

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0140.05 Pierce Lively x2059

SENATE BILL 26-135

SENATE SPONSORSHIP

Bridges and Kipp, Amabile, Benavidez, Coleman, Cutter, Danielson, Daugherty, Exum, Gonzales J., Hinrichsen, Jodeh, Kolker, Lindstedt, Marchman, Mullica, Rodriguez, Snyder, Sullivan, Weissman

HOUSE SPONSORSHIP

Bacon and Lukens, Boesenecker, Camacho, Carter, Duran, Goldstein, Hamrick, Joseph, Lieder, Lindsay, Martinez, McCormick, Nguyen, Paschal, Phillips, Rydin, Smith, Stewart R., Titone, Velasco, Willford

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING STATE PUBLIC EDUCATION K-12 FUNDING, AND, IN**
102 **CONNECTION THEREWITH, INCREASING APPROPRIATIONS FOR**
103 **STATE PUBLIC EDUCATION K-12 BY UP TO TWO PERCENT FOR**
104 **TEN YEARS, USING THE INCREASED APPROPRIATIONS FOR**
105 **DISTRICT SCHOOL FINANCING FACTOR FUNDING, ALLOWING THE**
106 **STATE TO RETAIN AN AMOUNT OF STATE REVENUE IN EXCESS OF**
107 **THE LIMITATION ON STATE FISCAL YEAR SPENDING EQUAL TO**
108 **STATE PUBLIC K-12 EDUCATION FUNDING, AND SUBMITTING A**
109 **BALLOT QUESTION TO THE REGISTERED ELECTORS OF THE**
110 **STATE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does

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

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 requires the secretary of state to refer a ballot issue at the November 2026 general election to seek voter approval for the state to retain and spend an amount of state revenue equal to the amount of state public K-12 education funding in excess of the limitation on state fiscal year spending and to increase state public K-12 education funding by up to 2% for 10 years.

The bill directs legislative council staff to determine the amount of state public K-12 education funding and describes how legislative council staff will make that determination.

The bill creates a positive factor to provide additional funding for each district. A positive factor is equal to the lesser of 2% of statewide total program funding for the 2026-27 budget year multiplied by a district's total program as a percentage of the statewide total program or the amount that the state is authorized to retain and spend that would otherwise have been in excess of the limitation on state fiscal year spending multiplied by a district's total program as a percentage of the statewide total program. A district may only use its positive factor funding for increasing teacher pay, improving teacher retention, lowering class sizes, and increasing access to career and technical courses.

The bill creates the excess state revenues account (account) within the general fund. The account consists of an amount of money equal to the amount of state revenues in excess of the excess state revenues cap that the state retains for a given fiscal year pursuant to voter approval of the bill. Money in the account must first be spent for paying districts their positive factor and only after that may be spent for any other purpose.

The bill directs the state auditor to conduct and publish, for each state fiscal year that the state retains and spends state revenues in excess of the limitation on state fiscal year spending, a legislative report. That report must include descriptions of:

- The amount of state revenues that the state retained and spent that would otherwise have been in excess of the limitation on state fiscal year spending; and
- How the state revenues that the state retained and spent that would otherwise have been in excess of the limitation on state fiscal year spending were expended.

Lastly, the bill makes conforming amendments to ensure that voter approval of the bill does not impact the expanded earned income tax credit, the family affordability tax credit, or the affordable housing financing fund.

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) Public education is the bedrock of Colorado's democracy,
5 fundamental to individual opportunity, the underpinning of thriving
6 communities, and the key to Colorado's economic prosperity and future;

7 (b) Wise and adequate investment in Colorado's schools is
8 essential to maintaining and improving the competitiveness of Colorado
9 and its students;

10 (c) The money invested in Colorado's public schools has a return
11 on investment that has long been recognized as among the nation's
12 highest;

13 (d) An increase in the rates of K-12 graduation, the earning of
14 industry certifications, and the earning of associates degrees demonstrate
15 the effectiveness of Colorado's investment in public schools;

16 (e) Research demonstrates that increasing school funding results
17 in long-term increases in graduation rates and lifetime wages, prevents
18 crime, and lowers incarceration rates;

19 (f) Educators and support staff in every school district and charter
20 school across Colorado make invaluable contributions to their schools,
21 districts, and communities by dedicating their time, talents, and
22 out-of-pocket money to their students, despite Colorado ranking near the
23 bottom of starting teacher pay and having the largest teacher pay penalty
24 in the nation;

25 (g) Teachers, counselors, para professionals, bus drivers, and
26 essential support staff are leaving their professions because salaries

1 haven't kept up with housing, healthcare, and cost of living;

2 (h) Students are learning in overcrowded classrooms and in
3 schools with fewer mental health counselors, opportunities for special
4 education support, and programs that support their ability to develop into
5 healthy, productive adults;

6 (i) Working class, multilingual, and rural communities are hit
7 hardest by chronic school underfunding;

8 (j) In January 2025, the legislature received the reports and
9 recommendation of the two commissioned adequacy studies: "Equity and
10 Adequacy of Colorado School Funding - A Cost-Modeling Approach",
11 by the American institutes for research, and "Colorado Input-Based
12 Financial Adequacy Study Report", by Augenblick, Palaich and
13 Associates, Inc;

14 (k) The adequacy studies found that, were Colorado schools
15 funded fully and fairly, every student would have the individual attention
16 they need from teachers, counselors, health professionals, tutors, and
17 support staff to succeed and thrive; every teacher would have a
18 reasonable workload, professional development and coaching, and a
19 salary that would allow them to live where they work; and every
20 community would enjoy the benefit of vibrant public schools, a
21 high-quality workforce, and an engaged citizenry;

22 (l) Colorado's fiscal constraints and potential of federal funding
23 cuts to education, medicaid, nutrition, human services, and other critical
24 programs threaten the sustainability and adequacy of school funding in
25 Colorado and to deplete the state education fund; and

26 (m) Therefore, it is in the best interest of educators, students, and
27 their families to allow voters to invest further in public education by

1 modernizing the state's ability to retain and spend revenue to meet the
2 needs of Colorado communities and to ensure that state investment in
3 K-12 public education is increased by two percent for at least ten years
4 through the funding of a positive factor.

5 **SECTION 2.** In Colorado Revised Statutes, **add** 22-54-103.7 as
6 follows:

7 **22-54-103.7. Positive factor funding - 2027-28 through 2036-37**
8 **budget years - definitions - repeal.**

9 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
10 REQUIRES:

11 (a) "NEW FORMULA DISTRICT TOTAL PROGRAM CALCULATION"
12 MEANS A DISTRICT'S TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR
13 AS CALCULATED PURSUANT TO THE DISTRICT TOTAL PROGRAM FORMULA
14 IN SECTION 22-54-103.5. THE TERM DOES NOT INCLUDE ANY ADJUSTMENTS
15 REQUIRED PURSUANT TO SECTION 22-54-103.3 WHEN DETERMINING A
16 DISTRICT'S TOTAL PROGRAM FOR THE 2027-28 BUDGET YEAR THROUGH
17 THE 2030-31 BUDGET YEAR.

18 (b) "NEW FORMULA STATEWIDE TOTAL PROGRAM CALCULATION"
19 MEANS THE DISTRICT TOTAL PROGRAM FOR ALL DISTRICTS FOR THE
20 APPLICABLE BUDGET YEAR AS CALCULATED PURSUANT TO THE DISTRICT
21 TOTAL PROGRAM FORMULA IN SECTION 22-54-103.5. THE TERM DOES NOT
22 INCLUDE ANY ADJUSTMENTS REQUIRED PURSUANT TO SECTION
23 22-54-103.3 WHEN DETERMINING A DISTRICT'S TOTAL PROGRAM FOR THE
24 2027-28 BUDGET YEAR THROUGH THE 2030-31 BUDGET YEAR.

25 (c) "TWO PERCENT K-12 PUBLIC EDUCATION INCREASE" MEANS AN
26 AMOUNT EQUAL TO THE LESSER OF TWO PERCENT OF STATEWIDE TOTAL
27 PROGRAM FUNDING FOR THE 2026-27 BUDGET YEAR CALCULATED

1 PURSUANT TO THIS ARTICLE 54 OR THE AMOUNT THAT THE STATE IS
2 AUTHORIZED TO RETAIN AND SPEND PURSUANT TO VOTER APPROVAL OF
3 THE BALLOT MEASURE INCLUDED IN SECTION 24-77-302 FOR THE BUDGET
4 YEAR MINUS AN AMOUNT EQUAL TO THE TOTAL DOLLAR AMOUNTS OF
5 WARRANTS ISSUED BY THE STATE TREASURER PURSUANT TO SECTION
6 39-3-207 (4) IN THE SAME FISCAL YEAR.

7 (2) A DISTRICT'S POSITIVE FACTOR FUNDING IS EQUAL TO:
8 (NEW FORMULA DISTRICT TOTAL PROGRAM CALCULATION / NEW
9 FORMULA STATEWIDE TOTAL PROGRAM CALCULATION) X TWO PERCENT
10 K-12 PUBLIC EDUCATION INCREASE.

11 (3) FOR THE 2027-28 BUDGET YEAR THROUGH THE 2036-37
12 BUDGET YEAR, THE DEPARTMENT OF EDUCATION SHALL ANNUALLY
13 CALCULATE EACH DISTRICT'S NEW FORMULA DISTRICT TOTAL PROGRAM
14 CALCULATION AND THE NEW FORMULA STATEWIDE TOTAL PROGRAM
15 CALCULATION.

16 (4) FOR THE 2027-28 BUDGET YEAR THROUGH THE 2036-37
17 BUDGET YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
18 LEGISLATIVE COUNCIL SHALL ANNUALLY DETERMINE EACH DISTRICT'S
19 SCHOOL POSITIVE FACTOR FUNDING BASED ON BUDGET PROJECTIONS;
20 EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
21 LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE
22 PROJECTIONS WITH ACTUAL FIGURES TO DETERMINE ANY NECESSARY
23 CHANGES IN THE AMOUNT TO MAINTAIN POSITIVE FACTOR FUNDING FOR
24 THE APPLICABLE BUDGET YEAR.

25 (5) A DISTRICT'S SCHOOL POSITIVE FACTOR FUNDING IS IN
26 ADDITION TO, BUT IS NOT INCLUDED IN, THE DISTRICT'S TOTAL PROGRAM
27 DETERMINED PURSUANT TO THIS ARTICLE 54. THE POSITIVE FACTOR MUST

1 BE DISTRIBUTED TO LOCAL EDUCATION PROVIDERS, AS DEFINED PURSUANT
2 TO SECTION 22-54-202, IN THE SAME FORM AND MANNER AS THE
3 PAYMENTS FOR TOTAL PROGRAM ARE DISTRIBUTED TO ALL PUBLIC
4 SCHOOLS UNDER COLORADO LAW. == ==

5 (6) A DISTRICT'S POSITIVE FACTOR FUNDING IS AVAILABLE TO A
6 DISTRICT TO FUND:

7 (a) INCREASING TEACHER PAY;

8 (b) IMPROVING TEACHER RETENTION;

9 (c) LOWERING CLASS SIZES; AND

10 (d) INCREASING ACCESS TO CAREER AND TECHNICAL COURSES.

11 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2039.

12 **SECTION 3.** In Colorado Revised Statutes, **add** part 3 to article
13 77 of title 24 as follows:

14 PART 3

15 SUBMISSION OF BALLOT ISSUE

16 VOTER-APPROVED REVENUE CHANGE

17 **24-77-301. Definitions.**

18 AS USED IN THIS PART 3, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (1) "DISTRICT" HAS THE MEANING SET FORTH IN SECTION
21 22-54-103 (5).

22 (2) "EXCESS STATE REVENUES ACCOUNT" OR "ACCOUNT" MEANS
23 THE EXCESS STATE REVENUES ACCOUNT CREATED IN SECTION 24-77-302
24 (2).

25 (3) "POSITIVE FACTOR FUNDING" MEANS THE AMOUNT
26 DETERMINED PURSUANT TO SECTION 22-54-103.7 (2).

27 (4) "STATE PUBLIC EDUCATION FUNDING" MEANS THE AMOUNT

1 DETERMINED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO SECTION
2 24-77-303 (1).

3 (5) "STATE REVENUES" MEANS STATE FISCAL YEAR SPENDING, AS
4 DEFINED IN SECTION 24-77-102 (17).

5 **24-77-302. Retention of excess state revenues - excess state**
6 **revenues account - definitions.**

7 (1) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
8 2027, THE STATE MAY RETAIN AND SPEND STATE REVENUES THAT THE
9 STATE OTHERWISE WOULD HAVE BEEN REQUIRED TO REFUND UNDER
10 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION IN AN
11 AMOUNT EQUAL TO THE STATE PUBLIC EDUCATION FUNDING FOR THE
12 STATE FISCAL YEAR.

13 (2) (a) THERE IS HEREBY CREATED IN THE GENERAL FUND THE
14 EXCESS STATE REVENUES ACCOUNT, WHICH CONSISTS OF AN AMOUNT OF
15 MONEY EQUAL TO THE AMOUNT THAT THE STATE RETAINS FOR A GIVEN
16 FISCAL YEAR PURSUANT TO SUBSECTION (1) OF THIS SECTION MINUS AN
17 AMOUNT EQUAL TO THE TOTAL DOLLAR AMOUNTS OF WARRANTS ISSUED
18 BY THE STATE TREASURER PURSUANT TO SECTION 39-3-207 (4) IN THE
19 SAME FISCAL YEAR, EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS
20 SECTION.

21 (b) FOR EACH STATE FISCAL YEAR BEGINNING ON OR AFTER JULY
22 1, 2027, AND BEFORE JULY 1, 2037, THE GENERAL ASSEMBLY SHALL
23 TRANSFER OR APPROPRIATE FROM THE ACCOUNT TO THE DEPARTMENT OF
24 EDUCATION AN AMOUNT NECESSARY FOR THE DEPARTMENT OF EDUCATION
25 TO PAY EACH DISTRICT AN AMOUNT THAT IS EQUAL TO AT LEAST EACH
26 DISTRICT'S SCHOOL POSITIVE FACTOR FUNDING, AND THE DEPARTMENT OF
27 EDUCATION SHALL MAKE THESE PAYMENTS IN ACCORDANCE WITH SECTION

1 22-54-103.7 (5).

2 (c) AFTER MAKING THE APPROPRIATIONS OR TRANSFERS REQUIRED
3 BY SUBSECTION (2)(b) OF THIS SECTION FOR A STATE FISCAL YEAR, THE
4 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER MONEY IN THE
5 ACCOUNT FOR ANY OTHER PURPOSE FOR THAT SAME FISCAL YEAR.

6 (3) (a) IF THE APPROVED EXCESS STATE REVENUES ARE DIFFERENT
7 FROM THE AMOUNT THAT, BASED ON ESTIMATES, THE GENERAL ASSEMBLY
8 APPROPRIATED OR TRANSFERRED FROM THE ACCOUNT FOR A STATE FISCAL
9 YEAR, THEN EACH APPROPRIATION OR TRANSFER FROM THE ACCOUNT IS
10 PROPORTIONALLY ADJUSTED SO THAT THE TOTAL APPROPRIATIONS OR
11 TRANSFERS FROM THE ACCOUNT ARE EQUAL TO THE APPROVED EXCESS
12 STATE REVENUES FOR THE STATE FISCAL YEAR.

13 (b) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
14 OTHERWISE REQUIRES, "APPROVED EXCESS STATE REVENUES" MEANS THE
15 STATE REVENUES THAT THE STATE IS AUTHORIZED TO RETAIN AND SPEND
16 FOR A STATE FISCAL YEAR IN ACCORDANCE WITH THE APPROVAL OF THE
17 BALLOT MEASURE, INCLUDING THIS SECTION, BY A MAJORITY OF THE
18 ELECTORS VOTING ON THE BALLOT ISSUE AT THE NOVEMBER 2026
19 STATEWIDE ELECTION, AS REPORTED BY THE STATE CONTROLLER IN THE
20 ANNUAL FINANCIAL REPORT REQUIRED BY SECTION 24-77-106.5 (1)(b),
21 OR, IF THE AMOUNT CHANGES IN THE FINAL ACCOUNTING FOR THE STATE
22 FISCAL YEAR, IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
23 STATE FOR THE STATE FISCAL YEAR MINUS AN AMOUNT EQUAL TO THE
24 TOTAL DOLLAR AMOUNTS OF WARRANTS ISSUED BY THE STATE TREASURER
25 PURSUANT TO SECTION 39-3-207 (4) IN THE SAME FISCAL YEAR.

26 (4) THE APPROVAL OF THE BALLOT MEASURE INCLUDING THIS
27 SECTION BY A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE

1 CONSTITUTES A VOTER-APPROVED REVENUE CHANGE TO ALLOW THE
2 RETENTION AND EXPENDITURE OF THE ADDITIONAL STATE REVENUES THAT
3 THE STATE IS AUTHORIZED TO RETAIN AND SPEND PURSUANT TO
4 SUBSECTION (1) OF THIS SECTION.

5 (5) THIS SECTION DOES NOT AFFECT THE AMOUNT THAT THE STATE
6 IS PERMITTED TO RETAIN AND SPEND UNDER THE EXCESS STATE REVENUES
7 CAP.

8 **24-77-303. Determination of state public education funding.**

9 (1) ON OR AFTER JULY 1, 2027, BUT BEFORE AUGUST 1, 2027, AND
10 ON OR AFTER EACH JULY 1 AND BEFORE EACH AUGUST 1 THEREAFTER,
11 LEGISLATIVE COUNCIL STAFF SHALL DETERMINE AND REPORT TO THE
12 STATE CONTROLLER, THE OFFICE OF STATE PLANNING AND BUDGETING,
13 AND THE JOINT BUDGET COMMITTEE, THE TOTAL AMOUNT THAT IS
14 COUNTED AS STATE FISCAL YEAR SPENDING AND APPROPRIATED BY THE
15 GENERAL ASSEMBLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL
16 YEAR FOR CATEGORICAL PROGRAMS AND THE STATE SHARE OF TOTAL
17 PROGRAM. THE AMOUNT DETERMINED AND REPORTED BY LEGISLATIVE
18 COUNCIL STAFF PURSUANT TO THIS SUBSECTION (1) FOR THE IMMEDIATELY
19 PRECEDING STATE FISCAL YEAR IS THE STATE PUBLIC EDUCATION FUNDING
20 FOR THAT STATE FISCAL YEAR.

21 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "CATEGORICAL PROGRAMS" HAS THE SAME MEANING AS SET
24 FORTH IN SECTION 22-55-102 (4).

25 (b) "STATE SHARE OF TOTAL PROGRAM" MEANS AN AMOUNT
26 EQUAL TO THE TOTAL OF THE STATE'S SHARE OF EACH SCHOOL DISTRICT'S
27 TOTAL PROGRAM, AS DEFINED IN SECTION 22-55-102 (18).

1 **24-77-304. Excess state revenues expenditure independent**
2 **audit.**

3 (1) FOR EACH STATE FISCAL YEAR THAT THE STATE RETAINS
4 AND SPENDS STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE
5 FISCAL YEAR SPENDING PURSUANT TO THIS PART 3, THE STATE AUDITOR
6 SHALL REPORT ON EXCESS STATE REVENUES INCLUDING THE FOLLOWING
7 INFORMATION:

8 (a) THE AMOUNT OF STATE REVENUES THAT THE STATE RETAINED
9 AND SPENT IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR
10 SPENDING PURSUANT TO THIS PART 3; AND

11 (b) A DESCRIPTION OF HOW THE STATE EXPENDED FROM THE
12 ACCOUNT THE STATE REVENUES THAT THE STATE RETAINED AND SPENT IN
13 EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING PURSUANT
14 TO THIS PART 3.

15 (2) THE STATE AUDITOR SHALL COMPLETE THE REPORTING
16 REQUIRED BY SUBSECTION (1)(a) OF THIS SECTION AT THE SAME TIME THAT
17 THE STATE AUDITOR COMPLETES THE REPORT REQUIRED PURSUANT TO
18 SECTION 2-3-103 (2) FOLLOWING A FISCAL YEAR IN WHICH THE STATE
19 RETAINS AND SPENDS STATE REVENUES IN EXCESS OF THE LIMITATION ON
20 STATE FISCAL YEAR SPENDING PURSUANT TO THIS PART 3 AND MAY AMEND
21 THE REPORT THEREAFTER AS NECESSARY.

22
23 **SECTION 4.** In Colorado Revised Statutes, 24-77-106.5, **amend**
24 (1)(b) as follows:

25 **24-77-106.5. Annual financial report - certification of excess**
26 **state revenues.**

27 (1) (b) Notwithstanding section 24-1-136 (11)(a)(I), based upon

1 the financial report prepared in accordance with subsection (1)(a) of this
2 section for any given fiscal year, the controller shall certify to the
3 governor, the general assembly, and the executive director of the
4 department of revenue no later than September 1 following the end of a
5 fiscal year the amount of state revenues in excess of the limitation on
6 state fiscal year spending imposed by section 20 (7)(a) of article X of the
7 state constitution, if any, for such fiscal year and the state revenues in
8 excess of such limitation that the state is authorized to retain and spend
9 pursuant to voter approval of section 24-77-103.6 AND PART 3 OF THIS
10 ARTICLE 77.

11 **SECTION 5.** In Colorado Revised Statutes, 29-32-104, **amend**
12 (5) as follows:

13 **29-32-104. Permissible expenditures - affordable housing**
14 **programs - report - definitions.**

15 (5) If the Legislative Council Staff's March Economic and
16 Revenue Forecast in any given year projects revenue for the next state
17 fiscal year will fall below the revenue limit imposed under section 20 of
18 article X of the state constitution BY AN AMOUNT GREATER THAN THE
19 AMOUNT OF STATE PUBLIC EDUCATION FUNDING AS DEFINED IN SECTION
20 24-77-301 (4), the general assembly may reduce the funding allocated to
21 the office required by this section for the next state fiscal year in order to
22 balance the state budget for said state fiscal year.

23 **SECTION 6.** In Colorado Revised Statutes, 39-22-123.5, **amend**
24 (3.5)(a)(VIII) as follows:

25 **39-22-123.5. Earned income tax credit - legislative declaration**
26 **- repeal.**

27 (3.5) (a) As used in this subsection (3.5), unless the context

1 otherwise requires:

2 (VIII) "Nonexempt revenue" means, for the applicable state fiscal
3 year, the revenues that are identified as nonexempt revenues in the annual
4 comprehensive financial report published by the office of the state
5 controller; EXCEPT THAT, FOR STATE FISCAL YEARS COMMENCING ON OR
6 AFTER JULY 1, 2027, NONEXEMPT REVENUE INCLUDES STATE PUBLIC
7 EDUCATION FUNDING AS DEFINED IN SECTION 24-77-301 (4).

8 **SECTION 7.** In Colorado Revised Statutes, 39-22-130, **amend**
9 (2)(b)(II)(G) as follows:

10 **39-22-130. Family affordability tax credit - tax preference**
11 **performance statement - legislative declaration - definitions - repeal.**

12 (2) As used in this section, unless the context otherwise requires:

13 (b) (II) As used in this subsection (2)(b):

14 (G) "Nonexempt revenue" means, for the applicable state fiscal
15 year, the revenue that is identified as nonexempt TABOR revenues in the
16 annual comprehensive financial report published by the office of the state
17 controller; EXCEPT THAT, FOR STATE FISCAL YEARS COMMENCING ON OR
18 AFTER JULY 1, 2027, NONEXEMPT REVENUE INCLUDES STATE PUBLIC
19 EDUCATION FUNDING AS DEFINED IN SECTION 24-77-301 (4).

20 **SECTION 8. Refer to people under referendum.** At the
21 election held on November 3, 2026, the secretary of state shall submit this
22 act by its ballot title to the registered electors of the state for their
23 approval or rejection. Each elector voting at the election may cast a vote
24 either "Yes/For" or "No/Against" on the following ballot title: "Shall state
25 investment in K-12 public education increase two percent each year for
26 the next ten years, with investments used to increase teacher pay, improve
27 teacher retention, lower class sizes, and increase access to career and

1 technical courses, without raising taxes but instead funded by raising the
2 annual limit on state fiscal year spending only by the amount the state
3 spends on public K-12 education as a voter-approved revenue change,
4 and requiring an annual publicly released, independent audit to show how
5 the new investments are spent?" Except as otherwise provided in section
6 1-40-123, Colorado Revised Statutes, if a majority of the electors voting
7 on the ballot title vote "Yes/For", then the act will become part of the
8 Colorado Revised Statutes.