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Fiscal Note

Drafting Number: LLS 24-1023 Date: March 27, 2024
Prime Sponsors: Rep. Sirota; Taggart Bill Status: House Appropriations
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Bill Topic: SCHOOL FUNDING 2023-24 FOR NEW ARRIVAL STUDENTS

Summary of Fiscal Impact: [ ] State Revenue [ ] State Transfer [ ] Local Government
[ x ] State Expenditure [ ] TABOR Refund [ x ] School Districts

Budget package bill. The bill provides \$24.0 million to be distributed to school districts and charter schools for new arrival students. It increases state expenditures and school district funding in the current FY 2023-24 only.

Appropriation Summary: For the current FY 2023-24, the bill includes an appropriation of \$24 million to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill was recommended by the Joint Budget Committee as part of the FY 2024-25 budget package.

Table 1
State Fiscal Impacts Under HB 24-1389

Table with 4 columns: Category, Current Year FY 2023-24, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (State Education Fund), Transfers, and Other Budget Impacts.

## Summary of Legislation

For the current FY 2023-24, the bill provides \$24 million from the State Education Fund to the Colorado Department of Education, to be distributed to school districts and state Charter School Institute (CSI) charter schools that enrolled new arrival students after the 2023-24 count day. The funding must be distributed by May 31, 2024, using the two mechanisms described below.

**Funding tiers.** First, districts and CSI schools will receive a flat amount based on their number of new arrival students, as follows:

- \$15,000 – 1 to 5 new arrivals;
- \$30,000 – 6 to 10 new arrivals;
- \$75,000 – 11 to 30 new arrivals
- \$125,000 – 31 to 50 new arrivals;
- \$200,000 – 51 to 100 new arrivals;
- \$400,000 – 101 to 200 new arrivals;
- \$550,000 – 201 to 500 new arrivals; and
- \$750,000 – 501 or more new arrivals.

**Per student amount.** After the tiered distribution, school districts and CSI schools will also receive \$4,500, multiplied by the lower of either 1) their total net student population, or 2) the number of new arrival students. This per student distribution may be proportionately decreased or increased, depending on if there is not enough funding to sufficiently fund this distribution or if additional funding is remaining.

**Definitions.** The bill specifies the following definitions for the purposes of calculating the funding distribution:

- *New arrival students* are students who directly or indirectly moved from another country to Colorado, have been in the country for less than one year, have limited or no English proficiency, and whose enrollment in a public school is their first school enrollment in the United States.

New arrival students are counted as of February 29, 2024 and include only those who arrived after the 2023-24 count day. Distributions will use data counts as of February 9, 2024, plus a districts or charter school certification of the number of students who arrived after that date.

- *Total net student population* is the difference between a district or school's total number of enrolled students as of February 29, 2024 and their 2023-24 pupil enrollment as of the 2023-24 count day.

**Administration.** CDE may use up to \$50,000 for the administrative costs associated with making the distribution. The bill also authorizes CDE to review the use the funding, but the payment is not subject to existing audit requirements.

## **State Expenditures**

The bill increases state expenditures in CDE by \$24 million in the current FY 2023-24 only, paid from the State Education Fund.

**Administration.** Of that amount, up to \$50,000 may be used for contracted support for collection of student counts, calculation of district and charter school allocations, and the distribution of those amounts.

**Distribution.** The remaining \$23,950,000 will be distributed to school districts and charter schools. The exact distribution is not known, as school districts and charter schools will be required to submit actual new arrival student counts to CDE to be used to calculate distribution amounts.

## **School District**

As discussed above, \$23,950,000 will be distributed to school districts and CSI schools in the current FY 2023-24. The exact distribution amounts are not known, as school districts and charter schools will be required to submit actual new arrival student counts to CDE prior to the calculation of district distributions.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **State Appropriations**

For the current FY 2023-24, the bill requires and includes an appropriation of \$24,000,000 from the State Education Fund to the Colorado Department of Education.

## **State and Local Government Contacts**

Education

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).