



2026 Town Hall

Funding, Finance and Flexibility



Colorado League of
Charter Schools

March 20, 2026



March Town Hall

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Agenda

- CO's Budget Forecast
- Fighting for Our Schools
- Charter Funding
- Federal Tax Credit Information





Sen. Jeff Bridges

District 26, jeff.bridges.senate@coleg.gov



Colorado's Budget Forecast



Today's economic forecast is nothing short of devastating."

— Vice-Chair Jeff Bridges

The March Revenue Forecast is the final, and most consequential, forecast that will determine the state budget.

While projections vary slightly across forecasts, the overall outlook has worsened, with the budget shortfall now approaching \$1.5 billion (even after JBC-approved cuts).

This will have real implications for K–12 funding. Schools should plan accordingly and budget conservatively.

Colorado's Budget Forecast

- Disagreement remains on the root cause of the deficit—Democrats point to TABOR constraints and the recent federal tax law; Republicans point to state spending growth.
- Regardless of cause, the deficit is ***structural and expected to persist*** without significant policy changes.
- Ongoing fiscal pressure raises real uncertainty about continued implementation of the new funding formula.
- Balancing the budget will require meaningful cuts across state programs, including education.
- While leadership from both parties remains committed to protecting K–12, the severity of the outlook makes full protection increasingly difficult.

Takeaway:

**Schools should plan accordingly
and budget conservatively.**



Carrie Stewart

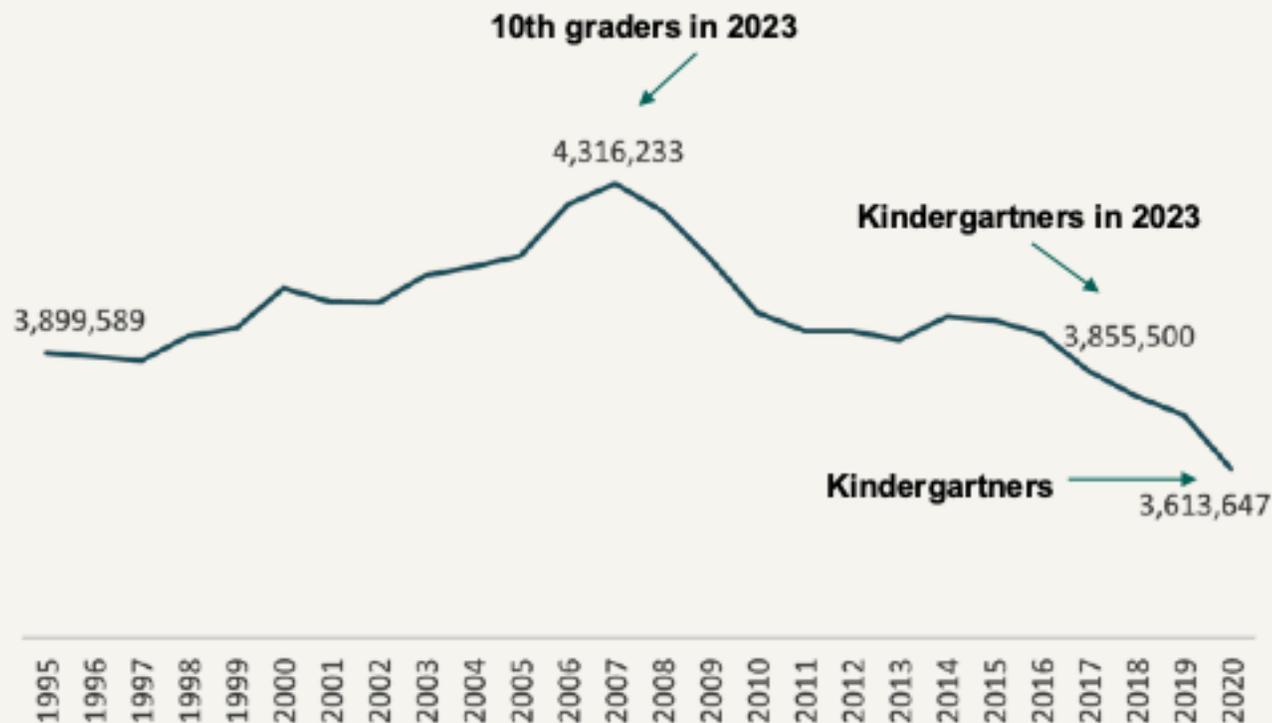
Afton, Managing Partner; Chicago, IL



AFTON'S "7 E's"

Forces that are constraining your school's resources

-  **ESSER** it's gone and the reserves that might have been bolstered are dwindling
-  **Economy** state budgets in a crunch - rising costs outpacing revenue growth
-  **Enrollment** declining K12 public school enrollment in many areas across the nation
-  **Employees** talent difficult to find and competitively compensate
-  **Exceptional Needs** increasing student needs individually and in aggregate
-  **Expectations** increasing pressures and expectations for services
-  **Environment** federal policy & funding uncertainty necessitating scenario planning



Birth Rates Affecting Enrollment

National birth rates are at an all-time low. Each year a larger student cohort graduates and is replaced by a smaller student cohort.

16%

Dedine in births since 2007.

Historic Lows

US Births on a rate basis are the lowest in history, mirroring trends in nearly all developed countries

1,000,000

fewer people under 18 living in the US in 2020 versus 2010, while the adult population increased 24,000,000, highlighting that immigration is not able to off-set fewer births.

3,500,000

Dedine in public school enrollment by 2030 from the 2019 peak, as projected by NCES; the first decline since the Baby Boomers. This decline is more than the entire enrollment of Florida.

Consider some potential financial impacts from state and federal policy shifts and actions

- State education funding may see no increase or something small, with doubts for future years
- Increased pressure on state budgets to make up for federal Medicaid & SNAP cuts, further impacting education funding
- Enrollment & attendance continue to be at risk due to deportation fears and potential increase in housing, food, medical insecurity.
- Costs may increase from global policy and conflict, particularly public facility construction and technology
- Magnitude of funding for largest of federal sources in education (Title I-A, IDEA) are expected to remain steady for 2026-7.



You can control your planning processes, your communication, and your execution.

WHAT WE CANNOT CONTROL:

- Federal and state actions
- Funding rates
- Family mobility
- Birth rates

WHAT WE CAN CONTROL:

- Our planning process**, including use of *conservative* assumptions & scenario planning
- Our communications**, including the tone we set for our teams and constituents
- Our operations & execution**, including changes to resource allocation to meet evolving needs

Four Leader Priorities During Financial Headwinds



01

Communication

Engage your team toward clarity and sound decision-making



02

Prudence

Be conservative with your assumptions, plans, and cash flow



03

Preparedness

Quantify your risks and scenario plan some options



04

Revenue Strategy

Focus on enrollment and diversify revenue sources

Some takeaway resources - making smart trade-offs

ERS | [When the Future Is Unclear, Start With What Matters Most](#) - they guide toward (1) laying a strong foundation of vision and fiscal reality, (2) strengthening two core budget processes that anchor in *how to decide*, rather than what to decide, (3) picking one legacy cost structure to tackle (e.g. compensation model, school scheduling, SPED delivery) knowing not all can be done in one budget cycle

GFOA | Their framing of a government budget officer as a [“choice architect”](#) and [decision architect](#)

Afton-CSGF | [Navigating Uncertainty & Preparing for the Fiscal Cliff \(2022\)](#) - Offers a framework for financial planning with communication & engagement infused in three phases of (1) Accountability - Investing in What Works, (2) Sustainability - Plan Now, (3) Flexibility - Prepare for Uncertainty

Afton | [School Finance Leaders Asking Better Questions](#) - Provides guidance for finance directors to embrace discussions on academic priorities during the budget season

Ed Week | [Crafting a Better Budget: How District and School Leaders Try to Avoid Short-Term Thinking](#) - Forty-six percent of the administrators surveyed said the top approach for making strategic, long-term decisions happen is ensuring that department leaders in districts or schools are discussing their top spending priorities early in the budgeting process.

ERS | [Budget Hold'em](#) - this is a way to jumpstart instructionally rich strategic conversation across your school system's leadership team

District Management Group | [Empowering Decision-Making Through an Initiatives Inventory](#)





Defense: Protecting Charter School Funding and Autonomy





The League's Policy Agenda & Bills

Fighting on Multiple Fronts

CSI Mill Levy Equalization: Despite the difficult budget situation, the legislature is on track to bring in \$55 million for MLE Fund for our CSI Schools.

Part-time enrichment: Legislators are looking at cutting funding from .5 to .25. The League has been at the forefront of advocating to protect funding.

Charter Capital Construction: In 2024, Colorado General Assembly authorized over \$65 million to Charter Capital Construction over 2028-29. We are committed to protecting this funding.

Protecting Autonomy: Defeating and amending bills that encroach upon charter autonomy and flexibility (i.e, 26-1094, 26-103, etc).

Per-Pupil Funding: We are working to ensure that the transition to the state's new school funding formula is implemented fairly and responsibility for charter schools.

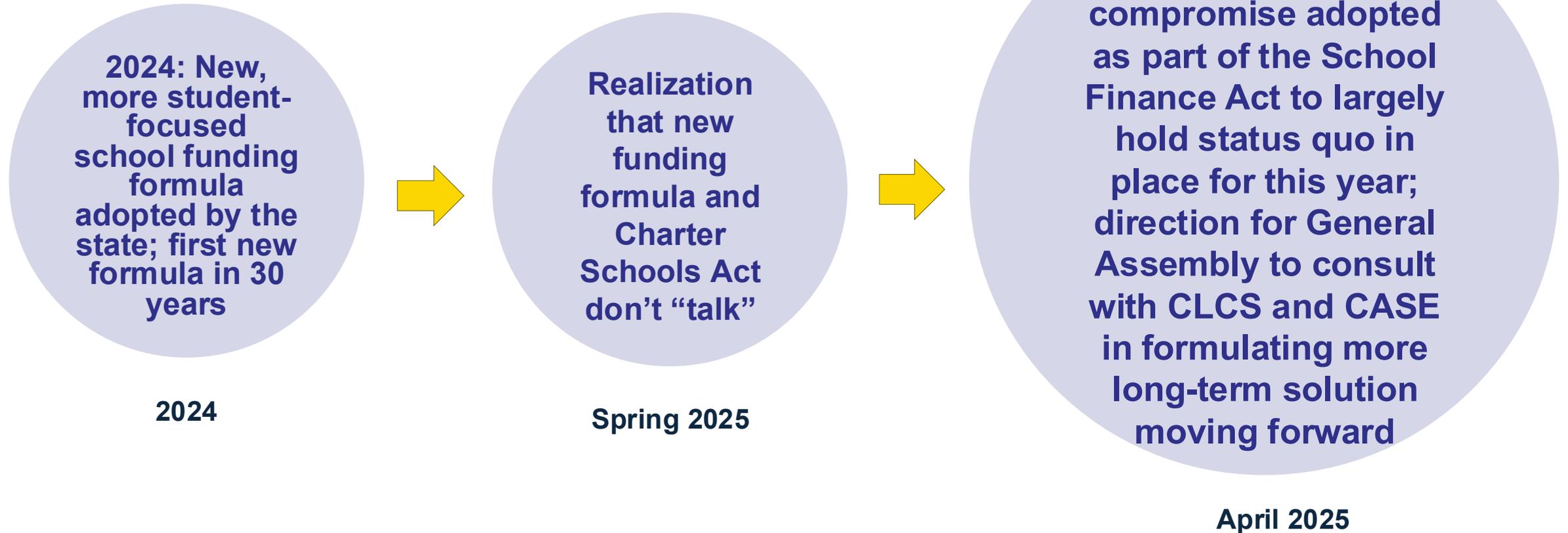
We're advocating for similar mechanisms to what districts negotiated for as part of last year's HB25-1320

Funding that works for charter schools

We are also working to ensure that the transition to the state's new school funding formula is implemented fairly and responsibly for charter schools. While we continue to support the new formula and its appropriate emphasis on student-based, "backpack" funding, we also recognize that the transition to that in the charter context needs to be handled in the right way. That's why we're advocating for similar transition mechanisms to what districts negotiated for themselves as part of last year's [HB25-1320](#) debate (greater of either new formula or a transitional hold harmless).

Additionally, the League has worked to amend or defeat several proposals that would negatively impact charter schools ([i.e. 26-1094](#)). We will continue closely monitoring legislation that could create new regulatory burdens or have financial implications for the charter sector.

Charter Funding Background



Charter Funding Fix: Principles & Research

1. **Students over systems, yes**
2. **But how do we do this in a way that responsibly unwinds 30 years' worth of diverse charter funding arrangements**
3. **Schools that would benefit should, those that might not should have access to similar phase-in provisions to what districts negotiated for themselves**
4. **The typical charter today is still only receiving funding at a level that enables them to spend at 81% of the standard TPS**

Charter Funding: Prateek Dutta

Phase-In of New Formula Under HB 25-1320

Year	Current Law	Under Bill
FY 2025-26	18%	15%
FY 2026-27	34%	30%
FY 2027-28	50%	45%
FY 2028-29	66%	60%
FY 2029-30	82%	75%
FY 2030-31	100%	90%
FY 2031-32	100%	100%

Hold Harmless Provisions Under HB25-1320

Year	Current Law	Bill
FY 2025-26	Old Formula + 0.5%	FY 2024-25 Actual
FY 2026-27	Old Formula + 0.5%	FY 2024-25 Actual
FY 2027-28	Old Formula + 0.5%	Old Formula + 1%
FY 2028-29	Old Formula + 0.5%	Old Formula + 1%
FY 2029-30	Old Formula + 0.5%	Old Formula + 1%
FY 2030-31	N/A	Old Formula + 1%
FY 2031-32	N/A	N/A

Charter Funding Fix: Charter Representatives

- **Jen Douglas, Peak to Peak, Boulder**
- **Jamie Nims, Two Rivers, Roaring Fork**
- **Nick Plantan, DSST, Denver/Aurora**
- **Ian Stout, Loveland Classical**
- **(League board treasurer)**
- **Nicole Wetzel, Global Village Academy –
Dougco, Aurora, Thornton (League board chair)**



Charter Funding Fix: Latest Status

1. **Agreement in principle on new formula yes but paired with “responsible transition”**
2. **Pushing for what districts negotiated for themselves: Greater of either new formula percentage OR old formula + 1% for each individual charter throughout years of the transition**
3. **Not entirely sure yet where it’s going to land, particularly in light of yesterday’s revenue forecast**



Scholarship Granting Organizations

On July 4, 2025, the FY2025 reconciliation act, commonly referred to as the One Big Beautiful Bill Act, was signed into law. The law created a federally funded tax credit scholarship program for elementary and secondary education that will be effective beginning on **January 1, 2027**.

Under the program, taxpayers will be eligible to receive a tax credit of **up to \$1,700** if they contribute to certain *scholarship granting organizations* (SGOs). These organizations will be required to use these contributions to grant scholarships to students at private and public elementary and secondary schools located within their states.

Eligibility for scholarships will be limited to students whose family income is below 300% of their area median income. Recipients may only use the funds for qualified expenses, including:

- Tuition, fees, books, supplies, other equipment, academic tutoring, and special needs services for special needs beneficiaries
- Room and board, uniforms, transportation, and supplementary items and services (including extended day programs) if these expenses are required or provided by a public, private, or religious school in connection with enrollment or attendance; and
- Computer technology, equipment, or internet access and related services if used by the beneficiary and the beneficiary's family during any of the years the beneficiary is in elementary or secondary school.

Scholarship Granting Organizations

- By **January 1 each year**, participating states must submit to the U.S. Secretary of the Treasury a list of eligible Granting Organizations (SGOs) operating within the state.
Scholarship
- Governor Jared Polis has signaled Colorado's intent to opt into the program.
- The League is examining all avenues to ensure charter schools fully access and benefit from this opportunity.
- Currently, the Department of Treasury is writing the regulations on this provision. Once it is finalized, we will have better clarity as to how charter schools are impacted.

Contact Us

→ President

Dan Schaller | dschaller@coloradoleague.org

→ Great Schools Colorado

Dawna Taylor | dtaylor@coloradoleague.org

→ ADVOCACY + POLICY

Grassroots Advocacy

Anne Keke | advocacy@clcsaction.org

Legislation + Policy

Prateek Dutta | advocacy@coloradoleague.org

Civic Affairs + CLCS Action

Kyle DeBeer | advocacy@clcsaction.org

→ MEMBERSHIP + WEBSITE

General Questions | web@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

League Operations + Finance

Mark Heffner | accounting@coloradoleague.org

Communications, Events + PR

Pete Mason | communications@coloradoleague.org



Thank you.

Please take our 2026
member survey

