

This page intentionally left blank

CHAPTER 4

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 22-1186

BY REPRESENTATIVE(S) Herod and McCluskie, Ransom, Amabile, Bacon, Bennett, Bird, Boesenecker, Caraveo, Cutter, Duran, Esgar, Exum, Froelich, Gray, Hooton, Jodeh, Kennedy, Kipp, Lindsay, Lontine, McCormick, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Sirota, Snyder, Titone, Valdez A., Weissman, Woodrow, Young, Garnett, Sandridge; also SENATOR(S) Hansen and Moreno, Rankin, Bridges, Buckner, Fenberg, Fields, Ginal, Gonzales, Jaquez Lewis, Kirkmeyer, Kolker, Lee, Pettersen, Priola, Simpson, Sonnenberg, Story, Winter, Woodward, Zenzinger.

AN ACT

CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2021-22 BUDGET YEAR, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

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

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

(a) The actual funded pupil count and at-risk pupil count for the 2021-22 budget year are lower than anticipated when the appropriation was established in the 2021 legislative session for total program funding for the 2021-22 budget year. As a result, total program funding, before application of the budget stabilization factor, is \$67,976,234 lower than anticipated when appropriations were established for the 2021 legislative session.

(b) Based on actual local property tax revenue and specific ownership tax revenue available to school districts for the 2021-22 budget year, the local share of total program funding is \$139,565,749 higher than anticipated when appropriations were established in the 2021 legislative session; and

(c) It is the general assembly's intent to maintain total program funding after the application of the budget stabilization factor at the dollar amount of the original appropriation for the 2021-22 budget year.

(2) In addition, the general assembly finds it necessary to distribute additional funding to school districts and institute charter schools for at-risk pupils due to the

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

reduced identification of at-risk pupils resulting from the availability of universal free school meals.

SECTION 2. In Colorado Revised Statutes, 22-54-104, **amend** (5)(g)(I)(L) as follows:

22-54-104. District total program - definitions. (5) For purposes of the formulas used in this section:

(g) (I) For the 2010-11 budget year and each budget year thereafter, the general assembly determines that stabilization of the state budget requires a reduction in the amount of the annual appropriation to fund the state's share of total program funding for all districts and the funding for institute charter schools. The department of education shall implement the reduction in total program funding through the application of a budget stabilization factor as provided in this subsection (5)(g)(I). For the 2010-11 budget year and each budget year thereafter, the department of education and the staff of the legislative council shall determine, based on budget projections, the amount of such reduction to ensure the following:

(L) That, for the 2021-22 budget year, the sum of the total program funding for all districts, including the funding for institute charter schools, after application of the budget stabilization factor, is not less than ~~seven billion nine hundred eighty-eight million five hundred twenty-seven thousand seven hundred eleven dollars (\$7,988,527,711)~~ SEVEN BILLION NINE HUNDRED EIGHTY-EIGHT MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND FOUR HUNDRED THIRTY-FOUR DOLLARS (\$7,988,675,434); except that the department of education and the staff of the legislative council shall make mid-year revisions to replace projections with actual figures, including but not limited to actual pupil enrollment, assessed valuations, and specific ownership tax revenue from the prior year, to determine any necessary changes in the amount of the reduction to maintain a total program funding amount for the applicable budget year that is consistent with this subsection (5)(g)(I)(L). For the 2022-23 budget year, the difference between calculated statewide total program funding and actual statewide total program funding must not exceed the difference between calculated statewide total program funding and actual statewide total program funding for the 2021-22 budget year.

SECTION 3. In Colorado Revised Statutes, **add** 22-54-144 as follows:

22-54-144. Additional at-risk funding - 2021-22 budget year - legislative declaration - definition - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "DIRECT CERTIFIED PUPILS" MEANS PUPILS WHO ARE CERTIFIED AS ELIGIBLE FOR FREE MEALS BASED ON DOCUMENTATION OF BENEFIT RECEIPT OR CATEGORICAL ELIGIBILITY AS DESCRIBED IN 7 CFR 245.6, OR SUCCESSOR REGULATIONS.

(b) "RECALCULATED TOTAL PROGRAM FUNDING" MEANS TOTAL PROGRAM AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR FOR A DISTRICT OR FOR INSTITUTE CHARTER SCHOOLS FOR THE 2021-22 BUDGET YEAR RECALCULATED USING THE DISTRICT'S OR INSTITUTE CHARTER SCHOOLS' PERCENTAGE OF DIRECT CERTIFIED PUPILS FOR THE 2019-20 BUDGET YEAR, AND USING THE DISTRICT'S OR

INSTITUTE CHARTER SCHOOLS' RATIO OF FREE-LUNCH-ELIGIBLE PUPILS TO REDUCED-PRICE-LUNCH-ELIGIBLE PUPILS FOR THE 2019-20 BUDGET YEAR.

(2) THE DEPARTMENT SHALL DISTRIBUTE ADDITIONAL FUNDING TO DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO OFFSET REDUCTIONS IN THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR CALCULATED FOR THE 2021-22 BUDGET YEAR AS A RESULT OF A DECREASE IN THE NUMBER OF APPLICATIONS SUBMITTED DURING THE 2021-22 BUDGET YEAR TO PARTICIPATE IN THE FEDERAL SCHOOL LUNCH PROGRAM CREATED IN THE "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ. THE DEPARTMENT SHALL CALCULATE THE DISTRIBUTION AMOUNT FOR EACH DISTRICT AND FOR THE INSTITUTE CHARTER SCHOOLS BASED ON THE DIFFERENCE BETWEEN THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR THAT WAS ACTUALLY CALCULATED FOR THE DISTRICT OR INSTITUTE CHARTER SCHOOLS FOR THE 2021-22 BUDGET YEAR AND THE AMOUNT OF THE DISTRICT'S OR INSTITUTE CHARTER SCHOOLS' RECALCULATED TOTAL PROGRAM FUNDING, AS DETERMINED BY THE DEPARTMENT. A DISTRICT IS, OR THE INSTITUTE CHARTER SCHOOLS ARE, ELIGIBLE TO RECEIVE A DISTRIBUTION PURSUANT TO THIS SECTION ONLY IF THE DISTRICT'S OR INSTITUTE CHARTER SCHOOLS' RECALCULATED TOTAL PROGRAM FUNDING IS GREATER THAN THE AMOUNT OF TOTAL PROGRAM FUNDING AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR CALCULATED FOR THE DISTRICT OR INSTITUTE CHARTER SCHOOLS FOR THE 2021-22 BUDGET YEAR.

(3) ANY DISTRIBUTION MADE PURSUANT TO THIS SECTION IS ADDITIONAL FUNDING AND DOES NOT AFFECT A DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM FOR THE 2021-22 BUDGET YEAR.

(4)(a) EACH DISTRICT THAT AUTHORIZES A CHARTER SCHOOL SHALL DISTRIBUTE TO THE CHARTER SCHOOL ONE HUNDRED PERCENT OF THE DISTRICT CHARTER SCHOOL'S PER-PUPIL SHARE OF THE DISTRIBUTION RECEIVED BY THE DISTRICT PURSUANT TO THIS SECTION. A DISTRICT CHARTER SCHOOL'S DISTRIBUTION IS DETERMINED BY DIVIDING THE AMOUNT OF THE DISTRIBUTION RECEIVED BY THE DISTRICT PURSUANT TO THIS SECTION BY THE DISTRICT'S AT-RISK PUPIL COUNT FOR THE 2021-22 BUDGET YEAR AND THEN MULTIPLYING THAT AMOUNT BY THE DISTRICT CHARTER SCHOOL'S AT-RISK PUPIL COUNT FOR THE 2021-22 BUDGET YEAR.

(b) THE DEPARTMENT SHALL DISTRIBUTE THE TOTAL AMOUNT CALCULATED FOR INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS SECTION TO THE STATE CHARTER SCHOOL INSTITUTE, WHICH SHALL DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL ONE HUNDRED PERCENT OF THE AMOUNT CALCULATED FOR THE INSTITUTE CHARTER SCHOOL PURSUANT TO THIS SECTION.

(5) THE GENERAL ASSEMBLY SHALL APPROPRIATE FOR THE 2021-22 BUDGET YEAR THE AMOUNT NECESSARY TO FUND THE DISTRIBUTIONS TO DISTRICTS AND INSTITUTE CHARTER SCHOOLS DESCRIBED IN THIS SECTION.

(6) THE GENERAL ASSEMBLY DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, DISTRIBUTING ADDITIONAL FUNDING TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS FOR AT-RISK PUPILS DUE TO REDUCED IDENTIFICATION OF AT-RISK PUPILS RESULTING FROM THE AVAILABILITY OF UNIVERSAL FREE SCHOOL MEALS IS AN IMPORTANT ELEMENT IN IMPLEMENTING

ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS, AND SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2023.

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

SECTION 4. Appropriation to the department of education for the fiscal year beginning July 1, 2021. In Session Laws of Colorado 2021, section 2 of chapter 504, (SB 21-205), **amend** Part III (2)(A) and footnote 7, as Part III (2)(A) footnote 7 is amended by Section 34 of chapter 222, (SB 21-268), as follows:

Section 2. **Appropriation.**

**PART III
DEPARTMENT OF EDUCATION**

(2) ASSISTANCE TO PUBLIC SCHOOLS

(A) Public School Finance

Administration	1,879,526	1,792,031 (16.5 FTE)		87,495 ^a (0.9 FTE)
Financial Transparency System Maintenance	88,120			88,120 ^a (1.0 FTE)
School Finance Audit Payments	600,000			600,000 ^b
State Share of Districts'				
Total Program Funding ^{6,7}	4,342,793,552 4,203,227,803	2,696,820,934	865,284,199 ^c	780,688,419^a 641,122,670 ^d

District Per Pupil Reimbursements for		
Juveniles Held in Jail	10,000	10,000 ^e
At-risk Supplemental Aid	4,844,358	4,844,358 ^f
At-risk Per Pupil		
Additional Funding	5,000,000	5,000,000 ^f
Additional Funding for Rural Districts and Institute Charter Schools	30,000,000	30,000,000 ^g
	<u>4,385,215,556</u>	
	4,245,649,807	

^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.

^b This amount shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S.

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

^d Of this amount, ~~\$587,390,325~~ \$447,824,576 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution and \$193,298,094 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, \$154,290,341 is estimated to be from State Public School Fund reserves, \$30,360,235 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., and \$8,647,518 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.

^e 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.

^f These amounts shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S., 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)(g), C.R.S.

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
TOTALS PART III (EDUCATION)	\$5,847,545,486 \$5,707,979,737	\$2,921,618,823	\$865,284,199 ^a	\$1,401,687,125 \$1,262,121,376	\$38,200,295 ^b	\$620,755,044 ^c

^a This amount shall be from the Rural Schools Cash Fund created in Section 22-54-142 (5), C.R.S.

^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, \$20,100,000 contains an (I) notation.

^c This amount contains an (I) notation.

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

7 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section 22-35-108 (2)(a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for FY 2021-22. It is the General Assembly's intent that the Department of Education be authorized to utilize up to ~~\$4,065,000~~ \$4,097,500 of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated 500 FTE participants funded at a rate of ~~\$8,130~~ \$8,195 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

SECTION 5. Appropriation. For the 2021-22 state fiscal year, \$91,433,760 is appropriated to the department of education. This appropriation is from the state education fund created in section 17 (4)(a) of article IX of the state constitution. To implement this act, the department may use this appropriation for additional funding provided pursuant to section 22-54-144 (2), C.R.S.

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

Approved: March 1, 2022