



# ESSA Building-Level Expenditure Data Reporting Instructions and FAQs

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## General Information

### Why is the Department of Education collecting this data?

Title I, Part A of the federal Elementary and Secondary Education Act (Every Student Succeeds Act, or ESSA) requires the annual publication of State and Local Education Agency (LEA) report cards that detail per-pupil expenditures of federal, state, and local funds for each LEA and school for the preceding fiscal year. This mandatory reporting will be used by the Department of Education (PDE) to calculate building-level, per-student expenditure data each spring.

### Which LEAs are responsible for ESSA financial reporting?

All school districts and charter schools must participate in ESSA financial reporting. Career and Technology Centers (CTCs) and Intermediate Units (IUs) are excluded from this reporting.

### What data must be reported?

ESSA requires LEAs to allocate expenditures into two categories for each building: **personnel** and **non-personnel**. Within these two broad categories, expenditures must then be separated by source of funding (local, state, federal). Only buildings with a 4-digit school number, as identified in PDE's [EdNA database](#), will appear on the reporting schedule.

### How will this data be reported?

PDE added a new collection schedule to the Annual Financial Report (AFR) within the Consolidated Financial Reporting System (CFRS). Beginning with fiscal year 2018-19, the ESSA Schedule will be accessed via CFRS and found under the Special Schedules section of the AFR.

Buildings subject to the reporting will be prepopulated on the CFRS schedule.

ADM should be from the same school year as the financial data being reported. For the initial year of reporting, use fiscal year 2018-19 ADM.

## Reporting Methodology

Expenditures for each building should be reported with the most accurate data possible. Costs not collected at the building level may be allocated based on average daily membership (ADM) in each building. Alternate allocation methodologies are permitted if the resulting expenditures for each associated building would be more accurate than expenditures derived from allocating by ADM. LEAs using an alternate allocation methodology must describe the methodology.

Specific and allowable reporting options are detailed below.

Option 1 – Actual expenditures: All costs are tracked for each building

Option 2 – ADM: All costs are allocated to each building based on ADM

Option 3 – Hybrid: Some building costs are tracked; remaining costs are allocated based on ADM

Option 4 – Other: Other methodology used; explanation required

## Reporting Guidelines

The ESSA reporting schedule draws on Current Expenditures from the General Fund, which is consistent with other expenditure data reported to the U.S. Department of Education.

**Current Expenditures:** Current Expenditures are calculated as follows: Total Expenditures, less accounts 4000 (Facilities Acquisition) and 5000 (Other Financing Uses).

**Personnel and Non-Personnel Expenditures:** Current Expenditures must then be further separated into two categories: personnel and non-personnel.

*Personnel* costs include salaries, benefits, incentive pay and/or bonuses, and supplemental pay for additional roles (Objects 100 and 200).

*Non-personnel* costs include all other costs, less exclusions noted (Objects 300-900, as appropriate).

When allocating expenditures based on ADM, it is important to ensure that the ADM used for the allocation be limited to the students for which the expenditures are made. Similarly, if a student group is not included in the membership reported to PDE (e.g., PreK Counts-funded students), the expenditures should be excluded from the ESSA Schedule. In addition, the fiscal year for the ADM used in making the allocation must match the fiscal year of the financial information used.

**Buildings with Multiple Grade Levels:** If a school district or charter school has a building that combines grade levels (such as elementary/middle or middle/high), that grouping will not impact the ESSA Schedule reporting. PDE recommends that expenditures be allocated by ADM, not by student grade level.

**Exclusions:** The following costs should be excluded from ESSA financial reporting:

- Accounts: 1450, 1500, 1600, 1807, 2280, 2450, 2750, 2990, 3300, 3400, 4000, 5000
- Objects: 322, 560, 700, 830, 899

Any accounts/objects not listed above should be included in the ESSA Schedule reporting, if those accounts and objects are included with Current Expenditures in the General Fund.

## Frequently Asked Questions

### 1. Should charter school tuition payments be included in ESSA financial reporting?

An LEA's ESSA financial reporting should be tied to a building's ADM. As students attending a charter school will be included in that LEA's reporting, the resident school district should exclude charter school tuition payments from reporting. By excluding object 560 (see previous question), all tuition is excluded from ESSA financial reporting.

### 2. Should transportation costs be included in ESSA financial reporting?

Transportation costs should be included in ESSA financial reporting for students reflected in the LEA's building-level ADM; for example, transportation costs related to non-public or charter school students should not be included. For LEAs that provide transportation services to only certain students (e.g., students attending certain buildings, students receiving Special Education services), reporting should be tied to that subset of the ADM.

### 3. How should Special Education costs be allocated for ESSA financial reporting?

Special Education costs should be allocated at the building level, based on ADM. PDE will provide guidance in instances where very small numbers of students, or students with significant involvement, could result in personally identifiable information.

### 4. Our school district contracts with our intermediate unit to provide services for certain students with special needs. How should these costs be allocated for ESSA financial reporting?

Unless the expenditures are accounted for in object 322, which are to be excluded from the ESSA Schedule, costs should be pro-rated to students' home building(s).

### 5. What is an appropriate method of allocating costs related to a separate building with no associated enrollment that provides services to the entire district (e.g., a building that houses a gym and weight room)?

Costs related to a building with no associated enrollment, and that provides services to the entire district, may be assigned to that building or prorated across other buildings, based on ADM.

**6. How should technology costs be treated for purposes of ESSA financial reporting?**

Technology costs may be allocated at the building level, based on ADM. Technology costs related to a specific initiative impacting specific buildings or students (e.g., an initiative focused on 7th grade students) should be tied to that subset of the ADM.

**7. My school district has a single building with two schools—a middle school and high school. Must ESSA financial reporting be disaggregated to reflect this?**

Reporting will be required for buildings with a 4-digit number and that are prepopulated on the reporting schedule.

**8. What is an appropriate method of allocating costs related to a separate building, with no associated enrollment, that provides services to the entire district (e.g., a building that houses a gym and weight room)?**

Costs related to a building with no associated enrollment, and that provides services to the entire district, may be assigned to that building or prorated across other buildings, based on ADM.

**9. Will PDE institute validation procedures ESSA financial reporting?**

PDE will provide ESSA-required financial reporting instructions, a reporting template, and list of state-level exclusions. Any significant within-local education agency (LEA) variations—either building to building or year over year—may be noted by the LEA. PDE does not envision state-level validation procedures in the first year of ESSA financial reporting.

**10. How will ESSA financial reporting be depicted?**

ESSA financial reporting includes six breakouts: personnel and non-personnel for each of the following: Federal, State, Local. Individual revenue streams will not be identified.

**11. How should costs related to contracted (i.e., third party) services be reflected in ESSA financial reporting?**

Reporting related to contracted services may vary depending on the LEA's accounting system.

**12. As ESSA financial reporting methodologies may differ slightly, LEA to LEA, the utility of comparisons between LEAs may be limited. Will PDE provide guidance to help stakeholders interpret ESSA financial data?**

Yes. Consistent with its practice in implementing ESSA school accountability determinations, PDE will pair the public posting of ESSA financial data in Spring 2020 with sample communications resources; these resources will urge stakeholders to exercise caution in making cross-LEA inferences, especially in the first few years of financial reporting.

## **More Information**

Questions related to the ESSA Schedule may be directed to PDE at [ra-CFRS@pa.gov](mailto:ra-CFRS@pa.gov).