BILL TOPIC: "At-risk Student Measure For School Finance"

A BILL FOR AN ACT

Concerning the creation of a new measure in the public school funding formula for identifying at-risk students, and, in connection therewith, creating a working group in the department of education to implement the new measure in a future budget year.

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/.)

Legislative Interim Committee on School Finance. The bill identifies a new at-risk measure to identify students who are at risk of...
below-average academic outcomes because of socioeconomic disadvantage or poverty in order to allocate resources through the state’s public school funding formula to serve those students. The new at-risk measure will include:

- The percentage of students certified as eligible for free meals under the school lunch program based on documentation of benefit receipt or categorical eligibility, supplemented by the expansion of direct certification to participants in the medical assistance program and the children’s basic health plan; and
- A neighborhood socioeconomic-status index that weights student needs based on socioeconomic-status index neighborhood factors linked to each student’s census block group.

The commissioner of education (commissioner) shall convene a working group to prepare for the implementation of the new at-risk measure in the 2023-24 budget year. The bill specifies the membership of the working group.

The bill includes issues that the working group may consider in constructing and implementing the new at-risk measure, including collecting necessary data, obtaining authorization for direct certification of students participating in the medical assistance program and the children’s basic health plan, constructing a neighborhood socioeconomic-status index linked to students' addresses, and testing the at-risk measure with actual student data, if available.

The commissioner shall report findings and recommendations for the construction and implementation of the new at-risk measure to the legislative interim committee on school finance, the joint budget committee, and the education committees of the general assembly.

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

SECTION 1. In Colorado Revised Statutes, add 22-54-104.6 as follows:


(1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IMPLEMENTING A NEW AT-RISK MEASURE FOR IDENTIFYING STUDENTS WHO ARE AT RISK OF BELOW-AVERAGE ACADEMIC PERFORMANCE BECAUSE OF
Socioeconomic disadvantages or poverty will benefit Colorado students by:

(I) Ensuring that public schools are able to participate in universal free meals programs and reducing the paperwork and administrative burden on public schools participating in those programs;

(II) Identifying at-risk students directly through their participation in certain public benefit programs without the need to collect forms or other verification of eligibility, which often leads to the undercounting of students in the public schools that need resources to serve these students; and

(III) Recognizing factors beyond household income that place a student at risk of below-average academic performance.

(b) Therefore, it is the intent of the general assembly to create a working group convened by the commissioner of education to determine how to construct and implement the new at-risk measure for use in the state's public school funding formula.

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

(a) "Children's basic health plan" has the same meaning as set forth in section 25.5-8-103.

(b) "Commissioner" means the commissioner of education appointed pursuant to section 1 of article IX of the state constitution.

(c) "Identified student percentage" means the percentage of a district's or institute charter school's student enrollment
WHO ARE CERTIFIED AS ELIGIBLE FOR FREE MEALS UNDER THE SCHOOL
LUNCH PROGRAM BASED ON DOCUMENTATION OF BENEFIT RECEIPT OR
CATEGORICAL ELIGIBILITY AS DESCRIBED IN 7 CFR 245.6, OR ANY
SUCCESSOR REGULATIONS.

(d) "MEDICAID" has the same meaning as "MEDICAL
ASSISTANCE" as set forth in section 25.5-4-103.

(e) "SCHOOL LUNCH PROGRAM" means the federal "RICHARD B.
RUSSELL NATIONAL SCHOOL LUNCH ACT" created in 42 U.S.C. sec.
1751, et seq.

(3) BEGINNING IN THE 2023-24 BUDGET YEAR, THERE IS CREATED
A NEW AT-RISK MEASURE IN THE PUBLIC SCHOOL FUNDING FORMULA FOR
IDENTIFYING STUDENTS WHO ARE AT RISK OF BELOW-AVERAGE ACADEMIC
OUTCOMES BECAUSE OF SOCEOECONOMIC DISADVANTAGE OR POVERTY.
THE NEW AT-RISK MEASURE REPLACES THE AT-RISK MEASURE IN EFFECT
FOR THE 2022-23 BUDGET YEAR. THE NEW AT-RISK MEASURE IS DESIGNED
TO ALLOCATE FINANCIAL RESOURCES TO PUBLIC SCHOOLS TO SERVE THE
NEEDS OF AT-RISK STUDENTS. THE NEW AT-RISK MEASURE INCLUDES:

(a) A DISTRICT’S OR INSTITUTE CHARTER SCHOOL’S IDENTIFIED
STUDENT PERCENTAGE, SUPPLEMENTED BY STUDENTS IDENTIFIED
THROUGH COLORADO’S PARTICIPATION IN THE DEMONSTRATION PROJECT
OPERATED PURSUANT TO 42 U.S.C. SEC. 1758 (b)(15) FOR DIRECT
CERTIFICATION FOR CHILDREN RECEIVING BENEFITS THROUGH MEDICAID
AND THE CHILDREN’S BASIC HEALTH PLAN; AND

(b) STUDENT NEEDS THAT ARE WEIGHTED BASED ON AT LEAST FIVE
SOCEOECONOMIC-STATUS NEIGHBORHOOD FACTORS, LINKED TO EACH
STUDENT’S CENSUS BLOCK GROUP.

(4) ON OR BEFORE AUGUST 15, 2022, THE COMMISSIONER SHALL
CONVENE A WORKING GROUP TO PREPARE FOR THE IMPLEMENTATION IN THE 2023-24 BUDGET YEAR OF THE NEW AT-RISK MEASURE CREATED IN SUBSECTION (3) OF THIS SECTION.

(5) (a) The working group consists of staff of the departments of health care policy and financing and human services, appointed by the executive directors of those departments in consultation with the commissioner, and other members appointed by the commissioner pursuant to subsection (5)(b) of this section. Each appointing authority shall appoint working group members on or before August 1, 2022.

(b) The commissioner shall appoint members to the working group to provide representation for the following groups:

(I) Staff of the Department of Education;

(II) Staff of the State Charter School Institute;

(III) District Chief Financial Officers or School Finance Directors;

(IV) Superintendents of Districts;

(V) School Principals and Directors of Charter Schools;

(VI) School Social Workers or Nurses;

(VII) Child Welfare Education Liaisons;

(VIII) The Education Data Advisory Committee created in section 22-2-304;

(IX) A statewide organization that represents educators;

(X) A statewide organization that represents school district boards of education;

(XI) A statewide advocacy group for charter schools;
(XII) An advocacy organization that represents rural districts;
(XIII) Advocacy groups for children in poverty;
(XIV) Advocacy groups working to end hunger in Colorado; and
(XV) Any other groups with relevant qualifications or expertise.

(6) In appointing members to the working group, the commissioner shall ensure, to the extent practicable, that the membership reflects the geographic diversity of the state, including members from rural, urban, and suburban districts and charter schools, as well as large and small districts. The commissioner shall also ensure representation from districts that serve a high number of at-risk students under the current school funding formula.

(7) The commissioner, or a member appointed by the commissioner, shall serve as chair of the working group. Members of the working group serve without compensation and without reimbursement for expenses.

(8) The commissioner, in consultation with the executive directors of the departments of health care policy and financing and human services, may form issue subgroups, consisting of working group members and others with relevant experience or expertise, to consider the issues addressed by the working group.

(9) The working group shall address issues concerning the construction and implementation of the new at-risk measure
1 CREATED IN SUBSECTION(3) OF THIS SECTION. AMONG OTHER
2 CONSIDERATIONS, THE CONSTRUCTION AND IMPLEMENTATION OF THE NEW
3 AT-RISK MEASURE MAY INCLUDE:
4
5 (a) COLLECTING THE NECESSARY DATA TO IMPLEMENT THE NEW
6 AT-RISK MEASURE, WHICH MAY INCLUDE CONSIDERATION OF A SURVEY OF
7 AVAILABLE DATA, THE LEVEL AT WHICH DATA IS COLLECTED, DATA
8 SHARING AND DATA LINKS, STUDENT DATA PRIVACY, AND MINIMIZING THE
9 BURDEN OF DATA COLLECTION;
10
11 (b) ACQUIRING FEDERAL AUTHORIZATION TO PARTICIPATE IN THE
12 DEMONSTRATION PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758
13 (b)(15) FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING BENEFITS
14 THROUGH MEDICAID AND THE CHILDREN’S BASIC HEALTH PLAN;
15
16 (c) DEVELOPING THE NEIGHBORHOOD SOCIOECONOMIC-STATUS
17 INDEX, INCLUDING THE DETERMINATION OF FIVE OR MORE INDEX FACTORS,
18 WHICH MAY INCLUDE MEDIAN HOUSEHOLD INCOME, HOMEOWNERSHIP
19 RATE, THE PERCENTAGE OF ADULTS TWENTY-FIVE YEARS OF AGE OR OLDER
20 WITH A BACHELOR’S DEGREE OR HIGHER, THE PERCENTAGE OF CHILDREN
21 WHO ARE FOSTERED OR RAISED BY A NONPARENTAL RELATIVE, OR THE
22 PERCENTAGE OF HOUSEHOLDS WHERE A NON-ENGLISH LANGUAGE IS
23 SPOKEN.
24
25 (d) ONCE CENSUS BLOCKS ARE ASSIGNED A
26 SOCIOECONOMIC-STATUS INDEX VALUE, DETERMINING HOW A STUDENT’S
27 NEIGHBORHOOD SOCIOECONOMIC-STATUS INDEX VALUE SHOULD BE
28 INCORPORATED INTO THE AT-RISK MEASURE AND HOW IT WILL IMPACT
29 STUDENTS IDENTIFIED AS PART OF THE DISTRICT’S OR INSTITUTE CHARTER
30 SCHOOL’S IDENTIFIED STUDENT PERCENTAGE;
31
32 (e) DETERMINING THE COMPOSITION OF AT-RISK FACTOR FUNDING
BASED ON THE IDENTIFICATION OF STUDENTS THROUGH THE NEW AT-RISK MEASURE AND ENSURING THAT AT-RISK FACTOR FUNDING IS EQUITABLY DISTRIBUTED TO IMPROVE ACADEMIC OUTCOMES FOR IDENTIFIED STUDENTS;

(f) DETERMINING HOW DISTRICTS AND INSTITUTE CHARTER SCHOOLS WILL DEMONSTRATE THAT AT-RISK FUNDING IS BEING EXPENDED TO SERVE STUDENTS IDENTIFIED THROUGH THE NEW AT-RISK MEASURE AND RESULTING AT-RISK FACTOR FUNDING;

(g) DETERMINING THE PROCESS FOR IDENTIFYING STUDENTS DURING THE FIRST YEAR OF IMPLEMENTATION AND THE DESIGN AND LENGTH OF A HOLD-HARMLESS PROVISION FOR DISTRICTS AND CHARTER SCHOOLS;

(h) CONDUCTING PRE-IMPLEMENTATION MODELING AND TESTING USING ACTUAL STUDENT DATA FOR EACH DISTRICT AND CHARTER SCHOOL, IF AVAILABLE;

(i) CONSIDERING THE IMPACT OF THE NEW AT-RISK MEASURE ON OTHER PROGRAMS THAT RELY ON OR REFERENCE THE IDENTIFICATION OF AT-RISK STUDENTS PURSUANT TO THIS ARTICLE 54; AND

(j) ANY OTHER ISSUES DEEMED RELEVANT BY THE COMMISSIONER.

(10) NOT LATER THAN JANUARY 31, 2023, THE COMMISSIONER SHALL SUBMIT A REPORT TO THE LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE, THE JOINT BUDGET COMMITTEE, AND THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, INCLUDING:

(a) A SUMMARY OF THE PROGRESS OF THE WORKING GROUP IN RESOLVING ISSUES CONCERNING THE COMPOSITION AND IMPLEMENTATION OF THE NEW AT-RISK MEASURE AND AT-RISK FACTOR FUNDING;
(b) **Findings and Recommendations of the Working Group** for implementation of the new AT-risk measure for the 2023-24 budget year, including recommendations for any legislation necessary to implement the new AT-risk measure, as well as financial resources needed to administer the new AT-risk measure;

(c) A summary of any financial modeling of the new AT-risk measure for individual districts or charter schools, if available; and

(d) An estimate of the impact of the new AT-risk measure on the cost of total program funding.

(11) This section is repealed, effective July 1, 2025.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.