



# Rulemaking Hearing: School Finance Rules

September 2025



## Issue #7 - Work Based Learning Definition – **UPDATED LANGUAGE IN SEPTEMBER**

---

- [Current rules](#) provide examples of work-based learning that can be included in instructional time for school finance funding.
- This year's legislation on Postsecondary & Workforce Readiness Programs ([SB25-315](#)) includes a definition of work based learning.
- **Following SBE questions at the August Rulemaking Hearing, CDE updated the proposed language.**

**CDE recommends updating the rules to match the statutory definition of work-based learning.**

# Issue #7 - **UPDATED** Work Based Learning Definition (continued)

---

The proposal is to change the following rule with the updated proposed language:

1.01 “Alternative teacher-pupil instruction” means the organized delivery of educational content (aligned to state standards where applicable) for pupils enrolled in a brick-and-mortar public school under the supervision of a licensed educator that may take place asynchronously. The following types of courses with alternative teacher-pupil instruction can be funded with appropriate documentation: independent study, work-based learning **as defined in sections 22-54-202(8) and 8-83-601(15), C.R.S.,** ~~(work-study, internships, apprenticeships)~~, blended learning, and supplemental online learning.

1.01(1) Work-based learning courses are credit-bearing courses that must be incorporated within the student’s Individual Career and Academic Plan (ICAP) in order to qualify for funding. They are learning opportunities that occur in part or in whole in the workplace and provide the learner with hands-on, real-world experience **and training for skills development.**

## Issue #7 – Impact of Updated WBL Definition - **AUGUST SLIDE**

---

In many instances, WBL courses are included in students' schedules based upon part-time jobs. Part-time jobs appear to meet the statutory definition in Section 8-83-601, C.R.S., specifically "...learning that occurs, in whole or in part, in the workplace that provides...hands-on, real-world experience and training for skills development".

The following activities would not meet the statutory definitions: career coaching, counseling, and planning, career fairs, career presentations, externships, industry speakers, informational interviews, job shadowing, mentoring, project-based learning, and worksite tours.

Thus, the new definition should not have an impact on WBL courses that can be included for funding.

## Issue #8 – Special Education Counts – **AUGUST SLIDE**

---

The New Public School Finance Formula created in [HB 24-1448](#) includes a new factor: District Special Education Funding.

This funding is based upon the District's Special Education Pupil enrollment.

Special Education pupils are defined as the number of district pupils who are children with disabilities as defined in Section 22-20-103(5), C.R.S.

**CDE recommends adding rules to implement this new funding.**

## Issue #8 –Rationale for Student October - **AUGUST SLIDE**

---

CDE has received questions on Student October as the source of data on special education pupils. CDE evaluated using December Count and determined that it is not feasible to use December Count for several reasons.

- Timing: December Count collection is not completed until February. The Mid-Year Supplemental True Up Budget Request must be submitted by January 15<sup>th</sup>.
- Inherent Linkage of Special Education Pupils and Pupil Enrollment: Students must first be eligible for PPR given At-Risk, ELL, and SPED factor funding are additional funding to the “regular” school finance funding.
- Reporting Entity: December Count data is from Administrative Units. Since School Finance is funded at the district level, it is important that the student data is provided directly by school districts, not through an AU.

## Issue #8 –Funding Estimates – **NEW INFORMATION**

---

The School Finance formula pursuant to HB25-1320 includes projected statewide funding of \$248,572,398 for District Special Education Pupil enrollment in FY 2025-2026.

This equates to an estimated \$2,172.95 per student with disabilities (projected at 114,440.0 students) or \$293.88 per total funded student (projected at 845,843.3 students).

The actual amount of total funding and per pupil funding will be determined in January based upon actual student counts reported in Student October.

# Issue #8 – Special Education Rule Language - **AUGUST SLIDE**

---

The proposal **WAS** to add the following rule:

**6.04 Consistent with Section 22-54-103(10)(a)(II)(10.8), C.R.S., funding eligible pupils are considered Special Education Pupils if they are identified as Special Education based upon a reported primary disability as defined in Section 22-20-103(5), C.R.S.**

**6.04(1) Special Education Pupils must be identified by a district with an active Individualized Education Plan (IEP) as of the applicable count date in order to be included in the District's Special Education Pupil Count.**

## Issue #8 – Special Education Counts – **UPDATED LANGUAGE IN SEPTEMBER**

---

Following questions from the field and SBE questions at the August Rulemaking Hearing, CDE updated the proposed language.

This will result in more expansive criteria for special education funding for School Finance through Student October than for ECEA through December Count.

This approach will address the concerns from districts having to complete IEP meetings prior to October for students new to the district.

# Issue #8 – Special Education Counts – **UPDATED LANGUAGE IN SEPTEMBER**

---

6.04 Consistent with Section 22-54-103(10.8), C.R.S., a funding eligible pupil in the Student October Pupil Enrollment data collection is considered a Special Education Pupil if they are a child with a disability as defined in section 22-10-103(5), C.R.S. as of the applicable count date. Under section 22-10-103(5), C.R.S., a child with a disability who, by reason of the conditions listed in section 22-20-103(5)(a)(I), C.R.S., is unable to receive reasonable benefit from general education. Special Education Pupils can be identified by a district through one of the following:

- 6.04(1) a current Individualized Education Program (IEP), or
- 6.04(2) a current determination of eligibility form dated within three years of the applicable count date.



# Background Information Slides from August SBE Meeting



# Stakeholder Engagement

*\*At-Risk and SB125 provisions discussed*

*#At-Risk provisions discussed*

- FPP Meeting - February 13<sup>th</sup> \*
- FPP Sub-Committee – March 25<sup>th</sup> and April 4<sup>th</sup> #
- FPP Meeting – April 17<sup>th</sup> \*
- Finance Listserv Email – May 1<sup>st</sup>
- Rural Alliance – May 7<sup>th</sup>
- Superintendent Update Meeting and Follow-up Email – May 13<sup>th</sup>
- 7Cs Meeting - May 28<sup>th</sup>
- CDE Update Email - June 3<sup>rd</sup>
- Finance Listserv Email - June 4<sup>th</sup>
- Metro CFO Meeting - June 5<sup>th</sup>
- Rural Alliance - June 11<sup>th</sup>
- Colorado School Finance Project Meeting - June 13<sup>th</sup>
- CDE Scoop Email - June 16<sup>th</sup>
- FPP Meeting – June 26<sup>th</sup>/July 17<sup>th</sup>
- Finance Listserv Email – August 7<sup>th</sup>
- Special Education Directors Email – August 7<sup>th</sup>
- CASE Email – August 18<sup>th</sup>
- State Directors Leadership Team Meeting – August 22<sup>nd</sup>
- CASE Email – August 25<sup>th</sup>
- Finance Listserv Email – ~September 4<sup>th</sup>

*Financial Policies and Procedures Advisory Committee (FPP) meetings have up to 135 attendees*

*Finance Listserv includes approximately 1100 individuals*

# Proposed rules address 8 issues for SBE consideration

---

1. Refinement of at-risk counts – ***New Language in August***
2. Census block data collection - ***New Language in August***
3. Questions related to private school pupils
4. Supplemental online clarification
5. Technical adjustments related to SB 25-125 changes
6. Meal time standards
7. Work-based learning definition
8. Special Education funding in School Finance - ***New Item in August***
9. Proof of Residency Clarification - ***New Item in August***

# Issue #1- Addressing Corrections of At-Risk Counts

## *New Language in August*

---

Initially, the proposal **was to delete** the following rule to align all eligibility statuses to reflect one year carry forward:

6.02(4) For a district with a school or schools operating under a federal Special Assistance Certification and Reimbursement Alternative, documentation must include evidence of the pupil's inclusion on the district's base year count and further evidence that such pupil remains included in a Special Assistance Certification and Reimbursement Alternative site within the district's pupil enrollment. This method shall not be available if a district alters the boundaries of the participating schools.

# Issue #1- Addressing Corrections of At-Risk Counts

## *New Language in August*

---

CDE is recommending **withdrawing** the proposed rule change to remove rule 6.02(4).

- Given recent federal changes to the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, it is expected that eligibility in these programs may be significantly reduced.
  - Students removed from eligibility can still qualify through the Free and Reduced-Priced Lunch Application.
  - This is an extra step which may not be taken.
- FRL eligibility and, in turn **At-Risk eligibility, may be impacted.**

**At, this time, it does not appear appropriate to remove the historical carry-over provision.**

# Issue #2 - Census Block Data Collection

---

- [HB 25-1320](#) allows the State Board to **pause collection of student-level census block data** if it closely mirrors Free and Reduced-Price Lunch data used to identify at-risk students.
- The Board may also **restart data collection** if needed in the future.

# Issue #2 - Census Block Data Collection Concerns

---

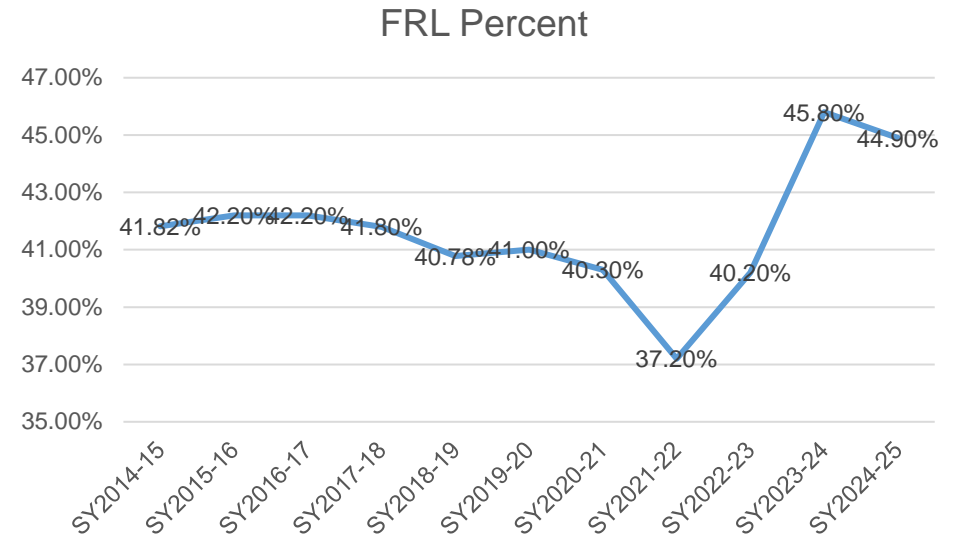
- The collection of census block data was extremely burdensome and challenging for rural and small rural districts. Districts struggled to utilize the tools provided and typically fell short of collecting the required data.
- Statewide, districts obtained data for 94.6% of students. While larger districts obtained data for almost 97% of their students, many rural and small rural districts typically acquired data for approximately 81% of their student population.

**CDE recommends board rules which pause the census block data collection given administrative burden and data collection rates.**

# Issue #2 - Census Block Data Collection Alternative

The following table shows the FRL rates overtime:

Given that the current mechanisms in place appear to be identifying at-risk students more effectively than they had previously, coupled with the significant data burden on districts, the State Board of Education voted on to support a legislative change to remove the census block requirements for identification of at-risk students.



# Issue #2 - Census Block Data Collection - *New Language in August*

---

The proposal is to **add** the following rules:

15.01 The Department of Education shall suspend the collection of data pursuant to Section 22-54-104.6(1.5) if the Department determines that the data indicates that the student population identified through the census block data collection is substantially similar to the at-risk student population identified through Rule 6.01 and 6.02.

15.01(1) The Department shall consider census block data collection rates and administrative burden when making the determination whether to suspend the data collection.

15.02 The Department of Education shall re-start the census block data collection after suspension of this data collection if the Department determines the at-risk student population identified through Rule 6.01 and 6.02 no longer provides a reasonable measure for identifying students who are at-risk of below-average academic performance because of socioeconomic disadvantages or poverty.

# Issue #3 - Questions Related to Private School Pupils

---

While [current rules](#) prohibit funding students receiving instruction in **tuition-based private schools**, questions have emerged about **contracted services and homeschool enrichment models**.

- **Not Eligible:** If parents pay private school tuition and the district provides services via contract, students **cannot** be counted for funding.
- **Potentially Eligible:** If parents **enroll directly with the district** for classes (even if held at a private site), students **may** be eligible for part-time funding—if **instruction is separate** from the private school’s tuition-based curriculum and **the district has placed the students in that program**. The program should be **available to all members of the community**, not just the private school students.

**CDE has provided guidance to distinguish allowable funding models from ineligible private arrangements. Rule changes may help provide additional clarification.**

# Issue #3 - Proposed Change to Private School Pupils

---

The proposal is to change the following rule:

1.14 “Private school pupil” means a pupil enrolled in an independent or parochial school which provides a basic academic education pursuant to Section 22-33-104(2)(b), C.R.S. and who **has is** also **been** enrolled **by a parent or guardian** and receiving instruction part-time from a Colorado public school.

# Issue #4 - Supplemental Online Clarification

---

- [Current rules](#) require students enrolled in brick-and-mortar schools taking only **off-site online K–12 courses** to be enrolled in an official online program.
- CDE [guidance](#) for FY 2024–25 clarified that this **does not apply** to **homebound, expelled, or incarcerated students**.
- These students can take **supplemental online courses** without needing to be enrolled full-time in an online program.

**CDE recommends updating the rule to include this clarification.**

# Issue #4 - Supplemental Online Clarification (continued)

---

The proposal is to change the following rule:

5.09 Pupils exclusively enrolled in online K-12 courses that take place off-site, but are not enrolled in an online school, must be enrolled in an online program. A student is not exclusively enrolled in online K-12 courses if they have at least one course scheduled to take place on-site, in-person, at a regularly scheduled time during regular school hours and where attendance is mandatory.

**5.09(1) Exception: Home-bound pupils, including expelled and incarcerated pupils, as defined in section 1.09, do not need to be enrolled in an online program.**

## Issue #5 - Technical adjustments related SB 25-125 changes

---

SB 25-215 struck rule 3.04. The proposal is to make corresponding adjustments:

3.05 In no instance shall a district solicit pupils from other districts for the sole purpose of attendance **for the applicable pupil enrollment count date during the applicable count period.**

3.06 In no instance shall a district solicit pupils from the home school population solely for purposes of attendance **for the applicable pupil enrollment count date during the applicable count period.**

# Issue #6 - Meal Time

---

- [Current rules](#) exclude lunch from instructional time.
- CDE has received **questions** about required lunch durations for students. Additionally, instances have been identified during audits where students are scheduled for 6 continual hours of instruction with no break to reach the minimum 90 hours needed for part-time funding. In these instances, either:
  - Students are getting no lunch - which is not healthy, or
  - Students are getting a lunch, losing out on instructional time, and are not actually meeting the minimum 90 hour requirement for part-time funding
- Currently, there is no law or rule mandating a minimum lunch period in Colorado. While School Finance rules exclude lunch from instructional time, they leave meal break decisions to districts.

**CDE recommends setting minimum lunch break expectations in rule to support student well-being and consistent funding criteria.**

# Issue #6 - Meal Time Guidance Provided by CDE

---

- There is considerable research supporting the benefits to student learning when students have access to healthy meals. Therefore, districts should ensure appropriate meal breaks are implemented for students in all educational settings offered by the district.
- Employment requirements may also be a model for districts (e.g. 30-minute meal break for 5 hours and 10-minute rest break for every 4 hours).
- [Form AUD108](#) requires contracted services to be “of comparable quality and meet the same requirements and standards” at school/district (e.g. contractors should match typical lunch period at district school).

# Issue #6 - Potential Rules Changes related to Meal Time

---

The proposal is to change the following rule:

2.05(1)(c)(II) Time provided for breakfast or lunch may not be included as instructional time for purposes of determining funding eligibility.

**2.05(1)(c)(II)(i) A lunch break of at least 20 minutes must be provided to students scheduled for more than five hours of daily instruction.**

## Issue #7 - Work Based Learning Definition

---

- [Current rules](#) provide examples of work-based learning that can be included in instructional time for school finance funding.
- This year's legislation on Postsecondary & Workforce Readiness Programs ([SB25-315](#)) includes a definition of work based learning.

**CDE recommends updating the rules to match the statutory definition of work-based learning.**

# Issue #7 - Work Based Learning Definition (continued)

---

The proposal is to change the following rule:

1.01 “Alternative teacher-pupil instruction” means the organized delivery of educational content (aligned to state standards where applicable) for pupils enrolled in a brick-and-mortar public school under the supervision of a licensed educator that may take place asynchronously. The following types of courses with alternative teacher-pupil instruction can be funded with appropriate documentation: independent study, work-based learning (**demonstrating learning through work or at work, consistent with the work-based learning quality expectations established pursuant to section 8-83-602 (5), such as work-study**, internships, apprenticeships, **supervised entrepreneurship experiences**), blended learning, and supplemental online learning.

1.01(1) Work-based learning courses are credit-bearing courses that must be incorporated within the student’s Individual Career and Academic Plan (ICAP) in order to qualify for funding. They are learning opportunities that occur in part or in whole in the workplace and provide the learner with hands-on, real-world experience **and training for skills development**.

# Issue #7 – Impact of Updated WBL Definition

---

In many instances, WBL courses are included in students' schedules based upon part-time jobs. Part-time jobs appear to meet the statutory definition in Section 8-83-601, C.R.S., specifically "...learning that occurs, in whole or in part, in the workplace that provides...hands-on, real-world experience and training for skills development".

The following activities would not meet the statutory definitions: career coaching, counseling, and planning, career fairs, career presentations, externships, industry speakers, informational interviews, job shadowing, mentoring, project-based learning, and worksite tours.

Thus, the new definition should not have an impact on WBL courses that can be included for funding.

## Issue #8 – Special Education Counts - *New Item in August*

---

The New Public School Finance Formula created in [HB 24-1448](#) includes a new factor: District Special Education Funding.

This funding is based upon the District's Special Education Pupil enrollment.

Special Education pupils are defined as the number of district pupils who are children with disabilities as defined in Section 22-20-103(5), C.R.S.

**CDE recommends adding rules to implement this new funding.**

## Issue #8 – Special Education Rule Language - *New Item in August*

---

The proposal is to add the following rule:

6.04 Consistent with Section 22-54-103(10)(a)(II)(10.8), C.R.S., funding eligible pupils are considered Special Education Pupils if they are identified as Special Education based upon a reported primary disability as defined in Section 22-20-103(5), C.R.S.

6.04(1) Special Education Pupils must be identified by a district with an active Individualized Education Plan (IEP) as of the applicable count date in order to be included in the District's Special Education Pupil Count.

## Issue #8 –Rationale for Student October - **NEW ITEM**

---

CDE has received questions on Student October as the source of data on special education pupils. CDE evaluated using December Count and determined that it is not feasible to use December Count for several reasons.

- Timing: December Count collection is not completed until February. The Mid-Year Supplemental True Up Budget Request must be submitted by January 15<sup>th</sup>.
- Inherent Linkage of Special Education Pupils and Pupil Enrollment: Students must first be eligible for PPR given At-Risk, ELL, and SPED factor funding are additional funding to the “regular” school finance funding.
- Reporting Entity: December Count data is from Administrative Units. Since School Finance is funded at the district level, it is important that the student data is provided directly by school districts, not through an AU.

## Issue #9 – Proof of Residency Clarification - *New Item in August*

---

CDE is recommending a technical rule clarification, consistent with historical guidance. The proposal is to change the following rule:

5.07 For pupils exclusively enrolled in alternative teacher-pupil instruction or any pupil that has a schedule that does not require the pupil's regular physical presence at ~~a the~~ public school, **program or contracted service provider at a location in Colorado**, the district must verify and document student residency in the State of Colorado upon enrollment and annually thereafter.