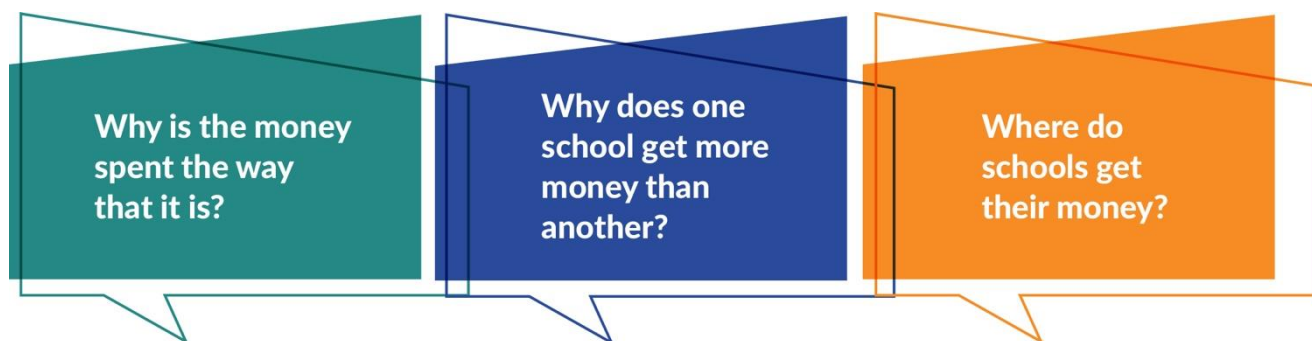


## Per Pupil Spending: New Federal Requirement and Your School

Federal law requires states to calculate spending of local, state, and federal dollars *by school* and to make public a “per pupil expenditure” (PPE). This is significant because communities can compare spending from school to school, as opposed to getting an aggregate number for the district, with student outcomes. The per pupil calculation must include the *actual* costs including salaries and benefits of teachers, administrators and other school staff, instructional expenses, and transportation, among other expenses. Availability of this information provides new opportunities for all stakeholders to ask important questions regarding how resources are distributed within the district and school performance. This broader access means that stakeholders such as policymakers and parents may take more notice than they have in the past. Therefore, it is important for stakeholders to have the necessary context about your school, your community, and an understanding that the PPE is new and therefore comparisons about spending and outcomes are preliminary and should not be made until there is enough, long term data.



### ***What Does this Mean for School Leaders?***

ESSA requires PPE data to be included on the state and district annual report cards, providing principals with the ability to compare spending and outcomes across schools. Reviewing the total spending of each school to student outcomes is an opportunity to examine how funds are spent and raise questions about possible discrepancies, though it is important to recognize that the data is still new and any conclusions made are only preliminary. Nevertheless, this information can help principals explore how resources are used in different schools as well as unpack what works best with different student populations and in different schooling contexts – to ensure that students who need additional support and tools in school have access to the resources necessary to be successful. PPE data can also be used by schools who have been identified as needing support and interventions to conduct a resource allocation review and make funding changes for school improvement.

### ***District Responsibilities***

Federal funding accounts for approximately 10 percent of a state’s education budget with state and local funds comprising the remaining 90 percent. Together these funds are distributed to districts based on the state’s funding formulas. Once districts receive their funding, local school boards, through their authority to create and adopt a budget, have the fiduciary responsibility for

how the money is allocated and spent both within their district and *for each school*. School districts have an obligation to meet the needs of all students in a fair and equitable way. Therefore, it is important that district leaders have a clear and transparent approach to allocating resources to each school, considering the number of students enrolled, the types of programs offered, as well as the unique needs of the students each school serves.

### ***Engaging Stakeholders & District Leaders***

This new information is a powerful tool to support the collective goal of leveraging funding to get the most for students. Historically principals have not been engaged in district-level conversations on budgetary spending and staffing decisions that affect their buildings—aside from discretionary spending. Yet, they are the closest to students and staff and are therefore uniquely positioned to know what they need to get better outcomes for their students, with the school-level dollars they have. Moving forward, principals need training and financial literacy skills to be involved in allocating school budgets and to effectively answer questions from parents and community members about how resources are spent in their school. Empowered with PPE data and the necessary skills to weigh in on needed financial changes, principals can craft the narrative about their school in the community.

Given these circumstances, the following are questions that both principals and stakeholders can ask district leaders in order to understand the rationale for certain expenditures and/or discrepancies:

1. Why do schools in my district have significant differences in per pupil expenditures, what is the rationale for the differences in allocations?
2. Are schools serving students with the highest needs receiving more resources? Is this enough to address their needs?
3. How much does the district allocate *state and local* dollars to schools with more students in poverty or students with specific characteristics such as homelessness, disability or English learner status?
4. Do actual spending practices align with stated district goals?
5. Are there areas where over- or underspending can be identified and reprogrammed?
6. How much of a school's spending is attributed to central office costs?
7. Is there a pattern or trend between the amount of money spent and the outcomes of the school?
8. What is the districts' plan to address the differences in campuses' PPE and campuses' academic performance?

### ***Where Do I Go for More Information?***

1. For an example of spending data by school visit [newyork.edtrust.org/ny-school-funding](http://newyork.edtrust.org/ny-school-funding) or an analysis done by the [Massachusetts Business Alliance for Education](http://Massachusetts Business Alliance for Education)
2. For information on the financial transparency requirement visit Edonomics Lab: [edonomicslab.org](http://edonomicslab.org)