

LEGISLATIVE REPORT

- SUBJECT:** School-by-School Expenditure Report
- REFERENCE:** Section 302A-1004, HRS
- ACTION REQUESTED:** Annual school-by-school expenditures report on:
- (1) Instruction, including face-to-face teaching, and classroom materials;
 - (2) Instructional support, including pupil, teacher and program support;
 - (3) Operations, including non-instructional pupil services, facilities and business services;
 - (4) Other commitments, including contingencies, capital improvement projects, out-of-district obligations, and legal obligations;
 - (5) Leadership, including school management, program and operations management, and district management;
 - (6) The measures of accuracy, efficiency, and productivity of the DOE, districts and schools in delivering resources to the classroom and the student.

DOE REPORT: The Hawaii School Expenditure Reporting System (HSERS) for FY 2008-2009 will be located at the Department of Education's web site. The report will be available for public viewing by January 2010, and will include the following:

HSERS Report

To display the costs of education, DOE expenditures are extracted from the state's Financial Management System (FMS). The FMS records the financial activity by program (prog ID), organization (org ID), and object codes. The prog IDs are cross walked to the HSERS function and sub function, the org IDs categorize school and non-school organizations, and the object codes group salary, supplies, and equipment. Once the crosswalk is complete the FMS data is imported to HSERS.

Amount Expended by School

The amount displayed represents monies that are spent at the school for salaries, supplies, textbooks, and equipment. This includes operational costs that are recorded to capture school level expenditures for school administrative staff, teachers, educational assistants, part time tutors, substitute teachers, custodians, and cafeteria staff.

Amount Allocated by District

The services that flow through the district are allocated in support of school level activities that include diagnostic and counseling services, special education services, district resource teachers, and contracted services.

Amount Allocated by State

The services that flow through the State include two separate categories to provide support services to the schools. The State level services to the schools are for support services that directly or indirectly impacts each school. State level services include student bus transportation, utilities, school food services, network support services, and school repair and maintenance, employee fringe benefits for health fund, social security, pension accumulation, and DAGS risk management to the department.

Non-allocable State and Complex Area Administrative Cost

The non-allocable costs for State and Complex Area administrative costs are for services provided centrally. The costs include expenditures for salaries, supplies, and equipment for the Board of Education, Superintendent’s Office, Curriculum Support, Personnel, Fiscal Services, Facilities, Technology, and Complex Area costs. There are expenditures incurred by other state departments on behalf of the DOE. This data is also added to HSERS:

<u>Agency</u>	<u>Services Provided</u>
Department of Accounting and General Services	Repair and Maintenance of Facilities
Department of Budget and Finance	Central Services Costs
County of Maui	Student Transportation

Excluded from the per pupil cost are expenditures for Capital Improvement Projects (CIP) and debt service.

WEB SITE:

HSERS reports for 2008-2009 will be available on the web in January 2010, following the steps below:

1. Go to the Department of Education Home page <http://doe.k12.hi.us/>.
2. Under the heading Public Schools, click on “Other Reports” <http://doe.k12.hi.us/reports.htm>.
3. Under the heading “Expenditures by School,” you may choose the respective years’ reports for Hawaii Expenditure Reporting System 2008-2009.

**ANALYSIS OF
THE DATA:**

Due to significant turnover in the Accounting Section, there have been delays in finalizing these reports. We expect the reports to be posted on the DOE website before the 2010 Legislative Session, in January 2010.

FINDINGS:

The original passage of the legislation was based on recommendations by the Office of the State Auditor, back in the year 2000, relying on a consultant, Dr. Bruce S. Cooper, Professor of Educational Leadership, Administration and Policy at Fordham University in New York.

Due to the implementation of the weighted student formula and school academic/financial plans in school year 2006-2007, we find that the current law reporting requirement as defined in Section 302A-1004, HRS appears to be outdated. The Department is in the process of developing new school-by-school financial reports. When those reports are completed, the Department will recommend proposed legislation to the Board of Education to repeal this law and replace it with a new format for school-by-school financial reporting specifications.

RECOMMENDATIONS: The Department is in the process of developing new school-by-school financial reports. When those reports are completed, the Department will replace it with a new format for school-by-school financial reporting specifications.

2006-2007 ACT 199 Expenditure Reporting

STATEWIDE TOTAL

Total DOE Appropriated	\$2,033,999,140.20	Per Pupil	\$11,347.78
Total DOE & Other Agencies	\$2,066,210,959.19	Per Pupil	\$11,527.49

Function	Total
Instruction	\$ 949,573,263.91
Instructional Support	\$ 656,990,515.14
Leadership	\$ 78,862,405.66
Operations	\$ 284,018,841.20
Other Commitments	\$ 14,784,697.43

Function	Sub-Function	Total
Instruction	Classroom Materials	\$ 104,106,440.57
Instruction	Face-to-Face Teaching	\$ 845,466,823.34
Instructional Support	Program Support	\$ 308,922,422.50
Instructional Support	Pupil Support	\$ 206,395,912.75
Instructional Support	Teacher Support	\$ 141,672,179.89
Leadership	District Management	\$ 8,222,590.78
Leadership	Prog. & Oper. Management	\$ 8,594,383.64
Leadership	School Management	\$ 62,045,431.23
Operations	Business Services	\$ 12,164,903.92
Operations	Face-to-Face Teaching	\$ 2,787,377.81
Operations	Facilities	\$ 139,752,982.89
Operations	Non-Instruct. Pupil Svcs	\$ 129,313,576.58
Other Commitments	Out-of-District Obligations	\$ 14,784,697.43

Central Costs Included In Total DOE & Other Agencies Per Pupil Cost		Central Costs Not Included In Total DOE & Other Agencies Per Pupil Cost	
DOE State Administrative Costs	\$44,047,453.19	Community Schools	\$13,871,012.46
DOE Complex Area Administrative Costs	\$5,721,963.67	CIP	\$80,880,942.00
Other Agencies	\$32,211,818.99	Debt Services	\$224,279,599.00
		Fringe Benefit - Transfer to B&F	\$6,376,108.00

2006-2007 Expenditures by School / Sub-Function

MCKINLEY HIGH

Total Expenditures	\$21,188,501.22	Per Student	\$11,288.49	School Enrollment	1877
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Function	Total	Per Student	Function	Sub-Function	Total	Per Student
Instruction	\$10,266,623.72	\$5,469.70	Instruction	Classroom Materials	\$1,047,047.82	\$557.83
Instructional Support	\$7,076,436.36	\$3,770.08	Instruction	Face-to-Face Teaching	\$9,219,575.90	\$4,911.87
Leadership	\$773,576.14	\$412.13	Instructional Support	Program Support	\$2,846,742.09	\$1,516.64
Operations	\$2,933,803.17	\$1,563.03	Instructional Support	Pupil Support	\$2,834,742.94	\$1,510.25
Other Commitments	\$138,061.83	\$73.55	Instructional Support	Teacher Support	\$1,394,951.34	\$743.18
			Leadership	District Management	\$87,730.55	\$46.74
			Leadership	Prog. & Oper. Management	\$86,530.96	\$46.10
			Leadership	School Management	\$599,314.63	\$319.29
			Operations	Business Services	\$112,324.62	\$59.84
			Operations	Face-to-Face Teaching	\$55,520.90	\$29.58
			Operations	Facilities	\$1,556,076.99	\$829.02
			Operations	Non-Instruct. Pupil Svcs	\$1,209,880.66	\$644.58
			Other Commitments	Out-of-District Obligations	\$138,061.83	\$73.55

School Costs and Services
Paid By:

School	Complex Area Office	State Office
\$15,757,048.64	\$2,434,643.65	\$2,996,808.93