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ESEA/ESSA Finance



ESEA Coding Changes

March-April 2018



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Standardized Coding

- Follow the codes that are found in the Missouri Financial Accounting Manual.
 - ❑ All revenue, function, and object codes will be separate starting with the FY 2019 ASBR.
 - No crosswalks

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NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Fund Type consists of type of fund and fiscal year.
 Last digit can be used to track ESEA funds obligated in one year but paid in the subsequent year.

- Teacher obligates federal funds when the work is performed (August 2017-May 2018). FY2018 or fund 028.
- Twelve month salary continues into FY 2019 (July 2018 – August 2018) FY 2019 with fund 028.

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NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Function Codes describe the action or purpose of the activities. ESEA will not have new function codes for FY 2019.

- Title I consists of more than 1251 supplemental instruction. Code to the action of 2213 professional development, 3512 early childhood instruction, 3711 non-public services, 3912 parental involvement, etc.
- Budget grid in ePeGS uses code 1100 for Regular Instruction. Class size reduction must code to 1111 Elementary, 1131 Middle/Junior High or 1151 High School.

IMPORTANCE OF PROPER CODING

Tracking required expenditures

- LEA's with Title I allocations over \$500,000 are required to utilize one percent for parent involvement activities.
 - ❑ Function code 3912.
- Nonpublic equitable services.
 - ❑ Function code 3711.

NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Object Codes describe the service or commodity obtained. ESEA will not have new object codes for FY 2019.

- Budget grid in ePeGS should reflect what the staff member is actually doing.
- Certificated teacher working as a paraprofessional should be coded to 6150.

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NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Location Codes refer to individual attendance centers within a LEA. Use the building code where student data is reported.

- Expenditures that clearly occur at a building should be coded to the appropriate location.
- Expenditures specifically tied to multiple buildings and/or LEA-wide expenditures not specifically tied to locations should be prorated among the appropriate locations using allocation methodologies such as:
 - time spent within each building
 - students served within each program and/or building
 - total enrollment, etc.

Example: Federal Programs Coordinator that oversees multiple buildings or PD.

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NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Source of Funds is used to identify a subset of revenue used to fund a specific expenditure. Every expenditure will have to have a source of fund associated with it.

- 1 – Local
- 2 – County
- 3 – State
- 4 - **Federal**

NEW EXPENDITURE CODING STRUCTURE

Fund Type	Function Code	Object Code	Location Code	Source of Funds	Project Code
3 Digits	4 Digits	4 Digits	4 Digits	1 Digit	5 Digits

Project Code is used to identify an expenditure paid with a specific source of revenue or grant. **All ESEA programs have NEW project codes for FY 2019.**

ESEA PROJECT CODES

Revenue Code	Project Code	Revenue Code Title
5451	45100	Title I
	45101	School Improvement Grant (g) (SIG)
	45102	Title I School Improvement (a)
	45103	Title I.D - LEA
	45104	Title I.D - State Agency
5452	45200	Title I.C
5461	46100	Title IV.A Student Support and Academic Enrichment
5462	46200	Title III LEP
	46201	Title III Immigrant
5463	46300	Homeless Education
5465	46500	Title II.A
5465	46501	Math and Science Partnerships
5492	49200	Title V.B, SRSA
5492	49201	Title V.B, Rural Low-Income School
	40001	Schoolwide Pool
	40002	Early Learning Blended Pool

SCHOOLWIDE POOL BUILDING EXPENDITURES

- Schoolwide Pool must be reported with a Project Code of 40001.
- LEAs will need to report the expenditures under the appropriate location code.
- LEAs may use source code “1” on their ledgers.
- **DESE will designate the source code** for the expenditures for each location code based on budget contribution percent.
- Total reported on the FER will equal the sum of the building allocations.

Following is the Schoolwide Pool Funding in budget revision

	Title I	Title II.A	State and Local Funds	Total	Building Percentage of Pool			
	Title I	Title II.A	State/Local	Total	Title I	Title II.A	State/Local	Total
Attendance Center Distribution								
Total Funds Available		\$162,572.66	\$0.00					
Maximum Allowed for Schoolwide Pool		\$162,572.66	\$0.00					
Funds Already Budgeted		\$0.00						
Total Available For Schoolwide Pool		\$162,572.66	\$16,474,236.00					
Parent Program Total Amount Distributed to Schoolwide Pool		\$0.00	\$0.00					
4020 BLUE HILLS ELEM.	\$80,045.75	\$35,420.82	\$2,346,041.00	\$2,461,507.57	3.2519%	1.4390%	95.3091%	100.0000%
4040 BUCKNER ELEM.	\$82,496.14	\$37,113.60	\$2,510,133.00	\$2,629,742.74	3.1370%	1.4113%	95.4517%	100.0000%
4060 CLER-MONT ELEM.	\$102,507.58	\$35,282.66	\$2,546,006.00	\$2,683,796.24	3.8195%	1.3147%	94.8658%	100.0000%
4080 ELM GROVE ELEM.	\$113,942.68	\$22,019.81	\$2,467,433.00	\$2,603,395.49	4.3767%	0.8458%	94.7775%	100.0000%
4110 FIRE PRAIRIE MIDDLE	\$184,186.92	\$3,345.00	\$4,236,976.00	\$4,424,507.92	4.1629%	0.0756%	95.7615%	100.0000%
4130 INDIAN TRAILS ELEM.	\$95,973.23	\$29,390.77	\$2,367,647.00	\$2,493,011.00	3.8497%	1.1789%	94.9714%	100.0000%
Total Distributed to Schoolwide Pool	\$659,152.30	\$162,572.66	\$16,474,236.00					
Total Available Remaining	\$0.00	\$0.00	\$0.00					
Percentage of Pool Total	3.8110%	0.9399%	95.2490%		0			

TRANSFERABILITY

Transferability allows Title II.A and/or Title IV.A funds to be transferred to Title I.A

Allocations	T.I.A.
1 Original Allocation	\$20,458.00
2 Allocation Adjustments	\$0.00
3 Carryover	\$386.00
4 Carryover Adjustments	\$0.00
5 Allocation Sub Total (Line 1 + Line 2 + Line 3 + Line 4)	\$20,844.00
<input type="checkbox"/> District chooses to employ its REAP-Flex eligibility.	
ESEA Consolidated Transfers	T.I.A.
6 Transferability Percentage	
7 Current Year Transferability Cap ((Line 1 + Line 2) × Line 6)	
8 Previous Year Transferability Remaining	
9 Total Available For Transfer (100% of Line 5)	
10 Title II.A Transfer (+)	3397.00
11 Title IV.A Transfer (+)	10000.00
12 Net Transferred	\$13,397.00
13 Available After Transfers (Line 5 + Line 12)	\$34,241.00

Funding Application: **Title I - Transferability Payment Report** Version: Request 1 Status: Created

	T.I.A.	T.II.A	Title IV.A	Total
Total Budget Amount* (INITIAL)	\$20,844.00	\$3,397.00	\$10,000.00	\$34,241.00
Amount Paid To Date	\$0.00	\$0.00	\$0.00	\$0.00
Net Allocation	\$20,844.00	\$3,397.00	\$10,000.00	\$34,241.00
Payment Request Percentage	60.874390 %	9.920855 %	29.204755 %	100.000000 %
Portion Of Funds Requested	\$8,771.36	\$1,429.49	\$4,208.10	\$14,408.95

*Total budget minus transfer in equals parent program contribution

Title I

Fiscal Requirements

Maintenance of Effort (MOE)
Supplement Not Supplant (SNS)
Comparability of Services

WHAT IS MOE UNDER ESEA?

- LEAs must maintain a consistent floor of State/local funding for free public education from year-to-year.
- Combined fiscal effort per student; or
- The aggregate expenditures of State/local funds for free public education for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or aggregate expenditures for the second preceding fiscal year.

COMPLIANCE CHECK

Compliance is verified each year in ePeGS under ESEA MOE using specific data from the Annual Secretary of the Board Report (ASBR).

- The coding structure change will not impact MOE requirements.
- The total expenditures should not be changing, only where the expenditures are coded to is changing.

Funding Application: ESEA Maintenance of Effort - Worksheet Number Name Object District

Year: 2017-2018 [Print](#)

[Calculate MOE Met/Not Met](#) Calculation Successful 2/22/2018 by jfrank
[MOE Not Met Report](#)

	2015-2016	2016-2017	Difference 2016-2017 vs. 2015-2016	Percent 2016-2017 is of 2015-2016
1. Enrollment	2,394.00	2,416.00	22.00	100.92%
2. Average Daily Attendance (ADA)	2,258.15	2,299.96	41.81	101.85%
3. Average Daily Membership (ADM)	2,378.56	2,419.59	41.00	101.72%
Expenditures for administration, instruction, attendance & health services, transportation services, operation, and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities.				
4. Adjusted Expenditures (for MOE purposes)	21,398,519.81	21,032,699.47	-365,820.34	98.00%
5. Per-Pupil Expenditures (Enrollment) for MOE purposes (Line 4/Line 1)	8,938.40	8,705.59	-232.81	97.00%
6. Per-Pupil Expenditures (ADA) for MOE purposes (Line 4/Line 2)	9,476.13	9,144.81	-331.32	96.00%
7. Per-Pupil Expenditures (ADM) for MOE purposes (Line 4/Line 3)	8,996.42	8,692.67	-303.75	97.00%
Revenues for education from State and local sources from:				
8. Local sources	11,562,257.08	12,095,882.46	533,625.38	105.00%
% of Total	52.70%	53.02%		
9. State sources	10,376,294.23	10,717,944.07	341,649.84	103.00%
% of Total	47.30%	46.98%		
10. Total Revenues (Line 8 + Line 9)	21,938,551.31	22,813,826.53	875,275.22	104.00%

Funding Application: ESEA Maintenance of Effort - Adjusted Expenditure Report [Print](#) | [Close](#)

Requirement: An LEA may receive funds if DESE finds that the LEA's combined fiscal effort per student or the aggregate expenditures of the LEA from state and local funds for free public education for the preceding year is not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding year.

From ASBR Part III-B, Line 2999 - Total Instruction and Support

Objects:		2015-2016	2016-2017
6110 - Certificated Salaries		11,309,518.10	11,297,360.72
6150 - Non-Certificated Salaries		3,402,857.51	3,302,133.06
6200 - Employee Benefits		4,907,859.65	4,926,339.77
6300 - Purchased services		2,516,231.16	2,440,439.11
6400 - Supplies		2,530,784.53	2,546,014.98
Total Expenditures:		24,667,250.95	24,512,287.64

From the ASBR Part II, Column (1 & 2) - Revenue Summary, General fund (incidental) and Special fund (teachers)

Line:		2015-2016	2016-2017
5150 - Food services program		209,010.56	198,064.26
5170 - Student activities		357,461.89	341,928.17
5333 - Food services - state		9,246.79	9,048.80
5499 - Federal subtotal		2,465,702.51	2,664,360.64
5411 - (Impact aid)		(0.00)	(0.00)
5810 - Tuition from other districts		0.00	0.00
5820 - Area voc from other LEAs		120,950.00	136,559.25
5830 - Contracted services from other LEAs		106,359.39	129,627.05
5841 & 5842 - Transportation from other districts		0.00	0.00
Total Deductions:		3,268,731.14	3,479,588.17
Total Adjusted Expenditures:		21,398,519.81	21,032,699.47
Level required to meet 90% of the prior year:			19,258,667.83

TITLE I SUPPLEMENT NOT SUPPLANT (SNS)

- Title I funds should add to (supplement) and not replace (supplant) State and local funds.
- LEAs must demonstrate that the **methodology** they use to allocate State and local funds to schools provides each Title I school with all of the State and local money it would receive if it did not participate in the Title I program.

TITLE I SUPPLEMENT NOT SUPPLANT (SNS)

No LEA shall be required to:

- Identify individual costs or services as supplemental; or
- Provide services through a particular instructional method or in a particular instructional setting to demonstrate compliance.

DOCUMENT METHODOLOGY

ESSA does not prohibit LEAs from varying the distribution of state and local funds and/or resources to schools based on certain school characteristics, as long as LEAs do not take a school's Title I status into account.

An LEA might distribute additional funds and/or resources to magnet or CTE schools, schools with a special education center, schools with higher concentrations of poverty, etc.

However, an LEA must demonstrate that varying state and local funds and/or resources among schools does not give less to a school because of its Title I status.

METHODOLOGY EXAMPLES

LEAs may use the methodology options in the ESEA Title I Schoolwide Guidance:

- Weighted Per Pupil Formula
 - based on characteristics of students (i.e. poverty, English Learners, students with disabilities, and others with educational disadvantages)
- Distribution based on Personnel and Non-Personnel Resources
 - Average districtwide salary for each category of school personnel (principals, librarians, school counselors, etc.)
 - Multiply by number of school personnel
 - The average districtwide per-pupil expenditures for non-personnel (i.e. materials and supplies)
 - Multiply by the number of students in the school.



STUDENT CHARACTERISTICS

In a school of 450 students, including 200 students from low-income families, 100 English Learners, 50 students with disabilities, and 20 preschool students, the school would be expected to receive \$3,495,000 in non-Federal resources based on the following:

Category	Calculation	Amount
Allocation/student	450 x \$7,000	\$3, 150,000
Allocation/student from low-income family	200 x \$250	\$50,000
Allocation/English Learner	100 x \$500	\$50,000
Allocation/student with a disability	50 x \$1,500	\$75,000
Allocation/preschool student	20 x \$8,500	\$170,000
		\$3,495,000



PERSONNEL AND NON-PERSONNEL

In a school of 450 students, the school would be expected to receive \$2,051,250 in non-Federal resources based on the following calculation:

Category	Calculation	Amount
1 principal	1 x \$120,000	\$120,000
1 librarian	1 x \$65,000	\$65,000
2 guidance counselors	2 x \$65,000	\$130,000
21 teachers	21 x \$65,000	\$1,365,000
Materials and supplies	450 x \$825	\$371,250
		\$2,051,250

SNS COMPLIANCE CHECK

DESE plans to use school level per-pupil expenditures to demonstrate supplement not supplant compliance from one year to the next.

TITLE I SUPPLEMENT NOT SUPPLANT (SNS)

- Will use ASBR information to pull building level state and local expenditures into the ePeGS system.
 - ❑ Source code to identify spending source.
 - ❑ Project code to identify program expenditures.
 - ❑ Location code to identify building.

COMPARABILITY OF SERVICES

LEAs with more than one building for each grade span must ensure that **state and local** funds are used to provide services that taken as a whole, are comparable between Title I and non-Title I schools.

COMPARABILITY OF SERVICES

LEA has three options to verify compliance:

1. Student/teacher FTE ratio.
2. Student/teacher salary ratio.
3. State and local per-pupil expenditures.

REMINDERS

- Requests reimbursement as expenditures occur.
- Title I has 15% carryover limitation as of September 30th.
- April 30 deadline for application amendments.
 - ❑ Has carryover been budgeted?
 - ❑ Are object code variances within 10%?
 - ❑ Are ESEA funded staff coded correctly in MOSIS?



Questions?

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ESEA/ESSA Finance

<https://dese.mo.gov/financial-admin-services/esea-finance>