

**FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES**  
**May 29, 2015**

Meeting Held at

Jefferson County Education Center  
Durango  
Swink

Centennial BOCES-Greeley  
Grand Junction  
Pikes Peak BOCES

Members Present

Steven Clawson, Denver 1  
Dave Montoya, Poudre R-1  
Donna Villamor, Littleton 6  
Gina Lanier (French), Adams 12  
Kara Emmerling, Geona-Hugo C113  
Kurt Shugars, Telluride R-1  
Shae Martinez, Mapleton 1  
Theresa Larson, Aurora 28J

Cara Golden, Mesa County Valley 51  
Deb County, Valley Re-1  
Fran Christensen, Falcon 49  
Janell Wood, Archuleta County 50JT  
Kristine Githara, Cherry Creek 5  
Mike Thomas, Fowler R-4J  
Terry Kimber, Widefield 3

Alternates Present

Laura Hronik, Colorado Springs 11

Ex-Officio Members Present

Leanne Emm, CDE  
Kirk Weber, CDE  
Paul Reynolds, CDE  
Crystal Dorsey, OSA

Jennifer Okes, CDE  
Adam Williams, CDE  
Yolanda Lucero, CDE

Members and Ex-Officio Members Absent

Kathleen Askelson, Jefferson County R-1  
Anthony Whiteley, St. Vrain Valley Re-1J  
Christy Hamrick, Garfield Re-2  
Velva Addington, Swink 33  
Chloe Flam, Northwest Colorado BOCES  
Christopher Telli, Colo. Society of CPAs  
Scott Szabo, Colo. Society of CPAs

Amy Lyons, Bayfield 10JT-R  
Brenda Johnson, Weld Re-8  
Karin Slater, Montrose RE1-J  
Josh Devon, STRIVE Preparatory Schools  
Terry Buswell, Centennial BOCES  
Kathy Shannon, CASB

Guests Present

Angie Skalla, Widefield 3  
Brook Coyne, Centennial BOCES  
Cassie Walgreen, Charter School Institute  
Colleen Love, Ridgeway  
Deana Williams, West End RE-2  
Don Trujillo, Pueblo County 70  
Eileen Johnston, James Irwin Charter  
Gordon Jones, Thompson R2J  
Jan Brummond, Platte Valley Re-7  
Janelle Urista, Meeker RE-1

Brian Tanner, CEA  
Cary Allen, Wiggins RE-50(J)  
Cindy Squires, San Luis Valley BOCES  
Dawn Chavez, Crowley County School  
Diane Raine, Mesa County Valley 51  
Eddie Storz, Adams 14  
Erich Dorn, Centennial BOCES  
Hyesun Son, Adams 14  
Jana Schleusner, Douglas County RE-1  
Jason Austin, Durango 9R

Jerene Wilkinson, Monte Vista C-8  
Joleen Schaake, Pikes Peak BOCES  
Kelli McCaffrey, Akron R-1  
Kenneth Wieck, Colorado Springs 11  
Lana Niehans, Pueblo City Schools 60  
Linda Hawthorne, Frenchman RE-3  
Linda Lonnberg, Holly School District  
Marie Horn, Ignacio 11-JT  
Mike Hodgson, Archuleta County 50JT  
Missy Corn, Springfield R-4  
Pam Warner, Colorado Springs 11  
Rena Sanchez, Lake County R-1  
Rose Belden, Garfield 16  
Samantha Gallagher, Denver 1  
Shelbie Brigance, Holly School District  
Sherry Herman, Cheraw 31  
Sue McKnight, Brighton 27J  
Tracy Little, Brighton 27J

John Omohundro, Montrose County Re 1  
Jonathan Levesque, Littleton  
Kelsie Collins, Mesa County Valley 51  
Kera Badalamenti, Poudre R-1  
Laurie Darnell, Sheridan #2  
Lisa Anderson, Jefferson County R-1  
Luke Gonzales, Thompson R2J  
Michelle Eveatt, East Otero R-1  
Mike Lee, Ft Morgan RE-3  
Molly Janzen, Poudre R-1  
Patty Venem, Rocky Ford R-2  
Richard Stattler, Ellicott 22  
Ryan Johanson, Falcon 49  
Sean Conner, Jefferson County R-1  
Shelly Chambers, Pritchett  
Stephanie Juneau, Gunnison Watershed RE-1J  
Tracy John, Academy 20  
Willie Leslie, Clear Creek RE-1

## MINUTES

### FINANCIAL POLICIES AND PROCEDURES COMMITTEE

May 29, 2015

#### I. Call to Order and Introductions

Leanne Emm called the meeting to order at 9:30 am.

Those in attendance were asked to introduce themselves and their district.

#### II. Presentation of Agenda

Shae Martinez made a motion to approve the agenda.

Fran Christensen 2<sup>nd</sup> the motion. Motion carried.

#### III. Approval of Minutes

Gina Lanier made a motion to approve the minutes from the February 27, 2015 meeting.

Kristine Githara 2<sup>nd</sup> the motion. Motion carried.

#### IV. Legislative Updates

There were about a dozen bills that were introduced related to assessments, HB15-1323 passed and HB 15-257 did not pass. This legislation will bring a lot of changes to the instructional side for the districts. Other big topics include data privacy, rural school districts, workforce development and school safety.

HB15-1339, the Financial Transparency Bill that many of you have worked on did not pass. This means that CDE will not be collecting the data from the districts, it will be up to the districts to post the data on your websites for the vendor. CDE will be working to get the contract in place for the vendor. We would like to thank Terry Kimber from Widefield and Tony Whiteley from St. Vrain Valley for testifying at the Capitol on this bill. They both were very instrumental in getting the bill along as far as it could go.

School Finance Bill, SB15-267, allocates \$25 million that bought down the negative factor, this is projected to be at an ongoing basis. The negative factor amount, which is projected at \$855 million for FY 15-16, cannot be increased. So each year the legislature will need to look at the negative factor and hopefully they can buy it down. In future years it is possible that they change legislation to increase the negative factor amount. In addition, the bill provides an ongoing amount of \$5 million for at-risk per pupil funding. Finally, there is a legislative intent in the bill stating that if the property values statewide exceed the amount that was estimated for school finance that the state would not take the increase in local share as a savings. When you think about total program the first thing you do is say how much of this is local share and the state back fills the rest.

HB15-1321 provides \$10 million in one-time funding for small rural school districts and eligible charter schools, the projection is available on our website ([LINK](#)). There are a couple of components to receive this funding. For eligibility; you would have to be designated as a rural district and your K-12 enrollment cannot exceed 1,000 students. The distribution is based on the funded count. The distribution of the funding will be in January or February of 2016 because funded counts will need to be finalized. The estimated amount for FY 15-16 is \$ 256 per student. These funds can only be spent on the items listed in the bill, this listing is also available on our website.

SB15-138 made changes in the ASCENT program funding; if the funds are unused you will be allowed to use the funds into the next year.

As you may know, there are staff changes at the department. Robert Hammond, CDE Commissioner will be retiring the end of June. Jill Hawley, Associate Commissioner Achievement and Strategy will be leaving this month. Keith Owens, Deputy Commissioner will be also be leaving the end of June. Carey Markel, Director of State Board Relations is now at Boulder as the city attorney. School Finance area has not been impacted by these leadership changes.

## **V. State Board of Education Rulemaking**

### **a. Accounting and Reporting and Food and Nutrition Services Rules Approved**

Both of the rules, accounting and reporting and food and nutrition services rules, have been approved. These rules will be effective as of June 30<sup>th</sup>. We would like to thank those of you who have been involved in the process, especially those who were a part of the subcommittee meetings and that testified. If you have any questions on these rules please let us know.

Food and Nutrition Services - Approved Rule Changes: [Link](#)

Food and Nutrition Services Accounting and Reporting - Approved Rule Changes: [LINK](#)

### **b. Ongoing Administrative Review of State Board of Education Rules**

Statutes require all state agencies to review the rules on a regular basis to ensure that they are still relevant. During the review we check to see if there are any regulatory impositions on districts that can be reduced through rule making. We have two rules related to finance that are up for review in May and June. They are 1 CCR 301-4 Determination of Indigence and Establishing Policy on School Fees and 1 CCR 301-14 Rules for the Administration of the Public School Transportation Fund. If you have any changes or comments, you may be submitted to [RuleReview@cde.state.co.us](mailto:RuleReview@cde.state.co.us) using the Template for Public Comment on CDE's Administrative Rule Review. In addition you may send any comments to Jennifer Okes, [okes\\_j@cde.state.co.us](mailto:okes_j@cde.state.co.us).

Ongoing Administrative Review of State Board of Education Rules: [LINK](#)

1 CCR 301-04: [LINK](#)

1 CCR 301-14: [LINK](#)

## **VI. Financial Transparency: Sub-Committee HB 14-1292**

### **a. RFP update**

CDE has been working with the Financial Transparency subcommittee in drafting the RFP to choose a software vendor. The software vendor that is selected will need to create a meaningful and understandable website view. The RFP is expected to be finalized next week, with responses from vendors due in July. The RFP evaluation committee is made up of FPP subcommittee members, CDE staff and a representative from OSPB. The Vendor will be selected by late August with the work beginning this fall.

**b. Revenue Reporting Recommendation to State Board**

At the last FPP meeting the committee reviewed the recommendation to be submitted to the state board the revenue reporting recommendation, at that time it was recommended to be slightly revised. It was determined that when the current Chart of Accounts is being followed it meets the intent of the statute for appropriate reporting at the unique school site level using source of revenue codes 1760 and 1920: Pupil Activity Gifts, Contributions and Donations from Private Sources. It was requested that additional detail is included in the recommendation to the state board to explain why the chart of accounts does not need to change. We would like to thank Bill Sutter for taking a look at the recommendation.

Please see the attached revenue reporting recommendation for the revised recommendation.

The revised recommendation will go to the state board at the August state board meeting. If approved by the state board, this will be effective as of July 1<sup>st</sup> 2015, meaning there would be no changes to the chart of accounts.

Dave Montoya made a motion to approve revenue reporting recommendation to State Board. Shae Martinez 2nd the motion. Motion carried.

Revenue Reporting Recommendation to State Board: [LINK](#)

**VII. Chart of Accounts**

**a. Program Codes in the 2300-2800 series**

The U.S. Department of Education indirect cost rate group was onsite at CDE for four days in April. Colorado is up for our five year calculation of the indirect cost rate approval, in which, CDE initiated the process with them in March 2014. They combed through our calculation and the chart of accounts. U.S. DOE indicated that cabinet level positions should be isolated. In defining the Cabinet level positions they must meet all the following three criterias; Chief Executive Officers (heads of departments), on the Superintendent’s executive team and Reports directly to the Superintendent. During the onsite visit they looked at the organizational structure at various school districts. They tried to come up with a structure that would meet the needs of all the districts. This is based on the guidance that was recently updated which interprets the cabinet level positions.

Please review the attachments that for the updates to the chart of accounts. The updates will be effective on July 1<sup>st</sup> 2015 for FY 15-16.

The committee requested for this item to be presented again at the June FPP meeting. This will allow districts to review and process the mandatory change identified by U.S. Department of Education for the indirect cost rate calculation.

Chart of Accounts: Program Codes in the 2300-2800 series: [LINK](#)

Chart of Accounts: Program Codes in the 2300-2800 series discussion item: [LINK](#)

As requested by FPP members:

Cost Allocation Guide for State and Local Governments: [LINK](#)

### **VIII. Accreditation Report Updates**

The overall objective for the update was to make the process and document the most readily comprehensible by superintendents and board presidents. They may not be in the weeds with statutory requirements, GAAP and other financial matters. An overview was added to explain the purpose and process of the accreditation form. It was retitled to be a form instead a report, since it requires entities to fill out, sign, and submit to CDE. Structure was added though increased use of sections; SECTIONS 1 to 3 Assurances required by state statute, SECTION 4 – Optional Disclosures and SECTION 5 - Certification of Assurances. Each assurance now includes an alpha-numeric reference, description (short name), & statutory reference. The reference and description may be used in CDE correspondence related to the audit review process. The assurances were drafted using plain language as much as possible instead of repeating statutory language. The statutory references will be hyperlinks to the detail in LexisNexis. The first page of the old accreditation report was removed so please refer to the critical dates document on the CDE website for that information. The form is still structured where a “No” response requires an explanation. For each “No” response an Attachment A will need to be completed. In the Attachment A you will be able to select the assurance reference and description from the drop down. The form is now seven assurances shorter, five of them we were able to be consolidated and two were eliminated. We are planning on presenting this to EDAC in June; due to the preparation of the agenda they require us to submit the form by June 4th.

If you have any comments please send an e-mail by June 4th to Paul Reynolds, [reynolds\\_p@cde.state.co.us](mailto:reynolds_p@cde.state.co.us).

Accreditation Report Updates: [LINK](#)

Accreditation Report Attachment Updates: [LINK](#)

### **IX. School District Fiscal Health Analysis – update**

School District Fiscal Health Analysis Report is scheduled to be released on Tuesday June 2<sup>nd</sup> at 9:00 am. There is a link if you are interested in listening to the hearing with the Legislative Audit Committee. As soon as the committee votes to release the report it will be available on the Office of the State Auditors website. This will be presented in further detail at the June FPP meeting.

To listen to the meeting on June 2nd 9:00am: [LINK](#)

School District Fiscal Health Analysis Report (posted June 2, 2015): [LINK](#)

As an additional update, OSA has been working with Karl Greve at PERA to get Districts information in implementing GASB 68. We do have a sample footnote disclosure that is to be used as a guideline to have some of the basic information. This will be available on their website, if you have not already please take a look at the videos that they have available. <https://www.copera.org/employers/gasb-reporting-standards>

**X. Other Topics of Interest**

a) CASBO

<http://www.coloradoasbo.org/i4a/pages/index.cfm?pageid=1>

The spring conference was back in April we had many great sessions presented by CDE.

New board members that have been elected are Karen Cordova at Pueblo City 60, Dan Huenneke at Cherry Creek and Kris Garnhart at Colorado Springs D-11. Shelley Becker at Adams 12 has been appointed as President.

Accounting Classes are available in Colorado Springs, Westminster and Glenwood Springs.

June 5<sup>th</sup> and 12 - Introductory School District Accounting

June 24<sup>th</sup> and 25<sup>th</sup> - Intermediate School District Accounting

August 7<sup>th</sup> - Advanced School District Accounting

October 7-9 is the Colorado ASBO's Fall Conference in Breckenridge.

Sessions will include school safety, financial underwriters, financial advisors, student data privacy, election planning, grants, school finance and mill levys.

October 23-26 is the National Conference in Grapevine, TX.

b) CASE-DBO

<http://www.co-case.org/?815>

Diane Doney, Chief Financial Officer at Littleton and is the DBO President, is named as the President Elect for all of CASE.

July 27 – 31<sup>st</sup> is the CASE Education Leadership Convention in Breckenridge.

The DBO will have sessions on trade super session on long range state financial picture, how to manage election planning, alternate financing options and a legislative session review.

c) The CGFOA

<http://www.rfgsolutions.com/Home.aspx>

d) Other

We are accepting letters of interest for new membership for FPP through the end of the day May 29<sup>th</sup>. The applicants will be sent to the nominating committee next week and new members will be announced at the June FPP meeting.

We are in the process of reviewing the FPP handbook; we will bring this to the June FPP meeting. Please let us know if you have any comments or suggested changes for the handbook.

**XI. Reminder: Future Meeting Dates**

June 26, 2015	November 6, 2015
March 4, 2016	May 6, 2016
June 24, 2016	

**XII. Adjourn**

There being no further business to come before the Committee, meeting adjourned.