

District Guide to School-Level Expenditure Reporting

Updated May 14, 2020

Background

ESSA

In 2015, Congress passed the federal Every Student Succeeds Act of 2015 (ESSA). One new requirement of ESSA, which replaced the No Child Left Behind Act of 2002, requires per-pupil expenditures to be published at the school building level:

*Section 1111(h)(1)(C)(x) of the Elementary and Secondary Education Act (ESSA) requires the reporting of:
“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel 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.”*

The Michigan Department of Education (MDE) will fulfill this federal requirement using financial data submitted by districts annually in the Financial Information Database (FID) report beginning with 2018-19 data. These data will be published in June 2020. A [statewide calculation methodology](#) and standard display of these school-level per-pupil expenditures is being used to maximize usability and comparability of these data. MDE's display and calculation methodology are modeled after [Interstate Financial Reporting \(IFR\) standards](#).

Timeline

Following the passage of ESSA in 2015, MDE began preparing to implement this new level of financial transparency.

Beginning in 2017, MDE began presenting information on this reporting requirement and gathering district feedback. In June 2018, MDE included several memos on this topic in its weekly communications, which can be accessed on [MDE's ESSA School-Level Expenditure Reporting webpage](#).

Beginning with the 2018-19 FID collection, a new system report was available for districts to view preliminary school-level per-pupil expenditure calculations that will be published and to make any necessary corrections prior to final submission. This report will remain available through June 2020 when the FID transitions into the following year's collection. Please note: "Enrollment" figures displayed in this report are unaudited and subject to change.

Prior to final publishing in June 2020, districts will be notified of a two-week preview period to review their school-level per-pupil expenditure data. This time is intended to help facilitate communication planning within the district. No data can be changed.

Sample Data to be Published in MI School Data

	School A	School B	School C
Enrollment	385.00	240.00	202.62
Federal Expenditures Per-Pupil	\$368.85	\$0.00	\$0.00
State/Local Expenditures Per-Pupil	\$6,940.06	\$7,369.72	\$6,860.15
Total Site-Level Expenditures Per-Pupil	\$7,308.91	\$7,369.72	\$6,860.15
Districtwide Federal Expenditures Per-Pupil	\$449.64	\$449.64	\$449.64
Districtwide State/Local Expenditures Per-Pupil	\$2,919.42	\$2,919.42	\$2,919.42
Total Districtwide Expenditures Per-Pupil	\$3,369.06	\$3,369.06	\$3,369.06
Total Expenditures Per-Pupil	\$10,677.97	\$10,738.78	\$10,229.21
Excluded Expenditures	Preschool Instructional Expenditures	Nonpublic Expenditures	Other Schools Expenditures
\$1,903,318.78	\$0.00	\$0.00	\$0.00

Display and format subject to change.

Definitions

Enrollment: The number of students enrolled in a school as of the fall full-time equivalency (FTE) pupil count. Part-time students are counted based on the proportion of their enrollment. Audited fall FTE is used for this reporting and may differ from other published enrollment figures.

Federal Expenditures Per-Pupil: The amount of federal funds spent per-pupil in a school.

State/Local Expenditures Per-Pupil: The amount of state and local funds spent per-pupil in a school.

Total Site-Level Expenditures Per-Pupil: The total amount of expenditures per-pupil designated by a school district spent in a specific school. At minimum, this will include basic instruction, added needs instruction, and school administration. It may also include certain pupil support services, instructional staff support services, and other expenditures determined by the school district to be site-level expenditures.

Districtwide Federal Expenditures Per-Pupil: The amount of federal funds spent per-pupil not designated by a district to a specific school and allocated across all schools in the district on an equal, per-pupil basis.

Districtwide State/Local Expenditures Per-Pupil: The amount of state/local funds spent per-pupil not designated by a district to a specific school and allocated across all schools in the district on an equal, per-pupil basis.

Districtwide Total Expenditures Per-Pupil: The total amount of expenditures per-pupil not designated by a district to a specific school and allocated across all schools in the district on an equal, per-pupil basis. The types of expenditures included in this total, as opposed to being designated to a specific school, is determined by the school district.

Total Expenditures Per-Pupil: The sum of Total Site-Level Expenditures Per-Pupil and Districtwide Total Expenditures Per-Pupil. This amount will include both expenditures designated by a school district to a specific school and expenditures allocated across all schools in the district on an equal, per-pupil basis.

Excluded Expenditures: Certain expenditures made by school districts are not directly linked to day-to-day operations and would skew per-pupil expenditure amounts if included in the above calculations. Therefore, expenditures in categories such as community services, capital outlay, debt, and fund modifications are intentionally excluded from these calculations and instead displayed as a single, district-level amount. A complete list of excluded expenditures and corresponding account codes can be found in MDE's [Statewide Calculation Methodology document](#).

Preschool Instruction Expenditures: Preschool Instruction Expenditures are displayed as a single, district-level amount. There is no dataset containing complete, statewide Pre-K enrollment figures. This display prevents certain expenditures from being included in the above calculations where corresponding enrollment would be missing.

Nonpublic Expenditures: Expenditures reported by a district within a nonpublic school building.

Other Schools Expenditures: Expenditures reported by a district within a school building belonging to another school district.

Additional details including specific account codes included or excluded from these variables can be found within MDE's [statewide calculation methodology](#).

Addressing Stakeholder Questions

As these more detailed expenditure data are made available to the public, districts can anticipate and prepare for additional questions from various stakeholders and researchers about budgeting and spending.

Below are types of questions your district may receive about school-level spending in your district:

General questions to anticipate

- How is funding allocated to schools at the district level? What factors influence per-pupil funding at the district and school levels?
- What factors influence school-level spending at the district and school levels?
- Why hasn't the district reported expenditures at the school level before?
- How will this information affect future funding allocations? Will schools lose funding?
- Why isn't spending the same from school to school?
- What will your district do to make spending more equitable?
- How will your district account for higher populations of at-risk students?
- How can schools secure more funding?
- If funding rates are lower at schools predominantly serving particular student groups, how does this demonstrate equitable funding?

Potential questions from parents

- Why is spending higher/lower at my child's school? Does this affect the quality of their education?
- Has there always been data around school-level spending? How is this different?
- Who makes decisions about how funding is spent at the school level?
- Where can I access school-level/district-level spending information?
- How do I know if my child's school is being equitably funded? How do I know my child is getting an equitable share of district funds?

Potential questions from educators

- Will findings affect teachers, particularly in terms of school placement?
- How will this affect resource allocation at my school?
- I don't have any control over the school budget. How will this new provision impact my job/work?
- Why is my school getting more/less money?

There will be scenarios and issues specific to individual districts and schools that may draw more attention from stakeholders than others. For example, expenditures made by intermediate school districts (ISDs) serving students at the district level will not appear on the district's School-Level Expenditure Report. It is important for all district- and school-level leadership to understand the limitations of this report and the questions and concerns that may arise from the report.

Additional Resources

Additional resources for this reporting including past MDE communications and other upcoming guidance may be accessed at <https://www.michigan.gov/mde/0,4615,7-140-6605-471058--,00.html>.

Interstate Financial Reporting criteria upon which Michigan's calculation methodology and data display was built upon can be accessed at <https://edunomicslab.org/2018/03/28/interstate-financial-reporting/>.

The Edunomics Lab of Georgetown University has published tips, tools, and other information targeted to the following stakeholder groups:

- [District Leaders](#)
- [Principals](#)

Contact Information

Questions regarding this guide may be directed to:

Christopher May
Financial Specialist
Office of Financial Management
Michigan Department of Education
517-335-1263
MayC@michigan.gov

Questions regarding the per-pupil expenditure data of a specific school should be directed to that school or its district's central office. Given the many factors that influence funding allocation and school-level spending, MDE will direct any questions it receives pertaining to this data to appropriate school or district contacts.