

An Introduction to ESSA's Per-Pupil Expenditure Requirement

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Today's Presenters



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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 lot of coverage **A**

Some coverage **B**

A little coverage **C**

No coverage at
all **D**

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 \div Total number of students
= District PPE

NEW! *Total school expenditures + share of district expenditures*
 \div 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?

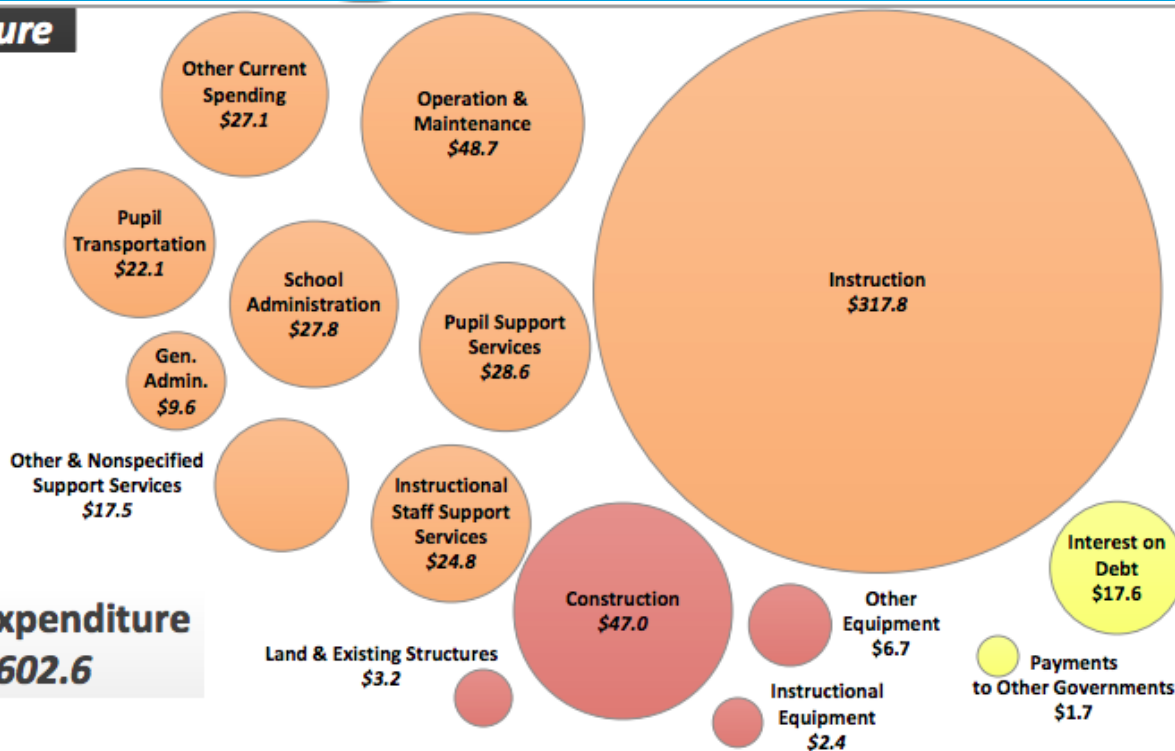
I have a lot of autonomy over my
spending

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



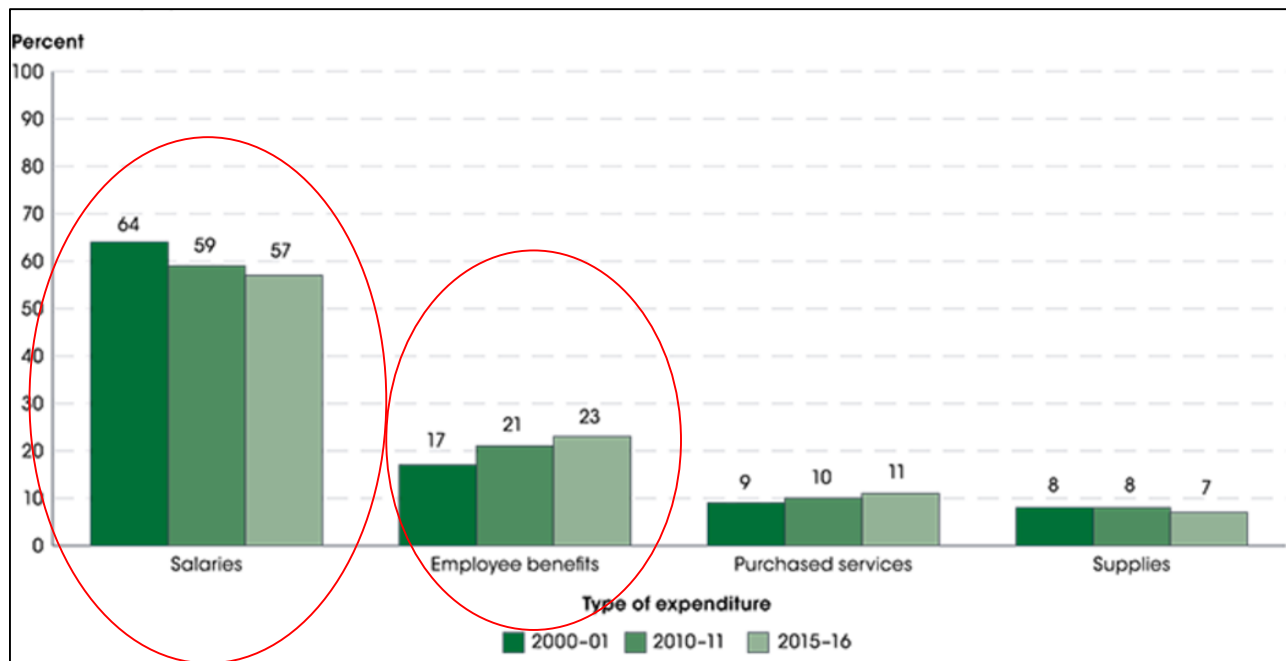
SOURCE: U.S. Census Bureau, 2010 Annual Survey of Local Government Finances—School Systems. Data are not subject to sampling error, but for information on nonsampling error and definitions, see introductory text. Data users who create their own estimates from these tables should cite the U.S. Census Bureau as the source of the original data only.



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The Bulk of Spending: Teacher Salaries and Benefits

- Teacher salaries and benefits make up roughly 80 percent of all K-12 spending in the United States.



State Examples: Illinois

School Finances

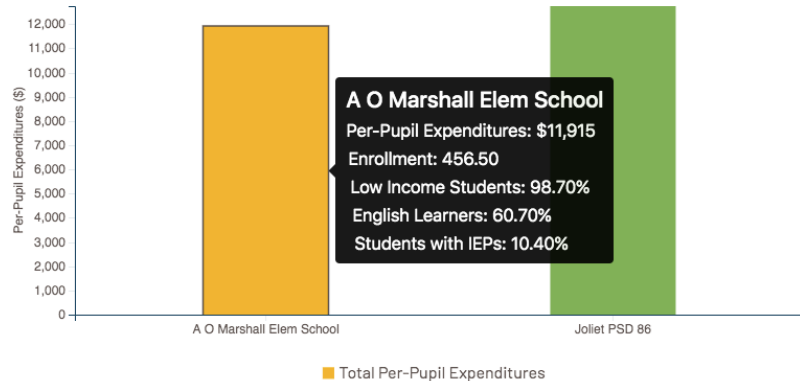
Average FY 2019 expenditures per student at this school

School vs District Average

Full District

Scatterplot

SELECT: ☒ Overall ☐ Source of Funds ☐ Expenditure Type



School Finances

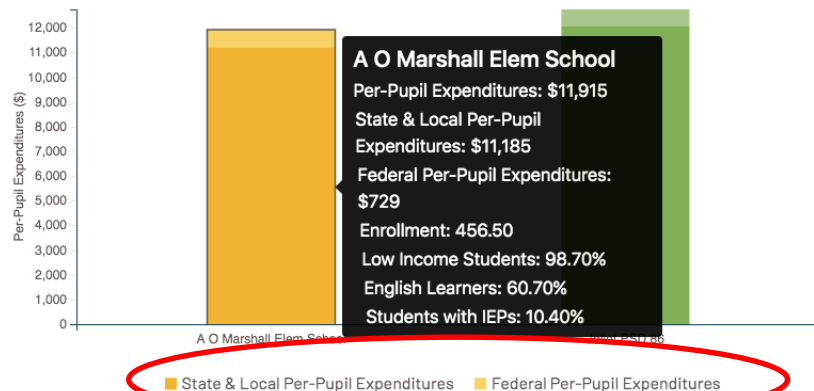
Average FY 2019 expenditures per student at this school

School vs District Average

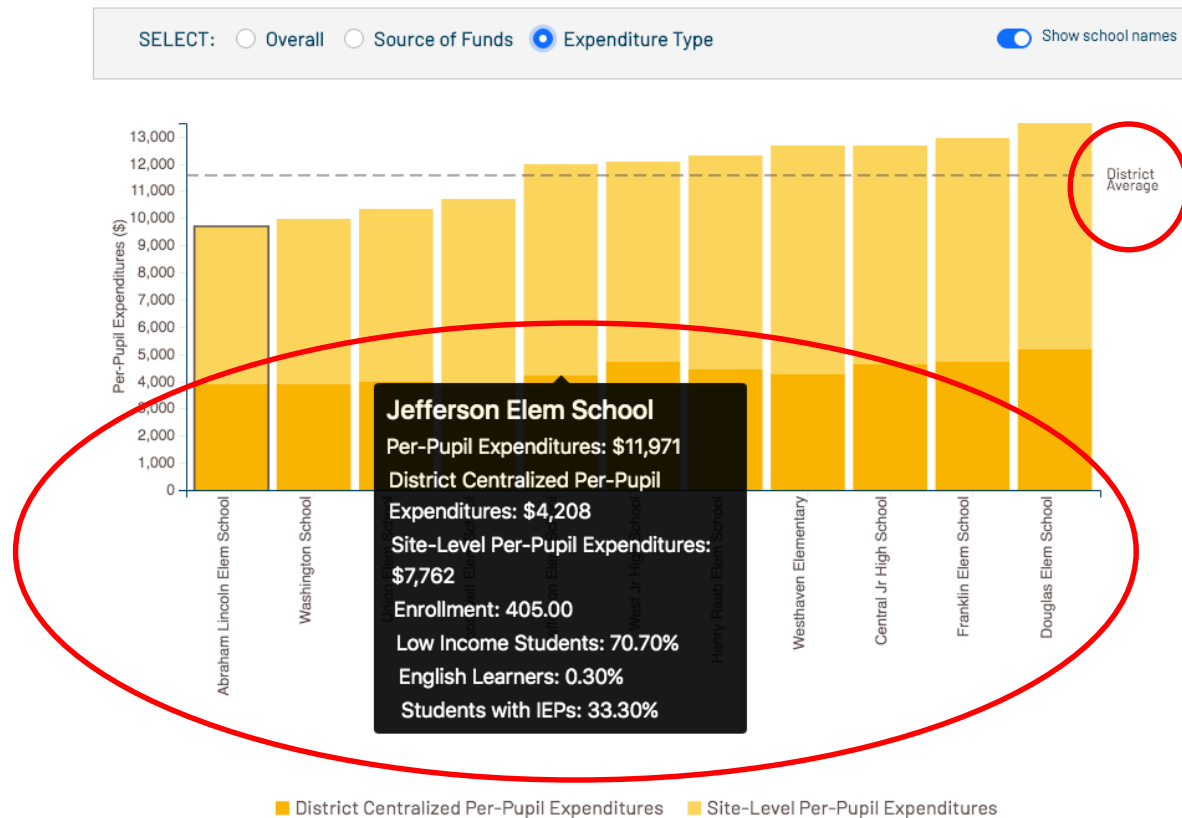
Full District

Scatterplot

SELECT: ☐ Overall ☒ Source of Funds ☐ Expenditure Type



State Examples: Illinois



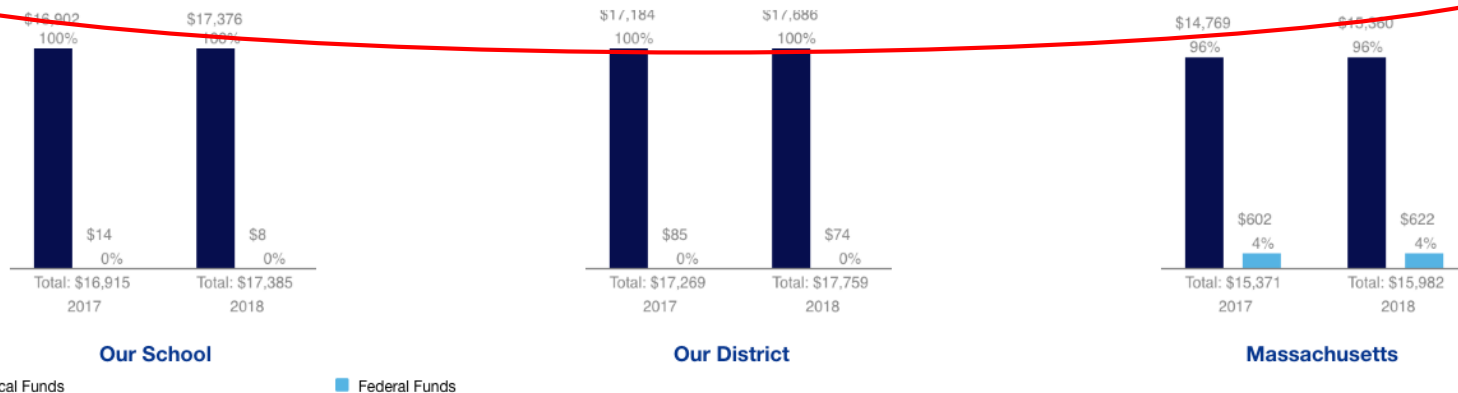
State Examples: Massachusetts

► 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

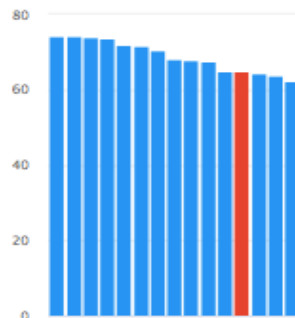


What percent of funds are spent on classroom instruction?

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



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State Examples: Georgia

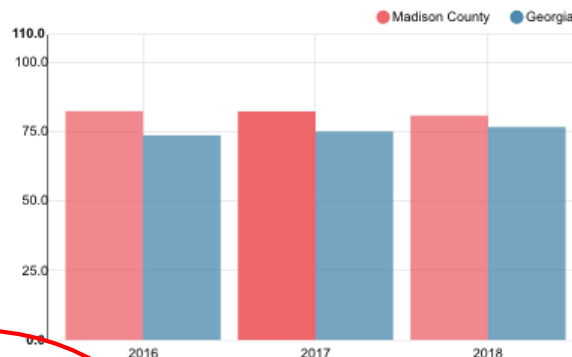
District Wide

B
80.7

Year	Madison County
2018	B
2017	B
2016	B

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

CCRPI Single Score



Student Mobility Rate

12.3%

Financial Efficiency Star Rating



Per Pupil Expenditures



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?

State Funding Formulas vs. Spending (PPE)

- 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.

Funding Formulas	Per-Pupil Expenditure
<ul style="list-style-type: none">• Refers to the calculation states use to determine how much money each district receives.• Is not influenced by federal law• Takes decades to see changes from a new formula• Can be calculated based on:<ul style="list-style-type: none">○ Number of students○ Cost of resources○ Funding for particular programs	<ul style="list-style-type: none">• Refers to how much money each school and district spends per student.• Is required to be reported by federal law• Can change from year to year• Is up to districts and schools to decide how money is spent

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 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.



THE DATA

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.



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Documents to Support Principals

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?

