



Illinois State Board of Education

Every Student Succeeds Act Site-Based Expenditure Reporting Guidance

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Whole Child • Whole School • Whole Community

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Guidance for Site-Based Expenditure Reporting, version 2.0

April 23, 2019 (revised from original January 30, 2018 release)

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Introduction

The Every Student Succeeds Act (ESSA) requires all states to begin site-based expenditure reporting. Illinois, with its equity-based ESSA State Plan and Evidence-Based Funding formula, is uniquely positioned to take advantage of the opportunity that the requirement represents to better coordinate our funding and school support systems, treating schools and students holistically.

All Local Education Agencies (LEAs) and other “Reporting Entities” as defined later in this guidance will report per-pupil expenditure data at the school level, including allocations of central expenditures to schools, disaggregated by source of funds, beginning with school year 2018-19 data. This reporting will give LEAs and local communities an unprecedented opportunity to assess, affirm, and advocate for improved equity within school districts and to better understand the relationship between student outcomes and financial investments. This reporting is not intended to be used for state accountability purposes; rather, ISBE expects the resulting data to be used at the local level to inform decision-making while also meeting federal requirements. Clearer financial data, coupled with a strong understanding of other data like school demographics and student outcomes, will allow leaders to make more data-driven decisions for the benefit of children.

The Illinois State Board of Education (ISBE) recognizes that this new requirement and the timeline for implementation will present both opportunities and challenges for different LEAs and schools. The purpose of this document is to provide LEAs and other Reporting Entities with **guidelines** for fulfilling this site-based expenditure reporting requirement. Undergirding these guidelines is a core belief that districts themselves are in the best position to know their own data. This belief is most notably present in the guidance regarding centralized expenditures. Most district centralized expenditures must be allocated to school per-pupil expenditure totals, as will be further explained later in this document. For decisions about *how* to allocate centralized expenditures, however, ISBE chooses to limit mandates and instead positions districts to make their own expenditure allocation decisions, which will ultimately reflect each district’s resource allocation more accurately and meaningfully. At the same time, ISBE recognizes that districts may want state support to guide them through the possible allocation decisions. This guidance document includes suggestions in the Appendix for Reporting Entities that seek recommended practices on allocating centralized expenditures to schools.

Site-based expenditure reports will be submitted to ISBE beginning on July 1, 2019. ISBE in turn will post data to the Illinois Report Card to meet ESSA reporting requirements. All data will be posted to the Report Card released in the fall following the end of the fiscal year, beginning with 2018-19 expenditure data reporting on the Report Card (or in an update to the Report Card) released on October 30, 2019. ISBE recognizes that this timeline requires expenditure reporting to be completed using interim, unaudited, year-end financial data. Furthermore, ISBE recognizes that Reporting Entities will need to report using the accounting basis in each LEA’s internal accounting system. Reporting collection will be completed through a new application in the ISBE Web Application Security (IWAS) system. Detailed information about the submission process will be available before the summer of 2019. ISBE understands that there is other reporting that districts provide to ISBE and the federal government (Annual Financial Reports, supplement not supplant, comparability, and Maintenance of Effort, among

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others). This reporting is separate and is for a different purpose than those reporting requirements. Every effort has been made to first utilize existing data, if possible.

Additionally, while this guidance pertains to the methodology required to account for and calculate site-based expenditures, ISBE recognizes that LEAs and other Reporting Entities will also require support in interpreting, communicating, and acting upon the reporting outputs. Training opportunities are currently available and will be updated throughout the year. Current and future resources can be found at www.isbe.net/site-based. Questions still remaining after review of resources can be directed to site-based@isbe.net.

What's New for Guidance 2.0?

Readers familiar with the original guidance published in January 2018 will find little in Guidance 2.0 that contradicts the original guidance published in January 2018. Guidance 2.0 instead clarifies multiple areas based on feedback from district preparation and implementation. Among other items, Guidance 2.0:

- Clarifies the definition of a “site” (see page 5)
- Includes School District 428 as a Reporting Entity (see page 5)
- Excludes the Illinois Center for Rehabilitation and Education, Regional Safe Schools, Alternative Learning Opportunities Program, Truants’ Alternative and Optional Education Programs from reporting as Reporting Entities for fiscal year 2019. See page 5 for notes about reporting students attending those programs.
- Adds exclusions related to administrative fees for charter schools authorized by LEAs, depreciation, and certain reimbursable expenditures (see pages 7 and 10)
- Offers a recommendation for single-site LEAs distinguishing between site-level and centralized expenditures (see page 8)
- Addresses expenditures funded by federal reimbursements (see pages 8-9)
- Clarifies student count for students who attend school on less than a full-time basis (see page 9)
- Provides additional guidance for State Commission-authorized charter schools (see page 10)
- Provides additional guidance for reporting students served outside the district (outplacements) (see page 10)
- Adds guidance for reporting students whose home schools have been deactivated (see page 11)
- Adds guidance for reporting tuition-in students, whose families or other private entities pay tuition (see page 11)
- Add guidance for reporting students served in county juvenile detention centers (see page 11)
- Clarifies the treatment of prekindergarten related to student count and tuition (see pages 11-12)

Site-Based Reporting Entities

For the purposes of site-based per-pupil expenditure reporting, the following definitions apply:

- *Student*: Any child age 3 through 21 in grades prekindergarten* through 12 served by an Illinois public education institution or placed in a private facility by a public education institution.

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- *School / Site*: Any public education institution within an Illinois LEA or school district that serves students in grades prekindergarten* through 12. (This includes different kinds of schools within an LEA, such as charter schools.)
 - As a general rule, a “site” typically has a unique Region County District Type School (RCDS) code. For example, if an LEA has only one building but two schools with RCDS codes within that building, the LEA must report two “sites.” Likewise, if one school with a single RCDS code is housed in multiple buildings, there is only one “site.”
- *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 broadly to students ages 3-5 for whom a district incurs costs for educational services provided, inclusive of prekindergarten (pre-K) and early childhood education.*

A school district is considered a Reporting Entity for this reporting if it is a Local Education Agency that serves or places at least one student during the school year for which the expenditure data is collected and reported. This criterion includes single-site LEAs and deactivated LEAs. Other institutions that are considered Reporting Entities include School District 428, operated by the Illinois Department of Juvenile Justice, and charter schools authorized by the Illinois State Charter School Commission. (Note: All charter schools authorized under a district LEA will be reported under the district LEA.)

For Year 1, the following entities will not be required to provide site-based expenditure reporting:

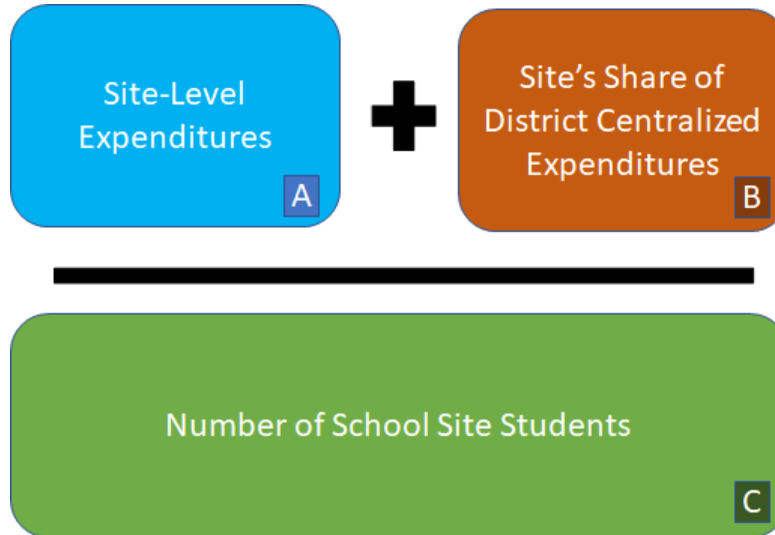
- Cooperatives. (These students shall be reported by their Home LEA; see *Students Served Outside the District [Outplacements]* on page 10. This exclusion applies to special education cooperatives, vocational education cooperatives, and any other similar cooperative arrangement.)
- Laboratory schools
- Illinois School for the Deaf
- Illinois School for the Visually Impaired
- Illinois Math and Science Academy
- Philip J. Rock Center and School
- Illinois Center for Rehabilitation and Education
- Regional Safe Schools (RSS)
- Alternative Learning Opportunities Program (ALOP)
- Truants’ Alternative and Optional Education Program (TAOEP)

Note: Although RSS, ALOP, and TAOEP are not Reporting Entities, students participating in these programs should be included in reporting along with the associated expenditures incurred by those students’ Home LEAs according to the same rules laid out elsewhere in this guidance. These students will likely be reported as outplacements, but the Home LEA may use professional judgement on the appropriate reporting based on local program context.

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Site-Based Expenditure Reporting Framework

Per-pupil expenditures reported for each school shall comprise:



Importantly, per ESSA, Sections A and B must be disaggregated by source of funds – federal vs. state/local (with state and local combined). Privately funded expenditures, such as philanthropically funded expenditures, should be included in the state/local category. The format for site-based expenditure reporting and the anticipated data collection table through IWAS is as follows:

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		
ES2	250	\$231	\$5,445	\$5,676	\$457	\$3,905	\$4,362	\$688	\$9,350	\$10,038		
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		
LEA	1,170	\$353	\$5,860	\$6,213	\$440	\$3,244	\$3,684	\$793	\$9,104	\$9,897	\$2,330,361	\$13,910,071



The following guidance is meant to clarify what should be included in each part of the site-level per-pupil expenditure calculation.

Expenditures in the Per-Pupil Numerator (A+B)

All district expenditures, including, but not limited to, personnel costs, transportation, security, administration, and those that are funded privately, should be included in the numerator within either (A) site-level expenditures or (B) the site's proportional share of the district's centralized expenditures.

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Certain expenditures should be excluded from the total expenditures reported, as designated below. The intent behind these exclusions is to:

- Reflect expenditures for pre-K through 12th grade students being served or placed by the Reporting Entity (thereby excluding costs for adult education and community services, for example).
- Reflect expenditures that are largely ongoing, normal course resource allocations (thereby excluding non-education fund capital expenditures and debt service, for example).

The fund, function, and object exclusions below track to current statewide reporting procedures. In cases where LEAs do not follow these procedures precisely, they should apply exclusions according to the intent reflected above and in statewide accounting definitions. As a reminder, the Illinois Administrative Code Part 100 Rules for Accounting, Budgeting, Financial Reporting, and Auditing can be found at <https://www.isbe.net/Documents/100ARK.pdf>. Note that total excluded expenditures must be reported along with total expenditures for the LEA. (See Section D of the sample data table above.)

Exclusions from Total Expenditure Reporting

1. Fund 30: Debt Service Fund
2. Fund 60: Capital Projects Fund
3. Fund 70: Working Cash Fund
4. Fund 90: Fire Prevention and Safety Fund
5. Function 1115: Tuition Payment to Charter Schools. (This tuition payment cost should NOT be considered a centralized district cost allocated to district-run schools since a district-authorized charter school's incurred expenditures will be reported in the charter school's site-based expenditure section. This tuition payment to charters should also be excluded from the grand total of district exclusions to avoid overstatement of total system expenditures.)*
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 and/or Depreciation except for those in Fund 10 (Education), which should be included
11. Legacy Pension Obligations: For any school district with its own pension system outside of the Teachers' Retirement System, legacy pension obligations within such system shall be treated as an exclusion
12. Reimbursable Expenditures in some cases: These expenditures should be excluded only in cases in which the reimbursement is from an LEA that is reporting the expenditure as part of site-based reporting

**See "Special Circumstances" on page 9 of this guidance for further instructions on how to report charter school costs.*

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Site-Level Expenditures (A)

The site-level expenditures (A) in the numerator must include any personnel salaries, benefits, and related costs assigned exclusively to a school and any non-personnel costs specifically attributable to the school. Including these costs at the site level is a federal requirement of ESSA for this reporting. If personnel assigned exclusively to a school are accounted for on central books, their costs must be allocated to the site at which they perform their daily duties for reporting purposes. ISBE recognizes that non-personnel costs reported at the site level may vary from district to district based on the district's accounting and funding allocation methods. ISBE recommends, but does not require, that each school district adjust its accounting procedures to ensure that school-level expenditures, especially personnel exclusive to a site, are accounted for at the location at which they are utilized.

Site's Proportional Share of District's Centralized Expenditures (B)

The proportional share of a district's centralized expenditures (B) in the numerator should represent an allocation of centralized expenditures as a proxy for dollars spent for district centralized services serving each school. The allocation method utilized by Reporting Entities to assign centralized expenditures to their schools shall be determined by the Reporting Entities themselves for reporting year 2018-19. For example, a district may choose to allocate transportation costs to its schools on a per-pupil basis or, alternatively, it may choose to calculate a cost per route and allocate costs to schools based on the routes utilized by each school. As another example, a district with centrally managed special education services (speech-language pathologists, psychologists, etc.) may choose to allocate those service costs to schools on a per-Individualized Education Program (IEP) student basis. It may equally choose to allocate the cost per related service minute at each school, or it may choose to allocate the cost by tracking the time each employee or contractor spends at each school. As part of this reporting, ISBE may ask that Reporting Entities identify the methodology employed for centralized expenditure allocations. The Appendix of this document provides suggestions for Reporting Entities seeking assistance or suggestions on allocation methodologies.

ISBE recognizes that the distinction between centralized expenditures and site-level expenditures may seem arbitrary for single-site LEAs. For single-site LEAs seeking clarity on when expenditures should be considered centralized vs. site-level, ISBE recommends that they consider under what auspices an expenditure is incurred. If an LEA incurs an expenditure *because* it is acting in the capacity of an LEA, then the expenditure could be considered a centralized expenditure. For example, providing board services is a responsibility borne by an LEA rather than by a school, and so board services costs likely belong in the centralized expenditure column.

As the data table on page 6 notes, ***expenditures must be separated between federal and state/local sources of funds***. For example, Title-funded teaching positions must be included as a federal expenditure at the school site at which each position is utilized. ESSA requires this separation. ISBE recognizes that this requirement may prove challenging for LEAs under existing accounting practices. ISBE recommends, but does not require, that each school district adjust its accounting procedures to designate source of funding for expenditures, especially all personnel expenditures and especially federally funded expenditures, to enable disaggregation of funding source in expenditure reporting. For

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expenditures reimbursed by federal funding, where the total amount of reimbursement is not fully known during the reporting year (such as Medicaid and food service reimbursements), it is recommended that LEAs calculate their claims for the year and allocate such amount to the column for federal funds. This calculation may be used as an estimate of the proportion of the expenditure that is federally funded.

Student Count in the School Expenditure Per-Pupil Denominator (C)

For the purposes of determining site-level per-pupil expenditures, Reporting Entities must include every student the school serves in the denominator, except for students being served in the school from outside the district. Students served outside the district should be included in the denominator of a site at the Home LEA, dependent on the allocation methodology chosen by the Reporting Entity for student outplacement costs. See section titled *Students Served Outside the District (Outplacements)* on page 10 for clarification.

Students receiving services for only part of the day shall be counted as proportional students, based on the percent of day attended (PDA) listed in the Student Information System (SIS). Note that this direction is different from the enrollment counts used for the fiscal year 2019 calculations for Evidence-Based Funding. All students who attend school on a full-day basis are counted as 1.0. Also note that while PDA refers to the percent of day attended, it is an enrollment count, not an attendance count.

The average of the enrolled student count (as defined in this section relating to students from or served outside the district) on October 1 and March 1 of the reporting year shall be used.

Special Circumstances

LEAs with Charter Schools within the LEA

Charter schools authorized within an LEA (excluding state-commissioned charters, which are their own LEA) should be reported as LEA school sites. Therefore, LEAs will need to collect expenditure reporting from charter schools in a manner that allows the LEA to report for those schools according to this document's guidance. If the LEA has authorized charter schools that are part of a charter school network, each individual charter school's expenditures must be reported as a separate school site within the LEA. ISBE's guidance for LEAs with charters is:

- Function 1115 (Tuition Payments to Charter Schools) should be excluded entirely. These expenditures should not be included in the summation of excluded costs in the reporting table shown in the "exclusions" column. (See *Total Exclusions and Total Expenditures (D)* on page 12.) Doing so would result in an overstatement of total system-wide expenditures since the charter sites will be reporting their own expenditures of revenue, including of the tuition payments.
- Any other costs that the school district incurs on behalf of or for charter schools (including in-kind) should be excluded from centralized expenditure allocations to district-run schools and included in the district-centralized portion of a charter site's expenditure reporting. For example, if a school district incurs costs for special education services that it provides to the charter school(s), the school district should allocate those costs to the charter school's numerator (B).

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- Charter schools authorized by a district LEA should exclude any authorizer/admin fee in their reported site-level costs to their districts, as the cost of LEA support services should be included in the district's centralized expenditure allocation (B) to the charter(s).
- It is envisioned that all expenditures reported by a charter school will be reported by the school district in the school site-level portion (A) of the numerator, which would include any network office costs that a charter school operator incurs on behalf of its campus(es).

Commission-Authorized Charter Schools

State Commission-authorized charter schools are their own LEAs and therefore must submit their site-based expenditure reporting directly to ISBE. For Commission-authorized charters, it is envisioned that:

- Any costs incurred due to the fact that these sites act as LEAs will be included in the centralized expenditures column (B).
- Any network costs will be included in the centralized costs (B).
- The Commission authorizer fee will be included as a centralized cost (B).
- All other charter expenditures will be included in the school site-level portion (A) of the numerator.

Students Served Outside the District (Outplacements)

Students placed and/or served outside of the Home LEA, regardless of reason (e.g., special education, career tech/vocational education, Regional Safe Schools, Alternative Learning Opportunities Program, deactivated schools, etc.), shall be included in the Home LEA student count, along with associated expenditures so long as the Home LEA incurs expenditures for those students (e.g., tuition, transportation).

LEAs have two options for reporting student count and expenditures associated with students served outside the district.

1. *Separate reporting site*: The LEA may create a separate reporting site for outplacement, which includes the count of students educated outside the district and the expenditures incurred for them, to calculate a per-pupil expenditure for this outplacement "site."
2. *Student count included in home sites; expenditures allocated across all sites or to respective home sites*: The LEA may choose to include the count of students served outside the district in those students' home sites. The expenditures incurred for them will be considered centralized expenditures. The LEA may choose how to allocate the now-centralized cost of outplacements, whether across all sites or to the students' respective home sites.

LEAs may select either methodology with one exception: If an LEA has 10 or fewer students placed outside the district, the LEA must utilize Option 2 above, so as not to provide any potentially identifiable student-specific costs (such as tuition or transportation payments).

LEAs serving students placed from other districts should not report student count or expenditures associated with these students, since the Home LEAs (not the Serving LEAs) are the reporting entities. ISBE recognizes that removing expenditures associated with students placed from another district may be challenging. To accomplish the removal, it is suggested that the Serving LEA exclude expenditures

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equivalent to the revenue received (tuition) for such students from school-level expenditures (A) and exclude these students from the student count (C).

Students whose home schools have been deactivated and are now served outside of the Home LEA will be reported by the Home LEA at a separate reporting site. All students placed out of deactivated schools will be reported together for FY 2019 reporting, regardless of whether they attend the same serving school or different serving schools outside the Home LEA. For example, if LEA X sent half of its students from a deactivated school to LEA Y and half of its students from a deactivated school to LEA Z, LEA X would report both sets of students and their associated expenditures at a single “deactivated placements” reporting site. This separate reporting site would be set up similarly but shown as distinct from Option 2 in *Students Served Outside the District (Outplacements)* on page 10.

Tuition-in students for grades 1 and above, whose families or other private entities pay tuition, may be excluded from reporting entirely. These students are not included in their Home LEA’s reporting (i.e., they are not considered to meet the definition of “outplaced”). These students also do not need to be reported by the serving school. If the Serving LEA excludes the student count, expenditures associated with these students must be excluded by the serving district. Pre-K and kindergarten students whose families pay tuition for all or part of the day, however, should be included, per guidance on prekindergarten. (See pages 11-12.)

Students Placed in County Juvenile Detention Centers

Students placed in county juvenile detention centers are to be reported by the district to which the students are assigned in SIS, which is typically the district in which the detention facility is located. These students are not considered “outplaced,” as their Home LEA is reassigned to be the LEA within which the facility is located upon their detention center placement. Therefore, LEAs should treat the detention facility as a separate site for site-based expenditure reporting, inclusive of student count, site-level expenditures, and any applicable central cost allocations. However, similar to the logic described on page 10 for *Students Served Outside the District (Outplacements)*, if a detention facility has 10 or fewer students, the LEA must instead include student count in the respective students’ home sites (as identified in SIS). In this case, the LEA should allocate expenditures across all sites or to respective home sites so as to not provide any potentially identifiable student-specific costs. (See Option 2 in *Students Served Outside the District (Outplacements)* on page 10.)

Prekindergarten (Pre-K) Sites and Classrooms

Any prekindergarten program for which the Reporting Entity incurs costs is included in site-based expenditure reporting for reporting year 2018-19. ISBE anticipates two primary forms by which a Reporting Entity incurs costs: pre-K centers run by school districts 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 school sites. Expenditures and enrollment associated with pre-K classrooms *within* school sites serving other grade levels should be included like any other school expenditure. Reporting Entities will have the option, but no mandate, to call out their pre-K students and costs as a specific line item within these sites in data collection and reporting.

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Remember that half-day students (including pre-K and kindergarten) should be counted as proportional students based on their percent of day attended (PDA) in SIS. Note that full-day pre-K and kindergarten students listed as 1.0 in SIS should be counted as 1.0 enrollment count, even if tuition is paid for part of the day. LEAs should distinguish between pre-K and daycare programs. On the one hand, pre-K students and expenditures must be included in reporting; on the other hand, daycare expenditures are likely excluded, as these typically fall under the exclusion for Community Services.

Total Exclusions and Total Expenditures (D)

Reporting Entities must include two final data points to complete the data reporting table:

1. Sum of total expenditures excluded: This line shall include the sum total of all expenditures excluded per this guidance document. Expenditures will not need to be disaggregated by exclusionary reason.
2. Sum of total expenditures: This line shall include the total dollars included in reporting (allocated to sites) plus total exclusions. This amount should tie to the Reporting Entity's total year-end expenditures in most cases for districts without charter schools.

Appendix: District Centralized Expenditures – Allocation Suggestions

Introduction

The allocation method utilized by Reporting Entities to assign centralized expenditures to its schools shall be determined by the reporting entities themselves for reporting year 2018-19. School districts know their centralized costs best. They are most qualified to determine how to allocate those expenditures across the district's schools to generate data that will allow leaders to make data-driven decisions for the benefit of children. It should also be noted that many of these expenditures may be considered site-level expenditures, depending on the district's services and service delivery models.

There are multiple different approaches and methodologies that school districts can use to allocate centralized expenditures to schools. For example, a district may choose to allocate transportation costs to its schools on a per-pupil basis or, alternatively, it may choose to calculate a cost per route and allocate costs to schools based on the routes utilized by each school. As another example, a district with centrally managed special education-related services (speech, psychologists, etc.) may choose to allocate those costs to schools on a per-IEP student basis, or it may choose to allocate the cost per related service minute at each school, or it may choose to allocate the cost by tracking the time each employee or contractor spends at each school. This Appendix is meant for school districts looking for some ideas or suggestions on how to implement these expenditure allocations. It is recommended that districts allocate expenditures in a manner that most appropriately reflects the true benefit of those expenditures, but it should be noted that these guidelines also give LEAs the option of allocating all central expenditures on a per-pupil basis.

When determining how to allocate a given centralized expenditure to schools, it is helpful to first consider how the associated centralized function or service might benefit various types of schools, students, and staff. ISBE recommends starting with the following questions:

1. Does the function or service and its associated expenditures serve all schools in the district or a select subset of schools (e.g., only high schools)?
 - a. If it serves all schools, use a methodology that allocates the expenditures proportionally to all schools.
 - b. If it serves select schools, determine the schools served and proportionally allocate to only those schools.
2. Does the function or service and its associated expenditures serve all types of students in the district or a select subset of students (e.g., only special education students)?
 - a. If it serves all students, use a methodology that allocates expenditures proportionally to all students.
 - b. If it serves select students, determine the types of students served and proportionally allocate to schools serving those types of students.
3. Does the function or service and its associated expenditures serve all staff in the district or a select subset of staff (e.g., only certificated teachers)?
 - a. If it serves all staff, use a methodology that allocates the expenditures proportionally to all staff.

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- b. If it serves select staff, determine the staff served and proportionally allocate to only those staff.
- 4. What is the primary driver of the magnitude of expenditure for which the expenditure might be proportionally allocated? Some functions and services increase as the count of students increases. Others are more driven by the number of schools being served, or number of staff being served, or the amount of square footage served.

Allocation Methodology Options

1. *Per Pupil*

a. To all schools, per pupil, using all students

- i. This methodology is the most straightforward and simplest option and will likely be used for most district centralized expenditures for which there is no clear subset of students, schools, or staff that benefit from the expenditure.
- ii. For certain expenditures, it might seem as if the function or service does not directly “serve” a type of student or any students at all. A school district can consider allocating these certain expenditure using this methodology (assuming the expenditure is not yet excluded, per the guidance in this document) so as to avoid unfairly attributing the cost to a particular set of students or schools. For example, a district-level legal expenditure may not directly benefit students; however, it is a mandatory cost and part of the school district’s work as a school district. For the purposes of this exercise, these kinds of expenditures could be allocated on a per-pupil basis to all school sites.

b. To select schools, per pupil, using all students at those select schools

- i. Consider using this allocation methodology if the function or service exclusively serves a defined subset of schools and if the number of students is a logical driver of the magnitude of the expenditure.
- ii. Examples of school type subgroups that might exclusively be served by a given expenditure include, but are not limited to, pre-K centers, elementary schools, middle schools, high schools, charter schools, non-charter or neighborhood schools, magnet schools, Title I schools, and individual schools for which the district intentionally allocates specific resources (e.g., a central employee that splits time between three schools).
- iii. For example, a district with a central office career and technical education (CTE) department may choose to allocate those costs to only high schools, which are the sole beneficiaries of the CTE programming, on a per-pupil basis.

c. To all schools, per pupil, using select students

- i. Consider using this allocation methodology if the function or service exclusively serves a defined subset of students and the number of students is a logical driver of the magnitude of the expenditure.
- ii. Examples of select student subgroups that might exclusively be served by a given expenditure include, but are not limited to, students with IEPs, English Learners, pre-K students, and students in CTE.

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- iii. For example, a district with centrally managed special education-related services (speech, psychologists, etc.) may choose to allocate those costs to schools on a per-IEP student basis.
- d. To select schools, per pupil, using select students
 - i. Consider using this allocation methodology if the function or service exclusively serves a defined subset of students within a particular subset of schools and the number of students is a logical driver of the magnitude of the expenditure.
 - ii. For example, if the school district has centralized early childhood positions or services, the costs could be allocated to only those schools with early childhood programs on a per-pre-K student basis.
- 2. *Other Methodologies (Not Per Pupil)*
 - a. To all or select schools per full-time equivalency (FTE)
 - i. The magnitude of expenditures for certain centralized functions and services may be driven by the number or type of employees, rather than by the number of students at those schools. Allocating to schools on a per-FTE basis using all or select FTE may be appropriate for these expenditures.
 - ii. For example, the district's human resources and talent functions might fall into this category. The district can choose to allocate these costs to schools using the count of FTE at each school to determine each school's proportional share of the cost. When using this methodology, it is helpful to consider the type of employee that the given expenditure serves (all, only instructional, only administrative, etc.) and to use those types of employees in the calculation.
 - b. To all or select schools using FTE (or contractor) time or caseload
 - i. Districts may consider allocating expenditures for employees who are spending their time at more than one school – and for which the associated expenditures are not already allocated to schools – to schools based on the employee's caseload or estimated time spent at each school.
 - ii. For example, consider a reading specialist (either an FTE employee or contractor) who is assigned to two or more schools but does not spend time equally at each. The district could allocate expenditures to schools based on the specialist's caseload.
 - c. To all or select schools per square foot
 - i. The magnitude of expenditures of some centralized functions and services are driven by the physical size of the district's facilities, such as janitorial and maintenance services. Assuming the district has accurate records of facility square footage for all schools, the district can choose to allocate centrally managed janitorial and maintenance services to schools on a per-square foot basis. As a reminder, however, personnel costs for personnel utilized explicitly at a school site must have their salaries, benefits, and related costs allocated to that site.

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- d. To all or select schools per school
 - i. The magnitude of expenditures of certain centralized functions or services may be driven by the number of schools, regardless of size, rather than by the number of students at those schools. For simplicity, the district may choose to allocate a given expenditure equally (each school gets allocated \$X total dollars of the expenditure) to all schools that the associated operation serves.

Function-Level Centralized Expenditure Allocations

This section provides some suggestions for school districts to consider when choosing methodologies for the allocation of expenditures for centralized functions and services to schools. The focus of these suggestions are expenditure functions 1000 – Instruction and 2000 – Support Services. Keep in mind that actual school-level personnel expenditures and expenditures already coded specifically to school locations within these function categories should be coded to schools individually. These allocation methodologies are suggestions for allocating the remaining district centralized expenditures to schools.

INSTRUCTION – EDUCATION

- 1100 - Regular K-12 Programs: To all or select schools per pupil, using all or select students, depending on the program
 - This function will mostly concern school-based personnel costs (which will already be accounted for at the site level), but there are also costs for non-personnel items, such as supplies and materials and purchased services. For the non-personnel costs that are coded centrally, consider which schools and students are served and allocate them on a per-pupil basis. If the majority of these items serve all schools and students, we recommend allocating this expenditure to all schools, per pupil, using all students.
 - Often, school districts further classify this function into elementary school, middle school, and high school functions. If that is the case, expenditures coded to these categories can be allocated using per pupil methodologies to the respective school types.
- 1125 - Pre-K Programs: To only schools with pre-K programs, per pupil, using pre-K students
- 1200 - Special Education Programs K-12 (Functions 1200-1220): To all schools, per pupil, using students with IEPs or to all or select schools using FTE time or caseload
 - Allocating non-personnel costs to all schools, per pupil, using students with IEPs, is reasonable here.
 - A district may choose to allocate costs for centrally managed special education-related services to schools on a per-IEP student basis, on a per-related service minute basis at each school, or by tracking the time each employee or contractor spends at each school. Any of these methodologies is reasonable for attributing these types of central expenditures to schools.
- 1225 - Special Education Programs Pre-K: To select schools with special education programs for pre-K students, per pupil, using pre-K students with IEPs.

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- 1250 - Remedial and Supplemental Programs K-12: To select schools with these remedial and supplemental programs, per pupil, using students in these programs or using all students as a proxy
- 1275 - Remedial and Support Programs Pre-K: To select schools with these pre-K programs, per pupil, using pre-K students
- 1400 - CTE Programs: To select schools with CTE programs, per pupil, using students enrolled in CTE or using all students as a proxy
- 1500 - Interscholastic Programs: To select schools with interscholastic programs, per pupil, using students enrolled in these programs or using all students as a proxy
- 1600 - Summer School Programs: To all schools per pupil, using all students, assuming all students are potentially eligible for summer school
- 1650 - Gifted Programs: To select schools with gifted programs, per pupil, using gifted students or all students as a proxy
- 1700 - Drivers Education Programs: To select schools with drivers education programs (or more generally to high schools), per pupil, using students enrolled in drivers education or using all students as a proxy
- 1800 - Bilingual Programs: To select schools with bilingual programs, per pupil, using English Learner or bilingual students or all students as a proxy
- 1900 - Truants' Alternative and Optional Education Programs: To select schools with Truants' Alternative and Optional Education Programs, per pupil, using students enrolled in these programs or all students as a proxy

SUPPORT SERVICES – PUPILS

A district may choose to allocate costs for centrally managed pupil services (speech, psychologists, etc.) to schools on a per-pupil basis, on a per-IEP student basis, on a per-related service minute basis, or by tracking the time each employee or contractor spends at each school. Any of these methodologies is reasonable for attributing these types of central expenditure to schools.

For the methodology that uses employee or contractor time or case load, consider for example a speech pathologist who is assigned to two or more schools but does not spend time equally at each. The district can review the employee or contractor's hours logged at each school (if tracked or easily approximated) to assign a proportional share of the associated expenditures to each school that the speech pathologist serves. Alternatively, the district can assign proportional share based on the position's job description and corresponding school assignment schedule.

- 2110 - Attendance and Social Work Services: To select schools receiving Social Work services, per pupil, using all students (or students receiving these services); or to all or select schools using FTE time or caseload
- 2120 - Guidance Services: To select schools receiving Guidance Services, per pupil, using all students at those schools (or students receiving these services); or to all high schools, per pupil, using all high school students; or to all or select schools, using FTE time or caseload
- 2130 - Health Services: To select schools receiving Health Services, per pupil, using all students at those schools (or students receiving these services); or to all or select schools, using FTE time

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- 2140 - Psychological Services: To all schools, per pupil, using students with IEPs; or to all or select schools using FTE time or caseload
- 2150 - Speech Pathology and Audiology Services: To all schools, per pupil, using students with IEPs; or to all or select schools using FTE time or caseload
- 2190 – Other Support Services – Pupils: To all schools, per pupil, using all students

School-Level Allocation Examples:

1. A psychologist who works in three buildings, 20 percent in school A, 30 percent in school B, and 50 percent in school C, would have their salary, benefits, and other related expenditures allocated to the sites accordingly.

Salary =	\$80,000
Benefits =	\$16,000
<u>Supplies =</u>	<u>\$ 700</u>
Total costs =	\$96,700

Allocated to site A	\$19,340	(20% times \$96,700)
Allocated to site B	\$29,010	(30% times \$96,700)
<u>Allocated to site C</u>	<u>\$48,350</u>	<u>(50% times \$96,700)</u>
Total Psychologist Cost	\$96,700	

2. A speech teacher who works in two buildings and has 70 cases in school A and 30 cases in school B for a total of 100 cases:

Salary =	\$66,000
Benefits =	\$13,200
<u>Supplies =</u>	<u>\$ 400</u>
Total costs =	\$79,600

Allocated to site A	\$55,720	(70 divided by 100 =70% times \$79,600)
<u>Allocated to site B</u>	<u>\$23,880</u>	<u>(30 divided by 100 =30% times \$79,600)</u>
Total Psychologist Cost	\$79,600	

SUPPORT SERVICES - INSTRUCTIONAL STAFF

- 2210 - Improvement of Instruction Services: To all schools, per FTE, using instructional FTE; or to all schools, per pupil, using all students
- 2220 - Educational Media Services: To all schools, per FTE, using instructional FTE; or to all schools, per pupil, using all students
- 2230 - Assessment and Testing: To all schools, per pupil, using all students

SUPPORT SERVICES - GENERAL ADMINISTRATION

- 2310 - Board of Education Services: To all schools, per pupil, using all students
- 2320 - Executive Administration Services: To all schools, per pupil, using all students
- 2330 - Special Area Administration Services: To all schools, per pupil, using all students

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- 2340 – 2350 – Regional Office of Education Services: To all schools, per pupil, using all students
- 2360 - 2370 - Tort Immunity Services: To all schools, per pupil, using all students

LEA-Level Allocation Example:

1. The district has three attendance centers – attendance center A with an enrollment of 1,000, attendance center B with an enrollment of 1,500, and attendance center C with an enrollment of 1,200, for a total district enrollment of 3,700:

- Attendance center A’s enrollment is 27.0% of the total enrollment (1,000 / 3,700)
- Attendance center B’s enrollment is 40.6% of the total enrollment (1,500 / 3,700)
- Attendance center C’s enrollment is 32.4% of the total enrollment (1,200 / 3,700)

The Total Support Services – General Administration expenditures (functions within 2300) are \$700,000:

Allocated to site A	\$189,000	(27.0% times \$700,000)
Allocated to site B	\$284,200	(40.6% times \$700,000)
Allocated to site C	<u>\$226,800</u>	<u>(32.4% times \$700,000)</u>
Total General Admin	\$700,000	

SUPPORT SERVICES - SCHOOL ADMINISTRATION

- 2410 - Office of the Principal Services: It is rare that this function would have centralized expenditures; however, if so, to all schools, per FTE, using administrative FTE; or to all schools, per pupil, using all students
- 2490 - Other Support Services - School Administration: It is rare that this function would have centralized expenditures; however, if so, to all schools, per FTE, using administrative FTE; or to all schools, per pupil, using all students

SUPPORT SERVICES - BUSINESS

- 2510 - Direction of Business Support Services: To all schools, per pupil, using all students
- 2520 - Fiscal Services: To all schools, per pupil, using all students
- 2540 - Operation and Maintenance of Plant Services: To all or select schools per square foot; or to all or select schools using FTE/contractor time; or to all or select schools, per pupil, using all students
 - Assuming the district has accurate records of facility square footage for all schools, the district can choose to allocate centrally coded maintenance and custodial expenditures to schools on a per-square foot basis.
 - A per-square foot methodology for allocating costs for contracted services or centrally coded personnel costs for maintenance, custodial, and security staff who are assigned to two or more schools but do not spend time equally at each can still be considered appropriate. Alternatively, the district can review the employee or contractor’s hours logged at each school (if tracked or can be easily approximated) to assign a proportional share of the associated expenditures to each school that the staff or contractors serve.

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- 2550 - Pupil Transportation Services: To all or select schools, per pupil, using all or select students; or to select schools per school; or to select schools using a cost per route methodology.
 - It is possible that not all schools in the district benefit from transportation services, so it is important to choose an allocation methodology that highlights the per-pupil cost differential between a school receiving transportation services and a school not receiving transportation services. A district may choose to allocate transportation costs to its schools on a per-pupil basis, with special consideration for which schools receive transportation services. Alternatively, the district may choose to calculate a cost per route and allocate costs to schools based on the routes utilized by each school.
 - Consider calculating the costs in this category exclusively for transporting students being educated outside the district and allocating them along with outplacement tuition and other related costs depending on the methodology selected for outplacement reporting
- 2560 - Food Services: To all schools, per pupil, using all students (assuming all schools receive food services); or to all or select schools using FTE or contractor time
- 2570 - Internal Services: To all schools, per pupil, using all students; or to all schools per school

SUPPORT SERVICES - CENTRAL

- 2610 - Direction of Central Support Services: To all schools, per pupil, using all students
- 2620 - Planning, Research, Development, and Evaluation Services: To all schools, per pupil, using all students
- 2630 - Information Services: To all schools, per pupil, using all students
- 2640 - Staff Services: To all schools, per pupil, using all students; or to all schools, per FTE, using all FTE
- 2660 - Data Processing Services: To all schools, per pupil, using all students

PAYMENTS TO OTHER DISTRICTS AND GOVERNMENTAL UNITS

Tuition payments and transfers of funds to other districts and governmental units for services rendered to pupils residing in the paying district are mostly associated with students educated outside the home district. These expenditures should be allocated in accordance with the outplacement guidance and the methodology that your district subscribes to (as described elsewhere in this document): either a) including all students educated outside the home district at a newly created reporting site, or b) including students educated outside the home district at their assigned “home schools.” Generally speaking, and for this exercise, the cost may be allocated to the site where the student is being counted for enrollment purposes, or the cost may be spread across all sites.

- 4110 Payments for Regular Programs: To the separate reporting site for outplacement; or to select schools (home schools of the outplaced students), per pupil, using the outplaced students the function serves; or to all schools, per pupil, using all pupils
- 4120 Payments for Special Education Programs: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils

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- 4140 Payments for CTE Programs: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4170 Payments for Community College Programs: To separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4180 Payments for Other Programs: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4190 Other Payments to In-State Government Units: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4210 Payments for Regular Programs - Tuition: To the separate reporting site for outplacement; or to select schools (home schools of the outplaced students), per pupil, using the outplaced students the function serves; or to all schools, per pupil, using all pupils
- 4220 Payments for Special Education Programs - Tuition: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4240 Payments for CTE Programs - Tuition: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4270 Payments for Community College Programs - Tuition: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4280 Payments for Other Programs - Tuition: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4290 Other Payments to In-State Government Units - Tuition: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4310 Payments for Regular Programs - Transfers: To the separate reporting site for outplacement; or to select schools (home schools of the outplaced students), per pupil, using the outplaced students the function serves; or to all schools, per pupil, using all pupils
- 4320 Payments for Special Education Programs - Transfers: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4340 Payments for CTE Programs - Transfers: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils

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- 4370 Payments for Community College Programs - Transfers: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4380 Payments for Other Programs - Transfers: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils
- 4390 Other Payments to In-State Government Units - Transfers: To the separate reporting site for outplacement; or to select schools (assigned schools of the students served outside the district), per pupil, using the students the function serves; or to all schools, per pupil, using all pupils