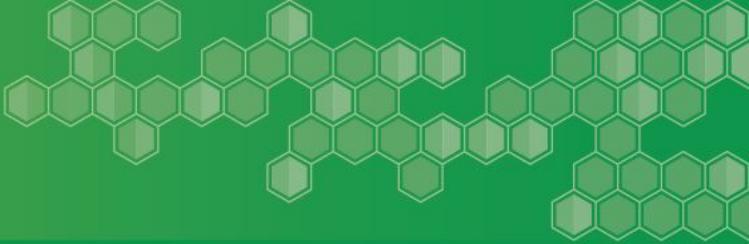
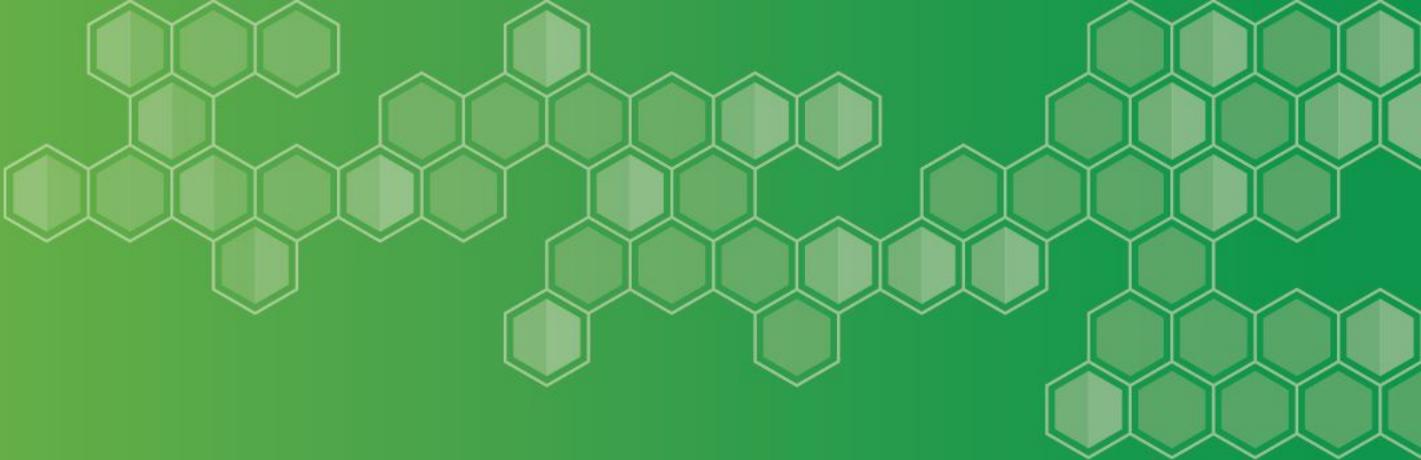


CASE School Finance Update July 27, 2022

Today's Agenda

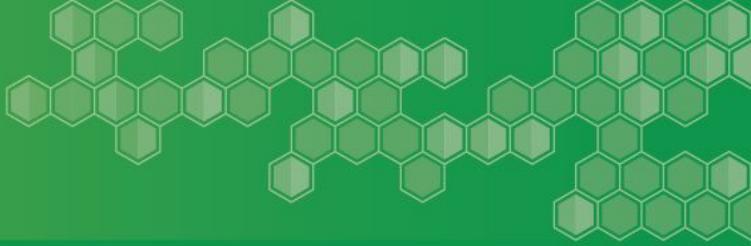


- **Introductions**
 - CDE Staff
 - Who is in the room?
- **Updates & Information**
 - Legislative Session Updates for School Finance
 - School Finance Support Program Overview
 - Instructional Time Updates
 - ESSER Updates
 - Free and Reduced Price Lunch Updates
 - School Nutrition Updates
 - BEST Grant Reminders
- **Open Question & Answer Time**



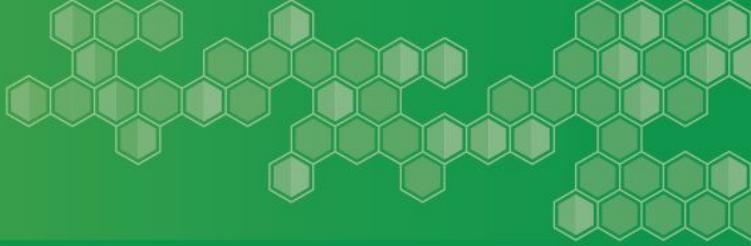
Legislative Session Updates for School Finance and Other Relevant Funding Issues

2022-23 School Finance Update



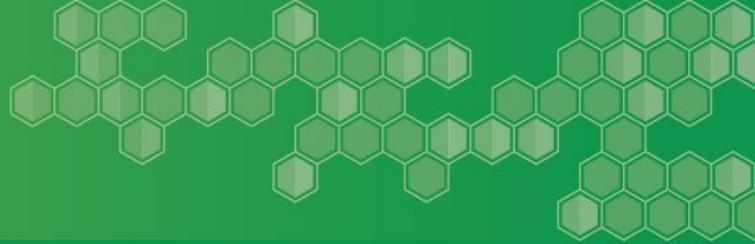
- **2018-19**
 - Budget Stabilization Factor = \$672.4M (**-\$150M**)
 - Average Per Pupil Funding = \$8,137 (+\$475)
 - Total Program = \$7.08B (+\$450M)
- **2019-20**
 - Budget Stabilization Factor = \$572.4M (**-\$100M**)
 - Average Per Pupil Funding = \$8,489 (+\$352)
 - Total Program = \$7.6B (+\$520M)
- **2020-21**
 - Budget Stabilization Factor = \$1.052B (+\$480M)
 - Average Per Pupil Funding = \$8,123 (**-366M**)
 - Total Program = \$7.24B (+/- \$0)
- **2021-22**
 - Budget Stabilization Factor = \$503.3M (**-\$548.7M**)
 - Average Per Pupil Funding = \$9,014 (+\$891)
 - Total Program = \$7.99B (+\$750.8M)
- **2022-23 School Finance Act (HB22-1390)**
<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)

READ Act Carryover



- **Section 5** of the school finance bill extends by one year the ability for local education providers to carry forward more than 15% of per-pupil intervention money received pursuant to the "Colorado READ Act"
- Local education providers may retain more than fifteen percent of the amount of per-pupil intervention money received in the 2020-21 budget year and the 2021-22 budget years in the 2021-22 and 2022-23 budget years respectively.
- Repeals on July 1, 2023

Key Legislation

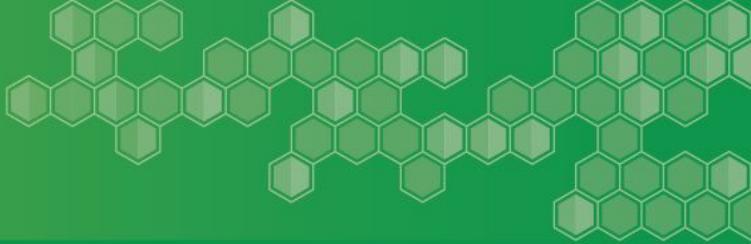


At-Risk Measure Bill ([HB22-1202](#))

CDE Lead: Kate Bartlett

- Needed because of COVID FRL Reporting Changes
- The bill identifies a new At-risk measure
 - a district's percentage of students certified as eligible for free lunch based on receipt of public benefits (SNAP, TANF, Food Distribution Program on Indian Reservation) or categorical eligibility (foster, homeless, migrant, runaway or Head Start), supplemented by the direct certification of students participating in Medicaid or Children's Basic Health Plan; and
 - a neighborhood socioeconomic status index that weights student needs based on at least five socioeconomic status neighborhood factors, linked to each student's census block group.
- Commissioner shall convene a working group to prepare for implementation for FY 23-24—**still looking for representation for principal, charter school director and school nurse!**
- 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

Key Legislation

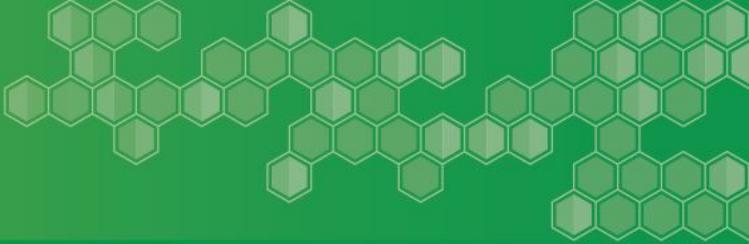


Mill Levy Override Match Fund ([SB22-202](#))

CDE Lead: *Glenn Gustafson - gustafson_g@cde.state.co.us*

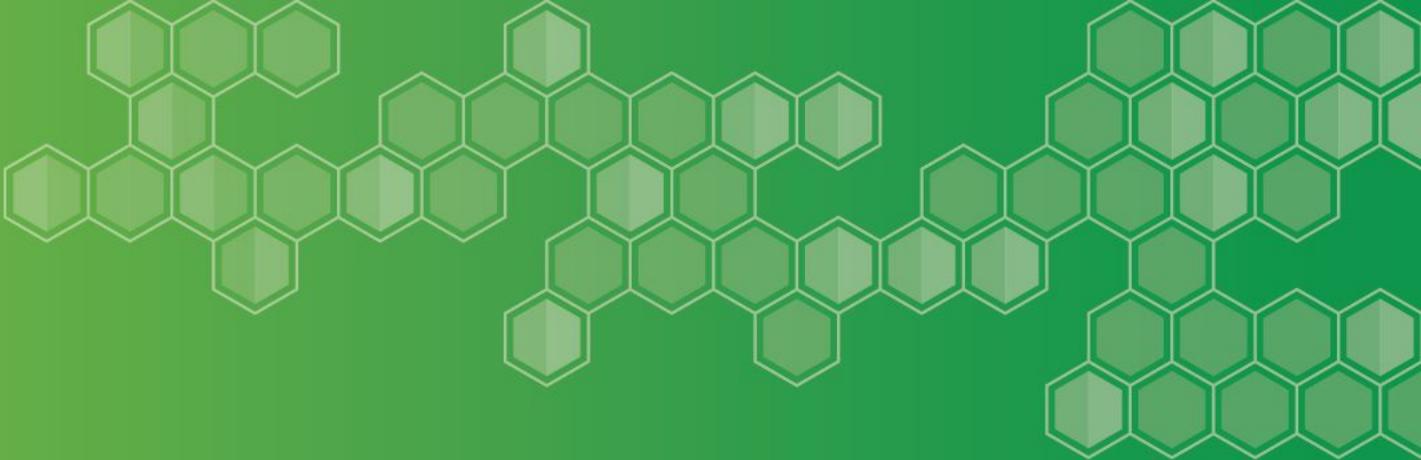
- Will require the State to distribute an amount of state money as matching money to the property tax revenue for MLOs
- If the District's MLO capacity is less than the maximum of override mills, the district would be eligible for matching funds
- Final appropriation for FY23 is \$10M
- Leg Council Staff is working on the final fiscal note showing projections for the FY23 distributions
- Please use this information with caution as it can and may change as a result of November elections
- More to come

Key Legislation



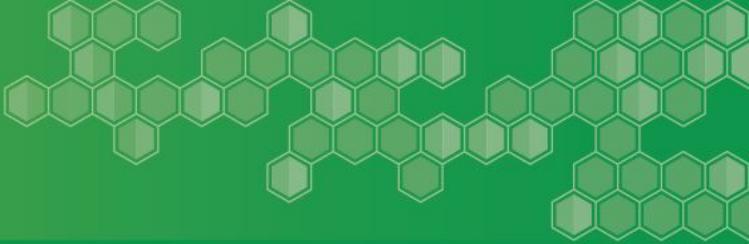
Special Education Funding Bill ([SB22-127](#))

- 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
- Per JBC action reflected in the Long Bill, funding associated with SB22-127 represents the only increase to categorical funding for FY23, i.e. other categoricals (ELPA, GT, Transportation) will stay flat.



Introducing the School Finance Support Program

Why? and Theory of Action



Why?

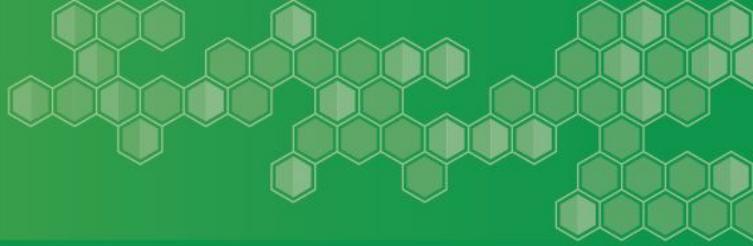
The field and CDE have identified training and support for school district finance professionals as a high priority.

Theory of Action

If we provide a tiered system of supports for Colorado's school district finance professionals, **then:**

- Colorado will develop and retain a community of competent, confident finance professionals; and
- Those professionals will provide outstanding financial leadership to their districts; and
- Those districts will be better able to leverage their financial resources in service of student learning and outcomes.

What we Believe



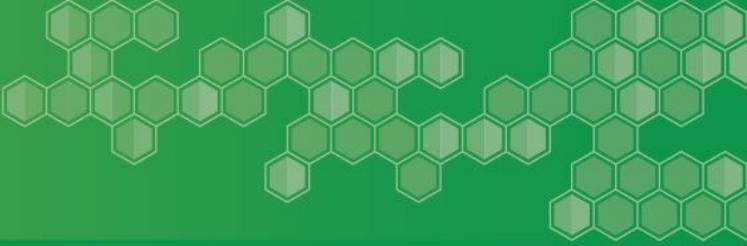
- The demands on Colorado school district finance teams have increased exponentially in recent years.
 - COVID relief funding is the latest example.

Hey who put this straw on
my back?



- **Turnover** in the finance office can be very disruptive to the district's ability to operate and execute to its strategic plan.
- New finance team members are often **overwhelmed and under-trained**, leading to not knowing where to begin in terms of training.
 - Single training opportunities, i.e. through CASBO, have been extremely helpful.
- CDE has a role to provide **capacity-building** for school district finance professionals and teams through a comprehensive, unified set of supports.

Leaders of Program



Glenn Gustafson, CPA

Gustafson_g@cde.state.co.us

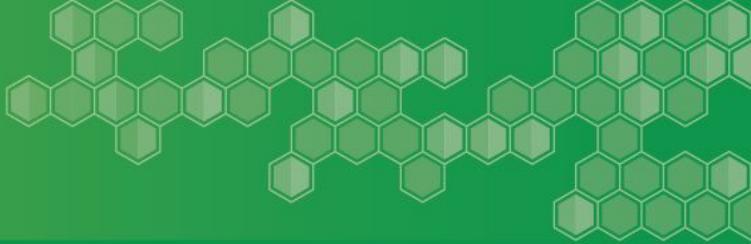
719 650 1960

Mark Rydberg

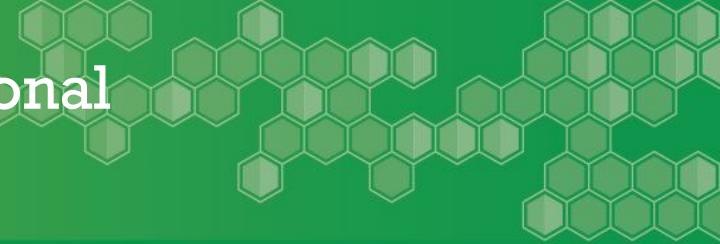
rydberg_m@cde.state.co.us

720 402 6658

A Tiered System of Supports



What we Seek: School Finance Professional Skills & Competencies



Goal: Every district completes a timely and accurate audit submission.

Skills & competencies required to meet this goal:

- Audit preparation
- Understand government accounting procedures
- Be a power user in your accounting system & other applications
- Understand school finance statute, board rules & how to comply
- Understand the Chart of Accounts
- Be familiar with the FPP Handbook
- Be familiar with the grant rules for every grant your district holds
- Know how to perform a monthly bank reconciliation
- Be able to develop a budget that supports the strategic plan & goals of the district
- Have redundancy and cross training on the finance team

What we Seek: Profile of a School Finance Professional in Colorado

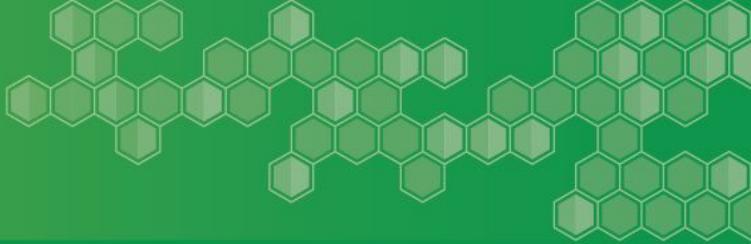


Goal: Every district has a finance professional who has the qualities identified in the School Finance Professional profile.

Qualities of a School Finance Professional:

- Student-centered
- Confident
- Knowledgeable
- Inquisitive
- Collaborative
- Can be both a mentor and/or a mentee
- Able to answer finance questions to technical and non-technical audiences
- Comfortable providing counsel and advice to the Superintendent and BOE
- Proficient presenter and public speaker
- Has tools to manage her/his time and priorities
- Is committed to her/his personal health and wellness, and that of the team

Cohort: Next Steps

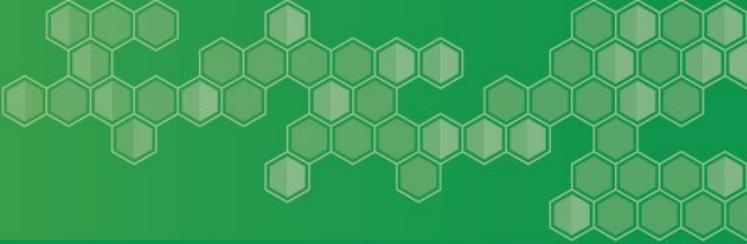


- **Cohort 2023** applications will be open in October to all district *lead finance professionals* but will be prioritized for those:
 - In small districts and
 - Who are new (1-2 years of experience)
- Cohort members should commit to one year of intense school finance learning and practice, with a second year of less intense follow up.
 - Year One:
 - 1 hour every two weeks individual check in
 - Site Visits, if requested
 - 2 hours per month cohort learning (class time)
 - Developing financial templates
 - Receive summarized reports from CDE, Rural Alliance, CASBO, CASE, CASB meeting to ease the meeting burden.

2022-23 Community & Network Training Plan

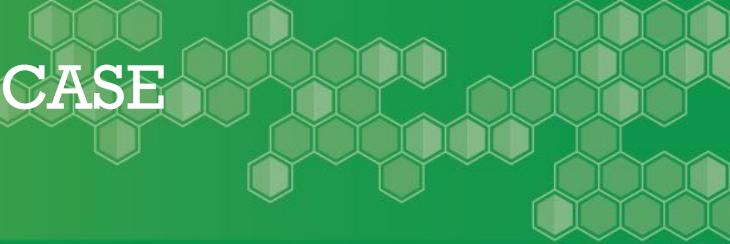
Month	Community Offerings	Network Offerings
August 2022	Financial Transparency Website Overview	Audit Preparation
September 2022	FPP Meeting School Finance 101, Parts I & II Flow-Through Accounting & Internal Service Funds	
October 2022	Finance December Data Pipeline	Single Audit Preparation Budget Planning Part I: Guiding Principles
November 2022	FPP Meeting	Bonds & Bond Levies Certifying Your Mills
December 2022		Certifying Your Mills (repeat)

2022-23 Draft Training Plan



Month	Community Offerings (101)	Network Offerings (201)
January 2023		Understanding Fund Balance Performance Benchmarks & Peer Group Financial Comparisons
February 2023	FPP Meeting	Using the CDE Budget Template Budget Preparation Part II: Analyzing Variance
March 2023		Budget Preparation Part III: Forecasting & Budgeting
April 2023	FPP Meeting	

One on One Informal Meetings during CASE Available



The CDE PSFU team is here at CASE and is available to schedule informal one-on-one check ins with district teams related to school finance matters.

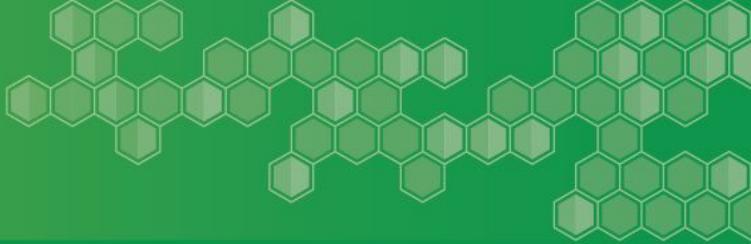
To schedule, please contact:

Mark Rydberg

rydberg_m@cde.state.co.us or

text 720.402.6658

Instructional Time Updates

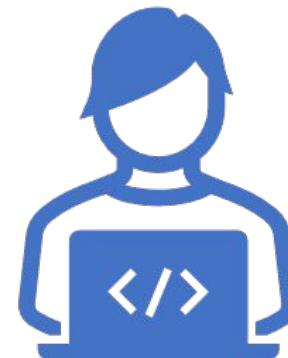


Traditional Paradigm: Students are either **Brick and Mortar** (full time in-person) or **Online** (full time remote)

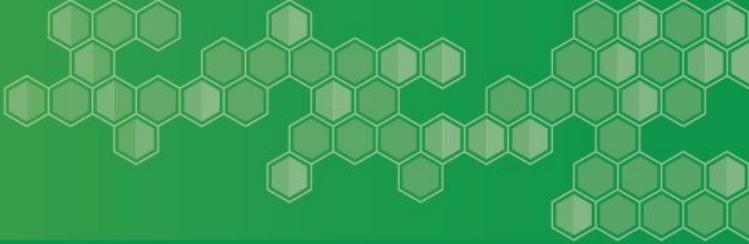
Either,



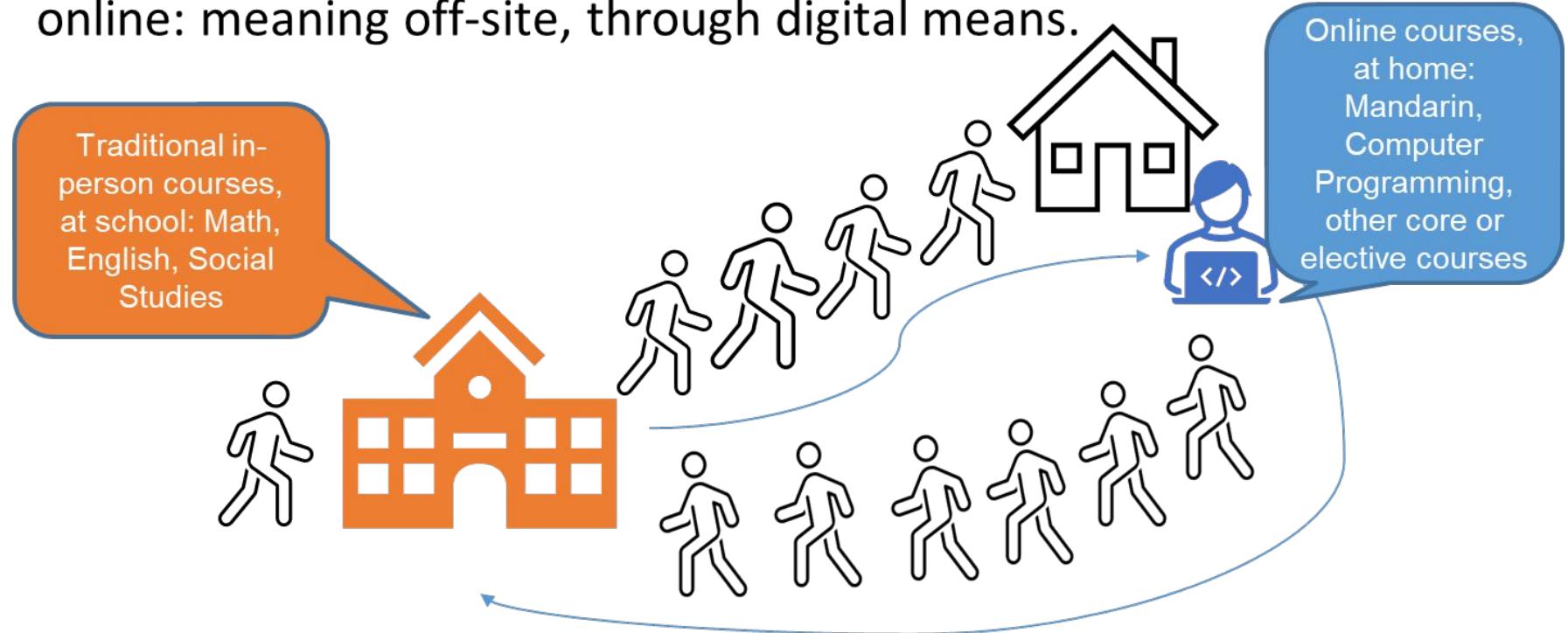
Or...



Blended Learning Initiative

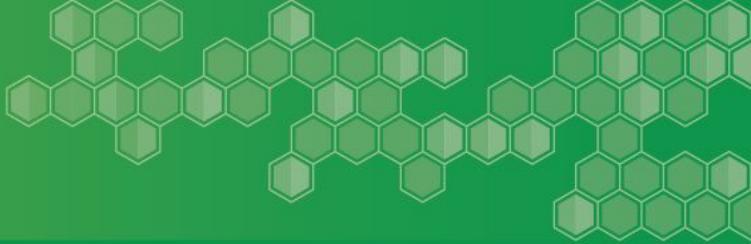


In practice, more brick and mortar students are learning partly online: meaning off-site, through digital means.



When this happens, there are possible implications for qualifying a student for full-time funding.

Blended Learning Initiative



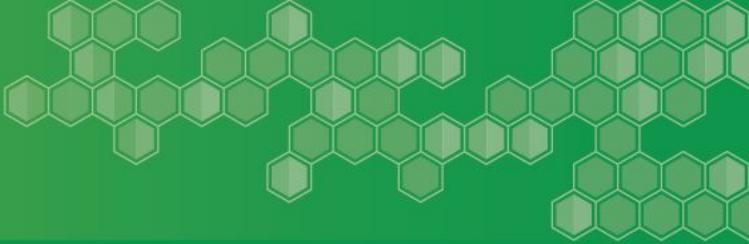
- COVID has led us to an important moment to step back and reassess what we know, or thought we knew, about “what works” in terms of instruction, seat time/funding requirements and—fundamentally—achieving strong student outcomes.
- Through the [Blended Learning Initiative \(BLI\)](#), CDE is working to understand more about blended and online learning models that are currently being used by brick-and-mortar districts and charter schools.
- CDE provided an [update on the BLI to the State Board of Education on February 9th](#) and again on [June 8th](#).
- This work intersects with School Finance because our funding model depends on defining what counts, and what does not, as instructional time.

Next Steps: Stakeholder Engagement



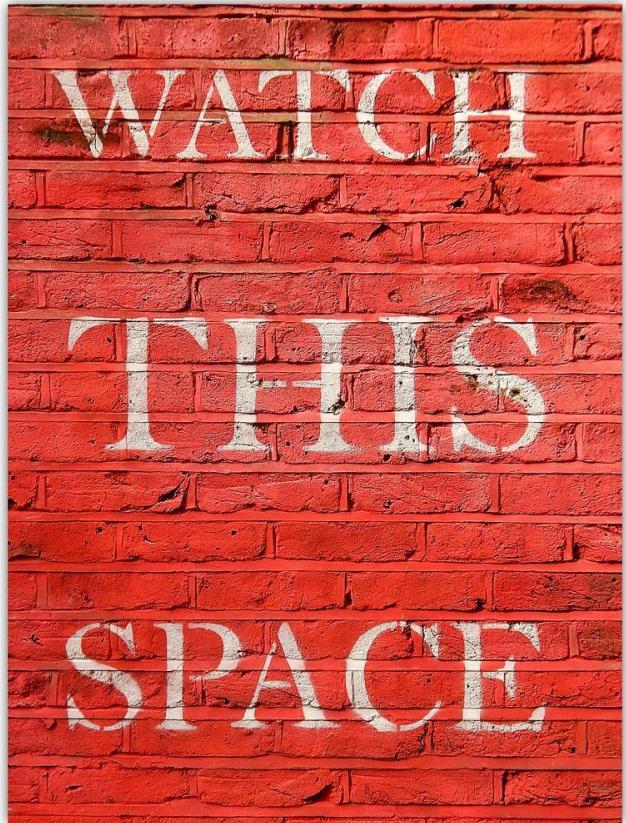
- We have a contract in place for increased stakeholder engagement.
- 8 meetings across the state, starting this summer and extending into the fall, that will target:
 - Parents
 - Students
 - Educators
 - Rural/Non-Rural
 - Online families/Brick & Mortar families
 - Policy Makers
- Open survey for broader community feedback
- A final report will be created for CDE staff to help inform next steps

Next Steps: Guiding Questions

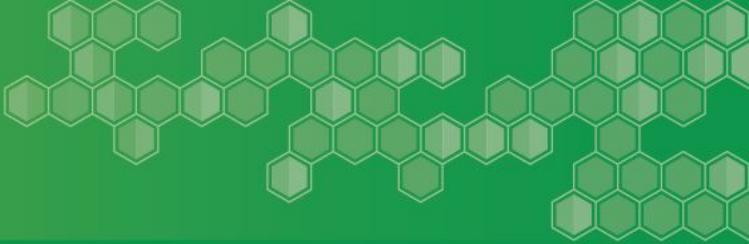


1. How many off-site online courses should count for funding of a brick & mortar student?
2. What should the minimum expectation for teacher involvement / instructional support be?
3. In a system that bases funding on instructional time, how should time count for individual online courses?
4. What implications might this have for our current definition of independent study?
5. Should policies/flexibilities be different for elementary, middle, and/or high schools?

Next Steps



- Look for communication in early August about the survey, and please share widely with your district community
- Plan to join a focus group early in the school year



ESSER Updates

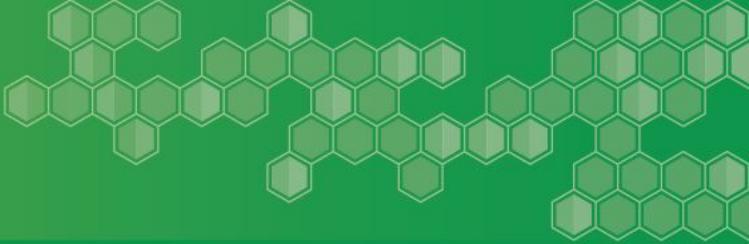
Update on ESSER 90% Timelines



	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
Tydings 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	Varies Across Grants 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



ESSER State Reserve Funds Focus Areas



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

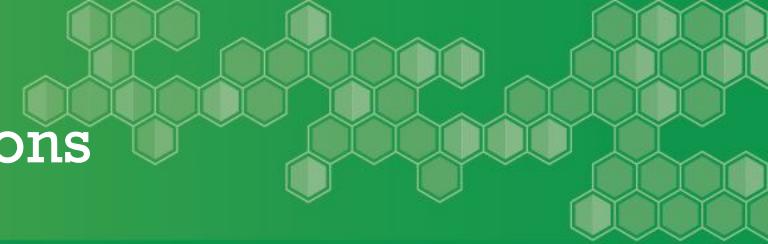
\$29 Million

STRENGTHEN STATE CAPACITY

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

\$12 Million

Programs w/ ESSER Funding Allocations



GRANTS
CLOSED

- Empowering Action for School Improvement Grants**
- 21st CCLC Grants**
- High Impact Tutoring Program**
- Blended Learning Initiative**
- Learning & Transparency Technical Assistance Program**
- Educator Workforce Support Grants**
- Peer Mentoring Program**
- Rural Coaction – Cohort 1 & Cohort 2**
- K-8 Mathematics Curricula / K-3 READ Act Curricula**
- Expanded Learning Opportunities**
- Transportation Assistance Grants**

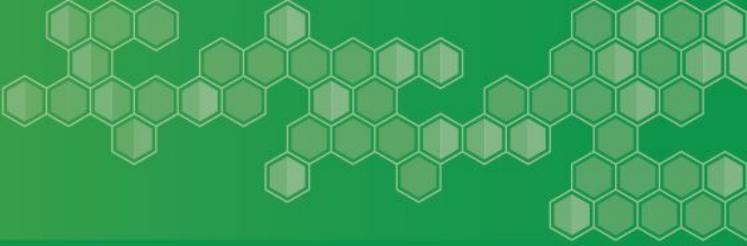
CLOSES
9/30/22

Rural Program Development Grants

\$525K



ESSER State Reserve Funds Coming Soon



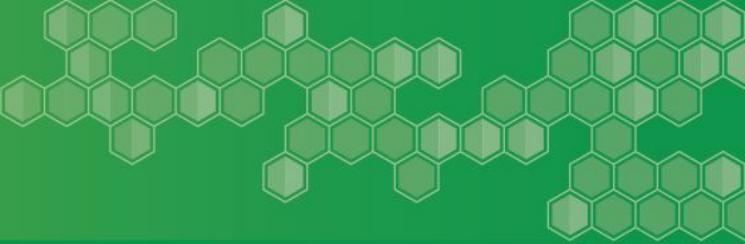
Programs In Development

- Professional Learning
- Tutoring Corp
- Technical Assistance

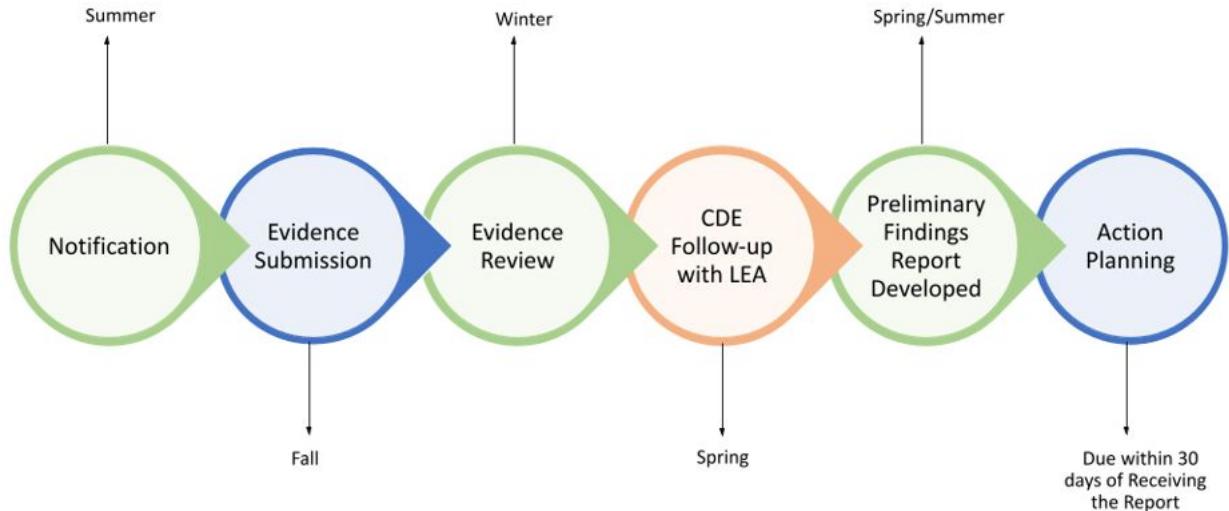
Ongoing Programs & Work

- Integrated Data Systems
- Data & Evaluation
- Monitoring

ESEA & ESSER Monitoring Updates



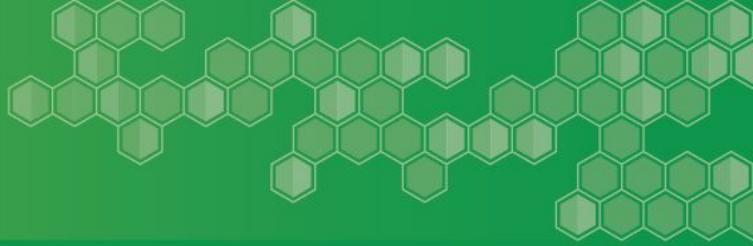
Monitoring Timeline



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



2021-2022 Monitoring Reflections

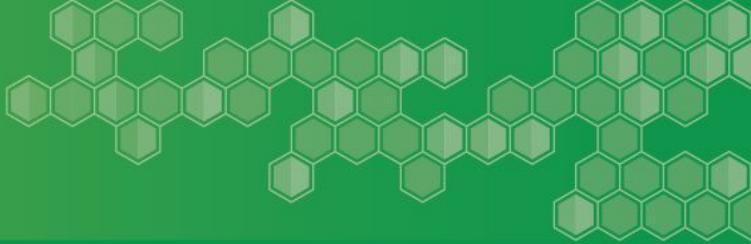


- ❖ Successes:
 - Revised process to include both ESEA and ESSER monitoring
 - Made real-time changes based on observations and feedback
 - Provided training and support to LEAs, Tribal Nations, facility schools, and AUs
 - Internal and external collaboration
 - Reports are being finalized (44 LEAs monitored)

- ❖ Challenges:
 - Made real-time changes to the process
 - Needed to extend timelines



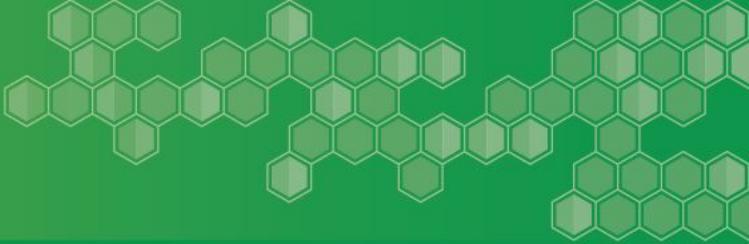
Next Steps



- ❖ **Implement Improvements:**
 - Make adjustments to risk assessment
 - Incorporate a more robust self-assessment
 - Provide targeted training for LEAs based on lessons learned and monitoring findings
 - Update resources and timelines



Coming Soon!



- ❖ Final Reports from 21-22 Monitoring
 - Feedback survey will accompany report
 - Monitoring Process
 - Support, Resources, and Training
- ❖ Notification letters will be sent by end of August (82 LEAs)
 - All will be asked to complete a self-assessment
 - Some districts will then have to submit evidence
- ❖ Training will be provided following notification
 - 22-23 Timeline
 - Self-assessment



Free and Reduced-Priced Lunch Updates



Free and Reduced-Price Lunch Carry Over

- The Rules for the Administration of the Public School Finance Act of 1994 (1 CCR 301-39-6.03(1)(a)) state:

Absent the current year application, 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.
- If the pupil enrollment count date (October 3, 2022) does not fall within the first 30 days of school, the district may request a variance waiver for the at-risk count
- Submit requests to Jennifer Okes (okes_j@cde.state.co.us) no later than September 15

Free and Reduced-Price Lunch Carry Over

- This year there are additional flexibilities in the carry over provision.
- This applies to school nutrition programs and Student October At-Risk counts.
- Pursuant to a USDA waiver for SY22-23, districts that operated under the Seamless Summer Option during 2021-2022 and do not have a current year eligibility determination for a student may use the student's most recent eligibility determinations during the carryover period. Eligible prior years:
 - 2021-2022
 - 2020-2021 or
 - 2019-2020
- More information is available in the [At-Risk Count Audit Resource Guide](#)

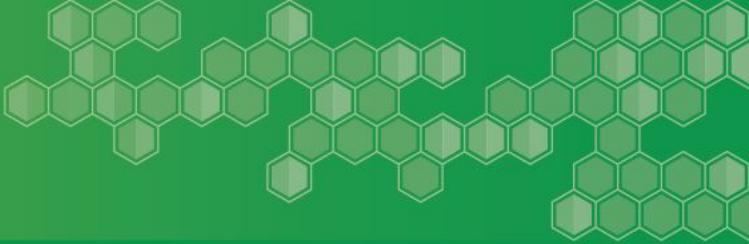
Free and Reduced-Price Lunch Carry Over

Student	SY 2019-20	SY 2020-21	SY 2021-22	SY 2022-23
Mickey	On DC list/ Reported as Free	No docs	No docs	No current year docs/ Report as Free
Minnie	Valid SY18-19 doc /Reported as Free	No docs	No docs	No current year docs/ Report as Paid
Donald	No docs	Valid FRL form/Reported as Free	No docs	No current year docs/ Report as Free
Daisy	Valid FRL form=Free/ Reported as Free	Valid FRL form=Free/ Reported as Free	Valid FRL form=Reduced/ Reported as Reduced	No current year docs/ Report as Reduced
Goofy	Valid FRL form=Free/ Reported as Free	Valid FRL form=Free/ Reported as Free	Valid FRL form=Free/ Reported as Free	Valid FRL form=Reduced/ Report as Reduced
Pluto	No docs	No docs	No docs	No docs/ Report as Paid



School Nutrition Updates

Paid Lunch Equity (PLE)

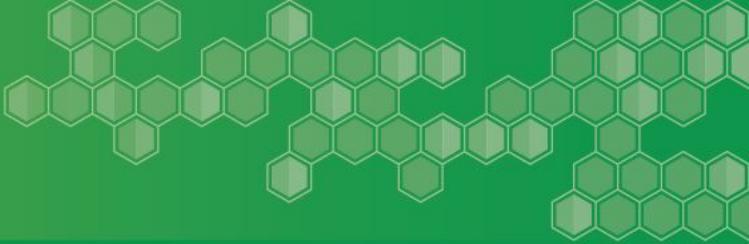


- Additional flexibilities in place for those sponsors affected by COVID-19 in SY22-23
- No current collection of the Paid Lunch Equity Tool
- No mandate to increase student lunch prices
 - Allows schools to price their paid lunches at a level that best addresses local needs
 - Does not apply to adult lunch prices
- Encourage districts to review their budget and assess paid lunch prices using the PLE tool
 - Ensure costs are covered
 - Consider the affect the nonprofit food service account in future years
- More information is available on the [PLE website](#)



BEST Grant Reminders

BEST Grant Reminders



- School districts considering applying for a BEST grant should, in consultation with legal council, inform local board of education members of conflict of interest requirements
- A recent determination was made that a local board of education member who owned a construction company could not bid on a part of a BEST project given that the board member had exercised discretion on the project by voting for the district to apply for the BEST project
- The Independent Ethics Commission [Advisory Opinion 12-01](#) addresses a similar situation and outlines factors to consider



Questions, comments, feedback?