

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 22-0841.01 Jacob Baus x2173

HOUSE BILL 22-1186

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A BILL FOR AN ACT

101 **CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2021-22**
102 **BUDGET YEAR, AND, IN CONNECTION THEREWITH, MAKING AND**
103 **REDUCING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The general assembly recognizes that the actual funded pupil count and the at-risk pupil count for the 2021-22 budget year are lower than expected when the appropriation amount for the state share of total program funding was established during the 2021 legislative session, resulting in a decrease in total program funding for the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
February 16, 2022

HOUSE
3rd Reading Unamended
February 10, 2022

HOUSE
2nd Reading Unamended
February 9, 2022

2021-22 budget year.

In addition, local property tax revenue and specific ownership tax revenue are higher than anticipated, resulting in an increase in the local share of total program funding.

The bill declares the general assembly's intent to maintain total program funding after application of the budget stabilization factor at the amount of the original appropriation for the 2021-22 budget year.

The bill appropriates \$91,433,760 in cash funds from the state education fund to distribute to school districts and institute charter schools that received lower than anticipated funding for at-risk pupils for the 2021-22 budget year. The appropriation is additional funding and does not affect a district's or institute charter school's total program.

The bill decreases the appropriation for the state share of total program funding by \$139,565,749 in cash funds from the state education fund and adjusts the 2021-22 state fiscal year long bill accordingly.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The actual funded pupil count and at-risk pupil count for the
5 2021-22 budget year are lower than anticipated when the appropriation
6 was established in the 2021 legislative session for total program funding
7 for the 2021-22 budget year. As a result, total program funding, before
8 application of the budget stabilization factor, is \$67,976,234 lower than
9 anticipated when appropriations were established for the 2021 legislative
10 session.

11 (b) Based on actual local property tax revenue and specific
12 ownership tax revenue available to school districts for the 2021-22 budget
13 year, the local share of total program funding is \$139,565,749 higher than
14 anticipated when appropriations were established in the 2021 legislative
15 session; and

16 (c) It is the general assembly's intent to maintain total program
17 funding after the application of the budget stabilization factor at the dollar

1 amount of the original appropriation for the 2021-22 budget year.

2 (2) In addition, the general assembly finds it necessary to
3 distribute additional funding to school districts and institute charter
4 schools for at-risk pupils due to the reduced identification of at-risk pupils
5 resulting from the availability of universal free school meals.

6 **SECTION 2.** In Colorado Revised Statutes, 22-54-104, **amend**
7 (5)(g)(I)(L) as follows:

8 **22-54-104. District total program - definitions.** (5) For
9 purposes of the formulas used in this section:

10 (g) (I) For the 2010-11 budget year and each budget year
11 thereafter, the general assembly determines that stabilization of the state
12 budget requires a reduction in the amount of the annual appropriation to
13 fund the state's share of total program funding for all districts and the
14 funding for institute charter schools. The department of education shall
15 implement the reduction in total program funding through the application
16 of a budget stabilization factor as provided in this subsection (5)(g)(I).
17 For the 2010-11 budget year and each budget year thereafter, the
18 department of education and the staff of the legislative council shall
19 determine, based on budget projections, the amount of such reduction to
20 ensure the following:

21 (L) That, for the 2021-22 budget year, the sum of the total
22 program funding for all districts, including the funding for institute
23 charter schools, after application of the budget stabilization factor, is not
24 less than ~~seven billion nine hundred eighty-eight million five hundred~~
25 ~~twenty-seven thousand seven hundred eleven dollars (\$7,988,527,711)~~
26 SEVEN BILLION NINE HUNDRED EIGHTY-EIGHT MILLION SIX HUNDRED
27 SEVENTY-FIVE THOUSAND FOUR HUNDRED THIRTY-FOUR DOLLARS

1 (\$7,988,675,434); except that the department of education and the staff
2 of the legislative council shall make mid-year revisions to replace
3 projections with actual figures, including but not limited to actual pupil
4 enrollment, assessed valuations, and specific ownership tax revenue from
5 the prior year, to determine any necessary changes in the amount of the
6 reduction to maintain a total program funding amount for the applicable
7 budget year that is consistent with this subsection (5)(g)(I)(L). For the
8 2022-23 budget year, the difference between calculated statewide total
9 program funding and actual statewide total program funding must not
10 exceed the difference between calculated statewide total program funding
11 and actual statewide total program funding for the 2021-22 budget year.

12 **SECTION 3.** In Colorado Revised Statutes, **add** 22-54-144 as
13 follows:

14 **22-54-144. Additional at-risk funding - 2021-22 budget year**
15 **- legislative declaration - definition - repeal.** (1) AS USED IN THIS
16 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

17 (a) "DIRECT CERTIFIED PUPILS" MEANS PUPILS WHO ARE CERTIFIED
18 AS ELIGIBLE FOR FREE MEALS BASED ON DOCUMENTATION OF BENEFIT
19 RECEIPT OR CATEGORICAL ELIGIBILITY AS DESCRIBED IN 7 CFR 245.6, OR
20 SUCCESSOR REGULATIONS.

21 (b) "RECALCULATED TOTAL PROGRAM FUNDING" MEANS TOTAL
22 PROGRAM AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR FOR
23 A DISTRICT OR FOR INSTITUTE CHARTER SCHOOLS FOR THE 2021-22
24 BUDGET YEAR RECALCULATED USING THE DISTRICT'S OR INSTITUTE
25 CHARTER SCHOOLS' PERCENTAGE OF DIRECT CERTIFIED PUPILS FOR THE
26 2019-20 BUDGET YEAR, AND USING THE DISTRICT'S OR INSTITUTE CHARTER
27 SCHOOLS' RATIO OF FREE-LUNCH-ELIGIBLE PUPILS TO

1 REDUCED-PRICE-LUNCH-ELIGIBLE PUPILS FOR THE 2019-20 BUDGET YEAR.

2 (2) THE DEPARTMENT SHALL DISTRIBUTE ADDITIONAL FUNDING TO
3 DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO OFFSET REDUCTIONS IN
4 THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER APPLICATION OF THE
5 BUDGET STABILIZATION FACTOR CALCULATED FOR THE 2021-22 BUDGET
6 YEAR AS A RESULT OF A DECREASE IN THE NUMBER OF APPLICATIONS
7 SUBMITTED DURING THE 2021-22 BUDGET YEAR TO PARTICIPATE IN THE
8 FEDERAL SCHOOL LUNCH PROGRAM CREATED IN THE "RICHARD B.
9 RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.
10 THE DEPARTMENT SHALL CALCULATE THE DISTRIBUTION AMOUNT FOR
11 EACH DISTRICT AND FOR THE INSTITUTE CHARTER SCHOOLS BASED ON THE
12 DIFFERENCE BETWEEN THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER
13 APPLICATION OF THE BUDGET STABILIZATION FACTOR THAT WAS
14 ACTUALLY CALCULATED FOR THE DISTRICT OR INSTITUTE CHARTER
15 SCHOOLS FOR THE 2021-22 BUDGET YEAR AND THE AMOUNT OF THE
16 DISTRICT'S OR INSTITUTE CHARTER SCHOOLS' RECALCULATED TOTAL
17 PROGRAM FUNDING, AS DETERMINED BY THE DEPARTMENT. A DISTRICT IS,
18 OR THE INSTITUTE CHARTER SCHOOLS ARE, ELIGIBLE TO RECEIVE A
19 DISTRIBUTION PURSUANT TO THIS SECTION ONLY IF THE DISTRICT'S OR
20 INSTITUTE CHARTER SCHOOLS' RECALCULATED TOTAL PROGRAM FUNDING
21 IS GREATER THAN THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER
22 APPLICATION OF THE BUDGET STABILIZATION FACTOR CALCULATED FOR
23 THE DISTRICT OR INSTITUTE CHARTER SCHOOLS FOR THE 2021-22 BUDGET
24 YEAR.

25 (3) ANY DISTRIBUTION MADE PURSUANT TO THIS SECTION IS
26 ADDITIONAL FUNDING AND DOES NOT AFFECT A DISTRICT'S OR INSTITUTE
27 CHARTER SCHOOL'S TOTAL PROGRAM FOR THE 2021-22 BUDGET YEAR.

1 (4) (a) EACH DISTRICT THAT AUTHORIZES A CHARTER SCHOOL
2 SHALL DISTRIBUTE TO THE CHARTER SCHOOL ONE HUNDRED PERCENT OF
3 THE DISTRICT CHARTER SCHOOL'S PER-PUPIL SHARE OF THE DISTRIBUTION
4 RECEIVED BY THE DISTRICT PURSUANT TO THIS SECTION. A DISTRICT
5 CHARTER SCHOOL'S DISTRIBUTION IS DETERMINED BY DIVIDING THE
6 AMOUNT OF THE DISTRIBUTION RECEIVED BY THE DISTRICT PURSUANT TO
7 THIS SECTION BY THE DISTRICT'S AT-RISK PUPIL COUNT FOR THE 2021-22
8 BUDGET YEAR AND THEN MULTIPLYING THAT AMOUNT BY THE DISTRICT
9 CHARTER SCHOOL'S AT-RISK PUPIL COUNT FOR THE 2021-22 BUDGET YEAR.

10 (b) THE DEPARTMENT SHALL DISTRIBUTE THE TOTAL AMOUNT
11 CALCULATED FOR INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS
12 SECTION TO THE STATE CHARTER SCHOOL INSTITUTE, WHICH SHALL
13 DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL ONE HUNDRED PERCENT
14 OF THE AMOUNT CALCULATED FOR THE INSTITUTE CHARTER SCHOOL
15 PURSUANT TO THIS SECTION.

16 (5) THE GENERAL ASSEMBLY SHALL APPROPRIATE FOR THE
17 2021-22 BUDGET YEAR THE AMOUNT NECESSARY TO FUND THE
18 DISTRIBUTIONS TO DISTRICTS AND INSTITUTE CHARTER SCHOOLS
19 DESCRIBED IN THIS SECTION.

20 (6) THE GENERAL ASSEMBLY DECLARES THAT, FOR PURPOSES OF
21 SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, DISTRIBUTING
22 ADDITIONAL FUNDING TO SCHOOL DISTRICTS AND INSTITUTE CHARTER
23 SCHOOLS FOR AT-RISK PUPILS DUE TO REDUCED IDENTIFICATION OF
24 AT-RISK PUPILS RESULTING FROM THE AVAILABILITY OF UNIVERSAL FREE
25 SCHOOL MEALS IS AN IMPORTANT ELEMENT IN IMPLEMENTING
26 ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS, AND
27 SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS MAY THEREFORE

1 RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION
2 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.
3 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2023.

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

SECTION 4. Appropriation to the department of education for the fiscal year beginning July 1, 2021. In Session Laws of Colorado 2021, section 2 of chapter 504, (SB 21-205), **amend** Part III (2)(A) and footnote 7, as Part III (2)(A) footnote 7 is amended by Section 34 of chapter 222, (SB 21-268), as follows:

Section 2. **Appropriation.**

PART III

DEPARTMENT OF EDUCATION

(2) ASSISTANCE TO PUBLIC SCHOOLS

(A) Public School Finance

Administration	1,879,526		1,792,031	87,495 ^a	
			(16.5 FTE)	(0.9 FTE)	
Financial Transparency					
System Maintenance	88,120			88,120 ^a	
				(1.0 FTE)	
School Finance Audit					
Payments	600,000			600,000 ^b	

APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
1	State Share of Districts'						
2	Total Program Funding ^{6,7}	4,342,793,552	2,696,820,934	865,284,199 ^e	780,688,419 ^d		
3		4,203,227,803			641,122,670 ^d		
4	District Per Pupil						
5	Reimbursements for						
6	Juveniles Held in Jail	10,000			10,000 ^e		
7	At-risk Supplemental Aid	4,844,358			4,844,358 ^f		
8	At-risk Per Pupil						
9	Additional Funding	5,000,000			5,000,000 ^f		
10	Additional Funding for						
11	Rural Districts and Institute						
12	Charter Schools	30,000,000			30,000,000 ^g		
13		<u>4,385,215,556</u>					
14		4,245,649,807					
15							

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

1 ^a These amounts shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution. Pursuant to Section 17 (3) of Article IX of the State
2 Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

3 ^b This amount shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S.

4 ^c This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

5 ^d Of this amount, ~~\$587,390,325~~ \$447,824,576 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution and \$193,298,094 shall be from
6 the State Public School Fund created in Section 22-54-114 (1), C.R.S. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund
7 are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution. Of the amount appropriated from the State Public School Fund,
8 \$154,290,341 is estimated to be from State Public School Fund reserves, \$30,360,235 is estimated to be from federal mineral leasing revenues transferred to the State Public School
9 Fund pursuant to Sections 22-54-114 (1) and 34-63-102, C.R.S., and \$8,647,518 is estimated to be from interest and income earned on the investment of money in the Public School
10 Fund that is credited to the State Public School Fund pursuant to Section 22-41-102 (3)(f), C.R.S.

11 ^e These amounts shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution. Pursuant to Section 17 (3) of Article IX of the State
12 Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

13 ^f These amounts shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S., from interest and income earned on the investment of money in the Public School
14 Fund that is credited to the State Public School Fund pursuant to Section 22-41-102 (3)(g), C.R.S.

15 ^g This amount shall be from the Rural Schools Cash Fund created in Section 22-54-142 (5), C.R.S.

1 **SECTION 5. Appropriation.** For the 2021-22 state fiscal year,
2 \$91,433,760 is appropriated to the department of education. This
3 appropriation is from the state education fund created in section 17 (4)(a)
4 of article IX of the state constitution. To implement this act, the
5 department may use this appropriation for additional funding provided
6 pursuant to section 22-54-144 (2), C.R.S.

7 **SECTION 6. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, or safety.