

Financial Policies & Procedures Meeting

April 29, 2022

Welcome & Agenda

- Welcome
- Approval of Agenda
- Approval of Minutes
- Updates
 - Legislative Session & Funding Updates
 - Transportation Funding CDE 40 Process Updates
 - Federal Stimulus Funding
 - SEFAC Appointment
 - Nutrition Updates
 - Instructional Time Updates
 - Office of the State Auditor Updates
 - Financial Reporting Updates
- Other Topics of Interest & Updates from Partners
- Membership Updates
- Upcoming Meetings

Legislative Session Updates for School Finance and Other Relevant Funding Issues

2022-23 School Finance Update



- **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 Mid-Year Supplemental**
 - Budget Stabilization Factor = \$1.052B (+\$480M)
 - Average Per Pupil Funding = \$8,123 (+\$46)
 - Total Program = \$7.24B (+/- \$0)
- **2021-22 School Finance Act Mid-Year Supplemental (HB22-1186)**
 - Budget Stabilization Factor = \$503.3M (-\$548.7M)
 - Average Per Pupil Funding = \$9,014 (+\$891)
 - Total Program = \$7.99B (+\$750.8M)
- **2022-23 School Finance HB22-1390 as introduced**
<https://www.cde.state.co.us/cdefinance/fiscalyear2022-23schoolfinancefunding>
 - Budget Stabilization Factor = \$321.2M (-\$182M)
 - Average Per Pupil Funding = \$9,560 (+546)
 - Total Program = \$8.42B (+\$430M)



School Finance Act Technical Fixes - As Introduced

- Section 2 - Inflation = 3.5%, Total Program = \$8.42M, BSF = \$321,243,484, average per pupil = \$9,559,59
- Section 3 - Additional year for mascot compliance if notified after Jan 1, 2022
- Section 4 - Extends by 1 year requirement for BOCES to get permission for school within boundaries of non-member district
- Section 5 - Extend by 1 year carry forward of 15% per pupil intervention funds from READ act (35 districts have more than 15% carryover of “new” READ funds – 3 of which also have “old” READ carryover funds. Additionally, 5 districts have old READ carryover.)
- Sections 6 and 7 - Extends local accountability system grant program and external evaluator
- Section 8 - Extends dyslexia pilot program
- Section 9 - Prohibits tuition for choice students regardless of when enrollment/attendance starts
- Section 10 - Allows financial assistance for Educator Recruitment Retention Program if teach for 3 years where shortage
- Section 11 - Allows vendor to develop quality teacher recruitment program - match money paid through gifts, grants donations
- Section 12 - Clean up of school food purchasing program
- Section 13-16 - Extends by 1 year K-5 social emotional health pilot program and amends mental health professional requirements
- Section 17 - 20% of Colorado Imagination Library to be used by contractor for operating costs
- Section 18 - OSA must grant extension for audits in FY21-22 if can't get an auditor and OSA conducts audit

Special Education Funding Bill ([SB22-127](#))

- Increases funding for SPED students from \$1,250 to \$1,750 and then inflation thereafter beginning with FY 24/25 (\$53.2M)
- Tier B grows to \$4,530 from \$3,392, grows with inflation in FY 25 - \$26.8M
- [SEFAC](#) must submit a report containing
 - Analysis of funding between Colo and other states
 - Analysis of actual SPED costs
 - Analysis of the effectiveness of the current SPED model
 - Examination of the High Cost SPED Trust Fund
 - Analysis of the current disability categories
 - Recommended changes to the current SPED funding model

At-Risk Measure Bill ([HB22-1202](#)) - *Passed*

- Needed because of COVID FRL Reporting Changes
- The bill identifies a new At-risk measure
 - Students who are at-risk because of Socio-economics or poverty
 - New measure will include students identified via direct certification (likely including Medicaid) AND a neighborhood socio-economic index
- Commissioner shall convene a working group to prepare for implementation for FY 23-24
- Bill includes logistics of collecting data and testing the measure
- The commissioner shall report findings and recommend to JBC and Education Committees of the General Assembly



Universal Preschool Program ([HB22-1295](#)) *Passed*

- Establishes the duties for the Department of Early Childhood
- Moves existing programs to new department
- Establishes the new universal preschool program
- Plenty of operational questions yet to be answered:
 - Regional Councils?
 - How will Students be counted?
 - What is the funding per student?
 - How/When will funding flow?
 - Staffing Requirements?
 - Without CPP FTE, lower Funded Pupil Count. Impact Mill levy capacity?



Healthy Meals for Students ([SB22-087](#))

- Reimburse School Food Authorities (SFAs) for meals for all students starting in FY25, estimated at ~\$60.1 to \$90.1M
- Requires SFAs to participate in CEP if eligible
- Requires SFA to create parent/student committee to advise on food purchasing
- Provides funding to increase wages for food service employees estimated at \$7.6M
- Provides funding for local food purchases estimated at \$15.8M
- Requires CDE to pursue inclusion of medicaid eligibility in Direct Cert



Fifth Year High School Concurrent Enrollment ([HB22-1002](#))

- Removes ASCENT cap of 500 on participation
- Non-tuition cost 3% of per pupil extended high school funding
- Eliminates payback for a failing grade
- Reduces credit postsecondary hours completed prior to 12th grade from 12 to 6

PERA Retiree Employment in Rural Schools ([HB22-1101](#)) Law

- Makes permanent ability to work full time in a rural district with critical shortages without reduction in retiree's retirements benefit
- Adds Nurses and Paraprofessionals
- Adds BOCES and Charter schools
- Both employer and employee must provide full payment of contributions
- May not exceed 6 *consecutive* years

School Security Disbursement Program Recreation ([HB22-1120](#))

- Capital construction & vehicles
- Student threat assessment, SRO, & emergency response training
- Student resilience training
- \$6 million through FY32



Investment of Public School Fund Study and Report ([HB22-1146](#))

- Working group to consider opportunities to improve investment income

School Security and School Behavioral Health Services([HB22-1243](#))

- Improve security
- Extends the temporary youth mental health services program 2 years to 6/20/24 \$2 million

Clean Water in Schools and Child Care Centers ([HB22-1358](#))

- Requires all schools and child care centers to install NSF/ANSI compliant filters on all water sources
- Lead must be 1 part per billion or less or present a remediation plan
- 1 filtered bottle-filling station for every 100 students within 180 days following enactment.

Mill Levy Override Match Fund ([SB22-202](#))

- Would require the State to distribute an amount of state money as matching money to the property tax revenue for MLOs
- If the District's MLO capacity is less than the maximum of override mills, the district would be eligible for matching funds

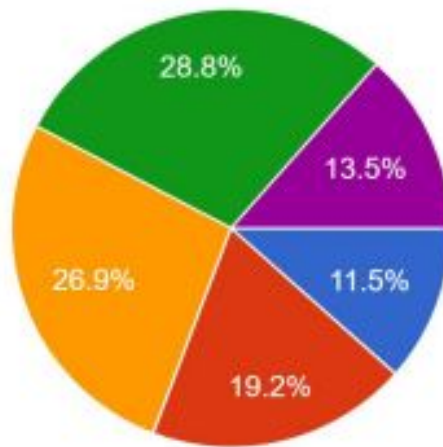
Transportation Funding: Reimagined?

Why Are We Here?



Approximately how many hours per year does your district, as a whole, spend completing the CDE 40 Transportation Reimbursement Claim submission?

52 responses

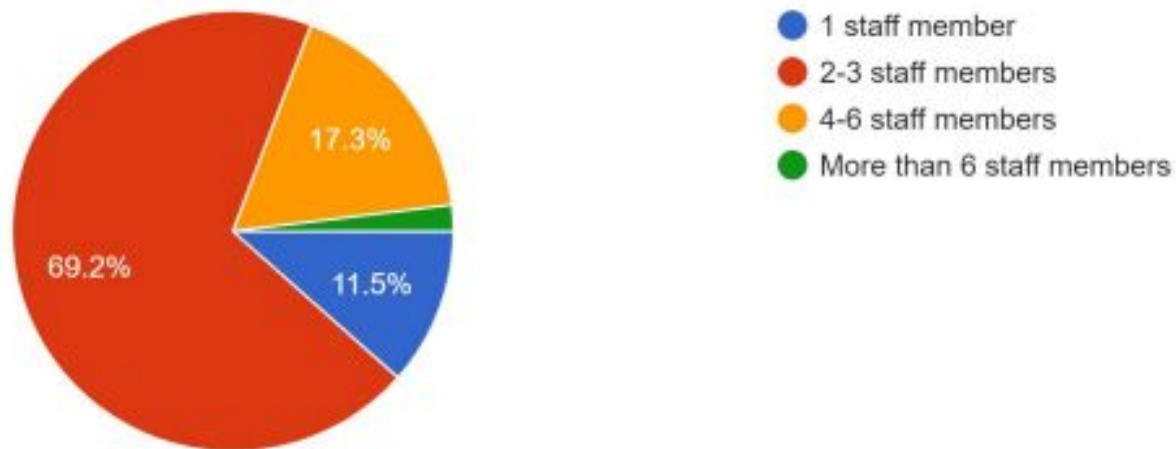


- 1-5 hours
- 6-15 hours
- 16-25 hours
- 25-40 hours
- More than 40 hours

Why Are We Here?

Approximately how many staff members in your district, as a whole, are involved (1 hour or more) in completing the CDE 40 Transportation Reimbursement Claim submission every year?

52 responses



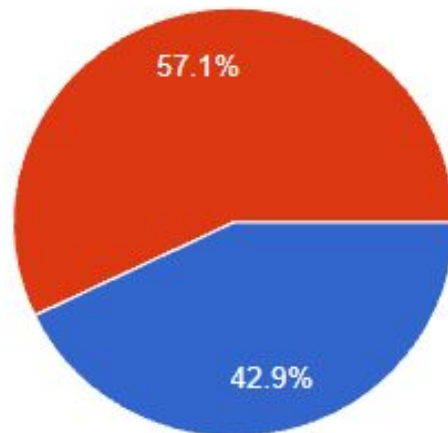
Why Are We Here?



FPP Meeting Survey Results - 42 District Respondents

I would be in favor of exploring a new transportation reimbursement methodology if...:

42 responses



- I would be in favor of exploring a new methodology, as long as I knew my district would not lose funding.
- I would be in favor of exploring a new methodology, independent of the impact on my individual district.
- I am not in favor of exploring a new methodology.

FPP District Subcommittee Members

22,000 - 75,000 Students and 46 - 93 Schools Served

Ashley Zhang, Accounting Supervisor, MESA County Valley 51

Jana Schleusner, Director of Finance, Douglas County RE1

Justin Petrone, Director Finance & Accounting, Boulder Valley RE2

1,100 - 1,800 Students and 4 - 6 Schools Served

Leona Holland, Accounting/Risk Manager, Monte Vista C-8

Mike Hodgson, Finance Director, Archuleta 50JT

Eric Burt, Assistant Finance Director, Archuleta 50JT

200 - 400 Students and 2 - 3 Schools Served

Pam Cole, Business Manager, EADS RE-1

Tammy Bruntz, Business Manager, Cripple Creek-Victor RE-1

FPP CDE Subcommittee Members

Jennifer Okes, Chief Operating Officer

Kate Bartlett, Executive Director

Richard Hull, School Finance Analyst and Auditor

David Miller, Data Analyst

Mark Rydberg, School Finance Program Manager

Rebecca McRee, Audit Supervisor

Tabitha Tyree, Lead Regulatory Document Reviewer

Tim Kahle, School Finance Program Director

Yolanda Lucero, Fiscal Data Coordinator



Winnow the Variables

1. Mileage - Maybe Use
2. Operating Expenditures - Use
3. Number of Pupils - Don't Use
4. Geographic Area - Don't Use
5. Size Factor - Don't Use
6. Any Additional Variables to Consider? - None

Allocation Scenarios

- The committee considered 11 different allocation scenario models
- They each used one, two or three variables
- For each model, we calculated the individual impact on districts using their current data, determined a base allocation amount and calculated the amount of “hold harmless” that would be required to implement the model using current assumptions
- The committee selected two allocation scenario models to move forward
 - One scenario uses financial data from data pipeline, program 2700
 - One uses financial data from data pipeline, program 2700, plus route mileage

Potential Benefits of Pursuing this Change

- Time, FTE and Financial Savings for Districts
 - Significantly reduces data submission requirements to CDE
 - Survey indicates 70% of districts spend over 6 hours on prepping the CDE 40; 13% spend over 40 hours
- Time and Financial Savings for CDE
 - Significantly reduces training and auditing time for CDE
 - Current estimates are 700+ hours on Transportation audits, 200+ hours on prep and training – both would be significantly reduced
- More Equitable Methodology for Distributing Transportation Funding
- Particular Benefits for Rural Districts

Next Steps Discussion

- Update Colorado Association of School Executives (CASE), Colorado Association of School Boards (CASB), and Rural Alliance with Final Subcommittee Recommendation
 - We have general support!
- Offer an Office Hours to introduce these models to the field.
 - **Tuesday, May 10th, 10am via Zoom**
- If we have general support, then we will discuss internally if and how to move the proposal forward

Adopting either allocation scenario model would require a statutory change, which is not a step CDE leads

Federal Stimulus Funding

ESSER Upcoming Deadlines

	ESSER I (CARES Act)	ESSER II (CRSSA Act)	ARP ESSER III (ARP Act)	ARP ESSER III – State Reserve Funds (ARP Act)
Award Period	03/13/20 – 09/30/21	03/13/20 – 09/30/22	03/13/20 – 09/30/23	03/13/20 – 09/30/23
<u>Tydings</u> Period - will end and funds must be spent by	9/30/22	9/30/23	9/30/24	09/30/24
USDE Award to CDE	05/07/20	01/06/21	3/24/21	11/4/21
CDE Must Make Subgrants to LEAs (90%) – LEAs must have final approval on ESSER I and II and substantial approval on ESSER III	05/07/21 Final Approval	01/06/22 Final Approval	05/23/21 Substantial Approval	NA
All awards must be final	05/07/21	01/06/22	03/24/22	11/2/22
CDE Application for LEAs Opened	05/31/20	02/12/21	4/27/21	<u>Varies Across Grants</u> Formula Awards ~ 1/12/22
Preliminary Application (T&A, assurances, GEPA) due	NA	NA	5/23/21	NA
Safe In-Person Plans	NA	NA	5/23/21	2/25/22
LEA Use of Funds Plan (budget in ESSER I & II; budget/narrative questions in ESSER III)	12/31/20	9/30/21	12/16/21	5/20/22
CDE Application Closed/Closes	12/31/20	09/30/21	03/24/22	9/2/22
PAR Open – Rolling Basis	Date of Final Approval	Date of Final Approval	Date of Final Approval	Date of Final Approval
PAR Closes	06/30/21	06/30/22	06/30/23	6/30/23
Carryover Application Will Open (Unexpended Funds Carried Over to Next Year)	07/01/21	07/01/22	07/01/23	07/01/23
Carryover Application Will Close	06/30/22	06/30/23	06/30/24	6/30/24
Monthly Deadline for Requesting Funds (LEA's Request for Funds, RFF)	First Day of Each Month	First Day of Each Month	First Day of Each Month	First Day of Each Month
Deadline for Final Spending	09/30/22	09/30/23	9/30/24	9/30/24
Deadline for Final Draw Down of Funds (RFF)	October/November 2022	October/November 2023	October/November 2024	October/November 2024



Please draw down / request reimbursement

Early and Often!

Check the distribution reports to find out how much is left to request:

https://www.cde.state.co.us/cdefisgrant/grant_distribution_reports

Fiscal Year 2020-21

- [ESSA Grant Distributions - FY2021](#) - Updated 03/01/22
- [IDEA Part B Grant Distributions - FY2021](#) - Updated 03/17/22
- [IDEA Preschool Grant Distributions - FY2021](#) - Updated 03/17/22
- [EASI Distributions - FY20-21](#) - Updated 10/12/21
- [ESSER Grant Distributions](#) - Updated 03/14/22
- [ESSER II Grant Distributions](#) - Updated 03/14/22
- [Competitive Grant Distributions](#) - Updated 12/12/21
- [CCSG #1 \(ESSER I\)](#) - Updated 03/04/22
- [ARP ESSER III Distribution Report](#) - Updated 03/14/22

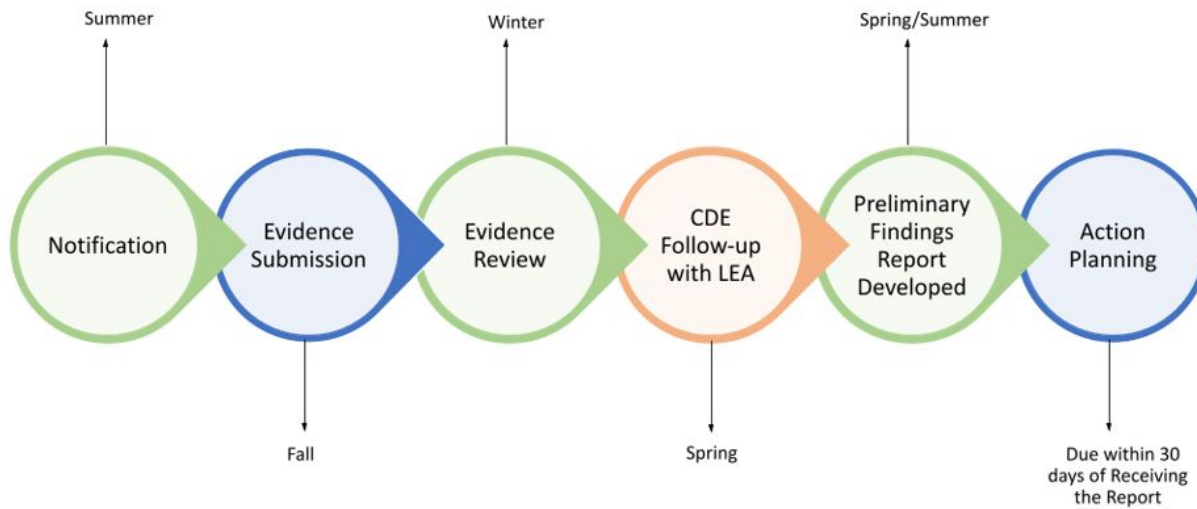


- The U.S. Department of Education (USDE) has been authorized by Congress to collect data from all ESSER I, II, and III grantees, including but not limited to the uses and impact of the funds.
- CDE is able to use the ESSER I, II, and III applications to provide the vast majority of the requested data (809 data elements total) on behalf of our LEAs, with the exception of the **two** following data points:
 - How students with poor attendance or participation have been re-engaged; and
 - How school level allocations were determined.
- All other data elements required for the 2020-2021 school year can be reported based on the online applications.
- CDE will be sending out one of two short surveys to LEAs at the beginning of May, depending on whether your LEA allocated funds to schools in your ESSER budgets.
- Please be on the lookout for the survey and complete by May 27th.

ESSER & ESEA Monitoring



Monitoring Timeline



[CDE Federal Funding Monitoring Website](#) - including monitoring schedules, training and document submission information





ACADEMIC ACCELERATION

- Tutoring / Before & After School Programs
- Supplemental Funding
- EASI Grant
- Curricular/Instructional Materials
- Ed Workforce
- Professional Learning

**\$91
Million**

ENGAGE & EXPAND LEARNING

- Before & After School Programs
- Academic Enrichment
- Rural Coaction
- Technical Assistance

**\$29
Million**

STRENGTHEN STATE CAPACITY

- Integrated Data Systems
- Blended Learning
- Data & Evaluation
- Evolving Needs

**\$12
Million**

Closed Programs w/ ESSER Funding Allocations

CLOSED

Empowering Action for School Improvement Grants

High Impact Tutoring Program

Blended Learning Initiative

Learning & Transparency Technical Assistance Program

Educator Workforce Support Grants

Peer Mentoring Program

Rural Coaction – Cohort 1

Open Programs w/ ESSER Funding Allocations

4/29/22	K-8 Mathematics Curricula / K-3 READ Act Programs	\$10 M
5/2/22	Rural Coaction – Cohort 2	\$9 M
9/2/22	Supplemental Funding	\$25 M
9/30/22	Rural Program Development Grants	\$525K

<https://www.cde.state.co.us/caresact/esser-statereserve>





Programs In Development

- Expanded Learning Opportunities
- Professional Learning
- Tutoring Corp
- Technical Assistance

Ongoing Programs & Work

- Integrated Data Systems
- Data & Evaluation
- Monitoring

SEFAC Member Selection

SEFAC Member Selection



Info to come!



Nutrition Updates



USDA Expired Waivers - Going back to “normal” school meal operations

1. What does that mean?
 - a. Collecting FRL apps
 - b. Claiming meals by student eligibility type
 - i. Reduced-Price co-pays continued to be covered in CO
 - c. Reimbursement Rates - typically released in July
 - i. Anticipating lower reimbursement rates than past two years
 - d. [Returning back to grant codes 4553 and 4555](#)
 - e. Paid Lunch Equity (PLE Tool) - still waiting for further USDA guidance
 - i. USDA Flexibility - Only if SFA had a negative balance in nonprofit food service account as of DEC 31, 2021
 - ii. Targeted price is free meal reimbursement rate - paid meal reimbursement rate
 - f. Dust off Unpaid Meal Charge Policy
2. Options to continue universal free meals
 - a. Provisional programs - such as CEP or Provision 2
 - b. Non-pricing Breakfast

Note: Paid student lunches cannot be covered by Fund 21, unless provisional program

- Excess Net Cash Funds
 - Caution spending food service funds due to unknowns
 - [SCOOP - April 5th](#)
 - Covered flexibility with excess net cash plans
 - Unallowable costs
- [CEP alt schedule](#)
 - See website for more details
 - Alt reporting period and notifying CDE of participation
 - More outreach
- DC Medicaid Pilot
 - Application to USDA by Sept 30, 2022
 - If approved, implementation in SY 23-24
- Other funding
 - Supply Chain - April 1
 - P-EBT mini grants - upcoming

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[Financial Management | CDE \(state.co.us\)](https://www.cde.state.co.us/financial-management)



Instructional Time Updates



- COVID has led us to an important moment to step back and reassess what we know, or thought we knew, about “what works” in terms of instruction, seat time/funding requirements and—fundamentally—achieving strong student outcomes.
- Through the [Blended Learning Initiative \(BLI\)](#), CDE is working to understand more about blended and online learning models that are currently being used by brick-and-mortar districts and charter schools.
- The Initiative is particularly targeted toward districts and schools that are implementing learning models that fall outside of our updated guidance related to Blended Learning and Supplemental Online courses. Those schools and districts are eligible for a two-year formal variance waiver to the guidance.
- CDE provided an [update on the BLI to the State Board of Education on February 9th](#).



- Statute establishes teacher-pupil instruction and teacher-pupil contact as the driver for school funding.
- Colorado currently lacks a concrete, usable definition of what counts as teacher-pupil instruction, and what does not, outside of a brick and mortar, work study or traditional independent study environment.
- Without a concrete, usable definition of fundable instruction in these alternate environments, it is not possible to ensure fairness of school funding based on an equitable set of rules and expectations.
- As shown through the Blended Learning Initiative and other work with districts, it is clear that current practices vary widely.
- Districts need specific guidance on program options and what will be fundable/not fundable with regard to learning that takes place outside of a brick and mortar environment and also outside of an SDOL or an approved MDOL.



Engage in additional stakeholder input to determine what appropriate changes may be to:

- Rules changes related to the Public School Finance Act
- Rules changes related to the Online School Act
- Statutory changes related to the Public School Finance Act
- Statutory changes related to the Online School Act

Some content issues to address include:

- Independent Study
- Definition of Educational Process
- Definition of Online Student
- Homeschool Options
- Parent-Led Instruction
- Unique Courses included non-credit bearing courses, competency based programs, credit recovery programs, etc.

Office of the State Auditor Updates

Financial Reporting Updates

Financial Transparency Update

- Contract with BrightBytes ends 06/30/2022
- CDE will duplicate a Financial Transparency webpage
 - Website will go live 07/01/2022
 - Early June availability for District review
 - Targeted for 6/3-6/17 using a descriptive excel data file
 - Review comments collected via Google Form - up to 5 on a single form
- District Narratives Collected through google form
 - <https://forms.gle/RKnm3JE3JbYBwNJo7>
(CDE is not planning to load historical narratives)
- Updates for templates - weblink for Financial Transparency Website won't change
 - <https://coloradok12financialtransparency.com/#/>
- Updates for Submission - remove BrightBytes authorization



Family and Medical Leave Insurance (FAMLI) Local Government Participation

- Colorado local governments, including school districts, must decide whether or not to participate in the FAMLI program. Local school boards must hold a vote to determine the district's level of participation (providing full FAMLI benefits, completely opting out of the FAMLI program, or helping employees who want to individually participate in the FAMLI program by providing them with a voluntary payroll deduction).
- By January 1, 2023, if A school board does not notify the FAMLI Division they will be automatically enrolled in the FAMLI program as an employer and subjected to paying premiums.

Request for addition of Benefit Object Code

- 0217 FAMLI: Family and Medical Leave Insurance

FAMILY Update from Department of Labor

Other Updates from Partners



Membership Update





- Existing Vacancies
 - Vacancy for Term 2023
- Upcoming Vacancies for August 2022
 - Jane Frederick
 - Mike Lee
 - Samantha Gallagher
 - Patty Venem
 - Angela Slaven
- Time to start applying for the committee!!!



2022-2023 Meeting Schedule

FPP Meeting Dates 2021-2022 and New Dates 2022-2023

- Upcoming Meetings:
 - Thursday June 23, 2022
- Future Dates Planning for 22/23
 - Thursday, September 22, 2022
 - Friday, November 18, 2022
 - Thursday, February 23, 2023
 - Friday, April 28, 2023
 - Thursday, June 22, 2023



Questions? Happy Spring!

