



Guidance Relating to the *ESSA* School-level Reporting for 2017-18 School Year

This document does not revise [2017-18 *Every Student Succeeds Act \(ESSA\)* accounting guidance issued May 2017](#) or the previously issued [“Line Item Listing 2017-18 for School Based Reporting.”](#) This document provides interim information regarding the 2017-18 test year **data collection**.

Who is required to comply?

All districts, charter schools and renaissance school projects, regardless of amount of Federal Funding received, must comply with *Every Student Succeeds Act (ESSA)* reporting of school-level expenditures which will be included as a data point on the school performance report. Please be aware that any school district and all charter schools operating under a single school structure (one school code per Local Education Agency (LEA)), will not be required to enter additional data beyond the CPA certified information.

What law governs this new reporting requirement?

ESSA Sec 1111 (h)(1)(c)(x) –

A State that receives assistance under this part shall prepare and disseminate widely to the public an annual State report card for the State as a whole that meets the requirements of this paragraph. Each State report card required under this subsection shall include the following information:

“The per pupil expenditures of Federal, State and Local funds, including actual personnel expenditures and nonpersonnel expenditures of Federal, State and Local funds, disaggregated by source of funds for each LEA and each school in the State for the preceding fiscal year.”

Why is school-level reporting needed?

Data for school-level spending will be required in order to provide fiscal information alongside school-level student outcomes. Prior to this regulation, schools reported data (testing) outcomes without any information on their access to financial resources. Data collected from 2017-18 will be the first collection used for supplement-not-supplant calculation for Title I, but not published in the performance reports. The 2018-19 collection will be the initial year in which the collected data is published as part of the [NJ School Performance Reports](#).

When is this requirement effective?

ESSA was signed into law on December 10, 2015. Pursuant to the January 2017 non-regulatory guidance of the Obama Administration, states were offered the opportunity to prepare for the data collection

during the 2017-18 school year and reporting was required for 2018-19. Such regulatory guidance was repealed on March 27, 2017, thus requiring the New Jersey Department of Education (NJDOE) to issue guidance via the [May 17, 2017 broadcast](#) memo in order to comply with the statute for the 2017-18. On June 28, 2017 the USDE issued a one year reporting waiver for the per pupil school expenditure reporting on the annual LEA report card. NJDOE will collect school-level data through the Audsum Application for the 2017-18 fiscal year. For 2017-18 this data collection is being conducted to test the efficacy of the accounting guidance and the data collection process. It is anticipated that for 2017-18 collected school-level data will be for internal use purposes only. An anticipated use of the **school-level data for 2017-18 is to serve as a baseline for the Title I supplement-not-supplant calculation.** Beginning with the 2018-19 fiscal year, the NJDOE will comply with the federal requirement to publically report school-level fiscal data as part of the School Performance Reports.

How districts should allocate the expenditure:

The following table expands upon [accounting guidance](#) provided to districts during May 2017. That guidance provided districts with instructions to record and report certain actual expenditure data for each school maintained by the district. In accordance the *ESSA* reporting requirements, the NJDOE identified the specific general ledger function codes for which school-level accounting and reporting is required. In addition to costs directly assigned to a particular school, districts were [provided guidance](#) to develop a reasonable method of allocation for costs that are not readily identifiable to a specific building; such as an allocation based on the number of students served, or the number of staff hours assigned to a building.

To provide school districts with maximum flexibility in reporting their school based expenditures, in instances where a district elects to allocate costs to individual schools beyond the allocations performed **through their general ledger, the NJDOE** anticipates that districts will have an opportunity to further allocate costs to individual schools through a data entry table available **in Audsum**. For example, a district that accounts for Special Programs (2XX) in a centralized school location and charge school code "000" (unallocated) in their general ledger, may elect to allocate those costs for purposes of **ESSA** reporting to individual schools through a data entry table that will be provided through Audsum. For purposes of **ESSA reporting, the NJDOE** will allocate amounts remaining in school level accounts as "unallocated/000" of the data entry table to individual schools based upon relative ADE for all schools.

Guidance provided to fund 15 School Based Reporting districts communicated that for purposes of general ledger maintenance, the school based accounting requirements of **ESSA** are met thorough the fund 15 accounting process. School districts maintaining fund 15 accounting will be offered the opportunity through a data entry table provided through Audsum to also allocate fund 11 expenditures to specific schools. For example, 11-000-216-xxx- Speech/OT/PT.

Fund 20 expenditures will be collected in line item detail and included in the data entry table provided through Audsum beginning with the 2017-18 Audsum. Inclusive of all Title Grants, IDEA grant, and other Federal Projects, school districts will be offered the opportunity to further allocate district level costs to individual schools through this Audsum table. Please be aware that preschool expenditures and non-public expenditures do not need to be reported at the school level.

The school-level expenditure data provided to the NJDOE through Audsum will not be included in the audited financial statements; however, the sum of the direct and indirect school-level expenditures reported through Audsum will be compared to the audited district expenditures on the budgetary basis (actual expenditures from the C-1) prior to submission to the NJDOE.

The following Cost Centers are treated as follows:

Fund-Program-Function-Object Codes	Function Name	Description
11-1XX-1XX-xxx	Instruction	<p>Instruction costs include the activities involving the interaction between teachers and students in grades K-12. Instructional costs should be identified to each school based on the actual activity performed at each location. If teachers cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-150-100-xxx	Home Instruction	<p>Home instruction costs, as defined in <i>N.J.A.C. 6A:16-1.3</i> and <i>6A:16-10.1</i> and <i>.2</i>, are recorded under program 150. These costs will be treated as district-level program costs which will be included with other district-level expenditures and allocated to each school pursuant to the ADE.</p>
11-2XX-100-xxx	Special Education	<p>Special Education costs include activities primarily for students having special needs that require services outside the realm of general education. Districts that have structured their general and subsidiary ledgers to report data at the school locations where the services are delivered may elect to report those costs at the location(s) as recorded in their general ledger.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-2XX-xxx	Support Services	<p>Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These activities are designed to assess and improve the well-being of students and to supplement the teaching process.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-422-XXX-xxx	Summer School	<p>These costs will be treated as district-level program costs which will be included with other district-level expenditures and allocated to each school pursuant to the ADE.</p>

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Fund-Program-Function-Object Codes	Function Name	Description
11-000-100-5XX	Tuition	These costs will be treated as district-level program costs which will be included with other district-level expenditures and allocated to each school pursuant to the ADE.
11-000-211-xxx	Attendance & Social Work Services	<p>Includes activities designed to improve student attendance at school and which attempt to prevent or solve student problems. Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-213-xxx	Health Services	<p>Includes physical and mental health services that are not direct instructional costs.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-216-xxx	Speech/Occupational Therapy/Physical Therapy and Related Services	<p>Includes costs of related services as a result of individualized education programs (IEPs)</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-217-xxx	Other Support Services-Students-Extraordinary	<p>Includes services other than related services provided to students as a result of an IEP that are unique to individual students such as one-to-one aides.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>

Fund-Program-Function-Object Codes	Function Name	Description
11-000-218-xxx	Guidance Services	<p>Includes guidance services and any other activities, supplemental to the teaching process, that are designed to assess and improve the well-being of students other than functions 211, 213, 216, 217 and 219.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-219-xxx	Child Study Teams	<p>Includes services provided by child study team members, including psychologist, social workers, learning consultants, and speech correctionists, and other services related to the classification of students and the development of IEPs.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p> <p>Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-221-xxx	Improvement of Instruction Services	<p>Includes activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program. Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.</p>
11-000-222-xxx	Educational Media Services/ School Library	<p>Includes activities concerned with the use of School Library, all teaching and learning resources, including hardware and content materials. Includes school library services, audiovisual services, educational television services, and computer assisted instruction services.</p> <p>Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program.</p>

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		Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-223-xxx	Instructional Staff Training Services	Includes activities that contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service. Costs should be identified to each school based on the actual activity performed at each location. If staff cross program categories, their salaries should be prorated based on the time spent in each program. Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-230-xxx	Support Services-General Administration	Activities concerned with establishing and administering policy for operating the LEA. These include board of education services and executive administration services. This is a districtwide cost which will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-240-xxx	Support Services-School Administration	Includes activities concerned with overall administrative responsibility for a school. They include the activities performed by the principal, assistant principals, and other assistants while they supervise operations of the school, evaluate school staff members, supervise and maintain the records of the school and coordinate school instructional activities with those of the LEA. Also included here would be the activities of department directors such as guidance, athletic, and special education. If staff cross program categories, their salaries should be prorated based on the time spent in each program. Any costs not reported to a location by a district will be considered unallocated. All unallocated costs will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-251-xxx	Central Services	Includes activities that support other administrative and instructional functions including fiscal services, human resources, strategic planning, purchasing, warehousing and distribution services, and printing services including public information services. The chief business official expenditures are included here. This is a districtwide cost which will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.

Fund-Program-Function-Object Codes	Function Name	Description
11-000-252-xxx	Administrative Information Technology	Includes activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. This is a districtwide cost which will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-26X (261, 262, 263, 266)-xxx	Operation & Maintenance of Plant Services	Includes activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition. Includes security, custodial, and grounds. This is a districtwide cost which will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-270-xxx	Student Transportation Services	Includes activities concerned with supporting the school district's student transportation services. This is a districtwide cost which will be apportioned to each location by the NJDOE pursuant to the relative ADE at each location.
11-000-291-xxx	Fringe Benefits-Unallocated	Fringe benefits can be treated in two ways: <ul style="list-style-type: none"> • Districts may allocate benefit costs to a school if they are able to readily identify such costs accordingly. • If school-level data is not entered, all benefit costs will be treated as district-level program costs which will be included with other district-level expenditures and allocated to each school pursuant to the ADE.
20-XXX-XXX-XXX	All Title Grants, IDEA Grants	Includes activities pursuant to the approved grant directive. Costs are reported in line item expenditure detail for the 2017-18 school year in the same account codes as required pursuant to grant regulations.

How NJDOE will collect the data:

- School-level fiscal data will be collected in Audsum for the purpose of reporting a school-level per pupil cost in the performance report required under *ESSA* Sec 1111(h)(1)(c)(x), and for *ESSA* compliance monitoring of supplement-not-supplanting under Title I.
- Single school districts, charter schools and renaissance school projects do not have to report data in a separate schedule. The school-level report card for single entities will be calculated from the auditor's district-wide submission. Charter Schools should ensure that the data is compliant with the chart of accounts required for audited data submission which is different than their budget data submission.
- Districts will have a new tab available in their Audsum tables which will open screens for data entry per school. This tab will be available for data entry when Audsum is available (usually by

mid-September), and data entry by district personnel will be available prior to the auditor certification.

- Each school screen will look like the district-level data entry screens. A table summarizing all school-level data entry will be available for final review, and to test data entry against the audited financial information per line.
- For districts not using fund 15 school-level data is **not** required on the Board Secretary Reports, on the Comprehensive Annual Finance Report (CAFR) schedules, nor are transfers required for school to school adjustments. Blending federal funds is also not necessary. Districts may record the school-level expenditures in any effective manner they desire, however the data must be entered to Audsum under the location code assigned to the school by the NJDOE.
- The school-level data submitted to the NJDOE through Audsum will be **unaudited** data. Edits will ensure that the sum of the data collected for each school plus the unallocated amounts will equal the audited Audsum values per line. Per-pupil calculation will use the district submitted school-level expenditure and the *October 15 ASSA student count or the ADE submitted* for the school.
- **The Audsum due date will not be extended beyond December 5. It is imperative that the district is prepared to submit the additional school-level data and allow time for the edit check against the CPA submitted numbers to comply with the statutory due date.**

Questions

Any questions can be directed to doe.cafr@doe.nj.gov.