

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

UNREVISED  
DRAFT  
1.24.18

DRAFT

LLS NO. 18-0039.01 Brita Darling x2241

HOUSE BILL

HOUSE SPONSORSHIP

Young,

SENATE SPONSORSHIP

(None),

**BILL TOPIC:** "Creation Of A Modern School Finance Formula"  
**DEADLINES:** Finalize by: JAN 29, 2018 File by: JAN 31, 2018

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A MODERN SCHOOL FINANCE  
102 FORMULA.

Bill Summary

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

The bill creates a new school finance funding formula to replace the existing formula. The new funding formula is effective for the second budget year following voter approval of a ballot measure that increases state revenue for funding preschool through high school public education that is not included in the bill.

If enacted, the new school finance funding formula:

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

- Builds a school district's (district's) total program funding from statewide base per pupil funding by adding additional funding for student and district characteristics;
- Adds district "factor" funding to the district's base funding, including district:
  - Size factor funding;
  - Poverty factor funding for students eligible for free or reduced-price meals;
  - English language learner factor funding, adjusted for district size;
  - Gifted child factor funding, adjusted for district size;
  - Special education factor funding, adjusted for a child's disability and district size; and
  - Cost of living factor funding, limited to a percentage of statewide cost of living factor funding.

For purposes of calculating district total program funding under the new formula, the bill:

- Adds on district factor funding to create transparency in the amount of funding, in addition to base funding, that each district receives for each factor;
- Counts kindergarten students as half-day or full-day pupils depending on the length of the kindergarten program;
- Counts preschool students as half-day pupils, anticipating conforming changes to the Colorado preschool program following enactment of the bill that remove limits on the number of pupils attending state-funded preschool, as well as pupil eligibility criteria for 4-year-olds;
- Differentiates between pupils with specified disabilities for purposes of determining the new special education factor funding, anticipating conforming changes to categorical funding programs following enactment of the bill to use special education categorical funding for high-cost disability reimbursement grants.
- Applies English language learner factor funding for up to 7 years to all English language learners, except for those students with no English proficiency, anticipating conforming changes to categorical funding programs following enactment of the bill to use categorical funding for students with no English proficiency.

The bill creates a hold-harmless provision for a limited number of years in specific circumstances if a districts' total program funding under the new school finance funding formula is less than it was under the previous school finance funding formula without a budget stabilization

reduction in funding.

The bill includes a special effective date provision for the bill that requires voter approval of a ballot measure that increases funding for preschool through high school public education.

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

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

4           (a) (I) House Bill 18-\_\_\_\_, enacted in 2018. creates a new school  
5 finance funding formula for calculating each school district's total  
6 program funding that will replace the school finance formula set forth in  
7 section 22-54-104, Colorado Revised Statutes;

8           (II) The new school finance funding formula will take effect only  
9 if Colorado voters approve a statewide ballot measure increasing state tax  
10 revenues for the purpose of funding preschool through secondary school  
11 public education;

12           (III) If the ballot measure is approved, the new school finance  
13 funding formula will take effect in the second budget year following  
14 approval;

15           (IV) The new school finance funding formula, if enacted, will  
16 conflict with other provisions of the Colorado Revised Statutes that are  
17 not amended in House Bill 18-\_\_\_\_. For example:

18           (A) The Colorado preschool program set forth in article 28 of title  
19 22, Colorado Revised Statutes, limits the program to a certain number of  
20 state-funded preschool program students and requires that state-funded  
21 children attending preschool meet certain eligibility criteria. The new  
22 school finance funding formula in House Bill 18-\_\_\_\_, if enacted,  
23 contemplates universal, quality preschool for four-year-old children, for

1 which each child is funded as a half-day pupil, and does not limit  
2 preschool funding to a restricted number of preschool program students  
3 or by a child's risk factors.

4 (B) In addition, under current law, a school district receives  
5 categorical program funding for each child with a disability. If enacted,  
6 the new school finance funding formula in House Bill 18-\_\_\_\_  
7 contemplates reserving special education categorical program funding for  
8 reimbursement grants to serve children with severe, high-cost disabilities,  
9 and provides districts with special education factor funding for all  
10 children receiving special education services or programs in the district  
11 through an individualized education program; and

12 (C) The new school finance funding formula will also provide  
13 English language learner factor funding to children who are English  
14 language learners, except for those children entering school with no  
15 English language proficiency. Those children will be served through the  
16 English language learner categorical funding.

17 (V) Conforming changes to the Colorado preschool program and  
18 the special education and English language learner categorical programs  
19 are not included in House Bill 18-\_\_\_\_ and must be made by the General  
20 Assembly through implementing legislation following the approval of a  
21 ballot measure that provides funding for the new school finance funding  
22 formula and prior to the effective date of the new formula, which is in the  
23 second budget year following passage of the ballot measure; and

24 (VI) Finally, conforming changes to the Colorado Revised  
25 Statutes are necessary to reflect the repeal of the old school finance  
26 formula and related provisions and to amend or repeal definitions used in  
27 school finance.

1 (b) Therefore, the general assembly declares that it is the intent of  
2 the general assembly to enact and implement legislation, following voter  
3 approval of a ballot measure funding the new school finance funding  
4 formula and prior to the effective date of the new formula, that amends  
5 the Colorado preschool program, categorical funding programs, and other  
6 programs and terms used in the Colorado Revised Statutes to conform to  
7 the intent of the new school finance funding formula enacted through  
8 House Bill 18-\_\_\_\_\_.

9 **SECTION 2.** In Colorado Revised Statutes, **add** 22-54-104.6 as  
10 follows:

11 **22-54-104.6. District total program - legislative declaration -**  
12 **- definitions - effective date - rules.** (1) (a) THE GENERAL ASSEMBLY  
13 FINDS THAT:

14 (I) A SOUND AND ADEQUATELY FUNDED PUBLIC EDUCATION  
15 SYSTEM IS ESSENTIAL TO DEVELOPING THE FULL POTENTIAL OF  
16 COLORADO'S CHILDREN, INCLUDING THE ABILITY TO ENGAGE  
17 MEANINGFULLY IN THE CIVIL AND ECONOMIC LIFE OF THE STATE AND THE  
18 NATION;

19 (II) SECTION 2 OF ARTICLE IX OF THE STATE CONSTITUTION  
20 REQUIRES THE GENERAL ASSEMBLY TO ESTABLISH AND MAINTAIN A  
21 THOROUGH AND UNIFORM SYSTEM OF PUBLIC SCHOOLS THROUGHOUT THE  
22 STATE;

23 (III) A THOROUGH AND UNIFORM SYSTEM OF PUBLIC EDUCATION  
24 SHOULD PREPARE ALL COLORADO STUDENTS, REGARDLESS OF WHERE  
25 THEY LIVE, FOR SUCCESS IN CAREER, COLLEGE, AND LIFE;

26 (IV) OVER TWENTY YEARS HAVE PASSED SINCE PASSAGE OF THE  
27 "PUBLIC SCHOOL FINANCE ACT OF 1994";

1 (V) DURING THIS PERIOD, VARIOUS CONSTITUTIONAL PROVISIONS  
2 AND STATUTORY FORMULAS HAVE IMPACTED FUNDING FOR PUBLIC  
3 SCHOOLS, AND FINANCIAL RESOURCES ARE INADEQUATE TO PROVIDE THE  
4 EDUCATIONAL SUPPORTS AND OPPORTUNITIES NECESSARY TO MEET THE  
5 NEEDS OF ALL OF COLORADO'S STUDENTS;

6 (VI) FURTHER, DURING THIS SAME PERIOD, THE PUBLIC'S  
7 EXPECTATIONS OF COLORADO'S PUBLIC SCHOOLS HAVE ALSO INCREASED  
8 SUBSTANTIALLY, BOTH IN TERMS OF EXPECTED OUTCOMES FOR STUDENTS  
9 AND THE LEVEL OF PUBLIC ACCOUNTABILITY FOR SCHOOL DISTRICTS AND  
10 PUBLIC SCHOOLS;

11 (VII) TO MEET THESE HIGHER EXPECTATIONS AND THE INCREASING  
12 NEEDS AND CHALLENGES OF STUDENTS, THE PROGRAMMING AND SERVICES  
13 THAT SCHOOL DISTRICTS AND PUBLIC SCHOOLS MUST PROVIDE HAVE ALSO  
14 EXPANDED EXPONENTIALLY;

15 (VIII) COLORADANS DEMAND, AND THE NEEDS OF THE STATE  
16 REQUIRE, THAT ALL STUDENTS, INCLUDING THOSE WHO ARE UNDERSERVED  
17 OR FACE SIGNIFICANT CHALLENGES IN MEETING COLORADO'S GRADUATION  
18 GUIDELINES, FINISH HIGH SCHOOL CAREER AND COLLEGE READY;

19 (IX) IN ORDER TO PROVIDE EACH CHILD IN THIS STATE WITH A  
20 HIGH-QUALITY PRESCHOOL THROUGH SECONDARY SCHOOL EDUCATION,  
21 COLORADO'S PUBLIC SCHOOL FINANCE LAW SHOULD BE MODERNIZED TO:

22 (A) ENSURE THAT ALL SCHOOL DISTRICTS AND PUBLIC SCHOOLS  
23 RECEIVE ADDITIONAL FUNDING THAT IS DISTRIBUTED IN A FAIR AND  
24 EQUITABLE MANNER TO SUPPORT HIGH ACADEMIC STANDARDS FOR  
25 INSTRUCTION AND PUBLIC SCHOOL ACCOUNTABILITY TO STUDENTS,  
26 PARENTS, AND THE COMMUNITY;

27 (B) CREATE A STUDENT-CENTERED DISTRIBUTION FORMULA FOR

1 PUBLIC SCHOOL FUNDING THAT USES WEIGHTS FOR STUDENTS WHO  
2 REQUIRE SPECIAL EDUCATION, STUDENTS WHO ARE GIFTED AND TALENTED,  
3 AND STUDENTS WHO ARE ENGLISH LANGUAGE LEARNERS, AS WELL AS  
4 STUDENTS LIVING IN POVERTY;

5 (C) ENSURE THAT THE NEW SCHOOL FINANCE FORMULA IS FULLY  
6 FUNDED AND BUDGET STABILIZATION REDUCTIONS, OR NEGATIVE  
7 FACTORS, ARE NOT APPLIED TO THE CALCULATED AMOUNT OF FUNDING  
8 UNDER THE FORMULA;

9 (D) RECOGNIZE AND ADJUST FUNDING FOR COST DIFFERENCES  
10 AMONG SCHOOL DISTRICTS AND PUBLIC SCHOOLS RELATED TO SIZE,  
11 GEOGRAPHY, AND THE COST OF DOING BUSINESS;

12 (E) PROVIDE FOR A BASE AMOUNT OF PUPIL FUNDING THAT IS MORE  
13 ADEQUATE AND THAT MORE CLOSELY ALIGNS COLORADO'S PUBLIC SCHOOL  
14 FUNDING WITH AVERAGE PER PUPIL FUNDING NATIONWIDE; AND

15 (F) CREATE A PUBLIC SCHOOL FINANCE FORMULA THAT IS  
16 TRANSPARENT AND UNDERSTANDABLE BY STATE POLICYMAKERS, SCHOOL  
17 LEADERS, AND LOCAL COMMUNITIES.

18 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT  
19 MODERNIZING COLORADO'S PUBLIC SCHOOL FINANCE FORMULA THROUGH  
20 THE ENACTMENT OF THIS SECTION, IN CONJUNCTION WITH THE PASSAGE OF  
21 A STATEWIDE MEASURE TO INCREASE STATE TAX REVENUES FOR THE  
22 PURPOSE OF FUNDING PRESCHOOL THROUGH SECONDARY SCHOOL PUBLIC  
23 EDUCATION, IS A NECESSARY AND CRITICAL FIRST STEP TOWARD  
24 ACHIEVING THE ONGOING MAINTENANCE OF A THOROUGH AND UNIFORM  
25 SYSTEM OF FREE PUBLIC SCHOOLS.

26 (2) THIS SECTION APPLIES TO THE SECOND BUDGET YEAR  
27 COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION

1 AND EACH BUDGET YEAR THEREAFTER.

2 (3) (a) THE DEPARTMENT OF EDUCATION SHALL APPLY THE  
3 PROVISIONS OF THIS SECTION TO CALCULATE ANNUALLY FOR EACH  
4 DISTRICT AN AMOUNT THAT REPRESENTS THE FINANCIAL BASE OF SUPPORT  
5 FOR PUBLIC EDUCATION IN THAT DISTRICT, WHICH AMOUNT IS KNOWN AS  
6 THE DISTRICT'S TOTAL PROGRAM. EACH DISTRICT'S TOTAL PROGRAM IS  
7 AVAILABLE TO THE DISTRICT TO FUND THE COSTS OF PROVIDING PUBLIC  
8 EDUCATION IN THE DISTRICT, AND THE DISTRICT HAS DISCRETION  
9 CONCERNING THE AMOUNTS AND PURPOSES FOR WHICH THE MONEY IS  
10 BUDGETED AND EXPENDED.

11 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (3)(a) OF  
12 THIS SECTION, IF A DISTRICT IS THE ACCOUNTING DISTRICT OF AN  
13 INSTITUTE CHARTER SCHOOL, THEN THE CALCULATION OF TOTAL PROGRAM  
14 PURSUANT TO THE PROVISIONS OF THIS SECTION ALSO REPRESENTS THE  
15 FINANCIAL BASE OF SUPPORT FOR THE INSTITUTE CHARTER SCHOOL, EVEN  
16 THOUGH THE INSTITUTE CHARTER SCHOOL IS NOT A SCHOOL OF THE  
17 DISTRICT. THE AMOUNT OF THE DISTRICT'S STATE SHARE OF TOTAL  
18 PROGRAM THAT IS WITHHELD FROM THE DISTRICT AND PAID TO THE STATE  
19 CHARTER SCHOOL INSTITUTE, PURSUANT TO THE PROVISIONS OF SECTION  
20 22-54-115 (1.3), IS NOT AVAILABLE TO NOR UNDER THE CONTROL OF THE  
21 DISTRICT, BUT IS UNDER THE CONTROL OF THE GOVERNING BOARD OF THE  
22 INSTITUTE CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC  
23 EDUCATION TO PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL. THE  
24 INSTITUTE CHARTER SCHOOL HAS DISCRETION TO DETERMINE THE  
25 AMOUNTS AND PURPOSES FOR WHICH THE MONEY IS BUDGETED AND  
26 EXPENDED.

27 (4) **Total program funding.** A DISTRICT'S TOTAL PROGRAM



1 FUNDING IS THE GREATER OF THE FOLLOWING:

2 (a) (STATEWIDE BASE PER PUPIL FUNDING x (DISTRICT  
3 FUNDED PUPIL COUNT - DISTRICT ONLINE PUPIL  
4 ENROLLMENT - DISTRICT EXTENDED HIGH SCHOOL PUPIL  
5 ENROLLMENT)) + DISTRICT SIZE FACTOR FUNDING +  
6 DISTRICT POVERTY FACTOR FUNDING + DISTRICT ENGLISH  
7 LANGUAGE LEARNER FACTOR FUNDING + DISTRICT GIFTED  
8 CHILD FACTOR FUNDING + DISTRICT SPECIAL EDUCATION  
9 FACTOR FUNDING + DISTRICT ONLINE FUNDING + DISTRICT  
10 EXTENDED HIGH SCHOOL FUNDING + DISTRICT COST OF  
11 LIVING FACTOR FUNDING; OR

12 (b) (I) (STATEWIDE AVERAGE PER PUPIL FUNDING x .95) x  
13 DISTRICT FUNDED PUPIL COUNT.

14 (II) FOR PURPOSES OF SUBSECTION (4)(b)(I) OF THIS SECTION,  
15 "STATEWIDE AVERAGE PER PUPIL FUNDING" IS THE SUM OF EACH  
16 DISTRICT'S TOTAL PROGRAM FUNDING CALCULATED PURSUANT TO  
17 SUBSECTION (4)(a) OF THIS SECTION, NOT INCLUDING DISTRICT ONLINE  
18 FUNDING AND DISTRICT EXTENDED HIGH SCHOOL FUNDING, DIVIDED BY  
19 THE SUM OF EACH DISTRICT'S FUNDED PUPIL COUNT, NOT INCLUDING  
20 ONLINE PUPIL ENROLLMENT AND DISTRICT EXTENDED HIGH SCHOOL PUPIL  
21 ENROLLMENT.

22 (5) **Statewide base per pupil funding.** THE STATEWIDE BASE PER  
23 PUPIL FUNDING MUST ANNUALLY INCREASE OVER THE AMOUNT  
24 ESTABLISHED FOR THE PRECEDING BUDGET YEAR BY AT LEAST THE RATE  
25 OF INFLATION, AS DEFINED IN SECTION 20 (2)(f) OF ARTICLE X OF THE  
26 STATE CONSTITUTION, FOR THE PRECEDING BUDGET YEAR. THE STATEWIDE  
27 BASE PER PUPIL FUNDING IS:

1 (a) FOR THE BUDGET YEARS COMMENCING PRIOR TO THE  
2 EFFECTIVE DATE OF THIS SECTION, THE AMOUNT SPECIFIED IN SECTION  
3 22-54-104 (5).

4 (b) FOR THE SECOND BUDGET YEAR COMMENCING JULY 1  
5 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, THE AMOUNT  
6 SPECIFIED IN SUBSECTION (5)(a) OF THIS SECTION, INCREASED BY AT LEAST  
7 INFLATION PURSUANT TO THIS SUBSECTION (5).

8 (b) **District size factor funding.** (a) THE DEPARTMENT OF  
9 EDUCATION SHALL CALCULATE EACH DISTRICT'S SIZE FACTOR FUNDING AS  
10 AN AMOUNT EQUAL TO:

11 (STATEWIDE BASE PER PUPIL FUNDING x (DISTRICT SIZE  
12 FACTOR - 1) x DISTRICT FUNDED PUPIL COUNT.

13 (b) A DISTRICT'S SIZE FACTOR IS DETERMINED IN ACCORDANCE  
14 WITH THE FOLLOWING FORMULA:

15 **IF THE DISTRICT'S FUNDED PUPIL COUNT IS:**

16 **THE DISTRICT'S SIZE FACTOR IS:**

17 LESS THAN 156

18 2.269

19 156 OR MORE BUT LESS THAN 495

20 2.664-(0.00253 x DISTRICT FUNDED PUPIL COUNT)

21 495 OR MORE BUT LESS THAN 1,790

22 1.513-(0.000206 x DISTRICT FUNDED PUPIL COUNT)

23 1,790 OR MORE BUT LESS THAN 5,050

24 1.171-(0.000015 x DISTRICT FUNDED PUPIL COUNT)

25 5,050 OR MORE BUT LESS THAN 13,275

26 1.132-(0.0000069 x DISTRICT FUNDED PUPIL COUNT)

27 13,275 OR MORE BUT LESS THAN 43,865

1 1.059-(0.0000013 x DISTRICT FUNDED PUPIL COUNT)

2 (c) (I) IF THE REORGANIZATION OF A DISTRICT OR DISTRICTS  
3 RESULTS IN ONE OR MORE OF THE DISTRICTS INVOLVED IN THE  
4 REORGANIZATION HAVING A HIGHER SIZE FACTOR THAN THE ORIGINAL  
5 DISTRICT OR DISTRICTS HAD FOR THE BUDGET YEAR IMMEDIATELY  
6 PRECEDING REORGANIZATION, THE SIZE FACTOR FOR EACH SUBSEQUENT  
7 BUDGET YEAR FOR THE DISTRICTS INVOLVED IN THE REORGANIZATION IS  
8 THE SIZE FACTOR THE ORIGINAL DISTRICT OR DISTRICTS HAD FOR THE  
9 BUDGET YEAR PRECEDING THE REORGANIZATION OR, IF TWO OR MORE  
10 DISTRICTS REORGANIZE INTO A SINGLE DISTRICT, THE SIZE FACTOR OF THE  
11 ORIGINAL DISTRICT HAVING THE LOWEST SIZE FACTOR FOR THE BUDGET  
12 YEAR IMMEDIATELY PRECEDING REORGANIZATION. A DISTRICT INVOLVED  
13 IN THE REORGANIZATION SHALL NOT, FOR ANY BUDGET YEAR, BE  
14 ALLOWED THE SIZE FACTOR THAT WOULD OTHERWISE BE PROVIDED BY  
15 SUBSECTION (6)(b) OF THIS SECTION.

16 (II) IF THE REORGANIZATION OF A DISTRICT OR DISTRICTS RESULTS  
17 IN ONE OR MORE OF THE DISTRICTS INVOLVED IN THE REORGANIZATION  
18 HAVING A LOWER SIZE FACTOR THAN THE ORIGINAL DISTRICT OR DISTRICTS  
19 HAD FOR THE BUDGET YEAR IMMEDIATELY PRECEDING REORGANIZATION,  
20 THE SIZE FACTOR FOR THE NEW DISTRICT OR DISTRICTS IS DETERMINED AS  
21 FOLLOWS:

22 (A) FOR THE FIRST BUDGET YEAR FOLLOWING REORGANIZATION,  
23 THE SIZE FACTOR OF THE ORIGINAL DISTRICT FOR THE BUDGET YEAR  
24 IMMEDIATELY PRECEDING REORGANIZATION OR, IF TWO OR MORE  
25 DISTRICTS ARE INVOLVED IN THE REORGANIZATION, THE WEIGHTED  
26 AVERAGE SIZE FACTOR OF THE ORIGINAL DISTRICTS FOR THE BUDGET YEAR  
27 IMMEDIATELY PRECEDING REORGANIZATION. FOR PURPOSES OF THIS

1 SUBSECTION (6)(c)(II)(A), THE WEIGHTED AVERAGE SIZE FACTOR IS THE  
2 AMOUNT CALCULATED BY MULTIPLYING THE FUNDED PUPIL COUNT OF  
3 EACH ORIGINAL DISTRICT BY THE SIZE FACTOR OF THE ORIGINAL DISTRICT,  
4 ADDING THE RESULTING AMOUNTS TOGETHER AND DIVIDING THAT SUM BY  
5 THE TOTAL FUNDED PUPIL COUNT OF THE ORIGINAL DISTRICTS.

6 (B) FOR THE SECOND BUDGET YEAR FOLLOWING REORGANIZATION,  
7 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL  
8 TO ONE-FIFTH OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE  
9 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO  
10 SUBSECTION (6)(b) OF THIS SECTION;

11 (C) FOR THE THIRD BUDGET YEAR FOLLOWING REORGANIZATION,  
12 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL  
13 TO ONE-FOURTH OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE  
14 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO  
15 SUBSECTION (6)(b) OF THIS SECTION;

16 (D) FOR THE FOURTH BUDGET YEAR FOLLOWING REORGANIZATION,  
17 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL  
18 TO ONE-THIRD OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE  
19 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO  
20 SUBSECTION (6)(b) OF THIS SECTION;

21 (E) FOR THE FIFTH BUDGET YEAR FOLLOWING REORGANIZATION,  
22 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL  
23 TO ONE-HALF OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE  
24 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO  
25 SUBSECTION (6)(b) OF THIS SECTION; AND

26 (F) FOR THE SIXTH BUDGET YEAR FOLLOWING REORGANIZATION  
27 AND BUDGET YEARS THEREAFTER, THE SIZE FACTOR DETERMINED

1 PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION.

2 (III) FOR THE PURPOSES OF THIS SUBSECTION (6)(c), A DISTRICT'S  
3 SIZE FACTOR FOR THE "BUDGET YEAR IMMEDIATELY PRECEDING  
4 REORGANIZATION" IS THE SIZE FACTOR FOR THE DISTRICT IF THE DISTRICT'S  
5 SIZE FACTOR HAD BEEN DETERMINED PURSUANT TO SUBSECTION (6)(b) OF  
6 THIS SECTION FOR THE BUDGET YEAR IMMEDIATELY PRECEDING  
7 REORGANIZATION.

8 (7) **District poverty factor funding.** THE DEPARTMENT OF  
9 EDUCATION SHALL CALCULATE EACH DISTRICT'S POVERTY FACTOR  
10 FUNDING AS AN AMOUNT EQUAL TO:

11 (STATEWIDE BASE PER PUPIL FUNDING x 0.31) x POVERTY  
12 ENROLLMENT.

13 (8) **District English language learner factor funding.** (a) THE  
14 DEPARTMENT OF EDUCATION SHALL CALCULATE EACH DISTRICT'S ENGLISH  
15 LANGUAGE LEARNER FACTOR FUNDING AS PROVIDED IN THIS SUBSECTION  
16 (8). A DISTRICT'S ENGLISH LANGUAGE LEARNER FACTOR FUNDING IS IN  
17 ADDITION TO CATEGORICAL PROGRAM FUNDING THE DISTRICT RECEIVES  
18 PURSUANT TO SECTION 22-24-104 FOR ENGLISH LANGUAGE LEARNERS, AS  
19 DESCRIBED IN SECTION 22-24-104 (3)(b)(I)(A). A DISTRICT'S ENGLISH  
20 LANGUAGE LEARNER FACTOR FUNDING IS AN AMOUNT EQUAL TO:

21 (STATEWIDE BASE PER PUPIL FUNDING x DISTRICT'S  
22 ENGLISH LANGUAGE LEARNER FACTOR) x ENGLISH  
23 LANGUAGE LEARNER ENROLLMENT.

24 (b) IF A DISTRICT'S FUNDED PUPIL COUNT IS:

25 (I) LESS THAN 495, THE DISTRICT'S ENGLISH LANGUAGE LEARNER  
26 FACTOR IS 0.35;

27 (II) AT LEAST 495 BUT LESS THAN 1,790, THE DISTRICT'S ENGLISH

1 LANGUAGE LEARNER FACTOR IS  $0.372934 - (0.00004633 \times \text{DISTRICT}$   
2 FUNDED PUPIL COUNT); AND

3 (III) 1,790 OR MORE, THE DISTRICT'S ENGLISH LANGUAGE LEARNER  
4 FACTOR IS 0.29.

5 (9) **District gifted child factor funding.** (a) THE DEPARTMENT  
6 OF EDUCATION SHALL CALCULATE EACH DISTRICT'S GIFTED CHILD FACTOR  
7 FUNDING AS AN AMOUNT EQUAL TO:

8 (STATEWIDE BASE PER PUPIL FUNDING  $\times$  DISTRICT'S GIFTED  
9 CHILD FACTOR)  $\times$  GIFTED CHILD ENROLLMENT.

10 (b) IF THE DISTRICT'S FUNDED PUPIL COUNT IS:

11 (I) LESS THAN 495, THE DISTRICT'S GIFTED CHILD FACTOR IS 0.18;

12 (II) AT LEAST 495 BUT LESS THAN 1,790, THE DISTRICT'S GIFTED  
13 CHILD FACTOR IS  $0.191467 - (0.000023 \times \text{DISTRICT FUNDED PUPIL COUNT})$ ;

14 AND

15 (III) 1,790 OR MORE, THE DISTRICT'S GIFTED CHILD FACTOR IS 0.15.

16 (10) **District special education factor funding.** (a) THE  
17 DEPARTMENT OF EDUCATION SHALL CALCULATE EACH DISTRICT'S SPECIAL  
18 EDUCATION FACTOR FUNDING FOR CHILDREN WITH DISABILITIES AS  
19 PROVIDED IN THIS SUBSECTION (10). FOR CHILDREN WITH SEVERE,  
20 HIGH-COST DISABILITIES, A DISTRICT MAY ALSO RECEIVE HIGH-COST  
21 REIMBURSEMENT GRANTS PURSUANT TO SECTION 22-20-114.5. A  
22 DISTRICT'S SPECIAL EDUCATION FACTORS ARE DETERMINED PURSUANT TO  
23 SUBSECTION (10)(b) OF THIS SECTION. A DISTRICT'S SPECIAL EDUCATION  
24 FUNDING IS AN AMOUNT EQUAL TO:

25 ((STATEWIDE BASE PER PUPIL FUNDING  $\times$  SPECIAL  
26 EDUCATION NONSPECIFIED DISABILITY FACTOR)  $\times$  SPECIAL  
27 EDUCATION NONSPECIFIED DISABILITY ENROLLMENT) +

1 ((STATEWIDE BASE PER PUPIL FUNDING x SPECIAL  
2 EDUCATION SPECIFIED DISABILITY FACTOR) x SPECIAL  
3 EDUCATION SPECIFIED DISABILITY ENROLLMENT).

4 (b) (I) FOR A CHILD WITH A DISABILITY THAT IS NOT SPECIFIED IN  
5 SECTION 22-20-114 (1)(c)(II), IF THE DISTRICT'S FUNDED PUPIL COUNT IS:

6 (A) LESS THAN 115, THE DISTRICT'S SPECIAL EDUCATION  
7 NONSPECIFIED DISABILITY FACTOR IS 0.67342;

8 (B) AT LEAST 115 BUT LESS THAN 14,373, THE DISTRICT'S SPECIAL  
9 EDUCATION NONSPECIFIED DISABILITY FACTOR IS 1.184421 x (DISTRICT  
10 FUNDED PUPIL COUNT TO THE POWER OF -0.119); AND

11 (C) 14,373 OR MORE, THE DISTRICT'S SPECIAL EDUCATION  
12 NONSPECIFIED DISABILITY FACTOR IS 0.37910.

13 (c) FOR A CHILD WITH A DISABILITY, THAT IS SPECIFIED IN SECTION  
14 22-20-114 (1)(c)(II), IF THE DISTRICT'S FUNDED PUPIL COUNT IS:

15 (A) LESS THAN 113, THE DISTRICT'S SPECIAL EDUCATION SPECIFIED  
16 DISABILITY FACTOR IS 1.27271;

17 (B) AT LEAST 113 BUT LESS THAN 8,814, THE DISTRICT'S SPECIAL  
18 EDUCATION SPECIFIED DISABILITY FACTOR IS 1.89316 x (DISTRICT FUNDED  
19 PUPIL COUNT TO THE POWER OF -0.084); AND

20 (C) 8,814 OR MORE, THE DISTRICT'S SPECIAL EDUCATION SPECIFIED  
21 DISABILITY FACTOR IS 0.88266.

22 (11) **District online funding.** THE DEPARTMENT OF EDUCATION  
23 SHALL CALCULATE EACH DISTRICT'S ONLINE FUNDING AS AN AMOUNT  
24 EQUAL TO:

25 (STATEWIDE BASE PER PUPIL FUNDING x .95) x DISTRICT  
26 ONLINE PUPIL ENROLLMENT.

27 (12) **District extended high school funding.** THE DEPARTMENT

1 OF EDUCATION SHALL CALCULATE EACH DISTRICT'S EXTENDED HIGH  
2 SCHOOL FUNDING AS AN AMOUNT EQUAL TO:

3 STATEWIDE BASE PER PUPIL FUNDING x DISTRICT EXTENDED  
4 HIGH SCHOOL PUPIL ENROLLMENT.

5 **(13) District cost of living factor funding.** (a) A DISTRICT'S COST  
6 OF LIVING FACTOR FUNDING REFLECTS THE DIFFERENCES AMONG THE  
7 REGIONS OF THE STATE IN WHICH SCHOOL DISTRICTS ARE LOCATED IN THE  
8 WAGES FOR PERSONNEL; THE COST OF HOUSING, GOODS, AND SERVICES;  
9 AND THE COST OF DOING BUSINESS IN THE REGION, INCLUDING THE COST  
10 OF TECHNOLOGY, AND FACILITY MAINTENANCE AND REPAIR. THE FUNDING  
11 DOES NOT REFLECT ANY ANNUAL INCREASES IN THE COSTS OF HOUSING,  
12 GOODS, OR SERVICES CAUSED BY INFLATION. A DISTRICT'S COST OF LIVING  
13 AMOUNT REFERS TO THE VALUES AS ADJUSTED FOR DISTRICT LABOR POOL  
14 AREAS.

15 (b) (I) (A) THE DEPARTMENT OF EDUCATION SHALL CALCULATE  
16 EACH DISTRICT'S COST OF LIVING FACTOR FUNDING AS PROVIDED IN THIS  
17 SUBSECTION (13). A DISTRICT'S COST OF LIVING FACTOR FUNDING IS AN  
18 AMOUNT EQUAL TO:

19 DISTRICT PRELIMINARY TOTAL PROGRAM FUNDING x  
20 DISTRICT ADJUSTED COST OF LIVING FACTOR.

21 (B) FOR THE PURPOSES OF SUBSECTION (13)(b)(I)(A) OF THIS  
22 SECTION, "PRELIMINARY TOTAL PROGRAM FUNDING" MEANS THE  
23 DISTRICT'S TOTAL PROGRAM FUNDING CALCULATED PURSUANT TO  
24 SUBSECTION (4) OF THIS SECTION, NOT INCLUDING THE DISTRICT COST OF  
25 LIVING FACTOR FUNDING CALCULATED PURSUANT TO THIS SUBSECTION  
26 (13).

27 (C) FOR THE PURPOSES OF SUBSECTION (13)(b)(I)(A) OF THIS



1 SECTION, A DISTRICT'S ADJUSTED COST OF LIVING FACTOR IS DETERMINED  
2 IN ACCORDANCE WITH THE FOLLOWING FORMULA:

3 [(PERSONNEL COSTS FACTOR x COST OF LIVING FACTOR) +  
4 (1 - PERSONNEL COSTS FACTOR) - 1].

5 (II) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (13)(b)(I)  
6 OF THIS SECTION TO THE CONTRARY, A DISTRICT'S COST OF LIVING FACTOR  
7 FUNDING SHALL NOT EXCEED AN AMOUNT EQUAL TO:

8 DISTRICT PROPORTIONATE SHARE OF FUNDING x (5% x  
9 STATEWIDE COST OF LIVING FACTOR FUNDING).

10 (A) FOR THE PURPOSES OF THIS SUBSECTION (13)(b)(II), A  
11 DISTRICT'S PROPORTIONATE SHARE OF FUNDING IS THE DISTRICT'S COST OF  
12 LIVING FACTOR FUNDING CALCULATED PURSUANT TO SUBSECTION  
13 (13)(b)(I) OF THIS SECTION DIVIDED BY STATEWIDE COST OF LIVING  
14 FACTOR FUNDING.

15 (B) FOR THE PURPOSES OF THIS SUBSECTION (13)(b)(II),  
16 STATEWIDE COST OF LIVING FACTOR FUNDING IS THE SUM OF EACH  
17 DISTRICT'S COST OF LIVING FACTOR FUNDING CALCULATED PURSUANT TO  
18 SUBSECTION (13)(b)(I) OF THIS SECTION.

19 (c) (I) **Cost of living factor.** THE STAFF OF THE LEGISLATIVE  
20 COUNCIL SHALL DETERMINE EACH DISTRICT'S COST OF LIVING FACTOR IN  
21 ACCORDANCE WITH THIS SUBSECTION (13)(c). BASED ON THE COST OF  
22 LIVING ANALYSIS CONDUCTED PURSUANT TO SENATE BILL 93-87,  
23 ENACTED IN 1993, THE STAFF OF THE LEGISLATIVE COUNCIL SHALL  
24 CERTIFY THE COST OF LIVING FACTOR FOR EACH DISTRICT TO THE  
25 DEPARTMENT OF EDUCATION FOR EACH TWO-YEAR PERIOD THEREAFTER  
26 BASED UPON A NEW COST OF LIVING ANALYSIS. THE STAFF OF THE  
27 LEGISLATIVE COUNCIL SHALL CERTIFY THE NEW COST OF LIVING FACTORS

1 NO LATER THAN APRIL 15 OF THE APPLICABLE YEAR FOR THE BUDGET  
2 YEAR BEGINNING ON JULY 1 OF THAT YEAR AND THE BUDGET YEAR  
3 THEREAFTER. IF THE INCOME LEVEL USED IN A COST OF LIVING ANALYSIS  
4 DOES NOT INCREASE ABOVE THE INCOME LEVEL USED IN THE PREVIOUS  
5 COST OF LIVING ANALYSIS, THE COST OF LIVING FACTOR FOR EACH  
6 DISTRICT REMAINS THE SAME AS THE COST OF LIVING FACTOR DERIVED  
7 FROM THE PREVIOUS COST OF LIVING ANALYSIS.

8 (II) FOR EACH BUDGET YEAR IN WHICH A NEW COST OF LIVING  
9 ANALYSIS IS REQUIRED PURSUANT TO SUBSECTION (13)(c)(I) OF THIS  
10 SECTION, THE DEPARTMENT OF EDUCATION SHALL TRANSFER A PORTION  
11 OF THE TOTAL AMOUNT APPROPRIATED BY THE GENERAL ASSEMBLY IN THE  
12 ANNUAL GENERAL APPROPRIATION ACT FOR THAT BUDGET YEAR FOR  
13 ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, STATE SHARE  
14 OF DISTRICTS' TOTAL PROGRAM FUNDING TO THE LEGISLATIVE COUNCIL TO  
15 FUND THE COST OF LIVING ANALYSIS REQUIRED PURSUANT TO SUBSECTION  
16 (13)(c)(I) OF THIS SECTION. THE AMOUNT TRANSFERRED BY THE  
17 DEPARTMENT OF EDUCATION SHALL NOT EXCEED THE MAXIMUM AMOUNT  
18 SPECIFIED IN A FOOTNOTE RELATED TO THIS APPROPRIATION IN THE  
19 ANNUAL GENERAL APPROPRIATION ACT FOR THAT BUDGET YEAR. THE  
20 REMAINDER OF THE AMOUNT APPROPRIATED FOR ASSISTANCE TO PUBLIC  
21 SCHOOLS, PUBLIC SCHOOL FINANCE, STATE SHARE OF DISTRICTS' TOTAL  
22 PROGRAM FUNDING SHALL BE DISTRIBUTED TO SCHOOL DISTRICTS IN THE  
23 MANNER PROVIDED IN SECTION 22-54-106 (4)(c).

24 (III) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (13)(c)(IV)  
25 OF THIS SECTION, A DISTRICT'S COST OF LIVING FACTOR IS THE DISTRICT'S  
26 COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR; EXCEPT THAT:

27 (A) IF THE PERCENT INCREASE IN THE INCOME LEVEL USED IN THE

1 COST OF LIVING STUDY IS ONE PERCENT OR LESS AND IF THE PERCENTAGE  
2 CHANGE IN THE DISTRICT'S COST OF LIVING AMOUNT FROM THE PREVIOUS  
3 COST OF LIVING STUDY TO THE CURRENT COST OF LIVING STUDY IS  
4 GREATER THAN ONE PERCENT, A DISTRICT'S COST OF LIVING FACTOR IS  
5 DETERMINED BY DIVIDING THE PERCENTAGE CHANGE IN THE DISTRICT'S  
6 COST OF LIVING AMOUNT FROM THE PREVIOUS COST OF LIVING STUDY TO  
7 THE CURRENT COST OF LIVING STUDY BY ONE PERCENT, DIVIDING THAT  
8 AMOUNT BY ONE THOUSAND AND ROUNDING TO THE NEAREST  
9 THOUSANDTH OF ONE PERCENT AND ADDING THE RESULT OBTAINED TO  
10 THE DISTRICT'S COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR; OR

11 (B) IF THE PERCENT INCREASE IN THE INCOME LEVEL USED IN THE  
12 COST OF LIVING STUDY IS MORE THAN ONE PERCENT AND IF THE  
13 PERCENTAGE CHANGE IN THE DISTRICT'S COST OF LIVING AMOUNT FROM  
14 THE PREVIOUS COST OF LIVING STUDY TO THE CURRENT COST OF LIVING  
15 STUDY IS GREATER THAN THE PERCENT INCREASE IN THE INCOME LEVEL  
16 USED IN THE COST OF LIVING STUDY, A DISTRICT'S COST OF LIVING FACTOR  
17 IS DETERMINED BY DIVIDING THE PERCENTAGE CHANGE IN THE DISTRICT'S  
18 COST OF LIVING AMOUNT FROM THE PREVIOUS COST OF LIVING STUDY TO  
19 THE CURRENT COST OF LIVING STUDY BY THE PERCENT INCREASE IN THE  
20 INCOME LEVEL USED IN THE COST OF LIVING STUDY, DIVIDING THAT  
21 AMOUNT BY ONE THOUSAND AND ROUNDING TO THE NEAREST  
22 THOUSANDTH OF ONE PERCENT AND ADDING THE RESULT OBTAINED TO  
23 THE DISTRICT'S COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR.

24 (IV) (A) THE DEPARTMENT OF EDUCATION SHALL PROMULGATE  
25 RULES FOR THE ASSIGNMENT OF A COST OF LIVING FACTOR TO ANY NEW  
26 DISTRICT ORGANIZED PURSUANT TO ARTICLE 30 OF THIS TITLE 22, EXCEPT  
27 FOR NEW DISTRICTS THAT ARE CREATED AS THE RESULT OF A

1 DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2)(a), UNTIL THE  
2 COST OF LIVING FACTOR FOR THE DISTRICT IS CERTIFIED BY THE STAFF OF  
3 THE LEGISLATIVE COUNCIL PURSUANT TO SUBSECTION (13)(c)(I) OF THIS  
4 SECTION.

5 (B) THE DEPARTMENT OF EDUCATION'S RULES MUST BE DESIGNED  
6 TO PROVIDE NEITHER AN INCENTIVE NOR A DISINCENTIVE TO THE  
7 ORGANIZATION OF NEW DISTRICTS PURSUANT TO ARTICLE 30 OF THIS TITLE  
8 22 AND MUST INCLUDE PROVISIONS TO ENSURE THAT THE COST OF LIVING  
9 FACTOR WITHIN A NEW DISTRICT IS NOT REDUCED SOLELY BECAUSE THE  
10 NEW DISTRICT IS THE RESULT OF A CONSOLIDATION OF EXISTING DISTRICTS.  
11 THE RULES MUST CONSIDER THE COST OF LIVING FACTORS ASSIGNED TO  
12 THE DISTRICTS THAT ARE AFFECTED BY THE ORGANIZATION OF THE NEW  
13 DISTRICT AND THE CIRCUMSTANCES OF THE NEW DISTRICT BASED ON THE  
14 MOST RECENT COST OF LIVING ANALYSIS PERFORMED BY THE LEGISLATIVE  
15 COUNCIL.

16 (V) NEW DISTRICTS THAT ARE CREATED AS THE RESULT OF A  
17 DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2)(a) RETAIN  
18 THE COST OF LIVING FACTOR OF THE DISTRICT FROM WHICH THEY WERE  
19 SEPARATED UNTIL THE COST OF LIVING FACTOR FOR THE NEW DISTRICT IS  
20 CERTIFIED BY THE STAFF OF THE LEGISLATIVE COUNCIL PURSUANT TO  
21 SUBSECTION (13)(c)(I) OF THIS SECTION.

22 (d) **Personnel costs component of cost of living factor.** A  
23 DISTRICT'S PERSONNEL COSTS FACTOR IS DETERMINED IN ACCORDANCE  
24 WITH THE FOLLOWING FORMULA:

25 **IF THE DISTRICT'S FUNDED PUPIL COUNT IS:**

26 **THE DISTRICT'S PERSONNEL COSTS FACTOR IS:**

27 LESS THAN 453.5

1 0.8250 - (0.0000639 x THE DIFFERENCE  
2 BETWEEN THE FUNDED PUPIL COUNT AND 453.5)  
3 453.5 OR MORE BUT LESS THAN 1,567.5  
4 0.8595 - (0.0000310 x THE DIFFERENCE  
5 BETWEEN THE FUNDED PUPIL COUNT AND 1,567.5)  
6 1,567.5 OR MORE BUT LESS THAN 6,682  
7 0.8850 - (0.0000050 x THE DIFFERENCE  
8 BETWEEN THE FUNDED PUPIL COUNT AND 6,682)  
9 6,682 OR MORE BUT LESS THAN 30,000  
10 0.9050 - (0.0000009 x THE DIFFERENCE  
11 BETWEEN THE FUNDED PUPIL COUNT AND 30,000)  
12 30,000 OR MORE  
13 0.9050

14 **SECTION 3.** In Colorado Revised Statutes, 22-54-103, **amend**  
15 the introductory portion and (6); and **add** (6.5), (7.2), (7.3), (9.4), (10.2),  
16 (10.7), and (10.8) as follows:

17 **22-54-103. Definitions.** As used in this ~~article~~ ARTICLE 54, unless  
18 the context otherwise requires:

19 (6) "District's total program" means the funding for a district, as  
20 determined pursuant to section 22-54-104, ~~or~~ section 22-54-104.3, OR  
21 SECTION 22-54-104.6, whichever is applicable, which represents the  
22 financial base of support for public education in that district.

23 (6.5) "ENGLISH LANGUAGE LEARNER ENROLLMENT" MEANS THE  
24 NUMBER OF PUPILS ENROLLED IN A DISTRICT WHO ARE ENGLISH LANGUAGE  
25 LEARNERS, AS DEFINED IN SECTION 22-24-103, BUT DOES NOT INCLUDE  
26 ENGLISH LANGUAGE LEARNERS DESCRIBED IN SECTION 22-24-104  
27 (3)(b)(I)(A). AS LONG AS A PUPIL CONTINUES TO BE IDENTIFIED AS AN

1 ENGLISH LANGUAGE LEARNER PURSUANT TO SECTION 22-24-105 (2), THE  
2 PUPIL MAY BE INCLUDED IN A DISTRICT'S ENGLISH LANGUAGE LEARNER  
3 ENROLLMENT FOR UP TO SEVEN YEARS.

4 (7.2) (a) "FUNDED PUPIL COUNT" MEANS, FOR THE BUDGET YEAR  
5 COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS  
6 SUBSECTION (7.2) AND EACH BUDGET YEAR THEREAFTER, FOR THE  
7 APPLICABLE BUDGET YEAR, THE DISTRICT'S ONLINE PUPIL ENROLLMENT  
8 PLUS THE DISTRICT'S EXTENDED HIGH SCHOOL PUPIL ENROLLMENT, PLUS  
9 THE GREATER OF:

10 (I) THE DISTRICT'S PUPIL ENROLLMENT; OR

11 (II) (A) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT AND  
12 THE DISTRICT'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING  
13 BUDGET YEAR;

14 (B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT AND THE  
15 DISTRICT'S PUPIL ENROLLMENT FOR THE TWO IMMEDIATELY PRECEDING  
16 BUDGET YEARS;

17 (C) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT AND THE  
18 DISTRICT'S PUPIL ENROLLMENT FOR THE THREE IMMEDIATELY PRECEDING  
19 BUDGET YEARS; OR

20 (D) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT AND THE  
21 DISTRICT'S PUPIL ENROLLMENT FOR THE FOUR IMMEDIATELY PRECEDING  
22 BUDGET YEARS.

23 (b) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT  
24 FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE  
25 CONSTITUTION, AVERAGING A DISTRICT'S PUPIL ENROLLMENT FOR THE  
26 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
27 THE FOUR IMMEDIATELY PRECEDING BUDGET YEARS PURSUANT TO

1 SUBSECTION (7.2)(a) OF THIS SECTION IS A PROGRAM FOR ACCOUNTABLE  
2 EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE  
3 STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF  
4 THE STATE CONSTITUTION.

5 (c) A DISTRICT'S FUNDED PUPIL COUNT INCLUDES THE CERTIFIED  
6 PUPIL ENROLLMENT, ONLINE PUPIL ENROLLMENT, AND EXTENDED HIGH  
7 SCHOOL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER SCHOOL  
8 FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT. THE DEPARTMENT  
9 OF EDUCATION SHALL ADD THE INSTITUTE CHARTER SCHOOL'S CERTIFIED  
10 PUPIL ENROLLMENT, ONLINE PUPIL ENROLLMENT, AND EXTENDED HIGH  
11 SCHOOL ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT  
12 PRIOR TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO  
13 SECTION 22-54-104.6.

14 (d) A DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET  
15 YEAR AND A DISTRICT'S PUPIL ENROLLMENT FOR ANY PRECEDING BUDGET  
16 YEAR DOES NOT INCLUDE A PUPIL WHO IS OR WAS ENROLLED IN A CHARTER  
17 SCHOOL THAT WAS ORIGINALLY AUTHORIZED BY THE DISTRICT BUT WAS  
18 SUBSEQUENTLY CONVERTED, ON OR AFTER JULY 1, 2010, TO AN INSTITUTE  
19 CHARTER SCHOOL OR TO A CHARTER SCHOOL OF A DISTRICT CONTIGUOUS  
20 TO THE ORIGINALLY AUTHORIZING DISTRICT.

21 (e) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (7.2)  
22 TO THE CONTRARY, FOR THE PURPOSES OF THIS SUBSECTION (7.2), IF A  
23 DISTRICT'S FUNDED PUPIL COUNT CALCULATED PURSUANT TO THIS  
24 SUBSECTION (7.2) FOR A BUDGET YEAR IS FEWER THAN FIFTY PUPILS, THE  
25 DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS FIFTY PUPILS.

26 (7.3) "GIFTED CHILD ENROLLMENT" MEANS THE NUMBER OF PUPILS  
27 ENROLLED IN A DISTRICT WHO ARE IDENTIFIED AS A GIFTED CHILD, AS

1 DEFINED IN SECTION 22-20-202.

2 (9.4) (a) "POVERTY ENROLLMENT" MEANS THE GREATER OF:

3 (I) THE NUMBER OF PUPILS ENROLLED IN A DISTRICT WHO ARE  
4 ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS; OR

5 (II) THE NUMBER OF PUPILS CALCULATED IN ACCORDANCE WITH  
6 THE FOLLOWING FORMULA:

7 (DISTRICT PERCENTAGE OF POVERTY ENROLLMENT x  
8 DISTRICT PUPIL ENROLLMENT).

9 (b) FOR THE PURPOSES OF SUBSECTION (9.4)(a) OF THIS SECTION:

10 (I) "DISTRICT PERCENTAGE OF POVERTY ENROLLMENT" MEANS THE  
11 NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS  
12 ENROLLED IN GRADES KINDERGARTEN THROUGH EIGHT DIVIDED BY THE  
13 DISTRICT PUPIL ENROLLMENT FOR GRADES KINDERGARTEN THROUGH  
14 EIGHT.

15 (II) "DISTRICT PUPIL ENROLLMENT" MEANS THE DISTRICT'S PUPIL  
16 ENROLLMENT, AS DETERMINED PURSUANT TO SUBSECTION (10.2) OF THIS  
17 SECTION.

18 (III) "DISTRICT PUPILS ELIGIBLE FOR FREE OR REDUCED-PRICE  
19 MEALS" MEANS THE NUMBER OF PUPILS INCLUDED IN THE DISTRICT PUPIL  
20 ENROLLMENT WHO ARE ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS  
21 PURSUANT TO PROVISIONS OF THE FEDERAL "RICHARD B. RUSSELL  
22 NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., OR THE  
23 FEDERAL "CHILD NUTRITION ACT OF 1966", 42 U.S.C. SEC. 1771 ET SEQ.

24 (10.2) (a) "PUPIL ENROLLMENT" MEANS, FOR THE BUDGET YEAR  
25 COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS  
26 SUBSECTION (10.2) AND EACH BUDGET YEAR THEREAFTER, THE NUMBER  
27 OF PUPILS ENROLLED IN A DISTRICT ON THE PUPIL ENROLLMENT COUNT



1 DAY WITHIN THE APPLICABLE BUDGET YEAR, AS EVIDENCED BY ACTUAL  
2 ATTENDANCE OF THE PUPIL PRIOR TO THAT DAY, AND INCLUDING:

3 (I) THE NUMBER OF PUPILS EXPELLED PRIOR TO THE PUPIL  
4 ENROLLMENT COUNT DAY WHO ARE RECEIVING EDUCATIONAL SERVICES  
5 PURSUANT TO SECTION 22-33-203;

6 (II) A PUPIL WHO IS ENROLLED IN, ATTENDING, AND ACTIVELY  
7 PARTICIPATING IN A SINGLE-DISTRICT ONLINE PROGRAM OR ONLINE  
8 SCHOOL OPERATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE 22;

9 (III) A JUVENILE TO WHOM THE SCHOOL DISTRICT IS PROVIDING  
10 EDUCATIONAL SERVICES PURSUANT TO SECTION 22-32-141 AS OF THE  
11 PUPIL ENROLLMENT COUNT DAY;

12 (IV) A PUPIL ENROLLED IN A DISTRICT PRESCHOOL PROGRAM  
13 PURSUANT TO ARTICLE 28 OF THIS TITLE 22 ON THE PUPIL ENROLLMENT  
14 COUNT DAY OR, IF THE DISTRICT CHOOSES, ON NOVEMBER 1 WITHIN THE  
15 APPLICABLE BUDGET YEAR OR THE SCHOOL DAY NEAREST THAT DATE  
16 RATHER THAN THE PUPIL ENROLLMENT COUNT DAY, AS EVIDENCED BY THE  
17 ACTUAL ATTENDANCE OF THE PUPIL ON NOVEMBER 1 OR THE SCHOOL DAY  
18 NEAREST THAT DATE. THE DISTRICT COUNT A PUPIL ONLY IF HE OR SHE IS  
19 AT LEAST THREE YEARS OLD AS OF OCTOBER 1 OF THE APPLICABLE  
20 BUDGET YEAR. A PUPIL ENROLLED IN A DISTRICT PRESCHOOL PROGRAM  
21 PURSUANT TO ARTICLE 28 OF THIS TITLE 22 IS COUNTED AS A HALF-DAY  
22 PUPIL; AND

23 (V) A THREE- OR FOUR-YEAR-OLD PUPIL WITH A DISABILITY  
24 RECEIVING AN EDUCATIONAL PROGRAM UNDER THE "EXCEPTIONAL  
25 CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE 22, ON THE  
26 PUPIL ENROLLMENT COUNT DAY OR, IF THE DISTRICT CHOOSES, ON  
27 NOVEMBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL DAY

1 NEAREST THAT DATE RATHER THAN THE PUPIL ENROLLMENT COUNT DAY,  
2 AS EVIDENCED BY THE ACTUAL ATTENDANCE OF THE PUPIL ON NOVEMBER  
3 1 OR THE SCHOOL DATE NEAREST THAT DATE. THE THREE- OR  
4 FOUR-YEAR-OLD PUPIL IS COUNTED AS A HALF-DAY PUPIL.

5 (b) A DISTRICT SHALL COUNT A PUPIL ENROLLED IN A  
6 KINDERGARTEN EDUCATIONAL PROGRAM PURSUANT TO SECTION  
7 22-32-119 ONLY IF THE PUPIL IS FIVE YEARS OLD AS OF OCTOBER 1 OF THE  
8 APPLICABLE BUDGET YEAR, OR IS FOUR YEARS OLD AS OF THAT DATE AND  
9 HAS BEEN IDENTIFIED BY AN ADMINISTRATIVE UNIT AS A HIGHLY  
10 ADVANCED GIFTED CHILD FOR WHOM EARLY ACCESS TO KINDERGARTEN IS  
11 APPROPRIATE PURSUANT TO SECTION 22-20-204.5. A CHILD ENROLLED IN  
12 A FULL-DAY KINDERGARTEN PROGRAM IS COUNTED AS A FULL-DAY PUPIL,  
13 AND A CHILD ENROLLED IN A HALF-DAY KINDERGARTEN PROGRAM IS  
14 COUNTED AS A HALF-DAY PUPIL; EXCEPT THAT, IF THE PUPIL DOES NOT  
15 ADVANCE TO FIRST GRADE, PURSUANT TO SECTION 22-7-1207, AFTER  
16 COMPLETING ONE YEAR OF ENROLLMENT IN A KINDERGARTEN  
17 EDUCATIONAL PROGRAM, THE PUPIL SHALL BE COUNTED AS A FULL-DAY  
18 PUPIL FOR THE SECOND YEAR IN WHICH HE OR SHE IS ENROLLED IN THE  
19 KINDERGARTEN EDUCATIONAL PROGRAM.

20 (c) A DISTRICT SHALL COUNT A PUPIL ENROLLED IN FIRST GRADE  
21 ONLY IF THE PUPIL IS SIX YEARS OLD AS OF OCTOBER 1 OF THE APPLICABLE  
22 BUDGET YEAR, OR IS FIVE YEARS OLD AS OF THAT DATE AND HAS  
23 ATTENDED AT LEAST ONE HUNDRED TWENTY DAYS OF KINDERGARTEN IN  
24 A STATE OTHER THAN COLORADO, OR IS FIVE YEARS OLD AND HAS BEEN  
25 IDENTIFIED BY THE DISTRICT OR ADMINISTRATIVE UNIT AS A HIGHLY  
26 ADVANCED GIFTED CHILD FOR WHOM EARLY ACCESS TO FIRST GRADE IS  
27 APPROPRIATE, AS PROVIDED IN SECTION 22-20-204.5.

1 (d) FOR THE PURPOSES OF SUBSECTION (10.2)(a) OF THIS SECTION,  
2 "PUPIL ENROLLMENT" DOES NOT INCLUDE A PUPIL WHO IS PLACED IN A  
3 FACILITY, AS DEFINED IN SECTION 22-2-402 (3), AND IS RECEIVING  
4 SERVICES THROUGH AN APPROVED FACILITY SCHOOL, AS DEFINED IN  
5 SECTION 22-2-402 (1).

6 (e) FOR THE PURPOSES OF SUBSECTION (10.2)(a) OF THIS SECTION,  
7 A PUPIL WITH A DISABILITY RECEIVING AN EDUCATIONAL PROGRAM UNDER  
8 THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS  
9 TITLE 22, WHO WOULD BE IN A KINDERGARTEN EDUCATIONAL PROGRAM  
10 BUT FOR THE DISABILITY IS COUNTED AS A FULL-DAY PUPIL IF THE  
11 KINDERGARTEN EDUCATIONAL PROGRAM IS A FULL-DAY PROGRAM, AND  
12 AS A HALF-DAY PUPIL IF THE KINDERGARTEN EDUCATIONAL PROGRAM IS  
13 A HALF-DAY PROGRAM. IF, BUT FOR THE DISABILITY, THE PUPIL WOULD BE  
14 ENROLLED IN A GRADE BEYOND KINDERGARTEN, THE PUPIL IS COUNTED AS  
15 A FULL-DAY PUPIL.

16 (f) A PUPIL DETERMINED TO HAVE A DISABILITY IN ACCORDANCE  
17 WITH SECTION 22-20-108 AND RECEIVING AN EDUCATIONAL PROGRAM  
18 OUTSIDE OF THE DISTRICT OF RESIDENCE IS CONSIDERED ENROLLED IN THE  
19 DISTRICT OF RESIDENCE FOR THE PURPOSES OF SUBSECTION (10.2)(a) OF  
20 THIS SECTION.

21 (g) FOR THE PURPOSES OF SUBSECTION (10.2)(a) OF THIS SECTION,  
22 A PUPIL WHO IS ENROLLED AS LESS THAN A FULL-TIME PUPIL, OTHER THAN  
23 A PRESCHOOL OR KINDERGARTEN PUPIL, A THREE- OR FOUR-YEAR-OLD  
24 PUPIL DESCRIBED IN SUBSECTION (10.2)(a)(V) OF THIS SECTION, OR A PUPIL  
25 ENROLLED IN A P-TECH SCHOOL PURSUANT TO ARTICLE 35.3 OF THIS TITLE  
26 22, IS COUNTED IN ACCORDANCE WITH STATE BOARD RULES RELATING TO  
27 PUPILS WHO ARE ENROLLED AS LESS THAN FULL-TIME PUPILS.

1           (h) IN CERTIFYING THE DISTRICT'S PUPIL ENROLLMENT TO THE  
2 STATE BOARD PURSUANT TO THE PROVISIONS OF SECTION 22-54-112, THE  
3 DISTRICT SHALL SPECIFY THE NUMBER OF PUPILS ENROLLED IN A DISTRICT  
4 PRESCHOOL PROGRAM PURSUANT TO ARTICLE 28 OF THIS TITLE 22; THE  
5 NUMBER OF PUPILS ENROLLED IN A HALF-DAY KINDERGARTEN PROGRAM;  
6 THE NUMBER OF PUPILS ENROLLED IN KINDERGARTEN THROUGH TWELFTH  
7 GRADE, SPECIFYING THOSE WHO ARE ENROLLED AS FULL-TIME PUPILS AND  
8 THOSE WHO ARE ENROLLED AS LESS THAN FULL-TIME PUPILS; THE NUMBER  
9 OF EXPELLED PUPILS RECEIVING EDUCATIONAL SERVICES PURSUANT TO  
10 SECTION 22-33-203; THE NUMBER OF PUPILS RECEIVING EDUCATIONAL  
11 PROGRAMS UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT",  
12 ARTICLE 20 OF THIS TITLE; THE DISTRICT'S POVERTY ENROLLMENT; THE  
13 DISTRICT'S ENGLISH LANGUAGE LEARNER ENROLLMENT; THE DISTRICT'S  
14 GIFTED CHILD ENROLLMENT; THE DISTRICT'S SPECIAL EDUCATION  
15 NON-SPECIFIED DISABILITY ENROLLMENT; THE DISTRICT'S SPECIAL  
16 EDUCATION SPECIFIED DISABILITY ENROLLMENT; THE DISTRICT'S ONLINE  
17 ENROLLMENT; AND THE DISTRICT'S EXTENDED HIGH SCHOOL ENROLLMENT.

18           (10.7) "SPECIAL EDUCATION NON-SPECIFIED DISABILITY  
19 ENROLLMENT" MEANS THE NUMBER OF PUPILS ENROLLED IN A DISTRICT  
20 WHO HAVE BEEN IDENTIFIED PURSUANT TO SECTION 22-20-108 AS A CHILD  
21 WITH A DISABILITY THAT IS NOT LISTED IN SECTION 22-20-114 (1)(c)(II)  
22 AND WHO ARE RECEIVING SPECIAL EDUCATION SERVICES OR PROGRAMS AS  
23 PROVIDED IN PART 1 OF ARTICLE 20 OF THIS TITLE 22 PURSUANT TO AN  
24 INDIVIDUALIZED EDUCATION PROGRAM ON DECEMBER 1 OF THE  
25 PRECEDING BUDGET YEAR.

26           (10.8) "SPECIAL EDUCATION SPECIFIED DISABILITY ENROLLMENT"  
27 MEANS THE NUMBER OF PUPILS ENROLLED IN A DISTRICT WHO HAVE BEEN

1 IDENTIFIED PURSUANT TO SECTION 22-20-108 AS A CHILD WITH A  
2 DISABILITY THAT IS LISTED IN SECTION 22-20-114 (1)(c)(II) AND WHO ARE  
3 RECEIVING SPECIAL EDUCATION SERVICES OR PROGRAMS AS PROVIDED IN  
4 PART 1 OF ARTICLE 20 OF THIS TITLE 22 PURSUANT TO AN INDIVIDUALIZED  
5 EDUCATION PROGRAM ON DECEMBER 1 OF THE PRECEDING BUDGET YEAR.

6 <{*Hold harmless provision*}>

7       **SECTION 4. Effective date.** This act takes effect upon the  
8 proclamation by the governor of the vote cast in a statewide election held  
9 no later than January 1, 2023, at which an increase in state tax revenues  
10 for the purpose of funding preschool through secondary school public  
11 education is approved by the voters, so long as the amount of the  
12 approved revenue increase is equal to or greater than the total estimated  
13 state fiscal impact associated with the payment of the state share of total  
14 program pursuant to section 22-54-104.6 in the second budget year  
15 commencing after the increase is approved, as stated in the fiscal note  
16 prepared for House Bill 18-\_\_\_\_, enacted in 2018.

17       **SECTION 5. Safety clause.** The general assembly hereby finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, and safety.