An Introduction to ESSA’s Per-Pupil Expenditure Requirement

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Goals

- Understand how the changes within the Every Student Succeeds Act’s (ESSA) new per-pupil requirement will impact the role of a principal
- Understand what ESSA requires and how terms are defined
- Introduce additional resources to help communicate school per-pupil expenditure data
Agenda

1. Unpacking PPE: What’s In It?
2. ESSA Requirement: What’s NEW!
3. State Examples
4. So What?
5. Resources made “by” and “for” principals
How much coverage (in the news or in your community) have you seen about states reporting per pupil expenditure data?

A. A lot of coverage
B. Some coverage
C. A little coverage
D. No coverage at all
Unpacking Per-Pupil Expenditure (PPE)

- Defined as “the cost of day-to-day instruction, programs, services, and supports a district or school spends per-student.”

- This includes all expenditures in the day-to-day operations of schools or districts.
  - Examples: instructional materials and services, student support services, transportation, building maintenance and operations, general administration, personnel
Calculating PPE

Total district expenditures ÷ Total number of students
= District PPE

NEW! Total school expenditures + share of district expenditures ÷ school’s student count
= School PPE
What does ESSA require states to do?

Report the per-pupil expenditure, including **actual** personnel expenditures and **actual** non-personnel expenditures for every school and district in the state broken down by federal, state, and local funds.
Questions Still Exist

- **SEAs (states) and LEAs (districts/localities)** have flexibility in determining how to categorize and record school and district level spending by function.

- Questions for SEAs/LEAs to consider…
  - “Separately display the amount of expenditures directly reported at the school level and expenditures that are borne by the central office at the LEA level; or
  - Report one summative expenditure figure for each school that includes expenditures that can be directly reported at the school level and expenditures that are borne by the central office at the LEA level and assigned to each school (including both those that impacted that particular school directly and the school’s relative proportion of central office administrative expenditures). “
What is Included in PPE

- PPE includes “current expenditures…which are comprised of expenditures for the day-to-day operation of schools and LEAs for public elementary and secondary education, including expenditures for staff salaries and benefits, supplies, and purchased services.”
  - Instruction (salaries, employee benefits)
  - Supplies (e.g., physical textbooks, pens and pencils, paper)
  - Instructional staff support services (professional development)
  - Student support services (therapists, audiologists,)
  - General administration (salaries, employee benefits)
  - School administration (salaries, employee benefits)
  - Purchased services (e.g. architects, auditors, accountants negotiations specialists, paying agents)
- An SEA has the flexibility to include or not include capital outlay or interest on debt
How much control do you feel you have over spending in your building?

I have a lot of autonomy over my spending

I have no control over spending in some areas but do control others

I have very little or no control over how funds get spent in my building
An Example

Expenditure

Current Spending
- Other Current Spending $27.1
- Operation & Maintenance $48.7
- Pupil Transportation $22.1
- School Administration $27.8
- Gen. Admin. $9.6
- Pupil Support Services $28.6
- Other & Nonspecified Support Services $17.5
- Instructional Staff Support Services $24.8
- Instructional Equipment $2.4

Capital Outlay
- Construction $47.0
- Land & Existing Structures $3.2
- Other Equipment $6.7

Other
- Interest on Debt $17.6
- Payments to Other Governments $1.7

Total Expenditure $602.6

SOURCE: U.S. Census Bureau, 2010 Annual Survey of Local Government Finances—School Systems. Data are not subject to sampling error, but for information on nonsampling error and definitions, see introductory text. Data users who create their own estimates from these tables should cite the U.S. Census Bureau as the source of the original data.
Teacher salaries and benefits make up roughly 80 percent of all K-12 spending in the United States.
State Examples: Illinois
State Examples: Illinois

Jefferson Elem School
Per-Pupil Expenditures: $11,971
District Centralized Per-Pupil Expenditures: $4,208
Site-Level Per-Pupil Expenditures: $7,762
Enrollment: 405.00
Low Income Students: 70.70%
English Learners: 0.30%
Students with IEPs: 33.30%
State Examples: Massachusetts

How much does our school spend per student?

Finance

Dollars Spent per Student
The total dollars spent per student, broken down by the source of funds. Funding comes from federal, state, and local sources. The amount of money spent per student depends on many factors, including student enrollment, staffing, special programs, and whether the school receives state or federal grant funds.

View more detailed school per pupil spending data | View more detailed district per pupil spending data
State Examples: Ohio

Spending Data

| Classroom Spending | Spending per Pupil | Source of Funds |

What percent of funds are spent on classroom instruction?
64.9%

How does this district rank in comparison to other districts of similar size?
12 out of 15

A rank of 1 indicates the highest percent spent on classroom instruction.

District

Comparison Group

State

Classroom Instruction
Non-Classroom Instruction
State Examples: Georgia

District Wide

<table>
<thead>
<tr>
<th>Year</th>
<th>Madison County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>B</td>
</tr>
<tr>
<td>2017</td>
<td>B</td>
</tr>
<tr>
<td>2016</td>
<td>B</td>
</tr>
</tbody>
</table>

Grade conversion:
- A: 90 - 100
- B: 80 - 89.9
- C: 70 - 79.9
- D: 60 - 69.9
- F: 0 - 59.9

Student Mobility Rate: 12.3%
Financial Efficiency Star Rating: ★★★★☆
Per Pupil Expenditures:
- District: $10,271
- State: $9,447
Too Much or Too Little?

In the Zoom chat, tell us, what spending data and/or visualization is the most useful to you as a school principal?
In almost every state, public education is funded based on a formula that calculates how much the state distributes to each school district for the year. This is different from PPE in many ways.

<table>
<thead>
<tr>
<th>Funding Formulas</th>
<th>Per-Pupil Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refers to the calculation states <strong>use to determine how much money each district receives.</strong></td>
<td>Refers to <strong>how much money each school and district spends per student.</strong></td>
</tr>
<tr>
<td>Is not influenced by federal law</td>
<td>Is required to be reported by federal law</td>
</tr>
<tr>
<td>Takes decades to see changes from a new formula</td>
<td>Can change from year to year</td>
</tr>
<tr>
<td>Can be calculated based on:</td>
<td>Is up to districts and schools to decide how money is spent</td>
</tr>
<tr>
<td>- Number of students</td>
<td></td>
</tr>
<tr>
<td>- Cost of resources</td>
<td></td>
</tr>
<tr>
<td>- Funding for particular programs</td>
<td></td>
</tr>
</tbody>
</table>
National and State Media Coverage

**D65: Per pupil spending varies based on student need**

By Jan Smith on September 11, 2019 - 2:08pm

Florida reveals how much each public school spends per student — and there are stark differences

By Diane Rado - August 16, 2019

**ESSA Forces Uncomfortable Conversations in Massachusetts Over School Spending**

By Daarel Burnette II on June 24, 2019, 12:41 PM

**Opinion**

States Are Burying Damning Data About School Funding

You've heard about the funding disparities between school districts. The more hidden disparities within school districts are just as troubling.

By Ary Amerikaner

Ms. Amerikaner is a vice president at the Education Trust.

Jan. 29, 2020
So What?
How Can PPE Data Be Used?
Building a Budget: Edunomics’ Suggested Steps for Principals

- Find out your school’s PPE and how it compares to performance
- Ask…
  - Does your school’s spending align with the academic goals of your students?
  - How are other schools with similar demographics spending/performing and what can you learn from each other?
  - Are there opportunities to make tradeoffs inside your school?
- Recognize this as an opportunity to tailor resources to the needs of students, staff, and the surrounding community.
The Every Student Succeeds Act (ESSA) now requires states to put school-level financial information on report cards, but the value of this data goes beyond report cards. Leaders need school spending information that helps them understand what’s happening at their schools and in their community in order to allocate resources wisely to ensure every student is getting the support they need.

**THE PEOPLE**

State and local leaders, from legislators to principals, are charged with using resources to support student success. They can’t do this effectively without information about both school spending and student outcomes.

**FISCAL & PERFORMANCE DATA**

**SCHOOL SPENDING**

**STAFF**

**STUDENT SUPPORTS**

**SCHOOL A**

**SCHOOL B**

**MAKE BETTER DECISIONS**

"I know what district resources aren’t getting to the students who need them. I talk to school leaders about how to use people’s time, and money to solve this."

"I know which district resources are at my disposal and whether my students need more leading. I ask these resources to meet their needs."

"I know our dollars are being spent as we intended. Special Education students need more resources. And now they’ve got what they need."
The Collaborative for Student Success gathered a cohort of principals who produced some documents to help their peers understand and use PPE data.

These documents can be accessed and downloaded on the NAESP website:

https://www.naesp.org/pupil-expenditure-requirements

- Principal PPE Primer
- 5 Action Steps for Principals
- Principal PPE FAQ
- School Spending Quadrant Questions
Questions?