

AGENDA
FINANCIAL POLICIES AND PROCEDURES ADVISORY COMMITTEE MEETING
June 22, 2023 at 9:30 a.m.

[Join Zoom Meeting](#)

Member Facilitator: Mimi Livermore

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes
4. Legislative Session Updates - Tim, Jennifer and Amy
 - a. School Finance Task Force- Tim talked about the Public-School Finance Task Force. CDE is required to contract with two independent entities – the goal is to have that done by August.
 - b. School Transportation Task Force- SB23-094 creates the Modernization Task Force for improving public school transportation services for students. Members will be appointed by the Commissioner - to be finalized soon. CDE is working to contract for a facilitator/report writer. CDE has \$50,000 for the facilitator. Student eligibility, utilization, driver staffing, fleet diversification, service gaps. CDE will develop a survey to gather feedback on these. Identify challenges, existing & potential funding sources, outcomes from trans assistance grants & recommendations, costs and benefits of requiring alternating flashing red lights to have automated systems to record unlawfully passing.
5. New At-Risk Measure - Amy
 - a. Review of Instructions- Volunteer of Districts- New At-Risk Measure: pilot engagement = two rounds to solicit feedback First round in June/July – developing second round in Nov/Early December to obtain actual student level census data. Benefits in participating: ensuring process is streamlines, providing more accurate modeling data on the statewide financial impact of the new at-risk measure, knowing actual financial impact to the district Input avail this summer. CDE will run a match between July 2023 Medicaid data and Student October 2022 data to estimate the impact on Free Lunch Counts...
6. School Finance Rule Updates- Jennifer talked about school finance rule updates. CDE discussed potential revisions to 1CCR 301-39 w/ the state board in April Proposed changes would modernize the rules to reflects the education delivery system of today and make some technical updates. CDE is seeking feedback. To provide feedback on the draft edits, please follow survey link: <https://forms.gle/pNqwp5u3EYrbfCLU8>. Note that this is not a formal notice of Rulemaking. One major change is define in-person and alternative teacher/pupil instruction. Will clarify that teacher pupil in contact includes in-person (in same physical location) and synchronous (includes zoom, etc) - alternative would include apprenticeships, blended learning, etc. (teacher & student may not be in the same place). A course catalog would need to be submitted for alternative teacher/pupil instruction. Would not include parent-led instruction. Second major change Contact Amy for Full rules and Mallorie Klemm on Blended Learning Initiative

7. Grants Fiscal Updates

- a. Special Education - ECEA/Child Find - Evan Davis
- b. Process Reminders - Joe Shields

Evan Davis talked about the ECEA calculation rules (calc elements): 22-20-114, Education Orphan - \$500,000 (parental right have been removed) \$m for High Cost - a separate award done each year (competitive grant; ESSU determines eligibility and awards the grants)

SB22-127 - Tier A was raised from \$1250 to \$1750/students in FY22-23 and increase by inflations beginning in December 1st counts.

SB23-099 attempt to increase the amount for Tier B. \$6,000/students. When it was calculated it was based on Dec 21 students counts - and in FY22 the student count increased. Tier A must be calculated per statute so the amount left over was not enough to meet the \$6/student funding level for Tier B, based on total funding from the GF & Cash fund in the long bill (after Orphans & High-cost (\$500k & \$4m) amounts are deducted & Tier A was calculated at \$1750/student (using FY22 count data). These calculations may be different than posted allocations as Child Find was initially held at the intent of the \$40M was to increase the funding amount for Tier B...

Pat Mueller from GFMU discussed Signature codes in the RFF process. A 4-digit code tied to a Signature housed at CDE. Assigned to District staff/individuals designated to have fiscal authority within an org - is the equivalent of your digital signature and should not be shared. Obtained by completing a form (on CDE website - RFF tab of GFMU), required by the SCO as part of Electronic RFF work-flow. Must follow the rules of the Office of the State Controller for security purposes. Each district should have 2 individuals designated with signing authority: Authorized Rep & Fiscal Rep. Authorized Rep given sig code to indicate fiscal authority for RFFs and other financial transactions. On the Form, select district/AU code Authorized Rep section limited to 2 reps at one time for security reasons (are assigned a code & certify as a direct employee. Fiscal rep section - is authorized to approve payments). Having 2 individuals allows for segregations of duties as required by federal regulations (2 CFR 200.303 and Reimbursement Requests should be accurate and timely: should tie to the General ledger. Requests should be created within 60 days of the date the expense was incurred. We are asking for two signatures is because we are required to by federal regulations. There are exceptions made in small districts where there may not be 2 people - but encourage these small districts to have other internal controls in place to ensure there are controls to prevent fraud, waste and abuse. Timeliness of requests - it is best practice for requests to be submitted within 60 days. RFF should tie to the General Ledger. Each district must vet the appropriateness of signatories. When a signatory leaves an organization GFMU should be notified to remove the individual's authority. Fiscal Auth should have broad understanding of the org's financial structure and goals and an understanding of the risks and responsibilities associated with public funding. Documents and tutorials are available on the Grants Fiscal web page.

Authority Errors- 1st edit is looking up the sig code. If it doesn't match RFF is sent to an error file and no further work is done. An email will be sent to Authorized Rep asking them to review the request and respond to whether it is a legitimate request. Email from Aut Rep will be used to provide the auth in lieu of the correct Auth Code. Errors are processed twice monthly.

Rffs received in 1st week of June 2023: - 167 errors (18%): 10 sig errors, 54 sig errors were mis-keyed by the Auth rep, 36 sig errors were approved by an individual w/o designated auth, 10 sig errors were associated with orgs w/ no active sig on file, 2 signature errors had signatories not associated w/ the org on the RFF. In addition, 17 aged Signatures Errors,

- 8 Award not available errors.
- 20 No remaining balance Av available errors
- 25 truncated payments & 2 other errors

14-15% of RFF have errors which is a significant amount of errors. Some errors can be resolved quickly, but others take time to research and resolve. 129 signature errors to resolve in June. It typically takes a couple of weeks to resolve each of these errors. T

8. UPK Updates - CDE and CDEC

Jeanni Stefanik from CDEC outlined some upcoming activities. There will be a survey from the payment vendor of the 2022-23 CPP allotment and pass through dollars to providers. This survey will allow CDEC to know what CPP funds were maintained by the school district and which funds were provided to private CPP providers. Additionally, Jeanni indicated that the third round of matching will be completed by July 6th. By July 15th, providers will know how much funding will be received for each preschooler matched with their program. Jennifer Okes outlined the legislative activities related to the UPK funding concerns.

An amendment to School Finance included a 1-yr
Historical Preschool funding: CDE funded gen ed services for CP and SPED PK students through the School Finance formula

Jennifer spoke about Maintenance of Effort (MOE) - applicable at both the state and local levels
State level = appropriation based
Local Level - Expenditure based
Concerns were raised about meeting MOE.
UPK rate for 10 hr programs

Funding Projections - assumed same # of preschool students in SY23-24 as was enrolled and funded thru School Financial (CP and SPED PK in ST22-23)
Two scenarios: one assumed all students enrolled in 10 hr programs and one assumed all students enrolled in 15 hr programs. Identified districts
10hr scenario - \$10.6m would be worst case scenario and legislature provided a one-year fix.
15-hr scenario -

MOE Fix - incorporated a MOE Hold-Harmless funding into the School Finance Act - section 22-20-114(8) was added as an amendment to SB23-287 & provides \$10m to ensure that AUs can meet the federal MOE requirements pursuant to IDEA. Funding will be calculated at and provided to school districts/CSI

CDE CPP Historical Allowance for the FY23-24: FY22-23 (CDE PreK
If the funding that a school district or a charter school receives based upon per-child rates for FY23-24, plus the CDEC CPP Historical Allowance Funding (total UPK \$) is less than the funding for FY22-23 for all preschool students (total PK\$), CDE shall distribute the difference to the school district or CSI

HB23-1235 - how it impacts the calculations: modifies the calculations to account for how preschool slots are currently used and discussed in other sections of education law. Rather than referring to the number of "children" a district or charter directly enrolled via CPP, statute will now refer to the number of "Preschool positions"

Hold Harmless funding - \$10 3rd piece is "MOE hold-harmless" funding, If calculated distributions exceed the appropriated funding, CDE will distribute funding based on an equal proportion. Anticipate quarterly projects posted to the PSFU website with MOE hold-harmless payments in June 2024
Monthly starting in August
CDEC plans to provide CPP Historical AI

Scenario 1- metro district (cherry Creek)

FY 22-23 PPR = \$9,574.65 (Statewide PPR in FY 22-23: \$9,595.81) Part-Time PPR = 4,787.32 (Statewide PT PPR in FY 22-23: \$4,797.91) FY 22-23 = \$3,872,945.14 for CPP students FY 22-23 = \$6,304,905.75 for 1,817 All PK students

UPK 10 hour = \$4,742.88 FY 23-24 = \$8,617,807.23 for 1,817 PK students at 10 hours CPP Historical Allocation Projection = \$0 because \$8.6M > \$3.9M MOE Hold-Harmless Projection = \$0 because \$8.6M > \$6.3M

UPK 15 hour = \$5,926.69 FY 23-24 = \$10,768,789.72 for 1,817 PK students at 15 hours CPP Historical Allocation Projection = \$0 because \$10.8M > \$3.9M MOE Hold-Harmless Projection = \$0 because \$10.8M > \$6.3M

Scenario 2 Trinidad:

FY 22-23 PPR = \$10,461.11 (Statewide PPR in FY 22-23: \$9,595.81) Part-Time PPR = 5,230.55 (Statewide PT PPR in FY 22-23: \$4,797.91) FY 22-23 = \$606,744.14 for CPP students FY 22-23 = \$700,894.10 for 85 All PK students

UPK 10 hour = \$5,016.18 FY 23-24 = \$426,375.69 for 85 PK students at 10 hours CPP Historical Allocation Projection = \$180,368.45 because \$426K < \$607K MOE Hold-Harmless Projection = \$94,149.95 because \$426K < \$701K

UPK 15 hour = \$6,268.21 FY 23-24 = \$532,797.97 for 85 PK students at 15 hours CPP Historical Allocation Projection = \$73,946.18 because \$533K < \$607K MOE Hold-Harmless Projection = \$94,149.95 because \$533K < \$701K

Scenario 3 - double-slotted = Roaring Fork:

FY 22-23 PPR = \$9,984.67 (Statewide PPR in FY 22-23: \$9,595.81) Part-Time PPR = 4,992.33 (Statewide PT PPR in FY 22-23: \$4,797.91) FY 22-23 = \$1,487,715.44 for CPP students FY 22-23 = \$1,692,401.13 for 225 All PK students

UPK 10 hour = \$4,877.41 FY 23-24 = \$1,097,417.25 for 225 PK students at 10 hours CPP Historical Allocation Projection = \$390,298.19 because \$1.1M < 1.5M MOE Hold-Harmless Projection = \$204,685.68 because \$1.1M < \$1.7M

UPK 15 hour = \$6,094.80 FY 23-24 = \$1,371,330.00 for 225 PK students at 15 hours CPP Historical Allocation Projection = \$116,385.44 because \$1.4M < 1.5M MOE Hold-Harmless Projection = \$204,685.68 because \$1.4M < \$1.7M

9. Mill Levy Match Update - Gustafson

Tim processed the distribution for the mill levy match program on 6/22/23.

FY23-23 (distributions to out in June 2023; all qualifying districts have been notified

FY23-24 - legislature increased budget from \$10m to \$23m; some districts see significant changes in funding

Key points: Use Source code 3401;

Subject to annual appropriated by the legislature;

Treat as non-recurring;

2 biggest factors or the Model: Assessed Valuation and Median Household Income

More than double in funding for 23-24. AVs are going crazy right now. Two ballot initiatives this November. All that is subject to change based on the

Use source code 3401. Subject to annual appropriation by the legislature. Better to treat this as non-recurring as your district may move out of qualification in the future. Ultimately districts would like the matching money to be more predictable.

10. Office of the State Auditor Updates - Dorsey

Crystal Dorsey provided an update on the progress of the School District Fiscal Health Analysis. Really appreciate the cooperation and assistance with the data for this report. The report is scheduled to be released on October 16th . Crystal will provide more detail on the time when it is closer.

Auditors should have the FY22-23 Compliance Supplements for Single Audit work already. The Compliance Supplement was released in the spring, which is the earliest release in many years. In previous years recently, there were delays in issuing the compliance supplement. There is a lot of detail in the compliance supplement, which is not secret that is only available to auditors. If districts are interested in learning more, they can reach out to Crystal and/or your auditors to get a copy of the compliance supplement. The compliance Supplement references a couple of programs from the federal communications commission (FCC), Grants 32.004 & 32.005. There is a caution related to these grants from the AICPA who indicated that recipients may not realize these are federal grants and must be included on the SEFA. If districts did receive these grants, they should look at the grant requirements. Jennifer Austin clarified that no 32.xxx ALN awards came through CDE to date.

Districts should have an auditor in place for your FY22-23 audit. If not, Glenn, Yolanda, and Crystal have lists of auditors that do school district audits. Mimi indicated that districts in the southern and western regions have lost their auditor. Hopefully they have found a replacement auditor already.

11. GASB 96 - Subscription-Based Information Technology Agreements - Gustafson

Glenn outlined that GASB 96 establishes the subscription based IT agreements as intangible assets and offsetting subscription liability. The accounting for these are expected to be similar to GASB 87 - Leases (appendix L in Chart of Accounts, pages 217-218). Asset cost is defined as: Initial subscription cost; payments made before subscription starts; capitalizable implementation costs. District should recognize the amortization of the assets over the life of the lease as an outflow of resources. This is effective for FY 22-23 Financial Statements:

<https://www.gasb.org/page/pageContent?pagelid=/standards-guidance/pronouncements/summary--statement-no-96.html>

12. State Cash Flow Loan Program - Tim or Rudy

Tim talked about the program. Typically districts that meet these characteristics: High Property Taxes due to TPF or MLO; Low State Qualization; Low Fund Balance

- must complete State Cash Flow worksheets
- - must draw down reserves for all operating funds
- - must pay back when property tax revenues are received

State Contracted Debt Manager RBC Capital Markets

Rudy Andrus, rudy.andrus@rbccm.com

Dan O'Connell, dan.oconnell@rbccm.com

Anthony Singh, anthony.singh@rbccm.com

13. Financial Reporting Updates - Kelly and Yolanda

- a. COA/FT Subcommittee

The members are listed in the slide deck. The purpose of the subcommittee is toThey want to establish some norms and guidelines, and business rules. There is consideration of an appendix to provide more guidance. At the most recent COA/FT meeting on June 8 the subcommittee went through revenue source codes and started discussions on the object codes. Object codes is expected to continue into the July/August meeting(s).

Job codes, any recommended enhancements/changes to the Financial Transparency website to be done in future meetings. Expected to be done with subcommittee work in October.

Working to consolidate

Eliminate codes that are not used or no longer relevant

Long term project is CTE coding.

Thank you to those who provided feedback. Will be doing more surveys in the near future.

Please respond to those surveys as they are very helpful.

3130 might list this is typically used with 1700.

Appendix that includes instructional codes is a pending

Expand 1900-2099 to be more uniform

Slide deck working document that has pending / [Future FPP recommendations](#). The COA/FT subcommittee decision is to wait until making additional recommended changes until the subcommittee is done with all of the work and will come to FPP for a vote on all pending/future recommended changes in the fall. Please look through the proposals now. It will be very helpful to get input and feedback on these proposals. <https://forms.gle/NWBVAXhWKmQ1jXKLA>

If you have something that bugs you about the chart of accounts, there is a form for that - please share your feedback/comments/concerns.

b. Financial Transparency Website

The FY 21-22 data must be posted to the website by July 1st. Thank you to those districts that have provided feedback. The LIVE website will be populated with FY21-22 results & available for districts to review on Monday, June 26th. If there is additional feedback, please let us know. We would make updates in September.

c. Collection Updates

- i. CDE-40 Transportation - second payment for FY22-23 was submitted to CDE's accounting department so districts will be receiving payment soon.

FY 2022-23 - Submission Opens July 1

Due September 15th - No Extensions!

1st Payment to be Issued November 15th

School Auditing: Training and Office Hours

http://www.cde.state.co.us/cdefinance/auditunit_trainings

Transportation CDE-40 FY22/23 August 3, 2023 (10:00 AM)

CDE-40 Office Hours September 7, 2023 (1:00 PM)

Transportation Funding Webpage Resources

<http://www.cde.state.co.us/cdefinance/sftransp>

Audit Resource Guide

Training Video Series: The Transportation CDE-40 Step by Step

Transportation CDE-40 Form Assistance: One Hour Sessions

- ii. New collection will open July 1st. No extension. Due September 15th. Payments due Nov 15th. Working on a high level review which will hopefully eliminate audit adjustments in the future. August 3, 2023 presentation on the process. This will be recorded. August 7th open office hours. Audit resource guide will be updated to provide clarification on the high level review process. Starting with the 22-23 submissions. When we do the audit reviews this year, we will send out an email to the district which will confirm that there will not be any audits of the district's transportation submission in the future. New this year, sign up form for 1 hour one on one office hour sessions. Email Yolanda, Tabitha, Rebecca if you have any questions.
- iii. Finance December - Soft open on August 3rd and officially open on August 15.
- iv. Audits due December 31st; March 1st with approved extension from the Office of the State Auditor.
- v. FDW reports will be available by July 15th.
- vi. Upcoming Financial Reporting-related trainings:
 - Overview of data pipeline submission
 - Overview of data pipeline reports
 - Overview of data pipeline Resources
- d. FPP Handbook and Chart of Accounts (COA Draft - would like to post for July 1st - to be finalized at next FPP meeting to include updated FPP Members. Might have mid-year revisions in the fall):
<https://docs.google.com/document/d/1cXkTz4iYmwW3GHL0GRbASpWxhA8iiKX2/edit?usp=sharing&oid=116296617901107092110&rtpof=true&sd=true>

Every year we go through regular updates to the handbook - dates, CDE staff members, SBE members, etc. . Additional updated ALN, CPP and UPK, list of auditors. We would like to post the draft version by July 1st. This will allow districts to start implementing any changes at the start of the fiscal year. We will post the final version in August. Motion to post the draft handbook.
Approval from Mimi and a second from Lisa.

Chart of Account updates were brought up at previous FPP meetings and were voted to be approved. Expect a mid-year revision after the votes on the proposed changes are presented by the COA/FT the subcommittee later in the fall. Draft, then update with FPP members, and then a mid-year revision. Motion to post the draft COA on July 1st. Approval from Mimi and a second from Don.

14. Training Updates - Rydberg/Gustafson

- a. Glenn Gustafson provided an update on a couple of online trainings they are excited about. 00
 - Governmental Accounting Basics (6/26/23) Mark will be the lead on this.
 - - Audit preparation Checklist/Training (7/20/23). These tools allow to clean up the balance sheet and provide the documentation and analysis for the auditors. This should make the annual audit much more smooth for districts and the auditors.
- b. Glenn outlined the upcoming BOCES Regional Trainings which will close the loop so that in-person trainings will have been provided across the entire state. The upcoming trainings are:
 - Northeastern BOCES/ Haxtun (7/12/23)

- Western Slope/Montrose (8/3/23)
- Southeastern BOCES/Lamar (10/5/23)
- c. The plan for the FY23/24 Regional Training Program will be to divide the state in 4 quadrants rather than at each BOCES, given timing
 - Northwest/Southwest/Northeast/Southeast
 - Front Range?

15. Other Topics of Interest

- a. CASB
- b. CASBO - Mimi registration for the fall conference is now open. Link. Last week of September.in Vail. Great sessions and key note by Reggie Rivers
<https://sites.google.com/coloradoasbo.org/casbo-fall-conference/home?authuser=1>
- c. CASE-DBO
- d. CGFOA
- e. COCPA

16. Call for FPP Membership

- Jennifer - email will go out with a list of openings and soliciting new members to participate. Members come to FPP meeting, FPP Planning meeting - not much more time-commitment than coming to those meetings. Look for email calling for nominations - nominations will be given to out-going members for a vote.

17. Upcoming Meetings - proposed dates (CDE tried to make sure there's no conflict with other conferences - CASE, CASBO, etc):

- Friday, September 15, 2023
- Thursday, November 16, 2023
- Thursday, February 22, 2024
- Thursday, April 25, 2024
- Thursday, June 27, 2024

Mimi thought the June 27, 2024 date is a little bit later than normal. CDE will look for a date a week or two prior to the 27th. Will push it back to the 20th of June,.

18. Adjourn