

Department of Education

Financial Policies and Procedures Meeting

February 22, 2024

District Facilitator: Cathy Watts, Academy 20

AGENDA

- Call to Order

- Approval of Agenda
 Approval of Minutes
 Legislative Session and Task Force Updates
 At-Risk Measure
 School Finance Rule Update
 Nutrition Unit Update
 Universal Preschool (UPK)

- Trainings
 Financial Reporting
 Monitoring Process
 Responses Monitoring Requirements and Closeouts
 - ESSER I and II: Grant Fund Balance / AR
 Finance December Submission
 COA/FT Subcommittee
 Other Topics of Interest
 Upcoming Meetings





Approval of Agenda







Approval of Minutes







Legislative Session and Task Force Updates





Mid-Year Supplemental

- HB24-1207 Just passed Mid-year "True-Up" for School Finance
- Includes an additional \$2.8 million for the adequacy studies for the potential School Finance rewrite
- Confirms the January funding calculation numbers as the final for FY2023-24
- Includes some technical fixes to correct prior year errors





- Current law requires the state to distribute its share of a school district's total program funding in 12 approximately equal monthly payments during the budget year.
- This bill would change the distribution schedule so that the state distributes its share of a school district's total program funds in a pattern over the course of the budget year that considers the projected timing of when the district will receive the property tax component of its local share of total program funding and is as equal as possible each month when combined with the property tax component of its local share *unless* a school district opts out.



Additional Items



Newcomer Funding

- JBC bill to provide additional funding
- Currently being drafted as legislators work through the details of how any additional funding will be handled

FY2024-25 School Finance Bill

- Legislators have begun high level work and discussions
- Very preliminary school funding calculation worksheet posted to the CDE School Finance website
- Unknown at this time as to whether any task force recommendations will be incorporated for FY 24-25
- Likely that changes will be held until the results of Phase 2 which includes the completion of the adequacy studies





School Finance Taskforce





School Finance Task Force Report

- Report has been released
- https://www.cde.state.co.us/cdefinance/publicscho olfinancetaskforcereport
- Several recommendations such as:
 - Increase base funding levels
 - Increase at-risk weight to at least 3.1
 - Increase ELL weights
 - Move revised cost of living and size factors to end of formula





Transportation Task Force



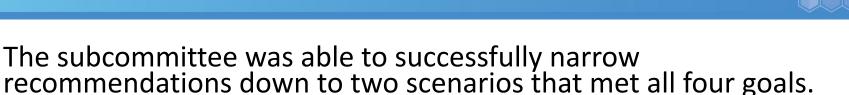


Transportation Funding

- Transportation Funding is topic in February
- The Subcommittee had the following goals:
 - Reducing data requirements to help simplify and increase efficiency
 - Providing base level funding to ensure equity and fairness for all districts
 - Maintaining a robust checks and balances process
 - Defining a consistent methodology to allow for a single payment process



Recommendations for Funding



- Scenario One: Single Factor
 Uses district operating expenditure to calculate funding
 Uses 2-year prior actuals for calculations
 \$20K base funding provided to all districts
 Provides a hold harmless to ensure no one loses funding
- Scenario Two: Dual Factor
 - Uses 60% operating expenditures and 40% reimbursable route miles to calculate funding

 Provides \$0.57 reimbursement per mile

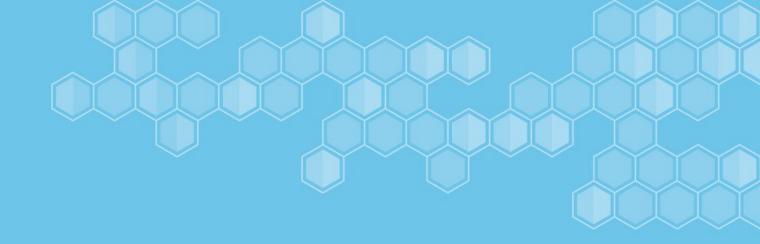
 Uses 2-year prior actuals for calculations

 \$10K base funding provided to all districts

 Provides a hold harmless to ensure no one loses funding

Task Force meetings are scheduled through October





At-Risk Measure





FY 2023-24 Pilot

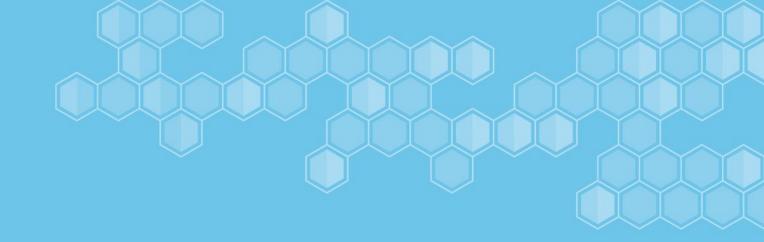
- Report Coming Soon
- Pilot Completed with 9 districts
 - Representing 5% of Colorado's public school districts and approximately 22% of the K-12 population
 - 4 non-rural, 2 rural, and 3 small rural
 - Represented 6 of 8 different geographic regions of the state
- Pilot districts obtained census block data for ~96% of the students
- Small rural and rural districts were able to geocode far fewer students



Recommendations

- Delay implementation of the measure until further analysis to ensure that the new measure will have the desired effect for the students of Colorado
- Clear guidance regarding SES quintile weights, how ISP and SES counts should be weighted, and how to handle situations where the necessary data can not be acquired.
- Support for districts regarding implementation to help ensure that the new At-Risk measures does not create unnecessary burden on school districts
- A funding hold harmless as suggested by the working group to provide a safety net for districts until confidence in the accuracy of the new measure can be established.





School Finance Rules Update





School Finance Rules History and Timeline

- April 2023 <u>Presentation to the State Board</u>
- July 2023 <u>Initial Draft of Proposed Rules</u>
- July-October 2023 <u>Survey</u> and Stakeholder Engagement meetings
- November 2023 <u>Presentation to the State Board</u>
- November 2023 Webinar
- November 2023 Stakeholder Feedback Form
- Nov/December 2023 <u>Updated Draft of Proposed Rules</u>
- December 2023 Notice of Rulemaking Presentation
- February 2024 <u>Updates to Proposed Rule Changes</u>
- February 2024 Rulemaking Hearing No Vote is Anticipated
- February/March Ongoing Stakeholder Feedback
- March 2024 Vote on Rulemaking
- SY 2024-25 Updated Rules in Effect



Proposed Rules Provide Additional Flexibility

The proposed rules are designed to formalize the best practices learned through these endeavors and expand what qualifies for funding.

The proposed rules move away from the traditional practice of forcing instructional time into a "seat time" model. These rules incorporate aspects of the model used under the Online School Act for nontraditional courses, including equivalency statements.



Summary of public comments



A public tracking sheet with the applicable letters can be found here:

Comments can be grouped into the following categories:

Contractual Education

- Concern that regulation will impact existing homeschool enrichment programs
- Concern that rules would limit learning to physical buildings

Homeschool Education

- Request for alternative teacher-pupil instruction to count for elementary grades as well
- General feedback asking for public funding for homeschool
- Concern about excluding parent-directed instruction

Other Topics

- Questions about licensed educator requirement
- Technical concerns about implementation and regulatory burden
- Other technical feedback on particular rules



Mythbusting: Contracted Educational Services Would No Longer be Eligible for Funding



A number of the public comments voiced concern that the proposed school finance rules would make contracted public school educational services ineligible for funding. **These concerns reflect a misunderstanding.**

- Contractual education services have been funded in the existing, historical rules and would continue to be funded in the proposed rules.
- The proposed rules provide some clarification, consistent with historical guidance for contractual education, including:
 - 5.11 (1) A pupil enrolled in a public school and receiving education services from another entity through a purchase agreement may be included in the district's enrollment. The district shall provide evidence of payment for the entire cost of services used to determine funding eligibility. Documentation from the educational provider must evidence funding criteria have been met, including contract, provider calendar, provider bell schedule, provider attendance, provider schedule and statutory compliance assurance. (Redline is newly proposed language)
- Direct teacher-pupil instruction is synchronous and when teacher and student is in same physical location or virtual classroom. It does <u>not</u> need to be an a school building.



Contracted Educational Services (continued)

 For example, public testimony to the State Board of Education have included a number of comments from stakeholders of contracted educational service providers such as Falcon AeroLabs.

CDE has met with Falcon AeroLabs representatives and confirmed these programs will continue to be fundable as they:

- Provide in-person instruction Programs providing in-person instruction qualify as Direct Teacher-Pupil Instruction and therefore, are available to grades K-12.
- Provide instruction under the supervision of a licensed teacher While some of the instructors are not licensed teachers (they may be
 an astronaut or welder), they are under the supervision of a licensed
 teacher. Alternatively, the instructors could obtain an adjunct
 teacher license.
 - CDE is proposing additional language to 1.11 to provide further clarification: "Each local board shall define "supervision of a licensed teacher."
- Do not require tuition payment for program being submitted for public school funding.



Elementary Educational Opportunities are Being Taken Away



A number of the public comments voiced concern that the proposed rules would remove **currently** available and funded public school educational opportunities for elementary school students. These concerns reflect a misunderstanding.

- The legislature has expressly endorsed the type of flexibility provided by the proposed "alternative teacher-pupil instruction" in the context of higher grades, but has not endorsed this sort of flexibility in the elementary context.
- The proposed rules provide funding for "alternative teacher-pupil instruction," for grades 6-12 only (except as otherwise provided for online schools or programs).
- These highly independent formats are not currently funded for students in elementary grades.
- Many elementary students within the BLI waivers were not funding eligible as they were parent-led and directed instruction.



Parent-Led and Directed Instruction Is Eligible for Public School Funding



For several years, <u>CDE's audit guidance</u> outlined that parent-led and directed instruction is not eligible for funding. The proposed rules codify this long standing interpretation.

CDE has seen many examples of parent-led instruction that were not authorized by the Public School Finance Act or CDE's guidance. In these examples:

- The parent chooses from an a la carte menu of resources such as online curriculum, workbooks, museum memberships, music classes, subscriptions;
- The parent is reimbursed for purchased resources and provided funding for computers with no obligation to return the device to the public school system; and
- The teacher checks in occasionally with parent or student.

While a teacher was assigned to these courses, the learning was parent-led and directed. The result was the creation of de facto educational savings accounts where homeschool parents could access public funding to subsidize the parent-led and directed and individualized homeschool program.

The General Assembly has not authorized funding for this practice. This practice does not count as funded instructional time under the Public School Finance Act.





Nutrition Unit Update





Healthy School Meals for All (HSMA) - Update

- High participation has resulted in more state funding than originally anticipated.
- Joint Budget Committee is contemplating options including postponing grant programs for a year:
 - Local Food Program wages/stipends for kitchen employees
 - Technical Assistance Local Food Program Grant.
- The figure-setting meeting is on Thursday, Feb. 29.



Healthy School Meals for All (HSMA) - Participation

| Actual Number of Meals Served August - November | | | |
|---|---|--|----------------|
| | Aug-Nov 2022 (Pre-Medicaid Direct Certification & HSMA) | Aug-Nov 2023 (With Medicaid Direct Certification & HSMA) | Percent Change |
| Breakfast Free Meals | 5,122,332 | 6,299,380 | 23% |
| Breakfast Reduced Price Meals | 917,609 | 390,989 | -57% |
| Breakfast Paid Meals* | 2,374,024 | 4,859,416 | 105% |
| Lunch Free Meals | 9,889,085 | 12,087,936 | 22% |
| Lunch Reduced Priced Meals | 2,055,758 | 1,089,729 | -47% |
| Lunch Paid Meals* | 8,918,882 | 14,420,525 | 62% |
| Meal Participation by Eligibility Category | Breakfast F: 61% R: 11% P: 28% Lunch F: 47% R: 10% P: 43% | Breakfast F: 55% R: 3% P: 42% Lunch F: 44% R: 4% P: 52% | |

Community Eligibility Provision Mid - Year Election

- CDE has approved a mid-year CEP option with the updated 25% Identified Student Percentage - district can choose to participate in CEP halfway through the school
 - October 2023 Count data being used to establish ISP.
 - Missing Pre-K student data will be collected if applicable.
- School Nutrition personnel are currently reaching out to sponsors who are eligible for Mid-Year CEP election.
 - Mid-Year CEP Election Form (smartsheet.com)
 - Deadline Friday, Feb. 23
- Mid-year CEP election will begin operations on March 1.



Summer EBT (Electronic Benefit Transfer)

- Permanent, annual summer program
- \$120/eligible student, EBT card to purchase groceries
- State Legislation passed in November (SB23B-002)
- Opted in Summer 2024
- CDHS lead agency, CDE partner agency
- Similar to P-EBT: data collection, CDHS disbursement
- Major Differences: mandatory, family contact info, community based organizations
- Implementation plans, state plan (Feb 15)
- Administrative funding for SFAs



CO Payback - Reporting Clarification

All amounts of unclaimed funds, regardless of how small, must be reported to Colorado Payback Program

- Amounts \$25 and above require the district to send a letter.
 - Email communication is allowed if the family gave approval for emails about the account.
 - We suggest using this language: "The State of Colorado requires us to notify you that your property may be transferred to the custody of the state treasurer if you do not contact us before ____(a date 30 days after the date of the notice)."
- For amounts \$24.99 and under districts may or may not reach out to families about unclaimed funds according to the Colorado Payback state rules however it is encouraged to do so.
- Records are to be retained for 10 years as described in section 38-13-401 of Colorado's Revised Statutes.





Universal Preschool Program









Funding Updates

- 3 Year-Olds: attestations were completed and payments were made November 30th.
- 3 Year-Olds IEPs: Lump Sum payment end of February, then monthly through the remainder of the year.
- 4 Year-Olds: CDEC is currently working with CDE on the 4-Year Old attestation process payments to be made by year end.

The 3 year old program is distinct from the 4 Year Old Program and separate expenditure coding is required.

Grant Codes 3897- 4s 3896- 3s will be added





Indirect Costs Waiver Process

The Universal Preschool Program and delegates within the Department of Early Childhood may waive the requirements of the indirect rate, or an associated Universal Preschool Program policy, if the provider can show that the imposition of the requirements of the rate will create an undue provider hardship.

Waiver <u>Instructions</u> - DRAFT

Providers can submit a waiver to the Universal Preschool team along with reporting.





Financial Reporting

The Universal Preschool Program requires financial reporting from providers.

Expenditure Template - current draft

For year one, year end reporting will be required by June 30.

For year two, the reporting will be expected quarterly.





2024-25 Budget Requests Updates

JBC Approved R-01/BA-01 Universal Preschool Program- \$351.5M/6.6 FTE

Resources for the second year of the Universal Preschool Program, including providing 15 hours of preschool to all 4-year-olds, anticipated enrollment increases, provider rate increase.

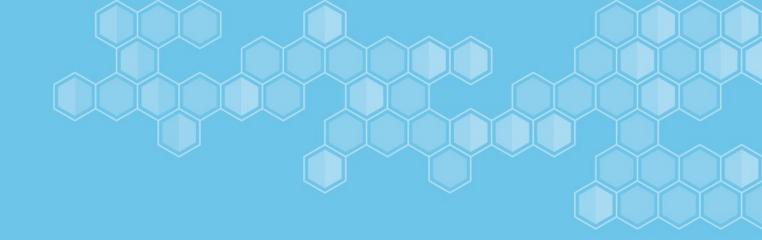
Remaining funding would be prioritized to increase access to full-day care for low-income children with qualifying factors, including a renewed focus on children in poverty.

Continue support for local coordinating organizations (LCOs)

Quality Improvement with inclusive early learning approaches to support providers in delivering high-quality preschool and meeting quality standards.



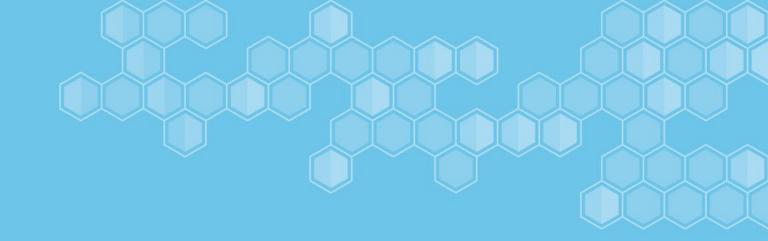




Financial Reporting







Monitoring Process





Fiscal Monitoring Update

- Construction
 - Additional guidance from DOL and ED
 - Supplemental monitoring of construction
 - Supplemental construction questionnaire for LEAs with ESSER funded construction
 - Communication forthcoming
- Monitoring Status 22/23 and 23/24
 - Delays due to construction, turnover, and lack of LEA response
 - Some incomplete LEAs from 22/23
 - Working through 23/24 LEAs Tiers II and III
 - 23/24 Tier I monitoring TBD (early spring)



Has your LEA taken unallowable Indirect Costs (IDCs)?

- Many LEAs did not use the ESSER applications' manual override feature to correct their overstated IDCs
- Federal guidance states that:
 - IDCs can only be taken on the first \$25,000 of new contracts that go through the procurement process
 - IDCs cannot be taken on construction, including renovations and remodeling, regardless of the object code used to record the activity (e.g., no IDCs allowed on design costs recorded in 0300)
 - These limitations also apply to charter school expenditures in 0594 and internal services 0851.
- Recalculate and notify CDE of inaccuracies while there is still time to make necessary corrections (ESSER II, III)



Reporting Requirements ESSER I, II





ESSER I and II Closeout

Closeout reporting is a requirement as stated in the terms and conditions of all GALs.

ESSER I

- Close out reporting was due 11/15/2022
- 61% of awardees have yet to report (15 months late)
- MULTIPLE emails sent requesting submission.

ESSER II

- Closeout Reporting was due 11/15/2023 (3 months late) Large percentage (still calculating) have not yet submitted, or not submitted what was required and no response.
- MULTIPLE emails sent requesting submission.



ESSER I and II Closeout

- GFMU will work with Field Services to notify districts or BOCES and their
- Superintendents who have yet to comply.

 Non Compliance is required to be reported to the monitoring group and will affect monitoring risk score for future, more in depth monitoring.
- Per the UGG and OSC, GFMU has the authority to apply additional, more restrictive requirements on any future state or federal award, due to non-compliance.
- Non-Compliance can result in high risk status, withheld reimbursements, and termination of awards.

If you are not sure if your entity submitted, please email: grants fiscal@cde.state.co.us

Closeout Form for Submission: https://www.cde.state.co.us/cdefisgrant

A General Ledger showing expenditures and revenues for the ENTIRE Performance period of the award (will likely cross fiscal years) must be submitted to the above link. The above link is only for ESSER II submissions. ESSER I submissions should be emailed to grants fiscal@cde.state.co.us.





Year End Reminders





Year End Reminders

- Check your Accounts Receivables for unreimbursed Requests for Funds before 6/30/24 or 9/30/24 (ESSER)
- We had several awardees that did not request for reimbursements until 3 months after the due date, and the reimbursements were unable to be made.
- Consider a monthly Revenue=Expense, A/R entry to track.
- Review your indirect calculations for unallowable expenditures included in the calculation!





Finance December Submission





Finance December Submission

Submissions were Due December 31st

- Extensions through Office of State Auditor

 - Request an Extension Form: https://apps.leg.co.gov/osa/lg
 Extensions may be granted for 60 days, through February 29, 2024
 If submitted after the extension due date the Office of the State Auditor (OSA) will start the process for property tax withholdings.

Financial Data Warehouse Reports

- July 1 through June 30
- July 1 through January 31, 2024



Finance December Submission

Common Review Items:

Financial Transparency pages should be updated

Spending in Excess of Appropriations

Fund Balance Coding

Remember to Submit:

- Reconciliations: Tier 1, Tier 2 and Grant Revenue Received Reports
- Assurances for Financial Accreditation





COA/FT Subcommittee





COA/FT Subcommittee Members



Ashley Zhang, Accounting Supervisor, Mesa 51
Jamie Duran, Finance Coordinator, Pueblo 70
Kirk Youngman, Manager-Enterprise Systems, St Vrain
Lana Niehans, Director of Budget and Finance, Pueblo 60
Meghan Deutsch, Accounting Manager, Adams 12

Colorado Department of Education

Dawna Gudka, Data Specialist, IMS Data Service Peter Hoffman, Data Specialist, IMS Data Service Sondra Vela, Grants Fiscal Analyst, Grants Fiscal Lindsey Heitman, Principal Consultant, IMS Data Service

Colorado Department of Education - School Finance

Gene Fornecker, School Finance Senior Analyst Glenn Gustafson, School Finance Program Manager Kelly Wiedemer, Fiscal Data Analyst Yolanda Lucero, Fiscal Data Coordinator



COA/FT Subcommittee Meeting Schedule



Meeting Eight, Part 6: Job Class Codes Continued February 28th, 10:00am-11:30pm

Meeting Seven, Part 4: Object/Expenditure Codes Continued March 7th, 11:00am-12:30pm

Meeting Nine: Financial Transparency - Changes/Enhancements April 10th, 10-11:30am

Meeting Ten: Review Proposed/Potential Changes to Appendices, Assets & Liabilities TBD

Meeting Eleven: Recommendations - Review **TBD**

Meeting Twelve: Continue Recommendations - Review TBD

Meeting Thirteen: Wrap Up

TBD



COA/FT Subcommittee Meeting Schedule



Request Form for Topics/Ideas -

 Reminder: The subcommittee created a <u>form</u> to for business officials and others to <u>share topics</u> that they would like the sub-committee to address.

Review Slides and Provide Feedback on the pending recommendations:

- Future FPP Recommendations (slides)
- Provide your feedback (<u>form</u>)



Recommendation Add Program Code 2170 - SpEd Student Support

Element: 2170 Special Education Support Services - Student (BOLD)

Purpose: Add new program code

Proposed Description:

Special Education Support Services - Student. Activities to support Special Education students and supplement the teaching process. These services pertain to interaction between students and teachers by designing the educational program for the needs of individual students.

• Program codes 2171 - 2179 may be used by the district to capture specific reporting needs.

Placed on Hold for Next FPP Meeting



COA/FT Subcommittee Recommendation Add Program Code: SpEd Student Support

Additional Information (2170):

- 2170 is bolded; will roll to itself; 2171-2179 will roll to 2170
- Based on district feedback for additional codes to capture SpEd expenditures, specifically support costs. Will be used similar to how program code 1700 is used for Instructional SpEd expenditures.
- Grants fiscal will include these for use in determining Maintenance of Effort (MOE)
- Needs to be bolded in order to populate the Preliminary Maintenance of Effort Reports
- Available to use with grant code 3130 and 3897
- Optional use for FY23-24, then will be bolded beginning in FY24-25 to allow for a transition year.



Recommendation Add Program Code 2270 - SpEd Inst. Staff Support

Element: 2270 Special Education Support Services - Instructional Staff (BOLD)

Purpose: Add new program code

Proposed Description:

Special Education Support Services - Instructional Staff. Activities associated with assisting the Special Education instructional staff with the content and process of providing learning experiences for SpEd students. These services pertain to the interaction between students and teachers, focusing on designing the curriculum, training staff on training methods, assessing the student's learning and retention of the subject matter and delivering and coordinating such activities. Includes activities associated with directing, managing and supervising the special education programs. If the district is organized with a single director over special education, code his or her salary and benefits here. If the district maintains directors for individual programs, such as psychological services, they should be coded under 2100.

- Activities previously associated with program code 2231, should be coded here starting in FY24-25 (optional to implement beginning in FY23-24)
- Program codes 2271 2279 may be used by the district to capture specific reporting needs.



COA/FT Subcommittee Recommendation Add Program Code: SpEd Instr. Staff Support

Additional Information (2270):

- 2270 is bolded; will roll to itself; 2271-2279 will roll to 2270
- Based on district feedback for additional codes to capture SpEd expenditures, specifically support costs. Will be used similar to how program code 1700 is used for Instructional SpEd expenditures.
- Grants fiscal will include these for use in determining Maintenance of Effort (MOE)
- Needs to be bolded (starting in FY24-25) in order to populate the Preliminary Maintenance of Effort Report.
- Available for use with grant code 3130 and 3897
- Optional use for FY23-24, then will be bolded beginning in FY24-25 to allow for a transition year.



Recommendation Remove Program Code 2231



Element: 2231 Supervision of Special Education Programs

Purpose: Remove program code

Description:

Activities associated with directing, managing and supervising the special education programs. If the district is organized with a single director over special education, code his or her salary and benefits here. If the district maintains directors for individual programs, such as psychological services, they should be coded under 2100.

With the addition of 2270, the recommendation is to remove 2231

Placed on Hold for Next FPP Meeting





Other Topics of Interest





Other Topics of Interest



CASB

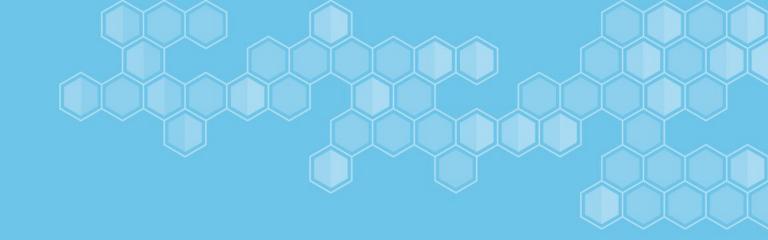
CASBO

CASE-DBO

CGFOA

COCPA





Upcoming Meetings





Upcoming Meetings

Thursday, April 25, 2024

Facilitator: Lisa Bollers, Adams-Arapahoe 28J

Thursday, June 20, 2024

Facilitator: Ashley Zhang, Mesa 51





Meeting Adjourn



