



Illinois State Board of Education

ISBE Site-Based Expenditure Reporting

*Centralized Expenditure Allocation
Methodologies*

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Today's Discussion on Centralized Expenditure Allocation Methodologies for Site-Based Expenditure Reporting

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- Understand how to:
 - Identify centralized expenditures for reporting purposes
 - Allocate centralized expenditures to sites
- Illustrate centralized expenditure allocation methodologies with example actual district data
- Prepare to allocate your own centralized expenditures

An Advisory Group contributed to the implementation of Site-Based Expenditure Reporting

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Founding Advisory Group members included representatives from:

- District superintendents
- School business officials
- Statewide professional organizations

Since 2017, the Advisory Group has expanded to also include representatives from:

- Principals
- Parents
- Teachers
- Statewide and regional advocacy organizations



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

Which of these value proposition bullet points most resonates with you? How does school-by-school spending data inform your work?



This is the data table that will be collected from LEAs

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Sites	Student FTE enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Total Exclusions 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		
LEA	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	

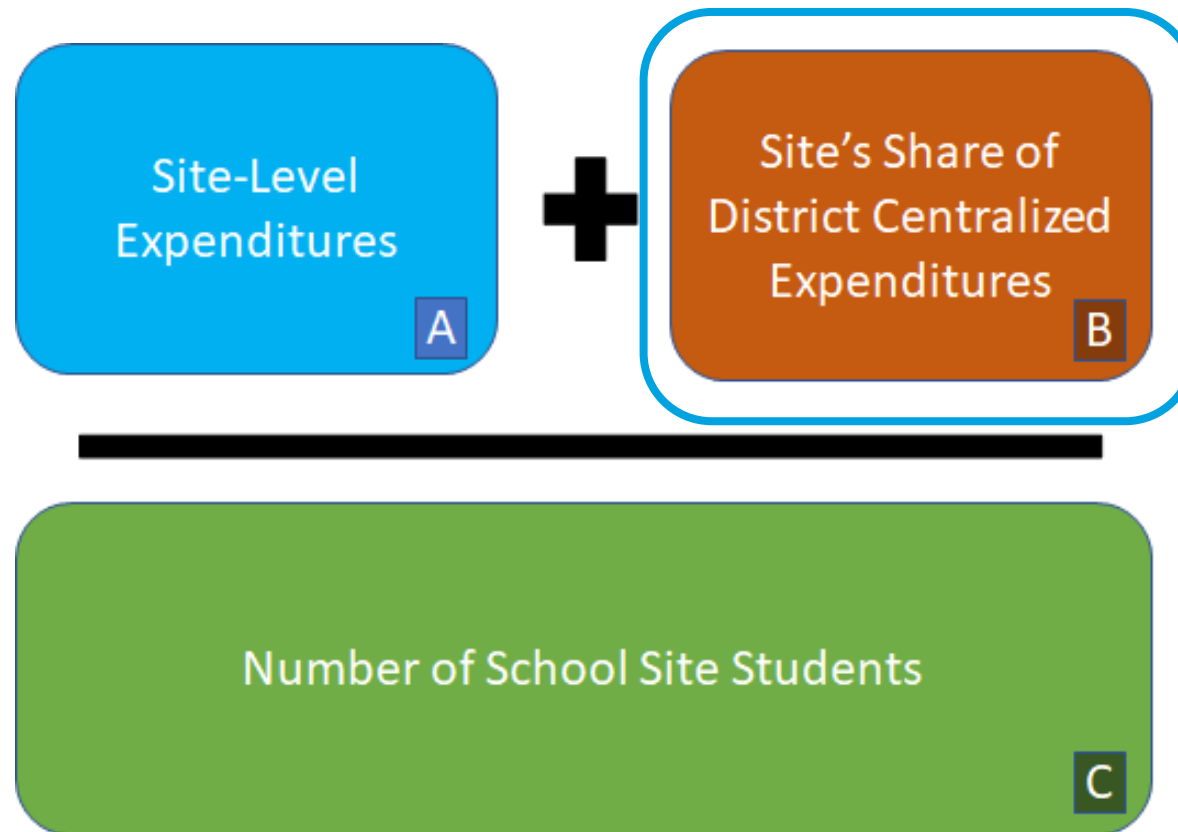
This level of reporting detail are the only mandated collection. Visualizations are limited to these data and contextual data. LEAs may also optionally submit narratives and notation of allocation methodologies.



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:



Importantly, per ESSA, Sections A and B must be disaggregated by source of funds – federal vs. state/local (with state and local combined).



Identifying Centralized Expenditures



3 Basic Steps to Allocating Centralized Expenditures

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1. Identify centralized expenditures

2. Review and select from possible allocation methodologies

3. Apply the methodology to allocate the centralized expenditures to the site



1. Identify centralized expenditures

A) Ensure all site-level expenditures are allocated appropriately

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Expenditures that meet ESSA criteria as “site level” must be allocated to the particular site(s) they support, even if they are accounted for on central books. These expenditures are included in section A of the reporting table, “site-level expenditures” (see slide 4). Designated site-level expenditures include:

- Actual expenditures associated with personnel assigned exclusively to a particular site
- Actual non-personnel expenditures specifically attributable to a particular site

Example:

Artichoke School District pays all of its bilingual teachers out of a central office account for bilingual education. However, these teachers are core classroom teachers assigned to specific classrooms at specific schools.

Actual expenditures associated with these positions must be allocated to the specific schools they support. Their costs cannot be allocated per EL pupil or otherwise across the district.



1. Identify centralized expenditures

B) Centralized expenditures can be assumed to be everything that does NOT qualify as a site-level expenditure

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Contains:

1. Actual personnel assigned exclusively to a particular site
2. Actual non-personnel expenditures specifically attributable to a particular site



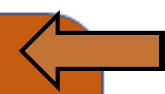
Site-Level Expenditures

A



Site's Share of District Centralized Expenditures

B



Contains:

Everything else! Likely, most central office and shared services costs

Number of School Site Students

C



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1. Identify centralized expenditures

C) Common examples of centralized expenditures

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These expenditures are *likely* (but not necessarily) to be considered centralized:

- Superintendent's office
- Board services
- Transportation
- Fiscal services
- Operations and maintenance
- Food services

1. Identify centralized expenditures

D) Examples of deciding site-level vs. centralized classification

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These examples are representative of expenditures that could be considered centralized OR site-level, based on district considerations:

- Use of Title funds
 - How directly does the allocation benefit individual school(s)? Any personnel or non-personnel expenditures for a specific site should be counted as site-level expenditures for that school. Otherwise, they may be centralized expenditures.
- Positions like instructional specialists, student support services (social workers, school psychologists, speech pathologists, etc.), and custodial staff
 - Are these positions based in schools or deployed from the district?
- Superintendent who also acts as building principal
 - Recommendation: if reasonable, divide up what % of the time the employee performs duties solely related to running the school as principal. Allocate the remaining portion of the employee's time as a centralized expenditure.
- Software licenses
 - Are licenses benefiting specific schools or part of a general overall cost of operation? If the licenses are benefiting specific schools, they may make most sense as a site-level expenditure for those schools. If the licenses are part of a general overall cost of operation, they likely make most sense as a centralized expenditure.



1. Identify centralized expenditures

E) Example: determining if Banana SD's *Pupil Support Services* expenditures will be considered site-level or centralized

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Functions	Site-Level	Central	Total
2120 - Guidance Services	\$ 303,959	\$ -	\$ 303,959
2140 - Psychological Services	\$ -	\$ 293,842	\$ 293,842
2150 - Speech Services	\$ -	\$ 231,760	\$ 231,760
2190 - Other Support Services - Pupils	\$ 42,382	\$ 227,842	\$ 270,224
Grand Total	\$ 346,341	\$ 753,444	\$ 1,099,785

2120 - Guidance Services

- Guidance counselors and supporting materials fully support high school students and must be accounted for at the **site level**. For Banana SD, these positions are already coded to this site in payroll, and supplies are purchased at the site.

2140 - Psychological Services; 2150 - Speech Services

- In Banana SD, these central-based positions spend different days per week at different sites depending on student need (as prescribed in IEPs)
- Since these positions are not designated for specific sites, Banana SD chooses to consider them to be **centralized**
- Banana SD can decide how to allocate these centralized expenditures to sites – per pupil, per student with IEP, per prescribed minute, per time at each site, or by another metric

2190 - Other Support Services

- Within Banana SD, there is one position in this category that specifically supports one site. In payroll, that position is already coded to this **site**.
- All other dollars in this category are **central** support positions and materials. Banana SD has discretion over how to allocate these expenditures to sites.



1. Identify centralized expenditures

F) Special case: Single-Site LEAs

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From the [Reporting Guidance](#):

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 first reminds them that, as in all other cases, expenditures clearly defined as **belonging exclusively to a particular site** (whether personnel or non-personnel) must be classified as site-level expenditures.

Beyond that, ISBE recommends that single-site LEAs 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.



1. Identify centralized expenditures

G) Special case: LEA-Authorized Charter Schools

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		Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures				
Sites	Student FTE 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		
Charter ES	250	\$634	\$7,563	\$8,197	\$127	\$986	\$1,113	\$761	\$8,549	\$9,310		
MS1	271	\$320	\$5,356	\$5,676	\$361	\$3,400	\$3,861	\$681	\$8,855	\$9,536		
HS1	271	\$458	\$6,910	\$7,368	\$371	\$3,290	\$3,661	\$829	\$9,829	\$10,658		
LEA	1,122	\$439	\$6,313	\$6,752	\$370	\$2,920	\$3,290	\$809	\$8,933	\$9,742	\$2,330,361	\$13,728,071

Site-level expenditures will include **actual school expenditures** and any **charter network costs** allocated to the site

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.**



1. Identify centralized expenditures

H) Special case: State Commission-Authorized Charter Schools

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Sites	Student FTE Enrollment	Site-Level Per-Pupil Expenditures			Site's Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Exclusions	Total Expenditures
		Federal	Local	Subtotal	Federal	Local	Subtotal	Federal	Local	Total		
Charter 1	300	\$344	\$5,148	\$5,493	\$216	\$1,925	\$2,141	\$560	\$7,073	\$7,634		
Charter 2	250	\$634	\$7,563	\$8,197	\$495	\$2,003	\$2,498	\$1,129	\$9,566	\$10,695		
LEA	550	\$5,500	\$6,246	\$6,722	\$343	\$1,960	\$2,303	\$819	\$8,206	\$9,025	\$1,024,946	\$5,988,820

Site-level expenditures will include **actual school expenditures**

District centralized per-pupil expenditures will include any **charter network costs** allocated to the site, the **Commission authorizer fee**, and any **costs due to a site acting as an LEA** (see slide 14 – special case: single-site LEAs)



1. Identify centralized expenditures

I) Special Case: Outplacements

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- How an LEA handles its **Function 4000 costs – Payments to Other Districts and Governmental Units** will depend upon how the LEA chooses to report students placed outside the district and their associated costs
- 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 chooses to follow, either by
 - a) including all students educated outside the home district at a hypothetical reporting site, or
 - b) including students educated outside the home district at their assigned “home schools”
- See the webinar on “***Students Educated Outside the District***” for further guidance

2. Review and select from possible allocation methodologies

A) LEAs should allocate centralized expenditures in a way that best reflects how resources are allocated in their district

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- ISBE and the Reporting Guidance are informed by the core belief that ***districts know their own data best***
- ISBE ***limits mandates about centralized expenditures***; districts are best positioned to make their own centralized expenditure allocation decisions to reflect their resource allocation most ***accurately*** and most ***meaningfully***
- The Appendix of the Guidance includes ***suggestions*** for allocation methodologies by function

2. Review and select from possible allocation methodologies

B) List of Common Allocation Methodologies

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- Per Pupil
 - To all schools, per pupil, using all students
 - To select schools, per pupil, using all students at those select schools
 - To all schools, per pupil, using select students
 - To select schools, per pupil, using select students
- Other Methodologies (not per pupil)
 - To all or select schools per FTE
 - To all or select schools using FTE time or caseload
 - To all or select schools per square foot
 - To all or select schools per school

2. Review and select from possible allocation methodologies

C) In selecting an allocation methodology, consider how the associated centralized function benefits various types of schools, students, and staff

Who does the function and associated expenditures serve?	<i>Suggested if: serves <u>all</u></i>	<i>Suggested if: serves <u>some</u></i>
Schools	Allocate proportionally to all schools	Allocate only to the schools served
Students	Allocate proportionally to all students	Allocate only to the schools serving those students, based on count of students served
School Staff	Allocate proportionally to all staff	Allocate only to schools with the staff served, based on count of staff served

Example: Centralized special education administration costs serve some students– students with IEPs – and could be allocated to schools serving students with IEPs proportionately, based on count of students with IEPs

2. Review and select from possible allocation methodologies

D) Two real LEA examples

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Question: What will be the best way to allocate the salary of the district's bilingual director? Student count per school? # of bilingual students per school?

Answer: From ISBE's perspective, either of the allocation methodologies that you suggest would be acceptable. When making the decision, consider these questions:

- What allocation methodology best reflects actual service delivery in the district?
- What centralized expenditures are community members or internal district leaders most likely to ask questions about or be interested in? Which allocation methodology would allow the district to best communicate what is happening with these expenditures?
- What allocation methodology allows the numbers to be most meaningful to the district?

Question: Ideally, we could track our centralized Internet and telephone expenditures and show how much of the total cost goes to each building. Our bills do not identify the buildings receiving the services, however. Is that going to be an issue for reporting?

Answer: Ideally, your reporting will reflect *actual* service delivery in a way that is meaningful for the district. ISBE recognizes that accounting may not yet allow for that level of detail, though, and therefore asks districts to report using whatever allocation methodology seems to most accurately represent the service delivery system in a way that the district understands and can affirm if asked about the data.

3 Basic Steps to Allocating Centralized Expenditures

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1. Identify centralized expenditures



2. Review and select from possible allocation methodologies



3. Apply the methodology to allocate the centralized expenditures to the site



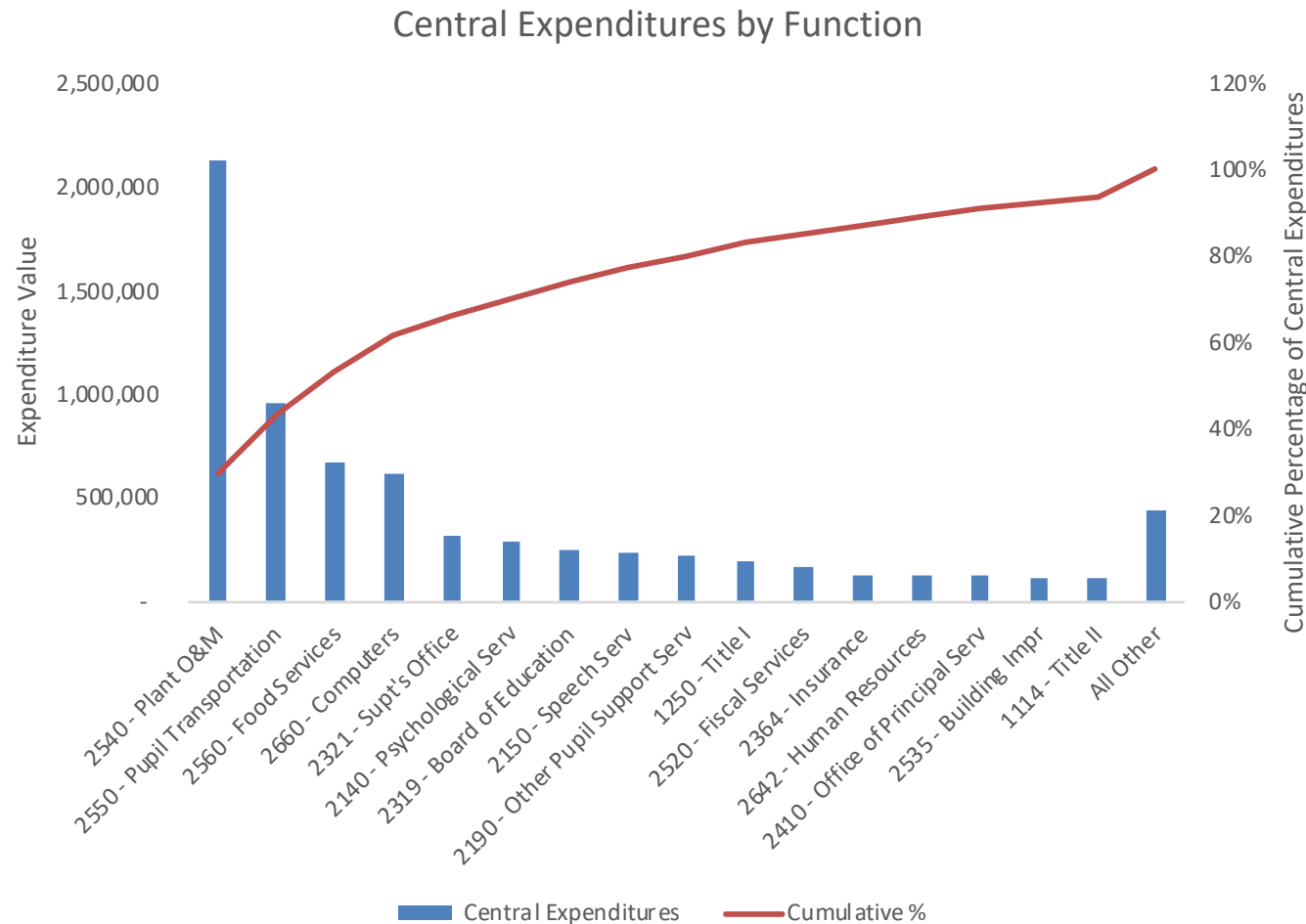
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Centralized Allocations using real district example data

Cauliflower SD example data: centralized expenditures by function

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- The top six central expenditure functions account for 70% of central expenditures
 - Plant O&M
 - Transportation
 - Food Services
 - Computers
 - Superintendent's Office
 - Psychological Services*
- The following slides discuss how Cauliflower SD may choose to allocate some of these central expenditures



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**Note: For the purposes of this exercise, we assume that Cauliflower SD considers psychological services to be a centralized cost. Another district, however, may consider them to be site-level, especially if they are designated staff at specific schools.*



2540 - Operation & Maintenance of Plant Services

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Plant O&M will likely be one of the largest central expenditure functions at many districts, as it is for Cauliflower School District. LEAs may choose to allocate (A) to all or select schools per square foot; (B) to all or select schools using FTE/contractor time; (C) to all or select schools, per pupil, using all students; or (D) some other options

- Keep in mind that any personnel assigned to a particular site must be reported at that site. This may include building engineers and janitorial staff, depending on your district's staffing practices.

Central Expenditures					Reporting Per	
		Schools	Students	Square Feet	Allocation	Pupil
Salaries	\$ 976,258	ES1	678	80,000	\$ 471,371	\$ 696
Benefits	320,473	ES2	418	60,000	\$ 353,528	\$ 846
Utilities	452,209	MS1	354	100,000	\$ 589,213	\$ 1,664
Purch Services	211,496	HS1	591	120,000	\$ 707,056	\$ 1,196
Supplies	155,168	Total	2,041	360,000	\$2,121,168	\$ 1,040
Non-Capit. Equip	5,564	Cost/Unit		\$ 5.89		
	<u>\$ 2,121,168</u>					

Allocation
example is per
square foot



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2550 - Pupil Transportation Services

For transportation, LEAs may choose to allocate (A) to all or select schools, per pupil, using all or select students; (B) to select schools per school; or (C) to select schools using a cost per route methodology.

If not all schools in the district benefit from transportation services, the LEA may want to consider an allocation methodology that highlights the per-pupil cost differential between a school receiving transportation services and a school not receiving transportation services.

Example 1: Per Pupil Receiving Services

Central Expenditures		Schools		Students	Transported Students	Allocation	Reporting Per Pupil
Purch Services	\$ 867,690	ES1		678	250	\$ 294,458	\$ 435
Supplies/Materials	\$ 71,312	ES2		418	250	\$ 294,458	\$ 704
Other	\$ 3,264	MS1		354	200	\$ 235,567	\$ 665
Total	\$ 942,266	HS1		591	100	\$ 117,783	\$ 199
		Total		2,041	800	\$ 942,266	\$ 462
		Cost/Unit				\$ 1,178	

Allocation is per pupil receiving services



2550 - Pupil Transportation Services

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For transportation, LEAs may choose to allocate (A) to all or select schools, per pupil, using all or select students; (B) to select schools per school; or (C) to select schools using a cost per route methodology.

If not all schools in the district benefit from transportation services, the LEA may want to consider an allocation methodology that highlights the per-pupil cost differential between a school receiving transportation services and a school not receiving transportation services.

Example 2: Per Route

Central Expenditures		Schools	Students	Routes	Allocation	Reporting Per Pupil
Purch Services	\$ 867,690	ES1	678	12	\$ 262,958	\$ 388
Supplies/Materials	\$ 71,312	ES2	418	9	\$ 197,219	\$ 472
Other	\$ 3,264	MS1	354	14	\$ 306,784	\$ 867
Total	\$ 942,266	HS1	591	8	\$ 175,305	\$ 297
		Total	2,041	43	\$ 942,266	\$ 462
		Cost/Unit		\$ 21,913.17		

Allocation is per route



2560: Food Services

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Food services may be allocated (A) to all schools, per pupil, using all students (assuming all schools receive food services); (B) to all schools using select students (such as students eligible for free & reduced-priced meals); or (C) to all or select schools using FTE or contractor time.

Example 1: by contractor time

Central Expenditures		Schools	Students	Time Spent per Site	Allocation	Reporting Per Pupil
Salaries	\$ 22,204	ES1	678	30%	\$ 202,213	\$ 298
Benefits	\$ 4,233	ES2	418	20%	\$ 134,808	\$ 323
Purchased Services	\$ 647,605	MS1	354	20%	\$ 134,808	\$ 381
		HS2	591	30%	\$ 202,213	\$ 342
	\$ 674,042	Total	2,041	100%	\$ 674,042	\$ 330

Allocation is by
percentage of
contractor time



2560: Food Services

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Food services may be allocated (A) to all schools, per pupil, using all students (assuming all schools receive food services); (B) to all schools using select students (such as students eligible for free & reduced-priced meals); or (C) to all or select schools using FTE or contractor time.

Example 2: per pupil

Central Expenditures		Schools	Students	Allocation	Reporting Per Pupil
Salaries	\$ 22,204	ES1	678	\$ 223,800	\$ 330
Benefits	\$ 4,233	ES2	418	\$ 138,079	\$ 330
Purchased Services	\$ 647,605	MS1	354	\$ 116,937	\$ 330
		HS1	591	\$ 195,226	\$ 330
	\$ 674,042	Total	2,041	\$ 674,042	\$ 330
		Cost/Pupil	\$ 330		

Allocation is per pupil



Other items are allocated per pupil in this example, including 2660-Computers and 2321-Superintendent's Office

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LEAs have discretion over how to allocate expenditures; in this example, Cauliflower SD has allocated the two remaining top functions (by amount) per pupil

2660 - Computers

Central Expenditures	
Purchased Services	\$ 226,888
Salaries	\$ 275,392
Benefits	\$ 89,966
Non Cap Equipment	\$ 17,091
Supplies & Materials	\$ 9,171
Total	\$ 618,508

Allocation is
per pupil

Schools	Students	Allocation	Reporting Per Pupil
ES1	678	\$ 205,361	\$ 303
ES2	418	\$ 126,702	\$ 303
MS1	354	\$ 107,303	\$ 303
HS1	591	\$ 179,141	\$ 303
Total	2,041	\$ 618,508	\$ 303
<i>Cost/Pupil</i>		<i>\$ 303</i>	

2321 - Superintendents Office

Central Expenditures	
Salaries	\$ 215,280
Benefits	\$ 97,171
Memberships, Travel & Other	\$ 10,195
Total	\$ 322,647

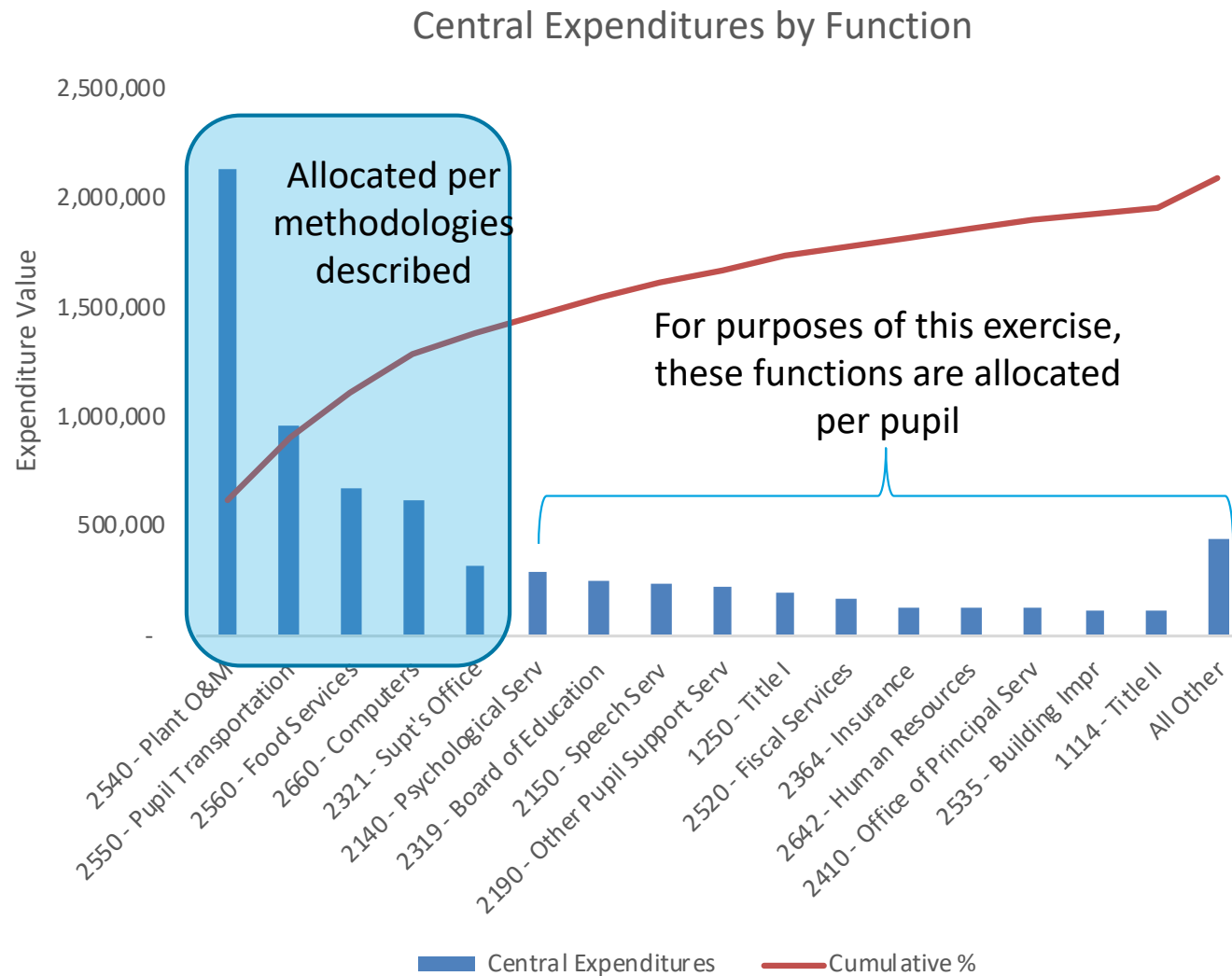
Allocation is
per pupil

Schools	Students	Allocation	Reporting Per Pupil
ES1	678	\$ 107,127	\$ 158
ES2	418	\$ 66,095	\$ 158
MS1	354	\$ 55,975	\$ 158
HS1	591	\$ 93,450	\$ 158
Total	2,041	\$ 322,647	\$ 158
<i>Cost/Pupil</i>		<i>\$ 158</i>	



Cauliflower SD example data: centralized expenditures by function

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The resulting allocations of centralized expenditures comprise Section B of the Reporting Table (see next slide)

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Using example 1 from each of the previous functions, the allocation of centralized functions would be as follows:

	ES1	ES2	MS1	HS1
Plant O&M	\$ 471,371	\$ 353,528	\$ 589,213	\$ 707,056
Transportation	\$ 294,458	\$ 294,458	\$ 235,567	\$ 117,783
Food Services	\$ 202,213	\$ 134,808	\$ 134,808	\$ 202,213
Computers	\$ 205,361	\$ 126,702	\$ 107,303	\$ 179,141
Superintendent's Office	\$ 107,127	\$ 66,095	\$ 55,975	\$ 93,450
Psychological Services	\$ 99,906	\$ 58,768	\$ 52,892	\$ 82,276
All Other (per pupil)	\$ 700,506	\$ 432,194	\$ 366,021	\$ 611,069
Total Centralized Expenditures	\$ 2,080,942	\$ 1,466,554	\$ 1,541,779	\$ 1,992,988
Student Count	678	418	354	591
Reporting Per Pupil	\$ 3,072	\$ 3,509	\$ 4,355	\$ 3,372

Remember, these amounts must also be disaggregated between federal and state/local funding source. See the upcoming webinar ***"Identifying Federally-Funded Expenditures"*** for additional guidance on this topic.



The resulting allocations of centralized expenditures comprise Section B of the Reporting Table (see previous slide)

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		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		
LEA	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	



For further information

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- See resources available at www.isbe.net/site-based
- Send any questions after reviewing resources to site-based@isbe.net

