

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0140.05 Pierce Lively x2059

SENATE BILL 26-135

SENATE SPONSORSHIP

Bridges and Kipp, Amabile, Benavidez, Coleman, Cutter, Danielson, Daugherty, Exum, Gonzales J., Hinrichsen, Jodeh, Kolker, Lindstedt, Marchman, Mullica, Rodriguez, Snyder, Sullivan, Weissman, Wallace

HOUSE SPONSORSHIP

Bacon and Lukens, Boesenecker, Camacho, Carter, Duran, Goldstein, Hamrick, Joseph, Lieder, Lindsay, Martinez, McCormick, Nguyen, Paschal, Phillips, Rydin, Smith, Stewart R., Titone, Velasco, Willford

Senate Committees

Finance
Appropriations

House Committees

Appropriations

A BILL FOR AN ACT

101 **CONCERNING STATE PUBLIC EDUCATION K-12 FUNDING, AND, IN**
102 **CONNECTION THEREWITH, INCREASING APPROPRIATIONS FOR**
103 **STATE PUBLIC EDUCATION K-12 ██████ FOR TEN YEARS, _____**
104 **ALLOWING THE STATE TO RETAIN AN AMOUNT OF STATE**
105 **REVENUE IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR**
106 **SPENDING EQUAL TO STATE PUBLIC K-12 EDUCATION FUNDING,**
107 **AND SUBMITTING A BALLOT QUESTION TO THE REGISTERED**
108 **ELECTORS OF THE STATE.**

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

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.

SENATE
3rd Reading Unamended
April 27, 2026

SENATE
Amended 2nd Reading
April 24, 2026

<http://leg.colorado.gov>.)

The bill requires the secretary of state to refer a ballot issue at the November 2026 general election to seek voter approval for the state to retain and spend an amount of state revenue equal to the amount of state public K-12 education funding in excess of the limitation on state fiscal year spending and to increase state public K-12 education funding by up to 2% for 10 years.

The bill directs legislative council staff to determine the amount of state public K-12 education funding and describes how legislative council staff will make that determination.

The bill creates a positive factor to provide additional funding for each district. A positive factor is equal to the lesser of 2% of statewide total program funding for the 2026-27 budget year multiplied by a district's total program as a percentage of the statewide total program or the amount that the state is authorized to retain and spend that would otherwise have been in excess of the limitation on state fiscal year spending multiplied by a district's total program as a percentage of the statewide total program. A district may only use its positive factor funding for increasing teacher pay, improving teacher retention, lowering class sizes, and increasing access to career and technical courses.

The bill creates the excess state revenues account (account) within the general fund. The account consists of an amount of money equal to the amount of state revenues in excess of the excess state revenues cap that the state retains for a given fiscal year pursuant to voter approval of the bill. Money in the account must first be spent for paying districts their positive factor and only after that may be spent for any other purpose.

The bill directs the state auditor to conduct and publish, for each state fiscal year that the state retains and spends state revenues in excess of the limitation on state fiscal year spending, a legislative report. That report must include descriptions of:

- The amount of state revenues that the state retained and spent that would otherwise have been in excess of the limitation on state fiscal year spending; and
- How the state revenues that the state retained and spent that would otherwise have been in excess of the limitation on state fiscal year spending were expended.

Lastly, the bill makes conforming amendments to ensure that voter approval of the bill does not impact the expanded earned income tax credit, the family affordability tax credit, or the affordable housing financing fund.

1 **SECTION 1. Legislative declaration.** (1) The general assembly
2 finds and declares that:

3 (a) Public education is the bedrock of Colorado's democracy,
4 fundamental to individual opportunity, the underpinning of thriving
5 communities, and the key to Colorado's economic prosperity and future;

6 (b) Wise and adequate investment in Colorado's schools is
7 essential to maintaining and improving the competitiveness of Colorado
8 and its students;

9 (c) The money invested in Colorado's public schools has a return
10 on investment that has long been recognized as among the nation's
11 highest;

12 (d) An increase in the rates of K-12 graduation, the earning of
13 industry certifications, and the earning of associates degrees demonstrate
14 the effectiveness of Colorado's investment in public schools;

15 (e) Research demonstrates that increasing school funding results
16 in long-term increases in graduation rates and lifetime wages, prevents
17 crime, and lowers incarceration rates;

18 (f) Educators and support staff in every school district and charter
19 school across Colorado make invaluable contributions to their schools,
20 districts, and communities by dedicating their time, talents, and
21 out-of-pocket money to their students, despite Colorado ranking near the
22 bottom of starting teacher pay and having the largest teacher pay penalty
23 in the nation;

24 (g) Teachers, counselors, para professionals, bus drivers, and
25 essential support staff are leaving their professions because salaries
26 haven't kept up with housing, healthcare, and cost of living;

27 (h) Students are learning in overcrowded classrooms and in

1 schools with fewer mental health counselors, opportunities for special
2 education support, and programs that support their ability to develop into
3 healthy, productive adults;

4 (i) Working class, multilingual, and rural communities are hit
5 hardest by chronic school underfunding;

6 (j) In January 2025, the legislature received the reports and
7 recommendation of the two commissioned adequacy studies: "Equity and
8 Adequacy of Colorado School Funding - A Cost-Modeling Approach",
9 by the American institutes for research, and "Colorado Input-Based
10 Financial Adequacy Study Report", by Augenblick, Palaich and
11 Associates, Inc;

12 (k) The adequacy studies found that, were Colorado schools
13 funded fully and fairly, every student would have the individual attention
14 they need from teachers, counselors, health professionals, tutors, and
15 support staff to succeed and thrive; every teacher would have a
16 reasonable workload, professional development and coaching, and a
17 salary that would allow them to live where they work; and every
18 community would enjoy the benefit of vibrant public schools, a
19 high-quality workforce, and an engaged citizenry;

20 (l) Colorado's fiscal constraints and potential of federal funding
21 cuts to education, medicaid, nutrition, human services, and other critical
22 programs threaten the sustainability and adequacy of school funding in
23 Colorado and to deplete the state education fund; and

24 (m) Therefore, it is in the best interest of educators, students, and
25 their families to allow voters to invest further in public education by
26 modernizing the state's ability to retain and spend revenue to meet the
27 needs of Colorado communities and to ensure that state investment in

1 K-12 public education is increased by two percent for at least ten years
2 through the funding of a positive factor.

3 ■ ■ ■

4 **SECTION 2.** In Colorado Revised Statutes, **add** 22-54-103.7 as
5 follows:

6 **22-54-103.7. Positive factor - definitions.**

7 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES:

9 ■




10 (a) "NEW FORMULA DISTRICT TOTAL PROGRAM CALCULATION"
11 MEANS A DISTRICT'S TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR
12 AS CALCULATED PURSUANT TO THE DISTRICT TOTAL PROGRAM FORMULA
13 IN SECTION 22-54-103.5. THE TERM DOES NOT INCLUDE ANY ADJUSTMENTS
14 REQUIRED PURSUANT TO SECTION 22-54-103.3 WHEN DETERMINING A
15 DISTRICT'S TOTAL PROGRAM FOR THE 2027-28 BUDGET YEAR THROUGH
16 THE 2030-31 BUDGET YEAR.

17 (b) "NEW FORMULA STATEWIDE TOTAL PROGRAM CALCULATION"
18 MEANS THE DISTRICT TOTAL PROGRAM FOR ALL DISTRICTS FOR THE
19 APPLICABLE BUDGET YEAR AS CALCULATED PURSUANT TO THE DISTRICT
20 TOTAL PROGRAM FORMULA IN SECTION 22-54-103.5. THE TERM DOES NOT
21 INCLUDE ANY ADJUSTMENTS REQUIRED PURSUANT TO SECTION
22 22-54-103.3 WHEN DETERMINING A DISTRICT'S TOTAL PROGRAM FOR THE
23 2027-28 BUDGET YEAR THROUGH THE 2030-31 BUDGET YEAR.

24 (c) "POSITIVE FACTOR" MEANS:

25 (I) FOR THE 2026-27 BUDGET YEAR, TWO PERCENT OF PROGRAM
26 FOUNDATION CALCULATED FOR THE 2025-26 BUDGET YEAR;

27 (II) FOR THE 2027-28 BUDGET YEAR THROUGH THE 2034-35

1 BUDGET YEAR, THE SUM OF:
2 (A) TWO PERCENT OF PROGRAM FOUNDATION FOR THE
3 IMMEDIATELY PRECEDING BUDGET YEAR; AND
4 (B) THE POSITIVE FACTOR FOR THE IMMEDIATELY PRECEDING
5 BUDGET YEAR; AND
6 (III) FOR THE 2035-36 BUDGET YEAR AND EACH BUDGET YEAR
7 THEREAFTER:
8 (A) TWO PERCENT OF PROGRAM FOUNDATION FOR THE 2034-35
9 BUDGET YEAR; AND
10 (B) THE POSITIVE FACTOR FOR THE 2034-35 BUDGET YEAR.
11 
12 (d) "PROGRAM FOUNDATION" MEANS:
13 (I) FOR BUDGET YEARS BEFORE TOTAL PROGRAM IS DETERMINED
14 PURSUANT TO SECTION 22-54-103.5, AN AMOUNT EQUAL TO STATE SHARE
15 OF TOTAL PROGRAM; AND
16 (II) FOR BUDGET YEARS WHEN TOTAL PROGRAM IS DETERMINED
17 PURSUANT TO SECTION 22-54-103.5, AN AMOUNT EQUAL TO NEW FORMULA
18 STATEWIDE TOTAL PROGRAM CALCULATION.
19 (e) "STATE SHARE OF TOTAL PROGRAM" MEANS AN AMOUNT EQUAL
20 TO THE TOTAL OF THE STATE'S SHARE OF EACH SCHOOL DISTRICT'S TOTAL
21 PROGRAM, AS DEFINED IN SECTION 22-55-102 (18).
22 (f) "TWO PERCENT K-12 PUBLIC EDUCATION INCREASE" MEANS AN
23 AMOUNT EQUAL TO THE LESSER OF:
24 (I)  THE POSITIVE FACTOR FOR THE CURRENT BUDGET YEAR; OR
25 
26 (II) THE AMOUNT THAT THE STATE IS AUTHORIZED TO RETAIN AND
27 SPEND PURSUANT TO VOTER APPROVAL OF THE BALLOT MEASURE

1 INCLUDED IN SECTION 24-77-302 FOR THE BUDGET YEAR MINUS, FOR THE
2 2027-28 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN
3 AMOUNT EQUAL TO THE TOTAL DOLLAR AMOUNTS OF WARRANTS ISSUED
4 BY THE STATE TREASURER PURSUANT TO SECTION 39-3-207 (4) IN THE
5 CURRENT BUDGET YEAR.

6 (2) FOR THE 2026-27 BUDGET YEAR AND EACH BUDGET YEAR
7 THEREAFTER, A DISTRICT'S POSITIVE FACTOR [REDACTED] IS EQUAL TO:

8 (NEW FORMULA DISTRICT TOTAL PROGRAM CALCULATION / NEW
9 FORMULA STATEWIDE TOTAL PROGRAM CALCULATION) X (TWO PERCENT
10 K-12 PUBLIC EDUCATION INCREASE). [REDACTED]

11 (3) FOR THE 2026-27 BUDGET YEAR AND EVERY BUDGET YEAR
12 THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL ANNUALLY
13 CALCULATE EACH DISTRICT'S NEW FORMULA DISTRICT TOTAL PROGRAM
14 CALCULATION AND THE NEW FORMULA STATEWIDE TOTAL PROGRAM
15 CALCULATION.

16 (4) FOR THE 2026-27 BUDGET YEAR AND EVERY BUDGET YEAR
17 THEREAFTER, THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE
18 LEGISLATIVE COUNCIL SHALL ANNUALLY DETERMINE EACH DISTRICT'S [REDACTED]
19 POSITIVE FACTOR [REDACTED] BASED ON BUDGET PROJECTIONS; EXCEPT THAT THE
20 DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL
21 SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH
22 ACTUAL FIGURES TO DETERMINE ANY NECESSARY CHANGES IN THE
23 AMOUNT TO MAINTAIN THE POSITIVE FACTOR [REDACTED] FOR THE APPLICABLE
24 BUDGET YEAR.

25 (5) A DISTRICT'S [REDACTED] POSITIVE FACTOR [REDACTED] IS IN ADDITION TO, BUT
26 IS NOT INCLUDED IN, THE DISTRICT'S TOTAL PROGRAM DETERMINED
27 PURSUANT TO THIS ARTICLE 54. THE POSITIVE FACTOR [REDACTED] MUST BE

1 DISTRIBUTED IN THE SAME FORM AND MANNER IN WHICH PAYMENTS OF
2 TOTAL PROGRAM ARE DISTRIBUTED UNDER LAW TO ALL PUBLIC SCHOOLS.

3 ==

4 (6) A DISTRICT SHALL ONLY EXPEND ITS POSITIVE FACTOR TO
5 FUND:

6 (a) INCREASING TEACHER PAY;

7 (b) IMPROVING TEACHER RETENTION;

8 (c) LOWERING CLASS SIZES; AND

9 (d) INCREASING ACCESS TO CAREER AND TECHNICAL COURSES.

10

11 ==

12 **SECTION 3.** In Colorado Revised Statutes, **add** part 3 to article
13 77 of title 24 as follows:

14 PART 3

15 SUBMISSION OF BALLOT ISSUE

16 VOTER-APPROVED REVENUE CHANGE

17 **24-77-301. Definitions.**

18 AS USED IN THIS PART 3, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 ==

21 (1) "CHILDREN'S ACCOUNT" OR "ACCOUNT" MEANS THE
22 CHILDREN'S ACCOUNT CREATED IN SECTION 24-77-302 (2).

23 ==

24 (2) "STATE PUBLIC EDUCATION FUNDING" MEANS THE AMOUNT
25 DETERMINED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO SECTION
26 24-77-303 (1).

27 (3) "STATE REVENUES" MEANS STATE FISCAL YEAR SPENDING, AS

1 DEFINED IN SECTION 24-77-102 (17).

2 (4) "TWO PERCENT K-12 PUBLIC EDUCATION INCREASE" HAS THE
3 MEANING SET FORTH IN SECTION 22-54-103.7 (1)(f).

4 **24-77-302. Retention of excess state revenues - children's**
5 **account - definitions.**

6 (1) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
7 2026, THE STATE MAY RETAIN AND SPEND STATE REVENUES THAT THE
8 STATE OTHERWISE WOULD HAVE BEEN REQUIRED TO REFUND UNDER
9 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION IN AN
10 AMOUNT EQUAL TO THE STATE PUBLIC EDUCATION FUNDING FOR THE
11 STATE FISCAL YEAR.

12 (2) (a) THERE IS HEREBY CREATED IN THE GENERAL FUND THE
13 CHILDREN'S ACCOUNT, WHICH CONSISTS OF:

14 (I) FOR STATE FISCAL YEAR 2026-27, AN AMOUNT OF MONEY
15 EQUAL TO THE AMOUNT THAT THE STATE RETAINS FOR STATE FISCAL YEAR
16 2026-27 PURSUANT TO SUBSECTION (1) OF THIS SECTION; AND

17 (II) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
18 2027, AN AMOUNT OF MONEY EQUAL TO THE AMOUNT THAT THE STATE
19 RETAINS FOR THE STATE FISCAL YEAR PURSUANT TO SUBSECTION (1) OF
20 THIS SECTION MINUS AN AMOUNT EQUAL TO THE TOTAL DOLLAR AMOUNT
21 OF WARRANTS ISSUED BY THE STATE TREASURER PURSUANT TO SECTION
22 39-3-207 (4) IN THE SAME STATE FISCAL YEAR.

23 (b) FOR EACH STATE FISCAL YEAR BEGINNING ON OR AFTER JULY
24 1, 2027, AND BEFORE JULY 1, 2037, THE GENERAL ASSEMBLY:

25 (I) SHALL TRANSFER OR APPROPRIATE TO THE DEPARTMENT OF
26 EDUCATION AN AMOUNT EQUAL TO THE TWO PERCENT K-12 PUBLIC
27 EDUCATION INCREASE FOR THE STATE FISCAL YEAR AND THE

1 DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THAT AMOUNT IN
2 ACCORDANCE WITH SECTION 22-54-103.7;

3 (II) SHALL APPROPRIATE OR TRANSFER AN AMOUNT FOR
4 INVESTMENT IN K-12 PUBLIC EDUCATION EQUAL TO THE AMOUNT, IF ANY,
5 BY WHICH ONE HALF OF THE AMOUNT CREDITED TO THE ACCOUNT FOR THE
6 STATE FISCAL YEAR EXCEEDS THE AMOUNT APPROPRIATED OR
7 TRANSFERRED PURSUANT TO SUBSECTION (2)(b)(I) OF THIS SECTION FOR
8 THE STATE FISCAL YEAR; AND

9 (III) AFTER MAKING THE APPROPRIATIONS OR TRANSFERS
10 REQUIRED BY SUBSECTIONS (2)(b)(I) AND (2)(b)(II) OF THIS SECTION FOR
11 THE STATE FISCAL YEAR, MAY APPROPRIATE OR TRANSFER THE MONEY FOR
12 ANY OTHER PURPOSE.

13 ■ ■
14 == ==

15 (3) THE APPROVAL OF THE BALLOT MEASURE INCLUDING THIS
16 SECTION BY A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
17 MEASURE CONSTITUTES A VOTER-APPROVED REVENUE CHANGE TO ALLOW
18 THE RETENTION AND EXPENDITURE OF THE ADDITIONAL STATE REVENUES
19 THAT THE STATE IS AUTHORIZED TO RETAIN AND SPEND PURSUANT TO
20 SUBSECTION (1) OF THIS SECTION.

21 (4) THIS SECTION DOES NOT AFFECT THE AMOUNT THAT THE STATE
22 IS PERMITTED TO RETAIN AND SPEND UNDER THE EXCESS STATE REVENUES
23 CAP.

24 (5) (a) THE MONEY THAT THE GENERAL ASSEMBLY APPROPRIATES
25 OR TRANSFERS PURSUANT TO SUBSECTION (2)(b)(I) OF THIS SECTION
26 SHALL SUPPLEMENT AND NOT SUPPLANT TOTAL PROGRAM, AS DEFINED IN
27 SECTION 22-55-102 (18).

1 **24-77-303. Determination of state public education funding.**

2 (1) ON OR BEFORE JANUARY 15, 2027, ON OR AFTER JULY 1, 2027,
3 BUT BEFORE AUGUST 1, 2027, AND ON OR AFTER EACH JULY 1 AND BEFORE
4 EACH AUGUST 1 THEREAFTER, LEGISLATIVE COUNCIL STAFF SHALL
5 DETERMINE AND REPORT TO THE STATE CONTROLLER, THE OFFICE OF
6 STATE PLANNING AND BUDGETING, AND THE JOINT BUDGET COMMITTEE,
7 THE GREATEST TOTAL AMOUNT IN A PRECEDING STATE FISCAL YEAR THAT
8 HAS BEEN COUNTED AS STATE FISCAL YEAR SPENDING AND APPROPRIATED
9 BY THE GENERAL ASSEMBLY FOR A PRECEDING STATE FISCAL YEAR FOR
10 CATEGORICAL PROGRAMS AND THE STATE SHARE OF TOTAL PROGRAM AND
11 THE AMOUNT OF THE TWO PERCENT K-12 PUBLIC EDUCATION INCREASE
12 FOR THE SAME PRECEDING STATE FISCAL YEAR. THE AMOUNT DETERMINED
13 AND REPORTED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO THIS
14 SUBSECTION (1) IS THE STATE PUBLIC EDUCATION FUNDING FOR THAT
15 STATE FISCAL YEAR.

16 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (a) "CATEGORICAL PROGRAMS" HAS THE SAME MEANING AS SET
19 FORTH IN SECTION 22-55-102 (4).

20 (b) "STATE SHARE OF TOTAL PROGRAM" MEANS AN AMOUNT
21 EQUAL TO THE TOTAL OF THE STATE'S SHARE OF EACH SCHOOL DISTRICT'S
22 TOTAL PROGRAM, AS DEFINED IN SECTION 22-55-102 (18).

23 **24-77-304. Excess state revenues expenditure independent**
24 **audit.**

25 (1) FOR EACH STATE FISCAL YEAR THAT THE STATE RETAINS
26 AND SPENDS STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE
27 FISCAL YEAR SPENDING PURSUANT TO THIS PART 3, THE STATE AUDITOR

1 SHALL REPORT ON EXCESS STATE REVENUES INCLUDING THE FOLLOWING
2 INFORMATION:

3 (a) THE AMOUNT OF STATE REVENUES THAT THE STATE RETAINED
4 AND SPENT IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR
5 SPENDING PURSUANT TO THIS PART 3; AND

6 (b) A DESCRIPTION OF HOW THE STATE EXPENDED FROM THE
7 ACCOUNT THE STATE REVENUES THAT THE STATE RETAINED AND SPENT IN
8 EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING PURSUANT
9 TO THIS PART 3.

10 (2) THE STATE AUDITOR SHALL COMPLETE THE REPORTING
11 REQUIRED BY SUBSECTION (1)(a) OF THIS SECTION AT THE SAME TIME THAT
12 THE STATE AUDITOR COMPLETES THE REPORT REQUIRED PURSUANT TO
13 SECTION 2-3-103 (2) FOLLOWING A FISCAL YEAR IN WHICH THE STATE
14 RETAINS AND SPENDS STATE REVENUES IN EXCESS OF THE LIMITATION ON
15 STATE FISCAL YEAR SPENDING PURSUANT TO THIS PART 3 AND MAY AMEND
16 THE REPORT THEREAFTER AS NECESSARY.

17
18 SECTION 4. In Colorado Revised Statutes, 22-44-304, add
19 (1)(g) as follows:

20 22-44-304. Financial reporting - online access to information
21 - definitions.

22 (1) (g) (I) ADDITIONALLY, COMMENCING ON AUGUST 1, 2027,
23 EACH LOCAL EDUCATION PROVIDER, AS DEFINED IN SECTION 22-54-202,
24 SHALL POST IN A FORMAT THAT CAN BE DOWNLOADED AND SORTED, FOR
25 FREE PUBLIC ACCESS, THE LOCAL EDUCATION PROVIDER'S ACTUAL
26 EXPENDITURES OF ANY POSITIVE FACTOR RECEIVED PURSUANT TO
27 SECTION 22-54-103.7.

1 (II) AS USED IN THIS SUBSECTION (1)(g), UNLESS THE CONTEXT
2 OTHERWISE REQUIRES, "POSITIVE FACTOR" HAS THE SAME MEANING SET
3 FORTH IN SECTION 22-54-103.7 (1)(c).

4 **SECTION 5.** In Colorado Revised Statutes, 24-77-106.5, **amend**
5 (1)(b) as follows:

6 **24-77-106.5. Annual financial report - certification of excess**
7 **state revenues.**

8 (1) (b) Notwithstanding section 24-1-136 (11)(a)(I), based upon
9 the financial report prepared in accordance with subsection (1)(a) of this
10 section for any given fiscal year, the controller shall certify to the
11 governor, the general assembly, and the executive director of the
12 department of revenue no later than September 1 following the end of a
13 fiscal year the amount of state revenues in excess of the limitation on
14 state fiscal year spending imposed by section 20 (7)(a) of article X of the
15 state constitution, if any, for such fiscal year and the state revenues in
16 excess of such limitation that the state is authorized to retain and spend
17 pursuant to voter approval of section 24-77-103.6 AND PART 3 OF THIS
18 ARTICLE 77.

19 **SECTION 6.** In Colorado Revised Statutes, 29-32-104, **amend**
20 (5) as follows:

21 **29-32-104. Permissible expenditures - affordable housing**
22 **programs - report - definitions.**

23 (5) If the Legislative Council Staff's March Economic and
24 Revenue Forecast in any given year projects revenue for the next state
25 fiscal year will fall below the revenue limit imposed under section 20 of
26 article X of the state constitution BY AN AMOUNT GREATER THAN THE
27 AMOUNT OF STATE PUBLIC EDUCATION FUNDING AS DEFINED IN SECTION

1 24-77-301 (2), the general assembly may reduce the funding allocated to
2 the office required by this section for the next state fiscal year in order to
3 balance the state budget for said state fiscal year.

4 **SECTION 7.** In Colorado Revised Statutes, 39-22-123.5, **amend**
5 (3.5)(a)(VIII) as follows:

6 **39-22-123.5. Earned income tax credit - legislative declaration**
7 **- repeal.**

8 (3.5) (a) As used in this subsection (3.5), unless the context
9 otherwise requires:

10 (VIII) "Nonexempt revenue" means, for the applicable state fiscal
11 year, the revenues that are identified as nonexempt revenues in the annual
12 comprehensive financial report published by the office of the state
13 controller; EXCEPT THAT, FOR STATE FISCAL YEARS COMMENCING ON OR
14 AFTER JULY 1, 2026, NONEXEMPT REVENUE INCLUDES STATE PUBLIC
15 EDUCATION FUNDING AS DEFINED IN SECTION 24-77-301 (2).

16 **SECTION 8.** In Colorado Revised Statutes, 39-22-130, **amend**
17 (2)(b)(II)(G) as follows:

18 **39-22-130. Family affordability tax credit - tax preference**
19 **performance statement - legislative declaration - definitions - repeal.**

20 (2) As used in this section, unless the context otherwise requires:

21 (b) (II) As used in this subsection (2)(b):

22 (G) "Nonexempt revenue" means, for the applicable state fiscal
23 year, the revenue that is identified as nonexempt TABOR revenues in the
24 annual comprehensive financial report published by the office of the state
25 controller; EXCEPT THAT, FOR STATE FISCAL YEARS COMMENCING ON OR
26 AFTER JULY 1, 2026, NONEXEMPT REVENUE INCLUDES STATE PUBLIC
27 EDUCATION FUNDING AS DEFINED IN SECTION 24-77-301 (3).

1 **SECTION 9. Refer to people under referendum.** At the
2 election held on November 3, 2026, the secretary of state shall submit this
3 act by its ballot title to the registered electors of the state for their
4 approval or rejection. Each elector voting at the election may cast a vote
5 either "Yes/For" or "No/Against" on the following ballot title: "Shall state
6 investment in K-12 public education increase two percent each year for
7 the next ten years, with investments used to increase teacher pay, improve
8 teacher retention, lower class sizes, and increase access to career and
9 technical courses, without raising taxes but instead funded by raising the
10 annual limit on state fiscal year spending only by the amount spent on
11 public K-12 education as a voter-approved revenue change, and requiring
12 an annual publicly released, independent audit to show how the new
13 investments are spent?" Except as otherwise provided in section
14 1-40-123, Colorado Revised Statutes, if a majority of the electors voting
15 on the ballot title vote "Yes/For", then the act will become part of the
16 Colorado Revised Statutes.