

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
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BILL 1

LLS NO. 22-0403.01 Brita Darling x2241

INTERIM COMMITTEE BILL

Legislative Interim Committee on School Finance

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

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A NEW MEASURE IN THE PUBLIC**
102 **SCHOOL FUNDING FORMULA FOR IDENTIFYING AT-RISK**
103 **STUDENTS, AND, IN CONNECTION THEREWITH, CREATING A**
104 **WORKING GROUP IN THE DEPARTMENT OF EDUCATION TO**
105 **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

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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.

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

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

4 **22-54-104.6. Implementation of at-risk measure - working**
5 **group - creation - report - legislative declaration - definitions - repeal.**

6 (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
7 IMPLEMENTING A NEW AT-RISK MEASURE FOR IDENTIFYING STUDENTS WHO
8 ARE AT RISK OF BELOW-AVERAGE ACADEMIC PERFORMANCE BECAUSE OF

1 SOCIOECONOMIC DISADVANTAGES OR POVERTY WILL BENEFIT COLORADO
2 STUDENTS BY:

3 (I) ENSURING THAT PUBLIC SCHOOLS ARE ABLE TO PARTICIPATE IN
4 UNIVERSAL FREE MEALS PROGRAMS AND REDUCING THE PAPERWORK AND
5 ADMINISTRATIVE BURDEN ON PUBLIC SCHOOLS PARTICIPATING IN THOSE
6 PROGRAMS;

7 (II) IDENTIFYING AT-RISK STUDENTS DIRECTLY THROUGH THEIR
8 PARTICIPATION IN CERTAIN PUBLIC BENEFIT PROGRAMS WITHOUT THE
9 NEED TO COLLECT FORMS OR OTHER VERIFICATION OF ELIGIBILITY, WHICH
10 OFTEN LEADS TO THE UNDERCOUNTING OF STUDENTS IN THE PUBLIC
11 SCHOOLS THAT NEED RESOURCES TO SERVE THESE STUDENTS; AND

12 (III) RECOGNIZING FACTORS BEYOND HOUSEHOLD INCOME THAT
13 PLACE A STUDENT AT RISK OF BELOW-AVERAGE ACADEMIC PERFORMANCE.

14 (b) THEREFORE, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO
15 CREATE A WORKING GROUP CONVENED BY THE COMMISSIONER OF
16 EDUCATION TO DETERMINE HOW TO CONSTRUCT AND IMPLEMENT THE NEW
17 AT-RISK MEASURE FOR USE IN THE STATE'S PUBLIC SCHOOL FUNDING
18 FORMULA.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "CHILDREN'S BASIC HEALTH PLAN" HAS THE SAME MEANING AS
22 SET FORTH IN SECTION 25.5-8-103.

23 (b) "COMMISSIONER" MEANS THE COMMISSIONER OF EDUCATION
24 APPOINTED PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE
25 CONSTITUTION.

26 (c) "IDENTIFIED STUDENT PERCENTAGE" MEANS THE PERCENTAGE
27 OF A DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S STUDENT ENROLLMENT

1 WHO ARE CERTIFIED AS ELIGIBLE FOR FREE MEALS UNDER THE SCHOOL
2 LUNCH PROGRAM BASED ON DOCUMENTATION OF BENEFIT RECEIPT OR
3 CATEGORICAL ELIGIBILITY AS DESCRIBED IN 7 CFR 245.6, OR ANY
4 SUCCESSOR REGULATIONS.

5 (d) "MEDICAID" HAS THE SAME MEANING AS "MEDICAL
6 ASSISTANCE" AS SET FORTH IN SECTION 25.5-4-103.

7 (e) "SCHOOL LUNCH PROGRAM" MEANS THE FEDERAL "RICHARD B.
8 RUSSELL NATIONAL SCHOOL LUNCH ACT" CREATED IN 42 U.S.C. SEC.
9 1751, ET SEQ.

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

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

24 (b) STUDENT NEEDS THAT ARE WEIGHTED BASED ON AT LEAST FIVE
25 SOCIOECONOMIC-STATUS NEIGHBORHOOD FACTORS, LINKED TO EACH
26 STUDENT'S CENSUS BLOCK GROUP.

27 (4) ON OR BEFORE AUGUST 15, 2022, THE COMMISSIONER SHALL

1 CONVENE A WORKING GROUP TO PREPARE FOR THE IMPLEMENTATION IN
2 THE 2023-24 BUDGET YEAR OF THE NEW AT-RISK MEASURE CREATED IN
3 SUBSECTION (3) OF THIS SECTION.

4 (5) (a) THE WORKING GROUP CONSISTS OF STAFF OF THE
5 DEPARTMENTS OF HEALTH CARE POLICY AND FINANCING AND HUMAN
6 SERVICES, APPOINTED BY THE EXECUTIVE DIRECTORS OF THOSE
7 DEPARTMENTS IN CONSULTATION WITH THE COMMISSIONER, AND OTHER
8 MEMBERS APPOINTED BY THE COMMISSIONER PURSUANT TO SUBSECTION
9 (5)(b) OF THIS SECTION. EACH APPOINTING AUTHORITY SHALL APPOINT
10 WORKING GROUP MEMBERS ON OR BEFORE AUGUST 1, 2022.

11 (b) THE COMMISSIONER SHALL APPOINT MEMBERS TO THE
12 WORKING GROUP TO PROVIDE REPRESENTATION FOR THE FOLLOWING
13 GROUPS:

14 (I) STAFF OF THE DEPARTMENT OF EDUCATION;

15 (II) STAFF OF THE STATE CHARTER SCHOOL INSTITUTE;

16 (III) DISTRICT CHIEF FINANCIAL OFFICERS OR SCHOOL FINANCE
17 DIRECTORS;

18 (IV) SUPERINTENDENTS OF DISTRICTS;

19 (V) SCHOOL PRINCIPALS AND DIRECTORS OF CHARTER SCHOOLS;

20 (VI) SCHOOL SOCIAL WORKERS OR NURSES;

21 (VII) CHILD WELFARE EDUCATION LIAISONS;

22 (VIII) THE EDUCATION DATA ADVISORY COMMITTEE CREATED IN
23 SECTION 22-2-304;

24 (IX) A STATEWIDE ORGANIZATION THAT REPRESENTS EDUCATORS;

25 (X) A STATEWIDE ORGANIZATION THAT REPRESENTS SCHOOL
26 DISTRICT BOARDS OF EDUCATION;

27 (XI) A STATEWIDE ADVOCACY GROUP FOR CHARTER SCHOOLS;

1 (XII) AN ADVOCACY ORGANIZATION THAT REPRESENTS RURAL
2 DISTRICTS;

3 (XIII) ADVOCACY GROUPS FOR CHILDREN IN POVERTY;

4 (XIV) ADVOCACY GROUPS WORKING TO END HUNGER IN
5 COLORADO; AND

6 (XV) ANY OTHER GROUPS WITH RELEVANT QUALIFICATIONS OR
7 EXPERTISE.

8 (6) IN APPOINTING MEMBERS TO THE WORKING GROUP, THE
9 COMMISSIONER SHALL ENSURE, TO THE EXTENT PRACTICABLE, THAT THE
10 MEMBERSHIP REFLECTS THE GEOGRAPHIC DIVERSITY OF THE STATE,
11 INCLUDING MEMBERS FROM RURAL, URBAN, AND SUBURBAN DISTRICTS
12 AND CHARTER SCHOOLS, AS WELL AS LARGE AND SMALL DISTRICTS. THE
13 COMMISSIONER SHALL ALSO ENSURE REPRESENTATION FROM DISTRICTS
14 THAT SERVE A HIGH NUMBER OF AT-RISK STUDENTS UNDER THE CURRENT
15 SCHOOL FUNDING FORMULA.

16 (7) THE COMMISSIONER, OR A MEMBER APPOINTED BY THE
17 COMMISSIONER, SHALL SERVE AS CHAIR OF THE WORKING GROUP.
18 MEMBERS OF THE WORKING GROUP SERVE WITHOUT COMPENSATION AND
19 WITHOUT REIMBURSEMENT FOR EXPENSES.

20 (8) THE COMMISSIONER, IN CONSULTATION WITH THE EXECUTIVE
21 DIRECTORS OF THE DEPARTMENTS OF HEALTH CARE POLICY AND
22 FINANCING AND HUMAN SERVICES, MAY FORM ISSUE SUBGROUPS,
23 CONSISTING OF WORKING GROUP MEMBERS AND OTHERS WITH RELEVANT
24 EXPERIENCE OR EXPERTISE, TO CONSIDER THE ISSUES ADDRESSED BY THE
25 WORKING GROUP.

26 (9) THE WORKING GROUP SHALL ADDRESS ISSUES CONCERNING THE
27 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 (a) COLLECTING THE NECESSARY DATA TO IMPLEMENT THE NEW
5 AT-RISK MEASURE, WHICH MAY INCLUDE CONSIDERATION OF A SURVEY OF
6 AVAILABLE DATA, THE LEVEL AT WHICH DATA IS COLLECTED, DATA
7 SHARING AND DATA LINKS, STUDENT DATA PRIVACY, AND MINIMIZING THE
8 BURDEN OF DATA COLLECTION;

9 (b) ACQUIRING FEDERAL AUTHORIZATION TO PARTICIPATE IN THE
10 DEMONSTRATION PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758
11 (b)(15) FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING BENEFITS
12 THROUGH MEDICAID AND THE CHILDREN'S BASIC HEALTH PLAN;

13 (c) DEVELOPING THE NEIGHBORHOOD SOCIOECONOMIC-STATUS
14 INDEX, INCLUDING THE DETERMINATION OF FIVE OR MORE INDEX FACTORS,
15 WHICH MAY INCLUDE MEDIAN HOUSEHOLD INCOME, HOMEOWNERSHIP
16 RATE, THE PERCENTAGE OF ADULTS TWENTY-FIVE YEARS OF AGE OR OLDER
17 WITH A BACHELOR'S DEGREE OR HIGHER, THE PERCENTAGE OF CHILDREN
18 WHO ARE FOSTERED OR RAISED BY A NONPARENTAL RELATIVE, OR THE
19 PERCENTAGE OF HOUSEHOLDS WHERE A NON-ENGLISH LANGUAGE IS
20 SPOKEN.

21 (d) ONCE CENSUS BLOCKS ARE ASSIGNED A
22 SOCIOECONOMIC-STATUS INDEX VALUE, DETERMINING HOW A STUDENT'S
23 NEIGHBORHOOD SOCIOECONOMIC-STATUS INDEX VALUE SHOULD BE
24 INCORPORATED INTO THE AT-RISK MEASURE AND HOW IT WILL IMPACT
25 STUDENTS IDENTIFIED AS PART OF THE DISTRICT'S OR INSTITUTE CHARTER
26 SCHOOL'S IDENTIFIED STUDENT PERCENTAGE;

27 (e) DETERMINING THE COMPOSITION OF AT-RISK FACTOR FUNDING

1 BASED ON THE IDENTIFICATION OF STUDENTS THROUGH THE NEW AT-RISK
2 MEASURE AND ENSURING THAT AT-RISK FACTOR FUNDING IS EQUITABLY
3 DISTRIBUTED TO IMPROVE ACADEMIC OUTCOMES FOR IDENTIFIED
4 STUDENTS;

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

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

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

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

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

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

25 (a) A SUMMARY OF THE PROGRESS OF THE WORKING GROUP IN
26 RESOLVING ISSUES CONCERNING THE COMPOSITION AND IMPLEMENTATION
27 OF THE NEW AT-RISK MEASURE AND AT-RISK FACTOR FUNDING;

1 (b) FINDINGS AND RECOMMENDATIONS OF THE WORKING GROUP
2 FOR IMPLEMENTATION OF THE NEW AT-RISK MEASURE FOR THE 2023-24
3 BUDGET YEAR, INCLUDING RECOMMENDATIONS FOR ANY LEGISLATION
4 NECESSARY TO IMPLEMENT THE NEW AT-RISK MEASURE, AS WELL AS
5 FINANCIAL RESOURCES NEEDED TO ADMINISTER THE NEW AT-RISK
6 MEASURE;

7 (c) A SUMMARY OF ANY FINANCIAL MODELING OF THE NEW
8 AT-RISK MEASURE FOR INDIVIDUAL DISTRICTS OR CHARTER SCHOOLS, IF
9 AVAILABLE; AND

10 (d) AN ESTIMATE OF THE IMPACT OF THE NEW AT-RISK MEASURE
11 ON THE COST OF TOTAL PROGRAM FUNDING.

12 (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

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