

ESSA Fiscal Requirements: Title I, Part A – Comparability of Services State/Local Expenditure Data

Reporting and documenting
the data for:

2017-2018

Texas Education Agency

Federal Fiscal Compliance
and Reporting Division



- Common issues occurring among LEAs
- Issues identified are not occurring within HOW the LEAs are conducting the comparability testing
- Issues are occurring within the DATA the LEAs are using when conducting the comparability testing



The Source of Data

- LEAs should use **current-year** data
- Example, for school year 2017-2018, LEAs should report the 2017-2018 enrollments, state and local budgeted amounts, FTEs, etc.



Comparability Testing and State and Local Expenditures



Common Issues when Reporting State and Local Expenditures

- Not excluding federal funds
- Not excluding supplemental state and local dollars
- Not excluding supplemental state and local dollars consistently
- Not having auditable documentation to support the reported expenditures

Exclude Federal Funds

- Federal funds must be excluded from the state and local expenditures



Exclude Supplemental State and Local Dollars

- Public Law 115-64, Section 1118. Fiscal Requirements (d) EXCLUSION OF FUNDS states that an LEA “may exclude” supplemental state and local dollars
- Exclusion of such funds is not required; however, it creates a more accurate picture
- Expenditures must be excluded consistently across the LEA



Expenditures Exclude Supplemental State and Local Dollars

- Examples of programs expending supplemental state/local funds which may be excluded:
- Language instruction educational programs, such as bilingual education for children with limited English proficiency
- English as a second language (ESL) services
- Excess state and local costs of providing services to children with disabilities, as determined by the LEA
- State or local supplemental programs in any school attendance area or school meeting the intent and purposes of Title I, Part A



Expenditures Exclude Supplemental State and Local Dollars Consistently

- Be consistent when excluding supplemental state and local dollars
- Exclude the same supplemental dollars from all campuses' total state and local expenditures



Have Auditable Documentation to Support the Reported Expenditures

- Official budget records are considered auditable documentation.
- Examples:
 - Reports from the LEA's accounting system
 - Exports from the LEA's accounting system
 - Board of Trustees' approved documents

Suggested Methodology

It is recommended that the LEA use official financial accounting system records

- Obtain the budget reports from accounting system
- Exclude supplemental state and local dollars
- Demonstrate calculation used to arrive at new total
- Maintain records per LEA records retention schedule

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compliance@tea.texas.gov

(512) 463-9127



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