



**FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES**  
**March 9, 2018**

Members Present

Stephanie Corbo, Jefferson County R-1  
Anthony Whiteley, St. Vrain Valley Re-1J  
Kristine Githara, Cherry Creek 5  
Mike Hodgson, Archuleta County 50JT  
Janell Wood, Swink 33  
Jonathan Levesque, Littleton 6

Justin Petrone, Boulder Valley RE-2J  
Mimi Livermore, Adams 12  
Erich Dorn, Centennial BOCES  
Brook Quint, Centennial BOCES  
Sarah Colazio, Windsor Charter

Ex-Officio Members Present

Aaron Oberg, CDE  
Adam Williams, CDE  
Crystal Dorsey, OSA

Kirk Weber, CDE  
Jennifer Okes, CDE  
Yolanda Lucero, CDE

Members, Ex-Officio Members and Alternates Absent

Michael Everest, Mapleton 1  
Steven Clawson, Denver 1  
Cara Golden, Mesa County Valley 51  
Laura Hronik, Colorado Springs 11  
Lisa Clark, Weld RE-3J  
Lana Niehans, Pueblo City Schools 60  
Michael Everest, Mapleton 1

Terry Kimber, Widefield 3  
Ron Whitling, Aurora 28J  
Shelley Becker, Harrison 2  
Jana Schleuser, Douglas County RE-1  
Tiffany Kallerik, CO League of Charter Schools

Guests Present

Alicia Hancock, Telluride R-1  
Allison Slife, CliftonLarsonAllen, LLP  
Angela Slaven, Mesa County Valley 51  
Ashley Zhang, Mesa County Valley 51  
Bill Sutter, Boulder Valley RE-2J  
Brian Lund, Estes Park R-3  
Candelera Franklin, West End RE-2  
Candi Headley, Telluride R-1  
Caryn Braddy, Delta County 50(J)  
Chelsey Gerard, Eagle RE-50  
Cheryl Wallace, RubinBrown  
Cindy Parchert, Eaton Re-2  
Colleen Brooks, CDE  
Colleen Love, Ridgeway  
Dana Dove, State Auditor Office

Dawn Richardson, Alamosa Re-11J  
Deb County, Valley RE-1  
Denise Pearson, Kiowa C-2  
Diane Raine, Mesa County Valley 51  
Donna Villamor, Littleton 6  
Dottie Burnett, Santa Fe Trail BOCES  
Doug Moss, Weld RE-1  
Eddie Storz, Adams 14  
Georgia Steele, Strasburg 31J  
Gina Faulkner, State Auditor Office  
Gina Lanier, Aurora Public Schools  
Hyesun Son, Adams 14  
Jane Frederick, St. Vrain Valley Re-1J  
Jennifer Tremel, Hi-Plains R-23  
Jeremy Burmeister, Platte Valley Re-7

Guests Present (continued)

Jodi Poulin, Falcon 49  
Jodie Cates, BVD, LLP  
John Wall, Moffat County Re:No 1  
Jona Layton, East Central BOCES  
Joshua Shoemaker, Jefferson County R-1  
Julia Teska, Aurora 28J  
K. Lewis, Stratton R-4  
Kara Emmerling, Geona-Hugo C113  
Kathy Shannon, CASB  
Laurie Drnell, Sheridan #2  
Leona Hollond, Monte Vista C-8  
Lindsay Smith, Burlington Re-6J  
Luke Gonzales, Thompson R2J  
Marc Kahn, Weld Re-8  
Mark Rydberg, Steamboat Springs  
Matt Marino, RubinBrown  
Megan Jostes, Arriba-Flagler C-20  
Melanie Heath, Mesa County Valley 51  
Mike Lee, Ft Morgan RE-3  
Mike Thomas, Fowler R-4J  
Mindy Oliphant, Thompson R2J

Missy Corn, Springfield R-4  
Nikki Schmidt, Windsor RE-4  
Patty Venem, Rocky Ford R-2  
Rose Belden, Garfield 16  
Samantha Gallagher, Denver 1  
Sara Walkinshaw, Arickaree R-2  
Scott Lee, CDE  
Sean Milner, Adams 14  
Sherrie LaChance, Jefferson County R-1  
Sherry Dennis Murphy, Yuma 1  
Sherry Scallan, Creede School District  
Sherry Shay, Thompson R2J  
Staci Turner, San Luis Valley BOCES  
Stephanie Juneau, Gunnison RE-1J  
Sue McKnight, School District 27J  
Tammy Hohn, Englewood 1  
Teresa Warner, Greeley RE-6  
Terry Buswell, Centennial BOCES  
Terry Scharg, Gilpin County Re-1  
Wendy Everett, Cortez RE-1  
Willie Leslie, Clear Creek Re-1

## MEETING MINUTES

### FINANCIAL POLICIES AND PROCEDURES COMMITTEE

March 9, 2018

1. Call to Order

Aaron Oberg called the meeting to order at 9:30 am.  
Those in attendance were asked to introduce themselves and their district.

2. Approval of Agenda

*Jonathan Levesque with Littleton made a motion to approve the agenda.  
Kristine Githara with Cherry Creek made a 2<sup>nd</sup> on the motion, motion carried.*

3. Approval of Prior Meeting Minutes

*Jonathan Levesque with Littleton made a motion to approve the prior meeting minutes.  
Justin Petrone with Boulder Valley made a 2<sup>nd</sup> on the motion, motion carried.*

4. FPP Chart of Account Changes: ESSU job code

The request for the addition of the ESSU job code was tabled from the previous meeting. At the previous meeting FPP members question the request for a new Job Class, 224 Board Certified Behavior Analyst (BCBA), while a similar job class already existed. BCBAs are in need to work with students identified as having autism. The ESSU unit has worked with educator licensing to create an adjunct authorization for the BCBA's. These positions are highly trained and have either a bachelor or doctorate degree in the field. Licenses are required of these positions in order to work in the field and for the districts to receive state and federal funding for these positions. District directors have requested this Job Class over the past 6 years. Districts that have employed individuals in this position are currently reporting them in a variety of ways and are not being consistent because there is not an assigned job class for these positions.

*Erich Dorn with Centennial BOCES made a motion to approve the ESSU Job Code.  
Mike Hodgson with Archuleta made a 2<sup>nd</sup> on the motion, motion carried.*

Supporting Documentation  
[Discussion Item for BCBA Job Class](#)  
[BCBA Supplemental Information](#)

## 5. Supplement, not Supplant: Demonstration under ESSA share payments

SNS Demonstration Process under ESSA has been approved by EDAC and has been presented to district ESSU program staff working with the program. A main change is the shift from a Title I focus of the use of funds to a state and local budget focus and allocation. Districts are required to provide a budget statement; our suggestion is that the district's budget methodology to allocate State and local funds to each Title I school ensures each such school receives all the state and local funds it would otherwise receive if it were not a Title I school. CDE will look at the budget methodology for each district once and provide a certification, which may be included in budget going forward. CDE will only need to look at the methodology again if the district has a significant change in methodology. Small Rural Districts with only one school code only need to complete an assurance for the methodology as part of the consolidated application. CDE does not require a specific methodology to allocate state and local funds to its schools, as long as the methodology selected and implemented is neutral in regard to the Title I status of the schools and is implemented consistently among all schools. Examples 1, 2, and 3 along with district methodologies are available in the power point presentation. The submission to CDE of the methodologies needs to be submitted by May 30<sup>th</sup>.

### Supporting Documentation

[SNS Demonstration Process under ESSA](#)

[SNS Under Title I Part A ESSA Webinar](#)

## 6. Legislative Update

CDE is scheduled for figure setting on Tuesday March 13<sup>th</sup> upon adjournment. In addition to the discussion of the School Finance Act will be a discussion of the categorical programs. Typically the increases in these programs are proportionally allocated based on the gap in funding. This year we carved out a portion of the inflationary increase to two categorical programs that have not received an increase of funding in a few years, EARSS and Comprehensive Health. We also anticipate an amendment to the School Finance Act to be able to distribute all of the ELPA funds, as it is capped at the per pupil amount that CDE is allowed to distribute to school districts. The supplemental is scheduled for a conference committee this afternoon (March 9), hopefully this will be resolved so the supplemental can be included in the April district payments.

Other Bills Business Directors should be aware of are:

[HB 18-1232](#): New School Funding Distribution Formula

[SB 18-200](#): Modifications To PERA Public Employees' Retirement Association To Eliminate Unfunded Liability

[HB 18-1222](#): Systematic Review Of Education Programs

[HB 18-1070](#): Additional Public School Capital Construction Funding

[HB 18-1088](#): Funding For Full-day Kindergarten

[HB 10-1034](#): Career and Technical Education Capital Grant Program

[SB 18-013](#): Expand Child Nutrition School Lunch Protection Act

### Supporting Documentation

[Colorado General Assembly: Search for Bills](#)

## 7. State share payments, true up and rescission timing

The December state share payments are trued up from the projections to the October count and final assessed valuations. Then for the December payment we take half of the annual amount and compare that to the amount each district has already received for the first five months. The difference of this becomes the December payment. This, historically, has resulted in a large number of districts receiving a significantly lower payment in December or no payment at all. In state statute it states that payments should be made in twelve similar amounts. Several districts requested CDE to smooth out the payments over seven months instead of a large change in December. We are then asking FPP if such a change would be helpful for all districts in the future. The proposal would be taking the sum of the amount to be paid and dividing the payment by the seven remaining months.

*Jonathan Levesque with Littleton made a motion to approve the change to the December Payments. Anthony Whiteley, St. Vrain Valley made a 2<sup>nd</sup> on the motion, motion carried.*

Supporting Documentation  
State Share Payment True-up

Previously the rescission was to be taken in June of each year, it was moved to January after the completion of the true-up December payment. St. Vrain proposed including the rescission with the state share payment from the beginning of the year. In the funding summary spreadsheet there is a section that the rescission can be included for the districts before the final adjusted state share amount. The proposal is to include the rescission in the calculation from the beginning of the year instead of a one month adjustment each year. The rescission amount would then be trued-up in December/January with the counts and assessed valuations.

*Anthony Whiteley, St. Vrain Valley made a motion to approve the change to the rescission. Jonathan Levesque with Littleton made a 2<sup>nd</sup> on the motion, motion carried.*

## 8. Financial Transparency Update, BrightBytes

There are some additions for districts' Financial Transparency webpages as of July 1, 2018. The new items are: Standardized Description and Rational for Each Automatic Waiver, Federal Form 990, 990-EZ, or 990-PF with any associated schedules and the Plan for Distributing Additional Mill Levy Revenue or Statement of Intent to Distribute. These new items are listed on the updated templates for July 1, 2018.

Supporting Documentation  
[Financial Transparency Webpage Updates](#)  
[July 1 2018 Template for School District](#)  
[July 1 2018 Template for Charter Schools](#)

## Financial Transparency Update, BrightBytes (continued)

There are also some updates to the Financial Transparency website for Colorado Schools as of July 1, 2018. The website will display a per student amount for the school including district allocated expenditures and a per student amount for the district with the total per student amount. This will get the website closer to the ESSA reporting requirement in the future. Another addition to the website is that there will be a state average per student displayed on the district spending page. These will provide greater clarity and comparability on the website.

### Supporting Documentation

[District Profile Page Annotated](#)

[Statewide Profile Page](#)

Discussed with the transparency subcommittee was a request from advocacy groups, state board and other member entities to see property tax information on the website. Initially we thought that this would be information reported by the district in fund 90. After discussing with the subcommittee it was determined that the CDE Mill Levy spreadsheet would be the best source for the data. With this spreadsheet we can provide the breakdown for Total Program, Additional Funding and Bonds Breakout. On the website there will be a link in the funding section for the district. There will also be an informational i included to notify the user that the information is provided by CDE with a link to the spreadsheet used for the calculation.

### Supporting Documentation

[District Profile Page Property Tax](#)

In a little over a year from now there will be three years of data available on the website, this will be in line with the Financial Transparency requirement of two years plus current. In our second year of the website we will be able to see comparison for the two years. There will also be a statewide metrics page on the landing page of the website to provide state-wide comparability year to year.

### Supporting Documentation

[District Multi-Year Profile Page](#)

CDE has sent out a survey asking school districts if they would like CDE to provide the Data Pipeline file to BrightBytes. With the districts' approval we have provided over 120 data files to BrightBytes, while 18 districts have requested CDE to not send a file. We will be sending one more e-mail to the districts we had not heard from. We are looking to adding a button to Data Pipeline asking the district "if they would like CDE to provide the Data Pipeline file to BrightBytes." This will be during the district approval process in Data Pipeline starting with FY 2017-18.

*Mike Hodgson with Archuleta made a motion to approve the button to be added in Data Pipeline. Stephanie Corbo with Jefferson County made a 2<sup>nd</sup> on the motion, motion carried.*

## 9. Subcommittee Update – Indirect Cost Rate

During the past two ICR calculation reviews (when the Feds visit CDE to review and approve the ICR calculation), they have stressed the idea that districts must track the first \$25,000 of sub-contracts. Additionally, this topic was discussed by multiple states as a change they were being asked to implement at the NCES Conference in Washington DC, August 2017.

Based on discussion and input from the FPP indirect cost rate subcommittee, the current recommendation is to not change/modify the Chart of Accounts for “distorting items” such as sub-contracts, particularly because:

- The State of Colorado sub-awards and sub-grants are not currently allowed to be used
- Sub-contracts have not been clearly defined by the federal government
- Current understanding is that School Districts would continue to be excluded from needing to track the first \$25k separate from purchased service contracts as they do not meet the current definition
- If this becomes a review item with the Feds, it will be necessary for the Feds to give more/detailed guidance prior to any changes being implemented

Supporting Documentation

[Indirect Cost Rate Discussion](#)

## 10. READ Act: Monitoring Requirement and Guidance on Coding

At the October 2013 FPP meeting it was discussed for the coding of the READ act funds for the revenue to be in source code 3000 and the grant code 3206. In that discussion it was not required that the expenditures were not required to equal the revenues. Effective July 1, 2018, the READ Act expenditures should be coded to grant code 3206, if there are deferred revenues for the grant balance sheet account 7482 should be used. We will be adding this grant to data pipeline to require revenues to equal expenditures.

Supporting Documentation

[READ Act Guidance](#)

## 11. FPP Handbook; Chart of Accounts early adopt GASB 84/87

We will be providing guidance on the early adoption of GASB 84 and GASB 87. The FPP handbook and Chart of Accounts will include these items and we will provide a presentation of at the May FPP Meeting.

## 12. Other Topics of Interest

### 12.1. CASB – CHSAA

Per request, we were asked to share with districts the update to the By-Law 1640.12. This discusses the districts responsibility with the activities and how the money is being spent. As part of the GASB 84 discussion in May we will discuss the impact this may have with the reporting of the Fiduciary Funds.

CHSAA BY-LAWS:

<http://cdn.chsaanow.com/wp-content/uploads/bylaws/2017-18-bylaws.pdf>

Excerpt from CHSAA BY-LAWS:

<http://www.cde.state.co.us/sites/default/files/docs/cdefinance/12a%20Excerpt%20from%20Colorado%20High%20School%20Activities%20Association1.pdf>

### 12.2. CASBO

<http://www.coloradoasbo.org/i4a/pages/index.cfm?pageid=1>

- The Spring Conference will be April 4-8 in Westminster.
- Pre-Conference sessions are Uniform Grant Guidance, Restructuring a Compensation System and Forecast5 tools.
- Sessions include Legislative updates, School Finance, Key Note Speakers and 20 breakout sessions.

### 12.3. CASE-DBO

<http://www.co-case.org/?815>

- No updates at this time

### 12.4. CGFOA

<http://www.cgfoa.org/>

- No updates at this time

### 12.5. COCPA

<https://www.cocpa.org/>

- CDE provided an update to the FORUM to with a request to add to the prepared by client that school district get through the first level of data pipeline errors prior to the arrival of the auditor. This includes coding errors in data pipeline.
- COCPAs provided a response to the exposure draft for Accounting for Interest cost during the period of construction. GASB is looking at making updates to this.

12.6. OSA

<https://leg.colorado.gov/agencies/office-state-auditor/local-government>

- Early May we will send the first round of data to the school districts
- Tentatively the Legislative Audit Committee is scheduled either August 13<sup>th</sup> or 14<sup>th</sup>
- Audit review issue with several school districts are:
  - GASB 82 RSI Pension Covered Payroll
  - GASB 72 and 79 Disclosure with Investments with COTRUST and CSAFE
- OPEB reporting is effective for of FY 2017-18 for districts under PERA

13. Reminder - Future Meeting Dates: March 9, 2018, May 11, 2018 and June 8 2018

14. Adjourn: There being no further business to come before the Committee, meeting adjourned.