



LEA Financial Reporting application

Webinar for Local Education Agencies

January 2024

Agenda

- Financial Data Collection Overview
- Updates for this year
- Common Financial Reporting Standards Requirements
- 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 15, 2024**.
- 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

- 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 **this year**.
- LEAs will submit their financial data for School Year 2022-23 (FY23)
- The Maintenance of Effort calculation will use the financial data submitted last year (FY22) to do the comparison calculation with newly submitted financial data (FY23). This calculation is done automatically in the LEA Financial Reporting application.



Common Financial Reporting Standards

Common Financial Reporting Standards

The School Financial Transparency Amendment Act of 2020 (Subtitle (IV)(F) of the Fiscal Year 2021 Budget Support Act of 2020), among other things, requires the Deputy Mayor of Education (DME) to establish common financial reporting standards (Standards) for public schools and public charter schools by May 31, 2021. This document will provide the standards by which the reporting must be developed to meet the provisions of the law. This reporting initiative is called Common Financial Reporting (CFR).

CFRS Summary of Standards

- Both budgeted and actual expenditures must be reported.
- All expenditures are to be reported at the school-level.
- Expenditures are to be reported by expenditure category.
 - Expenditure categories include Instructional Staff, School Support Staff, School Administrators, Instructional Supports, Educational Materials, Non-educational Administrative Supports, Buildings, Operations, and Food Services.
- Expenditures associated with UPSFF At-Risk Funding must be provided per the law.
- All expenditures will be submitted on an absolute dollar basis, and will subsequently be reported on a per-pupil basis

Exclusions from Reporting (CFRS)

This reporting is to include all expenditures except those specifically excluded and listed here:

- Capital expenditures (except for capitalized expenditures not financed)
- Payments to private schools for equitable services requirements for federal funds (DCPS specific; these are excluded as it is not to the benefit of DCPS students)
- Community services operations (Activities concerned with providing services to the community. Examples of this function would be offering parental training or operating a community swimming pool, a recreation program for the elderly, or a childcare center for working parents.

Exclusions from Reporting cont. (CFRS)

Note: In previous school-level reporting, debt service has been excluded. However, for transparency and comparability purposes required for this reporting, debt service expenditures (both principal and interest) are included. Capital expenditures not financed are also included, to capture major expenditures not captured through debt service.

Common Financial Reporting Standards

Budgeted Expenditures (Total \$)	Budget - Total Site-Level and Central Allocated Expenditures									Memo: UPSFF At-Risk Funded Expenditures	
	Instructional Staff	Student Supports Staff	School Administrators	Instructional Supports	Educational Materials	Non-Educational Administrative Costs	Buildings	Operations	Food Service		Total Expenditures
School 1										\$0	
School 2										\$0	
School 3										\$0	
Total Network	-	-	-	-	-	-	-	-	-	\$0	
LEA Total Exclusions										-	

Actual Expenditures (Total \$)	Actual - Total Site-Level and Central Allocated Expenditures									Memo: UPSFF At-Risk Funded Expenditures	
	Instructional Staff	Student Supports Staff	School Administrators	Instructional Supports	Educational Materials	Non-Educational Administrative Costs	Buildings	Operations	Food Service		Total Expenditures
School 1										\$0	
School 2										\$0	
School 3										\$0	
Total Network	-	-	-	-	-	-	-	-	-	\$0	
LEA Total Exclusions										\$0	

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At Risk Reporting (CFRS)

PART A: DESCRIPTION OF MAJOR PROGRAMS, INITIATIVES, AND ACTIVITIES

Social-Emotional Support Staff....
 Additional Instruction & Support Staff....
 Contracted Additional Instruction & Support....

PART B: BUDGETED AND ACTUAL EXPENDITURES

	Budget	Actual	Variance
Social-Emotional Support Staff	\$ 1,120,000	\$ 1,000,000	\$ (120,000)
Additional Instruction & Support Staff	200,000	220,000	20,000
Contracted Additional Instruction & Support	32,500	32,500	-
ESTIMATED TOTAL	\$ 1,352,500	\$ 1,252,500	\$ (100,000)

PART C: Intended Goals and Outcomes

Student outcomes - projected and actual outcomes. Some questions that may guide this section include -
 What were the intended outcomes of the initiatives included in this report? How might the school and/or LEA leadership convey the impact of these initiatives on student performance, retention, attendance, equity or any other factors to support at-risk students?

PART D: CONTEXTUAL NARRATIVE (Optional)

Development of plans:

The Big Why?

When published in the DC School Report card, the reporting will:

- Allow schools and stakeholders to readily access and understand resource allocation;
- Empower LEAs and communities to assess and improve equity;
- Lead LEAs and communities toward a better understanding of the relationship between student outcomes and financial resource allocation decisions; and
- Enable LEAs, schools, and the District (DME/OSSE) to identify evidence-based best practices and opportunities and foster innovation for peer-to-peer learning.



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.schoolreportcard.dc.gov)

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 fifth year of PPX reporting will be based on financial data from the 2022-23 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			

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					

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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

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.



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 fourth year of reporting MOE. This is the fifth 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

- 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.

- 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.

Example: MOE Calculation

		Aggregate Expenditures	Amount Per Student
1	Amount LEA spent in 2nd preceding fiscal year (FY22)	\$1,000,000	\$6,100
2	Amount LEA had to spend in the preceding fiscal year (FY23) 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 (FY23)	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 15, 2024.
- 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 2024.
- Resources will be made available to the public in May 2024 so that they have a full understanding of the per-pupil expenditure data and new common financial reporting data.



Additional Resources

Additional Resources

- [LEA Financial Reporting Application](#)
- [Common Financial Reporting Standards](#)
- 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](#)

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Q & A

Questions?

For any questions related to this presentation, please contact:

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Thank you!