

Financial Policies & Procedures Meeting

June 22, 2023



Legislative Session



Public School Finance Task Force

- SB23-287 creates a task force for the purpose of examining and making recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student-centered
- The task force is required to submit a report to the General Assembly by January 31, 2024
- Membership is outlined in [the bill](#) appointed by President of the Senate, Minority Leader of the Senate, Speaker of the House, and Minority Leader of the House as well as staff
- CDE has issued an RFP for a facilitator/report writer for various task forces - anticipated contract date is mid-August
- CDE has \$100,000 for the facilitator/report writer
- Task Force will meet not more than 8 times between July and December 2023

Public School Finance Task Force (continued)

Task Force shall make findings and recommendations regarding the following changes to the school finance formula to occur for FY 2024-25:

- Eliminating the use of multiplicative indexes for cost of living, personnel, and non-personnel costs and district size
- Recalibrating the cost of living factor, capping the cost of living factor, or alternative methods to account for the cost of living, including through categorical funding
- Prioritizing student needs in the formula, including measure that align the at-risk factor, ELL factor, and special education categorical funding based upon evidence-based research
- Revising the size factor to incorporate considerations other than student enrollment, including remoteness of a school district
- Securitying equalization in mill levy overrides for CSI schools based on the school district where the school is located

Public School Finance Task Force (continued)

- The task force is required to set parameters for a study to examine and make recommendations concerning the components and costs necessary to adequately provide students a free and uniform public education (adequacy study)
- CDE is required to contract with two independent entities, each of whom shall conduct a study and publish a report concerning parameters established by the task force
- CDE will issue an RFP for the adequacy studies in the winter of 2023-24
- CDE has \$200,000 for the two adequacy studies
- The independent entities are required to submit their reports to the General Assembly by January 2025

School Transportation Task Force

- [SB23-094](#) creates a Colorado School Transportation Modernization Task Force for the purpose of improving public school transportation services for students.
- The bill specifies task force membership to be appointed by the Commissioner. The Commissioner is working on appointments currently.
- CDE has is working to contract for a facilitator/report writer
- CDE has \$50,000 for the facilitator/report writer
- The Task Force will meet at least two times from August to December 2023 and at least four times from May to November 2024
- The Task Force is required to submit a report by December 2024.

CDE shall present the following data to the Task Force

- Student eligibility
- Student utilization
- Driver staffing levels
- Fleet diversification
- Service gaps

CDE will be developing a survey to send to districts to gather this information.

School Transportation Task Force (continued)

Task Force report must contain specific findings and recommendations, including identification of:

- Transportation challenges that create barriers to students
- Existing and potential funding sources
- Outcomes from transportation assistance grants and recommendations for replication or expansion
- Costs and benefits of requiring alternating flashing red lights to have automated systems to record unlawfully passing

School Transportation Task Force (continued)

The report must also contain recommendations for:

- Implementing a simplified reimbursement process based on findings of the FPP Transportation Subcommittee
- Creating and implementing sustainable funding mechanisms and transportation innovation fund
- Facilitating partnerships to meet needs and create cost efficiencies, while maintaining safety standards
- Competitive salaries and benefits packages to recruit and retain drivers
- Legislation or rules that may improve school transportation, including those that do not exacerbate marginalization of communities through separation while protecting public funds with clear accountability and transparency

New At-Risk Measure



HB 22-1202 At-risk Student Measure For School Finance

- Created a new At-Risk Measure for the School Finance formula beginning in FY 2023-24
- Established a working group to provide input on several topics

SB 23-287 Public School Finance

- Extends implementation of the new At-Risk Measure to FY 2024-25
- Explicitly allows CDE to collect information necessary for individual student census block groups
- Requires CDE to conduct pre-implementation modeling and testing of total program funding using the new at-risk factor measure and report findings by January 2024



(11.3) THE DEPARTMENT OF EDUCATION SHALL COLLECT DATA NECESSARY TO IDENTIFY INDIVIDUAL STUDENT CENSUS BLOCK GROUPS.

(11.5) (a) IN ORDER TO PREPARE FOR THE IMPLEMENTATION OF THE NEW AT-RISK MEASURE FOR THE 2024-25 BUDGET YEAR, THE DEPARTMENT OF EDUCATION SHALL CONDUCT PRE-IMPLEMENTATION MODELING AND TESTING OF THE NEW AT-RISK MEASURE. AT A MINIMUM, THE DEPARTMENT SHALL SIMULATE 2024-25 BUDGET YEAR TOTAL PROGRAM CALCULATIONS, INCLUDING THE NEW AT-RISK MEASURE RECOMMENDED BY THE WORKING GROUP INSTEAD OF THE AT-RISK MEASURE IN EFFECT FOR THE 2023-24 BUDGET YEAR.

(11.5)(b) NOT LATER THAN JANUARY 5, 2024, THE COMMISSIONER OF EDUCATION SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, AND THE JOINT BUDGET COMMITTEE, INCLUDING:

(I) A SUMMARY OF THE OUTCOMES OF THE MODELING AND TESTING USING THE NEW AT-RISK MEASURE, AND THE ANTICIPATED EFFECTS ON THE COST OF TOTAL PROGRAM FUNDING;

(II) AN IDENTIFICATION OF ISSUES ENCOUNTERED IN THE MODELING AND TESTING USING THE NEW AT-RISK MEASURE; AND

(III) RECOMMENDATIONS FOR ANY LEGISLATION NECESSARY TO IMPLEMENT THE NEW AT-RISK MEASURE FOR THE 2024-25 BUDGET YEAR, AS WELL AS FINANCIAL RESOURCES NEEDED TO ADMINISTER THE NEW AT-RISK MEASURE.



The pilot engagement will include two rounds to solicit feedback:

- First round in June/July to gain feedback on the instructions for district use of ACS website tool. This will help ensure instructions to use the ACS tool are clear and easy to follow.
- Second round in November/early December to obtain actual student level census block information from volunteer districts. This will provide information to augment the statewide modelled data to provide more accurate pre-implementation modeling.
- Districts can participate in one or both rounds.



Anticipated Data Inputs:

- SASID
- Student Street Address
- Student City
- Student State
- Student Zip Code

Anticipated Census Block Data* Needed for New At-Risk Measure:

- SASID
- Tigerline ID
- Tigerline ID Side
- State Code
- County Code
- Tract Code
- Block Code

This data is generated from the American Community Survey tool.



Districts participating in the pilot will benefit the implementation statewide:

- Ensuring the process is streamlined
- Providing more accurate modeling data on the statewide financial impact of the new at-risk measure

Districts participating in the pilot will benefit individually:

- Knowing actual financial impact to the district

Districts interested in participating should contact:

- Rich Hull - hull_r@cde.state.co.us
- Amy Carman - carman_a@cde.state.co.us

Updated Inputs into the New At-Risk Measure

- Updated At-Risk Measure Inputs will be available this summer.
- When Medicaid data is available, CDE will run a match between July 2023 Medicaid data and Student October 2022 data to estimate the impact on Free Lunch counts.
- Urban Institute is updating modeled Neighborhood Socioeconomic Status (SES) data based upon the most recent data, updated for 5-17 year olds. CDE will provide this data, compared to the previous data for under 18 year olds.

School Finance Rules Update

School Finance Rule Updates

- CDE discussed potential revisions to the School Finance rules (1 CCR 301-39) with the State Board of Education in [April](#)
- These proposed changes would modernize the rules to reflect the educational delivery system of today and make some technical updates
- We have since created [draft edits](#) to 1 CCR 301-39 that we are seeking your feedback on. Please note that this current work is NOT a formal Notice of Rulemaking.
- To provide feedback on the draft edits, please follow the survey link at: <https://forms.gle/pNqwp5u3EYrbfCLU8>
- Contact for Questions:
 - Full rules – [Amy Carman](#)
 - [Blended Learning Initiative](#) – [Mallorie Klemm](#)

School Finance Rule Change Summary

Proposed School Finance rule changes are responsive to feedback and the evolution of learning with guardrails.

The proposed school finance changes include:

- Define teacher-pupil contact and instruction that includes in-person instruction (synchronous) and alternative instruction that includes other opportunities for asynchronous, blended, apprenticeships, internships, etc..
- Requires a course catalog for alternative instruction. Courses must be available to all students
- Parent led and parent directed instruction is not allowed for funding.

School Finance Rule Change Examples

Teacher-pupil contact and teacher-pupil instruction means the time when a pupil is actively engaged in the educational process of a district. Teacher-pupil contact and teacher-pupil instruction may include alternative instructional time provided under the supervision of a certificated or licensed teacher. Instructional time does not include parent led or parent directed instruction.

In-person teacher-pupil instruction means the organized instruction of learning opportunities for pupils enrolled in public schools under the supervision of a licensed educator that takes place synchronously, when the licensed educator and the pupil are in the same physical location, such as a school building or when the licensed educator and the pupil are in the same virtual classroom.

Alternative teacher-pupil instruction means the organized instruction of learning opportunities for pupils enrolled in public schools under the supervision of a licensed educator that may take place synchronously or asynchronously, when the licensed educator and the pupil may or may not be in the same physical location. The term includes any instruction not meeting the definition of in-person teacher-pupil instruction, including but not limited to independent study, work study, internships, apprenticeships, blended learning, and supplemental online learning.

School Finance Rule Change Examples

Streamline the Rules

- The current rules contain duplicative language related to attendance. For example, there are approximately ten separate rules that can be consolidated into the following:

Student is present for all (or any portion of) the applicable count date, OR if the student is absent or does not attend for any reason on the applicable count date (including non-student contact days), then the student must establish attendance during the current school year, prior to the applicable count date and resume attendance within 30 calendar days following the applicable count date. This assumes the student did not enroll and attend at any other Colorado public school district between the applicable count date and the date in which attendance was resumed.

Remove references to preschool

Misc other updates and clean-up

Grants Fiscal Management Updates

ECEA Calculation Rules (Calculation Elements)

Colorado School Laws 22-20-114

Education Orphan

(a) (I) Five hundred thousand dollars to administrative units that enroll children with disabilities:

1. For whom tuition is paid by the administrative units for the children to receive educational services at approved facility schools; and
2. For whom parental rights have been relinquished by the parents or terminated by a court, the parents of whom are incarcerated, the parents of whom cannot be located, the parents of whom reside out of the state but the department of human services has placed the children within the administrative unit, or children with disabilities who are legally emancipated.

High Cost

(II) (A) In addition to the amount appropriated for distribution pursuant to subsection (1) of this section, for the 2008-09 budget year and each budget year thereafter, subject to available appropriations, the general assembly shall appropriate four million dollars from the general fund or from any other source to the department to fund grants to administrative units as provided in section 22-20-114.5 for reimbursement of high costs incurred in providing special education services in the preceding budget year.

ECEA Calculation Rules (Calculation Elements)

Per SB 22-127: https://leg.colorado.gov/sites/default/files/documents/2022A/bills/fn/2022a_sb127_f1.pdf

The Base funding for Tier A students was raised from \$1,250 to \$1,750 per student:

Beginning in FY 2022-23, the bill increases Tier A funding from \$1,250 to \$1,750 for each student with a disability, and identifies \$26.825 million for Tier B distributions. It also requires that these amounts increase by inflation annually, beginning in FY 2024-25.

Long Bill FY 23-24: https://leg.colorado.gov/sites/default/files/documents/2023A/bills/2023a_edu_act.pdf

(B) Categorical Programs

(1) District Programs Required by Statute

Special Education
Programs for Children with
Disabilities

93,572,347

206,582,286^a

December 1st Counts: Provided to GFMU by the CDE ESSU department. The December count is provided by/and collected from the AU/BOCES/District. For December 1st 2022 that total count of students was **112,593** (Tier A) and **24,708** specifically identified for additional funding (Tier B).

ECEA Calculation Rules (Calculation Elements)

Per SB 23-099: https://leg.colorado.gov/sites/default/files/documents/2023A/bills/fn/2023a_sb099_r1.pdf

Appropriation Summary:	For FY 2023-24, the bill requires and includes an appropriation of \$40,203,671 to the Colorado Department of Education.
Fiscal Note Status:	The fiscal note reflects the reengrossed bill, which was recommended by the Legislative Interim Committee on School Finance.

**Table 1
State Fiscal Impacts Under SB 23-099**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	State Education Fund	\$40,203,671	\$40,203,671
Transfers		-	-
Other Budget Impacts			

ECEA Calculation Rules (Calculation)



The below table takes all the elements from the prior slides and demonstrates how the FY23-24 specifically was calculated:

General Fund from Long Bill	\$ 93,572,347.00
Cash Fund from Long Bill	\$ 206,582,286.00
FY23-24 Total Distribution in Long Bill	\$ 300,154,633.00
Proposed SB23-099	\$ 40,203,671.00
Total to Distribution for FY23-24 ECEA	\$ 340,358,304.00
Less High Cost Per C.R.S. 22-20-114 (2) (a) (II) (A)	\$ (4,000,000.00)
Less Ed Orphan Per C.R.S. 22-20-114 (1) (a) (I) (A) (B)	\$ (500,000.00)
Total Distribution for Tier A and Tier B	\$ 335,858,304.00
Tier A Count From December 2022 Collection	112,593
Tier A per student	\$ 1,750.00
Total to Fund Tier A students completely	\$ 197,037,750.00
Remainder for Tier B	\$ 138,820,554.00
Tier B Count From December 2022 Collection	24,708
Tier B per student Funding	\$ 5,618.45



- SB23-99 increased funding for Tier B
- Intent was to increase funding for Tier B to \$6,000
- Calculations were based upon December 2021
- Based upon actual student counts for Tier A in December 2022, Tier B is funded at \$5,618
- [Special Education Draft Funding Change from FY 22-23 to FY 23-24](#)
- Note: These may be different than posted allocations as Child Find was initially held at the beginning of the year. Updated ECEA allocations will be posted next week

Signature Codes (as part of the Request for Funds Process)

- What a signature code is.
- Best practice model for fiscal authority.
- Managing fiscal authority.
- Resources
- Recent Metrics

What is a signature Code?

- A four-digit code tied to a Signature housed at CDE
- Assigned to those individuals designated to have fiscal authority within an organization.
 - The code represents the individual's signature and authority.
 - It should not be shared or passed to any other individual.
- Obtained by completing a form, available through CDE's website, from each entity for which the signatory will hold authority.
- Required by the State Controller's Office as part of Electronic RFF work-flow.



Best Practice Model for Signature Authority



- Each Fiscal entity should have two individuals designated with signing authority:
 - Authorized Representative
 - This is the person who is given the signature code to indicate fiscal authority for RFFs and/or other financial transactions.
 - This authority is delegated to the authorized representative by the Fiscal Representative for the organization.
 - Fiscal Representative
 - The person who is authorized to delegate fiscal authority.
 - Usually, the individual with financial oversight of the entire organization (CFO / Superintendent).



The Authorized Representative Designation Form

Request for Funds Authorized Representative Designation	
District/AU/Not-for-Profit Code: District/AU/Not-for-Profit Name:	Click dropdown arrow Click dropdown arrow above to populate name
Name of Authorized Representative: Authorized Rep Title: Authorized Rep Phone #: Authorized Rep E-mail: I certify that I am a direct employee of the District/AU/Not-for-Profit (please check box) <input type="checkbox"/> Signature of Authorized Representative/Requestor _____ Date _____	
Name of Authorized Representative: Authorized Rep Title: Authorized Rep Phone #: Authorized Rep E-mail: I certify that I am a direct employee of the District/AU/Not-for-Profit (please check box) <input type="checkbox"/> Signature of Authorized Representative/Requestor _____ Date _____	
Name of Authorized Representative: Authorized Rep Title: Authorized Rep Phone #: Authorized Rep E-mail: I certify that I am a direct employee of the District/AU/Not-for-Profit (please check box) <input type="checkbox"/> Signature of Authorized Representative/Requestor _____ Date _____	
As the fiscal representative of the above stated entity, I certify that I am authorized to approve the individuals on this form, and they have been reviewed and approved by me. By signing this form, I certify that these individuals are authorized to request funds for expense reimbursement on the above indicated grant awards from CDE.	
Name/Title of Fiscal Representative: _____	
Signature of Fiscal Representative: _____	Date: _____
<small>You may NOT designate yourself as an Authorized Representative. This form must be reviewed and signed by person who oversees the Authorized Representatives at the district. For example, the Controller, CFO, Etc.</small>	



Organization



Authorized Rep



Fiscal Rep



Best Practice Model for Requests for Funds

- Each organization should have two individuals involved in the RFF process:
 - Creator
 - This is normally someone familiar with the program, its expenses and deliverables.
 - This person creates the RFF via the online portal.
 - Authorizer
 - This is the person with Signature Authority.
 - This person reviews and signs the request on behalf of the organization thereby verifying the information is accurate and the expenses are reimbursable in accordance with the grant requirements and guidance.
- Having two individuals allows for segregation of duties as required by federal regulations (2 CFR 200.303).
 - Segregation of duties helps prevent fraud, waste, and abuse in the internal control system.
 - If segregation of duties is not practical because of limited personnel or other factors, management must design alternative control activities to address the risk of fraud, waste, or abuse in the operational process.
- Reimbursement Requests should be accurate and timely:
 - Reimbursed Expenses should tie to the General Ledger
 - Requests should be created within 60 days of the date the expense was incurred



Managing Fiscal Authority

- Each organization is responsible for vetting the appropriateness of signatories.
- When a signatory leaves an organization, CDE's Grants Fiscal Management Unit (GFMU) should be notified to remove the individual's authority.
- Individuals with Fiscal Authority should have:
 - broad understanding of the organizations financial structure and goals
 - An understanding of the risks and responsibilities associated with public funding



- Documents and tutorials are available on the Grants Fiscal web page

<http://www.cde.state.co.us/cdefisgrant/requestforfundsforms>

Formsite RFF Resources

- [Request for Funds Process Overview](#)
- [Formsite Navigation - Request for Funds](#) (how to access & complete the electronic RFFs)
- [Authorized Representative Designation Form](#)
- [Formsite RFF Process Tutorial](#)
- [EASI RFF Process Tutorial Video](#)
- [EASI RFF Required Support Documentation](#)
- [EASI RFF Process PPT](#)
- If you would like a copy of the training webinar sent to you, please e-mail mueller_p@cde.state.co.us.

Authority Errors in Payment Process

- Check of Signature Authority is the first Edit in the Payment Process
 - RFFs with signature codes that do not match the information on file are moved from processing to an Error file for research and correction.
 - An email will be sent to Authorized Representatives asking them to review the request and respond as to whether it is a legitimate request from the organization.
 - An email from an Authorized Representative will be used to provide the authority in lieu of the correct Auth Code.
 - Corrected Errored requests are processed twice monthly.
 - Payments will not be made until the errors are corrected.



Error Metrics from week 1 of June 2023 RFFs

- RFFs received 949
- 167 Errors (18% of all RFFs)
 - 112 Signature Errors
 - 10 Signature Errors were pre-emptively resolved by the organization
 - 54 Sig Errors were mis-keys by the Authorized Rep
 - 36 Sig Errors were approved by an individual without designated authority
 - 10 Sig Errors were associated with organizations with no active signatory on file
 - 2 Sig Errors had signatories not associated with the organizations on the RFF
 - In addition, there were 17 aged Signatures Errors (making a total of 129 signature Errors to research and follow up on)
 - 8 Award Not Available
 - 20 No Remaining Balance Available
 - 25 Truncated Payments
 - 2 other



UPK Update





Preschool Historical Allowances

- Survey 2022-23 CPP allotment

Current Communicated Timeline

- 3rd Round Matching completed by July 6th
- July 15th-Providers will know how much funding will be received for each preschooler matched with their program

UPK - SPED MOE Finance Work Group

An amendment to School Finance included a one-year fix to address concerns related to IDEA MOE compliance for the 23-24 school year.

Although not included in the bill, all parties agreed to the formation of a SPED MOE work group with the following scope:

“The Commissioner of Education, in coordination with the Executive Director of the Department of Early Childhood, shall convene a working group composed of individuals including, representatives of administrative units, representatives of state government, preschool providers, and advocates to discuss issues related to special education in preschool settings and implementation of the MOU as described in section 26.5-4-206. The working group shall submit recommendations on administrative, regulatory, or legislative changes needed to address these issues to the Commissioner of Education, the Director of the Executive Department of Early Childhood, and the Governor’s Office as necessary.”

The UPK - SPED MOE Finance Work Group had an initial meeting on May 24th. A portion of the slides from this meeting are included here. Future meetings will be scheduled in the near future.

Historical Preschool Funding Overview

Historical Preschool Funding

- CDE funded general education services for CPP and SPED PK students through the School Finance formula.
- Additionally, CDE distributed IDEA and ECEA funding for PK-12 students.

FY 2023-24 School Year UPK

- CPP and SPED PK students will not be funded through the School Finance formula, as required by statute.
- Instead, CDEC will fund all preschool students for general education services.
- CDE will continue to distribute IDEA and ECEA funding for PK-12 students.



Overview of MOE and MFS

- Maintenance of Effort (MOE) is applicable at both the state and local levels

State Level = Appropriation Based

- At the state level, MOE is officially called Maintenance of State Financial Support (MFS)
- Under Part B of IDEA, states are required to make available at least the same amount of state financial support from one year to the next for the education of children with disabilities

Local Level = Expenditure Based

Local Education Agencies (LEA) are required to budget and expend as much as it expended in the most recent year it met LEA MOE

Calculated at the AU level, not LEA level



Overview of Preschool Funding - Rate Comparison

Rate Comparison or UPK rate vs. Part-Time Per Pupil Revenue (0.5 FTE):

- UPK rate for 10 hour programs
 - 51 districts will have increased per pupil funding
 - 127 districts will have decreased per pupil funding
- UPK rate for 15 hour programs
 - 110 districts will have increased per pupil funding
 - 68 districts will have decreased per pupil funding



Overview of Preschool Funding - Projections

Funding projections:

- Assumed same number of preschool students in SY23-24 as was enrolled and funded through School Finance (CPP and SPED PK) in SY22-23
- Two scenarios: one assumed all students enrolled in 10 hour programs and one assumed all students enrolled in 15 hour programs
- Identified districts that may receive less UPK funding in SY23-24 than in SY22-23
- UPK statute included CPP Historical Allocation funding to ensure districts/providers did not receive less UPK funding than CPP funding in SY22-23 (technical adjustment in HB23-1235)



Overview of Preschool Funding - Projections

10 hour scenario:

- 99 districts projected to get less UPK funding than SF funding = \$22.3M
- 68 districts/providers projected to get CPP Historical Allocation Funds = \$11.6M
- 89 districts projected to receive less funding after CPP Historical Allocation Funds = \$10.6M

15 hour scenario:

- 60 districts projected to get less UPK funding than SF funding = \$6.3M
- 41 districts/providers projected to get CPP Historical Allocation Funds = \$3.6M
- 50 districts projected to receive less funding after CPP Historical Allocation Funds = \$2.7M
-

Overview of Preschool Funding - MOE Fix

- Districts projected to receive less funding after CPP Historical Allocation Funds is primarily due to SPED PK funding
- Therefore, the remaining shortfall in funding after CPP Historical Allocation Funds can be viewed as a proxy for MOE concerns
 - Less revenues will make it challenging to maintain expenditures
- Incorporated a MOE Hold-Harmless funding into the School Finance Act
 - Section 22-20-114(8) was added as an amendment to SB 23-287
 - Provides \$10M to ensure that Administrative Units can meet the federal maintenance of effort requirements pursuant to IDEA
 - Funding will be calculated at and provided to school districts/CSI



CDEC CPP Historical Allowance for FY 2023-24

FY 2022-23
CDE Pre-K

FY 2023-24
CDEC UPK

HB22-1295
CDE CPP

CDEC CPP
Historical Allowance
UPK \$ < CPP \$

Colorado
Preschool
Program
(CPP \$)

Universal
Preschool Hourly
rate per
preschooler
(UPK \$)

Calculation for
CDE Pre-K:
 $50\% \text{ PPR} * \text{CPP}$
Children/Count

Equation:
 $2022-23 \text{ CPP } \$$
 $- 2023-24 \text{ UPK } \$$

CPP Historical allowance

If the funding that a school district or a charter school receives based upon per-child rates for FY 2023-24 is less than the funding for FY 2022-23 for CPP, CDEC shall distribute the difference to the school district or charter school.

CDEC CPP Historical Allowance for FY 2023-24: Explained

- Statute provides for two distinct and separate CPP-Based “hold harmless” Allowances: one for districts and charters, and one for community-based organizations (CBOs)
- These are found at 26.5-4-208(4)(a) & (b) respectively
 - For both the (4)(a) district/charter CPP Allowance and the (4)(b) CBO CPP Allowance, they are:
 - For one year only, and
 - Calculate the 2023-24 UPK figure based on funding received via enrollment
 - For the (4)(a) district/charter Allowance, the 2022-23 CPP ‘baseline’ figure is the number “enrolled through [CPP] and directly served for the 2022-23 fiscal year”
 - Meanwhile, for the (4)(b) CBO Allowance, this 2022-23 CPP ‘baseline’ figure is “the amount of funding the [CBO] received for the 2022-23 fiscal year pursuant to a contract... to indirectly serve children the school district or charter school enrolled through [CPP]”
- Restated, for districts and charters, this 2022-23 ‘baseline’ figure is NOT inclusive of funding which was ‘passed through’ via contract to a CBO, as these services are accounted for separately in statute



HB23-1235: How this Impacts the Calculation

- This bill modifies the aforementioned (4)(a) provision 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”
 - This will ensure a full accounting of a district’s or charter’s previously served universe
- Presented below is a graphical representation adjusted to include these changes
 - For districts and charters pursuant to (4)(a), the 1-year CPP Historical Allowance will be calculated as [22-23 CPP Directly Served Positions] - [23-24 UPK Funding via Enrollment] with any positive difference representing a CPP Historical Allowance payment

FY 2022-23
CDE Pre-K

FY 2023-24
CDEC UPK

HB23-1235
CDE CPP

**CDEC CPP
Historical Allowance**
UPK \$ < CPP \$

Colorado Preschool
Program Directly
Served “Positions”
(CPP \$)

Universal Preschool
Hourly rate per
preschooler
(UPK \$)

*Revised calculation
for CDE Pre-K:
50% PPR *CPP
Positions*

*Equation:
2022-23 CPP \$
- 2023-24 UPK \$
CPP Historical allowance*



CDE MOE Hold-Harmless Funding

- Section 22-20-114(8) was added as an amendment to School Finance
- Provides up to \$10M to ensure that Administrative Units can meet the federal maintenance of effort requirements pursuant to IDEA
- FY 23-24 CDEC UPK funding, including the CDEC CPP Historical Allowance funding, will be compared to FY 22-23 Preschool funding from School Finance (CPP & SPED PK) to determine distribution amounts
- CDE will calculate projected distributions for each school district and CSI for the 114(8) “MOE hold-harmless” funding
- If calculated distributions exceed the appropriated funding, CDE will distribute funding based on an equal proportion
- Anticipate quarterly projections posted to [School Finance website](#) with MOE hold-harmless payments in June 2024



CDE MOE Hold-Harmless Funding for FY 2023-24

FY 2022-23

CDE Pre-K

Total Preschool
Program \$
(CPP+SPED PK) =
Total PK \$

FY 2023-24

CDEC UPK

UPK Rate plus
CDEC CPP
Historical
Allowance =
Total UPK \$

SB23-287

UPK \$ < Total PK \$

Equation:
$$\frac{2022-23 \text{ Total PK } \$ - 2023-24 \text{ Total UPK } \$}{\text{CDE MOE Hold-Harmless } \$}$$

If the funding that a school district or a charter school receives based upon per-child rates for FY 2023-24 plus the CDEC CPP Historical Allowance funding (Total UPK \$) is less than the funding for FY 2022-23 for all preschool students (Total PK \$), CDE shall distribute the difference to the school district or CSI.



FY 2023-24 Funding Distributions

- CDEC plans to provide UPK distribution monthly starting in August
- CDEC plans to provide CPP Historical Allocation projections for districts and community based providers regularly throughout FY 23-24
- CDE plans to provide MOE Hold Harmless projections for districts regularly throughout FY 23-24
- CDEC plans to provide CPP Historical Allocation payments to districts and community based providers in June 2024
- CDE plans to provide MOE Hold Harmless payments to districts in June 2024



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: Small Rural = Trinidad 1

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 District = 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 $\$1.4M < \$1.7M$



Mill Levy Match Update

(Glenn Gustafson)

- FY 22/23
 - Distributions to go out this month (June 23)
 - All qualifying districts have been notified
- FY 23/24
 - Legislature increased budget from \$10M to \$23M
 - Some Districts see significant changes in funding
- Key Points to Remember
 - Use Source code 3401
 - Subject to annual appropriation by the legislature
 - Treat as non-recurring
 - 2 biggest factors for the model
 - Assessed Valuation
 - Median Household Income

Office of the State Auditor Updates

GASB 96

Subscription-Based Information Technology Agreements (SBITA)

(Gustafson)

GASB 96 - Subscription-Based Information Technology Agreements (SBITA)

- Establishes these agreements as an intangible asset and offsetting subscription liability
- Accounting 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 asset over the life of the lease as an outflow of resources
- Effective for FY 22/23 Financial Statements
- GASB Link:
<https://www.gasb.org/page/pageContent?pageId=/standards-guidance/pronouncements/summary--statement-no-96.html>

State Cash Flow Loan Program

- State Cash Flow Loan Program
 - Typically Districts that meet these characteristics
 - High Property Taxes due to TPF or MLO
 - Low State Equalization
 - Low Fund Balance
 - You must complete State Cash Flow worksheets
 - You must draw down reserves for all operating funds
 - You must pay back when property tax revenues come in
- State Contracted Debt Manager
 - RBC Capital Markets
 - Rudy Andrus, rudy.andras@rbccm.com
 - Dan O'Connell, dan.oconnell@rbccm.com
 - Anthony Singh, anthony.singh@rbccm.com

Financial Reporting Updates

Subcommittee Chart of Accounts and Financial Transparency

Subcommittee Members



District Members

Ashley Zhang, Accounting Supervisor, Mesa 51

Jamie Duran, Finance Coordinator, Pueblo 70

Kirk Youngman, Manager-Enterprise Systems, St Vrain

Lana Niehans, Director of Budget and Finance, Pueblo 60

Meghan Deutsch, Accounting Manager, Adams 12

Colorado Department of Education

Dawna Gudka, Data Specialist, IMS Data Service

Peter Hoffman, Data Specialist, IMS Data Service

Sondra Vela, Grants Fiscal Analyst, Grants Fiscal

Lindsey Heitman, Principal Consultant, IMS Data Service

Colorado Department of Education - School Finance

Gene Fornecker, School Finance Senior Analyst

Glenn Gustafson, School Finance Program Manager

Kelly Wiedemer, Fiscal Data Analyst

Yolanda Lucero, Fiscal Data Coordinator

Subcommittee Goals

Update/Simplify account codes - object, program & job class

- Job Codes to be more structured
- Consolidation of Similar / Overlapping accounts

Focus on Comparability

- Use of program, object, job class code - norms/guidelines

Business Rules & Norms

- Creating a common account template?
- Establish guidelines?

Charter Schools

- Required use of COA
- Support, coaching, guidelines

Upcoming Meeting Schedule

Meeting Seven: Revenue & Object Codes **June 8th, 9-10:30am**

Meeting Seven, Part 2: Object Codes Continued
July 13th, 9-10:30am

Meeting Eight: Job Codes
August 8th, 10-11:30am

Meeting Nine: Financial Transparency - Changes/Enhancements
September 6th, 10-11:30am

Meeting Ten: Wrap-up
October 10th, 10-11:30am



Working to consolidate & streamline codes

Working to eliminate codes

Working to provide clarity to account descriptions

Working to address CTE / CTA needs

Thank you for your feedback regarding district use of Instruction & Technology-related program codes!

Working to create a few new Appendices:

- Walk-through on indirect costs with specific program codes
- State grant codes (list of typically used program codes)
- Potentially create an appendix that retains all of the existing instructional account codes & definitions (pending decision to consolidate to main category and 'Other')

Working to expand usage of 1900-2099 program codes - to be more uniform across districts, similar to the 18xx series

Collect Descriptions from School District of current usage in the 1900 - 2099.

Consolidate the Descriptions to assign program codes between 1900 - 2099.

Subcommittee Chart of Accounts and Financial Transparency

Topics for Consideration & Feedback

Financial Transparency Website Updates



List of potential FPP recommendations to be made going forward can be accessed [here](#).

- Please share feedback regarding the Future Recommendations using this [Form](#).
- ELL needs, for example
 - Add Program Codes **0650** & 2236 (see slides 5 & 6 in the link above)

We are looking for your feedback or suggestions on anything that "bugs" you about the COA. You can provide feedback/ideas using this [Form](#).

FY2021-2022

Financial Transparency Website



Financial Transparency Website Updates



FY2021-2022 data files have been prepared - must be available on the public site by July 1st, per statute

Results are ready for District review (please respond with any comments/questions/concerns by Friday, June 23rd):

- Statewide (descriptive) data sets are available on the PSFU website ([Financial Transparency](#)) under 'Additional Resources'
- Anticipate data will be loaded to the 'LIVE' website by June 26th

Any District Narratives submitted for FY21-22 will appear on the Live site by July 1st

Please share any feedback or questions directly:

Kelly Wiedemer - wiedemer_k@cde.state.co.us

Yolanda Lucero - lucero_y@cde.state.co.us



Collection Updates

CDE-40 Transportation Finance December



2nd Transportation Payment for FY 2021-22

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

Collection Updates Finance December



Soft Open available on August 1st

Official Open August 15th

Submissions are Due December 31st

Financial Data Warehouse Reports available by July 15th

Planned Office Hours in Fall, Overview of

- Data Submission
- Data Pipeline Reports
- Data Pipeline Resources

FPP Handbook - Updates Summary of Changes (COA)

FPP Handbook - Draft

Summary of Changes FY2023-24



Pages 86, 87, 90 and 91 update references of CFDA to be ALN Assistance Listing Number (ALN formerly known as CFDA)

Pages 18, 22, 27, 37, 92, 94 and 117 update references related to CPP and add references for UPK.

Page 128: update the list of Auditors.

To be finalized at next FPP meeting to include updated FPP Members

[FPP Handbook - Draft](#)

Chart of Accounts - Draft

Summary of Changes FY2023-24



Page 10: Update Fund 19 to include allowability for UPK

Page 11: Remove Fund 24 Full-Day Kindergarten Mill Levy Override Fund

Page 89: Bold program code 2213 Instructional Staff Training Services.

Pages 97 and 98: unBold program codes 2810 Planning, Research, Development and Evaluation Services, 2811 Planning Services, 2812 Research Services, 2813 Development Services and 2814 Evaluation Services.

Page 101: Add program code 3340 Local Coordinating Organizations and add definition.

Page 103: Remove program code 9325 Full Day Kindergarten Reserve

Chart of Accounts - Draft

Summary of Changes FY2023-24



Page 134: Add source code 3400 State Revenue from other Legislative Statutory Sources

Page 134: Add source code 3401 State Revenue from Mill Levy Override match program

Page 222: Delete Appendix O: Preschool Allocation

Pages 11, 160 and 161 update references of CFDA to be ALN Assistance Listing Number (ALN formerly known as CFDA)

Chart of Accounts - Draft Summary of Changes FY2023-24



Approvals from November and April FPP Meetings

To be finalized at next FPP meeting to include updated FPP Members

A mid-year version due to updates from subcommittee recommendations to be presented to FPP for approval

[Chart of Accounts - Draft](#)

CDE School Finance Training Opportunities (Rydberg/Gustafson)

CDE School Finance Training Opportunities

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

- Online Trainings
 - Governmental Accounting Basics - (6/26/23)
 - Audit Preparation Checklist/Training - (7/20/23)

- Regional Trainings
 - Northeastern BOCES/Haxtun - (7/12/23)
 - Western Slope/Montrose - (8/3/23)
 - Southeastern BOCES/Lamar - (10/5/23)

- FY 23/24 Regional Training Program
 - 4 Quadrants
 - Northwest/Southwest/Northeast/Southeast
 - Front Range?

Other Topics of Interest

- CASB
- CASBO
- CASE-DBO
- CGFOA
- COCPA

Call for FPP Membership



Upcoming Meetings

Proposed Meeting Dates

- Friday, September 15, 2023
- Thursday, November 16, 2023
- Thursday, February 22, 2024
- Thursday, April 25, 2024
- Thursday, June 20, 2024