

CHAPTER 236

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 25-1320

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 also SENATOR(S) Lundeen and Bridges, Coleman, Amabile, Ball, Bright, Carson, Catlin, Cutter, Daugherty, Exum, Frizzell, Jodeh, Kipp, Kirkmeyer, Kolker, Liston, Marchman, Michaelson Jenet, Mullica, Pelton R., Rich, Roberts, Rodriguez, Simpson, Snyder, Wallace, Weissman, Winter F.

AN ACT

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

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

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

(a) The state of Colorado is committed to ensuring that every child, regardless of their socioeconomic background, geographic location, or individual needs has access to a high-quality public education. In order to achieve this, the state must distribute state and local funding through a school finance system that is student-centered, equitable, and sustainable.

(b) The general assembly reaffirms its commitment to upholding the Colorado Constitution's mandate for a thorough and uniform system of public education and to providing every child with the opportunity to receive an adequate education. Furthermore, the general assembly acknowledges the importance of continuing the increases in funding for public education mandated by section 17 of article IX of the Colorado Constitution, which ensures year-over-year adjustments to account for inflationary pressures. If the general assembly is unable to fulfill this obligation mandated by section 17 of article IX of the Colorado Constitution, then a group will be formed to address the issue of how to accurately track a potential shortfall to

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

public education funding in the future. This commitment is fundamental to the long-term prosperity and well-being of Colorado's future workforce and economy.

(c) The new school finance formula, established by the general assembly to begin in the 2025-26 school year, is designed to prioritize students and equity by directing resources where they are most needed, particularly toward students who face greater challenges in their academic success, including those living in poverty, learning English, and who have special needs. The formula recognizes the diverse needs of Colorado students, including those who live in small, rural, and remote school districts, who may require additional resources to overcome geographic, economic, and logistical barriers to providing a world-class public education.

(2) Therefore, it is the intent of the general assembly that this new school finance formula is implemented in a manner that is responsive to the needs of all students and school districts in Colorado while maintaining the long-term financial health of the state education fund and ensuring continued funding stability for future generations of students.

SECTION 2. In Colorado Revised Statutes, **add** 22-30.5-112.4 as follows:

22-30.5-112.4. Charter school alignment with total program formula. To ENSURE THE GENERAL ASSEMBLY'S CONTINUED COMMITMENT TO IMPLEMENTING THE NEW SCHOOL FINANCE FORMULA, THE GENERAL ASSEMBLY SHALL CONSULT A STATEWIDE ASSOCIATION THAT REPRESENTS SCHOOL DISTRICTS AND A STATEWIDE ASSOCIATION THAT REPRESENTS CHARTER SCHOOLS REGARDING THE ALIGNMENT OF CHARTER SCHOOLS INTO THE IMPLEMENTATION OF THE NEW SCHOOL FINANCE FORMULA. THE CONSULTATION MUST INCLUDE AND CONSIDER THE OPINIONS OF DISTRICT CHARTER SCHOOLS, INSTITUTE CHARTER SCHOOLS, AND SUPERINTENDENTS AND CHIEF FINANCIAL OFFICERS OF SMALL RURAL SCHOOL DISTRICTS, RURAL SCHOOL DISTRICTS, AND SUBURBAN SCHOOL DISTRICTS.

SECTION 3. In Colorado Revised Statutes, 22-30.5-112, **amend** (2)(a)(III)(A), (2)(a.5)(II), (2)(a.8)(I), (2)(a.9), (2)(c)(II), (2)(e)(II)(B), (3)(a)(II), and (3)(a)(III) as follows:

22-30.5-112. Charter schools - financing - guidelines - definitions.
 (2) (a) (III) (A) For ~~budget year 2000-01 and budget years thereafter~~ THE 2000-01 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, except as otherwise provided in ~~paragraph (a.3) of this subsection~~ (2) SUBSECTION (2)(a.3) OF THIS SECTION, each charter school and the chartering school district shall negotiate funding under the contract. The charter school ~~shall~~ MUST receive one hundred percent of the district per pupil revenues for each pupil enrolled in the charter school who is not an online pupil and one hundred percent of the district per pupil online funding for each online pupil enrolled in the charter school; except that the chartering school district may choose to retain the actual amount of the charter school's per pupil share of the central administrative overhead costs for services actually provided to the charter school, up to five percent of the district per pupil revenues for each pupil who is not an online pupil enrolled in the charter school, and up to five percent of the district per pupil online funding for each online pupil enrolled in the charter school.

(a.5) As used in this subsection (2):

(II) "District per pupil revenues" means the district's total program as defined in section 22-54-103 (6) for any budget year divided by the district's funded pupil count as determined by ~~article 54 of this title 22~~ SECTION 22-54-104 for the applicable budget year.

(a.8) (I) For the 2000-01 budget year ~~and budget years thereafter~~ THROUGH THE 2025-26 BUDGET YEAR, the school district shall provide federally required educational services to students enrolled in charter schools on the same basis as ~~such~~ THE services are provided to students enrolled in other public schools of the school district. Each charter school shall pay an amount equal to the per pupil cost incurred by the school district in providing federally required educational services, multiplied by the number of students enrolled in the charter school. At either party's request, however, the charter school and the school district may negotiate and include in the charter contract alternate arrangements for the provision of and payment for federally required educational services.

(a.9) For ~~budget year 2002-03 and budget years thereafter~~ THE 2002-03 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, and in accordance with section 22-30.5-406, the funding provided by a chartering school district to a charter school pursuant to this subsection (2) ~~shall be~~ IS reduced by the amount of any direct payments of principal and interest due on bonds issued on behalf of a charter school by a governmental entity other than a school district for the purpose of financing charter school capital construction that were made by the state treasurer or the chartering school district on behalf of the charter school.

(c) (II) For ~~budget year 2000-01 and budget years thereafter~~ THE 2000-01 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, the amount of funding received by a charter school pursuant to this subsection (2) shall not be less than one hundred percent of the chartering school district's district per pupil revenues, minus up to five percent as provided in ~~subparagraph (III) of paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a)(III) OF THIS SECTION multiplied by the number of pupils enrolled in the charter school or as otherwise provided in ~~paragraph (a.3) of this subsection (2)~~ SUBSECTION (2)(a.3) OF THIS SECTION for any charter school chartered by a school district that enrolls five hundred or fewer students.

(e) (II) (B) Notwithstanding the provisions of subsection (2)(e)(II)(A) of this section, if the general assembly amends the "Public School Finance Act of 2025", article 54 of this title 22, to count a student enrolled in kindergarten only as a half-day pupil, with or without the addition of supplemental kindergarten enrollment as defined in section 22-54-103 (15) for purposes of calculating the funded pupil count as determined by ~~article 54 of this title 22~~ SECTION 22-54-104, a charter school may charge the student's parents tuition or a fee for the portion of the school day for which it does not receive funding for the student pursuant to the "Public School Finance Act of 2025"; except that the amount of tuition or fee charged must not exceed the amount of tuition or fee that the charter school charged to attend a full-day kindergarten educational program for the 2018-19 budget year, adjusted for inflation and prorated by the percentage of the school day for which the student is no longer funded by the "Public School Finance Act of 2025". As used in this subsection (2)(e)(II)(B), "inflation" means the annual percentage change in the United States department of labor bureau of labor statistics consumer price index

for Denver-Aurora-Lakewood for all items paid by all urban consumers, or its applicable successor index.

(3) (a) (II) For ~~budget year 2000-01 and budget years thereafter~~ THE 2000-01 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, if the charter school and the school district have negotiated to allow the charter school to provide federally required educational services pursuant to ~~paragraph (a.8) of subsection (2)~~ SUBSECTION (2)(a.8) of this section, the proportionate share of state and federal resources generated by students receiving ~~such~~ THE federally required educational services or staff serving them ~~shall be~~ IS directed by the school district or administrative unit to the charter school enrolling such students.

(III) (A) For ~~budget year 2000-01 and budget years thereafter~~ THE 2000-01 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, the proportionate share of ~~moneys~~ MONEY generated under federal or state categorical aid programs, other than federally required educational services, ~~shall be~~ IS directed to charter schools serving students eligible for such aid; ~~except that a school district that receives small attendance center aid pursuant to section 22-54-122 for a small attendance center that is a charter school shall forward the entire amount of such aid to the charter school for which it was received~~ FOR DISTRICT SPECIAL EDUCATION PUPIL FUNDING CALCULATED PURSUANT TO SECTION 22-54-103.5 (10).

(B) NOTWITHSTANDING SUBSECTION (3)(a)(III)(A) OF THIS SECTION, A SCHOOL DISTRICT THAT RECEIVES SMALL ATTENDANCE CENTER AID PURSUANT TO SECTION 22-54-122 FOR A SMALL ATTENDANCE CENTER THAT IS A CHARTER SCHOOL SHALL FORWARD THE ENTIRE AMOUNT OF SUCH AID TO THE CHARTER SCHOOL FOR WHICH IT WAS RECEIVED.

SECTION 4. In Colorado Revised Statutes, 22-30.5-112.1, **amend** (1)(g), (1)(j), and (3)(a) as follows:

22-30.5-112.1. Charter schools - exclusive jurisdiction districts - authorized on or after July 1, 2004 - financing - definitions. (1) As used in this section, unless the context otherwise requires:

(g) "District funded pupil count" means the funded pupil count determined pursuant to ~~article 54 of this title 22~~ SECTION 22-54-104.

(j) "District per pupil revenues" means the qualifying school district's total program, as ~~defined in section 22-54-103 (6)~~ CALCULATED PURSUANT TO SECTION 22-54-104, for any budget year divided by the qualifying school district's funded pupil count DETERMINED PURSUANT TO SECTION 22-54-104 for ~~said~~ THE budget year.

(3)(a) For ~~budget year 2004-05 and budget years thereafter~~ THE 2004-05 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, each district charter school and the qualifying school district that approved the charter shall negotiate funding under the charter contract. The district charter school shall receive one hundred percent of the adjusted district per pupil revenues for each pupil enrolled in the district charter school who is not an online pupil and one hundred percent of the district per pupil online funding for each online pupil enrolled in the district charter school; except

that the qualifying school district may choose to retain the sum of the actual amount of the district charter school's per pupil share of the central administrative overhead costs for services actually provided to the district charter school, up to five percent of the adjusted district per pupil revenues for each pupil who is not an online pupil enrolled in the district charter school and up to five percent of the district per pupil online funding for each online pupil enrolled in the district charter school.

SECTION 5. In Colorado Revised Statutes, **add** 22-30.5-112.6 as follows:

22-30.5-112.6. Charter school funding - 2025-26 budget year - repeal.

(1) (a) A DISTRICT'S ONE-YEAR INCREMENTAL FUNDING IS:

FIFTEEN PERCENT X (THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104).

(b) A DISTRICT'S ADJUSTED ONE-YEAR INCREMENTAL PER PUPIL REVENUE IS:

DISTRICT ONE-YEAR INCREMENTAL FUNDING / DISTRICT FUNDED PUPIL COUNT PURSUANT TO SECTION 22-54-103.5.

(c) (I) FOR THE 2025-26 BUDGET YEAR, IN ADDITION TO CHARTER SCHOOL FUNDING PURSUANT TO SECTION 22-30.5-112 OR 22-30.5-112.1, AS APPLICABLE, A DISTRICT CHARTER SCHOOL MUST RECEIVE AN AMOUNT THAT IS EQUAL TO:

DISTRICT'S ADJUSTED ONE-YEAR INCREMENTAL PER PUPIL REVENUE X DISTRICT CHARTER SCHOOL FUNDED PUPIL COUNT PURSUANT TO SECTION 22-54-103.5.

(II) FOR THE 2025-26 BUDGET YEAR, IN ADDITION TO CHARTER SCHOOL FUNDING RECEIVED PURSUANT TO SECTION 22-30.5-513, AN INSTITUTE CHARTER SCHOOL MUST RECEIVE AN AMOUNT THAT IS EQUAL TO:

ACCOUNTING DISTRICT'S ADJUSTED ONE-YEAR INCREMENTAL PER PUPIL REVENUE X INSTITUTE CHARTER SCHOOL FUNDED PUPIL COUNT PURSUANT TO SECTION 22-54-103.5.

(2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 6. In Colorado Revised Statutes, **add** 22-30.5-112.7 as follows:

22-30.5-112.7. Charter school funding - greater than minimum. AN AUTHORIZING DISTRICT OR ACCOUNTING DISTRICT MAY PROVIDE FUNDING THAT IS GREATER THAN THE MINIMUM AMOUNT DETERMINED PURSUANT TO SECTION 22-30.5-112, 22-30.5-112.1, 22-30.5-112.6, OR 22-30.5-513.

SECTION 7. In Colorado Revised Statutes, 22-30.5-112.2, **amend** (2)(a) and (3); and **add** (2)(c) and (5) as follows:

22-30.5-112.2. Charter schools - at-risk supplemental aid - definitions - legislative declaration - repeal. (2) (a) For the 2012-13 budget year ~~and each budget year thereafter~~ THROUGH THE 2024-25 BUDGET YEAR, the general assembly

shall appropriate to the department of education for allocation to school districts the amount calculated for at-risk supplemental aid for those school districts and district charter schools described in ~~paragraph (b) of this subsection (2)~~ SUBSECTION (2)(b) OF THIS SECTION. FOR THE 2025-26 BUDGET YEAR AND THE 2026-27 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE DEPARTMENT OF EDUCATION FOR ALLOCATION TO SCHOOL DISTRICTS THE AMOUNT DETERMINED FOR SUPPLEMENTAL AID FOR THOSE SCHOOL DISTRICTS AND DISTRICT CHARTER SCHOOLS DESCRIBED IN SUBSECTION (2)(c) OF THIS SECTION. The at-risk supplemental aid is additional funding and does not supplant any other funding provided pursuant to this article.

(c) FOR THE 2025-26 BUDGET YEAR, EACH SCHOOL DISTRICT AND DISTRICT CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS THE SAME AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR. FOR THE 2026-27 BUDGET YEAR, EACH SCHOOL DISTRICT AND DISTRICT CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS FIFTY PERCENT OF THE AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR.

(3) If the appropriation to the department of education is insufficient to fund ~~one hundred percent~~ of the at-risk supplemental aid ~~calculated pursuant to paragraph (b) of subsection (2)~~ DETERMINED PURSUANT TO SUBSECTION (2) of this section, the department of education shall reduce each school district's and each district charter school's at-risk supplemental aid proportionately.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028.

SECTION 8. In Colorado Revised Statutes, 22-30.5-513, **amend** (1)(e), (1)(j)(II), (2)(b), (2)(e)(II), (4)(a)(I), (4)(a)(I.5) introductory portion, (4.5)(a), (4.5)(d), (9)(a) and (10)(a); and **add** (4.5)(b.5) and (4.5)(e) as follows:

22-30.5-513. Institute charter schools - funding - at-risk supplemental aid - legislative declaration - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(e) "Accounting district's funded pupil count" means the funded pupil count determined pursuant to ~~article 54 of this title 22~~ SECTION 22-54-104.

(j) "Online pupil enrollment" means:

(II) For the 2008-09 budget year ~~and for budget years thereafter~~ THROUGH THE 2025-26 BUDGET YEAR, the number of pupils, on the pupil enrollment count day within the applicable budget year, enrolled in, attending, and actively participating in a multi-district online school, as defined in section 22-30.7-102 (6), created pursuant to article 30.7 of this title by the institute charter school.

(2)(b) For ~~budget year 2004-05 and budget years thereafter~~ THE 2004-05 BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, each institute charter school and the institute shall negotiate funding under the charter contract at a minimum of ninety-five percent of the institute charter school's accounting district's adjusted per pupil revenues for each pupil enrolled in the institute charter school who is not an online pupil and ninety-five percent of the institute charter school's accounting district's per pupil online funding for each online pupil enrolled in the institute

charter school. The institute may retain three percent of the accounting district's adjusted per pupil revenues for each pupil, who is not an online pupil, enrolled in the institute charter school and three percent of the accounting district's per pupil online funding for each online pupil enrolled in the institute charter school.

(e) (II) Notwithstanding the provisions of subsection (2)(e)(I) of this section to the contrary, if the general assembly amends the "Public School Finance Act of 2025", article 54 of this title 22, to count a student enrolled in kindergarten only as a half-day pupil, with or without the addition of supplemental kindergarten enrollment as defined in section 22-54-103 (15) for purposes of calculating the funded pupil count as determined pursuant to ~~article 54 of this title 22~~ SECTION 22-54-104, an institute charter school may charge the student's parents tuition or a fee for the portion of the school day for which it does not receive funding for the student pursuant to the "Public School Finance Act of 2025"; except that the amount of tuition or fee charged must not exceed the amount of tuition or fee that the institute charter school charged to attend a full-day kindergarten educational program for the 2018-19 budget year, adjusted for inflation and prorated by the percentage of the school day for which the student is no longer funded by the "Public School Finance Act of 2025". As used in this subsection (2)(e)(II), "inflation" means the annual percentage change in the United States department of labor bureau of labor statistics consumer price index for Denver-Aurora-Lakewood for all items paid by all urban consumers, or its applicable successor index.

(4) (a) (I) For EACH BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, each institute charter school, the department shall withhold from the state equalization payments of the institute charter school's accounting district an amount equal to one hundred percent of the accounting district's adjusted per pupil revenues multiplied by the number of pupils enrolled in the institute charter school who are not online pupils plus an amount equal to one hundred percent of the accounting district's per pupil online funding multiplied by the number of online pupils enrolled in the institute charter school. The department shall forward to the institute the amount withheld minus an amount not to exceed one percent of the amount withheld that the department may retain as reimbursement for the reasonable and necessary costs to the department to implement the provisions of this part 5.

(1.5) FOR EACH BUDGET YEAR THROUGH THE 2025-26 BUDGET YEAR, the institute shall forward to each institute charter school an amount equal to the institute charter school's pupil enrollment multiplied by the accounting district's adjusted per pupil revenues of the institute charter school's accounting district, minus:

(4.5) (a) For the 2012-13 budget year ~~and each budget year thereafter~~ THROUGH THE 2024-25 BUDGET YEAR, the general assembly shall appropriate to the charter school institute the amount calculated for at-risk supplemental aid pursuant to ~~paragraph (b) of this subsection (4.5)~~ SUBSECTION (4.5)(b) OF THIS SECTION for each institute charter school whose percentage of at-risk pupils is less than the percentage of at-risk pupils in the accounting district. FOR THE 2025-26 BUDGET YEAR AND THE 2026-27 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE CHARTER SCHOOL INSTITUTE FOR ALLOCATION TO INSTITUTE CHARTER SCHOOLS THE AMOUNT DESCRIBED IN SUBSECTION (4.5)(b.5) OF THIS SECTION. At-risk supplemental aid is additional funding and does not supplant any other funding allocated pursuant to this section. The charter school institute shall pass through one

hundred percent of an institute charter school's at-risk supplemental aid to the institute charter school.

(b.5) FOR THE 2025-26 BUDGET YEAR, EACH INSTITUTE CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS THE SAME AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR. FOR THE 2026-27 BUDGET YEAR, EACH INSTITUTE CHARTER SCHOOL'S AT-RISK SUPPLEMENTAL AID IS FIFTY PERCENT OF THE AMOUNT THAT IT RECEIVED IN THE 2024-25 BUDGET YEAR.

(d) If the appropriation to the charter school institute is insufficient to fund ~~one hundred percent~~ of the at-risk supplemental aid ~~calculated~~ DETERMINED pursuant to this subsection (4.5), the charter school institute shall reduce each institute charter school's at-risk supplemental aid proportionately.

(e) THIS SUBSECTION (4.5) IS REPEALED, EFFECTIVE JULY 1, 2028.

(9)(a) For the 2004-05 budget year ~~and for each budget year thereafter~~ THROUGH THE 2025-26 BUDGET YEAR, the proportionate share of ~~moneys~~ MONEY generated under federal or state categorical aid programs shall be directed to institute charter schools serving students eligible for such aid.

(10)(a) On or before December 1, 2009, and on or before December 1 each year thereafter, a representative from the governing board of each institute charter school and the institute board shall meet to review the level of funding received by the institute as a result of the ~~moneys~~ MONEY withheld by the institute for the amount of actual costs incurred by the institute in providing necessary administration, oversight, and management services to the institute charter schools. The institute charter school representatives and the institute board shall, at a minimum, review, for each budget year beginning with the 2004-05 budget year THROUGH THE 2025-26 BUDGET YEAR, the amount of ~~moneys~~ MONEY annually appropriated to the institute, the amount of costs incurred by the institute, and the services provided by the institute.

SECTION 9. In Colorado Revised Statutes, **repeal** 22-54-136.

SECTION 10. In Colorado Revised Statutes, 22-30.5-408, **amend** (2)(a) as follows:

22-30.5-408. Replenishment of qualified charter school debt service reserve funds - additional responsibilities - state treasurer - qualified charter schools - definitions. (2)(a) If the Colorado educational and cultural facilities authority has issued qualified charter school bonds on behalf of ~~any~~ A qualified charter school that fails immediately to restore its qualified charter school debt service reserve fund to the applicable qualified charter school debt service reserve fund requirement, the board of directors of the authority shall submit to the governor a certificate certifying ~~any~~ THE amount of money required to restore the qualified charter school debt service reserve fund to the applicable qualified charter school debt service reserve fund requirement. The governor shall submit a request for appropriations in an amount sufficient to restore any or all qualified charter school debt reserve funds to their respective qualified charter school debt service reserve fund requirements, and the general assembly may, but is not required to, appropriate money for ~~said~~

THAT purpose. If, in its sole discretion, the general assembly appropriates any money for ~~said~~ THAT purpose, the aggregate outstanding principal amount of bonds for which money may be appropriated for ~~said~~ THAT purpose must not exceed ~~seven hundred fifty million~~ ONE BILLION dollars.

SECTION 11. In Colorado Revised Statutes, 22-54-103, **add** (1.5)(e) as follows:

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

(1.5)(e) FOR PURPOSES OF THIS SUBSECTION (1.5), A PUPIL'S ELIGIBILITY FOR FREE OR REDUCED-PRICE LUNCH MAY BE DEMONSTRATED BY ANY MEANS, INCLUDING IDENTIFICATION THROUGH AN APPLICATION FOR FREE OR REDUCED-PRICE LUNCH PURSUANT TO THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ. OR COLORADO'S PARTICIPATION IN THE DEMONSTRATION PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758 (b)(15) FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING BENEFITS THROUGH MEDICAID.

SECTION 12. In Colorado Revised Statutes, 22-54-103.2, **amend** (2)(a) and (2)(b) as follows:

22-54-103.2. District total program formula report. (2) In its report described pursuant to subsection (1) of this section, the department of education shall report, at a minimum, data demonstrating:

(a) The successes and challenges of determining a district's total program pursuant to section 22-54-103.3 for reports concerning the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, and the successes and challenges of determining a district's total program pursuant to section 22-54-103.5 for reports concerning the ~~2030-31~~ 2031-32 budget year and each budget year thereafter;

(b) How district total program, determined pursuant to section 22-54-103.3 for reports concerning the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year and determined pursuant to section 22-54-103.5 for reports concerning the ~~2030-31~~ 2031-32 budget year and each budget year thereafter, is being used at the school level, including traditional public schools, district charter schools, and institute charter schools, and information currently reported by the department of education in district performance snapshots; and

SECTION 13. In Colorado Revised Statutes, 22-54-103.3, **amend** (1)(a), (1)(c), (2), (3), (4), (5)(b)(I) introductory portion, (5)(c)(I)(C), and (6) as follows:

22-54-103.3. District total program - 2025-26 through 2030-31 budget years - definitions - repeal. (1) (a) Notwithstanding any provision of law to the contrary, for the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, the department of education shall determine each district's total program pursuant to this section. The district's total program is available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-54-105, the district has the discretion to determine the amounts and purposes for budgeting and expending its district total program money.

(c) As used in this section, "for the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year" means the 2025-26 budget year, the 2026-27 budget year, the 2027-28 budget year, the 2028-29 budget year, ~~and the 2029-30 budget year, AND~~ THE 2030-31 BUDGET YEAR.

(2) For the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, the department of education shall calculate each district's total program pursuant to sections 22-54-103.5 and 22-54-104.

(3) (a) For the 2025-26 budget year, ~~through the 2029-30 budget year~~ a district's total program is the greater of the district's total program calculation pursuant to section 22-54-104 plus one-half percent of the district's total program calculation pursuant to section 22-54-103.5; ~~or~~ DETERMINATION FOR THE 2024-25 BUDGET YEAR, OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104 PLUS AN AMOUNT EQUAL TO FIFTEEN PERCENT OF THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104.

~~(a) For the 2025-26 budget year, the amount calculated pursuant to section 22-54-104 plus an amount equal to eighteen percent of the difference between the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104;~~

~~(b) For the 2026-27 budget year, the amount calculated pursuant to section 22-54-104 plus an amount equal to thirty-four percent of the difference between the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104~~ FOR THE 2026-27 BUDGET YEAR, A DISTRICT'S TOTAL PROGRAM IS THE GREATER OF THE DISTRICT'S TOTAL PROGRAM DETERMINATION FOR THE 2024-25 BUDGET YEAR OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104 PLUS AN AMOUNT EQUAL TO THIRTY PERCENT OF THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104.

~~(c) For the 2027-28 budget year THROUGH THE 2030-31 BUDGET YEAR, the amount calculated pursuant to section 22-54-104 plus an amount equal to fifty percent of the difference between the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104~~ A DISTRICT'S TOTAL PROGRAM IS THE GREATER OF THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104 PLUS ONE PERCENT OF THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104, OR:

~~(e)~~ (I) For the 2027-28 budget year, the amount calculated pursuant to section 22-54-104 plus an amount equal to ~~fifty~~ FORTY-FIVE percent of the difference between the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104;

~~(d)~~ (II) For the 2028-29 budget year, the amount calculated pursuant to section 22-54-104 plus an amount equal to ~~sixty-six~~ SIXTY percent of the difference between

the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104; ~~and~~

~~(e)~~ (III) For the 2029-30 budget year, the amount calculated pursuant to section 22-54-104 plus an amount equal to ~~eighty-two~~ SEVENTY-FIVE percent of the difference between the district's total program calculation pursuant to section 22-54-103.5 and the district's total program calculation pursuant to section 22-54-104; AND

(IV) FOR THE 2030-31 BUDGET YEAR, THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104 PLUS AN AMOUNT EQUAL TO NINETY PERCENT OF THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104.

(4) For the 2024-25 budget year through the ~~2029-30~~ 2030-31 budget year, the joint budget committee shall monitor the fiscal impact of the district total program determinations pursuant to this section and the fiscal impact of the transition to the total program formula pursuant to section 22-54-103.5. At a minimum, the joint budget committee shall consider immediate and forecasted economic conditions, the impact or trend of the statewide total local share of total program funding, the impact or trend of the state education fund, and any other data-driven considerations necessary to ensure the sustainable transition to and implementation of a new total program formula. The joint budget committee and the general assembly may take action necessary to ensure the sustainable transition to and implementation of a new total program formula. On or after January 1, 2025, when the department of education makes mid-year adjustments, the joint budget committee shall develop a sustainability plan that makes findings and recommendations regarding how the general assembly can fully fund total program determinations pursuant to sections 22-54-103.3 and 22-54-103.5. On or after January 1, 2026, and on or after January 1 each year thereafter, when the department of education makes mid-year adjustments, the joint budget committee shall review the sustainability plan and update it as necessary.

(5) (b) (I) Notwithstanding any provision of this article 54, for the 2024-25 budget year through the ~~2029-30~~ 2030-31 budget year, if the joint budget committee determines that any one of the conditions described in subsection (5)(c) of this section occurred:

(c) (I) The requirements described in subsection (5)(b) of this section are initiated if:

(C) In either an assessment year or a non-assessment year, the March revenue forecast relied on by the general assembly in setting the budget for the next state fiscal year estimates that the income tax ~~diversion~~ DEPOSIT to the state education fund, as required pursuant to section 17 of article IX of the state constitution, will decrease by five percent or more in either the current budget year or the next budget year. IF THE JOINT BUDGET COMMITTEE DETERMINES BASED ON FORECAST ESTIMATES, AS DESCRIBED IN THIS SUBSECTION (5)(c)(I)(C), THAT THE INCOME TAX DEPOSIT TO THE STATE EDUCATION FUND WILL DECREASE BY FIVE PERCENT OR MORE IN EITHER THE CURRENT BUDGET YEAR OR THE NEXT BUDGET YEAR AS A RESULT OF

A CORRECTION TO AN ERROR IN THE TOTAL AMOUNT OF STATE EDUCATION FUND REVENUES DEPOSITED AS SET FORTH IN SECTION 22-55-103 (2), THEN THIS SUBSECTION (5)(c)(I)(C) DOES NOT INITIATE THE REQUIREMENTS OF SUBSECTION (5)(b) OF THIS SECTION.

(6) This section is repealed, effective ~~July 1, 2031~~ JULY 1, 2032.

SECTION 14. In Colorado Revised Statutes, 22-54-103.5, **amend** (1)(a), (1)(c)(I), (1)(c)(III), (4), (12)(d), and (12)(e); and **add** (3) and (13)(b.5) as follows:

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

(1) (a) For the ~~2030-31~~ 2031-32 budget year and each budget year thereafter, the department of education shall use this section to determine each district's total program. The district's total program is available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-54-105, the district has the discretion to determine the amounts and purposes for budgeting and expending its district total program money.

(c) (I) Notwithstanding any provision of law to the contrary, for the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, the department of education shall calculate each district's total program pursuant to this section for the purpose of determining each district's total program pursuant to section 22-54-103.3. The district's total program is available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-54-105, the district has the discretion to determine the amounts and purposes for budgeting and expending its district total program money.

(III) This subsection (1)(c) is repealed, effective ~~July 1, 2031~~ JULY 1, 2032.

(3) **Statewide base per pupil funding.** (a) (I) FOR THE 2025-26 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS EIGHT THOUSAND SIX HUNDRED NINETY-ONE DOLLARS AND EIGHTY CENTS (\$8,691.80), WHICH IS AN AMOUNT EQUAL TO EIGHT THOUSAND FOUR HUNDRED NINETY-SIX DOLLARS AND THIRTY-EIGHT CENTS (\$8,496.38), SUPPLEMENTED BY ONE HUNDRED NINETY-FIVE DOLLARS AND FORTY-TWO CENTS (\$195.42) TO ACCOUNT FOR INFLATION.

(II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JULY 1, 2031.

(b) (RESERVED)

(4) **Funded pupil count.** Funded pupil count is:

(a) (I) FOR THE 2025-26 BUDGET YEAR, the district's online pupil enrollment for the applicable budget year plus the district's supplemental kindergarten enrollment for the applicable budget year plus the district's extended high school pupil enrollment for the applicable budget year plus the greater of:

(A) The district's pupil enrollment for the applicable budget year;

(B) The average of the district's pupil enrollment for the applicable budget year and the district's pupil enrollment for the immediately preceding budget year;

~~(H)~~ (C) The average of the district's pupil enrollment for the applicable budget year and the district's pupil enrollment for the two immediately preceding budget years; or

~~(V)~~ (D) The average of the district's pupil enrollment for the applicable budget year and the district's pupil enrollment for the three immediately preceding budget years.

~~(I)~~ (II) Notwithstanding any provision of law to the contrary, for purposes of THIS subsection (4)(a), ~~of this section~~, a district's funded pupil count includes the certified pupil enrollment and online pupil enrollment of each operating institute charter school for which the district is the accounting district, as provided pursuant to ~~subsections (4)(b)(II) and (4)(b)(III)~~ SUBSECTIONS (4)(a)(III) AND (4)(a)(IV) of this section. The department of education shall add the institute charter school's certified pupil enrollment and online pupil enrollment to the funded pupil count of the district prior to calculating the district's total program pursuant to this section.

~~(H)~~ (III) For purposes of ~~subsection (4)(b)(I)~~ SUBSECTION (4)(a)(II) of this section, each operating institute charter school's certified pupil enrollment is the greater of:

(A) The operating institute charter school's pupil enrollment for the applicable budget year;

(B) The average of the operating institute charter school's pupil enrollment for the applicable budget year and the operating institute charter school's pupil enrollment for the immediately preceding budget year;

(C) The average of the operating institute charter school's pupil enrollment for the applicable budget year and the operating institute charter school's pupil enrollment for the two immediately preceding budget years; or

(D) The average of the operating institute charter school's pupil enrollment for the applicable budget year and the operating institute charter school's pupil enrollment for the three immediately preceding budget years.

~~(H)~~ (IV) Notwithstanding any provision of law to the contrary, for purposes of ~~subsection (4)(b)(II)~~ SUBSECTION (4)(a)(III) of this section, an operating institute charter school's pupil enrollment includes its online student enrollment, except for multi-district online school student enrollment.

~~(E)~~ (V) The general assembly finds and declares that for the purposes of section 17 of article IX of the state constitution, averaging a district's pupil enrollment for the applicable budget year and the district's pupil enrollment for the three immediately preceding budget years pursuant to this ~~subsection (4)~~ SUBSECTION (4)(a), and averaging an operating institute charter school's student enrollment and online pupil enrollment pursuant to this ~~subsection (4)~~ SUBSECTION (4)(a), is a program for accountable education reform and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

~~(d)~~ (VI) (A) Notwithstanding any provision of law to the contrary, for the purposes of this ~~subsection (4)~~ SUBSECTION (4)(a), a district's pupil enrollment for the applicable budget year and a district's pupil enrollment for a preceding budget year do not include a pupil who is or was enrolled in a charter school that was originally authorized by the district but was subsequently converted, on or after July 1, 2010, to an institute charter school or to a charter school of a district contiguous to the ~~originally~~ ORIGINAL authorizing district.

~~(H)~~ (B) Notwithstanding any provision of this ~~subsection (4)~~ SUBSECTION (4)(a) to the contrary, for the purposes of this ~~subsection (4)~~ SUBSECTION (4)(a), if a district's funded pupil count calculated pursuant to this ~~subsection (4)~~ SUBSECTION (4)(a), for a budget year is fewer than sixty students, the district's funded pupil count for the budget year is sixty students.

(b) (I) FOR THE 2026-27 BUDGET YEAR, AND EACH BUDGET YEAR THEREAFTER, THE DISTRICT'S ONLINE PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S SUPPLEMENTAL KINDERGARTEN ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE GREATER OF:

(A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR;

(B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR; OR

(C) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

(II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(b), A DISTRICT'S FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS PROVIDED PURSUANT TO SUBSECTIONS (4)(b)(III) AND (4)(b)(IV) OF THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS SECTION.

(III) FOR PURPOSES OF SUBSECTION (4)(b)(II) OF THIS SECTION, EACH OPERATING INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT IS THE GREATER OF:

(A) THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR;

(B) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR; AND

(C) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

(IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR PURPOSES OF SUBSECTION (4)(b)(III) OF THIS SECTION, AN OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT INCLUDES ITS ONLINE STUDENT ENROLLMENT, EXCEPT FOR MULTI-DISTRICT ONLINE SCHOOL STUDENT ENROLLMENT.

(V) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, AVERAGING A DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE TWO IMMEDIATELY PRECEDING BUDGET YEARS PURSUANT TO THIS SUBSECTION (4)(b), AND AVERAGING AN OPERATING INSTITUTE CHARTER SCHOOL'S STUDENT ENROLLMENT AND ONLINE PUPIL ENROLLMENT PURSUANT TO THIS SUBSECTION (4)(b), IS A PROGRAM FOR ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(VI) (A) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(b), A DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND A DISTRICT'S PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR DO NOT INCLUDE A PUPIL WHO IS OR WAS ENROLLED IN A CHARTER SCHOOL THAT WAS ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS SUBSEQUENTLY CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE CHARTER SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS TO THE ORIGINAL AUTHORIZING DISTRICT.

(B) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (4)(b) TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(b), IF A DISTRICT'S FUNDED PUPIL COUNT CALCULATED PURSUANT TO THIS SUBSECTION (4)(b) FOR A BUDGET YEAR IS FEWER THAN SIXTY STUDENTS, THE DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS SIXTY STUDENTS.

(c) NOTWITHSTANDING SUBSECTIONS (4)(a) AND (4)(b) OF THIS SECTION, IF, FOR THE 2026-27 BUDGET YEAR, EACH DISTRICT'S TOTAL PROGRAM IS NOT DETERMINED PURSUANT TO SECTION 22-54-103.3 (3)(b), THEN FUNDED PUPIL COUNT IS DETERMINED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION FOR THE 2026-27 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER.

(d) (I) NOTWITHSTANDING SUBSECTION (4)(b) OF THIS SECTION, IF THE STATE EDUCATION FUND BALANCE IS PROJECTED TO BE LESS THAN TWO HUNDRED MILLION DOLLARS AS OF JUNE 30, 2027, BASED ON INFORMATION CONTAINED IN THE MARCH 2027 REVENUE FORECAST PREPARED BY THE LEGISLATIVE COUNCIL STAFF, THEN FOR THE 2027-28 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL IMPLEMENT A SMOOTHING FACTOR OR THE FUNDED PUPIL COUNT IS THE DISTRICT'S ONLINE PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S SUPPLEMENTAL KINDERGARTEN ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS THE GREATER OF:

(A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR; OR

(B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR.

(I.5) IF THE GENERAL ASSEMBLY IS REQUIRED TO IMPLEMENT A SMOOTHING FACTOR PURSUANT TO SUBSECTION (4)(d)(I) OF THIS SECTION, THEN PRIOR TO THE SMOOTHING FACTOR'S IMPLEMENTATION, THE GENERAL ASSEMBLY SHALL CONSULT A STATEWIDE ASSOCIATION THAT REPRESENTS SCHOOL DISTRICTS REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF A SMOOTHING FACTOR. THE CONSULTATION MUST INCLUDE AND CONSIDER THE OPINIONS OF SUPERINTENDENTS AND CHIEF FINANCIAL OFFICERS OF SMALL RURAL SCHOOL DISTRICTS, RURAL SCHOOL DISTRICTS, SUBURBAN SCHOOL DISTRICTS, AND URBAN SCHOOL DISTRICTS.

(II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(d), A DISTRICT'S FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS PROVIDED PURSUANT TO SUBSECTIONS (4)(d)(III) AND (4)(d)(IV) OF THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS SECTION.

(III) FOR PURPOSES OF SUBSECTION (4)(d)(II) OF THIS SECTION, EACH OPERATING INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT IS THE GREATER OF:

(A) THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR; OR

(B) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR.

(IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR PURPOSES OF SUBSECTION (4)(d)(III) OF THIS SECTION, AN OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT INCLUDES ITS ONLINE STUDENT ENROLLMENT, EXCEPT FOR MULTI-DISTRICT ONLINE SCHOOL STUDENT ENROLLMENT.

(V)(A) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(d), A DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR DOES NOT INCLUDE A PUPIL WHO IS OR WAS ENROLLED IN A CHARTER SCHOOL THAT WAS ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS SUBSEQUENTLY CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE CHARTER SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS TO THE ORIGINAL AUTHORIZING DISTRICT.

(B) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (4)(d) TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (4)(d), IF A DISTRICT'S FUNDED

PUPIL COUNT CALCULATED PURSUANT TO THIS SUBSECTION (4)(d) FOR A BUDGET YEAR IS FEWER THAN SIXTY STUDENTS, THE DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS SIXTY STUDENTS.

(e) IF THE DEPARTMENT OF EDUCATION DETERMINES THAT A DISTRICT'S PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR INCLUDED PUPILS WHO WERE NOT REPORTED AS MULTI-DISTRICT ONLINE PUPILS, BUT WERE DETERMINED BY THE DEPARTMENT OF EDUCATION TO HAVE BEEN EDUCATED IN A SETTING THAT WAS EQUIVALENT TO A MULTI-DISTRICT ONLINE PROGRAM, THE DEPARTMENT OF EDUCATION SHALL USE THE ADJUSTED DISTRICT PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THAT PRECEDING BUDGET YEAR WHEN DETERMINING FUNDED PUPIL COUNT PURSUANT TO THIS SUBSECTION (4).

(12) **District locale factor funding.** (d) A district's classification, as described pursuant to subsection (12)(b) or (12)(c) of this section, is determined by ~~the latest classifications or classification criteria issued by~~ the national center for education statistics in the institute of education sciences of the United States department of ~~education~~ EDUCATION'S LATEST CLASSIFICATION CRITERIA OR THE CLASSIFICATION CRITERIA ISSUED IMMEDIATELY PRIOR TO THE LATEST CLASSIFICATION CRITERIA, WHICHEVER IS THE GREATER PERCENTAGE.

(e) (I) Notwithstanding subsection (12)(d) of this section, if a district does not align with a classification issued by the national center for education statistics, the department of education shall designate the district's locale factor based on considerations that align it with a similarly situated district that has a classification issued by the national center for education statistics. If the department of education is required to designate the district's locale factor pursuant to this subsection (12)(e), the department of education shall consult with legislative counsel staff concerning the adjustment for any information necessary to make an appropriate designation.

(II) FOR PURPOSES OF THIS SUBSECTION (12)(e), THE DEPARTMENT MAY EXCLUDE FROM THE DISTRICT'S FUNDED PUPIL COUNT THAT IS USED TO DETERMINE A DISTRICT'S LOCALE FACTOR PURSUANT TO SUBSECTION (12)(b) OF THIS SECTION THE NUMBER OF PUPILS ON THE PUPIL ENROLLMENT COUNT DAY WITHIN THE APPLICABLE BUDGET YEAR ENROLLED IN, ATTENDING, AND ACTIVELY PARTICIPATING IN A MULTI-DISTRICT ONLINE SCHOOL, AS DEFINED IN SECTION 22-30.7-102, CREATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE 22.

(13) **District size factor funding.** (b.5) FOR PURPOSES OF SUBSECTION (13)(b)(I) THROUGH (13)(b)(VI) OF THIS SECTION, A DISTRICT'S FUNDED PUPIL COUNT DOES NOT INCLUDE THE NUMBER OF PUPILS, ON THE PUPIL ENROLLMENT COUNT DAY WITHIN THE APPLICABLE BUDGET YEAR, THE NUMBER OF PUPILS ENROLLED IN, ATTENDING, AND ACTIVELY PARTICIPATING IN A MULTI-DISTRICT ONLINE SCHOOL, AS DEFINED IN SECTION 22-30.7-102, CREATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE 22.

SECTION 15. In Colorado Revised Statutes, 22-54-103.5, **add** (14) as follows:

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

(14) **Total program funding.** (a) (I) FOR THE 2025-26 BUDGET YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL

DETERMINE, BASED ON BUDGET PROJECTIONS, THE AMOUNT TO ENSURE THAT FOR THE 2025-26 BUDGET YEAR, THE SUM OF TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, IS AT LEAST TEN BILLION THIRTY-SIX MILLION SEVENTY THOUSAND SEVEN HUNDRED FORTY-EIGHT DOLLARS (\$10,036,070,748); EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES, INCLUDING ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT TO MAINTAIN TOTAL PROGRAM FUNDING FOR THE APPLICABLE BUDGET YEAR.

(II) THIS SUBSECTION (14)(a) IS REPEALED, EFFECTIVE JULY 1, 2031.

(b) (RESERVED)

SECTION 16. In Colorado Revised Statutes, 22-54-103.5, **add** (14) as follows:

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

(14) **Total program funding.** (a) (I) FOR THE 2025-26 BUDGET YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL DETERMINE, BASED ON BUDGET PROJECTIONS, THE AMOUNT TO ENSURE THAT FOR THE 2025-26 BUDGET YEAR, THE SUM OF TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, IS AT LEAST TEN BILLION THIRTY-ONE MILLION SIX HUNDRED SIX THOUSAND NINETY DOLLARS (\$10,031,606,090); EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES, INCLUDING ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT TO MAINTAIN TOTAL PROGRAM FUNDING FOR THE APPLICABLE BUDGET YEAR.

(II) THIS SUBSECTION (14)(a) IS REPEALED, EFFECTIVE JULY 1, 2031.

(b) (RESERVED)

SECTION 17. In Colorado Revised Statutes, 22-54-104, **amend** (1)(c)(I) and (8); and **add** (7)(i) and (7)(j) as follows:

22-54-104. District total program - legislative declaration - definitions - repeal. (1) (c) (I) Notwithstanding any provision of law to the contrary, for the 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, the department of education shall calculate each district's total program pursuant to this section for the purpose of determining each district's total program pursuant to section 22-54-103.3. The district's total program is available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-54-105, the district has the discretion to determine the amounts and purposes for budgeting and expending its district total program money.

(7) (i) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (7), FOR THE 2027-28 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, WHEN CALCULATING EACH DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS SECTION FOR THE PURPOSE OF

DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-103.3, THE DEPARTMENT OF EDUCATION SHALL USE THE SAME FUNDED PUPIL COUNT THAT IT USES PURSUANT TO SECTION 22-54-103.5 (4) FOR THE PURPOSE OF DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-103.3.

(j) IF THE DEPARTMENT OF EDUCATION DETERMINES THAT A DISTRICT'S PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR A PRECEDING BUDGET YEAR INCLUDED PUPILS WHO WERE NOT REPORTED AS MULTI-DISTRICT ONLINE PUPILS, BUT WERE DETERMINED BY THE DEPARTMENT OF EDUCATION TO HAVE BEEN EDUCATED IN A SETTING THAT WAS EQUIVALENT TO A MULTI-DISTRICT ONLINE PROGRAM, THE DEPARTMENT OF EDUCATION SHALL USE THE ADJUSTED DISTRICT PUPIL ENROLLMENT OR OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THAT PRECEDING BUDGET YEAR WHEN DETERMINING FUNDED PUPIL COUNT PURSUANT TO THIS SUBSECTION (7).

(8) This section is repealed, effective ~~July 1, 2031~~ JULY 1, 2032.

SECTION 18. In Colorado Revised Statutes, 22-54-104.6, **amend** (1)(a) introductory portion, (1)(b), and (12); and **add** (1.5) as follows:

22-54-104.6. Implementation of at-risk measure - legislative declaration - definitions - repeal. (1) (a) The general assembly finds and declares that implementing ~~a new~~ AN IMPROVED at-risk measure for identifying students who are at risk of below-average academic performance because of socioeconomic disadvantages or poverty will benefit Colorado students by:

(b) Therefore, it is the intent of the general assembly to ~~create a working group convened by the commissioner of education to determine how to construct and implement the new~~ CONTINUOUSLY IMPROVE THE CONSTRUCTION AND IMPLEMENTATION OF THE at-risk measure for use in the state's public school funding formula.

(1.5) (a) IN ORDER TO ACCOUNT FOR STUDENTS WHO ARE AT-RISK OF BELOW-AVERAGE ACADEMIC PERFORMANCE AND EDUCATION OUTCOMES BECAUSE OF SOCIOECONOMIC DISADVANTAGES OR POVERTY, BUT WHO MAY NOT QUALIFY FOR FREE OR REDUCED PRICE LUNCH, THE DEPARTMENT OF EDUCATION SHALL COLLECT DATA NECESSARY TO IDENTIFY INDIVIDUAL STUDENT CENSUS BLOCK GROUPS.

(b) NOTWITHSTANDING SUBSECTION (1.5)(a) OF THIS SECTION, THE STATE BOARD MAY PROMULGATE RULES THAT DIRECT THE DEPARTMENT OF EDUCATION TO SUSPEND THE COLLECTION OF DATA PURSUANT TO SUBSECTION (1.5)(a) OF THIS SECTION, IF THE COLLECTED DATA INDICATES THAT THE STUDENT POPULATION IDENTIFIED IN SUBSECTION (1.5)(a) OF THIS SECTION IS SUBSTANTIALLY SIMILAR TO THE AT-RISK STUDENT POPULATION THAT IS IDENTIFIED THROUGH FREE AND REDUCED PRICE LUNCH AND DIRECT CERTIFICATION. THE STATE BOARD MAY ALSO PROMULGATE RULES THAT DIRECT THE DEPARTMENT OF EDUCATION TO RE-START THE COLLECTION OF DATA PURSUANT TO SUBSECTION (1.5)(a) OF THIS SECTION, AFTER A SUSPENSION OF DATA COLLECTION.

(12) Subsections ~~(4) to (11)~~ (2) TO (11.7) of this section are repealed, effective July 1, 2025.

SECTION 19. In Colorado Revised Statutes, 22-41-102, **amend** (3)(i)(IV), (3)(j)(IV), and (3)(k)(III) as follows:

22-41-102. Fund inviolate. (3) (i) For the 2024-25 state fiscal year, interest and income earned on the investment of the money in the public school fund must be used or credited as follows:

(IV) Any additional interest and income remaining in the public school fund ~~may be credited as specified by the general assembly, taking into consideration the recommendations of the public school fund investment board described in section 22-41-102.5 (4)(a)(III), or, if not credited pursuant to this subsection (3)(i)(IV), remains in the public school fund~~ IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).

(j) For the 2025-26 state fiscal year, interest and income earned on the investment of the money in the public school fund must be used or credited as follows:

(IV) Any additional interest and income remaining in the public school fund ~~may be credited as specified by the general assembly, taking into consideration the recommendations of the public school fund investment board described in section 22-41-102.5 (4)(a)(III), or, if not credited pursuant to this subsection (3)(j)(IV), remains in the public school fund~~ IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).

(k) For the 2026-27 state fiscal year and each state fiscal year thereafter, interest and income earned on the investment of the money in the public school fund must be used or credited as follows:

(III) Any additional interest and income remaining in the public school fund ~~may be credited as specified by the general assembly, taking into consideration the recommendations of the public school fund investment board described in section 22-41-102.5 (4)(a)(III), or, if not credited pursuant to this subsection (3)(k)(III), remains in the public school fund~~ IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (2)(d.5).

SECTION 20. In Colorado Revised Statutes, 22-43.7-104, **amend** (1) and (2)(d)(I); and **add** (2)(d.5) and (7) as follows:

22-43.7-104. Public school capital construction assistance fund - creation - crediting of money to fund - use of fund - emergency reserve - creation - reserve account - creation and use - definition - report. (1) (a) The public school capital construction assistance fund is hereby created in the state treasury. SUBJECT TO THE LIMITATION SET FORTH IN SUBSECTION (1)(b)(I) OF THIS SECTION, the principal of the assistance fund ~~shall consist~~ CONSISTS of all ~~moneys~~ MONEY transferred or credited to the assistance fund pursuant to subsection (2) of this section. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(I) OF THIS SECTION, all interest and income earned on the deposit and investment of ~~moneys~~ MONEY in the assistance fund ~~shall be~~ IS CREDITED TO THE ASSISTANCE FUND AND ~~shall not be~~ IS NOT transferred to the general fund or any other fund at the end of any fiscal year.

(b) (I) (A) FOR THE 2024-25 STATE FISCAL YEAR, AND EACH STATE FISCAL YEAR

THEREAFTER, THE TOTAL AMOUNT OF REVENUE CREDITED IN THE STATE FISCAL YEAR TO THE ASSISTANCE FUND PURSUANT TO THIS SECTION MUST NOT EXCEED ONE HUNDRED FIFTY MILLION DOLLARS, WHICH AMOUNT MUST BE ANNUALLY ADJUSTED FOR INFLATION FOR EACH STATE FISCAL YEAR THEREAFTER.

(B) FOR THE 2024-25 STATE FISCAL YEAR, AND EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114(1) ANY AMOUNT OF REVENUE THAT EXCEEDS IN THE STATE FISCAL YEAR ONE HUNDRED FIFTY MILLION DOLLARS, AS ADJUSTED ANNUALLY FOR INFLATION FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2025, THAT OTHERWISE WOULD BE CREDITED TO THE ASSISTANCE FUND PURSUANT TO THIS SECTION.

(II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION, THE TOTAL AMOUNT OF REVENUE DESCRIBED IN SUBSECTION (1)(b)(I) OF THIS SECTION DOES NOT INCLUDE MONEY CREDITED TO THE ASSISTANCE FUND PURSUANT TO SUBSECTION (2)(d.5) OF THIS SECTION.

(III) AS USED IN THIS SUBSECTION (1)(b), "INFLATION" MEANS THE ANNUAL PERCENTAGE INCREASE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKWOOD FOR ALL ITEMS PAID FOR BY URBAN CONSUMERS.

~~(2) (d) (I) (A) For the state fiscal year commencing July 1, 2018, the state treasurer, as provided in section 39-28.8-305 (1)(a), shall credit to the assistance fund the greater of the first forty million dollars received and collected from the excise tax on retail marijuana imposed pursuant to part 3 of article 28.8 of title 39 or ninety percent of the money received and collected from the tax. For the state fiscal year commencing July 1, 2019, and for each state fiscal year thereafter except for the state fiscal year commencing July 1, 2020, the state treasurer, as provided in section 39-28.8-305 (1)(a), shall annually credit to the assistance fund all of the money received and collected from the excise tax on retail marijuana imposed pursuant to part 3 of article 28.8 of title 39. For the state fiscal year commencing July 1, 2020, the state treasurer, as provided in section 39-28.8-305 (1)(a), shall credit to the assistance fund the lesser of the first forty million dollars received and collected from the excise tax on retail marijuana imposed pursuant to part 3 of article 28.8 of title 39 or all of the money received and collected from the tax. For state fiscal years commencing before July 1, 2019, the state treasurer shall credit twelve and five-tenths percent of the amount annually credited pursuant to this subsection (2)(d) to the charter school facilities assistance account, which account is created within the assistance fund. For each state fiscal year commencing on or after July 1, 2019, the state treasurer shall credit to the charter school facilities assistance account a percentage of the amount credited pursuant to this subsection (2)(d) that is equal to the percentage of pupil enrollment, as defined in section 22-54-103 (10), statewide represented by pupils who were enrolled in charter schools for the prior school year. The department of education shall notify the state treasurer of the applicable percentage no later than June 1 of the immediately preceding fiscal year.~~ FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2019, AND FOR EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER, AS PROVIDED IN SECTION 39-28.8-305 (1)(a), SHALL ANNUALLY CREDIT TO THE ASSISTANCE FUND ALL OF THE MONEY RECEIVED AND COLLECTED FROM THE EXCISE TAX ON RETAIL

MARIJUANA IMPOSED PURSUANT TO PART 3 OF ARTICLE 28.8 OF TITLE 39, SUBJECT TO THE LIMITATION SET FORTH IN SUBSECTION (1)(b)(I) OF THIS SECTION.

(B) THERE IS CREATED WITHIN THE ASSISTANCE FUND THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT. FOR THE 2019-20 STATE FISCAL YEAR, AND EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT TO THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT A PERCENTAGE OF THE AMOUNT CREDITED PURSUANT TO THIS SUBSECTION (2)(d) THAT IS EQUAL TO THE PERCENTAGE OF PUPIL ENROLLMENT, AS DEFINED IN SECTION 22-54-103, STATEWIDE REPRESENTED BY PUPILS WHO WERE ENROLLED IN CHARTER SCHOOLS FOR THE PRIOR SCHOOL YEAR. THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE STATE TREASURER OF THE APPLICABLE PERCENTAGE NO LATER THAN JUNE 1 OF THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

(d.5) FOR THE 2024-25 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT TO THE ASSISTANCE FUND THE ADDITIONAL INTEREST AND INCOME REMAINING IN THE PUBLIC SCHOOL FUND PURSUANT TO SECTION 22-41-102 (3)(i)(IV), (3)(j)(IV), AND (3)(k)(III).

(7) IN ITS BUDGET REQUEST SUBMITTED TO THE JOINT BUDGET COMMITTEE EACH NOVEMBER 1, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL REPORT THE AMOUNT OF REVENUE THAT WAS CREDITED TO THE STATE PUBLIC SCHOOL FUND FOR THE PRIOR STATE FISCAL YEAR PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION. THE JOINT BUDGET COMMITTEE MUST CONSIDER THE AMOUNT OF REVENUE THAT WAS CREDITED TO THE STATE PUBLIC SCHOOL FUND AND WHETHER TO CONTINUE CREDITING MONEY TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

SECTION 21. In Colorado Revised Statutes, 22-55-103, **add** (6) as follows:

22-55-103. State education fund - creation - transfers to fund - use of money in fund - permitted investments - exempt from spending limitations - kids matter account - definition - repeal. (6) (a) AS USED IN THIS SUBSECTION (6), UNLESS THE CONTEXT OTHERWISE REQUIRES, "ACCOUNT" MEANS THE KIDS MATTER ACCOUNT CREATED IN SUBSECTION (6)(b) OF THIS SECTION.

(b) (I) THE KIDS MATTER ACCOUNT IS CREATED IN THE STATE EDUCATION FUND. BEGINNING JULY 1, 2026, STATE FISCAL YEAR, THE STATE TREASURER MUST DEPOSIT IN THE ACCOUNT ALL STATE REVENUES COLLECTED FROM AN EXISTING TAX ON SIXTY-FIVE PERCENT OF ONE-TENTH OF ONE PERCENT ON FEDERAL TAXABLE INCOME, AS MODIFIED BY LAW, OF EVERY INDIVIDUAL, ESTATE, TRUST, AND CORPORATION, AS DEFINED IN LAW.

(II) THE ACCOUNT CONSISTS OF MONEY DEPOSITED INTO THE ACCOUNT PURSUANT TO SUBSECTION (6)(b)(I) OF THIS SECTION; ANY MONEY TRANSFERRED TO THE ACCOUNT BY THE GENERAL ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS FROM ANY PUBLIC OR PRIVATE SOURCES THAT THE DEPARTMENT OF EDUCATION IS AUTHORIZED TO SEEK AND ACCEPT. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ACCOUNT TO THE ACCOUNT.

(III) THE MONEY IN THE ACCOUNT IS SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT OF EDUCATION ONLY FOR THE PURPOSE OF FUNDING:

(A) DISTRICT TOTAL PROGRAM FUNDING; AND

(B) TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS.

(IV) ANY MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE ACCOUNT, REMAINS IN THE ACCOUNT AT THE END OF ANY STATE FISCAL YEAR.

(c) (I) BEGINNING JULY 1, 2026, THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, SHALL CALCULATE THE AMOUNT OF REVENUE TO BE DEPOSITED IN THE ACCOUNT PURSUANT TO THIS SECTION. THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF STATE PLANNING AND BUDGETING SHALL USE THE QUARTERLY STATE REVENUE ESTIMATES ISSUED BY THE LEGISLATIVE COUNCIL STAFF IN CALCULATING THE AMOUNT AND UPDATE THE CALCULATION NOT LATER THAN FIVE DAYS AFTER THE ISSUANCE OF EACH QUARTERLY STATE REVENUE ESTIMATE.

(II) TO ENSURE THAT THE CORRECT AMOUNT OF REVENUE IS DEPOSITED IN THE ACCOUNT:

(A) NO LATER THAN TWO DAYS AFTER CALCULATING OR UPDATING THE CALCULATION, THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, SHALL CERTIFY TO THE DEPARTMENT OF REVENUE THE AMOUNT OF REVENUE THAT THE DEPARTMENT SHALL TRANSFER TO THE STATE TREASURER FOR DEPOSIT INTO THE ACCOUNT ON THE FIRST BUSINESS DAY OF EACH OF THE NEXT THREE CALENDAR MONTHS;

(B) NOTWITHSTANDING SUBSECTION (6)(c)(II)(A) OF THIS SECTION, NO LATER THAN MAY 25, 2027, AND NO LATER THAN MAY 25 OF EACH STATE FISCAL YEAR THEREAFTER, THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, MAY CERTIFY TO THE DEPARTMENT OF REVENUE AN ADJUSTED AMOUNT FOR ANY DEPOSIT TO BE MADE ON THE FIRST BUSINESS DAY OF JUNE; AND

(C) SUBJECT TO REVIEW BY THE STATE AUDITOR, THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, MAY CORRECT AN ERROR IN THE AMOUNT OF REVENUE TRANSFERRED DURING ANY STATE FISCAL YEAR BY ADJUSTING THE AMOUNT OF ANY TRANSFER TO BE MADE DURING THE NEXT STATE FISCAL YEAR.

(III) BEGINNING JULY 1, 2026, AND ON THE FIRST BUSINESS DAY OF EACH CALENDAR MONTH THEREAFTER, THE DEPARTMENT OF REVENUE SHALL TRANSFER TO THE STATE TREASURER FOR DEPOSIT INTO THE ACCOUNT REVENUE IN AN AMOUNT CERTIFIED TO THE DEPARTMENT OF REVENUE BY THE LEGISLATIVE COUNCIL STAFF, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, PURSUANT TO SUBSECTIONS (6)(c)(II)(A) AND (6)(c)(II)(B) OF THIS SECTION.

SECTION 22. In Colorado Revised Statutes, 22-7-1209, **amend** (7) as follows:

22-7-1209. State board - rules - department - duties. (7) Beginning in the 2019-20 budget year, the department shall ~~contract with an entity to~~ develop and implement a public information campaign to emphasize the importance of learning to read by third grade and to highlight the local education providers that are achieving high percentages of third-grade students who demonstrate reading competency. The public information campaign must be disseminated statewide and must emphasize the important roles that educators and parents have in teaching children to read and in providing a school and home environment that promotes reading. The department is encouraged to work with the public and private library agencies throughout the state in developing and implementing the public information campaign.

SECTION 23. In Colorado Revised Statutes, 22-105.5-104, **amend** (3)(c)(I) as follows:

22-105.5-104. Out-of-school time program grant program - created - use of grants - funding - rules - repeal. (3) (c) (I) For the 2024-25, 2025-26, and 2026-27 state fiscal years, the general assembly shall appropriate three million five hundred thousand dollars in each state fiscal year from the general fund to the department for purposes of this section. ANY UNEXPENDED MONEY REMAINING AT THE END OF THE 2024-25 OR 2025-26 STATE FISCAL YEAR FROM AN APPROPRIATION MADE PURSUANT TO THIS SUBSECTION (3)(c)(I):

(A) MAY BE USED BY THE DEPARTMENT IN THE 2025-26 OR 2026-27 STATE FISCAL YEARS WITHOUT FURTHER APPROPRIATION; AND

(B) MUST NOT BE USED FOR ANY PURPOSE OTHER THAN THE PURPOSES OF THIS SECTION.

SECTION 24. In Colorado Revised Statutes, 22-105.5-106, **amend** (1) introductory portion and (5) as follows:

22-105.5-106. Reporting requirements. (1) On or before ~~July 1, 2025~~, JULY 1, 2026, and on or before July 1 each year thereafter in which a grant is awarded, each grantee shall submit a report to the department. At a minimum, the report must include the following information:

(5) On or before ~~March 31, 2026~~, MARCH 31, 2027, and on or before March 31 each year thereafter for the duration of the grant program, the department shall submit a summarized report of information provided by the eligible entities that received a grant to the education committees of the senate and the house of representatives, or any successor committees.

SECTION 25. In Colorado Revised Statutes, 42-1-102, **amend** (88) and (88.5)(a); and **add** (60.1) as follows:

42-1-102. Definitions. As used in articles 1 to 4 of this title 42, unless the context otherwise requires:

(60.1) "MULTIFUNCTION SCHOOL ACTIVITY BUS" MEANS A MOTOR VEHICLE THAT IS DESIGNED AND USED SPECIFICALLY FOR THE TRANSPORTATION OF SCHOOL CHILDREN TO OR FROM A SCHOOL-RELATED ACTIVITY, WHETHER THE ACTIVITY OCCURS WITHIN OR OUTSIDE THE TERRITORIAL LIMITS OF A SCHOOL DISTRICT AND WHETHER OR NOT THE ACTIVITY OCCURS DURING SCHOOL HOURS. A "MULTIFUNCTION SCHOOL ACTIVITY BUS" MUST COMPLY WITH ALL FEDERAL MOTOR VEHICLE SAFETY STANDARDS AND REGULATIONS APPLICABLE TO SCHOOL BUSES, EXCEPT ANY STANDARD OR REGULATION REQUIRING THE INSTALLATION OF OFFICIAL TRAFFIC CONTROL DEVICES.

(88) "School bus" means a motor vehicle that is designed and used specifically for the transportation of school children to or from a public or private school or a school-related activity, whether the activity occurs within or ~~without~~ OUTSIDE the territorial limits of ~~any~~ A SCHOOL district and whether or not the activity occurs during school hours. ~~"School bus" does not include informal or intermittent arrangements, such as sharing of actual gasoline expense or participation in a car pool, for the transportation of school children to or from a public or private school or a school-related activity.~~ A "SCHOOL BUS" MUST COMPLY WITH ALL FEDERAL MOTOR VEHICLE SAFETY STANDARDS AND REGULATIONS APPLICABLE TO SCHOOL BUSES.

(88.5) (a) "School vehicle" means a motor vehicle, including, but not limited to, a school bus OR MULTIFUNCTION SCHOOL ACTIVITY BUS, that is owned by or under contract to a public or private school and operated for the transportation of school children to or from school or a school-related activity.

SECTION 26. In Colorado Revised Statutes, 42-4-707, **amend** (1)(a) introductory portion and (5) introductory portion; and **add** (5)(a.5) as follows:

42-4-707. Certain vehicles must stop at railroad grade crossings - definitions.

(1) (a) Except as otherwise provided in this section, the driver of a school bus, as defined in subsection (5)(b) of this section OR THE DRIVER OF A MULTIFUNCTION SCHOOL ACTIVITY BUS, AS DEFINED IN SUBSECTION (5)(a.5) OF THIS SECTION, ~~carrying any schoolchild~~ the driver of a vehicle carrying hazardous materials that is required to be placarded in accordance with rules issued under section 42-20-108, or the driver of a commercial vehicle, as defined in section 42-4-235, that is transporting passengers, before crossing at grade any tracks of a railroad:

(5) ~~For the purposes of~~ AS USED IN this section:

(a.5) "MULTIFUNCTION SCHOOL ACTIVITY BUS" MEANS A MULTIFUNCTION SCHOOL ACTIVITY BUS THAT IS REQUIRED TO BEAR ON THE FRONT AND REAR OF THE BUS THE WORDS "ACTIVITY BUS" PURSUANT TO SECTION 42-4-1903 (2)(a.5).

SECTION 27. In Colorado Revised Statutes, 42-4-1901, **amend** (2)(b) as follows:

42-4-1901. School buses - equipped with supplementary brake retarders.

(2) (b) The general assembly encourages school districts to consider installing ~~only electromagnetic retarders~~ or state-of-the-art retarders for purposes of supplementing service brake systems of school buses when such retarders are acquired on or after

April 17, 1991. The general assembly also encourages school districts to consider purchasing only those new school buses ~~which~~ THAT are equipped with external public address systems and retarders of appropriate capacity for purposes of supplementing any service brake systems of such school buses.

SECTION 28. In Colorado Revised Statutes, **amend** 42-4-1902 as follows:

42-4-1902. School vehicle drivers - special training required. On and after July 1, 1992, the driver of ~~any~~ A school vehicle as defined in section 42-1-102 (88.5) owned or operated by or for ~~any~~ A school district in this state shall have successfully completed training ~~approved by the department of education,~~ concerning driving on mountainous terrain, as defined in section 42-4-1901 (3)(a), and driving in adverse weather conditions.

SECTION 29. In Colorado Revised Statutes, 42-4-1903, **amend** (1)(a), (2)(a) introductory portion, and (3); and **add** (2)(a.5) as follows:

42-4-1903. School buses - stops - signs - passing. (1) (a) The driver of a motor vehicle upon any highway, road, or street, upon meeting or overtaking from either direction any school bus that has stopped, shall stop the vehicle at least twenty feet before reaching the school bus if visual signal lights as specified in subsection (2) of this section have been actuated on the school bus. The driver shall not proceed until the visual signal lights are no longer being actuated. ~~The driver of a motor vehicle shall stop when a school bus that is not required to be equipped with visual signal lights by subsection (2) of this section stops to receive or discharge schoolchildren.~~

(2) (a) Every school bus as defined in section 42-1-102 (88), other than a small passenger-type vehicle having a seating capacity of not more than ~~fifteen~~ TWELVE, used for the transportation of schoolchildren ~~shall~~ MUST:

(a.5) EVERY MULTIFUNCTION SCHOOL ACTIVITY BUS AS DEFINED IN SECTION 42-1-102 (60.1) MUST BEAR ON THE FRONT AND REAR OF THE BUS THE WORDS "ACTIVITY BUS" IN BLACK LETTERS NOT LESS THAN EIGHT INCHES IN HEIGHT.

(3) Every school bus used for the transportation of schoolchildren, except those small passenger-type vehicles described in subsection (1) of this section AND MULTIFUNCTION SCHOOL ACTIVITY BUSES, ~~shall~~ MUST be equipped with school bus pedestrian safety devices that comply with 49 CFR 571.131 or its successor regulation.

SECTION 30. Appropriation. For the 2025-26 state fiscal year, \$7,009,989 is appropriated to the department of education. This appropriation is from the state education fund created in section 17 (4)(a) of article IX of the state constitution. To implement this act, the department may use this appropriation for at-risk supplemental aid.

SECTION 31. Appropriation. For the 2025-26 state fiscal year, \$7,600,000 is appropriated to the department of education. This appropriation is from the public school capital construction assistance fund created in section 22-43.7-104 (1),

C.R.S. To implement this act, the department may use this appropriation for public school capital construction assistance board - cash grants.

SECTION 32. Appropriation. For the 2025-26 state fiscal year, \$25,000,000 is appropriated to the department of education for use by school district operations. This amount is from the public school capital construction assistance fund created in section 22-43.7-104 (1), C.R.S., and consists of \$12,500,000 from matching money paid by the entities that use facilities financed pursuant to sections 22-43.7-104(2)(b)(IV) and 22-43.7-110(2)(c), C.R.S., and \$12,500,000 from other money in the fund. To implement this act, the division may use this appropriation for public school capital construction assistance board - lease payments.

SECTION 33. Appropriation - adjustments to 2025 long bill. (1) To implement this act, appropriations made in the annual general appropriation act for the 2025-26 state fiscal year to the department of education are adjusted as follows:

(a) The cash funds appropriation from the state education fund created in section 17 (4)(a) of article IX of the state constitution for state share of districts' total program funding is decreased by \$15,775,837;

(b) The cash funds appropriation from the state education fund created in section 17 (4)(a) of article IX of the state constitution for at-risk per pupil additional funding is decreased by \$5,000,000; and

(c) The cash funds appropriation from public school capital construction assistance fund created in section 22-43.7-104 (1), C.R.S., for public school capital construction assistance board - cash grants is decreased by \$45,648,087.

SECTION 34. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Section 15 of this act takes effect only if Senate Bill 25-315 does not become law.

(3) Section 16 of this act takes effect only if Senate Bill 25-315 becomes law, in which case section 16 takes effect upon the passage of this act or Senate Bill 25-315, whichever is later.

SECTION 35. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 23, 2025