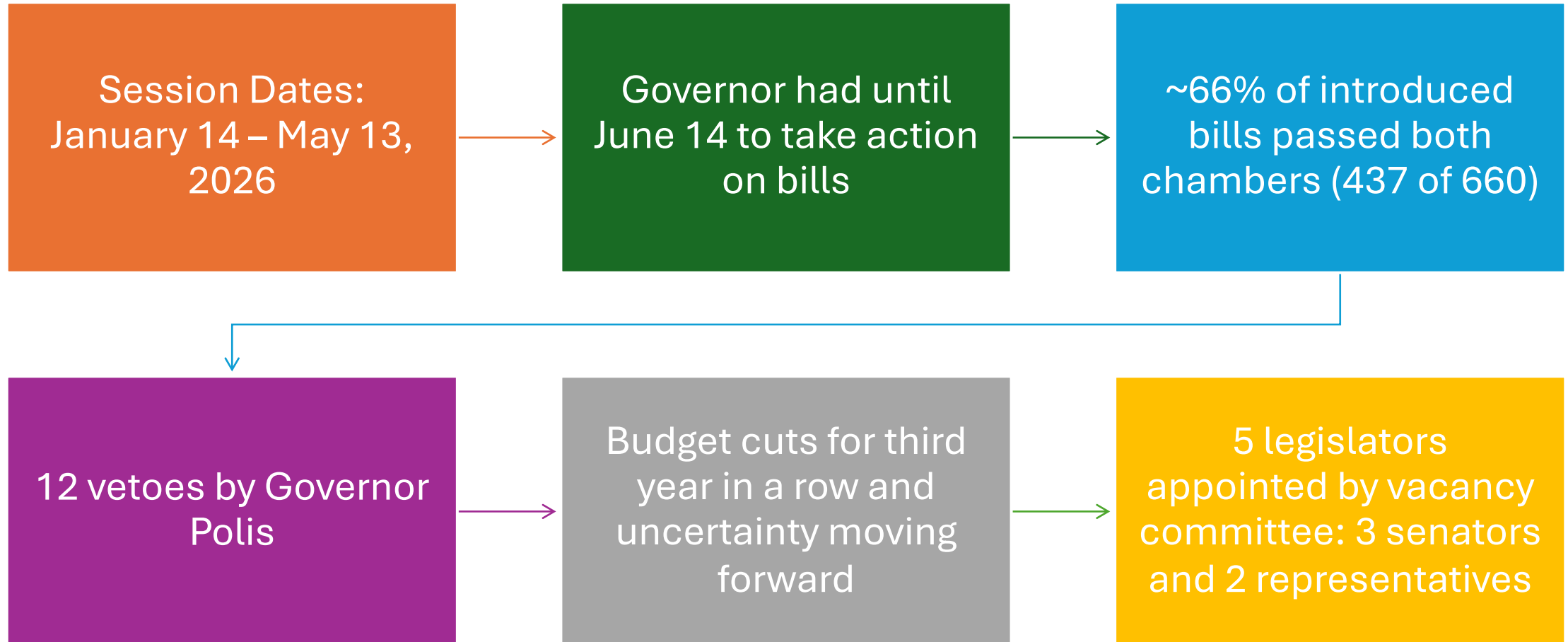


2026 Legislative Update

Tonette Salazar
Salazar & Associates



GENERAL OVERVIEW



CACTE LEGISLATIVE PRIORITY 1: Workforce Development and Economic Growth

- Promoting and expanding on-site work-based learning opportunities and apprenticeships in industries and occupations that align with Colorado's in-demand sectors.
 - A unified data tracking system for Colorado's education and workforce sectors that reduces duplication of reporting requirements.
 - Fostering partnerships between secondary and postsecondary institutions to create seamless pathways for students to transition from high school to specialized training or higher education and align their skills with evolving job market demands.
 - Simplifying credential portability & articulation agreements between high schools, community colleges, and 4-year institutions.
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HB 1317 Higher Education & Workforce Alignment (CACTE Position: SUPPORT)

- Changes the mission of the Colorado Department of Higher Education (CDHE) to focus on a statewide talent development system that better connects education, workforce training, and employment.
- Relocates programs within the Department of Local Affairs related to apprenticeships and workforce into the reimagined department.
- Creates a temporary Transition Advisory Committee to recommend how to reorganize the department and align workforce programs.
 - CACTE advocated for a K-12 CTE seat
- Recommendations are due to the Governor by November 30, 2026, with the new structure taking effect in 2028.

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- Programs to be reviewed and potentially included:
 - Workforce Innovation and Opportunity Act (WIOA) programs
 - Apprenticeships
 - Adult education and literacy
 - Regional workforce initiatives
 - Office of New Americans
 - Colorado Disability Opportunity Office
 - The Committee must recommend how CDHE and the Colorado Department of Education will work together on career readiness and workforce preparation.
 - Focus on reducing duplication between agencies and improving coordination of career and technical education, workforce training, and postsecondary pathways.
 - Lead to stronger alignment between CTE programs and Colorado's workforce and economic development priorities.

Why it matters for CTE

Moves Colorado toward a more connected education-to-career pipeline, with stronger alignment between K-12, community colleges, universities, workforce programs, and employers.

Could make it easier for students to navigate pathways from high school into certificates, apprenticeships, college, and careers.

Places greater emphasis on preparing students for high-demand jobs through coordinated state planning.

What Educators and Administrators Need to Know:

- No immediate changes to CTE programs or graduation requirements.
- Over time, the state may place greater emphasis on:
 - Career pathways tied to workforce needs.
 - Work-based learning and apprenticeships.
 - Postsecondary credentials with labor market value.
 - Better use of workforce and education data to inform program decisions.
- May see increased opportunities to connect students with employers, industry-recognized credentials, and postsecondary training programs.

CACTE LEGISLATIVE PRIORITY 2: The need for additional CTE educators

- Schools statewide are experiencing teacher and employee shortages, including in CTE programs. These shortages are worsened by the lack of incentives for teaching CTE compared to industry salaries.
- Encourage partnerships with educational institutions and industry
- Explore innovative options for credentialing



SB 26-126 Licensure for Experienced Out- of-State Teachers (CACTE Position: SUPPORT)

What the Bill Does

- Makes it easier for experienced teachers from other states to become licensed in Colorado.
- Removes the requirement that a teacher's three years of experience must have occurred within the past seven years.
- Requires Colorado to participate in the Interstate Teacher Mobility Compact, making it easier to recognize teaching licenses from participating states.

Key Changes

- The Colorado Department of Education (CDE) must issue an initial teaching license within 30 days for eligible applicants from compact states.
- CDE cannot require additional coursework, exams, or educator preparation programs before issuing the initial license.
- Additional requirements may still apply when teachers renew their Colorado license.
- CDE must publish an annual guide showing how teaching licenses from other states align with Colorado endorsements.

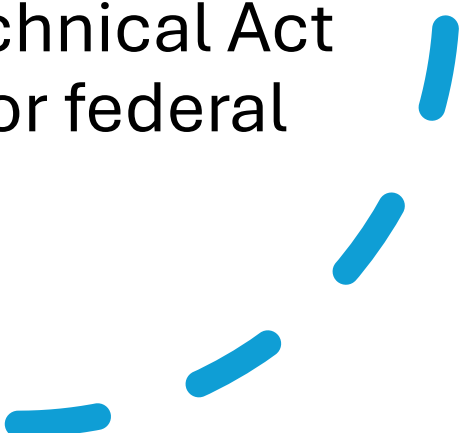
Why It Matters for CTE

- Helps districts recruit experienced teachers from other states more quickly.
- Reduces delays and barriers for qualified educators moving to Colorado.
- Expands the pool of available teachers, particularly in hard-to-fill subject areas and rural communities.

What Educators and Administrators Need to Know:

- Does **not** change Colorado's endorsement or licensure standards. It primarily streamlines the licensing process for already-qualified educators.
- May help CTE programs recruit instructors with industry experience who are relocating from another state.
- Supports faster hiring to fill CTE teacher shortages.
- Could improve access to qualified educators in high-demand career pathways such as health care, skilled trades, information technology, manufacturing, and agriculture.

CACTE LEGISLATIVE PRIORITY 3: Protect K-12 and Higher Education Funding

- Continue its investments in both K-12 and Higher Education by providing continued general fund dollars for education and CTE.
 - Continue to fund the K-12 categoricals as required by Amendment 23 with a minimum increase for each categorical.
 - Maintain at least the current levels of spending on the Career and Technical Act to ensure maximum eligibility for federal Perkins funds
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School Finance & K-12
Funding (FY 2026-27)
SB 26-023 School
Finance (CACTE
Position: Support)
HB 26-1410 State
Budget (CACTE
Position: Monitor)

- Despite a challenging state budget, lawmakers made K-12 education one of their top funding priorities.
- The School Finance Act (SB 26-023) increased total school funding to a record level, exceeding \$10 billion from state and local sources.
- Average per-pupil funding increased to approximately \$11,800 statewide.
- Colorado continues to fully fund the school finance formula and did not reinstate the Budget Stabilization Factor.
- Funding increases were driven by inflation, enrollment changes, and continued implementation of the state's new school finance formula.
- Lawmakers and school districts raised concerns that the revised at-risk funding formula will create winners and losers among districts.
- Some districts will receive additional funding, while others—particularly rural districts and those with declining enrollment—could see slower funding growth or future reductions.
- The legislature is expected to continue evaluating the impacts of the new funding formula in future sessions.

Career & Technical Education (CTE) Categorical Funding

- No increase in state CTE categorical funding was approved for FY 2026-27, despite a request for a 2.9% increase (about \$956,000). Funding will be \$32,689,057.
- Lawmakers determined that maintaining current funding would not jeopardize Colorado's federal Perkins funding match.
- State CTE funding helps districts pay for CTE teachers, equipment, supplies, and approved program costs.
 - Current funding covers only about 74% of the amount districts are eligible to receive under state law, leaving an estimated \$11.1 million gap to fully fund the program.
 - When state funding falls short, reimbursements to eligible districts are prorated.

Prop NN/ SB 26-135: State Public K-12 Education Funding (CACTE Position: Support)

- Voters will decide whether Colorado can retain a portion of revenue that would otherwise be refunded under TABOR.
- If approved, retained revenue would reimburse local governments for the homestead property tax exemption and provide additional funding for K-12 education and other children's programs.
- Creates a new "positive factor" that would provide an ongoing source of funding for school districts beginning in FY 2026-27.
- School districts must use positive factor funding to support:
 - Teacher pay and retention
 - Smaller class sizes
 - Expanded access to Career and Technical Education (CTE) courses
- Districts will be required to publicly report how the funding is spent, and the State Auditor will issue annual reports on the amount of revenue retained and its use.

HB 26-1357

Phase-Out of Teacher Recruitment Education and Preparation Program (TREP)

- Repeals TREP after FY 2027-28.
- Allows high school seniors who were qualified and enrolled in TREP to begin the program and any current student in the 5th year of TREP to complete the program in FY/SY 26-27.
- Does not guarantee those students beginning this fall can complete the program and receive funding for FY/SY 2027-28.
- Capped the amount for a TREP student's per pupil revenue at \$7,104 in the school finance formula.

Additional Legislative Actions:

The legislature also passed several education budget bills aimed at reducing or eliminating smaller programs to generate savings. These included:

- HB 26-1354 repealing the Science Teacher Professional Development Program.
- HB 26-1355 reducing appropriations for Out-of-School Time Grants.
- HB 26-1356 repealing the Local Accountability System.
- HB 26-1357 phasing out the Teacher Recruitment Education Program.
- HB 26-1358 reducing funding for the Academic Accelerator Grant Program.

Additional Legislative Actions:

Part-Time Enrollment & Homeschool Students (SB 26-214)

- Directs the State Board of Education to study policies for part-time homeschool student participation in public schools.
- Examines access to CTE courses, extracurricular activities, and other district-operated programs.
- Requires recommendations for future legislation to improve consistency across school districts.
- Continues a broader conversation about school choice, part-time enrollment, and equitable access to public school opportunities.
- Related policy discussions were also included in the 2026 School Finance Act (SB 26-023).

Higher Ed Funding

- Public colleges and universities received modest operating funding increases.
- **Tuition increases were capped** for FY 2026-27 at:
 - **3.5%** for most in-state four-year students
 - **4%** at the University of Northern Colorado
 - **5%** for community colleges and out-of-state students
- The legislature preserved funding for the **Colorado Opportunity Scholarship Initiative (COSI)**.

Higher Ed Funding cont.

HB 26-1371: Adding Repeal Dates for Certain Higher Education Programs (CACTE position: Monitor)

- On June 30, 2026, repeals:
 - The cybersecurity and distributed ledger technologies state funding and distribution requirement established by SB 18-086.
- On June 30, 2028, repeals:
 - The career, technical education, and apprenticeships alignment project, created by SB 24-104.
 - The Creation of Career Pathways for Students Program, created by HB 15-1274.
- Cost savings: \$2.6 million per year.

HB 26-1016: Continuation of Open Educational Resources Program (CACTE position: Support)

- Funding for Open Educational Resources (OER), free and low-cost textbooks, was continued at \$275K but reduced from the original \$1M request due to the state's budget challenges and political opposition.

+ • HB 1078 Off-Campus Courses & Concurrent Enrollment Programs (CACTE Position: Monitor)

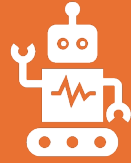
- Under current law, off-campus courses are excluded from concurrent enrollment programs unless they are part of the TREP program.
- The bill allows off-campus courses to count as concurrent enrollment if they:
 - Meet all existing concurrent enrollment requirements, and
 - Meet the standards of the institution's accreditor recognized by the U.S. Department of Education.
- These locations often have equipment that cannot reasonably be duplicated on a high school campus.
 - Advanced manufacturing centers
 - Health care simulation labs
 - Aviation facilities
 - Agricultural education sites
 - Construction training centers
 - Industry innovation hubs
- For CTE programs, this is potentially significant because it:
 - Expands opportunities for authentic workplace and technical training environments.
 - Makes it easier to partner with industry, employers, and colleges that teach in specialized facilities.

June Economic Forecast

- Consumer spending remains the primary driver of Colorado's economy.
 - Household financial stress is increasing, particularly for lower-income families.
 - State revenues remain strong because wage growth and income tax collections continue to outperform expectations.
 - While the economy remains stable, slower growth reinforces the importance of preparing students for high-demand, resilient careers.
 - Lower-income households are experiencing growing financial stress, which can create barriers to education, training, and workforce participation.



Artificial Intelligence is Changing Workforce Demand



Corporate investment in AI equipment and intellectual property continues to grow rapidly particularly in Colorado.



Corporate profits are at record levels and businesses continue investing in technology even as hiring slows.



AI literacy and digital skills are becoming increasingly important across nearly every career pathway not just technology occupations.

CO's Workforce Population Characteristics

- **Colorado's labor market is cooling but workforce needs remain.**
 - Colorado is experiencing slower hiring and increasing labor market slack.
 - More workers are underemployed or unable to find full-time work after layoffs or relocation.
 - Employers are hiring more cautiously and leaving positions unfilled rather than replacing workers.
 - Labor shortages are easing in many industries because hiring has slowed not because workforce needs have disappeared.

What does this mean for CTE?

- Workforce demand remains strong in key CTE areas even as hiring slows across many other industries. Priority workforce sectors include:
 - Health care
 - Skilled trades and construction
 - Education careers
 - Business and professional services
 - Emerging technology and AI-related occupations
- As employers become more selective, industry-recognized credentials, work-based learning, apprenticeships, and technical skills become even more valuable for students entering the workforce.
- For anyone seeking employment, technical skills, industry credentials, and work-based learning opportunities will be increasingly important as employers become more selective in hiring.