

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 26-0811.01 Jacob Baus x2173

HOUSE BILL 26-1174

HOUSE SPONSORSHIP

Brown and Taggart, Sirota, Clifford, Duran, McCluskie

SENATE SPONSORSHIP

Amabile and Kirkmeyer, Bridges

House Committees

Appropriations

Senate Committees

Appropriations

A BILL FOR AN ACT

101 **CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2025-26**
102 **BUDGET YEAR, AND, IN CONNECTION THEREWITH, REDUCING AN**
103 **APPROPRIATION.**

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/>.)

SENATE
2nd Reading Unamended
February 19, 2026

HOUSE
3rd Reading Unamended
February 12, 2026

HOUSE
2nd Reading Unamended
February 11, 2026

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.

- are lower than anticipated;
- The local share of total program funding is higher than anticipated; and
- Therefore, the general assembly intends to decrease the state share of districts' total program funding by \$103,472,508 for the 2025-26 budget year.

Under current law, there are 2 total program formulas to finance public schools, commonly referred to as the old formula and the new formula. For the 2025-26 budget year, a district's total program is the greater of:

- The district's total program amount for the 2024-25 budget year; or
- The amount calculated for the 2025-26 budget year under the old formula plus an amount equal to 15% of the difference between the amounts calculated between the old formula and the new formula.

The bill clarifies that for the 2025-26 budget year, if the calculation under the new formula is less than the calculation under the old formula, then that district's total program for the 2025-26 budget year is the greater of:

- The district's total program amount for the 2024-25 budget year; or
- The amount calculated for the 2025-26 budget year under the old formula.

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) For the 2025-26 budget year, the actual funded pupil count and
5 the at-risk pupil count are lower than anticipated when the appropriation
6 was established in the 2025 regular legislative session for total program
7 funding for the 2025-26 budget year. As a result, total program is
8 \$33,548,028 lower than anticipated when appropriations were established
9 in the 2025 regular legislative session.

10 (b) Based on the actual local property tax revenue and specific
11 ownership tax revenue available to school districts for the 2025-26 budget

1 year, the local share of total program funding is \$69,924,480 higher than
2 anticipated when appropriations were established in the 2025 regular
3 legislative session.

4 (c) Therefore, the general assembly's intent is to decrease the state
5 share of districts' total program funding by \$103,472,508 for the 2025-26
6 budget year.

7 **SECTION 2.** In Colorado Revised Statutes, 22-54-103.5, **amend**
8 (14)(a)(I) as follows:

9 **22-54-103.5. District total program - rules - legislative
10 declaration - repeal.**

11 (14) **Total program funding.**

12 (a) (I) For the 2025-26 budget year, the department of education
13 and the staff of the legislative council shall determine, based on budget
14 projections, the amount to ensure that for the 2025-26 budget year, the
15 sum of total program funding for all districts, including funding for
16 institute charter schools, is at least ~~ten billion thirty-one million six~~
17 ~~hundred six thousand ninety dollars (\$10,031,606,090)~~ NINE BILLION NINE
18 HUNDRED NINETY-EIGHT MILLION FIFTY-EIGHT THOUSAND SIXTY-THREE
19 DOLLARS (\$9,998,058,063); except that the department of education and
20 the staff of the legislative council shall make mid-year revisions to
21 replace projections with actual figures, including actual pupil enrollment,
22 assessed valuations, and specific ownership tax revenue from the prior
23 year to determine any necessary changes in the amount to maintain total
24 program funding for the applicable budget year.

25 **SECTION 3.** In Colorado Revised Statutes, 22-54-103.3, **amend**
26 (3)(a) as follows:

27 **22-54-103.3. District total program - 2025-26 through 2030-31**

1 **budget years - definitions - repeal.**

2 (3) (a) (I) For the 2025-26 budget year, a district's total program
3 is the greater of the district's total program determination for the 2024-25
4 budget year, or the amount calculated pursuant to section 22-54-104 plus
5 an amount equal to fifteen percent of the difference between the district's
6 total program calculation pursuant to section 22-54-103.5 and the
7 district's total program calculation pursuant to section 22-54-104.

8 (II) WHEN DETERMINING A DISTRICT'S TOTAL PROGRAM PURSUANT
9 TO SUBSECTION (3)(a)(I) OF THIS SECTION, IF THE DISTRICT'S TOTAL
10 PROGRAM CALCULATION PURSUANT TO SECTION 22-54-103.5 IS LESS THAN
11 THE DISTRICT'S TOTAL PROGRAM CALCULATION PURSUANT TO SECTION
12 22-54-104, THEN NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS
13 SECTION, THE DISTRICT'S TOTAL PROGRAM IS THE GREATER OF THE
14 DISTRICT'S TOTAL PROGRAM DETERMINATION FOR THE 2024-25 BUDGET
15 YEAR OR THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-104.

		APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
		\$	\$	\$	\$	\$	\$

1 **SECTION 4. Appropriation to the department of education for the fiscal year beginning July 1, 2025.** In Session Laws of Colorado 2025, section 2 of chapter 476, (SB

2 25-206), **amend** Part IV (3)(A), the affected totals, and footnote 11 as follows:

3 **Section 2. Appropriation.**

4 **PART IV**

5 **DEPARTMENT OF EDUCATION**

6 **(3) SCHOOL DISTRICT OPERATIONS**

7 **(A) Public School Finance**

9 Administration	2,471,809	2,210,618	261,191 ^a
10		(16.0 FTE)	(1.5 FTE)
11 Financial Transparency			
12 System Maintenance	92,786		92,786 ^a
13			(1.0 FTE)
14 School Finance Audit			
15 Payments	3,000,000		3,000,000 ^b

		APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
		\$	\$	\$	\$	\$	\$
1	State Share of Districts'						
2	Total Program Funding ¹⁰	5,463,908,610	3,095,718,552	1,292,968,309 ^c	1,075,221,749 ^d		
3		5,363,929,334			975,242,473 ^d		
4	Extended High School ¹¹	24,559,880			24,559,880 ^a		
5		21,066,648			21,066,648 ^a		
6	District Per Pupil						
7	Reimbursements for						
8	Juveniles Held in Jail	10,000			10,000 ^b		
9	At-risk Per Pupil						
10	Additional Funding	5,000,000			5,000,000 ^a		
11	Contingency Reserve Fund	1,000,000			1,000,000 ^e		
12		5,500,043,085					
13		5,396,570,577					
14							

APPROPRIATION FROM						
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

1 ^a These amounts shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

3 ^b These amounts shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S., from federal mineral leasing revenues transferred to the State Public School Fund pursuant to Sections 22-54-114 (1) and 34-63-102, C.R.S.

5 ^c This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

6 ^d Of this amount, ~~\$1,004,554,817~~ \$904,575,541 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution and \$70,666,932 shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution. Of the amount appropriated from the State Public School Fund, \$51,922,059 is estimated to be from federal mineral leasing revenues transferred to the State Public School Fund pursuant to Sections 22-54-114 (1) and 34-63-102, C.R.S., \$16,217,517 is estimated to be from marijuana sales tax revenues transferred to the State Public School Fund pursuant to Section 39-28.8-203 (1)(b)(I.5)(B), C.R.S., and appropriated pursuant to Section 22-54-139, C.R.S., and \$2,527,356 is estimated to be from interest and income earned on the investment of money in the Public School Fund that is credited to the State Public School Fund pursuant to Section 22-41-102 (3)(f), C.R.S.

13 ^e This amount shall be from the Contingency Reserve Fund created in Section 22-54-117 (1)(a), C.R.S.

14
15

		APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
		\$	\$	\$	\$	\$	\$
1	TOTALS PART IV						
2	(EDUCATION)	\$7,756,003,663	\$3,418,629,265	\$1,292,968,309^a	\$2,139,481,573^b	\$55,664,660^c	\$849,259,856^d
3		\$7,652,531,155			\$2,036,009,065^b		
4							

^a This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

^b Of this amount, \$9,800,097 contains an (I) notation.

^c Of this amount, \$43,900,000 contains an (I) notation.

^d This amount contains an (I) notation.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

11 Department of Education, School District Operations, Public School Finance, Extended High School -- Pursuant to section 22-35-108.5 (2)(b)(II), C.R.S.,
 12 the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Teacher Recruitment Education and Preparation
 13 (TREP) Program for the 2025-26 state fiscal year. It is the General Assembly's intent that the Department of Education be authorized to utilize up to \$2,620,000
 14 \$2,263,680 of this appropriation to fund qualified students identified as TREP Program participants. This amount is calculated based on an estimated 250 216
 15 FTE TREP Program participants funded at a rate of \$10,480 per FTE pursuant to section 22-54-204 (4.7), C.R.S. SECTION 22-54-104 (4.7), C.R.S.

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