# Meeting Minutes

**FINANCIAL POLICIES AND PROCEDURES ADVISORY COMMITTEE MEETING**

**February 13, 2025 at 9:30 a.m.**

Member Facilitator: Donna Murphy, Littleton Public Schools

## Call to Order

* Donna called the meeting to order at 9:30am

## Approval of Agenda

* Donna requested approval of the Agenda. Mimi Livermore made a motion to approve, Gina Lanier seconded motion to approve. The Agenda was approved.

## Approval of Minutes

* Donna requested approval of the prior meeting minutes. Mimi Livermore made a motion to approve, Gina Lanier made a seconded motion to second. The prior meeting minutes were approved.

## Federal Funding Updates

* Jennifer Okes provided a brief update on the activity occurring at the federal level. CDE is committed to providing semi-weekly updates to the field. (Note: Jennifer verbally indicated that these would be weekly updates, but clarified in chat that the intent is to provide semi-weekly updates.) CDE will continue to forward the emails sent to Superintendents to the finance listserv to ensure that Business Officials are informed as well.

## Legislative Session (see slides 6 - 19 for more detail)

* Tim Kahle provided an update on the mid-year supplemental. (Slide 7)
* Tim also outlined the efforts needed to correct FRL designations for over 20,000 in December 2024. (Slide 8) As such, CDE would like to create a FPP sub-committee to review the rules related to at-risk eligibility and revisit existing guidance, training and resources. Jennifer Okes mentioned that one potential change for the group to explore would be the rule that allows reporting of a student’s eligibility from a CEP base year for 4 years for Student October. This always caused confusion, but it is causing much more confusion now with the number of CEP schools and districts. CEP is school based while FRL eligibility is student based. It may be more appropriate for FRL eligibility to be based upon current year status like all other data elements in Student October. A question was asked if you had to be an FPP member to participate in sub-committees. Yolanda Lucero clarified that non-FPP members have participated in sub-committees in the past. Several meeting participants volunteered to participate on the sub-committee: Jennifer Martinez, Nikki Schmidt, Nancy Taylor, Mayra Ramirez, and Theresa Kennedy. Others interested in participating can contact Jennifer at [okes\_j@cde.state.co.us](mailto:okes_j@cde.state.co.us).
* Tim outlined the triggers that would require a pause in implementation of HB24-1448. (Slide 9) Several questions were asked:
* If the trigger occurs will we resort back to our current formula with 5 years avg unless the SFA is changed? Yes.
* Any idea on when we would know if the pause is happening? We will not know until after the March forecast.
* I believe I heard it could also be paused based on a recommendation from OSBP or leg counsel staff if they forecast that the state cannot afford it, is that correct? They would have to make a statutory change to make pauses based upon other triggers such as this.

A comment in the chat indicated there are lots of discussions on the averaging, but we can't lose sight of the fact that the Governor also removed the hold harmless .5%.

* Tim Kahle provided an update on the Governor’s updated budget request for FY 2025-26. (Slide 10).
* The new locale factor has been incorporated into the runs for the new school finance formula as currently written. This includes the updated locale designations by NCES. (Slide 11)
* Jennifer provides a summary of the Governor’s Budget requests
* One-time At-Risk funding of $12M for FY 2025-26. (Slide12) We understand this is a replacement for the elimination of averaging. This is similar to the cost of both the At-Risk Supplemental Aid (~$7M appropriated in FY 2024-25) and At-Risk Per Pupil Additional Funding ($5M appropriated in Fy 2024-25. A comment was made that the reduction to At-Risk was not very student focused.
* Categorical request updated the inflation from 2.5% to 2.3% with the majority of the funding ($8.6M of the $12.5M) being allocated to Special Education Funding. (Slide 13)
* CSI Mill Levy increase of $2.7M in FY 2024-25 and $4.8M in FY 2025-26 (Slide 14)
* Healthy School Meals for All increase of $8.3M in FY 2024-25 and $21.8M in FY 2025-26. (Slide 14)
* Elimination of Education Grants: Accelerated College Opportunity Exam Fee Grant (~$562K) and Colorado Student Leaders Institute (~$228K) (Slide 15)
* Sponsored Programs - requested $4M in spending authority for Dept of Law for youth vaping grant (Slide 15)
* Jennifer provided updates on legislative briefings and hearings. (Slide 16) The JBC figure setting for CDE is scheduled for February 27th and the figure setting for School Finance is scheduled for March 11th. They can be heard [online](https://sg001-harmony.sliq.net/00327/Harmony/en/View/UpcomingEvents/20201112/54).
* Jennifer provided a brief overview of the Adequacy Study Updates. (Slide 17) More information is available [here](https://www.cde.state.co.us/cdefinance/senate_bill_23-287_school_finance_adequacy_studies) for links to the reports and [here](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fsg001-harmony.sliq.net%2F00327%2FHarmony%2Fen%2FPowerBrowser%2FPowerBrowserV2%2F20250124%2F-1%2F16377&data=05%7C02%7COkes_J%40cde.state.co.us%7Cd83a6ce6da674a97f34d08dd3e9a54d6%7Ca751cfc81f9a4edb83709f1c6d4bea5a%7C0%7C0%7C638735554771856207%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=02AAF1LdOnMQsjVbO6BbGcjD9J%2Fay5wxlnI3w9V0t3A%3D&reserved=0) for Joint Ed Committee presentations and [here](https://www.youtube.com/watch?v=-X8Qx7HTxyI) for the State Board of Education presentations.
* Jennifer highlighted some notable bills. (House Bills on Slide 18 and Senate Bills on Slide 19). One bill that may not appear to have an impact on districts is SB 25-125 as it is a rule review bill. The Legislative Legal Services review of the School Finance rules found three rules were not supported by statute and have eliminated these rules. This will eliminate the transfer enrollment exception. There were questions about this change, specifically asking if this will reduce funding to districts. After getting a “phone a friend” clarification, Jennifer indicated that it will reduce funding for approximately 400 to 700 students annually.

## Office of the State Auditor (see slides 20 - 27 for more detail)

* Crystal Dorsey provided a reminder about the audit submission deadlines (slide 22), timing of delinquency notices (slide 23) and walked through the submission process (slides 24 to 26).

## CDE School Auditing (see slides 28 - 37 for more detail)

* Rebecca McRee provided an update on the current open audits. (Slides 29 to 31) Most districts will be contacted prior to July 2025 to finalize these historic audits. We will be moving to a one-year audit. In order to do this, we need to close out any prior years. This may result in gap years between the old and new audit. If there are gap years, we may include those years in the prior year without any review of documentation and not making any audit adjustments. Even though these years do not have audit adjustments, this may result in audit liabilities or audit credits. The draft audit reports are addressed to the superintendent and business officials and copy the audit contacts. The district has 30 days to review the draft and get back to CDE for us to finalize the audit. The report and the statement for funds owed to the district or owed to CDE will be uploaded in Syncplicity. Districts should download the documentation for your records.
* Rebecca also outlined the new audit process. (Slides 32-34) Starting in FY 2024-25, the audit process includes audit questionnaires. The School Audit team is currently reviewing those. By April 1, we will notify districts if they are identified for an expanded audit. If your district is flagged for additional review, you will be requested to provide documentation for review. This will likely be focused audits, only looking at selected student types. This may result in audit adjustments. These audits are scheduled to be completed by December 31, 2025. If you are not selected for an expanded audit, you will not have any audit adjustments. We will provide a report with feedback on the questionnaire. There may still be invoices because of carryover changes in the formula.
* There will be a webinar that will provide additional information on March 13th. (Slide 35)
* We appreciate everyone’s patience with us as we work through this transition. (Slide 36)
* Local Funding True-Up: Beginning with FY 2024-25, CDE will be doing a Specific Ownership Tax review/audit. (Slide 37) The mid-year supplemental true up for School Finance includes SOT amounts that are available at the time. For those districts that submitted Finance December by December 31st, we were able to use the current SOT amount in the true-up. For districts that used the audit extension, the prior year SOT amount was used. This SOT true-up will incorporate the current SOT amount from Finance December. This change is being made to make it more accurate and more fair for all districts.

## Trainings (see slides 38 - 39 for more detail)

* Glenn Gustafson provided an update on School Finance Town Halls and Trainings. (Slide 39) Feb 27th will include Budget Planning that will help you use budgeting strategically. Additionally, the CDE/CSFP Strategic Finance Trainings are starting with trainings across the state between January and October. Glenn was asked to share some information at the CASBO pre-conference session on April 23rd in Pueblo. We are still building the slides for this. We are planning a deep dive into a variety of topics.

## Financial Reporting (see slides 40 - 45 for more detail)

* Yolanda provided reminders about the Finance December Submission. We are approaching the March 1st extension deadline for the Finance December Data Pipeline Submission. The District and Charter Audit will need to be sent to both OSA and CDE, CDE will also need the Assurances for Financial Accreditation and Reconciliation reports. We also wanted to share that the excel version of the Financial Data Warehouse reports are posted which include payments from CDE to the Districts from July 2024 through January 2025.
* Yolanda provided the results of the COA/ FT Subcommittee Vote #6. (Slide 45) The subcommittee includes District members, CDE School Finance, CDE Grants Fiscal and CDE Data Services. Earlier this month the recent updates were sent to the FPP voting members to vote on the proposed changes. Since there are 24 voting members, a majority is 13 or more votes to pass. All 8 of the recommendations passed with 20 or more votes. These updates will be included in the updated Chart of Accounts to be shared at the June FPP meeting.

## CDEC Office Hours (see slides 46 - 47 for more detail)

* CDEC asked us to share information on their office hours. The next one will be February 24th at 1pm. Please visit their website to register and attend the office hours. <https://cdec.colorado.gov/>. A question was asked about how to register for these office hours. It is not necessary to register. Once on the website, scroll down to the calendar, click on the selected calendar item, you will be able to see more details for the meeting, including the Google Meet link.

## Other Topics of Interest (see slides 48 - 51 for more detail)

* CASB - No updates
* CASBO - Mimi Livermore provided an update on the 72nd Annual Conference on April 23 to 25. (Slide 49) There will be amazing keynote speakers and CDE will be a pre-session presenter. CASBO has added additional membership plans. There are three openings on the Board of Directors and scholarship opportunities for high school seniors. Finally, there are nominations for service to the profession awards.
* CASE-DBO - No updates
* CGFOA - Chelsea Bunker provided an overview of the CGFOA. She has been a staff member for about four years and recently learned about the FPP meetings. Colorado Government Finance Officers Association is a non-profit. More information is available at: [www.cgfoa.org](http://www.cgfoa.org). The Annual Conference will be held on November 19th to 21st in Loveland. A mini-conference will be held on July 24th to 25th in Glenwood Springs. CGFOA offers robust online education programming. There will be a social activity on May 2nd at Thornton Top Golf and a social event at the national conference of GFOA on June 29th. Chelsea can be contacted at: [chelsea@cgfoa.org](mailto:chelsea@cgfoa.org).
* COCPA - Glenn provided some updates on the expected opening for filings A soft opening is expected on Friday February 14th and full opening is expected on Friday February 21st.
* Jennifer passed along information on a GASB survey form for feedback from users of government financial reports. (Slide 50)

## Upcoming Meetings

* Thursday, April 17, 2025

Facilitator: Brian Gustafson, Poudre R-1

* Thursday, June 26, 2025

Facilitator: Cathy Watts, Academy 20

## Adjourn