April 23, 2019

Dear Colleague:

With the passage of the Every Student Succeeds Act (ESSA) and Evidence-Based Funding, we hear many of the same words coming up over and over again: Equity. Adequacy. Resource allocation. Funding. Goals. Growth. Taken together, these words and the policies they represent encourage us to think about how we use every dollar to support students. Money alone does not guarantee student success, but how we budget and where the dollars end up are reflections of our explicit and implicit priorities.

This summer, for the first time, all school districts and other designated reporting entities in the state will report their per-pupil expenditure data at the district level *and* at the school level, disaggregated by source of funds (federal vs. state/local). The U.S. Department of Education requires this reporting through ESSA for fiscal year 2019 data and beyond. Instead of solely implementing the requirement for compliance, ISBE has committed to implementing alongside school districts in order to maximize the value of the new data and its connectedness to other requirements. This new reporting allows for explicit reflection on where money has gone and how that allocation aligns to local goals, especially those related to equity and academic growth. ISBE seeks to support this kind of productive reflection and inquiry, acknowledging it as just one step in a journey toward more strategic resource allocation in pursuit of fiscal and academic solvency. Together, districts and ISBE can take further steps in the future, including more effective strategic planning and budgeting processes and better coordinated reporting structures that minimize duplicated and/or siloed work. We are building a foundation from which we can all better align our resources to contribute to students' academic achievement and communities' well-being.

In the spirit of evolving together, I am pleased to announce the release of our <u>updated guidance</u> for the forthcoming *site-based expenditure reporting*. This document is the result of deep engagement with an advisory group of superintendents, school business officials, and advocates. The updated guidance responds to many questions that have arisen since the release of the original guidance in January 2018. It details what school districts and other designated reporting entities must prepare in order to fulfill the site-based expenditure reporting requirement. This guidance answers the following key questions:
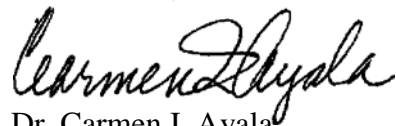
- Which entities must report?
- What does the reporting look like?
- What expenditures must be included or should be excluded?

- What student count should be used? Are there any exceptions?
- How do we handle special circumstances, such as students educated outside the district or in charter schools?
- What are alternatives and recommendations for handling centralized expenditures?

It is our hope that, in going through the process of site-based expenditure reporting and reflecting upon the results, districts and local communities find themselves engaged in substantive dialogues regarding resource allocation, intra-district equity, and the relationship between student outcomes and financial investments. All available ISBE resources are designed to support these discussions and inquiries and are posted alongside the updated guidance at www.isbe.net/site-based. Questions or concerns not addressed by the guidance or other resources can be directed to site-based@isbe.net or to Sara R. Shaw in the ISBE Division of Finance at (217) 782-0249.

We look forward to learning about your use of the data and how ISBE can continuously improve its supports for you in the work. Thank you for your partnership in ensuring that all Illinois children have equitable access to a quality education within a supportive community.

Sincerely,

Dr. Carmen I. Ayala
State Superintendent of Education