



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 23-0347 **Date:** August 8, 2023
Prime Sponsors: Sen. Zenzinger; Kirkmeyer **Bill Status:** Signed into Law
Rep. Kipp; Frizell **Fiscal Analyst:** Anna Gerstle | 303-866-4375
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Bill Topic: **SPECIAL EDUCATION FUNDING**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

The bill increases state funding for Tier B special education. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$40,203,671 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the enacted bill. The bill was recommended by the Legislative Interim Committee on School Finance.

Table 1
State Fiscal Impacts Under SB 23-099

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	State Education Fund	\$40,203,671	\$40,203,671
Transfers		-	-
Other Budget Impacts			

Summary of Legislation

Beginning in FY 2023-24, the bill increases funding for Tier B special education by \$40.2 million per year, from the General Fund, State Education Fund, or a combination of the two funds.

Background

Current law specifies the distribution of categorical funding for special education students. After Tier A (\$1,750 per student), educational orphans; and high cost (reimbursement of high cost special education services) allocations have been made, the remaining funds are distributed on a per pupil basis to administrative units for students with specific, identified disabilities (known as Tier B funding). Tier B may not exceed \$6,000 per student, and is estimated at about \$4,318 per student in FY 2022-23.

State Expenditures

The bill increases state expenditures in CDE by \$40.2 million beginning in FY 2023-24, paid from the State Education Fund. CDE will distribute this funding to administrative units based on the number of Tier B students. With this additional funding and based on preliminary count data, Tier B funding in FY 2023-24 is expected to be \$6,000 per eligible student, the maximum allowed under current law.

School District

The bill increases special education funding to administrative units, most of which are school districts. The impact on any individual school district will depend on the number of Tier B special education students served.

Effective Date

The bill was signed into law by the Governor and took effect on May 15, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$40,203,671 from the State Education Fund to the Colorado Department of Education.

State and Local Government Contacts

Education