



# Illinois State Board of Education

## ISBE Site-Based Expenditure Reporting

*Reporting for Charter Schools Authorized by LEAs*

May 14, 2018

# Today's Discussion on Reporting for Charter Schools Authorized by LEAs

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- **Overview** of Site-Based Expenditure Reporting
- Specific **requirements associated with charter schools** and implications on district reporting
- **Suggested timeline** for charter school communications



# Introductions

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- **Robert Wolfe**, Chief Financial Officer, ISBE
- **Deb Vespa**, Division Administrator, School Business Services, ISBE
- **Sara R. Shaw**, Senior Manager, Fiscal and Academic Solvency, ISBE
- **Carrie Stewart**, Managing Director, Afton Partners
- **Participating Districts**

# Site-Based Expenditure Reporting Overview



## 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.”*



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

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

# Key Components of the Advisory Group's Value Proposition

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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*



# 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

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



## With the input of the Advisory Group, ISBE issued a Site-Based Expenditure Reporting guidance document in January 2018, available at [www.isbe.net/essa](http://www.isbe.net/essa)

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This guidance provides general instructions on how to meet the reporting requirement and answers the following questions:

1. What does the reporting look like?
2. Which entities must report?
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?
6. What are alternatives and recommendations for handling centralized expenditures?

## Data table that will be collected from LEAs

| Sites        | Student Count | Site-Level Per-Pupil Expenditures |                 |          | District Centralized Per-Pupil Expenditures |                 |          | Total Per-Pupil Expenditures |                 |          | Exclusions  | Total Expenditures |
|--------------|---------------|-----------------------------------|-----------------|----------|---|-----------------|----------|------------------------------|-----------------|----------|-------------|--------------------|
|              |               | Federal                           | State and Local | Subtotal | Federal                                     | State and Local | Subtotal | Federal                      | State and 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  |             |                    |
| Charter ES   | 250           | \$634                             | \$7,563         | \$8,197  | \$127                                       | \$986           | \$1,113  | \$761                        | \$8,549         | \$9,310  |             |                    |
| 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 |             |                    |
| <b>Total</b> | 1,170         | \$439                             | \$6,313         | \$6,752  | \$370                                       | \$2,620         | \$2,990  | \$809                        | \$8,933         | \$9,742  | \$2,330,361 | \$13,728,071       |

C

A / C

B / C

(A+B) / C

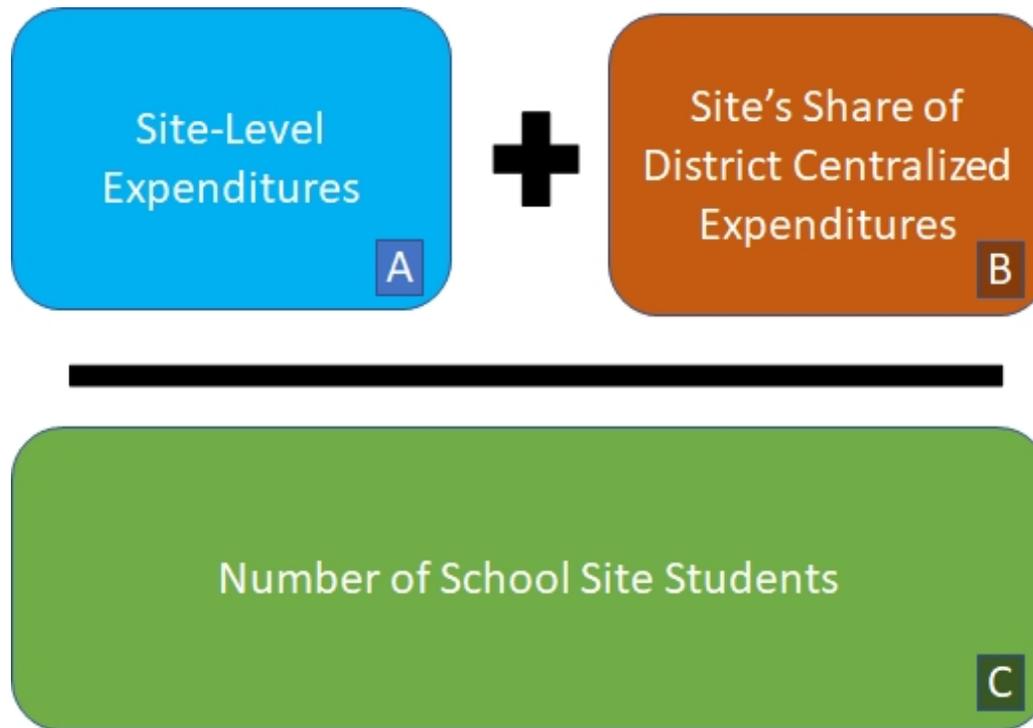
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Based on input from the Advisory Group, this level of reporting detail will be the only mandated collection for Year 1, along with notation of allocation methodologies

# This is the calculation of total per-pupil expenditures for a given school site

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Per-pupil expenditures reported for each school shall comprise:



# Reporting Timeline

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| Milestone   | Dates                |
|---|----------------------|
| Guidance Released   | January 29, 2018     |
| IASA Webinar & IASBO Video & Webinars on Guidance         | February 2018        |
| Training on calculations and data usage                   | March 2018 & ongoing |
| Data collection process determined                        | March 2018 & ongoing |
| Data visualization determined                             | To begin Summer 2018 |
| FY19 begins, prepare for site-based expenditure reporting | July 1, 2018         |
| Pilot district data collection in IWAS                    | Jan-Mar 2019         |
| Statewide data collection tool training                   | Apr-June 2019        |
| Site-based expenditure reporting due to ISBE              | Summer / Fall 2019   |



# Charter School Reporting Requirements



# How should charter schools be reported?

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Charter schools should be reported ***as a site within a District***, just like every other school in a district

Charter school operators that operate multiple sites must have ***each charter school site*** reported individually

Note that we are referring today to charters authorized by the District LEA; State Commission-authorized charters are their own entity for this reporting



# How should charter schools be reported?

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| Charter ES   | 250           | \$634                             | \$7,563         | \$8,197  | \$127                                       | \$986           | \$1,113  | \$761                        | \$8,549         | <b>\$9,310</b>  |                    |                     |
| MS1          | 250           | \$320                             | \$5,356         | \$5,676  | \$361                                       | \$3,499         | \$3,861  | \$681                        | \$8,855         | <b>\$9,536</b>  |                    |                     |
| HS1          | 320           | \$458                             | \$6,910         | \$7,368  | \$371                                       | \$2,919         | \$3,290  | \$829                        | \$9,829         | <b>\$10,658</b> |                    |                     |
| <b>Total</b> | 1,170         | \$439                             | \$6,313         | \$6,752  | \$370                                       | \$2,620         | \$2,990  | \$809                        | \$8,933         | <b>\$9,742</b>  | <b>\$2,330,361</b> | <b>\$13,728,071</b> |



As shown in the reporting table above, charters are their own site(s) within District Reporting. Charter schools must be reported as individual schools, not as a network.

# How should charter school expenditures be calculated?

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Charters provide all site-level expenditures aligned with Guidance Document requirements

A multi-site charter network will have its own “centralized costs.” Include them in the “Site-Level” costs of the district’s report on the school.

Therefore, multi-site charter operators will have to allocate their own centralized costs to each of their sites

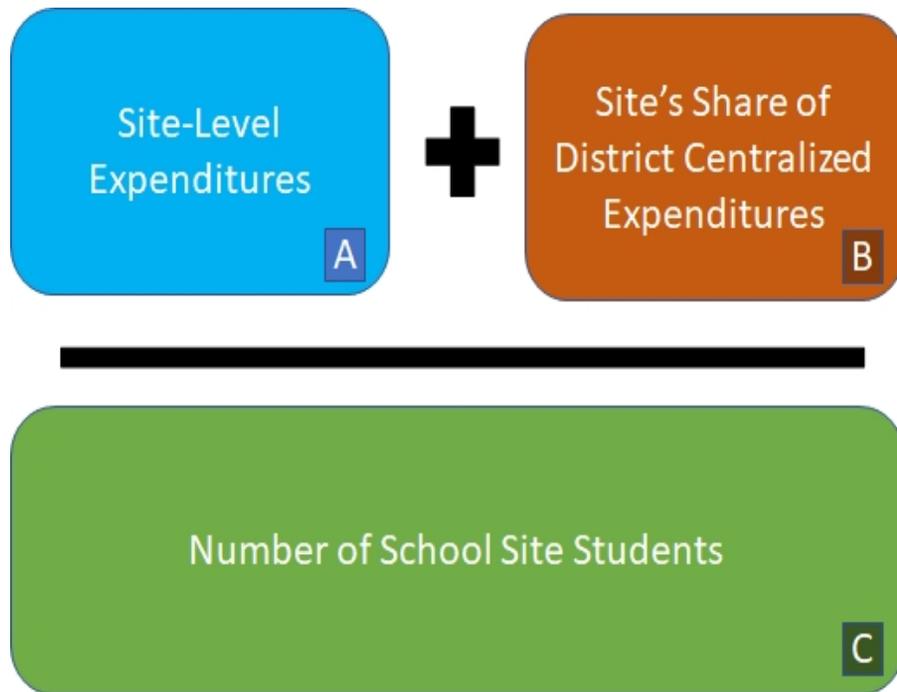
District costs incurred for overseeing and supporting charters will be treated at the district’s discretion

LEAs should entirely exclude Tuition Payments to Charter Schools from this Reporting, as well as any pass-through funding (e.g. Title funds, Medicaid)



# How should charter school expenditures be calculated?

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**A** Actual personnel and non-personnel expenditures assigned to the school, plus network costs (if applicable)

**B** Any LEA costs incurred from overseeing and supporting the charter school (e.g. admin supports, in-kind services) that LEA considers a centralized expenditure

**C** Number of School Site Students: follows Reporting Guidance methodology

Remember, A and B must be disaggregated by source of funding

# What exactly do charters need to provide? What data does the LEA provide?

| Sites        | Student Count | Site-Level Per-Pupil Expenditures |         |          | District Centralized Per-Pupil Expenditures |         |          | Total Per-Pupil Expenditures |          |          | Exclusions  | Total Expenditures |
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| <b>Total</b> | 1,170         | \$439                             | \$6,752 | \$6,752  | \$370                                       | \$2,620 | \$2,990  | \$809                        | \$8,933  | \$9,742  | \$2,330,361 | \$13,728,071       |

Site-level per-pupil expenditures, including school expenditures and network costs allocated to the site. These data should **exclude exclusions** per the Reporting Guidance and be **disaggregated by source of funds**.

# What exactly do charters need to provide? What data does the LEA provide?

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District Centralized Per-Pupil Expenditures will be determined by the LEA. In many cases, they likely are **LEA costs associated with oversight and support of the charter school**. These amounts are determined through the normal central cost allocation process (e.g., what schools benefit from which central costs?)

# What exactly do charters need to provide? What data does the LEA provide?

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Per Reporting Guidance, **LEA Tuition Payments to Charter Schools** are considered an “Exclusion”

## Pulse Check...

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What challenges do you foresee in completing this reporting, as it pertains to charter schools?

What opportunities might this reporting provide?

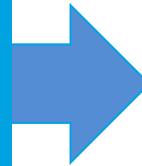
What support may be helpful, and from whom?

What other questions do you have?

# What are the implications for District Reporting?

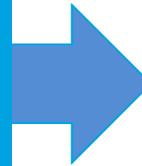
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Charters provide all expenditures aligned with Guidance Document requirements



Districts therefore exclude tuition payment from their expenditures, and in place of that, report charter expenditures. *This is significantly different from the District's AFR.*

A CMO's network costs will be in the "Site-Level" costs. LEAs will determine where to represent their costs incurred for overseeing and supporting charters, following the Guidance Document.



1. Centralized expenditures for charters may appear smaller since charter administrative costs are reported at the site level
2. Charter networks will need to do their own allocation of network expenditures to their sites

Other implications to consider?



# What other questions might you have considering the data table including the charter school below?

| Sites        | Student Count | Site-Level Per-Pupil Expenditures |         |          | District Centralized Per-Pupil Expenditures |         |          | Total Per-Pupil Expenditures |          |          | Exclusions  | Total Expenditures |
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# Suggested Charter School Communications



# Charter schools authorized by LEAs will need communication from your LEA – the sooner the better for your reporting

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May 2018

- Convene charter representatives to explain this reporting initiative and to explore data collection possibilities
- Work through data collection criteria with charter schools

June 2018

- Finalize data collection criteria with the charter schools

July 2018

- FY19 begins

Summer 2019

- Collect data from charters
- Include charter schools in communications planning

Fall 2019

- Create reporting in alignment with Reporting Guidance
- Include charter schools in communications



# Where can you go for more information?

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<https://www.isbe.net/essa> - We will upload these slides and this Q&A



## For Further Clarifications

ISBE contact: Sara Shaw – [sshaw@isbe.net](mailto:sshaw@isbe.net)



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**Thank you!**

