

# Financial Policies & Procedures Meeting June 24, 2021

# Welcome & Agenda

- Welcome & member committee updates
- Approval of Agenda
- Approval of Minutes
- Updates
  - Legislative Session & Funding Updates
  - School Finance Unit Updates
  - Federal Stimulus Funding
  - Financial Reporting
- Subcommittee Updates
- Membership Updates
- Other Topics of Interest & Updates from Partners
- Upcoming Meetings

# Legislative Session Updates for School Finance and Other Relevant Funding Issues

# School Finance Historical Recap



- **2018-19**
  - Budget Stabilization Factor = \$672.4M (-\$150M)
  - Average Per Pupil Funding = \$8,137 (+\$475)
  - Total Program = \$7.08B (+\$450M)
- **2019-20**
  - Budget Stabilization Factor = \$572.4M (-\$100M)
  - Average Per Pupil Funding = \$8,489 (+\$352)
  - Total Program = \$7.6B (+\$520M)
- **2020-21 School Finance Act (HB20-1418)**
  - Budget Stabilization Factor = \$1.174B (+\$601.1M)
  - Average Per Pupil Funding = \$8,077 (-\$412)
  - Total Program = \$7.2B (-\$367.6M)
- **2020-21 School Finance Mid-Year Supplemental**
  - Budget Stabilization Factor = \$1.052B (-\$121.4M)
  - Average Per Pupil Funding = \$8,123 (+\$46)
  - Total Program = \$7.24B (+/- \$0)
- **2021-22 School Finance Act (SB21-268)**
  - Budget Stabilization Factor = \$571.2M (-\$480.8M)
  - Average Per Pupil Funding = \$8,991 (+\$867)
  - Total Program = \$7.99B (+\$750.8M)

# SB 21-268: Highlights of the 2021-22 School Finance Act

- **Base per pupil funding.** The bill increases base per pupil funding for FY 2021-22 by \$141.67 to \$7,225.28, which reflects a 2.0 percent inflation rate.
- **Budget stabilization factor.** The bill decreases the budget stabilization factor by \$480.8 million, from \$1.05 billion in FY 2020-21 to \$571.2 million in FY 2021-22. For FY 2022-23, the bill specifies that the budget stabilization factor cannot exceed the FY 2021-22 level.
- ~~**Additional at-risk funding.** In FY 2021-22 only, the bill provides \$77.4 million in additional funding for students who qualify for reduced-price lunch and English language learners who currently qualify as at-risk students. This amount is distributed outside the funding formula to local education providers on a per-eligible student basis.~~

# Formula Changes: At-Risk Count

- “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”
  - The English language learners who are currently included in the at-risk count are students whose assessment scores are not included in calculating a school’s performance grade because the student’s dominant language is not English or who took the Lectura/Escritura assessment and who are also not eligible for free lunch
  - SUBTRACT ~2,700 students included based on ELL definition (current year)
  - ADD ~66,014 students who qualify for reduced lunch (current year)
  - NET INCREASE ~63,314 students to at-risk count
- Count will be based on October 2021

# At-Risk Funding Considerations

- **Carry Over Provision:** School Finance Rule [1 CCR 301-39-6.03\(1\)\(a\)](#) states:  
Absent the current year application (for free or reduced price school meals), a district may submit the pupil's prior year application, which application shall be valid evidence for a maximum of 30 school days into the current year.
- **Variance Waiver:** A variance waiver may be requested to extend the carry over through the Pupil Enrollment Count Day, if it does not fall within the first 30 school days for a district/school.. Send a request to [okes\\_j@cde.state.co.us](mailto:okes_j@cde.state.co.us).

Therefore, a students on the Direct Certification list or with a valid FRL application for SY20-21 can be submitted for At-Risk funding for SY21-22.

- **District Considerations:**
  - Ensure matching is completed for all students against the Direct Certification list
  - Targeted communications to families that have not submitted FRL applications
  - P-EBT Benefits and [emergency broadband benefit \(EBB\) program](#) may be incentives to submit FRL application

# Formula Changes: ELL Factor

- “Adds a new English language learner funding factor to the school finance formula for all English language learners included in the ~~prior year's~~ **current year's** pupil enrollment. The factor is 8% of per pupil funding multiplied by the English language learner enrollment, as defined in the bill.”
  - Per pupil funding is by district, before at-risk
- Count will be based on October 2021
- Funding for this factor will replace ELPA PD and Student Support funding; districts will still receive ELPA categorical funding
- ELL students who will be funded are:
  - NEP and LEP (*not* FEP M1 and M2)
  - Who are also still within the five-year services window defined in ELPA
  - ~61,000 English language learners (current year)
- Districts will treat funding via this factor the same as at-risk funding regarding adjustments to charter schools



## • Mill Levy Correction Bill Summary

- Already implemented:
  - For the 2020 property tax year, the existing statute corrects the total program mill levies for school districts that are not subject to constitutional property tax revenue restrictions but whose mill levies were erroneously reduced.
  - Each school district that levies a higher number of mills as a result of the correction must grant a tax credit for the number of mills by which the levy is increased.
- [New legislation](#):
  - Requires CDE to adopt a correction schedule to begin phasing out the tax credits in the 2021 property tax year. The correction schedule must apply consistently to each affected school district; must require each district's tax credit to phase out as quickly as possible, but by no more than one mill per year; and must ensure that the tax credits are fully phased out in 19 years.
- [Supreme Court Ruling on Interrogatory on HB 21-1164](#)
  - The ruling was that the mill levy tax credit is constitutional and does not violate the Colorado Taxpayer Bill of Rights.

- Confirmation of Mill Levy Tax Credits
  - CDE will follow-up with individual districts to confirm the mill levy credit, including supporting documentation for the tax credit.
- Correction Plan Subcommittee
  - CDE is forming a stakeholder group to advise the department on the development of the correction plan. If you would like to participate, please let us know.

- CRF 5010 funds were included in and part of each district's state share per pupil funding in October 2020
- Districts may have transferred doubled the amounts sent to charter schools if using state share PPR number as normal but then treating CRF 5010 funds as a separate grant
- Districts may want to verify that only the PPR amount was transferred to charter schools and not additional 5010 funding

## HB 21-1304 creates the new Department of Early Childhood

- It establishes a transition working group
  - Adopt a transition plan for the new department
  - Prepare recommendations for a statewide, universal preschool program beginning in FY 2023-24
  - Includes Early Childhood Leadership Commission (ECLC), Governor's Office, and departments of Human Services, Public Health and Environment, Education
    - Establish an advisory group with parents, early childhood workforce, program providers, early childhood councils, county human services, business community, and advocacy organizations
- Transition plan to General Assembly November to December 2021
- Bill is not expected to change early childhood programs administered by local governments and school districts

# School Finance Unit Updates



## Hiring and org chart updates

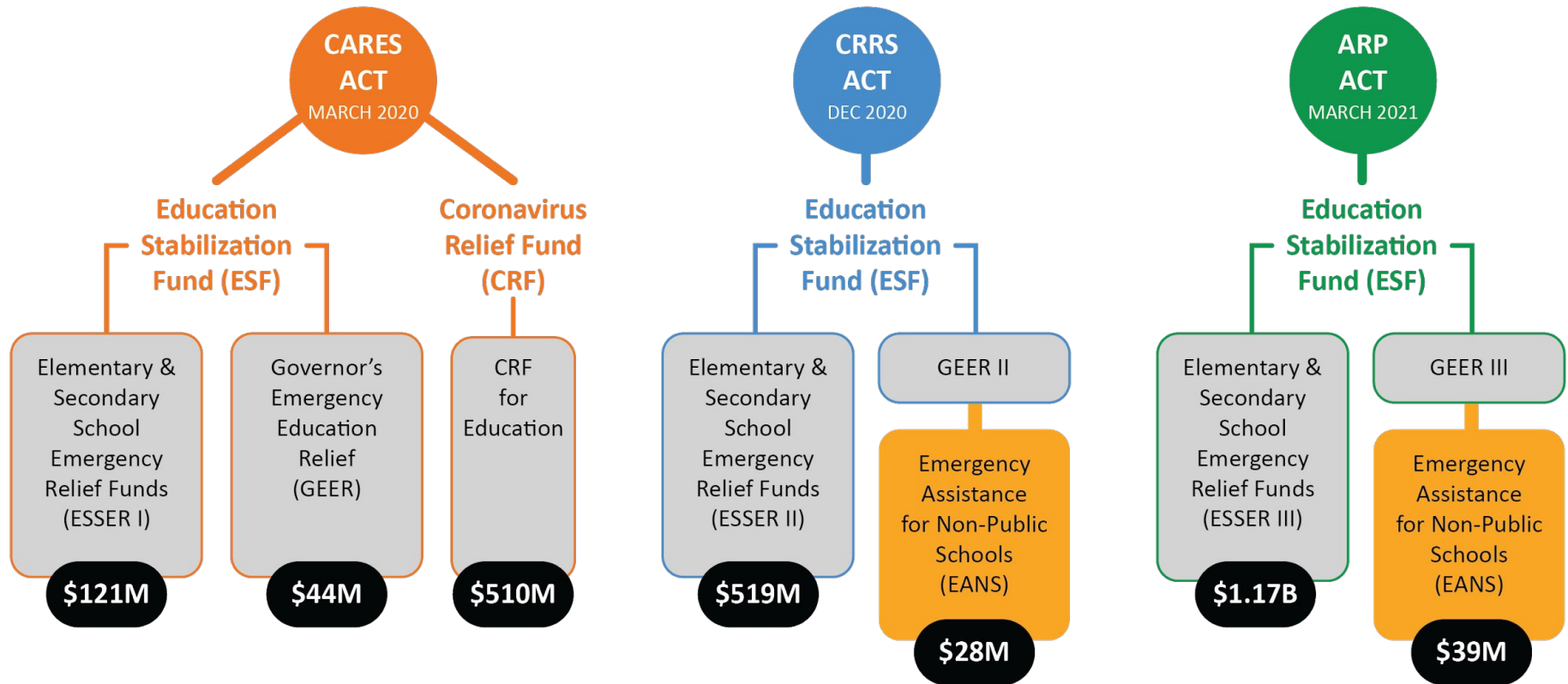
- Financial Data Coordinator - **Welcome back, Yolanda!**



- FTE restored by JBC: Priorities identified in the survey include CPA qualifications and training for the field

# Federal Stimulus Funding

# Overview of Federal COVID Relief for K-12 Education





- **Feedback we have received**
  - Timeliness of response
  - Level of detail required
  - Consistency of response
- **Impacts**
  - Delays in review, extensive back and forth, then delay implementation of the strategies
  - Delays in final approval, GALs are starting to cause cash flow issues
  - Inconsistency in response causes frustration
- **Actions we are taking toward solutions**
  - Reduction in level of detail and feedback required during reviews, particularly in the areas of program code and object code
  - Clarification and simplification for review teams on how to determine “reasonableness” of a budget line in different categories. Example: software
  - Shifting some feedback from needing to be addressed before final approval, toward an ability to address during post award revision
  - Continued and expanded development of consistent responses for reviewers to include when providing feedback
  - Development of standardized budget entries for various common activities



- The US Department of Education released Interim Final Rules for ESSER III in late April with several requirements that are *not in statute*.
  - **Safe Return to In-Person Instruction and Continuity of Services Plan - focus for today**
  - **LEA ARP ESSER Plan** - deadline extended to December 2021



## Three Required Components, based on federal statute and CDC recommendations

- ▶ 1. Plan for Safe Return to In-Person Instruction and Continuity of Services
- ▶ 2. Layered Prevention Strategies
- ▶ 3. Levels of Community Risk and Phased Prevention

What if our district has been in-person all year?



If your district has been in person all year with no or few closures, you still must post the plan to meet the federal statute requirement. Explain how your district has ensured the safety of its students and how learning has continued. You also must still post required elements under ARP-ESSER III including social/emotional/mental health and other needs, what prevention strategies you are using, and how decisions are being made based on CDC and health department guidance.

# Safe Return to School Plan:

## 1. Plan for Safe Return to In Person Instruction

- ▶ **Important Dates**
  - ▶ Required:
    - ▶ When plan will be reviewed (must be within 6 months of posting plan)
  - ▶ Best Practice:
    - ▶ Return to School
    - ▶ Board Meeting Dates
- ▶ **Academic Needs**
  - ▶ What learning options are available?
    - ▶ i.e. in-person, remote, hybrid
- ▶ **Social, Emotional, Mental Health, or Other Needs**
  - ▶ Student AND staff
  - ▶ What resources are available?
  - ▶ Other needs may include student health or food services
  - ▶ [USDE Resource](#)

### CDC Recommendations

- Universal and correct use of [masks](#)
- [Physical distancing](#)
- [Handwashing and respiratory etiquette](#)
- [Cleaning and Maintaining healthy facilities](#)
- [Contact tracing in combination with isolation and quarantine](#)

# Safe Return to School Plan: 3. Phased Prevention

- ▶ Include information about state or local health department.
  - ▶ [CDPHE Link to COVID-19 Dial Dashboard](#)
- ▶ Describe how you will make decisions about preventative actions
  - ▶ Clearly describe how decisions will be made about school closures, quarantines, etc. in the event of increased levels of risk.
  - ▶ Some districts are using the “colored levels” of the state’s [Dial Framework](#) to show this. Based on a county’s risk level, it is assigned a corresponding color and recommendations range from “using caution” (low risk, protect our neighbors/green) to “staying at home” (extreme risk/purple). Describe your plan for continued instruction in the event of a change in risk level.



# Safe Return to School Plan: Checklist



## 1. Plan for Safe Return to In-Person Instruction and Continuity of Services

- Important Dates
  - When this plan will be reviewed (and updated if needed) within 6 months of original posting
  - Returning to School (best practice)
  - Board meeting dates (best practice)
- Academic Needs (in-person and remote learning options)
- Student and Staff Social, Emotional, Mental Health, or Other Needs (may include student health and food services)



## 2. Layered Prevention Strategies

- Universal and Correct Use of [Masks](#)
- [Physical Distancing](#)
  - At least 3 feet between students/students and 6 feet between adults/adults and adults/students
  - Cohort Model
  - Visitor Policy
  - Transportation Policy
  - Staggered Scheduling (suggested)
  - Alternate Schedules (suggested)
- [Handwashing and Respiratory Etiquette](#)
- [Cleaning and Maintaining Healthy Facilities](#)
  - Ventilation
  - Modified Layouts
  - Cleaning Processes
  - Communal Spaces
  - Food Service
  - Water Systems
- [Contact Tracing](#)
  - Collaboration with Health Department
  - Staying Home when Appropriate
  - Isolation Guidelines
  - Quarantine Guidelines



## 3. Levels of Community Risk and Phased Prevention

- Collaboration with Public Health Department Officials to Determine the Risk of Transmission:
  - Total new cases per 100,000 persons in past 7 days\*
  - Percentage of Nucleic Acid Amplification Tests (NAATs) that are positive in past 7 days\*
- \* No data needs to be published within your posting. It simply needs to be clear that the LEA is collaborating with local health officials concerning this information.
- How Decisions are Made about Preventative Actions
  - The Number of COVID-19 Cases amongst Students, Teachers, and Staff, and Number of People in Quarantine
  - Compliance with Prevention Strategies
  - Levels of Community Transmission

**ADDENDUM OPTION FOR PREVIOUS PLAN:**  
If a district has already posted a plan that meets most of these requirements, an addendum may be added to satisfy remaining components.

# Safe Return to School Plan: Example & Contact

- [Sheridan School District No. 2](#)

Please note that this district's plan is an example that meets all requirements. Your plan may include more information or less information. The plan simply needs to meet the requirements and the needs of your district community.

Please contact Kristin if you need assistance or would like her to work with the checklist alongside you to review your Safe Return to School plan!

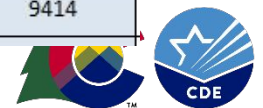
[Crumley\\_k@cde.state.co.us](mailto:Crumley_k@cde.state.co.us)



# ESSER Grant Codes



Account: GBL Code	Grant or Contract Title	FUND	CFDA#	Source Code	Grant/Project
47SD	Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Formula: 90% to LEAs To be distributed based on Title I formula. (LEA, BOCES, SPED, ETC distribution)	ESSER I	84.425D	4000	4425
47SG	ESSER I Recruitment, Capacity and Licensing	ESSER I	84.425D	4000	4525
47SF	<b>SUPPLEMENTAL</b> Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary (SPED, BOCES, Facility, Tribes, Title VI, Supplemental ESSER)	ESSER I	84.425D	4000	5425
47SH	<b>CCSG - HOTSPOT</b> -Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental	ESSER I	84.425D	4000	5525
47SL	ESSER I 21stCCLC Expanded Learning	ESSER I	84.425D	4000	5625
47SM	ESSER: Support for OnLine Learning - Supplement Learning	ESSER I	84.425D	4000	5725
57SF	ESSER II 9.5% (State Reserve): Source 4000, Grant 4419	ESSER II	84.425D	4000	4419
57SD	ESSER II - Distribution 90%	ESSER II	84.425D	4000	4420
77SF	ESSER III – SEA Learning Loss Set-Aside (5% of total state allocation)	ESSER III	84.425U	4000	4415
77SD	ESSER III – SEA After School Set-Aside (1% of total state allocation)	ESSER III	84.425U	4000	4416
77SD	ESSER III – Summer Enrichment Set-Aside (1% of total state allocation)	ESSER III	84.425U	4000	4417
77SD	ESSER III – State Set-Aside (2.5% of total state allocation)	ESSER III	84.425U	4000	4418
77SD	ESSER III 90% – LEA Allocation	ESSER III	84.425U	4000	4414
NA	ESSER III - LEA Learning Loss Set Aside (20% of LEA allocation)	ESSER III	84.425U	4000	9414



- **What has happened so far?**
  - Office of the State Controller engaged KPMG to do a sampling monitoring of districts regarding their expenditure of CRF funds
- **What's new?**
  - CDE has learned from OSC that the department is now also required to perform monitoring
  - We are working on a protocol for this that will place the least possible burden on districts
  - Monitoring must be performed by December 2021



# Financial Reporting Updates

- Presentation from Lawrence Mundy

- Entity that expends \$750,000 or more in Federal Awards during the fiscal year
- Independent Auditors Report
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
  
- ESSER / ARP Funding considerations
  
- Paying for the single audit

## [OMB Guidance](#)



## Finance December Pipeline opens August 15th

- Submissions are due December 31st
- Disable: PERA on Behalf Edits for FY 2020-21
  - Reactivate for FY 2021-22
- Remove: Job Code 107, 108 and 425
- Seeking input: READ Act
  - Grant Code 3259
  - Revenues  $\geq$  85% - *waived for 20-21*
  - Reporting of balance sheet code 7482
- Add: Rural and Small Rural Funding (Prop EE)
  - Grant Code 3230 (Prop EE)
  - Reporting of expenditures, revenues and balance sheet code 7482
- Add: COVID-19 State Share Mitigation Funds (SB21-053)
  - Grant Code 3119

- Possible that we will be bringing a new SRE related to the nutrition Seamless Summer Option to FPP at our next meeting

# Upcoming Deadlines

- Financial Transparency Website
  - Approval window closes June 25
  - Site goes live July 1
- CDE 40 opens on July 1
  - training on July 27, 2021-Save the Date
  - Submissions are due September 15th - **there can be no extensions!**
  - Payments will be issued November 15th
- Finance December Pipeline opens August 15th--possibility of soft open on August 1st
  - Submissions are due December 31st
- Financial Data Warehouse reports
  - Available on the CDE website by July 30th
  
- Did we mention?
  - CDE 40 submissions are due September 15th - **there can be no extensions!**



# Subcommittee Updates

- Mill Levy Correction
- Budget Template

# Membership Updates



Member Discussion regarding CSI holding a voting member role on the FPP Committee.

- The membership composition guidelines do not have any language specific to charter schools.  
<http://www.cde.state.co.us/cdefinance/fppcommitteeguidelines>
- However, it does state ex-officio non-voting members include the Charter School Liaison.
- The committee members recommended to add CSI as an additional Ex-officio Member with a non-voting role
- We would like to have the official vote in the meeting today to list CSI as an Ex-Officio, non-voting member.
- Can I get a motion from a member?

# Membership Updates - Expiring Terms

At the June meeting, we will address the membership expiring or departing in 2021:

- Justin Petrone - Boulder Valley RE-2
- Mimi Livermore - Adams 12 Five Star
- Shelley Becker - Harrison SD 2
- Gina Lanier - Adams-Arapahoe 28J
- Brook Quint - Briggsdale
- Jodi Poulin - District 49
- Erich Dorn - Centennial BOCES
- Chloe Flam - NW BOCES
- Cameron Gehlen - Compass Montessori
- 2 remaining vacancies for term ending 2024

We have been contacted by several individuals interested in filling these positions. If you are interested, please contact Megan Richardson at [richardson\\_m@cde.state.co.us](mailto:richardson_m@cde.state.co.us)

The departing members will make vote on recommendations to fill these positions after this meeting to allow for additional interest. New members will be announced prior to the first meeting of the 21-22 Year.

# Other Updates from Partners

# 2021-2022 Meeting Schedule

# Proposed Dates

- Upcoming Meetings: Next year series of Meetings - typically had 4 meetings a year - propose 5 dates for 21-22:
  - Thursday Sept 23, 2021
  - Friday November 19, 2021
  - Thursday Feb 17, 2022
  - Friday April 29, 2022
  - Thursday June 23, 2022

Questions?  
Have a great summer!

