



COLORADO
Department of Education

Charter School Business Networking Meetings School Finance Update

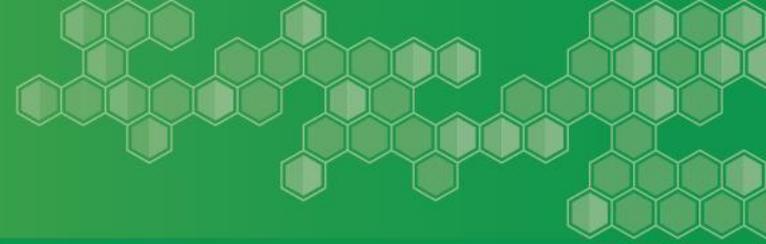
February 2020

Contextual Background & Constitutional Constraints

School District Sources of Revenues

- School Finance Total Program Funding
- Categorical Funding
- State Grants – Formula and Competitive
- Federal Grants – Formula and Competitive
- Mill Levy Overrides Revenues
- Other Local Revenues

Total District Revenues

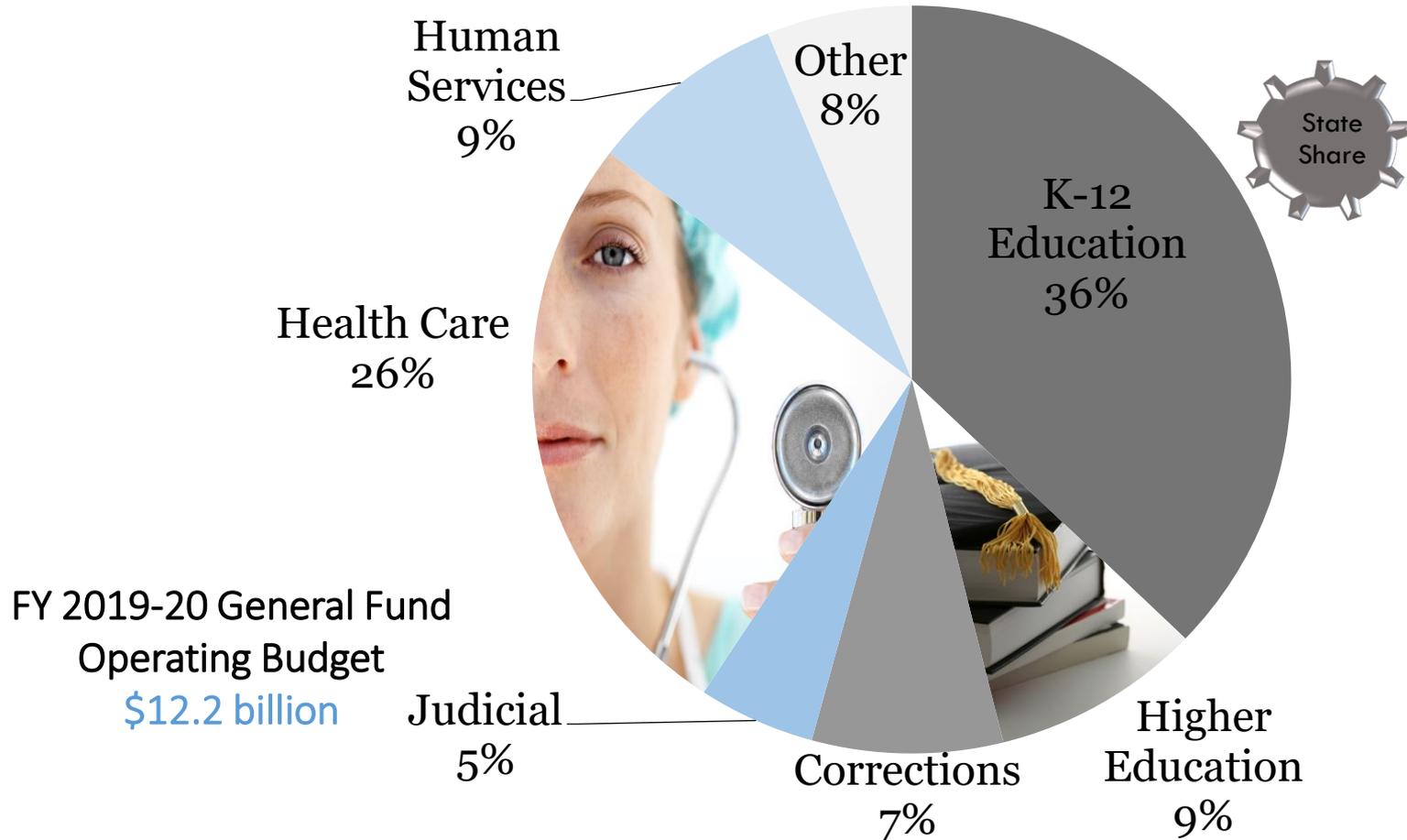


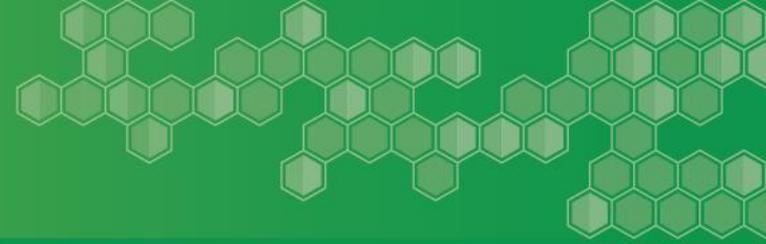
FY17-18 Total Revenue: \$12.3 Billion

- Local: 47%
- State: 38%
- Federal: 6%
- Other: 9%

Most revenue to districts are provided through the School Finance Act of 1994: \$6.6 Billion or 54% of total revenues

What the General Fund Pays For – FY2019-20

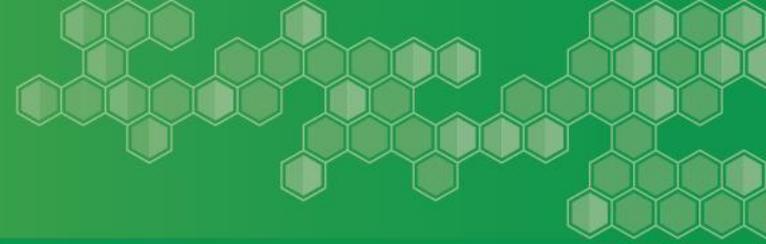




- Set the statewide ratio of property taxes for residential properties at 45% and business properties at 55%
- Business = 29% of property's taxed value
- Residential = 7.15% of property's taxed value

Under TABOR, this rate cannot rise without a vote of the people

Effect = limited property taxes and put bigger burden for education funding on the state's budget (Equalization)



Sets limits on the amounts of revenues that can be collected and retained

Cannot raise tax rates without voter approval

Cannot spend revenues collected without voter approval if revenues grow faster than inflation and population growth

“TABOR Surplus”, must be refunded to taxpayers, unless approved by voters

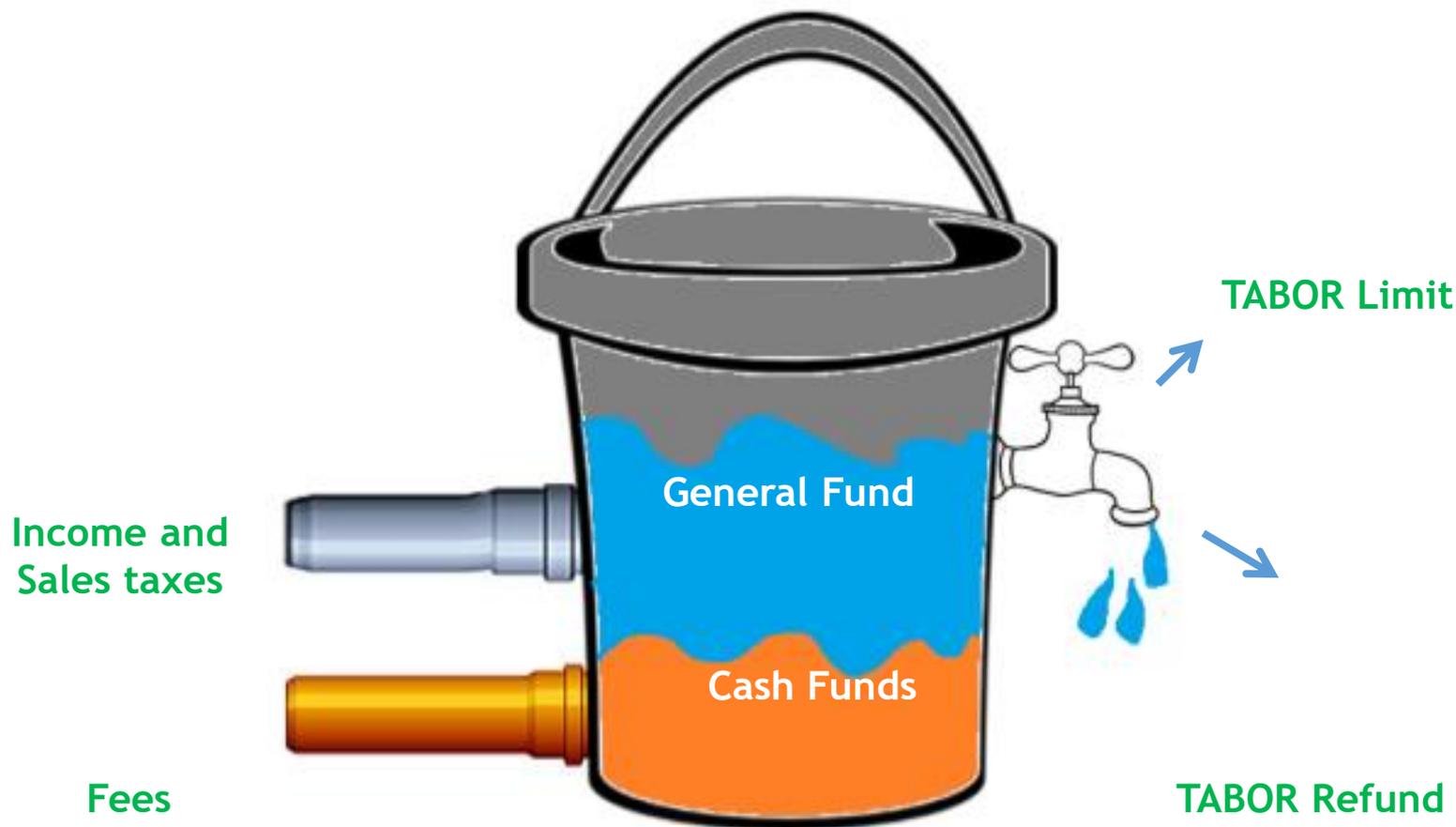
174/178 School Districts are De-TABORed, the State is not

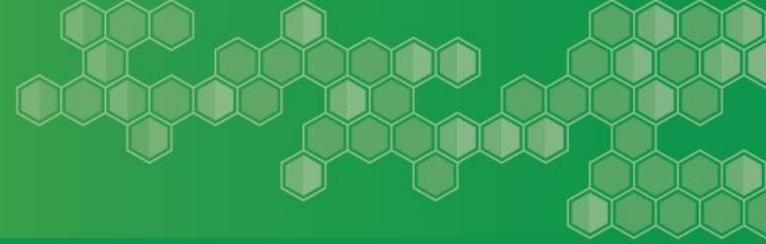
Ratcheting down effect during recessions

- Senate Bill 07-199 froze mill levies for districts at the 2006-07 levels

A TABOR Simile

From Office of State Planning & Budgeting





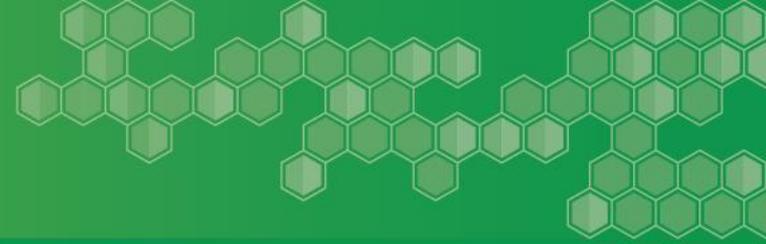
Required growth + inflation for base funding and categorical funding

Provided a 1% catch up rate for 10 years

- Inflation based on the Denver/Boulder CPI
- Creates additional pressures on the state budget with these requirements

School Finance Formula

Total Program Funding Formula



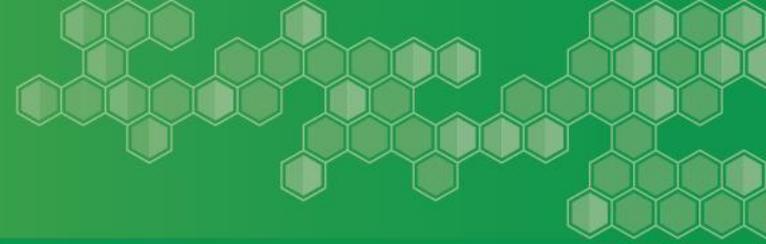
Total Program Funding

- Equals (funded pupil count
times per pupil funding formula)
plus at-risk funding
plus multi-district online funding
- *plus* extended high school funding



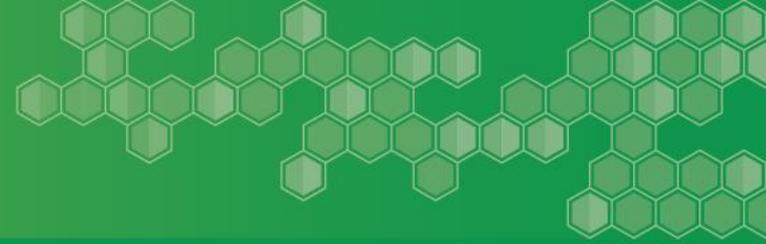
Budget Stabilization Factor is applied after total program is calculated

Factors that adjust base per pupil funding



- Per Pupil Funding Formula adjusts for:
 - Cost of living: Determined by a legislative study every two years. A higher cost of living equals a higher factor.
 - Personnel and non-personnel costs: Determined by statutory formula based on enrollment. Actual personnel costs may differ from the statutory factor calculation. Cost of living factor is applied to the calculated personnel amount.
 - Size of district: Determined by statutory formula based on enrollment. Small districts have larger size factors than districts with higher enrollment.

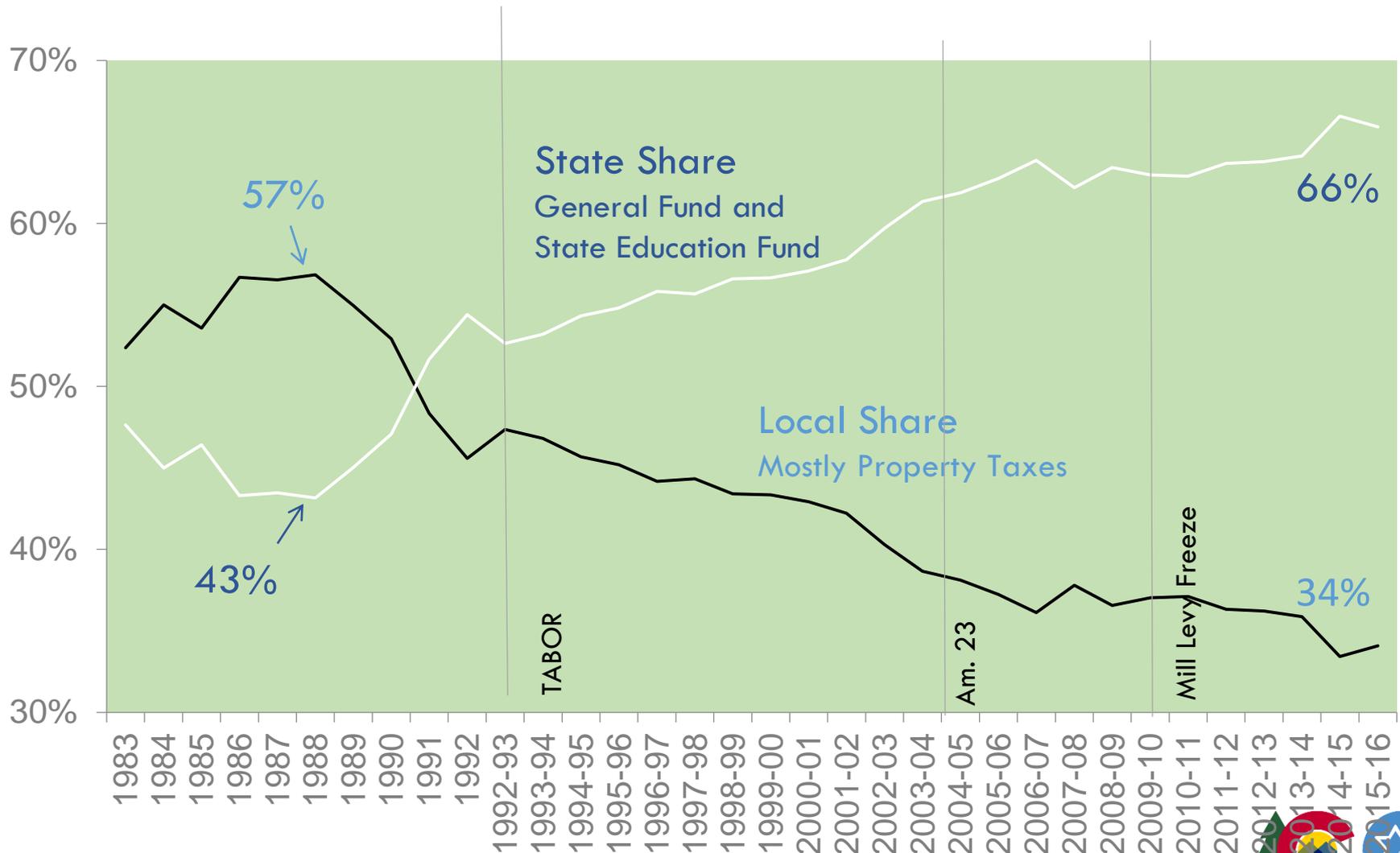
Local Share Funding Sources



- **Local Funding Statewide –39% in FY18-19**
 - Property Taxes – mill levies
 - Specific Ownership Taxes – vehicle registration fees
- **State Share Statewide– 61% in FY18-19**
 - Funding from the state provided to each school district whose Local Share is insufficient to fully fund its Total Program

The percentage split in specific districts varies
Previously, local share was 57% and state share was 43%

Relative State and Local Shares of School Finance

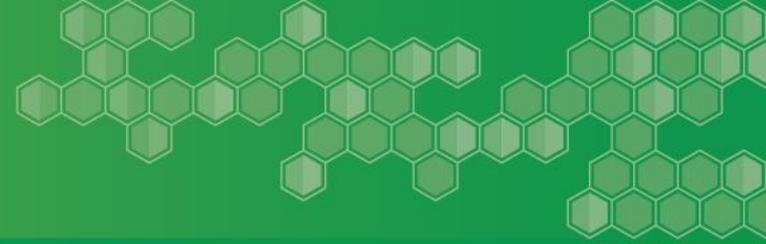


Note: Prior to 1993, K-12 funding was done on a calendar year basis.



2020 Legislative Budget Process

2020 Legislative Budget Process



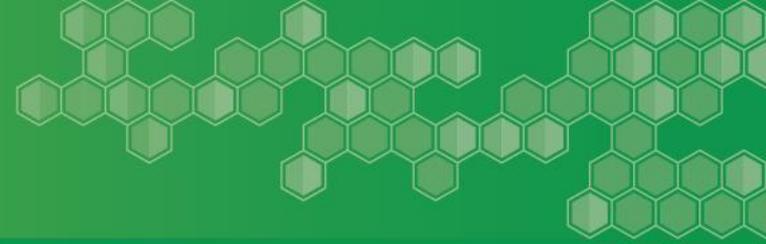
November 2019	Governor Submits Budget Request for 2020-21 THIS IS ONLY A PROPOSAL/PLACEHOLDER!
December 2019	Joint Budget Committee Briefing and Hearing with CDE covering various budget-related topics relevant to K-12
January 2020	Governor Submits <i>Supplementals</i> for 2019-20 Adjusts current year's actual pupil counts, AVs, etc., including Full-Day Kindergarten enrollment Governor Submits <i>Budget Amendments</i> for 2020-21 Revises estimates for next year's pupil counts, AVs, etc.
Spring 2020	JBC Develops State Budget Through Figure Setting General Assembly Passes the Long Bill based on current law (HB19-246 for School Finance)
Spring 2020	School Finance Bill Is Introduced and Passed Adjusts the Appropriation included in the Long Bill

2019-20 School Finance Act / FDK Bill

- Base Funding - \$6,695
- Budget Stabilization Factor - \$572.4M
- Average Per Pupil Funding - \$8,477

2019-20 Supplemental Request

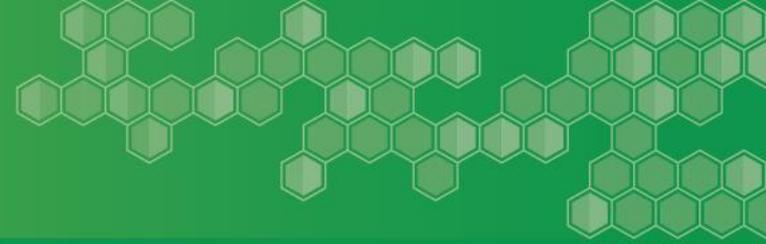
- Increase in funded pupil count by 1,431
- Increase in funded at-risk count of 9,447
- Increase in Local Share by \$12.98M
 - Increase in Property Taxes of \$21.9M
 - Decrease in Specific Ownership Taxes of \$8.9M
- Increase in State Share by \$9.79M
- Increase in Total Program of \$22.8M
- No change to Budget Stabilization Factor
- Average Per Pupil Funding increase by \$12 to \$8,489



Compared to Supplemental Request:

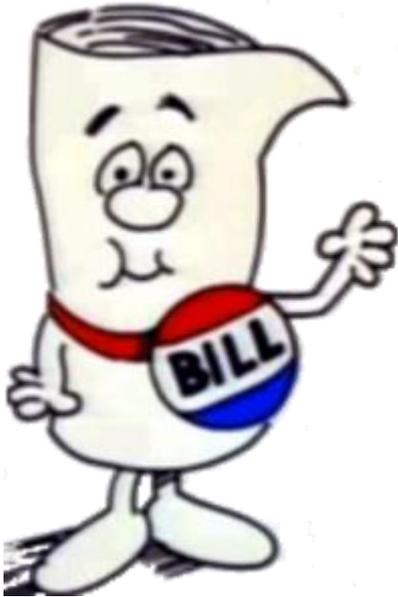
- Decrease in funded pupil count by 249
- Increase in funded at-risk count of 93
- Inflationary factor of 1.9%
- Increase in Local Share by \$76.8M
- Increase in State Share by \$130.5M
- Increase in Total Program of \$207.4M
- Buy down of Budget Stabilization Factor of \$52M
- Average Per Pupil Funding increase by \$230 from \$8,489 to \$8,719

School Finance Historical Recap



- 2016-17
 - Budget Stabilization Factor = \$828.3M
 - Average Per Pupil Funding = \$7,420
 - Total Program = \$6.37B
- 2017-18
 - Budget Stabilization Factor = \$822.4M (-\$5.9M)
 - Average Per Pupil Funding = \$7,662 (+\$242)
 - Total Program = \$6.63B (+\$250M)
- 2018-19
 - Budget Stabilization Factor = \$672.4M (-\$150M)
 - Average Per Pupil Funding = \$8,137 (+\$475)
 - Total Program = \$7.08B (+\$450M)
- 2019-20 Supplemental Request
 - Budget Stabilization Factor = \$572.4M (-\$100M)
 - Average Per Pupil Funding = \$8,489 (+\$352)
 - Total Program = \$7.6B (+\$520M)
- 2020-21 Budget Amendment Request
 - Budget Stabilization Factor = \$520.4M (-\$52M)
 - Average Per Pupil Funding = \$8,719 (+230)
 - Total Program = \$7.8B (+\$200M)



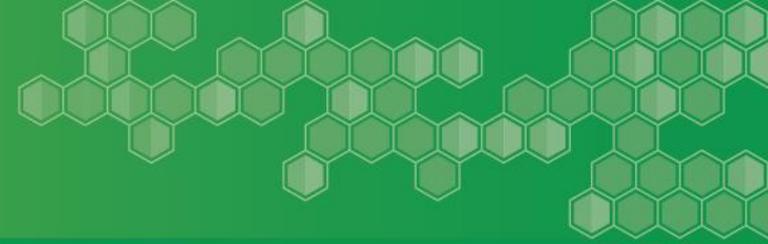


FY19-20 Supplemental and FY20-21 Budget Amendment includes a one-time accommodation assuming implementation of technical changes:

- Five year old first graders
- Supplemental K funding for part-time vs. half-day students

FY20-21 true-up and future funding assumptions will be consistent with actual plain statutory language

Categorical Program Revenues

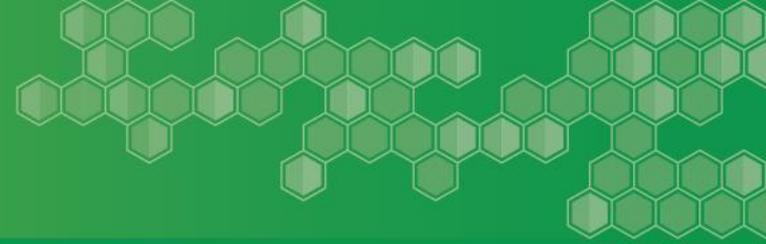


- Funding provided for specific programs that serve particular groups of students or student needs
- State and federal revenues only cover a portion of the full cost of these programs
 - English Language Proficiency Act (ELPA) – 21% of costs covered
 - Gifted and Talented Education – 34% of costs covered
 - Special Education – 37% of costs covered
 - Transportation – 24% of costs covered
 - Vocational Education – 30% of costs covered
 - Small Attendance Centers
 - Expelled and At-Risk Student Services
 - Comprehensive Health

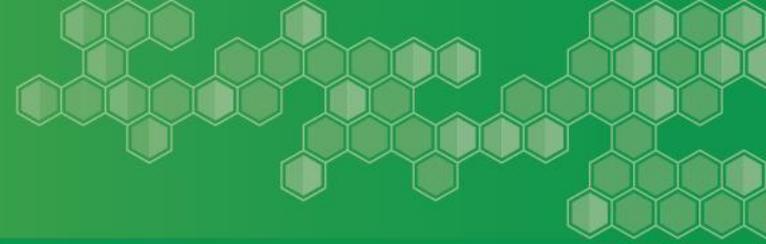
Other FY 2020-21 Budget Requests

- Categorical Programs Inflationary Increase
- Departmental Infrastructure **
- Concurrent Enrollment for Educators (HB20-1015) *
- Colorado Preschool Program Expansion
- Empowering Parents with School Information *
- Educator Evaluations
- Grants for Early Childhood Facilities
- Expanding Eligibility for School Improvement Funds *
- Concurrent Enrollment Grant Program Increase
- Student Re-Engagement Grant Program Increase
- Career Development Incentive Program Increase

Budgeting and Financial Reporting



- Significant non-compliance issues being identified
- Please follow the FPP-approved webpage template
 - District's main page = Icon or words "Financial Transparency"
 - Don't bury
 - Financial Transparency webpages
 - Follow template as closely as possible
 - Don't get too creative
- Why is this important?
 - State BOE Members are looking at this information
 - Interim Finance Committee
 - Mandated by State and Federal Legislation



- Please take a moment to ensure your district's financial transparency webpage follows the template, presents all documents in the correct order
- If an item is not applicable, show the bulleted item and indicate "N/A"
- Templates are on CDE website:
- <http://www.cde.state.co.us/cdefinance/ftwebdistricts>
- Financial Transparency District webpage issues will be addressed in the year end letters to the Superintendent and BOE.

The Best School District: Financial Transparency Standard Template



Required Financial Transparency

Colorado Revised Statutes, 22-44-304
(Commencing July 1, 2019)

- ◆ District Adopted Budget - Including Uniform Budget Summary (current and prior two years)
 - ◆ District Financial Audit (current and prior two years)
 - ◆ Salary Schedules or Policies (current and prior two years)
 - ◆ Financial Data File for FY18-19* (current and prior two years: FY17-18 and FY16-17)
 - ◆ List of Waivers Received by the School District
 - ◆ Standardized Description and Rational for Each Automatic Waiver
 - ◆ Federal Form 990, 990-EZ, or 990-PF and any associated schedules
 - ◆ Plan for Distributing Additional Mill Levy Revenue or Statement of Intent to Distribute
 - ◆ Other District-Specific Financial Information
- All documents above must be posted or updated within 60 days (30 days for waiver information) after completion or receipt of the applicable report, statement or document

*Financial Data File for FY18-19 is required to be posted no later than March 1st, 2020

- ◆ Link to Financial Transparency Website View: <https://coloradok12financialtransparency.com>

Disclaimer: Please consider the context when evaluating financial transactions. Some transactions may appear improper on the surface but are perfectly normal and justifiable when placed in the proper context. We welcome your questions regarding our financial transactions or records.

OPTIONAL: District Informational Summary

Sample: The Best School District R1 is the largest school district in Sunshine County and remains the tenth largest school district in Colorado. The District owns 450 acres of land, 52 school buildings, and three support sites totaling 3.4 million square feet of building space with a current replacement value of over \$500 million.

The District provides services for over 22,500 students this year and employs over 2,000 teachers, education support professionals and administrators.

Contact Information:

Contact Person 1, Title

Phone: 555-555-5555

E-Mail: someone@example.com

Best School District R1

Address

CSZ

Phone: 555-555-5555

Fax: 555-555-5555

Contact Person 2, Title

Phone: 555-555-5555

E-Mail: someone@example.com



Audit & Financial December

- Local Government Audit Law - 29-1-601 et al C.R.S.
 - Audits submitted to school board by November 30th
 - Audits submitted to the State Auditor and CDE by December 30th
 - Extensions may be requested to February 28th through the Office of the State Auditor
- Charter School Audits
 - Each charter school or charter school network is required to provide a separate independent governmental audit
 - Authorizers may require submission earlier than November 30th
 - Charter schools are included as a component unit of the district
 - Charter school audits are submitted to CDE with district's audit
 - District may require charter schools to complete a separate Assurances for Financial Accreditation

- Additional Information:

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



FY18-19 Assurances for Accreditation Report

- No significant changes from FY17-18 to FY18-19
- District Assurances for Accreditation Report
 - Can include responses relating to charter schools
- Charter School Assurances for Accreditation Report
 - Can complete their own Accreditation Report
 - Charter School Assurances for Accreditation Report
- Questions have arisen related to the statutory requirements to publish budgets in newspapers. We will be looking at appropriate clarification of this requirement.

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

PERA Proportional Share – payments by State to PERA on behalf of Districts

- What does this mean?
 - During the 2018 Legislative Session the General Assembly appropriated \$225M to be paid by the State of Colorado directly to PERA on behalf of Districts, BOCES and Charter Schools – payment made on July 1, 2018
- Based on PERA's audit presentation - Districts, BOCES and Charter Schools are required to report their share in the FY18-19 Financial December data files and audits.
- School districts should ensure that their charter schools are aware of this information as well
- Please share this information with your external auditor
- This is ongoing – this is not limited to just FY18-19 Financial December – must be budgeted for in FY19-20

Budget & Appropriation

- Do not budget a deficit
- Submit proposed budget to BOE by June 1
- Adopt final budget and appropriation resolution by June 30
- Resolution needed to use beginning fund balance
- Review and change budget prior to January 31
- After January 31, adopt supplemental appropriation to spend additional funds
- Additional Information:

www.cde.state.co.us/cdefinance/sfbudgettraining



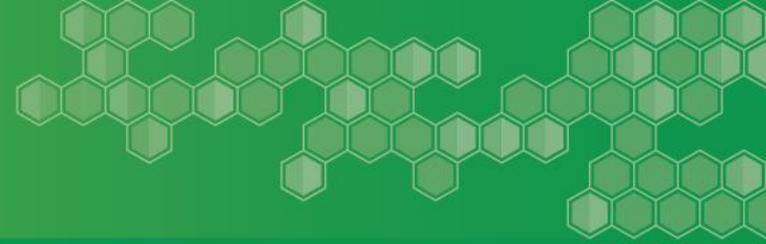
Timeline for School Finance Payments

- 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: Data Finalized/Upload Supporting Documentation
- December-January: “True Up”
 - Pupil count and Assessed Valuations updated for the second half of the year payments
 - Rescissions updated
- February and Beyond: Audit



Other CDE Program Areas

READ Act Changes Per SB19-199



- A budget, including a narrative explanation
 - Budget submission is April 1 – May 15
 - Budget must be at the school level
 - The department must approve the LEAs proposed use of PPI money as being in compliance with the allowable uses
- Each LEP may only carry over 15% of funds from the previous budget year
- Additional Allowable Uses
 - Purchase CDE approved core instructional programs
 - Provide technology, including software, included on the advisory list of instructional programming in reading
- Discontinued Allowable Uses
 - Full Day Kindergarten

2019-2020 READ Act
Budget Submission

Overall Budget **Narrative** on
the Use of Per-pupil
Intervention Funding for the
2020-2021 School Year

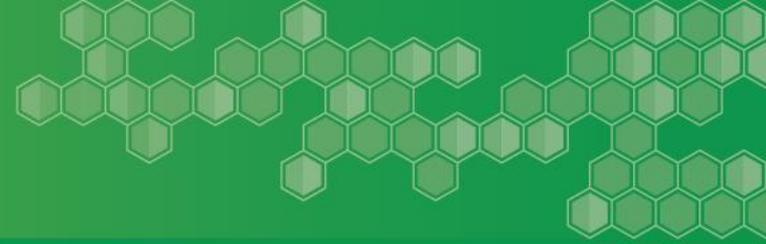
Narrative explanation will include:

1. How district plans to use READ funds in the upcoming budget year
2. Must include school level information, but will be submitting one narrative for entire district

Overall Budget **Details** on the
Use of Per-pupil Intervention
Funding for the 2020-2021
School Year

Budget Details will include:

1. Allowable Activity
2. Name of Program
3. Budget Object Code
4. Budgeted Cost
5. Budget Line Narrative



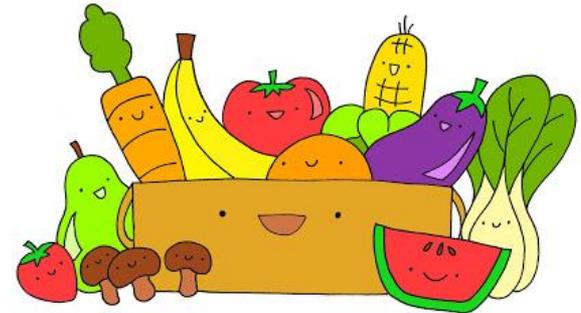
Free and Reduced Lunch Eligibility

Critical to coordinate across the district including

- Pupil Count Coordinator/Data Management
- School Nutrition Director/Free and Reduced Price Meal Specialist
- Finance/Budget Personnel

Procurement Requirements

US Regulations on Nutrition Standards



School Transportation Unit

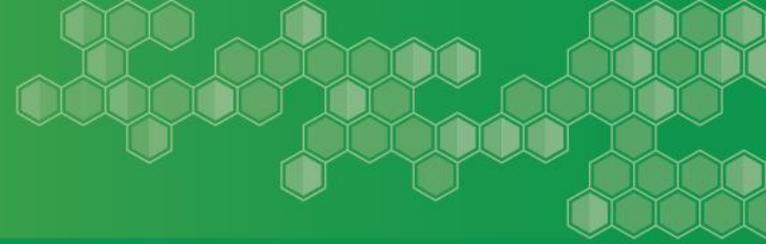
- Assist districts/charters to maintain compliance of all federal and state regulations/laws pertaining to pupil transportation.
- **Federal**
 - Federal Motor Carrier Safety Administration (FMCSA)
 - CDL Drug and Alcohol Training and Testing
 - CDL licensing/testing/training/physicals
- **State**
 - State statutes
 - CDE Minimum Vehicle Standards 1 CCR 301-25
 - CDE Operation, Maintenance and Annual Inspection Rules 1 CCR 301-26



School Transportation Unit

- Regulations on school transportation vehicles and operations and maintenance apply to charter schools
- **Ensure school buses are compliant before purchasing**
- School Transportation Advisory Reviews (STAR) are performed on a rotating cycle:
 - Fleet/Maintenance
 - Operations/Training
- Additional Information:
<http://www.cde.state.co.us/transportation>





Entry Level Training for Commercial Driver Licensing

- Effective February 7, 2022

Drug and Alcohol Clearinghouse Query

- Effective January 6, 2023

Random Testing Requirements

- Effective January 1, 2020
- Minimum annual percentage rate for random controlled substances testing is 50 percent of the average number of driver positions
- Minimum annual percentage rate for random alcohol testing will remain at 10 percent

Questions????



US Census 2020



What is a Census?

- A count of all persons
- living in the United States on April 1st conducted every 10 years



Census Day is April 1, 2020

Census counts influence representation by determining:



The number of seats each state has in the US House of Representatives

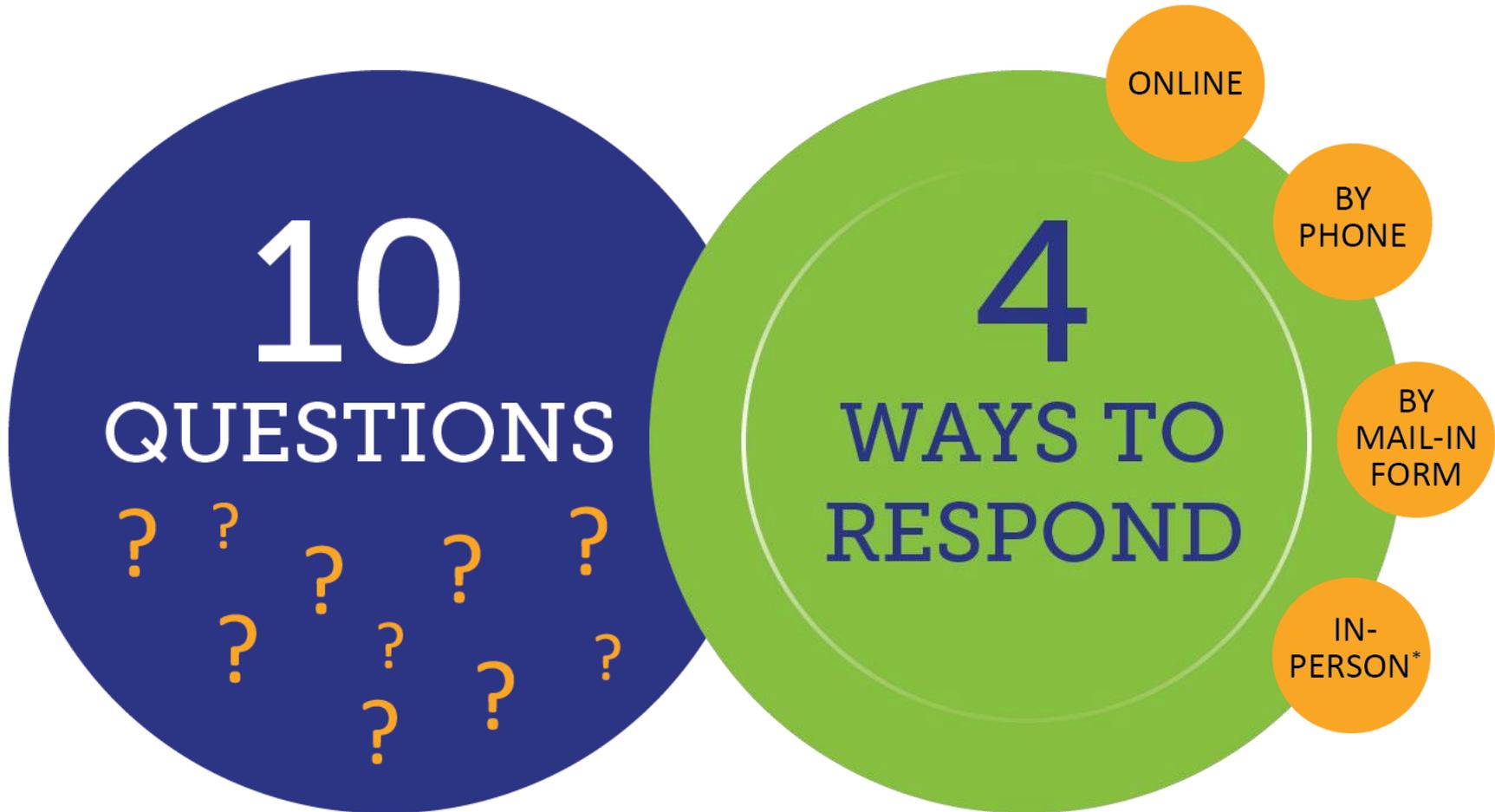


- How state house and senate districts are redrawn
- County Commissioner and City Council Districts

Colorado received \$2,300/person per year,
or over \$13 billion in 2016 for programs like:

- Senior Services
- Health Services
- Public Housing (Section 8)
- Public Assistance (SNAP)
- Women, Infants, & Children (WIC)
- Education
- School Lunch
- Road Improvements
- Programs for Veterans
- Community Colleges
- Tuition Assistance
- Health Centers
- Public Libraries
- Community Centers

It's Easy!



ENGLISH

CHINESE

FRENCH

ARABIC

HAITIAN CREOLE

VIETNAMESE

JAPANESE

TAGALOG

13
LANGUAGES

KOREAN

SPANISH

POLISH

RUSSIAN

PORTUGUESE

Census 2020 Questions!

- 1) Name
- 2) Phone Number – Just for Census use if necessary.
- 3) Age
- 4) Hispanic Origin
- 5) Race
- 6) Relationship to householder
- 7) Sex
- 8) Tenure – own/rent
- 9) Number of persons in household
- 10) Does the person usually stay or live somewhere else?

- All data are protected and records are confidential for 72 years under federal law.
- Census will never share individual information with other government agencies
- All Census Bureau employees swear a lifetime oath to protect information.

Summer and Fall 2019: Education campaign

Winter 2019 and 2020: Engagement and action campaign

Mid March 2020: Mailing of invitation letters begins

03/23/2020: The count of the population begins online

Mid April: Reminder postcards send to non-respondents

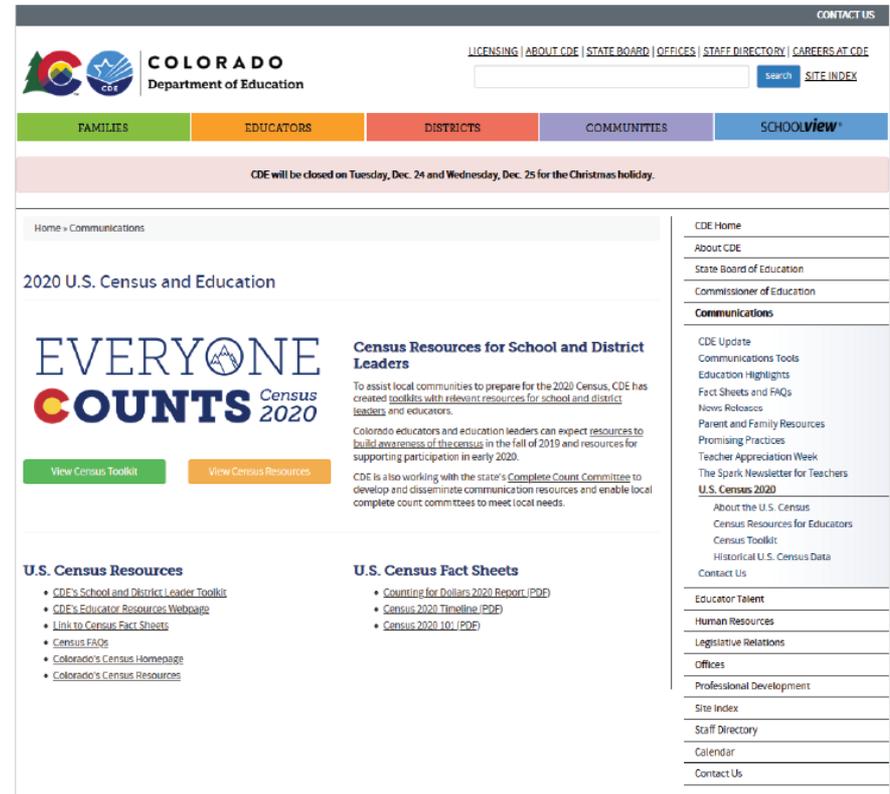
Early May: Non Response Follow Up begins – door to door

August 2020: Data collection ends

12/31/2020: Delivery of counts to the President

04/01/2021: Complete delivery of counts to the states

CDE Census
Webpage information:
[http://www.cde.state.co.us/
communications/uscensus](http://www.cde.state.co.us/communications/uscensus)



The screenshot shows the CDE Census webpage. At the top, there is a navigation bar with the Colorado Department of Education logo and links for LICENSING, ABOUT CDE, STATE BOARD, OFFICES, STAFF DIRECTORY, and CAREERS AT CDE. Below this is a search bar and a SITE INDEX link. A secondary navigation bar includes FAMILIES, EDUCATORS, DISTRICTS, COMMUNITIES, and SCHOOLview. A notice states that CDE will be closed on Tuesday, Dec. 24 and Wednesday, Dec. 25 for the Christmas holiday. The main content area is titled '2020 U.S. Census and Education' and features the 'EVERYONE COUNTS Census 2020' logo. Below the logo are two buttons: 'View Census Toolkit' and 'View Census Resources'. The page is divided into three columns. The left column, 'U.S. Census Resources', lists links for CDE's School and District Leader Toolkit, CDE's Educator Resources Webpage, Link to Census Fact Sheets, Census FAQs, Colorado's Census Homepage, and Colorado's Census Resources. The middle column, 'Census Resources for School and District Leaders', provides information on toolkits and resources for school and district leaders, and mentions the Complete Count Committee. The right column, 'U.S. Census Fact Sheets', lists links for Counting for Dollars 2020 Report, Census 2020 Timeline, and Census 2020 101. A right-hand sidebar contains a 'CONTACT US' link and a list of navigation options including CDE Home, About CDE, State Board of Education, Commissioner of Education, Communications, CDE Update, Communications Tools, Education Highlights, Fact Sheets and FAQs, News Releases, Parent and Family Resources, Promising Practices, Teacher Appreciation Week, The Spark Newsletter for Teachers, U.S. Census 2020, About the U.S. Census, Census Resources for Educators, Census Toolkit, Historical U.S. Census Data, Contact Us, Educator Talent, Human Resources, Legislative Relations, Offices, Professional Development, Site Index, Staff Directory, Calendar, and Contact Us.