

Expenditure Standards

(A) Purpose:

These standards fulfill the requirement of section 3302.20 of the Revised Code obligating the department of education to develop standards for determining the amount of annual operating expenditures for classroom instructional purposes and for nonclassroom purposes. The standards adapt existing standards used by professional organizations, research organizations, and other state governments and are aligned with the expenditure categories required for reporting to the United States department of education.

The state board is required to consider the proposed standards and adopt a final set of standards not later than December 31, 2012. School districts, community schools, and STEM schools shall begin reporting data in accordance with the standards on July 1, 2013.

(B) Responsibilities:

Local, city, exempted village, and joint vocational school districts, community schools established under section 3314 of the Ohio Revised Code, STEM schools established under section 3326 of the Revised Code, and college preparatory boarding schools established under section 3328 of the Revised Code are required to report expenditures in such a manner as to allow for the classification and reporting of expenditure data according to the definitions outlined in this standard and any rules or guidance provided by the department or the Auditor of State. All expenditure data shall be reported in accordance with the account structure defined by the Auditor of State and articulated in the *Uniform School Accounting System Manual* and guidance provided in this document and any other guidance documents distributed by the department.

The department shall provide local education agencies with clear documentation on the classification and encoding required for an expenditure to be properly classified within each category of the reporting structure used for the *Annual Survey of Government Finances* conducted by the U.S. Census Bureau. The department shall calculate the total classroom instructional and non-classroom purposes by summarizing financial data reported via the Education Management Information System (EMIS) as required by sections 3301.0714, 3314.17, 3326.11, and 3328.24 of the Revised Code.

(C) Classification of Expenditures:

For purposes of classifying expenditures, annual operating expenditures shall include all expenses related to the delivery of educational services during the fiscal year. Non-operating expenses shall include debt service and capital outlay or other expenses inherent to the operation of the school or district but unrelated to delivery of educational services. Expenditures made by a school or district on behalf of, or in support of, another school, district, or governmental unit shall not be included in annual operating expenditures. Therefore, operating expenditures include such expenses as salaries for

school personnel, student transportation, textbooks and materials, and energy costs, but excludes capital outlay, interest on school debt, payments to private schools, and payments to public charter schools.

1. All current operating expenditures shall be initially classified into the following categories:
 - a. Instruction
 - b. Support Services
 - i. Pupil support services
 - ii. Instructional staff support services
 - iii. General administration
 - iv. School administration
 - v. Operation and maintenance of plant
 - vi. Pupil transportation
 - vii. Other and non-specified support services
 - c. All other functions
 - i. Food Service
 - ii. enterprise operations
 - iii. other elementary-secondary noninstructional
 - iv. community services
 - v. adult education
 - vi. other nonelementary-secondary programs
2. All non- operating expenditures shall be initially classified into the following categories:
 - a. Capital Outlay
 - i. Construction
 - ii. Land and existing structures
 - iii. Equipment
 1. Instructional
 2. Other
 - b. Other
 - i. Interest on debt
 - ii. Payments to other governments
3. Classroom Expenditures shall equal the total of current operating expenditures in the following categories;
 - a. Instruction;
 - b. Pupil support services; and
 - c. Instructional staff support services
4. Non-classroom expenditure shall equal the total of current operating expenditures in the following categories:
 - a. General administration;
 - b. School administration;
 - c. Operation and maintenance of plant;
 - d. Pupil transportation;
 - e. Other and non-specified support services; and
 - f. Food Service