Appendix H—State Notes

The following notes describe known anomalies in state data reported to the collection agent. Unless otherwise noted, each anomaly recorded here applies to fiscal year 2012 (FY 12). The absence of "Notes" for a state indicates that the state's data did not contain any known anomalies. States are in order by their American National Standards Institute (ANSI) code.

Alabama

Fiscal Year: October 1–September 30

Notes:

- Students do not pay fees for transportation (R1G).
- The chart of accounts for LEAs does not include a separate code for revenue for tuition, fees, and charges paid by students to attend summer school.
- Grants for most ARRA funds ended in FY 11.
- The Sylacauga City School System received $16 million in bond proceeds from the city council.
- The Limestone County School System recorded a significant increase in tuition from vocational education.
- Expenditures charged to indirect cost were significantly lower because those costs were covered by ARRA funds.
- There was a significant increase in expenditures on computer hardware and other equipment, most notably in the Birmingham City and Madison City School Systems with increases shown in Mobile County and Huntsville City School Systems.
- There were no expenditures for Community Services, Property (E82).

Alaska

Fiscal Year: July 1–June 30

Notes:

- Instruction Support Services, Supplies (E243) data was reviewed and was found correct as it was reported by the school districts in their financial statements. The amount reported here is a result of the end of ARRA funding. There were fluctuations in many districts; however, the Anchorage School District is solely responsible for the large overall decrease with their ARRA expenditures alone decreasing by $8 million.
- The ratio of Food Purchased Services to Food Expenditures Subtotal is substantially different from the prior year because of the Northwest Arctic Borough School District, which changed from employing school district employees for food service to entering into a contract for services. Many districts had insignificant fluctuations up and down, but this district alone was responsible for an increase of $2 million.

Arizona

Fiscal Year: July 1–June 30

Notes:

- In FY 12, Arizona added a summary page to its Annual Financial Report (AFR) that collects detail data that aligns with the majority of the expenditures as outlined in NPEFS. In prior years, some of these expenditures were accounted for on the aggregate and placed into objects based on historical percentages. The new level of reporting detail has allowed the Arizona Department of Education to accurately assign expenditures to correct NPEFS function and object codes on the survey.

Appendix H—State Notes

<u>Arkansas</u>

Fiscal Year: July 1–June 30

Notes:

- Several districts received extra payments for revenue in lieu of taxes in FY 12.
- The ratio of Federal Revenue to Total Revenue is substantially different from the prior year due to the large influx of ARRA revenue in FY 11. ARRA revenue was greatly reduced in FY 12 as many sources expired.
- The decrease in Instruction, Salaries (E11) is due to the decrease in ARRA funds in FY 12.
- The $9.5 million decrease in Instruction, Property (E17) expenditures is due to the decrease in ARRA revenue in FY 12 as compared to FY 11.

<u>California</u>

Fiscal Year: July 1–June 30

Notes:

- In California, revenues for District Activities (R1K) are typically collected and managed by student organizations rather than by school districts. Incidental revenues that school districts do collect for District Activities are reported as Other Revenue From Local Sources (R1L).
- California LEAs do not collect tuition from students to attend summer school (R1N).
- California LEAs do not derive revenues from the sale or rental of textbooks (R1M).
- The decrease in Grants-in-Aid From The Federal Government Through Other Intermediate Agencies (R4C) is due to the expiration of the ARRA funding and the decrease in the State's Workforce Investment Act's (WIA) discretionary funding.
- In February 2009, to help mitigate severe cuts to state funding for education, California passed flexibility provisions that allowed LEAs to use funds from about 40 state categorical programs (including the instructional materials funding) for any educational purpose from 2008–09 through 2012–13. The flexibility provisions also suspended the process and procedures for adopting instructional materials, including framework revisions, until the 2012–13 school year. In FY 11, the "flexibility" timelines were extended through 2014–15. From analysis of underlying financial data, approximately 73% (or $62,027,530) of the decrease in Textbook Expenditures for Classroom Instruction (E2) was due to the flexibility provisions.

<u>Colorado</u>

Fiscal Year: July 1–June 30

Notes:

- Colorado received a substantial amount of ARRA funds in FY 11, accounting for the increase in Federal Sources of Revenue Subtotal (STR4).
- General Administration Support Services, Purchased Services (E234) increased due to a termination fee that was expensed when Denver Public Schools refinanced $792 million in Certificates of Participation (COP).
- There were Property decreases across the board due to extreme statewide budget cutting.

- Food Services Operations, Purchased Service (E3A13) expenditures increase is due to eight school districts changing from fixed-fee food service contracts to cost-reimbursable food service contracts.

Connecticut

Fiscal Year: July 1–June 30

Notes:

- Connecticut adjusted its data collection form for the 2011-12 school year and it captured Transportation Fees from Individuals (R1G) for the first time. The adjustment is the combination of a general drop among the various categories of Other Revenue from Local Sources across Connecticut and the initial over-reporting of Other Revenue from Local Sources by a Regional Education Services Center that was revised subsequent to the reporting of the NPEFS data for the prior year.
- The change in the Grants-in-Aid from the Federal Government through the State (R4B) is due to the reduction in the ARRA funding. The change in the Ratio of Federal Revenue to Total Revenue is due to the reduction in the ARRA funding.
- Connecticut does not collect data from local school districts for District Activities (R1K).
- The state legislature adjusted the state grant supporting special education services provided to local school districts for the 2010-11 school year along with the state grant for pupil transportation services in order to meet maintenance of effort goals. School district and municipal budgets were impacted along with expenditures.

Delaware

Fiscal Year: July 1–June 30

Notes:

- The ARRA funds were still in use through December of 2012. The expected decreases will be reflected when the FY 13 report is completed.
- The State of Delaware’s accounting system was changed on July 1, 2010. The coding of transactions for the school districts/charters was significantly altered. Old account codes were replaced with fewer new codes. As a result, Districts/charters are still navigating and learning how to code and capture expenditures in the appropriate categories. We hope to have the data normalized within the next couple of years. .

District of Columbia

Fiscal Year: October 1–September 30

Notes:

- D.C. LEAs do not receive revenues from state sources (R3).
- Grants-in-Aid from the Federal Government through the State (R4B) decreased from FY 11 to FY 12 because ARRA funds were no longer available.
- As D.C. LEAs have become more educated about NPEFS category definitions, they have classified their finances differently (and more accurately) for FY 12. These classification changes explain the large variances in some revenue and expenditure amounts from the prior year.

Florida

Fiscal Year: July 1–June 30

Notes:

- The decrease in Total Revenue per pupil, Federal Revenue Subtotal, Grants-in-Aid from Federal Government though State, and Ratio of Federal Revenue to Total Revenue are all due to reduction of ARRA funds and other federal stimulus funds received in FY 12 compared to amounts received in FY 11.
- Florida does not collect expenditure data for the specific amounts sent to charter schools.

Georgia

Fiscal Year: July 1–June 30

Notes:

- Tuition from other LEAs within the State (R1F) increased for the first time in 5 years.
- There was a significant decline in federal revenue as ARRA funds are depleting.
- As overall revenues declined, including fewer bonds issued, less was spent on property expenditures.
- There was a decline in property acquisition for the current fiscal year. Last year a metro Atlanta district made a major land purchase.
- A large metro area in Atlanta began reporting their school activity accounts in School Administration Support Services, Other (E265) this fiscal year. This contributed to an increase in expenditures.
- The majority of expenditures in Support Services, Student Transportation continue to increase this fiscal year. This includes salaries, benefits, supplies, and fuel.
- The increase in Adult Education expenditures (E9B) is the result of one district that did not report any expenditure in FY 11 but had significant expenditures for the current fiscal year.
- State Per Pupil Expenditure (PPE15) decreased this fiscal year because expenditures did not increase at the same rate as ADA.

Hawaii

Fiscal Year: July 1–June 30

Idaho

Fiscal Year: July 1–June 30

Notes:

- Several school districts issued bonds during FY 12 causing an increase in Other Sources of Revenue (R5) compared to FY 11.
- The increase in Instruction Support Services, Supplies (E243) for FY 12 is due to a reduction in state funding that affected the FY 11 figure.

Illinois

Fiscal Year: July 1–June 30

Notes:

- The increase in Instruction Support Services, Property (E253) is due to districts re-categorizing equipment from Supplies to Property to better classify them as non-capitalized equipment.

Indiana

Fiscal Year: July 1–June 30

Notes:

- Tuition from Individuals (R1E) decreased $2,909,817 from FY 11 to FY 12. Transfer tuition refers to transfers between Indiana public school corporations. Students who transfer before ADM count day are given a credit on their transfer tuition bill for state tuition support received. The amount of this credit has significantly decreased transfer tuition revenue to school corporations. Additionally, some school corporations have adopted policies allowing them to not charge transfer tuition.
- The increase in Revenue from Intermediate Sources (R2) is due to Hammond Academy of Science and Technology recording large revenue to an account called Riverboat Distributions in FY 12. According to the school, the funds were disbursed to the Hammond Academy of Science and Technology from the City of Hammond to support the construction of a brand new facility in downtown Hammond. The City of Hammond uses its Riverboat Distributions to support a number of civic projects aimed for the improvement of the municipality. The Hammond Academy of Science and Technology facility is one such project.
- The increase in Direct Support Expenditures Subtotal (STE4) is due to an increase in teachers' pension funding in FY 12 to improve the fund's fiscal standing.

Iowa

Fiscal Year: July 1–June 30

Notes:

- There was a large increase in FY 10 and FY 11 due to ARRA funding. The amount of ARRA revenues in FY 12 was significantly lower.
- More Title I Carryover dollars were available in FY 12 since districts had more total Title I dollars available in FY 10, FY 11, and FY 12 due to Title I ARRA.

Kansas

Fiscal Year: July 1–June 30

Notes:

- Revenues and expenditures decreased as ARRA funds are depleting.
- The city of Olathe primarily contributed to the increase in the capital outlay fund.
- There was a significant increase in reporting for Student Support Services, Property (E252). Olathe comprised the majority of the increase in the capital outlay fund. In addition, Kansas City reported gifts and grants funds this fiscal year and zero last year.
- There was a significant increase in School Administration Support Services, Other (E265) this year as 5 of the top 10 districts reported expenditures this fiscal year but not last year.

- There was a significant increase in Operations and Maintenance Support Services, Other (E266) primarily because Kansas City constructed two new elementary buildings in 2013.

Kentucky

Fiscal Year: July 1–June 30

Notes:

- Ratio of Federal Revenue to Total Revenue is substantially different from the prior year due to the decrease in ARRA monies.
- Instruction, Other Expenditures (E18) increased because one district made an audit adjustment of $1.9 million, which accounts for most of the $2,146,080 difference from the prior year.
- Other Support Services, Purchased Services (E238) increased due to a district that had an increase on expenditures for criminal checks and a payment for a management audit.

Louisiana

Fiscal Year: July 1–June 30

Notes:

- The increase in District Activities (R1K) is due to the reclassification of the Annual Financial Report (AFR).
- The increase in Summer School Revenues (R1N) is due to the reclassification of the AFR.
- The increase in Other Revenue from Local Sources (R1L) is due to the reclassification of the AFR. Judgments are included in this section and several districts received large settlements from litigation in FY 12.
- Federal Revenues decreased in part due to the absence of ARRA funding.
- The decrease in Instruction, Other (E18) expenditures is due to the reclassification of the AFR, which allowed districts to use appropriate codes instead of coding to “Miscellaneous Expenditures”.
- Student Support Services, Employee Benefits (E222) increased due to increases in salaries and the cost of healthcare and retirement benefits.
- Instruction Support Services, Purchased Services (E233) increased due to the reclassification of the AFR. In addition, several districts received federal grants for professional development.
- Instruction Support Services, Supplies (E243) decreased due to the reclassification of the AFR, which breaks out supplies into technology related supplies and materials and supplies.
- School Administration Support Services, Purchased Services (E235) increased due to the reclassification of the AFR, which expands what is included in “Communication” expenditures in general.
- School Administration Support Services, Supplies (E245) increased due to the purchase of furniture and instructional supplies by several LEA’s.
- Student Transportation Support Services, Property (E247) increased due to the purchase of buses by several LEA's.

- The decrease in Other Support Services, Other expenditures (E268) is due to district wide workstation upgrades in the prior year and decreased or discontinued IT services.
- The increase in Direct Program Support for Private School Students (E4D) is due to an adjustment in NCES reporting after dialogue with NCES staff. Non-public school program data were reported under Direct Cost Programs (Section 6) in prior years.
- The decrease in the Direct Support Subtotal (STE4) is due to an adjustment in NCES reporting after dialogue with NCES staff. Three state-run schools are now reporting detailed financial information to the state.
- The decrease in Non-Public School Program expenditures (E9A) is due to an adjustment in NCES reporting after dialogue with NCES staff. Non-public school program data are now reported as Direct Program Support for Private School Students in Section.

Maine

Fiscal Year: July 1–June 30

Notes:

- The decline in Other Sources of Revenue (R5) is due to one time money designated to only the approved school units, with no new projects scheduled to bond in FY 12. Therefore, this decline is anticipated and accurate.
- The change in the Ratio of Federal Revenue to Total Revenue is due to the decline in ARRA funds from FY 11 to FY 12.
- The decline in Title I expenditures is due to ARRA funds no longer being available. The remainder, as well as the carryover expenditures increase, is due to the State moving from a cash management (advance) model to a strictly reimbursement model; school units now need to prove expenditure before funds are drawn down. In some cases, carryover funds "advanced" to school units were requested to be returned and many units were not timely in requesting their reimbursement prior to the end of the fiscal year.

Maryland

Fiscal Year: July 1–June 30

Notes:

- Federal revenue decreased as ARRA funds were depleted for FY 12.
- There was a significant increase in Other Revenue From Local Sources (R1L) attributed mainly to Prince George’s County ($32 million) and Baltimore City ($28 million); however, the other 22 LEAs had a decrease of about $7 million.
- Enterprise Operations expenditures decreased significantly for FY 12 and were corrected for FY 11. Amounts were excluded from District Activities because they come from the student activity funds that are managed by student organizations and not districts.
- The decrease in Direct Cost Programs subtotal (STE9) is linked to the decrease of Non-Public School Program (E9A) expenditures. Non-Public School Program expenditures were those pass-through transfers of Federal Funds to Private Schools. The spending in this program was decreased by nearly $5 million for the current fiscal year, which was attributed mainly to Baltimore City.

- The majority of LEAs raised the redemption of their debt principal from the previous year, leading to an increase in debt interest and principal payments.

Massachusetts

Fiscal Year: July 1–June 30

Notes:

- Massachusetts does not collect Textbook Revenues (R1M).
- Instruction, Employee Benefits (E12) includes imputed share of state payments to retirees totaling $793 million. This is also reflected in the ratio of salaries to total instruction.
- Massachusetts School Building Authority payments to districts rose from $631 million in FY11 to $832 million in FY12. The money is used primarily by districts to pay off short-term bans for current projects, and is reported as Purchase of Land and Buildings.
- Attendance decline reflects overall pattern of enrollment.

Michigan

Fiscal Year: July 1–June 30

Notes:

- Federal revenues decreased as ARRA funds were reduced significantly from prior years.
- Instruction, Salaries (E11) decreased by 2.69% most likely due to retirements and hiring of lower paid teachers. In addition, there are less teachers because of declining enrollment.
- Food Services Operations, Salaries (E3A11) have been reduced as more districts contract with private vendors to provide the service.
- There continues to be a decline in the number of kindergarten through 12th grade pupils.

Minnesota

Fiscal Year: July 1–June 30

Notes:

- Earnings on Investments (R1I) decrease is largely attributed to fifteen Independent School Districts limited to four fund types including Post-Employment Benefits Irrevocable Trust Fund, Post-Employment Benefits Revocable Trust Fund, Debt Service Fund, and the Building Construction Fund.
- Other Sources of Revenue (R5) increase is attributed to an increase in proceeds from the sale of bonds for funding the Other Post-Employment Benefits (OPEB) liability in the Operating Fund.
- Grants-in-Aid Direct from the Federal Government (R4A) increase is largely attributed to a multi-year federal grant received by the Northeast Service Cooperative to expand broadband capabilities in Northeast Minnesota.
- The decline in local revenues is attributed to a decrease in "property tax shift recognition revenue" from FY 11 to FY 12.
- The expenditures reported as Title V, Part A (X12C) represent amounts that SRSA districts choose to REAP-Flex from Title II funding for Title V, Part A expenditures.

According to the A-133 Compliance Supplement (dated June 2012), the REAP-Flex provisions allow eligible SRSA districts the flexibility to target 'applicable funding' including Title II, Part A (84.367) , to other Federal programs including Title V, Part A (34.298).

Mississippi

Fiscal Year: July 1–June 30

Notes:

- The increase in Other Revenue from Local Sources (R1L) is due to an increase in the amount of 16th Section Revenue reported to us by districts. 16th Section Revenue is revenue derived from leasing and managing land that was set aside as Public School Trust Land. An example would be a hunting lease where 16th Section Land is leased to an individual.
- The decrease in Grants-in-Aid from the Federal Government Through the State (R4B) is due to the fact that funds for State Fiscal Stabilization Fund (SFSF) were sent to districts during FY 11 and not in FY 12. In addition, the majority of ARRA funds were drawn down prior to FY 12.
- Districts purchased more school buses in FY 12 than in FY 11. These purchases caused an increase in Student Transportation Support Services, Property (E257).

Missouri

Fiscal Year: July 1–June 30

Notes:

- The decreases in federal revenue are largely due to the decrease in ARRA funds in FY 12 in comparison to the prior year.
- The redemption of principal increased significantly from FY 11 to FY 12.

Montana

Fiscal Year: July 1–June 30

Notes:

- Ratio of Federal Revenue to Total Revenue decreased due to the ending of ARRA funds.
- Current year SPPE (PPE15) decrease is due to the loss of ARRA funds.

Nebraska

Fiscal Year: September 1–August 31

Notes:

- There was a decrease in Federal Sources of Revenue because state bonds were refinanced.
- LEAs paid down and issued fewer bonds for FY 12.
- There was an increase of preschool/daycare programs sponsored by LEAs.
- There are no longer Title V, Part A funds available for carryover expenditures.

Nevada

Fiscal Year: July 1–June 30

Notes:

- The decrease in Instruction Supplies (E16) is due to the ending of ARRA and Education Jobs Fund grants. Additionally, a bond program, which funds supplies, is ending.
- The large increase in General Administration Support Services, Other (E264) is due to Washoe County School District, which had a lawsuit brought by property owners at Lake Tahoe - Incline Village. The property owners succeeded in getting their property values reduced for tax purposes, and therefore Washoe County School District had to refund nearly $10,000,000 in school support related tax revenue. WCSD is expecting that this was a one-time event.
- The increase in School Administration Support Services, Purchased Services (E235) is due to the significant growth of charter schools using Educational Management Organizations (EMO) for their schools and the increase in fees.
- The increase in Food Services Operations, Supplies (E3A14) was primarily due to increases in World food prices along with the servicing of 3,600,000 more meals in FY 12 compared to FY 11.

New Hampshire

Fiscal Year: July 1–June 30

Notes:

- Total property expenditures decreased from the prior year. In June 2011, NH Legislature placed a moratorium on new school building projects. It may be the second year 2014-15 before we see an increase in spending. All school building projects in NH are funded to State General Fund – there is no long-term borrowing on the part of the State.
- Average Daily Attendance (ADA) decreased from prior year - The ADA reported is correct. New Hampshire has been seeing a steady decline in recent years in total enrollments resulting in lower attendance numbers reported.

New Jersey

Fiscal Year: July 1–June 30

Notes:

- Textbook Revenues (R1M) increased primarily due to a school district that reported textbook sale/leaseback revenue.
- Tuition from Individuals (R1E) increased due to many school districts now offering parent-paid prekindergarten and full-day kindergarten programs.
- Many school districts used FY 12 revenue increases for equipment purchases, leading to an increase in Property throughout the survey.

New Mexico

Fiscal Year: July 1–June 30

Notes:

- The increase in Other Support Services, Other (E268) is due to the Federal Medical Assistance Percentages (FMAP) rate decreasing. In FY 11, New Mexico's state match was approximately 25% due to the Enhanced Federal Medical Assistance Percentages (FMAP). In FY 12, New Mexico's state match increased to approximately 31%.

Appendix H—State Notes

New York

Fiscal Year: April 1–March 31

Notes:

- The increase in Other Sources of Revenue (R5) is the result of wide spread Bond Refunding in FY 12.
- Other Revenue from Local Sources (R1L) increased $533 million from the prior year. This is due to an increase in Other Revenue from Local Sources reported by New York City (NYC)of $430 million. NYC financial managers confirmed this increase in Local Source of Revenue. NYC managers reported this increase was a result of the decline in federal funds in FY 12.
- The increase in Other Support Services, Purchased Services (E238) is due to the inclusion of $160 million in School District Boards of Cooperative Educational Services (BOCES) expenditures. BOCES is an Educational Services Agency within NYS that provides NYS school districts with purchased educational services.
- Operations and Maintenance Support Services, Other (E266) increased $1.2 Million. Districts reported increases and decreases in Special Aid Fund expenditures.
- Other Support Services, Other (E268) decreased $18 million. This expenditure category is comprised of nineteen expenditure accounts. Five accounts declined a total of $16 million. In this account, the decrease was common in FY 12.
- The increase in Other Direct Program Support for Public School Students (E4E1) is due to the increase of Charter School students.
- Other Uses Subtotal (STE7) increased due to Debt Interest and Principal paid which increased $1.6 billion in FY 12. This is the result of wide spread Bond Refunding.

North Carolina

Fiscal Year: July 1–June 30

Notes:

- The decrease in Facilities Acquisition & Construction Services, Property Expenditures (E62) is due to a purchase of new sites and purchase of existing buildings in FY 11.
- While most ARRA values have decreased, the increase in ARRA Property Expenditures (ARRATE10) is due to the purchase of computer hardware totaling $4.4 million.

North Dakota

Fiscal Year: July 1–June 30

Notes:

- Other Sources of Revenue (R5) increased dramatically because of bond sales to support major building projects in a number of larger districts.
- The Fargo school district increased expenditures in Instruction, Other (E18) expenditures by $2 million.
- Textbook expenditures are not broken out. The expenditures are included in supplies.
- School districts were eligible for school bus replacement grants due to oil impacted roads. One school district reported $1.3 million in equipment expenditures, which contributed to the increase in Student Transportation Support Services, Property (E257).

- The increase in Facilities Acquisition & Construction Services, Non-Property Expenditures (E61) is primarily due to 12 districts reporting $60 million in new projects compared to 4 districts completing projects of $20 million the previous year.
- The decrease in Facilities Acquisition & Construction Services, Property Expenditures (E62) is primarily due to 2 districts completing major projects of $4.7 million the previous year.

<u>Ohio</u>

Fiscal Year: July 1–June 30

Notes:

- Summer School Revenues (R1N) fluctuates significantly from year to year.
- Facilities Acquisition & Construction Services, Property Expenditures (E62) fluctuates significantly from year to year. FY 12 was a year with relatively low property expenditures in this category.

<u>Oklahoma</u>

Fiscal Year: July 1–June 30

Notes:

- Federal revenues decreased as ARRA Funds were reduced significantly from prior years.
- There was a significant change in Other Local Government Units, Non-Property Tax (R1D) because of the decrease in Oklahoma City MAPS project revenue.
- There was an increase in Other Revenue from Local Sources (R1L) because of an increase in student athletic and school activities revenues.
- There was an increase in Tuition Payments (E14) this fiscal year because of the increase in alternative and special education tuition payments made within the state.
- The ratio of Food Purchased Services to Food Expenditures Subtotal is substantially different from the prior year due to school districts purchasing more food service equipment and increasing the amount of food purchased.
- There was one school district that began an after school daycare program and hired one employee. This contributed to an increase in Enterprise Operations, Salaries (E3B11) for the current fiscal year.
- There was a significant increase in total Property (TE10) as more bonds were issued and districts built more school sites.

<u>Oregon</u>

Fiscal Year: July 1–June 30

Notes:

- The ratio of Federal Revenue (STR4) to Total Revenue (TR) is substantially different from the prior year because of ARRA grants coming to a close, which led to an overall reduction in revenues.
- The decrease in Textbook Expenditures for Classroom Instruction (E2) is due to one-time spending of federal stimulus grants that took place in FY 11.

<u>Pennsylvania</u>

Fiscal Year: July 1–June 30

Notes:

- Overall Federal Revenue decreased due to the decrease in ARRA funding in the current year.
- District Activities (R1K) revenue increased due to the inclusion of all governmental fund specifically the Athletic Fund figures.
- Other Revenue from Local Sources (R1L) and Other Sources of Revenue (R5) increased due to the inclusion of all governmental funds figures.
- District Activities/ADA ratio changed due to the inclusion of all governmental funds figures.

Rhode Island

Fiscal Year: July 1–June 30

Notes:

- The increase in Other Sources of Revenue (R5) is the result of new debt/bond issuance.
- The decrease in federal revenue is caused by the loss of continued ARRA funding.
- Overall expenditures in food services increased because of declines in economic conditions which results in greater numbers of students participating.

South Carolina

Fiscal Year: July 1–June 30

Notes:

- The Charleston County School District approved a motion to place a 1% Educational Capital Improvement states and use tax on the November 2010 ballot for consideration with proceeds to be used for rebuilding and renovating a number of schools. The new tax became effective March 2011 and $22,321,000 in revenues were recognized that year. FY 12 was the first full year of implementation and $71,241,000 was recognized in FY 12 accounting for an increase of $48,920,000 in Non-property Tax (R1B) for the district.
- Several new schools have been constructed recently.
- The increase in Other Support Services, Supplies (E248) is due to a district that completed the first phase of a project that will provide each student with a computing technology device. The project also caused an increase in Other Support Services, Property (E258).

South Dakota

Fiscal Year: July 1–June 30

Notes:

- South Dakota does not collect Textbook Revenues (R1M).

Tennessee

Fiscal Year: July 1–June 30

Notes:

- There was a decrease in Tuition from other LEAs within the State (R1H) because Memphis City Schools no longer serve Haywood County schools.

- Throughout the state, less students are paying for lunch and there was a decrease in summer school participation.
- A new account code was established to identify and capture centralized revenue. Centralized revenues are now reported under Grants-in-Aid From the Federal Government Through the State (R4B). It was previously recorded under Other Revenue from Federal Sources (R4D).
- Food Services Operations Supplies (E3A14) increased due to USDA mandates to revise lunch menus.
- Johnson City incurred $14,296,420 in expenditures for school indebtedness by other agencies, which led to an increase in Facilities Acquisition & Construction Services, Property Expenditures (E62).

Texas

Fiscal Year: September 1–August 31

Notes:

- The ratio of Federal Revenue (STR4) to Total Revenue (TR) is substantially different from the prior year because Grants-in-Aid from the Federal Government through the State declined by $1.7 Billion between FY 11 and FY 12.
- The increase in Other Support Services, Other (E268) is due to an increase of $201 million for Debt Service Funds, Debt Service & Other Debt Service Fees.
- The decrease in SPPE (PPE15) is due to a decline in Net Current Expenditures and an increase in ADA.

Utah

Fiscal Year: July 1–June 30

Notes:

- The increase in District Activities (R1K) revenue is a result of charter school enrollment increases.
- With the economic downturn and reduced funding, transportation equipment purchases were delayed in prior years, resulting in the purchase of more transportation equipment (E257) in FY 12.

Vermont

Fiscal Year: July 1–June 30

Notes:

- Transportation Fees from Individuals (R1G) are dependent upon individual agreements between students and receiving districts and fluctuates annually based upon demand for services.
- The revenue categories have been updated this year to eliminate all duplicate sources of funds and many of the prior revenue codes have been modified so that revenue categories reflect their appropriate amounts.
- Federal ARRA and Jobs funds were received through the State and provided to the LEA's. The elimination of these one-time funds has resulted in a significant reduction to this reporting category.
- The difference in the Ratio of Local to Total Revenues is due to the modification of revenue codes to their appropriate categories.

- The line for Tuition and Voucher Payments to Other LEAs and Charter Schools Within the State (E15) has been updated to account for all duplicate expenditures. This category previously reported Tuition Payments to Other LEAs within the state plus a portion of other duplicate expenditures. [The amount of Tuition paid to other LEAs within Vermont was $63,851,066.]
- The Vermont legislature appropriates a payment from the State's general fund to the Vermont State Teachers' Retirement Fund. This PERS fund is administered by the State Treasurer's Office on behalf of Vermont teachers per Title 16 of the Vermont Statutes Annotated. This transaction was not recorded in FY11.

Virginia

Fiscal Year: July 1–June 30

Notes:

- There was a significant increase in Other Sources of Revenue (R5) because of an increase in proceeds from local bond issues.
- There was a significant increase in Tuition Payments Outside the State, to Private Schools (E14).
- There were significant increases in support services because of technology hardware replacements, health services (internal service charges), improvement of instruction expenditures, and capital outlay replacements charged to the office of the principal.
- There was a significant increase in Food Services Operations, Other (E3A16) because there was an increase in food services expenditures charged to internal services and other uses of funds.

Washington

Fiscal Year: September 1–August 31

Notes:

- Salaries Paid to Teachers in Other Programs from Grades Pre-K to 12 (E11d) decreased substantially due to a decrease in state funding and a reduction in programs offered by the LEAs.
- The increase in Student Support Services, Supplies (E242) is due to two new activity codes (Instructional Professional Development and Instructional Technology) that were added for FY 12. In prior years, these activities were blended across multiple functions.
- Direct Cost Programs, Adult Education (E9B) reduction is a continuation of ongoing program cuts.

West Virginia

Fiscal Year: July 1–June 30

Notes:

- The majority of the increase in Other Sources of Revenue (R5) is due to an increase in extraordinary items in the amount of $473,350,564. This extraordinary item was recorded as the result of the WV Legislature making a change to the LEA OPEB Liability. The State of WV assumed the OPEB liability for all state-aid eligible employees from the county boards of education for the years 2008 through 2011. After extensive research and discussions with GASB, it was determined that the proper treatment of the assumption of the liability because of the legislative change was through an extraordinary item. Because there was no error in the prior year treatment of the liability/expense, it was not proper to make a prior period adjustment directly to fund balance. For the assumption of the FY 12 OPEB liability for state aid eligible employees, the accounting treatment was handled differently. The FY 12 amounts were treated as a reduction of the overall OPEB expense/liability for the year. No revenue was recognized, as the state aid not actually make any payments on behalf of the LEAs.

- Other Uses (STE7) increased primarily due to the refunding of bonds by multiple LEAs.
- Overall SPPE (PPE15) decreased for multiple reasons. First, due to a legislative change, the OPEB accrual for FY 12 was substantially less than FY 11. In FY 11, the OEPB expenses were accrued for all employees. In FY 12, the State of WV assumed the OPEB liability for all state aid eligible county board of education employees, which accounts for approximately 86% of the personnel employed. Second, the legislative appropriation for the unfunded retirement liability decreased approximately $22.5 million between FY 11 and FY 12. The amounts appropriated annually are based on an actuarial valuation of the Teachers' Retirement System.

<u>Wisconsin</u>

Fiscal Year: July 1–June 30

Notes:

- During FY 12, three school districts received settlements from a lawsuit filed against a bank for misconduct arising from the marketing and sale of securities to those districts. The amount received was $35,372,762.
- A reduction in state aid paid to districts contributed to layoffs and many retirements for teaching staff.
- New bus purchases increased by approximately $3.2 million this year, which led to an increase in Student Transportation Support Services, Property (E257).
- During FY 12, the Wisconsin eliminated collective bargaining and as a result required all district employees to begin paying half of their retirement contribution amounting to approximately 6 percent of their wages. In addition, many districts increased their employee contributions to their health insurance premiums.
- There was a significant decrease in Non-Property Expenditures (E61) because loans decreased, and for existing loans, not all loan revenue is expended in the same year.
- There was a significant decrease in Property Expenditures (E62) as there was a drop in the number of approved referendums, which meant equipment could not be purchased.
- There was a reduction in SPPE as state aid was reduced.

<u>Wyoming</u>

Fiscal Year: July 1 – June 30

Notes:

- Food Services Operations, Employee Benefits (E3A12) expenditures primarily decreased due to outsourcing food services to a contractor.

- ARRA federal revenues have decreased since most was received during 2010-11. The result is lower federal revenues in proportion to total revenue.

American Samoa

Fiscal Year: October 1–September 30

Notes:

- State spending is up due to increases in Capital Improvement Projects (CIP) and Federal Emergency Management Agency (FEMA) projects.
- The increases in spending for Instruction, Supplies (E16) and Instruction, Other (E18) are due to additional purchases for school instructional supplies using carryover funds from the Consolidated Grant.
- Many fluctuations in Support Services sub-functions are due to the elimination of No Drug Free Grant Expenses for FY 12.
- Instruction Support Services, Salaries (E213) increased by $948,095 (47.14%). In order to meet the definitions of LEA and SEA staff under the consolidated grant several positions classified as SEA were repositioned as school based staff. This caused the increase in spending in this data item. Support staff that were housed under another funding source were moved to this data item and paid out of carryover funds from the consolidated grant.
- Instruction Support Services, Employee Benefits (E223) increased because additional staff moved under support services.
- General Administration Support Services, Purchased Services (E234) increased due to a contract with the University of Hawaii Bachelor of Education (B.Ed) cohort program.
- The increase in Food Services Operations, Purchased Services (E3A13) is due to an expanded school lunch program to private schools.
- The decrease in Food Services Operations, Supplies (E3A14) is due to a reduction in purchased goods because most purchases for these items were included in the cost of the contract in previous years, and had little demand for additional supply purchases from remaining stock when management company's contract ended.
- A new Longitudinal Data system is providing more accurate ADA reporting.

Guam

Fiscal Year: October 1–September 30

Notes:

- Guam Department of Education has a new financial management system that reclassified functions throughout NPEFS for FY 12. This system cannot be used for adjusting FY 11 data because a new account code structure was also adopted. Teacher salaries (Special Exhibit Items) and Purchased Services (across Support Services functions) were reclassified into the correct objects with the adoption of the new system.
- The purchase of the financial management system led to an increase in Operations and Maintenance Support Services, Property (E256).
- Due to the classification of depreciation and lease payments with the new financial management system, expenditures for Other Support Services, Other (E268) increased significantly.

- Revenue from Local Sources, Non-Property Tax (R1B) increased compared to FY 11. The local government appropriated over $40 million for specific projects including replacing funding provided in FY 11 by the Education Jobs Program ($20 million), for the lease of a new high school ($6.7 million) and appropriations were made to cover $8.1 million in retirement benefits.
- The decrease in Food Services Operations, Supplies (E3A14) is due to more outsourcing for food services.
- The large decrease in Facilities Acquisition & Construction, Property Expenditures (E62) is due to large purchases in FY 11. There were no further facilities purchases in FY 12.

Commonwealth of the Northern Mariana Islands

Fiscal Year: October 1–September 30

Notes:

- There are no ARRA funds included for FY 12. Therefore, there is a significant change in revenue and expenditures.
- The increase in Instruction Support Services, Salaries (E213) is due to hiring of employees based on a projected allocation.
- SPPE (PPE15) decreased due to slight decline in student population.

Puerto Rico

Fiscal Year: July 1–June 30

Notes:

- There was a decrease in revenue, mainly due to a decrease in ARRA funds received during FY 12.
- The significant changes in payroll expenses are mainly due to the overall decrease in payroll expense as a result of the reduction in personnel at Puerto Rico Department of Education (PRDE) with the implementation of two particular laws. One of these laws included a mandatory reduction in payroll expenses and the other provided early retirement benefits to the personnel. The current personnel at PRDE had to be assigned to the different areas within PRDE according to the agency's primary needs.
- There was an increase in the number of special education students enrolled, which caused an increase in legal expenses as well as on compensation expenses under the Special Education Program. This contributed to increased expenditures across the board.

Virgin Islands

Fiscal Year: October 1–September 30

Notes:

- The Government of the Virgin Islands reduced it legal authorized appropriation level to the Department of Education due to shortfalls in generating revenues.
- Government wide 8% cut implemented to salaries and hiring freeze implemented government wide.
- Reduced purchase of food supplies due to increased federal commodity issued to the Virgin Islands and slightly reduced student consumption. Enterprise reduction is due

to reduced funding to the athletic programs due to government wide revenue shortfalls.