



FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES
January 24, 2019

District Members Present

Stephanie Corbo, Jefferson County R-1
Janell Wood, Swink 33
Laura Hronik, Colorado Springs 11
Jonathan Levesque, Littleton 6
Lana Niehans, Pueblo City Schools 60
Matthew Scoggins, Rangely RE-4
Brook Quint, Briggsdale Re-10

Gina Lanier, Aurora 28J
Justin Petrone, Boulder Valley RE-2J
Mimi Livermore, Adams 12
Jane Frederick, St. Vrain Valley Re-1J
Patty Venem, Rocky Ford R-2
Samantha Gallagher, Durango 9R

BOCES, Charter and Alternate Members Present

Erich Dorn, Centennial BOCES
Brad Arnold, Cherry Creek 5

Jodi Poulin, Falcon 49
Sandy Woods, Aurora 28J

Ex-Officio Members Present

Aaron Oberg, CDE
Adam Williams, CDE
Cassie Walgren, Charter School Institute
Jennifer Austin, CDE

Jennifer Okes, CDE
Kirk Weber, CDE
Scott Lee, CDE
Yolanda Lucero, CDE

Members and Alternates Absent

Steven Clawson, Denver 1
Kera Badalamenti, Poudre R-1
Lisa Clark, Weld RE-3J
Richard Stettler, Ellicott 22
Michael Everest, Mapleton 1
Terry Kimber, Widefield 3

Mike Hodgson, Archuleta County 50JT
Shelley Becker, Harrison 2
Angela Slaven, Mesa County Valley 51
Mike Lee, Ft Morgan RE-3
Sarah Colazio, Windsor Charter

Guests Present

Alicia Hancock, Delta County 50(J)
Alicia Hoops, Ault-Highland RE-9
Angialea Goode, Kim Reorganized 88
Angie Velasquez, Del Norte C-7
Ashley Zhang, Mesa County Valley 51
Bernadette Pacheco, Del Norte C-7
Caryn Braddy, Vision Charter Academy
Cheryl Wallace, Rubin Brown LLP
Colleen Love, Ridgeway
Conni Salzbrenner, Vilas
Courtney Kennedy, James Irwin Charter
Danielle Duke, Harrison 2

Diane Raine, Mesa County Valley 51
Dottie Burnett, Santa Fe Trail BOCES
Jacqui Geiselman, CCCS
Janelle Urista, Meeker RE-1
Jennifer Weber, East Otero R-1
Jeremy Burmeister, Platte Valley Re-7
Jim Ventrello, Delta County 50(J)
Joanne Vergust, Fountain 8
John Moore, Bayfield 10JT-R
Joshua Shoemaker, Jefferson County R-1
Kira Horenn, Durango 9R
Kirk Youngman, St. Vrain Valley Re-1J

Guests Present

Kitte Overton, Fountain 8
Kristine Githara, Cherry Creek 5
Leona Hollond, Monte Vista C-8
Linda Hawthorne, Frenchman RE-3
Lisa Anderson, Jefferson County R-1
Lisa Bollers, Aurora 28J
Lori Hawkins, Harrison 2
Luke Gonzales, Thompson R2J
Luke Janes, Valley Re-1
Machelle Williams, Plateau Valley 50
Mandy Hydock, Greeley RE-6
Marcy Studtmann, Lewis-Palmer 38
Maribeth Kemp, Wiley Re-13 Jt
Marita Vogrin, Academy #20
Matt Hergoz, G&G Consulting
Mayra Ramirez, Mapleton 1
Meghan Deutsch, Adams 12
Melanie Heath, Mesa County Valley 51
Mike Madden, Montrose County RE-1J
Mike Thomas, Fowler R-4J

Mona Larsen, Woodland Park RE-2
Natalie Morin, Cheyenne Mountain 12
Nichole Eastin, Las Animas Re-1
Pamela Cole, Eads Re-1
Paul Niedermuller, CLA
Rose Belden, Garfield 16
Samuel Pugl, Mesa County Valley 51
Sandy Woods, Aurora 28J
Shae Martinez, Mapleton 1
Shanae Larson, Sanford 6J
Shelly Chambers, Pritchett
Sondra Vela, Colorado Springs 11
Staci Turner, San Luis Valley BOCES
Suzi DeYoung, Adams 12
Tammy Bruntz, Westminster
Terry Buswell, Centennial BOCES
Trisha Morris, Denver 1
Veronica Harris, Mapleton 1
Wendy Everett, Telluride R-1

*46 Members/Guests listening through the livestream option will not be listed as an attendee.

MEETING MINUTES

FINANCIAL POLICIES AND PROCEDURES COMMITTEE

January 24, 2019

1. Call to Order

Aaron Oberg called the meeting to order at 9:45 am.

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

2. Approval of Agenda

Stephanie Corbo with Jefferson County made a motion to approve the agenda.

Gina Lanier with Adams Arapahoe 28J made a 2nd on the motion, motion carried.

3. Approval of Prior Meeting Minutes

Stephanie Corbo with Jefferson County made a motion to approve the prior meeting minutes.

Justin Petrone with Boulder Valley made a 2nd on the motion, motion carried.

4. Career & Technical Act (CTA)

The Career and Technical Act (CTA) was formally the Colorado Vocational Act (CVA) of 1970. In the creation there were a group of educators, specifically in the agriculture industry, looking to lobby to provide support to Career and Technical Education (CTE). Career and Technical education has been growing throughout the years, currently the reimbursement rate to districts on CTA is about 20% of their CTE General Fund expenses. The reimbursement is a formula based and is based the reports of upfront General Fund spending submitted by the district. In most cases the district reporting contacts are CTE Director or CTE Coordinators. This funding is not dollar for dollar reimbursement, it is intended to provide additional support for the active and approved CTE programs.

Eligible reportable costs do have to be tied to an active and approved CTE program. The program must have an appropriately accredited instructor, have credentials in addition to a teacher licensure. They must also have partnership with our post-secondary partners. In general the four items that are reimbursable are instructional costs, equipment, book/supplies and contract costs. Instructional costs includes instructor salaries, substitute costs, stipends and other items that are directly tied to the instructor's career and technical education time. Equipment which is any working item over \$5,000 such as a 3D printer tied directly to the program. Book, supplies and other are individual costs under \$5,000. Contract costs associated with post-secondary partners or contracting with other school districts, with the exception of travel costs. Costs that are not allowable are items related to capitol construction, general education needs, and costs paid from other grant funds like Perkins. The reimbursement does not need to be applied directly to the reimbursable items, meaning the funds can be spent once received to support other CTE program activities.

Best Practices is to use CTA coding to have accurate data for reporting data that is supported for CDE and CTE offices. We have had differences in reporting between the two offices. To try to eliminate significant differences, FY 2018-19 CDE reporting will include a warning edit to display if the amount reported to CTA is different to the amount reporting to CDE. The reporting period for CTA Director/Coordinators to CTA is from July 1st through September 1st for the previous fiscal year's general fund CTE expenses.

If there are any questions please contact Jacqui Geiselman, CTA Manager, 720-858-2595, Jacqui.Geiselman@cccs.edu

Supporting Documentation
[Career & Technical Act](#)

5. Legislative Update

5.1. Budget Request Update

Total Program Supplemental for FY18-19

- Includes an inflation rate of 2.7%
- Funded pupils decreased by 1,057 (0.12%) from PSFA
- At -risk pupils decreased by 9,893 (3.25%) from PSFA
- Total Program decreased by \$21.5M from PSFA to \$7.07B
- Local Share increased by \$56.1M from PSFA
- State Share decreased by \$77.6M from PSFA
- Budget Stabilization Factor remains at \$672.4M (8.7%)
- Average Per Pupil Revenue After BSF decreased by \$14.83 to \$8,122.58

Total Program Budget Amendment for FY19-20

- Includes an inflation rate of 2.7%
- Funded pupils decreased by 1,060 (0.12%) from FY18-19 PSFA
- At-risk pupils decreased by 10,794 (3.55%) from FY18-19 PSFA
- Total Program decreased by 281.7M from FY18-19 PSFA to \$7.370B
- Local Share increased by \$308.2M from FY18-19 PSFA
- State Share decreased by \$26.5M from FY18-19 PSFA
- Budget Stabilization Factor remains reduced by \$77M - a decrease from \$672.4M (8.7%) to \$595.4M (7.4%)
- Average Per Pupil Revenue After BSF increased by \$313.04 to \$8,450.45
- Includes \$545,147 to address underfunding of At-Risk funding for CSI for FY15-16 and FY16-17 error of \$1.1M (\$562K paid in FY17-18)

Categorical Budget Amendment for FY19-20

- Increase Categorical Programs by \$8.3M from FY18-19 to \$483.6M (a decrease of \$923,224 from Nov 1)
- Includes inflation rate of 2.7%
- Requested allocation of \$237,700 to Small Attendance Center Aid Program to full fund statutory calculation
- Requested allocation of remaining funds based upon gap in funding:
 - Special Education: \$4,535,936

- English Language Proficiency Act: \$1,438,197
- Transportation: \$1,370,779
- Vocational Education: \$558,676
- Gifted and Talented Education: \$167,729
- Expelled and At-Risk Student Services: \$0
- Comprehensive Health: \$0

Supporting Documentation
[School Finance Update](#)

5.2. Input on Full-Day Kindergarten Implementation

This is one of the major budget amendments that was implemented by Governor Polis to the General Assembly. Education is one of the bold four priorities of the Governor.

Full-Day K Request for FY19-20

- Increases kindergarten enrollment funding from 0.58 to 1.0 FTE
- Repurposes the current hold-harmless kindergarten funding
- Frees up 5,136 Early Childhood At-Risk Enhancement (ECARE) slots for preschool
- Transition from half-day to full-day programs is not mandatory
- Proposed statutory change to state school districts cannot charge tuition for kindergarten students that are receiving funding equivalent to 1.0 FTE
- Currently 49,941 (79%) students are in full-day programs and 13,324 (21%) are in half-day programs
- Of the students in full-day programs, 88.5% are funded part-time and 11.5% are funded full-time
 - Full-time funding is provided for students funded with ECARE slots, eligible students with an IEP, and students retained because of a Significant Reading Deficiency (SRD)
- Of the students in half-day programs, 99.7% are funded part-time
- Request assumes all 63,265 students will transition to a full-day program and therefore be funded at 1.0 FTE
 - Students enrolled in half-day programs will continue to receive 0.58 FTE
 - Funding not distributed in FY19-20 will be reverted to State Education Fund

Full-Day K Implementation Request for FY19-20

- Funding for full-day kindergarten implementation will be provided as an additional 0.05 FTE for each student enrolled in a full-day kindergarten
- Intent is to assist districts with up-front costs for implementing full-day K
- Funding will be distributed as early in the fiscal year as possible
- Funding not distributed in FY19-20 will be reverted to the State Education Fund

Feedback on distribution of full-day K implementation funds is welcomed

- FPP Subcommittee was created at January meeting: Jeffco, Littleton, Sheridan current members

Potential Approach:

- CDE provide districts with FY18-19 kindergarten enrollment
- Districts confirm intention to transition from half-day to full-day program by school
- CDE distributed 80% of funds in July based upon district intentions based upon FY18-19 student counts
- CDE distributes remaining 20% during mid-year true up in December

5.3. Highlight of Bills

CDE has been tracking about 40 Bills, the Bills that we want to highlight are:

HB19-1008	Include Career and Technical Education in Building Excellent Schools Today Program
HB19-1055	Public School Capital Construction Financial Assistance
SB19-087	Students Subjected To a School Safety Incident
HB19-1112	Child Safety Accounts

5.4. JBC Interest in use of Rural Funding

We have had two years of additional funding for the Rural School Districts. During the December process the JBC questioned how these funds are being used by the Rural School districts. We were not requiring active grant coding to the expenditures for these funds. However, some districts were proactive and coded the expenditures related to these funds, this information will be provided to the JBC. If you are a Rural School District that did not use the coding for the expenditures, if you send us the information on how the funds benefited the district we can include this in the information provided to the JBC. Based on the questions received from the JBC and the interest from them implies that they may be considering requesting these funds to be added to the budget for a third year.

5.5. Federal Shutdown Update

A memo was sent out to Nutrition Directors and Business contacts through our listserv. In Colorado we are fully funded through March, this is normal quarterly approvals. The USDA has a contingency plan for Food Service indicating that FNS has child nutrition programs will continue during a lapse in annual appropriations. During the shutdown, the USDA is hosting weekly conference calls, during the last call they did not provide assurances that funds would be able to continue after March. We are hoping that if the shutdown continues that the contingency plan will be in effect and we would not see an impact. We are also working with the Governor's Office about the impact of the federal shutdown. In the event that funds are not received by the federal government the funds could possibly be disbursed by the state then reimbursed by the federal government. This is acceptable by the USDA. Again, it is currently business as usual as we are currently funded through March. Also, wanted to make sure you are aware that families, due to the lapse in salary, can apply for free and reduced lunch.

Supporting Documentation

[CDE Government Shutdown Resources](#)

[USDA FSN Contingency Plan](#)

6. Update on Draft Accountability Rules

As follow-up to the meeting in November, we are looking at the Accountability rules to make updates. There is language in the rules that is specific on the financial data that CDE has to post related to school districts through the schoolview website. We are looking at making the language vague to allow flexibility as we enhance the information as reported on Financial Transparency. This would allow the reporting requirement to be met with the data presented through Financial Transparency.

Supporting Documentation
[Draft Accountability Rules](#)

7. Financial Transparency Update

Over the last couple years the financial transparency subcommittee and CDE has had a goal to align the website to be ESSA compliant with the federal requirements. We did meet with the subcommittee members on the options for the presentation of the spending to display the ESSA per-pupil spending. With their input and updates to the draft it was concluded that the following updates will be made for the ESSA compliance.

The first slide display the district level presentation of the per student spending which is broken out by school level spending per student and the school share of central spending per student. Each of these categories are further broken out to the federal spending and the state/local spending. The state/local spending also includes private sources. When the "Download Report" is selected the use would will be able to view the same categories related to the individual schools of the district.

The second slide displays the school level presentation of the per student spending which is broken out by school level spending per student and the school share of central spending per student. The school level break out of the federal spending and the state/local spending will be shown similar to Slide 3. The donut that is presented on Slide 2 will be removed, because it is easily confused with the total spending information that has been in existence of the start of the website.

Slide 4 is the display of the historical spending for small rural districts. Specifically for small rural district prior to 2017-18 they were not required to report spending at the school level.

Slide 5 and 6 is the main landing page, to this page a section will be added to explain the ESSA Compliance of the website and include frequently asked questions. The frequently asked questions are currently being developed and will be shared with the subcommittee once it is available.

Supporting Documentation
[Financial Transparency](#)

8. Foster Care Transportation Coding

Requesting of grant code "3243 – Foster care transportation reimbursement. Revenue from any county received under an agreement to provide, arrange and fund transportation for students in out-of-home placement pursuant to Section 19-3-208, C.R.S." This code would be used in conjunction with source code 3010.

HB 18-1306 authorized the payments from CDHS to counties for costs associated with transportation of students in out-of-home placement. Counties and school districts would enter into agreement for the allocation of costs associated with transportation. CDHS is able to track the payments from CDHS directly to the counties. However, the state does not have a tracking mechanism for distributions from counties to school districts. By adding this bolded source code, CDE will be able to respond to requests for information regarding the school districts' receipt of these funds. Source code appears to be a better solution than grant codes because the chart of accounts does not require grant codes for local and intermediate sources of revenue.

Supporting Documentation
[Foster Care Transportation Coding](#)

9. Job Classification Discussion (100, 300 and 500 series)

Generally, the distinction centers upon whether an employee meets the definition of "Administrator." If not, they are generally considered Professional – Other. The request is to review job classifications within the chart of accounts to allow for more options and clarification. Additionally to align the job classifications within both HR data and Finance Data.

Examples:

- Payroll Manager – is an administrator if 103 applies as a "non-instructional manager, director, and supervisor." Or 501 Bookkeeping/Accounting/Auditing/Cashier/Payroll
- Job classification 357 – "crafts/trades/food services manager" or should it be 501 – "bookkeeping/accounting/auditing/cashier/payroll."
- General Counsel is a lawyer. Is a lawyer an administrator? Yet, we have 341 job class for "lawyer."
- Is Chief Personnel Officer an administrator? Yet, we have 344 job class for "Personnel Officer."

A subcommittee will be formed to review the job classifications, let us know if you are interested in joining this subcommittee.

10. Single Audit Letter/Management Decision Letter Process

CDE will be issuing Management Decision Letter as part of the financial review process, if there are any findings related to the Single Audit. These will be completed in accordance with EDGAR §200.521 management decisions.

11. GASB Statement 84 Implementation Considerations

On the CDE School Finance website the GASB Statement 84 Implementation Considerations has been posted. This fact sheet walks through the background information and new criteria for the use of fiduciary activities. If there are items only related to the presentation they will be communicated to both the district finance contact and the districts external auditor. At the end of the review cycle the summary of the related findings will be communicated with the CPAs.

Supporting Documentation

[GASB Statement 84 Implementation Considerations](#)

12. Feedback on Grant Application and Reporting Process

As part of continuous process improvements, we are evaluating our internal processes for efficiencies. One of the items identified is determining how the grant application process is working for school districts. A lot of effort has been made to improve grant applications through the EASI application. We are hoping to find the balance of streamlining the process but still maintain accountability when applying for a grant to determine that there is a plan at the district to use the funds that are awarded and report on the use of funds as appropriate. On a grant by grant basis, we would like to know how the application process is working, are there grants that have a good balance of documentation to provide or are there grants that seem too burdensome in the requested information for the application. Please contact us if you have any feedback or recommendations of the grant application processes.

13. Other Topics of Interest

CASB: <https://www.casb.org/>

- No updates at this time

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

- April 17-19, 2019 is the Annual Colorado ASBO Conference in Westminster at the Westin Hotel.

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

- February 6-8, 2019 is the CASE Winter Leadership Conference in Westminster at the Westin Hotel.

CGFOA: <http://www.cgfoa.org/>

- March 12, 2019 is the Denver Government and Nonprofit Training Academy in Denver at the Mile High Station hosted by CliftonLarsonAllen.

COCOA: <https://www.cocpa.org/>

- A meeting was in January to discuss the recently released preliminary views, these are open for comments.

OSA: <https://leg.colorado.gov/agencies/office-state-auditor/local-government>

- No updates at this time

14. Future Meeting Dates and opportunities for post-meeting, onsite training

Friday, May 3, 2019 Thursday, June 6, 2019

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