

# CDE MEETING AGENDA



**COLORADO**  
Department of Education

## VISION

All students graduate ready for college and careers, and prepared to be productive citizens of Colorado.

## MISSION

Ensuring equity and opportunity for every student, every step of the way.



## Meeting Logistics & Desired Outcomes

<b>MEETING:</b>	Special Education Fiscal Advisory Committee Trust Fund Discussion
<b>DATE &amp; TIME:</b>	October 8 2019; 10:30-11:45 am
<b>LOCATION:</b>	Zoom
<b>MEETING LEAD:</b>	Jon Paul Burden, Paul Foster
<b>MEETING PARTICIPANTS:</b> <i>(Who most needs to attend?)</i>	Jon Paul Burden, Tamara Durbin, Samantha Gallagher, <del>Caroleena Steen</del> , Paul Foster, Vicki Graham, Moira Blake, Kim Boylan
<b>MEETING OBJECTIVES:</b> <i>(Is a meeting necessary to accomplish the objectives?)</i>	Discuss high cost trust fund

## Agenda Items and Next Steps

TIME	AGENDA ITEM	NOTES & NEXT STEPS <i>(Be sure to include communications to those not at the meeting who need to know the results)</i>
10:30	High Cost Trust Fund	<ul style="list-style-type: none"> <li>The meeting was called to establish the process of how SB 19-066 will be implemented, how it works, and how the funds will be incorporated.                             <ul style="list-style-type: none"> <li>The interest from the investment money gets deposited monthly in a holding account, which becomes the pot from which we can award. So far, July and August deposits total \$9,674.00. Due to the economy, there's no way to know how much \$\$ there will be each year.</li> <li>These are state funds that don't go away. The burden on CDE/ESSU team could be more significant, streamlining the process is important.</li> <li>Can SEFAC make an educated guess, on information from the State Controller on how much money will be ready for allocating? SEFAC needs to get information on where the money is invested, so a final amount can be estimated for allocation.</li> </ul> </li> <li>The following questions were raised                             <ul style="list-style-type: none"> <li>What was the original intent of these new high cost funds? Do we need to wait until there is \$100,000 to award? Does the interest made each year have to be allocated? And is \$100,000 going to be the threshold for the student to qualify? The process could be very similar to how we currently award. In the bill, the AU can apply when a student's cost is \$100,000, or two and one-half percent of the AU's annual audited operating expenses.</li> <li>What type of account are the monthly deposits going into? Is it an interest and or a compound interest account?</li> <li>As scenarios: a student has \$100,000 in costs, meeting the thresholds, do we remove revenues such as, PPR, IDEA revenues to arrive at the final number, for example \$70,000. But we have \$50,000, do we pay all of that</li> </ul> </li> </ul>

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		<p>to this one student and the remaining out of the original high cost allocation for that year. Should there be a “no double dip rule?” for example does one student get funded from the Trust Fund and the remainder out of the current year’s state allocation? Do we put all the trust fund applications together, then rank? For ease of having all applications reviewed and ranked at the same time, which would be ideal for the initial CDE/ESSU review process.</p> <ul style="list-style-type: none"> <li>▪ Or do we collect specific applications for the trust fund money, then do not include them with the other ranked applications.</li> <li>▪ Is there a value in keeping the Trust Fund monies separate? The committee needs to determine how best to implement ranking.</li> </ul> <ul style="list-style-type: none"> <li>• Apples to oranges comparison – the impact is calculated at the district level. Because there is an impact statement in high cost statute, but not the new Trust fund bill, it was questioned if the intent was to be 2 ½ percent of the the AU’s expenditures versus the district’s expenditures? These are different issues. Threshold for play and ranking for pay. <ul style="list-style-type: none"> <li>▪ The AU’s annual audited expenses are very different than the district’s. This set up is unique for BOCES. BOCES are supposed to provide economy of scale, but we don’t want it to be a hindrance. Costs are supposed to be shared, the bulk of the reimbursement goes to the district. As this bill is written, it warrants further SEFAC discussion. For these purposes, Jon Paul recommends doing what we’ve always done. Without legislative clarity, we just build this into our process. The reality is, the BOCES ultimately submit the applications that are generated by the districts. The applications come from the AU, if a check gets cut for the district, the oversight still belongs to the AU because they signed off on the applications. This practice is defensible. Does the SEFAC committee have the authority to change this or define it, when it’s written into the bill? The bill was written with our current practice woven into it. Currently, we look at the AU, not the district. Those audited expenditures of the AU are what we use to estimate impact</li> <li>▪ 22 apps came in last year that exceeded \$100,000, and only 1 that met the 2 ½ percent, but that’s after deductions. The bill reads that the committee determines that an application is eligible. The Bill is designed to give latitude to SEFAC to determine if the application is eligible for reimbursement.</li> </ul> </li> <li>• Is there anything in the current application that makes sure we are addressing the new requirements outlined in SB 19-066? The narrative section of the application would qualify for the special circumstances outlined in the law. If CDE/ESSU keeps the application the same, thresholds remain the same, CDE/ESSU will need to create a new spreadsheet to collect the additional data. SEFAC would still get valuable data. This would be an extra step for CDE/ESSU to ensure the criteria are being met. Given the efficiency standard, this makes sense. <ul style="list-style-type: none"> <li>▪ The intention of this law was to make catastrophic funding available to all AUs, including the larger districts. The larger districts general do not get funded due to the small impact of high cost students on their expenditures. The new Bill may help to encourage larger districts to submit for this funding stream, or a portion of it. In addition, SEFAC would get valuable data from them submitting applications</li> <li>▪ The SEFAC will continue to use the same applications, consider districts that would qualify with special factors for the trust fund money, continue with the same process of evaluations, what ends up in the trust fund would be awarded first, then the remaining funds.</li> </ul> </li> <li>• A few question were raised about</li> </ul>

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		<ul style="list-style-type: none"> <li>▪ Whether SEFAC should meet before the spring review meeting to determine which applications would be awarded from the trust fund and then adjustments to the rankings could be made.</li> <li>▪ Should trust fund dollars awarded first?</li> <li>• In summary: <ul style="list-style-type: none"> <li>▪ SEFAC keeps the Trust Funds separate.</li> <li>▪ Any applications which meets the threshold can be considered for the Trust Fund monies.</li> <li>▪ If it is agreed that an AU can “double dip”, that amount would get deducted before the high cost funding is used. It should not affect their ranking. For example if a \$150,000 kid that might get \$50,000 from the trust fund, but it shouldn’t affect the overall ranking, for the remaining amount.</li> <li>▪ SEFAC does need to decide the “double dip” issue.</li> <li>▪ Vicki has reviewed the ranking spreadsheets going back to 2006 and revenues have always been subtracted before applications have been ranked. This is a true picture of excess cost of the student. SEFAC would like to discuss further the removal of PPR prior to the applications being ranked.</li> <li>▪ The expectation is that we spend these funds in the upcoming allocation year (2020)</li> <li>▪ Vicki will confirm what type of account the Trust Fund interest is being deposited into.</li> <li>▪ A sample guidance document and or an FAQ for SEFAC and AUs to be drafted on how current high cost procedures to determine the possibility of a student being funded.</li> <li>▪ SEFAC to discuss a plan for reaching out to districts who don’t historically apply.</li> </ul> </li> </ul>
	Good of the order	<ul style="list-style-type: none"> <li>• Draft FAQ document to be ready by October 30</li> <li>• The Zoom sub group to meet again in the future to continue the Trust Fund implementation procedures.</li> </ul>