



FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES

June 6, 2019

Members Present

Stephanie Corbo, Jefferson County R-1
Steven Clawson, Denver 1
Janell Wood, Swink 33
Laura Hronik, Colorado Springs 11
Jonathan Levesque, Littleton 6
Lana Niehans, Pueblo City Schools 60
Terry Kimber, Widefield 3
Mike Hodgson, Archuleta County 50JT

Brook Quint, Briggsdale Re-10
Gina Lanier, Aurora 28J
Justin Petrone, Boulder Valley RE-2J
Angela Slaven, Mesa County Valley 51
Jane Frederick, St. Vrain Valley Re-1J
Patty Venem, Rocky Ford R-2
Erich Dorn, Centennial BOCES
Sarah Colazio, Windsor Charter

Alternates Present

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
Dana Dove, OSA

Jennifer Austin, CDE
Jennifer Okes, CDE
Kirk Weber, CDE
Yolanda Lucero, CDE

Members, Ex-Officio Members and Alternates Absent

Kera Badalamenti, Poudre R-1
Lisa Clark, Weld RE-3J
Richard Stettler, Ellicott 22
Matthew Scoggins, Rangely RE-4
Michael Everest, Mapleton 1

Mimi Livermore, Adams 12
Shelley Becker, Harrison 2
Mike Lee, Ft Morgan RE-3
Samantha Gallagher, Durango 9R

Guests Present

Alicia Hancock, Delta County 50(J)
Angie Velasquez, Del Norte C-7
Anthony Whiteley, St. Vrain Valley Re-1J
April Egan, Pikes Peak BOCES
Ashlee Stephen, Platte Canyon R-1
Ashley Thang, Mesa County Valley 51
Beverly Martinez, Wall Smith Bateman
Brian Lund, Estes Park R-3
Brisa Villalobos, Westminster
Brook Williamson, Pikes Peak BOCES
Caryn Braddy, Vision Charter Academy

Chloe Flam, Northwest Colorado BOCES
Ciara Bartholmew, South Routt Re 3
Colleen Love, Ridgeway
Courtney Baker, Centennial R-1
Courtney Kennedy, James Irwin Charter
Cynthia Lacey, Ouray R-1
Danielle Duke, Harrison 2
Dee James, Ouray R-1
Diane Raine, Mesa County Valley 51
Dottie Burnett, Guest

Guests Present (continued)

Eileen Johnston, James Irwin Charter
Gale Gallegos, North Conejos Re-1J
Hyesun Son, Adams 14
Jamie Sandoval, South Conejos Re-10
Jana Schleuser, Douglas County RE-1
Jeremy Burmeister, Platte Valley Re-7
Jessica Ornales, Center 20JT
Jim Ventrello, Delta County 50(J)
Jodie Cates, BKD
Joshua Shoemaker, Jefferson County R-1
Joy Yudnich, Mountain BOCES
Julia Teska, Aurora 28J
Kira Horenn, Durango 9R
Kirk Youngman, St. Vrain Valley Re-1J
Kristine Githara, Cherry Creek 5
Leona Hollond, Monte Vista C-8
Linda Hawthorne, Frenchman RE-3
Lisa Bollers, Aurora 28J
Lisa Veyna, Lamar Re-2
Lori Heinrich, Creede School District
Luke Gonzales, Eaton RE-2
Machelle Williams, Plateau Valley 50
Mandy Hydock, Greeley RE-6
Mark Rydberg, Steamboat Springs
Meghan Deutsch, Adams 12

Melissa Kirchner, Peyton 23JT
Mike Thomas, Fowler R-4J
Mindy Oliphant, Thompson R2J
Missy Corn, Springfield R-4
Mona Larsen, Woodland Park RE-2
Nancy Seams, Hayden Re-1
Nita McAuliffe, San Luis Valley BOCES
Rebecca Quintana, Sargent Re-33J
Rena Sanchez, Lake County R-1
Rusty Williams, Thompson R2J
Samuel Pugn, Mesa County Valley 51
Sherrie LeChance, Jefferson County R-1
Sherry Dennis Murphy, Yuma 1
Sherry Scallan, Creede School District
Sherry Shay, Thompson R2J
Stacey Yoshimoto, School District 27J
Staci Turner, San Luis Valley BOCES
Tammy Bruntz, Westminster
Tammy Hohn, Englewood 1
Tammy Martinez, Sierra Grande R-30
Tara Neogebauer, Santa Fe Trail BOCES
Terry Buswell, Centennial BOCES
Valeria Chavez, School District 27J
Vi Crawford, Mesa County Valley 51
Wendy Everett, Telluride R-1

MINUTES

FINANCIAL POLICIES AND PROCEDURES COMMITTEE

June 6, 2019

1. Call to Order and Introductions

Jennifer Okes, called the meeting to order at 9:30 am.

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

2. Presentation of Agenda

Stephanie Corbo, Jefferson County R-1 made a motion to approve the agenda.

Jonathan Levesque, Littleton 6 made a 2nd to the motion. Motion carried.

3. Approval of Prior Meeting Minutes

Jonathan Levesque, Littleton 6 made a motion to approve the prior meeting minutes.

Stephanie Corbo, Jefferson County R-1 made a 2nd to the motion. Motion carried.

4. CDHS Presentation on Transportation Funding

HB 18-1306 requires school districts and county agencies to transport students in foster care to their school of origin. This has been the federal ESSA requirement for several years; the implementation of this bill aligns the state law with the federal requirements. This bill also helps define how the two agencies collaborate to provide services.

Last year there was a lawsuit related to Section 7 of the bill. The lawsuit was not specific to students in the foster care system. The lawsuit was resolved, resulting in Section 7 being struck from the bill. All other sections in the bill still stand without change.

An appropriation was included in the bill allowing CDHS to help pay for the transportation needs of the foster care students. The appropriation is distributed within the child welfare block. One of the primary reasons this is in the child welfare block is because the students may move several times between different counties and schools. They do stay in the custody of the same county as they are moving between different counties and schools. Human Services is also responsible for providing some of the transportation need and know which students are being served.

We have heard from school districts that it has been difficult to receive reimbursement for the transportation services because it is in the child welfare block. The process for the school district was to attempt to identify which county has custody of the student to request reimbursement from the county, the county in turn would request reimbursement from CDHS in order to be able to reimburse the school district. A change was recently made for the reimbursement, to streamline the process. The change allows school districts to invoice CDHS directly, instead of having to request through the counties. School districts will no longer need to research to determine which counties have custody of the students, and allow the districts to only generate one invoice for all students to CDHS. An e-mail was sent by Colorado Department of Education from CDHS outlining the process and timeline. We do plan to maintain a system to provide additional reimbursements for the 2019-20 school year, at this time the process is not in place.

Contact: Samantha Garrett, Education Specialist, Colorado Department of Human Services
samantha.garrett@state.co.us | 303-866-2005

Kristin Myers, Foster Care Education Coordinator, Colorado Department of Education
Myers_K@cde.state.co.us | 303-866-6007

Resource Documentation: [Foster Care Transportation](#) and [HB 18-1306](#)

5. Legislative Update

The addition of full-day kindergarten represents one of the most significant changes to the School Finance Act. As with all bills, the full-day kindergarten bill had a tight timeline to get a projection for the fiscal note. The legislative projections for this bill may not necessarily align with what school districts would expect. Consistent with the School Finance Act each year, the projections are only a placeholder until the actual student counts can be incorporated. At the beginning of the year we are held by the projections that are set by Legislative Council. Legislative Council is open to discussions to make improvements to the projection process. If the projection does not look accurate for your district, a request can be sent to Tim to generate an assumption based on district projections (kindergarten count, pupil count or assessed valuations). This updated assumption may be more accurate for budgeting purposes. For districts with declining enrollment, the prior years' full-day kindergarten counts will be taken into consideration at the 1.0 level.

The full-day kindergarten phase-in plan / grant application is due on June 12th. This was sent only to the district superintendent to eliminate the number of responses received for each district. If more than one response was received we will compare the two submissions to ensure that they are the same. Currently there are about 109 districts that have responded. If you already implemented full-day kindergarten there are only 5 questions needing a response and you would still be eligible to apply for the grant. The funds received from the grant are to be used for furniture, fixtures and equipment to conduct full-day kindergarten. Charter schools will need to coordinate with their authorized school district, the school district will be the awarded the grants. The grant will be awarded on a prorated basis based on the available funds.

The distribution of the rural funding is reduced to 20 million with the same allocation as prior years between rural and small rural school districts. The bill requires that each school district report in detail the specific expenditures related to these funds and how the nonrecurring expenditures are related to improving student learning and the educational environment. CDE will need to determine the due date for this report, our though is that it is after Finance December is submitted. Additionally we would ask for an edit in data pipeline, similar to the categorical requiring expenditures to exceed the revenues and use of a liability balance sheet reporting for this.

During this legislative session there are approximately 16 new grants and/or increase appropriations to current grant programs. We are looking at streamlining the processes across grants awarded by CDE so that the processes are the same. There are also updates to Concurrent Enrollment, requiring updates to the rule making for concurrent enrollment. We are determining if the rulemaking is needing to be updated in School Finance or if it can be only made in the Concurrent Enrollment rules.

Tuesday June 11th at 4pm there is an informational webinar for the READ ACT. The bill changes the distribution of the appropriation by reducing the amount distributed as per-pupil intervention money, increasing the amount distributed through the early literacy grant fund, and adding distributions to pay for a public information campaign, the independent evaluator, and teacher training. The allowable uses for READ Act are mostly the same, however, funds used for curricula have to be part of the approved curricula which are *targeted/evidence based/scientific based curricula*. These fund have a 15% carryover limit, if a district exceeds the 15% carryover the department must reduce the amount distributed to the district in the following year. To receive the funds a district will need to provide the number of students with Significant Reading Deficiencies (SRD), a budget with narrative content, evidence of compliance with teacher training requirements, approval of use of per-pupil intervention and confirm that prior year use of funds were used according to statute. CDE is tasked with the monitoring of the program throughout the year, which will be a joint task with program staff and fiscal staff. This could be a combination of requesting documentation and/or site visits. Additionally, the READ Act requires an independent evaluator to evaluate the use of the per-pupil intervention money, use of the early literacy grant fund and to determine if the student outcomes achieved the goals of the program. The independent evaluation is due to CDE by July 1, 2021 and CDE will be required to report to the legislator by December 2021.

Supporting Documentation

[SB 19-246 Public School Finance Act](#)

[HB 19-1262 Full-day Kindergarten](#)

[Colorado Preschool Program FY 2019-20](#)

[SB19-199 READ Act Implementation Measure](#)

[READ ACT - Webinar](#)

6. Chart of Accounts/FPP Handbook Updates

6.1. End of year reminders

- Request for funds were due June 3rd, if you missed this deadline please submitted as soon as possible.
- Review the assurances for financial accreditation, the financial audit review letter and letter from your auditor from the prior year. This will help you to identify any items identified in the prior year to potentially eliminate repeat findings.
- A supplemental budget is necessary if a district is spending in excess of appropriations, which is one of the most common findings during the review process. It is possible that the spending in excess of appropriations may lead to a negative unassigned fund balance, which is a statutory violation.
- Review your Financial Transparency website to ensure that the required items are posted and current.
- At this time districts, should have presented a proposed budget to the district board. Districts should ensure that the required resolutions were also presented, specifically, the resolution for the use of beginning fund balance.
- Review your district's arbitrage calculations, if you are needing assistance with this you will need to work with your auditor and/or bond council.
- If you are going to participate in the interest free loan program you will need to notify RBC Capital Markets Corp to be included in the list of districts.
- For audit presentation and data pipeline purposes, ensure that your fund balances align, specifically with the statutory restricted fund balances. If there are any allowable expenditures that can be assigned to these programs, ensure that they are coded as such with the proper grant code.

6.2. Adopt changes to FPP Handbook

Please review the "FPP Handbook FY2019-20 – summary of changes" for the updates.

Jane Frederick, St. Vrain Valley RE-1J made a motion to approve the changes.

Justin Petrone, Boulder Valley RE-2J made a 2nd to the motion. Motion carried.

Resource Documentation: [Summary of Changes](#)

6.3. Adopt changes to Chart of Accounts

Please review the "Chart of Accounts FY2019-20 edition – summary of changes" for the updates.

Gina Lanier, Aurora 28J made a motion to approve the changes.

Jonathan Levesque, Littleton 6 made a 2nd to the motion. Motion carried.

Resource Documentation: [Summary of Changes](#) and [Chart of Accounts](#)

6.4. Update on grant codes for FY2019-20

There are about 16 new and/or increase appropriations to current grant programs. These will be reviewed to determine assignment of grant codes for these programs.

6.5. Discussion of grant codes from other state agencies for FY18-19 and beyond

Recently there has been discussion in the legislature and with the Governor's Office regarding school safety and mental health in public schools. In these program areas there have been grants issued from other state agencies. Typically for grants from other state agencies, districts have the authority to assign a district designated grant code assigned between 3950 through 3999. Since there is a focus of these programs, CDE was wondering if there is value to assign a CDE designated grant code to these programs so that it is consistent across districts in the event questions arise to the spending in these areas. After discussion of this item, the districts are opposed to the timing of updating the process and assigning a CDE designated grant code for FY2018-19, however, they are open to assigning a grant code for grant's received from other state agencies in the future.

7. Request for Funds Pilot and Implementation in FY19-20

The request for funds pilot is going well. There are a few changes based on the suggestions from the pilot users. The system is scheduled to go live on July 1st. An e-mail was sent to school districts on this change to the request for funds and the authorized representative designation form. The authorized representative designation form is submitted to CDE from the district designating who is authorized at the district to submit request for funds. Over the next couple weeks, we will be hosting webinars to provide trainings on the process, for these dates click on the link below. The new request for funds process does not change the process for nutrition payments. The new process is also required to be completed by BOCES and Not for Profit entities. It is recommended that the district print the online form prior to clicking on the submit button, to keep this document for your records.

Resource Documentation: [Request for Funds Forms](#)

8. Follow-up on Bank Account Questions/Vendor Record Clean Up

Payments to school districts are moving to EFT payments. Both the grant and nutrition payments will be transferred to the same account that districts are receiving State Share. The nutrition staff at the district will need to notify the finance staff when they submit a request for funds, to make them aware that a payment will be expected. Once a payment is processed by the state, the district designated e-mail will receive the distribution, similar to what is currently listed on the checks. It is recommended that the district set-up a generic e-mail address to receive the notices, in order to provide access to multiple users at the district. If you need to update the designated e-mail the school district will need to request this directly with the State Controller's Office. The EFT process does not include BOCES or Not for Profit entities. At this time the State Controller's Office will only allow one bank account to be set-up per school district.

Contact: State Controller's Office: state_centralapproval@state.co.us

- Questions regarding bank account/vendor information.

Department of Education Accounting office: CDEpayments@cde.state.co.us

- Questions regarding payments received.

9. Grant Award Letter (GAL) Consolidation

Office of Grants Fiscal is approved by the Attorney General to change the process of the Grant Award Letter. Specifically for the Title grants, instead of receiving an individual award for each grant one consolidated Grant Award Letter will be sent. The Title grant awards include Title I-A Formula, Title I-Delinquent, Title ID-Youth, Title II-A, Title III ELL, Title III-SAI, Title IV and Title V-B.

10. Updates/Reminders

10.1. FY18-19 Data Pipeline

The FY 2018-19 data pipeline submission is scheduled to open on August 15th. Districts are encouraged to submit a data file once it is open and pass the first level edits. New reports in the collection are the excess cost report and the ESSA per pupil expenditures report. We will also be reviewing grants to include edits similar to the categorical edits that were added during the last collection. Also, fund 21 will be opened to be accepted with object code 0869 indirect costs.

10.2. Financial Transparency

The data approval tool is open, there have been about 2 dozen districts that have completed the process. June 17th the soft open will be available for districts to review how their schools and district will look on the website. The FY 2017-18 website will be ESSA compliant in reporting per pupil expenditure at the school level. The website will go live on July 1st.

There are no changes to the FY 2018-19 website template for Financial Transparency. Review your Financial Transparency website to ensure that the required items are posted and current.

- 10.3. **Excess Costs Report**
At the last FPP meeting a few districts volunteered to review the report. We will be sending the data pipeline report to be reviewed to these districts this week. Following this review the report will be updated in data pipeline. Some district have questioned what the difference is between excess cost and maintenance of effort. Maintenance of effort ensures that you have spent at least the same amount that was spent in the previous year. Excess cost is that you have spent a minimum in other funds before you have spent the special education funds. The excess cost report is a proactive report that has been developed because school districts could be audited and questioned from the federal government. In data pipeline there will be an excess cost report at the district level and the administrative unit level. The report at the administrative unit level will not be available until all of the district member have finalized.

- 10.4. **New Business Manager Self-Study Training Session**
We have added a self-study training for business managers to our website. From the school finance home page you will want to click on division presentations and training.

Resource Documentation: [New Business Manager Self-Study Training](#)

- 10.5. **Implementation Considerations for Leases Under GASB 87**
The considerations guide is available on the school finance home page.

Resource Documentation: [Implementation Considerations for Leases GASB 87](#)

- 10.6. **CPP Fund Balance**
If you have a CPP Fund Balance, the Office of Early Childhood may have already contacted you on your plan to spend the fund balance.

- 10.7. **Opportunities for Post-Meeting, Onsite Training**
We would like to offer any additional training opportunities to the remote sites following the FPP meetings or other onsite trainings.

11. FPP Membership

Recognition of Retiring Members, this year we had seven members that are retiring from the committee, as their terms have ended. Each of these members will receive a certificate of appreciation for the time that they have served on the FPP Committee.

Four Year District Appointments
Kera Badalamenti, Poudre R-1
Lisa Clark, Weld RE-3J
Richard Stettler, Ellicott 22
Laura Hronik, Colorado Springs 11
Janell Wood, Swink 33

District Alternates (1 year appointments)
Brad Arnold, Cherry Creek5
Sandy Woods, APS
Jodi Poulin, Falcon 49

BOCES Representative
Erich Dorn, Centennial BOCES

Charter School Liaison
Sara Gennie Colazio, Windsor Academy

We are currently in the process of finalizing the replacements of the retiring members. Once the new members are finalized the membership listing will be updated on the website.

12. Other Topics of Interest

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

- No updates at this time

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

- Fall Conference, Vail Marriott Mountain Resort, October 16-18

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

- 50th CASE Convention, Beaver Run Resort, July 22-26

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

- No updates at this time

12.5.COCPA, <https://www.cocpa.org/>

- No updates at this time

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

- School Fiscal Health Analysis presented to the Legislative Audit Committee on July 30th (subsequently changed to July 29th)

12.7.Legislative Interim Committee on School Finance

<https://leg.colorado.gov/committees/legislative-interim-committee-school-finance/2019-regular-session>

- Tuesday June 25, 9am to 3pm, RM HCR 0112

13. Future Meeting Dates

October 24, 2019

January 30, 2020

March 26, 2020

June 4, 2020

14. Adjourn

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