



COLORADO
Department of Education

School Finance Presentation

CASE DBO

January 31, 2018

2018 Legislative Session

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|---------------|---|
| November 2017 | Governor Submits Budget Request for 2018-19 THIS IS ONLY A PROPOSAL! |
| December 2017 | Joint Budget Committee Hearings with Department The JBC hears about the 2018-19 Budget Request from the Department and seeks additional information |
| January 2018 | Governor Submits <i>Supplemental</i> Budget Request for 2017-18 Adjusts current year budget for actual pupil counts, AVs, etc. Governor Submits <i>Budget Amendments</i> for 2018-19 Revised estimates for next year's pupil counts, AVs, etc. based on current year actuals |
| Spring 2018 | JBC Develops State Budget Through Figure Setting and Long Bill Passed by General Assembly – HB17-296 sets starting point |
| Spring 2019 | School Finance Bill Introduced and Passed Adjusts the Long Bill figures |

School Finance Starting Point

- 2016-17 Original Appropriation
 - Base Funding = \$6,367.90
 - Negative factor = \$830.7M
 - Average Per Pupil Funding = \$7,424.66
- 2017-18 School Finance Act
 - Base Funding = \$6,546.20 (+\$178.30)
 - Budget Stabilization Factor = \$828.3M (-\$2.4M)
 - Average Per Pupil Funding = \$7,662.18 (+\$237.52)

Supplemental Adjustments

FY 2017-18 Supplemental Adjustments

- Decrease in actual funded pupils by 918 (0.1%)
- Decrease in actual funded at-risk pupils by 6,993 (2.3%)
- Increase in local share by \$96.9M over current appropriation due to increase in assessed values (despite reduction of residential assessment rate)
- Inflation rate of 2.8%
- Decrease Budget Stabilization Factor to \$815.4M (\$12.9M)
- Maintains current appropriation level for Total Program at \$6.635B

Supplemental Budget Request

- 2017-18 Original Appropriation
 - Base Funding = \$6,546.20
 - Negative factor = \$828.3M
 - Average Per Pupil Funding = \$7,662.18
- 2017-18 Supplemental Request
 - Base Funding = \$6,546.20
 - Negative factor = \$815.4M (-\$12.9M from approp)
 - Average Per Pupil Funding = \$7,670.31 (+\$8.13 from approp)

Budget Amendment Adjustments

FY 2018-19 Budget Amendment

- Decrease in estimated funded pupils by 1,141 (0.13%)
- Decrease in estimated funded at-risk pupils by 7,466 (2.46%)
- Increase in local share by an additional \$31.9M over Nov 1 request
- Inflation rate of 3.0%
- Decrease Budget Stabilization Factor to \$728.3M (\$30M over Nov 1 request or \$100M over original FY17-18 approp)
- Distribute \$30M to rural school districts from State Ed Fund
- Total Program estimate is \$7.002B

Budget Amendment Request

- 2018-19 Governor's Budget Request
 - Base Funding = \$6,742.59
 - Negative factor = \$758.3M
 - Average Per Pupil Funding = \$8,005.56
- 2018-19 Budget Amendment Request
 - Base Funding = \$6,742.59
 - Negative factor = \$728.3M (-\$30M from Nov 1)
 - Average Per Pupil Funding = \$8,042.94 (+\$37.38 from Nov 1)
 - Rural School Funding = \$30M (+\$30M from Nov 1)

Categorical Program Request

FY 2018-19 Decision Item

- Total of \$8.9M to reflect 3.0% inflation increase
- \$6.8M allocated based upon gap in funding for:
 - SPED (\$3.9M)
 - Transportation (\$1.2M)
 - ELPA (\$1.1M)
 - CTE (\$435K)
 - GT (\$147K)
- \$2M allocated to Expelled and At-Risk Student Services Grant Program
- \$126K to Comprehensive Health Education

Other FY 2018-19 Budget Requests

- Information Management Systems request for \$2.8M for staffing and IT infrastructure upgrades
- SBE transcription request for \$140K
- Governor request for \$1.0M for Career Development Success Pilot Program
 - Additional incentive funding for participation in qualified workforce programs
- Governor request for \$8 M in one-time funding from MTCF Rural Teach Recruitment and Grow Your Own Program
 - \$7.5M to rural school districts to create grow your own educator prep programs and initiate incentives
 - \$500K to create teacher marketing and awareness campaign

State Share Payments

Historically, state share payments are calculated:

- July - November: based upon estimates
- December: one-month true up based upon actuals
- January - June: based upon actuals

Feedback requested on potential change:

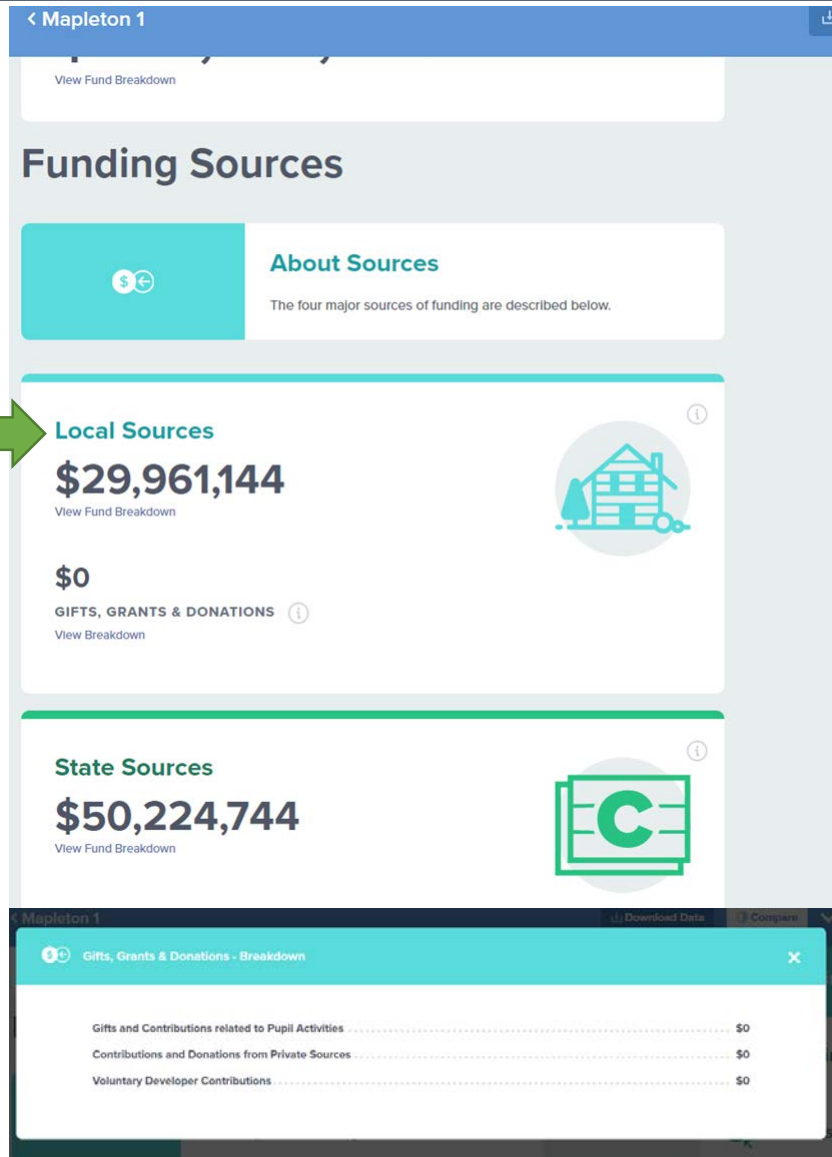
- July - November: based upon estimates
- December - June: seven-month true up based upon actuals

Financial Transparency Update

Version 2 of the website will feature:

- Multi-year comparisons of data (FY16-17 and FY15-16)
- A breakdown of property taxes in the local revenues section of the website
- A calculation of overall unallocated districtwide per student spending
- Selective rich text copy/paste functionality for narratives
- In-line support content within the Data Approval Tool

Financial Transparency Update



New Section: "Property Taxes"

View Breakdown option will show:

1. Property Taxes (Mill Levies)
Dollar amount displayed will be Fund 10, 11
Source Code 1110
2. Mill Levies
Dollar amount displayed will be Item 1 minus 3
3. Mill Levy Overrides
Dollar amount displayed will be Fund 90
Source Code 1171

Financial Transparency Update

Additionally, CDE is working to streamline data collection process.

On January 23rd, LEA Approvers received the following survey question:

Does the District give CDE permission to supply BrightBytes with your FY16-17 Financial December Data Pipeline Data for use in the Financial Transparency for Colorado Schools website?

Yes:

No:

ESSA Per-Pupil Expenditure Reporting

ESSA requires state report card to include:

the per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual non-personnel expenditures of federal, state, and local funds, disaggregated by source of funds, for each local education agency and each school in the state for the preceding fiscal year.

Regulations were officially rescinded on March 27, 2017

Reporting is effective for FY2017-18, but may be delayed until FY2018-19

If reporting is delayed, the FY2017-18 report card must include a description of steps taken to ensure reporting of per-pupil expenditures for FY2018-19

ESSA Per-Pupil Expenditure Reporting

FPP Subcommittee Recommendations:

- Use regulations as guidelines
- Report data available through Finance December Data Pipeline. Although school-level expenditure reporting to CDE is not required, most non-small rural districts reported school-level expenditure data to CDE.
- Submit data when available (Spring 2019).
- Include current operating expenditures, exclude community services, adult education and debt service and eliminate flow-through coding.
- Report state and local funds, including Impact Aid and excluding private sources as outlined in regulations. Additionally, report private sources separately below the line.
- Districts determine expenditures reported at school-level. Allocate remaining central expenditures proportionally to the school-level based upon student membership.

Responsibilities ESSA PPE Reporting

Districts will:

- Continue to submit Finance December Data Pipeline data
- Determine what expenditures are coded to the school-level
- Determine if school-level expenditures are included in Data Pipeline submission

CDE will:

- Continue to prepare the State Report Card and LEA Report Cards

Audit Process Refinements

Historically, audits for each district were:

- Conducted primarily onsite at district offices
- Performed every 1 to 5 years
- Based on hard-copy documentation
- Of 100% students submitted for funding

Audit Process Refinements

Currently, audits for are district are:

- Conducted remotely from CDE offices
- Performed every 1 or 2 years
- Based upon electronic documentation uploaded by the district to Syncplicity
- Of risk-based sampled of students submitted for funding

Audit Process Refinements

Anticipated Benefits:

- Less time spent by district and CDE staff in completion of audits
- Easier to locate supporting documentation
- Fewer audit adjustments and exceptions
- “Real time” feedback and guidance

Audit Process Refinements

1. Engagement Letter
2. Audit District Contact Form (new)
 - a. Syncplicity Folder (0100_Mapleton 1_Audit_FAST) (new)
3. Audit Scheduling
 - a. Audit Questionnaire (new)
 - b. Document Upload (new)
4. Document Review
5. Request for Additional Documentation
6. Draft Audit Report
 - a. Opportunity to address and remediate audit findings
7. Final Audit Report

At-Risk Carry Over Provision

The Rules for the Administration of the Public School Finance Act of 1994 (1 CCR 301-39-6.03(1)(a)) state:

Absent the current year application, a district may submit the pupil's prior year application, which application shall be valid evidence for a maximum of 30 school days into the current year.

If the pupil enrollment count date does not fall within the first 30 days of school, districts are encouraged to submit a variance waiver request.

A variance waiver will allow the district to use carry over documentation from the prior year to evidence free lunch eligibility for purposes of the Student October data submission.

The waiver does NOT extend the carry over provision for purposes of the child nutrition programs.

Send requests to okes_j@cde.state.co.us

School Transportation

- Regulations on minimum standards and operation, maintenance and annual inspections for school transportation vehicles
 - Ensure school buses are compliant before purchasing
- School Transportation Advisory Reviews (STAR) are performed on a rotating cycle:
 - Fleet/Maintenance
 - Operations/Training
- Technical assistance reviews can be performed upon request.
- Regulations cover charters schools too!

Request for Feedback

- Office of Capital Construction
 - BEST
 - Facility Insight
- Office of Grants Fiscal Management
- Office of School Finance
 - School Auditing Unit
- Office of School Transportation
- Office of School Nutrition