

School Finance Introduction New Superintendents' Orientation

Kate Bartlett, Executive Director of
School District Operations



COLORADO
Department of Education



Welcome & Introduction

- Introduction to the school finance unit
- School finance in Colorado & in your district
 - *Spoiler alert: It's complicated! And you don't have to learn it all.*
- The finance function in your district
 - Assessing current needs
 - Developing a working relationship
 - Seeking help

About Us

The **Public School Finance Unit** provides support to school districts in the implementation of requirements set forth by the legislature and Colorado state statute.

This includes implementation of the distribution of school finance formula funding and other funding streams. In addition, we provide support to districts and boards of cooperative educational services (BOCES) by assisting with submission of required financial data, providing reports of financial data and assisting with the implementation of various school finance legislation.

The School Finance Unit also provides technical guidance and capacity building to district finance teams.



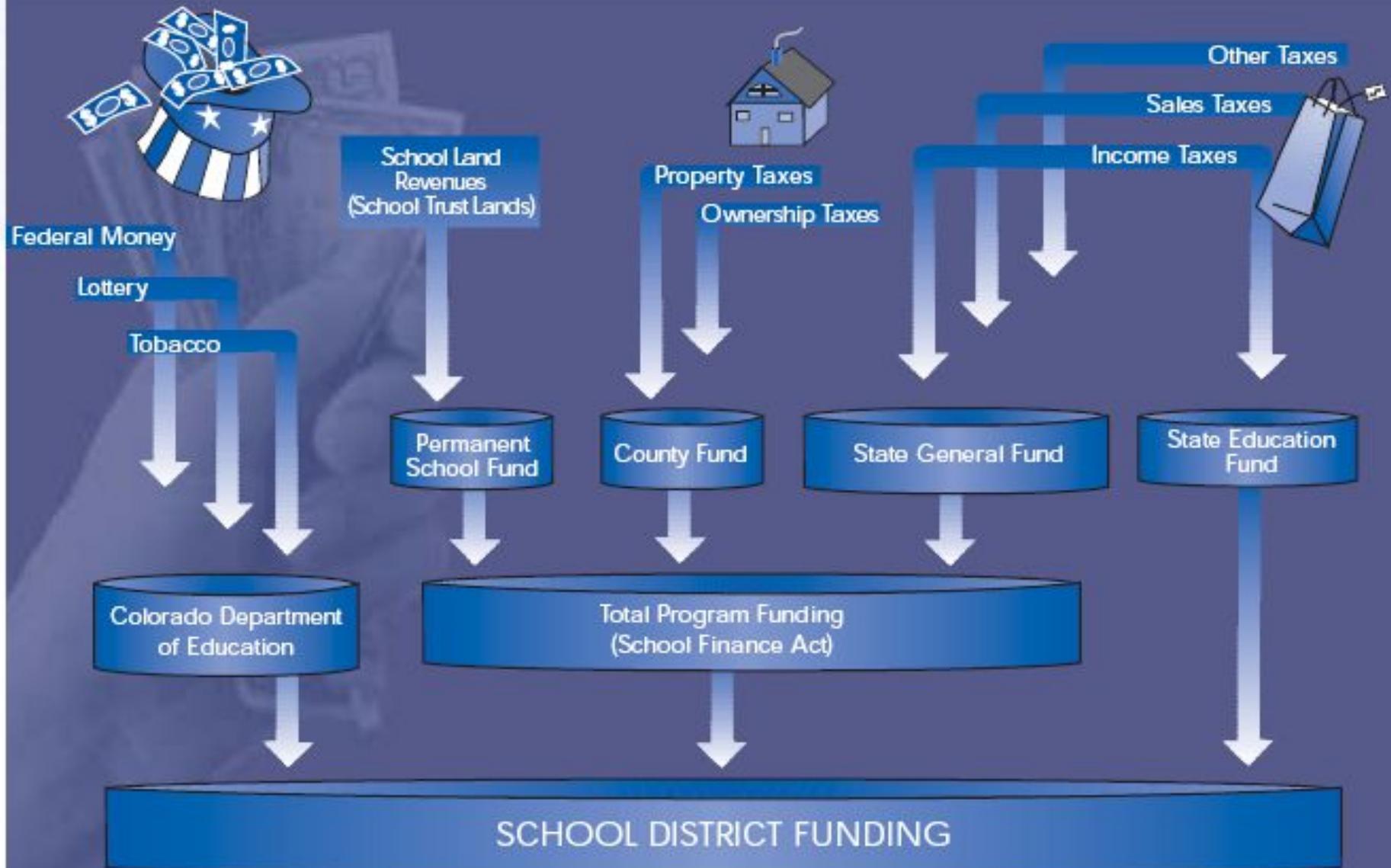


- **Good news:** Mostly your finance team / person will interact with us—instead of you.
- **Less-good news:** As you are aware, the district's finances are very visible and often highly scrutinized. As the Superintendent, you will want to understand school finance at a 10,000-foot level.
 - Consider attending or watching two training sessions: **School Finance 101 - Part I** (9/12) and **School Finance 101 - Part II** (9/19). See the [PSFU Trainings Page](#) for links, slides and recordings.
 - Consider the ways in which we can support and train your finance staff so that they can support you (more to come on this later in the presentation....)

School Finance: State Level



COLORADO SOURCES OF SCHOOL FUNDING



Total Program

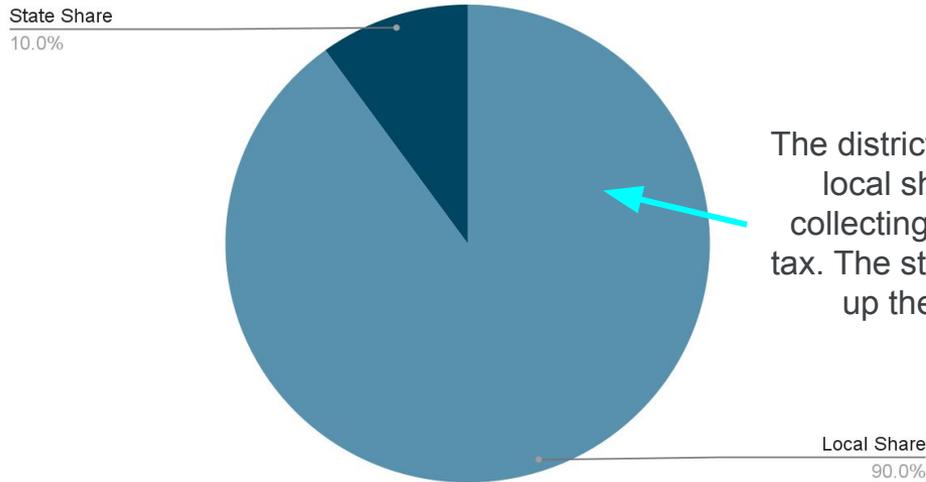
- Schools in Colorado are funded by a variety of sources.
- The biggest source of funding comes through the School Finance Act.
- The amount a district receives according to the School Finance Act is called **Total Program**.
- Total Program is, most simply, Funded Pupil Count x Per Pupil Funding
- **Total Program** is made up of two revenue sources:
 - Local revenue - property tax, paid by local taxpayers
 - State share - funds allocated within the State budget
- The distribution of local revenue vs. state share within Total Program depends on characteristics of the district....

Total Program

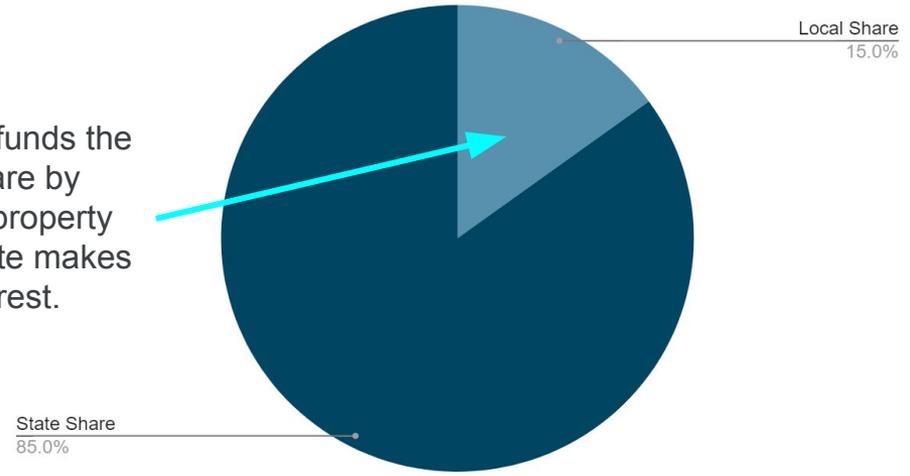
District A includes a large, active mine. The district's property value is very high.

District B is a district without a lot of industry. The district's property value is very low.

District A: Total Program



District B: Total Program



The district funds the local share by collecting property tax. The state makes up the rest.

The size of the **pie** is fixed per the School Finance Act. The size of the **slices** is dependent on local factors.

School Finance: Local Level



How to think about district funding sources

Category 1: Generally unrestricted (can use on most things):

- Total Program funding (combo of state share and local share or property tax)
- Mill levy overrides (usually fairly unrestricted—review yours, specifically)
- Small rural schools funding

Category 2: Somewhat restricted (can use on most things within the umbrella, funding thought of as secure, allowable uses typically don't change and are predictable):

- Categorical funding (ELPA, IDEA, ECEA, READ, Medicaid, Gifted and Talented, Transportation)

How to think about district funding sources

Category 3: Very restricted (have defined allowable uses, often specific time periods, and other requirements associated):

- ESEA (Title) funds: Each has their own allowable use list, plus “supplement not supplant” applies
- Almost all other grants (EARSS, 21st CCLC, School Health Professional, EASI, private foundation, CHF, etc.): Each has their own allowable use list
- CARES Act funds: both ESSER and CRF have restrictive allowable uses
- Bond revenue: Used for capital construction projects

- In Colorado, school districts have a lot of control over local decisions about how funds are spent
- The [Financial Transparency website](#) is a tool to understand those decisions on a district-by-district basis



- Districts are required to follow certain uniform accounting practices

Visit the district financial transparency page



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FINANCIAL TRANSPARENCY

Colorado Revised Statutes 22-44-304 Commencing July 1, 2017

The Steamboat Springs School District RE-2 values open and honest communication with its many stakeholders: staff, students, parents, and taxpayers. In order to meet the requirements of Article 44, Title 22 of the Colorado Revised Statutes, The Public School Financial Transparency Act, we have posted the following items on our financial transparency webpage:

- [District Adopted Budget](#) - Including Uniform Budget Summary (current and prior years)
- [District Financial Audit](#) (current and prior years)
- [Salary Schedules](#) (current and prior years)
- [Financial Data File \(current and prior two years\)](#)
- List of Waivers Received by the School District- The District has no waivers
- Standardized Description and Rationale for Each Automatic Waiver - Does not apply to SSSD

Your Finance Team



BUT... What really matters...

... is NOT being able to quote from the district budget. It is having a well-trained, competent and confident school finance leader, or team!

If you have this, your finance leader is the provider of factual, accurate finance information and there is less pressure on you to become a school finance expert. (Phew!)



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

Skills & competencies required to meet this goal:

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

Profile of a School Finance Professional in Colorado

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

Qualities of a School Finance Professional:

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

Goal: The Superintendent and the lead finance professional in the district have a collaborative, effective working relationship.

Consider:

- Do we have complementary skill sets? How can we leverage them?
- Do we have a shared understanding of how to create guiding principles, aligned to the strategic plan, that will guide budget decisions?
- Do we have a shared philosophy on how to use the financial resources of the district to execute on the strategic plan and serve students? (Think about the tension between resourcing the district for today, “saving for a rainy day,” and saving for a specific project or purpose.)
- Do we have a shared understanding of the current financial health of the district?
- Do we have an understanding that is also shared with the Board of Education about the size of the district’s fund balance and when / how it should be used?
- Are there looming concerns for future budget years we should start talking about now? Do we have a shared understanding of how we will handle them?
- Do we agree on who should be involved in financial decision making, at what point?

Pause to reflect on your district's financial leadership team (at least, what you know of it so far) through the lens of these three goals.

[Use this Finance Team Self-Assessment](#)

*Take 10 minutes now to reflect; complete later, as helpful.
Share / discuss any “ah ha’s” with your table.*

Uh oh. We need
help!



A Tiered System of Supports





Glenn Gustafson, CPA

Former CFO, District 11

Gustafson_g@cde.state.co.us

719 650 1960

Mark Rydberg

Former CFO, Steamboat Springs, Summit, Moffat

rydberg_m@cde.state.co.us

720 402 6658

[PSFU Trainings Page](#)

[PSFU Contacts Page](#)

Thank You!

Kate Bartlett
Executive Director,
School District Operations
bartlett_k@cde.state.co.us

