

Getting Ready for the Site-Based Expenditure Reporting Requirement

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Introductions

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Goals and Agenda

1. Overview of site-based expenditure reporting
2. Overview of issued guidance
3. Immediate implementation recommendations
4. Questions and answers

Gut Checks

Scale: 1=not at all, 5=completely

- How familiar are you with the ESSA Site-Based Expenditure Reporting requirement?
- How familiar are you with the guidance that ISBE has issued around Site-Based Expenditure Reporting?
- How worried are you about preparing for Site-Based Expenditure Reporting?
- Have you already taken steps to prepare for Site-Based Expenditure Reporting?

Overview of Site-Based Expenditure Reporting

ESSA Site-Based Expenditure Reporting must be implemented for SY2018-19

ESSA requires that SEAs report on their Report Card:

*“The per-pupil expenditures of Federal, State, and local funds, including **actual personnel expenditures** and actual non-personnel expenditures of Federal, State, and local funds, **disaggregated by source** of funds, for each local educational agency and each **school** in the State for the preceding fiscal year.”*

Key Components of the Advisory Group's Value Proposition

- **Resource allocation will be more readily accessible *to schools and stakeholders***
- *Empowers LEAs and communities to* **assess and improve equity**
- *Enables LEAs and communities to gain a better understanding of the* **relationship between student outcomes and financial resources**
- *Enables LEAs, schools, and the state to* **identify evidence-based best practices and opportunities to foster innovation** between peers

Advisory Group's Guiding Principles for Year 1 Implementation

“Guidance” rather than formal changes to accounting rules

Stay close to “minimum ESSA compliance”

Leverage existing reporting wherever possible

Couple the financial reporting with state report card data

Districts know their data best and can tell their own story

This initiative should and will evolve over years

Reporting Guidance adheres to these principles – including LEA flexibility in central cost allocation methodologies

Site-Based Expenditure Reporting Framework

		Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures				
Sites	Enrollment	State and			State and			State and			<i>Total</i>	
		Federal	Local	Subtotal	Federal	Local	Subtotal	Federal	Local	Total	<i>Exclusions</i>	<i>Expenditures</i>
PK Ctr	50	\$500	\$8,020	\$8,520	\$660	\$3,514	\$4,175	\$1,160	\$11,534	\$12,695		
ES1	300	\$344	\$5,148	\$5,493	\$529	\$2,781	\$3,310	\$874	\$7,929	\$8,803		
ES2	250	\$231	\$5,445	\$5,677	\$457	\$3,095	\$3,552	\$688	\$8,540	\$9,229		
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HS1	320	\$458	\$6,910	\$7,368	\$371	\$2,919	\$3,290	\$829	\$9,829	\$10,658		
Total	1,170	\$353	\$5,861	\$6,213	\$440	\$3,071	\$3,511	\$793	\$8,931	\$9,724	\$2,330,361	\$13,707,753

Based on input from the Advisory Group, this level of reporting detail will be the only mandated collection for Year 1, along with notation of allocation methodologies

Overarching Timeline

Milestone	Dates
Guidance release	January 30, 2018
IASA webinar	February 2, 2018
IASBO video	February 21, 2018
Ongoing training	March 2018 →
Vendor orientation	March 27, 2018
Data collection process determined	Began April 2018
Data visualization determined	TBD
FY19 begins, prepared for site-based expenditure reporting	July 1, 2018
Site-based expenditure reporting due to ISBE	Summer – Fall 2019 (post-FY19)

Overview of Issued Guidance

The guidance document now available to LEAs provides instructions on how to meet this reporting requirement

This guidance answers the following questions:

1. What entities must report? For what students?
2. What does the reporting look like?
3. What expenditures must be included / should be excluded?
4. What student count should be used? Are there any exceptions?
5. How do we handle special circumstances, such as students educated outside the district or charter schools?

The full reporting guidance document is now available at <https://www.isbe.net/essa> under “Site-Based Expenditure Reporting”

Guidance Highlights

- All LEAs must report; cooperatives are excluded for Year 1
- All students ages 3 through 21 are included in the home LEA's reporting; part-time students are reporting as 0.5
- Per-pupil expenditures = (site-level expenditures + site's share of district centralized expenditures) / # of school site students
- LEAs may choose the allocation methodology for their district centralized expenditures that best reflects their local reality
- Included expenditures should reflect only expenditures serving Pre-K through 12th grade students that are also largely ongoing, normal course resource allocations

Guidance Highlights, cont.

Charters authorized within an LEA

- Each charter school is reported as a site within the LEA
- LEAs will need to collect expenditure reporting in a manner that allows the LEA to exclude all the school district's costs related to charters from the district-level expenses that are allocated to district-run schools only.

Students educated outside the district (Outplacement)

- Include all students placed and/or served outside of the Home LEA in the Home LEA student count, along with their associated expenses
- LEAs have two options for reporting outplacement students and costs:
 1. Create a separate reporting site that captures all outplacement costs and students
 2. Embed these students in their home school site counts; determine whether to treat their associated costs as centralized costs spread across the LEA or solely at the home sites
- LEAs should select the methodology to best suit them, unless they have ten or fewer students placed outside the district, in which case LEAs must use option 2 above

Pre-Kindergarten sites and classrooms

- For reporting year 2018-19, reporting includes Pre-K students for whom the LEA incurs costs
- Pre-K centers are considered sites, and therefore must be included in site-based expenditure reporting as their own entities
- Pre-K classrooms within elementary (or other grade level) school sites have no special treatment

Immediate Implementation Recommendations

What can districts be doing NOW to prepare?

Note all of the below are recommendations, not mandates

1. Use **location codes** if you are not already doing so to allocate as many expenses as possible/appropriate to sites
2. Ensure **personnel** are assigned to the proper location code for payroll
3. Consider including a “**source of funds**” coding in your accounting
4. Ensure items **excluded** from reporting are easily identifiable

Examples of Accounting Strings

Note all of the below are options, not mandates

1. Apply location codes where a single employee serves multiple schools – e.g., guidance counselor shared service to multiple locations:
 - a) Oak Grove ES – 10-2120-110-01 or 10-1-00-2120-01-110
 - b) Riverdale ES – 10-2120-110-02- or 10-1-00-2120-02-110

2. Assign personnel to location codes for payroll – e.g., elementary school principal who is also district superintendent
 - a) Oak Grove ES – 10-2410-110-01 or 10-1-00-2410-01-110
 - b) Centralized (District Office) – 10-2321-110-05 or 10-0-00-2321-05-110

3. Attach a source of funds code – e.g., driver education purchased services from a single source of funds
 - a) High School A – 10-1710-380-03-10 or 10-3-10-1710-03-380

One More Preparation Recommendation

Note all of the above and below are recommendations, not mandates

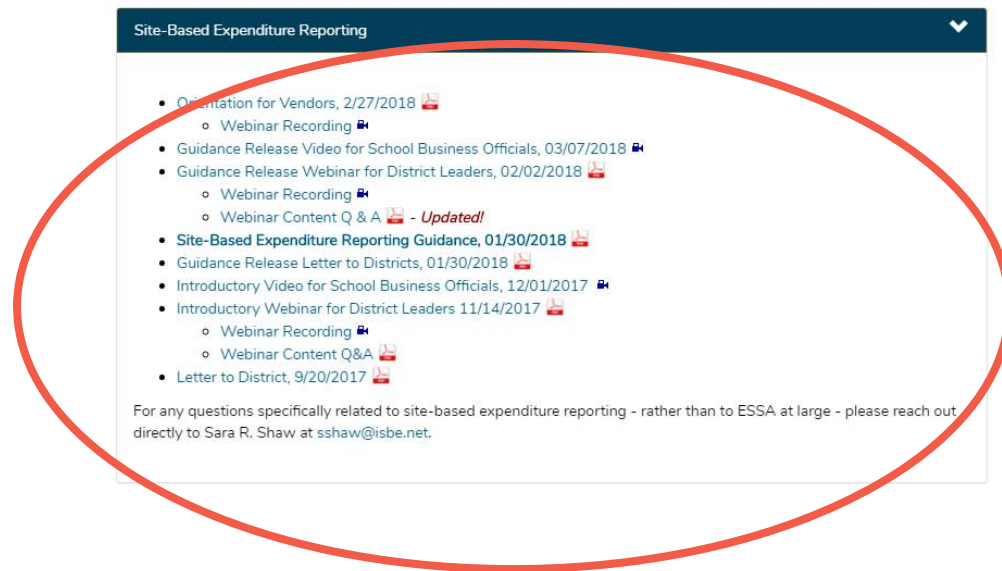
5. Facilitate early **exploration** of your site-based expenditures. What, approximately, has your district been spending by site? Are there any intentional changes you may want to make before budget season concludes?

Resources for Every Stage of the Work

<https://www.isbe.net/essa>



- Introductory webinar and video
- Guidance
- Guidance release webinar and video
- Suggested implementation timeline
- Implementation recommendations video
- *Continuously updated with more!*



Questions and Answers

We thank you for your time!

Presenters:

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Appendix

1. What entities must report? For what students?

Reporting Entities Included

Local Education Agencies that serve or place at least 1 student in the 2018-2019 school year.

Other institutions that are considered Reporting Entities include charter schools authorized by the State Commission

Note: all charter schools authorized under a district LEA should be reported as individual school sites under the district LEA

Entities Exempted from Reporting

For Year 1, the following sites will not be required to provide site level financial reporting:

- Cooperatives (these students shall be reported by their home LEA); this exclusion applies to not only special education cooperatives but also Paris Cooperative High School, John C. Dunham STEM Partnership School, and any other similar cooperative arrangement
- Regional Safe Schools
- Laboratory Schools
- Illinois Department of Juvenile Justice Schools
- Illinois School for the Deaf
- Illinois School for the Visually Impaired
- Illinois Math & Science Academy
- Philip J. Rock Center and School

1. What entities must report? For what students?

Student:

- Any child age 3 through 21 in grades Pre-Kindergarten* through 12 served by an Illinois public education institution or placed to a private facility by a public education institution

School / Site:

- Any public education institution within an Illinois LEA that serves students in grades Pre-Kindergarten* through 12 (this includes different kinds of schools within an LEA, such as charter schools and alternative schools)

Home LEA

- The LEA responsible for a student's education based on his/her residence

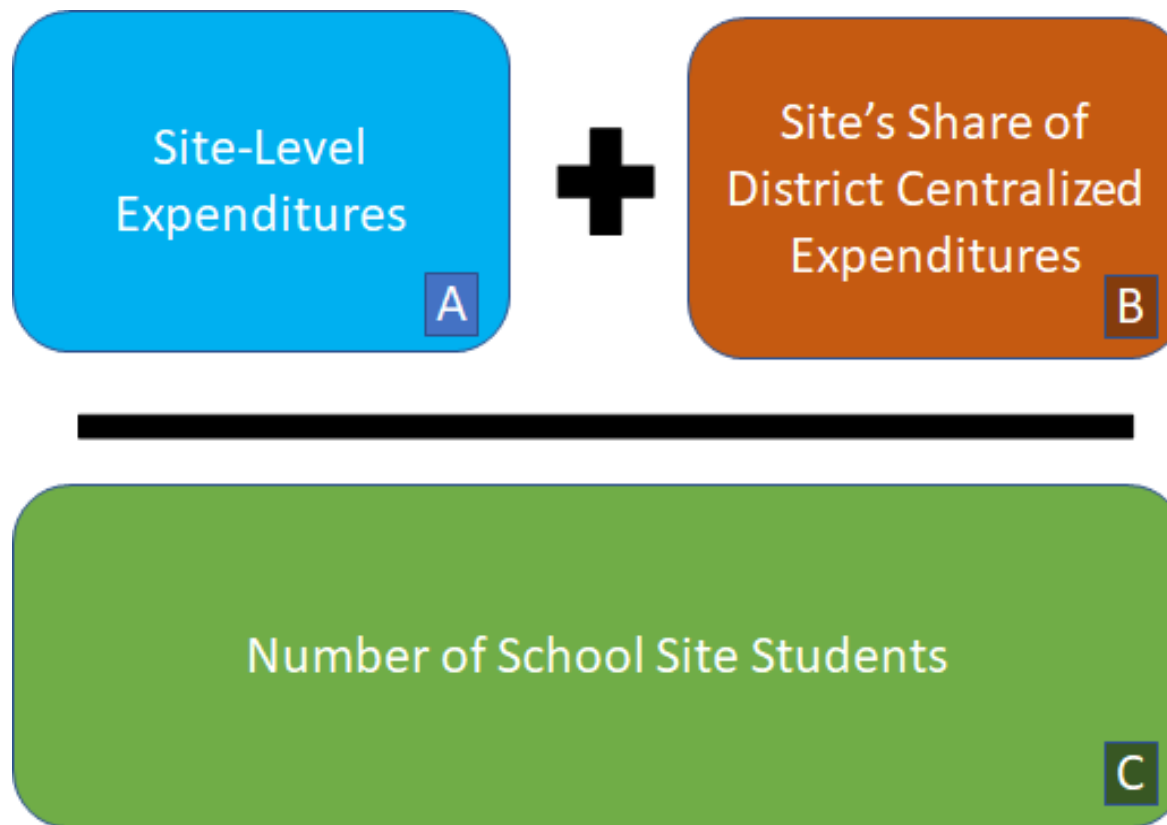
Serving LEA

- The LEA providing education services to a student; services may be provided to both resident and non-resident students

**Refers to Pre-Kindergarten students for whom a district incurs costs*

2. What does the reporting look like?

Per-pupil expenditures reported for each School shall comprise:



2. What does the reporting look like?

An example report for a school district is shown below. Note that expenditures must be disaggregated by source of fund (federal vs. state/local). Also note the Total Expenditures Excluded and Total Expenditures must be noted in reporting (Item D below).

Sites	Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Exclusions	Total Expenditures
		Federal	Local	Subtotal	Federal	Local	Subtotal	Federal	Local	Total		
PK Ctr	50	\$500	\$8,020	\$8,520	\$660	\$3,514	\$4,175	\$1,160	\$11,534	\$12,695		
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C

A / C

B / C

(A+B) / C

D

Based on input from the Advisory Group, this level of reporting detail will be the only mandated collection for Year 1, along with notation of allocation methodologies

3. What expenditures must be included / should be excluded?

A few notes regarding expenditures:

- Expenditures must be **disaggregated by source of fund** (federal funds vs. state, local, and other funds)
- **(A) Site-level expenditures must include any personnel assigned exclusively to a school** and any non-personnel costs specifically attributable to the school (per federal law)
- (B) Site's proportional share of district's centralized expenditures should represent an allocation of centralized expenditures as a proxy for dollars spent serving each school. For reporting year 2018-19, the **allocation method utilized by LEAs to assign centralized expenditures to its schools shall be determined by the LEAs themselves.**
 - Suggestions on allocation methodologies are provided in the 10-page appendix to the guidance document for those LEAs seeking assistance

3. What expenditures must be included / should be excluded?

All district expenditures should be included in the numerator within either (A) site-level expenditures or (B) site's proportional share of district's centralized expenditures, except the following **exclusions from Expenditure Reporting**:

1. Fund 30: Bond and Interest Fund (Debt Service Fund)
2. Fund 60: Site and Construction/Capital Improvements Fund
3. Fund 70: Working Cash Fund
4. Fund 90: Fire Prevention and Safety Fund
5. Function 1115: Tuition Payments to Charter Schools
6. Function 1300: Adult/Continuing Education Programs
7. Function 3000: Community Services
8. Functions 4130, 4230, and 4330: Payments to Other Governmental Agencies for Adult/Continuing Education Programs
9. Function 5000: Debt Services
10. Object 500: Capital Outlay except for those in Fund 10 (Education), which should be included
11. Legacy Pension Obligations

The intent behind these exclusions is to:

1. Reflect only expenditures for Pre-K through 12th grade students being served or placed by the LEA
2. Reflect expenditures that are largely ongoing, normal course resource allocations

4. What student count should be used? Are there any exceptions?

Reporting Entities must include every student served by the School in the denominator, with the following exceptions and notes:

- If a ***student is educated outside the district*** (whether placed at a private institution, another LEA, or any other entity), that student ***shall be included in the count of the Home LEA*** per the guidance
- ***Part-time students such as half-day Pre-Kindergarten and half-day Kindergarten*** students shall be counted as 0.5, and all other students shall be counted as 1.0
- In the 2018-19 reporting year, ***the average of the student count*** (as defined above relating to students from or served outside the district) ***on October 1 and March 1 of the reporting year shall be used.***

5. How do we handle certain special circumstances?

Charters authorized within an LEA

Charter schools should be reported as a site. LEAs will need to collect expenditure reporting from charter schools in a manner that allows the LEA to report for those schools and exclude all the school district's costs related to charters from the district-level expenses that are allocated to district-run schools only.

Students educated outside the district (Outplacement)

Students placed and/or served outside of the Home LEA, regardless of reason, shall be included in the Home LEA student count, along with associated expenses. LEAs have two options for reporting outplacement costs – either by (1) creating a separate reporting site that captures all outplacement costs and students; or (2) embedding these students and the respective costs in their home school sites.

LEAs should select the methodology that best suits their district, with the exception that if an LEA has ten or less students placed outside the district, the LEA must utilize option 2 above.

Pre-Kindergarten sites and classrooms

For reporting year 2018-19, Pre-Kindergarten is included in site-based expenditure reporting. We anticipate two primary forms: Pre-K centers and Pre-K classrooms within elementary (or other grade level) school sites.

Pre-K centers are considered sites, and therefore must be included in site-based expenditure reporting as their own entities. Pre-K classroom expenses have no special treatment.