after the student is no longer eligible for an individualized education plan.

## Accountability Dashboard

The CDE must create a transparent and accessible statewide accountability dashboard.

## Continuous Improvement Supports

The bill requires that the CDE evaluate if school districts are experiencing early indicators of distress before they are placed on the accountability clock and offer ongoing support and feedback during the second year of the first two consecutive years of a priority improvement or turnaround plan. The bill requires local education providers to develop corrective plans if they have low student participation on state assessments, or are on a priority improvement or turnaround plan and are on year four or five on the accountability clock.

The bill also expands uses of the School Transformation Grant Program.

## Accreditation with Distinction

The bill requires that the State Board of Education adopt rules that incorporate additional metrics the CDE must consider when determining if a school or district may be accredited with distinction, including demonstrating that at least 85 percent of students participate and complete state tests.

## Studies and Evaluations

By November 1, 2026, the CDE must conduct an evaluation of the essential components necessary for an external management partner to be successful in a turnaround school, the effect partners have on a school or district's education accountability, the return on investment, and the department's management of the external partner. The department must create a list of qualified state external management partners and a model contract agreement.

By November 1, 2026, the CDE must facilitate other studies in consultation with relevant advisory groups on academic opportunities, inequities, and promising practices that improve the state accountability and accreditation system. Notable areas of required study include:

- lowering student count thresholds on accountability calculations and reporting;
- addressing inherent volatility of test score measurement;
- implementing adaptive testing technology;
- appropriate statewide professional learning and development resources;
- aligning the accreditation system with increased equitable access to state tests; and,
- best practices for participation in the school accountability system.

## State Expenditures

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The bill increases costs in the CDE by about \$5.8 million in FY 2025-26, \$6.2 million in FY 2026-27, and \$5.8 million in FY 2027-28 and ongoing, paid from the General Fund. State expenditures are displayed in Table 2 and described below.

**Table 2  
 State Expenditures  
 Department of Education**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$882,846	\$645,705	\$559,185
Operating Expenses	\$11,008	\$8,192	\$7,040
Capital Outlay Costs	\$66,700	\$0	\$0
Content Area Test Translation	\$2,000,000	\$2,000,000	\$2,000,000
Expand CSLA Tests Grades 5-8	\$2,000,000	\$3,200,000	\$3,000,000
Subdivide CMAS Tests	\$125,000	\$0	\$0
Performance Indicators Data Collection & Measurement	\$109,150	\$50,000	\$5,000
Accountability Dashboard	\$52,000	\$0	\$0
Continuous Improvement Supports	\$180,000	\$150,000	\$150,000
Evaluations and Studies	\$135,000	\$20,000	\$0
Centrally Appropriated Costs	\$188,944	\$139,559	\$120,332
<b>Total Costs</b>	<b>\$5,750,648</b>	<b>\$6,213,456</b>	<b>\$5,841,557</b>
<b>Total FTE</b>	<b>8.6 FTE</b>	<b>6.4 FTE</b>	<b>5.5 FTE</b>

**Staff**

Additional staff are required in the department to work across multiple areas of implementation over several years. In FY 2025-26, CDE requires 8.6 FTE, with staff levels decreasing to 6.4 FTE in FY 2026-26 and 5.5 FTE beginning in FY 2027-28, following initial implementation and at the conclusion of required studies and evaluations. Personal services in FY 2025-26 include standard operating and capital outlay, and are prorated for an August start date. New staff are required to:

- develop content area assessments in languages other than English and Spanish and to manage the expansion of the Colorado Spanish Language Assessments (CSLA) to grades five through eight;
- coordinate impact studies of new performance indicators, facilitate technical and advisory groups, and manage data and calculations of performance indicators;
- manage creation of accountability dashboards;
- identify a system of early identification and intervention of schools and districts in distress, provide expanded supports, and assist with corrective action plans for schools and districts with priority improvement or turnaround plans; and,
- manage and conduct multiple studies and evaluations.

## Assessments

Providing content area tests in languages other than Spanish and English increases translation costs by \$2.0 million annually. Expanding CSLA tests to include additional grades increases costs by \$2.0 million in FY 2025-26, and by about \$3.0 million beginning FY 2026-27, including content development, information technology support, scoring, reporting, and other associated CSLA expenses. Dividing CMAS into sections for age-appropriate timing is estimated to cost \$125,000 in FY 2025-26 only.

## Performance Indicators

In addition to the staff time discussed above, adopting new performance indicators increases costs for CDE by about \$109,000 in FY 2025-26 to host in-person and remote trainings, update and translate all informational resources, and modify information systems for new data collection. Costs decrease in subsequent years. The fiscal note assumes that the new performance indicators related to PWR and special education will be available beginning in FY 2027-28, based on actual implementation timelines.

## Accountability Dashboard

In FY 2025-26, only, additional contractor support is required to create a transparent and accessible accountability dashboard, and to update existing information systems for integration with new data visualization. This cost is estimated at \$52,000.

## Continuous Improvement Supports

The CDE will have increased costs to research early identification and intervention systems for public schools and to provide additional support to schools in year two of the accountability clock. These costs are estimated at \$180,000 in FY 2025-26, and \$150,000 annually beginning FY 2026-27. The costs include a one-time contract to research indicators of districts and develop a rubric, and ongoing support for schools, such as needs assessments, professional development, facilitation, corrective plan development, and other technical assistance.

## Evaluations and Studies

CDE requires \$135,000 in FY 2025-26, and \$20,000 in FY 2026-27 for the various studies required by the bill, including ways to align the accreditation system with increased equitable access to state assessments and best practices for accountability systems. Costs include an external facilitator for the studies, who will conduct research and work with the department, local education providers, technical and advisory committees, and local school boards to produce the reports.

## **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.

## **School Districts**

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Public schools and districts will have increased workload to modify testing and accountability processes and systems, and may have to adjust expenditures for training and reporting as needed to comply with revised accountability frameworks and assessments.

## **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

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For FY 2025-26, the bill requires a General Fund appropriation of \$5,561,704 to the Colorado Department of Education and 8.6 FTE. The department may require roll-forward authority for a portion of this appropriation.

## **State and Local Government Contacts**

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Education

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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](#).