



JTED Cost Reporting

July 28, 2016

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Objectives

- Brief review of change in state law
- Chart of accounts changes
- Costs to record in JTED program codes
- Costs to report for comparability
- Changes in the cost reporting form
- Implementing changes - timeline



New JTED Cost Reporting Requirement

A.R.S. §15-393.01(D) as amended by Laws 2016, Chapter 4

The Office of the Auditor General, in consultation with the Department of Education, shall develop and establish **uniform cost reporting guidelines, policies and procedures** for joint technical education district programs. Any guideline, policy or procedure **shall allow for the effective comparison of cost** between the joint technical education district programs.

Developing JTED Cost Reporting Guidance

Collaborative Effort

- ADE's Career and Technical Education Division
- Meetings with JTEDs and member districts
- School Finance Advisory Committee
- AASBO presentations
- Survey



Developing JTED Cost Reporting Guidance

Collaboration Consensus

- Comparability through new Program Codes
- Program 300
- Programs 301-399
- Programs 450 and 460



**Effective date:
July 1, 2017**

USFR Chart of Accounts

270	Vocational and Technical Education (Effective July 1, 2017, do not include JTED costs here.)		Updated
280	Career Education		
300	JOINT TECHNICAL EDUCATION (JTED) (See additional bold codes below, effective July 1, 2017)		Updated
301	Accounting and Related Services		CIP # 52.0300.00
302	Agribusiness Systems		CIP # 01.0100.90
303	Air Transportation	<div style="border: 1px solid red; padding: 5px;"> Program 300 should be used to code expenditures made for multiple JTED programs that are not directly assignable to Programs 301-391. </div>	CIP # 49.0100.00
304	Aircraft Mechanics		CIP # 47.0600.50
305	Animal Systems		CIP # 01.0100.40
306	Animation		CIP # 10.0200.60
307	Architectural Drafting		CIP # 15.1300.20
308	Arts Management		CIP # 50.0500.30
309	Automation/Robotics		CIP # 48.0500.20

USFR Chart of Accounts

Transportation Costs

450	JTED Central (Effective July 1, 2017)	Updated
460	JTED Satellite (Effective July 1, 2017)	
470	Vocational and Technical Education (Effective July 1, 2017, do not include JTED costs here.)	



Defining JTED Program Costs

Meeting the Comparability Goal

- **All costs from all funds**
 - not just Fund 596
- Exception to the rule (member districts only)
 - No overhead/admin costs in reporting
 - Functions 2300-2600, 2900 and 3000's



Defining JTED Program Costs



Member District Costs

- Salaries and Benefits (75% of costs in 2015)
- Purchased Services
- Supplies
- Property (9% of costs in 2015)
- Other

Cost can be coded directly to the assigned program code or indirect costs can be allocated to programs at year-end.

Defining JTED Program Costs

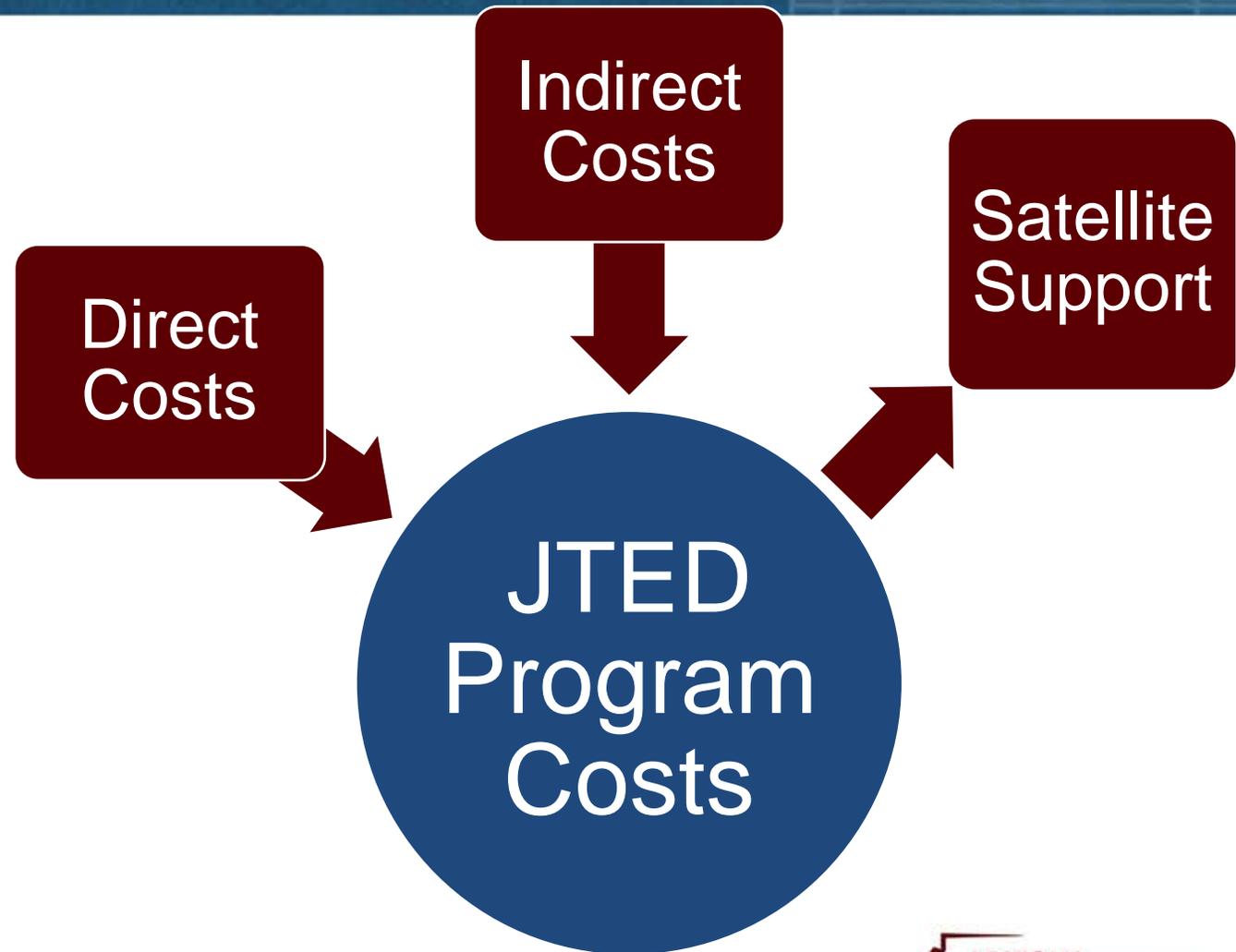
JTEDS

Central Programs

- ALL Costs

Support of Satellite Programs

- Exclude pass thru payments
- Include all other support



JTED Cost Reporting Form

Salaries

Employee
Benefits

Purchased
Services

Supplies

Property

Other

JTED Cost Reporting Form Changes

Purchased Services

63XX
64XX
65XX

Exclude 6450

Property

67XX

6450

6832 & 6842

Other

68XX

Exclude 6832 & 6842

JTED Cost Reporting Form Changes



- Costs from **ALL Funds** – not just Fund 596
- Indirect costs column

What Costs to Report

Culinary Arts

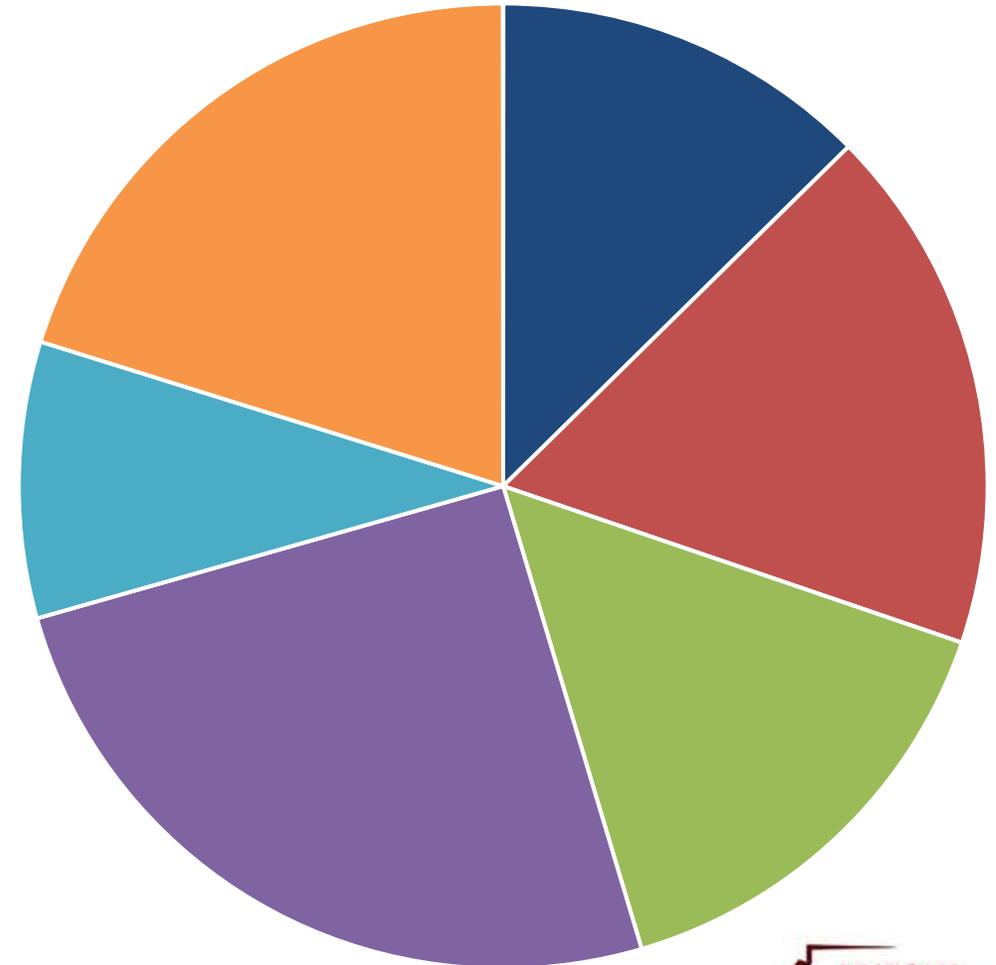
JTED Program	Paid from JTED Fund 596	Paid from M&O Fund 001	Paid from a State or Federal Grant Fund	Paid from UCO Fund 610
Salaries and Benefits	District A – \$\$\$ District B – \$	District A – \$ District B – \$\$\$	District A – \$\$ District B – \$	
Purchased Services	District A – \$\$ District B – \$	District A – \$ District B – \$\$	District A – \$ District B – \$\$	
Supplies	District A – \$\$ District B – \$	District A – \$ District B – \$\$	District A – \$\$ District B – \$	District A – \$ District B – \$
Property	District A – \$\$ District B – \$		District A – \$ District B – \$\$	District A – \$\$\$ District B – \$\$
Other	District A – \$\$ District B – \$	District A – \$ District B – \$	District A – \$ District B – \$\$	

Allocating Indirect Costs



Determining an allocation base

- Number of JTED Programs
- Number of Students/Teachers in Each Program
- Square Footage
- Percentage of Direct Expenditures



Allocating Indirect Costs

CTE Director's Salary: \$75,000

JTED Program	Direct Program Expenditures	Percentage of Total Direct Expenditures	Indirect Expenditures Allocated	Total Program Expenditures
Animal Systems	\$30,250	21.2%	\$15,900	\$46,150
Culinary Arts	\$54,000	37.8%	\$28,350	\$82,350
Photography	\$15,000	10.5%	\$7,875	\$22,875
Fire Service	\$43,500	30.5%	\$22,875	\$66,375
Total	\$142,750	100%	\$75,000	\$217,750

Allocating Indirect Costs



- Allocation doesn't need to be exact
- Try to get as accurate as reasonably possible
- Document the reasoning for the allocation basis used



Implementation Period

2016

- **No** coding changes
- **Reporting Changes:**
 - Include ALL Funds
 - Isolate capital costs
 - Column for allocated costs



2017

- Continue reporting changes from 2016
- Optional new program codes
- May have more direct and less allocated costs



2018

- Continue reporting changes from 2016
- New Program Codes **Required**
- Most costs will be in direct columns

Example



2016 Reporting

Program Number	Program Title	Total Program Costs	Direct Costs (in detailed columns)	Indirect Costs Allocated
52.0300.00	Accounting and Related Services	\$ 42,000	\$ 25,200	\$ 16,800
01.0100.90	Agribusiness Systems	\$ 65,800	3,500	62,300
49.0100.00	Air Transportation	\$ 55,000	52,500	2,500

2018 Reporting

Program Number	Program Title	Total Program Costs	Direct Costs (in detailed columns)	Indirect Costs Allocated
52.0300.00	Accounting and Related Services	\$ 42,000	\$ 38,700	\$ 3,300
01.0100.90	Agribusiness Systems	\$ 65,800	61,300	4,500
49.0100.00	Air Transportation	\$ 55,000	53,800	1,200

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Budget and AFR Reporting



2016 AFR and 2017 Budget and AFR

- M&O Fund - Program detail
 - 200 Special Education
 - All 200 and 300 costs if early implementing 300 codes

2018 Budget and AFR

- M&O Fund - Program detail
 - 200 & 300 Special Education (name of line will change)
 - All 200 and 300 costs will be included

Questions



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