



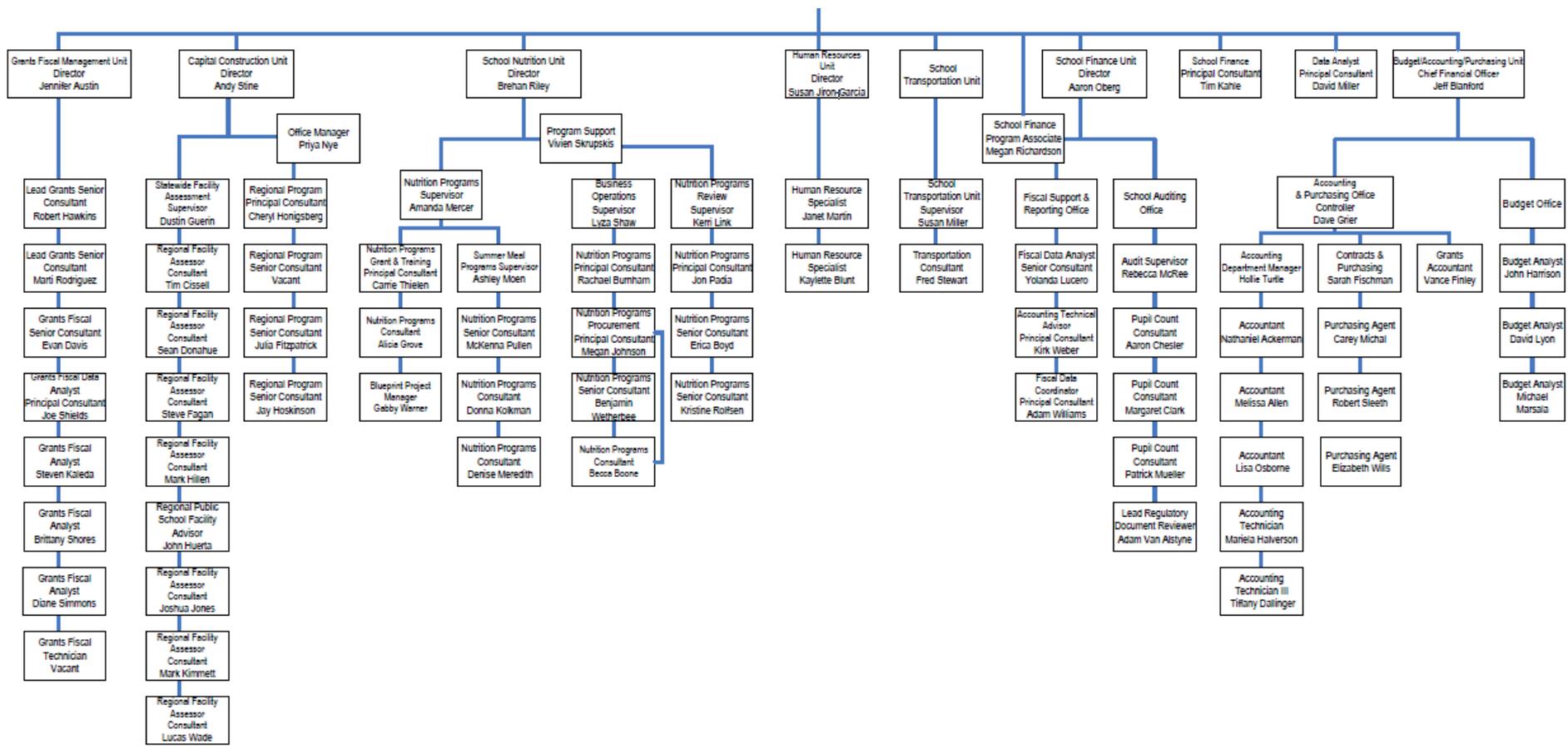
COLORADO
Department of Education

School Finance: Nuts, Bolts & Beyond

CASE – DBO

February 5, 2020

School Finance & Operations

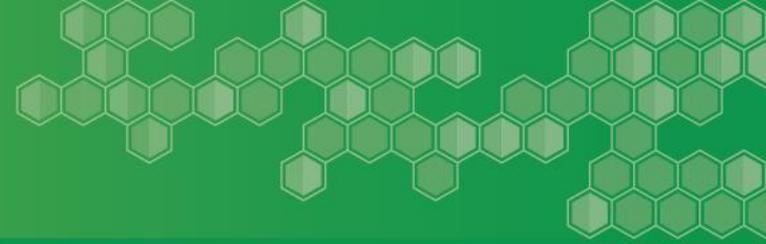


School Finance Functions and Roles

Primary Functions and Roles	Current Staff
School Finance Formula	Tim Kahle
Fiscal Support and Reporting <ul style="list-style-type: none">• Finance December Data Pipeline• Audit Review Letters• Distribution of Formula Funding• State and Federal Reporting• Technical Assistance and Support	Adam Williams Kirk Weber
School Auditing <ul style="list-style-type: none">• Pupil Count• At-Risk Count• Transportation Fund	Rebecca McRee Adam Van Alstyne
Data Analytics	David Miller
Division Support	Megan Richardson

School Finance Update

2020 Legislative Budget Process



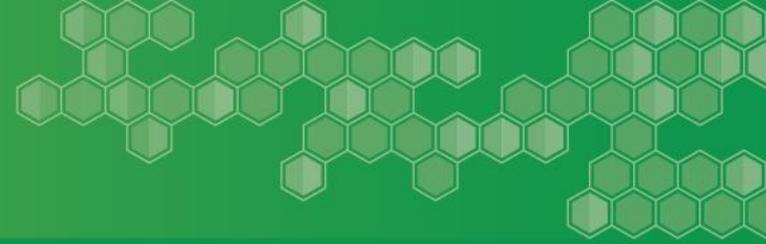
November 2019	Governor Submits Budget Request for 2020-21 THIS IS ONLY A PROPOSAL/PLACEHOLDER!
December 2019	Joint Budget Committee Briefing and Hearing with CDE covering various budget-related topics relevant to K-12
January 2020	Governor Submits <i>Supplementals</i> for 2019-20 Adjusts current year's 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 Technical Changes Anticipated

Five Year Old First Graders

Section 22-54-103(10)(a)(IV):

(A) Except as provided in sub-subparagraph (B) of this subparagraph (IV), for purposes of determining pupil enrollment in first grade for the 2006-07 budget year and each budget year thereafter, a district shall count and receive funding only for pupils enrolled in first grade who are six years old on or before October 1 of the applicable budget year.

(B) For purposes of determining pupil enrollment in first grade for the 2007-08 budget year and each budget year thereafter, in addition to the pupils counted pursuant to sub-subparagraph (A) of this subparagraph (IV), a district may count and receive funding for a pupil who is enrolled in first grade who is at least five years old on or before October 1 of the applicable budget year if the pupil attended at least one hundred twenty days of kindergarten in a state other than Colorado. A district may also receive funding for a pupil who is five years old and who has been identified by the district or an administrative unit as a highly advanced gifted child for whom early access to first grade is appropriate, as provided in section 22-20-204.5.

This language was not revised when full-time funding for kindergarten was implemented.

Supplemental Funding for Kindergarteners

Section 22-54-104(15) "Supplemental kindergarten enrollment" means the number calculated by subtracting five-tenths from the full-day kindergarten factor for the applicable budget year and then multiplying said THAT number by the number of pupils in the district who are enrolled in A HALF-DAY kindergarten EDUCATIONAL PROGRAM for the applicable budget year. For the purposes of this subsection (15), the full-day kindergarten factor for the 2008-09 2009-10, and 2010-11 budget years BUDGET YEAR and each budget year thereafter is fifty-eight hundredths of a full-day pupil.

Language change to “enrolled in part-time in a kindergarten educational program” would provide the 0.08 funding for all part-time kindergarteners

School Finance Technical Changes Anticipated

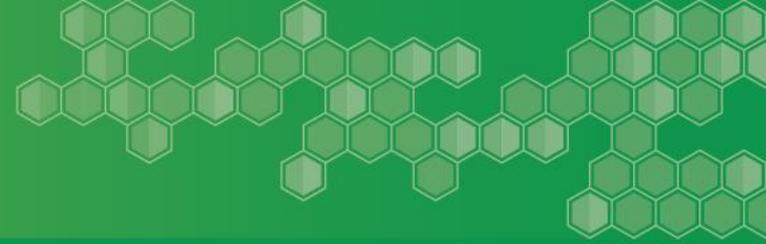
FY19-20 Supplemental and FY20-21 Budget Amendment includes a one-time accommodation assuming implementation of technical changes

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

Other FY 2020-21 Budget Requests

- Categorical Programs Inflationary Increase
- Concurrent Enrollment for Educators (HB20-1015) *
- Colorado Preschool Program Expansion
- Departmental Infrastructure **
- 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

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)

READ Act Update

District Budget Requirement for PPI Funds

- Per SB 19-199, prior to receiving per-pupil intervention (PPI) funds, LEAs must provide the following information to CDE:
 - Number of students identified as having an SRD and receive instructional services pursuant to READ plans (same requirement, collected through READ data collection)
 - Student background information: SASID, name, gender, DOB, grade level, interim reading assessment and score, testing date, retention (same requirement, collected through READ data collection)
 - A budget, including a narrative explanation, for the use of PPI money in accordance with the allowable use of READ fund categories. Each LEP may only carry over 15% of funds from the previous budget year **(new as of 2019)**
 - The department must approve the LEAs proposed use of PPI money as being in compliance with the allowable uses of PPI
 - Budget submission will take place outside of data pipeline, separate from the READ data collection

Allowable Uses of Funds

Continued Allowable Uses

- Operate summer school programs (same requirements as currently in place)
- Purchase tutoring services focused on increasing students' foundational reading skills
- Provide other targeted, evidence-based or scientifically based intervention services approved by CDE
- Purchase from a BOCES the services of a reading specialist or reading interventionist
- Provide professional development programming to support educators in teaching reading
 - Hiring a reading coach who is trained in scientifically and evidenced based practices in reading to provide job-embedded, ongoing professional development to support kindergarten-through-third-grade teacher competence scientifically and evidenced based practices in reading





Additional Allowable Uses

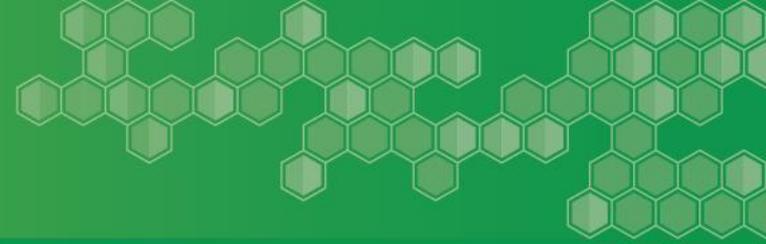
- Purchase CDE approved core instructional programs
- Provide technology, including software, included on the advisory list of instructional programming in reading

Discontinued Allowable Uses

- Full Day Kindergarten

State funding is now available for full-day kindergarten (HB19-1262)

New Budget Reporting Process



- EDAC approved this process 1/10/2020
- Current READ Budget Planning Survey will no longer be a requirement and will be removed from data pipeline
- New budget reporting process will replace the Budget Planning Survey
- Budgets will be submitted during the 2019-20 READ collection window (April 1, 2020 – June 30, 2020)
- CDEs Web Management team is creating a custom web based application (similar to EASI application) where READ budgets will be submitted
- Screen shots of submission tool will come shortly

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:

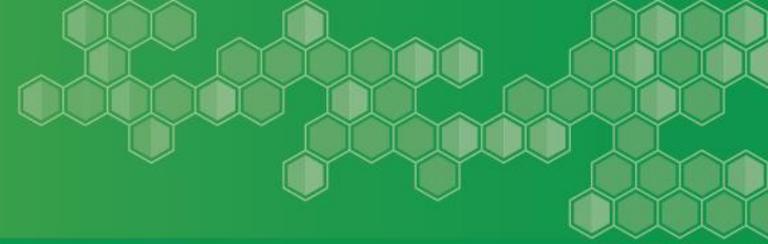
1. Allowable Activity
2. Name of Program
3. Budget Object Code
4. Budgeted Cost
5. Budget Line Narrative

2019-20 READ Data Collection & Budget Submission Timeline

DRAFT Timeline	
Data & budget submission window opens	April 1, 2020
Deadline to have budget projections submitted to CDE	May 15, 2020
CDE reviews budgets and provides comments by	June 2, 2020
Deadline to submit data files	June 12, 2020
Deadline to have budgets re-submitted	June 30, 2020
Deadline to have data files re-submitted with duplicate SASIDS removed	July 1, 2020
Distribution of READ funds	August 2020
Final allocation revisions	TBD

How to Prepare

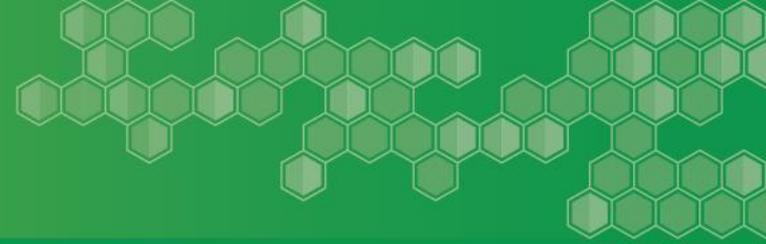
- Use 2019-20 allocation amount to project 2020-21 costs
- Prepare a narrative explanation on the use of the per-pupil intervention funding for the 2020-21 school year
 - CDE is creating a rubric that will outline specific instructions for what information to include in the narrative
- Determine which allowable activities you will use READ funds for (§22-7-1210.5)
 - Summer school literacy program (§22-7-1212))
 - Purchase CDE approved core instructional programs (§22-7-1209(2)(b))
 - Tutoring services that focus on increasing students' foundational reading skills reading
 - Provide other targeted, scientific or evidence based intervention services approved by CDE
 - Provide technology, including software
 - Purchase from a BOCES the services of a reading specialist or reading interventionist
 - Provide professional development programming to support educators in teaching reading
- Work internally to create a system for gathering information by school (data respondents, READ Act specialist, fiscal contacts)
- Compile information (allowable activity, name of program, budgeted cost, budget object codes)
- Determine who will be submitting/revising budget in web application



- CDE will be hosting a series of informational webinars about the new budget reporting process
- The next webinar will be **February 5, 2020 at 1:00 PM**
 - Link to join webinar will be posted here:
<http://www.cde.state.co.us/coloradoliteracy/readdatapipeline>
- Please visit the [Colorado READ Act Homepage](#) for additional information regarding SB 19-199

Discussion Items

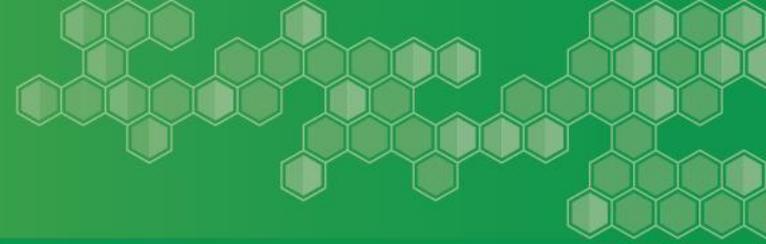
Mill Levy Deadlines



August 25 MILL LEVY CERTIFICATION (preliminary values)
County assessor certifies to school district the total assessed valuation and the actual value of the taxable property in the district. Section 39-5-128.

December 10 MILL LEVY CERTIFICATION (final)
County assessor certifies to school district the total assessed valuation and the actual value of the taxable property in the district. Sections 39-1-111; 39-5-128.

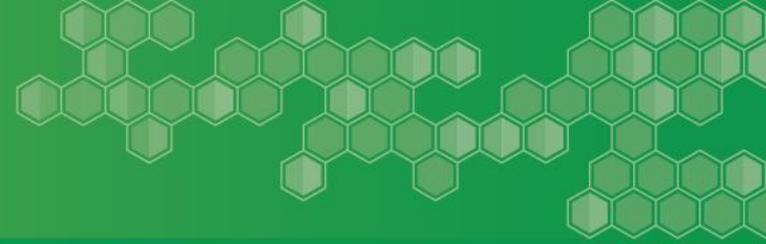
December 15 MILL LEVY CERTIFICATION
Certify to board(s) of county commissioners, copied to CDE, the mill levies for the various property tax-supported funds of the district. Sections 22-40-102; 39-5-128.



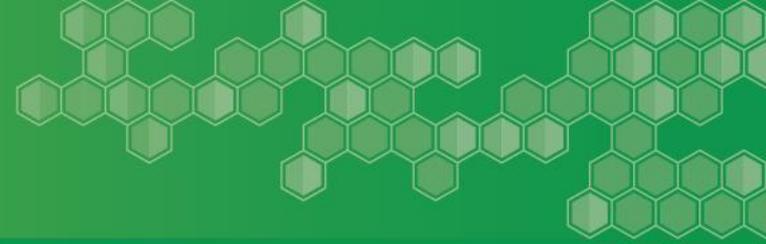
- FPP Sub-Committee to Discuss Alternatives
- Current Volunteers
 - Littleton 6
 - Platte Valley RE-7
 - Boulder Valley RE-2

Requested Volunteers

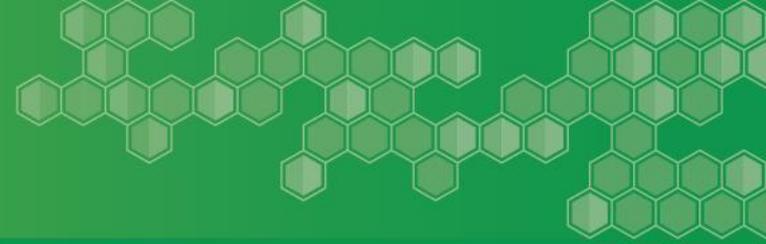
- Non De-Bruced Districts
- Categorical Buy-Out Districts



- Questions have arisen related to the use of two separate models by CDE and Legislative Council
- Each model has different purpose and primary audience
- General consensus that two models offers a valuable check and balance for the complex School Finance calculations
- Two models do present some challenges, including different naming conventions and differing levels of detail on inputs
- Efforts are underway to improve the crosswalk between the two models



- July through November state share payments are calculated based upon **projected** funded pupil counts and at-risk counts
- Calculation of Free lunch percent in Grades 1-8 compared to K-12 Free lunch counts **is disabled** during the projection period (July through November)
- The December/January mid-year true up incorporates **actual** funded pupil counts and at-risk counts
- The calculation of Free lunch percent in Grades 1-8 compared to K-12 Free lunch counts **is enabled** with actual counts (December through June)



- The presentation of this calculation was not transparent.
- The calculation formulas remained constant throughout the year, the projected count data was adjusted to force the calculation to use the K-12 Free lunch count.
- We attempted to provide additional transparency by changing the presentation, which caused confusion.
- At-Risk calculations ***did not change***. The funding calculations were/are accurate and reflect the School Finance Act.
- We returned the presentation to the prior methodology.

Full Day Kindergarten Furniture Fixture and Equipment Funding

- Districts can apply for their proportionate share of \$25 million in formula-based grants for furniture, fixtures, or equipment (FFE) to **conduct** a full-day kindergarten or a preschool educational program

Initial distribution of funds (80% of appropriation) was based upon projected FDK counts

Remaining 20% will be distributed following mid-year true-up based on actual FDK counts

- To date, ***some districts have not applied*** for these funds
- These ***districts may still apply*** for these funds by contacting Tim Kahle at kahle_t@cde.state.co.us

Full Day Kindergarten Furniture Fixture and Equipment Funding

- TOTAL APPLICANT PER PUPIL FUNDING MEANS...THE PRODUCT OF THE NUMBER OF CHILDREN ENROLLED IN A FULL-DAY KINDERGARTEN EDUCATIONAL PROGRAM PROVIDED BY THE APPLICANT DURING THE 2019-20 BUDGET YEAR AND THE APPLICANT'S PER PUPIL FUNDING AMOUNT
- Input Requested
 - All students enrolled in FDK program (007)
 - All full-time students in FDK program (007-80)
 - All full-time kinder students (007-80 and 006-80)
 - Other options

All Kinders		Full-Day (007)		Half-Day (006)	
63,885		61,874		2,011	
Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
61,182	2,703	61,173	701	9	2,002

Question and Answer Discussion