

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0039.01 Brita Darling x2241

HOUSE BILL 18-1232

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HOUSE SPONSORSHIP

Young,

SENATE SPONSORSHIP

Coram,

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House Committees  
Education

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A NEW PUBLIC SCHOOL FUNDING  
102 DISTRIBUTION FORMULA FOR THE PRESCHOOL THROUGH  
103 SECONDARY PUBLIC EDUCATION SYSTEM.

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Bill Summary

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

The bill creates a new public school funding distribution formula to replace the existing formula (1994 formula). The new distribution 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, which is not included in the bill.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

The new public school funding distribution formula:

- ! Calculates a school district's (district's) total program funding by starting with statewide base per pupil funding and adding additional funding for student and district characteristics in the form of district factor funding as follows:
  - ! 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 disability and district size; and
  - ! Cost of living factor funding, limited to a percentage of statewide cost of living factor funding.

In calculating district total program funding, the new formula:

- ! 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, to remove limits on the number of 4- and 5-year-old pupils attending state-funded preschool and the pupil eligibility criteria for 4- and 5-year-old pupils;
- ! 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 only for high-cost disability reimbursement grants; and
- ! 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 only for students with no English proficiency.

The bill creates a hold-harmless provision if a district's total program funding under the new public school funding distribution formula is less than it was under the 1994 formula without the budget stabilization reduction in funding.

The bill takes effect only if voters approve a ballot measure no later than the 2022 statewide general election 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 intent.** (1) The general assembly finds  
3 that:

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

8 (b) The new public school funding distribution formula takes  
9 effect only if Colorado voters approve a statewide ballot measure that  
10 increases state tax revenues for the purpose of funding preschool through  
11 high school public education;

12 (c) If the voters approve the ballot measure, the new public school  
13 funding distribution formula will take effect in the second budget year  
14 following approval;

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

18 (I) 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 participants and requires that  
21 state-funded children attending preschool meet certain eligibility criteria.  
22 The new public school funding distribution formula contemplates  
23 universal, quality preschool for four- and five-year-old children, for  
24 which each child is funded as a half-day pupil, and does not limit  
25 preschool funding for four- and five-year-old children to a restricted

1 number of preschool program participants or by a child's risk factors.  
2 Current preschool program provisions will continue to apply for  
3 three-year-old children participating in the preschool program.

4 (II) Under current law, a school district receives categorical  
5 program funding for each child with a disability. The new public school  
6 funding distribution formula contemplates reserving special education  
7 categorical program funding for reimbursement grants to serve children  
8 with severe, high-cost disabilities and provides districts with special  
9 education factor funding for all children receiving special education  
10 services or programs in the district through an individualized education  
11 program.

12 (III) The new public school funding distribution formula provides  
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 (e) 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 public school funding  
22 distribution formula and prior to the effective date of the new formula,  
23 which is in the second budget year following passage of the ballot  
24 measure; and

25 (f) Conforming changes to the Colorado Revised Statutes are  
26 necessary to reflect the repeal of the old public school finance formula  
27 and related provisions and to amend or repeal definitions used in school

1 finance.

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

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

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

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

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

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

27 (IV) OVER TWENTY YEARS HAVE PASSED SINCE PASSAGE OF THE

1 "PUBLIC SCHOOL FINANCE ACT OF 1994";

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

7 (VI) FURTHER, DURING THIS PERIOD, THE PUBLIC'S EXPECTATIONS  
8 OF COLORADO'S PUBLIC SCHOOLS HAVE INCREASED SUBSTANTIALLY, BOTH  
9 IN TERMS OF EXPECTED OUTCOMES FOR STUDENTS AND THE LEVEL OF  
10 PUBLIC ACCOUNTABILITY FOR SCHOOL DISTRICTS AND 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, COMPLETE 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 FORMULA MUST BE MODERNIZED  
22 TO:

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

1 (B) CREATE A STUDENT-CENTERED DISTRIBUTION FORMULA FOR  
2 PUBLIC SCHOOL FUNDING THAT USES WEIGHTS FOR STUDENTS WHO  
3 REQUIRE SPECIAL EDUCATION, STUDENTS WHO ARE GIFTED AND TALENTED,  
4 AND STUDENTS WHO ARE ENGLISH LANGUAGE LEARNERS, AS WELL AS  
5 STUDENTS LIVING IN POVERTY;

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

10 (D) RECOGNIZE AND ADJUST FUNDING FOR COST DIFFERENCES  
11 AMONG SCHOOL DISTRICTS AND PUBLIC SCHOOLS RELATED TO SIZE AND  
12 COST OF LIVING;

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

17 (F) CREATE A PUBLIC SCHOOL FUNDING DISTRIBUTION FORMULA  
18 THAT IS TRANSPARENT AND UNDERSTANDABLE BY STATE POLICYMAKERS,  
19 SCHOOL LEADERS, AND LOCAL COMMUNITIES.

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

1           (2) THIS SECTION APPLIES TO THE SECOND BUDGET YEAR  
2 COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION  
3 AND EACH BUDGET YEAR THEREAFTER.

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

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

1 EXPENDED.

2 (4) **Total program funding.** EXCEPT AS OTHERWISE PROVIDED IN  
3 SECTION 22-54-104.3 (7), A DISTRICT'S TOTAL PROGRAM FUNDING IS THE  
4 GREATER OF THE FOLLOWING:

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

15 (b) (I) (STATEWIDE AVERAGE PER PUPIL FUNDING x .95) x  
16 DISTRICT FUNDED PUPIL COUNT.

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

25 (5) **Statewide base per pupil funding.** THE GENERAL ASSEMBLY  
26 SHALL ANNUALLY INCREASE THE STATEWIDE BASE PER PUPIL FUNDING  
27 OVER THE AMOUNT ESTABLISHED FOR THE PRECEDING BUDGET YEAR BY

1 AT LEAST THE RATE OF INFLATION, AS DEFINED IN SECTION 20 (2)(f) OF  
2 ARTICLE X OF THE STATE CONSTITUTION, FOR THE PRECEDING BUDGET  
3 YEAR. THE STATEWIDE BASE PER PUPIL FUNDING IS:

4 (a) FOR THE BUDGET YEARS COMMENCING PRIOR TO THE  
5 EFFECTIVE DATE OF THIS SECTION AND THE FIRST BUDGET YEAR  
6 COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION,  
7 THE AMOUNT SPECIFIED IN SECTION 22-54-104 (5).

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

12 (6) **District size factor funding.** (a) THE DEPARTMENT OF  
13 EDUCATION SHALL CALCULATE EACH DISTRICT'S SIZE FACTOR FUNDING AS  
14 AN AMOUNT EQUAL TO:

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

17 (b) A DISTRICT'S SIZE FACTOR IS DETERMINED AS FOLLOWS:

18 IF THE DISTRICT'S FUNDED	19 THE DISTRICT'S SIZE FACTOR IS:
20 PUPIL COUNT IS:	
21 LESS THAN 156	2.269
22 156 OR MORE BUT LESS	2.664 - (0.00253 x DISTRICT FUNDED
23 THAN 495	PUPIL COUNT)
24 495 OR MORE BUT LESS	1.513 - (0.000206 x DISTRICT FUNDED
25 THAN 1,790	PUPIL COUNT)
26 1,790 OR MORE BUT LESS	1.171 - (0.000015 x DISTRICT FUNDED
27 THAN 5,050	PUPIL COUNT)
5,050 OR MORE BUT LESS	1.132 - (0.0000069 x DISTRICT FUNDED

1	THAN 13,275	PUPIL COUNT)
2	13,275 OR MORE BUT LESS	1.059 - (0.0000013 x DISTRICT FUNDED
3	THAN 43,865	PUPIL COUNT)
4	43,865 OR MORE	1.0

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

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

25 (A) FOR THE FIRST BUDGET YEAR FOLLOWING REORGANIZATION,  
26 THE SIZE FACTOR OF THE ORIGINAL DISTRICT FOR THE BUDGET YEAR  
27 IMMEDIATELY PRECEDING REORGANIZATION OR, IF TWO OR MORE

1 DISTRICTS ARE INVOLVED IN THE REORGANIZATION, THE WEIGHTED  
2 AVERAGE SIZE FACTOR OF THE ORIGINAL DISTRICTS FOR THE BUDGET YEAR  
3 IMMEDIATELY PRECEDING REORGANIZATION. FOR THE PURPOSES OF THIS  
4 SUBSECTION (6)(c)(II)(A), THE WEIGHTED AVERAGE SIZE FACTOR IS THE  
5 AMOUNT CALCULATED BY MULTIPLYING THE FUNDED PUPIL COUNT OF  
6 EACH ORIGINAL DISTRICT BY THE SIZE FACTOR OF THE ORIGINAL DISTRICT,  
7 ADDING THE RESULTING AMOUNTS TOGETHER AND DIVIDING THAT SUM BY  
8 THE TOTAL FUNDED PUPIL COUNT OF THE ORIGINAL DISTRICTS.

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

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

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

24 (E) FOR THE FIFTH BUDGET YEAR FOLLOWING REORGANIZATION,  
25 THE SIZE FACTOR FOR THE PRIOR BUDGET YEAR MINUS AN AMOUNT EQUAL  
26 TO ONE-HALF OF THE DIFFERENCE BETWEEN THE SIZE FACTOR FOR THE  
27 PRIOR BUDGET YEAR AND THE SIZE FACTOR DETERMINED PURSUANT TO

1 SUBSECTION (6)(b) OF THIS SECTION; AND

2 (F) FOR THE SIXTH BUDGET YEAR FOLLOWING REORGANIZATION  
3 AND BUDGET YEARS THEREAFTER, THE SIZE FACTOR DETERMINED  
4 PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION.

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

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

14 (STATEWIDE BASE PER PUPIL FUNDING x 0.31) x POVERTY  
15 ENROLLMENT.

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

24 (STATEWIDE BASE PER PUPIL FUNDING x ENGLISH  
25 LANGUAGE LEARNER FACTOR) x ENGLISH LANGUAGE  
26 LEARNER ENROLLMENT.

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

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

3 (II) AT LEAST 495 BUT LESS THAN 1,790, THE DISTRICT'S ENGLISH  
4 LANGUAGE LEARNER FACTOR IS  $0.372934 - (0.00004633 \times \text{DISTRICT}$   
5  $\text{FUNDED PUPIL COUNT})$ ; AND

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

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

11 (STATEWIDE BASE PER PUPIL FUNDING  $\times$  GIFTED CHILD  
12 FACTOR)  $\times$  GIFTED CHILD ENROLLMENT.

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

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

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

17 AND

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

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

1 ((STATEWIDE BASE PER PUPIL FUNDING x SPECIAL  
2 EDUCATION NONSPECIFIED DISABILITY FACTOR) x SPECIAL  
3 EDUCATION NONSPECIFIED DISABILITY ENROLLMENT) +  
4 ((STATEWIDE BASE PER PUPIL FUNDING x SPECIAL  
5 EDUCATION SPECIFIED DISABILITY FACTOR) x SPECIAL  
6 EDUCATION SPECIFIED DISABILITY ENROLLMENT).

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

9 (I) LESS THAN 115, THE DISTRICT'S SPECIAL EDUCATION  
10 NONSPECIFIED DISABILITY FACTOR IS 0.67342;

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

14 (III) 14,373 OR MORE, THE DISTRICT'S SPECIAL EDUCATION  
15 NONSPECIFIED DISABILITY FACTOR IS 0.37910.

16 (c) FOR A CHILD WITH A DISABILITY THAT IS SPECIFIED IN SECTION  
17 22-20-114 (1)(c)(II), IF THE DISTRICT'S FUNDED PUPIL COUNT IS:

18 (I) LESS THAN 113, THE DISTRICT'S SPECIAL EDUCATION SPECIFIED  
19 DISABILITY FACTOR IS 1.27271;

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

23 (III) 8,814 OR MORE, THE DISTRICT'S SPECIAL EDUCATION  
24 SPECIFIED DISABILITY FACTOR IS 0.88266.

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

1           (STATEWIDE BASE PER PUPIL FUNDING x .95) x DISTRICT  
2           ONLINE PUPIL ENROLLMENT.

3           **(12) District extended high school funding.** THE DEPARTMENT  
4           OF EDUCATION SHALL CALCULATE EACH DISTRICT'S EXTENDED HIGH  
5           SCHOOL FUNDING AS AN AMOUNT EQUAL TO:

6           STATEWIDE BASE PER PUPIL FUNDING x DISTRICT EXTENDED  
7           HIGH SCHOOL PUPIL ENROLLMENT.

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

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

22          DISTRICT PRELIMINARY TOTAL PROGRAM FUNDING x  
23          DISTRICT ADJUSTED COST OF LIVING FACTOR.

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

1 FUNDING, DISTRICT ONLINE FUNDING, DISTRICT EXTENDED HIGH SCHOOL  
2 FUNDING, AND THE DISTRICT COST OF LIVING FACTOR FUNDING  
3 CALCULATED PURSUANT TO THIS SUBSECTION (13).

4 (C) FOR THE PURPOSES OF SUBSECTION (13)(b)(I)(A) OF THIS  
5 SECTION, A DISTRICT'S ADJUSTED COST OF LIVING FACTOR IS CALCULATED  
6 USING THE FOLLOWING FORMULA:

7 
$$[(\text{PERSONNEL COSTS FACTOR} \times \text{COST OF LIVING FACTOR}) +$$
  
8 
$$(1 - \text{PERSONNEL COSTS FACTOR}) - 1].$$

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

12 
$$\text{DISTRICT PROPORTIONATE SHARE OF FUNDING} \times (.05 \times$$
  
13 
$$\text{STATEWIDE COST OF LIVING FACTOR FUNDING}).$$

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

19 (C) FOR THE PURPOSES OF THIS SUBSECTION (13)(b)(II),  
20 STATEWIDE COST OF LIVING FACTOR FUNDING IS THE SUM OF EACH  
21 DISTRICT'S COST OF LIVING FACTOR FUNDING CALCULATED PURSUANT TO  
22 SUBSECTION (13)(b)(I) OF THIS SECTION.

23 (c) **Cost of living factor.** (I) THE STAFF OF THE LEGISLATIVE  
24 COUNCIL SHALL DETERMINE EACH DISTRICT'S COST OF LIVING FACTOR IN  
25 ACCORDANCE WITH THIS SUBSECTION (13)(c). BASED ON THE COST OF  
26 LIVING ANALYSIS CONDUCTED PURSUANT TO SENATE BILL 93-87,  
27 ENACTED IN 1993, THE STAFF OF THE LEGISLATIVE COUNCIL SHALL

1 CERTIFY THE COST OF LIVING FACTOR FOR EACH DISTRICT TO THE  
2 DEPARTMENT OF EDUCATION FOR EACH TWO-YEAR PERIOD THEREAFTER  
3 BASED UPON A NEW COST OF LIVING ANALYSIS. THE STAFF OF THE  
4 LEGISLATIVE COUNCIL SHALL CERTIFY THE NEW COST OF LIVING FACTORS  
5 NO LATER THAN APRIL 15 OF THE APPLICABLE YEAR FOR THE BUDGET  
6 YEAR BEGINNING ON JULY 1 OF THAT YEAR AND THE BUDGET YEAR  
7 THEREAFTER. IF THE INCOME LEVEL USED IN A COST OF LIVING ANALYSIS  
8 DOES NOT INCREASE ABOVE THE INCOME LEVEL USED IN THE PREVIOUS  
9 COST OF LIVING ANALYSIS, THE COST OF LIVING FACTOR FOR EACH  
10 DISTRICT REMAINS THE SAME AS THE COST OF LIVING FACTOR DERIVED  
11 FROM THE PREVIOUS COST OF LIVING ANALYSIS.

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

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

4 (A) IF THE PERCENT INCREASE IN THE INCOME LEVEL USED IN THE  
5 COST OF LIVING STUDY IS ONE PERCENT OR LESS AND IF THE PERCENTAGE  
6 CHANGE IN THE DISTRICT'S COST OF LIVING AMOUNT FROM THE PREVIOUS  
7 COST OF LIVING STUDY TO THE CURRENT COST OF LIVING STUDY IS  
8 GREATER THAN ONE PERCENT, A DISTRICT'S COST OF LIVING FACTOR IS  
9 DETERMINED BY DIVIDING THE PERCENTAGE CHANGE IN THE DISTRICT'S  
10 COST OF LIVING AMOUNT FROM THE PREVIOUS COST OF LIVING STUDY TO  
11 THE CURRENT COST OF LIVING STUDY BY ONE PERCENT, DIVIDING THAT  
12 AMOUNT BY ONE THOUSAND AND ROUNDING TO THE NEAREST  
13 THOUSANDTH OF ONE PERCENT AND ADDING THE RESULT OBTAINED TO  
14 THE DISTRICT'S COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR; OR

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

1           (IV) (A) THE DEPARTMENT OF EDUCATION SHALL PROMULGATE  
2 RULES FOR THE ASSIGNMENT OF A COST OF LIVING FACTOR TO ANY NEW  
3 DISTRICT ORGANIZED PURSUANT TO ARTICLE 30 OF THIS TITLE 22, EXCEPT  
4 FOR NEW DISTRICTS THAT ARE CREATED AS THE RESULT OF A  
5 DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2)(a), UNTIL THE  
6 COST OF LIVING FACTOR FOR THE DISTRICT IS CERTIFIED BY THE STAFF OF  
7 THE LEGISLATIVE COUNCIL PURSUANT TO SUBSECTION (13)(c)(I) OF THIS  
8 SECTION.

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

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

26           (d) **Personnel costs component of cost of living factor.** A  
27 DISTRICT'S PERSONNEL COSTS FACTOR IS DETERMINED IN ACCORDANCE

1	WITH THE FOLLOWING FORMULA:	
2	<b>IF THE DISTRICT'S FUNDED</b>	<b>THE DISTRICT'S PERSONNEL COSTS</b>
3	<b>PUPIL COUNT IS:</b>	<b>FACTOR IS:</b>
4	LESS THAN 453.5	0.8250 - (0.0000639 x THE
5		DIFFERENCE BETWEEN THE FUNDED
6		PUPIL COUNT AND 453.5)
7	453.5 OR MORE BUT LESS	0.8595 - (0.0000310 x THE
8	THAN 1,567.5	DIFFERENCE BETWEEN THE FUNDED
9		PUPIL COUNT AND 1,567.5)
10	1,567.5 OR MORE BUT LESS	0.8850 - (0.0000050 x THE
11	THAN 6,682	DIFFERENCE BETWEEN THE FUNDED
12		PUPIL COUNT AND 6,682)
13	6,682 OR MORE BUT LESS	0.9050 - (0.0000009 x THE
14	THAN 30,000	DIFFERENCE BETWEEN THE FUNDED
15		PUPIL COUNT AND 30,000)
16	30,000 OR MORE	0.9050

17           **SECTION 3.** In Colorado Revised Statutes, 22-54-103, **amend**  
18 (6); and **add** (6.5), (7.2), (7.3), (9.4), (10.2), (10.7), and (10.8) as follows:

19           **22-54-103. Definitions.** As used in this article, unless the context  
20 otherwise requires:

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

25           (6.5) "ENGLISH LANGUAGE LEARNER ENROLLMENT" MEANS THE  
26 NUMBER OF PUPILS ENROLLED IN A DISTRICT WHO ARE ENGLISH LANGUAGE  
27 LEARNERS, AS DEFINED IN SECTION 22-24-103, BUT DOES NOT INCLUDE

1 ENGLISH LANGUAGE LEARNERS DESCRIBED IN SECTION 22-24-104  
2 (3)(b)(I)(A). SO LONG AS A PUPIL CONTINUES TO BE IDENTIFIED AS AN  
3 ENGLISH LANGUAGE LEARNER, THE PUPIL MAY BE INCLUDED IN A  
4 DISTRICT'S ENGLISH LANGUAGE LEARNER ENROLLMENT FOR UP TO SEVEN  
5 YEARS.

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

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

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

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

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

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

25 (b) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT  
26 FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE  
27 CONSTITUTION, AVERAGING A DISTRICT'S PUPIL ENROLLMENT FOR THE

1 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
2 THE FOUR IMMEDIATELY PRECEDING BUDGET YEARS PURSUANT TO  
3 SUBSECTION (7.2)(a) OF THIS SECTION IS A PROGRAM FOR ACCOUNTABLE  
4 EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE  
5 STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF  
6 THE STATE CONSTITUTION.

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

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

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

1 (7.3) "GIFTED CHILD ENROLLMENT" MEANS THE NUMBER OF PUPILS  
2 ENROLLED IN A DISTRICT WHO ARE IDENTIFIED AS A GIFTED CHILD, AS  
3 DEFINED IN SECTION 22-20-202.

4 (9.4) (a) "POVERTY ENROLLMENT" MEANS THE GREATER OF:

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

7 (II) THE NUMBER OF PUPILS CALCULATED USING THE FOLLOWING  
8 FORMULA:

9 (DISTRICT PERCENTAGE OF POVERTY ENROLLMENT x  
10 DISTRICT PUPIL ENROLLMENT).

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

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

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

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

26 (10.2) (a) "PUPIL ENROLLMENT" MEANS, FOR THE SECOND BUDGET  
27 YEAR COMMENCING JULY 1 FOLLOWING THE EFFECTIVE DATE OF THIS

1 SUBSECTION (10.2) AND EACH BUDGET YEAR THEREAFTER, THE NUMBER  
2 OF PUPILS ENROLLED IN A DISTRICT ON THE PUPIL ENROLLMENT COUNT  
3 DAY WITHIN THE APPLICABLE BUDGET YEAR, AS EVIDENCED BY ACTUAL  
4 ATTENDANCE OF THE PUPIL PRIOR TO THAT DAY, AND INCLUDING:

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

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

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

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

25 (V) A THREE- OR FOUR-YEAR-OLD PUPIL WITH A DISABILITY  
26 RECEIVING AN EDUCATIONAL PROGRAM UNDER THE "EXCEPTIONAL  
27 CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE 22, ON THE

1 PUPIL ENROLLMENT COUNT DAY OR, IF THE DISTRICT CHOOSES, ON  
2 NOVEMBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL DAY  
3 NEAREST THAT DATE RATHER THAN THE PUPIL ENROLLMENT COUNT DAY,  
4 AS EVIDENCED BY THE ACTUAL ATTENDANCE OF THE PUPIL ON NOVEMBER  
5 1 OR THE SCHOOL DATE NEAREST THAT DATE. THE THREE- OR  
6 FOUR-YEAR-OLD PUPIL IS COUNTED AS A HALF-DAY PUPIL.

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

22 (c) A DISTRICT MAY COUNT A PUPIL ENROLLED IN FIRST GRADE  
23 ONLY IF THE PUPIL IS SIX YEARS OLD AS OF OCTOBER 1 OF THE APPLICABLE  
24 BUDGET YEAR, OR IS FIVE YEARS OLD AS OF THAT DATE AND HAS  
25 ATTENDED AT LEAST ONE HUNDRED TWENTY DAYS OF KINDERGARTEN IN  
26 A STATE OTHER THAN COLORADO, OR IS FIVE YEARS OLD AND HAS BEEN  
27 IDENTIFIED BY THE DISTRICT OR ADMINISTRATIVE UNIT AS A HIGHLY

1       ADVANCED GIFTED CHILD FOR WHOM EARLY ACCESS TO FIRST GRADE IS  
2       APPROPRIATE, AS PROVIDED IN SECTION 22-20-204.5.

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

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

18              (f) A PUPIL WHO IS IDENTIFIED AS HAVING A DISABILITY IN  
19       ACCORDANCE WITH SECTION 22-20-108 AND IS RECEIVING AN  
20       EDUCATIONAL PROGRAM OUTSIDE OF THE DISTRICT OF RESIDENCE IS  
21       CONSIDERED ENROLLED IN THE DISTRICT OF RESIDENCE FOR THE PURPOSES  
22       OF SUBSECTION (10.2)(a) OF THIS SECTION.

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

1 22, IS COUNTED IN ACCORDANCE WITH STATE BOARD RULES RELATING TO  
2 PUPILS WHO ARE ENROLLED AS LESS THAN FULL-TIME PUPILS.

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

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

1 (10.8) "SPECIAL EDUCATION SPECIFIED DISABILITY ENROLLMENT"  
2 MEANS THE NUMBER OF PUPILS ENROLLED IN A DISTRICT WHO ARE  
3 IDENTIFIED PURSUANT TO SECTION 22-20-108 AS A CHILD WITH A  
4 DISABILITY THAT IS LISTED IN SECTION 22-20-114 (1)(c)(II) AND ARE  
5 RECEIVING SPECIAL EDUCATION SERVICES OR PROGRAMS AS PROVIDED IN  
6 PART 1 OF ARTICLE 20 OF THIS TITLE 22 PURSUANT TO AN INDIVIDUALIZED  
7 EDUCATION PROGRAM ON DECEMBER 1 OF THE PRECEDING BUDGET YEAR.

8 **SECTION 4.** In Colorado Revised Statutes, 22-54-104.3, **add** (7)  
9 as follows:

10 **22-54-104.3. Total program for budget years - special**  
11 **provisions.** (7) (a) IF, DURING THE FIRST BUDGET YEAR THAT DISTRICT  
12 TOTAL PROGRAM FUNDING IS CALCULATED PURSUANT TO SECTION  
13 22-54-104.6, A DISTRICT'S TOTAL PROGRAM FUNDING IS LESS THAN ITS  
14 TOTAL PROGRAM FUNDING FOR THE PRIOR BUDGET YEAR, WITHOUT  
15 APPLICATION OF THE BUDGET STABILIZATION FACTOR PURSUANT TO  
16 SECTION 22-54-104 (5)(g), THE DISTRICT SHALL RECEIVE STATE  
17 HOLD-HARMLESS FUNDING IN AN AMOUNT EQUAL TO THE DIFFERENCE  
18 BETWEEN THE DISTRICT'S TOTAL PROGRAM FUNDING FOR THE APPLICABLE  
19 BUDGET YEAR AND THE DISTRICT'S TOTAL PROGRAM FUNDING FOR THE  
20 PRIOR BUDGET YEAR, WITHOUT APPLICATION OF THE BUDGET  
21 STABILIZATION FACTOR PURSUANT TO SECTION 22-54-104 (5)(g).

22 (b) EACH DISTRICT THAT RECEIVES STATE HOLD-HARMLESS  
23 FUNDING PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION SHALL, FOR  
24 EACH SUBSEQUENT BUDGET YEAR, RECEIVE TOTAL PROGRAM FUNDING  
25 EQUAL TO THE AMOUNT OF TOTAL PROGRAM FUNDING RECEIVED FOR THE  
26 PRIOR BUDGET YEAR PLUS INFLATION, UNTIL THE BUDGET YEAR IN WHICH  
27 THE DISTRICT'S TOTAL PROGRAM FUNDING CALCULATED PURSUANT TO

1 SECTION 22-54-104.6 IS EQUAL TO OR GREATER THAN THE TOTAL  
2 PROGRAM FUNDING THAT THE DISTRICT RECEIVED PURSUANT TO THIS  
3 SUBSECTION (7)(b) FOR THE PRIOR BUDGET YEAR PLUS INFLATION.

4         **SECTION 5. Effective date.** This act takes effect upon the  
5 proclamation by the governor of the vote cast in a statewide election held  
6 no later than January 1, 2023, at which an increase in state tax revenues  
7 for the purpose of funding preschool through secondary school public  
8 education is approved by the voters, so long as the amount of the  
9 approved revenue increase is equal to or greater than the total estimated  
10 state fiscal impact associated with the payment of the state share of total  
11 program pursuant to section 22-54-104.6, Colorado Revised Statutes, as  
12 stated in the fiscal note prepared for House Bill 18-\_\_\_\_, enacted in 2018.

13         **SECTION 6. Safety clause.** The general assembly hereby finds,  
14 determines, and declares that this act is necessary for the immediate  
15 preservation of the public peace, health, and safety.