



**FPP: Chart of Accounts Discussion Item:**

**1. Question or Issue:**

Updated Guidance related to the Colorado Reading to Ensure Academic Development (READ) Act

**2. Any Prior FPP Action:**

The following information was discussed at the October 11, 2013 FPP Committee meeting:

**READ Act Coding – Source Code: 3000 / Grant Code 3206**

The per-pupil allocation for the READ Act is not a grant. We are assigning a grant code to it so that districts can track the revenue and expenditures separately. However, it should not be classified as a grant with the requirements that revenues equal expenditures. You received the allocations and track the expenditures separately; there are no grant requirements. There are activities allowed to be spent on the funds the district should spend on the activities. If a District does not spend all READ Act funds in the FY 13-14 they are allowed to carry the funds over into FY 14-15.

Based on this discussion, it was determined that the READ Act activities at the district and school level will be treated like a project instead of as a grant. This is unique to the READ Act. Therefore, the grant/project code of 3206 that was assigned to the READ Act, should be used to report any expenditure activities that relate to the READ Act for FY13-14 and into the future. In addition, the resources provided to the district should also be coded with the grant/project code of 3206 as noted above. However, with the READ Act activities being considered to be a project and not a grant, the use of the grants deferred revenues Balance Sheet code of 7482 is optional for the READ Act.

The following information was discussed at the June 23, 2017 FPP Committee meeting:

**READ Act Process Changes**

In accordance with the READ Act, the Department will review the manner in which the per-pupil intervention moneys will be used and only provide the moneys for other targeted, scientifically based or evidence-based interventions which are approved by the department:

- The instructional programs from the Advisory Lists of Instructional Programming on our website are considered allowable use of READ Funds since they have been vetted through an approved process.
- Through the READ survey process when “other is selected” we reach out for clarification and determine next steps. For programs in the “other” category that districts would like the Office of Literacy to review, districts will submit a program review form for each program they have submitted.
- The timeline for this process is:  
June 19 Send Survey proposal forms



July 14 Survey proposals due

July 17-31 CDE reviews

July 31 All CDE reviews of "other" completed

August 7-11 Distribution of funds (checks mailed)

- Budget planning surveys must be "approved" before READ funds will be distributed to your district.
- Contact Information: Whitney Westgaard, Data Analyst, Office of Literacy 303-866-6421, [westgaard\\_w@cde.state.co.us](mailto:westgaard_w@cde.state.co.us)

### 3. Discussion Points/Department Recommendation or Observations (if any)::

READ Act per-pupil intervention moneys are calculated according to the statutorily authorized formula. The per-pupil intervention moneys are divided by the total number of K-3 students who were identified as having a significant reading deficiency and received instructional services pursuant to READ plans in the preceding budget year.

Per-pupil intervention moneys may only be used for the authorized intervention services outlined in statute for students identified as having a significant reading deficiency:

1. providing full-day kindergarten;
2. purchasing tutoring services in reading;
3. providing other targeted, scientifically- or evidence-based intervention services (including but not limited to those identified in the READ program advisory list); or
4. operating a summer school literacy program.

Specifically, any purchase of instructional materials with per-pupil funds must meet the definition of scientifically based or evidence-based reading research.

More information including examples of allowable and non-allowable use of READ Act funds is available at: <http://www.cde.state.co.us/coloradoliteracy/useofperpupilinterventionfunds-0>

Statute requires districts to provide to the department for informational purposes an explanation of the manner in which it will use the moneys in the coming budget year. Services provided under the category of "other targeted, scientifically based or evidence-based intervention" must be reviewed by the department to ensure alignment to statute prior to moneys being distributed. Additionally, intervention services provided to these students are to be reported to the department annually through the READ collection.

Over the past year, the department has implemented additional monitoring of the READ Act. The department has not been able to perform a full analysis of the READ Act implementation based upon the historical coding of these expenditures. Further, the department is not able to respond fully to inquiries related to the appropriate funding level for this program.

Effective July 1 2018, for reporting in FY 2018-2019, READ Act funding should be treated as a categorical program. While the READ Act is not a categorical program, such treatment will allow the department to identify the expenditures for these intervention services fully and accurately.

Districts should continue to use Grant Code 3206 and ensure all authorized intervention services are coded to this Grant Code. Additionally, districts should use the Grants Deferred Revenues Balance Sheet Code of 7482 if the district has unused READ Act resources to be carried over and used in the next fiscal year.

There will not be a Financial December Data Pipeline edit to ensure that READ Act expenditures equal or exceed associated revenues as there is with other categorical programs. However, districts should be mindful that the purpose of the READ Act is “to provide students with the necessary supports they need to be able to read with proficiency by third grade so that their academic growth and achievement is not hindered by low literacy skills in fourth grade and beyond.” C.R.S. 22-7-1202

On a related note, the department clarified in the 2017 Student October Count Audit Resource Guide that Kindergarten students who are retained for a second year of kindergarten due to a significant reading deficiency identified by the district, are eligible for full-time funding. Students retained for other reasons are not eligible for full-time funding. C.R.S. 22-54-103(10)(b)(I) and 22-7-1207.