



**COLORADO**  
Department of Education

---

# Financial Policies and Procedures Meeting

February 13, 2025

District Facilitator  
Donna Murphy, Littleton Public Schools

# AGENDA

- Call to Order
- Approval of Agenda
- Approval of Minutes
- Federal Funding Updates
- Legislative Session
- Office of the State Auditor
- CDE School Auditing Update
- Trainings
- Financial Reporting
- CDEC Office Hours
- Other Topics of Interest
- Upcoming Meetings

# Approval of Agenda

# Approval of Minutes

# Federal Funding Updates

# Legislative Session



## SB25-113

- Increase of \$64M
  - Increases Total Program by \$38.5M
  - Decreases Local Share by \$25.6M
- Funded pupil count was 3,074 higher than forecast
- At-Risk count was 5,439 lower than projected

# At-Risk Subcommittee

In December, CDE worked with districts to correct Free and Reduced-Price Lunch data in the Student October data submission, resulting in over 20,000 students being reclassified from paid to free or reduced for FY 2024-25.

CDE would like to create a FPP Sub-Committee to review rules related to At-Risk eligibility and revisit existing guidance, training, and resources.



# HB24-1448 Triggers

HB24-1448 included language describing two conditions that require the JBC to pause implementation of the new formula:

- 1) Change in Local Share is less than inflation minus 2% over prior year in a property tax assessment year or decreases by at least 2% in a property tax non-assessment year; or
- 2) March revenue forecast JBC uses for budget estimates indicate the income tax diversion to SEF will decrease by 5% or more in the current or next budget year

Current projections from LCS suggest the SEF transfer will be at least 5% less than last year, which would hit the second trigger.

Last year included a transfer to fix multiple years of errors from the past

The mid-year supplemental bill did not include clarification related to the one-time transfer and the resulting trigger.

# Governor's Budget Requests

The Governor submitted a budget request for:

## State Share:

- Returns to original implementation timeline of 6 years vs 7 years
  - 18% of the new school finance formula in FY 2025-26 vs 10%
- Eliminates pupil count averaging
- Caps BEST Cash grants at \$129M in FY 2025-26 and grow by rate of TABOR cap in out-years

# Locale Updates

- NCES updated the [Locale factors for school districts](#)
- CDE is working with AIR to review the NCES designations and to develop criteria to evaluate if a designation should be adjusted for inclusion in the School Finance Act
- CDE has incorporated the new designations into the new school finance formula:

	Locale Factor Funding After Update	Locale Factor Funding Before Update	Difference	Total Program with 18% Phase In After Update	Total Program with 18% Phase In After Update	Difference	State Share After Update	State Share After Update	Difference
HB24-1448	157,981,807	153,570,502	4,411,305	10,052,821,922	10,051,876,839	945,082	5,489,051,437	5,487,989,860	1,061,576
Gov Request	154,705,520	150,484,870	4,220,650	9,901,165,905	9,900,204,508	961,397	5,340,099,158	5,337,516,452	2,582,706

# Governor's Budget Requests

The Governor submitted a budget request for:

## At-Risk

- Requested \$12M one-time funding in FY 2025-26
- Distributed based upon number of at-risk students
- Estimated 387,522 students at \$31 per student
- OSBP agreed with JBC proposed reduction of \$12M in At-Risk Supplemental Aid creating budget savings starting in FY 2025-26

# Governor's Budget Requests

The Governor submitted a budget request for:

## Categorical Programs:

- Adjusted inflation from 2.5% to 2.3%
- \$12.5M requested for annual inflationary increase
- Includes statutorily required increase for SPED
  - \$8.6M to SPED
- Remaining funds allocated to other categoricals based upon “gap” in funding

# Governor's Budget Requests

The Governor submitted a budget request for

## CSI Mill Levy:

- Updated estimates to fully fund mill levy equalization for CSI schools is \$51.9M, requiring an additional \$2.7M in FY 2024-25 and \$4.8M in FY 2025-26

## HSMA

- Requested \$8.3M in FY 2024-25 and \$21.8M in FY 2025-26
- Potential November 2025 ballot measure to retain Prop FF revenue

# Governor's Budget Requests

The Governor submitted a budget request for:

## Elimination of Education Grants

- Accelerated College Opportunity Exam Fee Grant - \$562,252
- Colorado Student Leaders Institute - \$227,753

## Sponsored Programs

- Requested \$4M in spending authority for Interagency Agreement with Dept of Law to administer a \$12M grant to address youth vaping

# Legislative Briefings and Hearings



- JBC requested state agencies reduce spending in FY2024-25 and to delay any actions that could make FY2025-26 budget reductions more difficult
- JBC figure setting dates:
  - CDE Budget is scheduled for February 27th
  - School Finance is scheduled for March 11th
  - [Audio](#) for JBC meetings
- CDE's SMART Act Hearing was January 23rd ([slides](#) and [audio](#))



# Adequacy Study Updates

Senate Bill 23-287 required two school finance adequacy studies.

- Outcome focused: Cost function modeling to identify funding needed to achieve a target level of performance. Conducted by the American Institutes for Research (AIR)
- Input focused: Professional judgment (PJ) and evidenced-based (EB) methods to determine costs of all elements necessary for success. Conducted by Augenblick, Palaich and Associates, Inc. (APA)

By design, these studies were conducted using differing approaches and methodologies.

- They would not be expected to produce the same results and recommendations.
- Each contain unique findings and recommendations, but are complementary, with similar conclusions.
- Both studies recommend additional funding.

More information is available [here](#) for links to the reports and [here](#) for Joint Ed Committee presentations and [here](#) for the State Board of Education presentations.

# Notable House Bills



We wanted to highlight some of the financially focused education related house bills:

- [HB 25-1048](#) - Requires online database of qualifying state tax expenditures and state grant opportunities
- [HB25-1059](#) - Encourages policies to reduce food waste and seek grants or technical assistance
- [HB25-1061](#) - Creates community schoolyards grant program
- [HB 25-1071](#) - Requires money, including public school capital construction assistance fund, be distributed to counties under a new distribution formula
- [HB25-1158](#) - Requires contract terms for vendors with digital content

# Notable Senate Bills



We wanted to highlight some of the financially focused education related senate bills:

- [SB25-028](#) - Requires PERA actuarial experience study and audit in law
- [SB25-147](#) - Modifies management of PERA board
- [SB25-119](#) - Modifies CDEC funding distribution, rulemaking, LCO participation, unified application
- [SB25-125](#) - Repeals [School Finance Rules](#) 3.04, 5.04, and 5.12(6) which will eliminate the transfer enrollment exception for students
- [SB25-153](#) - Requires reporting of marketing, recruitment, lobbying, contractor, education management provider expenditures and all sources of revenue



# Office of the State Auditor



# **FPP Meeting OSA Update February 13, 2025**

Crystal Dorsey, CPA  
Local Government Audit Manager



OFFICE OF THE STATE AUDITOR

C O L O R A D O

# Audit Law Deadlines

School Districts – June 30 year end

- Audit shall be completed within 5 months
  - Submit to the OSA within 30 days of receipt of audit report
- December 31st – Deadline to file an extension
  - Extension may be granted for 60 days
    - March 1



# Delinquent notices - timing

Without an approved extension:

- February 1 – written notice
  - Certified letter
- March 1 – tax hold to County Treasurer

With an approved extension:

- March 1 – written notice
  - Certified letter
- March 16 – tax hold to County Treasurer



## Office of the State Auditor

[Audits](#) [Legislative Audit Committee](#) [Local Government](#) [Fraud Hotline](#) [Tax Expenditures](#) [About](#)

**Local Government Filing Portal**

Forms

Contact Local Government

Calendars and Due Dates

Filing Guidelines

Fiscal Health

Useful Documents & Links

### Local Government

The OSA's Local Government... governments for compliance... seq., C.R.S.], which require... State Auditor.

Please contact us with any... how the law's requirements may apply to your local government.

about 4,000 Colorado local... ment Audit Law [Section 29-1-601, et... independent financial audit to the

the Local Government Audit Law or

Hover on Local Government  
Click on Local Government Portal







# OSA Submission

## Office of the State Auditor Local Government Audit Division

### Welcome to the Office of the State Auditor's Local Government Portal

On this website, you can submit your local government's audited financial statements, applications for exemption from audit, inactive notices, or request an extension of time to file an audit with the Office of the State Auditor. You may also search for a local government's submission history and view processed audits and exemptions. If you create an account you can also view the history of your own local government submissions.

#### Create an Account

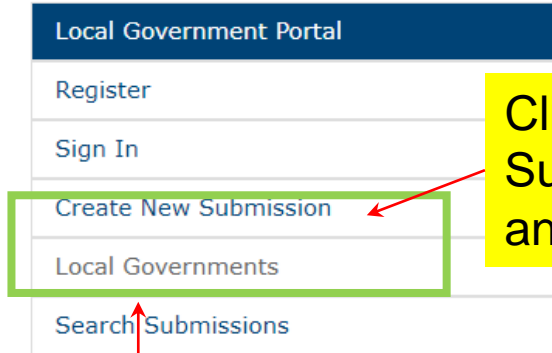
You can also create an account to track all submission history. Your account shows what you submitted and when you submitted it. An account is not required to submit an audited financial statement, an extension of time to file, applications for exemption from audit, or an inactive notice. Click [here](#) or on Register on the menu to the right to create an account.

#### Sign In

After you have created an account, you can click [here](#) to sign into your account or by clicking on the Sign In link in the menu to the right.

#### Submissions

Click [here](#) to submit audited financial statements, applications for exemption from audit, inactive notices, or request an extension of time to file an audit. Or, click on Create New Submissions in the menu to the right.



Click on "Create New Submission" to submit an audit or exemption.

Click on Local Government to search for any local government





## Office of the State Auditor Local Government Audit Division

### Create New Submission

\* Submission Type

Extension

Submitter's Name

Happy Submitter

Submitter's Email

happysubmitter@school.com

Submitter's Phone

867-5309

\* Submission Year

2024

Local Government

Adams 12 Five Star Sc...

Component units should be uploaded under the primary government's name.

Local Government Portal

Register

Sign In

Create New Submission

Local Governments

Search Submissions

**Start with "Create New Submission"**

- Submission Type: Audit
- Complete all other fields
- Use the drop down for Local Government, enter part of the district's name to search.
- Make sure you select your school district's name and not the county by mistake.

Are you a robot?

I'm not a robot

reCAPTCHA  
Privacy - Terms

File Attachments

No file chosen

I agree to the Terms and Conditions.

# OSA



# Colorado Office of the State Auditor

1525 Sherman Street, 7<sup>th</sup> Floor, Denver, Colorado 80203

303.869.3000

<http://www.colorado.gov/auditor/>

Crystal Dorsey: [crystal.dorsey@coleg.gov](mailto:crystal.dorsey@coleg.gov) (303) 869-3002

[osa.lg@coleg.gov](mailto:osa.lg@coleg.gov)

All OSA Email addresses have changed to “@coleg.gov”



OFFICE OF THE STATE AUDITOR  
C O L O R A D O

# CDE School Auditing Updates

# Current Open Audits



- Through FY 2023-2024, all districts are subject to comprehensive audit reviews of all students included in their funded pupil and at-risk counts.
- These audits generally include multiple years of student data and supporting audit documentation dating back 2-6 years.
- The majority of districts currently have an open audit with the School Auditing Office that includes fiscal years before 2023-2024.
  - Districts with current open audits were engaged for an audit review by the Office within the past 5 years.
  - All audit field work was previously completed through collaboration between School Auditing Office and district staff.
  - Prior to the audit field work being completed and the audit report drafted, the applicable district audit contacts “signed off” on the exceptions/adjustments.

# Current Open Audits (FY 2023-24 and prior)



- Between January 2025 and July 2025 most districts will be contacted by the School Auditing Office to finalize their current open audit.
- When applicable, “Gap” years will be added to the original open audit.
- Gap years include any year between the last year included in the original audit and FY 2024-25.
- Gap years will only be added if both of the following apply:
  - Fewer than 5 years were included in the original current audit.
  - No student-level documentation is needed as determined by a review of the district’s reported student-level data for the corresponding year.
- While Gap years will not require a review of student-level documentation or result in adjustments to student counts, they may still result in audit liabilities or credits as a result of adjustments made to prior audited years and averaging.

# Current Open Audits (FY 2023-24 and prior)

- Upon receipt of the draft audit report for a current open audits, districts will have 30 days to review and request clarification prior to the audit being finalized.
- If requested, the School Auditing Office staff will be available to review all audit exception documentation with district audit contact(s) prior to finalizing the audit.
- Invoices or Notice of Payments will be delivered to the district once the audit is finalized.
  - If the district is owed a credit, those payments are usually sent to the district within 45 days.
  - If the district is required to repay overpayments of State Share funds as a result of adjustments to funded student counts, the due date before interest accrues will be dependent on how many days have lapsed since the prior audit was finalized.

# New Annual Audit Review (AAR) Process (beginning with FY 2024-25)

- Starting with fiscal year 2024/2025, the funded count audit approach is shifting to a “one-year” audit cycle.
- All districts (and identified BOCES) are now required to complete count specific audit questionnaires (i.e., pupil, at-risk count, and ELL funding factor) and upload initial district/school/program audit documentation.
  - The deadline to provide this documentation for 2024/2025 was December 11, 2024
- The School Auditing Office reviews this documentation, as well as the district’s submitted student-level Student October data and prior audits, to determine which districts and BOCES will be flagged for an expanded audit.
- Districts and BOCES will be notified by April 1, 2025 as to whether they have been flagged for an expanded audit.



# 2024 Annual Audit Review (AAR) Process (Districts and BOCES not flagged for an expanded audit)

- Districts and BOCES not flagged for an expanded audit will receive an audit report outlining observations and recommendations based on a review of the district's submitted Student October data and responses to the district's audit questionnaires.
  - Reports will be distributed between April 1, 2025 and September 1, 2025.
- Invoices and Notice of Payments related to the 2024 Annual Audit Review will be distributed between July 7, 2025 and December 31, 2025.

# 2024 Annual Audit Review (AAR) Process (Districts and BOCES flagged for an expanded audit)

- Audit engagement notifications for FY 2024-25 will be sent out via email no later than April 1, 2025.
  - When possible, GAP years may be included in this audit review.
- If engaged for audit, lists of required audit documentation will be uploaded to the district or BOCES' audit Syncplicity folder.
- Documentation will be required to be uploaded within 30 days.
- Audit reviews will be conducted between April 15 and Dec. 31, 2025.
- Upon completion of the audit review, draft audit reports will be provided to the district or BOCES for review prior to it being finalized.
- Once audits are finalized, districts will receive final audit reports, final audit letters and Invoices/Notice of Payment, as applicable.

# 2024 Annual Audit Review Timeline and Update Webinar

- The School Auditing Office will be hosting an update to the 2024 Annual Audit Review process on Thursday, March 13, 2025 at 1pm.
- All district and applicable BOCES are encouraged to attend.
- To access this webinar, click on the link found in the box located on the [Training and Office Hours](#) website.

# Thank you!



We appreciate your patience as we make this transition to yearly audit reviews of funded student counts.

# Local Funding True-Up



- Beginning with FY 2024-25, CDE will be doing a Specific Ownership Tax review/audit.
- This will be to true-up the amount of SOT applied to each districts local share of total program.
- For districts that have not submitted December financials by December 31st each year, the two years prior SOT is used.
- This new review will be completed at some point following the March extension deadline and true-up the SOT factored into the district's funding to use each districts most current prior year SOT amount to ensure all districts are utilizing the same fiscal year data for purposes of funding.
- Any amount owed to the district or to CDE from this true up will be reflected on the invoices distributed by the School Auditing Office for FY 2024-2025.

# Trainings

## School Finance Townhalls and Trainings

### **Budget Planning Part II**

Thursday, February 27, 2025

9:00am - 10:30am

### **CDE/Colo School Finance Project Strategic Finance Trainings**

- 1/30/25 - 1/31/25 - Greeley, Co (Centennial BOCES)
- 2/20/25 - 2/21/25 - Haxtun, Co (Northeast BOCES)
- 5/1/25 - 5/2/25 - Alamosa, Co (Alamosa SD)
- 6/26/25 - 6/27/25 - La Junta, Co (Santa Fe Trl BOCES)
- 7/31/25 - 8/1/25 - Montrose, Co (Montrose SD)
- 9/25/25 - 9/26/25 - Parachute, Co (Colo River BOCES)
- 10/2/25 - 10/3/25 - Monument, Co (Lewis-Palmer SD)

# Financial Reporting





# Data Pipeline Submission

# Financial Reporting Data Pipeline Submission

Submissions were Due December 31st

- Extensions through Office of State Auditor
  - Extensions may be granted for 60 days, through March 1, 2025

Financial Data Warehouse Reports

- July 1 through January 31, 2025

# COA/ FT Subcommittee Vote #6

# Financial Reporting COA/ FT Subcommittee

## **District Members**

Ashley Zhang, Accounting Supervisor, Mesa 51  
Jamie Duran, Finance Coordinator, Pueblo 70  
Kirk Youngman, Manager-Enterprise Systems, St Vrain  
Lana Niehans, Director of Budget and Finance, Pueblo 60  
Gina Lanier, Chief Financial Office , Adams 12  
Sondra Vela, Finance Director, Harrison 2

## **Colorado Department of Education**

Dawna Gudka, Data Specialist, IMS Data Service  
Peter Hoffman, Data Specialist, IMS Data Service  
Robert Hawkins, Lead Grants Fiscal Analyst  
Lindsey Heitman, Principal Consultant, IMS Data Service

## **Colorado Department of Education - School Finance**

Glenn Gustafson, School Finance Program Manager  
Kim Reeves, Government Finance Analyst  
Kelly Wiedemer, Fiscal Data Analyst  
Yolanda Lucero, Fiscal Data Coordinator

# Financial Reporting COA/ FT Subcommittee Vote #6

There are 24 voting members; a majority is 13 or more votes to pass.

Note that votes were cast In February 2025. [Vote 6 Slides](#)

<b>VOTE #6 - Proposed Items</b>	<b>Yes</b>	<b>No</b>
add Program 9325 Universal Preschool Program (UPK) Reserve	20	1
Revise Title and Description Object 0810 Dues, Fees, and Registrations	20	1
Revise Job 320 Accountant and Financial Services Technician	20	1
Revise Job 501 Financial Records Specialist	21	0
Add Sub-Program Code 0091 to 0094	21	0
Revise Description for Program Codes 1900 and 2000 Co-Curricular Activities – Nonathletic	21	0
Remove Program Code 2000 Co-Curricular Activities Nonathletic in description	21	0
Add Program 1895 Unified Sports	21	0



# CDEC Office Hours



# CDEC Office Hours

CDEC hosts office hours in which they present directly to all providers on these specific topics (and other UPK related items) twice a month. Office hours are noted on the CDEC Calendar.

<https://cdec.colorado.gov/>

Upcoming office hours are

- Monday February 24th at 1pm
- Tuesday March 4th at 6pm
- Monday March 24th at 1pm

# Other Topics of Interest



# Other Topics of Interest - CASBO

- **72nd Annual Conference Reminder**: Don't forget to register for our 72nd Annual Conference, taking place April 23-25 in Pueblo!
- **CASBO Membership Plans**: Consider enrolling your school district organization in a CASBO membership plan. Several options are available, offering cost savings and allowing staff to attend both the Spring and Fall Conferences at no additional cost. [Contact us](#) if you have any questions about becoming a CASBO member – we'd be happy to discuss the benefits with you.
- **Board of Director Opportunities**: CASBO has three Board of Director positions opening up for election at the April conference. If you're passionate about supporting Colorado school districts through helping, mentoring, and leadership, we encourage you to consider running for a position. This is a fantastic opportunity to get involved!
- **Student Scholarship Deadline Approaching**: High school seniors, don't miss the upcoming deadline for the CASBO Student Scholarship Program! Encourage your eligible student(s) to apply.
- **Service to the Profession Award Nominations**: Do you know a school business official who has demonstrated exceptional commitment to raising the level of professionalism among their peers? Nominate them for the Service to the Profession Award!



# Other Topics of Interest - GASB

GASB: The **Governmental Accounting Standards Board (GASB)** is seeking feedback from users of government financial reports as part of the **Post-Implementation Review (PIR) of Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)**. Please take a moment to [complete the survey](https://survey.sogolytics.com/survey/form?k=RRsRXPWRXsURsPsPsP&lang=0) before **February 21, 2025**, and share your feedback.

<https://survey.sogolytics.com/survey/form?k=RRsRXPWRXsURsPsPsP&lang=0>.

# Other Topics of Interest

CASB

CASE-DBO

CGFOA

COCPA

# Upcoming Meetings



# Upcoming Meetings

Thursday, April 17, 2025

Facilitator: Brian Gustafson, Poudre R-1

Thursday, June 26, 2025

Facilitator: Cathay Watts, Academy 20

# Meeting Adjourn

