BILL TOPIC: "Special Education Funding"
DEADLINES: File by: 1/17/2022

A BILL FOR AN ACT
CONCERNING FUNDING FOR SPECIAL EDUCATION SERVICES.

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.

The bill increases the required annual appropriation by an additional $40 million to fund children who have one or more disabilities

Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.
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;
- 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.

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

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

22-20-114. Funding of programs - legislative declaration - repeal. (1) Subject to the provisions of subsection (3) of this section, for the 2005-06 budget year and each budget year thereafter, the total amount appropriated to the department for the payment of costs incurred by administrative units for the provision of special education programs shall MUST be distributed to each administrative unit that provides educational
services for children with disabilities as follows:

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

(II) EXCEPT AS SPECIFIED IN SUBSECTION (1)(d) OF THIS SECTION, FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN AMOUNT EQUAL TO ONE THOUSAND SEVEN HUNDRED FIFTY DOLLARS FOR EACH CHILD WITH DISABILITIES RECEIVING SPECIAL EDUCATION SERVICES FROM THE ADMINISTRATIVE UNIT; AND

(c) (I) If any amount of the total annual appropriation remains after the distributions specified in paragraphs (a), (a.5), and (b) of this subsection (1)(a), (1)(a.5), AND (1)(b) OF THIS SECTION have been made, and after the distribution of the portion of the total annual appropriation designated for high cost grants pursuant to subsection (2) of this section has been made, six thousand dollars per child with one or more disabilities, as described in subparagraph (II) of this paragraph (c) SUBSECTION (1)(c)(II) OF THIS SECTION, for a percentage of such children receiving special education services from the administrative unit. The department shall annually determine the percentage of such children for which an administrative unit may receive additional funding pursuant to this paragraph (c) SUBSECTION (1)(c) based on the amount of the remaining appropriation, the money available pursuant to subparagraph (III) of this paragraph (c) SUBSECTION (1)(c)(III) OF THIS SECTION, and the per pupil amount of six thousand dollars.

(III) (B.1) EXCEPT AS SPECIFIED IN SUBSECTION (1)(d) OF THIS
SECTION, FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, IN ADDITION TO ANY AMOUNT THAT IS AVAILABLE PURSUANT TO SUBSECTIONS (1)(c)(I), (1)(c)(III)(A), AND (1)(c)(III)(B) OF THIS SECTION, THE GENERAL ASSEMBLY SHALL APPROPRIATE FORTY MILLION DOLLARS, WHICH AMOUNT MAY BE APPROPRIATED FROM THE STATE EDUCATION FUND OR THE GENERAL FUND OR AS AMOUNTS FROM BOTH FUNDS, TO THE DEPARTMENT FOR THE PURPOSES OF THIS SUBSECTION (1)(c).

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

(d) FOR THE 2024-25 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DOLLAR AMOUNTS SET FORTH IN SUBSECTIONS (1)(b)(II) AND (1)(c)(III) OF THIS SECTION ARE ANNUALLY INCREASED BY THE RATE OF INFLATION. THE AMOUNTS MUST BE ROUNDED TO THE NEAREST DOLLAR. AS USED IN THIS SUBSECTION (1)(d), "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.

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

22-20-114.5. Special education fiscal advisory committee - special education high-cost grants - report - definitions - repeal.

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

(a) 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 SHARES PROVIDED BY FEDERAL,
STATE, AND LOCAL FUNDING;

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

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

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

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

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

SECTION 3. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.