



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-113: SCHOOL FINANCE MID-YEAR ADJUSTMENT TO FUNDING

Prime Sponsors:

Sen. Bridges; Kirkmeyer
Rep. Bird; Taggart

Fiscal Analyst:

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0853

Version: Final Fiscal Note
Date: June 30, 2025

Fiscal note status: The fiscal note reflects the enacted bill, which was recommended by the Joint Budget Committee as part of its supplemental budget package.

Summary Information

Overview. This bill makes mid-year adjustments to the 2024 School Finance Act in order to account for changes in enrollment and the local share anticipated in the original appropriation.

Types of impacts. The bill is projected to affect the following areas on a one-time basis:

- State Expenditures
- School Districts

Appropriations. For FY 2024-25, the bill requires and includes an appropriation of \$64.1 million to the Colorado Department of Education.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0	\$0
State Expenditures (State Education Fund)	\$64,076,611	\$0	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

This bill makes mid-year adjustments to the 2024 School Finance Act to account for changes in enrollment and assessed values from the level anticipated by the original appropriation. Adjustments are based on the October 2024 student count and certified property values for the 2024 tax year.

The bill reflects higher-than-expected student enrollment and lower-than-expected at-risk student counts and local share revenue. The bill increases total program funding by \$38.5 million, while the local share decreases by \$25.6 million, resulting in a \$64.1 million increase in the state share of total program.

Finally, effective July 1, 2025, the bill repeals the Total Program Reserve Fund.

Background and Assumptions

Process

At the time that the Long Bill appropriation for school finance is established, many data are unknown. The initial appropriation is based on forecasts of the funded pupil count, the number of at-risk students, and property tax revenue. Subsequently, school districts conduct a student count in October, county assessors and the State Board of Equalization certify the total valuation for assessment of all taxable property, and school district boards certify each district's mill levy for school finance. By early January, these data are finalized by school districts and compiled by the Colorado Department of Education (CDE). CDE annually submits a supplemental request to make mid-year appropriation adjustments based on actual data.

Changes from Initial Appropriation

For FY 2024-25, the funded pupil count was 3,074 higher than forecast, and the at-risk student count was 5,439 lower than projected. These two impacts increased overall school finance funding by \$38.5 million. In addition, actual local property tax revenue in 2024 was \$45.2 million lower than the estimates that were used for the initial appropriation during the 2024 session, and actual specific ownership tax revenue came in \$19.6 million higher than forecast. Thus, the overall local share for total program decreased by \$25.6 million.

Table 2A and 2B details these adjustments. These adjustments combine to increase the statewide average per pupil funding by \$782.04, to \$11,452.23 in FY 2024-25.

Table 2A
Changes in Pupil Count

Component	FY 2024-25 Initial	FY 2024-25 Actual	Midyear Change
Funded Pupil Count	850,310	853,384	3,074
At-Risk Pupil Count	393,212	387,773	-5,439

Table 2B
Changes in Local Tax Revenue
In millions

Component	FY 2024-25 Initial	FY 2024-25 Actual	Midyear Change
Property Tax Revenue	\$3,970.6	\$3,925.4	-\$45.2
Specific Ownership Tax	\$241.7	\$261.3	\$19.6
Total Local Share of Total Program¹	\$4,212.3	\$4,186.7	-\$25.6

¹ Totals may not sum due to rounding.

State Expenditures

In the current FY 2024-25, the bill increases state expenditures in CDE by \$64.1 million for the state share of school finance, paid from the State Education Fund.

This bill makes mid-year adjustments to school finance-related appropriations for FY 2024-25. The cost of total program funding increased by \$38.5 million due to a higher than anticipated student count, but a lower at-risk student count. Because local tax revenue for school finance came in lower than was projected last spring, money available for the local share is \$25.6 million less than anticipated, which implies an increase in the state share of total program by \$64.1 million. Table 3 details mid-year adjustments to the FY 2024-25 appropriations for school finance.

Table 3
Total Program Funding Under SB25-113

Component	Initial Appropriation	Midyear Adjustment	Adjusted Appropriation
Local Share of Total Program ¹	\$4,212,348,402	-\$25,609,529	\$4,186,738,872
State Share of Total Program	\$5,522,337,265	\$64,076,611	\$5,586,413,876
Total Program Funding	\$9,734,685,667	\$38,467,082	\$9,773,152,749

¹ These figures reflect the amounts published in the 2024 Appropriations Report, which does not include an adjustment for HB24-1393 or the full change in local share from SB24-233.

School District

Under this bill, total program funding for school districts through the school finance formula will increase by \$38.5 million from the funding amount that was originally appropriated for school finance in FY 2024-25, although the funding for individual districts will vary, depending on changes in pupil counts and local share. The \$38.5 million increase in the cost of total program combined with the \$25.6 million decrease in the local share results in a \$64.1 million increase in the state's share of total program. District-level details for adjusted FY 2024-25 funding under the bill are provided in Appendix A.

Effective Date

The bill was signed into law by the Governor and took effect on February 27, 2025.

State Appropriations

For FY 2024-25, the bill requires and includes an appropriation of \$64,076,611 from the State Education Fund to the Colorado Department of Education.

State and Local Government Contacts

Education Joint Budget Committee Staff

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](#).