

# School Finance 101 Part I 2023

November 2, 2023

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&  
Mark Rydberg



## Agenda

- Focus of today's session:
  - Introduction to PSFU & [Website](#) Resources
  - Public School Finance Overview
  - Highlight the major school finance milestones.
    - [Critical Dates](#)

# Public School Finance Unit Introduction & Website Resources

# CDE Public School Finance Unit's “Charge”

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.

# High Level Every District/BOCES/Charter

High Level are requirements of all finance teams throughout the year to ensure effective finance operations, planning, strategy and leadership for the district. Policies, Procedures, Practices are “Local” decisions, and vary widely across the state.

***PSFU supports districts to ensure compliance with statute.***

**Budget**  
(Dec-Jun)

**Audit & Pipeline  
& CDE-40**  
(Aug-Dec)

**Mill Levies**  
(December)

**Grants**  
(Monthly/Quarterly)

# Local District/BOCES/Charter Finance Operations

These are requirements of all finance teams throughout the year to ensure accurate finance operations & reporting. Policies, Procedures, Practices, & *Systems* are “Local” decisions, and vary widely across the state.

***Limited PSFU supports, as no guiding CDE statute for these activities.***

Payroll

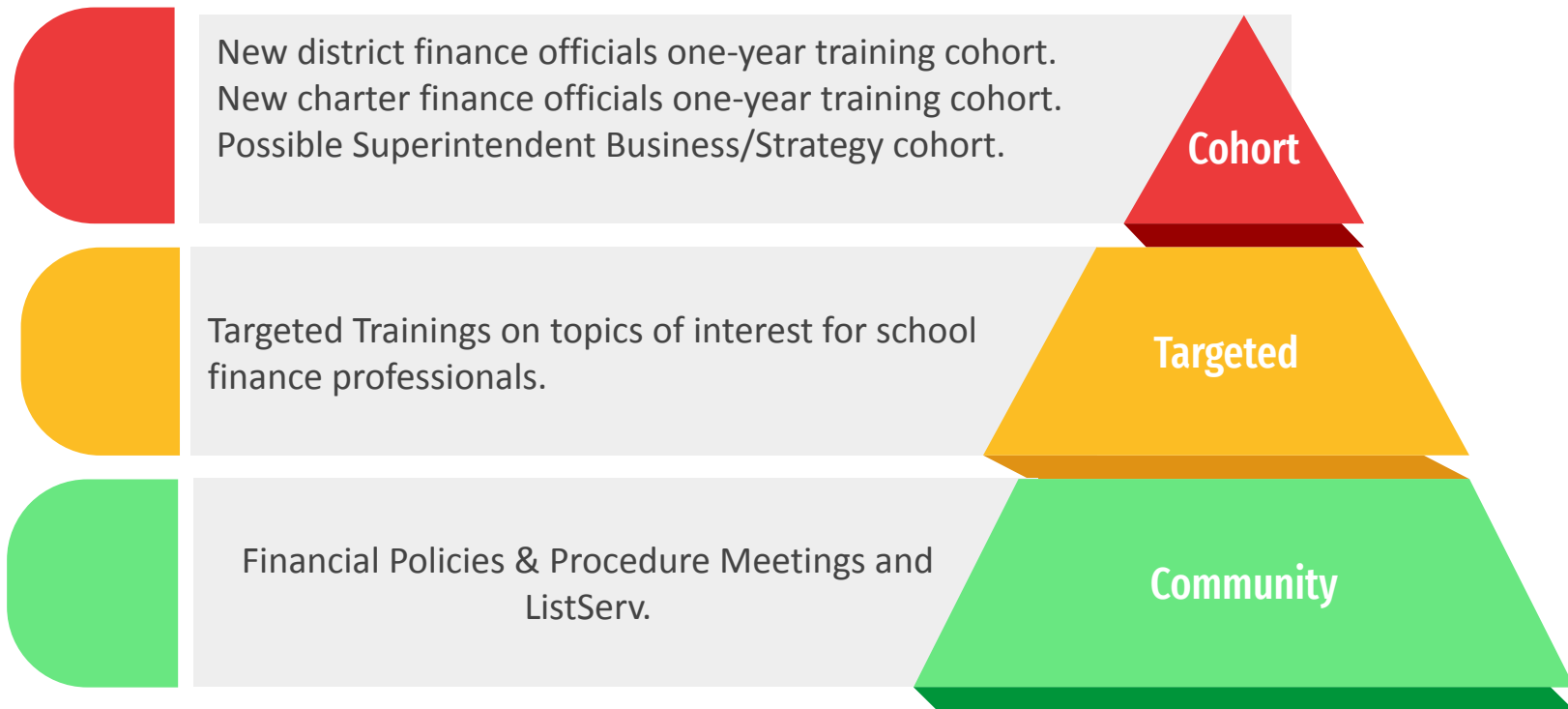
Receipt  
Revenue

Accounts  
Payable

General Ledger &  
Bank Reconciliation

Other  
Duties??

# Theory of Action: Provide a Tiered System of Supports



# CDE/PSFU Website Navigation

## Public School Finance Unit

<https://www.cde.state.co.us/cdefinance>

- Auditing, Capital Construction, Grants Fiscal, School Nutrition, School Transportation (*Upper Right*)
- Join the School Finance ListServ-Send email to
  - FINANCE-subscribe-request@codelist.cde.state.co.us
- **PSFU Contact List**
- **School Finance Training**



# CDE/PSFU Website Navigation

## Public School Finance Unit

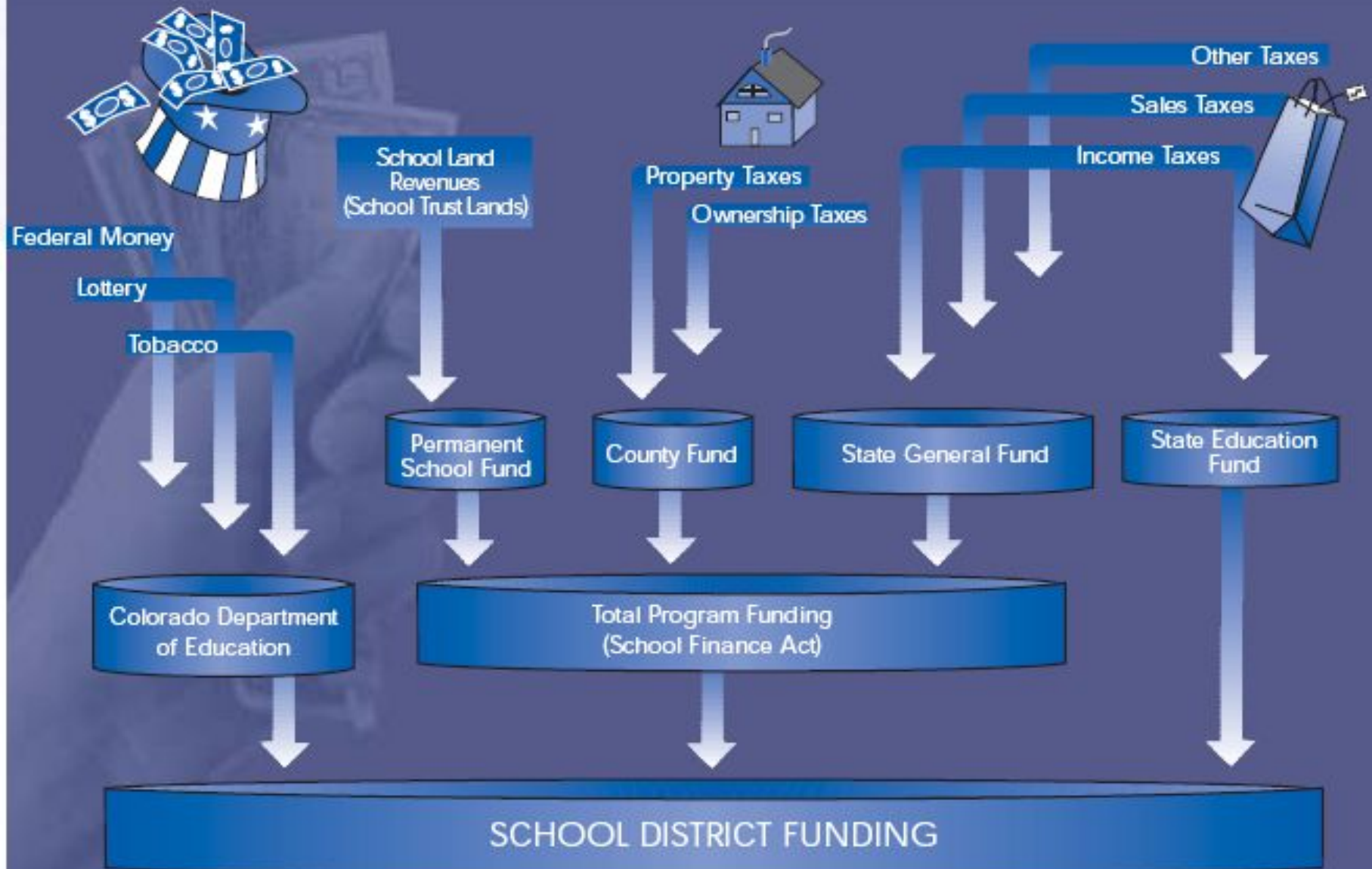
- Public School Finance Act (SFA) *(Below Quick Links)*
  - Funding and Payment Information
    - Latest [“Runs”](#)
- Financial Policies and Procedures *(Right of Public SFA)*
  - [FPP Handbook](#)
  - [Chart of Accounts](#)
    - State and Federal Grant Codes
  - [Advisory Committee \(FPP\) Meetings and Minutes](#)
  - [Financial Transparency](#)
  - Recent GASB Fact Sheets

## Public School Finance Unit -Continued

- Categorical and Other State Funding (*Below Public SFA*)
- Elections and Mill Levies (*Right of Categorical...Funding*)
- Reports by other Agencies (*Below Categorical*)
- Other Resources (*Below Elections & Mill Levies*)
- Statutory Compliance and Reporting (*Bottom of Page*)
  - [Critical Dates](#)
  - *Templates*
  - *Data Pipeline-Check Figures*
    - *FDW, now being updated monthly*
  - [Assurances of Financial Accreditation](#)
    - Required Finance Statutes that are signed off by Superintendent, Business Official, BOE President

# Public School Finance Overview

# COLORADO SOURCES OF SCHOOL FUNDING



# FY24 K12 Education

## State level K-12 Funding (in Billions)

Local Share:	FY23	FY24	\$ Var	% Var
Property Tax	3.220	3.857	0.637	19.8%
Specific Ownership	0.229	0.236	0.007	3.1%
<b>Total Local Share</b>	<b>3.449</b>	<b>4.093</b>	<b>0.644</b>	<b>18.7%</b>
<b>State Share Equalization</b>	<b>5.311</b>	<b>5.152</b>	<b>(0.159)</b>	<b>-3.0%</b>
<b>Total Program Funding</b>	<b>8.760</b>	<b>9.245</b>	<b>0.485</b>	<b>5.5%</b>
<b>Less: Budget Stabilization Factor</b>	<b>-0.321</b>	<b>-0.141</b>	<b>0.180</b>	<b>-56.1%</b>
<b>Net Program Funding</b>	<b>8.439</b>	<b>9.104</b>	<b>0.665</b>	<b>7.9%</b>
<b>Categorical Program Funding</b>	<b>0.416</b>	<b>0.496</b>	<b>0.080</b>	<b>19.2%</b>
<b>Total K-12 Funding</b>	<b>8.855</b>	<b>9.600</b>	<b>0.745</b>	<b>8.4%</b>

# Total Program Funding

## Total Program Funding-*Largest Revenue Source*

Equals Funded Pupil Count (*Greater of current OR highest average of the last two to five years*)

times Per Pupil Funding formula

with adjustments for Size of District and Cost of Living

plus At-Risk funding plus ELL Funding plus Multi-District Online

plus Extended High School funding

then...Budget Stabilization Factor is applied

# Total Program Funding Components

## Total Program Funding (*70-80-90% of Total Revenue*)

- Local: Property Taxes & “*Portion*” of Specific Ownership Taxes is “applied”.
- State Equalization: “backfills” the remaining.
- At State Level: 55% State 44% Local. % *Varies widely by District.*

# Total Program



Funding Calculation [Worksheet](#) Rows 287-291: Total Program Local/State Split. Per Pupil Funding Row 296

TOTAL PROGRAM	431,050,672.53	17,663,375.21	2,897,847.00
PROPERTY TAXES	122,183,905.33	10,182,639.83	633,630.36
SPECIFIC OWNERSHIP TAXES	6,293,323.91	854,999.69	49,295.81
STATE SHARE	302,573,443.30	6,625,735.68	2,214,920.82
REQUIRED CATEGORICAL BUYOUT FROM TOTAL PROGRAM	0.00	0.00	0.00
PER PUPIL FUNDING AFTER BUDGET STABILIZATION FACTOR	11,465.85	10,722.62	17,965.57



# 5 Year Averaging

## Funding Calculation [Worksheet](#) Rows 82-100: Funded Pupil Count 5-Yr Ave.

FY24 October FTE Count (minus on-line)- enter line V5	36,131.0	1,628.7	156.0
FY23 October FTE Count - enter line V13	36,575.0	1,644.0	166.5
FY22 October FTE Count - enter line V14	36,070.5	1,662.5	144.5
FY21 October FTE Count - enter line V15	35,788.5	1,567.0	134.5
FY20 October FTE Count - enter line V15.1	37,464.5	1,680.5	139.0
AVERAGED FUNDED PUPIL COUNT - enter the greater of line FC1 or average of (lines FC1 and FC2) or (lines FC1, FC2 and FC3) or (lines FC1, FC2, FC3 and FC4)	36,405.9	1,645.1	161.3

- Crucial to know if Count is Growing, Holding Steady, or Declining. If Declining Forecast out future years.
- District Estimates are better than State's

# Factor Calculation



## Funding Calculation [Worksheet](#) Rows 113-119: Per Pupil Funding Factor Calc.

Base Funding - enter line V21	8,076.41	8,076.41	8,076.41
Personnel Costs Factor - enter line PL6	0.9050	0.8598	0.8063
Cost of Living Factor - enter line V23	1.244	1.184	1.084
Base Funding - enter line V21	8,076.41	8,076.41	8,076.41
Non-personnel Costs Factor - enter (1 minus line PL6)	0.0950	0.1402	0.1937
Size Factor - enter line SZ13	1.0297	1.0881	1.9772
<b>PER-PUPIL FUNDING Before At-Risk &amp; ELL Factors</b>	10,152.6801890	10,178.2222227	17,050.2236280

- [SB23-287](#) creates a task force ([website](#)) 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.
  - Discussion about Changing Factors.

# Public School Finance Task Force (continued)

## What Factors Impact my District?

- Base is \$8,076. Grows by CPI every year. 2023's CPI will be published Jan/Feb 2024 for FY25.
- Statewide average is \$10,613.
  - Size Factor: Range 1.0297-2.3958
  - Cost of Living Factor: Range 1.0150-1.6500
  - Personal(Size) Factor: Range .9050-.7992
  - Non-Personal (Size) Factor: Range .1050-.2008
- Then Add
  - At Risk Factor: At-Risk Students \* "Factor" PPF
  - ELL Factor: ELL Count \* 8% of "Factor" PPF
- If far from average of \$10,613 district size is likely reason.
- Largest Slice of Per Pupil Funding is Base.

# Other Revenues

# Categorical Funding

- English Lang. Proficiency Act (ELPA)
- Gifted & Talented
- Small Attendance Centers
- Special Education (ECEA)
- Transportation
- Vocational Education

## Categorical and Other State Funding

- [State and Federal Grants Allocations](#)
- [Grant Distribution Reports](#)
- [READ Act Per Pupil Funding](#)
- [Transportation Funding](#)
- [Vocational Education - Colorado CTE](#)
- [Categorical Distribution Worksheets](#)
- [Categorical Maximum Funding Worksheets](#)

Funding Calculation [Worksheet](#) Rows 53-60:  
*Estimates until January True Up.*

# Mill Levy Overrides

## District Voter Approved Tax increases (C.R.S. 22-54-108)

- Maximum General Fund MLOs – 25% or 30%(small rural) of Total Program-Allowable for Capital or Operating
- Election Question-MLO Spending Plan-Charter School Allocations
- **PSFU website Resource:** [Mill Levy Table](#) comes from Mill Levy Certification process in December done by District.
- **PSFU website Resource:** Mill Levy Override [Report](#) (Fund 90 1170-1179. Appendix R-1 in Chart of Accounts

### Elections and Mill Levies

- [Bond Election](#)
- [Override Election History](#)
- [Mill Levies and Override Revenues](#)
- [Mill Levy Corrections](#)
- [Mill Levy Override Revenue Reports](#)
- [District Bonded Indebtedness](#)
- [December 2022 Mill Levy Certification Files](#)

# Other Voter Approved Revenue

## **Bond Fund**

Property Tax to pay voter approved debt

## **Special Building & Technology Fund**

Capital Construction, New & Existing  
Technology, Maintenance Needs

**3 Years & 10 Mills Maximum**

## **Supplemental Cap Const., Technology & Maint.**

Capital Construction, New & Existing  
Technology, Maintenance Needs

**No length or Mill Caps**

## **Transportation Fund**

For excess transportation costs-Bus Fleet?

# Timeline of Total Program Revisions

- **July-November: Projections**
  - Based on Legislative Council funding projections and will include rescissions
- **September-December: Student October Count data collection**
  - October 1 (on or about): Pupil Enrollment Count Date
  - Mid-November: Duplicate Count Process
  - Early December: Count Data Finalized/Upload Supporting Documentation
- **December**
  - Pupil count updated
- **January: “True Up”**
  - Property Tax/ Assessed Valuations updated.
  - Second half of the year payments are finalized.
- **February-March: Supplemental Appropriations, if Applicable**





# Critical Dates



## September

- **Transportation Claim Reimbursement CDE 40 submission** - due September 15, extensions are not permitted.
  - [Trainings](#)
- **Grant Annual Financial Reports (AFRs)** - due September 30ish-Look for email communication
- **Audit preparation**
  - [Trainings](#) from 7/20/23, 9/21/23, 10/5/23, 10/12/23

## October

- **K-12 Pupil Count** - October 1 (this Year Oct 2) or alternative, if requested by September 15. Email [Carman\\_a@CDE.state.co.us](mailto:Carman_a@CDE.state.co.us) with adopted calendar & explanation
  - [Trainings](#)
- **Audit preparation-Continued**



## November

- **Pupil Count data submission** - November 10 ★
- **Auditor delivers audit to district, Hopefully!** - November 30
  - If not, Apply for [Extension](#) (Year End 6/30/23) until Mar 1.

## December

- **Mill Levy Certification** - December 15 (Prop HH? Jan 5) ★
  - [Trainings](#) 11/13/23 & 11/30/23. Special 100% locally funded 11/30/23 @ 2-3:30 pm
- **Financial Data Pipeline & audit submission** - December 31

## January

- **Budget Revision preparation**

★ Requires Board of Education approval

- Preparation of Budget (May 31)
  - [AFA 44-8 22-44-108\(1\)\(c\)](#). The proposed budget shall be submitted to the board at least thirty days prior to the beginning of the next fiscal year.
- Notice of Proposed Budget
  - [AFA 44-8 22-44-109](#) Must be posted 10 days after the BOE meeting. *Do it the next day!*
- Adopted Budget (June 30) ★
  - [AFA 44-10 22-44-110\(4\)](#)
- Mid-Year Budget (January 31) ★
  - Pupil Count, Property Taxes, Audited Fund Balance
  - Staffing & Compensation
  - Adjustments and Changes
- Supplemental Budget ★
  - [AFA 44-11 22-44-110\(5\)](#) After January 31, the board shall not review or change the budget except as authorized by this article; except that, *where money for a specific purpose from other than ad valorem taxes subsequently becomes available to meet a contingency*, the board may adopt a supplemental budget for expenditures not to exceed the amount of said money and may appropriate said money therefrom.



Requires Board of Education approval

# Submission Deadlines



## **Receipt of State Share - 25th of every month**

(17th of every month for districts participating in the state's interest free loan program)

**What is it?** The state share of total program, delivered to your bank account.

### **What do you need to get it done?**

- Bank account information to CDE.
- An understanding of your total program funding and what to expect.

**Contact: PSFU** - Tim Kahle, [kahle\\_t@cde.state.co.us](mailto:kahle_t@cde.state.co.us)

**Link:** <https://www.cde.state.co.us/cdefinance/sfdetails>



## Grant Requests for Funds - 1st or 15th of every month

**What is it?** Drawing down reimbursement for expenditures in your federal funds (ESSA(Title), ESSER, etc.)

### What do you need to get it done?

- Reconcile monthly/quarterly expenditures by federal grant.
- Once reconciled Request Funds

**Contact: GFMU - [grants\\_fiscal@cde.state.co.us](mailto:grants_fiscal@cde.state.co.us)**

**Request For Funds [Link](#):**

Access is needed!



## **Transportation Claim Reimbursement CDE 40 submission - September 15-No extensions**

**What is it?** Data submission to receive funding to offset a portion of your transportation costs.

### **What do you need to get it done?**

- General ledger
- Information from your transportation department, i.e. mileage reports

**Contact: PSFU - Yolanda Lucero, [lucero\\_y@cde.state.co.us](mailto:lucero_y@cde.state.co.us)**

**Access to Submission and Training [Link](#)**





## Grant Annual Financial Reports (AFRs) - September 30

**What is it?** End of year reporting for federal grants, including ESSER.

**What do you need to get it done?**

- Your annual expenditures by object code for each federal grant.

**Contact: GFMU - [grants\\_fiscal@cde.state.co.us](mailto:grants_fiscal@cde.state.co.us)**

**AFR [Link](#)**



## Audit preparation

**What is it?** Preparing for your financial audit, typically a months-long process for the finance team.

### What do you need to get it done?

- A schedule from your auditor, including when their timeline
- All of your financial information and data
- [Trainings](#)

**Contact: PSFU** - Mark Rydberg, [rydberg\\_m@cde.state.co.us](mailto:rydberg_m@cde.state.co.us)  
Glenn Gustafson [gustafson\\_g@cde.state.co.us](mailto:gustafson_g@cde.state.co.us)



## Pupil Count - October 1 November 1

**What is it?** Documenting pupils eligible for funding per the school finance act.

### **What do you need to get it done?**

- The person in your district who is responsible for capturing data required for the count, i.e. enrollment, attendance, schedules. (typically manages all student data / SIS)
- Access to the Data Pipeline to submit.
- BOE to certify the count by November 10.

**Contact: Audit** - Rebecca McRee, [mcree\\_r@cde.state.co.us](mailto:mcree_r@cde.state.co.us)

### **Link:**

[https://www.cde.state.co.us/cdefinance/auditunit\\_pupilcount](https://www.cde.state.co.us/cdefinance/auditunit_pupilcount)



## Mill Levy Certification - December 15



**What is it?** Providing documentation to the county treasurer to collect local property tax.

### What do you need to get it done?

- To have submitted your county assessed valuation to CDE.
- Calculations for your bond mills, if applicable
- To have received your mill calculation spreadsheet from CDE.
- Board of Education approval BEFORE December 15--then take to your treasurer
- Awareness of your district's requirements under [Mill Levy Correction](#)

**Contact: PSFU** - Tim Kahle, [kahle\\_t@cde.state.co.us](mailto:kahle_t@cde.state.co.us)

**Link:** <https://www.cde.state.co.us/cdefinance/sfmilllevy>



# General Fund Levy

- **General Fund Levy-[Mill Levy Table](#)**
  - **HB 20-1418 REQUIRES the lesser of:**
    - **27 mills**
    - **Number of mills De-Tabored at**
    - **Number of mills that you could have been fully funded**
  - **Districts not at target levy are required to increase General Fund levy by one mill per year until they reach the target amount**
- **Penalty for non-compliance:**
  - **Loss of State equalization equal to the value of one mill + equivalent State share amount**
  - **Not eligible for High Cost Special education student funding**



## Financial Data Pipeline (also called Finance December) & Audit Submission - December 31

**What is it?** Submission of your financial data and audit to CDE

**What do you need to get it done?**

- A completed audit, including the auditor's integrity report.
- A completed Financial Accreditation Form.
- An export from your accounting system, formatted for the pipeline.
- **Several days / weeks to clear errors!**
- Apply for **Extension** until Mar 1 (Year End 06/30/23)

**Contact: PSFU** - Yolanda Lucero and Kelly Wiedemer,  
[lucero\\_y@cde.state.co.us](mailto:lucero_y@cde.state.co.us), [wiedemer\\_k@cde.state.co.us](mailto:wiedemer_k@cde.state.co.us)

**Link:** Data Pipeline



## **Budget revision preparation - December, for January Board of Education meeting**

**What is it?** Preparing to revise your annual budget and Uniform Budget Summary.

### **What do you need to get it done?**

- If Audit done, FY24 Beginning Fund Balances-Known
- Total Program & other Property tax-Known
- Budget to actuals for the first half of the year

**Contact: PSFU** - Mark Rydberg, [rydberg\\_m@cde.state.co.us](mailto:rydberg_m@cde.state.co.us)

**Link:** <https://www.cde.state.co.us/cdefinance>

# Payroll Taxes

## District Business Managers are responsible to file Information returns in a timely manner:

### Federal

- Monthly Portal submittal/payment. (One Step)
- Quarterly 941 (Mail or Submit). If not sent, an IRS letter promptly.
- Annual Form W2, Wage and Tax Statement-Jan 31.
- Annual Form W3, Transmittal of Wage and Tax Statements-Jan 31 ([Example](#)) New system coming soon!
- Annual 1099-MISC Jan 31 & 1096 IRS submittal.
- Annual 1094-C summary Health Coverage information & 1095s each employee health coverage, Feb 28. Good goal is Jan 31.

**Does everyone agree? Is everyone Caught Up?**



# Payroll Taxes

## District Business Managers are responsible to file Information returns in a timely manner:

### Colorado Dept of Revenue

- Monthly Portal submittal (DR1094) and then payment page (Two Steps)
- Annual Form W2, Wage and Tax Statement-Jan 31.
- Annual Form W3, Transmittal of Wage and Tax Statements-Jan 31
- Annual 1099 MISC
- *Annual Report on DoR page - No Quarterly*

### PERA

- Monthly submission
- W2 & 1099 by March 31

### Unemployment

- UETR- Quarterly Department of Labor

**Does everyone agree? Is everyone Caught Up?**

Please Join Us for  
School Finance 101 Part II  
November 9, 2023