

Welcome Task Force Members & Guests

A few notes prior to the meeting starting:

Task Force Members please have your camera on, audio muted, and relevant documents available at the beginning of the meeting.

- Welcome to the public who are watching the meeting via Live Streaming.
- If the public has any questions or comments they can be sent via email to Amy Carman at carman_a@cde.state.co.us

SB 23-094 School Transportation Task Force



February 13, 2024

Virtual Meeting

Overview of Today's Agenda

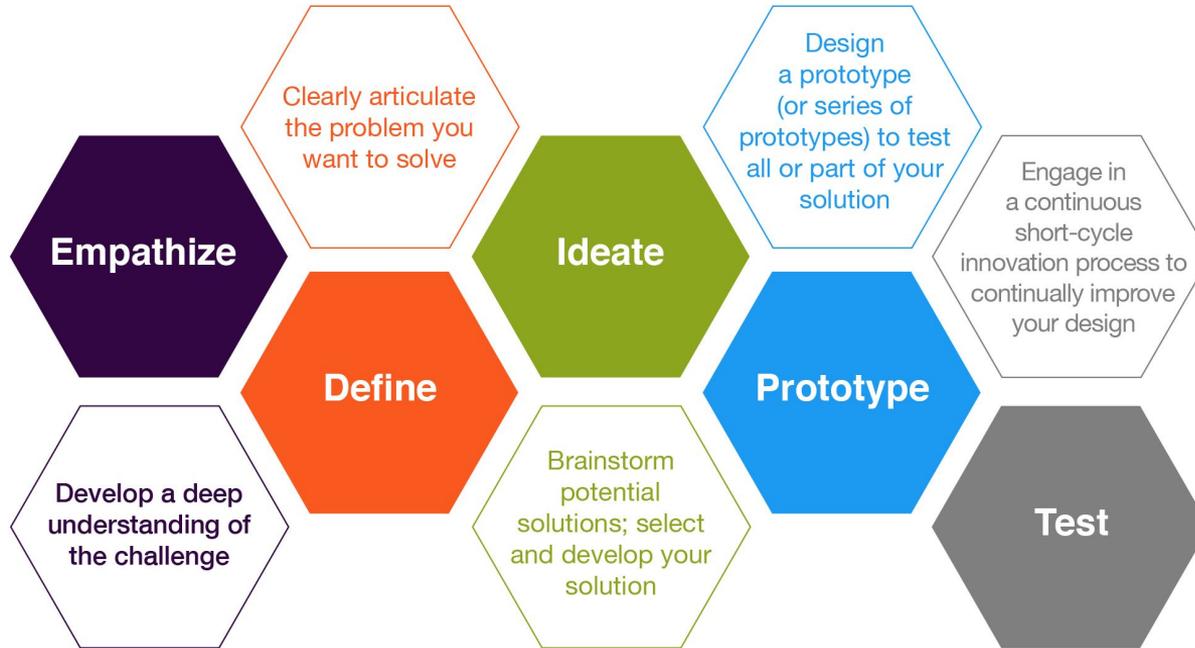
1. Agenda Item #1- Data Collection Updates
2. Agenda Item #2- Transportation Funding Background
3. Agenda Item #3- FFP Subcommittee Recommendations
4. Agenda Item #4- Next Steps

Guidelines for Interaction, Deliberation and Collaboration

- Respect others
- Cameras on whenever possible
- High engagement from all members
- High level of trust with each other
- Assume positive intent
- Collaborate as a team to benefit our students
- Encourage open dialogue
- Respectful dialogue
- Enable every member to have a voice
- Consider other member's experience and knowledge
- Consider other member's viewpoints
- Avoid assumptions
- Avoid personal or professional motives
- Provide and review topics in advance
- Establish clear agendas and desired outcomes for each meeting
- Develop clear goals and objectives
- Keep the work task and outcome oriented
- Keep the interests of the task force and the needs of the students at the forefront of the work.
- Keep students at the center of the conversation

Key Norm Areas:
Decision Making Norm
Equality of Process
Conflict Resolution

Design Thinking



Data Collection Update

Parent/Guardian Survey and Driver Survey

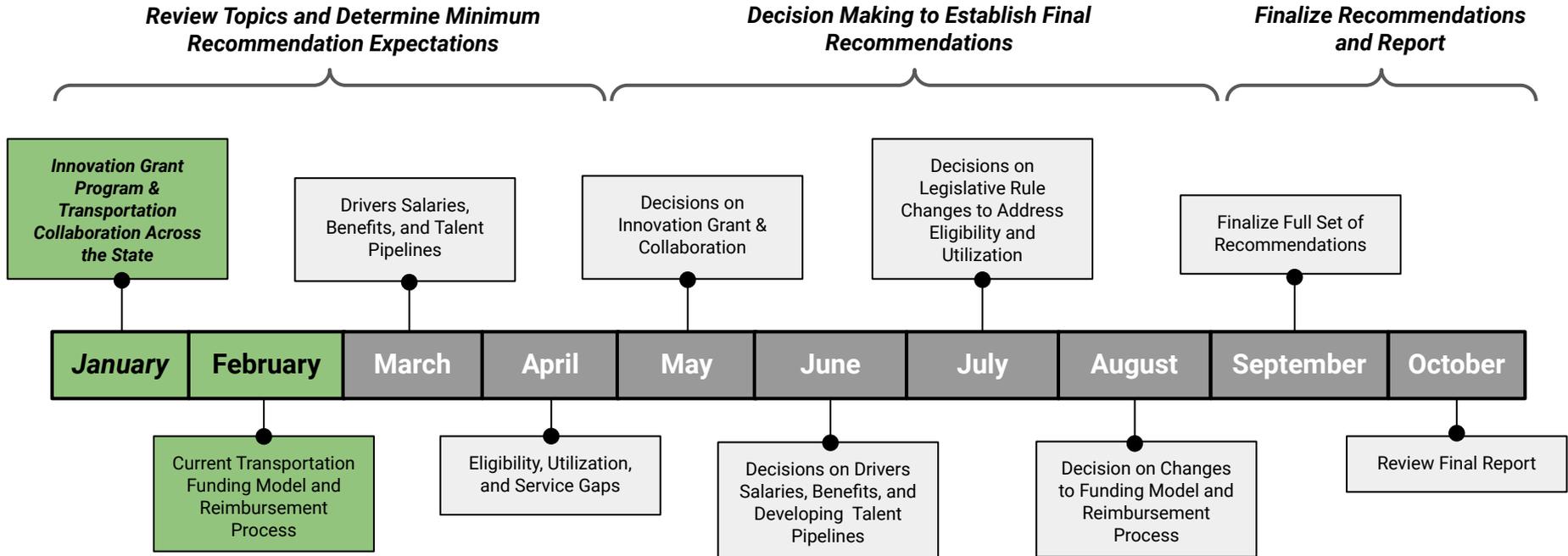
- Reminder email was sent out at the end of January
- Number of responses so far
 - Parent/Guardian Survey- 667
 - Driver Survey- 348
- Breakdown by region

District Data Request

- Received feedback from two of the three districts
- Will be sending out requests this week

District Setting	total # responses for DRIVER	% responses for DRIVER	total # responses for PARENT	% responses for PARENT
1- Denver Metro	109	35%	143	25%
2- Urban-Suburban	89	28%	12	2%
3- Outlying City	21	7%	51	9%
4- Outlying Town	38	12%	166	29%
5- Remote	47	15%	185	33%
na	10	3%	12	2%
Grand Total	314	100%	569	100%

Tentative Project Plan



Transportation Funding

Define

22-107-104 (2b) RECOMMENDATIONS FOR IMPLEMENTING A SIMPLIFIED REIMBURSEMENT PROCESS FOR SCHOOL DISTRICTS BASED ON THE FINDINGS OR RECOMMENDATIONS FROM THE TRANSPORTATION SUBCOMMITTEE OF THE FINANCIAL POLICIES AND PROCEDURES ADVISORY COMMITTEE OF THE DEPARTMENT OF EDUCATION;

22-107-104 (2c) IDENTIFICATION OF EXISTING AND POTENTIAL FUNDING SOURCES;

22-107-104 (2d) RECOMMENDATIONS FOR CREATING AND IMPLEMENTING SUSTAINABLE FUNDING MECHANISMS TO MEET SCHOOL TRANSPORTATION NEEDS;

SB 23-094 School Transportation Task Force

Documents to Review

1. [Transportation Statutes](#)
2. [CDE-40 Worksheet](#) & [CDE-40 Form](#)
3. [Transportation Payment Calculation](#)

Transportation
Allocations
Reimagined
FPP Subcommittee
Summary

May 10, 2022



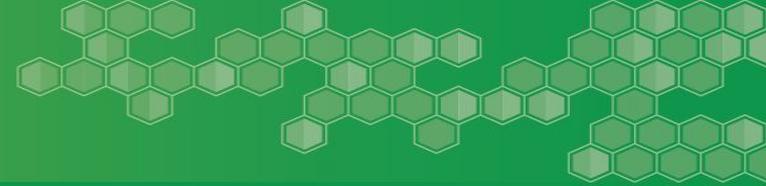
Why Are We Here?

The CDE 40 Process May Be Excessively Complex, Cumbersome & Time-Consuming when Compared to Benefits Received

- Inputs
 - Current CDE 40 Requires 8 Data Points
 - Current Operating Expenses - Adjusted
 - Pupil Counts
 - Mileage Counts
 - Day Counts
 - Upload of Supporting Docs, etc.
 - [Transportation Fund Administration Rules](#) - 7 pages
 - [General Instructions and Guidelines](#) - 6 pages
 - [Audit Resource Guide \(internal\)](#) - 28 pages
 - [Training](#) - 3 Training Videos/2.5 Hours Total
- Outputs
 - Each Year, a Significant Number of CDE 40 Submissions are Flagged for Corrections or Require Some Form of Follow-up
 - Audits Often Result in Changes in District Reimbursement Amounts
 - Average Transportation Funding is Only 2.0% of State Share Funding
 - Average Allowable Operating Expenditures Reimbursed < 24%



Why Are We Here?



Number of Fiscal Year 2021 CDE 40 Submissions that were Flagged for Corrections or Require Some Form of Follow-up

176 Received

85 Reviewed

66 Required Changes (77.7%)

Types of Errors:

- Current Operating Expenditures: 47 Districts
- Mileage Scheduled (Count Day): 18 Districts
- Days School in Session: 8 Districts
- Actual Trip Miles: 16 Districts
- Total Miles any Purpose: 19 Districts



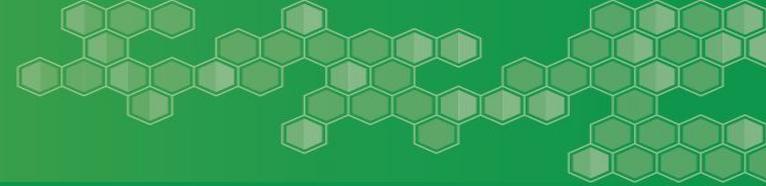
Data Submission - Supporting Documentation

Districts are required to upload all supporting audit documentation at the time of the CDE-40 claim form data submission (**Required** vs **Optional** upload documents)

- Total current operating expenditures calculation
- Summary general ledger
- Detail general ledger
 - District contracted transportation invoices
 - Commercial transportation vendor invoices
 - Parent contract expenses
- Insurance premium details
 - Physical building/property insurance premiums
 - Vehicle insurance premiums
 - Workers' compensation insurance premiums
 - Unemployment insurance premiums
- Utilities
- Support Costs
- Total Vehicle Mileage
- Scheduled Count Day Mileage
- Calendar(s)

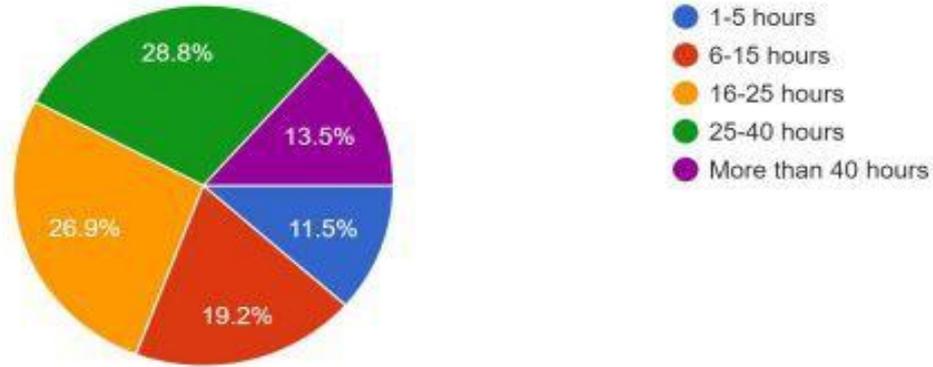


Why Are We Here?

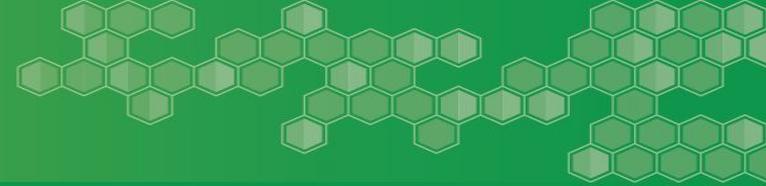


Approximately how many hours per year does your district, as a whole, spend completing the CDE 40 Transportation Reimbursement Claim submission?

52 responses

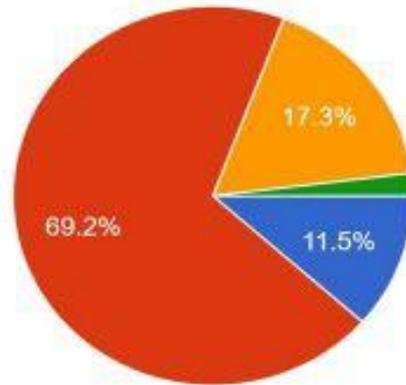


Why Are We Here?



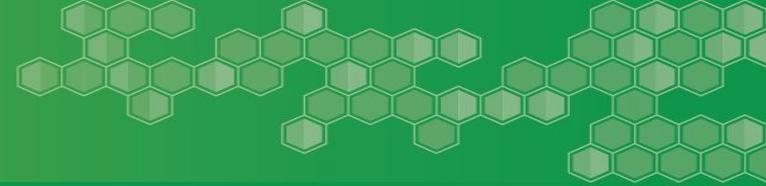
Approximately how many staff members in your district, as a whole, are involved (1 hour or more) in completing the CDE 40 Transportation Reimbursement Claim submission every year?

52 responses



- 1 staff member
- 2-3 staff members
- 4-6 staff members
- More than 6 staff members

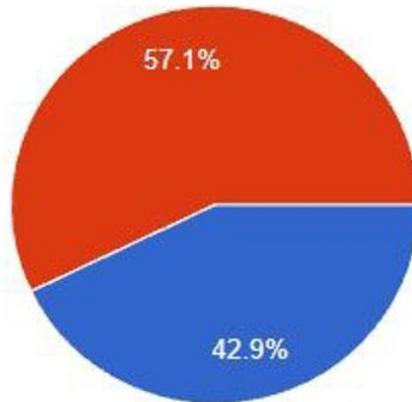
Why Are We Here?



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



Potential Goals/Outcomes for Developing a New Transportation Reimbursement Methodology

1) Simplify/Efficiency (10 Votes)

- Reduce or Eliminate Data Collected and Submitted by Districts
- Use Fewer Data Points in the Model
- Use Data Currently Available (i.e. factors used in school finance formula)
- Standardize/Automate the Process where Possible

2) Equity/Fairness Options (9 Votes)

- Adjust Reimbursement Amounts Using Factors (size for example)
- Provide a Minimum/Base Funding Level for all Districts
- Eliminate Expenditure Data from the Formula - spend more, get more

3) Checks and Balances/Audit (6 Votes)

- Maintain a System for Reviewing and Verifying District Submissions

4) Consistency/Maintain a Defined Methodology (4 Votes)

- Reduce Payment Fluctuations from Year-to-Year
- Audit Process would be more Manageable and more Timely
- Eliminate the Need for a Second Payment if Using Prior-Year Data



Goals/Outcomes for Developing a New Transportation Reimbursement Methodology

- **Decision Making Criteria**
 - Use Fewer Data Points/Reduce Data Collected
 - Eliminate Data Collected/Use Data Currently Available/Automate the Process
 - Equity - Minimum Base Funding for Districts
- **Other Factors to Consider**
 - What is the Cost of Hold Harmless? \$\$\$
 - Defensible - Does it Make Logical Sense?



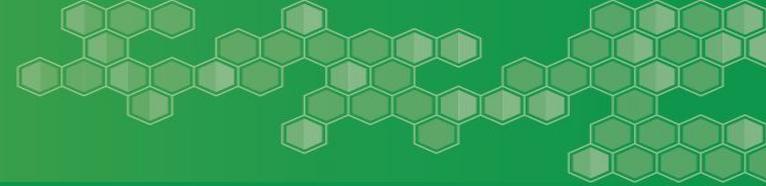
Time for a Change?



Overall Approach

1. Winnow the Variables
2. Deep Dive into Understanding the Variables as Currently Used
3. Define and Recommend Variables
4. Recommend Possible Weights for Variables
5. Review Specific Potential Funding Models
6. Refine and Finalize a Suggested New Transportation Reimbursement Funding Formula for Consideration





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, as well as 8 Different Variations of Each of the 2 Models Selected
- Each Model Included One, Two, or Three Variables
- Each Model Provided the Following:
 - The Individual Impact of Every District
 - A Base Allocation Amount (Equity Component Benefiting Small Districts)
 - Calculated the Amount of “Hold Harmless” Funding Needed to Implement the Model
- The Committee Selected Two Allocation Scenario Models to Recommend Moving Forward



One Single-Factor Scenario

- **Scenario 6: Total Data Pipeline Expenditures**
 - Per District Base Amount of \$20,000 (Equity)
 - Based on Prior Year Actual Data
 - Requires No Additional Collection of Data from Districts
 - Results in a \$3.7 Million Hold-Harmless Amount
 - FY 2021 + 10 Million = \$374k Hold-Harmless
 - **10 Districts Total** (Hold-Harmless)

Allocation Scenarios

One Dual-Factor Scenario

- **Scenario 8:** Data Pipeline Expenditures (60%) & Reimbursable (Route) Miles (40%)
 - Per District Base Amount of \$10,000 (Equity)
 - Calculates to \$0.57 per Mile
 - Based on Prior Year Actual Data
 - Requires Collection of Additional Data from Districts
 - Results in a \$5.5 Million Hold-Harmless Amount
 - **FY 2021 + 20 Million** = \$756k Hold-Harmless
 - 4 Districts Total (Hold-Harmless)



Subcommittee Recommendation:

Carry Forward Scenarios 6 and 8 as Two Potential Models for How Transportation Funding Reimbursements/Allocations Could Work in the Near Future

Potential Benefits of Pursuing this Change

- Time, FTE and Financial Savings for Districts
 - Significantly reduces data submission 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
- Intentional Benefits for Rural Districts



Hierarchical Order of Change

- **Colorado Revised Statutes** (Section 22.51.101-109, C.R.S.)
 - Current Law
 - Provides “Statutory Intent”
 - Can be Specific or Provide General Guiding Principles
 - Requires a Special Bill and Legislative Process to make Changes
 - Bill Sponsor, Committee Review, Floor Debate/Amendments
- **Rule** - Developed by CDE
 - Provides Specific Guidelines
 - Approved by the Board of Education
- **Instructions** - Developed by CDE
 - Specific Instruction and Guidelines Based on Statute and Rule
 - Training - Manual, Meetings, Videos
- **Auditing**
 - Audit Resource Guide Used to Determine Compliance with Statute and Rule



Questions?



Break



Single-Factor Scenario

Total Data Pipeline Expenditures

- Per District Base Amount of \$20,000 (*Equity*)
- Based on Prior Year Actual Data (*No “True-Up” Required*)
- No Additional Data Required from District (*Reduces Administrative Burden*)
- Hold-Harmless (*Ensures No Reductions in Funding*)

If no additional funding allocated- **\$3.7 Million Price-Tag** (Hold-Harmless)

If additional funding allocated- **\$10 Million + \$374K Hold-Harmless**

Data Pipeline Expenditures (60%) & Reimbursable Miles (40%)

- Per District Base Amount of \$10,000 (*Equity*)
- Reimbursed \$0.57 per mile (*Addresses Rural Districts*)
- Based on Prior Year Actual Data (*No “True-Up” Required*)
- Requires Submission of Additional Data from District (*Reduces Administrative Burden*)
- Hold-Harmless (*Ensures No Reductions in Funding*)

If no additional funding allocated- **\$5.5 Million Price-Tag** (Hold-Harmless)

If additional funding allocated- **\$20 Million + \$756K Hold-Harmless**

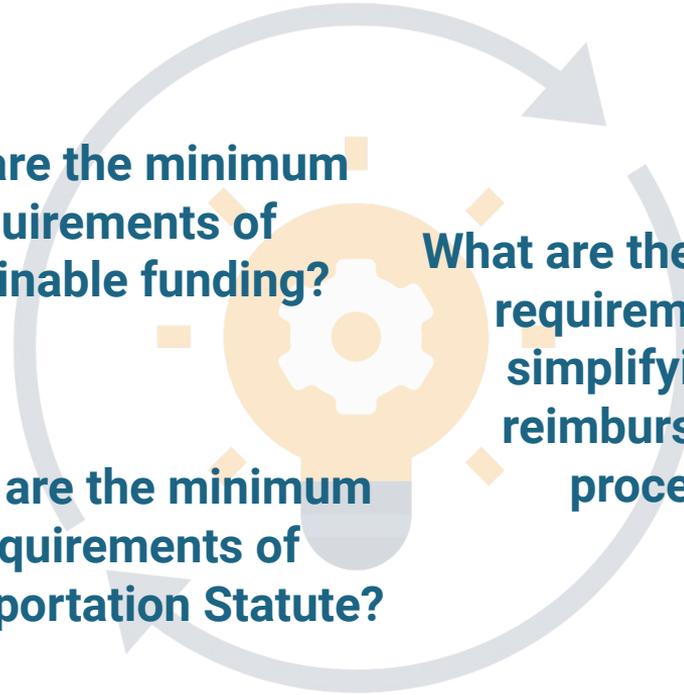


Clarifying Questions

What are the minimum requirements of sustainable funding?

What are the minimum requirements of simplifying the reimbursement process?

What are the minimum requirements of Transportation Statute?



Should the Transportation Task Force move forward with the minimum requirements for the simplified reimbursement process and sustainable funding discussed?

Decision Needed

1. Recommendation Stated
2. Fist to Five Vote
3. Articulate Concerns*
4. Discussion of Concerns*
5. Restate Decision & Record Vote



No way. I don't support this decision and I am vetoing.

I have strong reservations but will support the decision and will not veto.

I am uncomfortable with the decision but can live with it.

This decision is okay with me.

I support this decision.

I strongly support this decision.

Next Steps

Next Meeting:

March 19th @ 10AM

Next Topic:

Drivers Salaries, Benefits, and Talent Pipelines

- *Agenda and Pre-reads will be sent out the week before*
- *If you have suggested readings for the group please send to Kate*

Closing

Thank You!!
See you on February 13th