



Selected Financial Data Maryland Public Schools 2003 – 2004

Part 3 – Analysis of Costs

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Table of Contents

	Page
Introduction	i
Tables	
1 Cost per Public Elementary and Secondary Pupil Belonging for Current Expenses, Capital Outlay, and Debt Service.....	1
2 Cost per Pupil Belonging for Current Expenses	2
3 Cost per Pupil Belonging by Category.....	3
4 Cost per Pupil Attending by Category.....	4
5 Cost per Pupil Belonging from Federal Funds.....	5
6 Cost per Pupil Belonging Excluding Federal Funds.....	6
7 Cost per Pupil Belonging for Materials of Instruction.....	7
8 Percent of Distribution of Current Expenses by Category.....	8
9 Percent of Day School Current Expenses.....	9
10 Expenditures by Category.....	10
11 Full-time Equivalent Average Number Belonging and Average Daily Attendance.....	11

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INTRODUCTION

Selected Financial Data is published annually in four parts by the Maryland State Department of Education. Part 1 provides information about resources, Part 2 provides expenditure information, Part 3 describes the expenditures in terms of an average cost per pupil, and Part 4 is a time series of selected facts from Parts 1-3. Information for these reports is derived from the Annual Financial Reports submitted by the 24 local education agencies (LEAs).

Equating expenditures to a per pupil basis provides a useful starting point for examining the relative cost of providing education services across districts. However, districts are not equal in size or population mix, and this measure alone cannot be used to draw conclusions about the local effort and support for education or operating efficiencies and deficiencies. Additionally, costs of goods and services vary throughout the state, and some LEAs receive the benefit of services paid for by other county agencies.

In computing per pupil costs, it is necessary to determine which costs will be included in the calculation and which student measure will be used. Since there are many variations of includable costs and pupil measures, figures published in this report may differ from those published by another state, the federal government, or even the local education agencies in Maryland. It has been the practice of this Department to include all operating expenditures except food services, community services, adult education, equipment and current capital outlay, and payments to other public school districts and nonpublic schools.

The student measure has been the equated average daily

membership (ADM), also called the average number belonging (ANB). This figure represents the average number of students enrolled in the district over the school year. This report also includes a table showing the per pupil costs expressed in terms of the average daily attendance (ADA), or the average number of students who are in attendance each day, as this measure is most frequently used by the federal government in comparing costs between districts.

Highlights

Per pupil expenditures for Current Expense increased 3.5% from 2002-2003 to 2003-2004. Per pupil expenditures for current expenses between Maryland local education agencies vary from a high of \$10,994 in Montgomery County to a low of \$7,655 in Harford County

Beginning in FY 1998, Maryland public schools were required to budget and report expenditures differently than in the past. Administration was redefined to exclude expenditures for Instructional Supervision and Facilities Acquisition and Construction. Instruction expanded to three categories, one for Instructional Salaries and Wages, one for Textbooks and Instructional Supplies, and one for Other Instructional Costs. In addition, the three instructional categories were modified to exclude expenditures for School Administration and to include expenditures for Staff/Curriculum Development. Mid-level Administration, a new expenditure category, was added to report the expenditures for Instructional Supervision and School Administration; and Capital Outlay was modified to include the costs of Facilities Acquisition and Construction. Because of these changes, longitudinal comparisons of

expenditures in these expenditure categories are not available.

DEFINITIONS

Administration - expenditures for the general regulation, direction, and control of the LEA and the LEA instructional programs. Activities in this category generally involve the formulation and execution of educational or financial policy for the LEA as a whole, rather than the administration of a single building or narrow phase of school activity and includes board of education services, office of the superintendent, community relations, business services; human resources; data processing; printing and duplicating; purchasing; legal services; planning, research, and evaluation services; centralized support services, and general support services.

Average Number Belonging - the aggregate number of student days in membership divided by the number of days schools were open, adjusted for half-day prekindergarten and kindergarten programs.

Average Daily Attendance - the aggregate number of student days attended divided by the number of days schools were open, adjusted for half-day prekindergarten and kindergarten programs.

Capital Outlay - expenditures of current funds for directing and managing the acquisition of, or addition to, fixed assets, including money spent for land or existing buildings, improvements to grounds, construction, remodeling, or renovations.

Community Services - expenditures for activities which are provided by the LEA for the community or some segment of the community other than for public school activities and adult education. Included in this category are expenditures for community recreation programs, before and after school programs, and community transportation programs.

Current Expense Fund - the fund used to account for the basic operations of the LEA, comprised of the general fund and those special revenue funds available for general fund purposes. Expenditures in this fund are reported by expenditure category and object.

Debt Service Fund - the fund used to account for the payments of interest and principal on long-term general obligation debt and state loans, excluding obligations incurred by the State of Maryland for construction of public school facilities. Debt issuance and repayment is the responsibility of the parent government, but LEAs are required to report their portion of county debt annually.

Fixed Charges - expenditures of a generally recurrent nature which are not readily chargeable to other expenditure categories, such as employee benefits, rent, insurance, judgements, and other such items.

Food Service Fund - expenditures for activities involving the preparation and serving of meals to students and adults.

Health Services - expenditures for physical and mental health activities which provide students with appropriate medical, dental, and nurse services

Instructional expenditure categories - expenditures for activities that deal with teaching regular students and/or enhancing the educational experience for students. Instructional expenditures occur at the school level for classroom instruction, media services, guidance services, psychological services, cocurricular activities. Also included are expenditures for instructional staff development and curriculum development provided by instructional staff.

Local Education Agency (LEA) - the entity created to provide educational services for constituents

Maintenance of Plant - expenditures incurred to keep the

grounds, buildings, and equipment in their original condition of efficiency or completeness.

Mid-level Administration - expenditures for district-wide administration and supervision of instructional programs and for school administration.

Operation of Plant - expenditures for keeping the physical plant open and ready for use, including cleaning services; utilities; rental of facilities; grounds maintenance; warehousing and storing services; security services; and other routine activities.

Special Education - expenditures for students who, through appropriate assessment, have been determined to have temporary or long-term special education needs arising from cognitive, emotional, and/or physical factors.

Student Activities Fund - a fund used to account for the operations of student activities that are owned, operated, and managed by the student body under the guidance and/or direction of staff members or other adults.

Student Personnel Services - expenditures for attendance services, social work services, student accounting services, etc.

Transfers - payments by one agency to another for services rendered. Transfers are differentiated from contracted services to prevent double accounting of expenditures between education service providers.

Teachers' Retirement - the annual contribution to the teachers' retirement system to support benefits of future retirees