

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 22-0404.01 Alana Rosen x2606

**SENATE BILL 22-127**

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**SENATE SPONSORSHIP**

**Kirkmeyer and Zenzinger**, Bridges, Coleman, Lundeen

**HOUSE SPONSORSHIP**

**Larson and McCluskie**, Herod, Kipp

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**Senate Committees**

Education  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING FUNDING FOR SPECIAL EDUCATION SERVICES, AND, IN**  
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

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

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.*

SENATE  
Amended 2nd Reading  
April 1, 2022

The bill increases the required annual appropriation by an additional \$40 million to fund children who have one or more disabilities and receive special education services from an administrative unit and requires the amount to increase by the rate of inflation each budget year beginning with the 2024-25 budget year.

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

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

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

2           **SECTION 1.** In Colorado Revised Statutes, 22-20-114, **amend**  
3 (1) introductory portion, (1)(b), and (1)(c)(I); and **add** (1)(c)(III)(B.1),  
4 (1)(c)(III)(D), and (1.3) as follows:

5           **22-20-114. Funding of programs - legislative declaration -**  
6 **repeal.** (1) Subject to the provisions of subsection (3) of this section, for  
7 the 2005-06 budget year and each budget year thereafter, the total amount

1 appropriated to the department for the payment of costs incurred by  
2 administrative units for the provision of special education programs shall  
3 MUST be distributed to each administrative unit that provides educational  
4 services for children with disabilities as follows:

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

9 (II) EXCEPT AS SPECIFIED IN SUBSECTION (1.3) OF THIS SECTION,  
10 FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN  
11 AMOUNT EQUAL TO ONE THOUSAND SEVEN HUNDRED FIFTY DOLLARS FOR  
12 EACH CHILD WITH DISABILITIES RECEIVING SPECIAL EDUCATION SERVICES  
13 FROM THE ADMINISTRATIVE UNIT; AND

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

1 (1)(c)(III) OF THIS SECTION, and the per pupil amount of six thousand  
2 dollars.

3 (III) (B.1) EXCEPT AS SPECIFIED IN SUBSECTION (1.3) OF THIS  
4 SECTION, FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR  
5 THEREAFTER, IN ADDITION TO ANY AMOUNT THAT IS AVAILABLE PURSUANT  
6 TO SUBSECTIONS (1)(c)(I), (1)(c)(III)(A), AND (1)(c)(III)(B) OF THIS  
7 SECTION, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY-SIX  
8 MILLION EIGHT HUNDRED TWENTY-FIVE THOUSAND DOLLARS, WHICH  
9 AMOUNT MAY BE APPROPRIATED FROM THE STATE EDUCATION FUND OR  
10 THE GENERAL FUND OR AS AMOUNTS FROM BOTH FUNDS, TO THE  
11 DEPARTMENT FOR THE PURPOSES OF THIS SUBSECTION (1)(c).

12 (D) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO INCREASE  
13 FUNDING FOR SPECIAL EDUCATION SERVICES AS NECESSARY FOR THE  
14 2023-24 BUDGET YEAR AND BUDGET YEARS THEREAFTER TO FULLY FUND  
15 SPECIAL EDUCATION SERVICES PURSUANT TO THIS SUBSECTION (1)(c).

16 (1.3) FOR THE 2024-25 BUDGET YEAR AND BUDGET YEARS  
17 THEREAFTER, THE DOLLAR AMOUNTS SET FORTH IN SUBSECTIONS (1)(b)(II)  
18 AND (1)(c)(III) OF THIS SECTION ARE ANNUALLY INCREASED BY THE RATE  
19 OF INFLATION. THE AMOUNTS MUST BE ROUNDED TO THE NEAREST  
20 DOLLAR. AS USED IN THIS SUBSECTION (1.3), "INFLATION" MEANS THE  
21 ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF  
22 LABOR BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR  
23 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY ALL URBAN  
24 CONSUMERS, OR ITS APPLICABLE SUCCESSOR INDEX.

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

27 **22-20-114.5. Special education fiscal advisory committee -**

1 **special education high-cost grants - report - definitions - repeal.**

2 (7) ON OR BEFORE JANUARY 1, 2023, THE COMMITTEE SHALL SUBMIT TO  
3 THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND  
4 THE SENATE, OR ANY SUCCESSOR COMMITTEES, A REPORT THAT INCLUDES  
5 BUT NEED NOT BE LIMITED TO:

6 (a) AN ANALYSIS OF FUNDING FOR SPECIAL EDUCATION SERVICES  
7 IN OTHER STATES COMPARED TO THE FUNDING MODEL USED IN COLORADO,  
8 WITH A FOCUS ON THE PROPORTIONATE SHARES PROVIDED BY FEDERAL,  
9 STATE, AND LOCAL FUNDING AND HOW OTHER STATES FUND DIFFERENT  
10 CATEGORIES OF DISABILITIES TO TARGET THE NEEDS OF CHILDREN WITH  
11 DISABILITIES;

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

14 (c) AN ANALYSIS OF THE EFFECTIVENESS OF THE CURRENT  
15 FUNDING MODEL FOR SPECIAL EDUCATION SERVICES AND WHETHER THE  
16 CURRENT FUNDING MODEL ADEQUATELY SUPPORTS SPECIAL EDUCATION  
17 SERVICES;

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

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

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

3 **SECTION 3. Appropriation.** For the 2022-23 state fiscal year,  
4 \$80,000,000 is appropriated to the department of education. This  
5 appropriation is from the state education fund created in section 17 (4)(a)  
6 of article IX of the state constitution. To implement this act, the  
7 department may use this appropriation for special education programs for  
8 children with disabilities.

9 **SECTION 4. Safety clause.** The general assembly hereby finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, or safety.