



GETTING DOWN — TO FACTS II —

Technical Report

District Dollars 2: California School District Finances, 2004-5 through 2016-17

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About: The *Getting Down to Facts* project seeks to create a common evidence base for understanding the current state of California school systems and lay the foundation for substantive conversations about what education policies should be sustained and what might be improved to ensure increased opportunity and success for all students in California in the decades ahead. *Getting Down to Facts II* follows approximately a decade after the first *Getting Down to Facts* effort in 2007. This technical report is one of 36 in the set of *Getting Down to Facts II* studies that cover four main areas related to state education policy: student success, governance, personnel, and funding.

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Policy Analysis for California Education

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Many other reports making up the second *Getting Down to Facts* project will explore the effectiveness of California's various school finance policy changes and reforms or the possible ways in which the state's public education finance system could be improved. To understand those studies, it is useful first to have a basic descriptive understanding of how the state's public-school districts get and spend their resources, and such a descriptive analysis may also be interesting in its own right for anyone interested in school finance. These were the motivating reasons behind the original *District Dollars* report (Loeb, Grissom, & Strunk, 2007), which considered California school district budgets primarily during the 2004-5 school year.

California's school funding system has changed in several very significant ways since that time and so the purpose of this report is to update that analysis and to track the evolution of district finances over the intervening 12 years, as well as to consider a few other issues relevant to understanding public school funding in the Golden State. To those ends, the remainder of this report proceeds as follows. The first section briefly describes the manner in which school revenues are generated, distributed, and spent in California, including several major recent economic and policy developments with potentially important implications for districts. Next, I describe the annual financial reports that provide the majority of the data used below and the manner in which I weight districts when comparing them to one another and across time. This is followed by four sections describing the composition and levels of districts' resources and expenditures, considering measures of districts' overall financial health, and examining the roles of non-district entities in educational service provision in California. The final section compares districts' resources and expenditures in California to those of districts in other states. Most of these sections include cross-sectional analyses of California districts in 2016-17, the most recent year for which data are available, including comparisons of districts with different characteristics. Additionally, statewide trends are considered longitudinally to illustrate changes since the 2004-5 school year.

The California School Funding Context

Before investigating the details of the resources received and spent by school districts in California, it will be helpful to begin by describing in general terms the manner in which California funds its public schools and how those systems have changed over the time period considered in this analysis (the 2004-5 through 2016-17 school years, inclusive). This context will help to make sense of the distribution of resources across California school districts and how that distribution has changed in recent years. I consider a number of developments since the turn of the century that have altered the parameters of that system and that seem likely to have implications for the analyses that follow. These discussions are necessarily brief, but the associated references offer a more elaborate history for interested readers.

Recent Developments in California School Finance

This report focuses on public K-12 school district finances from the 2004-5 through the 2016-17 school years. The basic structure of California's school finance system during that time period – and to this day – is defined by three basic features. First, the state establishes

minimum funding levels for districts, historically referred to as “revenue limits” (Weston, 2010). Second, the large majority of districts – approximately 90 percent in most years – are unable to raise sufficient revenue locally (e.g., from the state-determined property taxes) to meet their revenue limit, and thus rely on state aid to make up the difference.¹ Those few districts that are able to meet their revenue limits independently are entitled to keep the excess revenue and are referred to as “basic aid” districts because they receive only minimal (i.e., “basic”) revenue from the state (Weston, 2013). Third, the state has a legally-mandated minimum funding commitment to education due to the passage by voters of constitutional amendments. This minimum varies slightly from year to year due to economic and budgetary circumstances, but is generally on the order of 40 percent of general fund revenues (Taylor, 2017a).²

However, since the turn of the century a number of changes have been made within that basic structure with potentially important financial implications for districts that may become apparent in a longitudinal analysis of school finances. The most substantial of these changes are discussed briefly below, paying special attention to their likely implications for the descriptive analysis that follows.

Government Accounting Standards Board Statement 45 (2004). School districts, like many employers, often offer as compensation for employees’ various benefits, such as health insurance, that are paid out after employment ends. How to account for the costs of these post-employment benefits is not obvious since there may be substantial lengths of time between when the offer of an employment agreement is accepted, when the service of an employee is rendered, and when the actual benefit is provided. Additionally, many employers, especially in the public sector, may have incentives to defer the accounting of these costs into the future and historically this is often what districts have done.

In June of 2004 the Governmental Accounting Standards Board (GASB), which establishes accounting standards for many government agencies, issued new guidelines for accounting for post-employment benefits other than pensions (OPEBs).³ Specifically, GASB Statement No. 45 (GASB 45) required that OPEB costs be accounted for as their liabilities accrue (i.e., as employment services are rendered) rather than when the benefit is received, with these requirements phasing in (with larger governmental entities first) from 2006 to 2008 (Governmental Standards Accounting Board, 2004). This requirement led to the adoption in 2007 of additional categories of OPEB expenditure in California’s school accounting system to distinguish OPEB costs for current employees from those for former employees (Hannan, 2007).

¹ Indeed, the passage by voters of Proposition 13 in 1978 capped property tax rates in California and required two-thirds of voters to consent to many other kinds of local tax increase, making additional local revenue difficult to raise even when districts desire to do so.

² For detailed histories of the evolution of school finance in California prior to the 21st century, see Kirst, Goertz, and Odden (2007); Picus (1991, 1997, 2006); Sonstelie, Brunner, and Ardon (2000); and Timar (2007).

³ Similar guidelines for pension benefits had been issued a decade earlier. Note that in California school districts are generally responsible only for making statutory contributions to current employees’ pension accounts, and are not directly responsible for employees’ pension costs after their employment has ended.

The Great Recession (2007). The Great Recession began during the 2007-8 school year, and the fiscal implications for California were substantial. Total taxes collected by the state fell from \$131 billion in 2008 to \$112 billion in the next year, a decline in real terms of approximately 15 percent.⁴ Adjusting for inflation, total tax receipts would not return to their pre-recession levels until 2013 (U.S. Bureau of the Census, n.d.). Though losses were partially offset by federal stimulus money,⁵ California nevertheless faced difficulties in meeting its revenue limit obligations to districts even after the recession had officially ended. The state therefore applied a “deficit factor” to its revenue limit calculations, reducing those limits – and thus the state aid provided to districts – by roughly 20 percent (Weston, 2013). Additionally, the state made cuts to a number of categorical grant programs, further reducing district revenues (Imazeki, 2012).

Tier III categorical funding flexibility (2009). The financial strain on school districts resulting from the Great Recession had another policy implication. To help districts manage strain on their budgets (Krieger, 2009), and in the hope that local authorities could allocate resources more efficiently than state officials (States News Service, 2009), the state converted 40 categorical funding programs into unrestricted grants. These programs, the largest of which were originally for targeted instructional improvement and adult and vocational education, collectively accounted for approximately \$4.5 billion, or 8.4 percent of district revenue at the time, though they were also subject to aforementioned cuts (Fuller, Marsh, Stecher, & Timar, 2011; Imazeki, 2012).

The Local Control Funding Formula (2013). Perhaps the most substantial change to California’s school finance system since the turn of the century was the adoption of the Local Control Funding Formula (LCFF) as of the 2013-14 school year. The LCFF substantially altered the manner in which districts’ revenue limits are calculated⁶ and granted districts considerably more flexibility in how state aid could be spent.

Prior to LCFF, districts’ minimum funding targets (i.e., their revenue limits) were calculated primarily on the basis of *district* characteristics such as size, grade levels served, and declining enrollment (Weston, 2010). The LCFF instead determines district funding levels primarily on the basis of *student* characteristics, and in particular on the basis of measures of student educational disadvantage. LCFF funds districts on the basis of average daily attendance (ADA), with each student receiving a “base grant” that varies based on grade level in which they are enrolled; students in kindergarten through third grade and high school receive the largest base grants. These base grants are then increased by 20 percent (a “supplemental grant”) for so-called “unduplicated pupils” (UPs), those who are any combination of English language learners, in the foster system, or eligible for free- or reduced-price lunch. A district’s

⁴ Figures are 2017 dollars.

⁵ For example, the American Reinvestment and Recovery Act of 2009 included \$53.6 billion in one-time appropriations to states to prevent education cuts.

⁶ Indeed, under LCFF the language of “revenue limits” is often not employed at all, though in practice district funding targets continue to operate in much the same way as before and most districts are still similarly dependent on state aid to meet those targets.

unduplicated pupil percentage (UPP) thus serves for LCFF’s purposes as a measure of its students’ educational disadvantage. Additionally, for districts with more than 55 percent UPs, each student in excess of 55 percent is associated with an additional “concentration grant” worth 50 percent of the base grant. The base grant associated with a unit of ADA can therefore be increased by as much as 70 percent and a district enrolling exclusively disadvantaged students will see its LCFF funding increased by 42.5 percent due to its students’ collective disadvantaged status. This substantially increases the level of state aid directed to many districts and, because in the medium-term districts are guaranteed not to see revenue declines under the LCFF,⁷ the total state financial commitment to K-12 education.

These changes in the level of funding to districts are accompanied by greater spending flexibility in most cases, as most of the state’s categorical programs were repurposed under the LCFF to provide additional, non-categorical LCFF funding (Taylor, 2013). As will become apparent below, this means that the LCFF has not only increased the level of state aid to districts, but has also reduced the share of district revenue subject to restrictions on how it may be spent. However, LCFF supplemental and concentration grants for disadvantaged students come with the requirement that such funds be directed toward advancing the educational interests of targeted students in particular. Districts must therefore justify their use of supplemental and concentration grants on a regular basis, though the extent to which these requirements constrain districts in practice is not obvious.

CalSTRS contribution rate increases (2014). Like many public-sector employee pension systems, California’s State Teachers’ Retirement System (CalSTRS) has been the subject of increasing concern about its ability to generate sufficient revenue to cover its liabilities (Taylor, 2017b). In an effort to improve CalSTRS’ solvency, in 2014 California increased the amounts that workers, employers, and the state are required to contribute into the system.⁸ This increase was phased in such that by 2016-17 the share of payroll contributed by workers would increase from eight percent to as much as 10.25 percent (depending on the particulars of the plan in which they are enrolled) and from 8.25 percent to 12.58 percent for districts. Contribution rates for employers (e.g., districts) are scheduled to continue increasing up to 19.1 percent by 2020-21, a total increase from the *status quo ante* of 130 percent.⁹

Data

The data for this project come primarily from financial records provided publicly by the California Department of Education (CDE). Beginning with the 2003-4 school year the CDE required all local education agencies (LEAs), including school districts, county offices of education (COEs), and joint powers authorities (JPAs) to report financial information annually

⁷ Districts can obtain exemptions from the primary LCFF funding calculations if after adjusting for (e.g.,) enrollment (1) they would have been funded at a higher level under the *status quo ante* or (2) they were funded more highly during the 2012-13 school year. In either case districts receive the more generous funding target. Additionally, districts with small schools that are “necessary” (for enrollment and geographic reasons) can opt to have their ADA funded using different (more generous) base grant levels.

⁸ Assembly Bill 1469

⁹ The state’s contribution rate was increased from three percent to 6.3 percent.

using a “standardized account code structure” (SACS).¹⁰ SACS reporting requirements are very detailed and are organized around a series of codes that must be applied to all financial transactions. SACS requires that LEAs organize their assets and accounts into *funds* defined by spending restrictions (e.g., for resources earmarked for adult education) or LEA objectives (e.g., a “general” fund for basic operations). Financial transactions – expenditures, receipts of revenue, or transfers – are then conducted by and between funds. Each transaction must be described by the *resource* (or revenue source) from which it is derived (e.g., unrestricted lottery revenue). Additionally, many revenues and most expenditures must be categorized by the *goal* they are intended to accomplish (e.g., special education), the *function* (or *activity*) by which that goal is being accomplished (e.g., providing separate classes for students with special education needs), and the *object* being purchased (e.g., certificated teacher salaries). These reporting requirements are summarized in Table 1.

Table 1. SACS Code Types Used

SACS Code Category	Purpose	Example Code
Fund	A self-balancing collection of related accounts, assets, and liabilities.	01 – The general fund of an LEA, used to account for ordinary LEA operations.
Resource	A source from which a revenue or expenditure is derived.	1100 – Unrestricted lottery revenue
Goal	A general objective for the LEA	5750 – Special Education, Ages 5–22, Severely Disabled
Function/Activity	A class of activities by which a goal can be accomplished.	1110 – Instruction: Special Education: Separate Classes
Object	Specific identification of a revenue source (for revenues), of a good or service being purchased (for expenditures), or of an asset or transaction (for other accounting entities or activities).	1100 – Certificated Teachers’ Salaries

Note. A complete list of SACS requirements and codes can be found in the California School Accounting Manual.

The precise manner in which these codes are combined and used varies depending on the type of transaction being accounted for. In particular, as discussed below, expenditures are classified in considerably more detail, and are subject to reporting requirements that are more

¹⁰ Charter schools are also required to report financial information but are given a number of options by which to do so, including reporting their finances independently through SACS, reporting using SACS through another LEA, or using a less detailed “alternative” report outside of the primary SACS system. Charter schools that report financial data in the general fund of an affiliated school district are included in district figures presented below. Charter schools reporting independently (whether through SACS or not) or in charter school-specific funds associated with a district are not included. I therefore exclude these charter school-specific funds from the analyses below, though it remains possible that some resources and expenditures associated with districts are in some sense intended to serve a nearby charter school (or other entity not reflected in those districts’ ADAs). This possibility will be further mitigated by the distinction between “total” and “student” resources and expenditures described below, which attempts to account for the fact that education agencies provide services to one another. For comparisons of charter school and traditional public school finances, see Levin, Brodzia de los Reyes, and Atchinson (2018).

consistent over time, than are revenues. Taken together, however, SACS provides a large quantity of information about how education agencies in California are funded and allocate resources, and which can now be used for longitudinal analysis.

At the same time, the detailed and unaudited nature of SACS gives rise to at least two concerns about data quality. First, because SACS rules are so complex, it may have been difficult for LEAs to learn how to properly navigate them. For this reason, I exclude data from the first year of full SACS implementation – 2003-4 – and limit analysis only to the school years 2004-5 through 2016-17. Second, even more than a decade after the adoption of SACS requirements, smaller districts may lack the capacity to fully follow all of the various rules SACS imposes. Moreover, very small districts often have very unusual cost structures (e.g., because of atypical capital or transportation costs) and per-pupil revenues and expenditures that are very high and that fluctuate dramatically from year to year due to the small number of students across which those figures are divided. I therefore follow the practice of the original *District Dollars* authors of excluding from primary analyses districts with an average daily attendance (ADA) below 250, and in particular I exclude any district that had an ADA below 250 in any year of the analysis.¹¹ This excludes 243 districts representing roughly 29,000 students each year, or about 0.5 percent of statewide ADA. I present results for these districts separately, without analysis, in Appendix A.

In the period considered here six pairs of districts report the majority of their finances jointly as “common administration districts” (CADs) in at least one school year. Each CAD comprises an elementary district and a high school district that wish to pool resources but which cannot readily merge into a unified district because they are not coterminous.¹² Because CAD member districts are required by the state to share a governing board and employee collective bargaining organizations and are thus likely to be operating in a coordinated fashion I treat these CADs as unified school districts below, pooling enrollment data across member districts and combining revenues or expenditures that they report separately with those reported by the CAD.

All dollar amounts presented below are adjusted for inflation to 2017 dollars using the consumer price index. Other data on districts, including student characteristics and district urbanicity, come from data files made public by the CDE and the National Center for Education Statistics (NCES).

¹¹ Whether districts are excluded based on their lowest ADA or their ADA in each year matters little in practice, altering most of the figures presented below by less than one dollar. This is not entirely surprising since this choice affects only 41 districts with a mean (max) ADA of 248 (945).

¹² These CADs are elementary/high school district pairs in Petaluma, Santa Rosa, Santa Cruz, Modesto, Point Arena, and Santa Barbara. Most operate as CADs for all of the years considered here except for the Santa Barbara districts, which formed a CAD in the 2005-6 school year and unified after the 2010-11 school year.

ADA Weighting

California districts vary substantially in the number of students that they enroll. Simply averaging figures and comparing their distributions across districts may therefore give misleading impressions about the nature of school finance in California because the results will be driven to a large extent by districts that enroll very few students, and thus will not be representative of the financial contexts of the state's students. For example, even after excluding districts with ADAs below 250 as described above, in the 2016-17 school year 173 districts had ADAs below 1,000. Despite representing almost one-quarter of districts in the sample that year, these smaller districts include less than two percent of the students (as measured by ADA). To avoid these very small districts from having outsize influence on results, I follow the original *District Dollars* report in presenting primarily ADA-weighted figures below, and include unweighted results in Appendix B.

However, this choice comes with a trade-off. In particular, ADA-weighting gives a great deal of weight to the Los Angeles Unified School District (LAUSD), which in 2016-17 contained roughly nine percent of the state's ADA. ADA-weighted results, then, are driven to a substantial degree by financial conditions in LAUSD. This is arguably justified because LAUSD is responsible for so many of the state's students. However, it can also obscure the circumstances of other districts when LAUSD's finances are significantly different from the norm. I attempt to draw attention to such cases below, and also present results in Appendix C that exclude LAUSD.

Resources

In this section, I consider the resources available to districts. First I discuss the manner in which I construct resource measures using the SACS data files. I then consider the level and composition of districts' resources in 2016-17, including basic differences between districts with different characteristics. Finally, I look at how district resources have changed since 2004-5.

Methods

Two features of SACS rules regarding district resources are particularly relevant to the analysis that follows. First, when accounting for resources available to LEAs, SACS distinguishes *revenues* from *other financing sources*, with the latter including income that involves an offsetting liability or asset loss, such as debt issuance or proceeds from the sale of capital.¹³ Thus while it may be intuitive to describe any income received by districts as "revenue", the term is potentially ambiguous in a SACS context. I follow the SACS convention of distinguishing

¹³ SACS also categorizes transfers between funds within an LEA to be "other financing", but for present purposes these are excluded from resource calculations altogether as they do not increase a LEA's available assets even in the short term.

revenues from other sources of financing, and refer to the combination of the two as “resources”.

Second, and as mentioned above, SACS accounting rules classify district resources in considerably less detail than district expenditures. For example, SACS requires that district resources be associated with goal codes only in some cases (e.g., special education revenues), and as of 2016 sets aside object codes 1000 through 7499 for expenditures while reserving only codes 8000 through 8799 for revenues. Additionally, while resources received by districts are also classified by resource codes, resource codes change frequently over time as school funding laws change (e.g., with the expiration of the American Recovery and Reinvestment Act or the transition to the LCFF). This makes detailed analyses of district resources and their changes over time challenging.

One consequence of this is that while it is possible to distinguish district expenditures from those of county offices of education and other, higher-level local education agencies, doing so for resources is considerably more difficult. Below I redistribute expenditures from these higher-level LEAs to the districts that they serve in an attempt to capture the true financial commitments to district students, many of which are proximally provided by LEAs other than the one in which students are technically enrolled. Because of the limitations of SACS resource data, this is not possible for district and other LEA resources without running the risk of significantly undercounting or double-counting resources that are transferred between LEAs. In what follows, then, I limit analyses to resources that can be fairly clearly matched to particular school districts. This fails to capture all of the resources made available to public school students, which may be more completely captured in the subsequent discussion of expenditures.

Table 2. Excluded Resources

Resources to Exclude	SACS Codes	Reason for Exclusion
<i>Exclusions from Total Resources</i>		
Interfund Transfers In	Objects 8910-8929	Transfers between funds within LEAs do not increase resources available to those LEAs.
Contributions	Objects 8980-8999	Contributions from one resource to another do not increase resources available to districts.
STRS On-Behalf Contributions	Resource 7690	These resources account for activities of the state, rather than activities of the LEA.
<i>Exclusions from Student Resources</i>		
Adult Education	Object 8671 Resources 3090, 3555, 3900-3999, 6015, 6016, 6390-6392	Will tend not to serve K-12 students directly.
Pre-K	Resources 3105, 3110, 3318-3326, 3329-3334, 3345, 5105, 5210-5240, 5245, 6050-6056, 6105, 6125-6127, 6240-6245, 6510, 6513, 6515, 7210	Will tend not to serve K-12 students directly.
PERS Reduction Transfers	Object 8092	Represent adjustments to the revenue limit (and thus to district resources) for savings on PERS contributions.
Capital	Objects 8047, 8540, 8545, 8625, 8951 Resources 3015, 4140, 4141, 6030, 6140, 6145, 6148, 6200, 6205, 6225, 6226, 6280, 7124, 7701-7799, 8100, 8150	Will tend not to serve K-12 students directly.
Interagency transfers	Objects 8677, 8780-8799	Will often represent resources used to provide services to other LEAs rather than a district's own students.

Note. Resource codes change frequently, so obsolete codes are removed from the current California School Accounting Manual but can be found in a separate document produced by the CDE, the Master List of Resources.

Even accepting this limitation, accounting for district resources is no simple task and inevitably involves matters of judgment. I use SACS codes to exclude resources from district accounts in two stages, in both cases with an eye toward matching the analogous processes for expenditures. First, I use object codes to exclude transactions that do not alter the total resources available to districts, including transfers between funds, contributions between resources, and resources that reflect pension contributions by the state.¹⁴ This leaves what I consider *total* resources for districts. Second, I use resource and object codes to further exclude resources that are, or are likely to be, intended for purposes other than directly educating a district's own K-12 students, such as adult education or capital-related resources. This produces what I call *student resources* or *resources with non-student exclusions*,¹⁵ and is analogous to a similar process used to student and non-student expenditures below though the limitations of resource classification in SACS makes this process for resources less precise. The process is also

¹⁴ As of the 2014-15 school year LEAs are required to recognize in their SACS accounting the state's contributions to STRS on behalf of the LEA's employees. This entails documenting revenues and (equivalent) expenditures associated with the state's contribution, but because this does not alter the LEA's net fiscal position and would inflate its budget in later years these revenues are excluded below.

¹⁵ In the previous *District Dollars* a similar construct was referred to as resources "with exclusions", though resource codes have changed since the original publication making an exact recreation of that measure infeasible.

conceptually similar to the distinction made by the CDE when it excludes expenditures from its own estimation of the “current expense of education”. The resources excluded and the reasons for their exclusion are summarized in Table 2.

District Resources in 2016-17

Table 3. Resources per ADA, 2016-17

	All Resources				K-12 Student Resources			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Panel A: All Resources								
All Resources	17562	13843	16335	19827				
<i>Student Resources</i>	15126	12591	13817	16005	15126	12591	13817	16005
<i>Adult</i>	107	0	47	167				
<i>Pre-K/Early Childhood</i>	138	21	103	220				
<i>Capital</i>	1926	163	428	2871				
<i>Interagency Transfers In</i>	269	10	161	483				
Panel B: Revenues vs. Other Financing								
All Resources	17562	13843	16335	19827	15126	12591	13817	16005
<i>All Revenue</i>	15083	12860	14310	16340	14305	12306	13507	15466
<i>All Other Financing</i>	2480	0	1271	4084	821	0	42	481
Panel C: Restricted and Unrestricted Revenues (Defined by Resource Code)								
Unrestricted	11629	10291	11213	12553	11482	10181	11104	12364
<i>w/ Reporting Requirements</i>	1311	1436	1509	1528	1311	1436	1509	1528
Restricted	3453	2329	3076	4056	2823	1712	2391	3416
<i>Restricted Federal</i>	1271	831	1171	1574	1216	796	1144	1514
<i>Restricted State</i>	1195	816	1034	1324	753	345	655	971
<i>Restricted Local</i>	987	212	689	1567	853	114	530	1361
<i>Special Education</i>	936	684	821	958	709	259	554	874
Panel D: Revenues by Source (Defined by Object Code)								
Federal Sources	1227	740	1119	1563	1172	713	1097	1485
LCFF Sources	9765	8784	9756	10382	9765	8784	9756	10382
<i>State Aid</i>	6522	4935	7119	8612	6522	4935	7119	8612
<i>Tax Relief Subventions</i>	24	12	21	26	24	12	21	26
<i>Local Taxes</i>	3267	1728	2441	4174	3267	1728	2441	4174
<i>Miscellaneous & Transfers</i>	-76	-55	-5	0	-76	-55	-5	0
Other State Sources	1375	856	1191	1605	1153	749	982	1401
<i>Lottery</i>	207	205	206	208	207	205	206	208
Other Local Sources	2716	1513	2412	3508	2217	1063	1801	3072
<i>Parcel Taxes</i>	89	0	0	0	89	0	0	0
<i>Local Sales</i>	71	26	63	97	71	26	63	97
<i>Local Fees</i>	811	182	450	1011	616	8	224	738
Districts	716							

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Panel A of Table 3 presents average per-ADA resources available to districts in the 2016-17 school year, the most recent year for which SACS data are available. As was the case in the original *District Dollars* report, how resources are defined matters a great deal. Districts received \$17,562 per ADA in total, approximately 14 percent of which is excludable from K-12 student resources using the exclusions described above, primarily for being explicitly associated

with capital investments (11 percent).¹⁶ Districts also vary considerably in the total per-ADA resources available to them, with an interquartile range of \$5,984. That range decreases by 43 percent but remains substantial – \$3,414 – if non-student resources are excluded.

That the mean resource level (\$17,562) is somewhat (eight percent) higher than the median (\$16,335) is a consequence of two features of California’s school funding system. First, as discussed above, the state sets a floor for district resources, which reduces the number of districts with extremely low per-ADA resource levels. Thus, even excluding potentially more variable non-student resources, only 14 districts received less than \$10,000 in revenue and other financing per ADA in 2016-17, and no district received less than \$9,310. Second, a relatively small number of districts receive considerably more than others due either to their state-determined need (e.g., due to small size or student disadvantage) or because they were able to raise local or federal resources in excess of their state-determined funding target. These factors allowed 47 districts to receive more than \$20,000 per ADA in combined student revenue and other financing. The overall distribution of student resource levels is illustrated in Figure 1.

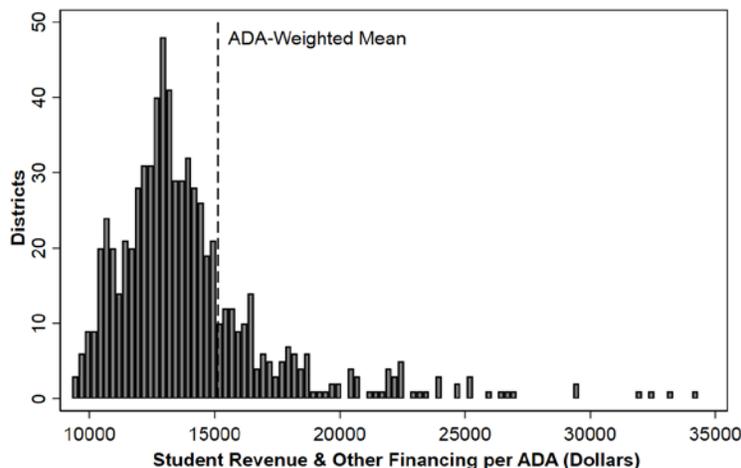


Figure 1. The distribution of student resource levels in California districts, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA resources > \$35,000.

Panel B of Table 3 separates district resources out into revenues and other forms of financing. The large majority (86 percent) of all district resources consist of *bona fide* revenue and approximately half of districts engaged in no other financing at all. However, among districts that did engage in other financing, the amounts involved were fairly large, averaging more than \$3,400 per ADA whether ADA-weighted or not, suggesting that such financing may play an important role for some districts in at least some years. Because this other financing is to a large extent for capital investments most of it is excluded from my K-12 student resource measure, of which fully 95 percent is revenue.

As described above, recent reforms in California have aimed to increase the flexibility with which districts can allocate their resources. It therefore comes as no surprise that, as can

¹⁶ This capital-related other financing consists to a large extent of income from bond sales, typically designated for facilities maintenance and upgrades.

be seen in panel C of Table 3, the lion's share of district revenues in 2016-17 was *unrestricted*, involving no particular limitations on how they be spent.¹⁷ After making non-student exclusions 80 percent of district revenues (\$11,482 per ADA) were unrestricted, 11 percent of which (nine percent of all revenues, \$1,311 per ADA) included special reporting requirements.¹⁸ Districts receive restricted revenues for a large number of reasons (e.g., funds apportioned specifically for building construction or technology upgrades), but among the most common restrictions are those related to special education. Special education revenues, averaging \$709 per ADA, account for 25 percent of restricted revenues and five percent of all revenues.

As shown in panel D of Table 3, approximately half of district resources are revenues received directly from the state. After making non-student exclusions 68 percent of district revenues were from LCFF sources, 67 percent of which – 46 percent of all revenues – were from state aid. Almost all of the rest of district LCFF revenue consists of local and county taxes, especially taxes on assessed property values.¹⁹ The state supplements these local taxes to a small extent through tax relief subventions, including taxes on timber and compensation for tax revenue lost through state exemptions. Some districts receive miscellaneous other LCFF funds (e.g., royalties) or transfer portions of LCFF revenue elsewhere (e.g., to charter schools in lieu of property taxes).²⁰ An additional 8 percent of district revenues come from other miscellaneous state sources that don't count toward LCFF levels, such as state lottery revenue or categorical grants (e.g., for child nutrition).

Other (i.e., non-LCFF) local sources of revenue (including county-level revenues, such as county-level taxes) represent 15 percent of revenues. While districts can in principle raise local taxes to supplement their Proposition 13-limited property tax base, in practice few districts do so to a substantial degree. For instance, in 2016-17 on average less than one percent of district revenue – \$89 per ADA – came from locally-imposed parcel taxes and only 116 districts with ADAs of at least 250 collected parcel tax revenue at all. However, as with non-revenue sources of financing the amounts raised by these 116 districts are often substantial, with a mean of \$572 per ADA. The federal government contributed the remaining eight percent of revenues for such purposes as special education or child nutrition, or as payments to localities for revenue from federal forest preserves within their boundaries.

¹⁷ Of course, LEAs may choose to earmark resources as intended for a particular purpose, but because such requirements are not externally imposed the resources involved are not accounted for as restricted.

¹⁸ For example, LEAs receive unrestricted funding from the state lottery but have to report to the CDE the manner in which that money was spent.

¹⁹ Parcel taxes are taxes levied on per-unit-of-property basis rather than on the value of the property, and are not counted toward LCFF targets.

²⁰ Because many of these miscellaneous funds are subsequently transferred to other district object codes (e.g., to be counted as other local revenue), the averages in Table 3 for miscellaneous funds and transfers are negative, and such funds may eventually be captured by other revenue objects. Negative values are presented in Table 3 to illustrate why overall LCFF revenues are on average slightly less than the sum of state aid, tax relief subventions, and local taxes.

Differences in Resources by District Characteristics

Despite California's somewhat centralized school funding system, average district resource levels exhibit substantial heterogeneity. To explore this heterogeneity, Table 4 displays average resources for districts with different characteristics.

Basic aid status. Given that basic aid districts are, by definition, those that do not require state assistance to meet their funding targets, they should be expected to have higher revenues per student than their non-basic aid counterparts. This is in fact the case; basic aid districts have total per-ADA resources that are approximately 43 percent higher than other districts on average. Given that they are disproportionately generating their own revenue, it is also unsurprising that basic aid districts have more unrestricted revenue (an additional \$3,920 per ADA), and as shown in Appendix C, these differences increase in magnitude when LAUSD – a non-basic aid district – is excluded. The subcomponents of LCFF revenue are broken out in Table 5 to illustrate the (mostly expected) differences in funding patterns between basic aid and non-basic aid districts. Basic aid districts do receive a small amount of state aid, but the large majority of their revenues come from local sources, primarily taxes on property.

Table 4. Mean Resources by District Characteristic, 2016-17

	All Resources		Student Resources						
	Total	Other Financing	Total	Student Revenues				Other State	Other Local
				Unrestricted	Restricted	Federal	LCFF		
Overall	17562	2480	15126	11482	2823	1172	9765	1153	2217
Basic Aid Status									
Not Basic Aid	17302	2379	14989	11345	2808	1191	9652	1164	2146
Basic Aid	24694	5246	18880	15265	3222	625	12865	845	4152
Urbanicity									
Urban	18895	2989	16618	11988	3267	1288	9968	1220	2779
Suburb	16461	2083	13851	10998	2482	1010	9496	1121	1853
Town	16104	1971	13640	11221	2146	1345	9999	918	1104
Rural	16215	1453	14002	11417	2367	1454	10200	1045	1084
Grade Levels									
Elementary	15465	1686	13292	10705	2353	1115	9307	949	1687
High	18774	2997	15289	12536	2263	884	10601	1093	2221
Unified	17986	2632	15610	11563	3023	1224	9785	1216	2362
Percent Unduplicated									
Bottom 25%	17067	3247	13659	10842	2316	507	8932	1014	2704
Middle 50%	16726	2339	14228	11089	2526	1068	9516	1072	1959
Upper 25%	19124	2218	17381	12469	3581	1737	10651	1360	2303
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	16994	3202	13671	10798	2340	508	8916	995	2720
Middle 50%	16810	2376	14253	11118	2534	1092	9545	1091	1924
Upper 25%	19074	2159	17408	12486	3579	1730	10658	1351	2325
Percent Black									
Bottom 25%	17550	1850	14962	12213	2560	1598	10746	1018	1410
Middle 50%	16467	2301	13769	11096	2339	869	9539	994	2032
Upper 25%	18315	2654	16071	11688	3177	1344	9839	1273	2409
Percent Hispanic									
Bottom 25%	17739	3599	14171	11081	2405	458	9116	923	2990
Middle 50%	16707	2506	14028	10956	2509	992	9367	1063	2043
Upper 25%	18852	2153	17084	12407	3420	1635	10551	1352	2289
Percent English Learners									
Bottom 25%	15706	2127	13167	10952	1814	568	8974	829	2395
Middle 50%	17700	2532	15282	11524	2888	1145	9711	1188	2369
Upper 25%	17545	2375	15069	11470	2852	1447	10202	1107	1565

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table 5. Mean LCFF Student Revenues in Basic Aid and Non-Basic Aid Districts

	Components of LCFF Revenue				
	Total	State Aid	Tax Relief		Misc. & Transfers
			Subventions	Local Taxes	
Not Basic Aid	9652	6752	23	3047	-171
Basic Aid	12865	773	65	11898	130

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Negative miscellaneous funds and transfers in some cases indicate revenues transferred to other district object codes, and may be counted positively there.

Urbanicity. As can be seen in Table 4 and Figure 2, districts had substantially different levels of resources depending on their urbanicity during the 2016-17 school year.²¹ Perhaps surprisingly given potential economies of scale in other districts, rural districts are not funded at a higher level per ADA than other districts even before excluding non-student resources, such as those earmarked for capital costs, that might be higher in sparsely-populated districts.²² In fact, urban districts had the highest average per-ADA resource levels and were funded well above the state average.²³ This is not, as might be expected, because urban districts receive larger apportionments under the LCFF; on the contrary, rural districts received two percent more per ADA than their urban counterparts from LCFF sources, likely due to a combination of student disadvantage and alternative LCFF funding calculations (e.g., for small schools). Rather, the difference is due to urban districts receiving more in other state aid (e.g., for special education or reimbursements for legislatively mandated programs) and, especially, local revenue.²⁴ In particular, urban districts raised substantially more per ADA than rural districts in local fees (\$963 vs. \$68, not shown), such as fees for providing services for other LEAs, for educating students that reside in other districts, or that are collected from property developers. Similarly, while suburban districts receive smaller LCFF allocations (and less federal revenue), they make up much of that difference in local revenue.²⁵ Districts in towns receive LCFF allocations and federal revenue at slightly above the state average, but because they receive relatively little other state aid and raise relatively little revenue locally, their per-ADA resources are more than \$1,400 (eight percent) below the state average (with or without non-student exclusions).

²¹ Urbanicity codes for districts are taken from the NCES. NCES definitions have changed somewhat over the years but generally follow the definitions used by the U.S. Census.

²² While more densely populated districts may enjoy many economies of scale, a potentially countervailing factor is higher per-unit labor costs in local labor markets (e.g., Taylor & Fowler, 2006).

²³ While the decision to exclude districts with small enrollments generally has little impact on the ADA-weighted estimates presented here, a potentially important exception is when considering rural district finances. Because most of the districts excluded based on their ADA are rural and have high per-pupil costs and because rural districts have relatively low enrollments, when looking at rural districts in particular even ADA-weighted averages are slightly sensitive to the inclusion of low-enrollment districts. I still exclude these districts here for the reasons described above, but for perspective if all districts were included in Table 4, average total per-ADA resources would increase by no more than \$9 (0.0 percent) for urban districts or districts in suburbs or towns, but by \$85 (0.5 percent) for rural districts.

²⁴ As shown in Appendix C, excluding LAUSD from the urban districts reduces the total resource gap between urban and rural districts by more than half, and the other local revenue gap by nearly 30 percent.

²⁵ Local fees seem to increase with density; suburban districts collected \$494 per ADA in fees, and towns \$184. This may reflect that providing services to other LEAs (or students residing in other LEAs) is more feasible when more LEAs are nearer-by. In any case, because they often indicate LEA obligations as well as revenue the extent to which these fees reflect available operating funds for district students is not obvious.

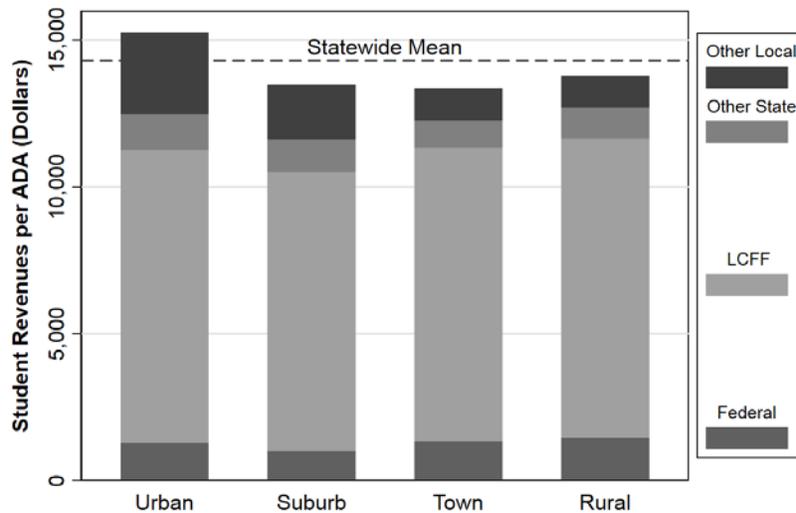


Figure 2. Student revenues per ADA in California districts in 2016-17 by urbanicity. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Grade levels. Differences in funding for districts serving different grade levels of students should be expected given that the LCFF adjusts the base grant associated with each unit of ADA depending on the grade levels in which students are enrolled. Specifically, relative to students enrolled in grades four through six, for whom the base grant was \$7,189, LCFF base grants in 2016-17 were increased by nine percent (\$631) in kindergarten through third grade, three percent (\$214) in grades seven and eight, and 22 percent (\$1,612) in grades nine through twelve. It is therefore not surprising that high school districts are funded relatively highly, receiving \$18,774 per ADA in total resources including \$10,601 per ADA in LCFF revenue. However, because many of those resources are financing for capital investments, resource levels fall particularly steeply in high school districts when non-student resource exclusions are made, and these districts’ mean student resource levels are in fact slightly lower than in unified districts.

Student demographics. Among the purposes of the LCFF was the allocation of more educational resources toward students considered educationally disadvantaged. Specifically, the new funding formula targets additional resources at “unduplicated” students: those who are any combination of eligible for free- or reduced-price lunch, English learners, or in the foster system. However, as mentioned above, there are exceptions to those primary LCFF funding calculations and districts may receive additional revenue from other sources, so it is not obvious how overall funding levels will vary across districts with larger and smaller percentages of unduplicated pupils (UPPs). As shown in Table 4, districts with the largest shares of unduplicated students do receive more revenues (both restricted and unrestricted), but engage in less other financing, than districts with smaller shares. Districts in the top quartile of UPP (i.e., the most disadvantaged under LCFF) have student resources that are \$3,722 (27 percent) higher per ADA than districts in the bottom quartile. This is consistent with the stated goals of LCFF, though differences in LCFF revenues account for only 46 percent of that difference; districts with larger unduplicated shares also receive more in federal and other state revenues.

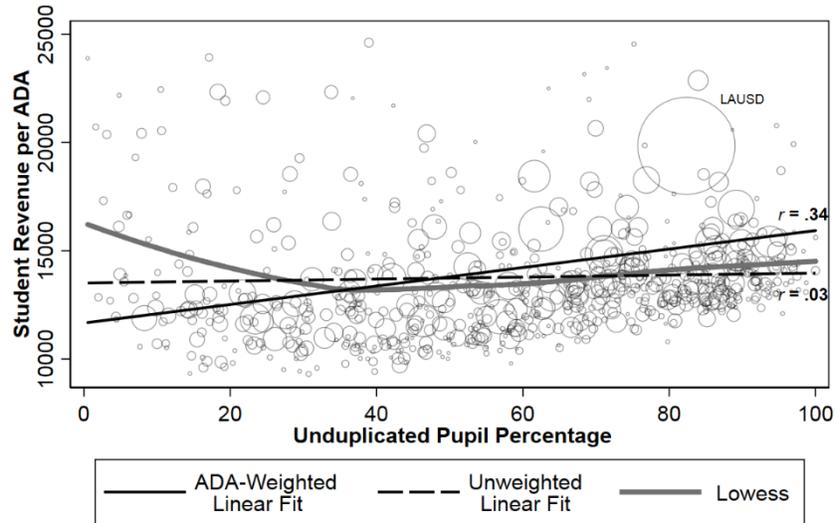


Figure 3. Student revenue and unduplicated shares, California districts in 2016-17. Excludes districts ever having ADA < 250. Districts with per-ADA revenue > \$25,000 not shown. Marker size is proportional to ADA. 2017 dollars.

These average values are ADA-weighted, and because the largest district in California by far, Los Angeles Unified (LAUSD), is also among the highest funded, the ADA-weighted mean differences in Table 4 may exaggerate district-level differences. Figure 3 illustrates the significance of LAUSD even when considering only student revenues, which should be more directly affected than other sources of financing by LCFF. LAUSD’s large enrollment, large share of unduplicated students, and high revenue level pull the average level of funding up noticeably statewide and, especially, among districts with high unduplicated pupil shares. When districts are weighted equally (rather than by ADA), the correlation between UPPs and student revenue levels falls from .34 to .03. Similarly, as illustrated by the lowess curve, average student revenue levels are actually decreasing in student disadvantage (as measured by UPP) at lower levels of unduplicated student shares, despite the availability of supplemental grants for these students.²⁶ Only among districts where larger shares of students are unduplicated – and are thus eligible for larger concentration grants – does the relationship between district revenues and UPP become slightly positive. In other words, while LCFF may have increased funding levels for districts with larger shares of disadvantaged students, it has not clearly produced a strongly progressive distributional outcome; districts with more disadvantaged students are not clearly better-resourced under the LCFF (and may in some cases be less-resourced) than their more-advantaged counterparts. As shown in Figure 4, this pattern emerges because districts with very small unduplicated pupil shares not only have high LCFF revenues – largely because they are often basic aid districts – but also relatively high levels of other local revenue. The possibility that LCFF has altered resource differences between districts over time will be considered below.

²⁶ The lowess curve draws a series smaller linear fit lines using only a small number of districts with similar UPPs at a time. This allows for the illustration of varying relationships between UPPs and student revenues between districts with larger and smaller unduplicated pupil shares, rather than assuming a single linear relationship like the other lines in Figure 3.

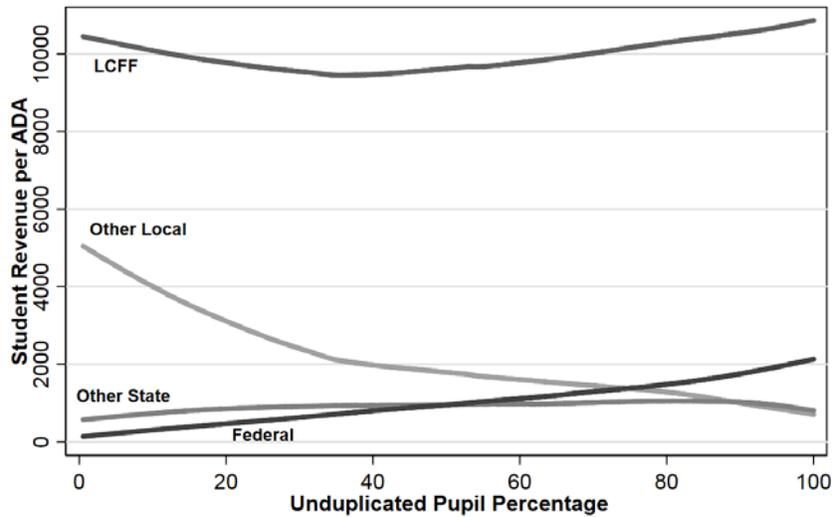


Figure 4. Student revenue sources and unduplicated pupil shares, California districts in 2016-17. Lines are lowest curves. Excludes districts ever having ADA < 250. 2017 dollars.

The share of students who are eligible for free- or reduced-price lunch – FRL, a targeted characteristic under the LCFF – is almost perfectly correlated with districts’ UPPs ($r = .99$). Thus, as illustrated in Table 4, the distribution of resources across districts with different FRL eligibility rates is almost identical to the distribution across districts with different UPPs. Districts with larger shares of students who are English language learners (ELs) – also a targeted student characteristic under LCFF – also tend to have larger resources. However, the correlation between EL shares and UPPs ($r = .72$), while strong, is somewhat weaker than in the case of FRL shares, and this is apparent in the distribution of resources in Table 4. Districts with the largest shares of ELs do receive larger per-ADA LCFF revenues, but the difference is smaller than in the case of FRL shares. Additionally, while districts with the largest shares of ELs also receive more federal revenue, they generate less other local revenue and receive roughly similar levels of other state revenue compared to other districts. Overall, then, while they are more highly-resourced than districts with the smallest shares of ELs, districts with the largest EL shares have if anything slightly lower resource levels than districts with intermediate shares.

The LCFF explicitly targets groups of disadvantaged students for additional resources, but the student characteristics that are targeted are not necessarily correlated with other student characteristics, such as race, that are often relevant to questions of educational equity. For example, as shown in Figure 5, the share of students in each district that is considered disadvantaged under the LCFF is correlated strongly with the share of students who are Hispanic ($r = .80$), but only weakly with the share who are black ($r = .15$). These differential relationships with UPPs raise the possibility that some student populations will be differentially impacted by the LCFF’s funding reforms.

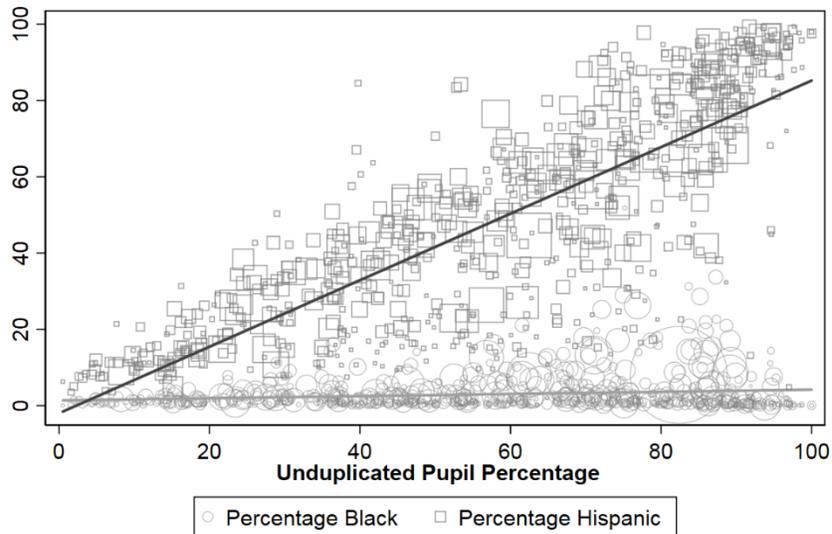


Figure 5. Student race and unduplicated shares, California districts in 2016-17. Excludes districts ever having ADA < 250. Marker size proportional to ADA.

The implications of this are illustrated in Table 4. Districts with the largest shares of students who are black or Hispanic are more highly-resourced than districts with the smallest shares, though the differences are smaller than what is observed across districts with different UP or FRL shares: 7 and 21 percent, respectively, using student resources. The relative weakness of the relationship between UPPs and the share of students who are black is apparent when considering LCFF revenues in particular; LCFF revenues are higher in districts with more Hispanic students, but are highest in districts with the fewest black students. And unlike in the case of UP shares, districts with the smallest shares of black and Hispanic students have somewhat higher student resource levels than districts with intermediate shares. Perhaps unsurprisingly, the LCFF appears to more effectively distribute resources to the students it explicitly targets (e.g., based on economic status) than to those who may be educationally disadvantaged for other reasons (e.g., on the basis of their racial background).

District Resources over Time

Figure 6 illustrates changes in districts' resources between the 2004-5 and 2016-17 school years with and without making non-student exclusions. The impact of the Great Recession and subsequent recovery are evident, as is the ramp-up of school funding associated with the LCFF. In fact, both total and student-focused resources were higher in real, per-ADA terms in the 2016-17 school year than in any previous year for which SACS is available. The gap between total and student resources expanded noticeably in 2016-17 largely as a consequence of increased proceeds from bond sales, which are generally for capital investment purposes and thus excluded from student resource measures. For example, 257 districts reported proceeds from bond sales in 2016-17, up from 143 in the previous year.

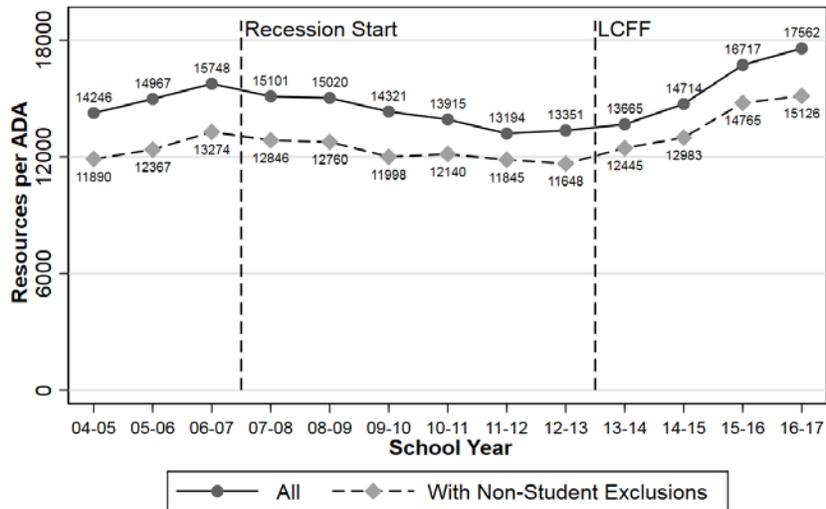


Figure 6. Average revenue and other financing per ADA in California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes districts ever having ADA < 250.

As is evident in Figure 7, the composition of districts’ resources has changed somewhat over time as well. This is especially true under LCFF, which has seen both increases in the total state financial commitment to districts and a shift in that funding away from categorical aid and toward more flexible revenue limit/LCFF sources.²⁷ It is this recent increase in state revenues that has driven most of the recent increase in resources available to districts. Federal revenues appear to have become more important in both absolute and proportional terms for districts during and immediately after the recession. Despite aforementioned bond sale proceeds being excluded from Figure 7, recent growth in non-revenue financing is nevertheless apparent in 2016-17. The nature of this financing is difficult to discern in SACS but may suggest that districts are increasingly optimistic about their financial outlooks. Local revenues have increased slowly – but fairly steadily – since 2004-5.

²⁷ LCFF revenues are generally no longer referred to as “revenue limit” resources, but they are allocated in a conceptually similar way, with the state providing general purpose per-pupil grants to LEAs up to some predetermined minimum funding target. Accordingly, SACS classifies revenues from LCFF sources using the same object codes (8010-8099) that were previously used for revenue limit sources and I therefore treat them similarly in their respective years.

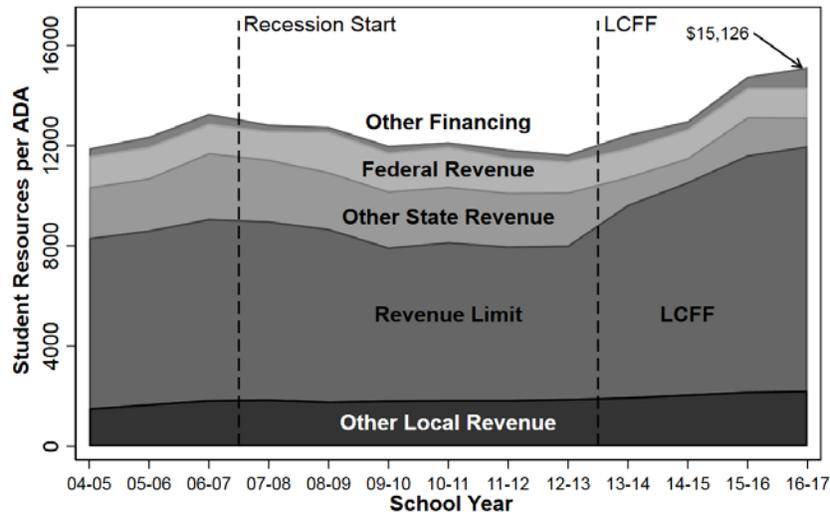


Figure 7. Student resources per ADA by source. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes districts ever having ADA < 250.

These changes in the composition of district funding are potentially important for district operations because they are associated with changes in the constraints districts face in how they can allocate the resources they receive. This can be seen in Figure 8, which shows the extent to which district revenues have been associated with spending restrictions or reporting requirements over time. As described above, in the aftermath of the Great Recession districts received some additional spending flexibility as many state categorical grants were converted into flexible block grants (albeit while also being cut). Many more categorical grants then were folded into district general-purpose LCFF funding, giving districts greater flexibility still. In the 2007-2008 school year, which began just prior to the recession, district student revenues (without other financing) averaged \$12,586 per ADA, 29 percent of which was restricted in the manner in which it could be spent. By 2016-17, district revenues had not only increased to \$14,305 per ADA, the share of that revenue subject to spending restrictions had fallen to 20 percent. This was accompanied by an increase in the share of unrestricted revenues for which districts had to account more carefully (from four percent to 11 percent),²⁸ but the increase in spending flexibility enjoyed by districts appears nevertheless to have been substantial.

²⁸ The increase in reporting requirements for unrestricted revenues is due primarily to the passage of Proposition 30 in 2012. Prop. 30 increased taxes to fund education and created the statewide Education Protection Account to receive and disperse the new revenue. Districts must document the manner in which these monies are spent.

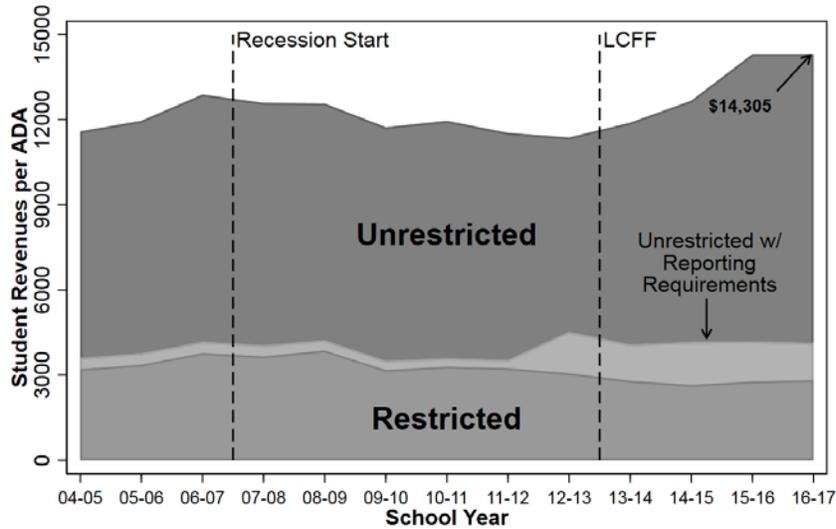


Figure 8. Restricted and unrestricted student revenues per ADA. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes districts ever having ADA < 250.

The distribution of resources over time. California’s recent school funding reforms have been intended to change both the level of resources available to districts, and also the distribution of those resources across districts. To what extent has that distribution changed over time? Figure 9a shows the difference in student resources over time between districts with the highest and lowest levels of per-ADA resources. Perhaps surprisingly, differences between the highest- and lowest-resourced districts – those in the top and bottom quartiles of per-ADA student resources, respectively – have not narrowed substantially since before the recession, and in fact have grown fairly consistently since the 2004-5 school year. In that year, districts in the top quartile of student resources received \$5,966 (64 percent) more per ADA in student resources than districts in the bottom quartile. By the 2007-8 school year that difference had increased to \$6,736 (67 percent).

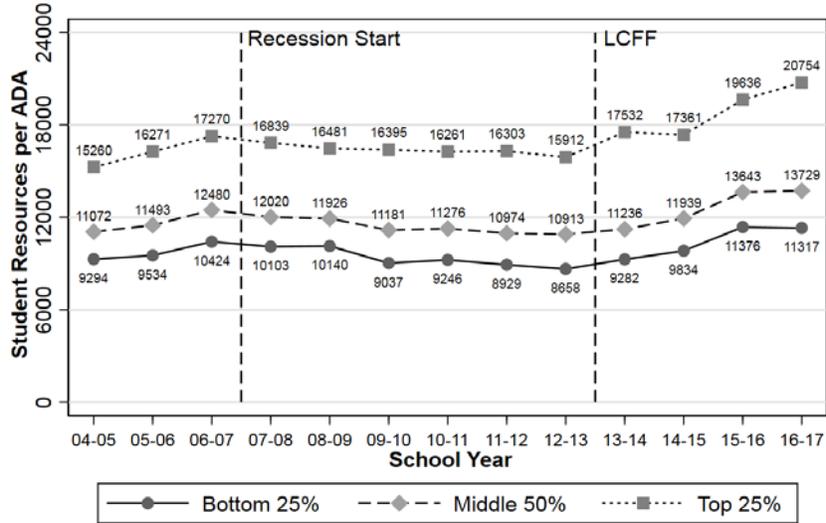


Figure 9a. Student resources per ADA by district resource level. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes districts ever having ADA < 250.

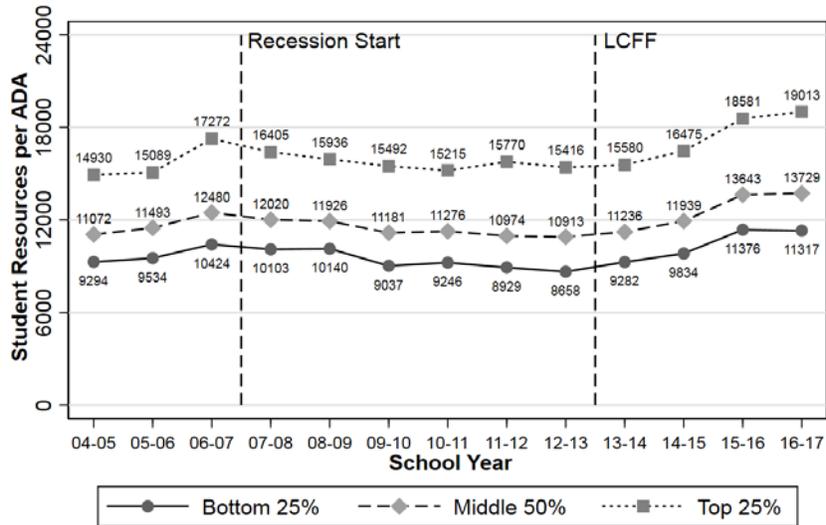


Figure 9b. Student resources per ADA by district resource level. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

The gap grew further after the recession. Just prior to the implementation of the LCFF, during the 2012-13 school year, the resource gap between the highest- and lowest-resourced districts had grown to \$7,254, meaning that on an ADA-weighted basis the highest-resourced districts had 84 percent more student resources than the lowest-resourced districts. As the LCFF has been implemented, the gap has continued to grow in absolute terms – to \$9,437 per ADA in 2016-17 – though it has remained roughly constant in proportional terms (83 percent). As shown in Figure 9b, these gaps are driven to some extent by the presence of LAUSD among the highest-resourced districts, though the magnitude of LAUSD’s impact varies over time. Excluding LAUSD altogether reduces the gap between the highest- and lowest-resourced districts by only six percent in 2004-5 (to \$5,636), but by 18 percent in 2016-17 (to \$7,696).

However, there has also been some movement of individual districts across these resource categories over time: 32 percent of districts are in a different resource level category in 2016-17 than they were in 2004-5. This does appear to be driving (or obscuring) resource changes over time to some degree. As shown in Figure 10, the basic pattern is qualitatively similar if instead districts are grouped by their initial (2004-5) resource level, though the gaps are smaller. Districts in the top quartile of per-ADA student resources in 2004-5 continued to be substantially higher-resourced in 2016-17, receiving \$7,524 (61 percent) more per ADA than districts that were in the bottom quartile in 2004-5, proportionally similar to the gap between them in 2004-5 (64 percent or \$5,966). Thus, while district resource levels have changed substantially over the years, these changes have often been similar across many kinds of districts. Districts' relative resource levels have therefore changed more modestly.

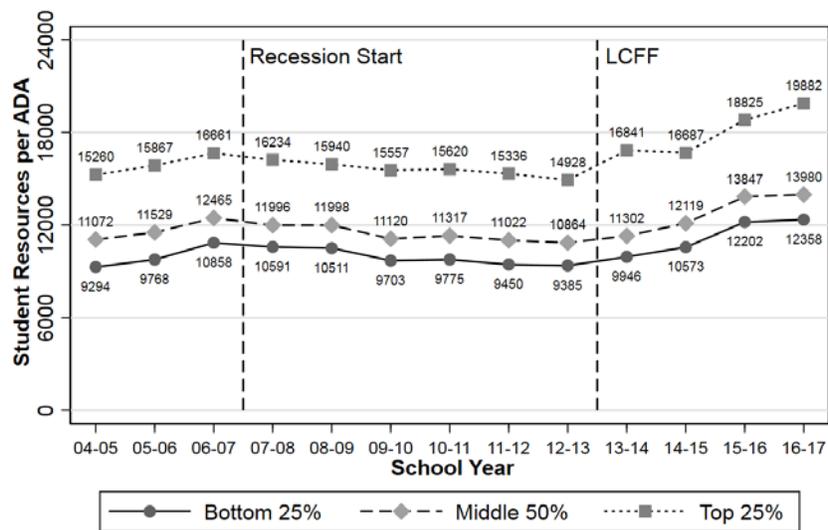


Figure 10. Student resources per ADA by district resource levels in 2004-5. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes districts ever having ADA < 250.

We can also see how the level of resources available to districts with different characteristics has changed over time. The CDE did not collect unduplicated pupil counts for districts prior to the LCFF but, as mentioned above, free- and reduced-price lunch (FRL) eligibility correlates with UPP very highly. Comparing revenue levels between districts with higher and lower levels of FRL eligibility is therefore both interesting in itself and suggestive of what we would see if we could observe UPPs prior to 2013-14. Figure 11a illustrates student revenue levels in districts over time weighted by districts' FRL-eligible or FRL-ineligible enrollment rather than overall ADA. Because a district has a weight in this measure that is proportional to the number of FRL-eligible (-ineligible) students in its schools, and will only have a weight at all if it has some such students, this provides a measure of the revenue level in districts for the "average" FRL-eligible (-ineligible) student, and thus of revenue progressivity.²⁹

²⁹ This is similar to the method used by Chingos and Blagg (2017) to estimate school district resource progressivity, though they use poverty status rather than FRL-eligibility. To obtain FRL-eligible enrollments I simply multiply each district's ADA by the share of students in the district who are eligible for FRL.

As shown in Figure 11a, FRL-weighted revenue levels have been consistently, if often only modestly, higher than non-FRL-weighted revenue levels, indicating that FRL-eligible students are on average in more highly-resourced districts than are FRL-ineligible students. This revenue advantage appears to have grown somewhat since the adoption of LCFF, from \$422 (four percent) in 2012-13 to \$960 (seven percent) in 2016-17. A similar exercise weighting districts on the basis of their EL or non-EL enrollment produces a qualitatively similar result, albeit one smaller in magnitude (Figure 12a). In 2012-13, the “average” English learner was enrolled in a district receiving \$216 per ADA (two percent) more revenue than the “average” non-English learner. By 2016-17 that difference had grown to \$443 (three percent). In both absolute and proportional terms these are the largest that these differences have been in many years, suggesting that LCFF is having at least some success increasing the progressivity with which educational resources are distributed, though the differences were similar or larger prior to the Recession.

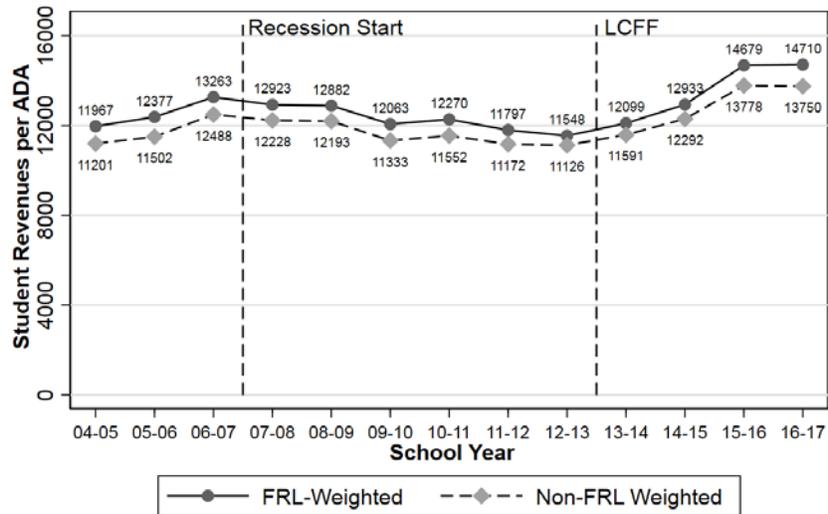


Figure 11a. Student revenues per ADA weighted by FRL and non-FRL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

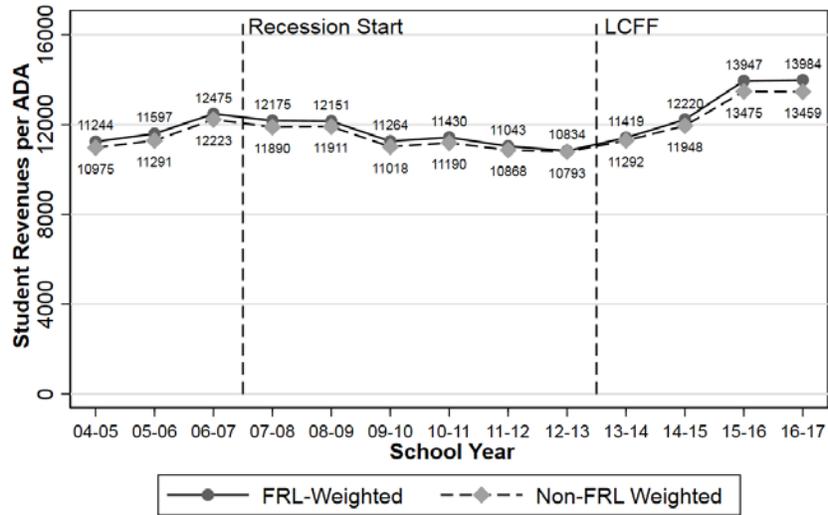


Figure 11b. Student revenues per ADA weighted by FRL and non-FRL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

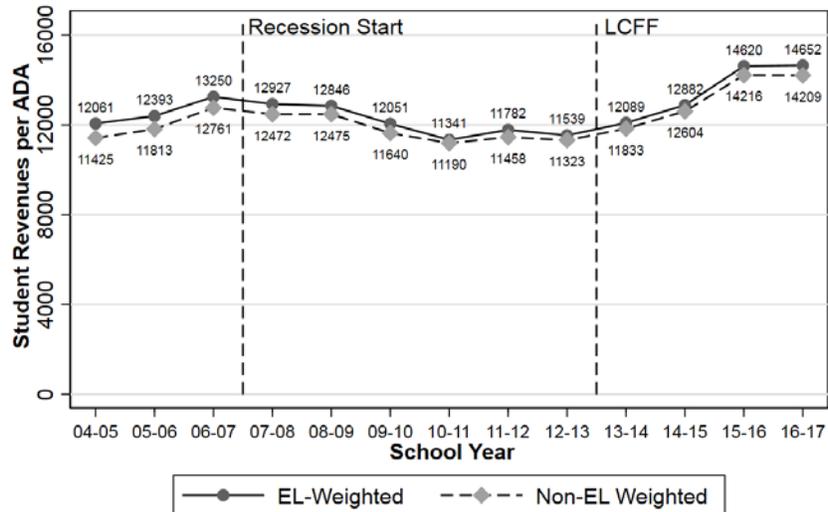


Figure 12a. Student revenues per ADA weighted by EL and non-EL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

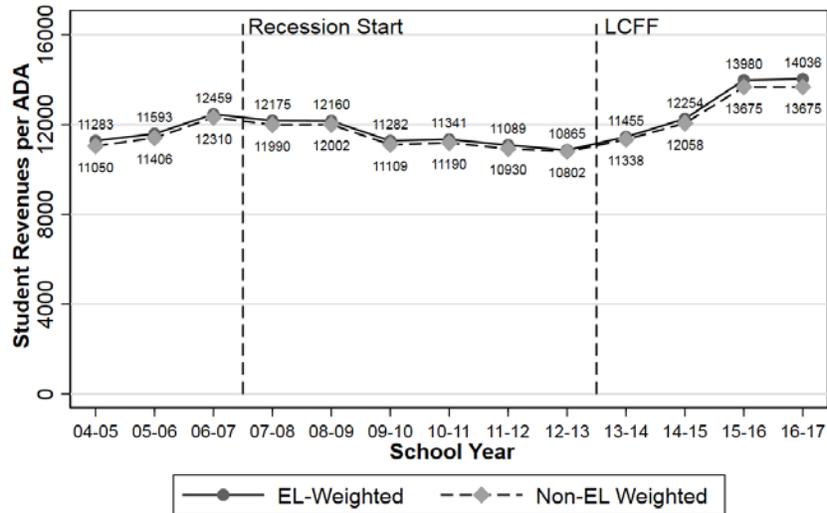


Figure 12b. Student resources per ADA weighted by EL and non-EL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

An important caveat is that these measures are somewhat sensitive to the presence of LAUSD, which in addition to being highly resourced enrolls more than 14 percent of FRL-eligible students in the state, and 13 percent of the ELs. As shown in Figures 11b and 12b, when LAUSD is excluded from this exercise the revenue advantages observed for FRL-eligible students and ELs shrinks substantially, and essentially disappear in some years. However, a similar pattern of increasing progressivity over time is apparent, with the revenue advantages between FRL-eligible and -ineligible students in 2016-17 (\$525, or four percent) and EL and non-EL students (\$362, or three percent) larger than at any time since at least 2004-5. This is again consistent with LCFF meeting at least some of its distributional objectives, even in the absence of LAUSD.

Summary

- California districts were on average more highly-resourced in 2016-17 than at any point since at least 2004-5, receiving \$17,562/ADA in all resources and \$15,126/ADA in student resources.
 - 86 percent of all district resources consisted of revenues, as opposed to other sources of financing. Of those revenues, 77 percent was unrestricted in how it could be spent and 65 percent came from LCFF sources.
- There was considerable variation in district resource levels in 2016-17. For example, districts at the 75th percentile had 27 percent higher student resources per ADA than districts at the 25th percentile, \$16,005 vs. \$12,591.
 - However, how resources are defined matters. If all resources are considered, including those for capital investments, districts at the 75th percentile had 43 percent higher resource per ADA than districts at the 25th percentile, \$19,827 vs. \$13,843.
- Basic aid districts have student resource levels that are nearly \$4,000/ADA higher than non-basic aid districts, and total resource levels that are more than \$7,000/ADA higher.

This is due to the fact that basic aid districts raise substantially more local revenue on average and engage in more non-revenue financing.

- Districts' per-ADA resources are generally increasing in the share of students who are unduplicated, eligible for free- or reduced-price lunch, English learners, black, or Hispanic. However, these relationships are often weaker at lower shares of these student groups, are weaker for Hispanic and, especially, black students than for low-income students, and are driven to a substantial degree by larger districts (e.g., LAUSD).
- Since 2004-5, including under the Local Control Funding Formula (LCFF), many districts have seen broadly similar increases (or decreases) in their resource levels. Thus, over time the *relative* resource levels of districts have changed only modestly.
 - Consistent with the objectives of LCFF, increases in district resource levels since 2013-14 appear to have occurred disproportionately in districts enrolling larger numbers of lower-income students or English learners.

Expenditures

In this section I look at districts' expenditures, beginning with a discussion of how I construct expenditure measures from the SACS data files. I then summarize districts' expenditures in 2016-17 along a number of dimensions, and consider the implications of measuring expenditures in different ways. I then compare expenditures across districts with different characteristics, and then look at how district expenditures have changed since 2004-5.

Methods

The greater detail available in SACS for characterizing district expenditures allows for many different ways of classifying those expenditures. I largely follow Loeb, Grissom, and Strunk (2007) in exploiting that detail to account for educational spending in a variety of ways. Specifically, there are four main accounting issues to consider when characterizing district spending.

First, *which SACS transactions should be considered true spending?* SACS defines as "expenditures and other financing uses" object codes 1000-7999, but many of these transactions do not obviously capture district spending. In some cases the appropriate choice is straightforward. For example, transfers between funds (object codes 7600-7629) are a type of outgo from one fund in a district to another, but they involve no purchase of a good or service or even a change in total district resources, and thus should probably not be considered expenditures. In other cases the answer is less obvious because SACS classifies as expenditures many transactions that consist of transfers to other LEAs, such as tuition payments for students receiving services from other LEAs under interdistrict attendance agreements. From the spending district's point of view these are plausibly thought of as expenditures. However, when aggregating spending across districts these transfers are likely to be double-counted: once when a district makes the transfer to another LEA, and again when the receiving LEA spends the money on service provision. I therefore exclude from expenditures not only interfund transfers, but also various tuition payments and other transfers to other LEAs.

Second, *how should spending conducted by other districts and non-district agencies be dealt with?* In many cases, educational services provided to a district's students are provided through some other LEA. Whether those services are funded by the students' district of attendance or by some other entity, neglecting these expenditures will significantly understate the total educational spending on those students. It may also cause us to substantially misattribute spending across districts, since in some cases a school district will serve as an accounting entity for a multi-district organization and thus appear to be engaging in disproportionately large amounts of spending that are better attributed to other member districts.

There is no perfect way to deal with these issues, but SACS allows the following solutions for what are likely the two most significant non-district agency types: county offices of education (COEs) and special education local plan areas (SELPA). In particular, I construct alternative definitions of expenditure that attempt to account for COE and SELPA activities. For COEs, I take all spending by a county office of education and redistribute it on an ADA-weighted basis to all districts in the county. (Recall that I do not classify transfers from districts to COEs as expenditures, minimizing the risk of double-counting spending.) SELPAs – consortia of districts of sufficient size to provide special education services to the students of member districts – are handled similarly, if less precisely. SELPAs generally do not report financial information separately through SACS. Rather, each SELPA designates an “administrative unit” – a district or COE – to serve as the accounting entity for the SELPA. Because there is no way to know precisely which district's students a SELPA's expenditures are for, this spending cannot be perfectly attributed to individual districts, but also arguably should not be attributed entirely to the administrative unit. I therefore first aggregate all spending on special education within a SELPA – as identified by either goal or function codes for special education – and distribute it evenly (on an ADA-weighted basis)³⁰ to all of the SELPA's member districts.

Both of these adjustments are crude and depart substantially from the typical ways in which district expenditures are reported in California. In most of the analyses that follow I therefore rely primarily on the unadjusted spending figures, attributing spending to the district that reports it in SACS. However, the adjustments may nevertheless be illustrative and so I briefly consider their implications below.

Third, *which expenditures are germane to the operation of schools for K-12 students?* One plausible answer is that all expenditures are relevant, particularly if we want a complete picture of educational spending in the public school system. However, districts engage in many activities that are not obviously relevant to the day-to-day experiences of K-12 students, and to the extent that we are interested primarily in those educational experiences we may wish to exclude expenditures on those other operations. I therefore construct two measures of expenditures: *total* expenditures (which includes all expenditures) and *student* expenditures, a subset of total expenditures that excludes spending on infant, pre-K, and adult education,

³⁰ It would perhaps be preferable to weight instead by the number of students who are SPED-eligible in each district but those figures are not consistently available for all districts in all years. When both are available, districts' ADAs and SPED enrollments are correlated at $r = .99$.

capital (except equipment replacement), debt service costs, benefits for former employees, the return of PERS savings to the state (so-called PERS reductions),³¹ and spending on services to other agencies or to the community. This distinction roughly parallels the distinction drawn between total and student resources above and is again similar to the logic by which the CDE calculates its current expense of education figures.

Finally, *which funds are of interest?* Recall that SACS requires that LEAs organize their finances into self-balancing sets of accounts – funds – based on the purposes those resources are intended to accomplish. In most cases readers are likely to be interested in expenditures regardless of the fund from which they originate and so the primary definition of expenditures used here – Definition 1 – will include total or student expenditures originating from any fund.³² However, in many cases when the CDE constructs its measures of educational spending, it not only excludes non-student expenditures in a manner similar to what is described above, it includes only expenditures made from the general fund, the chief – and largest – operating fund for most LEAs. I therefore also use a secondary definition of expenditures – Definition 2 – that includes only spending from the general fund. Because I also distinguish total and student expenditures, this produces a total of *four* measures of expenditure: total and student expenditure measures, each defined using spending from all funds and spending from the general fund only. These decisions are summarized in Table 6.

³¹ Prior to 2013-14 districts' revenue limits were reduced by the state when their required contributions to the Public Employees' Retirement System fell below a certain amount. These so-called "PERS reductions" allowed the state to effectively capture these PERS savings for itself, and were accounted for in SACS through a combination of revenue and expenditure object codes.

³² Recall that because I exclude charter schools that do not report financial information through the general fund of an affiliated district, I also exclude funds dedicated to accounting for the operations of those charter schools.

Table 6. Excluded Expenditures

Transactions to Exclude	SACS Codes	Reason for Exclusion
<i>Exclusions from Total Expenditures</i>		
Revenues and other financing sources	Objects \geq 8000	These are object codes used for revenues and other sources of financing, not for spending.
Tuition payments	Objects 7100-7199	Primarily payments to other LEAs that will be counted as spending by the receiving LEA.
Transfers to county offices of education, charter schools, or other districts	Objects 7211, 7212, 7221, 7222, 7280, 7281, 7282	Will be counted as spending by the receiving LEA.
Interfund transfers out	Objects 7600-7629	Transfers between funds within LEAs do not decrease resources available to those LEAs.
STRS On-Behalf Contributions	Resource 7690	These expenditures account for activities of the state, rather than activities of the LEA.
<i>Exclusions from Student Expenditures</i>		
Pre-K and Adult education	Goals 0001-0999, 4000-4749, 5710, 5730	Will tend not to serve K-12 students directly.
PERS reductions	Objects 3800-3899	Represent adjustments to the revenue limit (and thus to district resources) for savings on PERS contributions, rather than expenditures <i>per se</i> .
Capital	Objects 6000-6499, 6501-6999 Function 8500	Will tend not to serve K-12 students directly, and can fluctuate dramatically from year to year. Object 6500 (equipment replacement) is included as student spending.
Retiree benefits	Objects 3701-3702	Will tend not to serve K-12 students directly.
Non-agency or community services	Goals 7100-7199, 8100 Functions 5000-5999	Will tend not to serve a district's own students.
Debt service	Objects 7430-7439 Function 9100	Will tend not to serve K-12 students directly.

District Expenditures in 2016-17

The implications of these decisions are illustrated in Table 7. On an ADA-weighted basis districts spend an average of \$16,226 per ADA. However, when consideration is limited to spending from the general fund only, that figure falls (as it must, since the general fund is a subset of all funds) by 27 percent, to \$11,766. At the same time, total district spending increases by five percent, to \$17,023, when spending from SELPAs and COEs is accounted for and redistributed to member districts. The increase in average spending is driven almost entirely by redistributing spending by COEs, since most SELPA spending is already accounted for by the districts that serve as administrative units; redistributing SELPA spending alone increases mean spending levels by less than one dollar on average. As expected, however, redistributing special education spending within SELPAs does in most cases slightly reduce the variation in spending between districts because districts serving as SELPA administrative units are no longer assumed to be conducting all of their special education expenditures on their own students.

Table 7. Expenditures per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	16226	13384	15029	17545	11766	10576	11748	12650
w/ SELPA Adjustment	16226	13269	15031	17545	11766	10641	11613	12658
w/ COE Adjustment	17023	14186	15848	18097	12448	11174	12352	13387
w/ COE & SELPA Adjustments	17023	14101	15903	18097	12448	11285	12314	13353
Student	12432	11036	12097	13582	11226	10130	11117	11907
w/ SELPA Adjustment	12432	11016	12097	13533	11226	10203	11066	11885
w/ COE Adjustment	13022	11507	12690	14145	11778	10672	11634	12624
w/ COE & SELPA Adjustments	13022	11607	12705	13982	11778	10698	11617	12568
Districts	716							

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

As with resources, how spending is defined matters a great deal. For example, comparing total spending by districts (unadjusted for COE and SELPA spending) to student spending from the general fund suggests that much district spending – as much as 31 percent, or \$5,000 per ADA – is missed when attention is restricted to expenditures made by districts from the general fund. Differences when considering different definitions of student spending tend to be smaller, in part because non-student expenditures are disproportionately likely to be made from funds other than the general fund. Of note, the measure of per-ADA student spending originating from the general fund - \$11,226 - corresponds most closely to the CDE’s current expense of education. Across these districts in all years the two measures correlate at $r = .98$ and differ by \$35 on average.³³

The redistribution of SELPA and COE spending highlights that a meaningful fraction, perhaps five percent, of district resources are not captured by looking at individual districts in isolation. However, this is not an ideal way to deal with spending by either COEs or SELPAs, since it is unlikely that that spending is in fact spent uniformly across districts. For example, COEs may provide services disproportionately to districts with smaller enrollments and that therefore lack economies of scale enjoyed by other districts, or may provide services to students who are not enrolled in districts at all. Because the nature of this spending is difficult to attribute to individual districts, in the discussion that follows I use unadjusted district spending figures (i.e., without redistributing COE and special education spending), and consider COE spending in more detail in a subsequent section of this report. The district figures below therefore better reflect expenditures as they are reported by districts to the CDE and better correspond to the revenue and financing figures considered above, but readers should bear in mind that LEAs provide substantial educational services to one another that may not be explicitly captured here.³⁴

³³ Beginning in 2014-15 California began including the state’s STRS contributions for districts’ teachers in each district’s current expense of education. As discussed above, those expenditures are not included in the district figures presented here. Differences between the general fund-only student spending and current expense of education figures are thus larger in recent years.

³⁴ For a more detailed discussion of special education finance and governance in California, see Warren and Hill (2018).

As was the case with district resources, no matter how spending is defined in Table 7, the mean value is greater than the median and variation between districts is substantial. This again reflects the nature of California’s school funding system, which sets minimum funding floors for districts while also allowing districts to spend far more than that in many cases. This pattern is illustrated in Figure 13, which illustrates the distribution of total spending levels across districts (again, without making SELPA or COE adjustments). By this measure, only 11 districts (1.5 percent) spend less than \$10,000 per ADA and none spend less than \$8,746. At the other extreme, 68 districts (9.5 percent) spend more than \$20,000 per ADA. However, districts enroll very different numbers of students, and districts with unusually high or low per-ADA spending levels are often very small. Thus the spending of the typical district may not reflect the spending experienced by a typical student. This can be seen by comparing the top and bottom panels in Figure 13; the lowest-spending districts enroll only a tiny fraction of students (as measured by ADA). While one-quarter of districts spend less than \$12,430 per ADA, less than 15 percent of students are in those districts. Largely because of the presence of LAUSD, the story is reversed among the highest-spending districts. One-quarter of districts spend more than \$16,236 per ADA, but those districts enroll more than one-third of students. LAUSD alone accounts for approximately nine percent of the ADA represented by these districts; it is clearly visible as the spike in the lower panel of Figure 13.

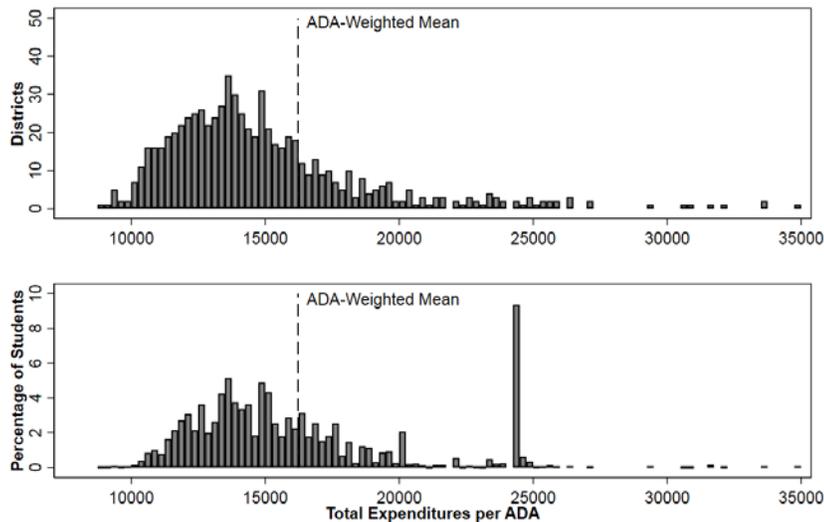


Figure 13. The distribution of total spending levels in California, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA spending > \$35,000.

The distribution of total spending levels can be misleading, even when measured on a per-ADA basis, because districts may have very different cost structures and be responsible for very different services, not all of which will be germane to the instructional experiences of the K-12 students represented in the ADA figures used here. This is where the student/non-student spending distinction can be valuable, with the student spending measure capturing more precisely those expenditures that are for everyday K-12 operations, and again better reflecting the official current expense of education figures constructed by the CDE. As shown in Table 8, student spending (with an interquartile range of \$2,546) exhibits somewhat less variation across

districts than does total spending (with an interquartile range of \$4,161). To see why that is, Table 8 also breaks non-student spending into its component parts.

Table 8. Student and Non-Student Spending per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	16226	13384	15029	17545	11766	10576	11748	12650
Student	12432	11036	12097	13582	11226	10130	11117	11907
Non-student	3794	1703	2802	4686	540	310	470	614
<i>Capital & Facilities</i>	1357	586	1160	1778	181	64	126	195
<i>Debt Service</i>	1879	526	920	1988	37	0	5	40
<i>Infant, Pre-K, & Adult</i>	350	133	265	478	144	46	111	198
<i>Non-agency & Community Services</i>	112	14	43	137	84	9	31	103
<i>Retiree Benefits</i>	104	31	68	115	97	25	62	107
Districts	716				716			

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Non-student spending categories are not mutually exclusive, and may therefore sum to slightly more than total non-student spending figures.

Unsurprisingly, non-student spending varies substantially across districts, having an interquartile range (\$2,983) that is more than three-quarters as large as the mean (\$3,794). Non-student spending also comes primarily (86 percent) from outside the general fund, reflecting the general fund’s purpose of accounting for districts’ “ordinary operations” (California Department of Education, 2016, p. 305-4). This is almost exactly the reverse of the case with student spending, 90 percent of which is conducted from the general fund. The largest component (50 percent) of non-student spending is debt service costs, such as interest payments or the repayment of principal, though as shown in Appendix C, mean per-ADA debt service spending is substantially (21 percent) lower if LAUSD is excluded. Capital costs, such as land acquisition and building improvement, are the next-largest component (36 percent) of non-student spending.^{35,36} These costs also vary considerably across districts, though they will also tend to vary substantially within districts over time (e.g., during years in which districts undergo major facilities renovations). Smaller amounts dedicated to pre-kindergarten and adult education and services to other LEAs or to the community. Spending on retiree benefits is not high by this metric – on average, only \$104 per pupil, less than one percent of all spending – but consistent with the CDE’s current expense of education calculation this measure excludes expenditures on retirement benefits for active employees, such as pension contributions, which are instead considered student spending.³⁷ The extent to which excluding these non-student expenditures reduces variation across districts can be seen visually by contrasting the distribution of total expenditures in Figure 13 (above) to the distribution of student spending in

³⁵ These non-student spending categories are not mutually exclusive and thus may add up to more than the total amount of non-student spending. In practice, however, they overlap little.

³⁶ For more information about school facilities financing in California, see Brunner and Vincent (2018).

³⁷ For a small number of districts retiree benefit costs are much greater than this, exceeding \$500 per ADA in 12 districts in 2016-17 and reaching as high as \$913 per ADA.

Figure 14 (below). The axes have been preserved across the two sets of charts to facilitate comparison.

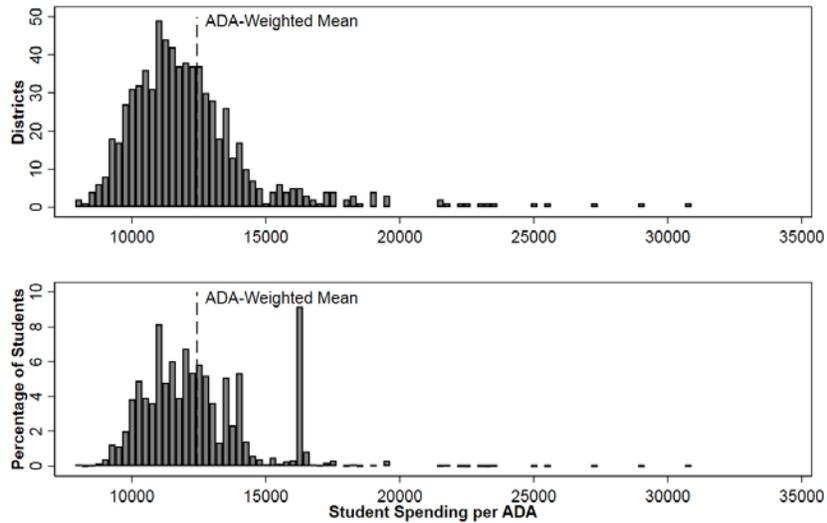


Figure 14. The distribution of student spending levels in California, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA student spending > \$35,000.

Subcategories of student spending. In the discussion that follows I focus on these student expenditures and consider them in greater detail, using the various SACS codes by which districts categorize their expenditures. I consider goal, function, and object code classifications separately.³⁸ I include spending from all funds, but do not make adjustments for COE or SELPA spending. Because the total number of codes available to districts is large, I group codes together as they are grouped in the SACS documentation. In some cases I also break out smaller groups of codes or individual codes when they may be of interest, though these will generally not be exhaustive of the larger group of codes from which they come.

Student spending by goal. Recall that SACS requires all expenditures to be associated with a goal code indicating the general district objective being advanced, such as special education for severely disabled students (goal code 5750) or career technical education (goal code 3800). Examining the distribution of spending by goal code can therefore illuminate the composition of the broad agendas of California districts. This is complicated by the fact that unlike the other (function and object) codes considered below, SACS allows districts to classify expenditures as not being immediately assignable to a goal. Such transactions are given a goal code of “0000” and can in principle be redistributed to other goal codes at some later time. In practice, however, a portion of district expenditures remain “undistributed” to specific goals in the SACS files released by the CDE.

³⁸ It is also possible to classify expenditures using combinations of goal, function, and object codes. The number of possible code combinations quickly becomes unwieldy; such analyses may be useful for specific purposes but do not qualitatively change the picture of general district resource allocation presented below and so are not included here.

Table 9. Student Spending per ADA on Goals (All Funds), 2016-17

	SACS Goal Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
General K-12	1000-3999	8372	7646	8230	9008	68
<i>Regular K-12</i>	1110	8054	7292	7885	8663	65
<i>Vocational Education</i>	3800	96	6	54	143	1
SPED Services	5000-5999	2192	1785	2166	2560	18
<i>Severely Disabled, 5-22</i>	5750	679	318	631	1000	5
Supplemental K-12	4750-4999	102	0	22	121	1
<i>Bilingual Education</i>	4760	89	0	7	103	1
Regional Occupation Centers & Programs	6000-6999	35	0	0	62	0
Other Goals	7000-9000	63	0	5	49	0
Districts		716				

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Pre-K and adult educational spending is excluded from student spending measures.

Table 9 summarizes district spending by goal. More than two-thirds of expenditures are classified as for *general K-12 education*, which includes virtually all of the educational experiences for K-12 students that are not classified as special education. The vast majority (96 percent) of that spending is, in turn, for *regular K-12 education*, or traditional educational experiences provided to all, or nearly all, of the students in a district. This leaves relatively little for more specialized educational programs, such as *vocational or career technical education (CTE)*.³⁹ Most of what districts do not spend on general education they spend on *special education services* for students with disabilities or exceptional learning needs. Thirty-one percent of special education spending (five percent of all student spending) is for *severely disabled students, ages 5-22*, or those who require particularly intensive services due to, for example, autism or blindness.⁴⁰ Districts spend an average of \$102 per pupil on *supplemental K-12 education* services for students who have specific educational needs that are not considered part of the special education program. Unsurprisingly given California’s substantial population of English language learners, most (87 percent) of these services are for *bilingual education*, though they also include services for the children of migratory workers (e.g., agricultural workers or fishermen). *Regional occupation centers and programs (ROCPs)* provide another form of vocational education to both adults and older high school students. They do not account for even one half of one percent of districts’ student spending, but because ROCPs often operate – and thus report finances – as separate LEAs (viz., joint powers authorities) this somewhat understates their role. The remainder of student spending is for *other goals*, such as child care services. Because the definition of student spending employed here focuses on K-12 educational services, it includes no spending explicitly associated with pre-K or adult education, which are therefore not included in Table 9.

³⁹ Career technical education was until recently referred to as “vocational” education in SACS.

⁴⁰ These services may be extended to students over the age of 18 if they have not met particular curricular or proficiency standards.

Student spending by function (activity). In addition to defining the general goal an expenditure is intended to advance, districts are required in SACS to identify each expenditure with a function (or activity) by which that goal will be accomplished. For example, if an expenditure is to advance the goal of special education for severely disabled students (goal code 5750), it may do so by providing separate classes for special education students (function code 1110) or pupil testing services (function code 3160). If examining the distribution of spending by goal code illuminates districts' overall agendas, examining the distribution by function code illuminates the ways in which districts tend to operate: the services they provide, the manner in which their services are administered, and so on. A summary of district spending by function code is provided in Table 10.

Table 10. Student Spending per ADA on Functions/Activities (All Funds), 2016-17

	SACS Function Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
Instruction	1000-1999	7022	6469	6881	7597	57
<i>SPED Instruction</i>	<i>1100-1199</i>	<i>1421</i>	<i>1125</i>	<i>1366</i>	<i>1698</i>	<i>11</i>
Instruction-related Services	2000-2999	1400	1137	1377	1625	11
<i>Supervision of Instruction</i>	<i>2100</i>	<i>455</i>	<i>276</i>	<i>401</i>	<i>568</i>	<i>4</i>
Pupil Services	3000-3999	1446	1179	1428	1711	12
<i>Food Services</i>	<i>3700</i>	<i>495</i>	<i>346</i>	<i>509</i>	<i>627</i>	<i>4</i>
<i>Transportation Services</i>	<i>3600</i>	<i>264</i>	<i>190</i>	<i>258</i>	<i>313</i>	<i>2</i>
<i>Guidance/Counseling Services</i>	<i>3110</i>	<i>262</i>	<i>170</i>	<i>241</i>	<i>343</i>	<i>2</i>
<i>Psych/Attendance/Social Services</i>	<i>3120, 3130</i>	<i>182</i>	<i>130</i>	<i>175</i>	<i>223</i>	<i>1</i>
<i>Health Services</i>	<i>3140</i>	<i>136</i>	<i>84</i>	<i>123</i>	<i>173</i>	<i>1</i>
<i>Testing Services</i>	<i>3160</i>	<i>13</i>	<i>0</i>	<i>9</i>	<i>18</i>	<i>0</i>
Plant Services	8000-8999	1176	981	1149	1350	9
<i>Plant Maintenance</i>	<i>8100</i>	<i>552</i>	<i>20</i>	<i>348</i>	<i>1059</i>	<i>4</i>
General Administration	7000-7999	675	544	656	754	5
<i>Board & Superintendent</i>	<i>7100</i>	<i>106</i>	<i>54</i>	<i>95</i>	<i>116</i>	<i>1</i>
Enterprise	6000-6999	588	0	181	877	4
Ancillary Services	4000-4999	105	18	73	162	1
Other Outgo	9000-9999	21	0	0	0	0
Districts		716				

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Unsurprisingly, the largest share of student spending by far is on *instruction*, 20 percent of which is for *special education instruction*. Spending on instructional activities that are not special education are not classified in greater detail when they are reported to the CDE, but special education instruction includes: (1) *separate classes* for special education students; (2) *resource specialist instruction* for students assigned to such specialists for a majority of the day; (3) *supplemental services* for special education students to allow them to receive instruction in regular classrooms (e.g., aides or braille services); (4) contract services provided by *nonpublic agencies* when adequate publicly-provided services are not available; and (5) *other specialized instructional services* to provide to students instruction pertaining to their disability (e.g., how to read braille or use sign language).

SACS distinguishes instruction from instruction-related services, with the former involving direct interactions between teachers and students and the latter involving support services to facilitate instruction. Thus, instruction-related services include: (1) *instructional supervision and administration* to assist staff in preparing and delivering instruction (e.g., curriculum development and instructional coaching); (2) the operations of an *administrative unit for a SELPA*; (3) *instructional library, media, and technology* acquisition and use; (4) *other instructional resources* (e.g., to help promote parent involvement in student education); and (5) *school administration* (e.g., staff evaluation and department chairpersons). Instruction and instruction-related services collectively account for approximately two-thirds of student expenditures.

Pupil services represent the next largest share of spending. A plurality (34 percent) of pupil services spending is on *food services*, which includes both food purchases and the serving of meals. The next largest components of pupil service spending, each representing between one and two percent of all student spending, are *transportation services* to get students between home and school (e.g., bus driver training) and *guidance and counseling services*. Most of the remainder of pupil service spending is for *psychological, attendance, and social work services*, and *health services* (e.g., school nurses). Smaller amounts are dedicated to a range of other services including *testing services* (including for the coordination of standardized testing), *speech pathology and audiology services* (e.g., diagnosing speech impairments), and *other* (i.e., miscellaneous) *pupil services*.

Approximately nine percent of student spending - \$1,176 per ADA - is for *plant services*, which involve keeping facilities and equipment operational. This category of spending consists of a combination of *maintenance and operations* costs (e.g., for cleaning and repair) and costs for some kinds of *facilities rents and leases*. Note, however, that because what is considered here is a subset of student expenditures, many similar kinds of costs are excluded, most notably many of those associated with facilities acquisition and development.

Five percent of districts' student spending (\$675 per ADA) is for *general administration*, or administrative services required agency-wide. This includes costs associated with the *board of education and superintendent*, *external financial audits* (often required by law), *centralized data processing* (e.g., for district-level grade reporting), and *other general administration* (e.g., personnel costs incurred at the district level). A slightly smaller amount (\$588 per ADA) is spent on *enterprise* activities, or activities that are intended to be financed much as those of a private business would be, through user charges and fees, such as making school facilities available to rent by community groups. Districts spend an average of \$105 per ADA on *ancillary services*, typically for the purpose of providing students with extracurricular experiences, such as athletic programs, that are not essential to core instructional programs. The remainder of district activity spending is classified as *other outgo*, such as debt service costs or transfers to other agencies, though recall that many of these types of expenditure are excluded from student expenditure calculations specifically or are not considered expenditures at all.

Student spending by object. Perhaps the most specific codes associated with expenditures in SACS are object codes, which identify the good or service being purchased with an expenditure. To extend the hypothetical example above, if an expenditure advances the goal of special education for severely disabled students (goal code 5750) by providing separate classes for special education students (function code 1110), that expenditure may be to pay a certificated teacher's salary (object code 1100) or to purchase books or other reference materials (object code 4200). The distribution of spending by object code therefore sheds additional light on districts' cost structures, though recall that many of districts' costs (e.g., capital and retiree costs) are excluded altogether from this measure of student spending.⁴¹ Summary statistics for district spending by object code are presented in Table 11.

Most student spending – nearly 80 percent – is on staff compensation (i.e., salaries plus benefits), and three-quarters of that is on *salaries*. Salary spending is primarily for *certificated teachers*, who account for 59 percent of all salary spending. *Administrators* (certificated or otherwise) make up a much smaller share (nine percent) of salary spending, with the remainder going to other certificated staff (e.g., librarians and psychologists) and other classified staff (e.g., custodians). Districts spend \$2,475 per ADA on staff benefits for active employees, the majority of which consists of health and welfare benefits and retirement benefits. Retirement benefits in turn consist almost entirely (93 percent) of pension benefits (i.e., contributions to the State Teachers' Retirement System or the Public Employees' Retirement System). In 2016-17, after district contribution rate increases discussed above, these pension contributions account for seven percent of all student spending. (Below I consider in greater detail how these costs have changed over time.) *Other post-employment benefits (OPEBs)*, such as health and welfare benefits in retirement being earned by active employees, cost \$70 per ADA on average.

⁴¹ In many cases expenditures are initially "undistributed" to a goal because they are necessary for general district operations (e.g., general administration) and difficult to attribute to specific instructional goals at the time of expenditure. Many of these undistributed expenditures are subsequently reallocated to specific goals using standardized "allocation factors" (e.g., based on the share of teachers assigned to different instructional programs). Because these reallocations are not associated with specific objects, in some cases this results in my student spending measure being reduced by this reallocation process (e.g., because expenditures initially undistributed to a goal are reallocated to adult education) without reallocating spending on any particular object. When this occurs, I reduce student spending on all objects by the same proportion to maintain consistency with the overall student spending measure; on average this adjusts student spending on objects downward by 0.4 percent.

Table 11. Student Spending per ADA on Objects (All Funds), 2016-17

	SACS Object Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
K-12 Salaries	1000-2999	7250	6699	7188	7764	59
<i>K-12 Teacher Salaries</i>	1100	4272	3988	4245	4459	35
<i>K-12 Admin. & Supervisor Salaries</i>	1300, 2300	681	565	670	736	6
<i>Other Certificated Staff Salaries</i>	1000-1999 (other)	498	352	472	632	4
<i>Other Classified Staff Salaries</i>	2000-2999 (other)	1799	1571	1750	2052	15
Employee Benefits	3000-3999	2475	2079	2402	2764	20
H&W Benefits	3401, 3402	1078	821	1092	1384	9
Retirement Benefits	3101-3102, 3201-3202, 3701, 3702, 3751-3752	959	819	904	1004	8
<i>Pension Benefits</i>	3101-3102, 3201-3202	889	814	877	950	7
<i>Other Post-Employment Benefits</i>	3701-3702, 3751-3752	70	0	0	46	0
Services & Other Operating Expenditures	5000-5999	1862	1165	1536	2356	14
<i>Consulting & Operating Subagreements for Services</i>	5800	1033	454	709	1360	8
	5100	270	69	192	403	2
Books and Supplies	4000-4999	814	656	813	957	7
<i>Approved Textbooks & Curricula</i>	4100	121	44	100	179	1
Equipment Replacement	6500	10	0	0	8	0
Other Objects	7000-7999	20	0	0	0	0
Districts		716				

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

After staff compensation, the largest share of student spending by object is for *services and other operating expenditures*. This is a broad category of goods and services that includes (1) *subagreements for services* made with third parties (e.g., contracts with private schools to provide special education services or with companies to provide transportation services); (2) *travel and conferences*; (3) *dues and memberships*; (4) *insurance* (excluding employee benefits); (5) *operations and housekeeping services* (e.g., power and pest control); (6) *rentals, leases, repairs, and noncapitalized improvements* (e.g., low-cost building improvements); (7) *consulting services* (i.e., for services provided by individuals who are not on the LEA payroll); and (8) *communications* (e.g., postage and telephone service). Seven percent of student spending – \$814 per ADA – is on *books and supplies*. Only a fraction (15 percent) of that spending is on state- or district-*approved textbooks and core curricula materials*, with the rest going to *books and other reference materials* that are not specifically approved by relevant agencies as meeting specific subject matter requirements; *materials and supplies* (e.g., pencils and gasoline); *noncapitalized* (i.e., relatively low-cost) *equipment*; and *food*. The only *capital* expenditures not excluded from student spending measures are for *equipment replacement*, which are included in the state’s current expense of education calculations and include spending on equipment replaced on a piece-by-piece basis. The remainder of districts’ spending is for a variety of other miscellaneous objects including *tuition* costs and *transfers to other agencies*.

Differences in Expenditures by District Characteristics

As shown above, in many cases spending exhibits considerable variation across districts. Next, I consider the extent to which this variation is explicable by readily-observable district or student characteristics, much as I did with district resources. Because expenditures can be

classified in much greater detail than resources, each subsection below focuses on spending defined in different ways, and within each subsection I compare districts on the basis of basic aid status, urbanicity, grade level, student demographics, and, in some cases, resource level.

Total spending. As discussed above, perhaps five percent of educational spending is conducted by COEs and SELPAs. Different districts may rely on these other organizations to very different extents, for example because they are geographically isolated or have students with different educational needs. Unfortunately, because COE and SELPA spending cannot be linked directly to beneficiary districts, it is not possible to identify precisely the extent to which any individual district receives services from these agencies. Instead, to develop a rough picture of the significance of COEs and SELPAs I again simply redistribute their spending equally (on a per-ADA basis) to every district that they serve. Table 12 shows how this redistribution affects different kinds of districts.

Table 12. Mean Per-ADA Spending by District Characteristic, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments
Overall	16226	17023	12432	13022	11766	12448	11226	11778
Basic Aid Status								
Not Basic Aid	16025	16824	12326	12918	11644	12327	11101	11654
Basic Aid	21731	22476	15328	15886	15131	15777	14669	15178
Urbanicity								
Urban	17676	18469	13093	13683	12098	12780	11534	12086
Suburb	15021	15677	11816	12298	11374	11937	10883	11333
Town	14586	16130	11869	13018	11812	13102	11163	12239
Rural	14985	16531	12549	13685	12465	13770	11776	12859
Grade Levels								
Elementary	13971	15077	11436	12316	11099	12044	10569	11406
High	17149	17917	12956	13438	12546	13172	12077	12521
Unified	16729	17445	12639	13164	11851	12468	11299	11787
Percent Unduplicated								
Bottom 25%	15303	16034	11436	12018	11004	11651	10630	11179
Middle 50%	15532	16382	12017	12654	11544	12275	11018	11612
Upper 25%	17838	18596	13668	14194	12569	13200	11907	12398
Free- and Reduced-Price Lunch Eligibility								
Bottom 25%	15313	16081	11379	12002	10968	11652	10589	11177
Middle 50%	15544	16377	12063	12678	11584	12295	11054	11628
Upper 25%	17860	18624	13686	14216	12569	13206	11908	12404
Percent Black								
Bottom 25%	15584	16612	12835	13602	12616	13457	11858	12561
Middle 50%	15057	16009	11897	12633	11402	12232	10935	11623
Upper 25%	17081	17753	12765	13242	11946	12514	11375	11821
Percent Hispanic								
Bottom 25%	16041	16963	11726	12464	11468	12285	11072	11771
Middle 50%	15399	16200	11825	12431	11346	12037	10856	11422
Upper 25%	17564	18324	13558	14088	12498	13132	11844	12337
Percent English Learners								
Bottom 25%	14248	15546	11356	12368	11222	12358	10799	11768
Middle 50%	16380	17123	12453	12998	11707	12344	11178	11685
Upper 25%	16182	17049	12652	13301	12155	12886	11540	12148

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Basic aid status. As expected, basic aid districts spend substantially more per ADA than other districts using either total (\$5,706/36 percent) or student (\$3,056/25 percent) expenditure measures. Redistributing COE and SELPA spending in this way increases spending in non-basic aid districts by somewhat more than in basic aid districts, though this difference is not large: \$54 and \$34 for total and student spending, respectively, when considering spending from all funds. That these adjustment differences are modest likely reflects the fact that my method of redistribution does not account for differing levels of district need, which might impact how funds are truly allocated in practice.

Urbanicity. Urbanicity is one such characteristic that might be expected to substantially determine districts' reliance on COEs and SELPAs. In particular, one might expect that rural districts would be especially reliant on COEs and SELPAs since they may lack economies of scale

or advantages of geography that allow other districts to be more self-sufficient. Indeed, Loeb, Grissom, and Strunk (2007) find that redistributing COE and SELPA spending in this manner disproportionately increased apparent spending in rural districts and districts in towns in 2004-5. This pattern is again apparent in 2016-17, when redistributing COE and SELPA funding increases total per-ADA spending in urban and suburban districts by four percent, but by more than twice that much in rural districts (10 percent) and districts in towns (11 percent).

Grade level. Elementary districts see the largest absolute per-ADA spending increases when COE and SELPA spending is redistributed: \$1,106 in total spending and \$880 in student spending, an increase of eight percent in each case. Because unified and high school districts have higher base funding levels, they receive proportional increases that are not only smaller in absolute terms (no more than \$768), but smaller proportionally (no more than four percent).

Student demographics. Recall that the stated purpose of the LCFF is to target additional resources toward districts with larger UPPs (i.e., shares of disadvantaged students). In the discussion of district resources above, districts in the top quartile of UPP (i.e., the most disadvantaged under LCFF) were shown to have student resources that were \$3,722 (27 percent) higher per ADA than districts in the bottom quartile. A similar pattern is apparent for expenditures in Table 12, as districts in the top quartile of UPP have higher total and student expenditures than districts in the bottom quartile, by 17 and 20 percent, respectively (and more than \$2,200 in each case). These gaps are essentially unchanged when COE and special education spending is redistributed. As was the case with resources, then, there is some evidence that the LCFF is meeting its stated objectives. Again, however, the magnitude of the relationship between UPP and spending levels is somewhat sensitive to the presence of LAUSD. For example, as shown in Figure 15, the (ADA-weighted) correlation between UPP and per-pupil student spending is .40, but that correlation falls to .31 when LAUSD is excluded.

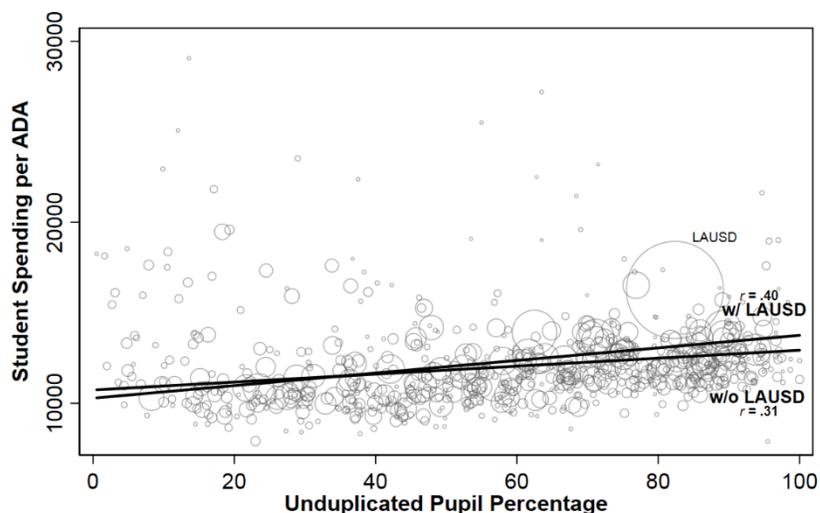


Figure 15. Student spending per ADA by unduplicated pupil percentage, California districts in 2016-17. Marker size is proportional to ADA and lines are ADA-weighted linear fits. Excludes districts that ever had ADA < 250. Districts with student spending > \$30,000 per ADA not shown.

As was the case with district resource levels – and unsurprisingly given the close relationship between unduplicated counts and FRL eligibility – spending levels vary across districts with different FRL eligibility much as they did across districts with different UPPs. Districts with the largest shares of FRL-eligible students spend \$2,547 (17 percent) more per ADA over all, and \$2,307 (20 percent) more on student expenditures than districts with the smallest shares. Districts with intermediate FRL shares also spend slightly more per ADA than districts with the smallest shares, by \$231 (two percent) overall and \$684 (six percent) on student expenditures. Also as was the case with resource levels, districts with the largest shares of ELs spend more per ADA overall (\$1,934, or 14 percent) and on student expenditures (\$1,296, or 11 percent) than districts with the smallest shares, but have spending levels very similar to those in districts with intermediate shares.⁴²

Also as was the case with district resources, this pattern is different when districts are compared on the basis of their shares of black or Hispanic students. Districts with the smallest shares of black and Hispanic students actually spend slightly more per ADA by most of the measures here than do districts with intermediate shares. Again, however, districts with the largest shares of these students spend the most: approximately \$1,500 (10 percent) more per ADA overall than districts with the smallest shares. That difference in total spending is very similar whether districts are divided by their share of black students or their share of Hispanic students, but when student spending is isolated the gap between districts with the largest and smallest shares is much greater when considering shares of Hispanic students. Districts with the largest shares of Hispanic students engage in \$1,832 (16 percent) more student spending per ADA than districts with the smallest shares, while districts with the largest shares of black students spend slightly (\$70, or one percent) *less* per ADA than districts with the smallest shares. This again likely reflects, at least in part, a relatively weak relationship between the share of students in a district who are black and the share who are unduplicated.⁴³

The general fund. Regardless of which district characteristics are used, spending differences between districts are typically much smaller (and in some cases even switch direction) when focusing only on expenditures made from the general fund. For example, districts with the largest shares of black students engage in \$1,497 (10 percent) more (total) spending per ADA than districts with the smallest shares when considering spending from all funds. However, when spending from only the general fund is considered, they spend \$667 (five percent) *less*. Similarly, though urban districts engage in \$544 (4 percent) more student spending per pupil than rural districts, they spend \$242 (two percent) less from the general fund. This may reflect the role of funds in the SACS reporting system; districts establish funds to

⁴² The presence of LAUSD substantially increases average spending levels among districts with intermediate shares of English learners; as shown in Appendix C, excluding LAUSD reduces mean per-ADA total spending among the districts remaining in that group by more than \$1,000, and mean per-ADA student spending by more than \$500.

⁴³ Note that LAUSD is often in the top quartile of student enrollment shares for the student demographic characteristics considered here. This has the consequence that average spending in those top quartiles is driven to a large extent by LAUSD's relatively high spending levels; as can be seen in Appendix C, excluding LAUSD substantially reduces average spending in these top-quartile averages, often shrinking or even reversing differences between districts in the top and bottom quartiles.

account for activities for which there are particular legal obligations or resource restrictions, and districts are discouraged from establishing unnecessary funds. To the extent that differences between districts manifest as distinctive funding streams (e.g., earmarked for pupil transportation needs) or cost structures (e.g., unusual capital requirements), spending differences will therefore manifest disproportionately outside of the general fund, where they can be more thoroughly accounted for.⁴⁴ Comparisons between districts' general fund expenditures will thus tend to mask spending differences, so in what follows I consider spending from all funds.

Student and non-student spending. In the discussion above, differences in spending between districts are often substantially different depending on whether total or student spending measures are used, or on whether funds besides the general fund are considered. This suggests that districts may not only have different spending levels, but also engage in very different kinds of spending. Table 13 breaks down districts' non-student spending in greater detail to illustrate some of these differences in resource allocation.

⁴⁴ For example, as illustrated below, districts with larger shares of black students have relatively high debt service costs, which are often managed through dedicated debt service funds rather than through the general fund.

Table 13. Mean Student and Non-Student Spending Per ADA (All Funds) by District Characteristic, 2016-17

	Student	Non-Student Spending				
		Pre-K & Adult	Capital	Debt Service	Retirees	Non-Agency & Community Service
Overall	12432	350	1357	1879	104	112
Basic Aid Status						
Not Basic Aid	12326	349	1307	1833	105	112
Basic Aid	15328	353	2730	3129	96	99
Student Resource Level						
Bottom 25%	10364	187	874	681	56	83
Middle 50%	11997	293	1309	1148	94	116
Upper 25%	14760	582	1780	4304	159	122
Urbanicity						
Urban	13093	431	1392	2557	116	94
Suburb	11816	302	1297	1397	95	122
Town	11869	167	1563	747	91	155
Rural	12549	160	1290	763	84	143
Grade Levels						
Elementary	11436	272	1120	932	79	137
High	12956	302	1832	1858	99	110
Unified	12639	377	1362	2142	112	105
Percent Unduplicated						
Bottom 25%	11436	212	1419	2090	56	92
Middle 50%	12017	301	1502	1503	108	106
Upper 25%	13668	507	1101	2314	129	133
Free- and Reduced-Price Lunch Eligibility						
Bottom 25%	11379	214	1512	2062	58	90
Middle 50%	12063	302	1465	1504	108	109
Upper 25%	13686	512	1092	2324	129	131
Percent Black						
Bottom 25%	12835	388	1165	853	127	228
Middle 50%	11897	237	1319	1416	82	110
Upper 25%	12765	424	1399	2281	117	104
Percent Hispanic						
Bottom 25%	11726	160	1445	2572	59	80
Middle 50%	11825	280	1476	1616	96	111
Upper 25%	13558	506	1149	2113	129	121
Percent English Learners						
Bottom 25%	11356	133	1207	1367	70	116
Middle 50%	12453	374	1356	2004	103	98
Upper 25%	12652	317	1404	1531	118	166

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250. PERS reductions are no longer collected.

Basic aid status. As noted above, basic aid districts engage in 36 percent more total spending per ADA than non-basic aid districts, but only 25 percent more student spending. This is because basic aid districts spend much more than other districts on capital (109 percent more), and debt costs (71 percent more), even as they spend slightly less on retiree costs and non-agency services. Interpreting these differences is difficult because districts can achieve basic aid status for very different reasons. Basic aid districts may have high capital costs because they are often in affluent coastal communities where property values are high, or because many

are in more geographically-dispersed inland communities that lack economies of scale. They may also find higher debt levels more sustainable due to their higher average resource levels.

Student resource level. Indeed, a similar pattern is apparent if districts are divided directly on the basis of their student resource level. Districts in the top quartile of student resources not only engage in substantially more (\$4,396, or 42 percent) more student spending than districts in the bottom quartile, they also spend more on all categories of non-student spending. These proportional differences in non-student spending between the highest- and lowest-resourced districts range from 47 percent for non-agency and community services to 532 percent for debt service costs.

Urbanicity. Districts of different urbanicities do appear to engage in systematically different kinds of non-student spending. The more urban districts are – that is, moving from rural to town to suburban to urban – the more they spend on pre-K and adult services and retiree costs. Capital costs might be expected to be particularly high in rural districts, where there may be fewer students across which to spread land and building expenses. In reality, however, while capital expenditures are highest in towns they are relatively low in rural districts; it may be that higher labor and property costs in urban areas offset economies of scale and density. Debt service spending is also generally increasing in urbanicity, with urban districts spending \$1,794 (235 percent) more per ADA than rural districts on debt service costs. On the other hand, non-agency and community service spending is generally decreasing in urbanicity, perhaps because larger and more densely-populated agencies can be more self-sufficient, obviating the need to contract with neighbors for services.

Grade levels. As shown above, elementary districts spend much less per ADA than unified and high school districts. They also spend less on pre-K and adult services, capital, debt service, and retiree costs, while spending more on services to other agencies or to the community. High school districts spend the most on capital, perhaps because they have the most specialized capital needs (e.g., laboratories and sports facilities). Unified districts spend more than other districts on pre-K and adult services, debt service, and benefits to retirees, all of which may be easier to sustainably manage for larger districts.

Student demographics. With the exception of English learner status, regardless of which demographic characteristic is used in Table 13, pre-K and adult expenditures are highest in districts with the largest shares of those students; for example, districts with the largest shares of Hispanic students spend more than three times as much per ADA on these services (\$506) as districts with the smallest shares (\$160). Districts with larger shares of UPs, FRL-eligible students, or Hispanic students spend less on capital than districts with smaller shares, but more on retiree costs and non-agency services and services to the community. These patterns are mostly reversed when considering shares of black students; districts with larger shares of black students spend more on capital and debt service, but less on non-agency and community services. (The pattern with respect to retiree benefits is more mixed.) Districts with larger shares of English learners spend more on capital and retiree benefits than districts with smaller

shares, but districts with intermediate shares of ELs spend the most on pre-K and adult education and on debt service costs.

Student spending by goal. The fact that districts need not directly assign every expenditure a goal code makes comparisons of goal spending difficult, but spending assigned to particular goals is summarized by district characteristic in Table 14. Spending not attributed to a specific goal is not shown, and non-student spending is excluded.

Table 14. Mean Per-ADA Student Spending on Goals by District Characteristic, 2016-17

	General K-12 Ed.	Regular K-12 Ed.	CTE	SPED	Severe SPED	ROCPs	Supplemental K-12	Bilingual	Other Goals
Overall	8372	8054	96	2192	679	35	102	89	63
Basic Aid Status									
Not Basic Aid	8283	7966	95	2170	675	35	104	91	60
Basic Aid	10807	10465	129	2798	785	32	47	43	139
Student Resource Level									
Bottom 25%	7433	7209	62	1832	501	27	45	43	41
Middle 50%	8282	7957	111	2056	585	31	93	74	60
Upper 25%	9187	8822	87	2732	1005	50	159	154	85
Urbanicity									
Urban	8502	8180	93	2388	800	40	115	106	81
Suburb	8105	7811	88	2118	633	29	98	82	52
Town	8860	8452	150	1526	298	32	53	34	16
Rural	9452	9012	177	1539	214	62	48	35	40
Grade Levels									
Elementary	8047	8024	1	1842	403	0	112	94	47
High	9013	8239	284	2281	774	93	70	59	13
Unified	8380	8038	99	2276	742	38	103	91	74
Percent Unduplicated									
Bottom 25%	7878	7620	83	2097	625	37	51	49	60
Middle 50%	8176	7829	118	2164	674	39	128	117	74
Upper 25%	8970	8657	72	2292	718	28	93	71	48
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	7855	7615	77	2080	613	38	51	50	59
Middle 50%	8205	7851	121	2172	675	38	130	118	75
Upper 25%	8965	8650	72	2295	728	29	93	71	49
Percent Black									
Bottom 25%	9324	9030	80	1771	399	27	71	47	35
Middle 50%	8271	7993	100	1982	576	34	100	81	50
Upper 25%	8362	8015	95	2370	772	37	105	98	74
Percent Hispanic									
Bottom 25%	8350	8140	84	2041	606	45	54	54	25
Middle 50%	8026	7693	106	2166	665	36	114	107	83
Upper 25%	8916	8595	85	2270	719	32	94	70	41
Percent English Learners									
Bottom 25%	8409	8088	126	1716	419	40	13	12	37
Middle 50%	8261	7920	96	2286	756	40	94	87	60
Upper 25%	8798	8568	88	1956	448	16	158	119	84

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Basic aid status. A large portion (\$2,524 per ADA) of basic aid districts' higher spending levels manifests as spending on general K-12 education, and essentially all of that in turn manifests as spending on regular K-12 instructional activities, though basic aid districts also spend more on career technical (i.e., vocational) education. Basic aid districts also spend 29 percent (\$628 per ADA) more on special education services, though the difference in spending for students with severe disabilities is smaller (16 percent, or \$110 per ADA). Basic aid districts spend less than other districts on supplemental K-12 services for students with other specialized educational needs, such as bilingual education services.

Student resource level. Recall that highest-resourced districts – those in the top quartile of per-ADA student resources – engage in \$4,396 (42 percent) more student spending per ADA than districts in the bottom quartile. That additional spending manifests in all of the instructional goals in Table 14, but disproportionately so for more specialized instructional programs. For example, while the most highly-resourced districts engage in 42 percent more student spending than districts with the lowest resource levels, they spend only 24 percent more on general K-12 education and only 22 percent more on regular K-12 education. At the same time, they spend 49 percent more on special education (including 101 percent more on severe special education) and 258 percent more on bilingual education. These differences are likely due at least in part to the fact that students with particularly costly educational needs – such as those receiving special education services or classified as English learners – are eligible for special funding to help meet those needs (e.g., from federal grants for special education or as unduplicated pupils under LCFF).

Urbanicity. Districts of different urbanicities spend somewhat different amounts on general K-12 education, and despite engaging in less overall student spending than urban districts, rural districts spend \$950 (11 percent) more per ADA on general K-12 education. Districts that are more urban spend less on career technical education, and perhaps somewhat less on similarly-vocational ROC/Ps. Urbanicity is also associated with higher spending on students with particular educational needs, including special education, severe special education, and supplemental K-12 education services. Again, however, districts in rural areas and towns may rely more heavily on SELPAs, COEs, and JPAs to provide these kinds of specialized educational services. More urbanized districts may also be more likely to serve as administrative units for multi-district SELPAs, and may therefore appear to spend a misleadingly disproportionate share of special education monies.

Grade levels. Districts serving different grade levels spend different amounts on general or regular K-12 education, roughly reflecting their different levels of overall student spending. Additionally, districts with older students tend to allocate smaller shares of their general K-12 spending to regular K-12 education, spending more on specialized curricular programs, such as vocational programs (viz., CTE and ROC/Ps, on which elementary districts spend virtually nothing.) High school and unified districts also have substantially higher special education costs, and severe special education costs in particular. For example, high school districts spend \$439 (24 percent) more per ADA than elementary districts on special education. That difference

is due mostly to differences in costs for students with severe disabilities, on which high school districts spend \$371 (92 percent) more per ADA than elementary districts.

Student demographics. Districts with the largest shares of unduplicated pupils (or students eligible for free- or reduced-price lunch) spend substantially more than other districts on both general and special education. For example, districts in the top quartile of UPP spend \$1,092 (14 percent) more per ADA on general K-12 education, and \$212 (10 percent) more on special education, than districts in the bottom quartile. At the same time, they spend no more, and perhaps somewhat less, on vocational education programs, including career technical education and regional occupation centers. Also, despite unduplicated pupils including those who may have special educational needs unrelated to a disability (e.g., because they are English learners), districts with the largest shares of UPs do not obviously spend more on supplemental education generally or bilingual education specifically than do districts with smaller shares. Instead, districts with moderately-sized shares of these students spend the most on these educational goals.

As has been the case elsewhere in this report, the patterns observed across the distribution of Hispanic student shares are broadly similar to, if somewhat weaker than, those observed across the distribution of unduplicated shares. Thus the quarter of districts with the largest Hispanic student shares spend more per ADA on general K-12 education (\$566, or seven percent) and special education (\$229, or 11 percent) than the quarter of districts with the smallest shares, while spending little (if any) more on vocational programs. And again districts with the largest shares of Hispanic students spend \$40 (74 percent) more on supplemental K-12 educational services than districts with the smallest shares, but \$20 (18 percent) less than those with the intermediate shares.

The pattern for black students is different. Districts with the largest shares of black students spend somewhat less than districts with the smallest shares on general K-12 education, but \$599 (34 percent) more on special education, 62 percent of which (\$373 per ADA) is for students with severe disabilities. And unlike general education expenditures, which are lowest for districts with intermediate shares of black students, per-pupil special education spending increases more monotonically as the share of black students increases. Thus special education spending accounts for 14 percent of student spending in districts with the smallest shares of black students, 17 percent in districts with intermediate shares, and 19 percent in districts with the largest shares.

Districts with the largest shares of English learners spend more on general and regular K-12 education than other districts, but less on vocational education programs (career technical education or ROCPs). However, they spend more on supplemental education generally; two-thirds more per ADA than districts with intermediate shares and 12 times more than districts with the smallest shares. Unsurprisingly, this supplemental education spending consists largely (75 percent) of bilingual education spending.

Student spending by function (activity). Table 15 presents per-ADA spending by districts on different activities.

Table 15. Mean Per-ADA Student Spending on Functions by District Characteristic, 2016-17

	Instruction- Related Instruction	Pupil Services	Food Services	Transportation	Guidance & Counseling	Plant Services	General Admin.	Enterprise	
Overall	7022	1400	1446	495	264	262	1176	675	588
Basic Aid Status									
Not Basic Aid	6947	1387	1443	501	263	260	1162	662	602
Basic Aid	9085	1748	1528	336	310	334	1560	1016	202
Student Resource Level									
Bottom 25%	6395	1088	1114	349	211	202	1004	617	77
Middle 50%	6949	1338	1418	495	269	241	1138	661	381
Upper 25%	7597	1742	1726	592	289	350	1373	744	1387
Urbanicity									
Urban	7177	1517	1504	530	264	280	1208	633	906
Suburb	6892	1301	1355	442	235	251	1121	681	365
Town	6748	1304	1546	566	358	223	1254	816	56
Rural	7114	1242	1716	614	533	228	1354	952	34
Grade Levels									
Elementary	6973	1200	1245	495	226	106	1011	709	256
High	7101	1420	1684	405	325	517	1377	773	345
Unified	7025	1452	1471	506	267	273	1195	653	710
Percent Unduplicated									
Bottom 25%	6835	1207	1098	254	205	254	1112	670	390
Middle 50%	6888	1394	1418	462	274	258	1142	657	402
Upper 25%	7338	1527	1701	693	286	274	1265	704	990
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	6834	1206	1084	258	201	244	1096	664	377
Middle 50%	6902	1400	1432	468	276	261	1148	660	405
Upper 25%	7328	1528	1706	693	288	276	1270	704	1005
Percent Black									
Bottom 25%	7345	1448	1712	709	320	226	1190	849	173
Middle 50%	6923	1315	1305	415	251	238	1121	669	431
Upper 25%	7064	1454	1521	532	269	282	1212	664	730
Percent Hispanic									
Bottom 25%	7095	1257	1116	263	232	243	1151	712	272
Middle 50%	6844	1339	1359	426	263	245	1131	647	397
Upper 25%	7281	1532	1666	662	274	295	1251	708	968
Percent English Learners									
Bottom 25%	6773	1155	1209	295	298	258	1214	768	103
Middle 50%	6984	1400	1433	475	260	280	1179	648	681
Upper 25%	7241	1470	1562	629	273	193	1152	752	359

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Basic aid status. In addition to spending more overall, basic aid districts spend more than other districts nearly all broad categories of activities identified by SACS. The largest absolute difference is on instructional activities, for which basic aid districts spend an additional \$2,138 (31 percent) per ADA relative to non-basic aid districts. The largest proportional difference is on general district administration, where per-ADA costs are 53 percent (\$354) higher than in non-basic aid districts. Spending on plant services is also \$398 (34 percent) higher in basic aid districts. These differences may reflect economies of scale; basic aid districts had a mean (median) ADA of 3,326 (1,989) in 2016-17, compared to 7,888 (3,252) among non-basic

aid districts. Pupil service costs are not much higher overall in basic aid districts, but spending on pupil transportation (\$47 per ADA, or 18 percent) and guidance and counseling services (\$74 per ADA, or 28 percent) is. (These are partially offset by lower costs on food services.) It is only on enterprise activities that basic aid districts spend less (\$400 per ADA, or 67 percent) than their non-basic aid counterparts.

Student resource level. As was the case with spending on goals, districts with higher student resource levels spend more on all major categories of function, but disproportionately more on some functions than others. For example, districts in the top quartile of per-ADA student resources spend only 19 percent (\$1,202) more per ADA on instruction than districts in the bottom quartile, but 60 percent (\$654) more on instruction-related services and 55 percent (\$612) more on pupil services. The largest difference in proportional terms between these districts is on enterprise activities, which represent only \$77 per ADA in the lowest-resource districts but \$1,387 in the highest-resourced districts.

Urbanicity. Recall that urban districts have higher per-ADA student spending levels than other districts. This is apparent in their spending on both instructional activities and, especially, instruction-related services, on which they spend 22 percent (\$275) more than rural districts. Urban districts also spend the most by far on enterprise activities, which become less prevalent among districts that are less urban.⁴⁵ Rural districts, on the other hand, spend more than other districts on pupil services (especially transportation), plant services, and general administration, perhaps a reflection of their relatively small enrollments and geographically diffuse student bodies. However, in these cases the starkest contrast is not with urban districts but with suburban districts, which are the lowest- (or nearly-lowest-) spending districts on these activities.

Grade levels. Despite having lower student spending levels overall, elementary districts spend nearly as much per ADA on instructional activities as unified and high school districts. Instead, elementary districts spend relatively less on instruction-related services, pupil services, and plant services, where their costs are lower than in high school districts by 15 to 26 percent. Elementary districts spend \$99 (30 percent) less on pupil transportation and, perhaps unsurprisingly, \$411 (79 percent) less than high school districts on guidance and counseling services. These costs are partially offset by higher spending in elementary districts on food services and health services (not shown).

Student demographics. Districts in the top quartile of unduplicated pupil shares spend at least five percent more per ADA than districts in the bottom quartile on every major category of activity. This includes an additional \$503 (seven percent) on instructional activities, an additional \$320 (27 percent) on instruction-related services, and an additional \$600 (154 percent) on enterprise activities. They also spend an additional \$603 (55 percent) per ADA on pupil services, due to larger expenditures on most categories of service, especially food service

⁴⁵ As shown in Appendix C, enterprise spending among urban districts is driven to a large extent by LAUSD, though urban districts spend more than other districts on these activities on average even when LAUSD is excluded.

costs, on which they spend an additional \$439 (173 percent) per ADA. These patterns are again very similar if instead districts are divided on the basis of their FRL eligibility.

Districts with intermediate shares of black students – those in the middle 50 percent of the distribution, spend less on nearly every major category of activity than do districts with larger or smaller shares. Indeed, in many cases districts in the top and bottom quartile of the share of students who are black appear to be more similar to each other in terms of their spending than they are to districts in the middle of the distribution; their per-ADA spending on instruction, instruction-related services, pupil services, and plant services differs by no more than 11 percent. Districts with the largest shares of black students do, however, spend 22 percent (\$185) less on general administration and more than four times as much – an additional \$557 per ADA – on enterprise activities than districts with the smallest shares.⁴⁶

Similarly, districts in both the top and bottom quartiles of the share of students who are Hispanic spend more on instructional activities and general administration than districts in the middle of the distribution. Spending on other activities increases more consistently with the share of students who are Hispanic. Compared to districts in the bottom quartile, districts in the top quartile of the share of students who are Hispanic spend \$275 (22 percent) more per ADA on instruction-related services and \$550 (49 percent) more on pupil services, which includes an additional \$399 (152 percent) per ADA in food service spending.

Districts with the largest shares of English learners spend more per ADA than districts with the smallest shares on instruction (\$468, or seven percent), instruction-related services (\$315, or 27 percent), and pupil services (\$353, or 29 percent). These higher pupil service costs are driven primarily by food service costs, which are \$334 (113 percent) higher per ADA in districts with the largest shares of ELs than in districts with the smallest shares, though costs for other kinds of pupil service are often slightly higher in districts with smaller shares of ELs. Districts with the smallest shares of ELs spend slightly more than other districts on plant services and general administration, and districts with intermediate shares spend the most on enterprise activities.

Student spending by object. Table 16 presents spending on various objects across districts with different characteristics.

Basic aid status. In terms of objects purchased, additional per-ADA student spending in basic aid districts relative to non-basic aid districts is devoted almost entirely to staff compensation. Basic aid districts spend \$2,318 (32 percent) more on salaries generally, including higher spending on salaries for both teachers (\$1,382, or 33 percent) and administrators (\$274, or 41 percent). Their benefits spending is also higher by \$602 (25 percent) per ADA, with proportionally similar increases for health and welfare and retirement benefits.

⁴⁶ As shown in Appendix C, spending figures for the top quartile of districts do fall somewhat for most categories of function when LAUSD is not included. However, this is particularly true for enterprise activities, which are 61 percent lower for the highest-resourced districts, and thus much more similar to other districts, when LAUSD is excluded.

Spending on all other major categories of object, however, is roughly similar in basic aid and non-basic aid districts.

Table 16. Mean Per-ADA Student Spending on Objects by District Characteristic, 2016-17

	<i>Teacher Salaries</i>	<i>Admin. Salaries</i>	<i>Admin. Salaries</i>	<i>H&W Benefits</i>	<i>Retirement Benefits</i>	<i>Other Retirement Benefits</i>	<i>Other Operations</i>	<i>Consulting</i>	<i>Subagree.</i>	<i>Books & Supplies</i>
Overall	7250	4272	681	2475	1078	959	1862	1033	270	814
Basic Aid Status										
Not Basic Aid	7168	4223	671	2454	1069	950	1860	1032	275	813
Basic Aid	9486	5606	945	3056	1315	1197	1918	1063	134	830
Student Resource Level										
Bottom 25%	6485	3994	585	2079	880	820	1082	485	136	694
Middle 50%	7130	4234	665	2352	1034	902	1632	853	229	843
Upper 25%	8019	4538	780	3010	1306	1177	2888	1797	448	827
Urbanicity										
Urban	7394	4313	693	2661	1184	1035	2204	1277	370	809
Suburb	7144	4268	653	2280	950	896	1584	847	193	776
Town	6935	4028	744	2470	1174	869	1402	649	127	1009
Rural	7243	4161	792	2536	1167	893	1638	790	138	1083
Grade Levels										
Elementary	6888	4222	682	2274	1013	864	1428	688	162	813
High	7672	4405	668	2666	1265	963	1744	798	180	817
Unified	7296	4268	682	2506	1072	984	1997	1158	310	813
Percent Unduplicated										
Bottom 25%	7081	4307	645	2175	887	879	1531	829	137	616
Middle 50%	7181	4235	687	2392	1056	900	1641	855	250	773
Upper 25%	7458	4305	695	2785	1228	1096	2400	1426	380	997
Free- and Reduced-Price Lunch Eligibility										
Bottom 25%	7052	4305	648	2164	883	876	1517	818	139	612
Middle 50%	7205	4242	687	2402	1061	903	1646	861	250	780
Upper 25%	7450	4294	694	2791	1232	1098	2418	1435	386	999
Percent Black										
Bottom 25%	7508	4383	732	2674	1244	974	1558	785	209	1068
Middle 50%	7120	4256	672	2340	1040	892	1630	876	187	761
Upper 25%	7318	4273	683	2552	1090	1004	2047	1161	331	829
Percent Hispanic										
Bottom 25%	7408	4494	702	2187	833	923	1474	726	132	631
Middle 50%	7096	4217	671	2343	1025	890	1611	847	232	743
Upper 25%	7450	4300	692	2754	1223	1076	2353	1402	364	971
Percent English Learners										
Bottom 25%	7005	4245	681	2230	949	873	1434	705	123	665
Middle 50%	7227	4253	664	2482	1072	971	1926	1074	291	791
Upper 25%	7411	4354	747	2517	1138	937	1734	963	227	946

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Student resource level. A similar pattern is apparent across districts with different student resource levels, insofar as much of the difference in overall student spending between the highest- and lowest-resource districts is driven by spending on staff compensation. On a per-ADA basis, districts in the top quartile of resources spend \$1,534 (24 percent) more on salaries and \$931 (45 percent) more on benefits than districts in the bottom quartile. As with functions and goals, however, the highest-resourced districts also spend substantially more than

the lowest-resourced districts on other areas, in this case on services and other operating expenditures (including both consulting services and subagreements for services) and books and supplies.

Urbanicity. On a per-ADA basis overall compensation spending is highest (\$10,055) in urban districts. Rural districts spend three percent (\$276) less per ADA on compensation, while suburban districts and districts in towns spend approximately six percent (approximately \$650) less. Urban districts also spend more than other districts on salaries and teacher salaries, but the highest per-ADA spending levels on administrator salaries are in towns (\$744) and rural areas (\$792). Higher benefit spending in urban districts is driven primarily by higher spending on retirement benefits, which are at least \$139 per ADA higher in urban districts than in other districts, which is in turn driven largely by higher spending (not shown) on other (i.e., non-pension) post-employment benefits (OPEBs), such as health insurance that will be provided to employees after they retire. Urban districts spend \$129 per ADA on these OPEBs for active employees,⁴⁷ while districts of other urbanities spend no more than \$20 per ADA on average. Districts of other urbanities also spend substantially (at least \$566, or 26 percent) less per ADA on average than their urban counterparts on other services and operating expenditures. This is primarily the result of additional spending on subagreements for services and professional or consulting arrangements with other parties. Rural districts and districts in towns spend more on books and supplies than other districts

Grade levels. Salary spending is highest in high school districts, which spend \$784 (11 percent) more per ADA on salaries than elementary districts. This is not primarily a result of higher spending on teacher or administrator salaries; rather, compared to elementary districts high school districts spend (not shown) \$293 (89 percent) more on salaries for other certificated staff (e.g., counselors or teachers in mentoring roles) and \$321 (19 percent) more on salaries for other classified staff (e.g., instructional aides and office staff). Per-ADA benefit spending is also highest in high school districts, partially as a result of higher retirement benefit spending, but even more so because high school districts spend \$252 (25 percent) more than elementary districts on health and welfare benefits.

In most cases unified districts have compensation spending that falls in between the levels observed in elementary and high school districts (though they spend slightly more on retirement benefits), and all three district types spend similar amounts on books and supplies and equipment replacement (not shown). However, unified districts spend more than other districts on services and other operating expenditures, driven by higher-than-average expenditures on subagreements for services and, especially, professional and consulting arrangements.

Student demographics. As shown above in Table 13, districts in the highest quartile of unduplicated pupil shares engage in 20 percent more student spending per ADA than districts in the bottom quartile, or approximately \$2,232 per ADA. Relatively little of this difference – \$377

⁴⁷ OPEB spending on former employees is considered spending on retiree benefits and is thus a component of non-student spending.

per ADA – takes the form of salary spending. Compared to districts with the fewest UPs, salary spending per ADA is thus five percent higher in districts with the most disadvantaged students and spending on teacher salaries in particular is virtually identical.⁴⁸ However, districts with the most disadvantaged students (by this measure) spend \$610 (28 percent) more on staff benefits than districts with the fewest disadvantaged students. High-UPP districts also spend \$381 (62 percent) more per ADA than low-UPP districts on books and supplies. The largest absolute difference between these districts, however, is in the category of services and other operating expenditures, on which districts with the most UPs spend \$869 (57 percent) more per ADA than districts with the fewest UPs, though this gap shrinks substantially when LAUSD is excluded from districts in the top quartile (see Appendix C). This difference is due almost entirely to higher spending on consulting services and subagreements for services in these districts. In general, districts with the intermediate shares of UPs have spending levels in between those of districts with larger and smaller shares. As has been the case above, districts look similar in their spending whether divided on the basis of UPP or FRL eligibility.

In most cases, districts with the largest and smallest shares of black students spend very similar amounts on various major categories of object, while districts with intermediate shares spend slightly less. There are some exceptions. For example, districts with the largest shares of black students spend \$239 (12 percent) less on books and supplies. The largest absolute difference is spending on services and other operating expenditures, which are \$530 (35 percent) higher on a per-ADA basis in districts with the largest shares of black students than in districts with the smallest shares. This includes higher spending on subagreements for services and professional and consulting services, and insurance (not shown).

If instead districts are categorized on the basis of their shares of Hispanic students, the picture is somewhat different. Districts with the largest shares of Hispanic students spend similar amounts per ADA on salaries, while districts with intermediate shares spend the least. However, compared to districts with the fewest Hispanic students, districts with the most Hispanic students spend substantially more per ADA on most major categories of object, including benefits (\$567, or 26 percent) and books and supplies (\$340, or 54 percent). These districts also spend much more on services and other operating expenditures, amounting to an additional \$879 (60 percent) per ADA. As in previous cases, this difference is driven largely by higher spending on subagreements for services and consulting agreements.

Compared to districts with smaller shares, districts with larger shares of ELs tend to spend more per ADA on salaries (for both teachers and administrators), staff benefits, and books and supplies. However, districts with intermediate shares of these students spend somewhat more than other districts on other operations, due to higher spending levels on consulting arrangements and subagreements for services.

⁴⁸ For more information on salary expenditures under LCFF, see Dee and Murphy (2018).

District Expenditures over Time

As shown in Figure 16, district spending levels have fluctuated somewhat in recent years, largely mirroring changes observed above for revenues and other resources. Spending levels began falling immediately after the Recession began, declining by 12 percent in real terms between 2007-8 and 2012-13, from \$14,859 to \$13,011. In 2016-17 total per-ADA spending was at its highest level observed in the SACS data, and up 25 percent in real terms from that pre-LCFF low; student spending was up by 23 percent.

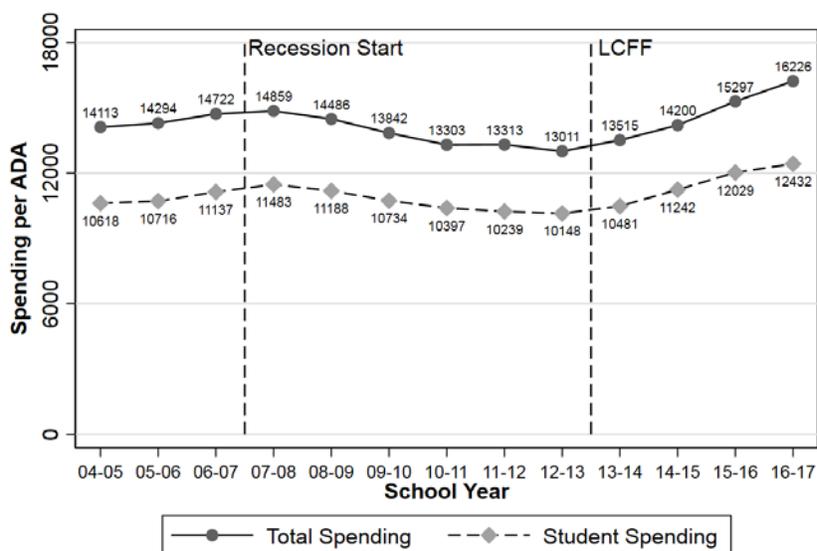


Figure 16. Expenditures per ADA over time in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Spending on goals. Figure 17 illustrates changes in student spending on some of the general categories of educational goal discussed above. Because spending tends to be much higher on some goals than others, the changes are presented as real (inflation-adjusted) percent changes from their 2004-5 levels. As shown by the solid black line, all student spending was 17 percent higher in 2016-17 than in 2004-5. Unlike student spending generally, spending on special education has increased fairly consistently in the period under observation, and in 2016-17 was 45 percent higher than in 2004-5, an increase of \$684 per ADA. General education expenditures have fluctuated in a manner more similar to student spending as a whole, albeit increasing more slowly (or decreasing more rapidly). Spending on supplemental education services has fluctuated more unpredictably, but recall that this category of spending is small in absolute terms, never exceeding \$144 per ADA on average in any year of SACS. Note that despite the LCFF's focus on providing services to educationally-disadvantaged students in particular (e.g., English language learners), spending on related supplemental educational services (e.g., bilingual education) is down from its peak in 2007-8 and largely unchanged from its 2004-5 level.

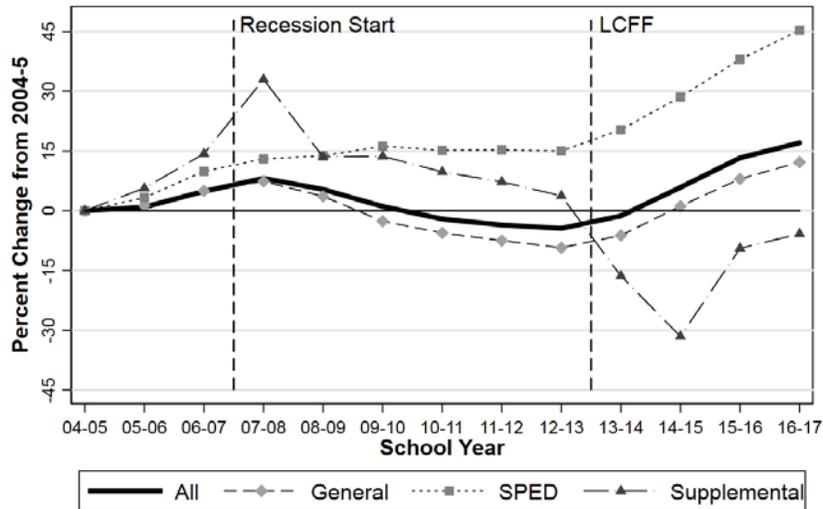


Figure 17. Changes in student spending per ADA on educational goals in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Spending on functions. Figure 18 illustrates the same percent changes, but for expenditures on several major categories of function. Spending on these various functions has largely tracked student spending overall, though pupil service and general administration spending have increased more rapidly (in proportional terms), and instructional spending somewhat more slowly. The increases in pupil service spending, collectively representing an additional \$382 per ADA, reflect higher spending on most subcategories of pupil service (not shown), which have increased from their 2004-5 levels by anywhere from 29 percent (food services) to 57 percent (health services).

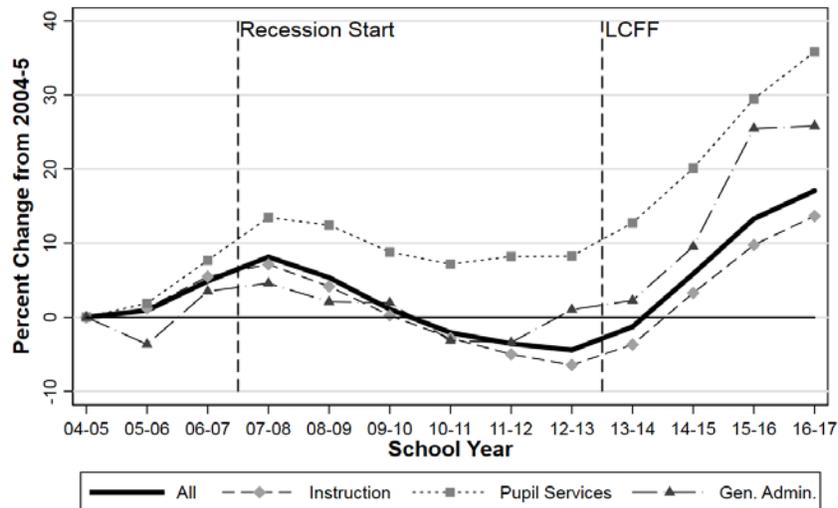


Figure 18. Changes in student spending per ADA on functions in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Spending on objects. Figure 19 performs a similar exercise for student spending on major categories of object. Salary spending per ADA has generally not kept pace with spending

as a whole, increasing only 11 percent between 2004-5 and 2016-17. Teacher salary spending in particular is up by only five percent, with increases in salary spending being driven disproportionately by salaries for non-teaching staff. For example, per-ADA spending on administrator salaries (not shown) increased 22 percent over this time period. The relatively slow growth of salary spending implies that increases in total student expenditures have been driven disproportionately by spending on other operating expenditures (e.g., insurance and subagreements for services) and, especially, benefit costs. Both types of expenditure are up by at least 28 percent per ADA since 2004-5.

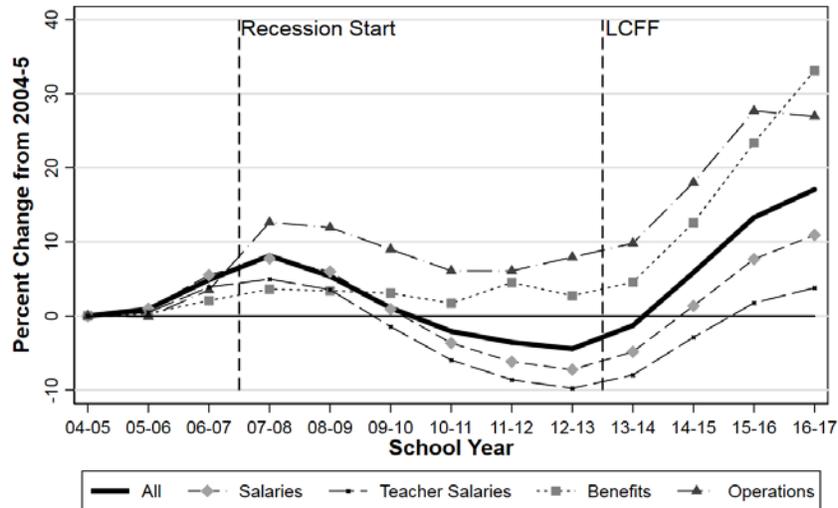


Figure 19. Changes in student spending per ADA on objects in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Spending on benefits. Figure 20 illustrates changes in benefit costs for major kinds of employee benefits. Per-ADA health and welfare benefit spending increased substantially across the entire period under observation, cumulatively by 29 percent, or \$241 per ADA. Additionally, recall that at least two reforms since the turn of the century have altered the manner in which school district employee benefits are paid and accounted for. First, districts are responsible for contributing a larger portion of teachers’ salaries into the state’s teacher pension system. Second, districts are now required to a greater extent to account for other (i.e., non-pension) postemployment benefits (OPEBs) when they are earned rather than when they are paid out. Both of these changes are apparent in Figure 20. After declining somewhat after the recession⁴⁹ per-ADA contributions to staff pension plans – the State Teachers’ Retirement System (STRS) and the Public Employees’ Retirement System (PERS) – increased by 62 percent, or \$341, between 2013-14 and 2016-17. One-fifth of that increase was due to growth in PERS costs (not shown separately), which increased by \$67 (38 percent) per ADA. Primarily, however, those increases were driven by payments to STRS, which increased 74 percent, or by \$273 per ADA,

⁴⁹ Post-recession declines in per-ADA pension costs were likely due in part to decreases in salary costs as budgets were cut, staff was laid off, and hiring slowed.

between over this period. This likely reflects both higher STRS contribution rates imposed on districts as well as higher staffing levels in recent years as overall resource levels have increased.

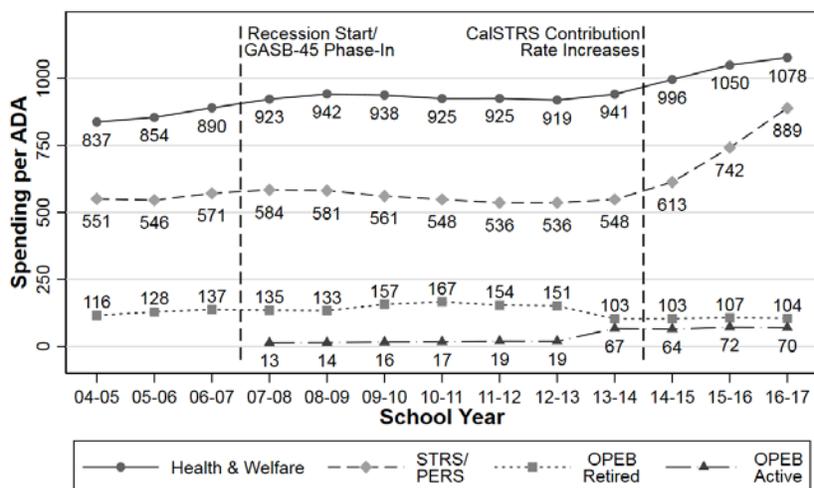


Figure 20. Spending per ADA on benefits in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250. Figures are student spending only except for OPEB expenditures for retired employees, which are not a component of student expenditure measures.

Prior to the imposition of GASB-45 SACS did not contain codes to distinguish OPEB allocations for active employees from OPEB spending for former employees, and districts frequently did not set aside monies to fund OPEBs for workers until they had ended their employments and those benefits were received; thus, OPEB spending for active employees in particular does not appear in Figure 20 until after GASB-45, and prior to 2007-8 all OPEB expenditures are assumed to be payments for former employees and are therefore excluded from student spending measures. OPEB allocations for active employees increased gradually (in absolute terms) after GASB-45, and then increased suddenly as large districts (especially LAUSD) began accounted for OPEBs as they are earned. Though they have remained relatively flat since 2014-15, OPEB costs may resume growing in the future as many districts, and especially some large districts, have large accumulated OPEB liabilities for which they will be responsible as the number of workers in retirement enjoying previously-earned OPEBs continues to grow (Legislative Analyst’s Office, 2017).

As shown above, benefit costs have tended to increase at a faster rate than district spending as a whole. Benefit spending therefore occupies a slightly larger portion of district budgets than in the past. Figure 21 illustrates this, indicating the percentage of districts’ student spending in each year that is dedicated to health and welfare benefits, pension benefits, OPEBs for active employees, and all benefits. Note that while health and welfare benefit spending has increased on a per-ADA basis over the last several years, those increases were smaller in proportional terms than increases in all spending in the LCFE era. Thus, while health and welfare benefit spending consumed a gradually larger share of districts’ budgets between 2004-5 and 2012-13, that share has fallen slightly in recent years. However, benefits as a whole have grown to represent one-fifth of student spending in 2016-7 – up from a low of 16.8 percent in 2007-8

and higher than at any other point observed in SACS – due primarily to growth in pension costs. While these changes are modest to date, benefit costs may continue to grow as a share of districts’ budgets due to health insurance cost inflation and additional district liabilities for both pension and non-pension retirement benefits, particularly if revenues do not continue their recent, rapid increases.⁵⁰

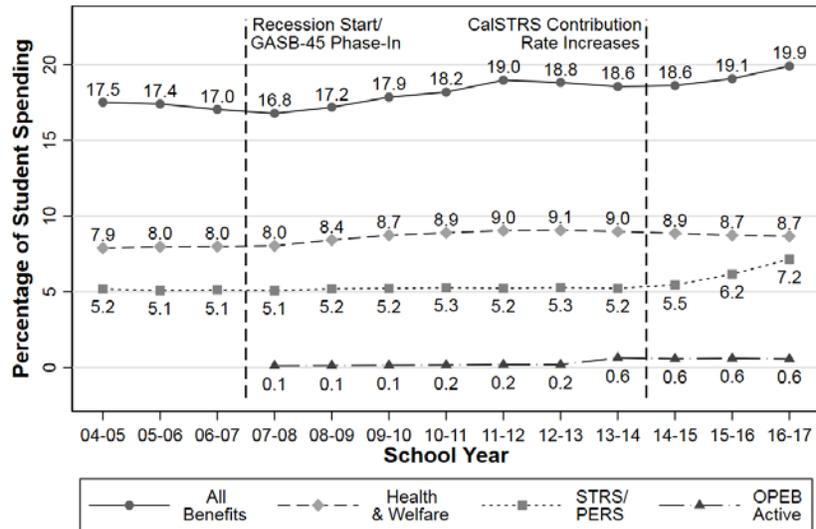


Figure 21. Benefit spending as a share of student spending in California districts, 2004-5 through 2016-17. ADA-weighted. Excludes districts that ever had ADA < 250.

The distribution of spending across districts and time. As shown in Figure 22, and as was the case with district resources, per-ADA student spending gaps between the highest- and lowest-spending districts have held steady or grown since the 2004-5 school year. In 2004-5, districts in the top quartile of spending spent \$4,364 (50 percent) more per ADA than districts in the bottom quartile. Even as spending in the highest-spending districts fell slightly after the Great Recession, spending fell by a larger amount in the lowest-spending districts and that gap grew to \$5,112 (62 percent) by 2012-13. Under LCFF the gap has continued to grow in absolute terms while shrinking in proportional terms, and in 2016-17 stood at \$5,379 (54 percent).

⁵⁰ For a more detailed discussion of staff pension costs in California schools, see Koedel and Gassmann (2018).

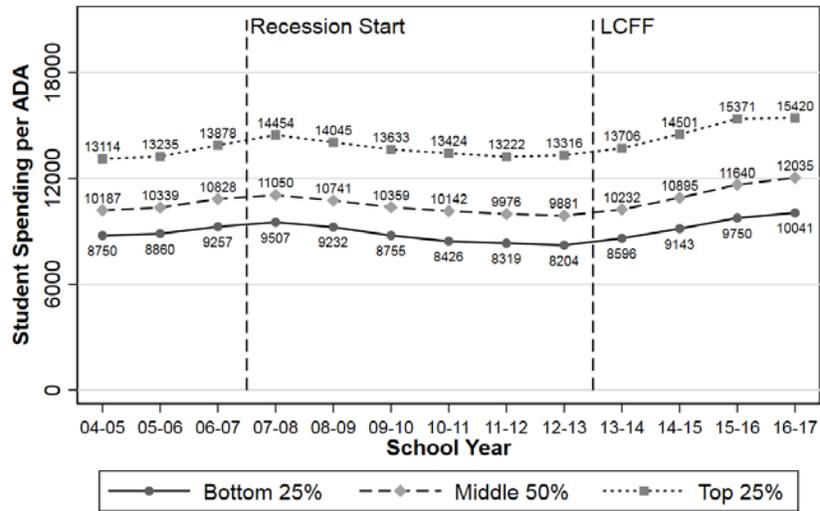


Figure 22. Student spending per ADA by student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Also as was the case with district resources, however, these gaps somewhat obscure the fact that districts can move between spending quartiles for a variety of reasons, including local economic conditions and changes to school funding laws. Indeed, 214 districts (31 percent) moved into or out of the top or bottom quartiles of spending between 2004-5 and 2016-17. Figure 23 therefore compares districts’ student spending on the basis of their spending level in 2004-5, with each line now comprising the same districts over time except in the event that a district closed. This shrinks the gaps somewhat, though the general conclusion is the same; the lines could in principle cross, but they do not. In every year observed here the highest-spending districts in 2004-5 spent more per ADA than the lowest-spending districts in 2004-5, though the gap has remained relatively constant, from the aforementioned \$4,364 (50 percent) to \$4,502 (43 percent) in 2016-17.

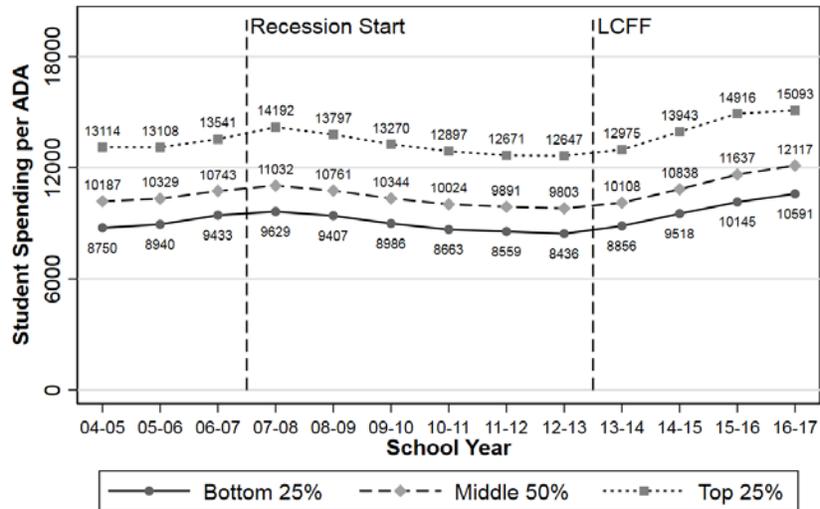


Figure 23. Student spending per ADA by 2004-5 student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Figure 24 illustrates how the distribution of student spending has changed over time for students with different racial backgrounds. Here I perform an exercise similar to that performed above for resource levels and free- or reduced-price lunch eligibility (Figure 11a), but here I weight each district’s student spending in proportion to the number of black, Hispanic, or white students it enrolls. This gives a sense for how spending has changed over time for the “average” black, Hispanic, or white student. Since 2004-5, black and Hispanic students have consistently attended districts where student spending is higher (on average) than the districts attended by white students, with black students attending the highest-spending districts on average. For example, in 2007-8 the average black (Hispanic) student attended a district where student spending was \$965 (\$791) higher per ADA than in the district attended by the average white student, a difference of nine (seven) percent. Those gaps narrowed somewhat after the Great Recession, but have since begun to grow again. In 2012-13 the black-white spending gap was \$704 (or seven percent), and by 2016-17 stood at \$964 (eight percent). During that same time period, the Hispanic-white gap increased from \$511 (five percent) to \$839 (seven percent). The relatively more rapid growth of the Hispanic-white gap likely again reflects the fact that LCFF’s unduplicated pupil shares correlate more strongly with Hispanic student enrollment shares than with black student enrollment shares.⁵¹

⁵¹ Note that this pattern of spending increasing more rapidly on average for black and Hispanic students than for white students since 2012-13 remains even if LAUSD is excluded from this analysis, though in that case the gaps are smaller across all years (see Appendix C).

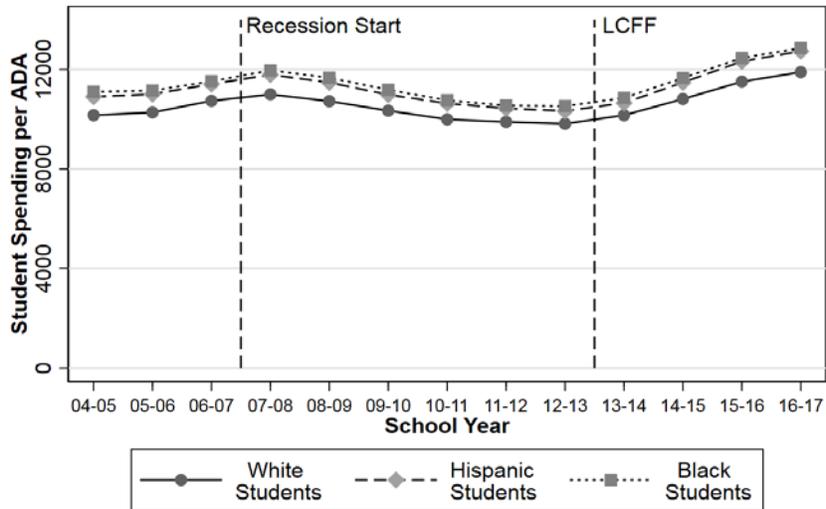


Figure 24. Student spending per ADA weighted by student enrollments by race. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

Summary

- How expenditures are defined matters. For example, excluding expenditures made from certain accounts or for certain purposes, as is often done to produce figures that are comparable over time or across districts, can result in estimates of average spending that differ by as much as \$5,000 per ADA.
- There was considerable variation in district expenditure levels in 2016-17, even when many highly variable costs, such as costs for capital, are excluded. For example, districts at the 75th percentile engaged in 23 percent more student spending per ADA than districts at the 25th percentile, \$13,582 vs. \$11,036.
- As classified in SACS, the largest shares of district student spending are dedicated to the goal of general K-12 education (68 percent), the activities of instruction (57 percent), and the object of staff salaries (59 percent).
- Basic aid districts spend 36 percent more than non-basic aid districts on a per-pupil basis, primarily on costs for capital, debt service, and staff compensation.
- On a per-pupil basis, rural districts spend less per-pupil than their urban counterparts overall, but more on both regular and vocational education programs, food and transportation services for pupils, general administration, and books and supplies. Urban districts spend relatively more on special education and supplemental education programs, enterprise activities, retirement benefits, and services and other operating expenditures.
- Compared to elementary districts, high school districts spend 23 percent more overall per ADA, and in particular more on capital, debt service, vocational and special education, and guidance and counseling services.
- Compared to districts with the smallest shares, districts with the largest shares of unduplicated pupils or students eligible for free- or reduced-price lunch spend more on regular K-12 instruction and most types of activity and object, but less on capital.

- Districts with the largest shares of English learners spend more per ADA than other districts on regular and bilingual education, instruction, instruction-related services, food services, and salaries, though not on teacher salaries.
- Districts with the largest shares of black students spend more on average per ADA than other districts, but not more on general K-12 education. Rather, districts with larger shares of black students spend more on debt service, services and other operating expenditures, special education (including for severe disabilities), and enterprise activities.
- Compared to districts with the smallest shares, districts with the largest shares of Hispanic students spend more overall per ADA as well as more on general K-12 education, supplemental education, food services, enterprise activities, staff benefits, services and other operating expenditures, and books and supplies. They spend less on capital and debt service.
- On an inflation-adjusted, per-ADA basis, California school district expenditure levels had not only recovered from their post-recession lows in 2016-17, but were higher than at any point since at least 2004-5.
- Since 2004-5, including under the Local Control Funding Formula (LCFF), many districts have seen broadly similar increases (or decreases) in their spending levels. Thus, over time the *relative* spending levels of districts have changed only modestly.
 - At the same time, spending levels have increased somewhat more rapidly in districts attended by black or, especially, Hispanic students than in districts attended by white students, on average.
- Spending increases since 2004-5 have disproportionately gone to costs for special education, pupil services, operations, and staff benefits. Spending on supplemental education services, instruction, and salaries (including teacher salaries) has increased more slowly if at all.
 - Benefit costs, including pension benefit costs, increased slightly as a share of district budgets as of 2016-17, and appear likely to continue do so in the future if overall resource levels cease to grow.

District Financial Health

In general, district revenues and expenditures should be expected to move together, with districts spending more when they are more highly-resourced. However, districts may in some cases have fixed costs that make it difficult to cut spending in direct proportion to budget cuts, or may opt to save money during some years to draw on in subsequent lean years. For these and other reasons, districts' *overall financial health* may change over time as revenues exceed expenditures or vice versa.

Methods

I consider several measures of districts' financial health, each of which is related to districts' *liabilities*, *fund balances*, or *debt service costs*. A district's liabilities include obligations that might typically be viewed as debts, such as short-term loans or OPEB commitments, or monies owed to other agencies.⁵² A districts' fund balances are net amounts residing in district funds when SACS reports are filed. When expenditures from a fund exceed revenues these balances will tend to fall, and they can therefore serve as a sign of fiscal health. Debt service costs are (non-student) expenditures associated with outstanding debts, including the repayment of principal and interest payments as well as miscellaneous costs (e.g., costs of issuing debt).⁵³

District Financial Health in 2016-17

Table 17 presents per-ADA measures of these indicators of district financial health. Districts spend \$1,879 per ADA on debt service costs, of which 38 percent consists of principal repayments. These costs vary considerably across districts, with districts at the 75th percentile spending nearly four times as much per ADA as districts at the 25th percentile. Districts also report substantial liabilities, amounting to \$1,411 per ADA, which also vary a great deal across districts, with an interquartile range of \$1,138. The large majority (89 percent) of these liabilities are *accounts payable*, or amounts owed to private parties at the end of the fiscal year for goods and services provided during the fiscal year. Districts report \$74 per ADA in *long-term liabilities*, such as outstanding long-term loan balances. Half of these long-term liabilities are associated with *net OPEB obligations* (i.e., underfunded OPEB obligations under GASB-45), and most districts report none of these obligations at all. Districts report \$63 per ADA in amounts

⁵² Specifically, I include as liabilities all SACS object codes associated with liabilities (9500-9689) except amounts owed between funds within a district (9610) and the accounting of "unearned" revenue received before it is officially recognized (9650).

⁵³ The liabilities and debt costs considered here are largely those directly held or incurred by districts. Other district costs may be indirectly related to liabilities held by other agencies. Perhaps the most important example of these *indirect* debt costs are increased spending levels on pension contributions for current employees. As discussed above, these costs have increased in recent years and this is to a large extent because districts are increasingly responsible – in the form of higher statutory contribution rates – for unfunded liabilities held by statewide pension plans (e.g., CalSTRS).

due to other governments (e.g., for the overpayment of grant or assistance money), \$9 per ADA in short-term loans, and \$13 per ADA owed to other (e.g., student) groups.

Table 17. Financial Health Measures per ADA, 2016-17

	Mean	25th %ile	Median	75th %ile
Debt Service	1879	526	920	1988
<i>Principal Repayments</i>	717	262	449	874
<i>Interest Payments</i>	544	212	400	799
Liabilities	1411	798	1180	1936
Accounts Payable	1252	691	1107	1617
Long-Term Obligations	74	0	0	0
<i>Net OPEB Obligations</i>	37	0	0	0
Due to Governments	63	0	0	89
Short-Term Loans	9	0	0	0
Due to Other Groups	13	0	0	0
Total Ending Fund Balances	8263	5307	7890	9831
State Reserves	2440	1715	2319	3044
Economic Uncertainty Reserves	410	220	336	453
Districts	716			

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

I consider three types of district fund balances. First, districts report *ending fund balances* for each fund and resource combination, calculated as the amount available in the beginning of the year plus revenues and other financing received during the year, and then subtracting expenditures or other uses. Constructed in this way and aggregated across all funds, districts' fund balances are large, amounting to \$8,263 per ADA on average, or 66 percent of average district student spending (and 51 percent of all spending) per ADA. However, the extent to which these fund balances represent financial flexibility for districts is not obvious because many of these resources may already be committed to particular purposes. For this reason, the state uses a somewhat more specific measure of *reserves* (what I refer to as "state reserves") that includes balances in the general fund that the district could legally spend on any purpose (e.g., excluding restricted resources but including resources the district has chosen to earmark for specific purposes) (Taylor, 2015).⁵⁴ This measure of reserves is substantially (70 percent) lower than total ending fund balances: \$2,440 per ADA. Finally, districts can set aside money explicitly as *economic uncertainty reserves* to deal with unexpected emergencies or revenue shortfalls, and they reported \$410 per ADA in such reserves in 2016-17.

⁵⁴ I also subtract from district reserves any negative fund balances for restricted resources in the general fund as this is done by the CDE when assessing district financial health (e.g., <https://www.cde.ca.gov/fg/fi/ss/distbudgetcsfy1617.asp>) and it produces patterns of median reserve sizes indistinguishable from those presented in Taylor (2015).

Differences in Financial Health by District Characteristics

Table 18. Mean Per-ADA Financial Health Measures by District Characteristic, 2016-17

	Debt Service Costs			Liabilities				Fund Balances	
	Total	Principal Repayment	Interest Payments	All	Accounts Payable	Long-Term	OPEBs	State Reserves	Economic Uncertainty Reserves
Overall	1879	717	544	1411	1252	74	37	2440	410
Basic Aid Status									
Not Basic Aid	1833	696	528	1419	1258	74	38	2402	401
Basic Aid	3129	1306	981	1178	1099	76	17	3482	652
Urbanicity									
Urban	2557	821	656	1627	1418	74	25	2469	354
Suburb	1397	671	477	1289	1156	87	56	2356	429
Town	747	411	284	864	848	5	2	2588	613
Rural	763	388	314	947	928	5	0	3013	596
Grade Levels									
Elementary	932	532	373	959	889	41	29	2553	530
High	1858	840	666	1174	1041	91	77	2279	440
Unified	2142	753	575	1565	1379	81	34	2430	373
Percent Unduplicated									
Bottom 25%	2090	1048	634	1063	933	51	19	2085	446
Middle 50%	1503	632	511	1286	1093	98	59	2252	421
Upper 25%	2314	642	536	1814	1690	52	15	2943	372
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	2062	1034	642	1064	941	49	18	2140	444
Middle 50%	1504	634	506	1288	1090	101	62	2230	422
Upper 25%	2324	633	536	1827	1704	50	12	2956	370
Percent Black									
Bottom 25%	853	484	319	1251	1227	4	0	2858	447
Middle 50%	1416	736	476	1102	967	88	69	2342	460
Upper 25%	2281	724	609	1636	1450	70	18	2474	373
Percent Hispanic									
Bottom 25%	2572	1393	690	966	807	76	29	2347	464
Middle 50%	1616	696	546	1255	1064	97	53	2212	401
Upper 25%	2113	578	503	1767	1660	37	13	2821	411
Percent English Learners									
Bottom 25%	1367	667	587	855	705	48	44	2420	581
Middle 50%	2004	770	556	1456	1304	59	14	2440	374
Upper 25%	1531	524	482	1392	1204	139	126	2450	503

Note. ADA-weighted and expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Average financial health measures for districts with different characteristics are presented in Table 18.

Basic aid status. Perhaps unsurprisingly, these indicators are generally suggestive of stronger financial health in basic aid districts relative to other districts. Basic aid districts spend 71 percent more per ADA on debt service costs than their non-basic aid counterparts, but this additional \$1,296 per ADA may reflect greater capacity for debt financing. Basic aid districts also report net financial liabilities that are \$241 (17 percent) lower than other districts, and

state-defined reserves that are \$1,080 (45 percent) higher, on a per-ADA basis. These differences are arguably more striking given that, as discussed above, basic aid districts spend \$5,706 more per ADA than other districts. Liabilities thus amount to a much smaller share of total spending in basic aid districts compared to non-basic aid districts (five percent vs. nine percent), and reserves a slightly larger share (16 percent vs. 15 percent).

Urbanicity. On a per-ADA basis, both debt service costs and net liabilities are generally higher among more-urban districts. For example, urban districts spend \$1,794 (235 percent) more per ADA on debt service costs and report liabilities that are \$680 (72 percent) higher per ADA than rural districts. The composition of district liabilities also varies somewhat by urbanicity. Only urban and suburban districts report significant net OPEB obligations, perhaps because lower-enrollment districts, such as are often found in towns and rural areas, are less likely to offer health benefits to their retirees (Legislative Analyst's Office, 2017). Rural districts tend to have larger reserves per-ADA. Here again district size is likely a factor; state guidelines specify proportionally larger reserve requirements for lower-enrollment districts (Taylor, 2015).

Grade Levels. In addition to being higher-spending generally, high school districts spend relatively more than other districts on debt service costs, including on both principal repayment and interest payments. Unified districts report the largest liabilities by a wide margin, with total liabilities that are \$606 (63 percent) higher per ADA than elementary districts. Elementary districts have somewhat larger reserves, including economic uncertainty reserves, than other districts, and again this is perhaps due in part to their relatively small enrollments.

Student Demographics. In addition to spending more per pupil overall, districts with the largest shares of unduplicated pupils (or FRL-eligible students) spend more on debt service than districts with smaller shares. Perhaps relatedly, they also tend to have higher debt levels; districts with the largest shares of unduplicated pupils report liabilities that are 71 percent higher on a per-ADA basis as districts with the smallest shares, including accounts payable at the end of the year that are \$757 (81 percent) higher. On the other hand, they also report state-defined reserves that are \$390 (15 percent) higher per ADA, and larger as a share of total spending (16 percent vs. 14 percent).

Districts with the fewest black students spend much (\$1,428, or 63 percent) less per ADA on debt service costs than districts with the largest shares, and report liabilities that are \$385 (24 percent) lower. Districts with the smallest shares of black students also have slightly higher reserve levels, though these districts tend to have relatively small enrollment with an average ADA of approximately 2,700 compared to roughly 8,200 in other districts. When districts are compared on the basis of their shares of Hispanic students the pattern is reversed for debt service costs, which are highest in districts with the fewest Hispanic students. Indeed, in districts in the bottom quartile of the share of students who are Hispanic debt service costs represent 16 percent of all spending, compared to 12 percent in districts in the top quartile. Yet districts in the top quartile also report liabilities that are \$801 (83 percent) higher per ADA than districts in the bottom quartile. This is due primarily to having larger accounts payable on average; districts with larger shares of Hispanic students report lower long-term debt levels.

Districts with the largest shares of English learners report relatively high long-term liabilities per ADA due to high net OPEB obligations. Debt service costs and total liability levels, however, are highest in districts with intermediate shares of these students. These districts report similar state reserve levels to other districts, but smaller economic uncertainty reserves (\$374 per ADA vs. at least \$500 per ADA in other districts). Because they tend to be relatively high-spending, both state reserve and economic uncertainty reserve levels are slightly smaller as a share of total spending in districts with intermediate shares of ELs (15 percent and two percent, respectively) than in other districts.

District Financial Health over Time

Given that the years since the 2004-5 school year included both the Great Recession and, later, injections of new funding in the form of LCFF, one might expect districts' financial health to have deteriorated substantially and then rebounded dramatically over the previous decade. However, this was not obviously the case. For example, as shown in Figure 25, districts' per-ADA debt service costs did grow steadily after the recession, perhaps because districts were increasingly relying on debt financing as other revenues fell. Between 2006-7 and 2012-13 debt service costs per ADA grew by an average of \$51 per year, or by a cumulative 37 percent. These increases reflected similar proportional increases in principal repayment costs and interest payments. However, debt service costs have continued to climb since the adoption of LCFF, increasing between 2012-13 and 2016-17 by another \$735 per ADA. Because districts may take on additional debt either in times of financial strain or in times of improving financial outlooks, these cost levels should be interpreted with caution.⁵⁵

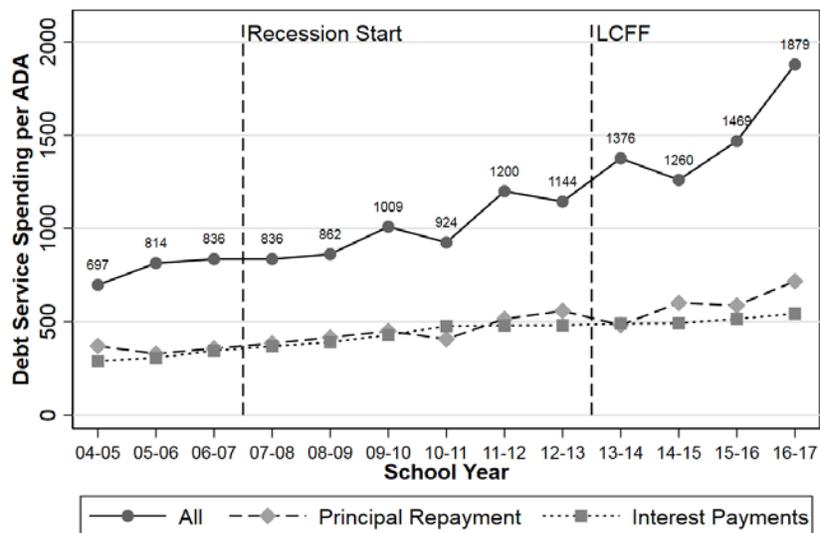


Figure 25. Debt service costs per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

⁵⁵ As shown in Appendix C, while debt service spending is particularly high in LAUSD, particularly in 2016-17, excluding LAUSD does not substantially change the qualitative patterns over time observed in Figure 25.

Similarly, as shown in Figure 26, districts' liability levels did not show large increases, or their reserves large decreases, in the aftermath of the recession. District liability levels per ADA do appear to have risen – by \$354 (27 percent) per ADA between 2010-11 and 2012-13, and their state reserve levels fell by \$147 (eight percent) over the same period. Nevertheless, this left districts' liability levels in 2012-13 at approximately the same level as in the pre-recession period, and their reserve levels somewhat higher. For example, just before the implementation of LCFF districts held average economic uncertainty reserves of \$340 per ADA, four percent (\$13) higher than in 2007-8, the last school year to begin prior to the Recession. In 2016-17, four years into the implementation of the LCFF, district reserve levels are at their highest points since at least 2004-5, and liability levels, while rising, are below pre-Recession levels.⁵⁶

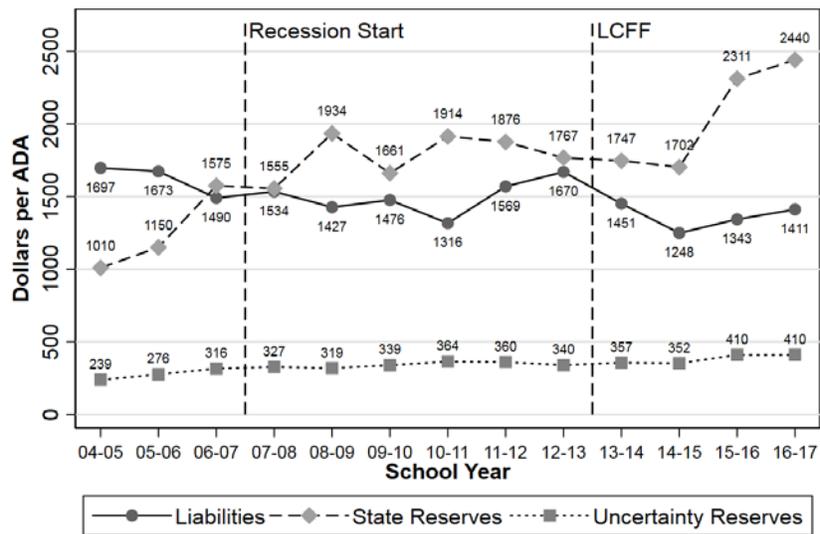


Figure 26. Liabilities and reserves per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

As shown above, in the years under consideration here California districts have seen large fluctuations in their overall resource levels, and districts' financial health should be considered in that context. Figure 27 therefore presents these fiscal health measures as a share of districts' total expenditures. Liabilities did increase as a share of all district expenditures after the recession, from nine percent in 2007-8 to 13 percent in 2012-13. However, districts also increased both their state reserves (from 11 percent to 14 percent of all spending) and their economic uncertainty reserves (from 2 percent to 3 percent of spending). There is thus only mixed evidence of increased financial strain in the post-Recession period and, as with the absolute measures, these proportional indicators of financial health have either held steady or improved since the adoption of LCFF.

⁵⁶ As of 2014-15 districts are expected to account for their share of pension plans' net unfunded liabilities in addition to accounting for any required contributions they fail to make (Faggiato, 2015). This slightly increases districts' reported long-term liabilities in recent years, by roughly 11 dollars per ADA in 2016-17.

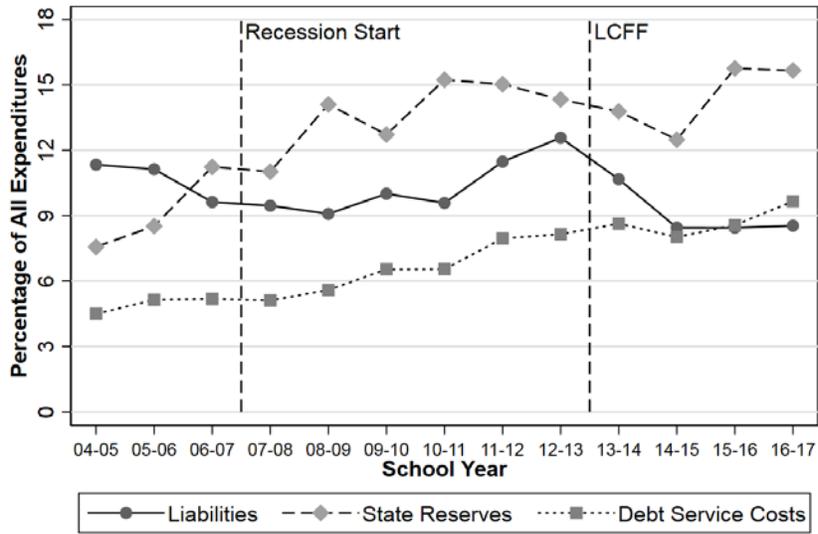


Figure 27. Fiscal health indicators as a share of all expenditures in California districts, 2004-5 through 2016-17. ADA-weighted. Excludes districts that ever had ADA < 250.

Of course, districts’ financial strain is often visible elsewhere, such as in cuts to expenditures. As shown above, California districts did substantially reduce their per-pupil expenditure levels in the years after the recession, reflecting contemporaneous drops in resources. Nevertheless, it is perhaps surprising that these spending cuts manifested as districts’ reserve levels held steady, or even grew. As California’s Legislative Analyst’s Office (LAO) explains (Taylor, 2015), this state of affairs was likely due to an unusual convergence of factors, including increasing financial caution among district officials, the provision of one-time revenue supports from the state and federal governments, and anticipated revenue reductions that failed to materialize. As the LAO notes, these circumstances were somewhat unusual and should not be expected to persist going forward, and districts may face growing pressure to spend down their reserves in the future.

Of particular interest in current discussions of school finance are employee benefit costs to districts. These are briefly considered above, but direct expenditures on these benefits do not capture outstanding liabilities accumulated by districts for benefits owed but not yet funded. The extent to which these obligations are fully captured by SACS is not clear as accounting requirements for these liabilities have changed over time. Nevertheless, SACS does require districts to report net OPEB obligations (i.e., the difference between districts’ required and actual OPEB contributions). These liability levels are shown in Figure 28.

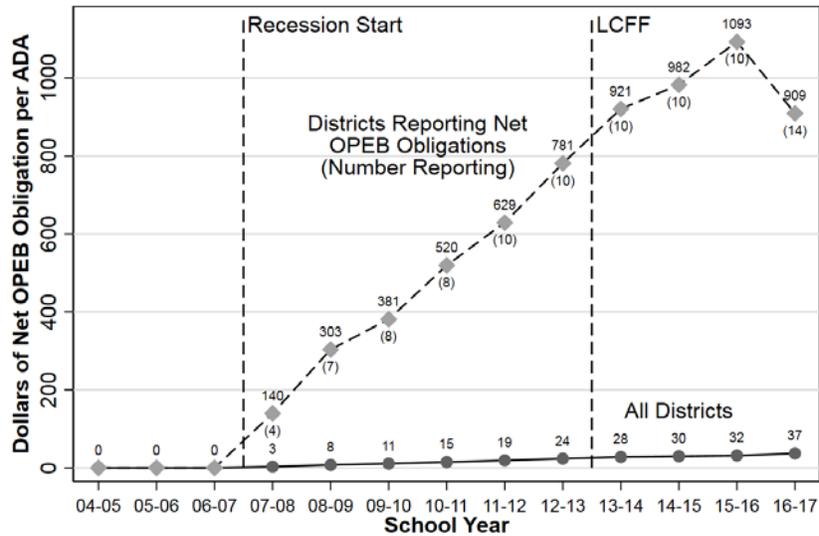


Figure 28. Net OPEB obligations per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes districts that ever had ADA < 250.

Though these OPEB obligations represent a small fraction of overall liabilities, they have grown rapidly in the last decade. Essentially zero prior to the recession, they have increased by an average of nearly four dollars per ADA per year since 2006-7 across all districts. This likely reflects in part changes in the accounting requirements for OPEBs such as those discussed above, but in any case these are obligations that appear poised to become increasingly important for district finances as accumulated benefits are realized by additional retirees. Moreover, many districts offer no OPEBs at all and this statewide measure obscures the fact that these OPEB liabilities are reported by only a handful of districts. I therefore also include in Figure 28 average reported net OPEB obligations only for districts that report such liabilities. Naturally, OPEB liabilities represent much larger obligations in the districts that have them. For example, in 2016-17, only 14 districts reported net OPEB obligations (up from four in 2007-8), and in those districts the (ADA-weighted) mean liability was \$909 per ADA.

Summary

- Average district financial health as measured by per-pupil reserves, liabilities, and debt service costs vary substantially across district types. Basic aid districts have relatively high debt service costs, but low liabilities and large reserves, all consistent with relatively strong fiscal situations. On the other hand, urban districts and districts with the largest shares of black students report not only relatively high debt service costs, but also higher liability levels and relatively low reserve levels, perhaps indicative of weaker financial health. However, these measures should be interpreted with caution given varying district contexts (e.g., size).
- Average district financial health by these measures appeared similar or stronger in 2016-17 than in previous years, whether measured in absolute, inflation-adjusted terms or as shares of total expenditures.

- However, districts vary substantially in these indicators of financial health. For example, districts at the 75th percentile report liabilities that are 142 percent larger on a per-ADA basis than districts at the 25th percentile, \$1,936 vs. \$798.

The Role of Non-District LEAs

As discussed briefly above, focusing on school districts potentially obscures the role of other LEAs in educational service provision in California. This is particularly true with respect to smaller districts that lack the capacity or economies of scale to effectively and efficiently provide many costly or complicated services. For example, a small district may struggle to meet the needs of students with uncommon or severe disabilities or to provide adequate professional development to its teachers. In such cases it may be useful for districts to be served by (or join together to form) a governmental entity providing similar services to several districts at once. Because these services can play a very large role in many districts' operations, they are worth briefly considering here.

In particular, SACS files include reports for two types of non-district LEAs that may be of interest. Fifty-eight county offices of education (COEs), discussed briefly above, serve all districts in a given county and each tend to provide a fairly wide range of services, though the extent to which they serve any particular district will vary. Districts may also join together to provide joint powers authorities (JPAs), which tend to be more specialized in the services they provide. For example, of the 64 JPAs observed in SACS files between 2004-5 and 2016-17 roughly half are dedicated to various kinds of vocational education (e.g., regional occupation centers) and approximately one-fifth are primarily focused on providing transportation services.

Methods

As discussed above, the spending of non-district LEAs to students in particular districts can be challenging – indeed, COEs may also be responsible for educating their own students – and in some cases even identifying precisely which districts belonged to now-defunct JPAs poses a challenge. Additionally, comparing these entities to one another is often not instructive since they are often performing very different kinds of activity. Thus in this section, rather than constructing per-ADA measures of spending and then presenting weighted averages and percentiles, I simply aggregate spending by COEs and JPAs across the state and express those totals on a statewide per-ADA basis.

Expenditures of Non-District LEAs in 2016-17

As shown in Table 19, despite being similar in number, COEs and JPAs spend very different amounts on a statewide, per-ADA basis; COEs collectively spend \$879 per student in the state, compared to only \$58 per ADA for JPAs. Unsurprisingly given their role as service providers for districts, both COEs and JPAs spend relatively large proportions of their budgets on non-agency services: eight and 24 percent, respectively, compared to less than one percent in districts. These entities also dedicate many of their resources – at least 10 percent in each case – to pre-kindergarten and adult education services. The service provision role of these LEAs also

means that the student/non-student spending distinction is less meaningful for them, so discussion below considers total spending only.

Table 19. Total Spending per ADA by COEs and JPAs, 2016-17

	COEs	JPAs
Total	879	58
Student	662	35
Non-student	218	23
<i>Capital & Facilities</i>	19	1
<i>Debt Service</i>	17	2
<i>Infant, Pre-K, & Adult</i>	104	6
<i>Non-agency & Community Service</i>	74	14
<i>Retiree Benefits</i>	7	0
LEAs	58	52

Note. Based on statewide ADA and expressed in 2017 dollars. Non-student spending categories are not mutually exclusive, and may therefore sum to slightly more than total non-student spending figures.

Table 20 decomposes COE and JPA spending into its various goals as reported in SACS. COEs, but not JPAs, spend a substantial amount on K-12 educational services. Unlike with district spending, however, K-12 COE spending is dedicated heavily toward specialized (i.e., non-“regular”) services, including community day schools for students who have been expelled or who have attendance or behavioral difficulties and public schools operating in the juvenile justice system. Relatedly, COEs dedicate 32 percent (\$285 per ADA statewide) of their spending toward special education services, more than half of which is for students with severe disabilities, and \$21 per ADA on migrant education. Both COEs and JPAs spend approximately \$20 per ADA on regional occupation centers and programs and other types of vocational education. These represent the kinds of costly, specialized educational services that districts may struggle to provide independently.

Table 20. Total Per-ADA COE and JPA Spending by Goal, 2016-17

	COEs		JPAs	
	Mean	% age of Total Spending	Mean	% age of Total Spending
General K-12	148	17	2	3
<i>Regular K-12</i>	45	5	2	3
<i>Vocational Education</i>	6	1	0	0
<i>Alternative Schools</i>	8	1	0	0
<i>Continuation Schools</i>	0	0	0	0
<i>Independent Study Centers</i>	4	0	0	0
<i>Opportunity Schools</i>	0	0	0	0
<i>Community Day Schools</i>	57	6	0	0
<i>Juvenile Courts</i>	25	3	0	0
<i>Specialized Secondary Programs</i>	2	0	0	0
Pre-K	71	8	5	9
SPED Services	285	32	4	7
<i>Regionalized Services & Specialists</i>	14	2	0	0
<i>Infant & Pre-K</i>	26	3	0	0
<i>Severely Disabled, 5-22</i>	147	17	0	0
<i>Non-Severely Disabled, 5-22</i>	29	3	0	0
Regional Occupation Centers & Programs	17	2	25	43
Supplemental K-12	41	5	0	0
<i>Bilingual Education</i>	0	0	0	0
<i>Migrant Education</i>	21	2	0	0
Adult	6	1	1	2
Other Goals	222	25	14	24
<i>Non-Agency Services</i>	42	5	14	24
<i>Community Services</i>	2	0	0	0
<i>Child Care/Development Services</i>	60	7	0	0
<i>County Services to Districts</i>	118	13	0	0
LEAs		58		52

Note. Based on statewide ADA and expressed in 2017 dollars.

These LEAs' specialized education service and support roles are also apparent when their spending is categorized by SACS function code (Table 21). Both COEs and JPAs dedicate more than one-third of their total spending to instruction. For COEs the majority (51 percent) of this instructional spending is for SPED instruction, and recall that JPAs engage to a large extent in pre-K and vocational education (in the form of ROCPS). Twenty-two percent of COE spending is for instruction-related services, especially the supervision of instruction (e.g., curriculum development and evaluation). These LEAs also provide many pupil services; for example, 21 percent of all JPA spending is for pupil transportation.

Table 21. Total Per-ADA COE and JPA Spending by Function, 2016-17

	COEs		JPAs	
	Mean	%age of Total Spending	Mean	%age of Total Spending
Instruction	321	37	20	34
<i>SPED Instruction</i>	163	19	0	0
Instruction-related Services	191	22	8	14
<i>Supervision of Instruction</i>	122	14	4	7
<i>SELPA Administrative Unit</i>	11	1	1	2
<i>Instructional Library, Media, & Tech.</i>	12	1	0	0
Pupil Services	109	12	20	34
<i>Food Services</i>	5	1	5	9
<i>Transportation Services</i>	21	2	12	21
<i>Guidance/Counseling Services</i>	15	2	1	2
<i>Psych/Attendance/Social Services</i>	24	3	0	0
<i>Health Services</i>	18	2	0	0
<i>Testing Services</i>	1	0	0	0
Plant Services	50	6	3	5
<i>Plant Maintenance</i>	18	2	1	2
General Administration	118	13	3	5
<i>Board and Superintendent</i>	12	1	1	2
<i>Centralized Data Processing</i>	33	4	0	0
Enterprise	14	2	1	2
Ancillary Services	7	1	1	2
Other Outgo	33	4	2	3
LEAs		58		52

Note. Based on statewide ADA and expressed in 2017 dollars.

COE and JPA spending on SACS-defined objects is presented in Table 22. Like districts, these LEAs dedicate a substantial portion of their spending to staff compensation. Unlike districts, however, salary spending in COEs and JPAs is proportionally greater for non-teaching (e.g., classified) staff. Both COEs and JPAs allocate at least 30 percent of their spending toward services and other operating expenditures.

Table 22. Total Per-ADA COE and JPA Spending by Object, 2016-17

	COEs		JPAs	
	Mean	%age of Total Spending	Mean	%age of Total Spending
K-12 Salaries	387	44	20	34
<i>K-12 Teacher Salaries</i>	111	13	7	12
<i>K-12 Admin. & Supervisor Salaries</i>	84	10	4	7
<i>Other Certificated Staff Salaries</i>	29	3	0	0
<i>Other Classified Staff Salaries</i>	163	19	8	14
Employee Benefits	152	17	8	14
<i>H&W Benefits</i>	64	7	3	5
<i>Retirement Benefits</i>	58	7	3	5
Services & Other Operating Expenditures	263	30	20	34
<i>Subagreements for Services</i>	107	12	5	9
<i>Consulting & Operating</i>	115	13	12	21
Books and Supplies	25	3	7	12
All Capital Outlay	19	2	1	2
Other Objects	33	4	2	3
LEAs	58		52	

Note. Based on statewide ADA and expressed in 2017 dollars.

Expenditures of Non-District LEAs over Time

As shown in Figure 29, statewide per-ADA spending by COEs has trended in a manner similar to district spending since 2004-5. Specifically, COE spending peaked just after the start of the recession at \$922 per ADA statewide in 2008-9. COE spending then declined in each of the next four years by a cumulative \$103 (11 percent) per ADA, to \$819 in 2012-13. In contrast to districts, COE spending did not rise in the first year under LCFF, though it has risen somewhat in each of the most recent three years for which data are available. JPA spending has exhibited a different pattern, declining nearly every year since its 2006-7 peak, including slightly after the adoption of LCFF. Even after a slight increase between 2015-16 and 2016-17 statewide per-ADA spending by JPAs is still below pre-Recession levels. This is perhaps partially explained by a decline in the total number of JPAs in operation: in 2004-5 56 JPAs reported financial data through SACS, compared to 52 in 2016-17. However, the number of JPAs in SACS was at its highest – 57 – from 2011-12 through 2014-15, a period when JPA spending was relatively low and either flat or declining.

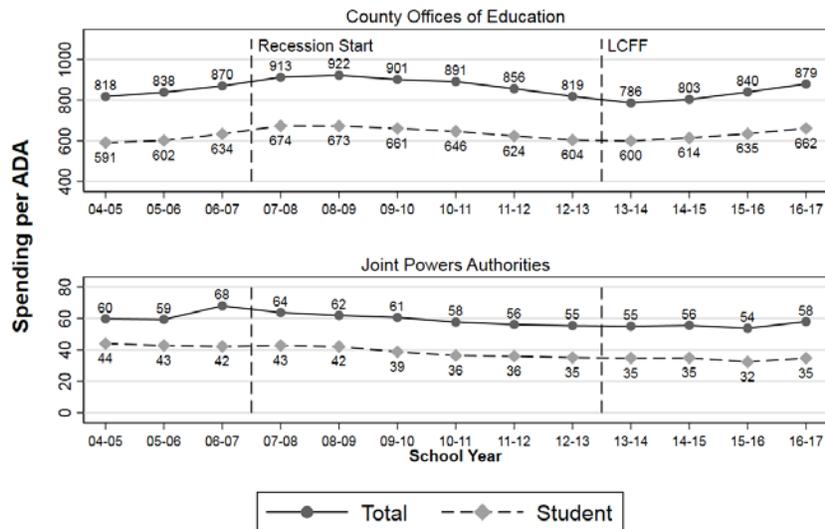


Figure 29. Per-ADA spending by non-district LEAs in California, 2004-5 through 2016-17. Based on statewide spending and ADA and expressed in 2017 dollars.

Figure 29 suggests that the magnitudes of the roles played by COEs and JPAs may have changed somewhat over time, and it is possible also that the types of role these LEAs have played have also changed. To consider this possibility, Figures 30-32 aggregate COE and JPA spending on a real, statewide, per-ADA basis to visualize how the amount these LEAs have spent on different goals, functions, and objects has changed since 2004-5. As shown in Figure 30, COEs and JPAs collectively spend 25 percent (eight dollars) more per ADA on supplemental education services than they did in 2004-5. This is due to increases in neither bilingual or migrant educational services, but rather to increases in “other” supplemental education spending by COEs for students who are not officially enrolled in the COEs themselves (e.g., for children in foster youth services programs).⁵⁷ As some of these increases have occurred in the LCFF era, they may reflect the law’s emphasis on service provision for unduplicated pupils (e.g., foster youth), but spending on supplemental services in general remains below peak (2007-8) levels.⁵⁸ At the same time, real, per-ADA spending by COEs and JPAs is down on regional occupation centers and programs by 44 percent (\$32). Per-ADA spending on other goals by these agencies was largely the same in 2016-17 as it was in 2004-5.

⁵⁷ Though these per-ADA figures for COEs and JPAs may not seem large recall that they are constructed using statewide ADA, which is on the order of 5.5 million in any given year. Even small per-ADA amounts may thus represent large amounts of aggregate spending. Moreover, COEs and JPAs are often spending these monies on a relatively small number of students, making this spending substantially more important for some children and some districts.

⁵⁸ Relatively high levels of supplemental education spending in 2007-8 may have been driven at least in part by a contemporaneous expansion of the state’s Foster Youth Services Program, through which COEs provide educational services to children in the foster system (e.g., Foster Youth Services Program, 2010).

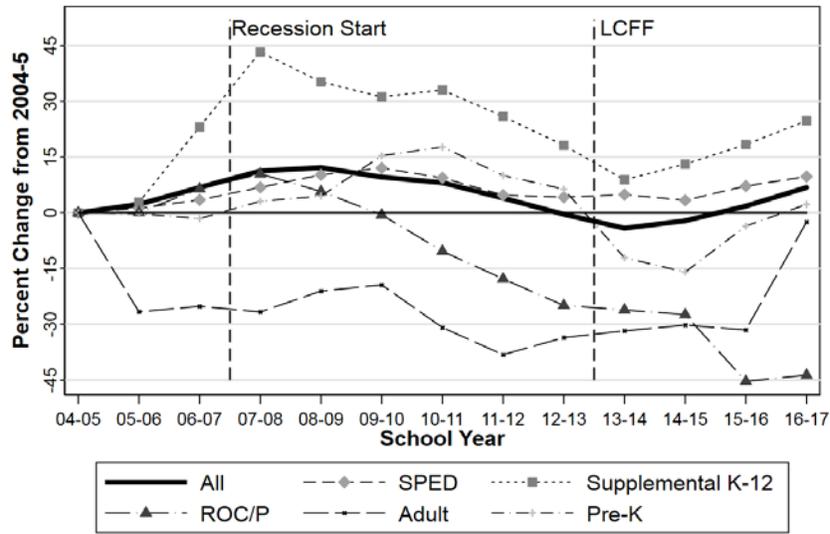


Figure 30. COE and JPA spending per ADA by goal in California, 2004-5 through 2016-17. Based on statewide spending and ADA and expressed in 2017 dollars.

Figure 31 illustrates that the relative resource allocation of COEs and JPAs across different functions has also changed since 2004-5. Collectively these LEAs spent more on a statewide per-ADA basis on general administration (up 20 percent) and instruction-related services (up 12 percent), and less on plant services (down 21 percent) in 2016-17 than they did in 2004-5. The largest change, however, was an increase in pupil service spending (30 percent), widely shared across many types of pupil service (not shown) including food services (up 27 percent), guidance and counseling services (up 26 percent), psychological, attendance, and social services (up 96 percent), health services (up 26 percent), and testing services (up 25 percent); only spending on transportation services was down in 2016-17 relative to 2004-5, by three percent.

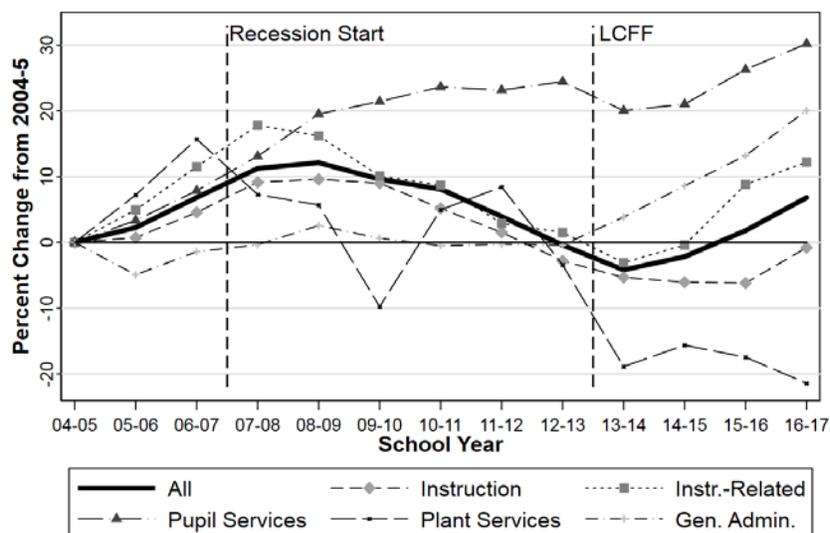


Figure 31. COE and JPA spending per ADA by function in California, 2004-5 through 2016-17. Based on statewide spending and ADA and expressed in 2017 dollars.

As shown in Figure 32, COEs and JPAs have seen increases in compensation costs similar to those observed in districts over these periods, with per-ADA benefit costs generally increasing faster than salary costs (29 percent vs 12 percent). These LEAs spent slightly less, however, on other operating expenditures (five percent) and books and supplies (10 percent) in 2016-17 than they did in 2004-5. They also spent 41 percent less on capital, though as with districts these capital costs often vary substantially from year to year.

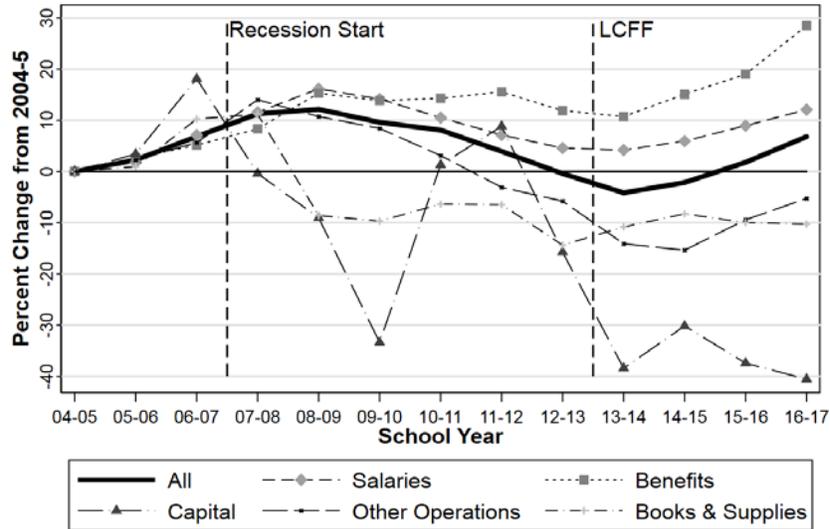


Figure 32. COE and JPA spending per ADA by object in California, 2004-5 through 2016-17. Based on statewide spending and ADA and expressed in 2017 dollars.

Summary

- On a statewide basis, spending by county offices of education and joint powers authorities in 2016-17 collectively amounted to \$937 per ADA, or approximately six percent of what was spent by districts.
- Compared to districts, COEs dedicated larger shares of their spending to alternative education, special education, pre-kindergarten services, and services to districts. JPAs spend relatively large shares on vocational education and transportation.
- COEs and JPAs likely play important roles for many districts and the nature of those roles may have changed somewhat in recent years. Since 2004-5 statewide spending per ADA by COEs and JPAs on supplemental education, pupil services, and benefits has increased, while their spending on regional occupation centers and programs, plant services, and capital has fallen.

California Compared to Other States

Though California is different from many other states, it may nevertheless be helpful to place California districts' finances in the context of districts nationwide. Given the numerous changes to California's school finance system over the years it is also worthwhile to briefly consider how differences in school resources and expenditures between California and other states have changed over time. A comprehensive analysis of these differences and their evolution is beyond the scope of this report, but following the original *District Dollars* below I present a basic descriptive analysis that is illustrative of general patterns.⁵⁹

Data and Methods

Because the SACS reports used above include only LEAs in California, this section relies on data from the LEA Finance Survey that is part of the National Center for Education Statistics' Common Core of Data (CCD). These data have two disadvantages relative to SACS data. First, NCES financial data are substantially less detailed than SACS data, classifying both revenues and expenditures into fewer categories. This facilitates comparisons across states that may utilize very different accounting systems, but limits the extent to which differences between states can be investigated. Second, the NCES data are released more slowly than SACS data. As of this writing SACS data are available through the 2016-17 school year, but complete NCES data are available only through 2013-14, with a subset of data for 2014-15 released through the Census Bureau. Given that some of California's largest changes to its school finance system (e.g., LCFF) have occurred only recently, this limits the extent to which the effects of these changes can be observed using NCES data files.

As above, figures below are inflation-adjusted to 2017 dollars. I use all LEAs that are regular districts, as well as those that are so-called "supervisory unions" that involve shared administration across districts (e.g., the common administration districts discussed above). Because the NCES cautions that average daily attendance is often estimated differently across states (Cornman, 2016), where ADA is used above I instead use fall enrollment as reported to the NCES. Figures below are thus based on an enrollment-weighted average of states' districts and are presented on a per-enrolled-pupil basis rather than a per-ADA basis. This, combined with somewhat different definitions and classifications of expenditure, makes direct comparisons with the figures above difficult, but facilitates comparisons between states.

Following the similar analysis in the original *District Dollars* report, I compare California to plausibly similar states (viz., New York, Texas, and Florida) separately, as well as to the other states and the District of Columbia together. These comparisons across states are perhaps even more complicated than comparisons within a state, even in a state as large and diverse as California, because of likely differences in the circumstances faced by districts. Accounting for all such differences is again beyond the scope of this report, but in some cases figures are adjusted for regional differences in the cost of labor using the comparable wage index, or CWI (Taylor &

⁵⁹ For additional school finance and governance comparisons between California and other states, see Imazeki (2018).

Fowler, 2006). As discussed above, labor costs represent the large majority of district budgets and so the CWI adjustment will in many cases better reflect what districts are able to buy, and thus provide, with any given level of resources.

Revenues and Expenditures

Table 23 shows per-pupil revenue and spending levels in California, New York, Texas, Florida, and all other states (plus D.C.) combined in 2013-14, the most recent year for which the most detailed data are available.⁶⁰ Relative to most other parts of the country – though not to Texas or Florida – school districts in California receive low levels of total revenue on a per pupil basis. This is due primarily to relatively low per-pupil levels of local revenue in California, perhaps unsurprisingly given limits imposed by Proposition 13 on local revenue generation. Compared to other states and D.C. in 2013-14 California received \$1,937 (15 percent) less total revenue per pupil, and a similar amount (\$1,949, or 32 percent) less per pupil in local revenue in particular. Texas and Florida receive less revenue per pupil than California but New York is an outlier, having per-pupil revenue levels that are more than double those in California and nearly double what is observed in other states and D.C.

⁶⁰ The Washington, D.C. public school system has unusually high per-pupil levels of revenue and expenditure, but because it represents less than 0.2 percent of all enrollment of the jurisdictions with which it is combined its inclusion alters the figures presented here only slightly, increasing total revenues and expenditures each by approximately 0.2 percent, or about \$27 per pupil.

Table 23. Mean Per-Pupil Revenues and Expenditures across States, 2013-14

	CA	NY	TX	FL	Other States + DC	CWI-Adjusted				
						CA	NY	TX	FL	Other States + DC
Revenues per Pupil										
Total Revenue	11274	24466	11018	10046	13211	10666	22290	11119	11022	13941
<i>Federal Revenue</i>	1037	1335	1136	1199	1030	990	1209	1155	1320	1104
<i>State Revenue</i>	6103	9880	4310	4030	6099	5832	9261	4388	4443	6540
<i>Local Revenue</i>	4133	13250	5571	4817	6082	3845	11821	5575	5258	6297
Expenditure Categories per Pupil										
Total Expenditures	11312	24956	11099	10218	13085	10692	22644	11208	11209	13806
Elem/Sec Expenditures	9504	21535	8885	9134	11249	9018	19601	8953	10026	11879
<i>Instructional Expenditures</i>	5763	14928	5337	5602	6721	5463	13479	5372	6139	7094
<i>Support Service Expenditures</i>	3312	6139	3051	3062	4033	3145	5692	3080	3370	4252
<i>Other Elem/Sec Expenditures</i>	429	468	496	469	495	410	431	501	517	533
Non-Elem/Sec Expenditures	127	138	64	220	107	118	124	65	240	111
Capital Expenditures	1010	1620	1209	566	971	935	1460	1225	622	1033
Salary Expenditures per Pupil										
Total Salaries	5802	11962	6068	5242	6547	5500	10916	6098	5757	6905
<i>Instructional Salaries</i>	3855	9103	4100	3353	4410	3654	8236	4117	3680	4653
<i>Administration Salaries</i>	477	641	463	408	547	454	602	469	450	582
<i>Special Education Salaries</i>	455	1745	309	653	559	429	1534	309	717	584
Other Expenditures per Pupil										
Plant Operations & Maintenance	977	1880	969	913	1078	929	1693	979	1002	1140
Student Transportation	227	1290	267	365	538	219	1188	269	404	571
Total Benefits	2112	6251	1003	1620	2690	2004	5706	1014	1775	2833
Textbooks	45	89	109	75	46	43	81	109	83	50
LEAs	926	687	1025	67	10545	926	687	1025	67	10398

Note. Enrollment weighted and expressed in 2017 dollars.

These comparisons across states could be somewhat misleading if the cost of providing educational services varies across regions. Table 23 therefore also provides figures adjusted using the comparable wage index to better reflect the cost of labor in different districts. This adjustment causes the apparent level of revenues in California to fall while they rise in most other jurisdictions, reflecting the fact that labor costs are higher in many California districts – and particularly in the districts with the largest enrollments – than they are elsewhere in the country. On a CWI-adjusted basis California districts not only have total revenues that are \$3,275 (23 percent) lower per pupil than districts in other states and D.C., but also revenues that are now lower than those in Texas and Florida.

Unsurprisingly, having received lower revenues than districts elsewhere in 2013-14, California districts also spend less per-pupil overall and on most types of expenditure, though some exceptions and relatively extreme differences are apparent. For example, California districts spend relatively more than many other jurisdictions per student on non-elementary/secondary expenditures, a category that includes adult education, community services, and other costs not related to elementary and secondary educational service provision. California districts spend \$20 (18 percent) more per pupil on these activities than districts in other states and D.C., and \$63 (98 percent) more than districts in Texas. California districts also spend slightly more on capital than districts in other states and D.C. (an additional

\$39, or four percent). However, California districts spend less on student transportation – \$227 per pupil – than any comparison group of districts here; districts in other states and D.C. spend more than twice as much on student transportation and districts in New York spend more than five times as much. As with revenues, these differences are somewhat sensitive to the CWI adjustment, which tends to lower apparent expenditures in California and New York while increasing them elsewhere.

Resource allocations. Differences in resource levels can make it difficult to discern differences in the composition and allocation of those resources. Table 24 therefore presents types of district revenue and expenditure as a percentage of total revenues and expenditures, respectively. California districts are substantially more dependent on state revenue, and less dependent on local revenue, than districts elsewhere in the country. California districts receive 55 percent of their revenues from state sources and 36 percent from local sources; in no other comparison group is the state revenue share above 48 percent or local revenue share below 44 percent. Again, this is unsurprising given restrictions on local revenue generation in California.

Differences in the shares of expenditure dedicated to various objects and activities are generally modest. Districts in California spend a slightly lower share of all expenditures on elementary and secondary education (85 percent) than districts in most other jurisdictions, including a somewhat lower share on instructional expenditures (52 percent); among the comparison groups used here, these shares are lower only in Texas. This is offset by slightly higher shares of spending unrelated to elementary and secondary education (e.g., adult education) and on capital. California districts allocate what appear to be relatively typical shares of spending to salaries generally (52 percent), and also on specific types of salaries.

Table 24. Mean Revenue and Expenditure Allocations across States, 2013-14

	CA	NY	TX	FL	Other States + DC
Revenue Sources as a Percentage of Total Revenues					
Federal Revenue	9.1	5.5	10.4	12.0	8.2
State Revenue	55.0	41.5	40.3	40.7	47.8
Local Revenue	35.9	53.0	49.3	47.3	44.0
Expenditure Categories as a Percentage of Total Expenditures					
Elem/Sec Expenditures	85.3	86.9	82.1	89.6	87.1
<i>Instructional Expenditures</i>	51.9	59.9	49.5	54.9	52.1
<i>Support Service Expenditures</i>	29.5	25.1	28.1	30.0	31.0
<i>Other Elem/Sec Expenditures</i>	3.8	1.9	4.6	4.6	4.0
Non-Elem/Sec Expenditures	1.1	0.5	0.6	2.1	0.8
Capital Expenditures	8.2	6.2	9.8	5.4	7.0
Salary Expenditures as a Percentage of Total Expenditures					
Total Salaries	52.2	48.5	56.3	51.4	51.0
Instructional Salaries	34.8	36.7	38.1	32.9	34.3
Administration Salaries	4.3	2.6	4.3	4.0	4.3
Special Education Salaries	4.1	6.8	2.9	6.4	4.2
Other Expenditures as a Percentage of Total Expenditures					
Plant Operations & Maintenance	8.7	7.5	8.9	8.9	8.3
Student Transportation	2.0	5.3	2.5	3.6	4.2
Total Benefits	18.8	25.3	9.3	15.9	20.5
Textbooks	0.4	0.4	1.0	0.7	0.4
LEAs	926	687	1025	67	10545

Note. Enrollment weighted.

Changes over Time

Importantly, the results in Tables 23 and 24 come from the 2013-14 school year. This was only the first year in which the LCFF was adopted, and as shown above LCFF funding was increased in subsequent years. The full effects of this reform will therefore not be apparent in the 2013-14 data, so below I use 2014-15 data that, while not as detailed as those above, include information on district total revenue and expenditure levels. This allows a longitudinal comparison between California and all other states (plus D.C.) that not only extends back as far as the previous SACS analysis but also extends forward an additional year into LCFF implementation.

Figure 33 shows per-pupil total spending and state revenue in California and all other states (plus D.C.) over time. As can be seen in the topmost lines, decreases in total spending levels after the recession were particularly steep in California, widening the spending gap between California districts and districts elsewhere. In 2006-7, just prior to the recession, districts in California spent \$815 (six percent) less per pupil than districts in the rest of the country. By 2012-13 that gap had more than doubled in absolute terms and roughly tripled in proportional terms, to \$2,195 (17 percent). Under the LCFF, however, the gap has begun to close again, shrinking to \$1,501 (11 percent) by 2014-15 as spending has increased in California more rapidly than elsewhere in recent years.

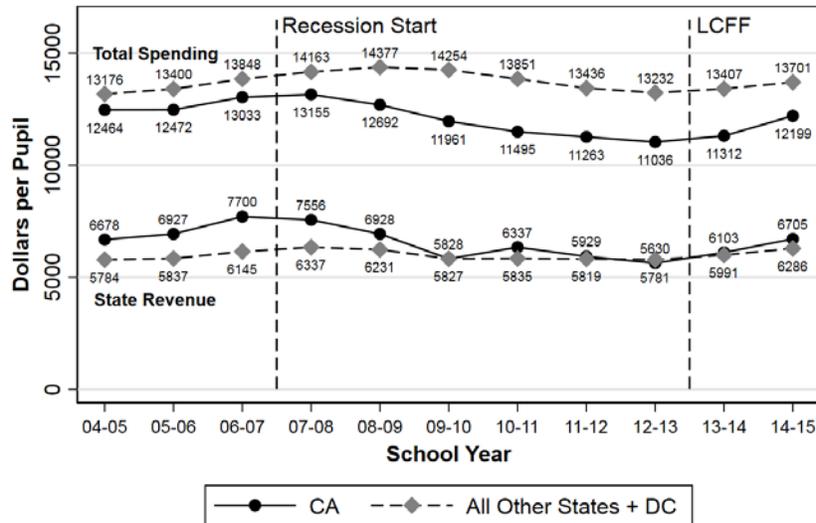


Figure 33. Average per-pupil spending and state revenue in districts in California and other jurisdictions, 2004-5 through 2014-15. Enrollment-weighted and in 2017 dollars.

To understand why fluctuations in educational spending may be relatively large in California it is helpful to recall that California districts are heavily dependent on state revenue, and prior research has found that districts heavily dependent on state aid were often hardest-hit by the economic downturn (Evans, Schwab, & Wagner, 2018).⁶¹ As shown in Figure 33, in California state revenue received by districts fell precipitously after the recession, by more than \$2,070 per pupil (27 percent) between 2006-7 and 2012-13, compared to a decline of only \$384 (six percent) in other districts in the country. State revenues had still not returned to their pre-recession peak in 2014-15, but the SACS analysis above suggests that district resource levels continued to increase over the two subsequent years so it will be worth revisiting these comparisons in the near future as data allowing between-state comparisons in later years becomes available.

Summary

- Compared to other states, California districts are substantially more dependent on state revenue sources, and receive substantially less local revenue.
- Compared to districts elsewhere, districts in California dedicate slightly lower shares of spending to elementary and secondary education and instruction.
- Per-pupil spending in California has been consistently below the national average since at least 2004-5, and fell further than average in the aftermath of the Great Recession. Under the LCFF that gap has closed somewhat but was still substantial as of 2014-15. The gap is somewhat larger if adjusted for the costs of labor in districts' labor markets.

⁶¹ Evans et al. (2018) also find that in some states local property tax rates increased as property values (and state revenues) declined during the recession. However, as discussed above, in California similar compensatory local taxation behavior is often infeasible in practice due to statewide limits on property tax rates.

Conclusion

This report provides descriptive evidence about the nature of school district resources, expenditures, and financial health in California as well as on the spending of non-district education agencies and finance differences between California and other states. This includes evidence from 2016-17, as well as evidence of changes since the 2004-5 school year.

I find that district resource levels and financial health have increased since the original *District Dollars* report. Additionally, while California districts' resources deteriorated in absolute terms and relative to districts in other states after the Great Recession, they have experienced both absolute and relative improvements in the early years of the LCFF and these gains have come with substantially increased spending levels and spending flexibility. Similar to the original *District Dollars* report, I also find that despite the operation of the revenue limit system there is considerable variation in district resource and spending levels within California, though this variation is somewhat sensitive to the manner in which resources and expenditures are defined. Additionally, the LCFF appears to have had some success in its efforts to fund schools more progressively on the basis of student need, though because revenue and spending increases have been broadly similar across most districts, districts' relative resource levels have changed only modestly over the past decade. SACS coding requirements also allow district expenditures to be tracked in considerable detail, revealing for example that district spending per ADA has increased disproportionately on some goals, activities, and objects – such as special education, operations, and staff benefits – while increasing more slowly, if at all, on others, such as supplemental education, instruction, and teacher salaries.

Annual SACS reports are a powerful tool for tracking school district expenditures in California. However, these data are not without their limitations. For example, despite the intention of LCFF that supplemental and concentration grants be spent to benefit unduplicated pupils in particular, SACS accounting rules do not allow those monies to be tracked in detail. It is therefore difficult to know precisely how these targeted grants are being spent, let alone whether they are benefitting their intended students. Additionally, charter school finances are often classified in less detail than those of other LEAs and difficult to disentangle from those of their affiliated districts, making analyses of charter school resource levels and spending patterns a challenge.

Nevertheless, SACS financial reports now span more than a decade. This allows for increasingly detailed analyses of school district finances in California, and should allow for increasingly-sophisticated analyses not only of how resources are being allocated but whether they are accomplishing the goals for which they are intended.

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Appendix A: Districts with Average Daily Attendance of 250 or Less

Tables and figures below correspond to similarly-numbered tables and figures in the main report, but include only districts that had an average daily attendance below 250 in any school year from 2004-5 through 2016-17.

Table A3. Resources per ADA, 2016-17

	All Resources				K-12 Student Resources			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Panel A: All Resources								
All Resources	17608	11281	14004	19117				
<i>Student Resources</i>	15633	10660	13108	16966	15633	10660	13108	16966
<i>Adult</i>	9	0	0	0				
<i>Pre-K/Early Childhood</i>	45	0	0	0				
<i>PERS Reduction</i>	0	0	0	0				
<i>Capital</i>	798	0	23	103				
<i>Interagency Transfers In</i>	1132	221	490	834				
Panel B: Revenues vs. Other Financing								
All Resources	17608	11281	14004	19117	15633	10660	13108	16966
<i>All Revenue</i>	16735	11281	13960	18289	15475	10643	12934	16961
<i>All Other Financing</i>	873	0	0	0	158	0	0	0
Panel C: Restricted and Unrestricted Revenues (Defined by Resource Code)								
Unrestricted	13954	9471	11256	15303	13438	9387	11120	14517
<i>w/ Reporting Requirements</i>	1269	463	1443	1554	1268	463	1443	1554
Restricted	2781	1341	2140	3265	2037	937	1592	2584
<i>Restricted Federal</i>	1094	586	892	1369	1090	586	892	1369
<i>Restricted State</i>	1270	510	848	1558	638	77	374	1040
<i>Restricted Local</i>	417	0	72	317	309	0	12	170
<i>Special Education</i>	857	164	559	832	289	0	164	300
Panel D: Revenues by Source (Defined by Object Code)								
Federal Sources	1273	551	786	1422	1270	551	775	1422
Revenue Limit/LCFF	11703	8604	10011	12678	11703	8604	10011	12678
<i>State Aid</i>	6890	4726	7174	8577	6890	4726	7174	8577
<i>Tax Relief Subventions</i>	59	12	29	65	59	12	29	65
<i>Local Taxes</i>	4668	1251	2951	6304	4668	1251	2951	6304
<i>Miscellaneous & Transfers</i>	-324	0	0	0	-324	0	0	0
Other State Sources	1069	495	877	1457	1030	496	799	1409
<i>Lottery</i>	205	196	205	212	205	196	205	212
Other Local Sources	2690	765	1398	2565	1472	362	708	1612
<i>Parcel Taxes</i>	66	0	0	0	66	0	0	0
<i>Local Sales</i>	88	11	69	116	88	11	69	116
<i>Local Fees</i>	737	25	141	528	147	0	0	0
Districts	224							

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250. PERS reductions are no longer accounted for after 2012-13.

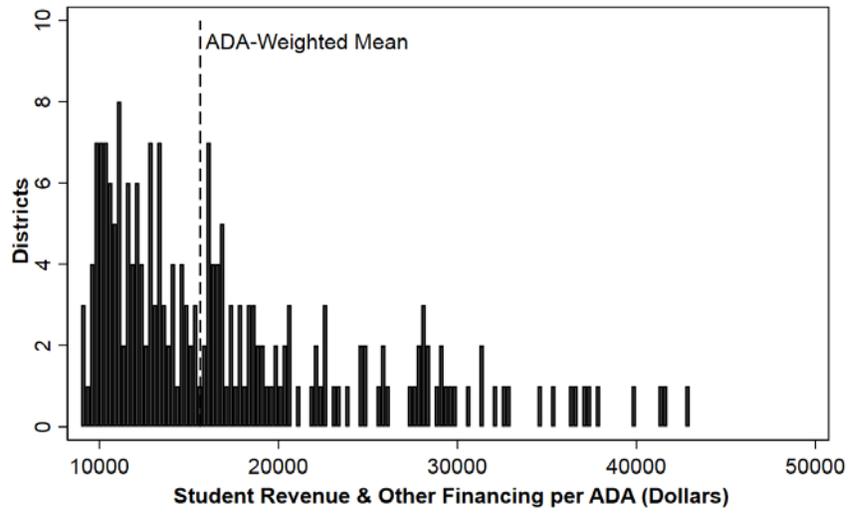


Figure A1. The distribution of student resource levels in California districts, 2016-17. Includes only districts ever having ADA < 250. Excludes districts with per-ADA resources > \$50,000.

Table A4. Mean Resources by District Characteristic, 2016-17

	All Resources		Student Resources						
	Total	Other Financing	Total	Student Revenues			Other		
				Unrestricted	Restricted	Federal	LCFF	State	Local
Overall	17608	873	15633	13438	2037	1270	11703	1030	1472
Basic Aid Status									
Not Basic Aid	16032	599	14279	12139	1965	1277	10727	1033	1066
Basic Aid	27436	2583	24079	21543	2484	1229	17787	1011	3999
Urbanicity									
Urban	17560	0	14138	12281	1857	1313	10217	1093	1516
Suburb	23958	0	19572	16828	2743	1286	13879	1062	3344
Town	15963	0	15469	13590	1879	1108	11996	835	1531
Rural	16873	1128	15159	12995	1960	1283	11433	1042	1197
Grade Levels									
Elementary	16622	811	14735	12712	1858	1052	11172	905	1441
High	25181	0	22874	20295	2579	794	17744	2106	2230
Unified	24923	1415	22273	18744	3416	3024	15518	1954	1664
Percent Unduplicated									
Bottom 25%	15972	596	14456	12564	1812	611	10845	908	2011
Middle 50%	17586	1209	15654	13514	1896	1375	11835	1065	1135
Upper 25%	19935	406	17214	14460	2705	1920	12560	1111	1575
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	16113	619	14551	12685	1781	595	10890	929	2052
Middle 50%	17708	1158	15791	13684	1885	1373	11886	1023	1286
Upper 25%	19401	455	16700	13815	2797	1923	12330	1188	1171
Percent Black									
Bottom 25%	18120	1229	16351	13974	2112	1206	12328	1061	1491
Middle 50%	16454	450	14181	12137	2008	1053	10763	988	1342
Upper 25%	18641	618	16653	14756	1825	2070	11757	1024	1731
Percent Hispanic									
Bottom 25%	17695	861	16184	13749	2099	1006	12046	1171	1625
Middle 50%	16741	356	15334	13472	1843	1423	11539	906	1448
Upper 25%	19997	2482	14956	12442	2446	1569	11216	1002	1102
Percent English Learner									
Bottom 25%	16923	564	15635	13575	2008	1361	11661	1124	1438
Middle 50%	16406	529	14927	12631	1970	1046	11272	970	1312
Upper 25%	21200	2137	16902	14610	2216	1487	12568	944	1828

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A5. Mean LCFF Student Revenues in Basic Aid and Non-Basic Aid Districts

	Components of LCFF Revenue				
	Total	State Aid	Tax Relief Subventions	Local Taxes	Misc. & Transfers
Not Basic Aid	10727	7812	51	3674	-811
Basic Aid	17787	3359	128	15321	-1020

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250. Negative miscellaneous funds and transfers in some cases indicate revenues transferred to other district object codes, and may be counted positively there.

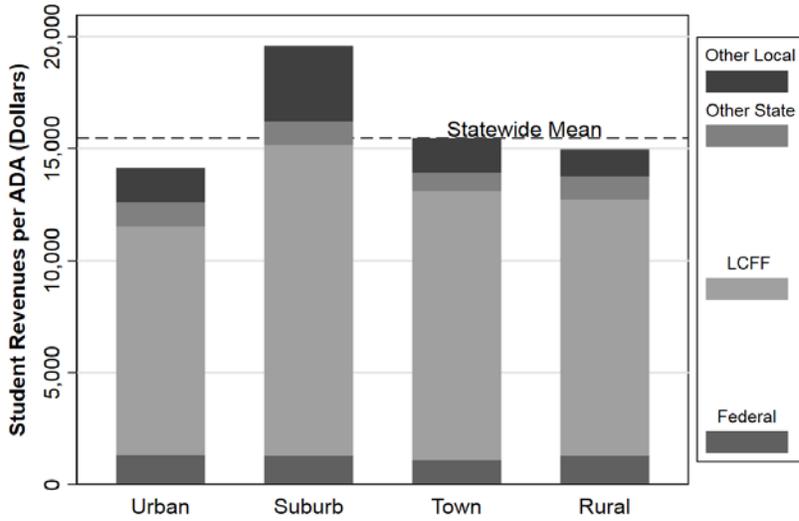


Figure A2. Student revenues per ADA in California districts in 2016-17 by urbanicity. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

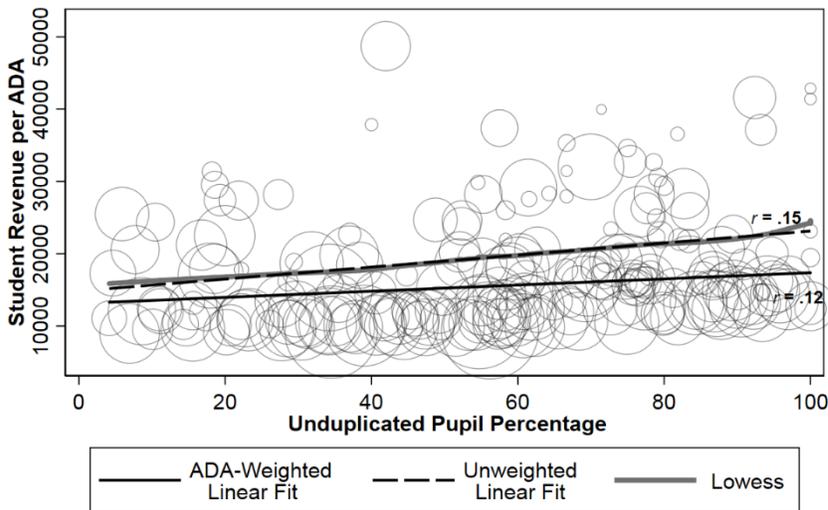


Figure A3. Student revenue and unduplicated shares, California districts in 2016-17. Includes only districts ever having ADA < 250. Districts with per-ADA revenue > \$50,000 not shown. Marker size is proportional to ADA. 2017 dollars.

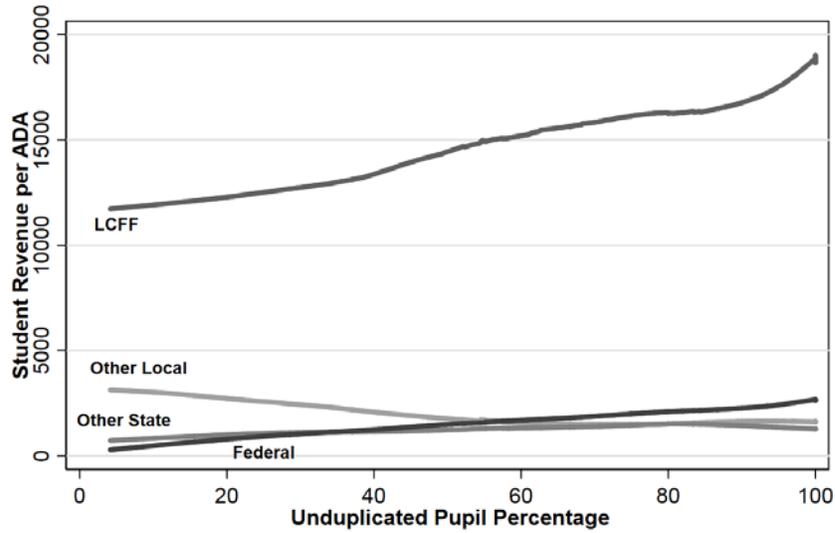


Figure A4. Student revenue sources and unduplicated pupil shares, California districts in 2016-17. Lines are loess curves. Includes only districts ever having ADA < 250. 2017 dollars.

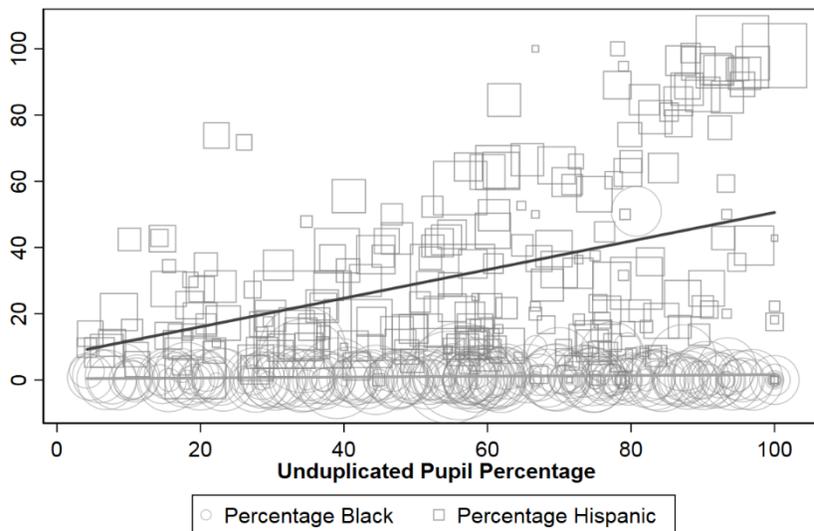


Figure A5. Student race and unduplicated shares, California districts in 2016-17. Includes only districts ever having ADA < 250. Marker size proportional to ADA.

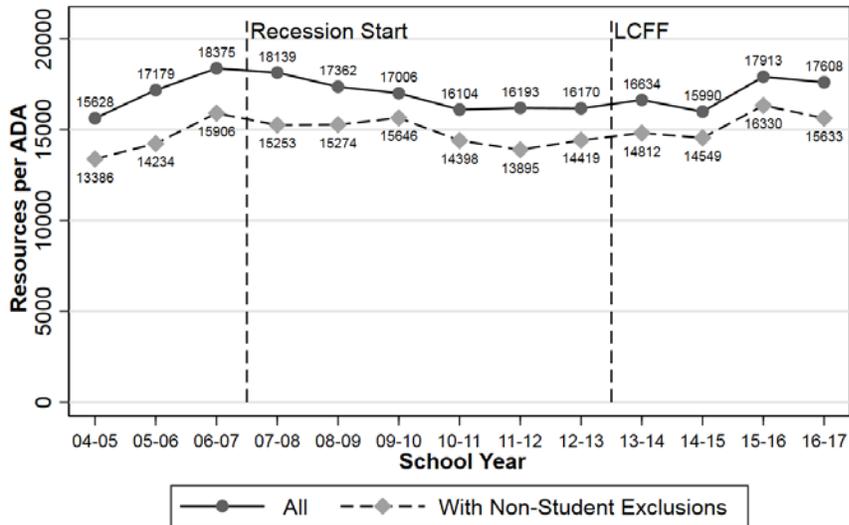


Figure A6. Average revenue and other financing per ADA in California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Includes only districts ever having ADA < 250.

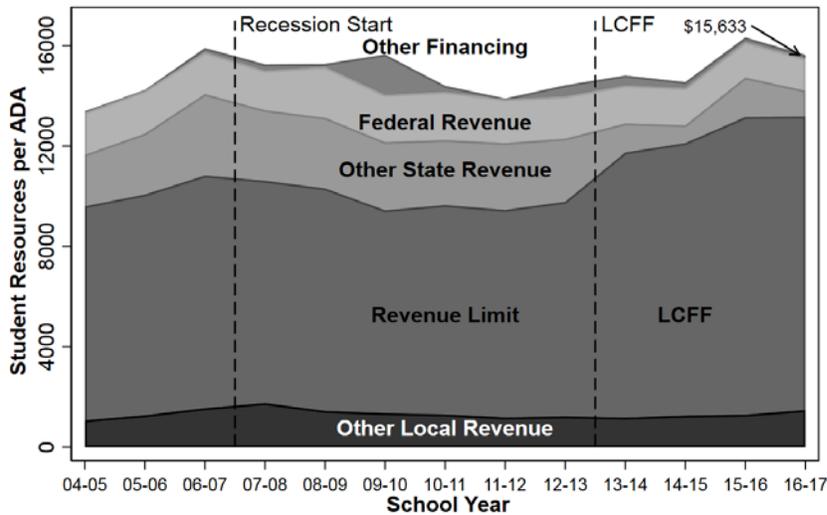


Figure A7. Student resources per ADA by source. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Includes only districts ever having ADA < 250.

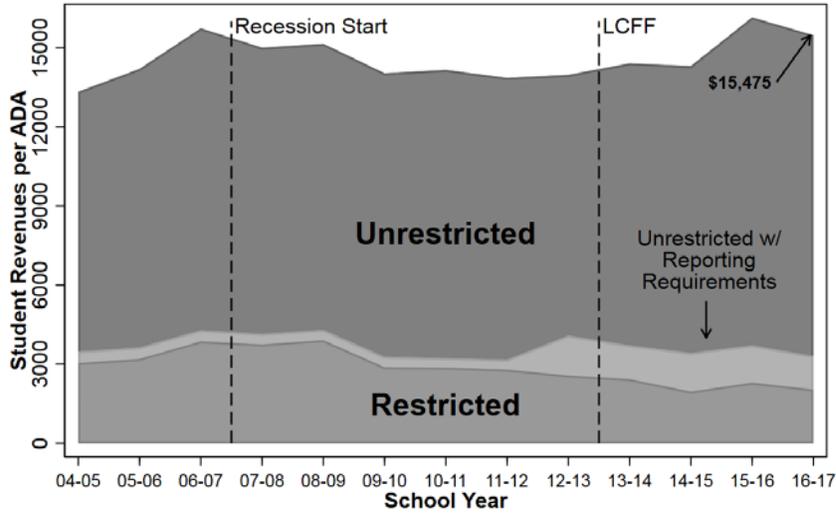


Figure A8. Restricted and unrestricted student revenues per ADA. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Includes only districts ever having ADA < 250.

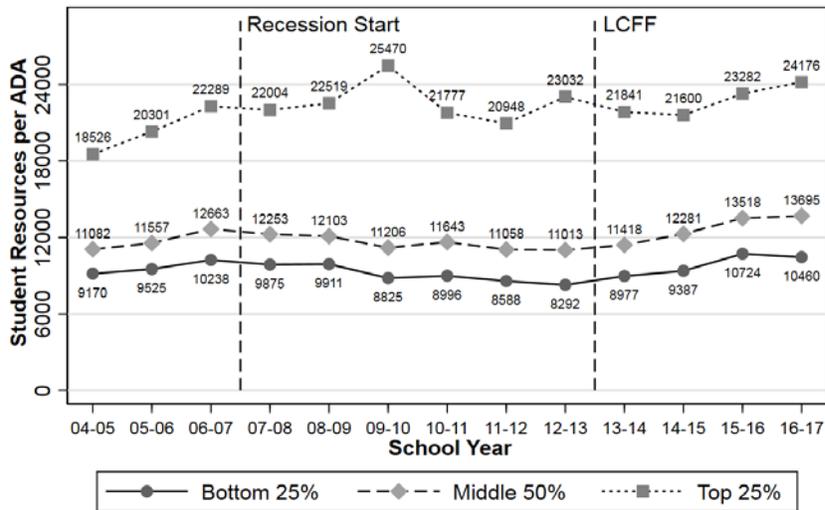


Figure A9a. Student resources per ADA by district resource level. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Includes only districts ever having ADA < 250.

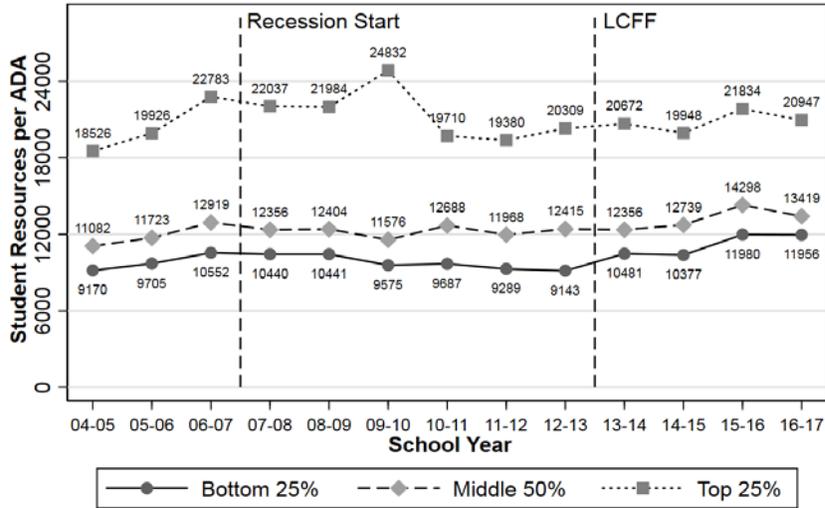


Figure A10. Student resources per ADA by district resource levels in 2004-5. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Includes only districts ever having ADA < 250.

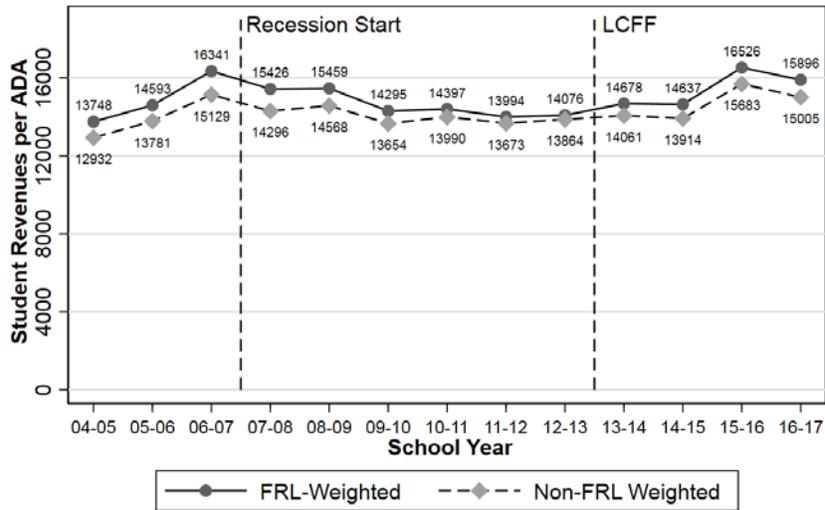


Figure A11a. Student revenues per ADA weighted by FRL and non-FRL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Includes only districts ever having ADA < 250.

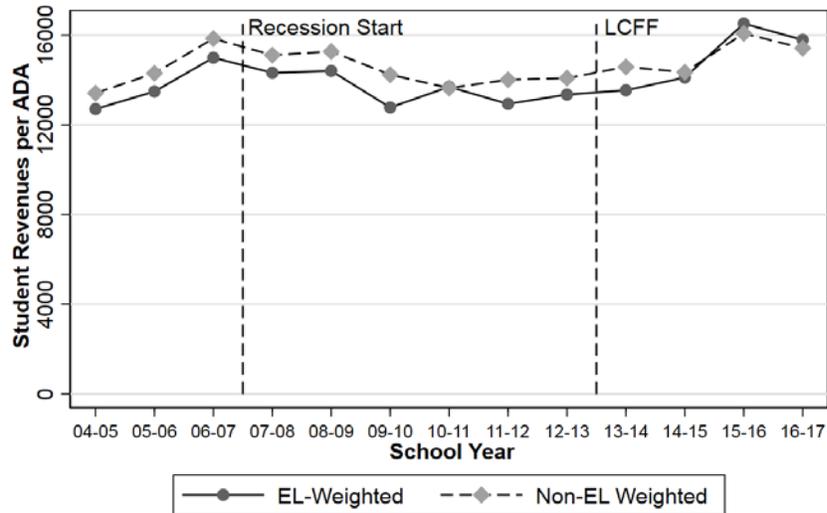


Figure A12a. Student revenues per ADA weighted by EL and non-EL enrollment. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Includes only districts ever having ADA < 250.

Table A7. Expenditures per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	16092	10951	13570	18556	14327	10140	12049	15685
w/ SELPA Adjustment	16395	12109	14308	19234	14630	11014	12674	15790
w/ COE Adjustment	18030	12904	15375	20639	15942	11736	13283	17168
w/ COE & SELPA Adjustments	18334	13767	15866	20507	16245	12658	14165	17896
Student	14107	9929	12268	15675	13388	9361	11495	14979
w/ SELPA Adjustment	14362	10724	12794	15813	13642	10210	11895	14923
w/ COE Adjustment	15577	11197	13263	17202	14752	10797	12597	16010
w/ COE & SELPA Adjustments	15832	12220	13985	17328	15006	11709	13277	16105
Districts	224							

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

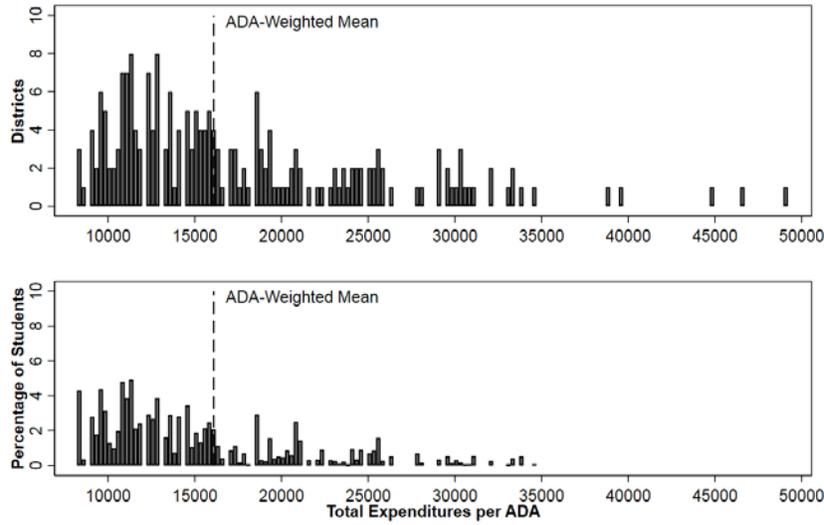


Figure A13. The distribution of total spending levels in California, 2016-17. Includes only districts ever having ADA < 250 or with per-ADA spending > \$50,000.

Table A8. Student and Non-Student Spending per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	16092	10951	13570	18556	14327	10140	12049	15685
Student	14107	9929	12268	15675	13388	9361	11495	14979
Non-student	1985	518	1097	2576	939	203	555	1065
<i>Capital & Facilities</i>	952	50	421	1224	471	0	116	536
<i>Debt Service</i>	645	0	76	491	129	0	0	0
<i>Infant, Pre-K, & Adult</i>	94	0	0	34	52	0	0	1
<i>Non-agency & Community Service</i>	212	0	5	203	205	0	5	193
<i>Retiree Benefits</i>	85	0	0	78	85	0	0	78
Districts	224							

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Non-student spending categories are not mutually exclusive, and may therefore sum to slightly more than total non-student spending figures.

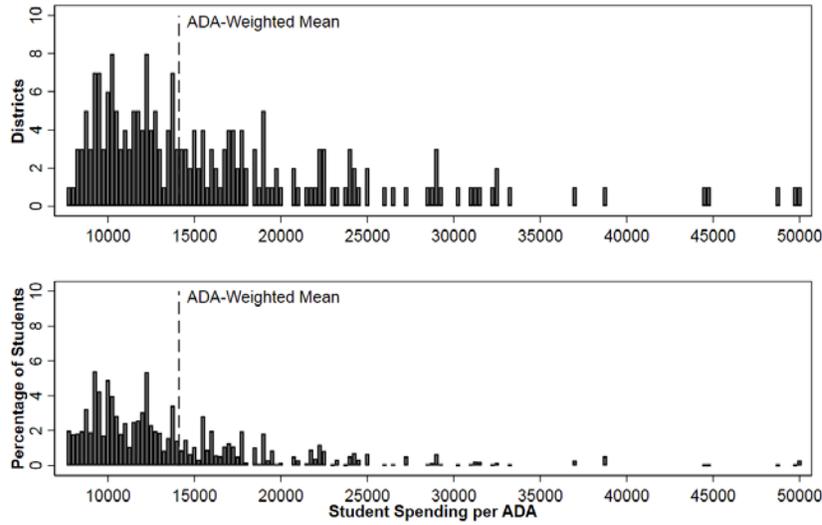


Figure A14. The distribution of student spending levels in California, 2016-17. Includes only districts ever having ADA < 250 or with per-ADA student spending > \$50,000.

Table A9. Mean Student Spending per ADA on Goals (All Funds), 2016-17

	SACS Goal Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending	
General K-12	1000-3999	10878	7921	9163	11790	79	
	<i>Regular K-12</i>	<i>1110</i>	<i>10683</i>	<i>7883</i>	<i>9163</i>	<i>11587</i>	<i>77</i>
	<i>Vocational Education</i>	<i>3800</i>	<i>40</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
SPED Services	5000-5999	1267	226	869	1448	7	
	<i>Severely Disabled, 5-22</i>	<i>5750</i>	<i>95</i>	<i>0</i>	<i>0</i>	<i>30</i>	<i>1</i>
Supplemental K-12	4750-4999	34	0	0	0	0	
	<i>Bilingual Education</i>	<i>4760</i>	<i>33</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Regional Occupation Centers & Programs	6000-6999	17	0	0	0	0	
Other Goals	7000-9000	43	0	0	0	0	
Districts		224					

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250. Pre-K and adult educational spending is excluded from student spending measures.

Table A10. Student Spending per ADA on Functions/Activities (All Funds), 2016-17

	SACS Function Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
Instruction	1000-1999	7816	5931	6735	8340	57
<i>SPED Instruction</i>	<i>1100-1199</i>	<i>857</i>	<i>30</i>	<i>548</i>	<i>953</i>	<i>5</i>
Instruction-related Services	2000-2999	1743	1155	1459	2028	12
<i>Supervision of Instruction</i>	<i>2100</i>	<i>115</i>	<i>0</i>	<i>17</i>	<i>91</i>	<i>1</i>
Pupil Services	3000-3999	1385	626	1244	1707	9
<i>Food Services</i>	<i>3700</i>	<i>592</i>	<i>180</i>	<i>605</i>	<i>797</i>	<i>4</i>
<i>Transportation Services</i>	<i>3600</i>	<i>504</i>	<i>157</i>	<i>371</i>	<i>730</i>	<i>3</i>
<i>Guidance/Counseling Services</i>	<i>3110</i>	<i>71</i>	<i>0</i>	<i>0</i>	<i>59</i>	<i>0</i>
<i>Psych/Attendance/Social Services</i>	<i>3120, 3130</i>	<i>69</i>	<i>0</i>	<i>3</i>	<i>61</i>	<i>0</i>
<i>Health Services</i>	<i>3140</i>	<i>34</i>	<i>0</i>	<i>11</i>	<i>47</i>	<i>0</i>
<i>Testing Services</i>	<i>3160</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Plant Services	8000-8999	1553	876	1221	1889	11
<i>Plant Maintenance</i>	<i>8100</i>	<i>863</i>	<i>66</i>	<i>635</i>	<i>1206</i>	<i>6</i>
General Administration	7000-7999	1499	874	1126	1685	10
<i>Board & Superintendent</i>	<i>7100</i>	<i>610</i>	<i>287</i>	<i>435</i>	<i>703</i>	<i>4</i>
Enterprise	6000-6999	23	0	0	0	0
Ancillary Services	4000-4999	64	0	6	69	0
Other Outgo	9000-9999	23	0	0	0	0
Districts		224				

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A11. Student Spending per ADA on Objects (All Funds), 2016-17

	SACS Object Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
K-12 Salaries	1000-2999	7500	5455	6860	8432	54
<i>K-12 Teacher Salaries</i>	<i>1100</i>	<i>4149</i>	<i>3197</i>	<i>3758</i>	<i>4534</i>	<i>31</i>
<i>K-12 Admin. & Supervisor Salaries</i>	<i>1300, 2300</i>	<i>1040</i>	<i>614</i>	<i>881</i>	<i>1315</i>	<i>7</i>
<i>Other Certificated Staff Salaries</i>	<i>1000-1999 (other)</i>	<i>87</i>	<i>0</i>	<i>0</i>	<i>81</i>	<i>1</i>
<i>Other Classified Staff Salaries</i>	<i>2000-2999 (other)</i>	<i>2224</i>	<i>1383</i>	<i>1868</i>	<i>2642</i>	<i>15</i>
Employee Benefits	3000-3999	2741	1831	2279	3076	19
H&W Benefits	3401, 3402	1301	742	1100	1564	9
Retirement Benefits	3101-3102, 3201-3202, 3701, 3702, 3751-3752	979	664	820	1036	7
<i>Pension Benefits</i>	<i>3101-3102, 3201-3202</i>	<i>904</i>	<i>664</i>	<i>820</i>	<i>1036</i>	<i>7</i>
<i>OPEB</i>	<i>3701-3702, 3751-3752</i>	<i>75</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Services & Other Operating Expenditures	5000-5999	2767	1579	2116	3231	19
<i>Consulting & Operating</i>	<i>5800</i>	<i>1674</i>	<i>761</i>	<i>1186</i>	<i>1906</i>	<i>11</i>
<i>Subagreements for Services</i>	<i>5100</i>	<i>109</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>1</i>
Books and Supplies	4000-4999	1056	656	997	1258	8
<i>Approved Textbooks & Curricula</i>	<i>4100</i>	<i>136</i>	<i>24</i>	<i>76</i>	<i>218</i>	<i>1</i>
Equipment Replacement	6500	19	0	0	0	0
Other Objects	7000-7999	23	0	0	0	0
Districts		224				

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A12. Mean Per-ADA Spending by District Characteristic, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments
Overall	16092	18334	14107	15832	14327	16245	13388	15006
Basic Aid Status								
Not Basic Aid	14770	16905	12958	14597	13256	15075	12281	13818
Basic Aid	24330	27241	21268	23536	21000	23544	20291	22415
Urbanicity								
Urban	17312	18193	13884	14607	16469	17153	13471	14026
Suburb	22042	21830	17808	17235	18035	17742	16901	16293
Town	15369	17942	13887	16027	13727	16044	13098	15132
Rural	15259	17882	13612	15671	13758	16009	12912	14857
Grade Levels								
Elementary	15185	17320	13294	14938	13528	15361	12614	14156
High	24426	24490	21866	21663	21933	21774	21124	20804
Unified	22727	25951	20038	22530	20152	22883	19009	21358
Percent Unduplicated								
Bottom 25%	14882	17068	12883	14556	13463	15399	12503	14100
Middle 50%	15714	18342	13948	16015	13989	16255	13177	15129
Upper 25%	18726	20068	16206	17139	16381	17394	15150	15952
Free- and Reduced-Price Lunch Eligibility								
Bottom 25%	15004	17132	12999	14622	13557	15461	12613	14167
Middle 50%	15825	18385	13994	15999	14059	16250	13234	15119
Upper 25%	18308	19850	15936	17050	16108	17313	14869	15861
Percent Black								
Bottom 25%	16120	18706	14471	16530	14541	16784	13727	15678
Middle 50%	15800	17677	13350	14690	13629	15195	12650	13906
Upper 25%	16731	18616	14677	16133	15308	16908	13999	15298
Percent Hispanic								
Bottom 25%	16180	18714	14203	16148	14558	16741	13530	15378
Middle 50%	15735	17948	13870	15589	13924	15833	13189	14801
Upper 25%	16922	18413	14551	15664	14884	16072	13580	14563
Percent English Learners								
Bottom 25%	15928	18734	14238	16444	14316	16760	13542	15646
Middle 50%	15108	17119	13183	14737	13567	15276	12523	13965
Upper 25%	18203	19690	15500	16533	15716	16921	14625	15553

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

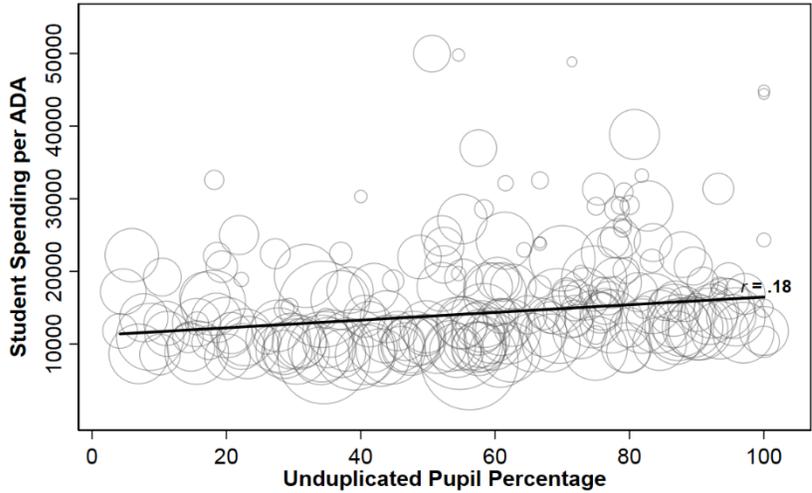


Figure A15. Student spending per ADA by unduplicated pupil percentage, California districts in 2016-17. Marker size is proportional to ADA and line is an ADA-weighted linear fit. Includes only districts that ever had ADA < 250. Districts with student spending > \$50,000 per ADA not shown.

Table A13. Mean Student and Non-Student Spending Per ADA (All Funds) by District Characteristic, 2016-17

	Non-Student Spending					
	Student	Pre-K & Adult	Capital	Debt Service	Retirees	Non-Agency & Community Service
Overall	14107	94	952	645	85	212
Basic Aid Status						
Not Basic Aid	12958	89	892	536	81	218
Basic Aid	21268	126	1326	1324	112	173
Student Resource Level						
Bottom 25%	9707	58	456	154	34	142
Middle 50%	12825	83	945	621	56	190
Upper 25%	21036	152	1605	1309	179	323
Urbanicity						
Urban	13884	184	928	2315	0	1
Suburb	17808	74	1579	2024	46	510
Town	13887	29	410	733	136	178
Rural	13612	99	918	360	89	183
Grade Levels						
Elementary	13294	74	894	642	70	215
High	21866	138	897	1527	1	0
Unified	20038	255	1414	609	208	203
Percent Unduplicated						
Bottom 25%	12883	77	1011	731	58	123
Middle 50%	13948	87	945	444	104	191
Upper 25%	16206	136	887	1034	75	389
Free- and Reduced-Price Lunch Eligibility						
Bottom 25%	12999	77	1040	697	62	128
Middle 50%	13994	92	930	534	97	183
Upper 25%	15936	124	888	872	85	405
Percent Black						
Bottom 25%	14471	103	867	482	73	129
Middle 50%	13350	98	1238	726	58	330
Upper 25%	14677	53	537	1051	198	219
Percent Hispanic						
Bottom 25%	14203	89	1077	587	104	125
Middle 50%	13870	88	908	574	75	220
Upper 25%	14551	127	725	1025	59	435
Percent English Learners						
Bottom 25%	14238	78	881	450	127	155
Middle 50%	13183	106	1065	542	56	163
Upper 25%	15500	106	895	1234	50	417

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250. PERS reductions are no longer collected.

Table A14. Mean Per-ADA Student Spending on Goals by District Characteristic, 2016-17

	General K-12 Ed.	<i>Regular</i> <i>K-12 Ed.</i>	<i>CTE</i>	<i>SPED</i>	<i>Severe</i> <i>SPED</i>	<i>ROCPs</i>	Supplemental K-12	<i>Bilingual</i>	Other Goals
Overall	10878	10683	40	1267	95	17	34	33	43
Basic Aid Status									
Not Basic Aid	10061	9838	46	1185	73	18	23	22	34
Basic Aid	15973	15952	0	1777	233	12	101	101	101
Student Resource Level									
Bottom 25%	8040	7703	0	530	57	0	9	9	22
Middle 50%	9937	9906	10	1125	68	0	21	21	53
Upper 25%	15453	15291	119	2360	170	56	78	76	61
Urbanicity									
Urban	11953	11953	0	1622	66	0	0	0	0
Suburb	11581	10278	0	3440	136	13	180	175	130
Town	10942	10942	0	925	113	0	14	14	8
Rural	10720	10654	51	975	89	20	16	16	36
Grade Levels									
Elementary	10292	10130	0	1203	92	0	29	28	46
High	13953	13009	298	3287	301	1564	0	0	0
Unified	15315	14902	337	1643	108	55	76	76	26
Percent Unduplicated									
Bottom 25%	10264	10263	0	1272	96	0	22	20	65
Middle 50%	10876	10502	72	1090	86	28	44	44	41
Upper 25%	11735	11722	13	1708	117	15	23	23	18
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	10329	10328	0	1338	97	0	22	20	81
Middle 50%	10839	10487	65	1106	93	27	43	43	31
Upper 25%	11741	11700	26	1602	96	15	23	23	23
Percent Black									
Bottom 25%	11281	11202	46	1123	100	15	23	23	35
Middle 50%	10006	9587	22	1433	82	13	62	60	64
Upper 25%	11597	11535	61	1380	109	35	1	1	17
Percent Hispanic									
Bottom 25%	11278	10875	59	1234	89	0	20	18	60
Middle 50%	10461	10400	32	1304	117	39	49	49	37
Upper 25%	10996	10989	7	1248	43	0	27	27	13
Percent English Learners									
Bottom 25%	11137	10767	29	1078	81	30	4	2	53
Middle 50%	10276	10192	71	1365	88	12	45	45	44
Upper 25%	11425	11393	5	1482	135	0	75	75	20

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A15. Mean Per-ADA Student Spending on Functions/Activities by District Characteristic, 2016-17

	Instruction- Instruction	Instruction- Related Services	Pupil Services	Food Services	Transportation	Guidance & Counseling	Plant Services	General Admin.	Enterprise
Overall	7816	1743	1385	592	504	71	1553	1499	23
Basic Aid Status									
Not Basic Aid	7177	1605	1338	593	474	64	1410	1334	21
Basic Aid	11795	2604	1681	590	687	113	2448	2527	41
Student Resource Level									
Bottom 25%	5882	1267	727	349	247	35	947	843	3
Middle 50%	6962	1614	1436	678	500	45	1354	1378	26
Upper 25%	11127	2484	2200	832	842	141	2529	2467	48
Urbanicity									
Urban	7193	1643	1471	616	430	0	1248	2319	0
Suburb	9615	2541	1942	627	377	79	1571	1934	66
Town	8040	1515	1306	683	374	117	1454	1500	1
Rural	7566	1657	1310	577	538	68	1575	1398	21
Grade Levels									
Elementary	7461	1676	1269	560	435	45	1390	1409	21
High	10845	2467	2122	403	838	748	3387	2304	107
Unified	10422	2225	2257	856	1023	230	2725	2153	33
Percent Unduplicated									
Bottom 25%	7863	1623	752	278	271	30	1261	1334	26
Middle 50%	7569	1734	1520	628	565	104	1559	1427	23
Upper 25%	8373	1934	1923	939	672	41	1942	1908	20
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	7957	1643	743	264	268	39	1277	1328	27
Middle 50%	7557	1738	1506	622	544	95	1570	1477	22
Upper 25%	8316	1894	1946	965	719	49	1887	1791	21
Percent Black									
Bottom 25%	8020	1738	1378	607	547	66	1663	1543	35
Middle 50%	7490	1736	1398	570	469	65	1352	1318	14
Upper 25%	7879	1781	1380	594	431	101	1654	1794	6
Percent Hispanic									
Bottom 25%	8012	1768	1265	545	499	76	1546	1498	22
Middle 50%	7659	1693	1423	548	493	79	1521	1447	24
Upper 25%	7727	1825	1617	865	548	27	1671	1658	25
Percent English Learners									
Bottom 25%	7948	1774	1314	559	541	93	1631	1457	15
Middle 50%	7402	1582	1348	522	450	64	1389	1352	35
Upper 25%	8284	1968	1601	788	523	35	1686	1850	20

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A16. Mean Per-ADA Student Spending on Objects by District Characteristic, 2016-17

	<i>Teacher Admin.</i>			<i>H&W Retirement</i>			<i>Other</i>	<i>Books &</i>		
	<i>Salaries</i>	<i>Salaries</i>	<i>Salaries</i>	<i>Benefits</i>	<i>Benefits</i>	<i>Benefits</i>	<i>Operations</i>	<i>Consulting</i>	<i>Subagree.</i>	<i>Supplies</i>
Overall	7500	4149	1040	2741	1301	979	2767	1674	109	1056
Basic Aid Status										
Not Basic Aid	6880	3832	938	2463	1205	833	2560	1546	95	1035
Basic Aid	11366	6124	1676	4476	1900	1885	4055	2473	192	1191
Student Resource Level										
Bottom 25%	5454	3300	696	1893	913	666	1594	901	71	762
Middle 50%	6729	3729	954	2410	1194	813	2604	1572	97	1060
Upper 25%	10884	5643	1570	4154	1905	1540	4449	2777	168	1436
Urbanicity										
Urban	6577	3399	1114	2416	1276	784	3581	2516	141	1304
Suburb	9213	4924	1272	3038	1332	1112	4357	2962	267	1075
Town	7834	4525	1203	2733	1339	925	2421	1360	39	900
Rural	7266	4035	987	2715	1294	975	2537	1482	92	1058
Grade Levels										
Elementary	7092	3947	982	2573	1207	938	2615	1616	107	973
High	10118	5589	1489	4448	2522	1259	5533	3030	274	1767
Unified	10558	5652	1473	3960	1963	1286	3790	2047	108	1670
Percent Unduplicated										
Bottom 25%	6960	4101	939	2528	1055	1092	2617	1699	156	761
Middle 50%	7508	4129	1027	2722	1333	910	2610	1495	111	1073
Upper 25%	8231	4265	1216	3086	1561	995	3371	2092	39	1424
Free- and Reduced-Price Lunch Eligibility										
Bottom 25%	7014	4113	948	2511	1020	1106	2683	1771	157	772
Middle 50%	7492	4121	1057	2749	1364	909	2638	1517	111	1060
Upper 25%	8192	4271	1123	3037	1517	993	3230	1964	36	1438
Percent Black										
Bottom 25%	7756	4280	1081	2899	1350	1078	2703	1646	56	1062
Middle 50%	7150	4019	966	2544	1225	872	2657	1599	189	990
Upper 25%	7437	3987	1077	2653	1310	880	3288	1968	98	1203
Percent Hispanic										
Bottom 25%	7666	4182	1046	2797	1252	1092	2724	1682	124	998
Middle 50%	7402	4161	1059	2634	1264	897	2768	1634	114	1002
Upper 25%	7323	4014	969	2908	1553	901	2886	1773	49	1389
Percent English Learners										
Bottom 25%	7696	4246	1045	2886	1346	1092	2617	1456	107	1018
Middle 50%	7063	3968	977	2441	1147	859	2675	1771	77	969
Upper 25%	7880	4271	1146	2980	1485	960	3244	1951	169	1294

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

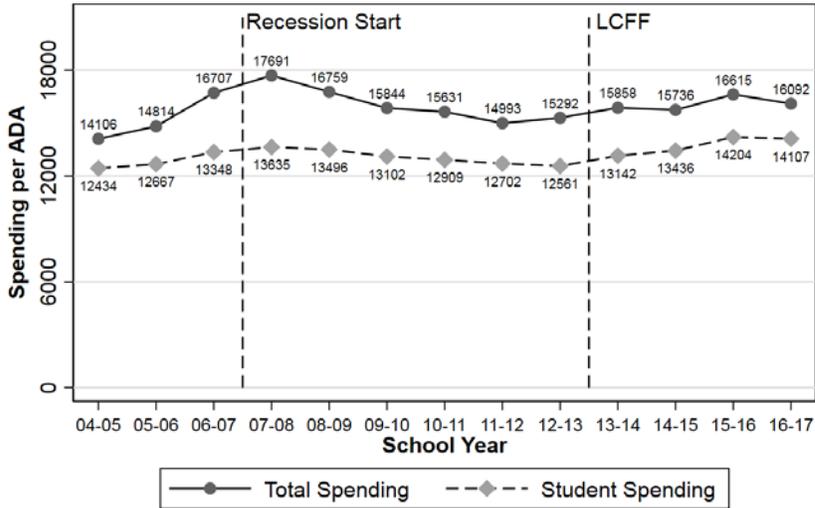


Figure A16. Expenditures per ADA over time in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

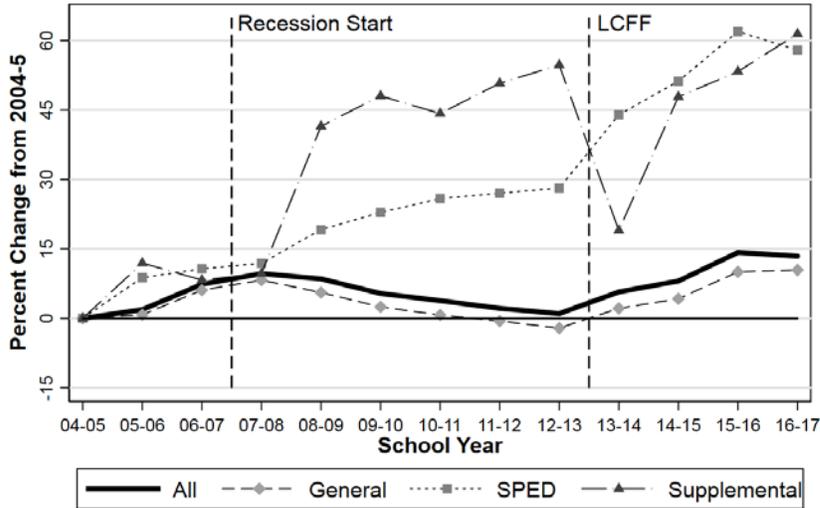


Figure A17. Changes in student spending per ADA on educational goals in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

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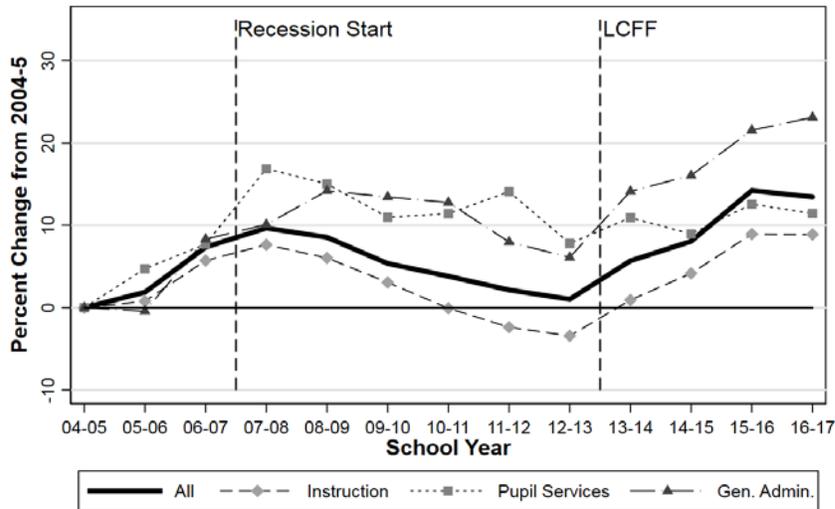


Figure A18. Changes in student spending per ADA on functions in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

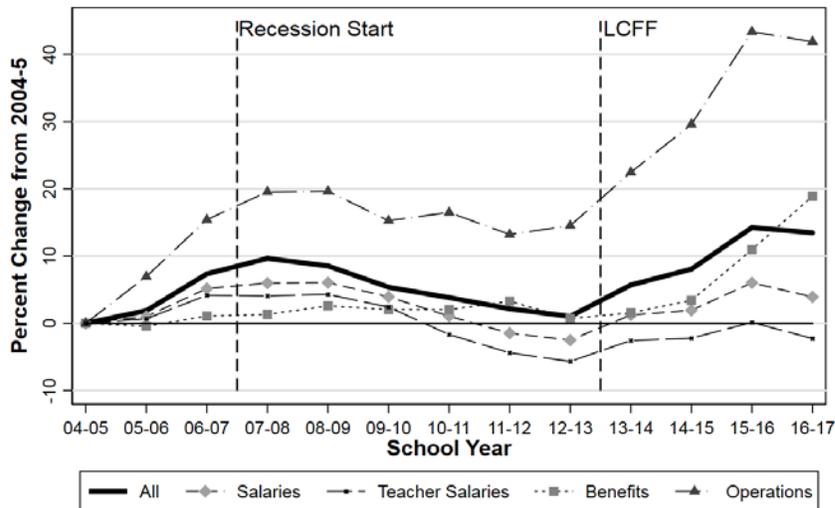


Figure A19. Changes in student spending per ADA on objects in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

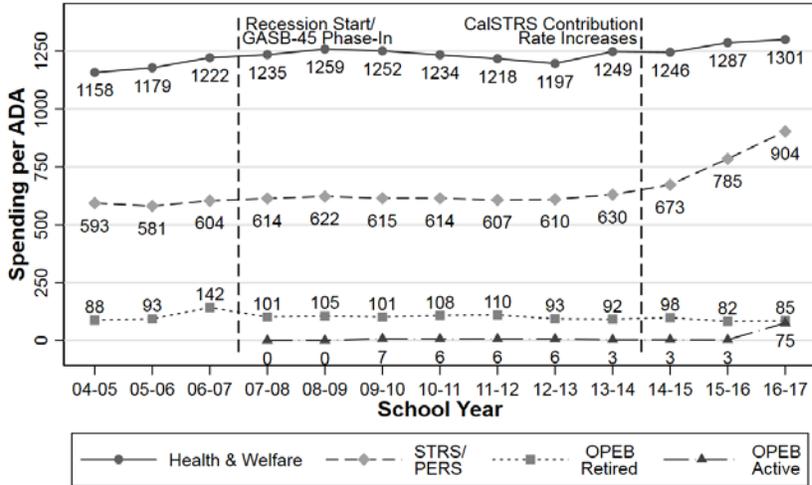


Figure A20. Spending per ADA on benefits in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250. Figures are student spending only except for OPEB expenditures for retired employees, which are not a component of student expenditure measures.

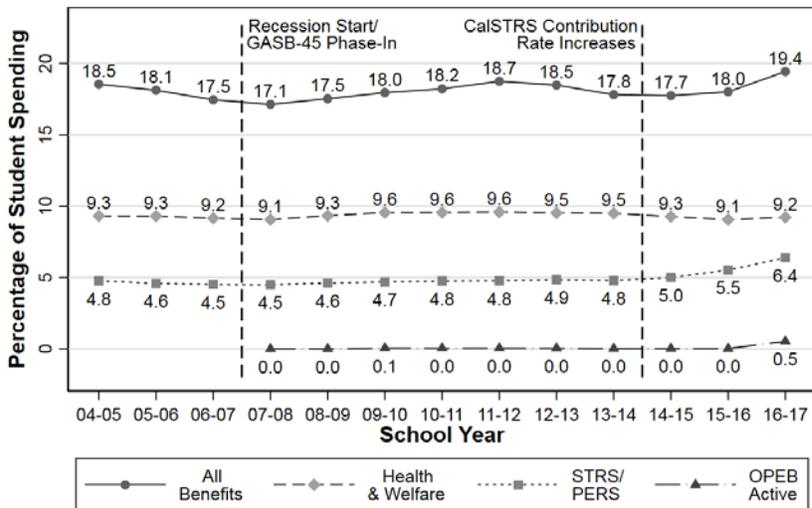


Figure A21. Benefit spending as a share of student spending in California districts 2004-5 through 2016-17. ADA-weighted. Includes only districts that ever had ADA < 250.

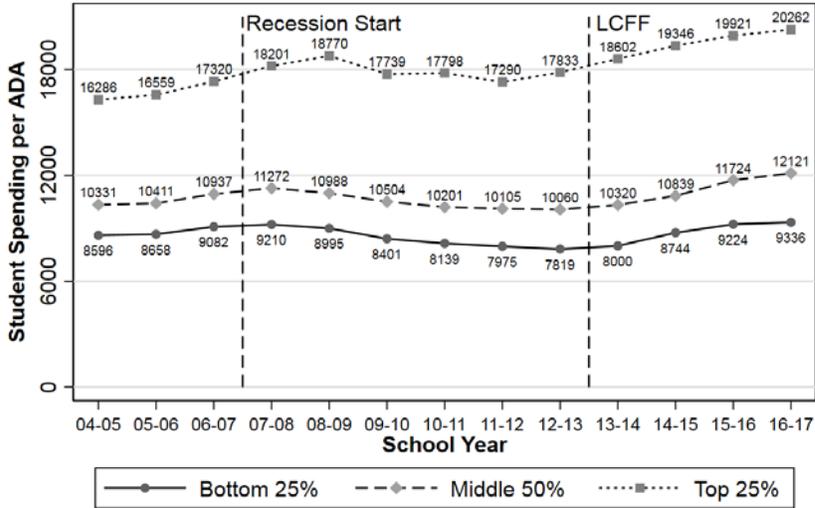


Figure A22. Student spending per ADA by student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

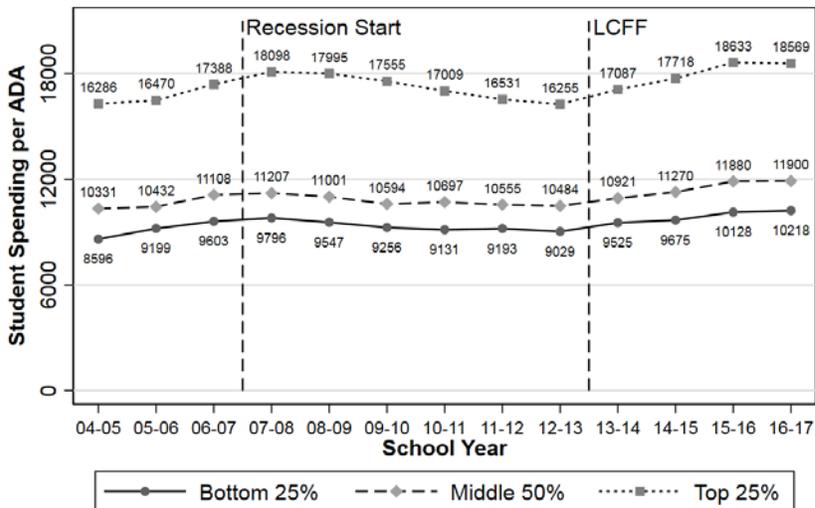


Figure A23. Student spending per ADA by 2004-5 student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

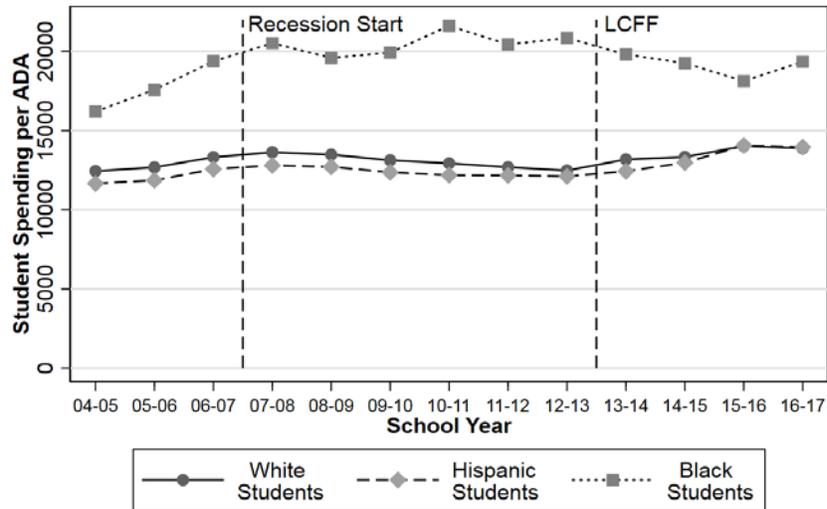


Figure A24. Student spending per ADA weighted by student enrollments by race. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Includes only districts ever having ADA < 250.

Table A17. Financial Health Measures per ADA, 2016-17

	Mean	25th %ile	Median	75th %ile
Debt Service	645	0	76	491
<i>Principal Repayment</i>	265	0	4	236
<i>Interest Payments</i>	293	0	4	209
Liabilities	1150	423	685	1181
Accounts Payable	1065	410	636	1069
Long-Term Obligations	2	0	0	0
<i>Net OPEB Obligations</i>	0	0	0	0
Due to Governments	76	0	0	0
Short-Term Loans	5	0	0	0
Due to Other Groups	4	0	0	0
Total Ending Fund Balances	14606	6163	9228	14520
State Reserves	8277	3886	5369	7809
Economic Uncertainty Reserves	1294	398	693	1233
Districts	224			

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

Table A18. Mean Per-ADA Financial Health Measures by District Characteristic, 2016-17

	Debt Service Costs			Liabilities				Fund Balances	
	Total	Principal Repayments	Interest Payments	All	Accounts Payable	Long-Term	OPEBs	State Reserves	Economic Uncertainty Reserves
Overall	645	265	293	1150	1065	2	0	8277	1294
Basic Aid Status									
Not Basic Aid	536	191	251	1087	1011	2	0	7918	934
Basic Aid	1324	727	553	1546	1402	0	0	10513	3538
Urbanicity									
Urban	2315	549	277	3208	3076	0	0	8883	602
Suburb	2024	689	1334	2164	1652	14	0	13068	1007
Town	733	448	285	1061	1054	0	0	5212	1539
Rural	360	172	146	917	887	0	0	7876	1343
Grade Levels									
Elementary	642	264	293	1101	1007	2	0	7399	1095
High	1527	430	1097	1052	1052	0	0	7999	1648
Unified	609	260	246	1544	1521	0	0	15227	2841
Percent Unduplicated									
Bottom 25%	731	278	225	1149	956	5	0	6907	1351
Middle 50%	444	195	218	1028	989	0	0	8141	1400
Upper 25%	1034	423	577	1463	1409	0	0	10520	947
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	697	255	205	1147	947	6	0	7036	1350
Middle 50%	534	238	266	1112	1069	0	0	8037	1400
Upper 25%	872	350	488	1256	1217	0	0	10631	931
Percent Black									
Bottom 25%	482	264	184	1114	994	3	0	8327	1679
Middle 50%	726	267	433	1058	1007	0	0	7757	916
Upper 25%	1051	264	344	1522	1478	0	0	9418	813
Percent Hispanic									
Bottom 25%	587	203	220	1023	873	4	0	8008	1549
Middle 50%	574	282	265	1275	1237	0	0	7591	1234
Upper 25%	1025	390	589	1137	1093	0	0	11138	745
Percent English Learners									
Bottom 25%	450	199	219	927	871	0	0	8477	1748
Middle 50%	542	199	180	1276	1149	4	0	7121	959
Upper 25%	1234	521	652	1388	1316	0	0	9943	953

Note. ADA-weighted and expressed in 2017 dollars. Includes only districts that ever had ADA < 250.

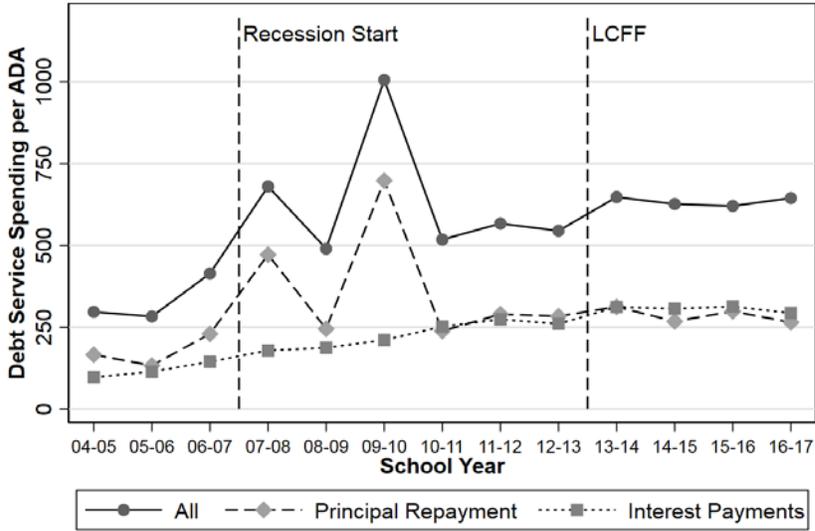


Figure A25. Debt service costs per ADA in California districts, 2004-5 through 2016-17 ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

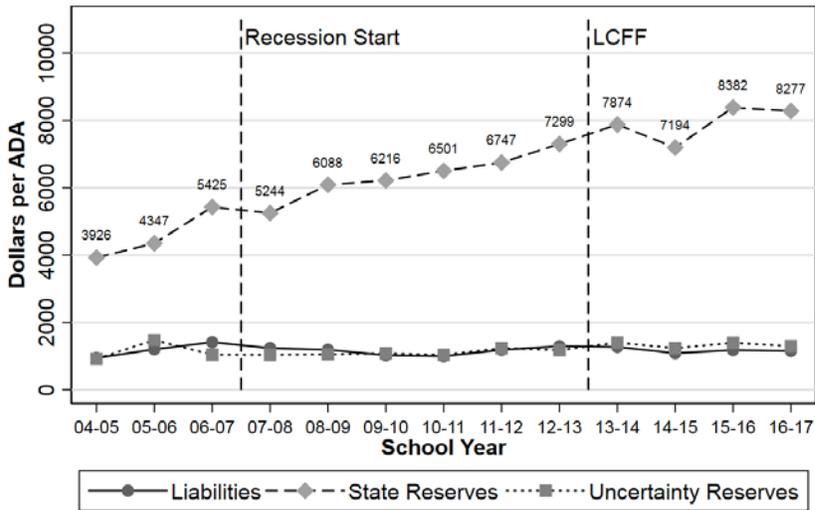


Figure A26. Liabilities and reserves per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

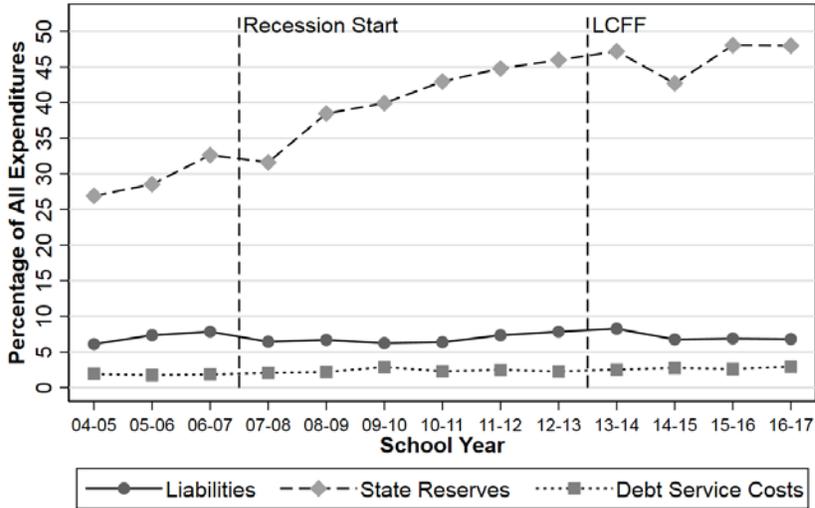


Figure A27. Fiscal health indicators as a share of all expenditures in California districts, 2004-5 through 2016-17. ADA-weighted. Includes only districts that ever had ADA < 250.

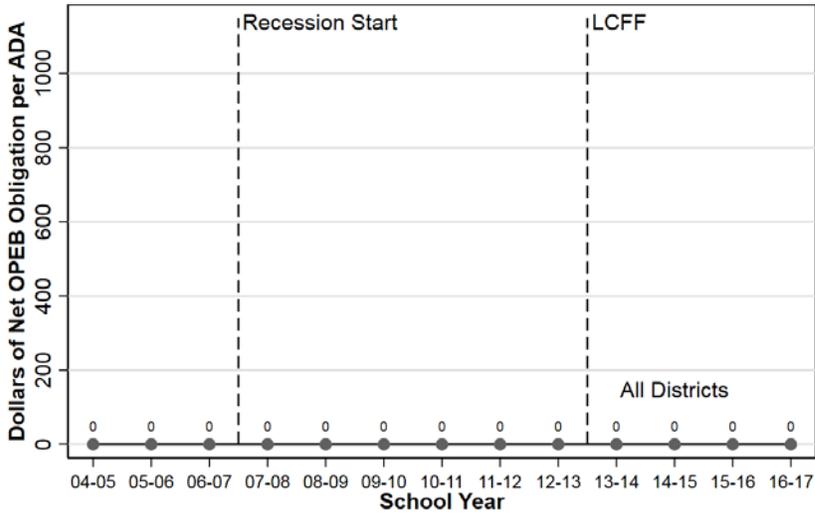


Figure A28. Net OPEB obligations per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Includes only districts that ever had ADA < 250.

Appendix B: Unweighted Results

Tables and figures below correspond to similarly-numbered tables and figures in the main report, but weight districts equally rather than on the basis of average daily attendance.

Table B3. Resources per ADA, 2016-17

	All Resources				K-12 Student Resources			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Panel A: All Resources								
All Resources	16967	13172	15088	18463				
<i>Student Resources</i>	14288	12098	13296	14860	14288	12098	13296	14860
<i>Adult</i>	59	0	0	50				
<i>Pre-K/Early Childhood</i>	102	0	23	132				
<i>PERS Reduction</i>	0	0	0	0				
<i>Capital</i>	2073	73	204	2676				
<i>Interagency Transfers In</i>	451	141	390	545				
Panel B: Revenues vs. Other Financing								
All Resources	16967	13172	15088	18463	14288	12098	13296	14860
<i>All Revenue</i>	14668	12513	13751	15443	13777	11871	13093	14436
<i>All Other Financing</i>	2299	0	0	3029	511	0	0	138
Panel C: Restricted and Unrestricted Revenues (Defined by Resource Code)								
Unrestricted	11635	10133	11092	12150	11470	9968	10937	11966
<i>w/ Reporting Requirements</i>	1280	1185	1476	1535	1280	1185	1476	1535
Restricted	3033	1929	2524	3370	2307	1441	1942	2668
<i>Restricted Federal</i>	1159	712	1047	1428	1125	690	1023	1389
<i>Restricted State</i>	1134	656	895	1191	590	271	414	684
<i>Restricted Local</i>	740	61	283	875	592	29	176	702
<i>Special Education</i>	845	456	719	853	520	192	286	484
Panel D: Revenues by Source (Defined by Object Code)								
Federal Sources	1149	626	986	1416	1116	604	962	1376
LCFF Sources	9925	8713	9708	10387	9925	8713	9708	10387
<i>State Aid</i>	6168	4425	6528	8328	6168	4425	6528	8328
<i>Tax Relief Subventions</i>	34	12	23	39	34	12	23	39
<i>Local Taxes</i>	3757	1591	2690	4596	3757	1591	2690	4596
<i>Miscellaneous & Transfers</i>	-54	-17	0	0	-54	-17	0	0
Other State Sources	1187	701	915	1226	971	644	795	1028
<i>Lottery</i>	207	204	206	210	207	204	206	210
Other Local Sources	2407	1244	1908	2881	1765	675	1259	2220
<i>Parcel Taxes</i>	132	0	0	0	132	0	0	0
<i>Local Sales</i>	79	32	69	108	79	32	69	108
<i>Local Fees</i>	413	91	217	476	188	0	4	142
Districts	716							

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. PERS reductions are no longer accounted for after 2012-13.

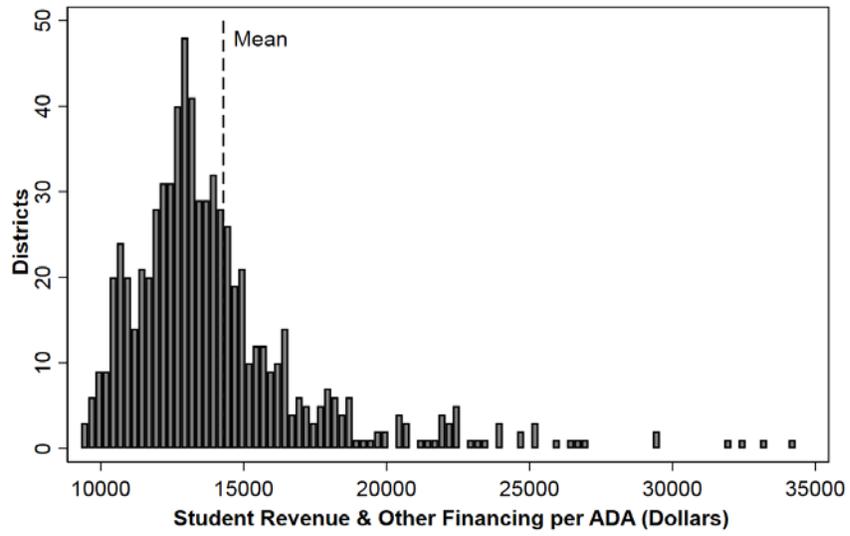


Figure B1. The distribution of student resource levels in California districts, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA resources > \$35,000.

Table B4. Mean Resources by District Characteristic, 2016-17

	All Resources		Student Resources						
	Total	Other Financing	Student Revenues					Other	
			Total	Unrestricted	Restricted	Federal	LCFF	State	Local
Overall	16967	2299	14288	11470	2307	1116	9925	971	1765
Basic Aid Status									
Not Basic Aid	16223	2125	13766	10980	2251	1148	9556	984	1543
Basic Aid	25571	4315	20328	17135	2947	746	14184	822	4330
Urbanicity									
Urban	17032	2511	14398	11220	2602	1046	9651	1010	2115
Suburb	17784	2904	14629	11484	2387	958	9741	964	2208
Town	15971	1825	13666	11352	2034	1255	10100	941	1089
Rural	16243	1334	14114	11812	2125	1369	10396	977	1195
Grade Levels									
Elementary	15645	1735	13526	10892	2224	1120	9514	890	1592
High	19203	2903	15630	13078	2234	828	11250	1080	2154
Unified	17796	2727	14755	11699	2404	1174	10048	1029	1853
Percent Unduplicated									
Bottom 25%	17756	3016	14331	11774	2159	536	9664	921	2813
Middle 50%	16588	2342	14119	11228	2188	1099	9767	939	1610
Upper 25%	16926	1520	14573	11640	2679	1714	10480	1082	1043
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	17789	3122	14319	11642	2231	525	9568	913	2868
Middle 50%	16812	2443	14212	11309	2220	1146	9825	979	1578
Upper 25%	16455	1206	14406	11615	2551	1644	10470	1013	1038
Percent Black									
Bottom 25%	16778	1499	14731	12335	2156	1429	10785	849	1429
Middle 50%	16652	2101	13903	11501	2144	979	9949	906	1811
Upper 25%	17674	3048	14854	11024	2696	1249	9494	1155	1823
Percent Hispanic									
Bottom 25%	17673	2390	14504	12174	1996	658	10024	798	2691
Middle 50%	16883	2638	14151	11178	2252	1051	9622	963	1793
Upper 25%	16657	1622	14398	11542	2610	1536	10409	1099	1108
Percent English Learners									
Bottom 25%	16259	1729	13713	11683	1659	740	9667	791	2144
Middle 50%	17189	2700	14330	11352	2320	1015	9772	1000	1885
Upper 25%	16958	1819	14578	11583	2703	1579	10418	1028	1260

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B5. Mean LCFF Student Revenues in Basic Aid and Non-Basic Aid Districts

	Components of LCFF Revenue				
	Total	State Aid	Tax Relief Subventions	Local Taxes	Misc. & Transfers
Not Basic Aid	9556	6607	31	3097	-179
Basic Aid	14184	1230	83	12752	119

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Negative miscellaneous funds and transfers in some cases indicate revenues transferred to other district object codes, and may be counted positively there.

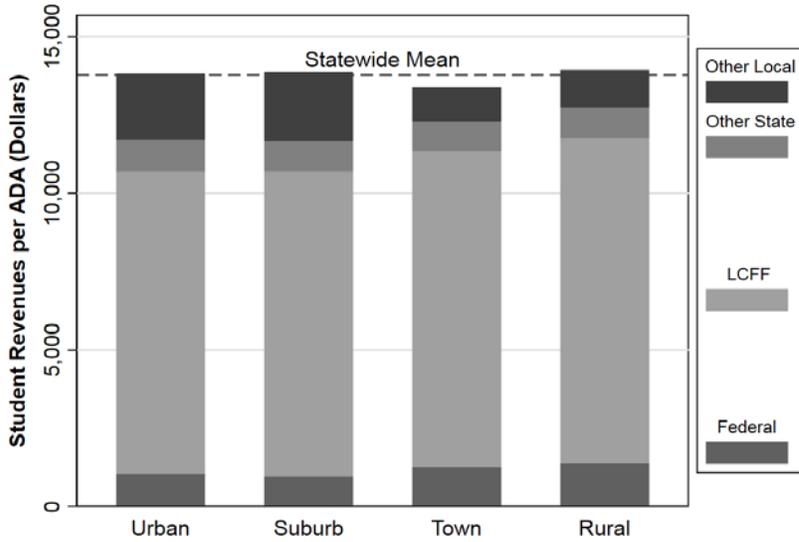


Figure B2. Student revenues per ADA in California districts in 2016-17 by urbanicity. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

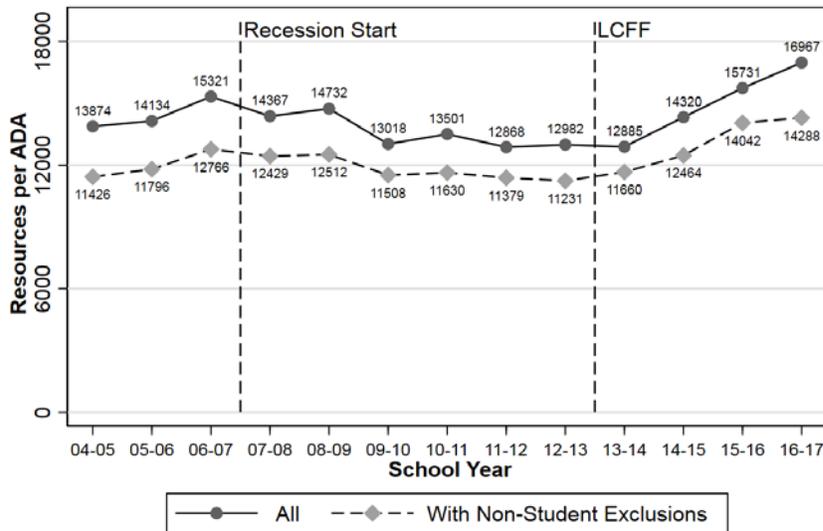


Figure B6. Average revenue and other financing per ADA in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

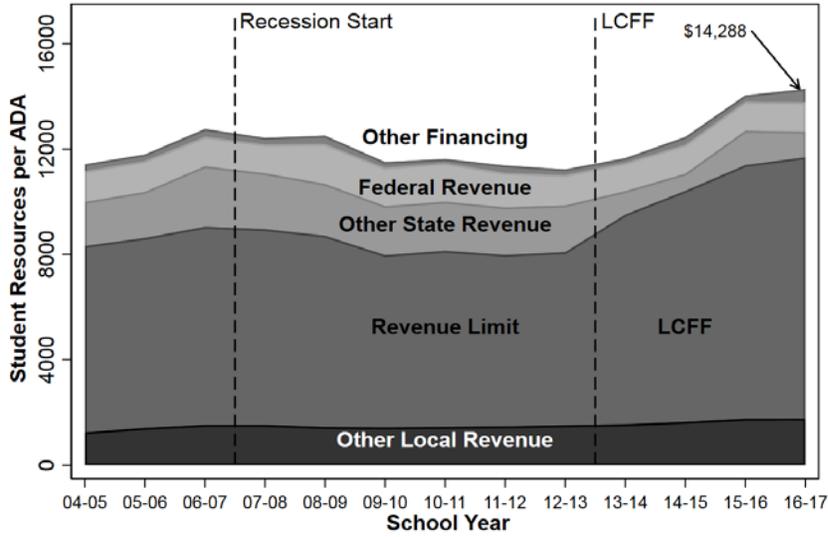


Figure B7. Student resources per ADA by source. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

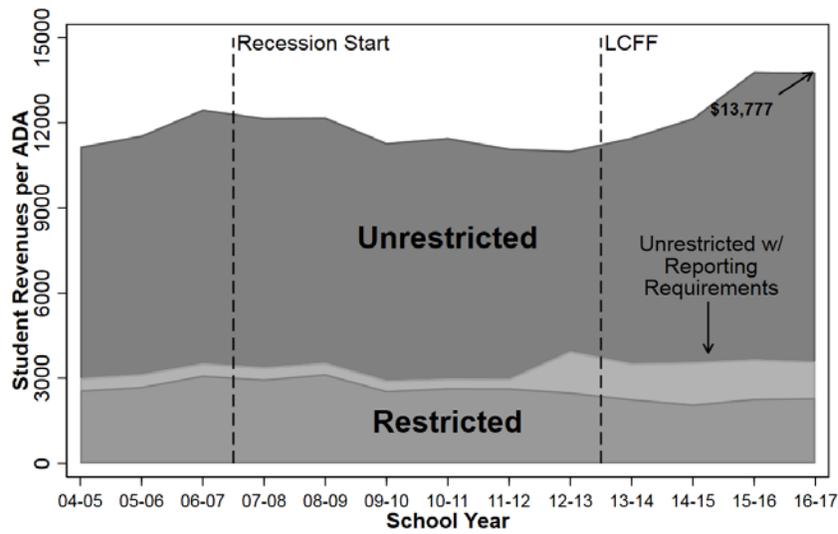


Figure B8. Restricted and unrestricted student revenues per ADA. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

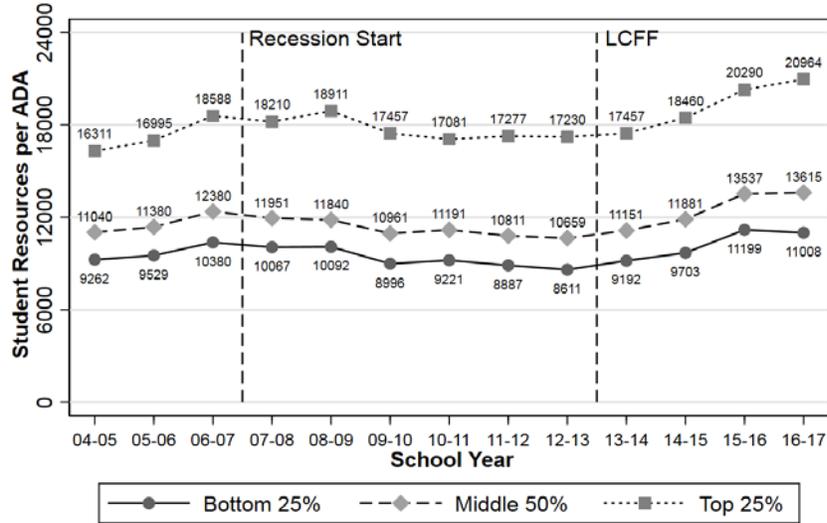


Figure B9a. Student resources per ADA by district resource level. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

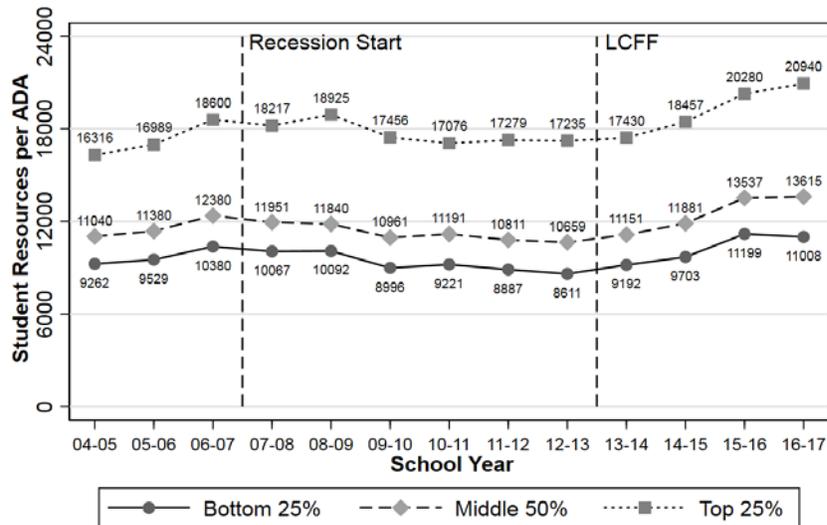


Figure B9b. Student resources per ADA by district resource level. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

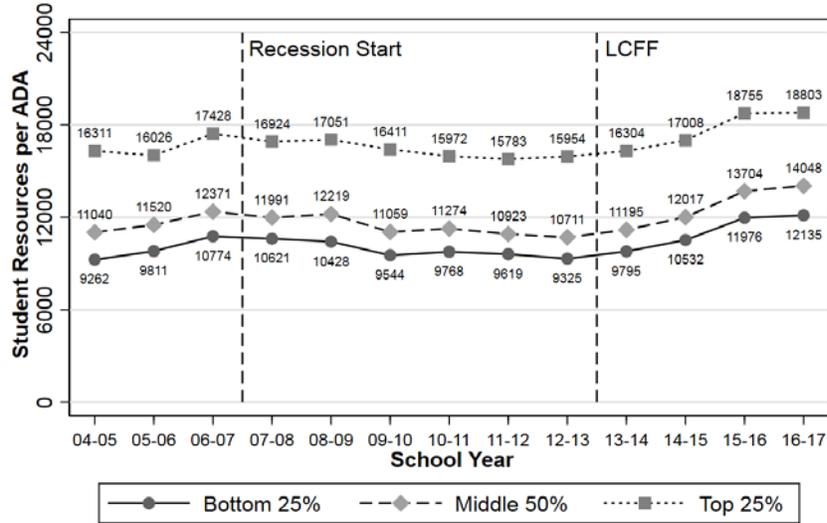


Figure B10. Student resources per ADA by district resource levels in 2004-5. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts ever having ADA < 250.

Table B7. Expenditures per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	15313	12430	14056	16236	11939	10412	11453	12645
w/ SELPA Adjustment	15406	12612	14161	16283	12032	10588	11549	12675
w/ COE Adjustment	16555	13675	15391	17561	12989	11352	12383	13721
w/ COE & SELPA Adjustments	16648	13732	15422	17550	13082	11534	12493	13767
Student	12182	10601	11703	12957	11395	9956	10906	11970
w/ SELPA Adjustment	12264	10759	11826	13025	11477	10142	11009	12009
w/ COE Adjustment	13111	11411	12579	13898	12266	10723	11707	12898
w/ COE & SELPA Adjustments	13193	11619	12674	13983	12348	10949	11756	12918
Districts	716							

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

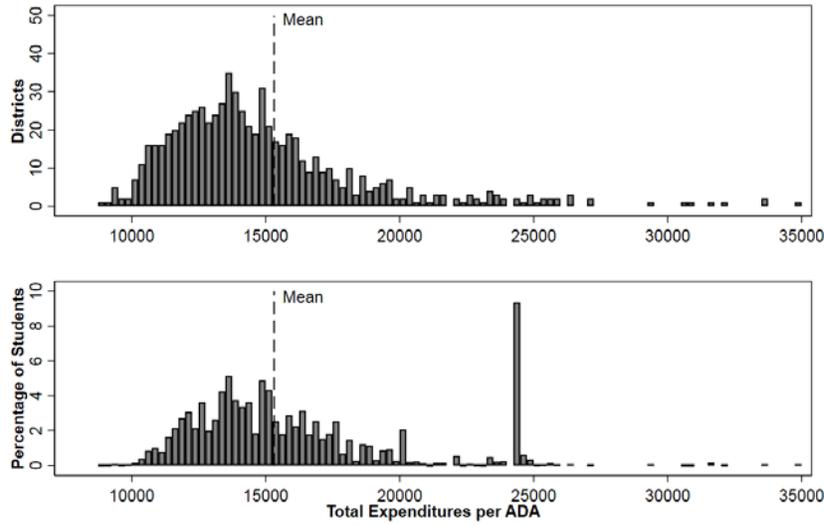


Figure B13. The distribution of total spending levels in California, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA spending > \$35,000.

Table B8. Student and Non-Student Spending per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	15313	12430	14056	16236	11939	10412	11453	12645
Student	12182	10601	11703	12957	11395	9956	10906	11970
Non-student	3132	1246	2122	3590	544	254	424	667
<i>Capital & Facilities</i>	1408	302	727	1648	212	38	116	258
<i>Debt Service</i>	1287	383	713	1361	48	0	1	51
<i>Infant, Pre-K, & Adult</i>	213	21	138	298	92	0	46	131
<i>Non-agency & Community Service</i>	140	2	46	167	107	0	34	128
<i>Retiree Benefits</i>	90	19	56	118	87	16	54	115
Districts	716							

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Non-student spending categories are not mutually exclusive, and may therefore sum to slightly more than total non-student spending figures.

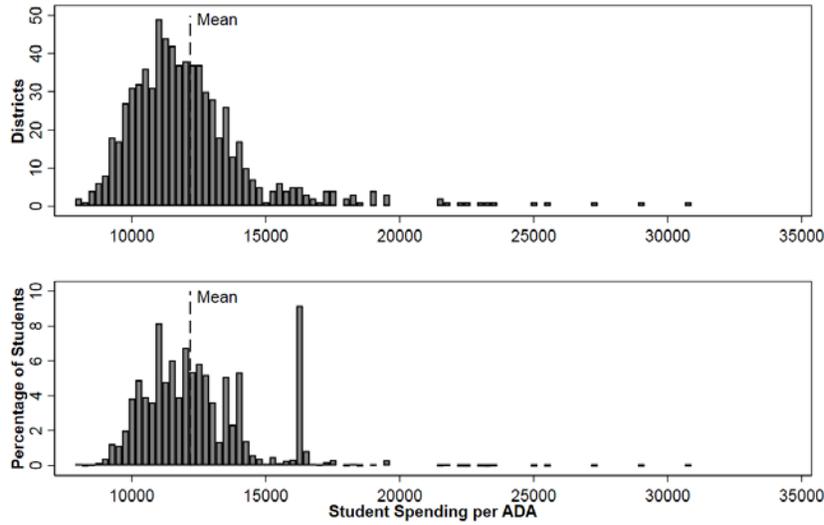


Figure B14. The distribution of student spending levels in California, 2016-17. Excludes districts ever having ADA < 250 or with per-ADA student spending > \$35,000.

Table B9. Mean Student Spending per ADA on Goals (All Funds), 2016-17

	SACS Goal Codes	Mean	25th %ile	Median	75th %ile	% age of Student Spending
General K-12	1000-3999	8861	7652	8460	9363	73
	<i>Regular K-12</i>	<i>1110</i>	<i>8551</i>	<i>7425</i>	<i>8187</i>	<i>71</i>
	<i>Vocational Education</i>	<i>3800</i>	<i>110</i>	<i>4</i>	<i>132</i>	<i>1</i>
SPED Services	5000-5999	1744	1189	1770	2248	14
	<i>Severely Disabled, 5-22</i>	<i>5750</i>	<i>393</i>	<i>0</i>	<i>266</i>	<i>3</i>
Supplemental K-12	4750-4999	62	0	0	69	1
	<i>Bilingual Education</i>	<i>4760</i>	<i>50</i>	<i>0</i>	<i>49</i>	<i>0</i>
Regional Occupation Centers & Programs	6000-6999	30	0	0	0	0
Other Goals	7000-9000	51	0	0	27	0
Districts		716				

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Pre-K and adult educational spending is excluded from student spending measures.

Table B10. Student Spending per ADA on Functions/Activites (All Funds), 2016-17

	SACS Function Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
Instruction	1000-1999	7091	6314	6764	7390	59
<i>SPED Instruction</i>	<i>1100-1199</i>	<i>1151</i>	<i>748</i>	<i>1168</i>	<i>1487</i>	<i>9</i>
Instruction-related Services	2000-2999	1283	1026	1202	1472	10
<i>Supervision of Instruction</i>	<i>2100</i>	<i>284</i>	<i>116</i>	<i>263</i>	<i>404</i>	<i>2</i>
Pupil Services	3000-3999	1403	1065	1378	1673	11
<i>Food Services</i>	<i>3700</i>	<i>497</i>	<i>331</i>	<i>476</i>	<i>648</i>	<i>4</i>
<i>Transportation Services</i>	<i>3600</i>	<i>323</i>	<i>166</i>	<i>267</i>	<i>408</i>	<i>3</i>
<i>Guidance/Counseling Services</i>	<i>3110</i>	<i>209</i>	<i>89</i>	<i>191</i>	<i>285</i>	<i>2</i>
<i>Psych/Attendance/Social Services</i>	<i>3120, 3130</i>	<i>168</i>	<i>105</i>	<i>158</i>	<i>220</i>	<i>1</i>
<i>Health Services</i>	<i>3140</i>	<i>103</i>	<i>58</i>	<i>99</i>	<i>140</i>	<i>1</i>
<i>Testing Services</i>	<i>3160</i>	<i>9</i>	<i>0</i>	<i>0</i>	<i>9</i>	<i>0</i>
Plant Services	8000-8999	1236	972	1151	1378	10
<i>Plant Maintenance</i>	<i>8100</i>	<i>487</i>	<i>8</i>	<i>257</i>	<i>924</i>	<i>4</i>
General Administration	7000-7999	880	642	791	1008	7
<i>Board & Superintendent</i>	<i>7100</i>	<i>228</i>	<i>100</i>	<i>163</i>	<i>286</i>	<i>2</i>
Enterprise	6000-6999	166	0	0	74	1
Ancillary Services	4000-4999	98	3	55	135	1
Other Outgo	9000-9999	26	0	0	0	0
Districts		716				

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B11. Student Spending per ADA on Objects (All Funds), 2016-17

	SACS Object Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
K-12 Salaries	1000-2999	7211	6427	6918	7594	60
<i>K-12 Teacher Salaries</i>	<i>1100</i>	<i>4269</i>	<i>3835</i>	<i>4100</i>	<i>4460</i>	<i>35</i>
<i>K-12 Admin. & Supervisor Salaries</i>	<i>1300, 2300</i>	<i>769</i>	<i>611</i>	<i>716</i>	<i>854</i>	<i>6</i>
<i>Other Certificated Staff Salaries</i>	<i>1000-1999 (other)</i>	<i>356</i>	<i>215</i>	<i>347</i>	<i>475</i>	<i>3</i>
<i>Other Classified Staff Salaries</i>	<i>2000-2999 (other)</i>	<i>1817</i>	<i>1513</i>	<i>1737</i>	<i>2019</i>	<i>15</i>
Employee Benefits	3000-3999	2409	1993	2308	2654	20
H&W Benefits	3401, 3402	1074	772	1017	1322	9
Retirement Benefits	3101-3102, 3201-3202, 3701, 3702, 3751-3752	899	795	862	945	7
<i>Pension Benefits</i>	<i>3101-3102, 3201-3202</i>	<i>886</i>	<i>786</i>	<i>852</i>	<i>932</i>	<i>7</i>
<i>Other Post-Employment Benefits</i>	<i>3701-3702, 3751-3752</i>	<i>13</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Services & Other Operating Expenditures	5000-5999	1635	1137	1457	1924	13
<i>Consulting & Operating</i>	<i>5800</i>	<i>833</i>	<i>466</i>	<i>677</i>	<i>1014</i>	<i>7</i>
<i>Subagreements for Services</i>	<i>5100</i>	<i>160</i>	<i>0</i>	<i>58</i>	<i>244</i>	<i>1</i>
Books and Supplies	4000-4999	883	655	834	1071	7
Approved Textbooks & Curricula	4100	120	29	87	198	1
Equipment Replacement	6500	19	0	0	12	0
Other Objects	7000-7999	25	0	0	0	0
Districts		716				

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B12. Mean Per-ADA Spending by District Characteristic, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	w/ COE & SELPA		w/ COE & SELPA		w/ COE & SELPA		w/ COE & SELPA	
	Total	Adjustments	Student	Adjustments	Total	Adjustments	Student	Adjustments
Overall	15313	16648	12182	13193	11939	13082	11395	12348
Basic Aid Status								
Not Basic Aid	14689	16034	11761	12780	11511	12661	10969	11930
Basic Aid	22528	23740	17045	17969	16888	17956	16321	17187
Urbanicity								
Urban	15322	16352	11986	12777	11568	12444	11053	11794
Suburb	15947	16834	12131	12797	11823	12588	11358	11986
Town	14522	16371	12056	13436	11980	13546	11353	12648
Rural	14812	16842	12607	14171	12506	14259	11856	13337
Grade Levels								
Elementary	13992	15465	11575	12725	11356	12625	10861	11951
High	17571	18882	13473	14409	13355	14472	12751	13634
Unified	16136	17339	12505	13397	12213	13238	11634	12467
Percent Unduplicated								
Bottom 25%	15567	16763	12036	12983	11876	12953	11454	12359
Middle 50%	15222	16630	12014	13077	11788	12999	11244	12246
Upper 25%	15243	16569	12644	13621	12290	13367	11629	12534
Free- and Reduced-Price Lunch Eligibility								
Bottom 25%	15580	16734	11958	12880	11783	12823	11375	12256
Middle 50%	15249	16656	12077	13133	11853	13060	11302	12297
Upper 25%	15174	16547	12606	13620	12262	13382	11596	12539
Percent Black								
Bottom 25%	15293	17085	12862	14222	12723	14200	12029	13276
Middle 50%	15075	16547	12200	13328	11994	13273	11475	12545
Upper 25%	15795	16653	11842	12468	11482	12206	10956	11546
Percent Hispanic								
Bottom 25%	16147	17718	12521	13748	12502	13884	11974	13145
Middle 50%	15212	16453	11882	12817	11611	12690	11124	12008
Upper 25%	14952	16300	12504	13514	12168	13270	11510	12445
Percent English Learners								
Bottom 25%	15156	16910	12035	13394	12072	13613	11505	12803
Middle 50%	15384	16595	12006	12919	11727	12774	11226	12088
Upper 25%	15265	16587	12652	13646	12304	13390	11683	12605

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

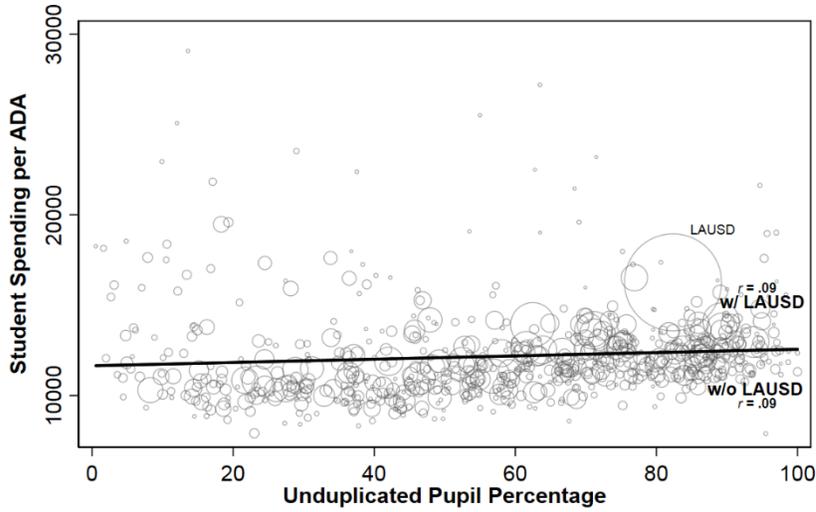


Figure B15. Student spending per ADA by unduplicated pupil percentage, California districts in 2016-17. Marker size is proportional to ADA and lines are linear fits. Excludes districts that ever had ADA < 250. Districts with student spending > \$30,000 per ADA not shown.

Table B13. Mean Student and Non-Student Spending Per ADA (All Funds) by District Characteristic, 2016-17

	Non-Student Spending					
	Student	Pre-K & Adult	Capital	Debt Service	Retirees	Non-Agency & Community Service
Overall	12182	213	1408	1287	90	140
Basic Aid Status						
Not Basic Aid	11761	212	1348	1149	86	138
Basic Aid	17045	224	2095	2886	130	152
Student Resource Level						
Bottom 25%	10146	116	690	565	60	98
Middle 50%	12018	230	1241	953	85	142
Upper 25%	15492	289	2933	3366	145	189
Urbanicity						
Urban	11986	262	1304	1568	91	114
Suburb	12131	257	1608	1737	85	135
Town	12056	133	1393	690	93	162
Rural	12607	153	1117	692	94	151
Grade Levels						
Elementary	11575	184	1117	907	77	135
High	13473	235	1869	1705	115	183
Unified	12505	236	1596	1572	97	135
Percent Unduplicated						
Bottom 25%	12036	163	1358	1808	71	133
Middle 50%	12014	200	1498	1284	96	132
Upper 25%	12644	286	1282	786	95	160
Free- and Reduced-Price Lunch Eligibility						
Bottom 25%	11958	167	1446	1823	69	120
Middle 50%	12077	196	1448	1292	97	143
Upper 25%	12606	292	1292	746	97	151
Percent Black						
Bottom 25%	12862	232	1138	802	84	184
Middle 50%	12200	182	1284	1184	91	138
Upper 25%	11842	265	1772	1708	91	123
Percent Hispanic						
Bottom 25%	12521	144	1618	1622	89	154
Middle 50%	11882	193	1474	1449	88	130
Upper 25%	12504	294	1149	773	94	147
Percent English Learners						
Bottom 25%	12035	108	1443	1301	94	177
Middle 50%	12006	218	1512	1446	91	117
Upper 25%	12652	271	1163	938	85	163

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. PERS reductions are no longer collected.

Table B14. Mean Per-ADA Student Spending on Goals by District Characteristic, 2016-17

	General K-12 Ed.	Regular K-12 Ed.	CTE	SPED	Severe SPED	ROCPs	Supplemental K-12	Bilingual	Other Goals
Overall	8861	8551	110	1744	393	30	62	50	51
Basic Aid Status									
Not Basic Aid	8561	8253	108	1681	373	30	64	51	50
Basic Aid	12332	12002	142	2465	616	37	40	38	69
Student Resource Level									
Bottom 25%	7618	7475	47	1403	281	15	34	30	28
Middle 50%	8684	8373	120	1715	384	35	67	53	44
Upper 25%	11135	10603	166	2304	572	35	83	67	107
Urbanicity									
Urban	8365	8100	95	1972	507	25	89	75	78
Suburb	8576	8351	66	2004	518	21	71	59	59
Town	9034	8606	185	1473	264	23	47	33	16
Rural	9765	9356	142	1259	153	63	33	23	46
Grade Levels									
Elementary	8571	8497	0	1569	279	0	61	46	47
High	9921	8893	437	1857	527	124	53	44	7
Unified	8923	8532	150	1893	476	41	65	55	65
Percent Unduplicated									
Bottom 25%	8738	8505	92	1873	462	28	36	32	53
Middle 50%	8708	8311	139	1801	422	38	63	57	47
Upper 25%	9275	9058	74	1508	269	19	86	55	58
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	8628	8427	77	1905	472	29	37	33	52
Middle 50%	8776	8372	144	1790	417	37	63	54	46
Upper 25%	9257	9022	79	1495	268	19	84	58	61
Percent Black									
Bottom 25%	10042	9635	97	1286	191	26	51	32	46
Middle 50%	8895	8597	125	1724	395	35	59	46	40
Upper 25%	8270	7978	88	1986	477	22	72	67	77
Percent Hispanic									
Bottom 25%	9378	9110	125	1723	368	24	24	24	28
Middle 50%	8523	8168	113	1881	454	37	61	56	63
Upper 25%	9139	8883	96	1509	296	22	89	57	46
Percent English Learners									
Bottom 25%	9131	8765	172	1528	289	42	10	9	23
Middle 50%	8614	8256	111	1889	471	33	62	56	59
Upper 25%	9212	9042	69	1576	294	17	95	63	54

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B15. Mean Per-ADA Student Spending on Functions/Activities by District Characteristic, 2016-17

	<i>Instruction- Related Instruction</i>	<i>Pupil Services</i>	<i>Food Services</i>	<i>Transportation</i>	<i>Guidance & Counseling</i>	<i>Plant Services</i>	<i>General Admin.</i>	<i>Enterprise</i>	
Overall	7091	1283	1403	497	323	209	1236	880	166
Basic Aid Status									
Not Basic Aid	6848	1232	1389	507	316	199	1189	834	159
Basic Aid	9899	1866	1568	381	400	322	1775	1414	242
Student Resource Level									
Bottom 25%	6262	1000	1052	367	273	135	1008	725	45
Middle 50%	6938	1275	1472	550	324	209	1215	843	151
Upper 25%	8721	1693	1659	502	386	309	1613	1212	379
Urbanicity									
Urban	7024	1333	1344	466	250	212	1141	711	318
Suburb	7224	1291	1301	439	227	222	1182	839	202
Town	6863	1256	1514	556	380	218	1288	917	53
Rural	7117	1243	1560	587	532	171	1385	1095	54
Grade Levels									
Elementary	7054	1171	1232	510	275	98	1087	897	94
High	7204	1392	1791	414	446	520	1591	931	188
Unified	7104	1369	1490	502	344	253	1307	852	232
Percent Unduplicated									
Bottom 25%	7289	1266	1086	254	236	230	1218	881	179
Middle 50%	6923	1257	1426	495	365	210	1237	861	168
Upper 25%	7220	1349	1669	738	326	187	1250	914	150
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	7279	1263	1066	255	221	220	1195	866	184
Middle 50%	6946	1266	1435	500	369	212	1246	872	166
Upper 25%	7187	1335	1677	733	334	192	1255	910	148
Percent Black									
Bottom 25%	7389	1335	1528	652	372	195	1338	1083	78
Middle 50%	7118	1281	1378	466	337	211	1231	893	154
Upper 25%	6905	1263	1399	491	273	212	1199	765	228
Percent Hispanic									
Bottom 25%	7509	1295	1216	331	343	208	1272	989	114
Middle 50%	6928	1247	1356	450	326	209	1225	823	175
Upper 25%	7114	1340	1614	692	304	209	1231	913	182
Percent English Learners									
Bottom 25%	7062	1206	1296	351	424	219	1295	963	72
Middle 50%	7008	1273	1344	447	291	224	1228	821	206
Upper 25%	7287	1354	1601	699	324	170	1212	952	141

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B16. Mean Per-ADA Student Spending on Objects by District Characteristic, 2016-17

	<i>Teacher Salaries</i>	<i>Admin. Salaries</i>	<i>Benefits</i>	<i>H&W Benefits</i>	<i>Retirement Benefits</i>	<i>Other Operations</i>	<i>Consulting</i>	<i>Subagree.</i>	<i>Books & Supplies</i>	
Overall	7211	4269	769	2409	1074	899	1635	833	160	883
Basic Aid Status										
Not Basic Aid	6944	4112	737	2327	1044	865	1576	796	162	875
Basic Aid	10288	6083	1137	3353	1414	1294	2317	1260	138	973
Student Resource Level										
Bottom 25%	6214	3843	640	2005	870	772	1192	556	105	716
Middle 50%	7082	4165	750	2376	1067	883	1596	809	177	917
Upper 25%	8988	5191	1005	3067	1373	1122	2368	1293	176	996
Urbanicity										
Urban	7130	4271	706	2358	1052	897	1653	863	222	807
Suburb	7354	4419	745	2351	993	915	1613	848	185	783
Town	7037	4099	780	2482	1162	879	1473	686	112	1001
Rural	7175	4133	868	2506	1170	888	1826	922	96	1042
Grade Levels										
Elementary	6911	4210	762	2274	1006	861	1523	794	146	844
High	7842	4511	800	2694	1267	974	1874	869	147	967
Unified	7372	4276	769	2482	1099	920	1695	864	176	903
Percent Unduplicated										
Bottom 25%	7442	4555	761	2326	968	922	1579	830	122	668
Middle 50%	7097	4154	768	2363	1046	881	1634	812	179	868
Upper 25%	7204	4210	777	2579	1230	910	1693	878	160	1119
Free- and Reduced-Price Lunch Eligibility										
Bottom 25%	7409	4548	757	2306	955	920	1569	830	126	650
Middle 50%	7120	4168	771	2378	1056	884	1645	824	176	882
Upper 25%	7190	4189	775	2571	1225	907	1681	855	161	1115
Percent Black										
Bottom 25%	7349	4300	852	2617	1245	922	1799	971	111	1075
Middle 50%	7252	4293	779	2410	1075	903	1616	816	147	864
Upper 25%	7067	4208	711	2314	994	881	1601	807	206	834
Percent Hispanic										
Bottom 25%	7679	4622	830	2407	1001	949	1634	810	117	780
Middle 50%	7064	4181	743	2348	1038	879	1604	818	166	813
Upper 25%	7170	4198	776	2520	1186	902	1692	877	176	1076
Percent English Learners										
Bottom 25%	7239	4314	798	2351	1017	896	1605	766	117	814
Middle 50%	7162	4254	737	2373	1045	892	1603	811	167	820
Upper 25%	7296	4271	817	2523	1172	914	1723	925	173	1061

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

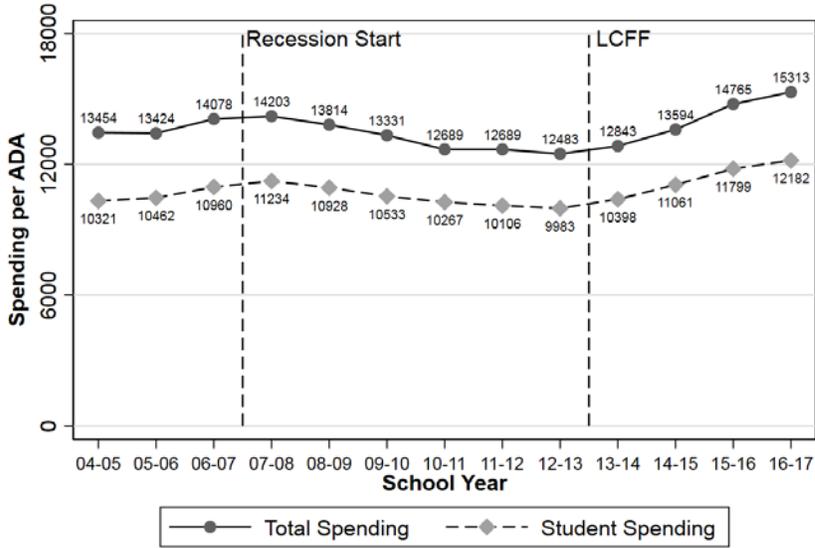


Figure B16. Expenditures per ADA over time in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

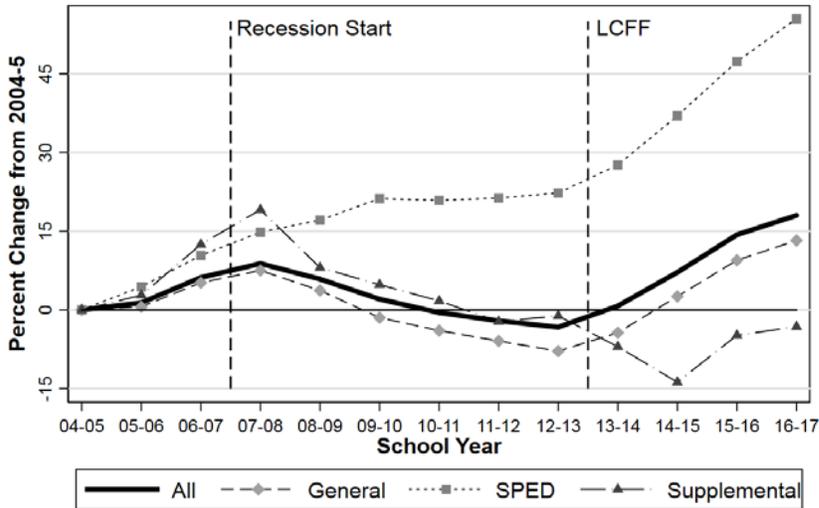


Figure B17. Changes in student spending per ADA on educational goals in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

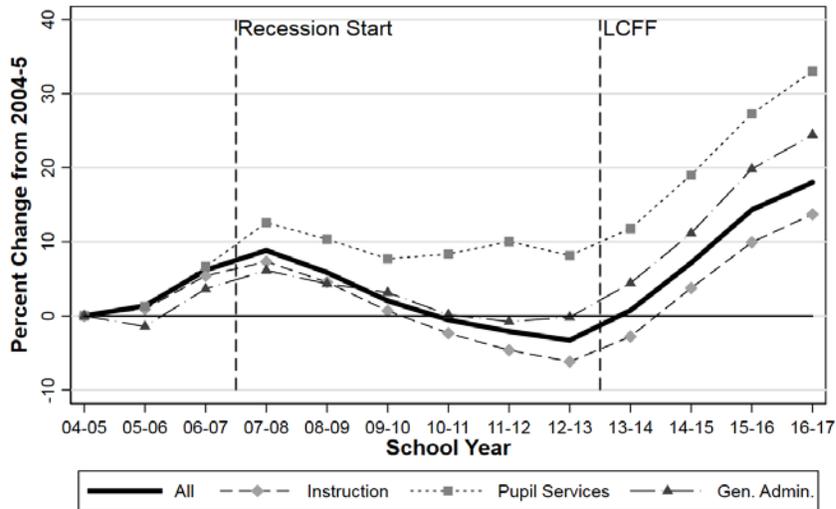


Figure B18. Changes in student spending per ADA on functions in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

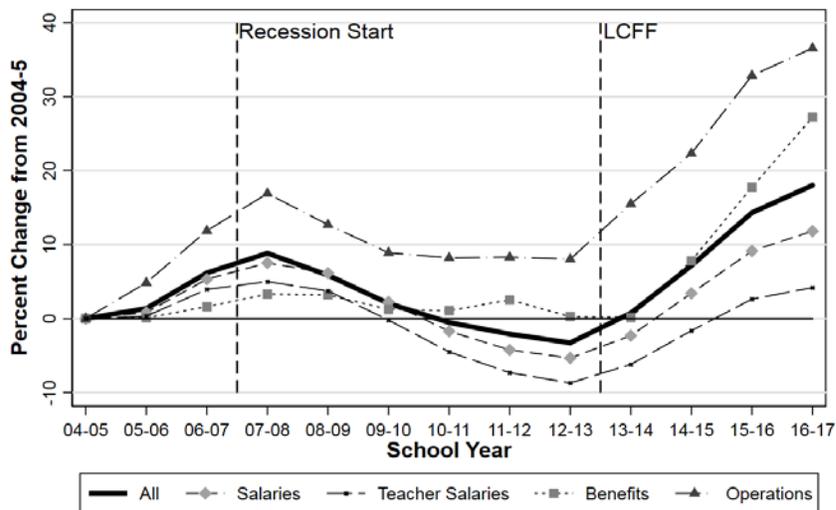


Figure B19. Changes in student spending per ADA on objects in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

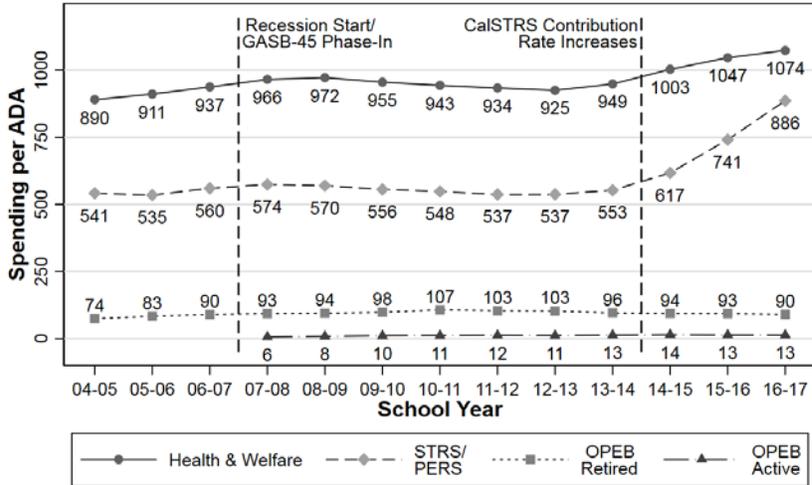


Figure B20. Spending per ADA on benefits in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250. Figures are student spending only except for OPEB expenditures for retired employees, which are not a component of student expenditure measures.

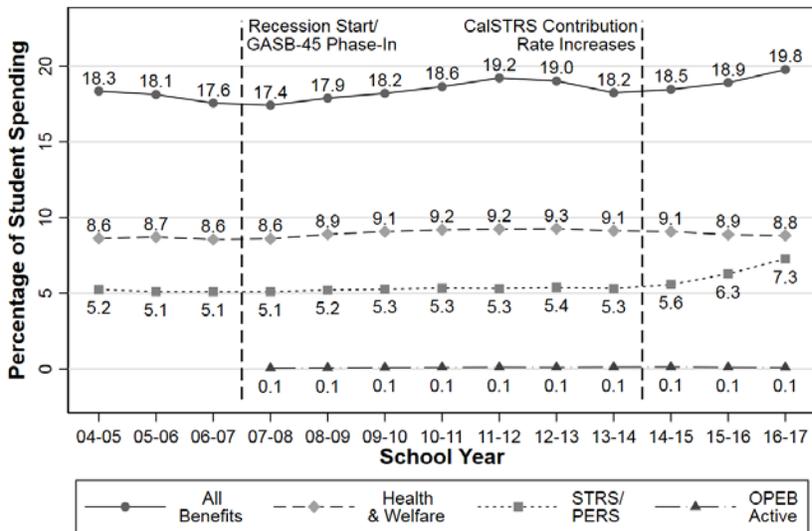


Figure B21. Benefit spending as a share of student spending in California districts 2004-5 through 2016-17. Excludes districts that ever had ADA < 250.

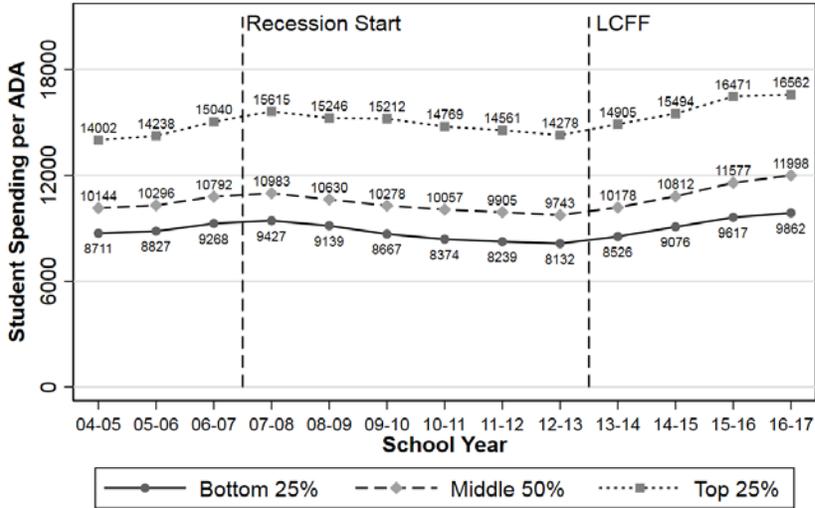


Figure B22. Student spending per ADA by student spending level in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

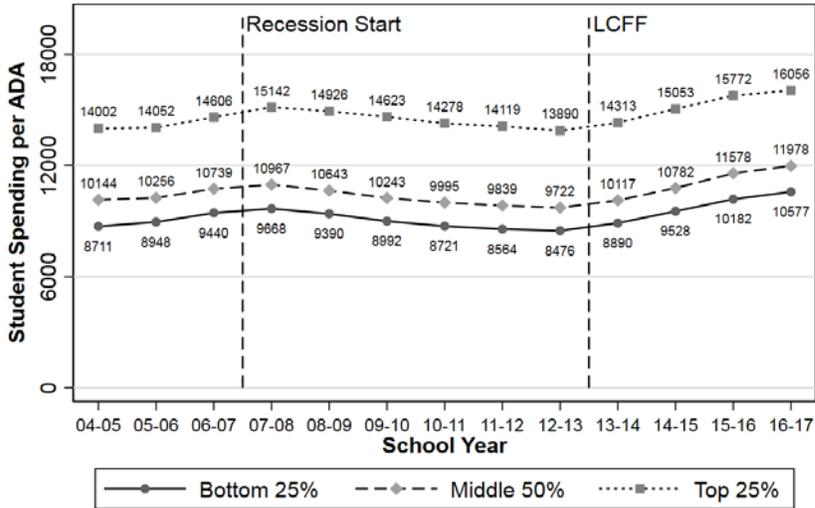


Figure B23. Student spending per ADA by 2004-5 student spending level in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B17. Financial Health Measures per ADA, 2016-17

	Mean	25th %ile	Median	75th %ile
Debt Service	1287	383	713	1361
<i>Principal Repayments</i>	614	165	340	669
<i>Interest Payments</i>	449	119	290	583
Liabilities	1020	531	836	1275
Accounts Payable	951	490	757	1181
Long-Term Obligations	30	0	0	0
<i>Net OPEB Obligations</i>	14	0	0	0
Due to Governments	30	0	0	0
Short-Term Loans	1	0	0	0
Due to Other Groups	6	0	0	0
Total Ending Fund Balances	8427	4946	6993	9805
State Reserves	2896	1747	2427	3531
Economic Uncertainty Reserves	581	299	382	647
Districts	716			

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Table B18. Mean Per-ADA Financial Health Measures by District Characteristic, 2016-17

	Debt Service Costs			Liabilities				Fund Balances	
	Total	Principal Repayments	Interest Payments	All	Accounts Payable	Long-Term	<i>OPEBs</i>	State Reserves	Economic Uncertainty Reserves
Overall	1287	614	449	1020	951	30	14	2896	581
Basic Aid Status									
Not Basic Aid	1149	530	407	1007	939	27	14	2775	559
Basic Aid	2886	1590	937	1172	1091	75	11	4302	843
Urbanicity									
Urban	1568	800	534	1106	973	65	29	2451	447
Suburb	1737	769	582	1154	1070	35	19	2653	514
Town	690	358	281	824	807	7	4	3004	698
Rural	692	370	262	859	834	12	0	3728	735
Grade Levels									
Elementary	907	518	358	849	803	18	11	3172	595
High	1705	802	593	1122	1047	47	38	2920	665
Unified	1572	669	508	1167	1077	39	12	2619	550
Percent Unduplicated									
Bottom 25%	1808	955	619	917	820	41	14	2654	515
Middle 50%	1284	536	452	996	931	26	15	2813	617
Upper 25%	786	433	278	1164	1119	28	12	3292	577
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	1823	952	637	936	843	41	13	2642	497
Middle 50%	1292	547	447	989	919	29	18	2829	620
Upper 25%	746	411	266	1162	1122	23	6	3280	590
Percent Black									
Bottom 25%	802	410	306	929	906	8	0	4076	781
Middle 50%	1184	631	424	901	842	27	14	2844	590
Upper 25%	1708	672	562	1296	1188	48	20	2474	476
Percent Hispanic									
Bottom 25%	1622	950	520	816	738	38	8	3229	628
Middle 50%	1449	593	517	1033	951	35	18	2646	525
Upper 25%	773	432	278	1129	1092	17	11	3133	653
Percent English Learners									
Bottom 25%	1301	756	443	768	710	27	12	2933	619
Middle 50%	1446	636	501	1089	1013	31	10	2764	527
Upper 25%	938	474	342	1037	978	33	25	3155	672

Note. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

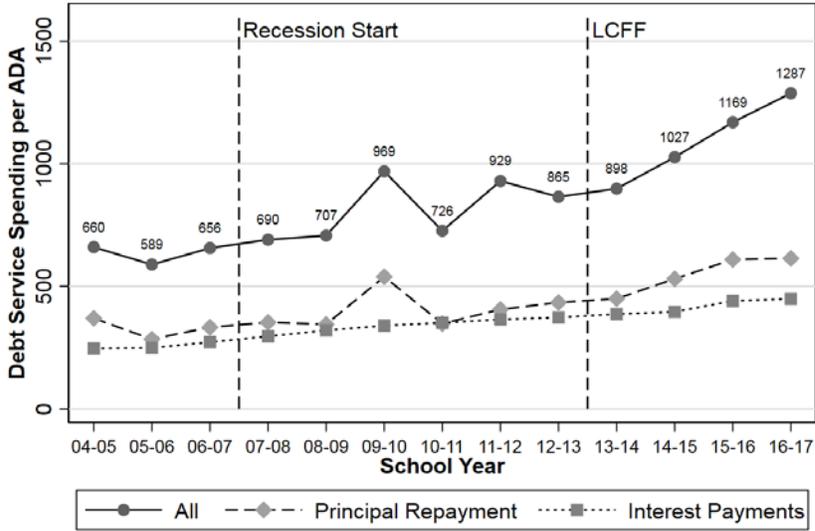


Figure B25. Debt service costs per ADA in California districts, 2004-5 through 2016-17 Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

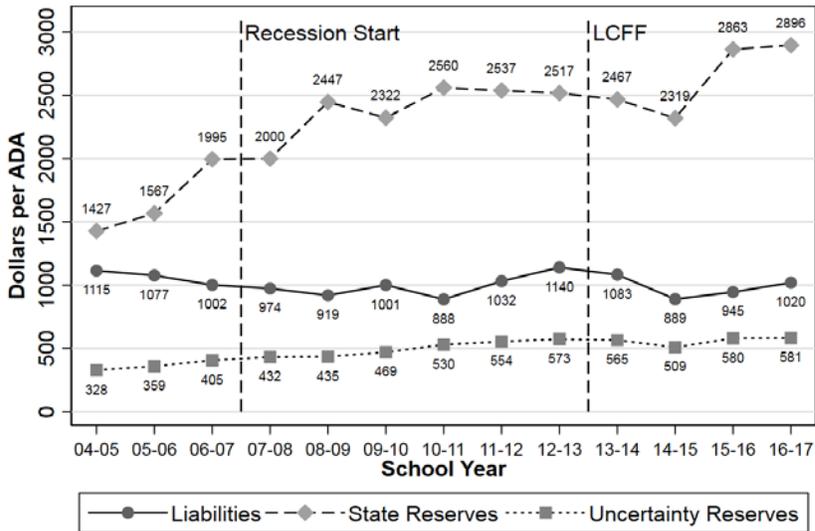


Figure B26. Liabilities and reserves per ADA in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

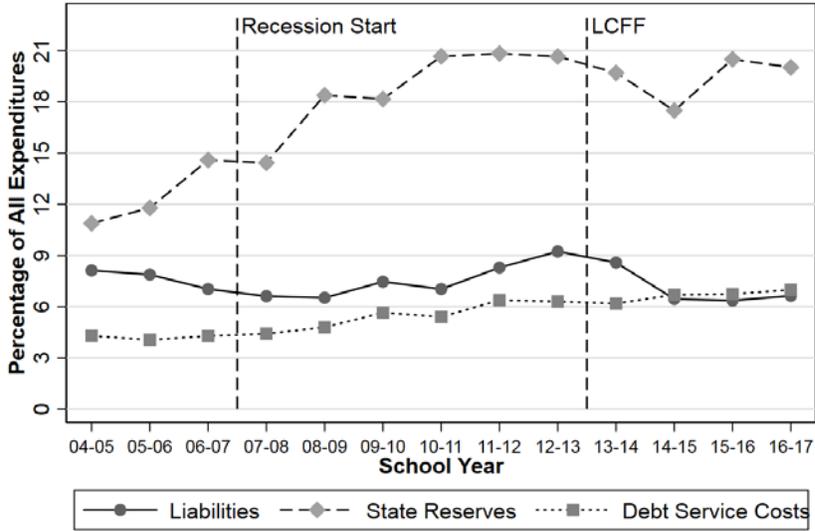


Figure B27. Fiscal health indicators as a share of all expenditures in California districts, 2004-5 through 2016-17. Excludes districts that ever had ADA < 250.

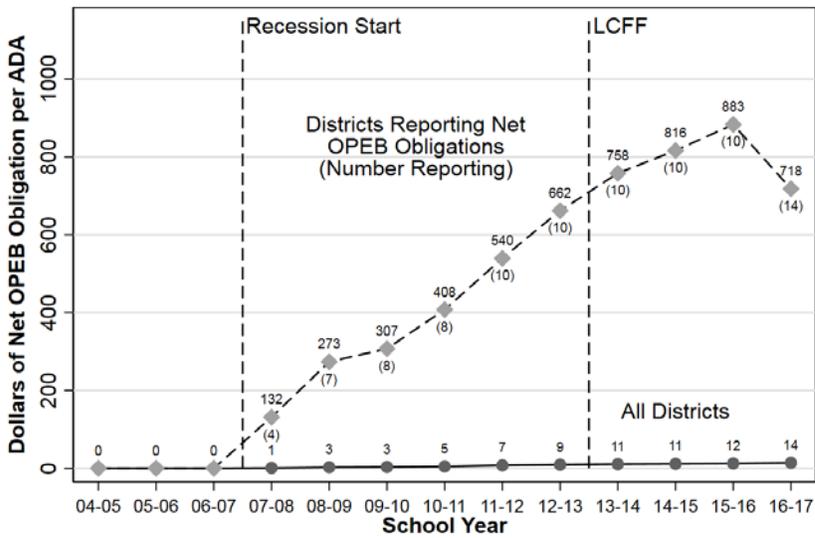


Figure B28. Net OPEB obligations per ADA in California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes districts that ever had ADA < 250.

Appendix C: Results Excluding the Los Angeles Unified School District

Tables and figures below correspond to similarly-numbered tables and figures in the main report, but exclude the Los Angeles Unified School District.

Table C3. Resources per ADA, 2016-17

	All Resources				K-12 Student Resources			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Panel A: All Resources								
All Resources	16851	13732	15946	18697				
<i>Student Resources</i>	14247	12415	13612	15171	14247	12415	13612	15171
<i>Adult</i>	95	0	29	112				
<i>Pre-K/Early Childhood</i>	125	18	80	180				
<i>PERS Reduction</i>	0	0	0	0				
<i>Capital</i>	2093	143	480	3237				
<i>Interagency Transfers In</i>	296	24	226	498				
Panel B: Revenues vs. Other Financing								
All Resources	16851	13732	15946	18697	14247	12415	13612	15171
<i>All Revenue</i>	14532	12791	13980	15762	13752	12148	13291	14797
<i>All Other Financing</i>	2320	0	614	3423	495	0	23	243
Panel C: Restricted and Unrestricted Revenues (Defined by Resource Code)								
Unrestricted	11318	10147	11100	12134	11176	10010	10932	11976
<i>w/ Reporting Requirements</i>	1290	1412	1503	1535	1290	1412	1503	1535
Restricted	3214	2297	2906	3699	2576	1689	2256	3054
<i>Restricted Federal</i>	1177	782	1126	1444	1123	747	1093	1390
<i>Restricted State</i>	1152	798	1002	1253	710	338	557	889
<i>Restricted Local</i>	885	167	575	1312	743	106	402	1116
<i>Special Education</i>	914	652	805	907	668	251	455	812
Panel D: Revenues by Source (Defined by Object Code)								
Federal Sources	1132	697	1055	1429	1078	675	1004	1368
LCFF Sources	9612	8686	9662	10225	9612	8686	9662	10225
<i>State Aid</i>	6314	4636	6939	8288	6314	4636	6939	8288
<i>Tax Relief Subventions</i>	24	11	18	28	24	11	18	28
<i>Local Taxes</i>	3350	1624	2421	4398	3350	1624	2421	4398
<i>Miscellaneous & Transfers</i>	-82	-89	-1	0	-82	-89	-1	0
Other State Sources	1304	824	1141	1502	1102	729	903	1315
<i>Lottery</i>	207	204	206	208	207	204	206	208
Other Local Sources	2484	1478	2174	3081	1961	982	1691	2570
<i>Parcel Taxes</i>	97	0	0	0	97	0	0	0
<i>Local Sales</i>	76	34	69	102	76	34	69	102
<i>Local Fees</i>	600	164	389	789	406	4	152	559
Districts	715							

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250. PERS reductions are no longer accounted for after 2012-13.

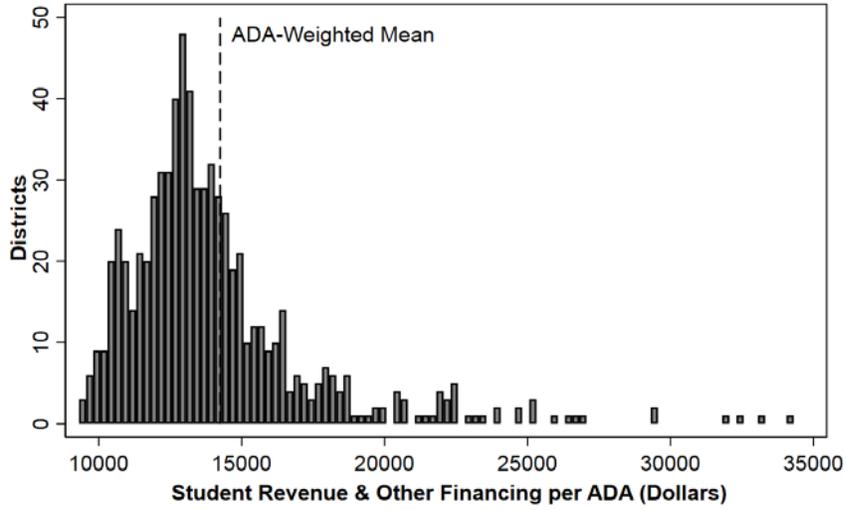


Figure C1. The distribution of student resource levels in California districts, 2016-17. Excludes LAUSD and districts ever having ADA < 250 or with per-ADA resources > \$35,000.

Table C4. Mean Resources by District Characteristic, 2016-17

	All Resources		Student Resources						
	Total	Other Financing	Student Revenues					Other	
			Total	Unrestricted	Restricted	Federal	LCFF	State	Local
Overall	16851	2320	14247	11176	2576	1078	9612	1102	1961
Basic Aid Status									
Not Basic Aid	16536	2202	14061	11011	2550	1096	9481	1112	1873
Basic Aid	24694	5246	18880	15265	3222	625	12865	845	4152
Urbanicity									
Urban	17488	2723	14839	11365	2774	1087	9646	1112	2294
Suburb	16461	2083	13851	10998	2482	1010	9496	1121	1853
Town	16104	1971	13640	11221	2146	1345	9999	918	1104
Rural	16215	1453	14002	11417	2367	1454	10200	1045	1084
Grade Levels									
Elementary	15465	1686	13292	10705	2353	1115	9307	949	1687
High	18774	2997	15289	12536	2263	884	10601	1093	2221
Unified	17010	2421	14397	11127	2692	1094	9564	1151	2010
Percent Unduplicated									
Bottom 25%	17067	3247	13659	10842	2316	507	8932	1014	2704
Middle 50%	16726	2339	14228	11089	2526	1068	9516	1072	1959
Upper 25%	16929	1481	14794	11647	2904	1588	10396	1240	1327
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	16994	3202	13671	10798	2340	508	8916	995	2720
Middle 50%	16810	2376	14253	11118	2534	1092	9545	1091	1924
Upper 25%	16807	1380	14770	11650	2885	1576	10400	1224	1335
Percent Black									
Bottom 25%	17550	1850	14962	12213	2560	1598	10746	1018	1410
Middle 50%	16467	2301	13769	11096	2339	869	9539	994	2032
Upper 25%	17097	2380	14568	11140	2771	1197	9560	1198	1957
Percent Hispanic									
Bottom 25%	17739	3599	14171	11081	2405	458	9116	923	2990
Middle 50%	16707	2506	14028	10956	2509	992	9367	1063	2043
Upper 25%	16850	1490	14733	11671	2776	1470	10295	1245	1436
Percent English Learners									
Bottom 25%	15706	2127	13167	10952	1814	568	8974	829	2395
Middle 50%	16745	2319	14099	11110	2559	1013	9494	1122	2040
Upper 25%	17545	2375	15069	11470	2852	1447	10202	1107	1565

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C5 - Mean LCFF Student Revenues in Basic Aid and Non-Basic Aid Districts

	Components of LCFF Revenue				
	Total	State Aid	Tax Relief Subventions	Local Taxes	Misc. & Transfers
Not Basic Aid	9481	6539	23	3055	-135
Basic Aid	12865	773	65	11898	130

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250. Negative miscellaneous funds and transfers in some cases indicate revenues transferred to other district object codes, and may be counted positively there.

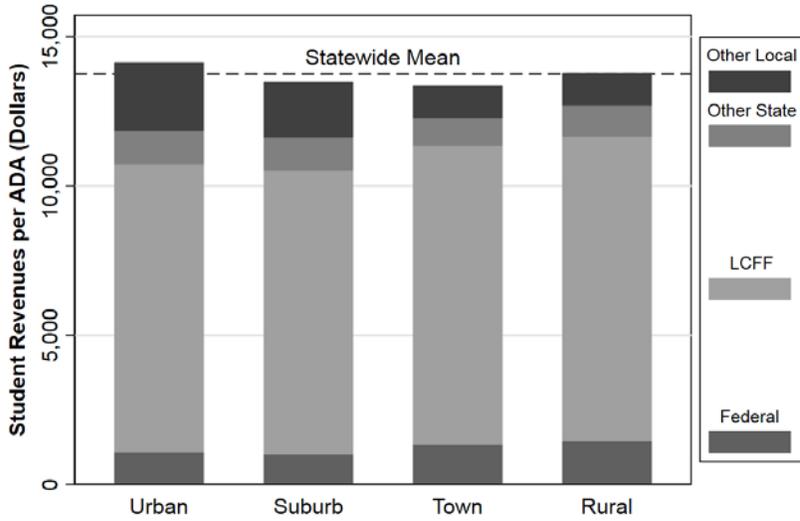


Figure C2. Student revenues per ADA in California districts in 2016-17 by urbanicity. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

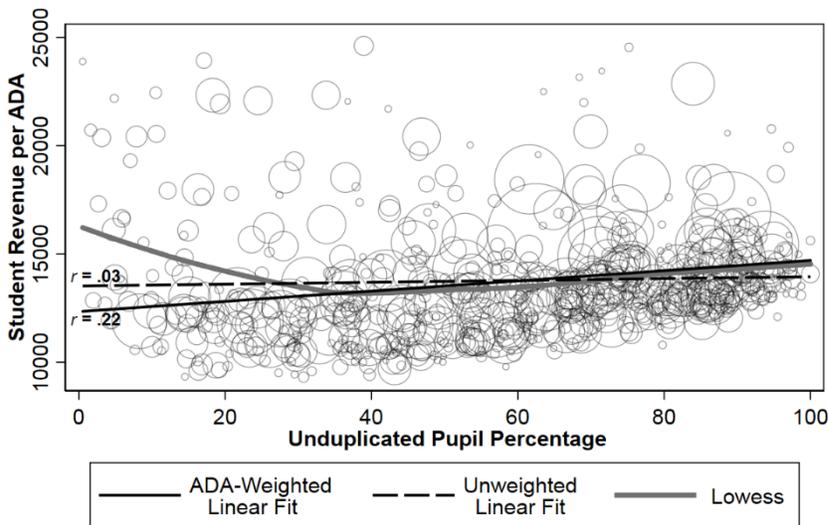


Figure C3. Student revenue and unduplicated shares, California districts in 2016-17. Excludes LAUSD and districts ever having ADA < 250. Districts with per-ADA revenue > \$25,000 not shown. Marker size is proportional to ADA. 2017 dollars.

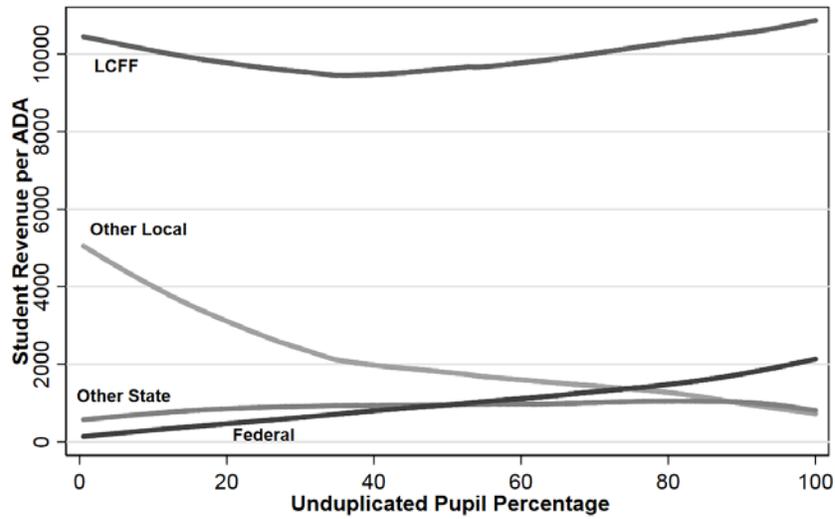


Figure C4. Student revenue sources and unduplicated pupil shares, California districts in 2016-17. Lines are loess curves. Excludes LAUSD and districts ever having ADA < 250. 2017 dollars.

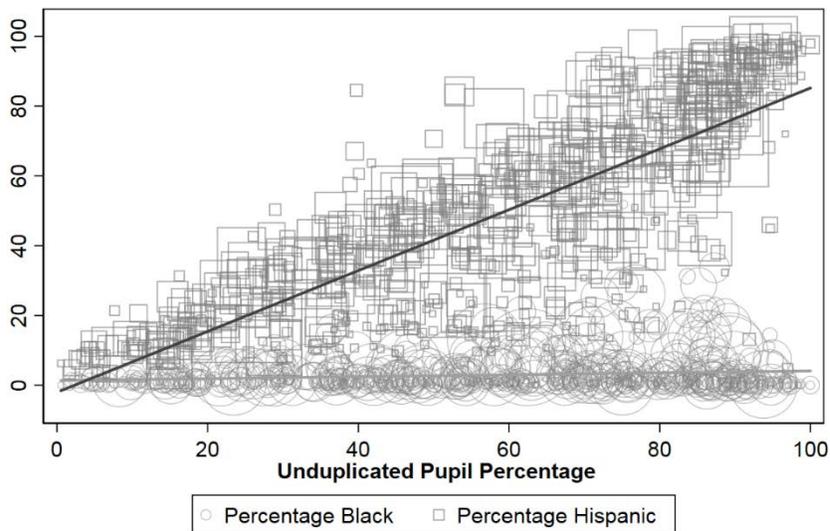


Figure C5. Student race and unduplicated shares, California districts in 2016-17. Excludes LAUSD and districts ever having ADA < 250. Marker size proportional to ADA.

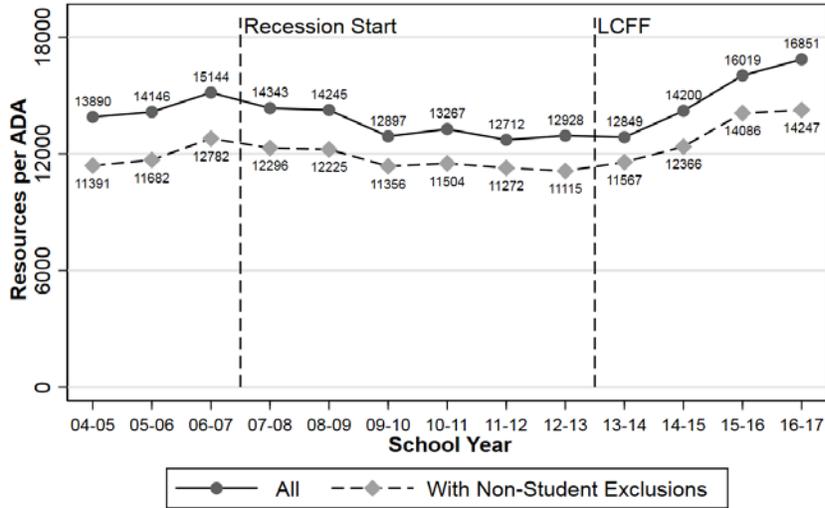


Figure C6. Average revenue and other financing per ADA in California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

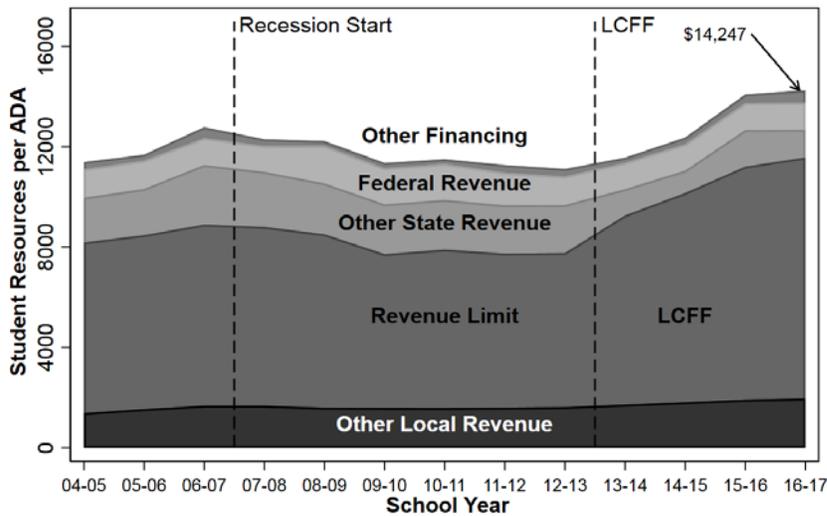


Figure C7. Student resources per ADA by source. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

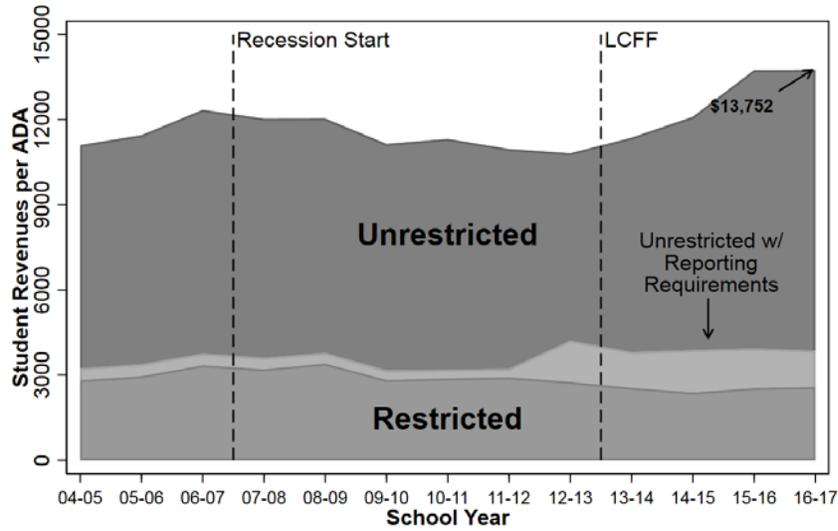


Figure C8. Restricted and unrestricted student revenues per ADA. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

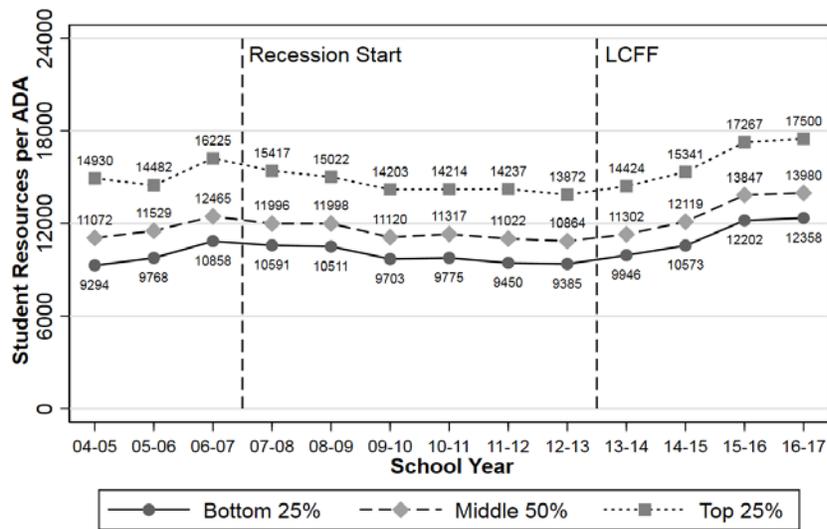


Figure C10. Student resources per ADA by district resource levels in 2004-5. California districts, 2004-5 through 2016-17. ADA weighted and expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

Table C7. Expenditures per ADA, 2016-17

	Definition 1 - All Funds				Definition 2- General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	15422	13180	14751	16739	11579	10489	11562	12373
<i>w/ SELPA Adjustment</i>	15422	13174	14784	16577	11579	10576	11453	12318
<i>w/ COE Adjustment</i>	16261	14073	15547	17520	12294	11037	12186	12995
<i>w/ COE & SELPA Adjustments</i>	16261	13944	15536	17520	12294	11124	12127	13042
Student	12049	10929	11908	12951	11046	10044	10920	11706
<i>w/ SELPA Adjustment</i>	12049	10931	11910	12842	11046	10154	10909	11660
<i>w/ COE Adjustment</i>	12677	11377	12562	13590	11633	10570	11523	12275
<i>w/ COE & SELPA Adjustments</i>	12678	11434	12560	13542	11633	10692	11472	12207
Districts	715							

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

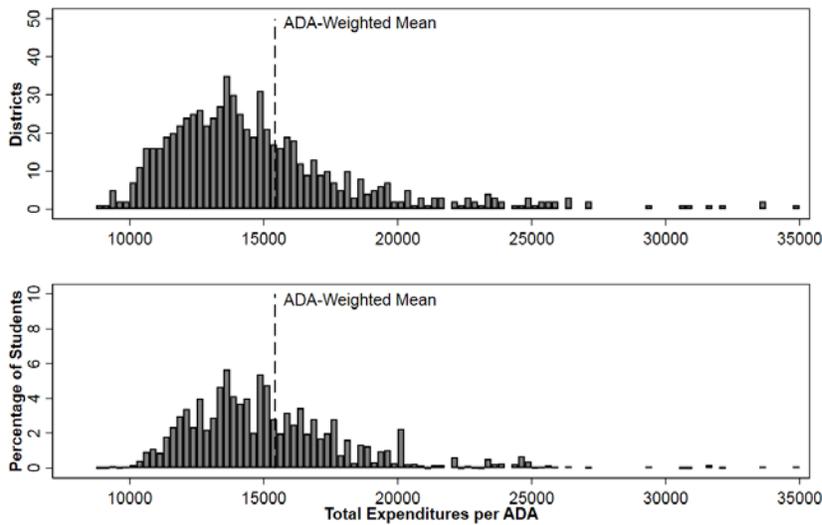


Figure C13. The distribution of total spending levels in California, 2016-17. Excludes LAUSD and districts ever having ADA < 250 or with per-ADA spending > \$35,000.

Table C8. Student and Non-Student Spending per ADA, 2016-17

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	15422	13180	14751	16739	11579	10489	11562	12373
Student	12049	10929	11908	12951	11046	10044	10920	11706
Non-student	3374	1636	2662	3986	534	296	450	633
<i>Capital & Facilities</i>	1377	532	1031	1824	183	54	114	215
<i>Debt Service</i>	1482	499	832	1486	41	0	8	47
<i>Infant, Pre-K, & Adult</i>	299	123	240	389	127	36	95	163
<i>Non-agency & Community Service</i>	120	9	54	164	89	8	38	120
<i>Retiree Benefits</i>	103	26	58	124	96	23	54	112
Districts	715							

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Non-student spending categories are not mutually exclusive, and may therefore sum to slightly more than total non-student spending figures.

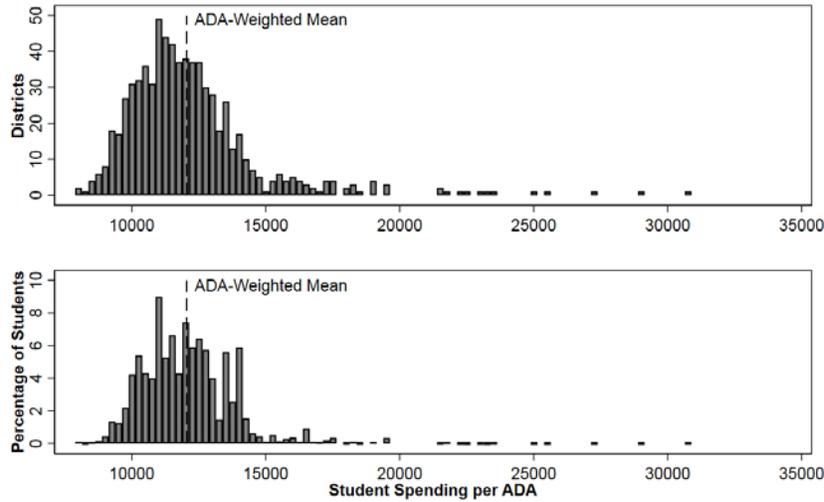


Figure C14. The distribution of student spending levels in California, 2016-17. Excludes LAUSD and districts ever having ADA < 250 or with per-ADA student spending > \$35,000.

Table C9. Student Spending per ADA on Goals (All Funds), 2016-17

	SACS Goal Codes	Mean	25th %ile	Median	75th %ile	% age of Student Spending
General K-12	1000-3999	8280	7604	8140	8715	69
	<i>Regular K-12</i>	1110	7965	7786	8415	66
	<i>Vocational Education</i>	3800	104	64	160	1
SPED Services	5000-5999	2078	1724	2103	2406	17
	<i>Severely Disabled, 5-22</i>	5750	604	601	893	5
Supplemental K-12	4750-4999	112	0	34	134	1
	<i>Bilingual Education</i>	4760	98	29	114	1
Regional Occupation Centers & Programs	6000-6999	33	0	0	40	0
Other Goals	7000-9000	69	0	9	56	1
Districts		715				

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250. Pre-K and adult educational spending is excluded from student spending measures.

Table C10. Student Spending per ADA on Functions/Activities (All Funds), 2016-17

	SACS Function Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
Instruction	1000-1999	6952	6428	6805	7357	58
<i>SPED Instruction</i>	<i>1100-1199</i>	<i>1336</i>	<i>1082</i>	<i>1340</i>	<i>1598</i>	<i>11</i>
Instruction-related Services	2000-2999	1357	1117	1309	1542	11
<i>Supervision of Instruction</i>	<i>2100</i>	<i>414</i>	<i>267</i>	<i>380</i>	<i>521</i>	<i>3</i>
Pupil Services	3000-3999	1405	1145	1386	1625	12
<i>Food Services</i>	<i>3700</i>	<i>469</i>	<i>335</i>	<i>469</i>	<i>597</i>	<i>4</i>
<i>Transportation Services</i>	<i>3600</i>	<i>259</i>	<i>173</i>	<i>246</i>	<i>315</i>	<i>2</i>
<i>Guidance/Counseling Services</i>	<i>3110</i>	<i>247</i>	<i>163</i>	<i>235</i>	<i>304</i>	<i>2</i>
<i>Psych/Attendance/Social Services</i>	<i>3120, 3130</i>	<i>193</i>	<i>142</i>	<i>181</i>	<i>236</i>	<i>2</i>
<i>Health Services</i>	<i>3140</i>	<i>125</i>	<i>80</i>	<i>118</i>	<i>150</i>	<i>1</i>
<i>Testing Services</i>	<i>3160</i>	<i>13</i>	<i>0</i>	<i>7</i>	<i>19</i>	<i>0</i>
Plant Services	8000-8999	1149	972	1123	1275	10
<i>Plant Maintenance</i>	<i>8100</i>	<i>464</i>	<i>14</i>	<i>287</i>	<i>955</i>	<i>4</i>
General Administration	7000-7999	676	525	641	770	6
<i>Board & Superintendent</i>	<i>7100</i>	<i>104</i>	<i>52</i>	<i>81</i>	<i>121</i>	<i>1</i>
Enterprise	6000-6999	399	0	116	491	3
Ancillary Services	4000-4999	89	16	63	129	1
Other Outgo	9000-9999	23	0	0	4	0
Districts		715				

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C11. Student Spending per ADA on Objects (All Funds), 2016-17

	SACS Object Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
K-12 Salaries	1000-2999	7184	6645	7104	7548	60
<i>K-12 Teacher Salaries</i>	<i>1100</i>	<i>4265</i>	<i>3961</i>	<i>4199</i>	<i>4477</i>	<i>36</i>
<i>K-12 Admin. & Supervisor Salaries</i>	<i>1300, 2300</i>	<i>679</i>	<i>558</i>	<i>651</i>	<i>760</i>	<i>6</i>
<i>Other Certificated Staff Salaries</i>	<i>1000-1999 (other)</i>	<i>466</i>	<i>343</i>	<i>449</i>	<i>594</i>	<i>4</i>
<i>Other Classified Staff Salaries</i>	<i>2000-2999 (other)</i>	<i>1774</i>	<i>1554</i>	<i>1729</i>	<i>1943</i>	<i>15</i>
Employee Benefits	3000-3999	2382	2046	2328	2640	20
H&W Benefits	3401, 3402	1046	784	1025	1295	9
Retirement Benefits	3101-3102, 3201-3202, 3701, 3702, 3751-3752	903	814	879	955	8
<i>Pension Benefits</i>	<i>3101-3102, 3201-3202</i>	<i>880</i>	<i>810</i>	<i>862</i>	<i>925</i>	<i>7</i>
<i>Other Post-Employment Benefits</i>	<i>3701-3702, 3751-3752</i>	<i>23</i>	<i>0</i>	<i>0</i>	<i>25</i>	<i>0</i>
Services & Other Operating Expenditures	5000-5999	1643	1138	1436	1949	13
<i>Consulting & Operating</i>	<i>5800</i>	<i>855</i>	<i>426</i>	<i>653</i>	<i>1044</i>	<i>7</i>
<i>Subagreements for Services</i>	<i>5100</i>	<i>223</i>	<i>58</i>	<i>166</i>	<i>359</i>	<i>2</i>
Books and Supplies	4000-4999	807	634	773	972	7
<i>Approved Textbooks & Curricula</i>	<i>4100</i>	<i>123</i>	<i>41</i>	<i>93</i>	<i>189</i>	<i>1</i>
Equipment Replacement	6500	12	0	1	11	0
Other Objects	7000-7999	22	0	0	0	0
Districts		715				

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C12. Mean Per-ADA Spending by District Characteristic, 2016-17

	Definition 1 - All Funds				Definition 2 - General Fund Only			
	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments	Total	w/ COE & SELPA Adjustments	Student	w/ COE & SELPA Adjustments
Overall	15422	16261	12049	12678	11579	12294	11046	11633
Basic Aid Status								
Not Basic Aid	15169	16011	11917	12548	11436	12154	10900	11490
Basic Aid	21731	22476	15328	15886	15131	15777	14669	15178
Urbanicity								
Urban	16072	16964	12321	13004	11724	12485	11169	11806
Suburb	15021	15677	11816	12298	11374	11937	10883	11333
Town	14586	16130	11869	13018	11812	13102	11163	12239
Rural	14985	16531	12549	13685	12465	13770	11776	12859
Grade Levels								
Elementary	13971	15077	11436	12316	11099	12044	10569	11406
High	17149	17917	12956	13438	12546	13172	12077	12521
Unified	15629	16394	12111	12681	11591	12246	11046	11576
Percent Unduplicated								
Bottom 25%	15303	16034	11436	12018	11004	11651	10630	11179
Middle 50%	15532	16382	12017	12654	11544	12275	11018	11612
Upper 25%	15296	16202	12642	13294	12148	12887	11462	12067
Free- and Reduced-Price Lunch Eligibility								
Bottom 25%	15313	16081	11379	12002	10968	11652	10589	11177
Middle 50%	15544	16377	12063	12678	11584	12295	11054	11628
Upper 25%	15266	16184	12643	13304	12137	12889	11452	12067
Percent Black								
Bottom 25%	15584	16612	12835	13602	12616	13457	11858	12561
Middle 50%	15057	16009	11897	12633	11402	12232	10935	11623
Upper 25%	15706	16433	12096	12624	11623	12232	11057	11550
Percent Hispanic								
Bottom 25%	16041	16963	11726	12464	11468	12285	11072	11771
Middle 50%	15399	16200	11825	12431	11346	12037	10856	11422
Upper 25%	15260	16149	12629	13268	12106	12837	11434	12028
Percent English Learners								
Bottom 25%	14248	15546	11356	12368	11222	12358	10799	11768
Middle 50%	15300	16093	11932	12523	11443	12118	10923	11473
Upper 25%	16182	17049	12652	13301	12155	12886	11540	12148

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

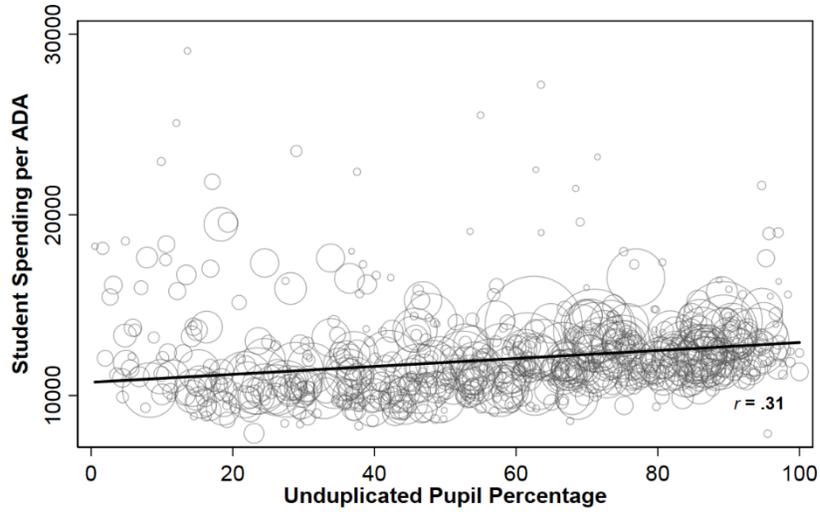


Figure C15. Student spending per ADA by unduplicated pupil percentage, California districts in 2016-17. Marker size is proportional to ADA and line is an ADA-weighted linear fit. Excludes LAUSD and districts that ever had ADA < 250. Districts with student spending > \$30,000 per ADA not shown.

Table C13. Mean Student and Non-Student Spending Per ADA (All Funds) by District Characteristic, 2016-17

	Student	Non-Student Spending				
		Pre-K & Adult	Capital	Debt Service	Retirees	Non-Agency & Community Service
Overall	12049	299	1377	1482	103	120
Basic Aid Status						
Not Basic Aid	11917	297	1322	1415	103	121
Basic Aid	15328	353	2730	3129	96	99
Student Resource Level						
Bottom 25%	10364	187	874	681	56	83
Middle 50%	11997	293	1309	1148	94	116
Upper 25%	13936	432	2120	3452	182	172
Urbanicity						
Urban	12321	327	1449	1754	116	110
Suburb	11816	302	1297	1397	95	122
Town	11869	167	1563	747	91	155
Rural	12549	160	1290	763	84	143
Grade Levels						
Elementary	11436	272	1120	932	79	137
High	12956	302	1832	1858	99	110
Unified	12111	307	1392	1600	111	116
Percent Unduplicated						
Bottom 25%	11436	212	1419	2090	56	92
Middle 50%	12017	301	1502	1503	108	106
Upper 25%	12642	369	1077	914	134	173
Free- and Reduced-Price Lunch Eligibility						
Bottom 25%	11379	214	1512	2062	58	90
Middle 50%	12063	302	1465	1504	108	109
Upper 25%	12643	372	1064	895	135	171
Percent Black						
Bottom 25%	12835	388	1165	853	127	228
Middle 50%	11897	237	1319	1416	82	110
Upper 25%	12096	341	1445	1597	118	117
Percent Hispanic						
Bottom 25%	11726	160	1445	2572	59	80
Middle 50%	11825	280	1476	1616	96	111
Upper 25%	12629	385	1145	827	133	151
Percent English Learners						
Bottom 25%	11356	133	1207	1367	70	116
Middle 50%	11932	307	1383	1477	102	107
Upper 25%	12652	317	1404	1531	118	166

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250. PERS reductions are no longer collected.

Table C14. Mean Per-ADA Student Spending on Goals by District Characteristic, 2016-17

	General K-12 Ed.	Regular K-12 Ed.	CTE	SPED	Severe SPED	ROCPs	Supplemental K-12	Bilingual	Other Goals
Overall	8280	7965	104	2078	604	33	112	98	69
Basic Aid Status									
Not Basic Aid	8178	7865	103	2049	597	33	114	100	66
Basic Aid	10807	10465	129	2798	785	32	47	43	139
Student Resource Level									
Bottom 25%	7433	7209	62	1832	501	27	45	43	41
Middle 50%	8282	7957	111	2056	585	31	93	74	60
Upper 25%	9129	8760	121	2406	774	43	244	237	131
Urbanicity									
Urban	8310	7996	110	2160	648	35	142	131	100
Suburb	8105	7811	88	2118	633	29	98	82	52
Town	8860	8452	150	1526	298	32	53	34	16
Rural	9452	9012	177	1539	214	62	48	35	40
Grade Levels									
Elementary	8047	8024	1	1842	403	0	112	94	47
High	9013	8239	284	2281	774	93	70	59	13
Unified	8246	7907	110	2123	643	34	117	104	84
Percent Unduplicated									
Bottom 25%	7878	7620	83	2097	625	37	51	49	60
Middle 50%	8176	7829	118	2164	674	39	128	117	74
Upper 25%	8842	8547	91	1883	439	15	128	98	66
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	7855	7615	77	2080	613	38	51	50	59
Middle 50%	8205	7851	121	2172	675	38	130	118	75
Upper 25%	8832	8534	91	1878	445	16	129	99	67
Percent Black									
Bottom 25%	9324	9030	80	1771	399	27	71	47	35
Middle 50%	8271	7993	100	1982	576	34	100	81	50
Upper 25%	8185	7839	109	2188	647	32	125	116	88
Percent Hispanic									
Bottom 25%	8350	8140	84	2041	606	45	54	54	25
Middle 50%	8026	7693	106	2166	665	36	114	107	83
Upper 25%	8786	8478	106	1907	476	22	125	94	55
Percent English Learners									
Bottom 25%	8409	8088	126	1716	419	40	13	12	37
Middle 50%	8120	7781	106	2143	664	37	106	98	67
Upper 25%	8798	8568	88	1956	448	16	158	119	84

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C15. Mean Per-ADA Student Spending on Functions/Activities by District Characteristic, 2016-17

	Instruction- Instruction	Instruction- Related Services	Pupil Services	Food Services	Transportation	Guidance & Counseling	Plant Services	General Admin.	Enterprise
Overall	6952	1357	1405	469	259	247	1149	676	399
Basic Aid Status									
Not Basic Aid	6866	1341	1400	474	257	244	1132	662	407
Basic Aid	9085	1748	1528	336	310	334	1560	1016	202
Student Resource Level									
Bottom 25%	6395	1088	1114	349	211	202	1004	617	77
Middle 50%	6949	1338	1418	495	269	241	1138	661	381
Upper 25%	7526	1692	1655	501	275	316	1333	789	788
Urbanicity									
Urban	7044	1440	1418	475	252	248	1150	627	523
Suburb	6892	1301	1355	442	235	251	1121	681	365
Town	6748	1304	1546	566	358	223	1254	816	56
Rural	7114	1242	1716	614	533	228	1354	952	34
Grade Levels									
Elementary	6973	1200	1245	495	226	106	1011	709	256
High	7101	1420	1684	405	325	517	1377	773	345
Unified	6923	1397	1414	470	260	253	1159	652	452
Percent Unduplicated									
Bottom 25%	6835	1207	1098	254	205	254	1112	670	390
Middle 50%	6888	1394	1418	462	274	258	1142	657	402
Upper 25%	7184	1406	1640	667	276	220	1194	721	402
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	6834	1206	1084	258	201	244	1096	664	377
Middle 50%	6902	1400	1432	468	276	261	1148	660	405
Upper 25%	7166	1404	1646	667	278	221	1199	721	409
Percent Black									
Bottom 25%	7345	1448	1712	709	320	226	1190	849	173
Middle 50%	6923	1315	1305	415	251	238	1121	669	431
Upper 25%	6937	1381	1456	489	261	257	1167	665	396
Percent Hispanic									
Bottom 25%	7095	1257	1116	263	232	243	1151	712	272
Middle 50%	6844	1339	1359	426	263	245	1131	647	397
Upper 25%	7128	1428	1600	629	261	254	1185	724	449
Percent English Learners									
Bottom 25%	6773	1155	1209	295	298	258	1214	768	103
Middle 50%	6883	1340	1375	437	252	262	1142	647	435
Upper 25%	7241	1470	1562	629	273	193	1152	752	359

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C16. Mean Per-ADA Student Spending on Objects by District Characteristic, 2016-17

	<i>Teacher Salaries</i>		<i>Admin. Salaries</i>		<i>H&W Benefits</i>		<i>Retirement Benefits</i>	<i>Other Operations</i>	<i>Consulting</i>	<i>Subagree.</i>	<i>Books & Supplies</i>
Overall	7184	4265	679	2382	1046	903	1643	855	223	807	
Basic Aid Status											
Not Basic Aid	7091	4211	668	2354	1035	892	1632	846	227	806	
Basic Aid	9486	5606	945	3056	1315	1197	1918	1063	134	830	
Student Resource Level											
Bottom 25%	6485	3994	585	2079	880	820	1082	485	136	694	
Middle 50%	7130	4234	665	2352	1034	902	1632	853	229	843	
Upper 25%	8076	4650	821	2790	1255	992	2248	1236	291	796	
Urbanicity											
Urban	7267	4308	690	2478	1132	919	1754	902	282	791	
Suburb	7144	4268	653	2280	950	896	1584	847	193	776	
Town	6935	4028	744	2470	1174	869	1402	649	127	1009	
Rural	7243	4161	792	2536	1167	893	1638	790	138	1083	
Grade Levels											
Elementary	6888	4222	682	2274	1013	864	1428	688	162	813	
High	7672	4405	668	2666	1265	963	1744	798	180	817	
Unified	7206	4259	679	2374	1025	907	1696	915	249	803	
Percent Unduplicated											
Bottom 25%	7081	4307	645	2175	887	879	1531	829	137	616	
Middle 50%	7181	4235	687	2392	1056	900	1641	855	250	773	
Upper 25%	7277	4293	691	2538	1161	931	1745	875	241	1042	
Free- and Reduced-Price Lunch Eligibility											
Bottom 25%	7052	4305	648	2164	883	876	1517	818	139	612	
Middle 50%	7205	4242	687	2402	1061	903	1646	861	250	780	
Upper 25%	7262	4278	690	2540	1165	929	1755	875	245	1046	
Percent Black											
Bottom 25%	7508	4383	732	2674	1244	974	1558	785	209	1068	
Middle 50%	7120	4256	672	2340	1040	892	1630	876	187	761	
Upper 25%	7204	4261	679	2387	1031	906	1662	843	254	819	
Percent Hispanic											
Bottom 25%	7408	4494	702	2187	833	923	1474	726	132	631	
Middle 50%	7096	4217	671	2343	1025	890	1611	847	232	743	
Upper 25%	7290	4288	687	2529	1163	925	1768	914	237	1002	
Percent English Learners											
Bottom 25%	7005	4245	681	2230	949	873	1434	705	123	665	
Middle 50%	7133	4242	659	2355	1027	896	1634	835	230	778	
Upper 25%	7411	4354	747	2517	1138	937	1734	963	227	946	

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

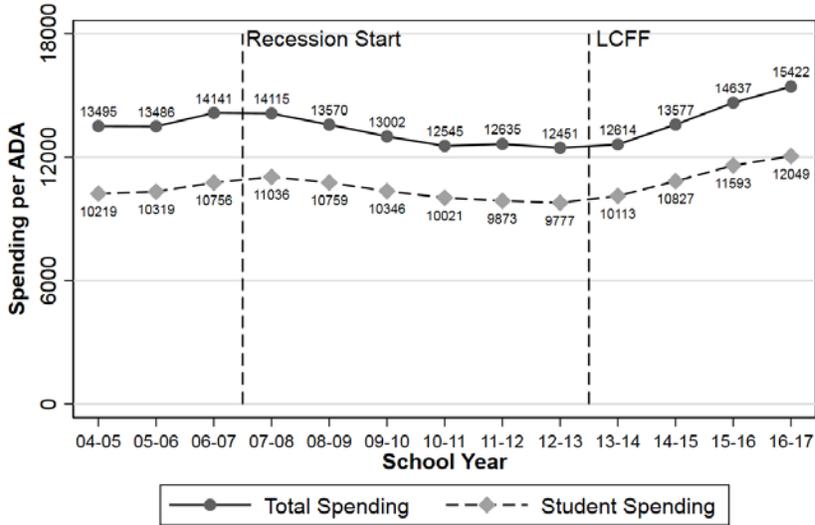


Figure C16. Expenditures per ADA over time in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

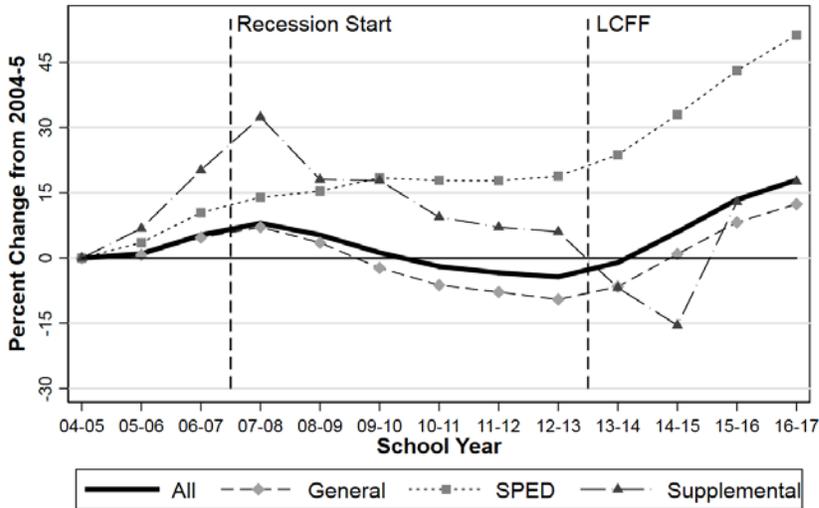


Figure C17. Changes in student spending per ADA on educational goals in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

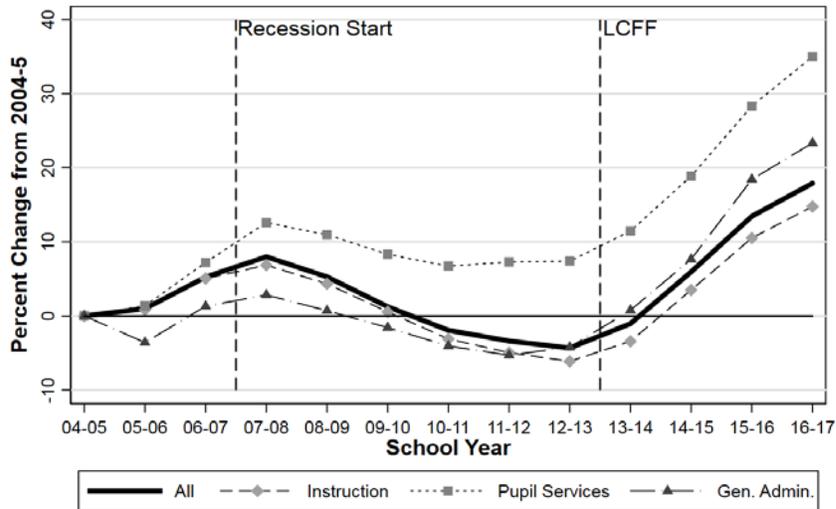


Figure C18. Changes in student spending per ADA on functions in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

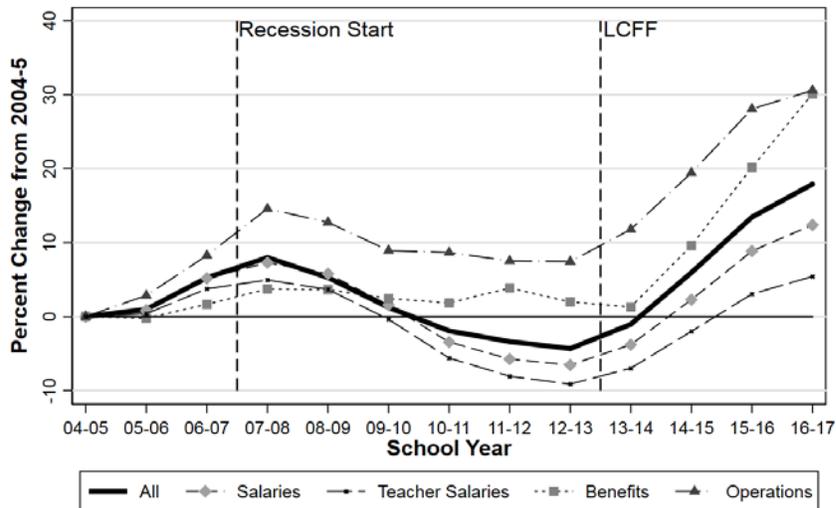


Figure C19. Changes in student spending per ADA on objects in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

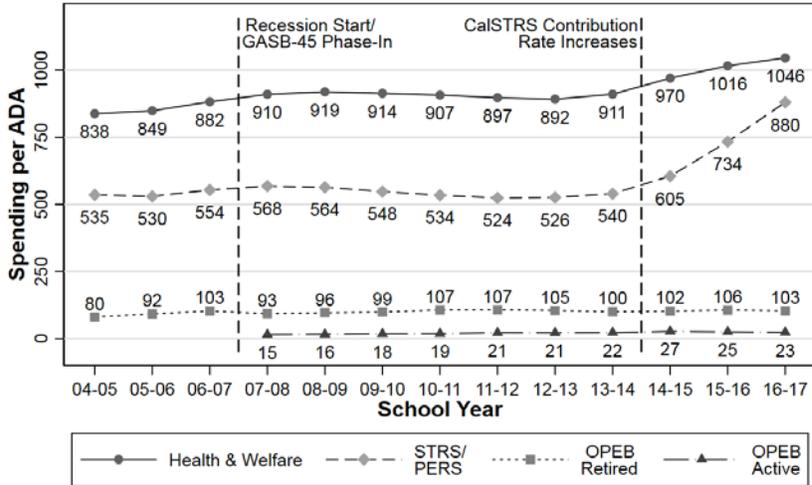


Figure C20. Spending per ADA on benefits in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250. Figures are student spending only except for OPEB expenditures for retired employees, which are not a component of student expenditure measures.

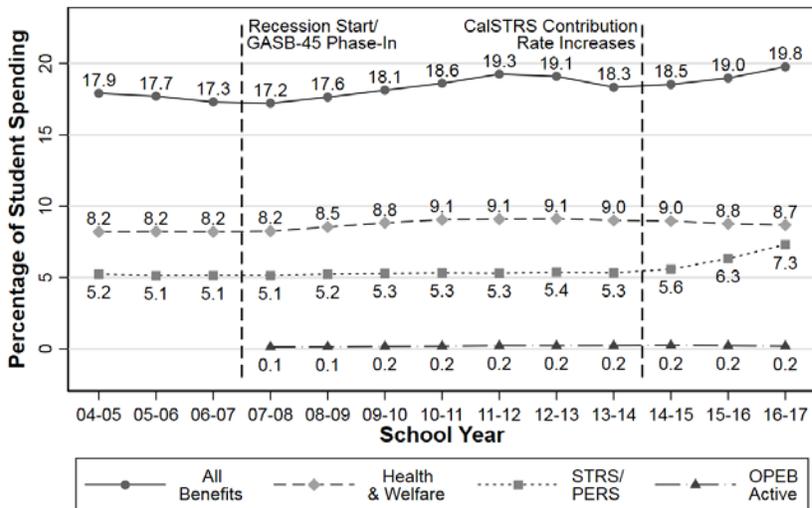


Figure C21. Benefit spending as a share of student spending in California districts 2004-5 through 2016-17. ADA-weighted. Excludes LAUSD and districts that ever had ADA < 250.

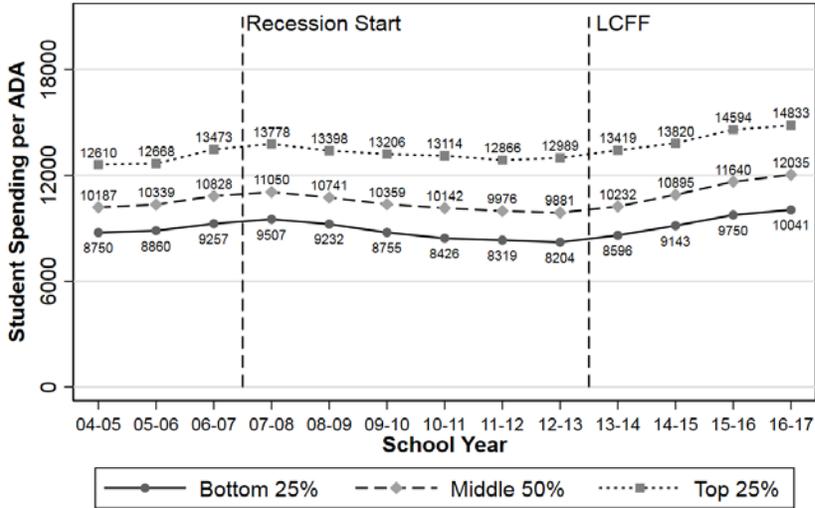


Figure C22. Student spending per ADA by student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

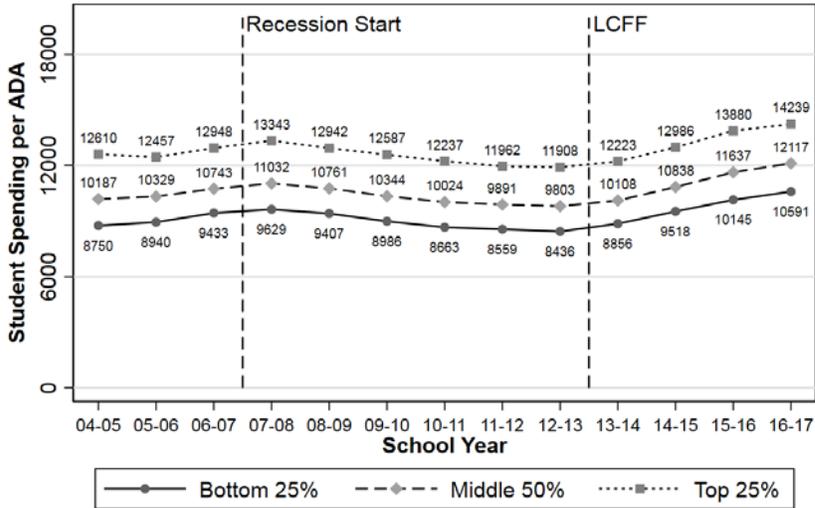


Figure C23. Student spending per ADA by 2004-5 student spending level in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

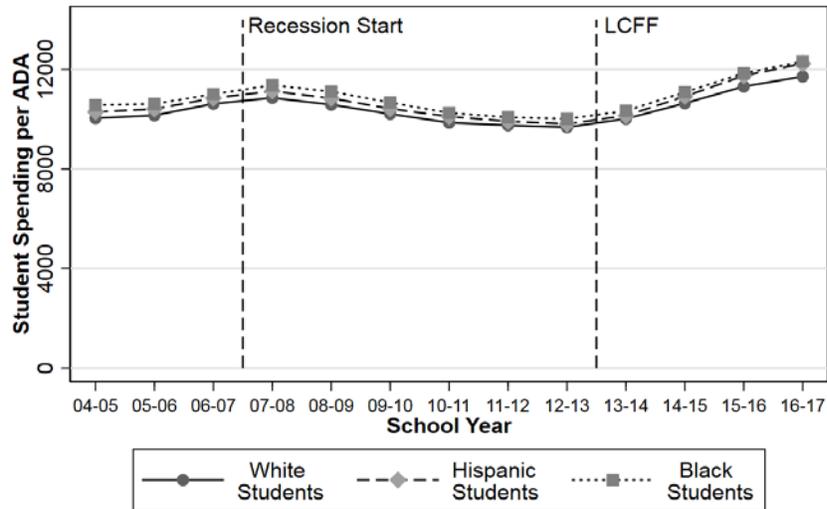


Figure C24. Student spending per ADA weighted by student enrollments by race. California districts, 2004-5 through 2016-17. Expressed in 2017 dollars. Excludes LAUSD and districts ever having ADA < 250.

Table C17. Financial Health Measures per ADA, 2016-17

	Mean	25th %ile	Median	75th %ile
Debt Service	1482	499	832	1486
<i>Principal Repayments</i>	702	237	410	737
<i>Interest Payments</i>	491	202	347	624
Liabilities	1278	748	1119	1536
Accounts Payable	1126	658	995	1441
Long-Term Obligations	79	0	0	0
<i>Net OPEB Obligations</i>	41	0	0	0
Due to Governments	49	0	0	19
Short-Term Loans	9	0	0	0
Due to Other Groups	15	0	0	0
Total Ending Fund Balances	8129	5107	7435	10084
State Reserves	2319	1642	2230	2735
Economic Uncertainty Reserves	436	259	351	499
Districts	715			

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

Table C18. Mean Per-ADA Financial Health Measures by District Characteristic, 2016-17

	Debt Service Costs			Liabilities				Fund Balances	
	Total	Principal Repayments	Interest Payments	All	Accounts Payable	Long-Term	OPEBs	State Reserves	Economic Uncertainty Reserves
Overall	1482	702	491	1278	1126	79	41	2319	436
Basic Aid Status									
Not Basic Aid	1415	677	471	1282	1127	79	42	2272	427
Basic Aid	3129	1306	981	1178	1099	76	17	3482	652
Urbanicity									
Urban	1754	808	555	1355	1149	86	31	2179	403
Suburb	1397	671	477	1289	1156	87	56	2356	429
Town	747	411	284	864	848	5	2	2588	613
Rural	763	388	314	947	928	5	0	3013	596
Grade Levels									
Elementary	932	532	373	959	889	41	29	2553	530
High	1858	840	666	1174	1041	91	77	2279	440
Unified	1600	735	503	1393	1213	89	39	2251	406
Percent Unduplicated									
Bottom 25%	2090	1048	634	1063	933	51	19	2085	446
Middle 50%	1503	632	511	1286	1093	98	59	2252	421
Upper 25%	914	551	326	1447	1361	64	21	2660	459
Free- and Reduced-Price Lunch Eligibility									
Bottom 25%	2062	1034	642	1064	941	49	18	2140	444
Middle 50%	1504	634	506	1288	1090	101	62	2230	422
Upper 25%	895	536	320	1456	1373	60	17	2671	458
Percent Black									
Bottom 25%	853	484	319	1251	1227	4	0	2858	447
Middle 50%	1416	736	476	1102	967	88	69	2342	460
Upper 25%	1597	695	520	1424	1245	79	22	2247	415
Percent Hispanic									
Bottom 25%	2572	1393	690	966	807	76	29	2347	464
Middle 50%	1616	696	546	1255	1064	97	53	2212	401
Upper 25%	827	477	309	1432	1364	43	18	2533	500
Percent English Learners									
Bottom 25%	1367	667	587	855	705	48	44	2420	581
Middle 50%	1477	756	486	1280	1138	64	16	2273	404
Upper 25%	1531	524	482	1392	1204	139	126	2450	503

Note. ADA-weighted and expressed in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

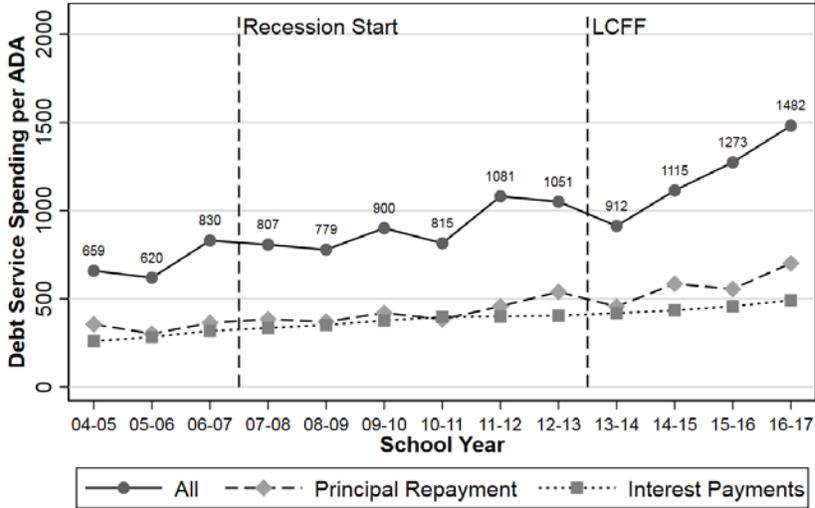


Figure C25. Debt service costs per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

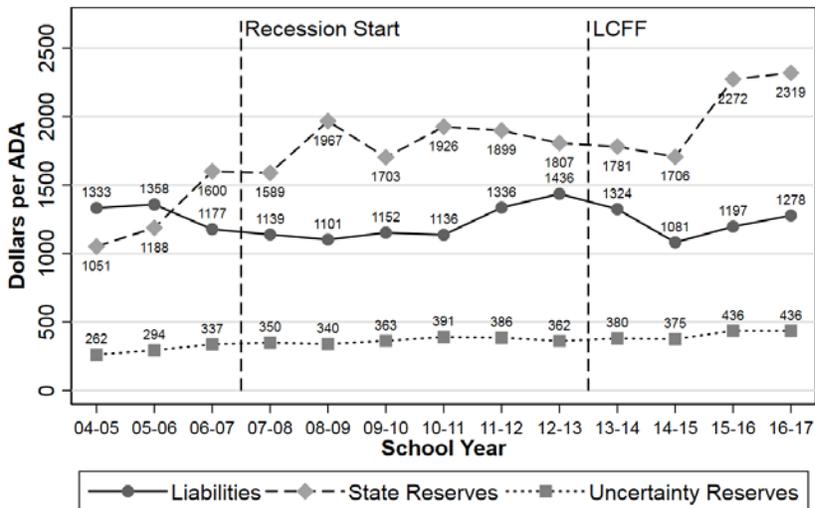


Figure C26. Liabilities and reserves per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.

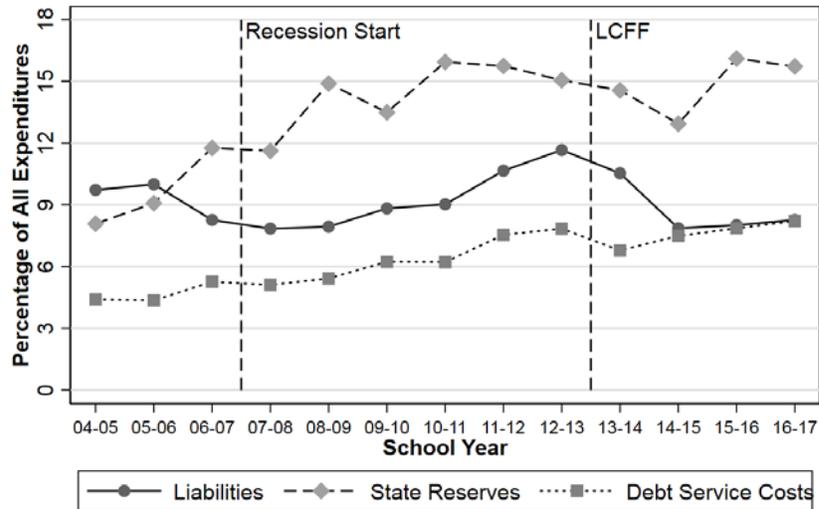


Figure C27. Fiscal health indicators as a share of all expenditures in California districts, 2004-5 through 2016-17. ADA-weighted. Excludes LAUSD and districts that ever had ADA < 250.

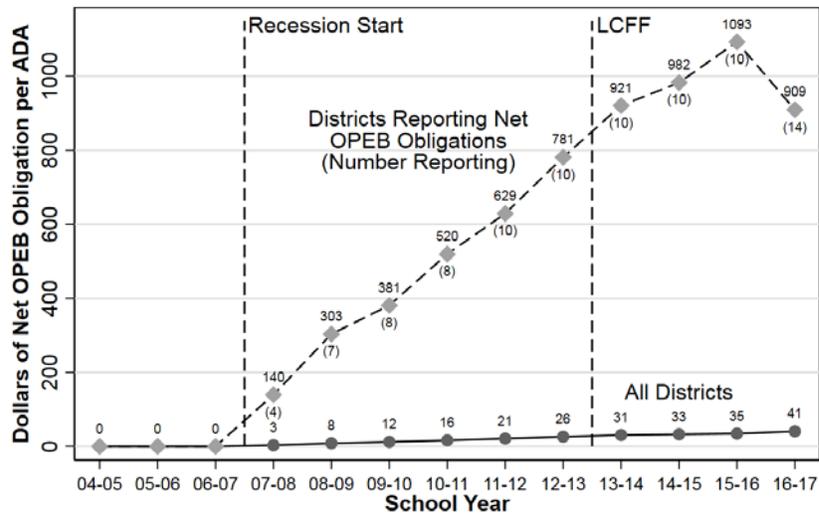


Figure C28. Net OPEB obligations per ADA in California districts, 2004-5 through 2016-17. ADA-weighted and in 2017 dollars. Excludes LAUSD and districts that ever had ADA < 250.