



Illinois State Board of Education

ISBE Site-Based Expenditure Reporting

Reporting Guidance Overview

February 2, 2018

Introductions & Goals



Introductions

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- Robert Wolfe, Chief Financial Officer, ISBE
- Deb Vespa, School Business Services Division Administrator, ISBE
- Sara R. Shaw, Senior Manager, Fiscal and Academic Solvency, ISBE
- Dr. Jon Bartelt, Superintendent, Bloomingdale School District 13
- Dr. Lindsey Hall, Superintendent, Mahomet-Seymour CUSD 3
- Dr. P. Mark Twomey, Superintendent, Macomb School District 185
- Katie Morrison-Reed, Director, Afton Partners
- Carrie Stewart, Managing Director, Afton Partners

Today's Discussion on School Site-Based Expenditure Reporting

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- Reminders from our November Introductory Overview
- Overview of Guidance for Site-Based Expenditure Reporting
- What to Expect Next
- Next Steps

What is Site-Based Expenditure Reporting? Why are we doing this? Why now?

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

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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.”



Site-Based Expenditure Reporting fits into statewide education goals and initiatives

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- *Illinois Data FIRST grant*: includes site-based expenditure reporting and the educator dashboard Ed 360
- *ESSA State Plan*: Whole child – whole school – whole community and IL-EMPOWER
- *Evidence-Based Funding*: new funds, mindsets of equity & adequacy, annual spending plans
- *Fiscal and Academic Solvency*

Site-Based Expenditure Reporting is NOT...

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NOT – a requirement under evidence-based funding (EBF)

- It is an ESSA requirement.

NOT – a requirement of how to spend your EBF funds

- If useful as a paradigm, it is an optional way to think about your EBF funds.

NOT – a requirement to use school-based accounting for your internal systems

- You may find school-based accounting makes the reporting easier, but that is your choice. Our priority was to get you all information before budgeting season to give you that option should you take it.

NOT – a requirement that leads to prescriptive reporting akin to “function/object codes by location, on steroids”

- While most costs will need to be assigned to a site, districts have significant flexibility in choosing how to most fairly make those assignments.

What is ISBE's approach to Site-Based Expenditure Reporting? Where are we in the process?

ISBE's plan for SY2018-19 has been developed with the input of an Advisory Group

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Reporting requirements and the timeline for implementation (SY18-19) **will present challenges and opportunities**

To ensure that challenges are appropriately considered in the transition process, ISBE convened a **Site-Based Expenditure Reporting Advisory Group**

Together with ISBE and facilitators, this Advisory Group is building a **multi-year implementation plan, guidance, and training** to support LEAs and other reporting entities in the transition to site-based expenditure reporting

A key component of Year 1 implementation planning – **Guidance** – has been published and will be reviewed today

Advisory Group Members

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- Dave Ardrey – executive director, Association of Illinois Rural and Small Schools
- Jon Bartelt – superintendent, Bloomingdale SD 13
- Michael Bradley – chief financial officer, ACERO Schools
- Nick Cavaliere – certified public accountant, Baker/Tilly
- Brent Clark – executive director, Illinois Association of School Administrators
- John Correll – superintendent, Salt Creek SD 48
- Brad Cox – superintendent, Erie CUSD 1
- Mark Doan – superintendent, Effingham Unit SD 40
- Roger Eddy – executive director, Illinois Association of School Boards
- Bob Green – superintendent, Collinsville CUSD 10
- Rich Haglund – chief operating officer, Illinois Network of Charter Schools
- Lindsey Hall – superintendent, Mahomet-Seymour CUSD 3
- Susan Harkin – chief operating officer and chief school business official, District 300
- Michael Jacoby – executive director, Illinois Association of School Business Officials
- Mark Jontry – president, Illinois Association of Regional Superintendents of School; regional superintendent of schools, Regional Office of Education 17
- Joseph McDonnell – treasurer, Bremen Township School Treasurer’s Office
- Cameron Mock – director of fiscal policy and analysis, Chicago Public Schools
- Ginger Ostro – executive director, Advance Illinois
- Dean Romano – chief operating officer and chief school business official, Yorkville CUSD 115
- Diane Rutledge – executive director, Large Unit District Association
- Lisa Schuchart – commissioner, Illinois State Charter School Commission
- Edwin Shoemate – superintendent, Cobden Unit SD 17; president-elect, Board of Association of Illinois Rural and Small Schools
- Mark Twomey – superintendent, Macomb CUSD 185
- Steve Webb – superintendent, Goreville CUSD 1
- Dave Wood – chief financial officer, Bloomington SD 87

Key Components of the Advisory Group's Value Proposition for Site-Based Expenditure Reporting

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- **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

Goal = Productive local dialogue about resource allocation
This is explicitly NOT a state accountability measure

Advisory Group's Guiding Principles for Year 1 Implementation

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“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

Guidance adhering to these principles is now available



Overview of Guidance for Site-Based Expenditure Reporting

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

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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”

1. What entities must report? For what students?

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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?

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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

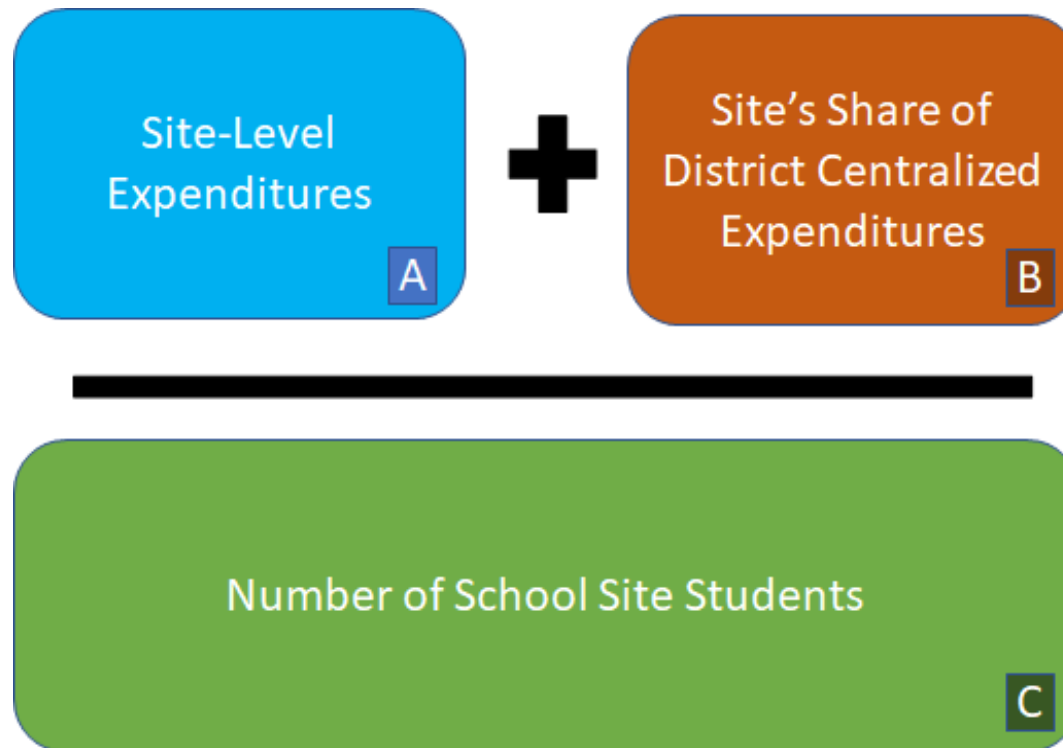
- The LEA providing education services to a student; services may be provided to both resident and non-resident students

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

2. What does the reporting look like?

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Per-pupil expenditures reported for each School shall comprise:



2. What does the reporting look like?

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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)

		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	

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?

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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

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

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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

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

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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?

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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.

What can you expect next?

Key Milestones

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Milestone	Dates
Implementation trainings and webinar series begin	February 2, 2018
IASA Regional Workshops on ESSA	February 2018
IASA “Tell Your Story” / EBF Workshops	March 2018
FY19 begins, prepared for site-based expenditure reporting	July 1, 2018
Site-based expenditure reporting due to ISBE	Summer – Fall 2019 (post-FY19)

Work ahead for ISBE & the Advisory Group

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1. Training

- a. **Calculations & Report Development** – webinar and in-person training series will provide thorough reporting guidance instruction
- b. **Effective Data Usage & Communications** - focus will be on how to use these data effectively in school districts and with stakeholders

2. Data Collection Tool – simple process to submit this reporting to ISBE (likely in IWAS)

3. Data Visualization – per federal law, it is envisioned that this reporting will be on school report cards. We will have a state-wide working group to determine how the data will be visualized and provide updates as this work progresses

Examples of Future Training from ISBE

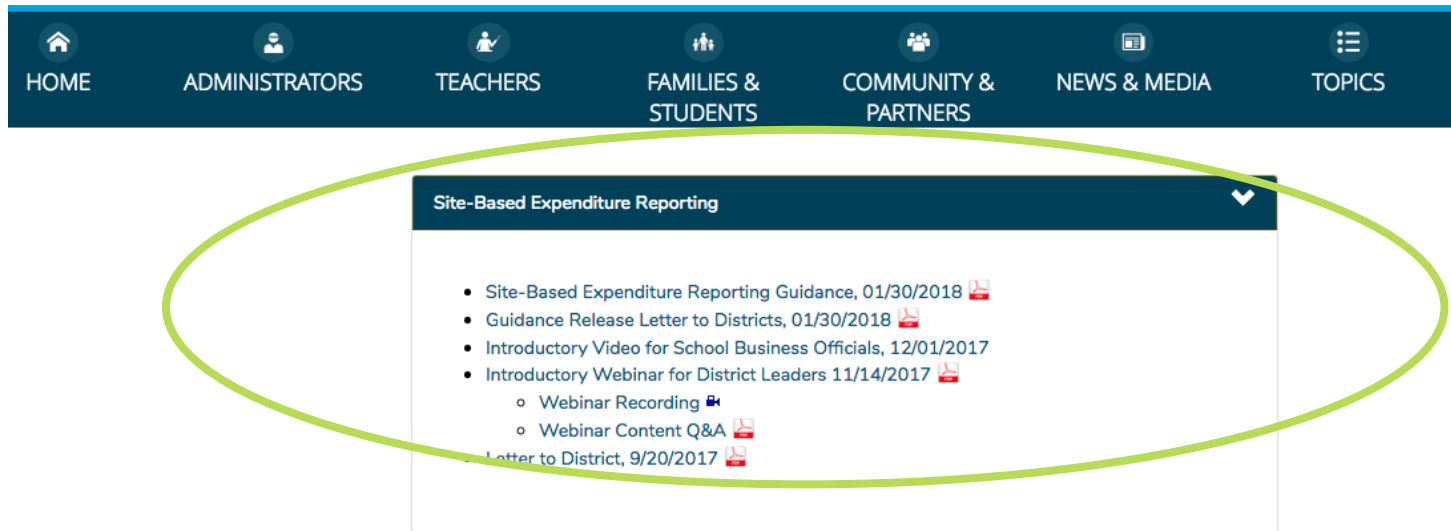
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- **Beginning to Prepare:** What can you do now to prepare for this reporting?
- **Calculating Per-Pupil Site-Based Expenditures:** In-depth explanation of key components of the guidance document: what expenditures must be included? What expenditures should be excluded? What student count should be used?
- **Focused Short Webinars on Special Circumstances:**
 - Students educated outside the district
 - Charter schools
 - Pre-Kindergarten
 - Others determined as LEAs raise questions on the reporting guidance
- **Example Reporting Development Walkthrough:** Case study on the development of reporting from raw dataset through reporting completion

Where can you go for more information?

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



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Advisory Group members in today's panel:

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- Dr. P. Mark Twomey – twomeym@mcusd185.org



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Please Raise Your Hand For Questions & Clarifications

**Any written questions will be answered in a
document that will be publicly posted at
<https://www.isbe.net/essa>
in the week following this session.**

**You may also provide written comments in the
comment box.**