

## **Appendix A**

### Definition and Use of Fiscal Variables

Definitions of Fiscal Variables

Fiscal Variables Used for Data Analysis



## **Definitions of Fiscal Variables**

### **Revenues**

Increases in the net current assets of a government fund type from other than expenditure refunds and residual equity transfers. Reported as revenues from local, state, and federal sources.

### **Revenue from Local Sources**

Taxes reported here should be those for which the agency has the power to levy and set the rate. Includes local property and non-property tax revenues; local government contributions; tuition; transportation; food services; student activities; textbook sales; donations; and property rentals. The following categories will be applicable to a relatively small number of districts: general sales or gross receipts tax, individual and corporate net income taxes, and all other taxes.

### **Revenue from State Sources**

Includes all restricted and unrestricted payments made directly by the state government to local education agencies (LEAs). These payments include but are not limited to foundation or basic support, transportation, pupil-targeted programs (special, gifted, vocational, and adult education), textbook funds, capital outlay, debt service payments on local school debt, property tax relief payments, child nutrition matching payments, employee benefit payments, and loans to local education agencies. Includes revenues from a state government source, such as those that can be used without restriction, those for categorical purposes, and revenues in lieu of taxation. Also includes payments made by a state for the benefit of the LEA or contributions of equipment or supplies. Such revenues include the payment of a pension fund by the state on behalf of an LEA employee for services rendered to the LEA and contributions of fixed assets (property, plant, and equipment) such as school buses and textbooks.

### **Revenue from Federal Sources/Total Federal Revenue**

This field contains the total federal revenue for the agency, including direct grants-in-aid from the federal government; federal grants-in-aid through the state or an intermediate agency; and other revenue that, in lieu of taxes, had the tax base been subject to taxation.

### **Total Expenditures**

This field contains the total expenditures for the agency. Expenditures are defined as all amounts of money paid out by a school system—net of recoveries and other correcting transactions—other than for retirement of debt, purchase securities, extension of loans, and agency transactions. Note that this category includes only external transactions of a school system and excludes non-cash transactions such as the provision of perquisites or other payments-in-kind. Current operation expenditures include salaries, employee benefits, purchased services (except construction services) and supplies. These cover such objects as contracts rent, insurance, utilities, maintenance services, printing, tuition paid to private schools, and food. Total salaries include gross salaries without deduction for income tax or employee contributions for Social Security or retirement coverage. Total expenditures per pupil includes the total expenditures per pupil for the agency. Includes current expenditures, with the addition of equipment expenditures and facilities acquisition expenditures, and current expenditures not directly related to pre-K through 12 programs, such as adult education and community services expenditures.

### **Current Expenditures**

Current expenditures are expenditures for the day-to-day operation of schools and school districts. Include expenditures for the categories of instruction, support services, and non-instructional services for salaries, employee benefits, purchased services, and supplies; and payments by the state made for or on behalf of school systems. This does not include expenditures for debt service, capital outlay (e.g., school construction, renovation, and equipment), property (i.e., equipment), non-elementary/secondary programs, or direct costs (e.g., Head Start, adult education, community colleges), and community services expenditures.

### **Core Expenditures**

Core expenditures are only the current expenditures for instruction, student support services (health, attendance, guidance, and speech), and instructional staff support services (curricular development, in-staff training, and educational media, including libraries).

### **Instruction**

Total current operation expenditures for activities dealing with the interaction of teachers and students in the classroom, home, or hospital as well as co-curricular activities. Includes amounts for activities of teachers and instructional aides or assistants engaged in regular instruction, special education, and vocational education programs. Excludes adult education programs. Instructional expenditures include expenditures for activities dealing directly with the interaction between students and teachers (salaries, including sabbatical leave, employee benefits, and purchased instructional services). The category of instruction includes payments from all funds for salaries, employee benefits, supplies, materials, and contractual services. Salaries for instruction include gross salary of regular and part-time teachers, teachers' aides, homebound teachers, hospital-based teachers, substitute teachers, and teachers on sabbatical leave who are on LEA payrolls.

### **Support Services Expenditures**

Include student support services (attendance, guidance, health, speech, and psychological), staff support services (improvement of instruction, and educational media, including librarians and instructional coordinators and supervisors), general administration (board of education and central office), school administration (principal's office), business (fiscal services, purchasing, warehousing, and printing), operation and plant maintenance, student transportation services, and central expenditures (research, information services, and data processing). The category of support services includes payments from all funds for salaries, employee benefits, supplies, materials, and contractual services. It excludes food services, community services, and student enterprise activities, which are included in other expenditures. Instructional coordinators and supervisors include educational television staff, coordinators and supervisors of audio-visual services, curriculum coordinators and in-service training staff, and staff engaged in the development of computer-assisted instruction. School-based department chairpersons are excluded.

### **Non-Instructional Services**

Include expenditures for food service operations and other auxiliary enterprise operations (bookstore and interscholastic athletics), excluding community services (e.g., child care or

swimming pool). Enterprise operations include expenditures for business-like activities (such as a bookstore) where the costs are recouped largely with user charges.

**Facilities Acquisition and Construction**

Include expenditures for equipment for facilities, facilities acquisition, and construction services, both property and non-property—along with expenditures for buildings built and alterations performed by LEA staff or contracted out by the LEA; the purchase of land and land improvements; and the initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures, and vehicles.

### Fiscal Variables Used for Data Analysis

<i>Revenues</i>	Dollars spent per pupil on revenues	Percent of dollar share of total revenues
Federal revenue	X	X
State revenue	X	X
Local revenue	X	X
Total revenue	X	

<i>Expenditures</i>	Dollars spent per pupil on expenditures	Percent of dollar share of total expenditures
Instruction salaries		X
Instruction benefits		X
Instruction other objects		X
Total instruction	X	X
Support services salaries		X
Support services benefits		X
Support services other objects		X
Total support services	X	X
Student support	X	X
Instructional staff support	X	X
General administration	X	X
School administration	X	X
Operation/maintenance	X	X
Transportation	X	X
Other support	X	X
Non-instructional services	X	X
Core expenditures	X	X
Total current expenditures	X	

Total revenue includes federal revenue, state revenue, and local revenue.

Total current expenditures include instruction, support services, and non-instructional services.

Support services include student support, instructional staff support, general administration, school administration, operation/maintenance, transportation, and other support. (Other support includes central and business support services.)

Core expenditures include instruction, student support, and instructional staff support.