

Effective Communication Strategies For ESSA Site-Based Financial Reporting Results

Introductions

Moderator: **John Herrin**, Chief School Business Official
Community Consolidated School District 46



Speaker: **Mark Hoversen**, Coordinator of Business Services
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Speaker: **David Torres**, Senior Product Manager
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Session Objectives

Effective Communication Strategies For ESSA Site-Based Financial Reporting Results



Review Why ESSA is Important



Analyze the Financial Reporting Requirements



Preparing to Tell your Story



Developing a Communication Plan



Effective Communication Strategies

Why is ESSA important?

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NEW E-BOOK FROM EDUCATION WEEK PRESS

INSIDE THE EVERY STUDENT SUCCEEDS ACT
Education Week gets to the heart of a law set to reshape the education policy landscape for years to come.

COMMENTARY

District Spending Is About to Get a Lot More Transparent. Are You Ready?



—Jonathan Bouw for Education Week

Why ESSA's new fiscal transparency requirement really matters

By David A. DeSchryver & Noelle Ellerson Ng

August 24, 2018

It's time for superintendents to tackle a challenging conversation about how they allocate their limited financial resources—and how those decisions align with the core values of public education. The Every Student Succeeds Act's fiscal transparency reporting requirement is a sleeper issue that will demand more of district leaders than just a change in how they communicate policy decisions with their communities. It will also prompt both school and district leaders to figure out how they manage productivity.

Reader, this is a big deal."



New Mandate = New Opportunity

EDUCATION WEEK

States Confront New Mandate on School-Spending Transparency

By **Daarel Burnette II**

February 27, 2018

A tricky financial-transparency requirement in the **Every Student Succeeds Act** has cranked up tensions among state politicians, school district administrators, and civil rights activists over public understanding of how districts divvy up their money among schools.

ESSA requires districts to break out school-level spending by December 2019—a first-time federal requirement. It's a level of detail unknown even to most district superintendents.

Various interest groups are split over whether such items as transportation, technology, special education, and pre-K—some of the biggest drivers of the rise in school spending—should be categorized as regular school costs, or as extraordinary costs or overhead.

Civil rights activists, meanwhile, expect that the reporting of school-level-spending amounts will reveal to the public where districts' most-experienced and highest-paid teachers work, if those data are presented in a coherent and comparable way.

But state education departments are realizing that it's a daunting task to come up with school-by-school data using districts' sometimes-antiquated finance systems.

A photograph of several students sitting at their desks in a classroom, focused on their work. The image is partially obscured by the text overlay.

The Mandate...

ESSA adds school-level financial reporting

Federal law passed in 2015 to replace No Child Left Behind - The Financial Transparency Component requires that beginning with the 2018-2019 School Year:

“(C) MINIMUM REQUIREMENTS.—Each **State report card** required under this subsection shall include the following information:

...

(x) 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.”

Source: S.1177 — 114th Congress.



Opportunity for Advocacy

“For the *first time*, ESSA requires all districts to report per-pupil expenditure data at not only the district level but also at the school level, disaggregated by source of funds, beginning with school year 2018-19 data.”

This reporting will give the state, districts, and local communities an *unprecedented opportunity to assess, celebrate, and advocate for improved equity in funding between individual schools* and to better understand the relationship between student outcomes and financial investments.”

Clearer financial data, coupled with a strong understanding of context, will allow leaders to make data-driven decisions for the benefit of children.

Primary Goals of ESSA

K-8 Schools:

3rd grade students reading at/above grade level.

K-8 Schools:

5th grade students meet or exceed expectations in math

High School:

9th grade students are on track to graduate with cohort.

High School:

Students graduate from high school ready for college and career.

Financial Transparency Logic Model

What is the theory that greater transparency in funding at the school level leads to greater equity and excellence?



*Parents, community members, teachers, principals, district staff, others?



ESSA's fiscal transparency requirement raises both technical and strategic questions:

Technical Questions:

- What funds' expenditures should be excluded from your dollar per pupil calculation?
- How should you treat spending at schools that are reported on central budgets?

Strategic Questions:

- What drives funding variation across schools in your district?
- How are other types of resources distributed across schools and students?
- How do resources at schools shape the student experience?

Define your Data Strategy

ISBE Guidance: What's in...what's out?

<https://www.isbe.net/Pages/site-based-expenditure.aspx>


Home > Support & Accountability > Site-Based Expenditure Reporting

SUPPORT & ACCOUNTABILITY

Site-Based Expenditure Reporting

SUPPORT & ACCOUNTABILITY

SITE-BASED EXPENDITURE REPORTING



The Every Students Succeeds Act contains a short but significant provision requiring LEAs to report not only district-level expenditure data but also, for the first time, school-level expenditure data. This reporting will begin with FY19 data and will be reported on the Illinois Report Card. LEAs are required to report actual personnel and non-personnel expenditures of both site-specific and district centralized expenditures. Expenditures will be shown at the site level and must be disaggregated by source of funds (federal vs. state/local).

- Site-Based Expenditure Reporting Guidance

What's New?

- Excluded Expenditures - Webinar for District Leaders, 01/07/2019
 - Excluded Expenditures - Webinar Slides, 01/07/2019
- Overview for Commission-Authorized Charter Schools, 11/14/18

RESOURCES FOR DISTRICT LEADERS

What is Site-Based Expenditure Reporting?

How do I implement Site-Based Expenditure Reporting?

Archived Resources

RESOURCES FOR OTHER AUDIENCES

What should non-district leaders know about Site-Based Expenditure Reporting?

- **Awareness**
- **Student Counts**
- **Special Circumstances**
- **Exclusions**
- **Allocations**

The Reporting Framework...

Per-Pupil Expenditures for each school:

A

Site-Level
\$ Expenditures



Site's Share of District
Centralized \$
Expenditures

B

Numerator

\$ Expenditures must be disaggregated by
source of funds (Federal, State/Local)

Number of School Site Students

C

Denominator

		Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures				
Sites	Enrollment	State and			State and			State and			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		
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		
MS1	250	\$320	\$5,356	\$5,676	\$361	\$3,499	\$3,861	\$681	\$8,855	\$9,536		
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

C

A / C

B / C

(A+B)/ C

D

Site-Based Per-pupil Results



Are you prepared to tell this story?

		Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures				
Sites	Enrollment	State and			State and			State and			Total	
		Federal	Local	Subtotal	Federal	Local	Subtotal	Federal	Local	Total	Exclusions	Expenditures
010 Washington	355	\$ -	\$ 7,082	\$ 7,082	\$ 125	\$ 7,450	\$ 7,575	\$ 125	\$ 14,532	\$ 14,657		
020 Lincoln	828	\$ -	\$ 6,243	\$ 6,243	\$ 111	\$ 7,211	\$ 7,322	\$ 111	\$ 13,454	\$ 13,565		
030 Madison	596	\$ -	\$ 6,559	\$ 6,559	\$ 120	\$ 7,822	\$ 7,942	\$ 120	\$ 14,381	\$ 14,501		
040 Roosevelt	382	\$ -	\$ 9,202	\$ 9,202	\$ 129	\$ 7,982	\$ 8,111	\$ 129	\$ 17,184	\$ 17,313		
050 Eisenhower	307	\$ -	\$ 7,336	\$ 7,336	\$ 135	\$ 8,056	\$ 8,191	\$ 135	\$ 15,392	\$ 15,527		
060 Franklin	595	\$ 184	\$ 7,730	\$ 7,914	\$ 114	\$ 7,148	\$ 7,262	\$ 298	\$ 14,878	\$ 15,175		
070 Wilson	727	\$ 441	\$ 6,624	\$ 7,066	\$ 107	\$ 6,611	\$ 6,717	\$ 548	\$ 13,235	\$ 13,783		
080 Jefferson	336	\$ -	\$ 7,674	\$ 7,674	\$ 131	\$ 7,853	\$ 7,984	\$ 131	\$ 15,527	\$ 15,658		
090 Kennedy	426	\$ -	\$ 6,442	\$ 6,442	\$ 121	\$ 7,307	\$ 7,428	\$ 121	\$ 13,750	\$ 13,871		
100 Adams	393	\$ -	\$ 7,022	\$ 7,022	\$ 123	\$ 7,308	\$ 7,431	\$ 123	\$ 14,329	\$ 14,452		
110 Monroe	400	\$ -	\$ 7,811	\$ 7,811	\$ 124	\$ 7,479	\$ 7,602	\$ 124	\$ 15,289	\$ 15,413		
120 Harrison	535	\$ 103	\$ 3,027	\$ 3,130	\$ 112	\$ 6,757	\$ 6,870	\$ 216	\$ 9,785	\$ 10,000		
Totals:	5,880	\$ 83	\$ 6,735	\$ 6,817	\$ 119	\$ 7,328	\$ 7,447	\$ 201	\$ 14,063	\$ 14,264	\$ 11,611,248	\$ 95,484,055

A photograph of several students in a classroom, focused on their work. Some are looking at laptops, while others are writing in notebooks. The image is partially obscured by the title and the list of questions.

Story starters...

- Describe your district: Size, demographics, program, achievement, outcomes, access to high-quality teachers, etc.
- What will be the key drivers of site based \$ variations across your schools?
- How are other types of resources distributed across schools and students?
- How do resources at schools shape the student experience?

Typical Drivers of School Spending Variation

Student Need	District Strategy	Unplanned
Special Education \$\$\$	School Level \$	Enrollment/ School Size \$\$\$
English Language Learners \$\$	School Type \$	Building Utilization \$
Economic Disadvantage \$\$	School opening/ closure – transition cost \$	Teacher Compensation \$
Other Student Needs \$		Enrollment Projections \$
		Ad-hoc exceptions \$



What is your communication strategy?

Key Goals:

- Opportunity to improve transparency and equity.
- Effectively communicate your ESSA site-based reporting results to all stakeholders.
- Develop next step actions if necessary

Analysis:

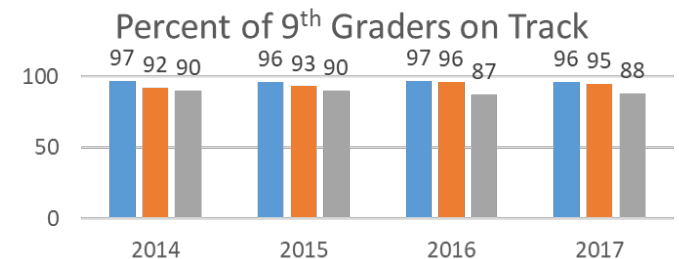
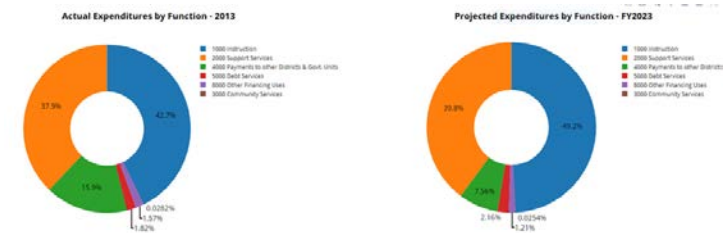
- Facilitate early exploration of your site-based expenditures.
 - What, approximately, has your district been spending by site?
- Differences (or variations) in per-pupil spending are not necessarily a bad thing
 - No two children are the same; so no two children require the same resources.
 - Districts must engage the data to find out if differences are tied to student need.
 - Cross-functional teams (Financial and programmatic leadership)
- Develop a written summary of findings



What is your communication strategy?

Actions:

- Are there are any intentional changes you may want to make before budget season concludes?
- Reconcile analysis with allocation methodology (Academics – Financial).
- Connect the dollars to the strategy
- Craft the narrative (control the message) – “Picture and a Plan”
 - State Report Card being finalized
 - Provides for a District narrative
 - Visualization of your results
 - » Student Demographics/Need



Implementation:

- District leadership
- Board
- Parents
- Community



Action Considerations

- Early Exploration of results facilitates a “Playing Offense” strategy vs. “Defensive” strategy
- Articulate your district’s methodology for assigning resources to schools
- Assess implementation reliability (does the methodology match actual per-pupil spending)
 - Staffing: Rules drive allocation of FTEs and discretionary dollars to schools
 - Business rules (i.e. one assistant principal for every XXX students)
 - Weighted: Base funding and weights drive allocation of resources to schools, from which FTEs and discretionary dollars are determined
 - Base dollar amounts and weights: Base weight of 1.0 which equals \$X,XXX for each student and poverty weight of 0.5 which equals \$X,XXX in additional funding per eligible student
 - Combination: Staffing rules and weights determine resource allocation Business rules, base dollar amounts, weights



Implementation Considerations

Communicating with your Board

- Your board should be a key part of your communications plan. Equip members with tools to educate their constituents.
- Explain per-pupil variations with context
- Outline plan; emphasize link to mission
- Present allocation methodology
- Provide school-level insights



Implementation Considerations

Communicating with Parents

- Cohesive messaging:
 - Transparent reporting + context
 - Focus on best interest of students
- Controlling the message:
 - *“For the first time, XYZ District’s per-pupil spending will be available in Illinois state’s school-level report cards as required by federal regulations in the Every Student Succeeds Act (ESSA). XYZ District embraces this movement toward fiscal transparency and aims to capitalize on the new reporting requirement by adapting its school funding model to advance resource equity for children in the district’s schools.”*
 - *“Variations in per-pupil spending are a sign of a healthy school budgeting approach —funding equality does not account for the reality of differences in student need. An equity-forward school funding model ensures that student-level funding differences are intentional, aligned to the district’s strategic goals, and in the best interest of the students.”*



Implementation Considerations



Communicating with your Community

- Simplify your message – a few charts, and bullet points for a main takeaway
- Meet your audience where they are
- Provide context around key variables
- Spreadsheets don't always communicate effectively in presentations

Communication Plan Focus

- **Timing:** Engage Early
- **Results:** Know your data and anticipate challenges
- **Narrative:** Craft the narrative – “Tell your story”
- **Visuals:** Create visualizations (Charts) that effectively communicate:
 - Your Allocation Methodology
 - Per pupil rates
 - Context around the key drivers behind variations in per pupil spending
- **District Leadership:** Present your per pupil rates and narrative to your Superintendent and Cabinet level administration
 - If there are unanticipated or poor quality drivers behind per pupil rate variations, discuss plans with your leadership team for correcting the inequities if possible.
- **School Performance:** pay close attention to schools performing below average
- **Mission:** Connect spending to overall district strategy

Begin Preparing for next year's per-pupil reporting

- Site-level Expenditure Budgeting – School Year 2019-2020
- Site's share of District Centralized Expenditures
- Budget as much as possible at the school level, especially salaries
- Ensure that account codes align with required mapping to state categories
- Tag and identify ways to easily map back to centralized expenses
- How will budget methodology/allocations (actuals) compare or change for 2019-2020?
- Ensure that your budget managers/business office staff are recording actual expenditures where they are taking place

Questions and Answers

We thank you for your time!

Presenters:

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