

LEA Cost Tracking & Expenditure Reporting

John Dougall, State Auditor

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Public Education

- What are its objectives?
- Where does the money go?
- How well is it spent to achieve that objective?



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“...the State Board cannot necessarily determine the level at which the current resource allocation contributes to overall student success in each strategic area.” -- Office of the State Auditor

Performance Audit No. 15-03 A Performance Audit of Financial Reporting in Public Education



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“...districts operate with a poor sense of the inherent value of their resources, assuming (hoping) that the distribution makes sense, when in fact it does not even come close. It is an enormous flaw in the existing system that the dollars are poorly connected to the value of what is delivered to schools.” – Dr. Marguerite Roza, PhD



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Roza, M. (2012). Educational Economics: Where Do School Funds Go? Urban Institute Press.

LEA-Level



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Accounting Breakdown

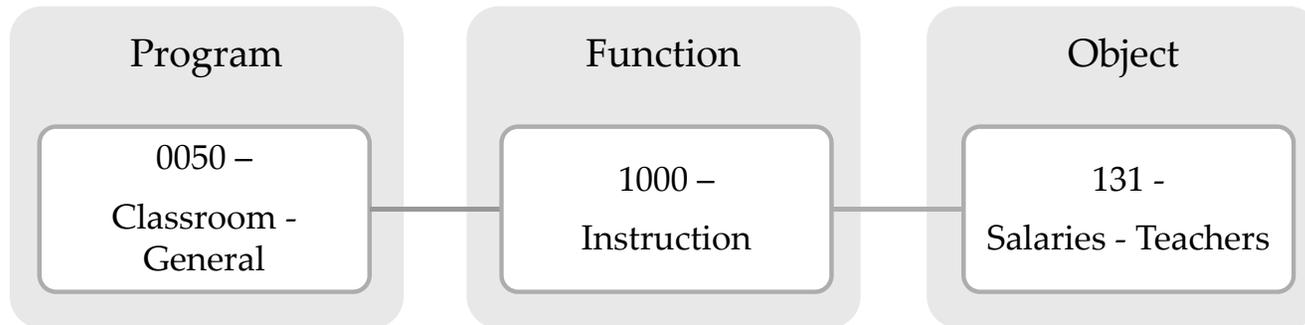
Program	Function	Object
Regular Programs	Instructional	Salaries
State Programs	Support Services	Employee Benefits
Federal Programs	Operations	Purchased Professional & Technical Services
Enterprise Programs	Facility Acquisition and Construction	Purchased Property Services
	Debt Service	Other Purchased Services
		...



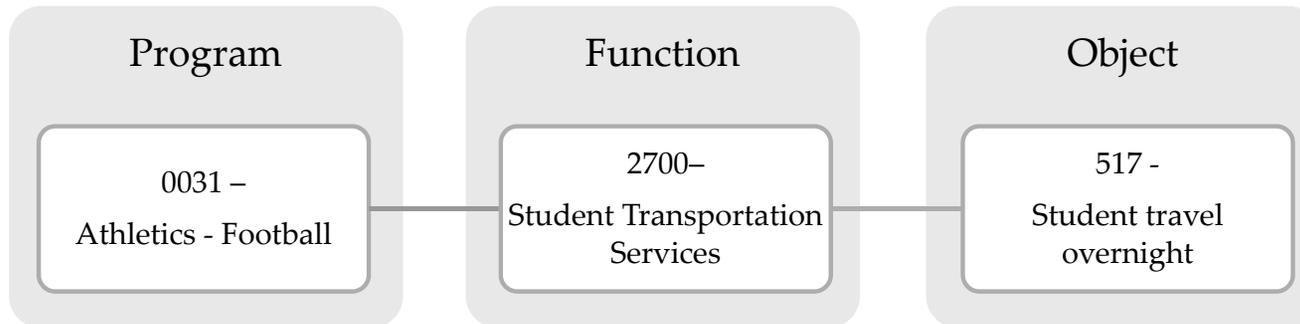
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Accounting Examples

High-Level



Lower-Level



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State Assessments

Subjects

- Language Arts: Grades 1-11, ESL, Special, Honors
- Math: Grades 3-8, Secondary I, II, III, Special, Honors
- Science: Grades 4-8, Physics, Chemistry, Biology, Earth Science

Systems

- DIBELS, NAEP, Sage, ACT, AP
- AYP, U-PASS



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Information Sources

Accounting Sources

- General Ledger
 - AFR/APR
 - CAFR
 - Public Finance Website
(Financial Transparency Website)

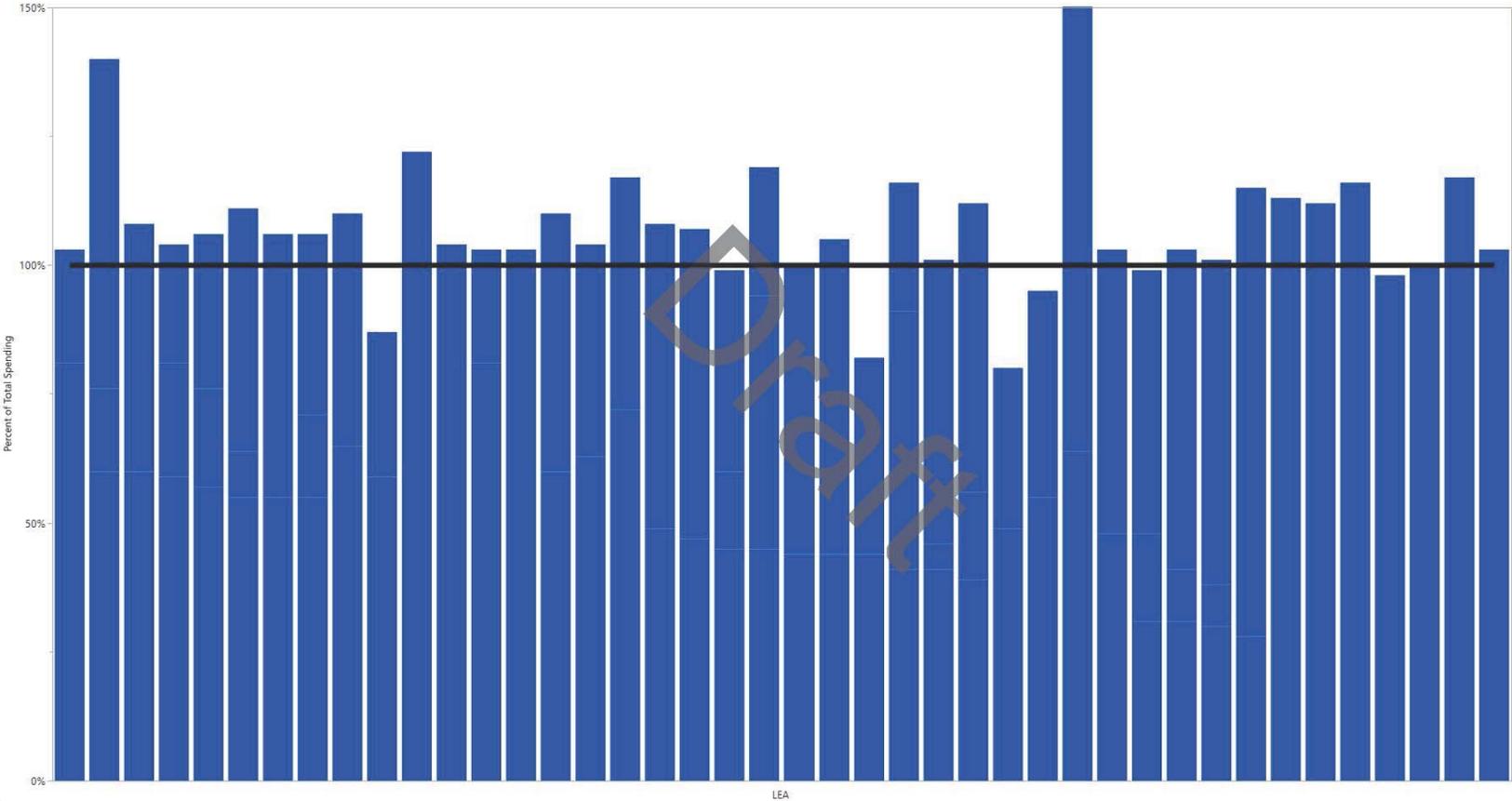
Other Sources

- Student Information Systems
- Human Resource Systems
- Assessment Data
- Asset Inventories
- Support Services Information
 - Transportation Data
 - Food Service Data



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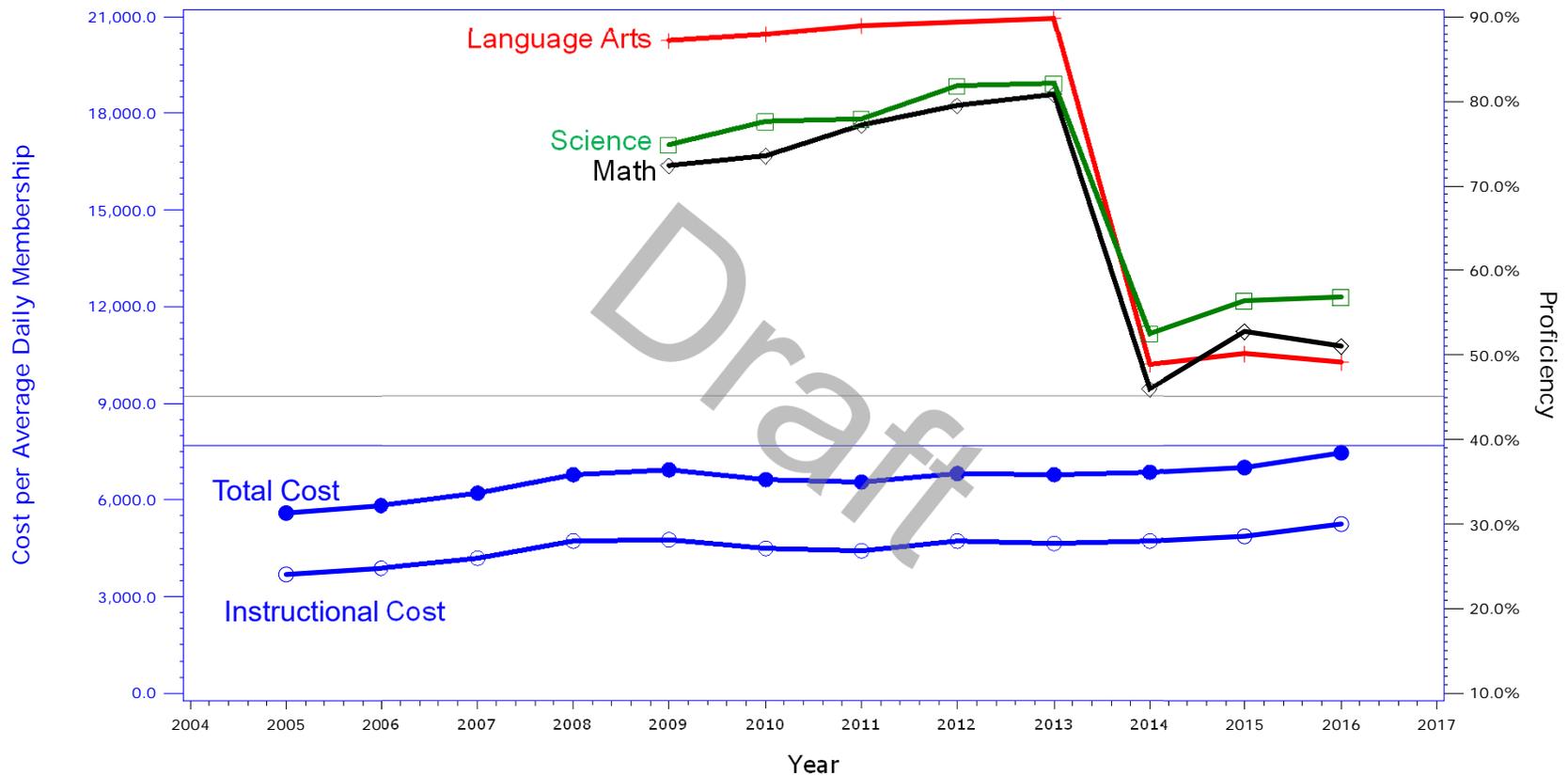
Transparency Expenditure by LEA (FY2015)



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Historical Cost & Proficiency

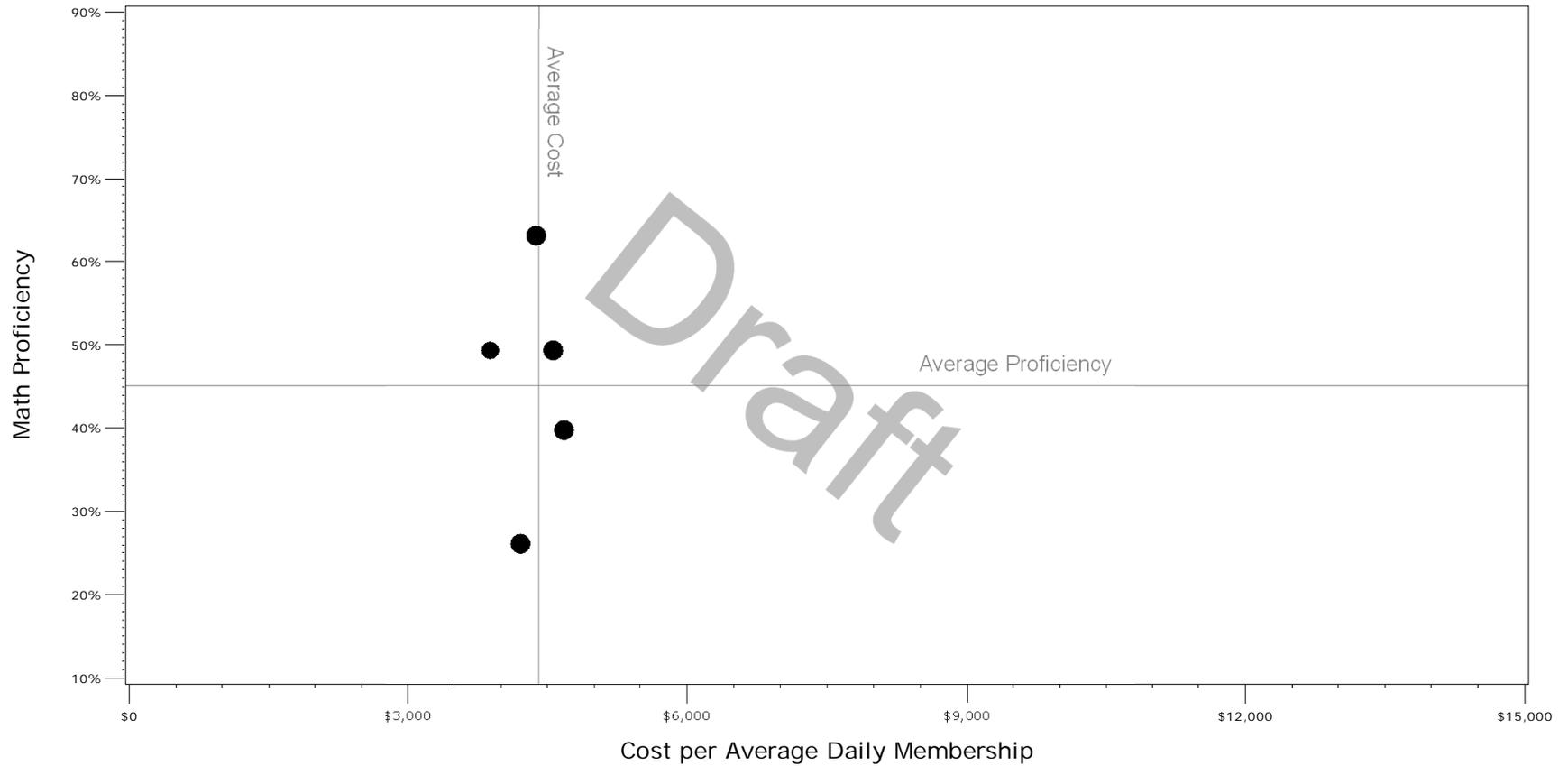
Example LEA



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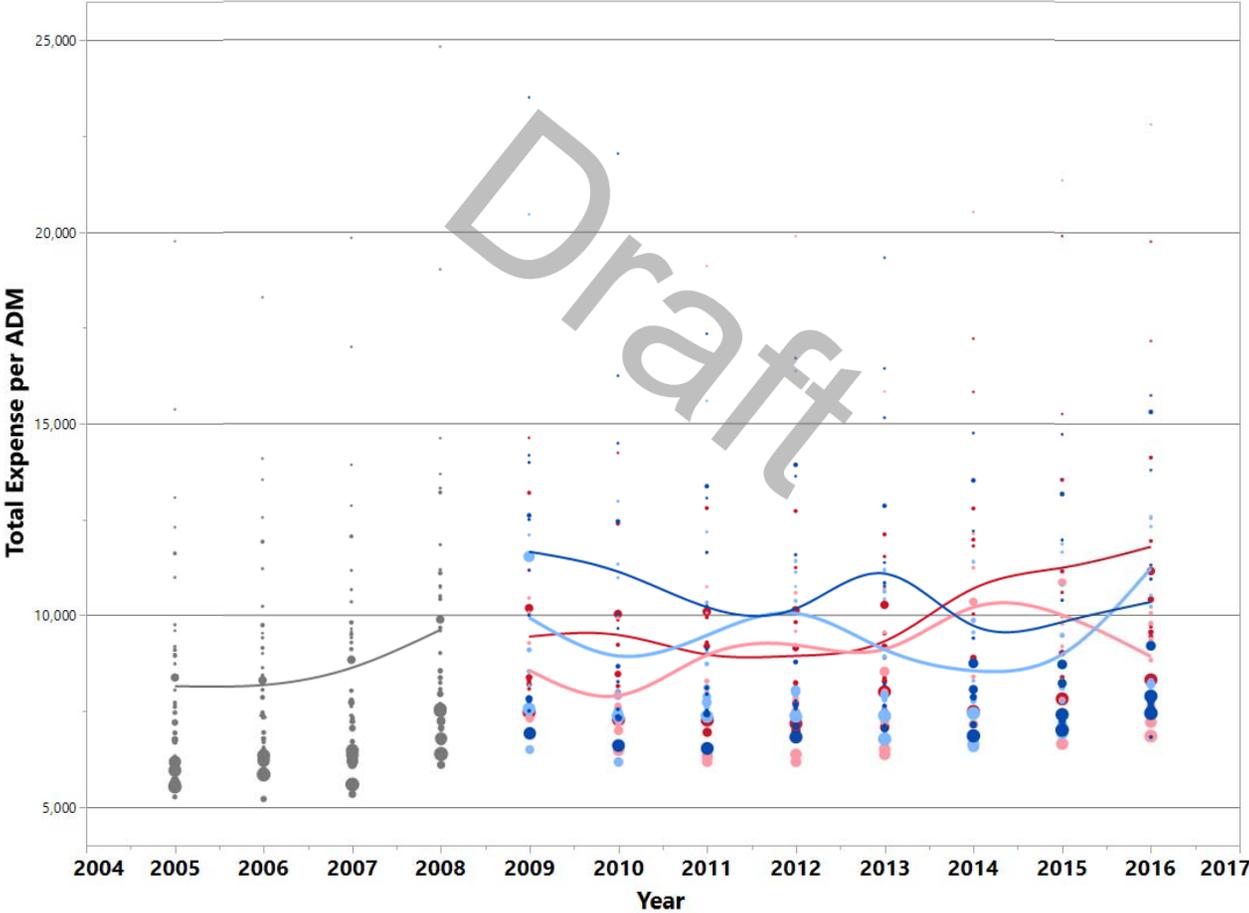
Instructional Cost Versus Proficiency

Group: Urban, Medium



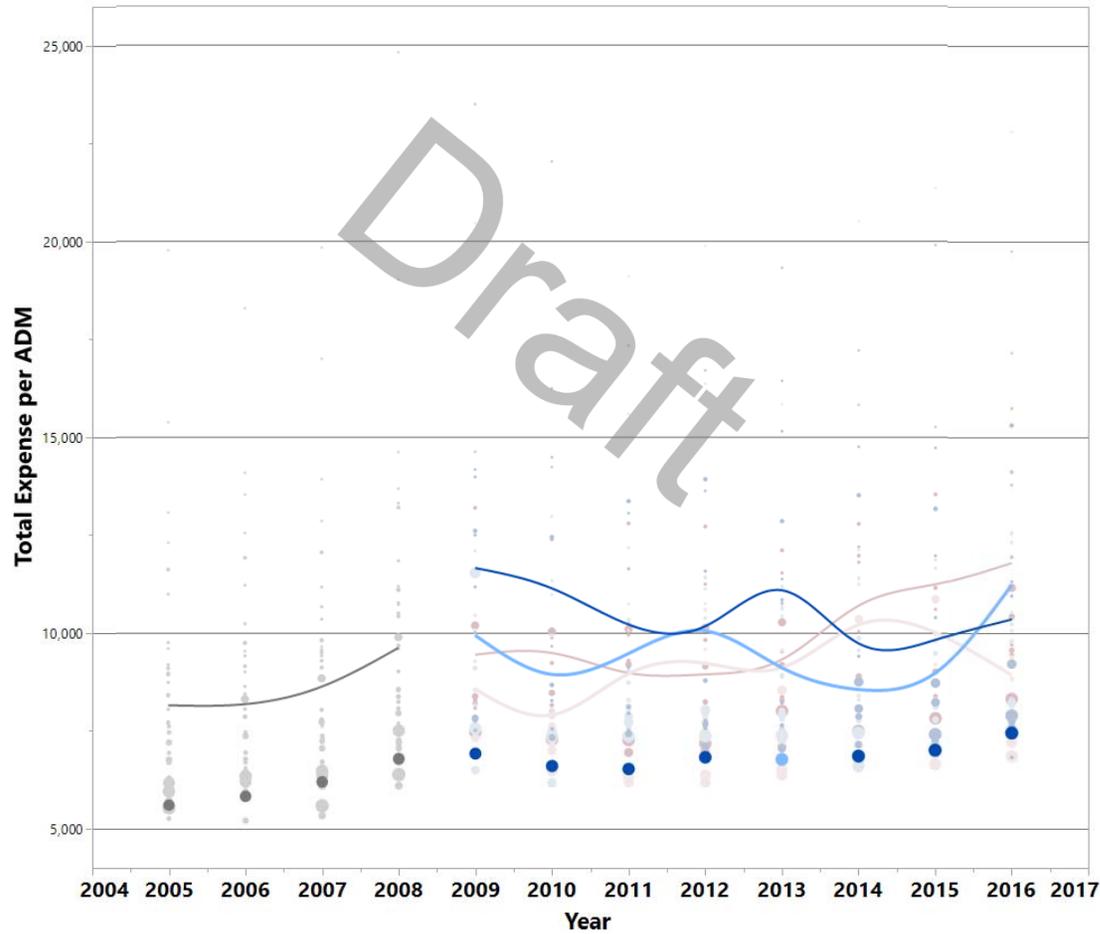
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Total Cost per ADM



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Total Cost per ADM – Target LEA



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School-Level



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School-Level Reporting

- Complaints:
 - School-level equity, particularly regarding Title 1 school finding



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“Yet despite the attention given to equity across districts in state policy, equalization efforts have done virtually nothing to address inequities within districts.” – Dr. Marguerite Roza, PhD



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Roza, M. (2012). Educational Economics: Where Do School Funds Go? Urban Institute Press.

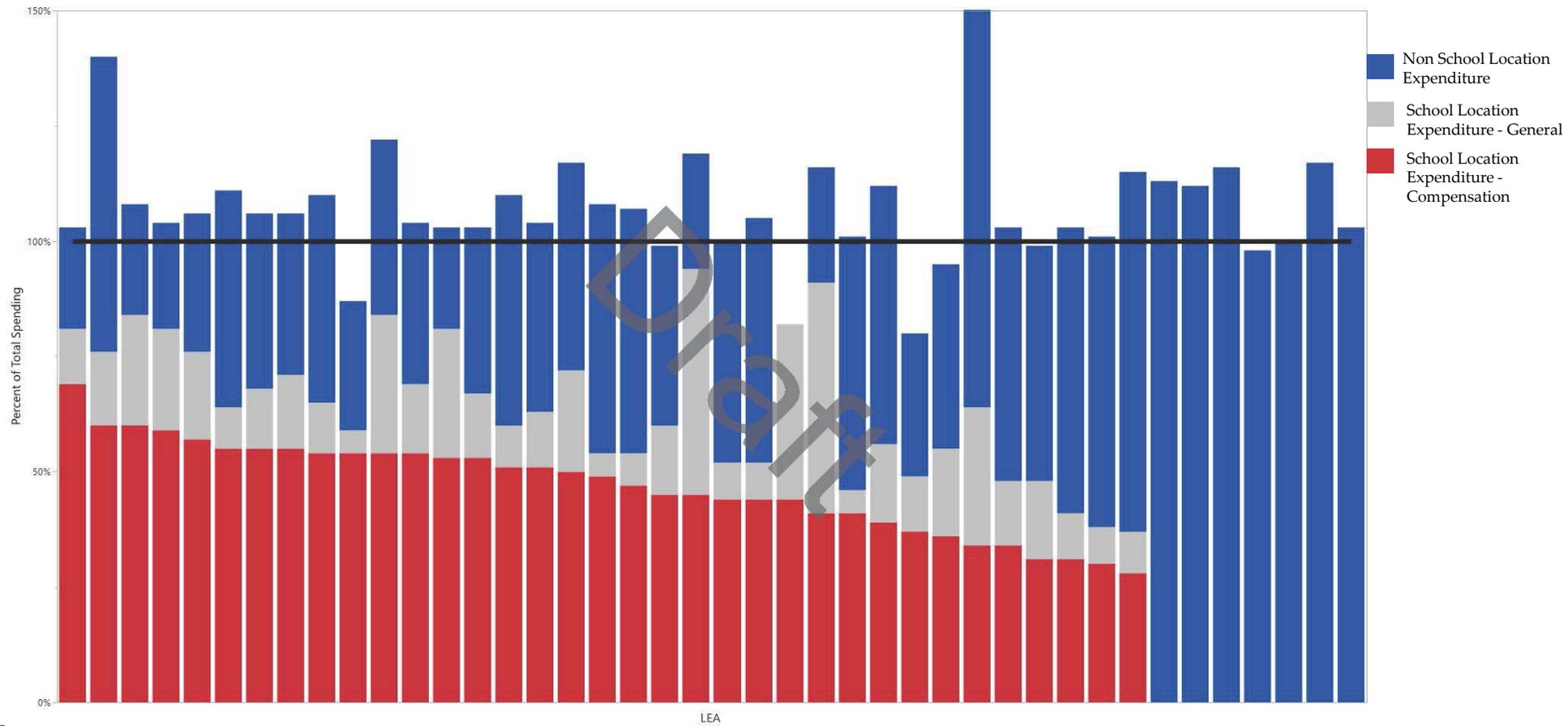
School-Level Reporting

- Complaints:
 - School-level equity, particularly regarding Title 1 school finding
 - Charter school administrative costs versus district-school administrative costs
 - Administrative versus classroom costs



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School Location Spending by LEA (FY2015)



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“Most districts keep their principals so insulated from financial data that many of them are not even aware of how much money is spent at their school.” – Dr. Marguerite Roza, PhD



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Roza, M. (n.d.). A State Information System to Support Improvements in Productivity. In Building the Productivity Infrastructure (Vol. 3, The SEA of the Future, pp. 40-47). Edvance Research, Inc. BSCP Center.

Course-Level



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Managerial Accounting

“No one on Dr. Lee’s staff at the University of Utah Health Care could say what a minute in a M.R.I machine or an hour in the operating room actually costs.”

– New York Times, “What are a Hospital’s Costs? Utah System Is Trying to Learn”

Kilata, G. (2015, September 08). What Are a Hospital’s Costs? Utah System Is Trying to Learn. *The New York Times*, p. A1. Retrieved from https://www.nytimes.com/2015/09/08/health/what-are-a-hospitals-costs-utah-system-is-trying-to-learn.html?_r=0



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Course-Level Reporting

- Assessments are being performed at course level (whether state testing or in-classroom) but resource allocations cannot be readily calculated on the same basis
- Costs not readily available for:
 - Curricular topics (e.g. science)
 - Grade-specific curriculum (e.g. 8th grade science)



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“Education leaders simply do not know whether their investments support their stated objectives because their districts do not collect and report cost per course per pupil.” – Dr. Marguerite Roza, PhD



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Roza, M. (2012). Educational Economics: Where Do School Funds Go? Urban Institute Press.

Ultimately, LEAs need to use the processes and systems which help them target resources to accomplish their objectives in the most efficient and effective manner.



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