

**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. 26-0004.02 Jacob Baus x2173

SENATE BILL 26-023

SENATE SPONSORSHIP

Kolker and Kirkmeyer,

HOUSE SPONSORSHIP

Hamrick,

Senate Committees

Education
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF PUBLIC SCHOOLS.**

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:

- Increases the statewide base per pupil funding for the 2026-27 budget year by \$217.30 to account for inflation;
- Sets a new statewide base per pupil funding amount for the 2026-27 budget year at \$8,909.10; and
- Sets the total program funding for the 2026-27 budget year at \$10,209,589,888.

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.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-54-103.5, **add**
3 (3)(b) and (14)(b) as follows:

4 **22-54-103.5. District total program - rules - legislative**
5 **declaration - repeal.**

6 (3) **Statewide base per pupil funding.**

7 (b) (I) FOR THE 2026-27 BUDGET YEAR, THE STATEWIDE BASE PER
8 PUPIL FUNDING IS EIGHT THOUSAND NINE HUNDRED DOLLARS AND FORTY
9 CENTS (\$8,900.40), WHICH IS AN AMOUNT EQUAL TO EIGHT THOUSAND SIX
10 HUNDRED NINETY-ONE DOLLARS AND EIGHTY CENTS (\$8,691.80),
11 SUPPLEMENTED BY TWO HUNDRED EIGHT DOLLARS AND SIXTY CENTS
12 (\$208.60) TO ACCOUNT FOR INFLATION.

13 (II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JULY 1, 2032.

14 (14) **Total program funding.**

15 (b) (I) FOR THE 2026-27 BUDGET YEAR, THE DEPARTMENT OF
16 EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL
17 DETERMINE, BASED ON BUDGET PROJECTIONS, THE AMOUNT TO ENSURE
18 THAT FOR THE 2026-27 BUDGET YEAR, THE SUM OF TOTAL PROGRAM
19 FUNDING FOR ALL DISTRICTS, INCLUDING FUNDING FOR INSTITUTE
20 CHARTER SCHOOLS, IS AT LEAST TEN BILLION ONE HUNDRED EIGHTY-NINE
21 MILLION NINE HUNDRED EIGHTEEN THOUSAND SIX HUNDRED FORTY-TWO
22 DOLLARS (\$10,189,918,642); EXCEPT THAT THE DEPARTMENT OF
23 EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE
24 MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES,
25 INCLUDING ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND
26 SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR TO DETERMINE

1 ANY NECESSARY CHANGES IN THE AMOUNT TO MAINTAIN TOTAL PROGRAM
2 FUNDING FOR THE APPLICABLE BUDGET YEAR.

3 (II) THIS SUBSECTION (14)(b) IS REPEALED, EFFECTIVE JULY 1,
4 2032.

5 **SECTION 2.** In Colorado Revised Statutes, 22-13-103, **amend**
6 **(1)(c) introductory portion; and add (1)(c.5) as follows:**

7 **22-13-103. School transformation grant program - created -**
8 **rules - repeal.**

9 (1) There is created in the department the school transformation
10 grant program to provide funding to:

11 (c) FOR GRANTS ISSUED ON OR BEFORE JUNE 30, 2026, assist
12 school districts, the institute, and charter schools that are implementing
13 priority improvement or turnaround plans in planning for and
14 implementing one or more of the following rigorous school redesign
15 strategies:

16 (c.5) FOR GRANTS ISSUED ON OR AFTER JULY 1, 2026, ASSIST
17 SCHOOL DISTRICTS, THE INSTITUTE, AND CHARTER SCHOOLS THAT ARE
18 IMPLEMENTING PRIORITY IMPROVEMENT OR TURNAROUND PLANS IN
19 PLANNING FOR AND IMPLEMENTING ONE OR MORE OF THE RIGOROUS
20 REDESIGN STRATEGIES DESCRIBED IN SECTION 22-11-209 (2)(a) OR
21 SECTION 22-11-210 (5)(a);

22 **SECTION 3.** In Colorado Revised Statutes, 22-13-105, **amend**
23 **(1) introductory portion and (6)(b); and add (1.5) as follows:**

24 **22-13-105. School transformation grants - application -**
25 **awards - report.**

26 (1) FOR GRANTS ISSUED ON OR BEFORE JUNE 30, 2026, the state
27 board, subject to available appropriations, shall award school

1 transformation grants to one or more school districts or charter schools or
2 to the institute to use in:

3 (1.5) FOR GRANTS ISSUED ON OR AFTER JULY 1, 2026, THE STATE
4 BOARD, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL AWARD SCHOOL
5 TRANSFORMATION GRANTS TO ONE OR MORE SCHOOL DISTRICTS OR
6 CHARTER SCHOOLS OR TO THE INSTITUTE TO USE FOR THE PURPOSES
7 DESCRIBED IN SECTION 22-13-103 (1).

8 (6) (b) Of the money annually appropriated for school
9 transformation grants, the department may expend an amount that is
10 necessary to enter into one or more contracts with a public or private
11 entity to provide the uses described in subsection (1) OR (1.5) of this
12 section to multiple school districts or charter schools that are eligible for
13 a school transformation grant. The entity shall use research-based
14 strategies and have a proven record of success working with schools
15 under similar circumstances.

16 SECTION 4. In Colorado Revised Statutes, 22-44-105, amend
17 (6)(d)(II) as follows:

18 **22-44-105. Budget - contents - mandatory- repeal.**

19 (6) (d) (II) This subsection (6) is SUBSECTIONS (6)(a), (6)(b), AND
20 (6)(d) OF THIS SECTION ARE repealed, effective July 1, 2026.

21 SECTION 5. In Colorado Revised Statutes, 22-54-103.3, amend
22 (3)(b) as follows:

23 **22-54-103.3. District total program - 2025-26 through 2030-31**
24 **budget years - definitions - repeal.**

25 (3) (b) (I) For the 2026-27 budget year, a district's total program
26 is the greater of the district's total program determination for the 2024-25
27 budget year or the amount calculated pursuant to section 22-54-104 plus

1 an amount equal to thirty percent of the difference between the district's
2 total program calculation pursuant to section 22-54-103.5 and the
3 district's total program calculation pursuant to section 22-54-104.

4 (II) WHEN DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT
5 TO SUBSECTION (3)(b)(I) OF THIS SECTION, IF THE DISTRICT'S TOTAL
6 PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 IS LESS THAN
7 THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
8 22-54-104, THEN NOTWITHSTANDING SUBSECTION (3)(b)(I) OF THIS
9 SECTION, THE DISTRICT'S TOTAL PROGRAM IS THE GREATER OF THE
10 DISTRICT'S TOTAL PROGRAM DETERMINATION FOR THE 2024-25 BUDGET
11 YEAR OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104.

12 **SECTION 6.** In Colorado Revised Statutes, 22-54-117, amend
13 (1)(a) introductory portion and (1)(a)(IX) as follows:

14 **22-54-117. Contingency reserve - fund - repeal.**

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

26 (IX) (A) For the 2021-22, 2022-23, and 2023-24 budget years
27 Unusual financial burden caused by the withholding of local property

1 taxes pursuant to section 29-1-606 (5) for a rural or small rural school
2 district, as defined in section 22-7-1211 (4), because of a delay in filing
3 the audit report due to extraordinary problems that could not have been
4 reasonably foreseen or prevented by the rural or small rural school
5 district.

6 (B) This subsection (1)(a)(IX) is repealed, effective July 1, 2026.

7 SECTION 7. In Colorado Revised Statutes, 22-54-205, amend
8 (2)(a), (2)(b)(I), (2)(c)(I), (2)(c)(II), (4)(c), and (4)(d); as follows:

9 **22-54-205. Sustain funding - rules - repeal.**

10 (2) (a) A local education provider is eligible to receive
11 reimbursement SUSTAIN FUNDING for students who, in the preceding
12 budget year, successfully satisfied postsecondary credit, received an
13 industry-recognized credential, or satisfied work-based learning
14 requirements as specified by state board rule. A local education provider
15 is eligible to receive multiple reimbursements SUSTAIN FUNDING
16 DISTRIBUTIONS for one student. A local education provider is eligible for
17 reimbursement TO RECEIVE SUSTAIN FUNDING for students who are
18 enrolled in a p-tech school or participating in a TREP program.

19 (b) (I) For the 2026-27 budget year, the department shall divide
20 the total amount of sustain funding for reimbursement DISTRIBUTION into
21 the following categories:

22 (A) Twenty percent of the total amount of sustain funding for
23 reimbursement DISTRIBUTION for postsecondary credit attainment;

24 (B) Forty percent of the total amount of sustain funding for
25 reimbursement DISTRIBUTION for industry-recognized credentials earned;

26 (C) ~~Thirty-five~~ THIRTY-SEVEN percent of the total amount of
27 sustain funding for reimbursement DISTRIBUTION for work-based

1 learning; and

2 (D) Five THREE percent of the total amount of sustain funding to
3 offset the direct and indirect costs incurred in administering the sustain
4 funding.

5 (c) (I) For the 2027-28 budget year, and each budget year
6 thereafter, the state board shall determine the percentages of the total
7 amount of sustain funding for reimbursement DISTRIBUTION assigned to
8 the postsecondary credit attainment, industry-recognized credentials, and
9 work-based learning categories; except that the five THREE percent of the
10 total amount of sustain funding to offset the direct and indirect costs
11 incurred in administering the sustain funding must not be changed. The
12 percentages for each category are determined by state board rule.

13 (II) In determining the percentages of the total amount of sustain
14 funding for reimbursement DISTRIBUTION assigned to each category
15 pursuant to subsection (2)(c)(I) of this section, the state board shall
16 consider the availability of postsecondary and workforce readiness
17 opportunities offered by local education providers, student participation,
18 and evidence of student outcomes.

19 (4) The state board shall adopt rules governing:

20 (c) Reimbursement eligibility and rates, including limits on a local
21 education provider's annual total reimbursement and annual
22 reimbursement from one or multiple categories, based on
23 local-education-provider-specific features or other features; SUSTAIN
24 FUNDING ELIGIBILITY REQUIREMENTS, INCLUDING LIMITS ON THE TOTAL
25 AMOUNT OF SUSTAIN FUNDING RECEIVED BY A LOCAL EDUCATION
26 PROVIDER FROM ONE OR MULTIPLE CATEGORIES BASED ON THE LOCAL
27 EDUCATION PROVIDER'S FEATURES.

1 (d) Requirements of a local education provider that receives
2 SUSTAIN funding pursuant to this section; and

3 **SECTION 8.** In Colorado Revised Statutes, 24-51-1101, amend
4 (1.9)(a)(I), (1.9)(a)(II)(B), (1.9)(a)(II)(C), and (1.9)(h) as follows:

5 **24-51-1101. Employment after service retirement - report -**
6 **definitions - repeal.**

7 (1.9) (a) (I) Subject to subsection (1.9)(h) of this section, a service
8 retiree who is a superintendent, AN ASSISTANT SUPERINTENDENT, a
9 principal, A VICE PRINCIPAL OR ASSISTANT PRINCIPAL, a teacher, a school
10 bus driver, a school food services cook, a school nurse, or a
11 paraprofessional, as defined in section 22-60.3-201, and is hired pursuant
12 to subsection (1.9)(b) of this section by an employer in the school division
13 of the association that satisfies the criteria specified in subsection
14 (1.9)(a)(II) of this section may receive salary without reduction in benefits
15 for any length of employment in a calendar year if the service retiree has
16 not worked for an employer, as defined in section 24-51-101 (20), during
17 the month of the effective date of retirement. A service retiree described
18 in this subsection (1.9)(a) who works for an employer, as defined in
19 section 24-51-101 (20), during the month of the effective date of
20 retirement is subject to a reduction in benefits as provided in section
21 24-51-1102 (2).

22 (II) The provisions of this subsection (1.9) apply only if:

23 (B) The school district, board of cooperative services, or charter
24 school hires the service retiree for the purpose of providing classroom
25 instruction or school bus transportation to students enrolled by the district,
26 enrolled by one or more of the districts served by the board of cooperative
27 services, or enrolled by the charter school, or for the purpose of being a

1 superintendent, AN ASSISTANT SUPERINTENDENT, a principal, A VICE
2 PRINCIPAL OR ASSISTANT PRINCIPAL, a school food services cook, a school
3 nurse, or a paraprofessional, as defined in section 22-60.3-201; and

4 (C) The school district, board of cooperative services, or charter
5 school determines that there is a critical shortage of qualified
6 superintendents, ASSISTANT SUPERINTENDENTS, principals, VICE
7 PRINCIPALS OR ASSISTANT PRINCIPALS, teachers, school bus drivers,
8 school food services cooks, school nurses, or paraprofessionals, as
9 defined in section 22-60.3-201, as applicable, and that the service retiree
10 has specific experience, skills, or qualifications that would benefit the
11 district, board of cooperative services, or charter school.

12 (h) A teacher, school bus driver, school food services cook, school
13 nurse, superintendent, ASSISTANT SUPERINTENDENT, principal, VICE
14 PRINCIPAL OR ASSISTANT PRINCIPAL, or qualified paraprofessional who
15 retires before ~~he or she has~~ THEY HAVE met the age and service credit
16 requirements for full service retirement benefits pursuant to section
17 24-51-602 shall not be employed after retirement pursuant to this
18 subsection (1.9) by the employer in the school division that was the
19 teacher's, school bus driver's, school food services cook's, school nurse's,
20 superintendent's, ASSISTANT SUPERINTENDENT'S, principal's, VICE
21 PRINCIPAL'S OR ASSISTANT PRINCIPAL'S, or qualified paraprofessional's last
22 employer until two years after the teacher's, school bus driver's, school
23 food services cook's, school nurse's, superintendent's, ASSISTANT
24 SUPERINTENDENT'S, principal's, VICE PRINCIPAL'S OR ASSISTANT
25 PRINCIPAL'S, or qualified paraprofessional's date of retirement.

26 **SECTION 9. Safety clause.** The general assembly finds,
27 determines, and declares that this act is necessary for the immediate

1 preservation of the public peace, health, or safety or for appropriations for
2 the support and maintenance of the departments of the state and state
3 institutions.