



Financial Transparency Working Group

# Taking Stock

March 29, 2018

# Zoom Platform

- Everyone is muted, but can unmute yourself
- No need to use video
- Use chat function to chat the group or individuals
- Please mention your state when you chat a comment or question



# Agenda

1. Quick questions
2. Exclusions table review
3. True/False
4. State approaches to rule setting around expenditure coding:  
prescribe or not prescribe?



# Group Questions

1. How is your state planning to count enrollment?
  - a) ADA
  - b) ADM
  - c) Other
  - d) Not sure
  
2. Has your state issued new (or changes to existing) accounting rules for LEAs around FT?
  - a) Yes
  - b) Not yet, but we will (when?)
  - c) Not planning to do this
  - d) Not applicable (for states that already have school level coding)



# What to include in rules/coding communication for LEAs:

- ✓ Reminder of opportunity this level of financial data provides.
- ✓ Description of process towards creating the rules (i.e. used a working group of LEAs).
- ✓ Necessary definitions, such as student, school or site, LEA, etc.
- ✓ Clear delineation of roles: what the LEA is doing vs. what the SEA is doing (i.e. if SEA will apportion all central office-coded expenditures, or if LEA needs to do that apportioning before sending data to SEA).
- ✓ Exclusions (and associated codes).
- ✓ Treatment of unique/complicated issues: pre-k, pensions, service centers that serve more than one LEA, LEAs that have no enrolled students, private funds.



# Group Questions

3. How is your state handling Impact Aid?

- a) Including at state/local level
- b) Including at federal level
- c) Not sure yet

4. Have you communicated with local school boards yet?

- a) Yes
- b) No, but are planning to (when?)
- c) No, and not planning to (assume LEAs will do that)



# Group Questions

5. Which if any state conferences/meetings are you planning to share info on FT

- a) State ASBO
- b) Principal associations
- c) Superintendent associations
- d) School board associations,
- e) Other

4. Does your state require that school board members receive training on finances

- a) Yes
- b) No
- c) Not sure



# IFR is LIVE!

*(though we can still issue later versions if needed)*

<http://edunomicslab.org/interstate-financial-reporting/>

- Feel free to share with your teams, or link to it in your communications with others.
- Ed-Fi is reworking the financial domain to ensure IFR data elements can be pulled via the Ed-Fi API (for states who use that).





# Slight IFR Exclusions Tweaks

Exclusion	NCES Code	IFR or Optional
Adult Ed/ <b>Continuing Ed</b>	Program 600	IFR Exclusion
Capital	Object 450, 700-720; <del>Function 4000</del>	IFR Exclusion
Community Services	Program 800	IFR Exclusion
Debt	Object 800, <b>820</b> -835; Function 5000	IFR Exclusion
Equipment	Object 730-739	Optional
Extracurricular Activities	Program 900; Function 3300	Optional
Food Service	Object 570, 630; Function 3100	Optional
Pre-K	Level of Instruction 11	Optional
<b>Private Contributions</b>	<b>Revenue 1920</b>	<b>Optional</b>
Transfers	Object 900-960	Optional
Transportation	Object 510-519; Function 2700	Optional
Tuition	Object 560-569	<b>Optional</b>

**Notice that pensions are not excluded. Will your state's pension spending be fully included?**

# True/False

**F** 1. States must issue a uniform procedure across all LEAs for how expenditures are applied across schools.

**F** 2. States can use an averaging methodology to apportion each district's total instruction costs across schools.

**F** 3. States can exclude small districts from the requirement.



**To tell** (districts how to code expenditures) **or not to tell:**  
that is the question....



# Two ends of the spectrum

*“Tightly controlled”*

*“Loosey Goosey”*



Approach 1:  
SEA specifies which  
objects/functions  
assigned to schools,  
which to central

Approach 3:  
LEAs make their own  
choices about which  
objects/functions  
assigned to schools,  
which to central



# Approach 1: “Tightly controlled”

SEA specifies objects or functions to be coded to schools

## Benefits:

- Enables more comparability of the breakout of school-based expenditures and LEA shared expenditures across districts (note that the grand totals are comparable across schools and districts regardless of methodology).

## Considerations:

- Requires apportioning methodology (how to divvy up a shared cost such as professional development) if it must be assigned to schools.
- Onerous for some LEAs to artificially separate central-level costs from school-level costs.
- May constrain LEA spending choices and stymie creativity and flexibility.
- SEA (not LEA) answers questions about why costs assigned to school vs central.
- Training of district financial staff.



# Approach 3: “Loosey Goosey”

After teacher salaries, LEAs choose what is school vs central

## Benefits:

- Districts will face healthy questions about their choices on how money is assigned, and can change spending strategy and coding approach over time.
- Lower requirements for training, implementation.

## Considerations:

- Grand totals are comparable across all schools, although the partial sums coded to school and central will vary.
- Less uniformity in coding approaches statewide.



## Minimum IFR criteria

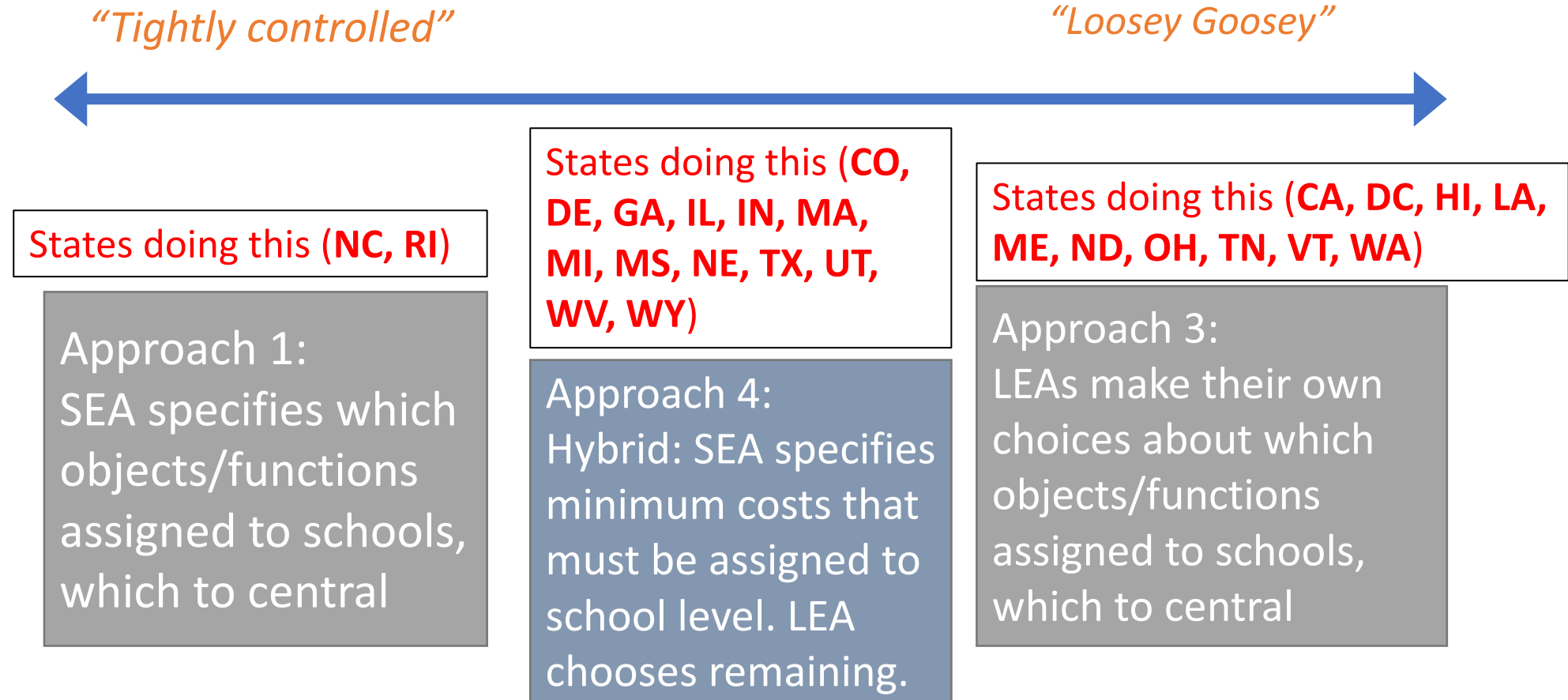
		• District 1 •			
Criteria		Elementary School #11	Elementary School #12	Middle School #17	Criteria Descriptions
<b>A</b>	Enrollment	375	511	992	Students are counted at the school that serves them, regardless of district of origin. The counts reported here are not weighted. The method of student count (ADA, ADM) is up to each individual state.
<b>Site-Level Expenditures</b>					Expenditures accounted for at the school site include at a minimum the <u>actual</u> salary and benefit costs of the school site's full-time staff (as ESSA requires). These three numbers represent expenditures directly assigned to school sites. D is the sum of B and C.
<b>B</b>	Federal	\$456	\$209	\$164	
<b>C</b>	State/Local	\$6,111	\$4,756	\$5,998	
<b>D</b>	Site-Level Total <i>(Sum of B+C)</i>	\$6,567	\$4,965	\$6,162	
<b>Site Share of Central Expenditures</b>					Any shared expenditures accounted for at a central level, but reattributed to the site level via state- or district-preferred method go here. Whether to prescribe site- versus central-level accounting and, if so, what methods to use to separate the two are decisions left to each state. For schools where all public funds are reported at school level, fields E, F and G can be zero. In this example, we have evenly distributed central expenditures across all schools using a per-pupil basis.
<b>E</b>	Federal	\$161	\$161	\$161	
<b>F</b>	State/Local	\$5,378	\$5,378	\$5,378	
<b>G</b>	Site Share of Central Total <i>(Sum of E+F)</i>	\$5,539	\$5,539	\$5,539	
<b>H</b>	Total School Expenditures <i>(Sum of D+G)</i>	\$12,106	\$10,504	\$11,701	This is the number states can use to make apples-to-apples comparisons across states. Critically, the sum of D and G represents the total public funds expended on behalf of students at the school.
<b>I</b>	Total District Exclusions/ Total District Expenditures	\$2,416,986 \$21,514,686			These are total excluded expenditure amounts at the district level, remaining total district expenditures, and the list of excluded expenditures. IFR excludes certain expenditures and permits (but does not require) exclusion of others. See page 4 for chart listing IFR exclusions and optional exclusions and related NCES codes. If transfers are included in PPE reporting, student counts should be captured at the level of accountability. Effort should also be made to ensure funds are not counted twice: once at point of origin of transfer and again at level of transfer receipt.
<b>J</b>	Excluded Expenditures	<i>Debt, capital, equipment, special education transfers to private schools, adult education, community services</i>			
<b>K</b>	Enrollment Count Procedure	ADA, student count Oct. 1			



# Two ends of the spectrum

State landscape:

*at this moment in time given what we know about how expenditures are currently coded or planned to be coded for FT year 1*





# State Websites – will keep updating

## Nebraska

School Finance: <https://www.education.ne.gov/fos/>

ESSA: <https://www.education.ne.gov/fos/annual-financial-report-school-district/201819-essa-financial-coding-information/>

Report Card: <http://nep.education.ne.gov/State?DataYears=20162017#financial-results>

## Maine

<http://www.maine.gov/education/data/ppcosts/Historical/historical.html>

<http://www.maine.gov/education/data/indicators/indicators.html>

## New York

[http://www.oms.nysed.gov/faru/Profiles/profiles\\_cover.html](http://www.oms.nysed.gov/faru/Profiles/profiles_cover.html)

## Illinois

<https://www.isbe.net/essa>, FT info under “Site-Based Expenditure Reporting

**Have more to share? Please send to Katie!  
Katie.Hagan@Georgetown.edu**



# Certificate in Education Finance

Finance Strategy, Policy & Leadership



TWO-DAY RESIDENCY  
JULY 31-AUGUST 1, 2018

Georgetown University,  
Washington, DC

Virtual classes every other  
Thursday following the  
residency ending on  
11/15/2018

Please forward nominations via email to: [Elizabeth.Ryan@georgetown.edu](mailto:Elizabeth.Ryan@georgetown.edu)  
<https://mccourt.georgetown.edu/cef>

Next virtual meeting:

April 17, 1-2pm ET

Topic: Resource Allocation Reviews

Need some one-on-one, state specific assistance? Set up a call with us! Email Katie to schedule ([katie.hagan@georgetown.edu](mailto:katie.hagan@georgetown.edu)).

## FiTWiG Supporters



BILL & MELINDA  
GATES *foundation*

