

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0945.04 Jacob Baus x2173

HOUSE BILL 25-1320

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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>.)

Under current law, there are 2 total program formulas to finance public schools. Absent the satisfaction of a statutorily specified condition, the first formula is scheduled to stop determining total program after the 2024-25 budget year (expiring formula), and the second formula is scheduled to determine total program beginning in the 2030-31 budget year (new formula). For the 2025-26 budget year through the 2029-30 budget year (transition period), total program is scheduled to be determined by using figures that were calculated under both the expiring

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.

formula and the new formula.

The bill:

- Extends the transition period by one year, so that it is from the 2025-26 budget year through the 2030-31 budget year; and
- Postpones the exclusive use of the new formula to determine total program until the 2031-32 budget year.

The bill changes how each school district's and institute charter school's annual total program is determined during the transition period. For the 2025-26 and 2026-27 budget years, each school district's and institute charter school's annual total program is the greater of the school district's or institute charter school's total program for the 2024-25 budget year or the amount calculated under the expiring formula plus an amount equal to 15% in 2025-26 and 30% in 2026-27 of the difference between the amounts calculated under the new formula and the expiring formula. For the 2027-28 budget year through the 2030-31 budget year, each school district's and institute charter school's annual total program is the greater of the district's or institute charter school's calculation under the expiring formula plus 1% of that calculation, or:

- For the 2027-28 budget year, the amount calculated under the expiring formula plus an amount equal to 45% of the difference between the amounts calculated under the new formula and the expiring formula;
- For the 2028-29 budget year, the amount calculated under the expiring formula plus an amount equal to 60% of the difference between the amounts calculated under the new formula and the expiring formula;
- For the 2029-30 budget year, the amount calculated under the expiring formula plus an amount equal to 75% of the difference between the amounts calculated under the new formula and the expiring formula; and
- For the 2030-31 budget year, the amount calculated under the expiring formula plus an amount equal to 90% of the difference between the amounts calculated under the new formula and the expiring formula.

Under current law, there are specified conditions that apply to the transition period. If the joint budget committee determines that a specified condition occurs in a budget year during the transition period, then for the next budget year and each budget year thereafter, the transition is suspended, and each school district's total program is determined pursuant to the calculation and determination required for the budget year when the condition occurred. For one of the existing conditions, the bill specifies that an income tax deposit to the state education fund that was made to correct an error does not count toward determining whether the condition has been satisfied.

A school district's funded pupil count is a figure that is used as a part of determining a school district's total program. Under the expiring formula, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 4 budget years. Under current law, the new formula calculates a school district's funded pupil count by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years.

The bill changes the new formula so that:

- For the 2025-26 budget year, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years; and
- For the 2026-27 budget year and each budget year thereafter, a school district's funded pupil count is calculated by determining the greater of the school district's pupil enrollment for the applicable budget year or the average of the district's pupil enrollment for the applicable budget year and the immediately preceding 2 budget years.

However:

- If a statutorily specified condition is satisfied, and consequently for the 2026-27 budget year, a district's total program is not determined as scheduled under the transition period, then for the 2026-27 budget year, and each budget year thereafter, funded pupil count will continue to be determined by the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding 3 budget years; and
- If, for the 2027-28 budget year, the state education fund balance is projected to be less than \$200 million, then the general assembly is required to implement a smoothing factor or the funded pupil count will be determined by the greater of the school district's pupil enrollment for the applicable budget year or the average of the school district's pupil enrollment for the applicable budget year and the immediately preceding budget year for the 2027-28 budget year and each budget year thereafter.

The bill changes the expiring formula so that starting in the 2027-28

budget year, the funded pupil count used in the expiring formula is the same funded pupil count that is used in the new formula to determine a district's total program during the transition period.

The bill determines total program for the 2025-26 budget year using the formula changes in the bill. The bill:

- Increases the statewide base per pupil funding for the 2025-26 budget year by \$195.42 to account for inflation;
- Sets a new statewide base per pupil funding amount for the 2025-26 budget year at \$8,691.80; and
- Sets the total program funding for the 2025-26 budget year for all school districts and institute charter schools to at least \$10,035,615,917.80.

Under current law, a new at-risk measure is required to be implemented in the 2025-26 budget year. The bill postpones the implementation of this requirement to the 2026-27 budget year.

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

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

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

10 (b) The general assembly reaffirms its commitment to upholding
11 the Colorado Constitution's mandate for a thorough and uniform system
12 of public education and to providing every child with the opportunity to
13 receive an adequate education. Furthermore, the general assembly
14 acknowledges the importance of continuing the increases in funding for
15 public education mandated by section 17 of article IX of the Colorado
16 Constitution, which ensures year-over-year adjustments to account for
17 inflationary pressures. This commitment is fundamental to the long-term

1 prosperity and well-being of Colorado's future workforce and economy.

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

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

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

19 **22-54-103.2. District total program formula report.** (2) In its
20 report described pursuant to subsection (1) of this section, the department
21 of education shall report, at a minimum, data demonstrating:

22 (a) The successes and challenges of determining a district's total
23 program pursuant to section 22-54-103.3 for reports concerning the
24 2025-26 budget year through the ~~2029-30~~ 2030-31 budget year, and the
25 successes and challenges of determining a district's total program
26 pursuant to section 22-54-103.5 for reports concerning the ~~2030-31~~
27 2031-32 budget year and each budget year thereafter;

1 (b) How district total program, determined pursuant to section
2 22-54-103.3 for reports concerning the 2025-26 budget year through the
3 ~~2029-30~~ 2030-31 budget year and determined pursuant to section
4 22-54-103.5 for reports concerning the ~~2030-31~~ 2031-32 budget year and
5 each budget year thereafter, is being used at the school level, including
6 traditional public schools, district charter schools, and institute charter
7 schools, and information currently reported by the department of
8 education in district performance snapshots; and

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

12 **22-54-103.3. District total program - 2025-26 through 2030-31**
13 **budget years - definitions - repeal.** (1) (a) Notwithstanding any
14 provision of law to the contrary, for the 2025-26 budget year through the
15 ~~2029-30~~ 2030-31 budget year, the department of education shall
16 determine each district's total program pursuant to this section. The
17 district's total program is available to the district to fund the costs of
18 providing public education, and, except as otherwise provided in section
19 22-54-105, the district has the discretion to determine the amounts and
20 purposes for budgeting and expending its district total program money.

21 (c) As used in this section, "for the 2025-26 budget year through
22 the ~~2029-30~~ 2030-31 budget year" means the 2025-26 budget year, the
23 2026-27 budget year, the 2027-28 budget year, the 2028-29 budget year,
24 ~~and~~ the 2029-30 budget year, AND THE 2030-31 BUDGET YEAR.

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

1 (3) (a) For the 2025-26 budget year, ~~through the 2029-30 budget~~
2 ~~year~~ a district's total program is the greater of the district's total program
3 ~~calculation pursuant to section 22-54-104 plus one-half percent of the~~
4 ~~district's total program calculation pursuant to section 22-54-104; or~~
5 DETERMINATION FOR THE 2024-25 BUDGET YEAR, OR THE AMOUNT
6 CALCULATED PURSUANT TO SECTION 22-54-104 PLUS AN AMOUNT EQUAL
7 TO FIFTEEN PERCENT OF THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL
8 PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE
9 DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
10 22-54-104.

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

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

1 (c) For the 2027-28 budget year THROUGH THE 2030-31 BUDGET
2 YEAR, ~~the amount calculated pursuant to section 22-54-104 plus an~~
3 ~~amount equal to fifty percent of the difference between the district's total~~
4 ~~program calculation pursuant to section 22-54-103.5 and the district's~~
5 ~~total program calculation pursuant to section 22-54-104~~ A DISTRICT'S
6 TOTAL PROGRAM IS THE GREATER OF THE DISTRICT'S TOTAL PROGRAM
7 CALCULATION PURSUANT TO SECTION 22-54-104 PLUS ONE PERCENT OF
8 THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
9 22-54-104, OR:

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

15 (c) (II) For the 2028-29 budget year, the amount calculated
16 pursuant to section 22-54-104 plus an amount equal to ~~sixty-six~~ SIXTY
17 percent of the difference between the district's total program calculation
18 pursuant to section 22-54-103.5 and the district's total program
19 calculation pursuant to section 22-54-104; ~~and~~

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

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

1 CALCULATION PURSUANT TO SECTION 22-54-103.5 AND THE DISTRICT'S
2 TOTAL PROGRAM CALCULATION PURSUANT TO SECTION 22-54-104.

3 (4) For the 2024-25 budget year through the ~~2029-30~~ 2030-31
4 budget year, the joint budget committee shall monitor the fiscal impact of
5 the district total program determinations pursuant to this section and the
6 fiscal impact of the transition to the total program formula pursuant to
7 section 22-54-103.5. At a minimum, the joint budget committee shall
8 consider immediate and forecasted economic conditions, the impact or
9 trend of the statewide total local share of total program funding, the
10 impact or trend of the state education fund, and any other data-driven
11 considerations necessary to ensure the sustainable transition to and
12 implementation of a new total program formula. The joint budget
13 committee and the general assembly may take action necessary to ensure
14 the sustainable transition to and implementation of a new total program
15 formula. On or after January 1, 2025, when the department of education
16 makes mid-year adjustments, the joint budget committee shall develop a
17 sustainability plan that makes findings and recommendations regarding
18 how the general assembly can fully fund total program determinations
19 pursuant to sections 22-54-103.3 and 22-54-103.5. On or after January 1,
20 2026, and on or after January 1 each year thereafter, when the department
21 of education makes mid-year adjustments, the joint budget committee
22 shall review the sustainability plan and update it as necessary.

23 (5) (b) (I) Notwithstanding any provision of this article 54, for the
24 2024-25 budget year through the ~~2029-30~~ 2030-31 budget year, if the
25 joint budget committee determines that any one of the conditions
26 described in subsection (5)(c) of this section occurred:

27 (c) (I) The requirements described in subsection (5)(b) of this

1 section are initiated if:

2 (C) In either an assessment year or a non-assessment year, the
3 March revenue forecast relied on by the general assembly in setting the
4 budget for the next state fiscal year estimates that the income tax
5 ~~diversion~~ DEPOSIT to the state education fund, as required pursuant to
6 section 17 of article IX of the state constitution, will decrease by five
7 percent or more in either the current budget year or the next budget year.
8 IF THE JOINT BUDGET COMMITTEE DETERMINES BASED ON FORECAST
9 ESTIMATES, AS DESCRIBED IN THIS SUBSECTION (5)(c)(I)(C), THAT THE
10 INCOME TAX DEPOSIT TO THE STATE EDUCATION FUND WILL DECREASE BY
11 FIVE PERCENT OR MORE IN EITHER THE CURRENT BUDGET YEAR OR THE
12 NEXT BUDGET YEAR AS A RESULT OF A CORRECTION TO AN ERROR IN THE
13 TOTAL AMOUNT OF STATE EDUCATION FUND REVENUES DEPOSITED AS SET
14 FORTH IN SECTION 22-55-103 (2), THEN THIS SUBSECTION (5)(c)(I)(C)
15 DOES NOT INITIATE THE REQUIREMENTS OF SUBSECTION (5)(b) OF THIS
16 SECTION.

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

18 **SECTION 4.** In Colorado Revised Statutes, 22-54-103.5, **amend**
19 (1)(a), (1)(c)(I), (1)(c)(III), and (4); and **add** (3) and (14) as follows:

20 **22-54-103.5. District total program - rules - legislative**
21 **declaration - repeal.** (1) (a) For the ~~2030-31~~ 2031-32 budget year and
22 each budget year thereafter, the department of education shall use this
23 section to determine each district's total program. The district's total
24 program is available to the district to fund the costs of providing public
25 education, and, except as otherwise provided in section 22-54-105, the
26 district has the discretion to determine the amounts and purposes for
27 budgeting and expending its district total program money.

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

10 (III) This subsection (1)(c) is repealed, effective ~~July 1, 2031~~ JULY
11 1, 2032.

12 (3) **Statewide base per pupil funding.** (a) (I) FOR THE 2025-26
13 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS EIGHT
14 THOUSAND SIX HUNDRED NINETY-ONE DOLLARS AND EIGHTY CENTS
15 (\$8,691.80), WHICH IS AN AMOUNT EQUAL TO EIGHT THOUSAND FOUR
16 HUNDRED NINETY-SIX DOLLARS AND THIRTY-EIGHT CENTS (\$8,496.38),
17 SUPPLEMENTED BY ONE HUNDRED NINETY-FIVE DOLLARS AND FORTY-TWO
18 CENTS (\$195.42) TO ACCOUNT FOR INFLATION.

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

20 (b) (RESERVED)

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

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

27 (†) (A) The district's pupil enrollment for the applicable budget

1 year;

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

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

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

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

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

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

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

1 charter school's pupil enrollment for the immediately preceding budget
2 year;

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

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

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

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

26 ~~(d)~~ ~~(F)~~ (VI) (A) Notwithstanding any provision of law to the
27 contrary, for the purposes of this ~~subsection (4)~~ SUBSECTION (4)(a), a

1 district's pupil enrollment for the applicable budget year and a district's
2 pupil enrollment for a preceding budget year do not include a pupil who
3 is or was enrolled in a charter school that was originally authorized by the
4 district but was subsequently converted, on or after July 1, 2010, to an
5 institute charter school or to a charter school of a district contiguous to
6 the ~~originally~~ ORIGINAL authorizing district.

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

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

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

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

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

27 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE

1 CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(b), A DISTRICT'S
2 FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND
3 ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER
4 SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS
5 PROVIDED PURSUANT TO SUBSECTIONS (4)(b)(III) AND (4)(b)(IV) OF THIS
6 SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE
7 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL
8 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO
9 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS
10 SECTION.

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

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

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

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

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

1 SCHOOL STUDENT ENROLLMENT.

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

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

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

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

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

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

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

24 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
25 CONTRARY, FOR PURPOSES OF THIS SUBSECTION (4)(d), A DISTRICT'S
26 FUNDED PUPIL COUNT INCLUDES THE CERTIFIED PUPIL ENROLLMENT AND
27 ONLINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER

1 SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT, AS
2 PROVIDED PURSUANT TO SUBSECTIONS (4)(d)(III) AND (4)(d)(IV) OF THIS
3 SECTION. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE
4 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ONLINE PUPIL
5 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO
6 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO THIS
7 SECTION.

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

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

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

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

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

1 SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS TO THE
2 ORIGINAL AUTHORIZING DISTRICT.

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

9 (14) **Total program funding.** (a) (I) FOR THE 2025-26 BUDGET
10 YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
11 LEGISLATIVE COUNCIL SHALL DETERMINE, BASED ON BUDGET
12 PROJECTIONS, THE AMOUNT TO ENSURE THAT FOR THE 2025-26 BUDGET
13 YEAR, THE SUM OF TOTAL PROGRAM FUNDING FOR ALL DISTRICTS,
14 INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, IS AT LEAST TEN
15 BILLION THIRTY-FIVE MILLION SIX HUNDRED FIFTEEN THOUSAND NINE
16 HUNDRED SEVENTEEN DOLLARS AND EIGHTY CENTS (\$10,035,615,917.80);
17 EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
18 LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE
19 PROJECTIONS WITH ACTUAL FIGURES, INCLUDING ACTUAL PUPIL
20 ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX
21 REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY
22 CHANGES IN THE AMOUNT TO MAINTAIN TOTAL PROGRAM FUNDING FOR
23 THE APPLICABLE BUDGET YEAR.

24 (II) THIS SUBSECTION (14)(a) IS REPEALED, EFFECTIVE JULY 1,
25 2031.

26 (b) (RESERVED)

27 **SECTION 5.** In Colorado Revised Statutes, 22-54-104, **amend**

1 (1)(c)(I) and (8); and **add** (7)(i) as follows:

2 **22-54-104. District total program - legislative declaration -**
3 **definitions - repeal.** (1) (c) (I) Notwithstanding any provision of law to
4 the contrary, for the 2025-26 budget year through the ~~2029-30~~ 2030-31
5 budget year, the department of education shall calculate each district's
6 total program pursuant to this section for the purpose of determining each
7 district's total program pursuant to section 22-54-103.3. The district's total
8 program is available to the district to fund the costs of providing public
9 education, and, except as otherwise provided in section 22-54-105, the
10 district has the discretion to determine the amounts and purposes for
11 budgeting and expending its district total program money.

12 (7) (i) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
13 (7), FOR THE 2027-28 BUDGET YEAR AND EACH BUDGET YEAR
14 THEREAFTER, WHEN CALCULATING EACH DISTRICT'S TOTAL PROGRAM
15 PURSUANT TO THIS SECTION FOR THE PURPOSE OF DETERMINING A
16 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-103.3, THE
17 DEPARTMENT OF EDUCATION SHALL USE THE SAME FUNDED PUPIL COUNT
18 THAT IT USES PURSUANT TO SECTION 22-54-103.5 (4) FOR THE PURPOSE OF
19 DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION
20 22-54-103.3.

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

22 **SECTION 6.** In Colorado Revised Statutes, 22-54-104.6, **amend**
23 (3) introductory portion and (12); and **repeal** (4) and (11.5) as follows:

24 **22-54-104.6. Implementation of at-risk measure - working**
25 **group - creation - department duties - reports - legislative declaration**
26 **- definitions - repeal.** (3) Beginning in the ~~2025-26~~ 2026-27 budget
27 year, there is created a new at-risk measure in the public school funding

1 formula for identifying students who are at risk of below-average
2 academic outcomes because of socioeconomic disadvantage or poverty.
3 The new at-risk measure replaces the at-risk measure in effect for the
4 ~~2024-25~~ 2025-26 budget year. The new at-risk measure is designed to
5 allocate financial resources to public schools to serve the needs of at-risk
6 students. The new at-risk measure includes:

7 (4) ~~On or before August 15, 2022, the commissioner shall~~
8 ~~convene a working group to prepare for the implementation in the~~
9 ~~2024-25 budget year of the new at-risk measure created in subsection (3)~~
10 ~~of this section.~~

11 (11.5) (a) ~~In order to prepare for the implementation of the new~~
12 ~~at-risk measure for the 2024-25 budget year, the department of education~~
13 ~~shall conduct pre-implementation modeling and testing of the new at-risk~~
14 ~~measure. At a minimum, the department shall simulate 2024-25 budget~~
15 ~~year total program calculations, including the new at-risk measure~~
16 ~~recommended by the working group instead of the at-risk measure in~~
17 ~~effect for the 2023-24 budget year.~~

18 (b) ~~Not later than January 5, 2024, the commissioner of education~~
19 ~~shall submit a report to the education committees of the senate and house~~
20 ~~of representatives, or any successor committees, and the joint budget~~
21 ~~committee, including:~~

22 (I) ~~A summary of the outcomes of the modeling and testing using~~
23 ~~the new at-risk measure, and the anticipated effects on the cost of total~~
24 ~~program funding;~~

25 (II) ~~An identification of issues encountered in the modeling and~~
26 ~~testing using the new at-risk measure; and~~

27 (III) ~~Recommendations for any legislation necessary to implement~~

1 ~~the new at-risk measure for the 2024-25 budget year, as well as financial~~
2 ~~resources needed to administer the new at-risk measure.~~

3 (12) ~~Subsections (4) to (11)~~ SUBSECTIONS (5) TO (11) of this
4 section are repealed, effective ~~July 1, 2025~~ JULY 1, 2026.

5 **SECTION 7. Safety clause.** The general assembly finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, or safety or for appropriations for
8 the support and maintenance of the departments of the state and state
9 institutions.