



HB18-1232

## New School Funding Distribution Formula

Concerning the creation of a new public school funding distribution formula for the preschool through secondary public education system.

SESSION: 2018 Regular Session

SUBJECT: Education & School Finance (Pre & K-12)

The bill creates a new public school funding distribution formula to replace the existing formula (1994 formula). The new distribution formula is effective for the second budget year following voter approval of a ballot measure that increases state revenue for funding preschool through high school public education, which is not included in the bill.

The new public school funding distribution formula:

- Calculates a school district's (district's) total program funding by starting with statewide base per pupil funding and adding additional funding for student and district characteristics in the form of district factor funding as follows:
  - Size factor funding;
  - Poverty factor funding for students eligible for free or reduced-price meals;
  - English language learner factor funding, adjusted for district size;
  - Gifted child factor funding, adjusted for district size;
  - Special education factor funding, adjusted for disability and district size; and
  - Cost of living factor funding, limited to a percentage of statewide cost of living factor funding.

In calculating district total program funding, the new formula:

- Counts kindergarten students as half-day or full-day pupils depending on the length of the kindergarten program;
- Counts preschool students as half-day pupils, anticipating conforming changes to the Colorado preschool program, following enactment of the bill, to remove limits on the number of 4- and 5-year-old pupils attending state-funded preschool and the pupil eligibility criteria for 4- and 5-year-old pupils;
- Differentiates between pupils with specified disabilities for purposes of determining the new special education factor funding, anticipating conforming changes to categorical funding programs, following enactment of the bill, to use special education categorical funding only for high-cost disability reimbursement grants; and
- Applies English language learner factor funding for up to 7 years to all English language learners, except for those students with no English proficiency, anticipating conforming changes to categorical funding programs, following enactment of the bill, to use categorical funding only for students with no English proficiency.

The bill creates a hold-harmless provision if a district's total program funding under the new public school funding distribution formula is less than it was under the 1994 formula without the budget stabilization reduction in funding.