



LEA Financial Reporting application

*Training Session for Local Education
Agencies*

January 2022

Agenda

- Financial Data Collection Overview
- Updates for this year
- Per-pupil Expenditure Reporting Requirement
- Maintenance of Effort Reporting Requirement
- Application Demonstration
- Next Steps
- Additional Resources
- Q & A



Financial Data Collection Overview

What is the Financial Data Collection?

- The financial data collection is an annual data collection process in which LEAs will submit certain financial data to OSSE in order to meet new requirements:
 - Per-Pupil Expenditures (PPX)
 - Maintenance of Effort (MOE)
- These requirements are a result of the Every Student Succeeds Act (ESSA), signed into law in 2015.
- All LEAs will be required to submit financial data to OSSE.
- LEAs will submit financial data to OSSE starting December 14, 2021. **LEAs will need to submit by March 14, 2022.**
- This is an annual data collection. LEAs will only need to submit information for this data collection process once per year.
- Financial data will be submitted via data input into the LEA Financial Reporting application.

Updates for this year

- There are no major updates to the data collection for this year. The data collection process will be similar to last year's process.
- LEAs will submit their financial data for School Year 2020-21 (FY21)
- The Maintenance of Effort calculation will use the financial data submitted last year (FY20) to do the comparison calculation with newly submitted financial data (FY21). This calculation is done automatically in the LEA Financial Reporting application.



Per-Pupil Expenditures Reporting

Per-Pupil Expenditures Reporting

- Financial data collected from LEAs will be used to report **per-pupil expenditure (PPX)** data for each LEA and each school
- This is a federal requirement - every state education agency, District, LEA, and school in the country needs to meet this requirement.
- PPX data will be used by families, school leaders, policymakers, and other stakeholders. It is an opportunity to compare school expenditures with other publicly available data points for all public schools in the District.
- PPX data will **not** be used by OSSE in its statewide accountability.
- PPX data will be reported on the DC School Report Card website (www.dcschoolreportcard.org)

PPX in the Law

- Section 1111(h)(1)(C)(x) of the Elementary and Secondary Education Act of 1965, as amended by ESSA, requires the state to report:

“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.”

PPX Guidelines

- Per-pupil expenditures will be broken out into two categories:
 - Federal
 - State/Local
- Expenditures will be reported based on the LEA's audited fiscal year data
- LEAs are required to report **actual** expenditures.
 - Budgeted expenditures or average expenditures should not be reported.
- Expenditures do not need to be broken out between personnel and non-personnel.
- Per-pupil expenditures will be calculated by dividing the school's expenditures by the enrollment audit student count.
- The third year of PPE reporting will be based on financial data from the 2020-21 school year.

PPX Guidelines

- Certain expenditures will not be included in the per-pupil expenditures, but will still be reported in aggregate. These are referred to as “excluded expenditures”.
 - Debt service
 - Capital expenditures
 - Construction and capital improvements
 - Community services operations
 - Supplemental expenses made as a result of a presidentially declared disaster
 - Expenditures sourced from private funds

Example for a Single-site LEA

		School 1	Per-Pupil Expenditures (700 students)	
School Expenditures				
Federal		\$1,000,000	Federal	\$1,429
State/Local		\$12,000,000	State/Local	\$17,143
Total School-Level Expenditures		\$13,000,000	Total Per-Pupil Expenditures	\$18,571
Total LEA Excluded Expenditures	\$2,000,000			
Total LEA Expenditures	\$15,000,000			
Key:				
LEA-provided Data				
Calculated cell				

Multiple-site LEAs

- OSSE wants to ensure that all applicable expenditures are included in the school per-pupil expenditure calculation.
- LEAs that have multiple schools and/or a central office may have expenditures that do not apply directly to the school level or that apply to multiple schools. These are referred to as “centralized expenditures”.
 - Example: Salaries of central office staff
- OSSE believes that LEAs are the most knowledgeable about their school-level and centralized-level expenditures. Therefore, it is at the LEA’s discretion as to how centralized expenditures are allocated to the school-level.
- LEAs must show the amount of centralized expenditures that are allocated to each school.
- LEAs must also provide their methodology for applying centralized expenditures to each school.

Methodology Examples

An LEA has the flexibility to determine how centralized expenditures are allocated to the school-level. The following are just some of the examples for the allocation of centralized expenditures to the school-level:

- *Per-pupil basis* - For centralized services that benefit all students across all schools, these expenses can be allocated to schools on a per-pupil basis. As an example, the salaries and non-personnel expenses of the executive office could be allocated across all students in the school system.
- *Per-staff basis* - For centralized services that benefit all staff across the entire organization, these expenses can be allocated to schools on a per-staff basis. For example, the human resources office expenses could be allocated to schools based on the number of staff at the school-level.
- *Selected per-pupil basis* - For centralized services that benefit a specific group of students, these expenses can be allocated to schools based on a selected per-pupil basis. For example, for an office that provides services specifically to students with disabilities, these expenses could be allocated across schools based on the number of students with disabilities at the school-level.

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Example of a Multi-site LEA

		School 1	School 2	School 3	School 4	School 5
School-Level Expenditures						
	Federal	\$200,000	\$100,000	\$5,000,000	\$200,000	\$1,000,000
	State/Local	\$6,000,000	\$7,000,000	\$1,000,000	\$4,000,000	\$20,000,000
	Total School-Level Expenditures	\$6,200,000	\$7,100,000	\$6,000,000	\$4,200,000	\$21,000,000
School Share of Centralized Expenditures						
	Federal	\$50,000	\$50,000	\$100,000	\$500,000	\$250,000
	State/Local	\$1,000,000	\$1,500,000	\$750,000	\$1,250,000	\$1,000,000
	Total School Share of Centralized Expenditures	\$1,050,000	\$1,550,000	\$850,000	\$1,750,000	\$1,250,000
	Total School Expenditures	\$7,250,000	\$8,650,000	\$6,850,000	\$5,950,000	\$22,250,000
	Total LEA Excluded Expenditures	\$5,000,000				
	Total LEA Expenditures	\$55,950,000				
	Key:					
	LEA-provided data					
	Calculated cell					



Example of a Multi-site LEA

	School 1	LEA
School-Level Expenditures		
<i>Federal</i>	\$400	\$2,167
<i>State/Local</i>	\$12,000	\$12,667
Total School-Level Per-Pupil Expenditures	\$12,400	\$14,833
School Share of Centralized Expenditures		
<i>Federal</i>	\$100	\$317
<i>State/Local</i>	\$2,000	\$1,833
Total School Share of Per-Pupil Centralized Expenditures	\$2,100	\$2,150
Total Per-Pupil School Expenditures	\$14,500	\$16,983
<i>Enrollment Count</i>	500	3,000
Total School Expenditures	\$7,250,000	\$50,950,000
Total LEA Excluded Expenditures		\$5,000,000
Total LEA Expenditures		\$55,950,000

Additional PPE Guidelines

- Timeline:

December 14, 2021	Data collection portal opens
March 14, 2022	Data collection portal closes at 4pm
March 15 – March 31	OSSE verifies data for accuracy and completeness
May 2022	Final financial data published on report card

- LEAs will certify financial data within the LEA Financial Reporting application before it is published on the report card website.





Maintenance of Effort

Maintenance of Effort (MOE)

- Financial data collected by OSSE will also be used to ensure that charter LEAs are meeting new MOE requirements.
- MOE requires subgrantees receiving federal funds to maintain a minimum floor of state/local funding for education from year to year.
- The DC School Reform Act of 1995 (DCSRA) exempted DC charter school LEAs from MOE.
- ESSA amended the DCSRA to remove this exemption: all DC charter LEAs are required to meet MOE, beginning with reporting FY18 (SY17-18) and FY19 (SY18-19) expenditures.
 - Last year was the second year of reporting MOE. This is the third year that OSSE will collect MOE reporting information.
- No changes to Individuals with Disabilities Education Act (IDEA) MOE: these requirements remain the same and are handled separately through your IDEA grants manager.

MOE Basic Requirements

A subgrantee may receive federal funds for a covered program for a fiscal year only if OSSE finds that either:

- Aggregate state/local education expenditures OR
- Per-pupil state/local education expenditures

From the previous fiscal year are **at least 90 percent** as high as the second previous fiscal year.

→ Use whichever method is more favorable to the subgrantee.

(ESEA Sec. 8521)

*Covered programs include the following federal ESEA funds DC receives:

- Title I-A (Education for the Disadvantaged);
- Title I-D (Neglected and Delinquent);
- Title II-A (Teachers and Leaders);
- Title III-A (English Language Acquisition);
- Title IV-A (Student Support and Academic Enrichment); and
- Title IV-B (21st Century Community Learning Centers).

(ESEA Sec. 8101)

MOE Basic Requirements

- OSSE designed the financial data collection process so that MOE data will be collected from the data that is used for PPE reporting.
- OSSE is using the financial data from last year's reporting (FY20; SY19-20) to compare with the FY21 financial data that LEAs will submit.
- OSSE will review MOE expenditure reports before providing LEAs their preliminary allocation for the next year's ESEA funds (summer 2022).



MOE Basic Requirements

- If the subgrantee fails to meet MOE, **and also failed to meet MOE once before within the five immediately preceding fiscal years**, OSSE must reduce the federal funding allocation in the exact proportion by which they failed to maintain effort. (See ESEA Section 8521(b)(1).)

→ Note: Five-year grace period is new flexibility under ESSA, and applies to all subgrantees nationwide.
- **OSSE will not penalize DC charter LEAs that fail to meet MOE for the first time between FY20 and FY21, unless they also fail to meet MOE again within the next five years beginning FY22.**
- If an LEA fails to meet MOE, such lesser amount shall not be used to reset the LEA's level by which expenditure efforts must be maintained. (See ESEA 8521(b)(2).)
- Federal Waiver - The U.S. Department of Education may waive this requirement only in cases of exceptional or uncontrollable circumstances, such as a natural disaster, change in the organizational structure of the agency or precipitous decline in the agency's fiscal resources. (See ESEA Section 8521(c).)
 - At the time of this presentation, we have not received any waiver guidance related to the MOE requirement from the Dept. of Education about COVID-19.

Calculating FY20 MOE Expenditures

		School 1	School 2	School 3	School 4	School 5
School-Level Expenditures						
	Federal	\$200,000	\$100,000	\$5,000,000	\$200,000	\$1,000,000
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	Total School Expenditures	\$7,250,000	\$8,650,000	\$6,850,000	\$5,950,000	\$22,250,000
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	Total LEA Expenditures	\$55,950,000				
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Example: MOE Calculation

		Aggregate Expenditures	Amount Per Student
1	Amount LEA spent in 2nd preceding fiscal year (FY20)	\$1,000,000	\$6,100
2	Amount LEA had to spend in the preceding fiscal year (FY21) in order to maintain effort (90% of 2nd preceding year's expenditure)	900,000	5,490
3	Actual amount LEA spent in the preceding fiscal year (FY21)	850,000	5,200
4	Amount by which the LEA failed to maintain effort (Line 2-Line 3)	-50,000	-290
5	Percent the SEA would reduce the LEA's allocation (Line 4÷Line 2)	-5.6%	-5.3%*

* The SEA uses the percentage that is most advantageous to the LEA.

Note: Due to ESSA's five-year grace period, OSSE will not reduce allocations unless the LEA misses MOE, and then misses MOE again in the next five years.



Application Demonstration



Next Steps

Next Steps

- LEAs will complete financial expenditure reporting in the LEA Financial Reporting application by March 14, 2022.
- OSSE will share updates and reminders leading up to deadline.
- DC School Report Card website will be updated to include financial expenditure data in May 2022.
- Resources will be made available to the public in May 2022 so that they have a full understanding of the per-pupil expenditure data.



Common Financial Reporting Standards

- The [Common Financial Reporting Standards](#) were announced by the Deputy Mayor for Education in May 2021. These are new financial reporting standards that will be used starting with the 2022-23 school year (FY23).
- OSSE will begin collecting financial data aligned with the new standards in **2024**. There will be no changes to the current financial data collection process for 2022 and 2023.



Additional Resources

Additional Resources

- [LEA Financial Reporting Application](#)
- Per Pupil Expenditures: [Financial Reporting Requirements under the Every Student Succeeds Act](#)
- Maintenance of Effort: [New ESSA Fiscal Requirements: Supplement Not Supplant and Maintenance of Effort Update](#)
- [DC School Report Card](#)
- [DC School Report Card and STAR Framework Technical Guide](#)
- [OSSE Grants & Funding resources](#)



Q & A

Questions?

For any questions related to this presentation, please contact:

Ryan Aurori
Senior Advisor for Budget & Finance
Office of the State Superintendent for Education
Ryan.Aurori@dc.gov





Thank you!