



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: Members of the House Education Committee
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Fiscal Assessment of L.001 to HB26-1291

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.001 to HB26-1291. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Under the bill, non-probationary teachers may be evaluated once every three academic years rather than annually. Amendment L.001 makes the following changes to the introduced bill:

- allows a teacher with an effective rating or higher to request that a performance evaluation be provided annually;
- allows a local education provider (LEP) to require an evaluation for a teacher prior to a regularly scheduled evaluation year, if the LEP documents and substantiates performance deficiencies supported by evidence;
- for a teacher that transfers from another school district, allows a receiving LEP to require that the teacher receive a formal evaluation in their first year with the new district;
- in any year when a teacher does not receive a documented observation and written evaluation, the school or district must still report the latest performance rating received by the teacher; and
- the bill takes effect July 1, 2028, if no referendum petition is filed.



Fiscal Impact of Amendment

Two provisions in Amendment L.001 change the fiscal impact. First, the amendment requires that schools and districts continue to report the performance rating of all teachers annually, even if the teacher did not receive a formal evaluation in that year. This consistency of reporting to the Colorado Department of Education eliminates the need to modify data collection systems in the department, and reduces FY 2026-27 costs by \$48,200.

Moving the bill's effective date until July 1, 2028, postpones the bill's other costs until FY 2027-28 (see Technical Note below). The department is scheduled to procure a vendor contract for the Colorado State Model Performance Management System (COPMS) in FY 2027-28 for implementation beginning FY 2028-29. Depending on bids received, this procurement could result in a new vendor or new contract, or a renewal contract for the existing vendor. Costs to implement the bill could vary depending on the outcome of this procurement.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, the bill increases state expenditures by up to \$480,000 in FY 2027-28 as shown in Table 1.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures (General Fund)	\$0	up to \$480,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Postponing the effective date of the bill until July 1, 2028, moves the cost of modifying COPMS to FY 2027-28 (see Technical Note below), with some rollover spending occurring in FY 2028-29. The later effective date allows the CDE to include the bill's changes to evaluation frequency in the request for proposals in FY 2027-28.



Based on information from the current vendor ([LevelData-RANDA](#)), reconfiguring the Colorado Performance Management System (COPMS) will cost an estimated \$480,000 more than the cost to maintain the existing model. Assuming the state extends and continues the contract with LevelData, the cost of this vendor contract is increased by that amount. Other vendors and bids considered during the procurement process may reveal cost savings or other efficiencies that cannot be estimated. Given that the results of the procurement process is not known, the fiscal note estimates that up to \$480,000 will be needed in FY 2027-28 to ensure that the system meets the requirements of the bill. However, the actual amount will be determined during the procurement process, and adjusted during the annual budget request process.

Clarifying that schools and districts must continue to provide evaluation data on all teachers annually, including years when non-probationary teachers do not receive a formal evaluation, creates a minimal workload change for the CDE, but does not require any modification to information management systems.

Technical Note

The bill, as amended by L.001, does not take effect until July 1, 2028; however, the COPMS will need to be modified during FY 2027-28 in order to allow LEPs to begin evaluations less frequently starting with the 2028-2029 academic year. This effective date might need clarification to acknowledge that the bill takes effect sooner, but applies to evaluations conducted by LEPs beginning with the 2028-2029 academic year.