

# Practical Application of ESSA Financial Reporting

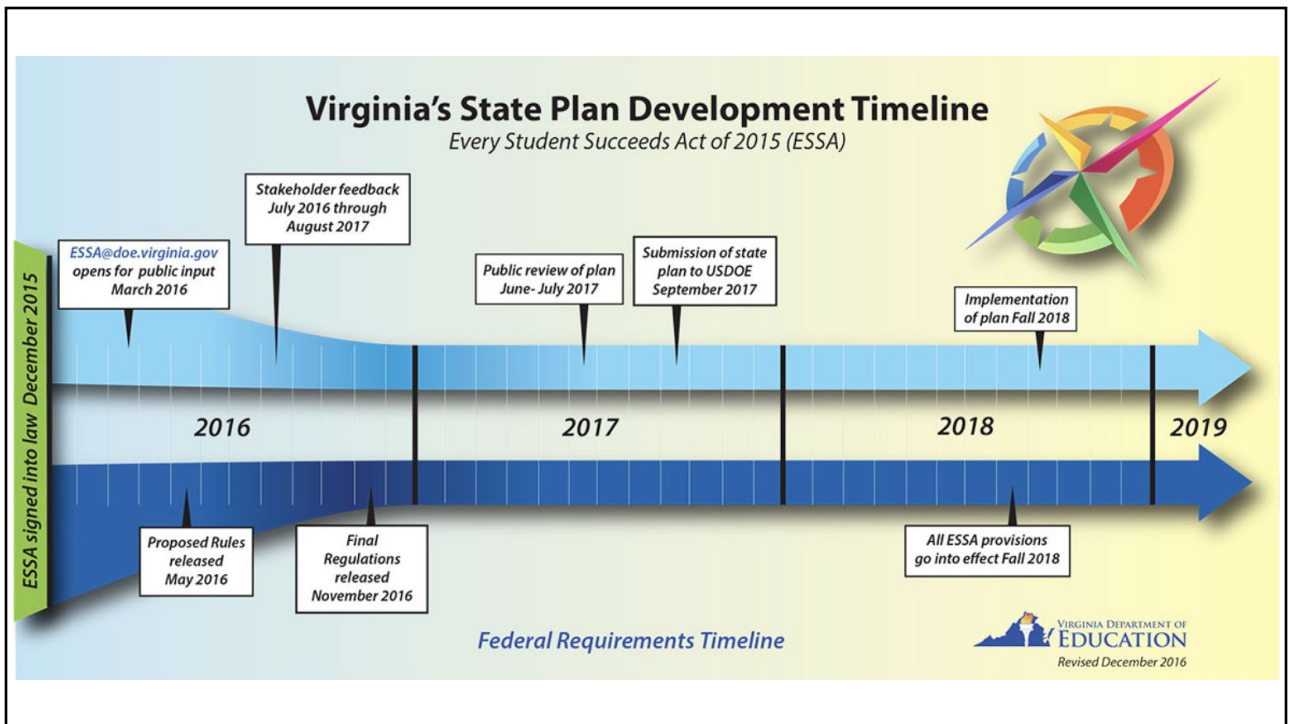
Presented by  
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and John Broderick, Sussex County Schools  
(VASBO Conference May 24, 2018)

## Federal ESSA --> [Virginia School Quality Profiles](#)

*The per-pupil expenditures of Federal, State and local funds, including actual personnel expenditures and actual nonpersonnel 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.*

Every Student Succeeds Act required this information on “annual state report cards” starting with FY2018. States could ask for a one year delay.

Virginia was one of a relatively small group of states that had not previously required any school level financial reporting - VDOE staff joined a national group to help them develop appropriate “business rules”



## VDOE Communications: ESSA Fin. Reporting

VDOE has been making changes to academic indicators and federal grant allocations over the past year.

VDOE received a one year delay (from FY2018 to FY2019) to require **actual per pupil expenditures** to be reported

- a. By each school (new) as well as the division as a whole
- b. By source of funds (federal vs. state/local, new)

Actual VDOE communications on new per pupil reporting:

- a. Chart of Account changes - first draft, VASBO conference May 2017
- b. Supt's email - Jan. 24, 2018 ;
- c. Supt's memo - April 6, 2018 (General Business Rules); May 4, 2018 (Chart of Accounts again, Data file layout)

# VDOE Business Rules: Cost Center/School/District

EXPENDITURES					
S=School-level Expenditure; D=District-level Expenditure; E=Excluded Expenditure (from ESSA per pupil calc. only but data collected on ASR); D/S=School-level or District-level Expenditure		School-Level ASR Elementary (Cost Center 2) & Secondary (Cost Center 3)		ASR Districtwide (Cost Center 9)	
ASR Function	ASR Description	State/Local	Federal	State/Local	Federal
<b>61000</b>	<b>Instruction</b>				
61100	Classroom Instruction	S	S		
<b>Programs</b>	100 Regular, 200 Special, 300 Vocational, 400 Gifted, 500 Other	S	S		
	600 Non-Remedial Summer School, 1100 Remedial Summer School			D/S	D/S
	700 Adult Ed			E	E
	800 Pre-Kindergarten			D/S	D/S
	900 Non-LEA Programs			E	E
	1000 Non-Regular Day School Programs			E	E
61210	Guidance Services	S	S		
61220	School Social Workers Services	D/S	D/S		
61230	Homebound Instruction	D/S	D/S		
61310	Improvement of Instruction	D/S	D/S		
61320	Media Services	S	S		
61410	Office of the Principal	S	S		

Note: Complete business rules are included in the attachments to the April 6 Supt's Memo

## VDOE Business Rules: Cost Center vs. School

-->Most Instruction expenditures must still retain the **elementary** (2; K-7 grades), **secondary** (3; 8-12 grades) and **division-wide** (9; PK, adult ed, summer school) cost centers. ALL EXPENDITURES MUST HAVE A COST CENTER (2,3,or 9)

-->Most Instruction expenditures **must** be charged to a **specific school** (all 61100, 61210, 61320, 61410)

- Forces junior high and middle schools to have two "school-level" costs split between elementary and secondary
  - 61100-1120-2-100-529 (6/7 grade teacher at school 529)
  - 61100-1120-3-100-529 (8 grade teacher at school 529)
- Summer school and pre-K school-level option may also require special coding

## Possible Solution: Cost center vs. School

-->What if I only have only one location code with 3 digits? Assign each school a two digit number:

Middle school "24" expenses: charge expenses to 224 and 324

Pre-K or summer school expenses at school "13": 913

-->What if I only have only one location code with 4 or 5 digits? Same as above but you might actually be able to use the VDOE assigned school number

-->Or use an unused COA component to input the 2-4 character school number and keep the Cost Center field the same

-->WHERE DO I FIND MY VDOE-ASSIGNED SCHOOL NUMBERS?

<http://www.doe.virginia.gov/directories/index.shtml> - download a file under Public Schools: "School List with Principal Contact Information"

## VDOE Business Rules: Federal vs. State/local

There must be a distinction between federal and state/local expenditures

New rule but **you may already have this in place so that you can easily capture your expenditures for OMEGA reimbursements.**

Possible solutions:

1. Set up a federal grant fund - put all federal revenue and expenses there (and all other parts of account number stay the same)
2. Establish all federal grants with their own unique (and easily filtered) program number
3. Do both

**\*\*Every expenditure must have a funding source\*\***

## VDOE Business Rules: School level vs. District level

Many functions (Improvement of Instruction, Health services, Pupil Transportation, O&M, Technology) show as D/S - which is better?

**Can not submit expenditures as simply Elementary or Secondary anymore - must allocate to schools (by ADM or other reasonable means) as well - Cost Centers are mandatory but VDOE will combine expenditures by cost center from data file submitted**

-->District choice:

	Advantages	Disadvantages
School	More accurate; reflects the "spirit of the law"	More explanations? Staff may arbitrarily split expenses, lots of account numbers (harder to monitor?)
District/division	Easier to code and monitor, fewer account numbers	Less accurate: more likely to inflate/deflate total school-level PPEs across the division

## VDOE Business Rules: Excluded expenditures

**\*\*EASY\*\***

LEAs do nothing extra, they report all expenditures for the division in the data files

VDOE excludes all "E" on draft chart of accounts when they calculate new ESSA reports

Possible problem: Because of exclusion differences, be ready to explain differences with Table 15 PPE

## VDOE allocation of centralized (District) expenses

**\*\*EASY\*\***

LEAs do nothing extra except insure that EOY SRC numbers are accurate

VDOE will use EOY ADM SRC numbers for the “serving school” to allocate anything without a school number to each school for the “site share of centralized expenses” for the that portion of Total PPE per site.

Possible problems:

- 1) The data may not represent the true expenditures at a school - especially if the allocation should have been based on other criteria  
-->O&M costs should be higher at the HS which is a community center used 7 days/week but the District allocation on ADM wouldn't reflect that
- 2) May not compare to Table 15 PPE rules

## VDOE Expenditure data file creation

Read Sup's Memo 112-18 and attachments carefully - understanding the final report elements makes it easier to understand the business rules

Data File can be prepared in Excel with required header records and **saved as** “Text (tab delimited)” - a “flat file”

Only one field can be blank - school number (and that means it is a district wide expense)

All unique and allowed account code combinations can have only one value

~~B 325 2 2 1 61100 1120 56743.15~~ (IDEA for school 325)

~~B 325 2 2 1 61100 1120 79235.23~~ (IDEA preschool for school 325)

Combine to: B 325 2 2 1 61100 1120 135978.38

# VDOE Data submission example

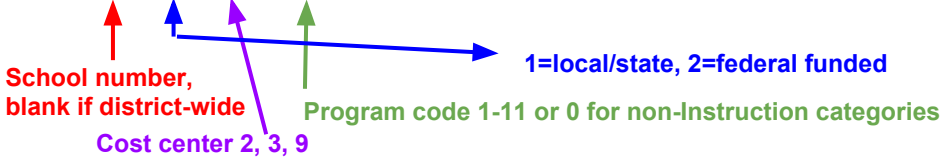
SenderID=100  
 CreateDate=04/17/2018  
 CreateTime=08:53:19  
 EMAIL=jdoe@jefferson.schools.edu

Manually typed in header per instructions

~  
 DATATYPE=ASRFIN

~  
 AASRFIN 2018100AB

B	280	1	2	1	61100	1120	1052991.54
B	280	1	2	2	61100	1120	165629.94



# VDOE Data submission example

B	20	1	3	2	61230	1120	34506
B	20	2	3	2	61230	1120	11502
B	20	1	3	1	61410	1126	75267
B		2	9	7	61100	1120	2975



Note same account except for local/state vs. federal funded (currently combined on ASR)

B		1	9	0	62220	1131	30514.98
B	20	1	9	0	62220	1131	33560



Note same account except one line is district-wide (no school number) and one line has school number 20 - can choose to report both D and S on D/S functions and programs

## VDOE Expenditure data file submission

### Data check:

- Use only valid Functions and Object Codes and a cost center of 9 (with program code 0), where required. (Need to understand allowed combinations: [ASRFIN/ESSA Master COA?](#))
- Do not need to list an account combination if you have no expenditures
- Do not submit with final or total line in Text (tab delimited) file

### VDOE proposed process (still in development):

- May allow a data file check via SSWS before ASRFIN due
- Data file is uploaded as first step of ASRFIN submission - Submit via SSWS (and wait for confirmation that file is “clean”?)
- This file creates expenditure data for ASRFIN (can’t manually enter anymore)
- ASRFIN finished the same (revenue, FTE, reconciliation, schedules)
- ASRFIN due on Sept. 15 (or Sept. 30, with waiver, per Virginia Code)

## VDOE School Quality Profile sample -

H (D + G)  
is the  
number  
that could  
be  
compared  
across  
states or  
within  
Virginia

Possible Reporting Format for ESSA School-level Expenditures Reporting Requirement (Note: Example Only for Illustration Purposes)			
	Division 1		
	Elem. School A	Middle School A	High School A
A: School Enrollment	375	511	992
School-level per pupil expenditures:			
B: Federal	\$456	\$209	\$164
C: State/Local	\$6,111	\$4,756	\$5,998
D: School level total	\$6,567	\$4,965	\$6,162
School share of <u>central</u> pp expenditures:			
E: Federal	\$161	\$161	\$161
F: State/Local	\$5,378	\$5,378	\$5,378
G: School share of central total	\$5,539	\$5,539	\$5,539
H: Total school per pupil expenditures	\$12,106	\$10,504	\$11,701
I: Total Division Excluded Exps./	\$2,416,986		
Total Division Expenditures	\$21,514,686		
J: Excluded Expenditures	Debt service, capital, equipment, other		
K: Enrollment Count Procedure	Average Daily Membership (ADM)		



## VDOE School Quality Profile explanations

**\*\*WARNING\*\*** This may be the item that gets the least attention now but may require the most work before/after profiles are published in Fall 2019/Winter 2020.

1. Try to anticipate where you might have some unusual comparisons between schools - Title I vs. non-Title I, more experienced staff vs. new staff, etc. What are the drivers of high or low costs between schools?
2. Do you review school-level expense and personnel allocations during the budget process? Do you understand what you are buying with funds allocated to each school and is it effective? Be deliberate/strategic, if possible.
3. Start to prepare school leadership and board for this new info - what other data does the district need to show besides the one PPE number per school?
4. When the info is public - what questions will reporters/families ask?

## Goochland plan for FY2019 - minimal change

1. No current or FY2019 budget school-level reporting (February SB adoption); already isolate Federal expenditures
2. Budget was amended in May to reflect school level reporting for Instruction staff only (splitting shared positions as needed) as well as easily distinguished school level expenses. Will upload into Bright as the starting budget, pending approval from County Board of Supervisors (early June)
3. Will encourage budget managers to code Instruction invoices at school level.
4. For FY19 ASR - expect to do a lot of work to create a clean file for VDOE from an expenditure export out of Bright (Find/Replace for new codes, Elem/Sec allocations to schools, rolling up expenses to school/district level)
5. Converting to new financial system for FY2020 - will set up COA and create report as required by VDOE, will have more invoices/staff coded to schools.

## Sussex plan for FY2019

1. School level budgeting for OOE in place. We budget on a fixed and variable cost per pupil.
2. Federal & Grant expenditures are in a separate fund.
3. FY19 Budget passed by School Board in March.
4. FY19 Budget to be amended pending G.A. action & ESSA updates.

Current Account Code      251-61100-1121-001-100-000

New Account Code          251-61110-1121-025-101-000

ASR expenditure mapping revisions

July 1 - Implement G.L. account number & payroll account changes

## Nelson County - FY18 trial year for school-level exp!

Lessons learned from Shannon Irvin:

- Created new school code (because SPED type/school was a shared field)
- Problem: couldn't separate principal accounts from CO instructional staff - will create separate principal controlled budget - school code + "project number" for FY19
- Early meetings with principals, bookkeepers, CO staff at start of FY18
- All Instruction charged to schools - glad that 61310 can now be D
- Operational expense - charged major expenses to schools, let VDOE allocate by ADM the rest
- Already seeing a need to explain PPE differences between Elementary schools (experienced staff at one, high turnover at the other)

# Gloucester - school level expenditure experience

Lessons learned from Heather Lucas:

- Budget book for Gloucester has Instruction expenses by school
- Schools get money allocated by number of students, do own ordering, code all expenses to their school
- Instruction personnel, Sub costs are tagged to the school (export out of Frontline and input into payroll)
- Many division-ordered materials are broken down by school on invoice with a lot of “hand-holding” (but no SPED, CTE or federal grants coded yet to school - deciding whether to do that in Finance system or on Excel spreadsheet)
- No expenses outside of Instruction are done at division level - will work on that going into new year