

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 22-0403.01 Brita Darling x2241

HOUSE BILL 22-1202

HOUSE SPONSORSHIP

Herod and McCluskie, Kipp, Larson

SENATE SPONSORSHIP

Zenzinger and Coleman, Bridges, Kirkmeyer, Lundeen

House Committees

Education
Appropriations

Senate Committees

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 AND**
106 **MAKING AN 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>.)

Legislative Interim Committee on School Finance. The bill

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.

HOUSE
Amended 2nd Reading
March 18, 2022

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 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, 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.

The bill requires the department of education to apply to the United States department of agriculture to obtain authorization for direct certification of students participating in the medical assistance program and the children's basic health plan.

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

1 ARE AT RISK OF BELOW-AVERAGE ACADEMIC PERFORMANCE BECAUSE OF
2 SOCIOECONOMIC DISADVANTAGES OR POVERTY WILL BENEFIT COLORADO
3 STUDENTS BY:

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

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

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

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

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

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

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

27 (c) "IDENTIFIED STUDENT PERCENTAGE" MEANS THE PERCENTAGE

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

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

8 (e) "SCHOOL LUNCH PROGRAM" MEANS THE FEDERAL "RICHARD B.
9 RUSSELL NATIONAL SCHOOL LUNCH ACT" CREATED IN 42 U.S.C. SEC.
10 1751, ET SEQ.

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

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

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

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

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

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

- 15 (I) STAFF OF THE DEPARTMENT OF EDUCATION;
- 16 (II) STAFF OF THE STATE CHARTER SCHOOL INSTITUTE;
- 17 (III) DISTRICT CHIEF FINANCIAL OFFICERS OR SCHOOL FINANCE
18 DIRECTORS;
- 19 (IV) SUPERINTENDENTS OF DISTRICTS;
- 20 (V) SCHOOL PRINCIPALS AND DIRECTORS OF CHARTER SCHOOLS;
- 21 (VI) SCHOOL SOCIAL WORKERS OR NURSES;
- 22 (VII) CHILD WELFARE EDUCATION LIAISONS;
- 23 (VIII) THE EDUCATION DATA ADVISORY COMMITTEE CREATED IN
24 SECTION 22-2-304;
- 25 (IX) A STATEWIDE ORGANIZATION THAT REPRESENTS EDUCATORS;
- 26 (X) A STATEWIDE ORGANIZATION THAT REPRESENTS SCHOOL
27 DISTRICT BOARDS OF EDUCATION;

- 1 (XI) A STATEWIDE ADVOCACY GROUP FOR CHARTER SCHOOLS;
- 2 (XII) AN ADVOCACY ORGANIZATION THAT REPRESENTS RURAL
- 3 DISTRICTS;
- 4 (XIII) A STATEWIDE ORGANIZATION THAT REPRESENTS PARENTS;
- 5 (XIV) A STATEWIDE ORGANIZATION THAT REPRESENTS SCHOOL
- 6 NUTRITION SERVICE PROVIDERS;
- 7 (XV) ADVOCACY GROUPS FOR CHILDREN IN POVERTY;
- 8 (XVI) ADVOCACY GROUPS WORKING TO END HUNGER IN
- 9 COLORADO; AND
- 10 (XVII) ANY OTHER GROUPS WITH RELEVANT QUALIFICATIONS OR
- 11 EXPERTISE.

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

20 (7) THE COMMISSIONER, OR A MEMBER APPOINTED BY THE
21 COMMISSIONER, SHALL SERVE AS CHAIR OF THE WORKING GROUP.
22 MEMBERS OF THE WORKING GROUP SERVE WITHOUT COMPENSATION AND
23 WITHOUT REIMBURSEMENT FOR EXPENSES.

24 (8) THE COMMISSIONER, IN CONSULTATION WITH THE EXECUTIVE
25 DIRECTORS OF THE DEPARTMENTS OF HEALTH CARE POLICY AND
26 FINANCING AND HUMAN SERVICES, MAY FORM ISSUE SUBGROUPS,
27 CONSISTING OF WORKING GROUP MEMBERS AND OTHERS WITH RELEVANT

1 EXPERIENCE OR EXPERTISE, TO CONSIDER THE ISSUES ADDRESSED BY THE
2 WORKING GROUP.

3 (9) THE WORKING GROUP SHALL ADDRESS ISSUES CONCERNING THE
4 CONSTRUCTION AND IMPLEMENTATION OF THE NEW AT-RISK MEASURE
5 CREATED IN SUBSECTION (3) OF THIS SECTION. AMONG OTHER
6 CONSIDERATIONS, THE CONSTRUCTION AND IMPLEMENTATION OF THE NEW
7 AT-RISK MEASURE MAY INCLUDE:

8 (a) COLLECTING THE NECESSARY DATA TO IMPLEMENT THE NEW
9 AT-RISK MEASURE, WHICH MAY INCLUDE CONSIDERATION OF A SURVEY OF
10 AVAILABLE DATA, THE LEVEL AT WHICH DATA IS COLLECTED, DATA
11 SHARING AND DATA LINKS, STUDENT DATA PRIVACY, AND MINIMIZING THE
12 BURDEN OF DATA COLLECTION;

13 (b) 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 (c) 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 (d) 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 (e) 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 (f) 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 (g) CONDUCTING PRE-IMPLEMENTATION MODELING AND TESTING
14 USING ACTUAL STUDENT DATA FOR EACH DISTRICT AND CHARTER SCHOOL,
15 IF AVAILABLE;

16 (h) 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 (i) 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) THE DEPARTMENT OF EDUCATION SHALL APPLY TO THE
13 UNITED STATES SECRETARY OF AGRICULTURE TO PARTICIPATE IN THE
14 DEMONSTRATION PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758
15 (b)(15) FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID
16 BENEFITS, WITH THE INTENT THAT THE DEMONSTRATION PROJECT IS
17 IMPLEMENTED STATEWIDE TO THE EXTENT ALLOWABLE UNDER FEDERAL
18 LAW. IF THE STATE IS SELECTED TO PARTICIPATE IN THE DEMONSTRATION
19 PROJECT, THE DEPARTMENT OF EDUCATION SHALL COMPLY WITH ALL OF
20 THE REQUIREMENTS OF THE DEMONSTRATION PROJECT, INCLUDING
21 ENTERING INTO AN AGREEMENT WITH THE DEPARTMENT OF HEALTH CARE
22 POLICY AND FINANCING TO ESTABLISH PROCEDURES BY WHICH A STUDENT
23 MAY BE CERTIFIED, WITHOUT FURTHER APPLICATION, AS MEETING THE
24 ELIGIBILITY REQUIREMENTS FOR FREE OR REDUCED-PRICE MEALS
25 PURSUANT TO THE NATIONAL SCHOOL BREAKFAST PROGRAM AND THE
26 NATIONAL SCHOOL LUNCH PROGRAM BASED ON INFORMATION COLLECTED
27 BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING IN

1 IMPLEMENTING THE MEDICAID PROGRAM.

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

3 **SECTION 2. Appropriation.** (1) For the 2022-23 state fiscal
4 year, \$163,338 is appropriated to the department of education. This
5 appropriation is from the general fund. To implement this act, the
6 department may use this appropriation as follows:

7 (a) \$128,341 for federal nutrition programs, which amount is
8 based on an assumption that the department will require an additional 0.4
9 FTE; and

10 (b) \$34,997 for administration related to public school finance,
11 which amount is based on an assumption that the department will require
12 an additional 0.1 FTE.

13 **SECTION 3. 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.