

Every Student Succeeds Act (ESSA)

Per-pupil Expenditure Reporting – Uniform Procedures

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Executive Summary

The Every Student Succeeds Act (ESSA) was signed into law on December 10, 2015, and it implements a statutory requirement for State and Local Education Agencies (LEAs) to report per-pupil expenditures of Federal and combined State and local funds separated by source as part of the LEA's annual report card. This is a new level of expenditure reporting and requires the development of a single, statewide procedure to calculate and report school-level per-pupil expenditures. This document provides a description of Wyoming's uniform procedure for calculating per-pupil expenditures, and seeks to provide a reliable basis for comparing school-level expenditure patterns between local schools and other districts.

The methodology described herein was developed by the Wyoming Department of Education (WDE) in consultation with the School Finance Data Advisory Committee (SFDAC). The WDE acknowledges the valuable insight and assistance provided by the SFDAC in ensuring the quality and accuracy of the information presented.

The law requires per-pupil expenditures to be included on State and LEA annual report cards beginning in 2017-18. The State report card for Wyoming will be accessible online and provides a clear and concise description of the State's methodology for calculating school- and student-level expenditures. The WDE highly recommends referencing this guidance document when speaking with community members and other stakeholders. For questions regarding this document, please contact the WDE School Finance Section at (307) 777-7675.

Individual school districts may provide additional insight regarding the information presented in the district report cards. Please contact your local district to discuss specific school-level calculations or content.

Wyoming's School Funding

Wyoming's school finance system mandates the equitable allocation of resources among all school districts in the state. The Wyoming Funding Model is the vehicle by which resources are determined using district- and school-level characteristics. For a rural state like Wyoming, there will be wide variances in per-pupil expenditures, particularly in school districts that serve small student populations. Additionally, student and school characteristics can have a dramatic impact on spending differences between schools (special education, at-risk populations, etc.). The per-pupil expenditure data does not always provide a reliable basis for comparing schools due to the limited nature of school-level expenditure data, as well as a lack of consideration for school-level demographics and state determined funding mechanisms. The WDE further cautions that per-pupil spending is not the only measure of resource equity.

Data Reporting and Collection Cycle

With the assistance of the SFDAC, the WDE developed a plan to comply with ESSA expenditure reporting requirements and, to the extent possible, obtain useful information about the equitable distribution of school finance resources without imposing an excessive burden on school districts.

Wyoming school districts report financial data to the WDE through the WDE601 WISE Annual District Report (WDE601), which details revenue and expenditure activity for the previous fiscal year. Student enrollment counts are taken from the WDE684 WISE Teacher/Course/Student Fall Data Collection (WDE684). The information reported by school districts is used for a number of purposes, including determining adjustments to state formula allocations, for external reporting, and for numerous federal reports: the CCD fiscal report, F-33 Bureau of the Census fiscal report, Impact Aid, and others.

The WDE Finance Unit and the Department of Audit review the WDE601 every year to ensure correctness in reporting. This includes performing cross checks with the other school finance forms in an effort to ensure consistency in district financial data. Due to the level of scrutiny placed on the review of this data, per-pupil expenditure reporting (as required under ESSA) will be based on self-reported WDE601 data from Wyoming's 48 school districts. The WDE will continue to improve its data collection processes, and will work to improve and refine the quality of school-level expenditure data.

In order to meet these requirements, the WDE has worked with the SFDAC to identify what changes needed to be made to school district fiscal reporting procedures and requirements. These requirements became effective for fiscal year (FY) 2016-17 expenditure reporting and include the following:

- **Additional reporting detail in all school district operating funds.** School districts are required to provide detailed function and object reporting to a location code in the district's Fund 01 (General Fund or main operating fund), Fund 20 (Special Revenue Fund), Fund 30 (Capital Construction Fund), Fund 40 (Debt Service Fund), and Fund 50 (Enterprise/Food Service Fund). Districts have a unique location code for each school, as well as a location code for district-level expenditures. Only certain expenditures are required to be coded to a school level; typically those related to instruction and instructional support.
- **New project codes for restricted funds.** Within Fund 20, district expenditures are required to carry certain project codes that identify costs to specific grants or programs (Title I, IDEA, etc.). In the past, restricted funds without a specific project code already defined were coded to a miscellaneous account. These types of expenditures are not distinguishable between local, state and

federal sources. The WDE created new codes to allow districts the ability to identify the fund source for miscellaneous restricted expenditures.

- **Additional training on the importance of school-level reporting in the chart of accounts.** The WDE has asked school districts to review expenditures historically reported to the district level and consider reporting them to a school level, if possible. They are encouraged to determine a suitable method for allocating costs based on average daily membership (ADM), enrollment, staffing counts, or another method, prior to sending their data to WDE. Those expenditures reported on the WDE601 with a district-level location code to be included in the per-pupil calculation will be allocated using district enrollment counts. A district-level per-pupil cost will be determined and combined with each school-level per-pupil cost in the report.

Limitations

Wyoming excludes expenditures related to private fund sources when they are reported in a restricted fund. Since unrestricted private funds are typically included in the general operating fund of school districts, Wyoming is unable to exclude the related expenditures. As a result, these expenditures will be included with the state and local funds.

Many states do not have accounting systems that require the tracking of expenditures by funding source. Where possible, the WDE has developed a classification procedure based on the fund source or fund/project code. Additional information on the identification of funding sources is included below.

Per-student expenditure calculations provide a high-level analysis of the disparity between schools and districts, and should be used with the understanding that the reported totals and averages do not always reflect the varying conditions that exist among districts and schools within states. Furthermore, consideration must be made for geographical variations in public schools' costs. Variations between school districts may be attributable to regional cost differences. The uniform calculation procedures do not adjust for differences in wages in different regions of the state.

Wyoming's School Finance Reporting

Wyoming school districts report finance data using a uniform chart of accounts (link: [Accounting Manual](#)). The unified accounting system provides a standard format for comparisons across schools and districts. At a minimum, school districts must report the following elements:

Revenue

Fund - an accounting-related entity which controls and accounts for financial resources from various sources.

Source of Revenue - the type of revenue received, such as six mill county taxes, 12 mill state taxes, state foundation funds, investment earnings, etc.

Program/Fund Code - identifies the funding source, authority, or purpose for which a special record or report of revenues, expenditures, or both is required.

Target ID - the school or location responsible for a particular amount.

Expenditures

Fund - see above.

Function - describes the activity being performed for which a service or material object is acquired.

Program/Fund Code - see above.

Object of Expenditure - a specific cost category detailing the types of commodities or services purchased by school district or the provision of services.

Target ID - see above.

Prescribed Calculation Requirements

The calculation includes current expenditures^[1] per pupil from federal, state, and local funds, for the preceding fiscal year for the district and each school of the district. Typically, Wyoming's local and state funds are comprised of expenditures in Fund 01. Federal expenditures are typically found in Fund 20. Federal funds that are intended to replace local tax revenues (Impact Aid) are included with the state and local fund amounts. Each district report card also reports the amount of expenditures excluded in these calculations, which is detailed below.

The per-pupil expenditures are reported by location with one amount for federal funds, and one amount for state and local funds combined. For expenditures coded to the district level, the total enrollment for the district is used to calculate a per-pupil cost, which is then added to each school-level funding cost.

[1] Current expenditures represent a more refined expenditure figure by excluding non-current expenditures such as capital outlay, interest on school debt, and other programs that are not a part of the regular day school program (such as adult education and community support). Current expenditures are commonly used as a basis for expenditure comparison among states and historical year-to-year comparisons. When compared to total expenditures, current expenditures provide a more consistent comparison with other schools and districts.

The numerator for determining the per-pupil amount consists of current expenditures. This includes personnel (including actual staff salaries) and non-personnel expenditures of federal, state, and local funds used for public education. Table 1 provides a detailed examination of Wyoming School District fiscal data to the specific expenditure categories required under ESSA.

The denominator for the per-pupil calculation uses enrollment counts for students in preschool through grade 12, as reported on the WDE684.

Table 1 – Included Expenditures.

Type	Number	Description
Function	1105	Pre-School
Functions	1400	Student Activities
Functions	1000	Instruction (all remaining except excluded amounts listed below)
Functions	2100	Support Services – Students
Functions	2200	Support Services – Instructional Staff
Functions	3300	Support Services – General Administration
Functions	3400	Operation and Maintenance of Plant (all except 3470 excluded below)
Functions	3500	Transportation
Functions	3800	Support Services – General
Functions	3900	Other Support Services
Function/ Object	6200-725	Transfer of funds to cover Food Service deficit

Specific types of expenditures excluded from this calculation are listed in Table 2.

Table 2 – Excluded Expenditures.

Type	Number	Description
Functions	1150, 1250	Tuition Expense
Functions	1300	Adult Continuing Education
Functions	3470	Major Maintenance and Facility Maintenance
Functions	4100	Operation of Non-Instructional Services - 4100 Food Service Operations
Functions	4200	Operation of Non-Instructional Services - 4200 Other Enterprise Operations
Functions	4300	Operation of Non-Instructional Services - 4300 Community Support
Functions	5000	Facilities Acquisition and Construction
Functions	6100	Debt Service
Functions	6200	Fund Transfers
Functions	ESSA	Expenditures for new schools not officially open
Object Codes	371-372	Tuition Expense
Object Codes	500	Capital Outlay (equipment, land, buildings, etc.)
Object Codes	700	Other Uses of Funds (bond principal, bond interest, fund transfers, etc.)
Fund	20	Expenditures designated as private funding source
Fund	30	All expenditures in the Capital Projects Fund
Fund	40	All expenditures in the Debt Service Fund
Fund	50	All expenditures in the Enterprise Fund

For more information regarding the guidance developed by a working group of states to meet the requirement under ESSA, please proceed to this link: [Interstate Financial Reporting \(IFR\)](#)

Frequently Asked Questions

1. Why are districts required to report school-level expenditures?

These reports are required by law in ESSA.

2. What data will be used in my district's school-level calculation?

Per-pupil expenditure reporting will be calculated from data that is self-reported by districts to the WDE through the WDE601 and the WDE684.

3. When does this requirement need to be implemented?

This reporting requirement should be implemented for the 2017-18 report cards. A waiver of one year is allowed, but Wyoming will make the per-pupil expenditure information available in draft form.

4. What expenditures are included in my district's school-level reporting?

The WDE will include expenditures reported in the following function codes: 1105 Pre-School, 1400 Student Activities, 1000 Instruction, All remaining 1000 codes except excluded functions, 2100 Support Services – Students, 2200 Support Services – Instructional Staff, 3300 Support Services – General Administration, 3400 Operation and Maintenance of Plant Services, 3500 Transportation Services, 3800 Support Services – General, 3900 Other Support Services, and 6200 Fund Transfer (when specifically used with object code 725 designating a food service transfer). (*Table 1, page 6*)

The following list of object codes will be used when reported with the functions listed above: 100 Personnel Services – Salaries, 200 Personal Services – Employee Benefits, 300 Purchased Services (all except excluded objects), 400 Supplies and Materials, and 600 Other Objects.

Expenditures reported to the following functions will be excluded from this reporting: 1150-1250 Tuition Expense, 1300 Adult Continuing Education, 3470 Major Maintenance and Facility Maintenance, 4100 Food Service Operations, 4200 Other Enterprise Operations, 4300 Community Support, 5000 Facilities Acquisition and Construction Services, 6100 Debt Service, 6200 Fund Transfers (except 6200-725 listed above), and ESSA expenditures reported to a new school not open for students. Additionally, expenditures reported to these specific object codes when used across all functions will be excluded: 371-372 Tuition, 500 Capital Outlay, and 700 Other Uses of Funds (except 6200-725 listed above), (*Table 2, page 7*)

5. Do I have a say in how my expenditures are allocated?

The WDE determines which expenditures are coded to the school level, and which ones are allowed to be coded to a district level in the WDE601. Districts that historically coded to a district level have been asked to code to a school level when possible. Districts are tasked with allocating these expenditures prior to reporting them on the WDE601, as they are more familiar with the expense. For all reported expenditures coded to a district level, the WDE will allocate the amounts to a school level based on the fall enrollment counts.

6. We are building a new school. Are the construction costs included in this calculation?

No, facility acquisition and construction expenses are specifically excluded from this calculation.

7. How will Impact Aid dollars be accounted for when calculating the per-pupil expenditure amounts?

Since Impact Aid dollars are intended to replace local tax payments for federal land located within a school district boundary, these amounts will be included with the state and local fund per-pupil expenditure calculation.

Contacts

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