Pursuing Excellence for All:
For Every Student, Every Day

Legislative Update
November 2026 Board Meeting

These are results on the education related ballot initiatives in addition to information from the Governor's budget request that was released November 1st. A reminder election results are not official and all voting results are as of Wednesday morning.

1. **November Ballot Items**
    a. **Initiative 195, Amendment 87 – Graduated Income Tax.** This initiative was passing as of with 50.5% voting for and 49.5% voting against. These results are based on about 73% votes counted. Because it removed text from the state constitution without adding any it only required 50% + 1 The amendment changes the current 4.4% flat income tax to a graduated income tax in Colorado with rates ranging from 3.7% to 8.1%. The state would anticipate raising approximately $2.7 billion that would only be able to be used for K-12 public education, health care, and early childhood. It does not call for a specific dollar amount to go to any specific of the three, placing those decisions in the legislature. If 35% of the additional revenue were to be allocated to K-12, Platte Valley would receive approximately $900,000 in additional revenue based on current enrollment numbers through the school finance formula. The table below shows the changes and legislative language is here for your reference.

Initiative 195
Change in Income Taxes Owed by Income Category

Income Categories	Current Average Income Tax Owed	Proposed Average Income Tax Owed	Proposed Change in Average Income Tax Owed if Passed + or -	Income Tax Rate
$25,000 or less	$59	$50	-$9	3.71%
$25,001 - $50,000	$751	$632	-$119	3.71% - 4.21%
$50,001 - $100,000	$1,877	$1,666	-$210	4.21%
$100,001 - $200,000	$4,126	$3,828	-$298	4.21% - 4.41%
$200,001 - $500,000	$9,344	$9,019	-$325	4.41%

$500,001 - $1,000,000	$19,288	$18,963	-$325	4.41% - 7.91%
$1,000,001 - $2,000,000	$29,432	$34,196	+$4,764	7.91% - 8.41%
$2,000,001 - $5,000,000	$41,196	$55,110	+$13,914	8.41%

b. **Proposition NN –** This initiative was passing 55.4% to 44.6%. This would allow the state to retain revenue above the current TABOR cap in an amount in excess of the limitation on state fiscal year spending equal to state public K-12 education funding. The funding would only be provided in years where the state collects revenue above the TABOR cap and would be required to be used for the following: (1) Increase Teacher Pay, (2) Improve Teacher Retention, (3) Lower Class Sizes, and (4) Increase Access to Career and Technical Courses. The entire bill text is provided here for your reference. Bill Text Prop NN

c. **Proposition 134, Initiative 109.** This was a measure related to male and female participation in school sports and was passing 52.4% to 47.6%. It needed a simple majority vote to pass. The proposition would restrict participation in all K-12 and collegiate school sports based on the participant's sex as determined by certain aspect of their biological reproductive system. It would require a school, institution of higher education, or athletic association to designate each school or intramural athletic team or sport as male, female, or coeducational; only allowing participants to compete on the team or sport of their designated sex or to compete on a coeducational team; creating an exception to allow a female to participate on a male-designated team or sport if there is no female team available; prohibiting a government entity, licensing or accrediting organization, or athletic association from entertaining a complaint, opening an investigation, or taking other adverse action against a school for maintaining separate teams or sports for females

   Finally, the US Supreme Court made two decisions on this topic at the end of June where they found it was a state's right to make a determination on this matter. The court cases were West Virginia v. B.P.J and Little v. Hecox. The bill text is here for your reference.

d. **Proposition 136, Initiative 232.** This measure was failing 52.7% to 47.3%. The measure would cap state income tax rate at 4.4% of federal taxable income for individuals and corporations. The bill text is here for your reference.

2. **Governor's Budget Request.** As required by statute, Governor Polis released his budget request on November 1st. With the governor being term limited, the new governor will have an opportunity to provide his or her budget in January. However, this budget is still worth paying attention to. The overall budget brings expenditures to $51.3 billion, $18.9 billion of which comes from the state's general fund. These expenditure requests represent a 1.1% and 2.6% increase respectively. The budget maintains a general fund reserve at 13.05%, however it is built based on the spinoff and conversion of Pinnacol Assurance, the state's workers' compensation insurer of last resort, and privatizing it. Part of the money from the sale would be used to ensure the general fund reserve, with another portion being used as "one-time funds to support essential services for children".
   Department of Health Care Policy and Financing. The governor's budget proposes to limit Medicaid general fund growth to no more than 4.3% over the 26-27 fiscal year, an effort to slow the growth in spending in the program. Medicaid is in the Department of Health Care Policy and Financing. The governor's budget proposes a total increase of $316.1 million, or 1.54% and general

fund increase $576.2 million which is a 9.57% increase in the general fund and represents 35.8% of spending out of the general fund, an increase from the 34.4% appropriated for the current fiscal year. The governor's budget proposes reducing this department's cash fund by $210 million.

Even with the increases, the proposed budget cuts programs in an effort to reduce spending in this department. Of note, budget identifies about $300 million in cuts, including eliminating adult and senior dental care coverage, in-home physical therapy, and Cover All Coloradans, the program that extends healthcare to immigrant children and pregnant women living in the U.S. without legal permission. It would also reduce payments to teaching hospitals with medical residency programs, eliminate some funding for pediatric hospitals and reinstate prior authorization requirements for behavioral healthcare services.

Department of Education. The governor's budget proposes an increase of $192 million total for the this department and $124.9 million out of the state's general fund. This represents an increase of 2.45% and 2.7% respectively. Public education represents 25.5% of the operating budget in the governor's proposal, which continues its decline as a percentage of the state's general fund budget. The current year appropriation is 26.2% of the general fund budget.

The proposed budget is built on the premise of continuing the implementation of the state's new finance formula to 45%, which would also continue to reduce funded pupil count based on the current school finance act. The proposed budget would bring average per-pupil funding to $12,814, an increase of $488 year-over-year, built on saving the state approximately $200 million by changing the way funded pupil count takes place.

Other General Items. Total revenue projections for the current fiscal year are projected to increase by 7.5% due to unavailability of revenue-conditional tax credits along with a rebound in corporate income tax revenue due to the federal H.R. 1 legislation ("One Big Beautiful Bill") was front loaded. Revenue growth is projected to grow 2.8% in the proposed budget due to a deceleration of consumer spending and wage growth.

The governor proposed raising taxes on casinos and on tobacco and nicotine sales by a combined $128.9 million annually to boost funding for childcare and preschool programs. For the gaming industry, that would happen by creating new taxation brackets based on the adjusted gross proceeds for each casino and raising tax rates, which now are capped at 20% to 27.5% for casinos earning $20 million to $100 million annually and to 35% for the four casinos bringing in more than $100 million per year. This would raise the effective tax rate for the industry from 16.1% to 23% and would boost tax revenues an expected $80.2 million a year, the budget proposal states. This proposal is similar to other "sin tax" proposals that have been frequently used in Colorado. While they may be popular by the electorate, economists and research show them to be inefficient and ineffective tax policy that typically result in an increase in revenue initially that experience significant decreases over time. This example can be seen with Colorado's marijuana tax which has gone from FY 22-23 actual of $284.4 million to a forecasted $209.7 million for FY 26-27.

Finally, you will see the total fund and general fund expenditure requests on the tables following this page.

Total Funds				
Department	FY 2026-27 Current Appropriation	FY 2027-28 November 1 Governor's Request	$ Change	% Change
Department of Agriculture	$77,844,050	$80,422,682	$2,578,632	3.31%
Department of Corrections	$1,273,736,886	$1,382,383,939	$108,647,053	8.53%
Department of Education	$7,862,785,754	$8,055,617,153	$192,831,399	2.45%
Governor - Lt. Governor - State Planning and Budgetir	$557,467,664	$564,079,310	$6,611,646	1.19%
Department of Health Care Policy and Financing	$20,554,047,711	$20,870,212,311	$316,164,600	1.54%
Department of Higher Education	$6,546,244,771	$6,666,663,763	$120,418,992	1.84%
Department of Human Services	$2,715,176,439	$2,867,079,059	$151,902,620	5.59%
Judicial Department	$1,215,378,985	$1,216,760,004	$1,381,019	0.11%
Department of Labor and Employment	$508,171,844	$518,619,213	$10,447,369	2.06%
Department of Law	$164,916,533	$170,508,942	$5,592,409	3.39%
Legislative Department	$85,461,377	$85,670,672	$209,295	0.24%
Department of Local Affairs	$559,951,856	$571,654,444	$11,702,588	2.09%
Department of Military and Veterans Affairs	$160,525,495	$163,426,114	$2,900,619	1.81%
Department of Natural Resources	$546,710,716	$515,761,020	-$30,949,696	-5.66%
Department of Personnel	$307,807,236	$329,968,636	$22,161,400	7.20%
Department of Public Health and Environment	$863,015,296	$878,230,318	$15,215,022	1.76%
Department of Public Safety	$801,918,363	$836,871,727	$34,953,364	4.36%
Department of Regulatory Agencies	$138,634,037	$146,788,093	$8,154,056	5.88%
Department of Revenue	$553,086,688	$575,212,978	$22,126,290	4.00%
Department of State	$47,227,601	$62,717,143	$15,489,542	32.80%
Department of Transportation	$2,289,292,546	$2,319,929,277	$30,636,731	1.34%
Department of the Treasury	$1,065,768,742	$1,066,333,004	$564,262	0.05%
Department of Early Childhood	$799,274,122	$808,222,062	$8,947,940	1.12%
Subtotal Department Operating Requests	**$49,694,444,712**	**$50,753,131,864**	**$1,058,687,152**	**2.13%**
Placeholders & Obligations				
Governor's Legislative Proposals (Table GFSTR - 1)	$0	$6,501,405	$6,501,405	N/A
Non Executive Placeholders (Table GFSTR - 2)	$0	$41,250,827	$41,250,827	N/A
Transfers to Transportation	$50,500,000	$96,400,000	$45,900,000	90.89%
Transfers to Other Funds	$447,413,738	$507,187,005	$59,773,267	13.36%
Proposals Impacting Transfers (Table GFNSTR - 2)	-$7,475,000	-$18,641,078	-$11,166,078	149.38%
Transfers to State Education Fund	$0	$0	$0	N/A
Rebates & Expenditures - From Forecast	$519,830,960	$291,533,762	-$228,297,198	-43.92%
Rebates & Expenditures - Remove (I) Appropriations	-$407,384,315	-$407,384,315	$0	0.00%
Transfers for Capital Construction	$132,014,555	$113,219,873	-$18,794,682	-14.24%
Transfers for IT Capital Construction	$3,420,943	$14,123,335	$10,702,392	312.85%
TABOR Refund Less Homestead Exemption	$244,382,518	$198,949,981	-$45,432,537	-18.59%
Proposals Impacting TABOR Refund (Table GFNST	$0	$64,757	$64,757	N/A
National Western Stock Show Obligation	$17,500,000	$17,500,000	$0	0.00%
Subtotal - Placeholders & Obligations	**$1,000,203,399**	**$860,705,552**	**-$139,497,847**	**-13.95%**
Balancing Proposals				
Operating & Balancing Proposals (Table GFSTR - 3	$0	-$339,585,050	-$339,585,050	N/A
Subtotal - Balancing Proposals	**$0**	**-$339,585,050**	**-$339,585,050**	**N/A**
Total Funds, Requests, and Placeholders	**$50,694,648,111**	**$51,274,252,366**	**$579,604,255**	**1.14%**

Total General Fund				
Department	FY 2026-27 Current Appropriation	FY 2027-28 November 1 Governor's Request	$ Change	% Change
Department of Agriculture	$18,429,238	$19,749,905	$1,320,667	7.17%
Department of Corrections	$1,189,364,875	$1,301,291,062	$111,926,187	9.41%
Department of Education	$4,586,717,841	$4,711,648,193	$124,930,352	2.72%
Governor - Lt. Governor - State Planning and Budgetin	$54,742,484	$57,314,459	$2,571,975	4.70%
Department of Health Care Policy and Financing	$6,022,160,541	$6,598,369,886	$576,209,345	9.57%
Department of Higher Education	$1,653,667,089	$1,674,655,257	$20,988,168	1.27%
Department of Human Services	$1,359,003,885	$1,414,211,604	$55,207,719	4.06%
Judicial Department	$930,387,611	$936,032,714	$5,645,103	0.61%
Department of Labor and Employment	$31,785,750	$31,636,142	-$149,608	-0.47%
Department of Law	$32,297,338	$32,386,406	$89,068	0.28%
Legislative Department	$83,674,697	$83,883,992	$209,295	0.25%
Department of Local Affairs	$59,904,629	$61,376,688	$1,472,059	2.46%
Department of Military and Veterans Affairs	$17,453,302	$19,350,150	$1,896,848	10.87%
Department of Natural Resources	$58,264,488	$60,812,530	$2,548,042	4.37%
Department of Personnel	$32,143,077	$35,173,385	$3,030,308	9.43%
Department of Public Health and Environment	$130,603,572	$131,562,929	$959,357	0.73%
Department of Public Safety	$267,874,174	$283,306,202	$15,432,028	5.76%
Department of Regulatory Agencies	$3,028,462	$3,411,407	$382,945	12.64%
Department of Revenue	$148,570,798	$154,923,329	$6,352,531	4.28%
Department of State	$0	$12,147,000	$12,147,000	N/A
Department of Transportation	$0	$0	$0	N/A
Department of the Treasury	$482,304,850	$482,304,850	$0	0.00%
Department of Early Childhood	$298,900,422	$314,228,597	$15,328,175	5.13%
Subtotal Department Operating Requests	**$17,461,279,123**	**$18,419,776,687**	**$958,497,564**	**5.49%**
Placeholders & Obligations				
Governor's Legislative Proposals (Table GFSTR - 1)	$0	$6,501,405	$6,501,405	N/A
Non Executive Placeholders (Table GFSTR - 2)	$0	$41,250,827	$41,250,827	N/A
Transfers to Transportation	$50,500,000	$96,400,000	$45,900,000	90.89%
Transfers to Other Funds	$447,413,738	$507,187,005	$59,773,267	13.36%
Transfers to State Education Fund	$0	$0	$0	N/A
Rebates & Expenditures - From Forecast	$519,830,960	$291,533,762	-$228,297,198	-43.92%
Rebates & Expenditures - Remove (I) Appropriations	-$407,384,315	-$407,384,315	$0	0.00%
Transfers for Capital Construction	$132,014,555	$113,219,873	-$18,794,682	-14.24%
Transfers for IT Capital Construction	$3,420,943	$14,123,335	$10,702,392	312.85%
TABOR Refund Less Homestead Exemption	$244,382,518	$198,949,981	-$45,432,537	-18.59%
National Western Stock Show Obligation	$17,500,000	$17,500,000	$0	0.00%
Proposals Impacting TABOR Refund (Table GFNSTF	$0	$64,757	$64,757	N/A
Proposals Impacting Transfers (Table GFNSTR - 2)	-$7,475,000	-$18,641,078	-$11,166,078	149.38%
Subtotal - Placeholders & Obligations	**$1,000,203,399**	**$860,705,552**	**-$139,497,847**	**-13.95%**
Balancing Proposals				
Operating & Balancing Proposals (Table GFSTR - 3)	$0	-$339,585,050	-$339,585,050	N/A
Subtotal - Balancing Proposals	**$0**	**-$339,585,050**	**-$339,585,050**	**N/A**
Total Funds, Requests, and Placeholders	**$18,461,482,522**	**$18,940,897,189**	**$479,414,667**	**2.60%**