



# OSSE Financial Data Collection and Reporting for Local Education Agencies

April 2019



# Agenda

- Financial Data Collection Overview
- Per-pupil Expenditure Reporting Requirement
- Maintenance of Effort Reporting Requirement
- Next Steps
- Additional Resources
- Q & A



# Financial Data Collection



# What is the Financial Data Collection?

- The financial data collection is a new data collection process in which LEAs will submit certain financial data to OSSE in order to meet new requirements:
  - Per-Pupil Expenditures (PPE)
  - Maintenance of Effort (MOE)
- These new 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 in **December 2019**. LEAs will need to submit by **February 2020**.
- 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 a spreadsheet upload or manual data input into a Quickbase application.



# Per-Pupil Expenditures



# Per-Pupil Expenditures Reporting

- Financial data collected from LEAs will be used to report **per-pupil expenditure (PPE)** 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.
- PPE 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.
- PPE data will **not** be used by OSSE in its statewide accountability.
- PPE data will be reported on the DC School Report Card website ([www.dcschoolreportcard.org](http://www.dcschoolreportcard.org))



# PPE 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.”

- Example of the *basic* requirement for a school, per the law:

Source of Funds	Per-Pupil Expenditure
Federal	\$400
State/Local	\$13,500



# PPE 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 first year of PPE reporting will be based on financial data from the 2019-19 school year.



# PPE 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)	
<b>School Expenditures</b>				
Federal		\$1,000,000	Federal	\$1,429
State/Local		\$12,000,000	State/Local	\$17,143
<b>Total School-Level Expenditures</b>		\$13,000,000	<b>Total Per-Pupil Expenditures</b>	<b>\$18,571</b>
<b>Total LEA Excluded Expenditures</b>	\$2,000,000			
<b>Total LEA Expenditures</b>	\$15,000,000			
<b>Key:</b>				
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.



# Example of a Multi-site LEA

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



# Example of a Multi-site LEA

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



# Additional PPE Guidelines

- Timeline:

December 2019	Data collection portal opens
February 2020	Data collection portal closes
March 2020	OSSE verifies and calculates data
March/April 2020	Final financial data published on report card

- LEAs will validate financial data 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 will be required to meet MOE, beginning with reporting FY18 (SY17-18) and FY19 (SY18-19) expenditures.**
- 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 (21<sup>st</sup> 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.
- However, since the PPE reporting is starting with the FY19 (SY18-19) data, we will also need to collect FY18 (SY17-18) MOE data from LEAs.
- Because MOE is new for DC charter LEAs under the 2015 ESSA law, OSSE will not ask DC charter schools to report on ESEA MOE expenditures before FY18.
- LEAs must complete their MOE reporting in QuickBase by **February 2020** alongside PPE reporting.
- OSSE will review MOE expenditure reports before providing LEAs their preliminary allocation for the next year's ESEA funds (summer 2020).



# 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 between FY18 and FY19, unless they also fail to meet MOE again within the next five years beginning FY20.**
- 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).)



# Calculating FY19 MOE Expenditures

		School 1	School 2	School 3	School 4	School 5
<b>School-Level Expenditures</b>						
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
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<b>Total School Expenditures</b>		\$7,250,000	\$8,650,000	\$6,850,000	\$5,950,000	\$22,250,000
<b>Total LEA Excluded Expenditures</b>	\$5,000,000					
<b>Total LEA Expenditures</b>	\$55,950,000					
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	Calculated cell					



# Calculating FY18 MOE Expenditures

OSSE is updating its optional planning tool to help you calculate the FY18 figures for MOE reporting. For FY18, the spreadsheet will help you calculate the total LEA state/local expenditures for MOE reporting:

Total LEA state/local expenditures	\$2,000,000
Subtract Excluded Expenditures	\$500,000
<b>LEA state/local exp. for MOE Reporting</b>	<b>\$1,500,000</b>

**FY18 LEA MOE Expenditures**  
State/Local Expenditures

Key:  
LEA-provided Data

Use the optional spreadsheet to calculate the amount that will be submitted during the financial data collection

You may use the tool to calculate FY19 expenditures as well, if you wish, or to compare any other future years for budgeting purposes.

**Important: all MOE reporting and final calculations will be done in QuickBase.**



# Example: MOE Calculation

		Aggregate Expenditures	Amount Per Student
1	Amount LEA spent in 2nd preceding fiscal year (DC charter schools' FY 2018, which began July 1, 2017)	\$1,000,000	\$6,100
2	Amount LEA had to spend in the preceding fiscal year (DC charter schools' FY 2019, which began July 1, 2018) 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 (DC charter schools' FY 2019)	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.



Next Steps



# Next Steps

- OSSE will continue to share information and optional tools regarding the financial data collection and the reporting requirements over the next few months
- Training sessions and webinars will be held as we get closer to the opening of the data collection portal in December 2019.
- Resources will be made available to the public so that they have a full understanding of the per-pupil expenditure data.
- The DC School Report Card and STAR Framework Technical Guide will be updated to include per-pupil expenditure calculation information.
- The US Dept. of Education released non-regulatory guidance related to the report card and per-pupil expenditures with the public comment period closing on April 29. We will make any updates to our guidance, if necessary, and communicate those changes to LEAs.



# Additional Resources



# Additional Resources

- 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:

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| Thank you!