



COLORADO
Department of Education

FPP Meeting

October 23, 2020



COLORADO
Department of Education

Financial Reporting Updates

Financial Reporting Updates



FPP Handbook updates include:

- [FY20-21 Handbook posted on web](#)
- No major changes

Chart of Accounts updates include:

- [FY20-21 Chart of Accounts posted on web](#)
- No major changes

Financial December Edit changes include:

- SWAP
 - All districts are required to report SWAP activity – even if the amount is zero – Object 0960
- READ Act
 - Grant 3206 is the old READ Act Grant Code – you can recognize old (deferred) revenue tied to 3206 as you spend down old READ Act grant revenue
 - Beginning FY19-20 - All new READ Act revenue and Expenditures made using new Read Act revenue must be code to Grant 3259
- Capital Lease Payments
 - All districts are required to report Capital Lease Payments – even if the amount is zero – Object 0913

Financial Transparency Template:

- [FY20-21 Template posted on web](#)
- Date Changes Only

Coding Updates – Title IV



- Grant Codes available at: <http://www.cde.state.co.us/cdefinance/sfcoa>

Federal Administering Agency/Number	Account: GBL Code	Grant or Contract Title	CFDA#	Source Code	Grant/Project	Distributed By:	Primary CDE Contact	Phone	Guidance	Any Edits for FIN DEC	Cost Reimbursement Grant?	Identified Cluster of Programs
		Title IV, Part A – Well-Rounded Education	84.424	4000	4421	CDE	Tammy Giessinger	303-866-6992			Y	
		Title IV, Part A – Safe and Healthy Students	84.424	4000	4422	CDE	Tammy Giessinger	303-866-6992			Y	
		Title IV, Part A – Effective Use of Technology	84.424	4000	4423	CDE	Tammy Giessinger	303-866-6992			Y	
	460D	Every Student Succeeds Act (ESSA), Title IV-A: Student Support and Academic Enrichment Grants	84.424A		4424		Robert Hawkins	303-866-6775			Y	
		Title IV, Part A – Carryover for Well-Rounded Education	84.424	4000	4426	CDE	Tammy Giessinger	303-866-6992			Y	
		Title IV, Part A – Carryover for Safe and Healthy Students	84.424	4000	4427	CDE	Tammy Giessinger	303-866-6992			Y	
		Title IV, Part A – Carryover for Effective Use of Technology	84.424	4000	4428	CDE	Tammy Giessinger	303-866-6992			Y	



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CARES Act Updates

Coding Updates

COVID-19 Grant Codes available at: <http://www.cde.state.co.us/cdefinance/sfcoa>

Federal Administering Agency/Number	Account: GBL Code	Grant or Contract Title	CFDA#	Source Code	Grant/Project	Distributed By:	Primary CDE Contact	Phone	Guidance	Any Edits for FIN DEC	Cost Reimbursement Grant?	Identified Cluster of Programs
US Department Agriculture	56SD	ALL Emergency Feeding related to COVID19, March through September 2020, should be coded to Source 4000, Grant 4555	10.555	4000	4555	CDE	Brittany Shores	303-866-6911	See tab 4555			Child Nutrition Cluster
US Department Education	47SD	Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Formula: 90% to LEAs To be distributed based on Title I formula.	84.42SD	4000	4425	CDE	Robert Hawkins	303-866-6775	See tab 4425	Revenues must equal allowable expenditures	Y	
US Department Education	47SF	Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental 2.6M	84.42SD	4000	5425	CDE	Robert Hawkins	303-866-6775	See tab 5425	Revenues must equal allowable expenditures	Y	
US Department Education		Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental PLACEHOLDER	84.42SD	4000	5625	CDE	Robert Hawkins	303-866-6775	See tab 5425	Revenues must equal allowable expenditures	Y	
US Department Education		Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental PLACEHOLDER	84.42SD	4000	5725	CDE	Robert Hawkins	303-866-6775	See tab 5425	Revenues must equal allowable expenditures	Y	
US Department Education	47SH	CCSG - HOTSPOT-Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental	84.42SD	4000	5525	CDE	Robert Hawkins	303-866-6775	See tab 5425	Revenues must equal allowable expenditures	Y	
US Department Education	NA	Education Stabilization Fund (ESF) - Elementary and Secondary School Emergency Relief Fund (ESSER Fund): 10% Discretionary -supplemental 2.6M	84.425C	4000	6425	CDE		NA	See tab 6425	TBD		
	TBD	Education StabilizationFund (ESF) - Rethink K12 Education Models Grants (ESF-REM Grants) - Discretionary	84.425B	TBD	7425 - placeholder	TBD	TBD					
	TBD	Education StabilizationFund (ESF) - Reimagining Workforce Preparation Grants (ESF-RWP Grants) - Discretionary	84.425G	TBD	8425 - placeholder	TBD	TBD					
Colorado Department of Higher Ed	NA	Higher Education Emergency Relief Fund: Source Code 4010, Grant Code 9425	84.425E	4010	9425	Colorado Department of Higher Ed	NA	NA	Any and all Higher Ed funding provided under CFDA number 84.425 will be Grant 9425			
US Treasury	E7SD	Coronavirus Relief Fund (CRF): K-12. From CDE (\$510 million). Source 4000	21.019	4000	4012	CDE	TBD		TBD	Up front money - any unspent revenues must be reported as unearned		
US Treasury	E3SD	Coronavirus Relief Fund (CRF): K-12 At-Risk Pupils. From CDE (\$37 million). Source 4000	21.019	4000	5012	CDE	TBD		TBD	Up front money - any unspent revenues must be reported as unearned		
US Treasury	NA	Coronavirus Relief Fund (CRF): Higher Ed. From Colorado Department of Higher Education (\$450 million): Source 4010	21.019	4010	9012	Colorado Department of Higher Ed	NA	NA	Any and all Higher Ed funding provided by the Department of Treasury will be Grant 9012			



Charging Salaries & Benefits to CRF

- As a reminder, there are several allowable uses related to salaries and benefits. We wanted to quickly review and link to the guidance / resources related to these uses:
 - Increasing instructional time
 - **Cliff Notes: Payroll for instructional staff related to the increase in instructional time from spring to fall**
 - See [Section 2, line 1 \(p.10\) in the Guidance Matrix](#) & the [hours calculation template](#)
 - See [office hours recording and materials from 7/30/2020](#)
 - Utilizing the substantially different, 51% guidance
 - **Cliff Notes: Payroll for existing staff whose jobs have significantly pivoted to COVID response**
 - See [Appendix 1 \(p.49\) in the Guidance Matrix](#)
 - See [office hours recording and materials from 7/30/2020](#)
 - Charging overtime / extra duty pay related to COVID response
 - **Cliff Notes: Payroll for staff who are working above and beyond their contracted hours on COVID response**
 - See [Section 2, line 21 \(p.20\) in the Guidance Matrix](#)
 - Hiring new staff dedicated to COVID response
 - **Cliff Notes: Payroll for staff newly hired just to work on COVID response.**
 - See [Section 2, line 22 \(p.20\) in the Guidance Matrix](#)

0.5% Admin Costs & Charter Schools

- As a reminder, expenditures associated with the administration of and accounting for CRF funds are allowable with the following caveats:
 - Only 0.5% of the LEA's allocation may be spent on admin costs
 - Per new treasury guidance (9/2) to be allowable, these admin expenses must be above and beyond the LEA's normal admin costs
- Only the fiscal agent (i.e. the LEA) may apply the 0.5% admin costs allowable use
 - Flow-through recipients such as charter schools may not charge admin costs to CRF

❖ **Q2 Reporting Results**

- 130 Districts out of 178 Reported
- Do Not Use Category R (Other)
- All Charter School Expenditures Need to be Combined with District Expenditures
- If your district did not respond to either Q1 or Q2 reports, we will reach out to your Superintendent for assistance.

❖ **Q3 Final Report**

- No EXTENSIONS, Report is due to GFRFF@cde.state.co.us no later than JANUARY 5th, 2021. NO EXCEPTIONS
- We will be sending out the workbook to you with the Q1 and Q2 amounts reported and subsequently revised, please complete Q3. We should be getting those out in the next 2 weeks.
- District General Ledger will be required with Q3 report to substantiate costs. These G/L reports will cross fiscal years and be at the detailed level. The audit firm the State Controller's office has hired to monitor CRF funds will most likely want the detailed reports.

❖ **RETURN OF FUNDS**

- For unspent funds as of 12/30/2020, funds will be required to be returned no later than 1/8/2021.

❖ **ACCRUALS**

- More detail coming in November on how to book/manage accruals (obligations) and when they are appropriate.

CRF Funding for Increased At-Risk Students

- CRF funding was used to cover the State's increased costs of higher numbers of at-risk pupils due to the COVID-related economic recession
- Legislative Council staff included these increased at-risk counts into the Total Program projections for each district using information from the prior recessions
- CRF funds were transferred to the State Ed Fund to be distributed through the School Finance Act
- This does not negatively impact the December/January true-up of Total Program and State Share for districts

HB20-1418 School Finance Act and CRF Funding

- Thirty-seven million dollars from the Coronavirus Relief Fund, allocated by the governor to the Colorado Department of Education for Colorado public school expenditures incurred to respond to second-order effects of the COVID-19 emergency, in particular the increased number of at-risk students due to the COVID-19-driven recession.
- The governor has directed that Colorado schools shall use federal money in accordance with federal law to, among other things, facilitate distance learning and social distancing for in-person contact hours, mitigate lost learning, provide additional resources and supports to respond to the unexpected increase in at-risk students due to the COVID-19 emergency, and provide economic support in connection with the COVID-19 emergency to stimulate the economy by supporting Colorado's workforce through free instructional hours for the kindergarten through twelfth grade education system.

October 2020 State Share Payment



- These funds are part of the State Share of Total Program and not in addition to this funding.
- Districts will receive the same monthly total amount of state share in October as was received in the months of July – September 2020.
- The October payment will have split funding between State Share and CRF K-12 At-Risk Pupils.
- These two amounts will total the regular monthly state share amount.
- *Example:*
 - *District A receives a monthly state share payment of \$200,000. The district's proportionate amount of the \$37M is \$30,000. The October payment will be \$170,000 from 3110 and \$30,000 from 5012. The total payment remains \$200,000.*

Timing of Revenue Recognition



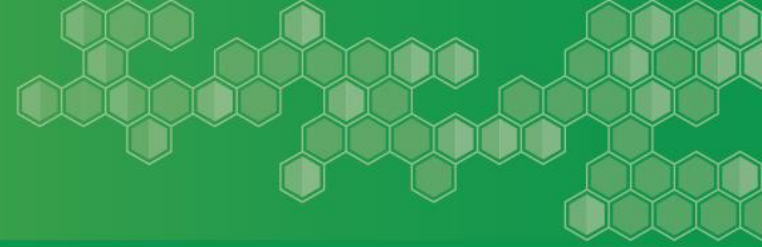
- The October School Finance payment has split funding between State Share and CRF K-12 At-Risk Pupils:
 - State Share = Grant Code 3110 and Source Code 3000
 - CRF K-12 At-Risk Pupils = Grant Code 5012 and Source Code 4000
- While the state distributed 100% of these CRF funds in October, districts have the flexibility to spread Grant Code 5012 revenues and expenditures to July through December as appropriate



The district allocation as reported for Grant Code 5012, Source Code 4000 in the October State Share payment is from Coronavirus Relief Fund (CRF). Therefore:

- These funds are subject to the CRF Allowable Use Guidance located at: <http://www.cde.state.co.us/caresact/crf-allowableexpenditures>
- These CRF funds do NOT need to be tied to At-Risk students.
- Districts will need to report how these funds were spent.
 - A separate reporting mechanism, similar to the CRF reporting structure will be used.
- These funds will need to be used on expenditures between July 1 and December 30, 2020.

Elementary and Secondary School Emergency Relief (ESSER) Fund



- Over \$13.2 billion to states allocated according to Title I shares
- Colorado has been allocated \$120,993,782
- 90 percent flows to LEAs based on share of Title I
- SEAs may use up to 10% for state level activities for emergency needs to address issues related to COVID-19
- SEAs may use some funds for administration (0.5%)

Colorado ESSER
\$120,993,782

LEAs 90%
\$108,894,404

SEAs 10%
\$12,099,378

SEA Admin
\$604,969

10% ESSER Funds



- 10% of ESSER Funds = \$12,099,378
- State Administration (½%) = \$604,969
- Remaining Funds = \$11,494,410
- Initial Allocation = \$4,614,002
 - \$2.6 million of ESSER state reserve will be directed to school districts, BOCES and Tribes that received little or no relief funding in the distribution
 - \$2 million for broadband connectivity
- Remaining Funds = \$6,880,408
 - CDE will reserve the remaining \$6.9 million set aside for state-level activities to address future pandemic-related issues
 - Determined by the Commissioner in late fall of 2020



Distribution of \$2.6 million:

- ~\$750,000 to help BOCES with gaps in their special education funding and to provide operational support for BOCES with brick-and-mortar schools
- \$70,000 to support educational needs of the Colorado Tribes
- ~\$320,000 for 11 districts to support educational needs of the Native American students
- ~\$1.5 million for districts that did not receive or received a very small allocation of formula funding



- Gaps in special education funding = \$647,272
 - Based upon FY18-19 Revenues and Expenditures for Special Education reported by BOCES
 - Expenditures reflects number of students and level of services provided
 - Calculated at 5% of identified gap in funding (expenditures less revenues)
 - Overall revenues are 73% of expenditures
 - Ranges between 40% and 100%
- Operational support for BOCES with brick-and-mortar schools = \$101,250
 - Based upon 2019 Student October Counts for Brick-and-Mortar BOCES schools
 - \$150 per student

Distribution to Support Native American Students

- Distribution to Tribes = \$70,000:
 - \$35,000 each to support educational needs of the Colorado Tribes
- Distribution to School Districts = \$319,600
 - 11 districts receive Title VI funds from the Office of Indian Education
 - Based upon data used for Title VI allocation methodology
 - \$100 per student

Distribution to Districts with Small Allocation of Formula Funding

Distribution of \$1,475,880:

- Provide floor funding of \$15,000 to districts under the statewide average FRL percent
- Provide floor funding of \$25,000 to districts above the statewide average FRL percent
- Raise districts above the statewide average FRL percent to average Per Pupil Revenue for ESSER 90% allocation
- Correct FRL counts for two districts included in ESSER 90% allocation

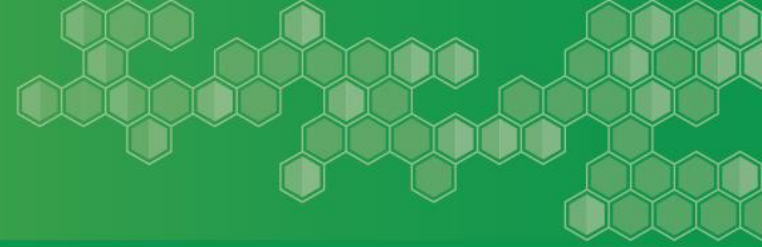
- Requirement
 - CDE is required to monitor grant recipients throughout the life of the federal grant to ensure activities are allowable, reasonable, necessary, and related to prevention, preparation for, or response to COVID-19 and implementation is in compliance with federal statutes and regulations.
- Plans and Timeline
 - Since March, CDE staff have been developing and delivering guidance, training, and technical support on allowable uses of ESSER funds.
 - Through December 31, 2020 CDE staff will continue to review and approve district applications and plans for the use of ESSER funds, which is part of the universal monitoring for all grant recipients.
 - In August 2020, CDE staff will conduct a risk assessment to identify districts for more intensive reviews, than the universal monitoring of the uses of funds.
 - Monitoring will be ongoing through the 2022-2023 school year as districts have until September 30, 2022 to expend ESSER funds.



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CDE Budget Update

2021 Legislative Session



October 2020	State Board of Education Approves CDE Budget Request for 2021-22 THIS IS ONLY A PROPOSAL/PLACEHOLDER!
November 2020	Governor and CDE Submits Budget Request for 2021-22 THIS IS ONLY A PROPOSAL/PLACEHOLDER!
December 2020	Joint Budget Committee Hearings with Department The JBC hears about the 2021-22 Budget Request from the Department and seeks additional information
January 2021	Governor Submits <i>Supplementals</i> for 2020-21 Adjusts current year's actual pupil counts, AVs, etc., Governor Submits <i>Budget Amendments</i> for 2021-22 Revises estimates for next year's pupil counts, AVs, etc.
Spring 2021	JBC Develops State Budget Through Figure Setting General Assembly Passes the Long Bill based on current law (HB20-1418 for School Finance)
Spring 2021	School Finance Bill Is Introduced and Passed Adjusts the Appropriation included in the Long Bill

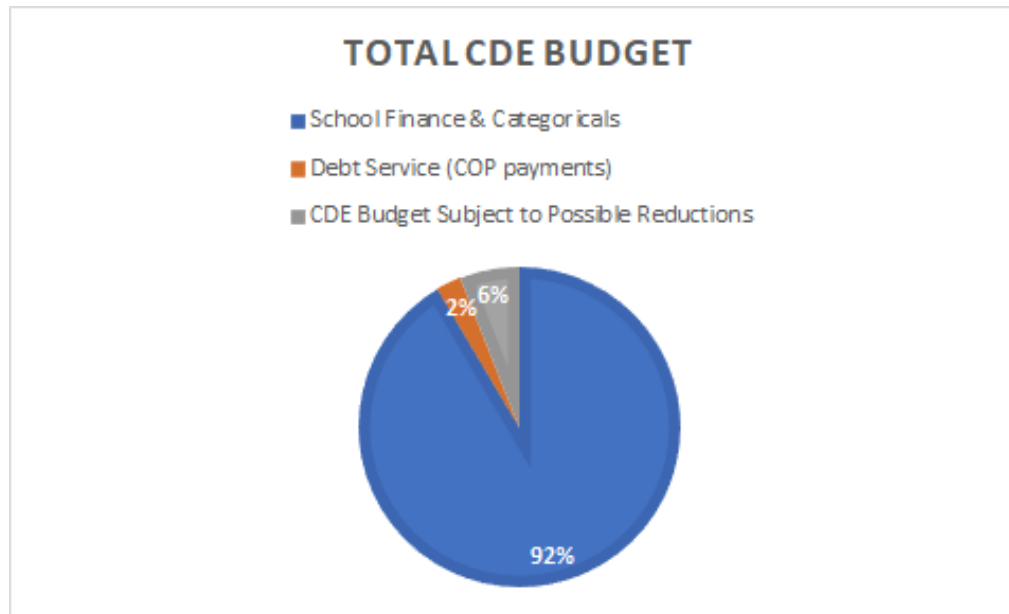


CDE FY22 10% Budget Cuts



Total CDE Budget = \$4.96B

- School Finance & Categoricals = \$4.53B or 91.5%
- Debt Service (COP payments) = \$125M or 2.5%
- CDE Budget Subject to Possible Reductions = \$293.9M or 6%





- On October 8th, the State Board approved 10% budget reductions in alignment with other state agencies
- The budget continues to evolve and economic forecast has improved
- Department developed revised recommendations based on SBE priorities, with a strong emphasis on restoring programs that directly impact students and student learning
- On October 22nd, the State Board approved 4% budget reductions in alignment with other state agencies
 - [FY21-22 Budget Reductions Approved October 22, 2020](#)
 - Rows highlighted in gray indicate where adjustments were made
 - Adjusted amounts are shown in column E

Restored Budget Reductions



Restored Budget Reductions:

- School Counselor Corps
- Concurrent Enrollment Expansion
- Career Development Incentives
- P-TECH Program
- ASCENT Slots
- Innovative Learning Opportunity Pilot
- Colorado Library Consortium

Reduced Budget Reductions:

- BEST Cash Grants
- Charter School Capital Construction
- Early Literacy Fund Balance

Approved Budget Reductions

Continue FY20-21 Reductions:

- Local Food Purchasing (\$675K, 100%)
- Computer Science Education (\$250K, 100%)

Reduce Grant Programs:

- BEST Cash Grants (\$3M, 5%)
- Charter School Capital Construction (\$1.6M, 5%)

Other Programmatic Reductions:

- Suspend 4th and 7th Grade Social Studies Assessments (\$1M, 4%)
- Eliminate Basic Skills Placement Test Reimbursement (\$50K, 100%)

Suspend Grant Programs:

- Workforce Development Pilot (\$212K, 100%)

Return Unused Fund Balances:

- Early Literacy Fund Balance (\$2M, 100%)
- PE Pilot Bill (\$750K, 100%)
- At-Risk Supplemental Aid Reversion (\$250K, 5%)

CDE Operational Reductions:

- Operating savings (\$885K)
- Personal services savings (\$837K and 9.9 FTE)



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FPP Membership



- Brad Arnold with Cherry Creek – voted and approved
- Chloe Flam with NW BOCES – voted and approved
- John Wall with Moffat County RE-1 – voted and approved
- Angie Skalla with Widefield - voted and approved
- Mike Hodgson with Pagosa - offered to extend his term
- Lana Niehans with Pueblo City - offered to extend her term
 - Rule II.A.2. states “...a Committee member shall not be eligible for re-election to membership on the Committee for at least twelve (12) months.”
 - We can suspend this rule with a two-thirds vote or we can leave this position vacant.