



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1167: ALTERNATIVE EDUCATION CAMPUSES

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**Prime Sponsors:**

Rep. Valdez; Martinez

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

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### Summary Information

**Overview.** The bill requires that the Colorado Department of Education post certain data about alternative education campuses, and makes other changes to state law related to alternative education campuses.

**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 \$79,406 to the Colorado Department of Education.

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**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>
State Revenue	\$0	\$0
State Expenditures	\$90,088	\$47,510
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.5 FTE	0.4 FTE

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

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

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$79,406	\$38,965
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$10,682	\$8,545
<b>Total Expenditures</b>	<b>\$90,088</b>	<b>\$47,510</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.4 FTE</b>

## Summary of Legislation

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The bill makes several changes to state law related to alternative education campuses (AECs). Specifically, the bill:

- requires the Colorado Department of Education (CDE) to annually prepare and post a report on the enrollment trends, student demographics, and student mobility at AECs beginning in September 2025;
- requires CDE to prioritize an AEC if they satisfy state grant requirements; and
- allows AECs to serve certain high-risk students through age 21, including students who are pregnant, are parents, or will be eligible for a diploma at the end of the school year.

Under current law, at least 90 percent of the students in each AEC must be on an individualized education plan or otherwise qualify as high risk. The bill allows an AEC with less than 250 students to maintain its designation as an AEC if its student population drops to between 80 percent and 90 percent high risk students for one year, before meeting the 90 percent threshold in the next year.

## Background

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Alternative education campuses are public schools that have a specialized mission serving special needs or high-risk students and utilize non-traditional methods of instruction. At least 90 percent of the students in each AEC must be on an individualized education plan or otherwise qualify as high risk. AECs are designated as such by the State Board of Education and CDE annually reviews the performance of each AEC using unique accountability frameworks.

In the current 2024-25 school year, there are 93 school designated as an AEC, including district schools, state Charter School Institute (CSI) schools, and programs operated by boards of cooperative educational services (BOCES).

## State Expenditures

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The bill increases state expenditures in CDE by \$90,088 in FY 2025-26 and \$47,510 in FY 2026-27. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects the state share of school finance.

**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>
Personal Services	\$48,066	\$38,453
Operating Expenses	\$640	\$512
Data System Costs	\$30,700	\$0
Centrally Appropriated Costs	\$10,682	\$8,545
<b>Total Costs</b>	<b>\$90,088</b>	<b>\$47,510</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.4 FTE</b>

## Staff

CDE requires 0.5 FTE in FY 2025-26, and 0.4 FTE beginning in FY 2026-27 to implement the bill. Staff includes 0.4 FTE Senior Consultant in FY 2025-26, which reduces to 0.3 FTE in subsequent years to handle the changing AEC eligibility criteria. Work will include processing applications, providing technical assistance, implementing the accountability frameworks, and conducting audits for additional AECs that may qualify under the bill. In addition, CDE requires 0.1 FTE Senior Consultant to produce the annually required AEC enrollment and mobility report. Operating costs are included.

## Data System Costs

CDE requires \$30,700 in FY 2025-26 only to modify their information management system to include tracking of student enrollment above and below the 90 percent threshold, modifying the allowable student ages in certain situations, and ensuring data for the required report are available. This work is assumed to require 246 hours of development, at a rate of \$125 per hour.

## School Finance

To the extent that increasing the age of students that can be served by an AEC increases pupil enrollment, the bill will increase the state share of total program. Any increase in the state share is expected to be minimal; no change in appropriations is required. The state share is paid from the General Fund, State Education Fund, and State Public School Fund.

## 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(s) above.

## School District

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For districts that have an AEC, the bill may increase expenditures to serve additional students through age 21; however, it would also increase state share funding through the school finance formula. Additionally, should the bill result in more AECs receiving state grant funds, revenue and expenditures to those districts and schools will increase.

## Effective Date

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$79,406 to the Colorado Department of Education, and 0.5 FTE.

## 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](#).