

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-0852.01 Brita Darling x2241

HOUSE BILL 21-1325

HOUSE SPONSORSHIP

McCluskie and Herod, Garnett, Esgar, McLachlan, Amabile, Bacon, Benavidez, Bernett, Bird, Bockenfeld, Caraveo, Cutter, Exum, Froelich, Gonzales-Gutierrez, Jodeh, Kennedy, McCormick, Michaelson Jenet, Mullica, Ortiz, Roberts, Snyder, Titone, Valdez D., Young

SENATE SPONSORSHIP

Zenzinger and Rankin, Lundeen

House Committees

Education
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING ESTABLISHING A SCHOOL FINANCE LEGISLATIVE INTERIM**
102 **COMMITTEE TO CONSIDER CHANGES TO THE METHOD FOR**
103 **FUNDING PUBLIC SCHOOLS TO IMPROVE STUDENT**
104 **ACHIEVEMENT, AND, IN CONNECTION THEREWITH, MAKING AN**
105 **APPROPRIATION.**

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

The bill makes the following changes to the "Public School Finance Act of 1994" (school finance formula), commencing with the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
June 7, 2021

HOUSE
3rd Reading Unamended
June 4, 2021

HOUSE
Amended 2nd Reading
June 3, 2021

2021-22 budget year:

- Modifies at-risk funding by adding pupils who are eligible for reduced-price lunch under the federal school lunch program, in addition to the free-lunch pupils in the existing definition, and removing from the definition of "at-risk pupils" the subset of English language learners who are currently included in the at-risk pupil count;
- Adds a new English language learner funding factor to the school finance formula for all English language learners included in the prior year's pupil enrollment. The factor is 8% of per pupil funding multiplied by the English language learner enrollment, as defined in the bill.
- Makes corresponding changes to the calculation of district total program funding, minimum per pupil funding, and the minimum per pupil funding base to reflect the school finance formula changes relating to English language learner factor funding; and
- Makes a corresponding change to the statutory district total program amount to reflect the changes to the at-risk funding factor and the addition of the English language learner funding factor.

The bill includes the general assembly's finding that state education fund money may be used for the school finance formula changes in the bill.

Beginning in the 2022-23 budget year, the bill directs the department of education to calculate an override mill match amount for distribution to each school district that is levying 27 mills for total program and that would have to levy more than 30 mills to reach the maximum amount of mill levy override revenue permitted by law. The bill specifies a formula for calculating the amount of the distributions. The bill creates the mill levy override match fund (fund) and the actual mill match amount distributed to school districts is subject to annual appropriations to the fund. A school district must distribute a portion of the override mill match amount that it receives to the charter schools of the school district in the same way it distributes mill levy override revenue.

The bill creates the legislative interim committee on school finance (interim committee). The interim committee will meet during the 2021 and the 2022 legislative interims. The committee consists of 4 senators and 4 representatives with equal representation from each party. The bill specifies the issues the interim committee must consider.

The interim committee will contract with a qualified third-party vendor to study approaches to better measure student economic disadvantage in Colorado in addition to or in lieu of using eligibility for the federal school lunch program as a proxy for at-risk students.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 20 to article
3 2 of title 2 as follows:

4 **PART 20**

5 **LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE**

6 **2-2-2001. Legislative interim committee on school finance -**
7 **creation.** (1) NOTWITHSTANDING SECTION 2-3-303.3, THERE IS CREATED
8 THE LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE, REFERRED TO
9 IN THIS PART 20 AS THE "INTERIM COMMITTEE", TO STUDY THE ISSUES
10 DESCRIBED IN SECTION 2-2-2002 AND CONSIDER CHANGES TO THE "PUBLIC
11 SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF TITLE 22. IN ADDITION TO
12 MEETING DURING THE 2021 AND 2022 LEGISLATIVE INTERIMS, THE
13 INTERIM COMMITTEE MAY MEET DURING THE 2022 AND 2023 LEGISLATIVE
14 SESSIONS TO APPROVE LEGISLATION. THE INTERIM COMMITTEE CONSISTS
15 OF:

16 (a) FOUR MEMBERS OF THE SENATE, WITH TWO MEMBERS
17 APPOINTED BY THE PRESIDENT OF THE SENATE AND TWO MEMBERS
18 APPOINTED BY THE MINORITY LEADER OF THE SENATE; AND

19 (b) FOUR MEMBERS OF THE HOUSE OF REPRESENTATIVES, WITH
20 TWO MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF
21 REPRESENTATIVES AND TWO MEMBERS APPOINTED BY THE MINORITY
22 LEADER OF THE HOUSE OF REPRESENTATIVES.

23 (2) (a) THE APPOINTING AUTHORITIES SHALL APPOINT THE
24 MEMBERS OF THE INTERIM COMMITTEE AS SOON AS POSSIBLE AFTER THE
25 EFFECTIVE DATE OF THIS PART 20 BUT NOT LATER THAN THIRTY DAYS
26 AFTER THE EFFECTIVE DATE OF THIS PART 20. THE APPOINTING

1 AUTHORITIES SHALL, TO THE EXTENT PRACTICABLE, ENSURE THAT THE
2 MEMBERS OF THE INTERIM COMMITTEE REPRESENT SCHOOL DISTRICTS IN
3 ALL AREAS OF THE STATE, INCLUDING URBAN, SUBURBAN, AND RURAL
4 SCHOOL DISTRICTS, SCHOOL DISTRICTS WITH VARYING STUDENT
5 DEMOGRAPHICS, AND SCHOOL DISTRICTS OF VARYING WEALTH IN
6 PROPERTY VALUATION AND LOCAL REVENUE. IF A VACANCY ARISES ON
7 THE INTERIM COMMITTEE, THE APPROPRIATE APPOINTING AUTHORITY
8 SHALL APPOINT A MEMBER TO FILL THE VACANCY AS SOON AS POSSIBLE.

9 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
10 APPOINT THE CHAIR OF THE INTERIM COMMITTEE FOR THE TWO-YEAR TERM
11 OF THE INTERIM COMMITTEE, AND THE MINORITY LEADER OF THE SENATE
12 SHALL APPOINT THE VICE-CHAIR OF THE INTERIM COMMITTEE FOR THE
13 TWO-YEAR TERM OF THE INTERIM COMMITTEE. IN THE CASE OF A TIE VOTE,
14 THE CHAIR OF THE INTERIM COMMITTEE SHALL CAST AN ADDITIONAL
15 DECIDING VOTE.

16 (3) THE CHAIR OF THE INTERIM COMMITTEE SHALL SCHEDULE THE
17 FIRST MEETING OF THE INTERIM COMMITTEE TO BE HELD NOT LATER THAN
18 SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS PART 20. THE INTERIM
19 COMMITTEE MAY MEET UP TO FIVE TIMES DURING EACH INTERIM IN
20 ADDITION TO ANY MEETINGS HELD DURING THE 2022 OR 2023 LEGISLATIVE
21 SESSIONS.

22 (4) THE CHAIR AND VICE-CHAIR OF THE INTERIM COMMITTEE MAY
23 APPOINT SUBCOMMITTEES. A SUBCOMMITTEE MAY INCLUDE MEMBERS OF
24 THE INTERIM COMMITTEE AND PERSONS WITH TECHNICAL EXPERTISE IN
25 SCHOOL FINANCE. MEMBERS OF A SUBCOMMITTEE SERVE WITHOUT
26 COMPENSATION AND WITHOUT REIMBURSEMENT FOR EXPENSES.

27 (5) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL

1 AND THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL
2 PROVIDE STAFF ASSISTANCE TO THE INTERIM COMMITTEE.

3 (6) THE INTERIM COMMITTEE MAY INTRODUCE UP TO A TOTAL OF
4 FIVE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS IN EACH
5 OF THE 2022 AND 2023 LEGISLATIVE SESSIONS. BILLS THAT THE INTERIM
6 COMMITTEE INTRODUCES ARE EXEMPT FROM THE FIVE-BILL LIMITATION
7 SPECIFIED IN RULE 24 (b)(1)(A) OF THE JOINT RULES OF THE SENATE AND
8 THE HOUSE OF REPRESENTATIVES. JOINT RESOLUTIONS AND CONCURRENT
9 RESOLUTIONS THAT THE INTERIM COMMITTEE INTRODUCES ARE EXEMPT
10 FROM THE LIMITATIONS SET OUT IN RULE 26 (g) OF THE RULES OF THE
11 HOUSE OF REPRESENTATIVES AND RULE 30 (f) OF THE RULES OF THE
12 SENATE. THE INTERIM COMMITTEE IS EXEMPT FROM THE REQUIREMENT TO
13 REPORT BILLS OR OTHER MEASURES TO THE LEGISLATIVE COUNCIL AS
14 SPECIFIED IN RULE 24 (b)(1)(D) AND RULE 24A (d)(8) OF THE JOINT RULES
15 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND IN SECTION
16 2-3-303 (1)(f). THE INTERIM COMMITTEE IS SUBJECT TO RULE 24A OF THE
17 JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES, EXCEPT TO
18 THE EXTENT THAT THE RULE MAY CONFLICT WITH THIS PART 20. THE
19 INTERIM COMMITTEE MAY MEET DURING THE 2022 AND 2023 LEGISLATIVE
20 SESSIONS TO APPROVE LEGISLATION. BILLS RECOMMENDED BY THE
21 INTERIM COMMITTEE MUST BE INTRODUCED BY THE INTRODUCTION
22 DEADLINE FOR HOUSE BILLS SPECIFIED IN RULE 23 (a)(1) OF THE JOINT
23 RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES. THE CHAIR AND
24 VICE-CHAIR SHALL JOINTLY ESTABLISH THE LAST DATE FOR THE SINGLE
25 MEETING AT WHICH THE INTERIM COMMITTEE MAY APPROVE BILL
26 REQUESTS, THE LAST DATE BY WHICH INTERIM COMMITTEE MEMBERS MUST
27 FINALIZE BILL DRAFTS OR BY WHICH BILL DRAFTS WILL BE DEEMED

1 FINALIZED FOR FISCAL NOTE PURPOSES, AND THE LAST DATE BY WHICH THE
2 INTERIM COMMITTEE WILL CONSIDER AND TAKE FINAL ACTION ON BILL
3 DRAFTS.

4 (7) THE INTERIM COMMITTEE SHALL USE NINETY MILLION DOLLARS
5 FROM THE STATE EDUCATION FUND, CREATED IN SECTION 17 (4) OF
6 ARTICLE IX OF THE STATE CONSTITUTION, AS NECESSARY, FOR THE
7 IMPLEMENTATION OF SCHOOL FINANCE FORMULA CHANGES.

8 (8) ALL EXPENDITURES THAT THE INTERIM COMMITTEE INCURS,
9 INCLUDING THE COST OF CONTRACTING FOR THE STUDY PURSUANT TO
10 SECTION 2-2-2003, ARE SUBJECT TO APPROVAL BY THE CHAIR OF THE
11 INTERIM COMMITTEE AND, IF APPROVED, SHALL BE PAID BY VOUCHERS AND
12 WARRANTS DRAWN AS PROVIDED BY LAW FROM APPROPRIATIONS MADE BY
13 THE GENERAL ASSEMBLY FOR THE PURPOSES OF THIS PART 20.

14 **2-2-2002. Issues to study - recommendations to general**
15 **assembly - legislative declaration.** (1) AT A MINIMUM, THE INTERIM
16 COMMITTEE SHALL STUDY THE FOLLOWING ISSUES:

17 (a) HOW TO MODERNIZE THE "PUBLIC SCHOOL FINANCE ACT OF
18 1994" TO MAKE THE SCHOOL FINANCE FORMULA MORE TRANSPARENT,
19 EQUITABLE, AND STUDENT-CENTERED;

20 (b) WHETHER THE CURRENT METHOD FOR IDENTIFYING AT-RISK
21 PUPILS IS AN APPROPRIATE, ACCURATE METHOD FOR IDENTIFYING AND
22 WEIGHTING STUDENTS WHO, BECAUSE OF THEIR LIFE CIRCUMSTANCES, ARE
23 IN GREATER NEED OF SERVICES AND SUPPORTS TO GIVE THEM
24 OPPORTUNITIES EQUAL TO THOSE OF THEIR PEERS TO ACHIEVE THEIR
25 ACADEMIC POTENTIAL, AND, IF NOT, THE APPROPRIATE METHOD FOR
26 ALLOCATING ADDITIONAL RESOURCES TO THOSE PUPILS, WHICH METHOD
27 MAY BE INFORMED BY THE POVERTY STUDY COMMISSIONED PURSUANT TO

1 SECTION 2-2-2003;

2 (c) WHETHER TO REDESIGN THE ALLOCATION OF FUNDING IN THE
3 SCHOOL FINANCE FORMULA FOR SCHOOL DISTRICT COST-OF-LIVING AND
4 PERSONNEL COSTS TO LIMIT FUNDING TO ONLY SIGNIFICANTLY HIGH-COST
5 SCHOOL DISTRICTS THROUGH THE CREATION OF A FIXED AMOUNT OF
6 ADDITIONAL PER PUPIL FUNDING FOR HIGH-COST SCHOOL DISTRICTS;

7 (d) THE APPROPRIATE METHOD TO ADDRESS SMALL, REMOTE, AND
8 RURAL SCHOOL DISTRICT FUNDING, INCLUDING WHETHER A DIFFERENT
9 WEIGHT SHOULD BE APPLIED IN THE SCHOOL FINANCE FORMULA FOR THE
10 SIZE FACTOR FOR SMALL, REMOTE SCHOOL DISTRICTS AND WHETHER TO
11 REDESIGN THE DISTRIBUTION OF RURAL SCHOOL FUNDING RECEIVED
12 PURSUANT TO SECTION 22-54-142;

13 (e) ALTERNATIVE EDUCATOR SUPPORT FOR SCHOOL DISTRICTS FOR
14 TEACHING STUDENTS ENROLLED IN KINDERGARTEN THROUGH SECOND
15 GRADE; AND

16 (f) THE BENEFITS AND CHALLENGES OF INCORPORATING SPECIAL
17 EDUCATION SERVICES FUNDING INTO THE SCHOOL FINANCE FORMULA.

18 (2) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
19 DRAMATIC DIFFERENCES IN LOCAL PROPERTY WEALTH AND THE ABILITY
20 OF SOME SCHOOL DISTRICTS TO OBTAIN VOTER APPROVAL TO COLLECT
21 PROPERTY TAX REVENUE IN ADDITION TO THAT PROVIDED BY TOTAL
22 PROGRAM MILL LEVIES HAS LED TO INEQUITY IN THE AMOUNT OF FUNDING
23 AVAILABLE TO SERVE STUDENTS IN SCHOOL DISTRICTS THROUGHOUT THE
24 STATE. TO LESSEN THIS INEQUITY, IT IS APPROPRIATE TO IDENTIFY ONE OR
25 MORE METHODS BY WHICH TO SUPPORT EFFORTS BY LOW-PROPERTY
26 WEALTH DISTRICTS TO SUPPORT THE NEEDS OF THEIR STUDENTS THROUGH
27 MILL LEVY OVERRIDES FOR OPERATING PURPOSES.

1 (b) THEREFORE, IN ADDITION TO THE ISSUES SPECIFIED IN
2 SUBSECTION (1) OF THIS SECTION, THE INTERIM COMMITTEE SHALL DESIGN
3 AND RECOMMEND A PROGRAM BEGINNING IN THE 2022-23 BUDGET YEAR
4 TO SUPPORT STUDENTS BY ASSISTING LOW-PROPERTY WEALTH SCHOOL
5 DISTRICTS IN OBTAINING VOTER APPROVAL FOR ADDITIONAL MILL LEVIES
6 PURSUANT TO SECTION 22-54-108 BY PROVIDING STATE MATCHING
7 MONEY. IN DESIGNING THE PROGRAM, THE INTERIM COMMITTEE SHALL
8 CONSIDER:

9 (I) HOW TO ADDRESS OUT-OF-DISTRICT STUDENTS AND
10 MULTI-DISTRICT ONLINE PROGRAMS THAT INCREASE A SCHOOL DISTRICT'S
11 PUPIL COUNT AND TOTAL PROGRAM FUNDING BUT DO NOT CONTRIBUTE TO
12 THE COLLECTION OF PROPERTY TAXES IN THE SCHOOL DISTRICT;

13 (II) HOW THE MIX OF RESIDENTIAL AND NON-RESIDENTIAL
14 PROPERTY DIRECTLY AFFECTS ASSESSED VALUES AND THE AMOUNT OF
15 PROPERTY TAX REVENUE COLLECTED IN THE SCHOOL DISTRICT DUE TO
16 DIFFERENCES IN THE ASSESSMENT RATES;

17 (III) THE DISTRICT MILL LEVY CAPACITY THRESHOLD AT WHICH
18 SCHOOL DISTRICTS WOULD BECOME ELIGIBLE FOR STATE MONEY TO MATCH
19 MILL LEVY OVERRIDES AND HOW THE THRESHOLD WILL IMPACT THE
20 NUMBER OF ELIGIBLE SCHOOL DISTRICTS;

21 (IV) THE APPROPRIATE NUMBER OF MILLS A SCHOOL DISTRICT
22 SHOULD BE LEVYING FOR TOTAL PROGRAM TO BE ELIGIBLE FOR THE
23 PROGRAM;

24 (V) THE APPROPRIATE MANNER IN WHICH TO CONSIDER INSTITUTE
25 CHARTER SCHOOLS LOCATED IN SCHOOL DISTRICTS PARTICIPATING IN THE
26 PROGRAM; AND

27 (VI) ANY OTHER RELEVANT CONSIDERATIONS, AS DETERMINED BY

1 THE INTERIM COMMITTEE.

2 (c) THE INTERIM COMMITTEE MAY INTRODUCE LEGISLATION
3 PURSUANT TO SECTION 2-2-2001 TO IMPLEMENT THE PROGRAM DESIGNED
4 AND RECOMMENDED BY THE INTERIM COMMITTEE PURSUANT TO THIS
5 SUBSECTION (2).

6 (3) BASED ON THE STUDY OF ISSUES DESCRIBED IN THIS SECTION,
7 THE INTERIM COMMITTEE MAY MAKE LEGISLATIVE RECOMMENDATIONS TO
8 THE GENERAL ASSEMBLY ADDRESSING HOW TO MOST ACCURATELY MEET
9 THE EDUCATIONAL NEEDS OF INDIVIDUAL STUDENTS THROUGH THE
10 FUNDING OF EDUCATION IN COLORADO.

11 **2-2-2003. Poverty study - contract - report - legislative**
12 **declaration - repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND
13 DECLARES THAT:

14 (I) FREE AND REDUCED-PRICE LUNCH ELIGIBILITY FOR THE
15 FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42
16 U.S.C. SEC. 1751 ET SEQ., IS A MEASURE BY WHICH SCHOOL DISTRICTS
17 RECEIVE ADDITIONAL FUNDING THROUGH THE AT-RISK FACTOR IN THE
18 SCHOOL FINANCE FORMULA;

19 (II) WHILE MANY STATES PROVIDE ADDITIONAL FUNDING BASED
20 ON REDUCED-PRICE LUNCH ELIGIBILITY, IN COLORADO, AT-RISK FUNDING
21 HAS TRADITIONALLY BEEN ALLOCATED ONLY FOR STUDENTS WHO ARE
22 ELIGIBLE FOR FREE LUNCH;

23 (III) THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL
24 LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., WAS DESIGNED AS AN
25 ANTI-HUNGER PROGRAM, NOT AS A SINGLE PROXY FOR CAPTURING
26 STUDENT NEED. ECONOMIC DISADVANTAGE IS COMPLEX AND IS AFFECTED
27 BY MANY FACTORS BEYOND INCOME, INCLUDING WEALTH, LOCAL COST OF

1 LIVING, AND FLUCTUATING HOUSEHOLD EXPENSES.

2 (IV) IN THE LONG TERM, COLORADO'S RELIANCE ON FREE LUNCH
3 ELIGIBILITY AS THE SINGULAR POVERTY PROXY FOR SCHOOL FINANCE
4 PURPOSES IS INACCURATE AND UNSUSTAINABLE, AND SERVES AS A
5 BARRIER TO DELIVERING ESSENTIAL RESOURCES TO STUDENTS WHO NEED
6 THEM;

7 (V) FREE LUNCH ELIGIBILITY IS A BINARY MEASURE BY WHICH A
8 STUDENT IS CONSIDERED ECONOMICALLY DISADVANTAGED OR NOT AND
9 FAILS TO ACCOUNT FOR VARYING LEVELS OF POVERTY AND THE
10 CORRESPONDING LEVELS OF NEED THAT EXIST AMONG STUDENT
11 POPULATIONS;

12 (VI) THE RECENT CHANGES TO FEDERAL POLICY THAT ALLOW ALL
13 STUDENTS TO RECEIVE A FREE LUNCH WITHOUT SUBMITTING AN INCOME
14 ELIGIBILITY FORM NEGATIVELY IMPACTED COLORADO'S AT-RISK PUPIL
15 COUNT IN THE 2020-21 SCHOOL YEAR AND WILL CONTINUE TO DO SO IN
16 THE 2021-22 SCHOOL YEAR, WHICH MAY RESULT IN ANOTHER
17 UNDERCOUNT AND UNDERESTIMATION OF RESOURCES NEEDED TO SERVE
18 ECONOMICALLY DISADVANTAGED STUDENTS;

19 (VII) ADDITIONALLY, DURING THE COVID-19 PANDEMIC,
20 COLORADO'S DECENTRALIZED METHOD OF COLLECTING INCOME
21 ELIGIBILITY DATA CREATED BARRIERS TO REACHING FAMILIES WHO WERE
22 ELIGIBLE FOR PANDEMIC ELECTRONIC BENEFIT TRANSFER PAYMENTS,
23 RESULTING IN FEWER THAN HALF OF THE ELIGIBLE CHILDREN RECEIVING
24 THE BENEFIT;

25 (VIII) DUE TO THE CONTINUED USE OF THE MISALIGNED PROXY
26 FOR DETERMINING STUDENT NEED AND THE CONTINUED
27 UNDERESTIMATION OF ECONOMIC DISADVANTAGE, COLORADO STUDENTS

1 WHO WOULD BENEFIT THE MOST FROM ADDITIONAL SUPPORT ARE GOING
2 WITHOUT IT; AND

3 (IX) STATE POLICY CAN MORE ACCURATELY ACCOUNT FOR AND
4 RESPOND TO STUDENTS' ECONOMIC CIRCUMSTANCES. OTHER STATES HAVE
5 MOVED AWAY FROM RELYING ON ONE SELF-REPORTED MEASURE, SUCH AS
6 FREE AND REDUCED-PRICE LUNCH ELIGIBILITY, TOWARD AN INDEX OF
7 MEASURES OF NEED THAT AUTOMATICALLY QUALIFY STUDENTS FOR
8 SCHOOL MEALS OR FOR ADDITIONAL FUNDING THROUGH THE SCHOOL
9 FINANCE FORMULA.

10 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
11 STUDYING METHODS TO IDENTIFY ECONOMIC DISADVANTAGE AMONG
12 STUDENTS PRECISELY AND HOLISTICALLY IS AN IMPORTANT AND
13 NECESSARY GOAL IN PROVIDING PUBLIC SCHOOLS WITH THE RESOURCES
14 NECESSARY TO ENABLE ALL STUDENTS TO ACHIEVE ACADEMIC SUCCESS.

15 (2) (a) TO UNDERSTAND ALTERNATIVE APPROACHES TO BETTER
16 IDENTIFY ECONOMIC DISADVANTAGE AMONG STUDENTS, THE INTERIM
17 COMMITTEE, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL CONTRACT
18 WITH A THIRD-PARTY VENDOR TO COMPLETE A STUDY TO ANALYZE
19 VARIOUS METHODS OF MEASURING STUDENT ECONOMIC DISADVANTAGE
20 AND THE NECESSARY DATA AND SYSTEMS ALIGNMENT THAT WOULD BE
21 NEEDED TO INCORPORATE THOSE MEASURES INTO THE STATE'S SCHOOL
22 FINANCE FORMULA.

23 (b) THE INTERIM COMMITTEE SHALL ISSUE A REQUEST FOR
24 PROPOSALS FOR QUALIFIED THIRD-PARTY VENDORS TO COMPLETE THE
25 POVERTY STUDY DESCRIBED IN THIS SECTION. BY SEPTEMBER 1, 2021, THE
26 INTERIM COMMITTEE SHALL CONTRACT WITH A VENDOR THAT HAS
27 EXPERTISE OR DEMONSTRATED EXPERIENCE ASSISTING STATES IN

1 EXAMINING MEASURES OF ECONOMIC DISADVANTAGE FOR PURPOSES OF
2 SCHOOL FUNDING. THE CHAIR OF THE INTERIM COMMITTEE, IN
3 CONSULTATION WITH THE INTERIM COMMITTEE MEMBERS AND THE
4 DEPARTMENT OF EDUCATION, SHALL SELECT THE THIRD-PARTY VENDOR TO
5 COMPLETE THE POVERTY STUDY.

6 (3) APPROACHES FOR ANALYZING OR IDENTIFYING STUDENT
7 ECONOMIC DISADVANTAGE AS PART OF THE STUDY MAY INCLUDE BUT ARE
8 NOT LIMITED TO:

9 (a) DIRECT CERTIFICATION;

10 (b) DIRECT CERTIFICATION WITH THE INCLUSION OF MEDICAID;

11 (c) FREE AND REDUCED-PRICE LUNCH ELIGIBILITY WITH HYBRID
12 APPROACHES;

13 (d) ECONOMIC DISADVANTAGE MEASURES AT THE CENSUS BLOCK
14 GROUP LEVEL; AND

15 (e) OTHER MORE ACCURATE APPROACHES TAKEN BY STATES TO
16 MEASURE STUDENT ECONOMIC DISADVANTAGE.

17 (4) FOR EACH APPROACH, THE ANALYSIS MUST INCLUDE:

18 (a) THE AVAILABILITY OF DATA BY SCHOOL DISTRICT, CENSUS
19 BLOCK GROUP, OR OTHER RELEVANT GEOGRAPHIC BOUNDARIES;

20 (b) THE DISTRIBUTIONAL EFFECTS FOR SCHOOL DISTRICT SHARES
21 OF THE STATE COUNT OF LOW-INCOME STUDENTS;

22 (c) BARRIERS TO ACCESSING DATA, INCLUDING INFORMATION
23 TECHNOLOGY AND DATA-SHARING LIMITATIONS AMONG AGENCIES THAT
24 MAY USE THE DATA;

25 (d) THE APPROACH'S POTENTIAL TO MEET IMPORTANT PRINCIPLES
26 AND POLICY OBJECTIVES, INCLUDING:

27 (I) ENSURING THE MOST ACCURATE COUNT POSSIBLE OF STUDENTS

1 EXPERIENCING ECONOMIC DISADVANTAGE;

2 (II) MAINTAINING AN INDIVIDUAL STUDENT INDICATOR OF

3 ECONOMIC DISADVANTAGE;

4 (III) DIFFERENTIATING AMONG LEVELS OF ECONOMIC

5 DISADVANTAGE;

6 (IV) DECREASING THE ADMINISTRATIVE BURDEN ON SCHOOLS AND

7 SCHOOL DISTRICTS TO COLLECT DATA AND THE BURDEN ON STUDENTS AND

8 FAMILIES TO PROVE ELIGIBILITY;

9 (V) ALLOWING FOR COLORADO'S LONG-TERM ABILITY TO IDENTIFY

10 LONGITUDINAL STUDENT ACHIEVEMENT TRENDS;

11 (VI) ALLOWING FOR COORDINATION ACROSS AGENCIES AND THEIR

12 USE OF INDICATORS OF ECONOMIC DISADVANTAGE FOR PUBLIC PROGRAM

13 ELIGIBILITY;

14 (VII) ENSURING STUDENT PRIVACY AND CONFIDENTIALITY OF

15 STUDENT RECORDS; AND

16 (VIII) ENSURING THAT THE APPROACH IS INCLUSIVE OF ALL

17 STUDENTS, INCLUDING THOSE WHO ARE HOMELESS OR WHO LACK

18 DOCUMENTATION.

19 (5) THE STUDY MUST ALSO DETERMINE THE ESTIMATED COSTS OF

20 LINKING DATA ACROSS SYSTEMS THAT ARE MAINTAINED BY DIFFERENT

21 AGENCIES, FOR EXAMPLE, THE COST OF SYSTEM CHANGES OR UPGRADES

22 THAT WOULD BE NEEDED TO MATCH STUDENT RECORDS WITH THE

23 RECORDS OF OTHER ASSISTANCE PROGRAMS IN WHICH STUDENTS ARE

24 ENROLLED.

25 (6) WHILE COLORADO CONTINUES TO USE FREE AND

26 REDUCED-PRICE LUNCH ELIGIBILITY AS A POVERTY INDICATOR BECAUSE OF

27 FEDERAL PROGRAM REQUIREMENTS, THE STUDY MUST ANALYZE BENEFITS

1 AND DRAWBACKS OF MAKING THE ELIGIBILITY FORM SECURE AND
2 ACCESSIBLE ONLINE FOR FAMILIES.

3 (7) NOT LATER THAN JANUARY 1, 2022, THE THIRD-PARTY VENDOR
4 SELECTED PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL PROVIDE
5 THE COMPLETED POVERTY STUDY OF THE MEASURES OF ECONOMIC
6 DISADVANTAGE STUDIED AND ANALYZED PURSUANT TO THIS SECTION TO
7 THE INTERIM COMMITTEE, THE JOINT BUDGET COMMITTEE, AND THE
8 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE
9 SENATE, OR ANY SUCCESSOR COMMITTEES. THE STUDY'S ANALYSIS MUST
10 ALLOW MEMBERS OF THE GENERAL ASSEMBLY TO EVALUATE EACH
11 APPROACH, IN ISOLATION OR AS A COMBINATION OF APPROACHES,
12 ACCORDING TO THE PRINCIPLES AND POLICY OBJECTIVES SET FORTH IN
13 SUBSECTION (4)(d) OF THIS SECTION.

14 **2-2-2004. Repeal of part.** THIS PART 20 IS REPEALED, EFFECTIVE
15 JULY 1, 2023.

16 **SECTION 2. Appropriation.** (1) For the 2021-22 state fiscal
17 year, \$100,153 is appropriated to the legislative department. This
18 appropriation is from the general fund. To implement this act, the
19 department may use this appropriation as follows:

20 (a) \$9,411 for use by the general assembly;

21 (b) \$78,538 for use by the legislative council, which amount is
22 based on an assumption that the legislative council will require an
23 additional 0.3 FTE; and.

24 (c) \$12,204 for use by the office of legislative legal services,
25 which amount is based on an assumption that the office will require an
26 additional 0.2 FTE.

27 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.