

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

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BILL 2

LLS NO. 22-0404.01 Alana Rosen x2606

INTERIM COMMITTEE BILL

Legislative Interim Committee on School Finance

BILL TOPIC: "Special Education Funding"
DEADLINES: File by: 1/17/2022

A BILL FOR AN ACT

101 **CONCERNING FUNDING FOR SPECIAL EDUCATION SERVICES.**

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/>.)

Legislative Interim Committee on School Finance. Current law requires the department of education to distribute to each administrative unit \$1,250 for each child with a disability who receives special education services from the administrative unit. The bill increases the amount to \$1,750 and requires the amount to increase by the rate of inflation each budget year beginning with the 2024-25 budget year.

The bill increases the required annual appropriation by an additional \$40 million to fund children who have one or more disabilities

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

and receive special education services from an administrative unit and requires the amount to increase by the rate of inflation each budget year beginning with the 2024-25 budget year.

The bill requires the special education fiscal advisory committee to submit a report to the education committees of the general assembly on or before January 1, 2023. The report must include the following information:

- ! An analysis of funding for special education services in other states compared to the funding model used in Colorado, with a focus on the proportionate share between federal, state, and local funding;
- ! An analysis of the actual costs to provide special education services to children with disabilities in Colorado;
- ! An analysis of the effectiveness of the current model for funding special education services, including whether the current funding model adequately supports special education services;
- ! An examination of the high-cost special education trust fund (fund) that includes how the fund is operated, who receives funding from the fund, and how the fund impacts those who receive funds;
- ! An analysis of the current disability categories for children with disabilities and whether the disability categories are sufficient for meeting the needs of children with disabilities; and
- ! Recommended changes, if any, to the special education services funding model.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-20-114, **amend**
3 (1) introductory portion, (1)(b), and (1)(c)(I); and **add** (1)(c)(III)(B.1),
4 (1)(c)(III)(D), and (1)(d) as follows:

5 **22-20-114. Funding of programs - legislative declaration -**
6 **repeal.** (1) Subject to the provisions of subsection (3) of this section, for
7 the 2005-06 budget year and each budget year thereafter, the total amount
8 appropriated to the department for the payment of costs incurred by
9 administrative units for the provision of special education programs ~~shall~~
10 **MUST** be distributed to each administrative unit that provides educational

1 services for children with disabilities as follows:

2 (b) (I) FOR THE BUDGET YEARS PRECEDING THE 2022-23 BUDGET
3 YEAR, an amount equal to one thousand two hundred fifty dollars for each
4 child with disabilities receiving special education services from the
5 administrative unit; ~~and~~

6 (II) EXCEPT AS SPECIFIED IN SUBSECTION (1)(d) OF THIS SECTION,
7 FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN
8 AMOUNT EQUAL TO ONE THOUSAND SEVEN HUNDRED FIFTY DOLLARS FOR
9 EACH CHILD WITH DISABILITIES RECEIVING SPECIAL EDUCATION SERVICES
10 FROM THE ADMINISTRATIVE UNIT; AND

11 (c) (I) If any amount of the total annual appropriation remains
12 after the distributions specified in ~~paragraphs (a), (a.5), and (b) of this~~
13 ~~subsection (1)~~ SUBSECTIONS (1)(a), (1)(a.5), AND (1)(b) OF THIS SECTION
14 have been made, and after the distribution of the portion of the total
15 annual appropriation designated for high cost grants pursuant to
16 subsection (2) of this section has been made, six thousand dollars per
17 child with one or more disabilities, as described in ~~subparagraph (H) of~~
18 ~~this paragraph (c)~~ SUBSECTION (1)(c)(II) OF THIS SECTION, for a
19 percentage of such children receiving special education services from the
20 administrative unit. The department shall annually determine the
21 percentage of such children for which an administrative unit may receive
22 additional funding pursuant to this ~~paragraph (c)~~ SUBSECTION (1)(c) based
23 on the amount of the remaining appropriation, the ~~moneys~~ MONEY
24 available pursuant to ~~subparagraph (H) of this paragraph (c)~~ SUBSECTION
25 (1)(c)(III) OF THIS SECTION, and the per pupil amount of six thousand
26 dollars.

27 (III) (B.1) EXCEPT AS SPECIFIED IN SUBSECTION (1)(d) OF THIS

1 SECTION, FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR
2 THEREAFTER, IN ADDITION TO ANY AMOUNT THAT IS AVAILABLE PURSUANT
3 TO SUBSECTIONS (1)(c)(I), (1)(c)(III)(A), AND (1)(c)(III)(B) OF THIS
4 SECTION, THE GENERAL ASSEMBLY SHALL APPROPRIATE FORTY MILLION
5 DOLLARS, WHICH AMOUNT MAY BE APPROPRIATED FROM THE STATE
6 EDUCATION FUND OR THE GENERAL FUND OR AS AMOUNTS FROM BOTH
7 FUNDS, TO THE DEPARTMENT FOR THE PURPOSES OF THIS SUBSECTION
8 (1)(c).

9 (D) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO INCREASE
10 FUNDING FOR SPECIAL EDUCATION SERVICES AS NECESSARY FOR THE
11 2023-24 BUDGET YEAR AND BUDGET YEARS THEREAFTER TO FULLY FUND
12 SPECIAL EDUCATION SERVICES PURSUANT TO THIS SUBSECTION (1)(c).

13 (d) FOR THE 2024-25 BUDGET YEAR AND BUDGET YEARS
14 THEREAFTER, THE DOLLAR AMOUNTS SET FORTH IN SUBSECTIONS (1)(b)(II)
15 AND (1)(c)(III) OF THIS SECTION ARE ANNUALLY INCREASED BY THE RATE
16 OF INFLATION. THE AMOUNTS MUST BE ROUNDED TO THE NEAREST
17 DOLLAR. AS USED IN THIS SUBSECTION (1)(d), "INFLATION" MEANS THE
18 ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF
19 LABOR BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR
20 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY ALL URBAN
21 CONSUMERS, OR ITS APPLICABLE SUCCESSOR INDEX.

22 **SECTION 2.** In Colorado Revised Statutes, 22-20-114.5, **add** (7)
23 as follows:

24 **22-20-114.5. Special education fiscal advisory committee -**
25 **special education high-cost grants - report - definitions - repeal.**

26 (7) ON OR BEFORE JANUARY 1, 2023, THE COMMITTEE SHALL SUBMIT TO
27 THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND

1 THE SENATE, OR ANY SUCCESSOR COMMITTEES, A REPORT THAT INCLUDES
2 BUT NEED NOT BE LIMITED TO:

3 (a) AN ANALYSIS OF FUNDING FOR SPECIAL EDUCATION SERVICES
4 IN OTHER STATES COMPARED TO THE FUNDING MODEL USED IN COLORADO,
5 WITH A FOCUS ON THE PROPORTIONATE SHARES PROVIDED BY FEDERAL,
6 STATE, AND LOCAL FUNDING;

7 (b) AN ANALYSIS OF THE ACTUAL COSTS TO PROVIDE SPECIAL
8 EDUCATION SERVICES TO CHILDREN WITH DISABILITIES IN COLORADO;

9 (c) AN ANALYSIS OF THE EFFECTIVENESS OF THE CURRENT
10 FUNDING MODEL FOR SPECIAL EDUCATION SERVICES AND WHETHER THE
11 CURRENT FUNDING MODEL ADEQUATELY SUPPORTS SPECIAL EDUCATION
12 SERVICES;

13 (d) AN EXAMINATION OF THE HIGH-COST SPECIAL EDUCATION
14 TRUST FUND CREATED IN SECTION 22-20-114.7, INCLUDING HOW THE
15 HIGH-COST SPECIAL EDUCATION TRUST FUND IS CURRENTLY OPERATING,
16 WHO IS RECEIVING FUNDING FROM THE HIGH-COST SPECIAL EDUCATION
17 TRUST FUND, AND HOW THE HIGH-COST SPECIAL EDUCATION TRUST FUND
18 IMPACTS THOSE WHO RECEIVE FUNDS;

19 (e) AN ANALYSIS OF THE CURRENT DISABILITY CATEGORIES FOR
20 CHILDREN WITH DISABILITIES DESCRIBED IN SECTION 22-20-103 (5)(a) AND
21 WHETHER THE DISABILITY CATEGORIES ARE SUFFICIENT FOR MEETING THE
22 NEEDS OF CHILDREN WITH DISABILITIES; AND

23 (f) RECOMMENDED CHANGES, IF ANY, TO THE SPECIAL EDUCATION
24 SERVICES FUNDING MODEL DESCRIBED IN SECTION 22-20-114.

25 **SECTION 3. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, or safety.