

EDUCATIONAL



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Report to Education Interim
Committee

School Level Reporting HB331

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Feasibility of School Level Reporting

STATUTORY REQUIREMENT

U.C.A. Section [53A-1-414 (2)] requires the State Board of Education to report by October 31, 2017 to the Education Interim Committee regarding the feasibility of reporting certain school level expenditures on the board's website.

EXECUTIVE SUMMARY

The Utah State Board of Education (the USBE), in consultation with local education agencies (LEAs) and other stakeholders, have assessed the feasibility of reporting school level expenditures and developed a methodology to create the school level report. This report will be used to fulfill other strategic goals of the USBE and fulfill the requirements of the State's Every Student Succeeds Act (ESSA) plan. The USBE will combine this report with the school level report card. Local education agencies will experience increased accounting and clerical burdens to record expenditures at the school level. The USBE believes that the general ledger submissions to transparency.gov can be harnessed to obtain the necessary data, but will require a system or program to generate the over 1,000 school level reports. Such a system would need to be built out of the existing Utah Public Education Financial System (UPEFS). The earliest a school level report could be delivered is at the end of school year 2018-2019.

BACKGROUND

During the 2016 General Session, the Legislature passed House Bill 331, Education Provisions, requiring the USBE to assess and report on the feasibility of reporting certain school level expenditures on USBE's website. The school level expenditures to be reported on USBE's website may include total teacher salary expenditures; capital expenditures; overhead and other expenditures; average per pupil funding; and the percent of teacher turnover from the prior school year.

For this report, the USBE staff evaluated the quality and consistency of existing data collections from local education agencies, comparisons of the methodologies and impacts of various collections, and other factors involved in school level reporting.

During this same time period, the Utah State Board of Education submitted Utah's ESSA state plan to the U.S. Department of

Education. In federal statute, all states are required to develop a methodology 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 education agency and each school in the State for the preceding fiscal year” (1111(h)(1)(C)(x) of the Elementary and Secondary Education Act (ESEA) as amended by ESSA). Furthermore, federal statute requires the state educational agency to ensure each LEA “collects appropriate data and includes in the local educational agency’s annual report the information” described in the quotation above (1111(h)(2)(C) of ESEA, as amended by ESSA).

Consequently, the USBE developed a methodology that served three functions: it meets the intent of the analysis required in House Bill 331, it provides data and metrics to support the USBE’s strategic plan, and it maintains the minimum requirements of ESSA. The priorities that guided this assessment and feasibility study were 1) to minimize additional data collections from the LEAs to reduce impact, 2) to develop a model to ensure calculations and metrics were calculated consistently for all LEAs, and 3) to be flexible to ensure the USBE can adjust or add metrics based on board and stakeholder feedback.

Utah State Board of Education staff held several stakeholder group meetings with LEAs, business officials, and accountants. Special interest groups and individuals who expressed an interest in participating in the creation of the fiscal elements of Utah’s ESSA state plan were also invited. At these meetings, the elements of an accurate and understandable school level report were discussed. Data quality, consistency, and the risks associated with parents, the public, and stakeholders misunderstanding or misinterpreting data were also addressed. Student privacy and Family Educational Rights and Privacy Act (FERPA) considerations were also discussed and evaluated.

METHODOLOGY

Data Quality and Consistency

The USBE has an existing standardized chart of accounts and collects data annually from all LEAs to complete statutorily required Annual Financial Reports (AFR) and Annual Program Reports (APR). Presently, summary data from each LEA is mapped to the standardized chart of accounts from each LEA’s

accounting system and reported in the UPEFS designed by the USBE. Local education agencies are also required to submit the entirety of their general ledger detail quarterly to the Utah Transparency site, per state statute.

A school location code was added in UPEFS and LEAs were notified that beginning with the 2017-18 year, they would be required to report at the school level. The location codes are catalogued at an LEA level and reported to the USBE in the Comprehensive Administration of Credentials for Teachers in Utah Schools (CACTUS) system. Some LEAs were already using location codes in their accounting systems and were able to report at location, some LEAs began early implementation of location codes.

The USBE staff and individuals from LEAs participated in a collaborative review of the USBE's chart of accounts and the current definitions. New accounts were added, clarification of definitions was added, and other categorical and cost accounting modifications were made and adopted by the USBE. We also identified account combinations which do not appear to be coded appropriately and programmed validations into UPEFS to reject these items.

Audit steps were added to the annual LEA state legal compliance guide requiring each LEA's external auditor to verify proper accounting codes are entered into the LEA's accounting system at the time of transactions. These steps help to establish internal controls to achieve a framework for consistency in coding expenditures and revenues that establish minimum reporting standards.

Standardized Reporting Definitions and State Level Compilation

Significant time was devoted to the discussion to the burden school level reporting will place on LEAs who have limited staff both at the school level and in the business office. Time and training will be required at the individual school level to ensure proper accounting codes are used for all expenditures.

To mitigate the costs of this requirement, USBE staff seeks to utilize data already uploaded into the transparency system and to minimize the specific functions that must be coded at the school level. Expenditures not coded at the school level will be allocated across individual schools on a headcount basis.

The workgroups and USBE have concluded that the following **must** be recorded and reported at the school level for all LEAs:

- 1- School level instructional staff salary and benefits;
- 2- School level non-instructional salary and benefits;
- 3- Supplies and materials consumed at the school level;
- 4- School level expenditures; and
- 5- School based support staff.

The workgroups and USBE have concluded that the following **may be** recorded at the school level, but could also be allocated to the school level on a headcount basis:

- 1- School lunch costs;
- 2- School transportation costs;
- 3- School administration; and
- 4- Specific services like traveling or itinerant special education teachers, or psychologists with non-standard school assignments.

The workgroups and USBE have concluded that the following **are not** required to be recorded to individual schools and will be allocated to the school level on a headcount basis.

- 1- District administration;
- 2- School transportation costs; and
- 3- School lunch costs.

Costs that are not easily attributable to individual school levels, or types of costs for which allocation would be cost, time, and resource prohibitive will be allocated to schools across the LEA. For example, a bus leaves the bus garage in the morning and picks up high school, junior high, and elementary students. The students are all picked up and dropped off at their schools in sequence during the morning. The driver could also do a special education route, an activity run, or maintenance stops during the day. The time and resources necessary to track the actual costs of the gas, bus usage, and driver salary per day for the thousands of busses and routes in the state each year would far outweigh the benefits of the data. It is also likely that an allocation methodology per student will yield comparable information on an LEA basis, without having to hire additional personnel or buy tracking and inventory systems. Similar circumstances exist with centralized kitchens, or food purchased in bulk and warehoused for distribution in an LEA.

Allowing LEAs latitude to determine which centralized services or costs are recorded at the school level or at the LEA level enables LEAs to manage this requirement with their existing staff and resources. The USBE staff feels the data can be

managed using the location code, function, and object codes in the standardized chart of the accounts.

Certain expenditures will be excluded from school level reporting at this time. In meeting with various states, through webinars, typical exclusions are: adult education, tuition paid for students outside the district's school, pass-through funds, debt service funds, capital project funds, and food service funds. We have elected to allocate costs for food service activities.

The USBE has found that the per pupil expenditures by school has little value unless there are some additional population, economic, and/or regional indicators to provide context to the numbers. Some of these data points include percentages of students living in poverty, students with English as a second language, student with disabilities, or schools that receive funds through the State's Necessarily Existent Small Schools (NESS) program. Additional federal and state resources are provided to these schools to provide services and resources to these student populations or geographic areas which could skew the per pupil calculations. Additional data points pertaining to average teacher salary at individual schools and teacher turnover rates are also deemed important.

CURRENT STATUS and RESOURCES REQUIRED

Presently, there is no state law or USBE rule that requires school level reporting.

To fulfill the proposed State ESSA plan on our website, we must publish a plan to report per pupil expenditures, percent of federal support, and percent of state and local support by December 2018. The U.S. Department of Education recalled guidelines on school level reporting and enacted a deferment of one year, to December 2019, for states to publish the actual reports.

The USBE staff has engaged in preliminary work to create a draft of the school level report. Numerous iterations of this report were provided to workgroup members for analysis. We could manually create this report using data from the transparency.com website. We were able to access this data through State Finance and create a school level report with per pupil expenditures using the methodology identified above. The current draft report is most useful to superintendents, business administrators, and principals. We have been collaborating with the statewide report card design team to

present this fiscal information in a format accessible and useful to parents and the public.

Presently, the USBE does not gather data pertaining to average teacher salaries or teacher turnover rates. Members of the workgroup provided suggestions for gathering data, but no requirement has been enacted to date.

The USBE staff will continue to evaluate how to provide data regarding capital expenditures in a consistent manner. The comparison between facilities funded through property tax or bonds and long-term leases is a subject that needs further study.

The USBE presently lacks a system or automated method by which to consolidate data from transparency.gov in order to standardize the creation of these school level reports. In FY 2017, there were 1,098 individual schools. It is not feasible or practical to manually calculate school level reports. An assessment is being requested of the USBE Superintendency to determine what system will be utilized or created to calculate these reports. The volume of data gathered when reporting at the school level is very large. The USBE may require additional storage or computing capacity to allow for preparation of reports in a timely manner.

Standardized instructions on how financial data will be compiled and calculated must be created for the LEAs. The USBE also wishes to create school level reports for LEAs at the end of FY 2018. This function would enable LEAs to review the reports and modify reporting instructions for their individual school staff. Sufficient time is required for each LEA to train their staff.

** This is test data for example use only

Central Office Spending per Student

Non-Instructional Spending

| Administration | Pupil Services | Oper & Maint | Sub-Total A |
|----------------|----------------|--------------|-------------|
| 179.50 | 50.85 | 998.78 | 1,229.13 |

Instructional Spending

| Instnl Leaders | Teachers | Other Teaching | Prof. Development | Instructional Materials | Guidance & Psych | Subtotal B |
|----------------|----------|----------------|-------------------|-------------------------|------------------|------------|
| 11.88 | 11.88 | 292.03 | 100.08 | 65.50 | 8.47 | 489.84 |

School Spending Per Student

| School | Grade Level | Students | | | | Teachers | | | School Specific Instructional Expenditures | | | | | | Total Expenditures Per Student | |
|-------------------|-------------|----------------|---------------|-------|--------|--------------|---------------------------|--------------------------|--|----------|---------------------|----------|-----------------------|------------------|--------------------------------|-----------|
| | | Total Enrolled | % Econ Disadv | % ELL | % SWD | Teacher FTEs | Teachers per 100 Students | Avg Teacher Salary & Ben | Instruction Leadership | Teachers | Other Teaching Serv | Prof Dev | Instruction Materials | Guidance & Psych | Sub Total C | A + B + C |
| LINDON ELEMENTARY | K - 5 | 466 | 0.00% | 0.00% | 15.88% | 20 | 4.29 | | 262.77 | 1,531.37 | 260.40 | 4.71 | 76.28 | - | 2,135.53 | 3,854.49 |
| DISCOVERY | K - 5 | 463 | 42.76% | 2.81% | 15.77% | 19 | 4.1 | | 243.29 | 1,427.99 | 297.40 | - | 93.50 | - | 2,062.19 | 3,781.15 |
| BEAVER ELEMENTARY | K - 5 | 336 | 43.75% | 2.08% | 10.42% | 15 | 4.46 | | 335.62 | 1,492.89 | 164.44 | 40.63 | 94.33 | - | 2,127.91 | 3,846.88 |
| UVU ELEMENTARY | K - 5 | 499 | 36.07% | 1.40% | 8.42% | 21 | 4.21 | | 259.14 | 1,519.45 | 166.14 | - | 107.48 | - | 2,052.21 | 3,771.18 |
| GOOD START | K - 5 | 705 | 45.67% | 3.12% | 14.33% | 29 | 4.11 | | 166.98 | 1,539.86 | 470.49 | 9.94 | 78.13 | - | 2,265.40 | 3,984.36 |
| PARK LANE | K - 5 | 588 | 53.74% | 8.16% | 10.37% | 25 | 4.25 | | 210.19 | 1,479.70 | 290.57 | 0.13 | 76.35 | - | 2,056.94 | 3,775.90 |
| JEFFERSON ELE | K - 5 | 557 | 56.55% | 5.57% | 11.31% | 23 | 4.13 | | 196.80 | 1,726.69 | 312.73 | 20.31 | 107.99 | - | 2,364.53 | 4,083.49 |
| MOAB ELEMENTARY | K - 5 | 405 | 60.99% | 7.90% | 15.56% | 19 | 4.69 | | 258.86 | 1,830.98 | 339.48 | 13.33 | 179.46 | - | 2,622.11 | 4,341.08 |
| NORTH LAKE | K - 5 | 514 | 50.39% | 8.75% | 12.84% | 23 | 4.47 | | 210.68 | 2,141.86 | 394.83 | 2.42 | 89.33 | - | 2,839.12 | 4,558.08 |
| UTAH LAKE JR | 6 - 7 | 724 | 48.07% | 1.93% | 13.95% | 32 | 4.42 | | 351.42 | 2,063.42 | 374.65 | 3.64 | 176.82 | 131.75 | 3,101.70 | 4,820.66 |
| USU JUR | 6 - 7 | 964 | 41.08% | 2.70% | 10.06% | 40 | 4.15 | | 407.29 | 1,923.22 | 346.96 | 0.16 | 169.88 | 113.69 | 2,961.19 | 4,680.15 |
| U OF U MIDDLE | 8 - 9 | 678 | 45.43% | 1.92% | 9.59% | 29 | 4.28 | | 290.73 | 2,084.72 | 234.14 | 63.23 | 143.01 | 187.88 | 3,003.71 | 4,722.68 |
| BOX ELDER MID | 8 - 9 | 979 | 38.41% | 2.35% | 9.91% | 42 | 4.29 | | 300.66 | 1,890.11 | 314.55 | 84.48 | 158.49 | 165.35 | 2,913.62 | 4,632.59 |
| FLINTSTONE HIGH | 10 - 12 | 996 | 34.34% | 0.80% | 9.64% | 38 | 3.82 | | 428.71 | 1,893.22 | 326.57 | 245.00 | 680.13 | 126.23 | 3,699.86 | 5,418.83 |
| NARNIA HIGH | 10 - 12 | 1447 | 29.44% | 1.87% | 10.37% | 60 | 4.15 | | 340.42 | 1,949.88 | 414.11 | 237.88 | 432.21 | 166.21 | 3,540.72 | 5,259.68 |