



BriefCASE

A legislative and advocacy newsletter
from The Colorado Association of School Executives

BriefCASE Legislative Update

For CASE Members

February 27, 2026

The 2026 legislative session is moving quickly, and **school finance remains the dominant issue** shaping policy discussions at the Capitol. Structural budget pressures, revenue debates, and key education bills are advancing simultaneously.

Below is a focused update on what matters most right now for Colorado school and district leaders.

Top Story: State Budget Stress Test and Structural Pressure

Last week, Joint Budget Committee staff presented their annual budget stress test. The findings were direct and concerning.

Colorado continues to spend more General Fund dollars each year than it is taking in, relying on one-time revenue to sustain ongoing expenditures. Under current projections:

- The General Fund reserve would be depleted by FY 2029–30 even without a recession.
- Under a moderate recession scenario, the reserve could be essentially gone by FY 2026–27.
- Sustaining a viable reserve will require structural changes to revenue and/or spending obligations.

In short, the current trajectory is not sustainable. Education funding conversations are

occurring within this broader fiscal context.

Specific Ownership Tax (SOT) Proposal and CASE Position

As we have shared with you, Governor Polis has proposed changing how Specific Ownership Tax revenue is counted within the school finance formula. Under this proposal, school districts statewide would experience an estimated \$200 million reduction in funding.

CASE stands firmly in opposition to this proposal. The impact would be significant and hurt students. Districts would be forced to consider:

- Increasing class sizes
- Reducing staff
- Scaling back student supports such as school counselors and intervention services

In some communities, the proposed reduction is equivalent to the annual operating cost of a high school.

Taking away district dollars that are currently used to serve students is not in the best interest of kids. It does not support educational equity and, in fact, would likely exacerbate disparities across communities. Some districts would be hit harder than others and would be forced to make deeper cuts.

CASE has been working hard to help legislators understand how devastating this proposal would be, and we're currently optimistic that there is not enough legislative support to pass it. However, given the very challenging overall state funding outlook, every area of the state budget is at risk of cuts and we need to continue to be vocal and unwavering in our advocacy efforts.

Joint Budget Committee: CDE Operations Budget

The Joint Budget Committee began figure setting for the Colorado Department of Education's State Operations budget. The nearly [300-page staff briefing document](#) and hearing recording are publicly available. The Committee did not complete its review and will resume discussion this week.

Figure setting is one step in the broader state budget process. The State Board may return with proposed revisions to reductions, and the JBC may revisit decisions after the March revenue forecast. Funding negotiations remain fluid.

Federal Advocacy Update

Over the past three weeks, significant shifts at the federal level have created uncertainty for districts nationwide.

Key developments include:

- Ongoing **rulemaking related to the new federal tax credit voucher program**, which would allow federal tax dollars to flow into private school scholarships if

Colorado opts in.

- Increased federal scrutiny and reinterpretation of **civil rights enforcement and complaint procedures** in schools.
- Continued discussion in Congress about potential changes to Title I, IDEA funding structures, and federal education agency authority.

While no immediate funding cuts to Title I or IDEA have been enacted, the tone and direction of federal policy conversations signal potential structural changes ahead.

In addition, the Council of Chief State School Officers recently shared that the U.S. Department of Education has entered into new interagency agreements with the U.S. Departments of Health and Human Services and State.

Under the agreement with HHS, the Office of Elementary and Secondary Education and the Administration for Children and Families will co-administer several programs, including:

- Project School Emergency Response to Violence (SERV)
- School Safety National Activities
- Ready to Learn Programming
- Full-Service Community Schools
- Promise Neighborhoods
- Statewide Family Engagement Centers

A separate agreement between the U.S. Department of Education and the U.S. Department of State addresses foreign gift and contract reporting requirements for higher education institutions under federal law.

While these agreements do not immediately change district funding streams, they reflect continued restructuring and coordination at the federal level that could affect program administration, oversight, and guidance. Slashed federal workforce numbers add an additional layer of uncertainty about how fully and well programs will be executed.

CASE is actively engaged with national partners, including AASA and other state associations, to monitor developments and advocate for:

- Stable federal funding for K-12
- Preservation of IDEA protections
- Clear guidance for districts navigating evolving civil rights frameworks
- Opposition to federal voucher expansion that diverts public dollars

We will continue to provide updates as these and other issues evolve.

Federal Funding Update (SY26-27)

- Congress passed the **Consolidated Appropriations Act, 2026 (H.R. 7148)**, which funds federal education programs for **School Year 2026–27 (FY26)**.
- The House passed the final bill on **February 3, 2026**, and President Trump signed it into law the same day, resolving a brief government shutdown.
- The enacted funding levels largely followed the **bipartisan Senate proposal**, rejecting the House's deeper proposed cuts.

Key Program Funding — Final Enacted Levels

Program	Final FY26 Funding	Change from Prior Year
Title I, Part A	\$18.427 billion	+\$20 million
IDEA, Part B	\$14.234 billion	+\$20 million
Title II, Part A	\$2.19 billion	Level funded
Title I, Part C (Migrant Education)	\$376 million	Level funded
Title III, Part A (English Language Acquisition)	\$890 million	Level funded
Title IV, Part A	\$1.380 billion	Level funded
REAP	\$225 million	+\$5 million
Impact Aid	\$1.630 billion	+\$5 million
Head Start	\$12.357 billion	+\$85 million

Bottom Line for CASE Members

- **Special education and K-12 programs are protected** for SY26-27 with modest increases or level funding.
- The **most severe proposed cuts were rejected** through the bipartisan Senate-led compromise.
- **IDEA, Part B** funding holds at \$14.234 billion — critical for special education directors to note for local budget planning.
- Members should **communicate final federal allocations** to district leadership and begin SY26-27 planning based on these enacted levels.

Resources for More Information

- Full bill text: [Congress.gov — H.R. 7148](https://www.congress.gov/bills/116/7148)

Legislation to Watch in Colorado

On average, CASE tracks and/or lobbies an average of 80 bills each legislative session, plus the state budget and School Finance Act. Below are several key bills we want to highlight, and you can see the complete list of legislation we're working on [here](#).

HB 26-1143 – Non-Employment Education Opportunities Background Check Information

This bill addresses background check requirements for individuals participating in educational opportunities who are not school employees. While student safety is paramount, the bill raises concerns about duplicative processes, unclear scope, and increased administrative burden on districts.

CASE is working on potential amendments to clarify and narrow the bill to avoid unintended operational consequences.

HB 26-1141 – Office for Civil Rights and Discrimination Reporting Bill

This bill would expand state-level oversight and reporting requirements related to

discrimination complaints in schools. Protecting students remains a priority. However, districts have raised concerns about:

- Duplication of federal Title IX and OCR processes
- Creation of parallel reporting systems
- Increased administrative workload
- Implementation clarity

CASE is seeking amendments to ensure the bill aligns with existing federal frameworks and creates workable expectations for districts.

HB 26-1119 – Authority for Different Mill Levy Rates

This bill would allow greater variation in local mill levy rates. While presented as flexibility, it raises significant equity concerns. Colorado's school finance system is designed to balance state and local contributions to promote equitable funding. Allowing differing mill levy rates could:

- Increase disparities between districts
- Complicate the statewide funding formula
- Create instability in local tax policy

CASE opposes this bill because it risks undermining equity and predictability in school finance.

HB 26-1291 Educator Effectiveness

CASE supports [HB26-1291](#), which would allow districts to move to a three-year formal evaluation cycle for experienced teachers while maintaining annual evaluations for probationary educators and those needing improvement. This bill:

- Reduces administrative workload
- Maintains accountability safeguards
- Preserves local board authority
- Allows districts to exceed minimum requirements if their board deems appropriate

It is a local control measure designed to keep educator support and talent management decisions at the district level, while still allowing districts to implement educator support systems that make sense for their district and needs.

What You Can Do

Stay Informed

The CASE advocacy team works to advance the interests of Colorado school leaders and public education. You can find more information about all of the bills noted above through the CASE member resources below:

- [CASE Legislative webpage](#): This page outlines current session priorities, bill tracking, advocacy resources, and opportunities to engage directly with lawmakers.
- [Fast Democracy - Bill Tracker - Introduced Bills](#): For CASE members, we

provide a comprehensive summary of all education-related legislation during the 2026 session. Here you can review the bills as well as sign up to track them so you can quickly and easily access information that matters the most to you, your students, and your community.

- [Fast Democracy Bill Tracker - Bills CASE Positions](#): For CASE members, we also provide a list of bills that CASE has taken a position on.

CASE also makes it easy to stay up to date during the legislative session. CASE keeps you informed with BriefCASE updates, targeted action alerts, and timely summaries of key budget and policy issues, so you can stay focused without having to track the legislature yourself.

Stay Involved

- **Be involved!** We strongly encourage you to attend a meeting of the CASE Legislative Committee. All active members are invited to participate, and the next meeting is this Friday, February 27, at 1:30 pm. Please email Savannah Mehrrens at smehrrens@co-case.org and we'll add you to the email invitation list.
- **Engage legislators early**, especially members of House Education, Senate Education, and the Joint Budget Committee.
- **Center conversations on student impact and district stability**, particularly around funding and workload.
- **Watch for updated BriefCASE emails and Action Alerts** for timely updates, talking points, and opportunities to engage.

Thank You

Thank you for your leadership during a challenging and consequential session. Your engagement, expertise, and professionalism are shaping critical conversations at the Capitol. We are grateful for the work you are doing on behalf of Colorado students and communities.



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