

**STEVE SISOLAK**  
*Governor*  
**JONATHAN P. MOORE, ED.D.**  
*Acting Superintendent  
of Public Instruction*

**STATE OF NEVADA**



**DEPARTMENT OF EDUCATION**  
Northern Nevada Office  
**700 E. Fifth Street**  
Carson City, Nevada 89701-5096  
(775) 687 - 9200  
Fax: (775) 687 - 9101  
[www.doe.nv.gov](http://www.doe.nv.gov)

**SOUTHERN NEVADA OFFICE**  
9890 S. Maryland Parkway, Suite 221  
Las Vegas, Nevada 89183  
(702) 486-6458  
Fax: (702) 486-6450

**TO:** Superintendents and District CFOs

**FROM:** Jonathan P. Moore, Ed.D.  
Acting Superintendent of Public Instruction

**DATE:** April 1, 2019

**SUBJECT:** The Every Student Succeeds Act Per-Pupil Expenditure Reporting Requirement

## **Introduction**

The Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act (ESSA), requires state educational agencies (SEAs) and their local educational agencies (LEAs), including charter schools, to prepare and publish annual report cards that contain specified data elements, including LEA and school-level per-pupil expenditures (PPE). Specifically, ESSA sections 1111(h)(1)(C)(x) and 1111(h)(2)(C) require an SEA and all of its LEAs, including charter schools, to report “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.” Although Nevada LEAs and charter schools already collect and report on most of the required report card data elements, including LEA-level expenditures, they are not currently collecting or reporting school-level expenditures to the state.

The purpose of this letter is to provide information and guidance that will assist Nevada LEAs and charter schools with meeting the ESSA PPE reporting requirement. The Nevada Department of Education (NDE) recognizes the need to provide support on implementing this new reporting requirement.

The NDE will engage LEA and charter school stakeholders in a work group setting over the next several months to seek input on how expenditures are allocated and tracked at the school-level, and the impact of these reporting practices on the ESSA PPE reporting requirement, in order to inform guidance on the structure for, and reporting of, school-level PPE. Additionally, the NDE will continue to engage stakeholders from the Governor’s Finance Office (GFO) and Legislative Council Bureau (LCB).

Note that the guidance provided below works within the usage of the **Nevada Uniform System of Accounting (Chart of Accounts)**. The use of the chart of accounts by each LEA and charter school is required in order to provide consistent and accurate data (NRS 387.3035).

## Effective Date

According to the “Dear Colleague” letter issued by the US Department of Education (ED) on June 28, 2017, available on the ED website at [Dear Colleague letter issued by the US Department of Education](#), a SEA and its LEAs, including charter schools, were allowed to delay reporting PPE on annual report cards until the 2018–19 school year. Nevada, along with the majority of other states, elected to take this option in order to allow a thoughtful transition to collecting, calculating, and reporting the required data as many states’ financial systems and reporting processes, including Nevada’s, do not currently support school-level expenditure reporting. **The NDE will publish financial transparency data under the ESSA requirements in Spring 2020 with enhanced reporting available in Fall 2020.**

## Calculating Per-Pupil Expenditures

LEA-level and school-level PPE will be calculated using the financial data available in their local accounting systems according to the **Nevada Uniform System of Accounting**. It is important to note that the law requires actual expenditures, not budgeted or estimated expenditures, be used in the PPE calculation.

## Included Expenditures

Generally, all expenditures that represent the ongoing, day-to-day operations of schools, LEAs, and charter schools for public elementary and secondary education, i.e. current expenditures, must be included in the calculation. These include, but are not limited to, instruction, instructional support, student support services, pupil transportation services, plant maintenance and operations, and general administration.

## School-Level versus Local Education Agency-Level Expenditures

For school-level PPE reporting, the per-pupil expenditure calculation will include expenditures charged directly to a school plus the school’s share of expenditures that are charged centrally but that benefit the schools, i.e., central expenditures. To the extent possible, school-level expenditures must reflect actual costs that were incurred at the school site. This is especially true for teachers and other personnel that are assigned to a specific school site and not simply use an averaging methodology to distribute all expenditures among all schools. NDE will provide guidance regarding how to allocate remaining costs that are not directly identifiable to a school site.

## Student Counts

The other component of the PPE calculation is the student count. The NDE requires that enrollment be used for calculation of PPE. This is consistent with the student count that is used in the federal current expenditures per pupil calculation and that most districts and charters use to develop site budgets.

## Reporting and Presenting Per-Pupil Expenditure Data

The NDE will ultimately collect the PPE data for inclusion in the SEA report card. The NDE is working on determining the required level of per-pupil expenditure information that must be

reported in SEA, LEA, and charter school report cards pursuant to ESSA and how it will be presented within the report cards. At a minimum, there will be reporting criteria for actual school-level expenditures and LEA-level expenditures allocated to school sites, broken out by federal funds and by state and local funds. This reporting will include expenditures for personnel and non-personnel items. Additional information about the reporting criteria, collection, and presentation will be forthcoming.

## Considerations for Financial Reporting

As districts and charter schools continue recording financial transactions, consideration should be given to this new reporting requirement and how the local financial system will capture the information needed for school-level reporting. Some level of expenditures tracking is being reported at the school level, but opportunities for further refinement may exist. For example, identifying additional expenditures that may be tracked at the school level in the financial system that can be easily identified to a specific school or schools could be refined. Also, LEAs and charter schools must ensure accounting practices are aligned to the **Nevada Uniform System of Accounting**. **LEAs and charter schools may also want consider the adequacy of their accounting systems to accommodate the full Nevada Uniform System of Accounting code structures.**

## Every Student Succeeds Act Per-Pupil Expenditure Resources

The resources listed below provide additional information and tools related to the ESSA per-pupil expenditure reporting requirement:

- School Superintendents Association article “Coming Soon: Transparent School-by-School Reporting”  
[School Superintendents Association article “Coming Soon: Transparent School-by-School Reporting”](#)
- Building State Capacity and Productivity Center – Financial Transparency and Reporting  
[Building State Capacity and Productivity Center – Financial Transparency and Reporting](#)
- Edunomics Lab Financial Transparency Research  
[Edunomics Lab Financial Transparency Research](#)
- United States Department of Education Draft Non-Regulatory Information Document  
[United States Department of Education Draft Non-Regulatory Information Document](#)

## Further Guidance and Support

The NDE anticipates that additional information and support for implementing the PPE reporting requirement will be provided to LEAs and charter schools, such as additional correspondence, frequently asked questions, and workshop sessions. In particular, NDE will provide information regarding the process and timeline by which the NDE will collect the PPE data from districts and charter schools in order for that data to be incorporated into the SEA report card as required by ESSA.

If you have any questions regarding the ESSA PPE reporting requirement, please contact the NDE Office of Business and Support Services, Nate Hanson- [nhanson@doe.nv.gov](mailto:nhanson@doe.nv.gov), or Office of Accountability, Data, and Assessment Management, Gunes Kaplan- [gkaplan@doe.nv.gov](mailto:gkaplan@doe.nv.gov).

Educationally Yours,

A handwritten signature in blue ink that reads "Jonathan P. Moore". The signature is written in a cursive style with a large initial 'J' and a circled 'M'.

Jonathan Moore, Ed.D.  
Acting Superintendent of Public Instruction