

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 23-0808.01 Alana Rosen x2606

SENATE BILL 23-136

SENATE SPONSORSHIP

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Senate Committees
Appropriations

House Committees
Appropriations

HOUSE
3rd Reading Unamended
February 16, 2023

A BILL FOR AN ACT

101 **CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2022-23**
102 **BUDGET YEAR, AND, IN CONNECTION THEREWITH, REDUCING AN**
103 **APPROPRIATION.**

HOUSE
2nd Reading Unamended
February 15, 2023

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
3rd Reading Unamended
February 9, 2023

Joint Budget Committee. The general assembly recognizes that the actual funded pupil count was lower and the at-risk pupil count was higher than expected when the appropriation amount for the state share of total program funding was established during the 2022 legislative session, resulting in an overall increase in total program funding for the

SENATE
2nd Reading Unamended
February 8, 2023

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.

2022-23 budget year.

In addition, the local property tax revenue and specific ownership tax revenue are higher than anticipated, resulting in an increase in the local share of total program funding.

The bill declares the general assembly's intent to maintain the budget stabilization factor at the amount of the original appropriation for the 2022-23 budget year.

The bill decreases the appropriation for the state share of total program funding by \$76,383,372 in cash funds from the state education fund and adjusts the 2022-23 state fiscal year long bill accordingly.

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 for the 2022-23 budget year is lower than anticipated when the appropriation was established in the 2022 legislative session for total program funding for the 2022-23 budget year. However, the at-risk pupil count for the 2022-23 budget year is higher than anticipated when the appropriation was established in the 2022 legislative session for total program funding for the 2022-23 budget year. As a result, total program funding, before application of the budget stabilization factor, is \$17,036,588 higher than anticipated when appropriations were established for the 2022 legislative session.

(b) Based on actual local property tax revenue and specific ownership tax revenue available to school districts for the 2022-23 budget year, the local share of total program funding is \$93,419,960 higher than anticipated when appropriations were established in the 2022 legislative session.

(2) It is, therefore, the general assembly's intent to maintain the budget stabilization factor at the dollar amount of the original appropriation from the 2022 legislative session for the 2022-23 budget

1 year, resulting in a decrease of \$76,383,372 to the state share of districts'
2 total program funding.

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

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

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

18 (M) That, for the 2022-23 budget year, the sum of the total
19 program funding for all districts, including the funding for institute
20 charter schools, after application of the budget stabilization factor, is not
21 less than ~~eight billion four hundred twenty-two million two hundred~~
22 ~~sixteen thousand one hundred fifty-nine dollars (\$8,422,216,159)~~ EIGHT
23 BILLION FOUR HUNDRED THIRTY-EIGHT MILLION TEN THOUSAND SIX
24 HUNDRED FORTY-THREE DOLLARS (\$8,438,010,643); except that the
25 department of education and the staff of the legislative council shall make
26 mid-year revisions to replace projections with actual figures, including
27 but not limited to actual pupil enrollment, assessed valuations, and

1 specific ownership tax revenue from the prior year, to determine any
2 necessary changes in the amount of the reduction to maintain a total
3 program funding amount for the applicable budget year that is consistent
4 with this subsection (5)(g)(I)(M). For the 2023-24 budget year, the
5 difference between calculated statewide total program funding and actual
6 statewide total program funding must not exceed the difference between
7 calculated statewide total program funding and actual statewide total
8 program funding for the 2022-23 budget year.

APPROPRIATION FROM

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

1 **SECTION 3. Appropriation to the department of education for the fiscal year beginning July 1, 2022.** In Session Laws of Colorado 2022, section 2 of chapter 507, (HB
2 22-1329), **amend** Part IV (2)(A), the affected totals, and footnote 8 as Part IV, footnote 8, is amended by section 35 of chapter 237, (HB22-1390), and as affected totals of Part IV are
3 amended by section 6, of chapter 170, (HB 22-1133), as follows:

4 Section 2. **Appropriation.**

PART IV

DEPARTMENT OF EDUCATION

8 **(2) ASSISTANCE TO PUBLIC SCHOOLS**

9 **(A) Public School Finance**

10 Administration	1,933,064		1,842,724		90,340 ^a	
11			(16.5 FTE)		(0.9 FTE)	
12 Financial Transparency						
13 System Maintenance	88,120				88,120 ^a	
14					(1.0 FTE)	
15 School Finance Audit						
16 Payments	1,000,000				1,000,000 ^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 ⁸	4,881,478,895	3,146,804,144	1,088,947,539 ^e	645,727,212 ^d		
3		4,805,095,523			569,343,840 ^d		
4	District Per Pupil						
5	Reimbursements for						
6	Juveniles Held in Jail	10,000			10,000 ^e		
7	At-risk Supplemental Aid	4,844,358			4,844,358 ^f		
8	At-risk Per Pupil						
9	Additional Funding	5,000,000			5,000,000 ^f		
10	Additional Funding for						
11	Rural Districts and Institute						
12	Charter Schools	35,000,000			35,000,000 ^g		
13		<u>4,929,354,437</u>					
14		4,852,971,065					
15							

APPROPRIATION FROM

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

^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, ~~\$532,796,349~~ \$456,412,977 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution and \$112,930,863 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, \$51,544,574 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., \$30,043,467 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., \$22,695,304 is estimated to be from State Public School Fund reserves, 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.

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

		APPROPRIATION FROM					
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	
\$	\$	\$	\$	\$	\$	\$	
1							
2	TOTALS PART IV						
3	(EDUCATION)	\$6,918,784,257	\$3,400,717,115	\$1,088,947,539 ^a	\$1,308,742,524 ^b	\$71,927,208 ^c	\$1,048,449,871 ^d
4		\$6,842,400,885			\$1,232,359,152 ^b		

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

7 ^b Of this amount, \$4,085,344 contains an (I) notation.

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

9 ^d This amount contains an (I) notation.

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

11

12 8 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section

13 22-35-108.5 (2)(b)(II), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Teacher

14 Recruitment Education and Preparation (TREP) Program for FY 2022-23. It is the General Assembly's intent that the Department of Education be authorized

15 to utilize up to ~~\$1,737,200~~ \$425,614 of this appropriation to fund qualified students designated as TREP Program participants. This amount is calculated based

16 on an estimated ~~200 FTE~~ 49 FTE TREP Program participants funded at a rate of \$8,686 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

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