

Report on the
NEW YORK STATE EDUCATION
BEST PRACTICES
ACCOUNTING STANDARDS
(NYSEBPAS)
FOR
SCHOOL DISTRICTS

WAYS TO REDUCE COSTS AND IMPROVE EFFECTIVENESS

October 11, 2012



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Purpose:

The purpose of this report is to analyze budgets and assets of school districts and in turn come up with a **Best Practices Standard** to better compare them. School districts will then be able to analyze their balance sheet, infrastructure, income and expenses with other school districts of similar size, area and population.

Benefits: a few are below

1. School Districts can communicate with other schools to find out what they do differently to control certain expenses or income by line item.
2. William Floyd School District saved over \$500,000 reorganizing their Career & Technical Education program.
3. How is the district set up with technology?
4. Show area's that could lead to more shared services.
5. Review of transportation costs for sharing with local schools.
6. Show costs of the mandated programs.
7. Show what they are paying their teachers and in comparison to the average salary and benefits are for their demographics with other schools.
8. Show the ratio of guidance counselors to students.
9. Show how security is set up at the schools.
10. Show how much is spent as a % of the budget for athletics.

The report should be very complete and detailed to allow anyone to see how a school district is doing by line item. To just read a budget report, is not enough detail to determine how efficiently the school district is being run. The cost per student or tax rate does not tell whether the school is in line or not. It is to general.

Gathering Data:

The initial thought is to have an EXCEL spread sheet boiler plate that all school districts can fill out. Some parts only have to be filled out when changes have been made, like buildings and grounds. Other sections, as with staffing will have to be filled out every year. It would also be nice to have the internal and external auditors understand this process and look for this report from each school district.

Basic Information in this Report:

On the following pages and exhibits, are my thoughts on what the overall report can look like. There are also surveys that would be used. For a school budget I used the budget from Mattituck-Cutchogue School District. **(See Exhibit 1)**. I would assume that each school district would have different general ledger codes for their assets, liabilities, income and expenses, but there should be enough similarities to be able to fill out the report. It would also be nice that in the future, if all financial statements and balance sheets were in the same format for all schools. They currently might be but I am not sure.

I also included Best Practices Standards from the Insurance Industry to show how some survey and profit & loss reports could look like. The profit & loss **(See Exhibit 2)** and survey reports **(See Exhibit 3, 4 & 5)** would obviously be changed for the general ledger major categories of interest with regards to a school district. I just want you to see that there are more questions to ask than what the budget increase and cost per student is.

MAJOR CATEGORIES FOR GENERAL LEDGER Profit & Loss:

(See Exhibit 2)

The comparisons could be based on the size of the budget, # of students, and population in the area school district. Maybe use the AAA – D school size. All of the below line items could then be a % of the total revenues or expenses. The profit & loss should also include the following:

GENERAL REVENUES:

Planned Balance
Interest on Deposits – what is the % of interest earned? What type of investments?
State Aid - % of total budget and to Mandates
Day School Tuition
Misc/other revenue
Rental Income
Health Services
Federal Aid - % of total budget and to Mandates
Interfund Transfer

Sub total above

Then add in amount to be raised by taxes.

You could get into tax rates, star program, percentage change of line item from last year and equalization rates.

GENERAL EXPENSES:

Central Administration
Business Administration
Supervision
 Total Administration budget
Teaching regular school
Programs for Children with Handicap
Instructional Media
Guidance
Inter Scholastic athletics
Transportation
 Total Program Budget
Custodial and Maintenance
Debt Service
 Total Capital budget

Add any additional categories necessary, should include the highest expenditures. You would then have sub-categories under each of the above major categories.

BALANCE SHEET ITEMS: This would be set up to show the variance from last year's balance sheet and percentage difference. The balance sheet should be provided including the following

Reserve fund balance

Appropriated fund balance

Unreserved, unappropriated, fund balance

Fund balance as a % of total budget.

Total Liability's and Assets of the school

Debt

SURVEY DATA REPORTS (Non-P & L reports):

(See Exhibit 3, 4 & 5)

You can make each section as detailed as needed for better comparisons, especially the higher budgeted sections. CAPITALIZED headings are major expense areas

ADMINISTRATION -

How many administrators?

Administration clerical # and salary

What is the average salary of all administrators?

How many administrators and what are their job titles?

Business office staff # and salary? How is payroll processed and staff needed to complete?

Supervision Regular Day School

Total Instructional Salaries and # of

Clerical costs and # of staff

Attendance – cost per student or % of total staff. How is your future student enrollment changing?

BOCES SERVICES - can be broken out based on program or service used

Cafeteria/food services – complete breakout of this section

Capital Expenses – complete breakout of this section

DEBT SERVICE - complete breakout of this section – what are the debt expenditures compared to the total school budget? What are the total assets of a school to the debt balance? The size, term, bond rating and interest rate of each debt item also as a % of the total assets and/or % of budget and debt per student.

Driver Education – can break out based on # of students in the program

Equipment for Teachers: - Breakout for Elementary and Secondary for each grade and class type

Contractual grade/class expenses

Supplies grade/class expenses

Textbooks grade/class expenses

Guidance – complete breakout of this section.

Health Services – complete breakout of this section

Instructional Salaries - complete breakout of this section

Interscholastic Sports - complete breakout of this section

Libraries – can break out based on # of students in elementary and secondary also services that the library provides

MANDATES – complete breakout of this section by Federal and State mandates

Non-instructional Salaries – how many and salary averages

Operation and Maintenance - also see the **Infrastructure Survey on next page** with additional questions.

Total # of staff and salaries?

Equipment

Contractual Expenses

Electric & Gas – cost per square foot of building area

Fuel Oil – cost per square foot of building area

Telephone/cell – how many cell phones and who gets them?

Total operation and maintenance expenses: costs per building, per square foot of building, per class room, per office and per acre

Psychological services - complete breakout of this section

PUPIL TRANSPORTATION - complete breakout of this section. Any sharing done with other local schools?

SALARIES FOR TEACHERS: Breakout for Elementary, and Secondary and non-instructional salaries and expenses

What tiers are they in? Date hired? Average years teacher has taught and at this school.

of students and students per teacher ratio

of special Ed teachers and students, per special Ed teacher to student ratio

Average class size of students in class room

Break out teachers in specialties, like grades, science, reading etc.

Break out the benefits for each line item. Apply this to each tier.

What are the teacher ratings?

SPECIAL EDUCATION – complete breakout of this section

Unallocated Insurance - can breakout the different types of insurance

Again the questions and breakout statements under each category are just examples. More detail given the better.

Infrastructure Survey Example: this would only be filled out the first year or when changes occur. The survey can be broken out by demographics, size of school, location and all schools combined.

This example report is where you can find out about the building and grounds of a school district.

1. How many locations does the school have?
2. How far away is each of the buildings to the High School?
3. How many administration buildings?
4. How many actual school buildings? What grades in each building?
5. How many storage or maintenance buildings are there? This could include storage for busses. Where does the maintenance dept keep their equipment?
6. How many acres of land does each location have?
7. How many acres of land are maintained?
8. How many acres of sports fields and what sports are played there?
9. What activities are not done on school property? Sports or school plays?
10. Does the school district own the buildings or pay rent? If rented, what is the rent per sq ft?
11. Technology in each building?
12. Road miles within the district?

Within each building, you would need to find out the following:

1. Area, date built and last renovated, type of heat, any AC, sprinklered, how many class rooms, what is the average area of a class room, what is the % of class rooms used during the day, how many special rooms like science labs, music and practice rooms, gyms and work out rooms? How many offices? Any administrators in that building? Technology infrastructure. You should have a good idea of what is inside of each building.
2. With the administration buildings, how many offices and # 1 above.
3. With storage of buses, where are they garaged, inside or out? How many buses? Also # 1 above.

MAJOR OVERALL FACTORS FOR SCHOOLS TO COMPARE:
This can be broken out by demographics, size of school, location and all schools combined.

1. Expenses per student with and without Special Education
2. Revenue per student from taxes and then with aid included
3. Teacher to student ratios – Can compare with test scores from standardized testing for each grade.
4. Teacher salaries and benefits to overall budget. Line item each benefit.
5. Average teacher's salaries and then include benefits
6. Non-teacher salaries and benefits to overall budget. Break out by job
7. All other non payroll expenses to overall budget
8. Total maintenance cost per square foot of school buildings excluding storage and maintenance buildings.
9. Cost of Administration as a % to total budget
10. Total cost of Transportation, cost per bus, cost per student
11. Total % of expenses through shared services, how much saved
12. Special Education costs to total budget.
13. Total cost of items purchased as to the % of the total budget

CONCLUSION:

By being able to compare their School district, the community will be educated on how efficient their School district is. At budget time the School tax might be going up, but the public can see that their School overall is managing their expenses better than the other Districts. Or show that aid from the State of Federal Governments is low.

MAIN ADVANTAGE: It would show areas that can be improved which in turn can help in lowering or maintaining the cost of education.