

# Site-Based Expenditure Reporting Supplementary Resource

## *Centralized Expenditure Resource Allocation Methodologies*

Originally published spring 2019

Updated March 2024

# Guidance Focus: Centralized Expenditure Allocation Methodologies for Site-Based Expenditure Reporting

## Objectives:

- 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.

# Special Note – School-Level Finance Survey

- Beginning in FY 2024, all reporting entities are responsible for two site-based financial reports: SBER and SLFS
- This Supplementary Resources relates to SBER only. Please see the annual Site-Based Financial Reporting guidance document on ISBE's [webpage](#) for more information about SLFS.

# Guidance Focus: District-Centralized Per-Pupil Expenditures

Sites	Student FTE enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			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	\$5,492	\$529	\$2,781	\$3,310	\$874	\$7,929	\$8,803		
ES2	250	\$231	\$5,445	\$5,676	\$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	\$6,214	\$440	\$3,071	\$3,511	\$793	\$8,931	\$9,724	\$2,330,361	\$13,707,753

C

A / C

B / C

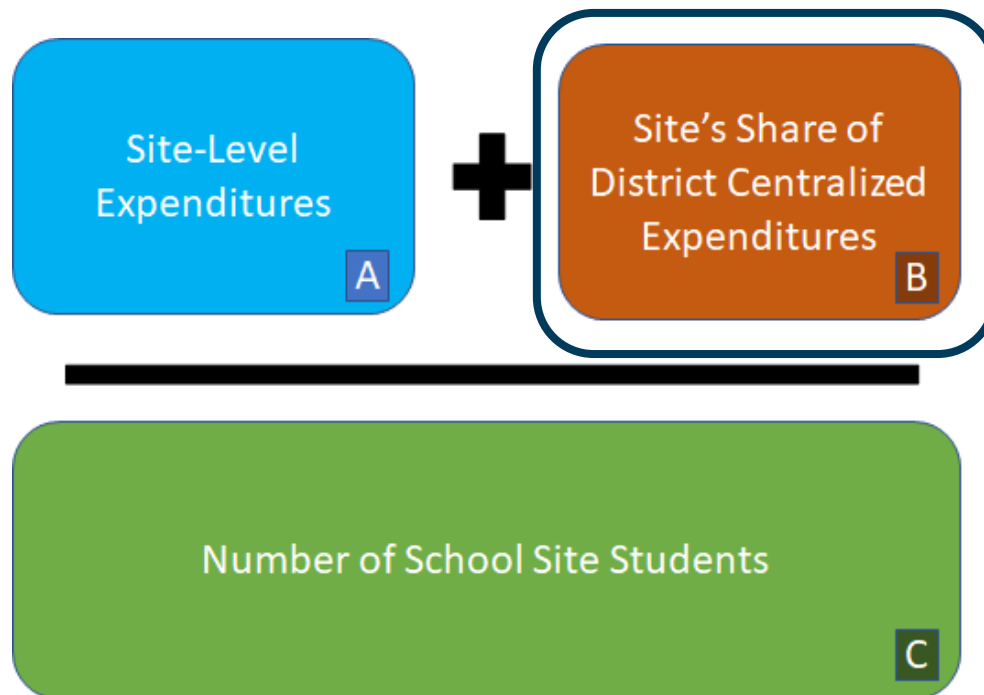
(A+B) / C

D

Illinois Report Card visualizations are limited to these data and contextual data. LEAs may also optionally submit narratives and notation of allocation methodologies.

# Formula: Calculating Total Per-Pupil Expenditures for Each School

Per-pupil expenditures reported for each school shall be composed of:



*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

1. Identify centralized expenditures.

2. Review and select from possible allocation methodologies.

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

## Step 1: Identify Centralized Expenditures

A

Ensure all site-level expenditures are allocated appropriately.

***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 slides 5-6.) 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.*



## Step 1: Identify Centralized Expenditures

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

### Contains:

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



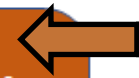
Site-Level Expenditures

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

# Common Examples of Centralized Expenditures

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

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

*Note: This is not an exhaustive list and simply reflects the most frequently asked questions of ISBE by districts.*

# Examples: Deciding Site-Level vs. Centralized Classification

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 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.

*Note: This is not an exhaustive list and simply reflects the most frequently asked questions of ISBE by districts.*

## Example: Determining if Banana SD's *Pupil Support Services* Expenditures will be Considered Site-Level or Centralized

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.

# Special Case: Single-Site LEAs

## *From the reporting guidance:*

ISBE recognizes that the distinction between centralized expenditures and site-level expenditures may seem arbitrary for single-site LEAs.

Beginning with the FY 2022 report, ISBE modified the IWAS online tool for single-site LEAs to support the automatic classification of certain functions as site-level, district-centralized, or district choice. LEAs that use the tool upload their expenditure information. An IWAS “wizard” reviews the information and makes recommendations about expenditures to exclude or omit, designate as state/local or federally sourced, and allocate as site-level or centralized. These recommendations are based on a crosswalk between the state chart of accounts and the SBER reporting guidelines. Users have the option to reclassify expenditures as needed. This enhancement for single-site districts supports consistency in reporting and therefore increases the quality of the data.

# Special Case: LEA-Authorized Charter Schools

Sites	Student FTE Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			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	\$2,921	\$3,290	\$829	\$9,829	\$10,658		
LEA	2,717	\$439	\$6,313	\$6,752	\$370	\$2,921	\$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.**

# Special Case: State Commission-Authorized Charter Schools

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	\$5,578	\$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.)

# Special Case: Outplacements

- 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 supplementary resource on “***Students Educated Outside the District***” for further guidance (located at [isbe.net/site-based](http://isbe.net/site-based)).



## Step 2: Review and Select from Possible Allocation Methodologies

**B** Allocate centralized expenditures in a way that best reflects how resources are allocated in your district.

- 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 Reporting Guidance includes *suggestions* for allocation methodologies by function.

## Step 2: Review and Select from Possible Allocation Methodologies

B

List of common allocation methodologies.

- 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 full-time equivalency (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

## Step 2: Review and Select from Possible Allocation Methodologies

**B** Consider how the centralized function benefits various types of schools, students, and staff.

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

## Allocation Methodologies: Two Real LEA Examples

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



1. Identify centralized expenditures.



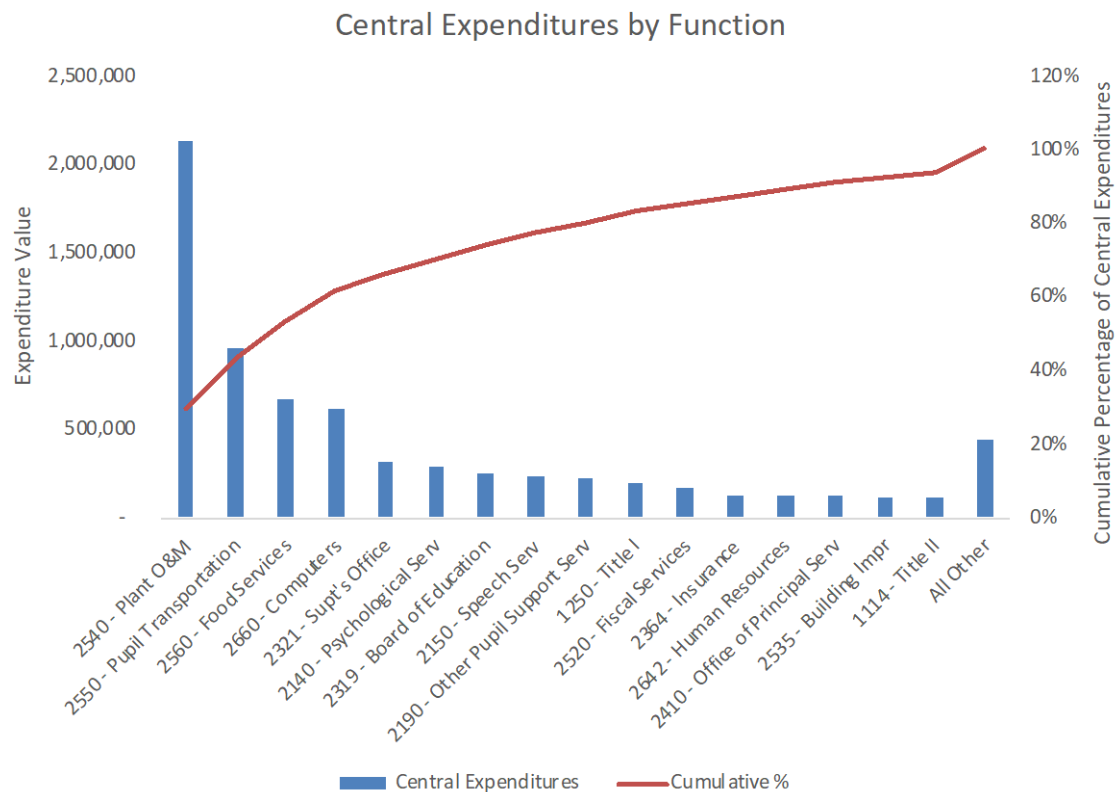
2. Review and select from possible allocation methodologies.



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

# Centralized Allocations: Real District Example Data

# Cauliflower SD Example Data: Centralized Expenditures by Function



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.

*\*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

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		Schools	Students	Square Feet	Allocation	Reporting Per 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	<i>Cost/Unit</i>		\$ 5.89		
	<u>\$ 2,121,168</u>					

Allocation example is per square foot.



## 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
		<i>Cost/Unit</i>		\$ 1,178		

Allocation is per pupil receiving services.

## 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 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
		<i>Cost/Unit</i>			\$ 21,913.17	

Allocation is per route.

## 2560: Food Services

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 and 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

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 and 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
	\$ 674,042	HS1	591	\$ 195,226	\$ 330
		Total	2,041	\$ 674,042	\$ 330
		<i>Cost/Pupil</i>	\$ 330		

Allocation is per pupil.

## Other Items Are Allocated Per Pupil in This Example, including 2660-Computers and 2321-Superintendent's Office

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
<b>Total</b>	<b>\$ 618,508</b>

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
<b>Total</b>	<b>2,041</b>	<b>\$ 618,508</b>	<b>\$ 303</b>
<i>Cost/Pupil</i>		<i>\$ 303</i>	

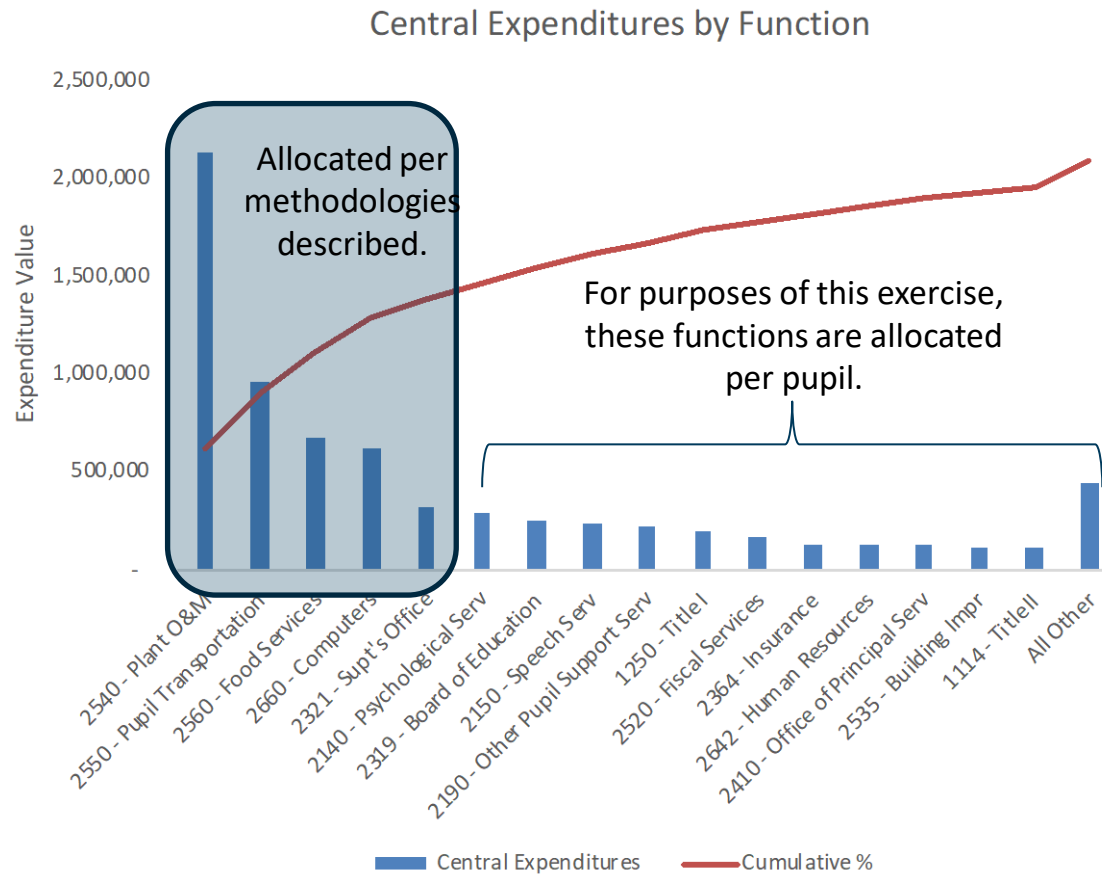
### 2321 - Superintendents Office

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

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
<b>Total</b>	<b>2,041</b>	<b>\$ 322,647</b>	<b>\$ 158</b>
<i>Cost/Pupil</i>		<i>\$ 158</i>	

# Cauliflower SD Example Data: Centralized Expenditures by Function



## The Resulting Allocations of Centralized Expenditures Comprise Section B of the Reporting Table (see next slide)

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

	<u>ES1</u>	<u>ES2</u>	<u>MS1</u>	<u>HS1</u>
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
<b>Total Centralized Expenditures</b>	<b>\$ 2,080,942</b>	<b>\$ 1,466,554</b>	<b>\$ 1,541,779</b>	<b>\$ 1,992,988</b>
Student Count	678	418	354	591
<b>Reporting Per Pupil</b>	<b>\$ 3,072</b>	<b>\$ 3,509</b>	<b>\$ 4,355</b>	<b>\$ 3,372</b>

Remember, these amounts must also be disaggregated between federal and state/local funding source. See the supplementary resource *Identifying Federally Funded Expenditures* for additional guidance on this topic (at [isbe.net/site-based](http://isbe.net/site-based)).

# The Resulting Allocations of Centralized Expenditures Comprise Section B of the Reporting Table (see previous slide)

Sites	Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			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	\$5,492	\$529	\$2,781	\$3,310	\$874	\$7,929	\$8,803		
ES2	250	\$231	\$5,445	\$5,676	\$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	\$6,214	\$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

- See resources available at [www.isbe.net/site-based](http://www.isbe.net/site-based).
- Send questions to [site-based@isbe.net](mailto:site-based@isbe.net).

*ISBE thanks Afton Partners for their contributions to the original version of this guidance.*