



# Illinois State Board of Education

## ISBE Site-Based Expenditure Reporting

*Vendor Orientation*

*March 27, 2018*

# Goals for Today & Introductions



# Introductions

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**What is your name? What group do you represent?**

**What services do you currently provide to IL school districts?**



# ESSA Financial Transparency



# Pulse check:

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**What is your current familiarity with the Financial Transparency requirement?**



# ESSA Site-Based Expenditure Reporting must be implemented for SY2018-19

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ESSA requires that SEAs report on their Report Card:

*“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual non-personnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.”*



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

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



# ISBE's Approach to Site-Based Expenditure Reporting





# ISBE's plan for SY2018-19 has been developed with the input of an Advisory Group

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Reporting requirements and the timeline for implementation (SY18-19) **will present challenges and opportunities**

To ensure that challenges are appropriately considered in the transition process, ISBE convened a **Site-Based Expenditure Reporting Advisory Group** made up primarily of implementers

Together with ISBE and facilitators, this Advisory Group is building a **multi-year implementation plan, guidance, and training** to support LEAs in the transition to site-based expenditure reporting

A key component of Year 1 implementation planning – **Guidance** – was published at the end of January



# Key Components of the Advisory Group's Value Proposition

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- **Resource allocation will be more readily accessible** *to schools and stakeholders*
- *Empowers LEAs and communities* to **assess and improve equity**
- *Enables LEAs and communities* to gain a better understanding of the **relationship between student outcomes and financial resources**
- *Enables LEAs, schools, and the state* to **identify evidence-based best practices and opportunities to foster innovation** between peers



# Advisory Group's Guiding Principles for Year 1 Implementation

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“Guidance” rather than formal changes to accounting rules

Stay close to “minimum ESSA compliance”

Leverage existing reporting wherever possible

Couple the financial reporting with state report card data

Districts know their data best and can tell their own story

This initiative should and will evolve over years

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



# Value Proposition and Guiding Principles drive the Reporting Table requirements

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	\$5,493	\$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		
<b>Total</b>	<b>1,170</b>	<b>\$353</b>	<b>\$5,861</b>	<b>\$6,213</b>	<b>\$440</b>	<b>\$3,071</b>	<b>\$3,511</b>	<b>\$793</b>	<b>\$8,931</b>	<b>\$9,724</b>	<b>\$2,330,361</b>	<b>\$13,707,753</b>

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A / C

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(A+B) / C

D

This level of reporting detail will be the only mandated collection for Year 1, along with notation of allocation methodologies

# Key Reporting Table Implications for Vendors

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## **There are no accounting requirements, only reporting requirements.**

In fact, it is entirely possible for a district to do all allocations on the back end (although we have learned that upfront tags for source of funds and salary/benefit locations are very useful for districts).

## **Districts do not need to call out any individual functions/objects, etc.**

That means that, among other approaches, they may elect to take a “top-down approach” (total expenditures minus total exclusions, per-pupil allocation of everything centralized).

## **Districts have flexibility in allocating their centralized expenditures.**

This flexibility is upheld by our value proposition and guiding principles.



# Initial discussion: Reporting Table requirements

Sites	Enrollment	Site-Level Per-Pupil Expenditures			District Centralized Per-Pupil Expenditures			Total Per-Pupil Expenditures			Exclusions	Total Expenditures
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1. How does this approach and output align or depart from your expectations when you first learned about the requirement?
2. What initial clarifying questions do you have?
3. What are your first thoughts of what this approach and output means for your service to Illinois school districts?

# Timeline

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Milestone	Dates
Guidance Release	January 30, 2018
IASA / IASBO Awareness Webinar & Video	February 2018
Ongoing training on calculations and data use	March 2018 →
Data collection process determined	TBD
Data visualization determined	TBD
FY19 begins, prepared for site-based expenditure reporting	July 1, 2018
Site-based expenditure reporting due to ISBE	Summer – Fall 2019 (post-FY19)



Where the value proposition and guiding principles lead:

# Reporting Guidance and Data Collection

Guidance document is found at:

<https://www.isbe.net/Documents/ISBE-Site-Based-Expenditure-Reporting-Guidance.pdf>





# Guidance provides general instructions on how to meet the reporting requirement

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This guidance answers the following questions:

1. Which entities must report?
2. What does the reporting look like?
3. What expenditures must be included / should be excluded?
4. What student count should be used? Are there any exceptions?
5. How do we handle special circumstances, such as students educated outside the district or charter schools?
6. What are alternatives and recommendations for handling centralized expenditures?



# 1. What entities must report? For what students?

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## Reporting Entities Included

Local Education Agencies that serve or place at least 1 student in the 2018-2019 school year.

Other institutions that are considered Reporting Entities include charter schools authorized by the State Commission

Note: all charter schools authorized under a district LEA should be reported as individual school sites under the district LEA

## Entities Exempted from Reporting

For Year 1, the following sites will not be required to provide site level financial reporting:

- Cooperatives (these students shall be reported by their home LEA); this exclusion applies to not only special education cooperatives but also Paris Cooperative High School, John C. Dunham STEM Partnership School, and any other similar cooperative arrangement
- Regional Safe Schools
- Laboratory Schools
- Illinois Department of Juvenile Justice Schools
- Illinois School for the Deaf
- Illinois School for the Visually Impaired
- Illinois Math & Science Academy
- Philip J. Rock Center and School



# 1. What entities must report? For what students?

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## Student:

- Any child age 3 through 21 in grades Pre-Kindergarten\* through 12 served by an Illinois public education institution or placed to a private facility by a public education institution

## School / Site:

- Any public education institution within an Illinois LEA that serves students in grades Pre-Kindergarten\* through 12 (this includes different kinds of schools within an LEA, such as charter schools and alternative schools)

## 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

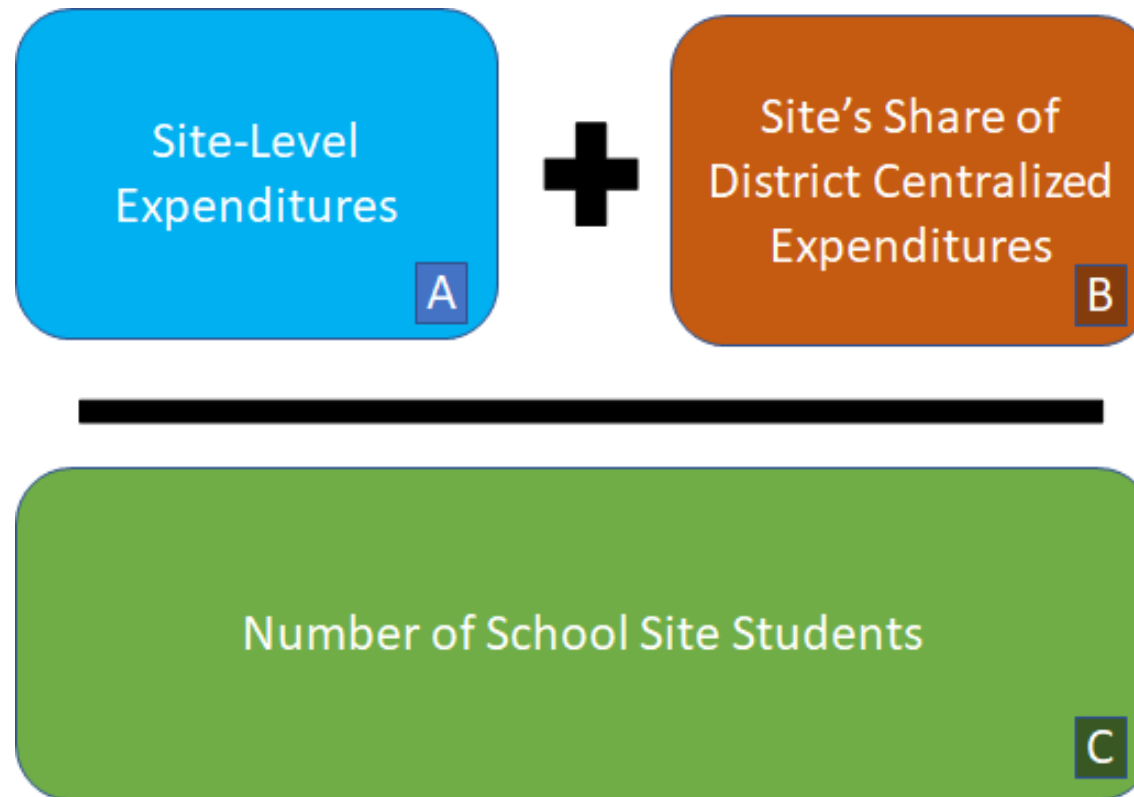
*\*Refers to Pre-Kindergarten students for whom a district incurs costs*



## 2. What does the reporting look like?

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Per-pupil expenditures reported for each School shall comprise:



## 2. What does the reporting look like?

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### 3. What expenditures must be included / should be excluded?

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All district expenditures should be included in the numerator within either (A) site-level expenditures or (B) site's proportional share of district's centralized expenditures, except the following **exclusions from Expenditure Reporting**:

1. Fund 30: Bond and Interest Fund (Debt Service Fund)
2. Fund 60: Site and Construction/Capital Improvements Fund
3. Fund 70: Working Cash Fund
4. Fund 90: Fire Prevention and Safety Fund
5. Function 1115: Tuition Payments to Charter Schools
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 except for those in Fund 10 (Education), which should be included
11. Legacy Pension Obligations

The intent behind these exclusions is to:

1. Reflect only expenditures for Pre-K through 12<sup>th</sup> grade students being served or placed by the LEA
2. Reflect expenditures that are largely ongoing, normal course resource allocations



## 4. What student count should be used? Are there any exceptions?

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Reporting Entities must include every student served by the School in the denominator, with the following exceptions and notes:

- If a ***student is educated outside the district*** (whether placed at a private institution, another LEA, or any other entity), that student ***shall be included in the count of the Home LEA*** per the guidance
- ***Part-time students such as half-day Pre-Kindergarten and half-day Kindergarten*** students shall be counted as 0.5, and all other students shall be counted as 1.0
- In the 2018-19 reporting year, ***the average of the student count*** (as defined above relating to students from or served outside the district) ***on October 1 and March 1 of the reporting year shall be used.***



## 5. How do we handle certain special circumstances?

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### Charters authorized within an LEA

Charter schools should be reported as a site within a District, just like every other school in a district. A CMO's network costs will be in the "Site Level" costs and the LEA's costs incurred for overseeing charters will be in the "Site-Level Share of District Centralized Costs"

### Students educated outside the district (outplacement)

Students placed and/or served outside of the Home LEA, regardless of reason, shall be included in the Home LEA student count, along with associated expenses. LEAs have two options for reporting outplacement costs – either by (1) creating a separate reporting site that captures all outplacement costs and students; or (2) embedding these students and the respective costs in their home school sites.

### Pre-Kindergarten sites and classrooms

Pre-Kindergarten is included in site-based expenditure reporting, as either Pre-K centers 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 entities. Pre-K classroom expenses have no special treatment.





## Your feedback:

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### Further clarifying questions?

**Given your experience with Illinois school districts, what kinds of challenges do you foresee for districts that ISBE should prepare to help them address?**

**How can your group's services adapt and support LEAs in this initiative?**



**THANK YOU**

**For more information, visit  
[www.isbe.net/essa](http://www.isbe.net/essa)**

**Further questions?**

**Contact Sara R. Shaw: [sshaw@isbe.net](mailto:sshaw@isbe.net)**



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