

SENATE BILL 23-287

BY SENATOR(S) Zenzinger and Lundeen, Bridges, Buckner, Coleman, Cutter, Danielson, Exum, Fields, Gardner, Ginal, Hansen, Hinrichsen, Jaquez Lewis, Kolker, Marchman, Moreno, Mullica, Priola, Roberts, Winter F., Fenberg;

also REPRESENTATIVE(S) McLachlan and Kipp, Amabile, Bacon, Bird, Bockenfeld, Boesenecker, Brown, Dickson, Duran, English, Froelich, Hamrick, Herod, Jodeh, Lieder, Lindsay, Lindstedt, Lukens, Marshall, Martinez, Mauro, McCormick, Michaelson Jenet, Ricks, Sharbini, Snyder, Story, Taggart, Titone, Velasco, Vigil, Willford, Woodrow, Young, McCluskie.

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING 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 annual total program funding of Colorado's schools is a collaborative effort between school districts and the state;

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.

- (b) In recent years, the stabilization of the state budget has required a reduction in the amount of the annual appropriation to fund the state's share of total program funding for all school districts and institute charter schools. This reduction is commonly referred to as the "budget stabilization factor".
- (c) The school districts' share of total program funding is primarily derived from nonresidential and residential property tax revenue.
- (d) Colorado's current economic conditions are mixed. While property values have grown significantly, inflation has grown at its quickest pace in at least forty years. Because the school finance formula grows based upon inflation, there exists increasing state obligations to fund total program due to inflation that do not include a full buy-down of the budget stabilization factor. Furthermore, there is an expectation that inflation will not normalize until 2024, resulting in above normal per-pupil funding growth until the 2025-26 budget year.
- (e) Colorado's current economic conditions have also limited the amount of state education funds available to the state for the 2023-24 budget year. Colorado's wage growth is currently slowing, and the latest office of state planning and budgeting forecast predicts job losses in the 2023-24 budget year. Consequently, there is an expectation that income revenue will decline for the 2023-24 budget year, which impacts the money available for diversion from the state education fund.
- (f) There is, however, a great deal of uncertainty concerning the continuity and longevity of these current economic conditions. Most economists consider the risk of recession to be elevated. A recession would further limit money available for diversion in the state education fund and reduce available general fund resources. Furthermore, a recession would negatively impact the revenue available for total program from local share, due to potential declining property valuations, which consequently would increase the amount of money required of the state to fully fund total program, despite a decrease in state revenue.
- (2) Therefore, the general assembly declares that it is committed to continuing the efforts to reduce the budget stabilization factor in subsequent budget years to the degree possible, subject to the economic landscape. By embracing a more measured approach, the state can avoid reinstituting a

budget stabilization factor if the economic environment takes a more negative turn than what is currently forecasted.

- **SECTION 2.** In Colorado Revised Statutes, 22-54-104, **amend** (5)(g)(I) introductory portion, (5)(g)(II) introductory portion, (5)(g)(IV), and (5)(g)(V); and **add** (5)(a)(XXX), (5)(g)(I)(N), (5)(g)(II.7), and (5)(g)(VIII) as follows:
- 22-54-104. District total program definitions repeal. (5) For purposes of the formulas used in this section:
- (a) (XXX) FOR THE 2023-24 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS \$8,076.41, WHICH IS AN AMOUNT EQUAL TO \$7,478.16, SUPPLEMENTED BY \$598.25 TO ACCOUNT FOR INFLATION.
- (g) (I) For the 2010-11 budget year and each budget year thereafter THROUGH THE 2023-24 BUDGET YEAR, 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 THROUGH THE 2023-24 BUDGET YEAR, 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:
- (N) That, for the 2023-24 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 nine billion one hundred one million six hundred thousand nine hundred twenty-two dollars (\$9,101,600,922); 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)(N). For the 2024-25

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 2023-24 BUDGET YEAR.

- (II) For the 2010-11 budget year and each budget year thereafter THROUGH THE 2023-24 BUDGET YEAR, the department of education shall:
- (II.7) FOR THE 2024-25 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL NOT REDUCE TOTAL PROGRAM FUNDING THROUGH THE APPLICATION OF A BUDGET STABILIZATION FACTOR.
- (III) For the 2010-11 budget year and each budget year thereafter THROUGH THE 2023-24 BUDGET YEAR, except as otherwise provided in subparagraphs (IV) and (V) of this paragraph (g) SUBSECTIONS (5)(g)(IV) AND (5)(g)(V) OF THIS SECTION, a district's total program shall be is the greater of:
- (IV) For the 2010-11 budget year and each budget year thereafter THROUGH THE 2023-24 BUDGET YEAR, the total program funding for a district that levies the number of mills calculated pursuant to section 22-54-106(2)(a)(II), (2.1)(b)(I)(C), or (2.1)(c)(I), whichever is applicable,is the amount calculated pursuant to subsection (2) of this section for the applicable budget year. Any such district shall use the revenues generated by the number of mills that the district levies pursuant to section 22-54-106 (2)(a)(II), (2.1)(b)(I)(C), or (2.1)(c)(I), whichever is applicable, to replaceany categorical program support funds that the district would otherwise be eligible to receive from the state; except that the amount of categorical program support funds that the district is required to replace must not exceed an amount equal to the district's reduction amount. The department shall use the amount of categorical program support funds replaced by property tax revenue pursuant to this subsection (5)(g)(IV) to make payments of categorical program support funds to eligible districts as specified in section 22-54-107 (4).
- (V) For the 2010-11 budget year and each budget year thereafter THROUGH THE 2023-24 BUDGET YEAR, if a district levies the number of mills calculated pursuant to section 22-54-106 (2)(a)(I), (2.1)(b)(I)(A),

(2.1)(b)(I)(B), or (2.1)(b)(II), or (2.1)(c)(II), (2.1)(c)(III), or (2.1)(c)(IV), whichever is applicable, and the district's reduction amount exceeds the district's state share of total program funding, such district's total program funding is the amount calculated pursuant to subsection (2) of this section for the applicable budget year, minus the district's state aid. Any such district shall use the revenues generated by the number of mills that the district levies pursuant to section 22-54-106 (2)(a)(I), (2.1)(b)(I)(A), (2.1)(b)(I)(B), or (2.1)(b)(II), or (2.1)(c)(II), (2.1)(c)(III), or (2.1)(c)(IV), whichever is applicable, to replace any categorical program support funds that the district would otherwise be eligible to receive from the state; except that the amount of categorical program support funds that the district is required to replace must not exceed an amount equal to the remainder of the district's reduction amount after the reduction to the district's total program has been applied pursuant to this subsection (5)(g)(V). The department of education shall use the amount of categorical program support funds replaced by property tax revenue pursuant to this subsection (5)(g)(V) to make payments of categorical program support funds to eligible districts as specified in section 22-54-107 (4).

(VIII) This subsection (5)(g) is repealed, effective July 1, 2024.

SECTION 3. In Colorado Revised Statutes, 22-54-103, amend (7)(f)(II) and (7)(f)(III); and add (7)(f)(II.5) and (7)(f)(II.6) as follows:

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

(7) "Funded pupil count" means:

(f) (II) Notwithstanding any provision of law to the contrary, for purposes of subsection (7)(f)(I) of this section, a district's funded pupil count includes the certified pupil enrollment and online pupil enrollment of each operating institute charter school for which the district is the accounting district, AS PROVIDED PURSUANT TO SUBSECTIONS (7)(f)(II.5) AND (7)(f)(II.6) OF THIS SECTION. The department of education shall add the institute charter school's certified pupil enrollment and online pupil enrollment to the funded pupil count of the district prior to calculating the district's total program pursuant to section 22-54-104.

- (II.5) FOR PURPOSES OF SUBSECTION (7)(f)(II) OF THIS SECTION, EACH OPERATING INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT IS THE GREATER OF:
- (A) THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR;
- (B) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE IMMEDIATELY PRECEDING BUDGET YEAR;
- (C) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE TWO IMMEDIATELY PRECEDING BUDGET YEARS;
- (D) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE THREE IMMEDIATELY PRECEDING BUDGET YEARS; OR
- (E) THE AVERAGE OF THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR AND THE OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE FOUR IMMEDIATELY PRECEDING BUDGET YEARS.
- (II.6) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR PURPOSES OF SUBSECTION (7)(f)(II.5) OF THIS SECTION, AN OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT INCLUDES ITS ONLINE PUPIL ENROLLMENT, EXCEPT FOR MULTI-DISTRICT ONLINE SCHOOL PUPIL ENROLLMENT.
- (III) The general assembly finds and declares that for the purposes of section 17 of article IX of the state constitution, averaging a district's pupil enrollment for the applicable budget year and the district's pupil enrollment for the four immediately preceding budget years pursuant to subsection (7)(f)(I)(E) of this section, AND THE AVERAGING OF AND OPERATING INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT AND ONLINE PUPIL ENROLLMENT PURSUANT TO SUBSECTIONS (7)(f)(II.5) AND (7)(f)(II.6),

is a program for accountable education reform and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 4. In Colorado Revised Statutes, add 22-54-145 as follows:

- **22-54-145.** Additional funding for rural schools 2023-24 budget year definitions repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) "ELIGIBLE INSTITUTE CHARTER SCHOOL" MEANS AN INSTITUTE CHARTER SCHOOL THAT HAS A SMALL RURAL DISTRICT OR A LARGE RURAL DISTRICT AS ITS ACCOUNTING DISTRICT.
- (b) "Large rural district" means a district that the department of education determines is a rural district, based on the geographic size of the district and the distance of the district from the nearest large, urbanized area, and that had a funded pupil count for the 2022-23 budget year of at least one thousand but fewer than six thousand five hundred pupils in kindergarten through twelfth grade.
 - (c) "PER PUPIL DISTRIBUTION AMOUNT" MEANS:
- (I) For a large rural district, an amount equal to thirty million dollars multiplied by the percentage specified in subsection (2)(a)(I) of this section divided by the sum of the total funded pupil count for the 2022-23 budget year of all large rural districts and the total student enrollment for the 2022-23 budget year of all eligible institute charter schools that have a large rural district as the accounting district; or
- (II) FOR A SMALL RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(a)(II) OF THIS SECTION DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE 2022-23 BUDGET YEAR OF ALL SMALL RURAL DISTRICTS AND THE TOTAL STUDENT ENROLLMENT FOR THE 2022-23 BUDGET YEAR OF ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS THAT HAVE A SMALL RURAL DISTRICT AS THE ACCOUNTING DISTRICT.

- (d) "SMALL RURAL DISTRICT" MEANS A DISTRICT THAT THE DEPARTMENT OF EDUCATION DETERMINES IS A RURAL DISTRICT, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE 2022-23 BUDGET YEAR OF FEWER THAN ONE THOUSAND PUPILS IN KINDERGARTEN THROUGH TWELFTH GRADE.
- (2) (a) FOR THE 2023-24 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE THIRTY MILLION DOLLARS TO THE DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL FUNDING FOR LARGE RURAL DISTRICTS, SMALL RURAL DISTRICTS, AND INSTITUTE CHARTER SCHOOLS. THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE:
- (I) FIFTY-FIVE PERCENT OF THE MONEY APPROPRIATED TO LARGE RURAL DISTRICTS AND TO ELIGIBLE INSTITUTE CHARTER SCHOOLS THAT HAVE A LARGE RURAL DISTRICT AS THEIR ACCOUNTING DISTRICT AS PROVIDED IN THIS SECTION; AND
- (II) FORTY-FIVE PERCENT OF THE MONEY APPROPRIATED TO SMALL RURAL DISTRICTS AND TO ELIGIBLE INSTITUTE CHARTER SCHOOLS THAT HAVE A SMALL RURAL DISTRICT AS THEIR ACCOUNTING DISTRICT AS PROVIDED IN THIS SECTION.
- (b) Large Rural districts, small rural districts, district charter schools, and eligible institute charter schools that receive money pursuant to this section may use the money only for nonrecurring expenses for the purpose of improving student learning and the educational environment, including, but not limited to, initiatives that help attract educator employees, initiatives to improve educator training, initiatives to retain educators, loan forgiveness for educators and staff, and technology.
- (3) (a) THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE TO EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT AN AMOUNT EQUAL TO THE APPLICABLE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED BY THE LARGE RURAL DISTRICT'S OR SMALL RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE 2022-23 BUDGET YEAR.
 - (b) EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT

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THAT IS THE AUTHORIZER FOR A CHARTER SCHOOL SHALL DISTRIBUTE TO THE CHARTER SCHOOL ONE HUNDRED PERCENT OF AN AMOUNT EQUAL TO THE AMOUNT RECEIVED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION DIVIDED BY THE FUNDED PUPIL COUNT OF THE LARGE RURAL DISTRICT OR SMALL RURAL DISTRICT FOR THE 2022-23 BUDGET YEAR MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL FOR THE 2022-23 BUDGET YEAR.

- (4) The department of education shall calculate for each eligible institute charter school and distribute to the state charter school institute an amount equal to the applicable per pupil distribution amount multiplied by the number of students enrolled in the eligible institute charter school for the 2022-23 budget year. The state charter school institute shall distribute to each eligible institute charter school one hundred percent of the amount received for the eligible institute charter school pursuant to this subsection (4).
 - (5) This section is repealed, effective July 1, 2025.

SECTION 5. In Colorado Revised Statutes, add 22-54-146 as follows:

22-54-146. Hold-harmless at-risk funding - 2023-24 budget year - repeal. (1) For the 2023-24 budget year, a district's at-risk funding, as determined pursuant to section 22-54-104 (4), is the greater of the district's at-risk funding amount for the 2022-23 budget year or the district's at-risk funding amount for the 2023-24 budget year.

- (2) If, pursuant to subsection (1) of this section, a district's at-risk funding amount for the 2022-23 budget year was greater than the district's at-risk funding amount for the 2023-24 budget year, any additional amount owed to that district for at-risk funding for the 2023-24 budget year must be paid after mid-year revisions are made to replace projections with actual figures.
 - (3) This section is repealed, effective July 1, 2025.

SECTION 6. In Colorado Revised Statutes, 22-54-107.9, add (7)

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and (8) as follows:

- **22-54-107.9.** Override mill levy match calculation distribution fund created legislative declaration definitions. (7) (a) ON JULY 1, 2023, THE STATE TREASURER SHALL TRANSFER TWENTY-THREE MILLION THREE HUNDRED SEVENTY-SIX THOUSAND FIVE HUNDRED THIRTY-SIX DOLLARS FROM THE STATE EDUCATION FUND TO THE MILL LEVY OVERRIDE MATCH FUND.
- (b) The general assembly finds and declares that for the purposes of section 17 of article IX of the state constitution, providing eligible school districts and eligible institute charter schools an override mill match pursuant to this section is a program for accountable education reform and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.
- (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, FOR THE 2022-23 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL NOT CALCULATE AND DISTRIBUTE TO AN ELIGIBLE DISTRICT OR AN ELIGIBLE INSTITUTE CHARTER SCHOOL AN OVERRIDE MILL MATCH AMOUNT AS PROVIDED IN THIS SECTION IF THE SUM OF THE DISTRICT'S OVERRIDE MILLS IS EQUAL TO OR GREATER THAN THE DISTRICT'S OVERRIDE MILL CAPACITY.

SECTION 7. In Colorado Revised Statutes, 22-1-133, **add** (7) as follows:

- **22-1-133. Prohibition on use of American Indian mascots exemptions definitions.** (7) (a) A public school that is identified to be in violation of subsection (2) of this section for using an American Indian mascot may apply to the department of education for reimbursement of expenses incurred for the 2021-22 budget year through the 2023-24 budget year that were necessary to comply with this section.
- (b) (I) ON OR AFTER JULY 1, 2023, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE FUNDS FOR REIMBURSEMENT OF EXPENSES INCURRED FOR THE 2021-22 BUDGET YEAR AND THE 2022-23 BUDGET YEAR THAT WERE NECESSARY TO COMPLY WITH THIS SECTION. THE DEPARTMENT OF

EDUCATION SHALL FULLY FUND ALL REQUESTS FOR REIMBURSEMENT; EXCEPT THAT IF INSUFFICIENT FUNDS EXIST PURSUANT TO THE APPROPRIATION MADE PURSUANT TO THIS SUBSECTION (7), THE DEPARTMENT SHALL REIMBURSE EXPENSES PROPORTIONATELY.

- (II) On or after July 1, 2024, the department of education shall distribute funds for reimbursement of expenses incurred for the 2023-24 budget year that were necessary to comply with this section. The department of education shall fully fund all requests for reimbursement; except that if insufficient funds exist pursuant to the appropriation made pursuant to this subsection (7), the department shall reimburse expenses proportionately.
- (III) THE DEPARTMENT OF EDUCATION SHALL ESTABLISH A PROCESS AND DEADLINES FOR RECEIVING REQUESTS FOR REIMBURSEMENT PURSUANT TO THIS SUBSECTION (7), THE TIMING FOR DISBURSEMENTS, AND ANY PARAMETERS NECESSARY TO DETERMINE PROPORTIONATE REIMBURSEMENT.
- (c) THE DEPARTMENT OF EDUCATION SHALL NOT REIMBURSE EXPENSES INCURRED BY A PUBLIC SCHOOL FOR PAYING THE FINE PURSUANT TO SUBSECTION (3) OF THIS SECTION.
- (d) For the 2023-24 budget year, the general assembly shall appropriate three hundred thousand dollars from the state education fund for the purpose of this subsection (7). Any unexpended money remaining at the end of the 2023-24 budget year may be used by the department of education through the 2024-25 budget year without further appropriation and must not be used for any other purpose other than the purposes set forth in this subsection (7).
- (e) The general assembly finds and declares that for the purposes of section 17 of article IX of the state constitution, providing reimbursement of expenses pursuant to this subsection (7) that were incurred in order to comply with this section is a program for accountable education reform and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 8. In Colorado Revised Statutes, 22-1-135, add (3) as

follows:

- **22-1-135.** Terms and conditions in public school contracts definitions. (3) (a) FOR CONTRACTS EXECUTED ON OR AFTER JULY 1, 2023, WHEN REVIEWING PROPOSALS RECEIVED AND FOR SELECTING THE ENTITY TO PROVIDE TECHNOLOGY, IN ACCORDANCE WITH THE PROCUREMENT LAWS APPLICABLE TO THE DEPARTMENT, SCHOOL DISTRICT, OR INSTITUTE CHARTER SCHOOL, THE DEPARTMENT, SCHOOL DISTRICT, OR INSTITUTE CHARTER SCHOOL MAY CONSIDER LIFE-CYCLE COST.
- (b) FOR THE PURPOSE OF THIS SUBSECTION (3), UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (I) "LIFE-CYCLE COST" MEANS THE PURCHASE COST OF TECHNOLOGY MINUS THE RESALE VALUE AT THE END OF THE TECHNOLOGY'S EXPECTED USEFUL LIFE, IN ADDITION TO THE MAINTENANCE INCURRED DURING THE TECHNOLOGY'S EXPECTED USEFUL LIFE.
- (II) "TECHNOLOGY" MEANS ANY DEVICE, COMPUTER, HARDWARE, SOFTWARE, OR RELATED ACCESSORY.
- **SECTION 9.** In Colorado Revised Statutes, 22-20-114, add (8) as follows:
- **22-20-114.** Funding of programs legislative declaration repeal. (8) (a) For the 2023-24 budget year, the general assembly shall appropriate ten million dollars to the department from the state education fund created in section 17 (4) of article IX of the state constitution to be distributed pursuant to the requirements set forth in subsection (8)(b) of this section to preschool providers that are a school of a school district, district charter school, or an institute charter school.
- (b) A PRESCHOOL PROVIDER THAT IS A SCHOOL OF A SCHOOL DISTRICT, DISTRICT CHARTER SCHOOL, OR AN INSTITUTE CHARTER SCHOOL MUST ONLY RECEIVE FUNDING PURSUANT TO THIS SUBSECTION (8) IF THE DEPARTMENT DETERMINES THAT, EVEN WITH THE FUNDING RECEIVED PURSUANT TO SECTION 26.5-4-208, THE ELIGIBLE PRESCHOOL PROVIDER IS PROJECTED, BASED ON ELIGIBLE CHILDREN ENROLLED IN THE UNIVERSAL PRESCHOOL PROGRAM CREATED IN SECTION 26.5-4-204, TO RECEIVE LESS

THAN THE PRESCHOOL PROVIDER'S TOTAL PRESCHOOL FUNDING FOR ALL PRESCHOOL POSITIONS IN THE 2022-23 FISCAL YEAR. THIS FUNDING IS INTENDED TO ENSURE THAT ADMINISTRATIVE UNITS CAN MEET THE FEDERAL MAINTENANCE OF EFFORT REQUIREMENTS PURSUANT TO THE IDEA. If the TOTAL AMOUNT OF FUNDING DISTRIBUTED TO ELIGIBLE PRESCHOOL PROVIDERS IS LESS THAN TEN MILLION DOLLARS, THE DEPARTMENT SHALL TRANSFER THE DIFFERENCE BETWEEN THE DISTRIBUTED AMOUNT AND THE TEN MILLION DOLLARS TO THE STATE TREASURER WHO SHALL CREDIT THE MONEY RECEIVED TO THE STATE EDUCATION FUND.

(c) This subsection (8) is repealed, effective July 1, 2024.

SECTION 10. In Colorado Revised Statutes, 22-20-205, **add** (5) as follows:

- 22-20-205. Gifted education funding legislative declaration. (5) (a) Beginning in the 2023-24 budget year, the general assembly shall appropriate from the state education fund the amount necessary each budget year to provide by the 2027-28 budget year full universal screening of enrolled students no later than second grade to identify gifted children and a second screening of gifted children in conjunction with the creation of each child's individual career and academic plan, and qualified personnel necessary to provide the screenings.
- (b) The General assembly finds and declares that for the purposes of section 17 of article IX of the state constitution, providing funds for universal screening for the purpose of providing universal screening of enrolled students no later than second grade to identify gifted children and a second screening of gifted children in conjunction with the creation of each child's individual career and academic plan, and qualified personnel necessary to provide the screenings, pursuant to this section is a program for accountable education reform and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 11. In Colorado Revised Statutes, **add** 22-30.5-104.9 as follows:

- 22-30.5-104.9. Charter schools status as public entities requirements charter school boards of directors and school leaders duties conflicts applicable law definitions. (1) AS USED IN THIS SECTION:
- (a) "Charter school" means a charter school created and operating pursuant to this part 1, an institute charter school created and operating pursuant to part 5 of this article 30.5, a charter school network created and operating pursuant to section 22-30.5-104.7, a charter school collaborative created and operating pursuant to part 6 of this article 30.5, or a charter school created and operated by the Colorado school for the deaf and blind pursuant to section 22-80-102 (4)(b).
- (b) "Public entity" means a public body, local public body, public corporation, body politic and corporate, political subdivision, public unit, or any other defined term in law in which school districts, including charter schools, are expressly included in or exempt from the public sector in the definition or application of the defined term.
- (2) FOR THE PURPOSE OF ANY LAW, EXCLUDING TITLE 1, TITLE 7, AND THIS TITLE 22, THAT APPLIES TO OR EXEMPTS A PUBLIC ENTITY OR THAT APPLIES TO OR EXEMPTS A PUBLIC OFFICIAL:
- (a) A CHARTER SCHOOL HAS THE SAME PUBLIC STATUS AS A PUBLIC SCHOOL THAT IS GEOGRAPHICALLY LOCATED IN THE SAME SCHOOL DISTRICT;
- (b) BOARD DIRECTORS AND SCHOOL LEADERS, BY VIRTUE OF THEIR ROLES WITHIN A PUBLIC CHARTER SCHOOL, ARE DEEMED PUBLIC SERVANTS; AND
- (c) A SCHOOL LEADER OF A CHARTER SCHOOL HAS THE SAME OR SIMILAR AUTHORITY AS A SCHOOL DISTRICT SUPERINTENDENT.
- (3) A CHARTER SCHOOL THAT IS OPERATING ON THE EFFECTIVE DATE OF THIS SECTION SHALL PROVIDE THE INFORMATION REQUIRED FOR AN INVENTORY OF LOCAL GOVERNMENT PURSUANT TO SECTION 24-32-116 TO THE DEPARTMENT OF LOCAL AFFAIRS WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. A CHARTER SCHOOL THAT BEGINS

OPERATING AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL PROVIDE SUCH INFORMATION TO THE DEPARTMENT OF LOCAL AFFAIRS WITHIN NINETY DAYS AFTER BECOMING A CHARTER SCHOOL AS DETERMINED PURSUANT TO SUBSECTION (7) OF THIS SECTION.

- (4) A PERSON WHO IS A DIRECTOR ON A CHARTER SCHOOL BOARD OF DIRECTORS ON THE EFFECTIVE DATE OF THIS SECTION SHALL TAKE, SIGN, AND FILE AN OATH OF OFFICE PURSUANT TO SECTION 24-12-101 WITHIN EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. A PERSON WHO BECOMES A DIRECTOR ON A CHARTER SCHOOL BOARD OF DIRECTORS AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL TAKE, SIGN, AND FILE AN OATH OF OFFICE PURSUANT TO SECTION 24-12-101 NO LATER THAN EIGHTY DAYS AFTER BECOMING A DIRECTOR ON THE CHARTER SCHOOL BOARD OF DIRECTORS.
- (5) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND UNLESS OTHERWISE STATED IN TITLE 7, IF THERE IS A CONFLICT BETWEEN A LAW THAT IS SPECIFICALLY APPLICABLE TO CHARTER SCHOOLS AND ANY PROVISION IN ARTICLES 30 OR 121 THROUGH 137 OF TITLE 7, AND ANY STATUTE INCORPORATED BY REFERENCE THEREIN, THE LAW THAT IS SPECIFICALLY APPLICABLE TO CHARTER SCHOOLS CONTROLS.
- (6) Notwithstanding the provisions of subsection (2) of this section, each charter school is subject to the provisions of section 1-45-117 as a political subdivision of the state.
- (7) FOR PURPOSES OF ANY LAW THAT IS MADE APPLICABLE TO CHARTER SCHOOLS PURSUANT TO THIS SECTION, A CHARTER SCHOOL APPLICANT IS DEEMED TO HAVE BECOME A CHARTER SCHOOL ON JULY 1 FOLLOWING THE EXECUTION OF A CONTRACT BY THE APPLICANT.
- **SECTION 12.** In Colorado Revised Statutes, 22-30.5-113, **amend** (1) and (2) as follows:
- 22-30.5-113. State board department of education duties charter schools evaluation report. (1) Notwithstanding section 24-1-136 (11)(a)(I), beginning in the 2004-05 budget year, and at least every three years thereafter THROUGH THE 2021-22 BUDGET YEAR, the department shall prepare a report and evaluation for the governor and the house and senate committees on education on the success or failure of

charter schools and of institute charter schools authorized pursuant to part 5 of this article 30.5, their relationship to other school reform efforts, and suggested changes in state law necessary to strengthen or change the charter school program described in this article 30.5. The DEPARTMENT IS AUTHORIZED TO COLLECT INFORMATION AS NECESSARY TO PREPARE THE REPORT. BEGINNING IN THE 2023-24 BUDGET YEAR, THE DEPARTMENT SHALL ANNUALLY PREPARE A REPORT AND EVALUATION DESCRIBED IN THIS SUBSECTION (1).

(2) The state board shall compile evaluations of charter schools received from local boards of education and evaluations of institute charter schools prepared by the state charter school institute created in section 22-30.5-503. The state board shall review AND REPORT ON information regarding the statutes, regulations, and policies GOVERNING CHARTER SCHOOL OVERSIGHT AND SUPPORT AND STATUTES, REGULATIONS, AND POLICIES from which charter schools were released pursuant to section 22-30.5-105 and from which institute charter schools were released pursuant to section 22-30.5-508 to determine if the releases assisted or impeded the charter schools or the institute charter schools in meeting their stated goals and objectives.

SECTION 13. In Colorado Revised Statutes, 22-54-104.6, **amend** (3) introductory portion, (4), (10)(b), and (12); and **add** (11.3), (11.5), and (11.7) as follows:

22-54-104.6. Implementation of at-risk measure - working group - creation - department duties - reports - legislative declaration - definitions - repeal. (3) Beginning in the 2023-24 2024-25 budget year, there is created a new at-risk measure in the public school funding formula for identifying students who are at risk of below-average academic outcomes because of socioeconomic disadvantage or poverty. The new at-risk measure replaces the at-risk measure in effect for the 2022-23 2023-24 budget year. The new at-risk measure is designed to allocate financial resources to public schools to serve the needs of at-risk students. The new at-risk measure includes:

(4) On or before August 15, 2022, the commissioner shall convene a working group to prepare for the implementation in the 2023-24 2024-25 budget year of the new at-risk measure created in subsection (3) of this section.

- (10) Not later than January 31, 2023, the commissioner shall submit a report to the legislative interim committee on school finance, the joint budget committee, and the education committees of the house of representatives and the senate, or any successor committees, including:
- (b) Findings and recommendations of the working group for implementation of the new at-risk measure, for the 2023-24 budget year including recommendations for any legislation necessary to implement the new at-risk measure, as well as financial resources needed to administer the new at-risk measure;
- (11.3) THE DEPARTMENT OF EDUCATION SHALL COLLECT DATA NECESSARY TO IDENTIFY INDIVIDUAL STUDENT CENSUS BLOCK GROUPS.
- (11.5) (a) In order to prepare for the implementation of the New At-Risk measure for the 2024-25 budget year, the department of education shall conduct pre-implementation modeling and testing of the New At-Risk measure. At a minimum, the department shall simulate 2024-25 budget year total program calculations, including the New At-Risk measure recommended by the working group instead of the At-Risk measure in effect for the 2023-24 budget year.
- (b) NOT LATER THAN JANUARY 5, 2024, THE COMMISSIONER OF EDUCATION SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, AND THE JOINT BUDGET COMMITTEE, INCLUDING:
- (I) A SUMMARY OF THE OUTCOMES OF THE MODELING AND TESTING USING THE NEW AT-RISK MEASURE, AND THE ANTICIPATED EFFECTS ON THE COST OF TOTAL PROGRAM FUNDING;
- (II) AN IDENTIFICATION OF ISSUES ENCOUNTERED IN THE MODELING AND TESTING USING THE NEW AT-RISK MEASURE; AND
- (III) RECOMMENDATIONS FOR ANY LEGISLATION NECESSARY TO IMPLEMENT THE NEW AT-RISK MEASURE FOR THE 2024-25 BUDGET YEAR, AS WELL AS FINANCIAL RESOURCES NEEDED TO ADMINISTER THE NEW AT-RISK MEASURE.

- (11.7) Pursuant to House Bill 22-1202, for the 2022-23 budget year, the general assembly appropriated one hundred sixty-three thousand three hundred thirty-eight dollars from the general fund for the purposes of this section. Any unexpended money remaining at the end of the end of the 2022-23 budget year from this appropriation may be used by the department in the 2023-24 budget year without further appropriation for the purposes of this section.
- (12) This section is Subsections (4) to (11) of this section are repealed, effective July 1, 2025.

SECTION 14. In Colorado Revised Statutes, add 22-54-104.7 as follows:

- **22-54-104.7.** Public school finance task force creation duties report definitions repeal. (1) The commissioner shall create and convene the public school finance task force. The purpose of the task force is to examine and make recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable, and student-centered.
- (a) THE TASK FORCE MEMBERSHIP CONSISTS OF THE FOLLOWING VOTING MEMBERS:
 - (I) APPOINTED BY THE PRESIDENT OF THE SENATE:
- (A) ONE MEMBER WHO IS A SUPERINTENDENT OF A SCHOOL DISTRICT WHOSE DISTRICT PERCENTAGE OF AT-RISK PUPILS IS GREATER THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS;
- (B) ONE MEMBER WHO IS A CHIEF FINANCIAL OFFICER OF A SCHOOL DISTRICT WHOSE DISTRICT PERCENTAGE OF ENGLISH LANGUAGE LEARNER PUPILS IS GREATER THAN THE STATEWIDE AVERAGE PERCENTAGE OF ENGLISH LANGUAGE LEARNER PUPILS;
- (C) ONE MEMBER WHO REPRESENTS AN ORGANIZATION THAT REPRESENTS TEACHERS;

- (D) ONE MEMBER WHO REPRESENTS AN ORGANIZATION WITH EXPERTISE IN SCHOOL FINANCE; AND
 - (E) ONE MEMBER WHO IS A PRINCIPAL;
 - (II) APPOINTED BY THE MINORITY LEADER OF THE SENATE:
- (A) ONE MEMBER WHO IS A SUPERINTENDENT OF A SCHOOL DISTRICT WHOSE AVERAGE ASSESSED PROPERTY VALUE IS LESS THAN THE STATEWIDE AVERAGE OF ASSESSED PROPERTY VALUE;
- (B) ONE MEMBER WHO IS A SCHOOL LEADER OF A CHARTER SCHOOL WHOSE PERCENTAGE OF AT-RISK PUPILS IS GREATER THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS;
- (C) ONE MEMBER WHO REPRESENTS AN ORGANIZATION WITH EXPERTISE IN SCHOOL FINANCE; AND
- (D) ONE MEMBER WHO REPRESENTS AN ORGANIZATION THAT REPRESENTS CHILDREN AND FAMILIES;
- (III) APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:
- (A) ONE MEMBER WHO IS A SUPERINTENDENT OF A RURAL SCHOOL DISTRICT OR SMALL RURAL SCHOOL DISTRICT;
- (B) ONE MEMBER WHO IS A SCHOOL LEADER OF A CHARTER SCHOOL WITH A PERCENTAGE OF ENGLISH LANGUAGE LEARNER PUPILS THAT IS GREATER THAN THE STATEWIDE AVERAGE PERCENTAGE OF ENGLISH LANGUAGE LEARNER PUPILS IN CHARTER SCHOOLS;
- (C) Two members who represent organizations with expertise in school finance; and
 - (D) ONE MEMBER WHO IS A TEACHER;
- (IV) APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES:

- (A) ONE MEMBER WHO IS A CHIEF FINANCIAL OFFICER OF A SMALL RURAL SCHOOL DISTRICT;
- (B) ONE MEMBER WHO REPRESENTS THE CHARTER SCHOOL INSTITUTE; AND
- (C) ONE MEMBER WHO REPRESENTS AN ORGANIZATION WITH EXPERTISE IN BUSINESS AND KINDERGARTEN THROUGH TWELFTH GRADE EDUCATION.
- (b) THE TASK FORCE MEMBERSHIP CONSISTS OF THE FOLLOWING NON-VOTING MEMBERS:
- (I) THE DIRECTOR OF THE LEGISLATIVE COUNCIL STAFF, OR THE DIRECTOR'S DESIGNEE;
- (II) THE DIRECTOR OF THE JOINT BUDGET COMMITTEE STAFF, OR THE DIRECTOR'S DESIGNEE; AND
- (III) THE COMMISSIONER'S DESIGNEE FROM THE DEPARTMENT OF EDUCATION WHO HAS TECHNICAL EXPERTISE IN SCHOOL FINANCE.
- (2) The task force shall meet at the call of the chair not more than eight times following the first meeting from July 2023 through December 2023. Meetings may be held in person, through the use of audio-visual communication technology, or both. The task force is a state public body for purposes of section 24-6-402, and meetings of the task force are subject to section 24-6-402. The task force is subject to the provisions of the "Colorado Open Records Act", part 2 of article 72 of title 24.
- (3) (a) THE TASK FORCE MEMBERS SERVE WITHOUT COMPENSATION BUT MAY BE REIMBURSED FOR EXPENSES DIRECTLY RELATING TO THEIR SERVICE ON THE TASK FORCE.
- (b) If a vacancy occurs, the original appointing authority shall promptly appoint a new member who meets the same requirements as the member who vacated the task force.
- (4) (a) THE DEPARTMENT OF EDUCATION SHALL PROVIDE TO THE PAGE 20-SENATE BILL 23-287

TASK FORCE STAFF SUPPORT, MEETING SPACE, AND AUDIO-VISUAL COMMUNICATION TECHNOLOGY RESOURCES, UPON REQUEST OF THE CHAIR.

- (b) THE DEPARTMENT SHALL CONTRACT WITH A THIRD-PARTY ENTITY WITH EXPERTISE IN TASK FORCE FACILITATION AND STAKEHOLDER INPUT TO ASSIST WITH THE ADMINISTRATION OF THE TASK FORCE AND DRAFTING THE REPORT PURSUANT TO SUBSECTION (6) OF THIS SECTION.
- (5) The task force shall make findings and recommendations regarding the following changes to the school finance formula to occur for the 2024-25 budget year:
- (a) Eliminating the use of multiplicative indexes for cost of Living, personnel and non-personnel costs, and district size;
- (b) RECALIBRATING THE COST OF LIVING FACTOR, CAPPING THE COST OF LIVING FACTOR, OR ALTERNATIVE METHODS TO ACCOUNT FOR THE COST OF LIVING, INCLUDING THROUGH CATEGORICAL FUNDING. A RECOMMENDATION CONCERNING A REVISED COST OF LIVING FACTOR MUST BE ABLE TO REGULARLY CHANGE AS A RESULT OF THE BIENNIAL COST OF LIVING STUDY.
- (c) PRIORITIZING STUDENT NEEDS IN THE FORMULA, INCLUDING MEASURES, TO THE EXTENT POSSIBLE, THAT ALIGN THE AT-RISK FACTOR, ENGLISH LANGUAGE LEARNER FACTOR, AND SPECIAL EDUCATION CATEGORICAL FUNDING BASED UPON AVAILABLE EVIDENCE-BASED RESEARCH ON STUDENT-CENTERED FUNDING THAT HAS A DIRECT IMPACT ON STUDENT OUTCOMES;
- (d) REVISING THE SIZE FACTOR TO INCORPORATE CONSIDERATIONS OTHER THAN OR IN ADDITION TO STUDENT ENROLLMENT, INCLUDING THE REMOTENESS OF A SCHOOL DISTRICT; AND
- (e) SECURING EQUALIZATION IN MILL LEVY OVERRIDES FOR INSTITUTE CHARTER SCHOOLS BASED UPON THE SCHOOL DISTRICT WHERE THE INSTITUTE CHARTER SCHOOL IS GEOGRAPHICALLY LOCATED, INCLUDING CONSIDERATIONS FOR STUDENTS WHO DO NOT RESIDE IN THE SCHOOL DISTRICT WHERE THE INSTITUTE CHARTER SCHOOL IS GEOGRAPHICALLY LOCATED, MULTI-DISTRICT ONLINE PROGRAMS, AND TOTAL PROGRAM FUNDING.

- (6) (a) NOT LATER THAN JANUARY 31, 2024, THE TASK FORCE SHALL SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, AND THE JOINT BUDGET COMMITTEE.
- (b) THE TASK FORCE'S REPORT MUST INCLUDE FINDINGS OF ACTUAL OUTCOMES ON SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS IF THE RECOMMENDATIONS WERE ADOPTED.
- (7) (a) THE TASK FORCE SHALL DEVELOP THE PARAMETERS FOR A STUDY TO EXAMINE AND MAKE RECOMMENDATIONS CONCERNING THE COMPONENTS AND COSTS NECESSARY TO ADEQUATELY PROVIDE COLORADO STUDENTS A FREE AND UNIFORM PUBLIC EDUCATION.
- (b) THE DEPARTMENT OF EDUCATION SHALL CONTRACT WITH TWO INDEPENDENT ENTITIES, EACH OF WHOM SHALL CONDUCT A STUDY AND PUBLISH A REPORT CONCERNING THE PARAMETERS DEVELOPED BY THE TASK FORCE PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION.
- (c) IN SELECTING THE TWO INDEPENDENT ENTITIES, THE DEPARTMENT OF EDUCATION SHALL SELECT ENTITIES THAT REPRESENT DIFFERENT PERSPECTIVES CONCERNING SCHOOL FINANCE FOR THE PURPOSE OF GENERATING DIFFERENT EXAMINATIONS AND RECOMMENDATIONS CONCERNING THE COMPONENTS AND COSTS NECESSARY TO ADEQUATELY PROVIDE COLORADO STUDENTS A FREE AND UNIFORM PUBLIC EDUCATION.
- (d) Not later than January 3, 2025, the two independent entities shall submit their reports of findings and recommendations to the task force. Not later than January 3, 2025, the commissioner shall submit the reports to the education committees of the senate and house of representatives, or any successor committees, and the joint budget committee.
- (8) Any money appropriated for the 2023-24 budget year by the general assembly to the department of education for the purposes of this section that remains unspent at the end of the 2023-24 budget year may be used by the department of education through the 2024-25 budget year without further appropriation and must not be used for any other purpose than the purposes set forth in this section.

- (9) As used in this section, unless the context otherwise requires:
- (a) "COMMISSIONER" MEANS THE COMMISSIONER OF EDUCATION APPOINTED PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.
- (b) "RURAL SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ONE THOUSAND PUPILS OR MORE BUT LESS THAN SIX THOUSAND FIVE HUNDRED PUPILS.
- (c) "SMALL RURAL SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS SMALL RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF LESS THAN ONE THOUSAND PUPILS.
- (d) "TASK FORCE" MEANS THE PUBLIC SCHOOL FINANCE TASK FORCE CREATED PURSUANT TO THIS SECTION.
 - (10) This section is repealed, effective July 1, 2025.

SECTION 15. In Colorado Revised Statutes, 22-43.7-109, amend (9)(c) as follows:

22-43.7-109. Financial assistance for public school capital construction - application requirements - evaluation criteria - local match requirements - technology grants - career and technical education capital construction grants - rules - definitions - repeal. (9) Except as otherwise provided in subsections (10) and (15) of this section, the board may recommend and the state board may approve financial assistance that does not involve a financed purchase of an asset or certificate of participation agreement for or recommend to the capital development committee the approval of financial assistance that involves a financed purchase of an asset or certificate of participation agreement for a public school facility capital construction project only if the applicant

provides matching money in an amount equal to a percentage of the total financing for the project determined by the board after consideration of the applicant's financial capacity, as determined by the following factors:

- (c) (I) With respect to a charter school's application for financial assistance, AND SUBJECT TO ADJUSTMENT PURSUANT TO SUBSECTIONS (II) THROUGH (V) OF THIS SUBSECTION:
- (I) The weighted average of the match percentages for the school districts of residence for the students enrolled in a district charter school or fifty percent of the average of the match percentages for all school districts in the state for an institute charter school;
- (A) FOR A DISTRICT CHARTER SCHOOL THAT IS OCCUPYING A DISTRICT FACILITY AND PAYING ONLY THE DIRECT COSTS OF OCCUPANCY FOR ITS FACILITY PURSUANT TO SECTION 22-30.5-104 (7)(c), THE MATCH PERCENTAGE OF THE DISTRICT CHARTER SCHOOL'S AUTHORIZING DISTRICT;
- (B) For district charter schools that are not included in subsection (9)(c)(I)(A) of this section, seventy-five percent of the match percentage of the district charter school's authorizing school district; or
- (C) FIFTY PERCENT OF THE AVERAGE MATCH PERCENTAGES FOR ALL SCHOOL DISTRICTS IN THE STATE FOR AN INSTITUTE CHARTER SCHOOL;
- (II) Whether the A DISTRICT charter school's authorizer retains no more than ten percent of its capacity to issue bonds pursuant to article 42 of this title;
- (III) Whether the charter school is operating in a district-owned facility at the time it submits its application;
- (IV) (III) In the ten years preceding the year in which the charter school submits the application, the number of times the charter school has attempted to obtain or has obtained SOUGHT OR BEEN AFFORDED:
- (A) Bond proceeds pursuant to section 22-30.5-404 through inclusion in a ballot measure submitted by the charter school's authorizer to the registered electors of the school district;

- (B) Proceeds from a special mill levy for capital needs pursuant to section 22-30.5-405;
- (C) (A) Grant funding for capital needs from a source other than the assistance fund; and
- (D) (B) Funding, INCLUDING FINANCING, for capital construction, OTHER THAN STATE AID PURSUANT TO SECTION 22-54-124 from bonds issued on its behalf by the Colorado educational and cultural facilities authority created and existing pursuant to section 23-15-104 (1)(a); C.R.S., or from some ANY other source; of financing;
- (V) (IV) If the charter school is a district charter school, the student enrollment of the DISTRICT charter school as a percentage of the student enrollment of the charter school's authorizing school district; AND
- (VI) (V) The percentage of students enrolled in the charter school who are eligible for the federal free and reduced-cost lunch program in relation to the overall percentage of students enrolled in the public schools in the state who are eligible for the federal free and reduced-cost lunch program.
- (VII) The percentage of the per pupil revenue received by the charter school that the charter school spends on facility costs other than facilities operations and maintenance; and
- (VIII) The charter school's unreserved fund balance as a percentage of its annual budget.
- **SECTION 16.** In Colorado Revised Statutes, 22-82.9-103, add (1.5) as follows:
- **22-82.9-103. Definitions.** As used in this part 1, unless the context otherwise requires:
- (1.5) "FACILITY SCHOOL" MEANS AN EDUCATIONAL PROGRAM THAT IS OPERATED BY A FACILITY TO PROVIDE EDUCATIONAL SERVICES TO STUDENTS PLACED IN THE FACILITY AND THAT, PURSUANT TO SECTION 22-2-407(2), HAS BEEN PLACED ON THE LIST OF FACILITY SCHOOLS THAT ARE APPROVED TO RECEIVE REIMBURSEMENT FOR PROVIDING EDUCATIONAL

SECTION 17. In Colorado Revised Statutes, 22-82.9-104, amend (4)(a) as follows:

- 22-82.9-104. Child nutrition school lunch protection program creation administration objectives. (4) The objectives of the program are to:
- (a) Eliminate the reduced price paid by Colorado students who are enrolled in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade and who are participating in the school lunch program, AND TO ELIMINATE THE REDUCED PRICE PAID BY COLORADO STUDENTS WHO ARE RECEIVING EDUCATIONAL SERVICES FROM A FACILITY SCHOOL AND WHO ARE PARTICIPATING IN THE SCHOOL LUNCH PROGRAM;

SECTION 18. In Colorado Revised Statutes, 22-82.9-105, **amend** (1) as follows:

22-82.9-105. Program funding. (1) For each fiscal year, the general assembly shall make an appropriation by separate line item in the annual general appropriation bill to allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch AND TO OFFSET THE COSTS INCURRED BY A FACILITY SCHOOL IN PROVIDING LUNCH TO STUDENTS WHO ARE PLACED IN THE FACILITY AND ARE ELIGIBLE TO PARTICIPATE IN THE SCHOOL LUNCH PROGRAM. The appropriation to the department for the program must be in addition to any appropriation made by the general assembly pursuant to section 22-54-123 or 22-54-123.5 (1). The department may expend not more than two percent of the money annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to this part 1.

SECTION 19. In Colorado Revised Statutes, **amend** 22-82.9-106 as follows:

22-82.9-106. Program - procedures. The department shall develop procedures to allocate and disburse the moneys in the program among participating school food authorities AND FACILITY SCHOOLS each year, in an equitable manner and in compliance with the requirements of the federal "Richard B. Russell National School Lunch Act", 42 U.S.C. sec. 1751 et seq.

SECTION 20. In Colorado Revised Statutes, 24-32-116, amend (1)(d); and add (3)(c) as follows:

- 24-32-116. Inventory of local governmental entities information required definitions. (1) As used in this section, unless the context otherwise requires:
- (d) "Local governmental entity" means a city, county, city and county, special district, school district, INCLUDING A CHARTER SCHOOL AS DEFINED IN SECTION 22-30.5-104.9, or other unit of local government.
- (3) (c) Notwithstanding the date specified in subsection (3)(a) of this section, a local governmental entity that is a charter school shall submit the information required in subsections (3)(a)(I) to (3)(a)(V) of this section to the department of local affairs no later than the date specified in section 22-30.5-104.9 or no later than ninety days after becoming a charter school pursuant to section 22-30.5-104.9 (7) and shall update such information pursuant to subsection (3)(b) of this section.

SECTION 21. In Colorado Revised Statutes, 24-90-120, amend (6)(c) as follows:

24-90-120. Colorado imagination library program - creation - request for proposal - state librarian duties - report - legislative declaration - definitions. (6) (c) Twenty percent of money appropriated for the 2021-22 state fiscal year, and each fiscal year thereafter, may be used for the contractor operating the program for duties set forth in subsections (2)(a) to $\frac{(2)(f)}{(2)(d)}$ (AND (2)(f) of this section.

SECTION 22. In Colorado Revised Statutes, 22-30.5-513.1, amend (2) as follows:

- **22-30.5-513.1.** Mill levy equalization fund created legislative declaration definitions. (2) (a) The mill levy equalization fund, referred to in this section as the "fund", is hereby created in the state treasury. The fund consists of any amount that the general assembly may appropriate APPROPRIATES TO THE FUND PURSUANT TO SUBSECTION (2)(a.5) OF THIS SECTION OR MAY ADDITIONALLY APPROPRIATE or transfer to the fund. The state treasurer shall credit to the fund all interest and income derived from the deposit and investment of money in the fund.
- (a.5) (I) BEGINNING IN THE 2024-25 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE GENERAL FUND THE AMOUNT NECESSARY EACH BUDGET YEAR TO FUND FULL MILL LEVY EQUALIZATION FOR ALL INSTITUTE CHARTER SCHOOLS FOR THE APPLICABLE BUDGET YEAR.
- (II) THE AMOUNT REQUIRED TO FUND MILL LEVY EQUALIZATION FOR ALL INSTITUTE CHARTER SCHOOLS IS DETERMINED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

(The accounting district's total additional mill levy revenue / the accounting district's funded pupil count) x Each institute charter school's funded pupil count

- (III) AS USED IN THIS SUBSECTION (2)(a.5), UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (A) "ACCOUNTING DISTRICT'S FUNDED PUPIL COUNT" HAS THE SAME MEANING SET FORTH IN SECTION 22-30.5-513 (1)(e).
- (B) "ADDITIONAL MILL LEVY REVENUE" HAS THE SAME MEANING SET FORTH IN SECTION 22-32-108.5 (2)(a).
- (b) Subject to annual appropriation by the general assembly The institute shall annually distribute the money appropriated or transferred to the fund to the institute charter schools on an equal per-pupil basis; except that, in any budget year, an institute charter school shall not receive a per pupil amount that is greater than the total amount of additional mill levy revenue, as defined in section 22-32-108.5, that the accounting district for the institute charter school is authorized to collect, divided by the funded pupil count, as defined in section 22-54-103, of the accounting district for

the applicable budget year. The money distributed pursuant to this section is in addition to money distributed to institute charter schools pursuant to section 22-30.5-513. THE INSTITUTE HAS CONTINUOUS SPENDING AUTHORITY OF ALL INTEREST AND INCOME IN THE FUND.

- **SECTION 23. Appropriation.** (1) For the 2023-24 state fiscal year, \$2,500,000 is appropriated to the mill levy equalization fund created in section 22-30.5-513.1 (2)(a), C.R.S. This appropriation is from the general fund. The department of education is responsible for accounting related to this appropriation.
- (2) For the 2023-24 state fiscal year, \$2,500,000 is appropriated to the department of education. This appropriation is from reappropriated funds in the mill levy equalization fund pursuant to subsection (1) of this section. To implement this act, the department may use the appropriation for charter school institute mill levy equalization.
- **SECTION 24.** Appropriation. For the 2023-24 state fiscal year, \$10,000,000 is appropriated to the department of education. This appropriation is from the state education fund created in section 17 (4) of article IX of the state constitution. To implement this act, the department may use this appropriation for state aid for charter school facilities.
- **SECTION 25.** Appropriation. For the 2023-24 state fiscal year, \$500,000 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 special education programs for children with disabilities for the implementation of section 22-20-108 (4.8), C.R.S.
- **SECTION 26.** Appropriation. (1) For the 2023-24 state fiscal year, \$220,256,759 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 as follows:
- (a) \$188,490,019 for the state share of districts' total program funding;
 - (b) \$30,000,000 for additional funding for rural districts and

institute charter schools;

- (c) \$1,058,115 for special education programs for gifted and talented children to support universal screening pursuant to section 22-20-205 (5)(a), C.R.S.;
- (d) \$408,625 for administration related to public school finance for the implementation of section 22-54-104.7, C.R.S., which amount is based on an assumption that the department will require an additional 0.7 FTE; and
- (e) \$300,000 for distributions to eligible schools pursuant to section 22-1-133 (7)(b)(II), C.R.S.
- (2) Any money appropriated in subsection (1)(d) not expended prior to July 1, 2024, is further appropriated to the department for the 2024-25 state fiscal year for the same purpose.
- **SECTION 27.** Appropriation. For the 2023-24 state fiscal year, \$23,376,536 is appropriated to the department of education. This appropriation is from the mill levy override match fund created in section 22-54-107.9 (6), C.R.S. To implement this act, the department may use this appropriation for mill levy override matching pursuant to section 22-54-107.9, C.R.S.
- SECTION 28. Appropriation to the department of education for the fiscal year beginning July 1, 2023. Section 2 of SB 23-214, amend Part IV (3)(A) Footnote 10, as follows:

Section 2. Appropriation.

Department of Education, School District Operations, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section 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 Recruitment Education and Preparation (TREP) Program for FY 2023-24. It is the General Assembly's intent that the Department of Education be authorized to utilize up to \$2,348,000 \$2,396,500 of this appropriation to fund qualified students designated as TREP Program participants. This amount is calculated based on an estimated 250 FTE TREP Program participants funded at a rate of \$8,686 \$9,586 per FTE

pursuant to Section 22-54-104 (4.7), C.R.S.

SECTION 29. Appropriation. For the 2023-24 state fiscal year, \$10,000,000 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 distributions to eligible preschool providers pursuant to section 22-20-114 (8)(b), C.R.S.

SECTION 30. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Section 25 of this act takes effect only if House Bill 23-1263 becomes law.

SECTION 31. 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.

Steve Fenberg PRESIDENT OF THE SENATE Julie McCluskie SPEAKER OF THE HOUSE OF REPRESENTATIVES

Cindid Markwell
Cindi L. Markwell
SECRETARY OF
THE SENATE

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Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED Monday, May 15th, 2023 at 2:45pm (Date and Time)

Jared S. Polis V SOVERNOR OF THE STATE OF COLORADO