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ABSTRACT

The Education Data Improvement Project of the Council of Chief State School Officers collected data to identify specific elements collected by each state, and to isolate discrepancies in ways different states define, collect, and report fiscal data. A shuttle survey was designed to verify what information states collect on revenues and expenditures. Through an iterative process, the shuttle allowed for increasingly accurate information to be obtained. A total of 46 states participated. The project examined a comparison of the states' accounting handbook; revenue data; and local, intermediate, state, and federal sources of revenue collection. States were also asked to confirm the classification of expenditures by function, program, and object categories. Because allocation of federal programs is determined in part by attendance and expenditure data, additional analysis was done on current expenditures, nonpublic students, computers and software, summer school, and other programs. The project was able to, in part, develop recommendations for standardizing and improving the reporting of current expenditures, attendance measures, and per pupil expenditures. The collection of further and comparable data from states will allow for more accurate state comparisons to be made, will facilitate the tracking of fiscal issues through the years, and will help the Federal Government ensure more equitable distribution of federal funds. (7 references) (KM)

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# DISCREPANCIES IN STATES' REPORTING OF EDUCATION REVENUE AND EXPENDITURE DATA

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# DISCREPANCIES IN STATES' REPORTING OF EDUCATION REVENUE AND EXPENDITURE DATA

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## Introduction

The recent focus on reform in education has brought an increase in the desire for information that describes the current status of public education and can be used to track the progress of reform through the years. In November 1984, the Council of Chief State School Officers (CCSSO) recognized the need for more adequate data on public education and voted to "work actively with the National Center for Education Statistics to ensure that reporting of data from all sources is accurate and timely."

From 1985 to 1988, the Council of Chief State School Officers, jointly with the U.S. Department of Education's National Center for Education Statistics (NCES), conducted a project to improve the quality and timeliness of nationally reported data on elementary and secondary education. The Education Data Improvement Project was designed to assist in the redesign of the NCES education statistical data system. The Project had two goals: 1) to identify differences in the way states collect data from local education agencies which might have an impact on the comparability of data reported to the federal government in the annual Common Core of Data, and 2) to make recommendations to the states and NCES on ways to make the data collected more comparable, comprehensive and timely.

In its first year, the Project focused on data elements contained in the school and local education agency universe files, such as school enrollments and number of high school graduates. In the second year, the Project was concerned with the collection of comparable fiscal data elements, including revenue and expenditure amounts. The Project focused during the third year on data collected about public school teachers, administrators, and other staff members.

The focus of this paper is on the fiscal data collected from local education agencies and aggregated by state education agencies for reporting to the federal government. These data are used in federal reports to compare states on expenditures and revenues for education. In addition, the data are used to allocate and monitor Federal program resources in states. While there exist standards and guidelines for submission of data by state and local school systems to the national education data base, it has become apparent that such standards and guidelines are applied differently in each state. The study described in this paper sought to identify comparability problems caused by differences in state reporting practices and accounting handbooks and to provide a compilation of the types of information states collect from local education agencies. This information was then used by the Project to develop recommendations to the National Center for Education Statistics about improving the quality and comprehensiveness of data collected in the fiscal portion of the Common Core of Data. Six publications resulted from this study. This paper summarizes the major findings from the study and the recommendations made by the Project.

## Current NCES Fiscal Data Collection

The National Center for Education Statistics currently collects minimal information about public education revenues and expenditures in the Common Core of Data. Each March, state education agencies (SEA's) are asked to complete a survey, titled Revenues and Expenditures for Public Elementary and Secondary Education, for the previous fiscal school year. In this survey, states provide a listing of local education agency (LEA) revenues, by source. Included are revenues from local sources (such as local taxes, tuition, and enterprise activities), intermediate sources (such as grants from regional services centers or other intermediate units), state sources, and federal sources. The listing of current expenditures for free public elementary and secondary education made by local education agencies and made for and on behalf of local education agencies by other agencies includes expenditures for instruction, support services, and non-instructional services. States are expected to be able to exclude tuition and transportation fees received from individuals and patrons, federal revenues received for Chapters 1 and 2 of the Education Consolidation and Improvement Act of 1981, and other expenditures such as for equipment and community services, in computing the Current Expenditure figure. The third part of the survey requests average daily attendance for students during the regular school year and summer school. Information from parts two and three are used to create a Per Pupil Expenditure Figure for states. States also complete a worksheet for computing expenditures for non instructional services (food services and enterprise activities) and a special exhibit on fixed charges (employee benefits and other fixed charges).

### Methodology

The Education Data Improvement Project's data collection had two purposes: (1) to identify specific data elements collected by each state, and (2) to isolate discrepancies in ways different states define, collect and report fiscal data. The data collection process began with the collection of state accounting manuals and reporting forms from each state and the District of Columbia.

A "shuttle" survey was developed to verify what information states collect on revenues and expenditures. Information was precoded on the shuttle by Project staff based on the assessment of state documents. The shuttle was then sent to the state education agency for verification or revision. Areas of confusion or discrepancies were discussed by Project staff and state data coordinators until concurrence was obtained. The shuttle process enabled the Project to obtain increasingly accurate information through an iterative process. Responses were received from 46 states on the classification and organization of fiscal data received from local education agencies. Arkansas, Massachusetts, Montana, North Dakota, and the District of Columbia did not respond.

The shuttle was designed to collect information about the level of detail and structure of data collected by states from LEA's. Data elements included in the shuttle were selected based on: 1) the recommendation of the EDIP Fiscal Data Task Force, made up of state education agency data coordinators or fiscal representatives, as to what fiscal information would be useful as a meaningful measure of fiscal condition, and 2) an examination of states' reporting forms and accounting manuals by Project staff to see what data are available and comparable across states. In addition, an attempt was made in the shuttle to determine the

comparability of the state's definitions and classifications with those contained in the current federal accounting handbook, Financial Accounting for Local and State School Systems. The Project focused on determining what discrepancies in fiscal definitions or procedures have a significant impact on the comparability of data reported to the federal government. Discrepancies which make minor differences when reporting data at the state level, however, were also documented.

Included in the shuttle were items such as what fund classifications are used in the state, what revenue and expenditure data elements are collected by the SEA, what fiscal data on federally supported programs are available from the state, and what definitions are used for computing Average Daily Attendance and Assessed Valuation Per Pupil.

The extent to which this information is accurate and complete depends, in part, on how SEA's were asked to provide information to the Project. In some instances, states were asked what information they collect from LEA's, not what information is collected by LEA's but not provided to the state. As a result, it cannot be assumed from the results of this paper that finer levels of detail are not available at the LEA level. What can be assumed is that SEA's either do not choose to collect all available information from the LEA, or they collect it in a format different from the format used in the shuttle.

Several analyses were completed after each state's fiscal data system was described. States were compared according to the handbook used, the revenue and expenditure categories obtained by the state from the local education agencies, the calculation of average daily attendance, and the calculation of current expenditures (used for federal allocations). Other analyses included a comparison of the two most recent federal accounting handbooks and an assessment of states' ability to complete the proposed fiscal data reporting form. Each of these analyses and the results are described more fully in Project reports, but are summarized briefly in this paper.

The information contained in the shuttle surveys was used to construct state and national profiles of fiscal data collection practices. With the help of the EDIP Fiscal Data Task Force, recommendations were developed for improving the comprehensiveness and comparability of data reported by states to the federal government in the Common Core of Data fiscal form. These recommendations were approved by the CCSSO and submitted to the NCES.

### Comparison of States' Accounting Handbooks

The ability of states to provide comparable data is dependent, in part, on the nature of the accounting system used by the state and the definitions and classifications used to report data to the federal government. It is assumed that if a state's accounting system reflects the definitions and classifications in the federal accounting handbook, the data provided will be comparable. It is possible, however, for a state to have an accounting system very different from the one in the federal handbook, but be able to provide the data according to the definitions and classifications in the federal handbook, if the level of detail is sufficient and the definitions are not substantially different.

The first federal accounting handbook, Financial Accounting for Local and State School Systems (Handbook II), was published in 1957 to provide standards

and guidelines for submission of data by state and local school systems to the national education data base. The handbook was revised in 1973 and renamed Financial Accounting: Classifications and Standard Terminology for Local and State School Systems. This version of the handbook is sometimes called Handbook II, Revised or Handbook IIR. The most recent version of the handbook was written in 1980. This handbook, titled Financial Accounting for Local and State School Systems, is sometimes called Handbook II, Revised, Revised or Handbook IIR<sup>2</sup>.

Each state's accounting manual was examined to determine which of the three versions of the federal accounting handbook the state indicated it used. While most of the states' accounting manuals were based on one of the three versions of the federal accounting manual, several states had unique accounting systems. Specifically, twenty-three (23) states' handbooks were found to be based on the most recent version of the handbook, Handbook IIR<sup>2</sup>. Seventeen (17) states have handbooks based on Handbook IIR and eight (8) states have handbooks based on Handbook II. Three (3) states have accounting handbooks that bear little resemblance to any of the federal accounting handbooks.

Several of the discrepancies in fiscal reporting identified by the Project were attributable to differences in the versions of the accounting handbooks. In an extensive comparison of Handbooks IIR and IIR<sup>2</sup>, many specific revenue and expenditure items were found to be handled differently (Wittebols, 1987). While many of these differences were relatively minor, some of them may have a substantial impact on states' ability to report comparable figures in the fiscal survey of the Common Core of Data. For example, revenues from the sale of bonds are included in Handbook IIR under the category "Other Revenues from Local Sources." This same information is included in Handbook IIR<sup>2</sup> under "Revenues from Other Sources" (neither local, intermediate, state, nor federal sources). In the expenditure section, sabbatical salaries are included in Handbook IIR under the employment benefits object, but are included in Handbook IIR<sup>2</sup> under the salaries object. A states' ability to accurately compute the Current Expenditures figure needed for federal allocations may be affected if it uses Handbook IIR, since there is no category for maintaining revenues received from sale of textbooks, which are supposed to be specifically excluded. (Additional information on differences in states' accounting systems resulting from the different versions of the handbook may be found in Clements and Tobin, 1988, and Tobin, 1988.)

### Revenue Data

States were asked to provide information about data collected on revenues LEA's receive from local, intermediate, state, and federal sources. Sub-categories in each major revenue source were described in order to determine if states categorize revenue in comparable ways. Forty-five states responded to this section (all but the states listed above and Virginia). Summary information for revenues follows. (See Clements, Landfried, and Tobin, 1988(a) for additional information.)

**Local Sources.** Local sources included revenues received from taxes, tuition, transportation, investment earnings, receipts, other sources, debt revenue, and non-revenue receipts. Within some of these categories, there was further delineation to determine the level at which some information was collected.

The category of taxes included five subareas: Ad Valorem Property Taxes, Ad Valorem Personal Taxes, Sales Taxes, Income Taxes, and Other Local Taxes. All of the responding states reported collecting information in at least one of these subareas. Most of the states collect information on Ad Valorem Property Taxes (34 states) and Other Local Taxes (34 states), but very few states collect information on Ad Valorem Personal Taxes, Sales Taxes, and Income Taxes. States that are not represented in the counts for a subarea either do not collect information from LEA's on the subarea or have LEA's which do not obtain revenues from these sources. For instance, in many states, local governments cannot use ad valorem personal taxes, sales taxes and income taxes to produce education revenues. The shuttle did not determine which of these cases pertained.

States were asked if information is collected on tuition received from individuals, from other districts, or from other sources. Since the revenue received for tuition from individuals is supposed to be subtracted from Current Expenditures for federal allocations, all states should have a method of obtaining a figure for this data element. Twenty-seven states indicated that a figure for tuition from individuals is requested. Tuition amounts paid by one district to another within the state need to be collected by states to ensure that revenues for students are not double-counted when aggregating at the state level. Twenty-eight states request a figure for tuition received from other districts. Eight states obtain a figure for tuition that is a combination of two tuition categories or all three categories.

A similar situation is true for transportation revenues. A figure for revenues received from individuals for transportation is also required in the computation of the Current Expenditure figure. However, only twenty states reported collecting a figure for this data element. Two states collect information on transportation revenues received from other districts and other sources, but not from individuals. Information on transportation revenues from other districts is important for the same reason as tuition received from other districts. Twenty states indicated they collect this information. Eight states collect information on transportation revenue in a combined form. Two states ask LEA's to aggregate all tuition and transportation amounts together for reporting.

Most of the states reported collecting revenue information on investment earnings (40 of the 45 responding states). Fewer states indicated they collect information on food service receipts (31 states) and other receipts (30 states). Forty-two of the responding states reported collecting information for the category Other Local Sources, while thirty-four states collect debt revenue information, and thirty-one states collect local non-revenue information.

**Intermediate Sources.** Intermediate sources are governmental units or political subdivisions between the state and the LEA's that collect revenue, such as counties. Twenty-six states collect information on revenues received from intermediate sources.

**State Sources.** Most states collect information on state grants in aid to local districts. Thirty-five of the responding states indicated that information on unrestricted grants is collected, and thirty-four states indicated that information on restricted grants is collected. Three states combine the information for these two categories. Other state source information is collected by thirty-five states.

**Federal Sources.** Information on federal revenue sources is also collected by most states. Only two of the responding states did not indicate that they collect federal revenue information. Thirty-four states collect separate information on unrestricted and restricted federal grants in aid. Nine states collect information on federal revenues, but do not ask for the same level of detail.

In general, it was found that most states collect extensive information about revenues from the local districts, although some states collect revenue amounts in a way which could pose potential problems for comparability. In computing the Current Expenditures figure used for federal allocations, some states do not appear to have all of the detail needed to ensure comparability, as was seen in the cases of tuition and transportation. It is possible, however, that states may collect this information another way, or the expectation may be that LEA's are supposed to deduct these revenues before submitting their data to the state. Likewise, detail on revenues such as food service receipts may be available from a different office within the SEA, and therefore data are not collected as part of the fiscal reporting form.

### Expenditure Data

States were asked to confirm the classification of expenditures by function, program and object categories specified in Handbook IIR<sup>2</sup>. In addition, states were asked which program information is included in the calculation of the Current Expenditure figure. Summary information from this analysis follows. (See Clements, Landfried, and Tobin, 1988(a) for additional details.)

The expenditure functions in Handbook IIR<sup>2</sup> include Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, and Other Uses. Most states indicated that they collect a substantial amount of information from local districts in these five functions. Many of these data are aggregated for reporting to the federal government.

All but one (New Mexico) of the forty-six responding states reported they collect information from local districts in functions corresponding to Handbook IIR<sup>2</sup>'s Elementary/Secondary Instruction function and all forty-six responding states collect information in a Support Services function. In addition, most of the responding states collect information on subfunctions under the Support Services functions, including Pupil Services, Instructional Staff, Administration, Business, Plant Services, Student Transportation, and Central Support, although not all states use all categories and a few states combine categories. All but three of the responding states indicated they collect information on a category corresponding to Handbook IIR<sup>2</sup>'s Non-Instructional function. Forty-one states indicated they collect data on Food Services expenditures, but only thirteen states collect information on Enterprise Operations and only thirty-five states collect information on Community Services expenditures. It is possible, however, that data are not collected on these last two categories because these activities are not done within a state, or may only be done by some of the LEA's.

States were asked if details on Capital Outlay expenditures are collected for Site Acquisition and Development, Building Acquisition and Construction, and Other Capital Outlay. Twenty-two states indicated that information on the first two categories is requested from LEA's, but nineteen states indicated that these categories are aggregated together or with the more general Other Capital Outlay category. Three of the responding states indicated they do not collect information on Capital Outlay and two states only collect data under the Other Capital Outlay category.

Long Term Debt Service information is collected by thirty-five states, while Total Debt Outstanding information is collected by eleven states. Two states ask LEA's to collapse these two categories for reporting.

The level of detail collected by states under program categories is not as great as the level of detail under functions. In these categories particularly there is much collapsing of information.

The program categories include Regular Programs-Elementary/Secondary, Special Programs (Mentally Handicapped, Physically Handicapped, Emotionally Handicapped, Learning Disabled, Culturally Deprived, Bilingual, and Gifted & Talented), Vocational Programs, Other Instructional Program--Elementary/Secondary, Non-Public School Programs, Adult/Continuing Education Programs, Community/Junior College Education Programs, Community Services Programs, and Enterprise Programs.

All but four of the 46 responding states indicated that some expenditure information was collected by program areas. Forty states collect information on Special Education, but only five states collect separate data on all seven special education subcategories. The other thirty-five states either collect information collapsed across all special education subcategories or only collect information on some of the subcategories. Thirty-four states indicated they collect program information on Vocational Education and twenty-four states collect information under the category Other Elementary/Secondary. Other Programs subcategories include Adult Education (collected by 30 states), Community/Junior College Programs (collected by 6 states), Driver Education (collected by 10 states), and Community Services (collected by 12 states individually, and one state combines these data with Community Services under Non-Instructional Services). Twelve states collect information under the Other Category.

States were asked to verify the collection of object level information on some of the object categories in Handbook IIR<sup>2</sup>. The major categories are Personnel Salaries and Employee Benefits, General Supplies and Equipment, Utilities, Instructional Materials, and Debt Service.

One of the major assumptions made in the shuttle collection of object level information is that states divide personnel into instructional staff and non-instructional staff categories. Thirty-one of the responding states indicated that this distinction is made in salary data collection, while eleven states indicated they do not make this distinction. Two other states appear to collect salary information only on instructional staff. Salary information for regular instructional staff is collected by twenty-two states, while nineteen states collect salary information for regular non-instructional staff. Fewer states collect salary information on temporary staff (instructional - 12 states, non-instructional - 5 states), overtime (instructional - 5

states, non-instructional - 3 states), and sabbatical leave (instructional - 2 states, non-instructional - 1 state). Many states combine two or more categories in the collection of salary information. Twelve states collapse categories under instructional staff, and thirteen states collapse categories under non-instructional staff. Eleven states collect all salary information under one category, personnel salaries.

Information on Employee Benefits is rarely broken down into instructional and non-instructional staff categories. Only seven responding states reported collecting information in the subcategories of Health Insurance, Social Security, Retirement Contributions, and Other Benefits for both instructional and non-instructional staff categories. Two states collect subcategory details for instructional staff, but not for non-instructional staff. Ten states collect Instructional Staff Employee Benefits and Non-Instructional Staff Employee Benefits totals, but do not collect subcategory information. Eleven states collect all employee benefits information in one data element. Fifteen states collect only a few categories or combine one or more categories such that details on instructional and non-instructional staff are not available.

Information on other expenditure objects appears to be collected by most states. Expenditures for Supplies and Equipment are collected by forty-five states, but the level of detail within supplies varies. Twenty-three states collect detail on expenditures for General Supplies, Utilities, Instructional Books and Periodicals, and instructional Equipment and Fixtures. Twelve states collapse some or all of these expenditure categories. The other ten states collect information in one to three of these categories.

Information on Debt Service is collected by forty-one states, but only thirty-four states request information broken out by Interest Paid on Debt and Redemption of Principal.

### Fiscal Recommendations

With the help of the EDIP Fiscal Data Task Force, the Project considered what data states currently collect from LEA's, what definitions are used to report fiscal data and what information would be most useful for the government to have in reporting about public schools. The Project recommended that substantially more data be requested from states concerning public education revenues and expenditures. Specifically, it was recommended that states report revenues sources by functions by funds and expenditures by functions by objects by funds. The Project specified what functions and objects were most desirable for reporting. In addition, the Project recommended that all states be required to report fiscal data according to the classifications and definitions in the most recent federal handbook, Financial Accounting for Local and State School Systems. (The recommendations are discussed in more detail in Clements, Landfried, Chafin, and Wittebols, 1987.)

Subsequent analyses indicated that collection of fund category information for states would not provide comparable data. Specifically, since states use different numbers and types of fund categories, what is included in the more general category, General Fund, will include different types of revenues and expenditures. Hence, the Project later recommended that provision of revenues and expenditures by fund category was not advisable.

### Current Expenditure and Attendance Data

Expenditure and attendance data reported in the Common Core of Data are used in determining state allocations for federal programs such as Chapter 1 and Chapter 2. In addition, in recent years, states have been ranked in federal publications according to their Per Pupil Expenditures (Current Expenditures divided by Average Daily Attendance) and an attendance figure computed by dividing Average Daily Attendance by Average Daily Membership (for those states with both figures available). Because of these uses, it was felt that additional analyses should be done on the elements used to compute the Per Pupil Expenditure figure for each state to determine the extent of comparability, given what we know about differences in the reporting of fiscal data.

#### Current Expenditures

States were asked to clarify how Current Expenditures and Average Daily Attendance are computed. In addition, a review was done of information received in the first part of the Project on Average Daily Membership.

It was found that there is some variation in how states aggregate data into their Current Expenditure figure using the current reporting format. Specifically, some states cannot (or do not) remove expenditures for certain programs or types of students as required according to the requirements in Public Law 97-35, Education Consolidation and Improvement Act of 1981, Amended by the Hawkins-Stafford act of 1988 (P.L. 100-297). Three particular issues apparently need to be resolved in order to obtain comparable data across states.

Non-public students. Amounts included in the Current Expenditure figure are supposed to represent expenditures for "free public education." This means that states should exclude money spent for textbooks, student transportation, or other services for non-public students. Some states are required to provide these services for non-public students. A state may be able to determine the amounts spent for non-public students if there is a system whereby the state reimburses LEA's for these expenditures. In other instances, however, LEA's may not be able to determine the amount spent to provide these services. For instance, if transportation for non-public school students is provided on busses also used to transport public school students, states may not be able to ferret out the exact amounts attributable only to transporting non-public school students.

Computers and Software. State and local education agencies sometimes differ in the category in which they place expenditures for computer software and hardware. How expenditures are classified may depend on how the computers are used and what is the source of funds for purchases. Discrepancies may exist, in part, because specific instructions are not included in the most recent federal accounting handbook. States and LEA's vary in how they classify hardware and software, because these purchases may be relatively inexpensive and because they may be considered expendable (both conditions frequently mentioned in determining that a purchase is a supply not equipment).

Summer School and Other Programs. States apparently vary in their ability to remove expenditures for programs such as summer school and community services. In some states, summer school is supported by tuition payments. These states may not be able to identify the expenditures for "free" summer school, as opposed to summer school supported by tuition, and therefore they may not be

including summer school expenditures. Or they may be including all summer school expenditures, though some of these expenditures are covered by money received from tuition payments. Other programs such as Community Services and Adult Education are not supposed to be included in the Current Expenditures figure, although a few states indicated they do so.

### Average Daily Attendance

Average Daily Attendance is, according to federal law, supposed to be collected according to state law. In the event there is no state law, states should be using the definition contained in the federal handbooks, Standard Terminology and Guide for Managing Student Data in Elementary and Secondary Schools, Community/Junior Colleges, and Adult Education, Handbook V (Revised), 1974, and Classifications and Standard Terminology for Local and State School Systems, Handbook IV (Revised), 1974. The definition calls for districts to compute Average Daily Attendance by dividing Aggregate Days of Attendance of a given school during a reporting period by the total possible number of aggregate days school is in session during this period.

Data were obtained for forty-nine states and the District of Columbia (No information is available for Alaska). Thirty-three states indicated they collect Average Daily Attendance (ADA) according to the NCES definition. Another eight states report that they collect ADA in a similar fashion; they compute ADA by dividing the Aggregate Days of Attendance by a pre-selected number of days, whether or not this is the actual number of days in session for each school district within the state. This number is usually the minimum required number of days in the school year.

Nine states have unique methods of computing ADA. Two states (Texas and Indiana) estimate ADA by gathering attendance on a sample of days and then projecting the yearly attendance rate. Two states (Florida and Utah) use a pre-selected percentage of their Average Daily Membership or some other membership figure. Four states (Arizona, Colorado, Michigan, and Washington) use a combination of the two techniques. The ninth state, California, includes both students who are present and students who have excused absences in the ADA figure.

### Average Daily Membership

Handbook IIR<sup>2</sup> recommends the use of Average Daily Membership (ADM) as the divisor in the computation of a per student cost. EDIP task force members agreed that ADM represents a more accurate figure for planning by school districts, and hence should be used in this way. States were asked the extent to which they collect information on ADM during the first phase of the Project. Information was obtained from forty-eight states and the District of Columbia (Alaska and Montana did not provide information.). At present, thirty-five states collect ADM. Three states collect ADM over a shortened period of time. Eleven states do not collect ADM.

### Expenditure and Attendance Recommendations

With the help of the EDIP Joint Fiscal Data and Student Task Force, the Project developed recommendations for standardizing and improving the reporting of current expenditures, attendance measures, and per pupil expenditures. (A full description of these recommendations is included in Clements, Landfried, and Tobin, 1988(b).)

The Project recommended that NCES report three types of expenditure figures on an annual basis. In addition to the Current Expenditure figure now reported, the Project suggested that it would be useful to report a figure for Instruction and Instructional Support Expenditures. This figure would include expenditures occurring under the function for instruction, as well as expenditures for Student Support Services, Instructional Staff Services, and School Administration. This figure would be similar to the figure provided according to the Handbook 2 definition. Task force members believed that this would provide a better indication of amounts spent for instruction than the figure obtained from the Instruction Function, as is currently done. In addition, NCES should provide a figure for Total Public Education Expenditures, which would include all expenditures for public elementary and secondary education, including the amounts spent for the purchase of equipment and facilities and amounts spent for Debt Service.

With regard to pupil attendance measures, the Project recommended that Average Daily Attendance and Average Daily Membership be more systematically collected. For example, it was suggested that states standardize the method of computing a day of attendance, by having schools round to the nearest half day if a student is not in school for the full day. States were advised to compute ADA for individual schools or districts then create a state average to avoid differences in length of the school year.

It was further recommended that NCES use ADM in computing Per Pupil Expenditures, once it is comparably available from all states. Until it is available, the task force agreed that the most comparable attendance measure is the Fall Membership Count, which is also reported in the Common Core of Data. This count, taken on or around October 1 of each school year, is fairly standard in all states.

Finally, the Council of Chief State School Officers, as part of its development of a system of indicators of public education, would like to have an indicator of student participation that is meaningful and comparable. The Project recommended that NCES collect Aggregate Days of Attendance and Aggregate Days of Membership to compute a Percentage of Students in Attendance. By dividing Aggregate Days of Attendance by Aggregate Days of Membership, one can avoid differences in length of school year and provide a more accurate figure.

### Conclusion

The collection of more comparable and extensive data on public school revenues, expenditures, and attendance from states will allow for more accurate state comparisons to be made, will facilitate the tracking of fiscal issues through the years, and will help the federal government ensure more equitable distribution of federal funds for education. The recommendations made by the Education Data Improvement Project reflect the concern states have about the need for better

quality and more comprehensive data if they are going to be compared. The Council of Chief State School Officers will continue to work with the National Center for Education Statistics toward meeting this need for better data on public education.

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