Erie County Technical School
Cost-Per-Program Analysis
2012-2013

The administration carried out an analysis of costs associated with each program. In order to carry out this analysis, the administration turned to the 2011-2012 school year, as it was the most recent completed fiscal year.

Calculation Method

Two sets of calculations were run, one based on *budgeted* revenues and expenses, and the other on *actual* revenue and expenses. Accounting functions independent of the high school operation were excluded. Examples of these are the Career Alternative Education Program and the Transition Center. All other functions were included in the calculations.

The administration then determined the most appropriate *service unit* for each revenue and expense function. The service unit is the basis on which revenues and expenses are distributed across the 18 programs. The service units used are:

1. *actual*
2. *teacher*
3. *pupil*
4. *special education pupil*
5. *program*

After service units were assigned to each function, the expense or revenue for each function were identified. The function expenses or revenues were then divided by the service unit resulting in a *per unit cost or revenue*. Assigning a cost or revenue to each program was accomplished by multiplying a function's per unit cost or revenue by the number of units in a program. As an example, the Mathematics & Literacy Services were assigned a function unit of pupil. The cost distribution was calculated in the following manner:

Function Cost	$143,542
Function Unit (Pupil)	779
Per Unit Cost	$184

Cost assigned to each program:

Number of students in a program X $184

The administration carried out a secondary analysis based on direct and indirect costs and revenues. Direct costs and revenues were those that were 'specifically attributable' to a program. For example, faculty salaries, faculty benefits, and supplies. Indirect costs and revenues were those that were a universal or campus-wide functions. Examples include utilities, business office services, and technology services.

Comparisons were made from two perspectives:

1. Profit/(Loss)
2. Cost-per-Pupil

<u>Analysis</u>

As might be expected, the most influential factors in either perspective were:

1. Number of students per teacher
2. Salary and benefits of the teacher
3. Program supplies

Higher enrollments tended to lead to a profit and a lower cost-per-pupil.