



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

BILL 2: ACCESS TO LOWER-COST ENERGY IN SCHOOLS

Prime Sponsors:

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Fiscal note status: The fiscal note reflects the bill draft requested by the Representative Hugh McKean Colorado Youth Advisory Council Review Committee.

Summary Information

Overview. The bill creates the Solar Energy for Public Schools Program in the Colorado Energy Office to provide opportunities for public schools to purchase solar energy devices through grants or low interest loans.

Types of impacts. The bill is projected to affect the following areas from FY 2025-26 through FY 2034-35:

- State Transfers
- State Expenditures
- School Districts

Appropriations. The bill requires an appropriation of \$1,582,040 to the Solar Energy for Public Schools Program Cash Fund in the Colorado Energy Office.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$1,597,723	\$616,490
Transferred Funds	\$1,582,040	\$596,376
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.7 FTE	0.9 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$1,582,040	\$596,376
Federal Funds	\$0	\$0
Centrally Appropriated	\$15,683	\$20,114
Total Expenditures	\$1,597,723	\$616,490
Total FTE	0.7 FTE	0.9 FTE

**Table 1B
State Transfers**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	-\$1,582,040	-\$596,376
Cash Funds	\$1,582,040	\$596,376
Net Transfer	\$0	\$0

Summary of Legislation

The bill creates the Solar Energy for Public Schools Program in the Colorado Energy Office to provide opportunities for public schools to purchase solar energy devices through grants or low interest loans. The office must adopt rules for the program by December 1, 2025, and commence awarding grants or loans by April 1, 2026. The bill includes specific criteria the office must use in evaluating applications and making awards.

The bill creates the Solar Energy for Public Schools Program Cash Fund. The fund consists of any money appropriated or transferred by the General Assembly and any federal funds or private donations received by the office. The office must use the fund to make awards and for administrative expenses, including advertising the program and conducting outreach and technical assistance to schools. Money in the fund is continuously appropriated.

On or before July 30, 2027, and each year that a loan or grant remains active, the office must prepare a summary and evaluation report, post the report on their web site, and submit it to the relevant committees of the General Assembly, including the Representative Hugh McKean Colorado Youth Advisory Council (COYAC).

The bill repeals on July 1, 2035.

State Transfers

The bill requires following transfers from the General Fund to the Solar Energy for Public Schools Program Cash Fund. The fiscal note assumes these transfers are appropriated from the General Fund to the cash fund:

- For FY 2025-26, \$1,582,040; and
- For FY 2026-27, \$596,376.

State Expenditures

The bill does not specify a funding amount to be used for the program, and total funding is at the discretion of the General Assembly. This fiscal note assumes that a viable program meeting the requirements of the bill increases state expenditures in the Colorado Energy Office by about \$1.6 million in FY 2025-26 and by about \$600,000 in FY 2026-27. These costs, paid from Solar Energy for Public Schools Program Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Colorado Energy Office

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$74,474	\$95,224
Operating Expenses	\$896	\$1,152
Capital Outlay Costs	\$6,670	\$0
Loan Money	\$1,000,000	\$0
Grant Money	\$500,000	\$500,000
Centrally Appropriated Costs	\$15,683	\$20,114
Total Costs	\$1,597,723	\$616,490
Total FTE	0.7 FTE	0.9 FTE

Administration

The CEO requires a total of 0.9 FTE program management staff and senior administrative staff to create program rules, determine evaluative criteria for grant and loan applications, make determinations and awards, originate loans and ensure proper repayment, and complete other accounting and reporting tasks. Costs include standard operating and capital outlay, and have been prorated for a presumed September 1 start date.

Grants and Loans

Grant awards and money for loans are the largest cost component of the bill. Assuming the CEO makes 10 annual grants of \$50,000, \$500,000 is required annually beginning in FY 2025-26. Additionally, an initial expenditure of \$1.0 million to the fund in FY 2025-26 is assumed the minimum amount necessary to allow the CEO to offer low interest loans, in addition to providing direct grants to schools and districts.

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, leased space, and indirect cost assessments, are shown in the expenditure table above.

School Districts

Schools and districts participating with the program may receive financial assistance in the form of loans or grants to add solar energy devices to capital facilities.

Effective Date

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

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$1,582,040 to the Solar Energy for Public Schools Program Cash Fund.

State and Local Government Contacts

Colorado Energy

Office Education

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](#).