

Florida Schools Finance Officer Conference ESSA Ready Finances

November 8, 2018

About Allovue

Our team is your team. We know and understand district financial priorities



- **Founded in 2013 by former public schools teacher**
- **Exclusive K-12 focus**
- **Experts in district finance, data, design, and technology**

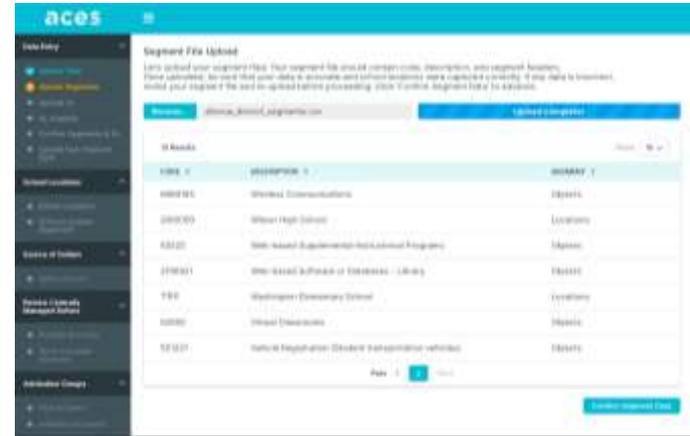
Allovue's Product Suite consists of three core products



As requested by districts, there is also a brand new ESSA reporting tool

ACES (Attribute Central Expenditures to Schools) is a cloud-based tool used to calculate and analyze the breakdown of expenditures at and across district schools, enabling districts to accurately attribute out centrally-reported funds to schools.

Learn more at acesforessa.com.



Understanding ESSA and Its Implications for Florida

The *Every Student Succeeds Act (ESSA)* replaces *No Child Left Behind (NCLB)* and reauthorizes the *Elementary and Secondary Education Act (ESEA)* of 1965. *ESSA* is meant to ensure that all students have equitable access to high-quality educational resources and opportunities, as well as to close educational achievement gaps.

Introduction to ESSA: Federal, State, and Local Roles

US Department of Education



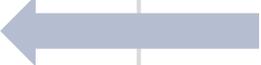
State Education Department



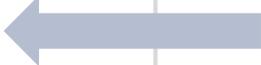
Local Districts



STATE PLAN



DISTRICT PLAN



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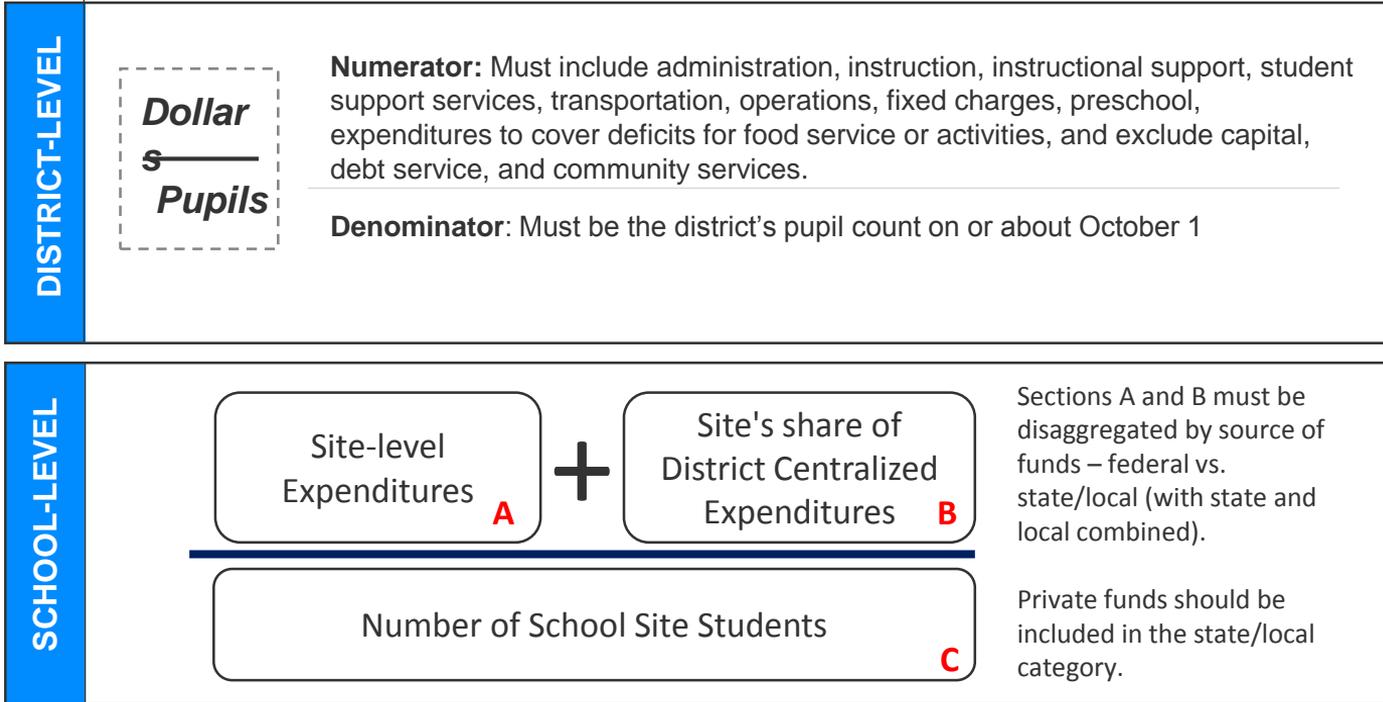


Understanding ESSA: Financial Reporting Requirement

ESSA requires that all State Education Agencies (SEAs) report the following:

- 1** Each state will have SEA and LEA level report cards that must include ***per-pupil expenditures disaggregated by source of funds (Federal, State, and local)***.
- 2** ***SEAs must develop*** a single, statewide procedure that LEAs must use to calculate and report ***LEA-level per-pupil expenditures*** of Federal, State, and local funds, and a separate single, statewide procedure that LEAs must use to calculate and report ***school-level per-pupil expenditures*** of Federal, State, and local funds.
- 3** An SEA and its LEAs are also required to provide on State and LEA report cards the web address or URL of, or direct link to, a description of the uniform procedure for calculating per-pupil expenditures.

Understanding ESSA: Per-pupil Metric Guidance



Source:
<https://www2.ed.gov/policy/elsec/leg/essa/essastatereportcard.pdf>

Real-World Applications of ESSA

ESSA READINESS SURVEY QUESTIONS

Does your district's chart of accounts include a code for each school location

When schools in your district make purchases, does it include the correct school code?

Are salaries and benefits for full-time staff like classroom teachers counted as part of each school's spending?

Are salaries for staff with more than 1 school assignment, such as social worker, counted as part of each assigned school's spending? If they are, is the apportionment by location and fund up-to-date and accurate?

Are centrally purchased goods like textbooks or computers allocated to the schools where they'll be used?

Are service contracts like school security or food services apportioned to the schools that benefit from them?

Are maintenance staff or school nurses allocated to schools?

Have you ever compared the distribution of resources at schools across the district?

Do you know what the drivers are in your district, such as special education spending, that result in some schools spending more per student than other schools?

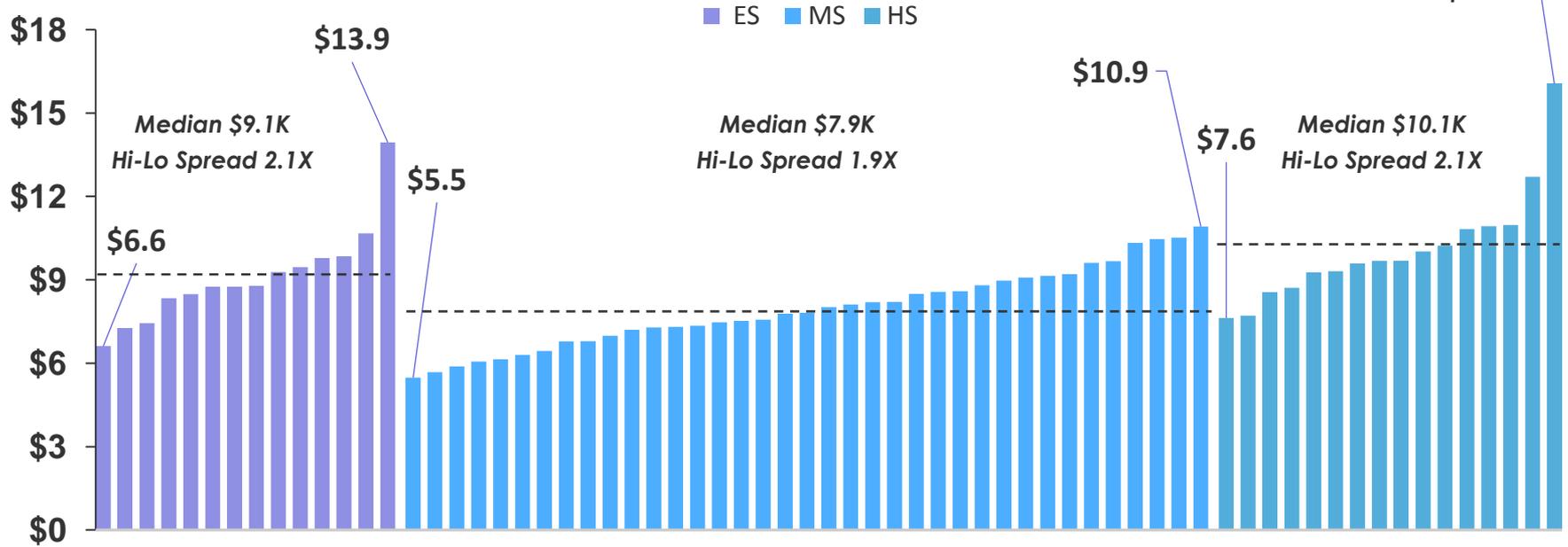
Have you ever communicated to parents why there are differences in per pupil spending by school?

Please answer "Yes", "No", or "Not Sure" for each question

Managing the Message

School Funding Chart

JUSD Per Pupil Expense by School Level



Identifying Per-Pupil Metric Drivers

School Type	School	Enrollment	\$/pp
ES	Einstein Elementary School	260	\$ 13,658
ES	Horace Mann Elementary School	210	\$ 18,031
ES	Central Elementary School	240	\$ 18,405
ES	Lincoln Elementary School	180	\$ 19,535
MS	Coolidge Middle School	504	\$ 9,563
MS	Hamilton Middle School	580	\$ 13,490
MS	Monarch Middle School	460	\$ 14,060
HS	Harrison High School	1040	\$ 13,370
HS	Wilson High School	650	\$ 15,334

Some key questions we ask

1. Are current spending patterns causing large inequities among your schools?
2. Are schools with high needs students receiving additional funding?
3. What are the main factors driving your district's school-level per-pupil expenditures?
4. Are salary patterns driving uneven spending in ways that are concerning?
5. How do school-level per-pupil spending patterns compare to peer districts?
6. Are there more purposeful ways that you could be deploying funds?

Identify Key Stakeholders

Local School Board

Special Interest Groups

State/Local Agencies

US Department of Education

Parents/Community Members

Researchers

Media

Strategies for Effective Communication

1. Develop a plan
2. Engage early
3. Know your data and anticipate challenges
4. Connect spending to overall district strategy

**Is your pitch as good as your plan?
Leveraging your budget in ESSA reporting**

While ESSA reporting takes place on annual financials, districts should also take steps to align budgeted resources to the site level in order to:

- Ensure consistent messaging and transparency
- Gain early insights on per pupil spending and equity
- Reduce the amount of funds that are attributed via per pupil calculations

Common Issues In Budgeting

Budgets held centrally, but spent at schools

- Results in large variances
- Makes site-level accountability difficult
- Hard to understand true variances and underlying causes

grouped by location

Units	Budgeted	Encumbered	Spent	Available
District Wide	\$90,204,325.66	\$5,000.00	\$49,005,816.46	\$41,193,509.19
Schools	\$11,344,460.52	\$6,664.58	\$43,398,326.91	-\$32,060,530.97
Not Applicable	\$0.00	\$0.00	\$15,160,598.42	-\$15,160,598.42
Grand Totals:	\$101,548,786.18	\$11,664.58	\$107,564,741.80	-\$6,027,620.20

Common Issues In Budgeting

Relying on “incomplete” budgets in the ERP

- Inaccurate forecasting of available funds
- Hard to understand true variances and underlying causes
- Requires customization of financial reports

Funds	Budgeted	Encumbered	Spent	Available
Maintenance and Operations	\$62,961,601.00	\$9,391.16	\$61,231,928.61	\$1,720,281.22
Federal Projects	\$19,057,404.89	\$748.10	\$15,498,975.83	\$3,357,680.96
Other Funds	\$15,796,366.49	\$1,525.32	\$28,312,098.96	-\$12,517,257.79
Classroom Site	\$3,674,954.00	\$0.00	\$2,192,547.46	\$1,482,406.53
County, City, and Town Grants	\$58,459.79	\$0.00	\$30,292.85	\$28,166.94
State Projects	\$0.00	\$0.00	\$28,105.62	-\$28,105.62
Instructional Improvement	\$0.00	\$0.00	\$70,792.45	-\$70,792.45
Grand Totals:	\$101,548,786.18	\$11,664.58	\$107,564,741.79	-\$6,027,620.19

Using generic location codes to capture multi-site costs

- Difficult to analyze site-level spending
- Relies on shadow systems to understand real costs
- Majority of ESSA reporting done through cost attribution rather than cost accounting

Locations	Budgeted	Encumbered	Spent	Available
District Central	\$48,312,366	\$249,805	\$45,372,232	\$2,690,329
All Other Locations	\$8,655,705	\$464,364	\$7,748,695	\$442,646

Thank you!

Need more information or have more questions?

Visit essaready.com or reach us at hello@allovue.com