

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

UNEDITED
UNREVISED
DRAFT
12.12.19

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LLS NO. 20-0550.01 Brita Darling x2241

COMMITTEE BILL

Legislative Interim Committee on School Finance

BILL TOPIC: "New Public Education System Funding Formula"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A NEW PUBLIC EDUCATION SYSTEM**
102 **FUNDING FORMULA FOR COLORADO.**

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/>.)

The bill creates a new public education system funding formula, effective beginning with the 2021-22 budget year.

For the 2021-22 and 2022-23 budget years, the department of education (department) shall calculate a school district's (district's) funding under the current funding formula and under the new funding formula created in this bill. If the district's total program funding (total

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

program) calculated under the new funding formula is less than the district's total program as calculated under the current funding formula, for the 2021-22 budget year, a district will receive an additional amount of funding equal to the difference between total program calculated under the current funding formula and total program calculated under the new funding formula. In the 2022-23 budget year, the district will receive an additional amount of funding equal to one-half of the difference between total program calculated under the current funding formula and total program calculated under the new funding formula. Total program for the 2023-24 budget year and budget years thereafter is calculated under the new funding formula.

Under current law, statewide base per pupil funding (base funding) is increased by district cost of living factors and district size factors and the district's resulting increased base funding is used within the formula. The new funding formula is additive in operation, meaning the base funding is multiplied by each factor separately, with the product multiplied by the relevant student enrollment. Total program is the total of the funding for all of the factors. The bill anticipates that, for the 2021-22 budget year, base funding will increase by an amount specified in the bill, in addition to the annual adjustment for inflation.

Under the new formula, a district's total program is an amount equal to:

(Statewide base per pupil funding x (District funded pupil count - Multi-district online pupil enrollment - Extended high school pupil enrollment)) + At-risk funding + English language learner funding + Special education funding + Student support funding + Multi-district online funding + Extended high school funding + District size funding + District cost of living funding.

At-risk funding is calculated using an expanded definition of "at-risk pupils" to include students eligible for reduced price lunch in addition to students eligible for free lunch under current law. The bill specifies an at-risk factor and increases the factor based on the size of the district and whether the district's at-risk pupil enrollment is greater than the statewide average percentage of at-risk pupils.

English language learner funding is calculated for a district's English language learner enrollment, as defined in the bill. The same English language learner factor specified in the bill is applied to all English language learners, regardless of the level of English proficiency, for up to a total of five years of funding for each student. English language learner funding under the new formula is comprised of money currently distributed as categorical funding through the English language proficiency program established in section 22-24-104, C.R.S. English language learner funding under the new formula is not reduced if a budget stabilization factor is applied to total program funding. The bill

does not alter the English language learner proficiency act excellence award program created in section 22-24-107, C.R.S., or the professional development and student support program created in section 22-24-108, C.R.S.

Special education funding is calculated for a district's special education tier A, tier B, and tier C pupil enrollment, as defined in the bill, to differentiate funding according to a child's level of disability. The bill specifies the factor for each special education tier. Special education funding under the new formula is comprised of money currently distributed as special education categorical funding pursuant to section 22-20-114, C.R.S. Special education funding under the new formula is not reduced if a budget stabilization factor is applied to total program funding. The bill does not impact special education high-cost grants awarded pursuant to section 22-20-114.5, C.R.S., or the high-cost special education trust fund created in section 22-20-114.7, C.R.S.

Student support funding is calculated for each district using a fixed amount of funding per student multiplied by the district's funded pupil count not including multi-district online student enrollment and extended high school student enrollment. Student support funding under the new formula is comprised of a portion of the money distributed under the current funding formula for cost of living.

Multi-district online funding, referred to in the current funding formula as "online funding", is calculated using a fixed amount of funding per student that is increased annually, as under the current funding formula.

Extended high school funding is calculated using a fixed amount of funding per student that is increased annually, as under the current funding formula.

District size funding is calculated for each district with fewer than 5,000 pupils, removing the size factor under current law for districts with a funded pupil count of 5,000 or more pupils. The size factor varies by district size and is specified in the bill. The bill increases the size factor for a district classified as "rural remote" pursuant to the national center for education statistics census-based locale framework, which takes into account distance from an urbanized area and urban cluster. The bill clarifies the size factor applied to districts that reorganize.

District cost of living funding is calculated for eligible districts that have a higher cost of living relative to other districts using an eligibility threshold established in the bill. Legislative Council staff shall determine the cost of living factor for each district. Cost of living funding under the new formula is comprised of only part of the money distributed under the current funding formula for cost of living.

The bill includes provisions for applying a budget stabilization factor to reduce total program funding. Under the new funding formula, the department must ensure that a district's total program funding is not

less than the sum of the district's base funding multiplied by the district's funded pupil count plus the district's English language learner funding and special education funding.

The bill amends the definition of "funded pupil count" to limit pupil enrollment averaging to the average of the current year; the current year and the preceding budget year; or the current year and the 2 preceding budget years.

The bill removes the minimum funded pupil count of 50 pupils under the current formula. Under the new funding formula, in the first budget year in which a district's funded pupil count is fewer than 25 pupils, the district's funded pupil count is increased to the funded pupil count for the preceding budget year. In a second or subsequent consecutive budget year in which the district's funded pupil count continues to be fewer than 25 pupils, the district may apply to the state board for assistance payments from the contingency reserve fund.

The bill removes provisions relating to calculating a district's total program using minimum per pupil funding.

The bill amends or adds definitions relating to:

- At-risk pupils
- English language learner enrollment
- Funded pupil count
- Multi-district online pupil enrollment
- Special education tier A, tier B, and tier C pupil enrollment

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 22-54-101 as
3 follows:

4 **22-54-101. Short title.** This article shall be known and may be
5 cited as the "Public School Finance Act". ~~of 1994~~.

6 **SECTION 2.** In Colorado Revised Statutes, **amend** 22-54-102 as
7 follows:

8 **22-54-102. Legislative declaration - statewide applicability -**
9 **intergovernmental agreements.** (1) The general assembly hereby finds
10 and declares that this article is enacted in furtherance of the general
11 assembly's duty under section 2 of article IX of the state constitution to
12 provide for a thorough and uniform system of public schools throughout

1 the state; that a thorough and uniform system requires that all school
2 districts and institute charter schools operate under the same finance
3 formula; and that equity considerations dictate that all districts and
4 institute charter schools be subject to the expenditure and maximum levy
5 provisions of this article. Accordingly, the provisions of this article
6 concerning the financing of public schools ~~for budget years beginning on~~
7 ~~and after July 1, 1994, shall~~ apply to all school districts and institute
8 charter schools organized under the laws of this state.

9 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

10 (a) A THOROUGH AND UNIFORM SYSTEM OF PUBLIC EDUCATION
11 SHOULD CREATE A LEARNING ENVIRONMENT WHERE ALL LEARNERS ARE
12 PREPARED FOR A RAPIDLY CHANGING WORLD; CIVICALLY ENGAGED;
13 PHYSICALLY, SOCIALLY AND EMOTIONALLY HEALTHY; COMPETENT
14 ACADEMIC SCHOLARS; AND READY TO CONTRIBUTE PRODUCTIVELY TO THE
15 ECONOMY;

16 (b) A WORLD-CLASS PUBLIC EDUCATION LEARNING ENVIRONMENT
17 IS CRITICAL TO MEETING THE WORKFORCE DEMANDS FOR COLORADO'S
18 THRIVING AND DYNAMIC ECONOMY;

19 (c) THE CHANGING REALITIES OF COLORADO'S ECONOMY DEMAND
20 THAT STUDENTS BE AGILE LEARNERS ABLE TO CONTINUOUSLY LEARN,
21 ADAPT AND SHIFT INTO NEW ROLES BY DEVELOPING CRITICAL THINKING,
22 COLLABORATION AND PROBLEM-SOLVING SKILLS;

23 (d) THE NEEDS OF THE STATE REQUIRE THAT ALL STUDENTS,
24 INCLUDING THOSE WHO ARE UNDERSERVED OR FACE SIGNIFICANT
25 CHALLENGES IN MEETING COLORADO'S GRADUATION GUIDELINES,
26 COMPLETE HIGH SCHOOL CAREER AND COLLEGE READY;

27 (e) IN THE 25 YEARS SINCE THE PASSAGE OF THE "PUBLIC SCHOOL

1 FINANCE ACT OF 1994”, CONSTITUTIONAL PROVISIONS, STATUTORY
2 REQUIREMENTS, PUBLIC EXPECTATIONS AND STUDENT DEMOGRAPHICS
3 HAVE PLACED GREATER DEMANDS ON COLORADO’S PUBLIC EDUCATION
4 LEARNING ENVIRONMENT; AND

5 (f) CHALLENGES TO RECRUIT AND RETAIN EDUCATORS AND
6 SCHOOL LEADERS AND IMPEDIMENTS TO BENEFICIAL INNOVATION
7 CONTINUE TO THREATEN COLORADO'S PUBLIC EDUCATION LEARNING
8 ENVIRONMENT.

9 (3) IN ORDER TO PROVIDE EACH CHILD IN THIS STATE WITH A
10 HIGH-QUALITY PUBLIC EDUCATION, THE GENERAL ASSEMBLY FINDS AND
11 DECLARES THAT COLORADO’S PUBLIC SCHOOL FINANCE FORMULA MUST
12 BE REDESIGNED AND MODERNIZED TO:

13 (a) PRIORITIZE EQUITY BY FOCUSING ON INDIVIDUAL STUDENT
14 NEEDS, INCLUDING PRIORITIZED FUNDING FOR STUDENTS FROM POVERTY,
15 STUDENTS WITH SPECIAL EDUCATION NEEDS, AND STUDENTS WHO ARE
16 ENGLISH LANGUAGE LEARNERS;

17 (b) RECOGNIZE AND ADJUST FUNDING FOR DIFFERENCES AMONG
18 SCHOOL DISTRICTS AND PUBLIC SCHOOLS RELATED TO SIZE, REMOTENESS
19 *AND A HIGH COST OF LIVING; <{Still under consideration.}>* AND

20 (c) PROMOTE GREATER UNDERSTANDING OF PUBLIC EDUCATION
21 FUNDING FOR POLICY MAKERS, EDUCATORS, COMMUNITY MEMBERS,
22 FAMILIES AND STUDENTS BY CREATING TRANSPARENCY AND SIMPLICITY
23 IN THE SCHOOL FINANCE FORMULA CALCULATION.

24 (4) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT THE
25 FUNDING FORMULA SET FORTH IN THE "PUBLIC SCHOOL FINANCE ACT" IS
26 DESIGNED TO BE RESPONSIVE TO THE UNIQUENESS OF EACH STUDENT,
27 DYNAMICALLY ADJUST TO THE CHANGING NATURE OF THE STATEWIDE

1 STUDENT POPULATION, AND PROMOTE A LEARNING ENVIRONMENT THAT
2 FOSTERS INNOVATION AND CONTINUOUSLY IMPROVING METHODS OF
3 PROVIDING LEARNING OPPORTUNITIES THAT ARE FOCUSED ON THE
4 OBJECTIVES SET FORTH IN THIS SECTION FOR THE STUDENTS OF COLORADO.

5 ~~(2)~~ (5) The general assembly hereby finds and declares that in
6 enacting this article it has adopted a formula for the support of schools for
7 the ~~1994-95~~ 2021-22 budget year and budget years thereafter; however,
8 the adoption of such formula in no way represents a commitment on the
9 part of the general assembly concerning the level of total funding for
10 schools for the ~~1995-96~~ 2021-22 budget year or any budget year
11 thereafter.

12 ~~(3)(a)~~ (6) (a) ~~Nothing in this article shall be construed to~~ THIS
13 ARTICLE DOES NOT prohibit local governments from cooperating with
14 school districts through intergovernmental agreements to fund, construct,
15 maintain, or manage capital construction projects or other facilities as set
16 forth in section 22-45-103 (1)(c)(I)(A) or (1)(c)(I)(D), including, but not
17 limited to, swimming pools, playgrounds, or ball fields, as long as
18 funding for such projects is provided solely from a source of local
19 government revenue that is otherwise authorized by law except impact
20 fees or other similar development charges or fees.

21 (b) Notwithstanding any provision of ~~paragraph (a) of this~~
22 ~~subsection (3)~~ SUBSECTION (6)(a) OF THIS SECTION to the contrary, ~~nothing~~
23 ~~in this subsection (3) (6) shall be construed to~~

24 ~~(f)~~ DOES NOT limit or restrict a county's power to require the
25 reservation or dedication of sites and land areas for schools or the
26 payment of ~~moneys~~ MONEY in lieu thereof pursuant to section 30-28-133
27 (4)(a), C.R.S. or to limit a local government's ability to accept and expend

1 ~~impact fees or other similar development charges or fees contributed~~
2 ~~voluntarily on or before December 31, 1997, to fund the capital projects~~
3 ~~of school districts according to the terms of agreements voluntarily~~
4 ~~entered into on or before June 4, 1996, between all affected parties;~~

5 ~~(H) Repealed.~~

6 ~~(HH) Grant authority to local governments to require the~~
7 ~~reservation or dedication of sites and land areas for schools or the~~
8 ~~payment of moneys in lieu thereof; however, the prohibition on impact~~
9 ~~fees or other similar development charges or fees contained in this~~
10 ~~subsection (3) shall not be construed to restrict the authority of any local~~
11 ~~government to require the reservation or dedication of sites and land areas~~
12 ~~for schools or the payment of moneys in lieu thereof if such local~~
13 ~~government otherwise has such authority granted by law.~~

14 ~~(4) If the December 2015 revenue forecast prepared by the~~
15 ~~legislative council staff estimates that the amount of local property tax~~
16 ~~revenues that will be available to districts for the 2015-16 budget year~~
17 ~~will be greater than the amount estimated in the December 2014 revenue~~
18 ~~forecast, it is the intent of the general assembly, through the supplemental~~
19 ~~appropriations process during the 2016 regular legislative session, to~~
20 ~~maintain and not reduce state appropriations for school finance funding~~
21 ~~after consideration of other forecast changes, including changes in the~~
22 ~~number of pupils and at-risk pupils enrolled, the inflation rate, and the~~
23 ~~expected state education fund revenues.~~

24 **SECTION 3.** In Colorado Revised Statutes, 22-54-103, **amend**
25 (1.5)(a) introductory portion, (1.5)(b) introductory portion, (1.5)(c), (5.5),
26 (6), (7)(e)(I) introductory portion, (7)(e)(V), (7)(e)(VI), (7)(e)(VII),
27 (8.5)(b), (14); and **add** (1.5)(a.5), (1.5)(b.5), (1.5)(c.5), (6.5), (7)(f), (8.3),

1 (10.7), (10.8), and (10.9), as follows:

2 **22-54-103. Definitions.** As used in this article 54, unless the
3 context otherwise requires:

4 (1.5) (a) "At-risk pupils", FOR PURPOSES OF SECTION 22-54-104
5 means:

6 (a.5) "AT-RISK PUPILS", FOR PURPOSES OF SECTION 22-54-103.9
7 MEANS:

8 (I) THE NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE OR
9 REDUCED PRICE LUNCH; OR

10 (II) THE NUMBER OF DISTRICT PUPILS CALCULATED IN
11 ACCORDANCE WITH THE FOLLOWING FORMULA:

12 DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE OR
13 REDUCED PRICE LUNCH x DISTRICT PUPIL ENROLLMENT.

14 (b) For purposes of ~~this subsection (1.5)~~ (1.5)(a) OF THIS SECTION:

15 (b.5) FOR PURPOSES OF SUBSECTION (1.5)(a.5) of this section:

16 (I) "DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE OR
17 REDUCED PRICE LUNCH" MEANS THE DISTRICT PUPILS ELIGIBLE FOR FREE
18 OR REDUCED PRICE LUNCH IN GRADES ONE THROUGH EIGHT DIVIDED BY
19 THE DISTRICT PUPIL ENROLLMENT IN GRADES ONE THROUGH EIGHT.

20 (II) "DISTRICT PUPIL ENROLLMENT" MEANS THE PUPIL
21 ENROLLMENT OF THE DISTRICT, AS DETERMINED IN ACCORDANCE WITH
22 SUBSECTION (10) OF THIS SECTION, MINUS THE NUMBER OF PUPILS
23 ENROLLED IN THE COLORADO PRESCHOOL PROGRAM PURSUANT TO
24 ARTICLE 28 OF THIS TITLE AND THE NUMBER OF THREE-YEAR-OLD OR
25 FOUR-YEAR-OLD PUPILS WITH DISABILITIES RECEIVING EDUCATIONAL
26 PROGRAMS PURSUANT TO ARTICLE 20 OF THIS TITLE.

27 (III) "DISTRICT PUPILS ELIGIBLE FOR FREE OR REDUCED PRICE

1 LUNCH" MEANS THE NUMBER OF PUPILS INCLUDED IN THE DISTRICT PUPIL
2 ENROLLMENT WHO ARE ELIGIBLE FOR FREE OR REDUCED PRICE LUNCH
3 PURSUANT TO THE PROVISIONS OF THE FEDERAL "RICHARD B. RUSSELL
4 NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.

5 (c) For purposes of ~~this~~ subsection ~~(1.5)~~ (1.5)(a) OF THIS SECTION,
6 at-risk pupils ~~shall be~~ ARE counted in the same manner as pupils are
7 counted pursuant to subsection (10) of this section.

8 (c.5) FOR PURPOSES OF SUBSECTION (1.5)(a.5) OF THIS SECTION,
9 AT-RISK PUPILS ARE COUNTED IN THE SAME MANNER AS PUPILS ARE
10 COUNTED PURSUANT TO SUBSECTION (10) OF THIS SECTION.

11 (5.5) (a) "District percentage of at-risk pupils", FOR PURPOSES OF
12 SUBSECTION (1.5)(a) OF THIS SECTION means the number of at-risk pupils
13 in the district, as determined in accordance with subsection ~~(1.5)~~ (1.5)(a)
14 of this section, divided by the pupil enrollment of the district, as
15 determined in accordance with subsection (10) of this section; except that
16 pupil enrollment shall not include the number of pupils enrolled in the
17 Colorado preschool program pursuant to article 28 of this title and the
18 number of three-year-old or four-year-old pupils with disabilities
19 receiving educational programs pursuant to article 20 of this title.

20 (b) "DISTRICT PERCENTAGE OF AT-RISK PUPILS", FOR PURPOSES OF
21 SUBSECTION (1.5)(a.5) OF THIS SECTION, MEANS THE NUMBER OF AT-RISK
22 PUPILS IN THE DISTRICT, AS DETERMINED IN ACCORDANCE WITH
23 SUBSECTION (1.5)(a.5) OF THIS SECTION, DIVIDED BY THE PUPIL
24 ENROLLMENT OF THE DISTRICT, AS DETERMINED IN ACCORDANCE WITH
25 SUBSECTION (10) OF THIS SECTION; EXCEPT THAT PUPIL ENROLLMENT DOES
26 NOT INCLUDE THE NUMBER OF PUPILS ENROLLED IN THE COLORADO
27 PRESCHOOL PROGRAM PURSUANT TO ARTICLE 28 OF THIS TITLE AND THE

1 NUMBER OF THREE-YEAR-OLD OR FOUR-YEAR-OLD PUPILS WITH
2 DISABILITIES RECEIVING EDUCATIONAL PROGRAMS PURSUANT TO ARTICLE
3 20 OF THIS TITLE.

4 (6) "District's total program" means the funding for a district, as
5 determined pursuant to section 22-54-104, ~~or section 22-54-104.3,~~ OR
6 22-54-103.9, whichever is applicable, which represents the financial base
7 of support for public education in that district.

8 (6.5) (a) "ENGLISH LANGUAGE LEARNER ENROLLMENT", FOR
9 PURPOSES OF SECTION 22-54-103.9, MEANS THE NUMBER OF PUPILS
10 ENROLLED IN THE DISTRICT WHO ARE ENGLISH LANGUAGE LEARNERS, AS
11 DEFINED IN SECTION 22-24-103.

12 (b) "ENGLISH LANGUAGE LEARNER ENROLLMENT" DOES NOT
13 INCLUDE AN ENGLISH LANGUAGE LEARNER FOR WHOM A LOCAL
14 EDUCATION PROVIDER MAY NO LONGER RECEIVE FUNDING AS PROVIDED
15 IN SECTION 22-24-104(2)(a).

16 (7) "Funded pupil count" means:

17 (e) (I) For budget years commencing on and after July 1, 2009,
18 BUT PRIOR TO JULY 1, 2021, the district's online pupil enrollment for the
19 applicable budget year plus the district's preschool program enrollment
20 for the applicable budget year plus the district's supplemental
21 kindergarten enrollment for the applicable budget year plus the district's
22 extended high school pupil enrollment for the applicable budget year, plus
23 the greater of:

24 (V) Notwithstanding any provision of law to the contrary, for the
25 2010-11 budget year ~~and each budget year thereafter~~ THROUGH THE 2020-
26 21 BUDGET YEAR, for the purposes of this paragraph (e), a district's pupil
27 enrollment for the applicable budget year and a district's pupil enrollment

1 for any preceding budget year shall not include any pupil who is or was
2 enrolled in a charter school that was originally authorized by the district
3 but was subsequently converted, on or after July 1, 2010, to an institute
4 charter school or to a charter school of a district contiguous to the
5 originally authorizing district.

6 (VI) Notwithstanding any provision of this paragraph (e) to the
7 contrary, for the 2013-14 budget year ~~and each budget year thereafter~~
8 THROUGH THE 2020-21 BUDGET YEAR, for the purposes of this subsection
9 (7), if a district's funded pupil count calculated pursuant to this subsection
10 (7) for a budget year is fewer than fifty pupils, the district's funded pupil
11 count for the budget year is fifty pupils.

12 (VII) For the 2019-20 budget year ~~and each budget year thereafter~~
13 THROUGH THE 2020-21 BUDGET YEAR, solely for the purpose of averaging
14 pupil enrollment pursuant to subsection (7)(e)(I) of this section for a
15 district that operates a full-day kindergarten educational program, the
16 department of education shall adjust the district's pupil enrollments for
17 the 2018-19, 2017-18, 2016-17, and 2015-16 budget years by counting
18 each pupil enrolled in a full-day kindergarten educational program in one
19 of those budget years as a full-time student. The adjustment to pupil
20 enrollment made pursuant to this subsection (7)(e)(VII) does not affect or
21 change the funded pupil count used to calculate a district's fiscal year
22 spending limitation pursuant to section 20 of article X of the state
23 constitution for a budget year commencing before July 1, 2019.

24 (f) (I) FOR BUDGET YEARS COMMENCING ON AND AFTER JULY 1,
25 2021, FOR EACH BUDGET YEAR, THE SUM OF:

- 26 (A) THE DISTRICT'S PRESCHOOL PROGRAM ENROLLMENT;
- 27 (B) THE DISTRICT'S SUPPLEMENTAL KINDERGARTEN ENROLLMENT;

1 (C) THE DISTRICT'S MULTI-DISTRICT ONLINE PUPIL ENROLLMENT;

2 (D) THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT;

3 AND

4 (E) THE GREATER OF: THE DISTRICT'S PUPIL ENROLLMENT FOR THE
5 APPLICABLE BUDGET YEAR; OR THE AVERAGE OF THE DISTRICT'S PUPIL
6 ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE DISTRICT'S
7 PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR; OR
8 THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE
9 BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE TWO
10 IMMEDIATELY PRECEDING BUDGET YEARS.

11 (II) FOR PURPOSES OF SUBSECTION (7)(f)(I) OF THIS SECTION, A
12 DISTRICT'S FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL
13 ENROLLMENT, PRESCHOOL PROGRAM ENROLLMENT, SUPPLEMENTAL
14 KINDERGARTEN ENROLLMENT, MULTI-DISTRICT ONLINE PUPIL
15 ENROLLMENT, AND EXTENDED HIGH SCHOOL PUPIL ENROLLMENT OF EACH
16 OPERATING INSTITUTE CHARTER SCHOOL FOR WHICH THE DISTRICT IS THE
17 ACCOUNTING DISTRICT. THE DEPARTMENT OF EDUCATION SHALL ADD THE
18 INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT, PRESCHOOL
19 PROGRAM ENROLLMENT, PRESCHOOL PROGRAM ENROLLMENT, MULTI-
20 DISTRICT ONLINE PUPIL ENROLLMENT, AND EXTENDED HIGH SCHOOL PUPIL
21 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO
22 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION
23 22-54-103.9.

24 (III) FOR PURPOSES OF SUBSECTION (7)(f)(I) OF THIS SECTION, A
25 DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND A
26 DISTRICT'S PUPIL ENROLLMENT FOR ANY PRECEDING BUDGET YEAR DOES
27 NOT INCLUDE A PUPIL WHO IS OR WAS ENROLLED IN A CHARTER SCHOOL

1 THAT WAS ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS
2 SUBSEQUENTLY CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE
3 CHARTER SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS
4 TO THE ORIGINALLY AUTHORIZING DISTRICT.

5 (IV) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (7)(f)(I)
6 TO THE CONTRARY, FOR BUDGET YEARS COMMENCING ON AND AFTER JULY
7 1, 2021, IN THE FIRST BUDGET YEAR IN WHICH A DISTRICT'S FUNDED PUPIL
8 COUNT IS FEWER THAN TWENTY-FIVE PUPILS, THE DISTRICT'S FUNDED PUPIL
9 COUNT FOR THE APPLICABLE BUDGET YEAR IS THE DISTRICT'S FUNDED
10 PUPIL COUNT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR. IN THE
11 SECOND OR SUBSEQUENT CONSECUTIVE BUDGET YEAR IN WHICH THE
12 DISTRICT'S FUNDED PUPIL COUNT CONTINUES TO BE FEWER THAN TWENTY-
13 FIVE PUPILS, THE DISTRICT MAY APPLY TO THE STATE BOARD FOR
14 DISCRETIONARY ASSISTANCE PAYMENTS FROM THE CONTINGENCY
15 RESERVE FUND PURSUANT TO THE PROVISIONS OF SECTION 22-54-
16 117(1)(a)(IX).

17 (8.3) "MULTI-DISTRICT ONLINE PUPIL ENROLLMENT" HAS THE SAME
18 MEANING AS "ONLINE PUPIL ENROLLMENT" AS SET FORTH IN SUBSECTION
19 (8.5) OF THIS SECTION.

20 (8.5) (b) For budget years beginning on or after July 1, 2004, a
21 district's online pupil enrollment ~~shall include~~ INCLUDES the certified
22 online pupil enrollment of each operating institute charter school for
23 which the district is the accounting district. The department of education
24 shall add the institute charter school's certified online pupil enrollment to
25 the online pupil enrollment of the district prior to calculating the district's
26 total program pursuant to section 22-54-104 OR SECTION 22-54-103.9,
27 WHICHEVER IS APPLICABLE.

1 (10.7) "SPECIAL EDUCATION TIER A PUPIL ENROLLMENT" MEANS
2 THE NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE CHILDREN
3 WITH DISABILITIES, AS DEFINED IN SECTION 22-20-103, WHO ARE
4 RECEIVING SPECIAL EDUCATION SERVICES, AND WHO HAVE ONE OR MORE
5 OF THE FOLLOWING DISABILITIES:

6 (a) SPECIFIC LEARNING DISABILITY, AS DEFINED IN SECTION
7 22-20-103;

8 (b) SPEECH IMPAIRMENT; OR

9 (c) LANGUAGE IMPAIRMENT.

10 (10.8) "SPECIAL EDUCATION TIER B PUPIL ENROLLMENT" MEANS
11 THE NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE CHILDREN
12 WITH DISABILITIES, AS DEFINED IN SECTION 22-20-103, WHO ARE
13 RECEIVING SPECIAL EDUCATION SERVICES, AND WHO HAVE ONE OR MORE
14 OF THE FOLLOWING DISABILITIES:

15 (a) HEARING IMPAIRMENT;

16 (b) EMOTIONAL DISTURBANCE;

17 (c) ORTHOPEDIC IMPAIRMENT;

18 (d) INTELLECTUAL DISABILITY;

19 (e) DEVELOPMENTAL DELAY;

20 (f) IS AN INFANT OR TODDLER WITH A DISABILITY; OR

21 (g) OTHER HEALTH IMPAIRMENT.

22 (10.9) "SPECIAL EDUCATION TIER C PUPIL ENROLLMENT" MEANS
23 THE NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE CHILDREN
24 WITH DISABILITIES, AS DEFINED IN SECTION 22-20-103, WHO ARE
25 RECEIVING SPECIAL EDUCATION SERVICES, AND WHO HAVE ONE OR MORE
26 OF THE FOLLOWING DISABILITIES:

27 (a) AUTISM;

- 1 (b) DEAFNESS;
- 2 (c) BLINDNESS;
- 3 (d) MULTIPLE DISABILITIES;
- 4 (e) TRAUMATIC BRAIN INJURY; OR
- 5 (f) VISUAL IMPAIRMENT.

6 (14) "Statewide average percentage of at-risk pupils" means the
7 total number of at-risk pupils in all districts, as determined in accordance
8 with ~~subsection (1.5)~~ SUBSECTIONS (1.5)(a) OR (1.5)(a.5) of this section,
9 WHICHEVER IS APPLICABLE, divided by the pupil enrollment of all
10 districts, as determined in accordance with subsection (10) of this section;
11 except that pupil enrollment shall not include the number of pupils
12 enrolled in the Colorado preschool program pursuant to article 28 of this
13 title and the number of three-year-old or four-year-old pupils with
14 disabilities receiving educational programs pursuant to article 20 of this
15 title.

16 **SECTION 4.** In Colorado Revised Statutes, **add** 22-54-103.9 as
17 follows:

18 **22-54-103.9. District total program - definitions - repeal.**

19 (1) (a) (I) FOR THE 2021-22 BUDGET YEAR, AND EACH BUDGET YEAR
20 THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL APPLY THE
21 PROVISIONS OF THIS SECTION TO CALCULATE ANNUALLY FOR EACH
22 DISTRICT AN AMOUNT THAT REPRESENTS THE FINANCIAL BASE OF SUPPORT
23 FOR PUBLIC EDUCATION IN THAT DISTRICT, WHICH AMOUNT IS KNOWN AS
24 THE DISTRICT'S TOTAL PROGRAM. EACH DISTRICT'S TOTAL PROGRAM IS
25 AVAILABLE TO THE DISTRICT TO FUND THE COSTS OF PROVIDING PUBLIC
26 EDUCATION IN THE DISTRICT, AND, EXCEPT AS OTHERWISE PROVIDED IN
27 SECTION 22-54-105, THE DISTRICT HAS DISCRETION CONCERNING THE

1 AMOUNTS AND PURPOSES FOR WHICH MONEY IS BUDGETED AND
2 EXPENDED.

3 (II) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1)(a)(I)
4 OF THIS SECTION, IF A DISTRICT IS THE ACCOUNTING DISTRICT OF AN
5 INSTITUTE CHARTER SCHOOL, THEN THE CALCULATION OF TOTAL PROGRAM
6 PURSUANT TO THE PROVISIONS OF THIS SECTION ALSO REPRESENTS THE
7 FINANCIAL BASE OF SUPPORT FOR THE INSTITUTE CHARTER SCHOOL, EVEN
8 THOUGH THE INSTITUTE CHARTER SCHOOL IS NOT A SCHOOL OF THE
9 DISTRICT. THE AMOUNT OF THE DISTRICT'S STATE SHARE OF TOTAL
10 PROGRAM THAT IS WITHHELD FROM THE DISTRICT AND PAID TO THE STATE
11 CHARTER SCHOOL INSTITUTE, PURSUANT TO THE PROVISIONS OF SECTION
12 22-54-115 (1.3), IS NOT AVAILABLE TO NOR UNDER THE CONTROL OF THE
13 DISTRICT, BUT IS UNDER THE CONTROL OF THE GOVERNING BOARD OF THE
14 INSTITUTE CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC
15 EDUCATION TO PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL. THE
16 INSTITUTE CHARTER SCHOOL HAS DISCRETION TO DETERMINE THE
17 AMOUNTS AND PURPOSES FOR WHICH THE MONEY IS BUDGETED AND
18 EXPENDED.

19 (b) (I) FOR THE 2021-22 AND 2022-23 BUDGET YEARS, IN
20 ADDITION TO CALCULATING EACH DISTRICT'S TOTAL PROGRAM PURSUANT
21 TO THIS SECTION, THE DEPARTMENT OF EDUCATION SHALL CALCULATE FOR
22 EACH DISTRICT THE DISTRICT'S TOTAL PROGRAM UNDER THE PROVISIONS
23 OF SECTION 22-54-104. IF A DISTRICT'S TOTAL PROGRAM FOR THE
24 APPLICABLE BUDGET YEAR IS GREATER IF CALCULATED PURSUANT TO THE
25 PROVISIONS OF SECTION 22-54-104, THEN:

26 (A) FOR THE 2021-22 BUDGET YEAR, THE DISTRICT RECEIVES THE
27 AMOUNT OF TOTAL PROGRAM CALCULATED PURSUANT THIS SECTION, PLUS

1 AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF TOTAL
2 PROGRAM CALCULATED PURSUANT TO THIS SECTION AND THE AMOUNT OF
3 TOTAL PROGRAM AS CALCULATED PURSUANT TO SECTION 22-54-104.

4 (B) FOR THE 2022-23 BUDGET YEAR, THE DISTRICT RECEIVES THE
5 AMOUNT OF TOTAL PROGRAM CALCULATED PURSUANT TO THIS SECTION
6 PLUS ONE-HALF OF THE DIFFERENCE BETWEEN THE AMOUNT OF TOTAL
7 PROGRAM CALCULATED PURSUANT TO THIS SECTION AND THE AMOUNT OF
8 TOTAL PROGRAM AS CALCULATED PURSUANT TO SECTION 22-54-104.

9 (II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE JULY 1, 2023.

10 (2) **Total program.** EXCEPT AS PROVIDED IN SUBSECTION (13) OF
11 THIS SECTION OR SECTION 22-54-104.3, FOR THE 2021-22 BUDGET YEAR
12 AND EACH BUDGET YEAR THEREAFTER, A DISTRICT'S TOTAL PROGRAM FOR
13 THE APPLICABLE BUDGET YEAR IS AN AMOUNT EQUAL TO:

14 (STATEWIDE BASE PER PUPIL FUNDING x (DISTRICT FUNDED
15 PUPIL COUNT - MULTI-DISTRICT ONLINE PUPIL ENROLLMENT
16 - EXTENDED HIGH SCHOOL PUPIL ENROLLMENT)) + AT-RISK
17 FUNDING + ENGLISH LANGUAGE LEARNER FUNDING +
18 SPECIAL EDUCATION FUNDING + STUDENT SUPPORT
19 FUNDING + MULTI-DISTRICT ONLINE FUNDING + EXTENDED
20 HIGH SCHOOL FUNDING + DISTRICT SIZE FUNDING +
21 DISTRICT COST OF LIVING FUNDING.

22 (3) **Statewide base per pupil funding.** (a) PURSUANT TO
23 SECTION 17 (1) OF ARTICLE IX OF THE STATE CONSTITUTION, STATEWIDE
24 BASE PER PUPIL FUNDING MUST INCREASE OVER THE AMOUNT
25 ESTABLISHED FOR THE PRECEDING BUDGET YEAR BY A RATE SET BY THE
26 GENERAL ASSEMBLY THAT IS AT LEAST EQUAL TO THE RATE OF INFLATION,
27 AS DEFINED IN SECTION 20 (2)(f) OF ARTICLE X OF THE STATE

1 CONSTITUTION.

2 (b) (I) STATEWIDE BASE PER PUPIL FUNDING IS THE AMOUNT
3 ESTABLISHED BY THE GENERAL ASSEMBLY IN ACCORDANCE WITH THE
4 PROVISIONS OF SUBSECTION (3)(a) OF THIS SECTION AND SPECIFIED IN THIS
5 SUBSECTION (3).

6 (II) FOR THE 2021-22 BUDGET YEAR, STATEWIDE BASE PER PUPIL
7 FUNDING IS THE AMOUNT CALCULATED IN ACCORDANCE WITH THE
8 PROVISIONS OF SUBSECTION (3)(a) OF THIS SECTION INCREASED BY \$ _____.

9 (4) **At-risk funding.** (a) THE DEPARTMENT OF EDUCATION SHALL
10 ANNUALLY CALCULATE AT-RISK FUNDING FOR EACH DISTRICT FOR THE
11 APPLICABLE BUDGET YEAR IN ACCORDANCE WITH ONE OF THE FOLLOWING
12 FORMULAS:

13 (I) IF THE DISTRICT PERCENTAGE OF AT-RISK PUPILS IS EQUAL TO
14 OR LESS THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS,
15 OR THE DISTRICT'S FUNDED PUPIL COUNT IS EQUAL TO OR LESS THAN FOUR
16 HUNDRED FIFTY-NINE, AT-RISK PUPIL FUNDING IS AN AMOUNT EQUAL TO:

17 (STATEWIDE BASE PER PUPIL FUNDING x _____ %) x DISTRICT
18 AT-RISK PUPILS.

19 (II) IF THE DISTRICT PERCENTAGE OF AT-RISK PUPILS IS GREATER
20 THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS, AND THE
21 DISTRICT'S FUNDED PUPIL COUNT IS GREATER THAN FOUR HUNDRED
22 FIFTY-NINE PUPILS, AT-RISK FUNDING IS AN AMOUNT EQUAL TO:

23 ((STATEWIDE BASE PER PUPIL FUNDING x _____ %) x
24 (STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS x
25 DISTRICT PUPIL ENROLLMENT)) + ((STATEWIDE BASE PER
26 PUPIL FUNDING x DISTRICT AT-RISK FACTOR) x (DISTRICT
27 AT-RISK PUPILS - (STATEWIDE AVERAGE PERCENTAGE OF

1 AT-RISK PUPILS x DISTRICT PUPIL ENROLLMENT))).

2 (b) (I) IF THE DISTRICT PERCENTAGE OF AT-RISK PUPILS IS GREATER
3 THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS AND THE
4 DISTRICT'S FUNDED PUPIL COUNT IS GREATER THAN FOUR HUNDRED
5 FIFTY-NINE BUT NOT IN EXCESS OF FIFTY THOUSAND, THE DISTRICT'S
6 AT-RISK FACTOR IS % PLUS A 0.30 PERCENTAGE POINT FOR EACH
7 PERCENTAGE POINT THAT THE DISTRICT PERCENTAGE OF AT-RISK PUPILS
8 EXCEEDS THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS;
9 EXCEPT THAT A DISTRICT'S AT-RISK FACTOR MUST NOT EXCEED 30%.

10 (II) IF THE DISTRICT PERCENTAGE OF AT-RISK PUPILS IS GREATER
11 THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS AND THE
12 DISTRICT'S FUNDED PUPIL COUNT IS GREATER THAN FIFTY THOUSAND, THE
13 DISTRICT'S AT-RISK FACTOR IS % PLUS A 0.36 PERCENTAGE POINT FOR
14 EACH PERCENTAGE POINT THAT THE DISTRICT PERCENTAGE OF AT-RISK
15 PUPILS EXCEEDS THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK
16 PUPILS; EXCEPT THAT A DISTRICT'S AT-RISK FACTOR MUST NOT EXCEED
17 30%.

18 (5) **English language learner funding.** THE DEPARTMENT OF
19 EDUCATION SHALL ANNUALLY CALCULATE ENGLISH LANGUAGE LEARNER
20 FUNDING FOR EACH DISTRICT FOR THE APPLICABLE BUDGET YEAR AS AN
21 AMOUNT EQUAL TO:

22 ((STATEWIDE BASE PER PUPIL FUNDING x %) x ENGLISH
23 LANGUAGE LEARNER ENROLLMENT.

24 (6) **Special education funding.** THE DEPARTMENT OF EDUCATION
25 SHALL ANNUALLY CALCULATE SPECIAL EDUCATION FUNDING FOR EACH
26 DISTRICT FOR THE APPLICABLE BUDGET YEAR AS AN AMOUNT EQUAL TO:

27 ((STATEWIDE BASE PER PUPIL FUNDING x %) x SPECIAL

1 EDUCATION TIER A PUPIL ENROLLMENT) + ((STATEWIDE
2 BASE PER PUPIL FUNDING x [redacted] %) x SPECIAL EDUCATION
3 TIER B PUPIL ENROLLMENT) + ((STATEWIDE BASE PER PUPIL
4 FUNDING x [redacted] %) x SPECIAL EDUCATION TIER C PUPIL
5 ENROLLMENT).

6 (7) **Student support funding.** THE DEPARTMENT OF EDUCATION
7 SHALL ANNUALLY CALCULATE STUDENT SUPPORT FUNDING FOR EACH
8 DISTRICT FOR THE APPLICABLE BUDGET YEAR AS AN AMOUNT EQUAL TO:

9 ((DISTRICT FUNDED PUPIL COUNT - MULTI-DISTRICT ONLINE
10 PUPIL ENROLLMENT - EXTENDED HIGH SCHOOL PUPIL
11 ENROLLMENT) x \$ [redacted]).

12 (8) **Multi-district online funding.** (a) THE DEPARTMENT OF
13 EDUCATION SHALL ANNUALLY CALCULATE MULTI-DISTRICT ONLINE
14 FUNDING FOR EACH DISTRICT FOR THE APPLICABLE BUDGET YEAR AS AN
15 AMOUNT EQUAL TO:

16 (DISTRICT MULTI-DISTRICT ONLINE PUPIL ENROLLMENT x
17 MULTI-DISTRICT ONLINE PER PUPIL FUNDING).

18 (b) EXCEPT AS PROVIDED IN SUBSECTION (10) OF THIS SECTION,
19 FOR PURPOSES OF SUBSECTION (8)(a) OF THIS SECTION, "MULTI-DISTRICT
20 ONLINE PER PUPIL FUNDING" IS EQUAL TO THE DOLLAR AMOUNT OF ONLINE
21 PER PUPIL FUNDING DETERMINED PURSUANT TO SECTION 22-54-104 (4.5)
22 FOR THE 2020-21 BUDGET YEAR, INCREASED EACH BUDGET YEAR BY THE
23 PERCENTAGE BY WHICH STATEWIDE BASE PER PUPIL FUNDING FOR THE
24 APPLICABLE BUDGET YEAR IS INCREASED OVER STATEWIDE BASE PER PUPIL
25 FUNDING FOR THE PRECEDING BUDGET YEAR. THE AMOUNT SHALL BE
26 ROUNDED TO THE NEAREST DOLLAR.

27 (9) **Extended high school funding.** (a) THE DEPARTMENT OF

1 EDUCATION SHALL ANNUALLY CALCULATE EXTENDED HIGH SCHOOL
2 FUNDING FOR EACH DISTRICT FOR THE APPLICABLE BUDGET YEAR AS AN
3 AMOUNT EQUAL TO:

4 (DISTRICT EXTENDED HIGH SCHOOL PUPIL ENROLLMENT x
5 EXTENDED HIGH SCHOOL PER PUPIL FUNDING).

6 (b) EXCEPT AS PROVIDED IN SUBSECTION (10) OF THIS SECTION,
7 FOR PURPOSES OF SUBSECTION (9)(a) OF THIS SECTION, "EXTENDED HIGH
8 SCHOOL PER PUPIL FUNDING" IS EQUAL TO THE DOLLAR AMOUNT OF
9 EXTENDED HIGH SCHOOL PER PUPIL FUNDING DETERMINED PURSUANT TO
10 SECTION 22-54-104 (4.7) FOR THE 2020-21 BUDGET YEAR, INCREASED
11 EACH BUDGET YEAR BY THE PERCENTAGE BY WHICH STATEWIDE BASE PER
12 PUPIL FUNDING FOR THE APPLICABLE BUDGET YEAR IS INCREASED OVER
13 STATEWIDE BASE PER PUPIL FUNDING FOR THE PRECEDING BUDGET YEAR.
14 THE AMOUNT SHALL BE ROUNDED TO THE NEAREST DOLLAR.

15 (10) IN A BUDGET YEAR IN WHICH A BUDGET STABILIZATION
16 FACTOR IS APPLIED PURSUANT TO SUBSECTION (13) OF THIS SECTION, THE
17 DEPARTMENT OF EDUCATION SHALL CALCULATE A DISTRICT'S REDUCTION
18 AMOUNT FOR MULTI-DISTRICT ONLINE FUNDING AND THE DISTRICT'S
19 REDUCTION AMOUNT FOR EXTENDED HIGH SCHOOL FUNDING BY
20 MULTIPLYING THE BUDGET STABILIZATION FACTOR CALCULATED FOR THE
21 APPLICABLE BUDGET YEAR BY THE AMOUNT OF THE MULTI-DISTRICT
22 ONLINE FUNDING FOR MULTI-DISTRICT ONLINE STUDENTS AND THE
23 AMOUNT OF THE EXTENDED HIGH SCHOOL FUNDING FOR EXTENDED HIGH
24 SCHOOL STUDENTS.

25 (11) **District size funding.** (a) THE DEPARTMENT OF EDUCATION
26 SHALL ANNUALLY CALCULATE EACH ELIGIBLE DISTRICT'S SIZE FUNDING
27 FOR THE APPLICABLE BUDGET YEAR AS AN AMOUNT EQUAL TO:

1 STATEWIDE BASE PER PUPIL FUNDING x (DISTRICT SIZE
2 FACTOR **-1**) x DISTRICT FUNDED PUPIL COUNT.

3 (b) (I) EXCEPT AS PROVIDED IN SUBSECTION (11)(b)(II) OF THIS
4 SECTION, A DISTRICT'S SIZE FACTOR IS DETERMINED AS FOLLOWS: <{**these**
5 **factors may change. Drafted with existing factors.**}>

6 **IF THE DISTRICT'S FUNDED PUPIL COUNT IS:** **THE DISTRICT'S SIZE FACTOR IS:**
7

8 LESS THAN 276 1.5457 + (0.00376159 x THE
9 DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 276)

10 276 OR MORE BUT LESS THAN 459 1.2385 + (0.00167869 x THE
11 DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 459)

12 495 OR MORE BUT LESS 1,027 1.1215 + (0.00020599 x THE
13 DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 1,027)

14 1,027 OR MORE BUT LESS 2,293 1.0533 + (0.00005387 x THE
15 DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 3,500)

16 3,500 OR MORE BUT LESS THAN 5,000 1.0297 + (0.00000473 x THE
17 DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 5,000)

18 (II) THE SIZE FACTOR DETERMINED PURSUANT TO SUBSECTION
19 (11)(b)(I) OF THIS SECTION IS INCREASED BY FOR EACH DISTRICT THAT
20 IS CLASSIFIED AS "RURAL REMOTE" PURSUANT TO THE NATIONAL CENTER
21 FOR EDUCATION STATISTICS' (NCES) CENSUS-BASED LOCALE
22 FRAMEWORK. UNDER THE NCES LOCALE FRAMEWORK, A "RURAL
23 REMOTE" DISTRICT MEANS A DISTRICT THAT IS CLASSIFIED AS A
24 CENSUS-DEFINED RURAL TERRITORY THAT IS MORE THAN TWENTY-FIVE
25 MILES FROM AN URBANIZED AREA, AS DEFINED BY THE UNITED STATES
26 CENSUS BUREAU, AND ALSO MORE THAN TEN MILES FROM AN URBAN
27 CLUSTER, AS DEFINED BY THE UNITED STATES CENSUS BUREAU. THIS

1 ADDITION TO THE SIZE FACTOR RECOGNIZES ADDITIONAL DISECONOMIES
2 OF SCALE EXPERIENCED BY A RURAL REMOTE DISTRICT.

3 (c) (I) IF THE REORGANIZATION OF A DISTRICT OR DISTRICTS BY
4 DECONSOLIDATION RESULTS IN ONE OR MORE OF THE DISTRICTS INVOLVED
5 IN THE REORGANIZATION HAVING A HIGHER SIZE FACTOR THAN THE
6 ORIGINAL DISTRICT OR DISTRICTS HAD FOR THE BUDGET YEAR
7 IMMEDIATELY PRECEDING REORGANIZATION, THE SIZE FACTOR FOR EACH
8 SUBSEQUENT BUDGET YEAR FOR THE DISTRICTS INVOLVED IN THE
9 REORGANIZATION IS THE SIZE FACTOR THE ORIGINAL DISTRICT OR
10 DISTRICTS HAD FOR THE BUDGET YEAR PRECEDING THE REORGANIZATION.
11 IF TWO OR MORE DISTRICTS CONSOLIDATE AND REORGANIZE INTO A SINGLE
12 DISTRICT, THE SIZE FACTOR FOR THE CONSOLIDATED DISTRICT IS THE SIZE
13 FACTOR OF THE ORIGINAL DISTRICT HAVING THE LOWEST SIZE FACTOR FOR
14 THE BUDGET YEAR IMMEDIATELY PRECEDING REORGANIZATION. A
15 DISTRICT INVOLVED IN EITHER REORGANIZATION SHALL NOT, FOR A
16 BUDGET YEAR, BE ALLOWED THE SIZE FACTOR THAT WOULD OTHERWISE
17 BE PROVIDED PURSUANT TO SUBSECTION (11)(b) OF THIS SECTION.

18 (II) IF THE REORGANIZATION OF A DISTRICT OR DISTRICTS, OTHER
19 THAN A CONSOLIDATION OR DECONSOLIDATION OF A DISTRICT OR
20 DISTRICTS, RESULTS IN ONE OR MORE OF THE DISTRICTS INVOLVED IN THE
21 REORGANIZATION HAVING A LOWER SIZE FACTOR THAN THE ORIGINAL
22 DISTRICT OR DISTRICTS HAD FOR THE BUDGET YEAR IMMEDIATELY
23 PRECEDING REORGANIZATION, THE SIZE FACTOR FOR THE NEW DISTRICT OR
24 DISTRICTS IS DETERMINED AS FOLLOWS:

25 (A) FOR THE FIRST BUDGET YEAR FOLLOWING REORGANIZATION,
26 THE SIZE FACTOR OF THE ORIGINAL DISTRICT FOR THE BUDGET YEAR
27 IMMEDIATELY PRECEDING REORGANIZATION OR, IF TWO OR MORE

1 DISTRICTS ARE INVOLVED IN THE REORGANIZATION, THE WEIGHTED
2 AVERAGE SIZE FACTOR OF THE ORIGINAL DISTRICTS FOR THE BUDGET YEAR
3 IMMEDIATELY PRECEDING REORGANIZATION. FOR THE PURPOSES OF THIS
4 SUBSECTION (11)(c)(II)(A), THE WEIGHTED AVERAGE SIZE FACTOR IS THE
5 AMOUNT CALCULATED BY MULTIPLYING THE FUNDED PUPIL COUNT OF
6 EACH ORIGINAL DISTRICT BY THE SIZE FACTOR OF THE ORIGINAL DISTRICT,
7 ADDING THE RESULTING AMOUNTS TOGETHER AND DIVIDING THAT SUM BY
8 THE TOTAL FUNDED PUPIL COUNT OF THE ORIGINAL DISTRICTS.

9 (B) FOR THE SECOND BUDGET YEAR FOLLOWING REORGANIZATION,
10 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL
11 TO ONE-FIFTH OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE
12 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO
13 SUBSECTION (11)(b) OF THIS SECTION;

14 (C) FOR THE THIRD BUDGET YEAR FOLLOWING REORGANIZATION,
15 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL
16 TO ONE-FOURTH OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE
17 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO
18 SUBSECTION (11)(b) OF THIS SECTION;

19 (D) FOR THE FOURTH BUDGET YEAR FOLLOWING REORGANIZATION,
20 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL
21 TO ONE-THIRD OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE
22 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO
23 SUBSECTION (11)(b) OF THIS SECTION;

24 (E) FOR THE FIFTH BUDGET YEAR FOLLOWING REORGANIZATION,
25 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL
26 TO ONE-HALF OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE
27 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO

1 SUBSECTION (11)(b) OF THIS SECTION; AND

2 (F) FOR THE SIXTH BUDGET YEAR FOLLOWING REORGANIZATION
3 AND BUDGET YEARS THEREAFTER, THE SIZE FACTOR DETERMINED
4 PURSUANT TO SUBSECTION (11)(b) OF THIS SECTION.

5 (III) FOR THE 2021-22 BUDGET YEAR, AND EACH BUDGET YEAR
6 THEREAFTER, THE FUNDED PUPIL COUNT USED TO CALCULATE A DISTRICT'S
7 SIZE FACTOR PURSUANT TO SUBSECTION (11)(b) OF THIS SECTION IS THE
8 FUNDED PUPIL COUNT, AS CALCULATED PURSUANT TO SECTION 22-54-103
9 (7), REDUCED BY SIXTY-FIVE PERCENT OF THE NUMBER OF PUPILS
10 INCLUDED IN THE FUNDED PUPIL COUNT WHO ARE ENROLLED IN CHARTER
11 SCHOOLS IN THE DISTRICT; EXCEPT THAT THE PROVISIONS OF THIS
12 SUBSECTION (11)(c)(III) ONLY APPLY TO THOSE DISTRICTS WITH A FUNDED
13 PUPIL COUNT, AS CALCULATED PURSUANT TO SECTION 22-54-103 (7), OF
14 FIVE HUNDRED OR LESS.

15 (12) **District cost of living funding.** (a) THE DEPARTMENT SHALL
16 ANNUALLY CALCULATE EACH ELIGIBLE DISTRICT'S COST OF LIVING
17 FUNDING FOR THE APPLICABLE BUDGET YEAR.

18 (b) A DISTRICT IS ELIGIBLE FOR COST OF LIVING FUNDING IF THE
19 DISTRICT'S COST OF LIVING RELATIVE TO OTHER DISTRICTS EXCEEDS _____.

20 (c) AN ELIGIBLE DISTRICT'S COST OF LIVING FUNDING IS AN
21 AMOUNT EQUAL TO:

22 (STATEWIDE BASE PER PUPIL FUNDING x DISTRICT COST OF
23 LIVING FACTOR) x DISTRICT FUNDED PUPIL COUNT.

24 (d) **Cost of living factor.** THE STAFF OF THE LEGISLATIVE
25 COUNCIL SHALL DETERMINE EACH DISTRICT'S COST OF LIVING FACTOR
26 _____.

27 (13) **Application of a budget stabilization factor.**

1 (a) BEGINNING AFTER THE 2020-21 BUDGET YEAR, IN A BUDGET YEAR IN
2 WHICH THE GENERAL ASSEMBLY DETERMINES THAT STABILIZATION OF THE
3 STATE BUDGET REQUIRES A REDUCTION IN THE AMOUNT OF THE ANNUAL
4 APPROPRIATION TO FUND THE STATE'S SHARE OF TOTAL PROGRAM FUNDING
5 FOR ALL DISTRICTS AND THE FUNDING FOR INSTITUTE CHARTER SCHOOLS,
6 THE DEPARTMENT OF EDUCATION SHALL REDUCE TOTAL PROGRAM
7 FUNDING BY APPLYING A BUDGET STABILIZATION FACTOR AS PROVIDED IN
8 THIS SUBSECTION (13). THE DEPARTMENT OF EDUCATION AND THE STAFF
9 OF THE LEGISLATIVE COUNCIL SHALL DETERMINE, BASED ON BUDGET
10 PROJECTIONS, THE AMOUNT OF THE REDUCTION TO ENSURE THAT THE SUM
11 OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE
12 FUNDING FOR INSTITUTE CHARTER SCHOOLS, REFLECTS THE REDUCTION IN
13 TOTAL PROGRAM FUNDING SPECIFIED BY THE GENERAL ASSEMBLY FOR THE
14 APPLICABLE BUDGET YEAR. THE DEPARTMENT OF EDUCATION AND THE
15 STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO
16 REPLACE PROJECTIONS WITH ACTUAL FIGURES INCLUDING, BUT NOT
17 LIMITED TO, ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND
18 SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR, TO DETERMINE
19 ANY NECESSARY CHANGES IN THE AMOUNT OF THE REDUCTION TO
20 MAINTAIN THE TARGET AMOUNT OF TOTAL PROGRAM FUNDING FOR THE
21 APPLICABLE BUDGET YEAR.

22 (b) THE DEPARTMENT OF EDUCATION SHALL:

23 (I) CALCULATE THE BUDGET STABILIZATION FACTOR FOR THE
24 APPLICABLE BUDGET YEAR BY DIVIDING THE REDUCTION IN TOTAL
25 PROGRAM FUNDING FOR THE APPLICABLE BUDGET YEAR, AS DETERMINED
26 PURSUANT TO SUBSECTION (13)(a)(I) OF THIS SECTION, BY THE SUM OF THE
27 TOTAL PROGRAM FUNDING AMOUNTS OF ALL DISTRICTS AS CALCULATED

1 PURSUANT TO SUBSECTION (2) OF THIS SECTION, INCLUDING THE FUNDING
2 FOR INSTITUTE CHARTER SCHOOLS, FOR THE APPLICABLE BUDGET YEAR;
3 AND

4 (II) CALCULATE EACH DISTRICT'S AND EACH INSTITUTE CHARTER
5 SCHOOL'S REDUCTION AMOUNT BY MULTIPLYING THE BUDGET
6 STABILIZATION FACTOR BY THE DISTRICT'S TOTAL PROGRAM FUNDING
7 CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR THE
8 APPLICABLE BUDGET YEAR FOR THE DISTRICT AND FOR ANY INSTITUTE
9 CHARTER SCHOOL LOCATED WITHIN THE DISTRICT, MINUS THE DISTRICT'S
10 ENGLISH LANGUAGE LEARNER FUNDING FOR THE APPLICABLE BUDGET
11 YEAR AND SPECIAL EDUCATION FUNDING FOR THE APPLICABLE BUDGET
12 YEAR.

13 (III) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (13)(b)(IV)
14 AND (13)(b)(V) OF THIS SECTION, IN A BUDGET YEAR IN WHICH THE
15 GENERAL ASSEMBLY DETERMINES THAT A REDUCTION IN TOTAL PROGRAM
16 FUNDING IS NECESSARY PURSUANT TO THIS SUBSECTION (13), A DISTRICT'S
17 TOTAL PROGRAM IS THE GREATER OF:

18 (A) THE AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF
19 THIS SECTION FOR THE APPLICABLE BUDGET YEAR, INCLUDING FUNDING
20 FOR ANY INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE DISTRICT,
21 MINUS THE DISTRICT'S REDUCTION AMOUNT FOR THE APPLICABLE BUDGET
22 YEAR; OR

23 (B) AN AMOUNT EQUAL TO STATEWIDE BASE PER PUPIL FUNDING
24 FOR THE APPLICABLE BUDGET YEAR, AS SPECIFIED IN SUBSECTION (3) OF
25 THIS SECTION, MULTIPLIED BY THE DISTRICT'S FUNDED PUPIL COUNT FOR
26 THE APPLICABLE BUDGET YEAR, PLUS THE DISTRICT'S ENGLISH LANGUAGE
27 LEARNER FUNDING FOR THE APPLICABLE BUDGET YEAR, PLUS THE

1 DISTRICT'S SPECIAL EDUCATION FUNDING FOR THE APPLICABLE BUDGET
2 YEAR.

3 (IV) TOTAL PROGRAM FUNDING FOR A DISTRICT THAT LEVIES THE
4 NUMBER OF MILLS CALCULATED PURSUANT TO SECTION 22-54-106
5 (2)(a)(II) IS THE AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF
6 THIS SECTION FOR THE APPLICABLE BUDGET YEAR. ANY SUCH DISTRICT
7 SHALL USE THE REVENUES GENERATED BY THE NUMBER OF MILLS THAT
8 THE DISTRICT LEVIES PURSUANT TO SECTION 22-54-106 (2)(a)(II) TO
9 REPLACE ANY CATEGORICAL PROGRAM SUPPORT FUNDS THAT THE
10 DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE;
11 EXCEPT THAT THE AMOUNT OF CATEGORICAL PROGRAM SUPPORT FUNDS
12 THAT THE DISTRICT IS REQUIRED TO REPLACE MUST NOT EXCEED AN
13 AMOUNT EQUAL TO THE DISTRICT'S REDUCTION AMOUNT. THE
14 DEPARTMENT SHALL USE THE AMOUNT OF CATEGORICAL PROGRAM
15 SUPPORT FUNDS REPLACED BY PROPERTY TAX REVENUE PURSUANT TO THIS
16 SUBSECTION (13)(b)(IV) TO MAKE PAYMENTS OF CATEGORICAL PROGRAM
17 SUPPORT FUNDS TO ELIGIBLE DISTRICTS AS SPECIFIED IN SECTION
18 22-54-107 (4).

19 (V) IF A DISTRICT LEVIES THE NUMBER OF MILLS CALCULATED
20 PURSUANT TO SECTION 22-54-106 (2)(a)(I) AND THE DISTRICT'S
21 REDUCTION AMOUNT EXCEEDS THE DISTRICT'S STATE SHARE OF TOTAL
22 PROGRAM FUNDING, SUCH DISTRICT'S TOTAL PROGRAM FUNDING IS THE
23 AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR
24 THE APPLICABLE BUDGET YEAR, MINUS THE DISTRICT'S STATE AID. THE
25 DISTRICT SHALL USE THE REVENUES GENERATED BY THE NUMBER OF MILLS
26 THAT THE DISTRICT LEVIES PURSUANT TO SECTION 22-54-106 (2)(a)(I) TO
27 REPLACE ANY CATEGORICAL PROGRAM SUPPORT FUNDS THAT THE

1 DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE;
2 EXCEPT THAT THE AMOUNT OF CATEGORICAL PROGRAM SUPPORT FUNDS
3 THAT THE DISTRICT IS REQUIRED TO REPLACE MUST NOT EXCEED AN
4 AMOUNT EQUAL TO THE REMAINDER OF THE DISTRICT'S REDUCTION
5 AMOUNT AFTER THE REDUCTION TO THE DISTRICT'S TOTAL PROGRAM HAS
6 BEEN APPLIED PURSUANT TO THIS SUBSECTION (13)(b)(V). THE
7 DEPARTMENT OF EDUCATION SHALL USE THE AMOUNT OF CATEGORICAL
8 PROGRAM SUPPORT FUNDS REPLACED BY PROPERTY TAX REVENUE
9 PURSUANT TO THIS SUBSECTION (13)(b)(V) TO MAKE PAYMENTS OF
10 CATEGORICAL PROGRAM SUPPORT FUNDS TO ELIGIBLE DISTRICTS AS
11 SPECIFIED IN SECTION 22-54-107 (4).

12 **SECTION 5.** In Colorado Revised Statutes, 22-54-117, **add**
13 (1)(a)(IX) as follows:

14 **22-54-117. Contingency reserve - fund.** (1) (a) For the 2007-08
15 fiscal year and fiscal years thereafter, the general assembly shall annually
16 determine the amount to appropriate to the contingency reserve fund,
17 which is hereby created in the state treasury. In deciding the amount to
18 appropriate to the contingency reserve fund, the general assembly may
19 take into consideration any recommendations made by the department of
20 education, but nothing in this section obligates the general assembly to
21 provide supplemental assistance to all districts that are found to be in
22 need or to fully fund the total amount of such need. The state board may
23 approve and order payments from the contingency reserve fund for
24 supplemental assistance to districts determined to be in need as the result
25 of any or all of the following circumstances:

26 (IX) COMMENCING WITH THE 2022-23 BUDGET YEAR, UNUSUAL
27 FINANCIAL BURDEN CAUSED BY A FUNDED PUPIL COUNT OF FEWER THAN

1 TWENTY-FIVE PUPILS. THE AMOUNT OF SUPPLEMENTAL ASSISTANCE PAID
2 PURSUANT TO THIS SUBSECTION (1)(a)(IX) MUST NOT EXCEED THE
3 AMOUNT OF ADDITIONAL TOTAL PROGRAM THAT THE DISTRICT WOULD
4 RECEIVE, AFTER APPLYING THE BUDGET STABILIZATION FACTOR, IF THE
5 DISTRICT'S FUNDED PUPIL COUNT FOR THE APPLICABLE BUDGET YEAR WAS
6 FIFTY STUDENTS.

7 **SECTION 6. Act subject to petition - effective date.** This act
8 takes effect July 1, 2021; except that, if a referendum petition is filed
9 pursuant to section 1 (3) of article V of the state constitution against this
10 act or an item, section, or part of this act within the ninety-day period
11 after final adjournment of the general assembly, then the act, item,
12 section, or part will not take effect unless approved by the people at the
13 general election to be held in November 2020 and, in such case, will take
14 effect July 1, 2021, or on the date of the official declaration of the vote
15 thereon by the governor, whichever is later.