



2026 Town Hall

2026 Ballot, 2027 Legislative Session, Federal Tax Credit Latest, and More



Colorado League of
Charter Schools

October 16, 2026



Premium Sponsors

Thank you to our Premium Sponsors



Agenda

- **State Fiscal & Political Update:** Prateek Dutta
- **Education and the 2026 Ballot:** Dan Schaller
- **Looking Ahead to the 2027 Legislative Session:**
Dan Schaller & Prateek Dutta
- **Specific Ownership Tax Research:**
Kevin Hesla
- **Federal Tax Credit Latest:** Eric Lerum



Help us help you!

Take our short survey
during today's Town Hall



State Fiscal & Political Environment

Prateek Dutta

VP of Policy for the
Colorado League of Charter Schools



Fiscal and Political Environment

Democrats could expand their majorities in both chambers, with a supermajority a distinct possibility.

Primary results suggest a shift toward the progressive wing of the Democratic Party.

Looking ahead, charter schools may face a political environment without a reliable backstop in either legislative chamber or the Governor's Office, first time ever.

Voters will also weigh ballot measures with implications for education funding and the state budget.

Our preparation: build relationships before the session and make the student impact clear.



Political and Budget Outlook



\$1.6B

Projected budget deficit, FY 2027-28

\$213.1M

FY 2025-26 overexpenditures, led by Medicaid

Risks to the Budget Outlook

The budget outlook has deteriorated since June, but most reasons for the downgrade are on the expenditures side, rather than a result of changes to the revenue forecast. Medicaid costs again exceeded appropriations in FY 2025-26 and were the largest component of FY 2025-26 overexpenditures, which totaled \$213.1 million. Medicaid costs are expected again to exceed current law appropriations in FY 2026-27 and to grow quickly once more in FY 2027-28. Further, changes to federal law will create a state budget obligation for SNAP beginning in FY 2027-28. These budget drivers will crowd out space under the state TABOR limit, constraining the amounts available for other programs. With revenue expectations now firmly above the TABOR limit through the forecast period, the General Fund budget is insulated from smaller fluctuations in revenue expectations. However, an economic downturn would drop revenue below the limit, with direct impacts on the budget.

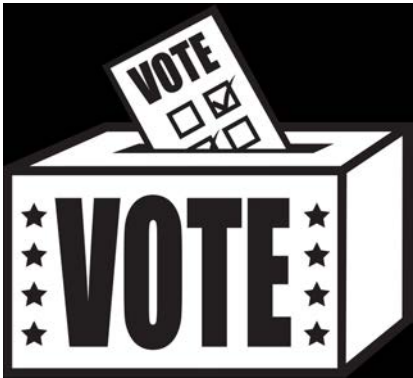
The 2026 Ballot: Implications for Education

Dan Schaller

President
Colorado League of Charter Schools



The 2026 Ballot



- Ties record for longest in state history (2006, 2008, 2024)
- 14 total measures
- But what sets this year apart is that 13 of the 14 measures are citizen-initiated questions (petition signatures v. legislative referral)
 - Split was 7-7 in 2024
- Focus today on those with potential implications for education and the state budget

- Replaces the current flat state income tax (4.4%) with a graduated state income tax
- Lowers taxes for taxable income below \$500,000 and raises taxes for taxable income above \$500,000
- Expected to increase state income tax revenue by an estimated \$2 billion in the first full year and more in later years
- Spends the additional revenue on K-12 education, health care, and early childhood care and education

AMENDMENT 87: Graduated Income Tax

Ballot Analysis 2026: Amendment 87

Graduated Income Tax

Short Title	Graduated Income Tax
Research Staff	(TL) Elizabeth Ramey, Dan Graeve, Dhivahari Vivek, Emily Dohrman, Thomas Rosa
Ballot Number	Amendment 87
Election Year	2026
Ballot Type	Statutory
Ballot Status	Completed

- The state legislature will decide

PROPOSITION 136:

Income Tax Rate Limit

Ballot Analysis 2026: Proposition 136

Income Tax Rate Limit

Short Title	Income Tax Rate Limit
Research Staff	(TL) Louis Pino, Horojah Jawara, John Armstrong
Ballot Number	Proposition 136
Election Year	2026
Ballot Type	Statutory
Ballot Status	Completed

- Limits the state income tax rate for individuals and corporations to the current rate of 4.4 percent of taxable income beginning on January 1, 2027
- Reinforces the current rate approved by voters in 2022

- When parts of voter-approved measures conflict, the policy outcome is generally determined by the measure that receives more votes.
- However, if both measures are approved, the exact outcome is unclear.
- The state legislature or a court will determine how to resolve any conflicts.
- If both pass, it's possible that non-conflicting aspects of both could take effect, further exacerbating the state's budget woes.

**What happens if
Proposition 136 &
Amendment 87
both pass?**



PROPOSITION NN:

Keep & Spend Money for Education & Other Purposes

Ballot Analysis 2026: Proposition NN

Keep and Spend Money for Education and Other Purposes

Short Title	Keep and Spend Money for Education and Other Purposes
Research Staff	(TL) Emily Dohrman, Anna Gerstle, John Armstrong, Matthu Beck
Ballot Number	Proposition NN
Election Year	2026
Ballot Type	Statutory
Ballot Status	Completed

- Allows the state to keep and spend revenue that would otherwise be refunded to taxpayers under TABOR
- Retained revenue must be spent on K-12 education and programs that support children
- K-12 money must first be used for increased teacher pay and retention, access to career and technical courses, and smaller class sizes. This money will be distributed to school districts and charter schools that then decide how to spend this money within allowable uses. They must post downloadable, sortable information online about how they spent the money.

- This amount is expected to be about \$110 million in the first year, \$220 million in the second year, and may grow to between \$1 billion and \$2 billion per year by the end of ten years.
- Additional funding for disability services, school services, and increasing instructional hours is estimated at about \$130 million in the first year and \$20 million in the second year. The state legislature will determine how to allocate these funds to schools and districts.

PROPOSITION NN: Keep & Spend Money for Education & Other Purposes



Proposition NN



- Prop NN is mostly focused on education; Amendment 87 is much more disbursed
- Prop NN explicitly accounts for charter schools
- Amendment 87 runs risk of being undercut by Proposition 136
- Want to make sure our schools stand to benefit as much as possible from NN if it passes

Planning & Preparation for the 2027 Legislative Session



Looking Ahead

- In a bit of uncharted territory
 - No Polis
 - Possible supermajorities in both chambers
- Definitely going to need to be prepared for a good amount of defense
- More important than ever to set aside differences and unite as a sector
- *And yet*, where are there still opportunities to advance our interests and those of public school choice more broadly?
 - i.e. SB26-145: Charter School Involvement in Local Ballot Questions

What We'll Need to Defend

- Existing Charter Authorization Process (CASB Resolution)
- Charter Hold Harmless
- CSI Mill Levy Equalization
- Charter Capital Construction
- Ongoing Implementation of the New Funding Formula



CASB Resolution:

“Modernization of Charter School Authorization in Colorado”

CASB supports amendments to the Charter Schools Act (C.R.S. 22-30.5-101 et seq.) that modernize Colorado charter school authorization framework to reflect current demographic realities, including declining enrollment in many communities, while preserving high-quality educational opportunities for students.

CASB supports granting local boards of education the authority to consider the educational, programmatic, enrollment, and fiscal impacts of proposed new charter schools, charter school replications, and charter school expansions on existing public schools within a reasonable geographic area.

CASB further supports allowing local boards of education to require independent third-party verification of enrollment projections and letters of intent submitted in support of charter school applications. Such verification should confirm the validity of projected enrollment demand while protecting the privacy of individual families.

CASB Resolution (cont.):

“Modernization of Charter School Authorization in Colorado”

CASB supports allowing local boards of education to consider:

- Projected enrollment trends and demographic conditions within the community;
- Whether the proposed school addresses an unmet educational need;
- The performance and quality of existing district-operated and charter schools;
- The availability of similar educational programming already offered within the community;
- Existing parent choice opportunities, including access to high-performing charter schools; and
- Whether the proposed school would meaningfully expand educational opportunities or unnecessarily duplicate existing programs and services.

Our Concerns

- Adult interests over those of kids
- Charter authorization hard enough as it is
- Student and family privacy and protection
- Chilling effect on overall public school choice environment at same time parents and students are wanting more options out of public education, not less
- Gonna need the charter community to show up once again like it as in the past



Emerging Policy Ideas



Treating all public schools “equally”

Core concept: If a district is providing a service and that service can be extended to other public schools within district boundaries, while not placing any additional burden on the district, there isn't any reason that shouldn't happen.

Staff Housing. Whenever a school district, whether by bond, revenue bond, mill levy, certificate of participation, or otherwise, constructs and leases affordable housing for public school employees, it may not discriminate in providing a reasonable opportunity to access such housing for charter school employees.

Transportation. A district that provides student transportation and has unused and safe buses in its fleet must make the bus available to any public school, without regard to public-school type, at district net cost.

Student food services. A district that is also a school food authority shall make food services for students available to any public school, without regard to public-school type, at district net cost.

School-Near-Work Enrollment

Core concept: Make school choice more practical and affordable for working families by creating an enrollment preference at public schools near a parent's workplace. Expand access across district boundaries and help reduce the time and cost of getting children to school.

Enrollment near work. Give families priority at eligible nearby public schools, including charter schools, after a parent has worked at the location for at least six months.

Stable enrollment. Allow students to remain in their school and its feeder pathway even if a parent changes or loses a job.

Educator Training and Credentialing

Core concept: Make it easier for public schools to invest in educator training and credentials, helping staff advance their careers and schools fill hard-to-staff positions.

School-funded training. Support school payment for degrees, licenses and specialized credentials, including special education endorsements, school psychology and Montessori certification.

Simpler requirements. Create an exemption or streamlined process for legitimate school training repayment agreements, applying the same approach to charter schools and districts.

Fair retention agreements. Allow training support tied to a reasonable service commitment, with appropriate employee protections and safeguards against abusive repayment demands.



Regulatory Relief: Direct Funding

Core concept: Send existing state funding directly to eligible charter schools, reducing administrative steps without changing substantive eligibility or funding levels.

Transportation reimbursement. Allow eligible charter schools to receive state reimbursement directly, removing the need to route payments through another entity.

Capital construction. Provide existing capital construction funds directly to eligible district charter schools beginning in the 2027–28 budget year.

Less administrative work. Simplify how existing funds reach schools while retaining the underlying funding rules and compliance requirements.



Other Ideas?



Specific Ownership Tax: Findings from the League

Kevin Hesla

Data Strategy
Colorado League of Charter Schools



What is the Specific Ownership Tax?

- The Specific Ownership Tax (SOT) is levied through the vehicle registration process at the county level.
- Currently, the SOT is structured as an annual tax generated by vehicle registrations, vehicle sales, and driver's license renewals.
- School districts are among the recipients of that money and the amount they get is proportionate to the amount of property tax they collect.
- Annual revenues from the SOT are “distributed by counties in proportion to property taxes collected [however] the formula excludes SOT attributable to voter-approved bond and mill levy override mills.”
- As a result, districts that pass such measures retain a portion of SOT revenue ‘sheltered’ from local share, while districts without voter-approved mills contribute essentially all SOT to local share.



How Specific Ownership Tax Supports Schools

Part of Colorado's vehicle tax revenue sits outside the school funding formula.

- SOT associated with voter-approved bonds and mill levy overrides is excluded from the school finance “local share” calculation.
- In 2025–26, approximately \$185 million statewide was sheltered from that calculation (all districts statewide).
- And **\$164 million** was sheltered in districts that directly authorize charter schools.

The equity issue: District-authorized charter schools do not receive a share of these sheltered revenues.

An Estimated \$25.1M Impact on Charter Students

The lack of proportional revenue sharing for district-authorized charters has a real impact on our schools and students. Some data from our FY 2026 analysis:

- In 2025-26, 44 districts directly authorized 214 charter schools that enrolled nearly 116k students.
- These 44 districts collected \$164.3M in sheltered SOT revenue and the proportional charter share would have been \$25.1M.
- This is around \$227 per pupil (weighted average) but the amounts varied significantly by district.

Charter parents pay this tax, too. Sharing sheltered revenues would direct more funding to the schools their children attend.



Latest on the Education Freedom Tax Credit

Eric Lerum

ErLerStrategies
eric@erlerstrategies.org



EFTC Update

for Colorado Public Charter Schools

Colorado League of Charter Schools

October 16, 2026

Education Freedom Tax Credit Scholarship (EFTC)

A New Funding Opportunity

Starting Jan. 1, 2027

Individual taxpayers will receive a **dollar-for-dollar** federal income tax credit of up to **\$1,700** for contributions to state-approved Scholarship Granting Organizations (SGOs).

Student Eligibility

K-12 Students

K-12 students with a household income **<300%** of area median gross income are eligible to receive scholarships. (93% of CO students are eligible)

Education Freedom Tax Credit Scholarship Program (EFTC)

A broad variety of educational expenses are allowed:

Academic Support

school Tutoring

menu_book Books, supplies, &
equipment

computer Classroom technology

accessibility Special education
support

Enrichment & Services

palette Out-of-school enrichment

trending_up Career-connected
learning

import_contacts Dual-enrollment
courses

directions_bus Transportation

Education Freedom Tax Credit Scholarship Program (EFTC)

League Support

All Colorado public charter schools can participate!

The League is here to help! We are planning to offer tools, templates, and technical assistance for:

- **Engaging your school community** to determine which educational opportunities you will offer your students and families
- Partnering with **an SGO**
- Developing your **fundraising plan** to maximize donations
- Developing a **marketing plan** for families so that they know about the scholarship opportunities
- Supporting families in **signing up for scholarships**

Education Freedom Tax Credit Scholarship Program (EFTC)

Updates

- **League partnership with ACE Scholarships**
 - Sub-agreements between the League and schools are coming soon
- **Federal rules are out!**
 - Married couples can receive up to \$3,400 tax credit
 - Streamlined eligibility for SNAP, TANF, WIC, Section 8 housing, SSI, foster children, and certain students receiving tutoring or special needs services in low-income areas
- **Some questions remain**
 - Specific guidance on eligible expenses

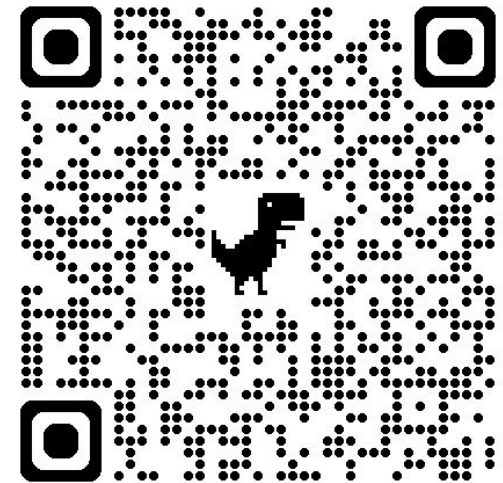
Education Freedom Tax Credit Scholarship Program (EFTC)

Next Steps & Contact

Action Required

Survey: If you haven't completed the [survey](#) yet, please do!

Questions? Reach out to Eric Lerum at eric@erlerstrategies.org



Charter School Facility Assistance Grant (FA Program)

Cycle 3: 2026-2027

Upcoming Dates:

10/12/26	Application Opens
11/2/26	Application Information Webinar
11/30/26	Intent to Apply & Eligibility Due (<u>Required Part 1</u>)

Charter School
FA Program [Website](#)



Office Hours Available for Assistance:

11/10/26	from 11-12pm
11/19/26	from 10-11am
12/3/26	from 10-11am
12/10/26	from 10-11am
12/17/26	from 10-11am
1/7/27	from 10-11am
1/14/27	from 10-11am

STEP 1, PRIOR TO GAINS APPLICATION:

Fill out GAINS
Access [Request
Form](#) as soon as
possible.





2027 ANNUAL CONFERENCE **REGISTER TODAY**

March 4-5, 2027
Gaylord Rockies Resort



Contact Us

→ THE LEAGUE AND CLCS ACTION

President & Board Chair

Dan Schaller | dschaller@coloradoleague.org

→ ADVOCACY + POLICY

Grassroots Advocacy

Anne Keke | advocacy@clcsaction.org

Legislation + Policy

Prateek Dutta | advocacy@coloradoleague.org

→ MEMBERSHIP + OPERATIONS

General Questions | web@coloradoleague.org

League Operations + Finance

Mark Heffner | accounting@coloradoleague.org

→ SCHOOL SERVICES

Board Training, School HR & Enrollment Growth

Bill Knous | growth@coloradoleague.org

Business and Operations Support

Jennifer Larson | business@coloradoleague.org

Academics & Exceptional Education

Karolina Villagrana | academic@coloradoleague.org

→ GRANTS + OTHER

Great Schools Colorado (CSP)

Tanesha Bell | greatschools@coloradoleague.org

Communications, Events + PR

Pete Mason | communications@coloradoleague.org



Thank you.

Town Hall Survey



Policy One Pagers



<https://bit.ly/policy1pgrs>

Tax Credit
Interest Form

