

Daily Herald

Big Picture . Local Focus

Chapter 4: 1 of every 2 education dollars stays in classroom

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A typical suburban classroom of 25 students represents \$315,000 in revenue.

That's \$12,600 per kid, the average per-pupil revenue collected in 2005-06 by the 94 school districts in the Daily Herald coverage area.

Some of that \$315,000 goes to teacher salaries and benefits, supplies, textbooks and classroom technology.

The rest -- more than half -- leaves the classroom.

Over the past decade, the 94 districts spent an average of 48 percent of their revenue on instruction and teacher-pupil activities.

Statewide, districts spent 50.1 percent on instruction, about half of the \$171 billion they collected.

The remainder went to everything else: construction and maintenance; janitors, nurses, social workers and guidance counselors; administrators and principals; consultants and lawyers.

Some states, though not Illinois, now specify a certain percentage of all expenditures that must go toward instruction.

The regulations raise questions about whether such laws improve or hamstring learning -- and whether a fair way exists to measure whether classrooms are getting their fair share.

Most people can agree they'd like to see their tax money spent on teachers and textbooks, not bureaucracies and consultants.

But school expenditures cannot easily be grouped into tidy percentages of good spending versus bad.

Define instruction

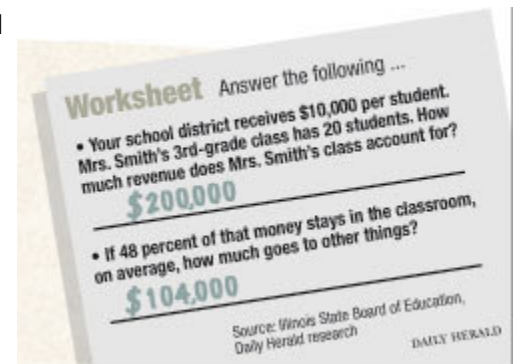
The first step in analyzing classroom spending is semantic: determining how to define classroom spending.

The Illinois State Board of Education takes a seemingly straightforward approach.

The board defines instruction as anything related to the teaching of pupils, or the interaction between teachers and pupils, including the services of aides of any type.

Simple enough. But there are dilemmas in the details.

First, there are quirks in what does and does not constitute instruction.



SCHOOL FINANCE 101

Chapter 4

[1 of every 2 education dollars stays in classroom](#)

[65-percent solution gains traction](#)

[The numbers: Spending in the classroom](#)

Here are the total amounts of revenue area school districts collected in the 1996-97 and 2005-06 school years; instruction expenditures each year; and the percentage of revenue spent on instruction. [View report](#)

Also available is a downloadable, 10-year look at area school districts and their total revenues, instruction expenditures, and the percent of revenue spent on instruction.

In Illinois, contributions to teacher retirement funds count as instruction.

The salary of a speech pathologist does not.

Adult and continuing education classes count as instruction.

Professional development for teachers does not.

Special education counts as instruction.

Payments to outside agencies to teach special ed kids do not.

The measuring stick

Defining instruction is tough enough.

But the pitfalls become even more pronounced when comparing instructional expenditures among districts.

On state report cards, Illinois records the amount spent on instruction -- as a percentage of expenditures.

Because certain types of expenditures are more likely to spike and plunge year over year, this method can cause artificially high -- or low -- percentages of instructional spending.

For example, if a district is growing quickly, it pays big money to build schools. That ups its expenditures total, which shrinks the instructional percentage, even if the district spends the same on instruction as its peers.

This often is aggravated by the fact that the state does not include construction bond money in revenue -- but does count the use of that money as an expenditure.

To neutralize that volatility, we looked at instruction spending as a percentage of total revenue -- rather than expenditures.

As a rule, revenue streams are more stable year-to-year than expenditures. Using revenue as the common denominator puts fast-growing and stable districts on more equal footing.

Using this revenue-based approach, let's examine two districts on opposite ends of the instructional spending spectrum. This will better enable us to evaluate the share of revenue any district puts toward instruction.

Rosemont 78

Year after year, Rosemont Elementary District 78 spends most of its revenue on instruction.

In 2005-06, the district spent \$9,784 per student on instruction, second highest among Daily Herald districts.

Rosemont teachers are paid more -- and there's more of them.

The average teacher in Rosemont makes \$66,500, about \$10,000 above the state average. The district employs one

[\[XLS document\]](#)

Chapter 3

[Suburban taxpayers' heavy share](#)

[The numbers: A decade of local funding](#)

Here are the total amounts of local revenue area school districts collected in the 1996-97 school year, the average daily attendance that year, and the local revenue on a per pupil basis; then the same data for the 2005-06 school year; and finally, the total amount of local revenue received over the 10-year period. [View report](#)

Also available is a downloadable look at the amount of local revenue area school districts collected in each of the school years from 1996-97 through 2005-06. With each year's local revenue total is that year's average daily attendance (ADA) and the local revenue shown on a per pupil basis (pp). At the end of each row is the total amount of local funding each district received over the 10-year period, and how much the revenue, attendance and per pupil revenue changed over those 10 school years.

[\[XLS document\]](#)

Chapter 2

[Unequal state equalizer](#)

[Big difference: funding varies between districts](#)

[School finance by the numbers](#)

[The numbers: Revenue and attendance](#)

Here are the total amounts of state revenue area school districts collected in the 1996-97 school year, the average daily attendance (ADA), and the state revenue on a per pupil (pp) basis; then the same data for 2005-06; and finally, the total amount of state revenue received over the 10-year period. [View report](#)

Also available is a downloadable look at year-by-year state revenue for area school districts, also with average daily attendance (ADA) and per pupil (figures), and more.

[\[XLS document\]](#)

Chapter 1

[Schools' revenue growth outpaces inflation](#)

[The numbers: Total revenue amounts](#)

Here are the total revenue amounts area school districts collected in the 1996-97 school

teacher for every 11 students, compared with the state average of 19.

The one-school district can afford to spend more on teachers, in part because its transportation costs are low -- \$250 per kid in 2005-06.

The district saves on other support services as well.

In 2005-06, Rosemont spent just \$41,000 on social workers and \$60,000 on speech and hearing services.

The district spent no money on health, guidance or psychological services.

The district also saved on administrative costs, with just one administrator for its 247 students.

All of these factors -- generous compensation packages for teachers, combined with low administrative and transportation costs -- combined to swell the share of instructional spending in Rosemont District 78.

Over the past decade, Rosemont spent, on average, 67 percent of its revenue on instruction -- the largest portion of any Herald district.

Huntley 158

At the other end of the spectrum, over the past decade fast-growing Huntley Unit District 158 spent just 37 percent of its revenue on instruction.

In 2005-06, the district spent \$4,138 per student on instruction, second lowest among Herald districts, and less than half of what Rosemont spent.

And unlike Rosemont, teacher salaries in Huntley are \$10,000 lower than the state average.

The K-12 district also employs a slew of support staff that Rosemont, an elementary district, does not.

Huntley spent nearly \$1 million in salary and benefits for health service workers and more than \$500,000 for guidance counselors, neither of which fall in the category of instruction.

The starkest difference between Rosemont and Huntley was the amount of tax money they collected to pay off debt.

Huntley in 2005-06 collected \$7.7 million for bond payments, while Rosemont collected only \$170,000.

If bond revenue was removed from the equation, Huntley's percentage of instructional spending in 2005-06 would have been 45 percent of revenue, rather than the 40 percent reported.

There are other complications in making value judgments about how much Huntley -- or any other district -- spends on instruction.

Take, for example, Huntley's busing costs.

Bus costs in the sprawling, rural district were more than twice as high on a per-pupil basis than in Rosemont.

In 2005-06, Huntley spent nearly \$600 per pupil on transportation.

But while the district did spend \$4.1 million on transportation, it also received \$2.3 million in state grants and local fees earmarked specifically for that purpose.

Less than half the money the district spent on transportation, then, could legally have made it into the classroom in the first place.

A moot point?

year, the 2005-06 school year, how much that amount changed over the 10-year period, and the total amount of money received over the 10-year period. [View report](#)

Also available is a complete, downloadable look at year-by-year total revenue for area school districts. - [\[XLS document\]](#)

Even if there were a fair way to calculate and compare how much districts spend in the classroom, another, more fundamental question remains unanswered.

That is, does the percentage districts spend on instruction even matter?

A Standard and Poor's analysis found no significant correlation between the percentage of money districts spend on instruction and the percentage of students who meet state standards in reading and math.

Still, Standard and Poor's acknowledged that monitoring the percentage districts allocate to instruction can be useful, even if mandating specific levels is not.

Monitoring requires financial transparency and allows the public to evaluate whether they are getting a good return on their investment, the report found.

To that end, the discussion about the percentage districts spend on instruction is instructive in and of itself.

In Chapter 5 we'll continue the dialogue, by examining where the rest of the money goes.

Next week: Administrative, support and "other" expenses.