



Getting Down to **FACTS**



District Dollars 3: Recent Patterns in California School District Finances, Trends in Teacher Compensation, and Within-District, Between-School Spending

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Executive Summary

This report provides a descriptive overview of California school district finances, updating prior analyses in the Getting Down to Facts series. It examines district resources, expenditures, financial health, within-district spending variation, and how California compares to other states. It uses the most recent data available, mostly through the 2024-25 school year.

Resources. Districts in California have reached historically high funding levels, averaging \$24,690 per student (as measured by average daily attendance, ADA) in student resources in 2024-25, including revenue and other sources of financing. Adjusted for inflation, this is 75% above pre-LCFF levels and 27% above the last pre-pandemic year and is driven by increases across a range of funding streams. About 68% of district resources are unrestricted in how they can be used.

Expenditures. Mean total spending was \$27,866 per ADA in 2024-25. Employee compensation makes up about 77% of student (i.e., K-12 operational) spending. Special education spending has more than doubled since 2004-05 and now represents 20% of all student spending. Real teacher salaries have been essentially flat over two decades, though spending on pensions and healthcare benefits has risen substantially.

Financial Health. District reserves grew substantially during the pandemic, averaging \$4,684 per ADA in 2024-25 (roughly 22% of student spending), though that represented a decline of 9% from the prior year peak. Some, typically larger, districts carry significant unfunded retiree healthcare benefit liabilities; the average student attends a district with \$4,140 per ADA in such obligations, and 10% of students attend districts with at least \$11,660 per ADA in such obligations.

Within-District Spending. Spending varies considerably across schools within districts. Specialized (e.g., special education) schools spend far more per pupil than other schools in the same district, while charter schools spend \$3,637 less. Schools with higher shares of LCFF-targeted students spend more, though the magnitude of this is sensitive to how other school characteristics are accounted for.

National Comparisons. After years of below-average spending, California now ranks among the highest-spending states, substantially exceeding the national average in 2022-23. This has been driven by increases in both state and local revenue. However, adjusted for higher labor costs, California spends at approximately the national average.

Looking Ahead. Several risks cloud the financial outlook for California’s schools. Enrollment has fallen nearly 7% since 2016-17, with steeper attendance declines. Temporary federal pandemic aid has expired. In part because of enrollment declines, basic aid districts may grow in number and funding advantage. Proposition 55 tax revenues – contributing roughly 5% of the Prop. 98 funding guarantee – are set to expire in 2030. These pressures could place significant strain on budgets in districts or at the state level in the years ahead, especially given cost pressures associated with special education and employee benefits.

Introduction

This report provides basic descriptive financial information about California’s school districts. It updates a similar report written for the second Getting Down to Facts project (Bruno, 2018), which itself updated an analysis from the first Getting Down to Facts project (Loeb et al., 2007). I have three main goals in this updated analysis. First, to provide more up-to-date information for readers interested in California school district finances generally. Second, to provide context for understanding other reports in the Getting Down to Facts III series. Third, to highlight issues in school finance that I believe warrant additional attention.

In what follows, I first describe a few general features of how school districts are funded in California, including highlighting some important developments since the previous District Dollars report. I then briefly discuss the data I draw on for my analyses. The next three sections describe school district resources (i.e., revenues and other sources of financing), expenditures (with a particular focus on teacher compensation), and financial health, respectively. This includes some comparisons between districts with different characteristics, as well as a look at trends over time. I then draw on additional data to take a closer look at one aspect of school district finances that has received relatively little attention to date: how spending varies between schools within school districts. Next, I compare districts in California to districts in other states. Finally, I conclude with a brief discussion of looming financial issues for California’s school districts.

The California School Funding Context

As in most states, California’s school districts are funded by a combination of federal, state, and local revenues. As is also typical, federal funds make up a small portion of district budgets (generally about 10% of funding in most years), and are primarily aimed at a few specific priority areas, such as services for disadvantaged students, special education, or career technical (i.e., vocational) education. Districts in California raise substantial amounts of funding locally, primarily in the form of property taxes, also as is true in many states. However, such local revenue generation is constrained to a substantial degree in California. For example, and perhaps most notably, the passage of Proposition 13 by voters in 1978 capped the rate at which property could be taxed and the rate at which assessed

property values could increase. For additional discussion of California’s tax and funding structure for public schools, see other reports in the Getting Down to Facts III series (Kaplan & Mercado, 2026). Constraints on local taxing powers mean that California’s school districts depend more heavily on state funding than is true in many other states. Broadly speaking, the level and distribution of that state funding are determined mostly by (1) a constitutional minimum school funding guarantee and (2) the Local Control Funding Formula (LCFF).

California’s Constitutional Minimum Funding Guarantee for Schools

California’s constitution contains several provisions that set a floor on how much the state must spend on K-12 schools, though in certain cases these provisions can be suspended. The most important of these provisions were established by Proposition 98, which voters approved by ballot initiative in 1988. Though these provisions were modified in 1990 by Proposition 111, these funding obligations are commonly referred to as the “Prop. 98 minimum funding guarantee” or something similar. These provisions cover community colleges as well as elementary and secondary school systems.

How the funding guarantee is calculated is complex. Three “tests” establish a minimum funding level based on either (1) a minimum share of the state’s general fund revenue; or (2) prior-year funding adjusted for changes in average daily attendance (ADA) as well as changes in either (2a) per capita income or (2b) general fund revenue. Which test is determinative can vary from year to year. However, all three tests tend to increase state investment in schools when the state has more resources at its disposal. Moreover, even in cases where economic or budgetary difficulties result in the funding guarantee being based on a “lower” test or suspended by the legislature altogether, the constitution typically imposes obligations for the state to eventually “make up” the difference between actual appropriations and what more demanding tests would have required. This again puts upward pressure on the state’s education appropriations. For additional detail about the history and operation of the Prop. 98 funding guarantee, see analysis and regular updates by the state’s Legislative Analyst Office (Petek, 2025; Taylor, 2017).

The Local Control Funding Formula

The Prop. 98 guarantee leaves considerable room for the state to decide how to allocate money to districts. Since the 2013-14 school year the state has made these allocations largely through the

Local Control Funding Formula (LCFF), which establishes funding targets for districts (and charter schools). LCFF is organized around two main ideas. First, as indicated by the “local control” language, LCFF replaced many categorical funding programs – that required districts to spend funds in specific ways – with largely unrestricted funds. Second, LCFF aims to provide additional dollars to support the education of students deemed to be higher need (California Department of Education, n.d.-b; Petek, 2023). Under LCFF, a student is considered in high need if they are any combination of low-income, an English learner, or a foster youth. A district’s (or charter school’s) LCFF funding target is increased based on the percentage of such high needs students in its enrollment. Since each student can count as high need only once regardless of how many criteria they meet – such as being low-income *and* an English learner – a district’s “high need” student count is often said to be of “unduplicated” pupils (UPs).

LCFF sets a base funding target per unit of ADA that is adjusted based on grade level. LCFF then provides a “supplemental” grant for each UP worth 20% of the funding target associated with that student (i.e., factoring in their grade level). Furthermore, if UPs represent more than 55% of a district’s enrollment, LCFF provides an additional “concentration” grant worth 65% of the funding target for each UP above that 55% threshold. Thus, other things equal, a district with 100% UPs will have an LCFF funding target that is about 50% higher (per ADA) than a district with no UPs.

While the state has some nominal minimum funding obligations to districts, it does not otherwise provide LCFF funding to districts that are able to generate sufficient local revenue to meet their LCFF funding targets. These largely self-sufficient districts thus get only those minimal state contributions and are for that reason often referred to as “basic aid” districts. Basic aid districts enroll relatively few students but commonly have per-pupil revenues that far exceed those of other districts (Hahnel et al., 2025). Conversely, most districts are unable to meet their LCFF funding targets locally, for example because of property tax limits mentioned above. For those districts, the state provides aid to fund districts up to their funding targets.

Recent Developments in California School Finance

Several developments since the last District Dollars report are important for understanding the analysis that follows. Here I highlight a few of the most substantial.

CalSTRS Contribution Rate Increases

To address unfunded liabilities in the teacher pension system (the California State Teacher Retirement System, or CalSTRS), in 2014 the state began increasing the rates at which parties are required to contribute to CalSTRS. Specifically, Assembly Bill 1496 included higher mandated contribution rates for teachers, their employing districts, and the state, as well as provisions that allow those contribution rates to fluctuate in response to changes in the CalSTRS funding picture (Koedel & Gassmann, 2018). By 2023-24, districts had to more than double their contribution rate into the system, from 8.25% of payroll (i.e., roughly total teacher salary) to 19.1%. Contribution rates also increased for the state and for individual teachers (California State Teachers' Retirement System, 2023; Koedel & Burgess, 2026; Koedel & Gassmann, 2018).

Changes to the LCFF and Other State Funding

Several recent changes to state funding for districts in California have likely had meaningful implications for schools and may be useful for understanding the findings in this report. I highlight four changes here, all of which have tended to contribute to higher levels of funding statewide and especially in more disadvantaged schools. First, the state phased in the extent to which it would fund districts up to their LCFF funding targets. "Full funding" for LCFF was achieved two years early, in 2018-19 (California Department of Education, n.d.-b). Second, in 2021-22 LCFF concentration grants for UP ADA above 55% were increased from 50% to 65% of a district's base grant (California Department of Education, n.d.-a).

Third, from 2016-17, the last year included in the previous District Dollars report, to 2024-25, the last year included in this report, the Prop. 98 minimum guarantee increased from about \$71.6 billion to \$109.1 billion (Fensterwald, 2023; Kaplan & Saucedo, 2024). That represents an increase of about 16% in inflation-adjusted terms, though for a variety of reasons not all of that represents additional revenue for school districts (e.g., due to legislative maneuvers and appropriations to community colleges). Fourth, beginning in 2023-24 the state used some of that additional Prop. 98 spending to introduce an "Equity Multiplier" on top of ordinary LCFF appropriations. These funds were targeted to schools with student populations that are both relatively low-income and relatively "nonstable" (i.e., lacking consistent enrollment for reasons like truancy or expulsion). Districts are required to use those funds to support students at their school sites (rather than across the district generally), with increasing reporting requirements in subsequent years. Initial funding was \$303 million

(California Department of Education, n.d.-c). In 2023-24 810 schools in 349 districts received \$249 million in Equity Multiplier funding for 231,345 eligible students, or about \$1,075 per eligible student.¹

Elementary and Secondary School Emergency Relief Funds

As discussed above, federal revenues are typically a small minority of districts' budgets. However, in 2020 and 2021, after the onset of the COVID-19 pandemic, the federal government provided three rounds of Elementary and Secondary School Emergency Relief (ESSER) funds to local education agencies (LEAs) to support school reopening, address learning loss, and so on. ESSER allocations were temporary – needing to be spent by the fall of 2024 – but substantial: in California, ESSER allocations totaled \$23.4 billion (U.S. Department of Education, n.d.), or about \$3,750 per student enrolled in the fall of 2019 (U.S. Department of Education, National Center for Education Statistics, 2024). For comparison, the federal government's entire contribution to public elementary and secondary schools in California in 2018-2019 was only \$8.1 billion (U.S. Department of Education, National Center for Education Statistics, 2021), though ESSER funding would be spent over several years, rather than all at once.

Data

As with previous District Dollars reports, I rely primarily on annual financial reports from LEAs to the state. These reports follow a “standardized account code structure” (SACS), which classifies transactions according to a series of codes capturing aspects of the transaction, such as what type of goods or services were purchased (e.g., teacher salaries or consulting services), what goals or functions were advanced by the purchase (e.g., special education or instruction), and what resources were available or drawn on (e.g., state aid or local property taxes). I supplement SACS reports with other school-level information also made public by the California Department of Education (CDE), including information about student demographics. Also like prior reports in this series, I use some data from the National Center for Education Statistics and the Common Core of Data (CCD). These include information

¹ Author's calculations from the 2023-24 Second Principal (P-2) Apportionment file produced by the California Department of Education School Fiscal Services Division in June 2024. The default Equity Multiplier funding rate for eligible schools was \$1,053 per eligible student but no less than \$50,000 total. The calculation excludes charter schools and county offices of education, which were also eligible for the funding.

about district urbanicity as well as LEA-level financial data to use when comparing financial information between states.

I then draw on two additional data sources. First, I use results from the “J-90” survey most school districts complete annually for the CDE to report detailed salary and benefit information from their collective bargaining agreements with their teachers. Second, I use school-level data on per-pupil expenditures, which school districts have been required to report since the 2018-19 school year. Though they are limited in detail, these files allow some understanding of how resources are allocated between schools within districts.

Like previous reports in this series, I weight my analyses below by district ADA when using district-level SACS data. Thus, for example, rather than presenting the mean spending per ADA among *districts* in California, I effectively present the per-ADA spending for the mean *student* enrolled in a California district (or, more precisely, for the mean unit of daily attendance). Similarly, when a spending figure is presented as the 75th percentile, one quarter of *students*, rather than one quarter of *districts* are at or above that figure. This is to prevent many very small districts from giving a misleading impression of the financial circumstances experienced by students. However, unlike previous reports, I do not exclude very small districts (i.e., those with ADA < 250) altogether. Since I use ADA weighting, the presence of these districts has almost no effect on the results below. Instead, I present heterogeneity analyses that consider very small (or very large) districts separately. For more detail about my data sources and how I use them, see Appendix A.

My primary analyses of district finances, relying on SACS data, express revenue, expenditures, and other figures on a per-ADA basis, rather than per unit of student enrollment. This maintains consistency with prior entries in this series of reports, avoids difficulties associated with linking enrollment data to financial data accurately and consistently over time, and aligns with how the state itself handles public school finances for most purposes. Still, it is useful to keep in mind that numbers will tend to differ somewhat depending on whether ADA or enrollment is used. For example, per-pupil revenue and spending amounts would tend to be somewhat lower on a per-enrolled-student basis than on a per-ADA basis, as ADA tends to be lower than enrollment. This is more true in more recent years, as attendance in California schools has rebounded but remains below pre-COVID-pandemic levels (Lambert, 2024). Similarly, districts that have relatively low attendance rates will tend to be weighted

less in my ADA-weighted means than districts with similar enrollments but higher attendance rates. A crude sense of how this affects the analysis can be obtained by comparing my SACS analyses (using ADA) with the nationwide analysis using CCD data (and enrollment) in section 8. The longitudinal trends are qualitatively similar, and in the most recent year of CCD data available (2022-23) the per-student, enrollment weighted figures are 4-6% lower than what I get from SACS on a per-ADA, ADA-weighted basis.²

District Resources

As in District Dollars 2, I attempt to identify those resources available to districts that seem most relevant for funding day-to-day K-12 operations, for example excluding resources dedicated to capital projects or adult education. I refer to these as “student resources.” Additionally, and in line with guidance to school districts in the *California School Accounting Manual*, I distinguish two types of resources available to school districts (independent of whether they are student or non-student by my definition). First, *revenues* increase the total resources available to school districts, usually in the form of taxes levied or appropriated, donations, or payment received in exchange for goods or services. Second, *other financing* makes resources available to a district while also incurring some kind of offsetting liability. For present purposes, this mostly includes activities like issuing debt (e.g., for facilities construction). Many within-district transfers of resources are also technically classified as other financing, though in general I exclude such transactions altogether. For details about what I include in and exclude from each resource, see Appendix A.

ADA-weighted average per-ADA resources available to districts in the 2024-25 school year are shown in Table 1. As shown in Panel A, on average districts in California received \$28,625 per ADA in total resources. Roughly 14% of those resources can be readily classified as for purposes other than day-to-day K-12 operations (i.e., about 86% are “student resources” by my metrics). Most (78%) of those non-student resources (\$3,053 per ADA on average) are for capital projects. Another 12% take the form of interagency transfers in (i.e., payments from other government agencies, such as in

² Lower attendance rates may also correlate with other district or student characteristics, such as poverty, similarly affecting how districts are weighted in my analyses. Though beyond the scope of this report, readers may be interested in ongoing discussions about the merits of California shifting to an enrollment-based funding scheme, as is common in other states. This could be one way to address potential inequities arising from attendance rates tending to be lower in districts serving disadvantaged students at higher rates (LaFortune et al., 2025; Petek, 2026).

exchange for educating students from other districts). The interquartile range of district resources is substantial: about \$9,278, or about 32% of the mean. Those figures are only modestly attenuated when considering student resources alone.

As shown in Panel B, most of the resources available to districts are in the form of revenues. Non-revenue financing represents \$2,840 per ADA overall, or about 10% of all resources. Among K-12 student resources those figures are even lower: \$407 per ADA or about 2% of resources, and in many cases other financing plays essentially no role. For example, at the median other financing amounts to just \$170 per ADA. Conversely, at the 75th percentile other financing is \$5,176 per ADA. This is what would typically be expected given the role of non-revenue financing in covering large, inconsistent costs like facilities construction and upgrades.³

The bottom two panels focus only on revenues (i.e., excluding other financing). Panel C distinguishes revenues based on whether they are restricted in how they may be used. In line with the flexibility goals of recent school funding reforms in California, 68% of all revenues received by districts are unrestricted in how they may be used. That rises to 72% when focusing on student revenues, though in both cases a small fraction of those revenues is associated with reporting requirements about how they are used. The restrictions that exist on district revenues disproportionately reflect strings associated with federal revenues. At the mean districts receive \$1,864 per ADA in restricted federal revenues, and that represents nearly all the federal revenues they receive (\$1,945 per ADA; see Panel D).

As in the 2016-17 analysis, the mean per-ADA student resource level (\$24,690) is only slightly higher than the median (\$24,136), a difference this year of about 2%. This largely reflects the fact that most districts are heavily reliant on state dollars that are substantially equal across districts (e.g., lottery funds) or that serve to equalize district resources that might otherwise vary due to differences in local resources (e.g., via LCFF). As shown in Panel D, even among LCFF revenues that constitute 61% of student resources, at the mean per ADA state aid (\$9,571) exceeds local taxes (\$5,880) by 67%; local LCFF taxes and other local sources (\$3,979 per ADA on average) combined amount to only 40% of student resources.

³ For more on school facilities and their financing in California, see (Hinkley & Vincent, 2026)

Table 1 - Resources per ADA, 2024-25

	All Resources				Student Resources			
	Mean	25 th %ile	Median	75 th %ile	Mean	25 th %ile	Median	75 th %ile
Panel A: All Resources								
All Resources	28625	23083	27063	32361				
<i>Student Resources</i>	24690	20470	24136	27716	24690	20470	24136	27716
<i>Adult</i>	151	0	64	193				
<i>Pre-K/Early Childhood</i>	258	21	163	395				
<i>Capital</i>	3053	306	928	5133				
<i>Interagency Transfers In</i>	479	26	221	861				
Panel B: Revenues vs. Other Financing								
All Resources	28625	23083	27063	32361	24690	20470	24136	27716
<i>All Revenue</i>	25757	21575	25010	28601	24255	20143	23640	27003
<i>All Other Financing</i>	2840	0	170	5176	407	0	1	329
Panel C: Restricted and Unrestricted Revenues (Defined by Resource Codes)								
Unrestricted	17586	15403	17444	19298	17497	15301	17419	19186
<i>w/ Reporting Reqs.</i>	2697	1123	3412	3860	2697	1123	3412	3860
Restricted	8170	5815	7357	9566	6758	4622	5917	8034
<i>Restricted Federal</i>	1864	966	1632	2509	1815	942	1584	2386
<i>Restricted State</i>	2694	1782	2250	3160	1733	928	1480	2139
<i>Restricted Local</i>	2399	943	1862	3044	1999	673	1409	2565
<i>Special Education</i>	1423	1132	1273	1414	1037	303	855	1324
Panel D: Revenues by Source (Defined by Object Code)								
Federal Sources	1945	972	1686	2597	1896	966	1615	2516
LCFF Sources	15179	13236	15026	16430	15179	13236	15026	16430
<i>State Aid</i>	9571	6988	10676	12430	9571	6988	10676	12430
<i>Tax Relief Subventions</i>	27	11	21	35	27	11	21	35
<i>Local Taxes</i>	5880	3107	4549	7013	5880	3107	4549	7013
<i>Misc. & Transfers</i>	-299	-445	-56	0	-299	-445	-56	0
Other State Sources	3786	2536	3392	4660	3201	2218	3027	3863
<i>Lottery</i>	306	303	306	310	306	303	306	310
Other Local Sources	4847	3196	4121	5778	3979	2408	3301	4674
County & District Taxes	2019	978	1467	2657	1838	759	1278	2461
<i>Local Restricted Levies</i>	1648	720	1142	2132	1648	720	1142	2132
<i>Parcel Taxes</i>	132	0	0	0	132	0	0	0
Local Sales	34	1	7	28	34	1	7	28
Local Fees & Contracts	337	117	251	385	75	0	5	99
Interagency Transfers	398	0	200	812	0	0	0	0
Districts	932				932			

Note. ADA-weighted and expressed in 2024-25 dollars.

The variation in district resources is visualized at the district level in Figure 1. Of the 932 districts I consider, only 9 districts have student resources below \$15,000 per ADA. And while there is a long right tail of districts with resources well above the average, only 89 have resources in excess of \$40,000 per ADA. These districts also tend to be much smaller than other districts, with a mean (median) ADA of 878 (69).

While the state and local revenues associated with LCFF dominate much of the discussion of district resources, Panel D shows that other state and local revenues play a non-trivial role in district finances also. Other state revenues can be provided for a variety of purposes, commonly including special education and child nutrition. After making non-student exclusions, on average non-LCFF state and local revenues make up 13% and 16% of revenues, respectively, and are collectively equivalent to 47% of all LCFF sources.

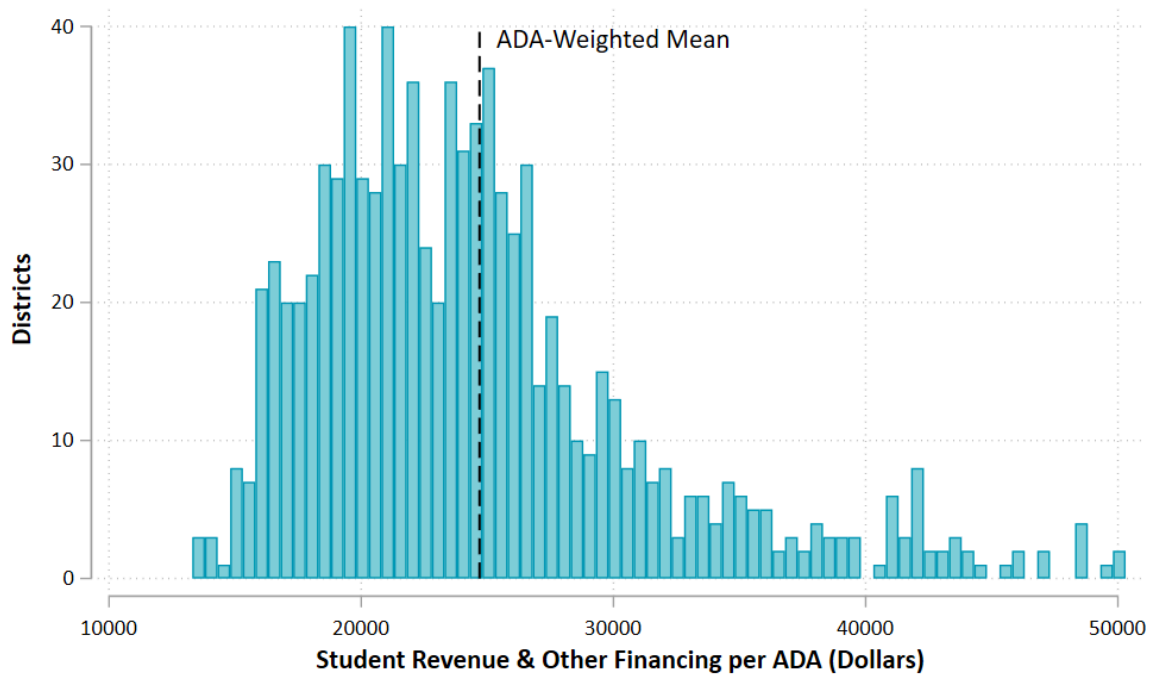


Figure 1. The distribution of student resource levels in California districts, 2024-25. Excludes districts with per-ADA resources > \$50,000.

Differences in Resources by District Characteristics

California’s school districts are numerous and diverse. Table 2 explores potential heterogeneity along several dimensions, presenting mean resource levels across different types of district. Statewide means are also reproduced from Table 1 to facilitate comparison.

Basic Aid Status

Recall that basic aid districts are those that are not eligible for most state aid because they are able to meet their state-defined funding targets in other ways (e.g., local tax revenue). Unsurprisingly, then, basic aid districts have substantially higher resources and revenues than other districts on a per-ADA basis. Compared to non-basic aid districts, basic aid districts have total resources that are \$11,708 (42%) higher per ADA. They also have higher revenues and, because they are substantially more self-funded, this additional revenue is largely unrestricted (\$23,973 vs. \$17,114 per ADA in non-basic aid districts). Their larger overall resource base may also facilitate more and better opportunities for other financing: basic aid districts have non-revenue financing per ADA that is \$3,257 (122%) higher than in their non-basic aid counterparts.

Table 2 - Mean Resources by District Characteristic, 2024-25

	All Resources		Student Resources						
	Total	Other Financing	Total	Unrestrict.	Restrict.	Federal	LCFF	Other State	Other Local
Overall	28625	2840	24690	17497	6758	1896	15179	3201	3979
Basic Aid Status									
Not Basic Aid	27972	2658	24214	17114	6685	1957	14850	3261	3731
Basic Aid	39680	5915	32750	23973	7999	862	20750	2186	8174
Urbanicity									
City	30518	3670	26079	17930	7517	1968	15517	3288	4674
Suburb	27072	2302	23467	16940	6239	1717	14723	3166	3573
Town	26717	1443	23784	17903	5739	2382	15664	2947	2650
Rural									
Non-Remote	26689	1706	23138	17494	5312	2054	15179	2961	2613
Remote	32203	665	29067	22373	6612	3574	18441	3558	3506
Average Daily Attendance (IQR=(287, 5490))									
Bottom 25%	34284	1718	28159	21928	6077	2531	18206	3112	4164
Middle 50%	28534	2956	24143	17862	6020	1884	15332	2893	3774
Upper 25%	28605	2821	24793	17379	6936	1894	15121	3274	4026

Grade Levels									
Elementary	26784	2119	23211	16761	6240	1886	14626	3149	3340
High	29730	2962	25503	19695	5312	1487	16794	2260	4465
Unified	28995	3027	24998	17407	7100	1954	15117	3343	4094
Free- and Reduced-Price Lunch Eligibility (IQR=(40, 79))									
Bottom 25%	27468	4183	22543	16683	5301	722	14186	2222	4853
Middle 50%	26778	2501	23240	16984	5793	1638	14592	2923	3625
Upper 25%	32212	2540	28269	18796	9157	3019	16705	4235	3993
Percent English Learners (IQR=(5, 24))									
Bottom 25%	26423	3363	22010	17508	4320	1078	14040	2269	4441
Middle 50%	28408	3024	24370	17340	6529	1773	15053	3080	3963
Upper 25%	30008	2064	26561	18023	8249	2552	15941	3883	3897
Percent Black (IQR=(0.28, 2.3))									
Bottom 25%	28049	875	25674	18789	6814	2569	16712	3326	2996
Middle 50%	27219	2994	23170	17197	5590	1397	15053	2697	3640
Upper 25%	29654	2889	25675	17604	7571	2191	15145	3543	4295
Percent Hispanic (IQR=(23, 72))									
Bottom 25%	27148	4085	22264	16787	5181	767	14143	2199	4860
Middle 50%	27422	2882	23623	17068	6013	1625	14627	2923	3905
Upper 25%	31228	2346	27377	18487	8594	2752	16495	4026	3810

Note. ADA-weighted and expressed in 2024-25 dollars.

Table 3 breaks out LCFF funding for basic aid and non-basic aid districts to illustrate why the latter are relatively more reliant on state aid. On average, non-basic aid districts generate just \$5,085 per ADA in local taxes that count toward LCFF funding goals. Basic aid districts generate 3.8 times as much. Consequently, non-basic aid districts get 7.2 times as much state aid as basic aid districts (while still having substantially lower revenues overall).

Table 3 - Mean LCFF Student Revenues in Basic Aid and Non-Basic Aid Districts

	Total	Components of LCFF Revenue			
		State Aid	Tax Relief Subventions	Local Taxes	Misc. & Transfers
Not Basic Aid	14850	10054	25	5085	-315
Basic Aid	20750	1389	62	19330	-31

Note. ADA-weighted and expressed in 2024-25 dollars. Negative miscellaneous funds and transfers in some cases indicate revenues transferred to other district object codes and may be counted positively there. Tax relief subventions are typically state aid to compensate LEAs for revenues they would otherwise lose to state tax relief programs (e.g., that reduce taxable property values).

Urbanicity

On average, districts of different urbanicities differ mostly modestly in their resources. Districts in cities have 13-14% more resources than districts in suburbs and towns. This is driven substantially, but not entirely, by LAUSD. When the state’s largest district is excluded (not shown), those differences shrink to 7-8%. Overall, however, urbanicity does not drastically distinguish district resources; even many rural districts look like their non-rural counterparts. This is also illustrated in Figure 2, which shows student revenues by source across urbanicities.

However, previous work finds that rural districts that are more remote from urbanized areas are operationally quite different than other rural districts (Bruno, 2026; Dhaliwal & Bruno, 2021). I distinguish between remote and non-remote rural districts in Table 2 and Figure 2. Indeed, remote rural districts look more distinct when considered this way. For example, while non-remote rural districts have slightly lower resource and revenue levels than other districts, remote rural districts have the highest per-ADA resources of any urbanicity represented in the table. For instance, remote rural districts have both higher unrestricted student revenues than non-remote rural districts (by \$4,879, or 28%) and higher restricted revenues (by \$1,300, or 24%) and both levels approach what basic aid districts receive. Remote rural districts also engage in substantially less non-revenue (other) financing than other districts.

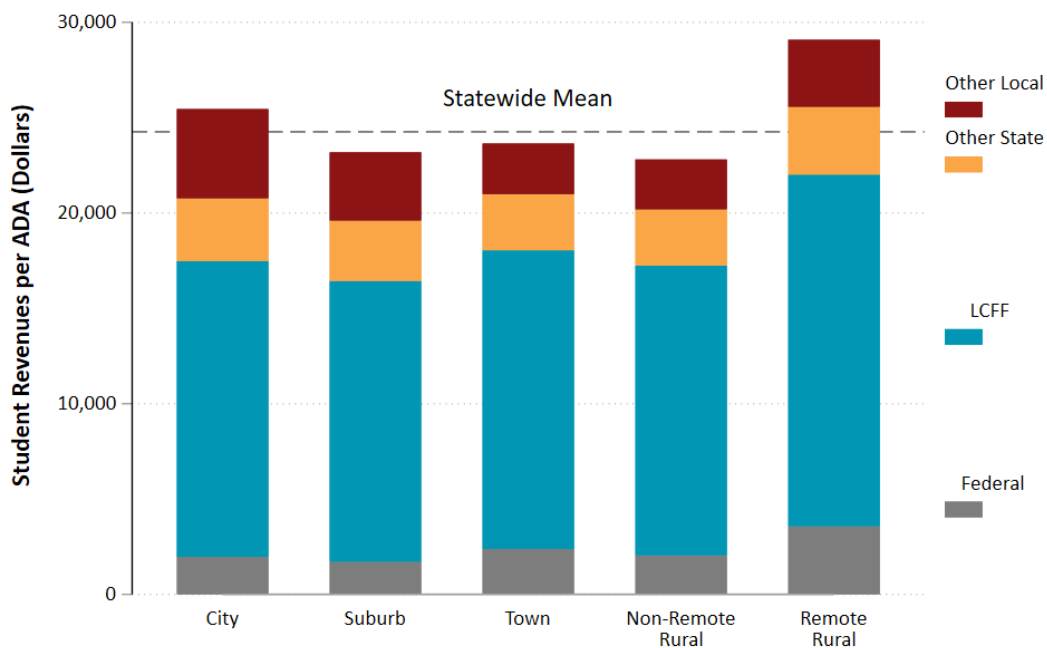


Figure 2. Student revenues per ADA in California districts in 2024-25 by urbanicity. ADA-weighted.

Average Daily Attendance

Since most of my analyses are ADA-weighted, distinctive resource patterns in smaller districts will tend to be obscured. I therefore break out districts by average daily attendance in Table 2. The bottom quartile of districts⁴ have ADA below 287, so this closely approximates the process of considering districts with ADA below 250 separately, as was done in District Dollars 2.

The lowest enrollment districts have substantially higher resource levels per ADA than other districts (\$34,284), driven substantially by higher LCFF revenues (\$18,206). These differences likely reflect a range of factors, including diseconomies of scale and “necessary small schools” adjustments the state makes when calculating funding needs for certain schools with low attendance (Petek, 2023).

Considerations of economies of scale might also lead to expectations that the largest districts operate with the fewest resources, but that is not what I observe in Table 2. Rather, the largest quartile of districts – those with ADA over roughly 5,500 – do have much lower resource levels than the smallest districts, but their resource levels are very similar to the middle 50% of districts by ADA. This is true for most of the resource types included in the table. Excluding LAUSD from these figures (not shown) reduces total resources in the largest districts by a little more than \$1,000 per ADA.

Grade Levels

In California state funding is differentiated by grade level, perhaps most notably in LCFF calculations. For example, in 2024-25, assuming districts complied with certain rules, the LCFF base grant for students ranged from \$10,177 for students in grades 4-6 to \$12,460 for students in grades 9-12. This pattern also emerges when considering the LCFF revenue by district grade span in Table 2. Per-ADA LCFF revenues are lowest (\$14,626) in elementary districts (i.e., those serving primarily grades K-8) and highest (\$16,794) in high school districts (i.e., those serving mostly grades 9-12), with unified (i.e., K-12) districts in between (\$15,117). Other resources do not drastically alter the LCFF-related differences; total and student resources are also highest in high school districts and lowest in elementary districts.

⁴ When break districts out into quartiles I do so on a non-ADA weighted basis. For example, when I refer to districts in the bottom 25% by ADA, I am referring to the smallest 233 districts, not to the 25% of ADA that is in the smallest districts. However, within those district groups, dollar figures are ADA-weighted.

Student Demographics

Much of the attention paid to state funding in California has been focused on how funding is differentiated by student need. In fact, LCFF is designed specifically to allocate additional resources to students who are thought to be the most educationally disadvantaged. This is done primarily by increasing the LCFF base grant for students by “supplemental” and “concentration” grants for disadvantaged (“unduplicated”) pupils, as described in section 2.2. Table 2 provides some insight into whether these kinds of efforts are having the desired effects, by showing mean resource levels in districts with different populations of students who might be thought of as educationally disadvantaged.

As shown in Table 2, districts with higher rates of low income students – approximated here by the share of students who are eligible for free- or reduced-price lunch – do tend to have higher resource levels: per-ADA student resources are lowest in the quarter of districts with the smallest (proportional) low-income student population (\$22,543), higher in the middle 50% of districts (\$23,240), and highest in the quarter of districts with the highest low-income student rates (\$28,269). This is driven not only by LCFF revenues, but by qualitatively similar patterns for federal and other state revenues that are also commonly targeted at disadvantaged students. On average, such targeted revenues more than make up for the relative advantage districts in the bottom quartile enjoy in other local revenues.

Similarly, districts with larger shares of English learners (ELs, the other primary group targeted by LCFF) tend to have more resources than districts with smaller shares. However, the pattern is less pronounced here, likely because unduplicated pupil shares are much more weakly correlated with EL shares ($r = .58$) than with FRL-eligible shares ($r = .99$) regardless of ADA weighting. Thus, for example, the 25% of districts with the largest EL shares have total (student) resources 14% (21%) higher per-ADA than districts with the smallest shares. The analogous figures for FRL shares are 17% (25%). The pattern is similar across many sources of revenue, including LCFF revenue.

I don’t consider unduplicated pupils separately in Table 2 because, as those correlations suggest, the results are very similar as when looking at student income. However, Table 2 may exclude some nuance because it is ADA-weighted within district groups and because LAUSD is included in the top quartile. Figure 3 therefore illustrates per-ADA student revenue across the entire distribution of

unduplicated pupil percentage (UPP). The linear fits illustrate that there is, in fact, a positive correlation between UPP and per-ADA revenue: $r = .13-.37$ depending on whether weighted by ADA. Yet the lowest line – essentially a moving average, unweighted by ADA – presents a somewhat different picture. On average student revenues actually fall as UPP levels increase up to about UPPs of almost 40%. Beyond that point revenues begin to increase, and above UPPs of about 80% that increase accelerates.

These patterns are more in line with LCFF’s goals than I observed in the 2016-17 analysis. This is likely due to multiple factors, including recent increases in federal aid disproportionately targeted at low-income students as well as additional state investments in LCFF and its concentration grants. At the same time, this serves as another reminder that, for all the attention it receives, LCFF is far from the only determinant of the resources available to districts.

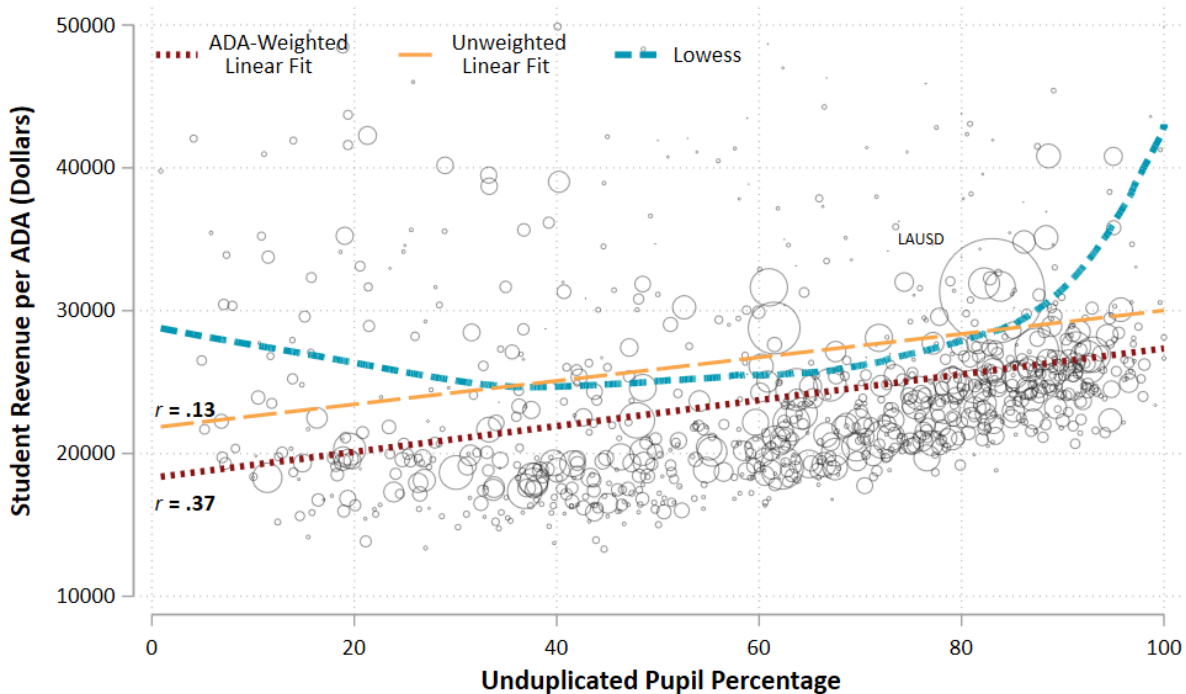


Figure 3. Student revenue and unduplicated shares, California districts in 2024-25. Districts with per-ADA revenue > \$50,000 not shown. Marker size is proportional to ADA.

To explore this further, Figure 4 breaks the lowest line above into separate lines corresponding to different revenue sources. The LCFF line in Figure 4 looks qualitatively similar to the total revenue line in Figure 3. This may be surprising given that even at low UPPs districts with more UPs should be receiving supplemental grant adjustments to their base grants. However, recall that LCFF revenues

include both state and local sources, and for some districts their local LCFF revenues exceed their LCFF funding targets. This is disproportionately the case for districts with low UPPs, who therefore enjoy high “LCFF revenues” despite being eligible for fewer supplemental grants. Put differently, in this range of relatively low UPPs, supplemental grants associated with more UPs are not enough to offset decreases in local revenues. This pattern is even more pronounced when considering other (non-LCFF) local revenues, which tend to continue decreasing as UPPs increase up to around 80%, as these revenues are never offset by supplemental or concentration grants. These patterns in local resources contribute to the persistence of a funding “trough” among districts with relatively low UPPs that has been noted since at least the previous iteration of this report (Bruno, 2018; Bruno & Kim, 2024; Hahnel & Humphrey, 2021).

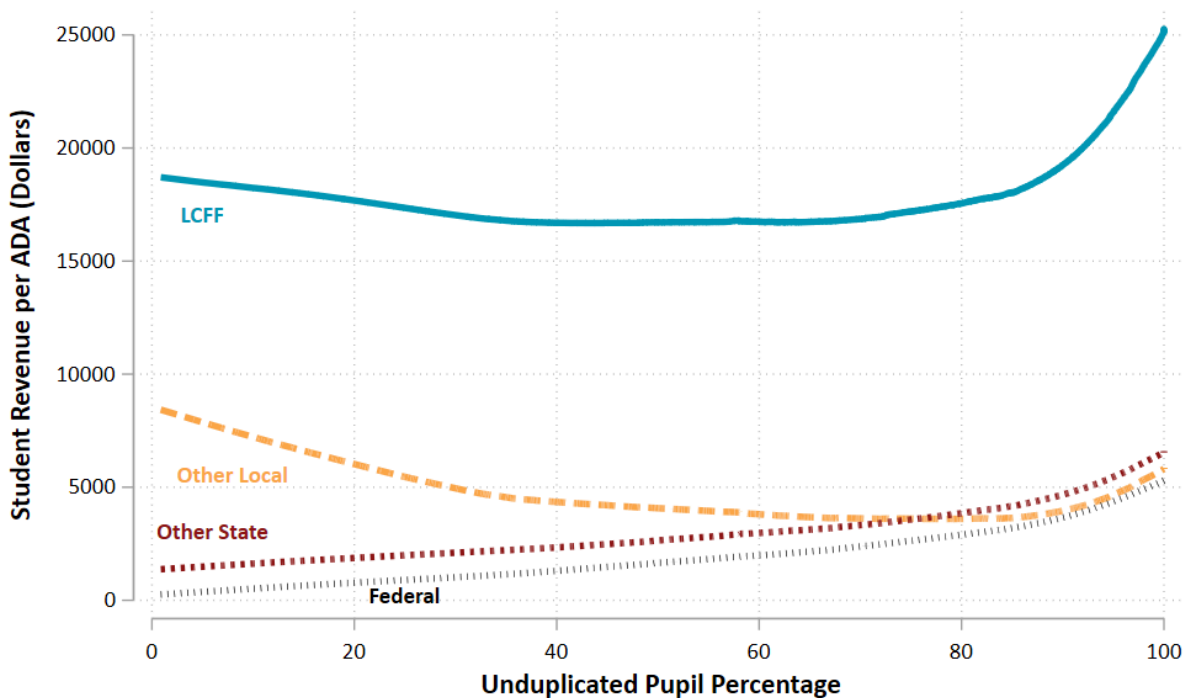


Figure 4. Student revenue sources and unduplicated pupil shares, California districts in 2024-25. Lines are lowest curves.

Other state and federal revenues increase fairly steadily with UPPs, and this also helps to offset declines in local revenue among districts with larger UP shares. The sharp increases in student revenues observed for the highest UPPs in Figure 3 thus reflect that, as shown in Figure 4, it is for those districts that the LCFF's concentration grants are accompanied by increases in all of other local, other state, and federal revenues.⁵

LCFF does not explicitly target funding at Black or Hispanic students, even though these students are commonly considered educationally disadvantaged or marginalized. This raises the possibility that these students will not be major beneficiaries of the funding formula if UPPs are not good proxies for race. In fact, on an ADA-weighted basis UPPs are much more highly correlated with Hispanic student shares ($r = .83$) than with Black student shares ($r = .29$). Both correlations are roughly .13 smaller on an unweighted basis, and I visualize these relationships in Figure 5.

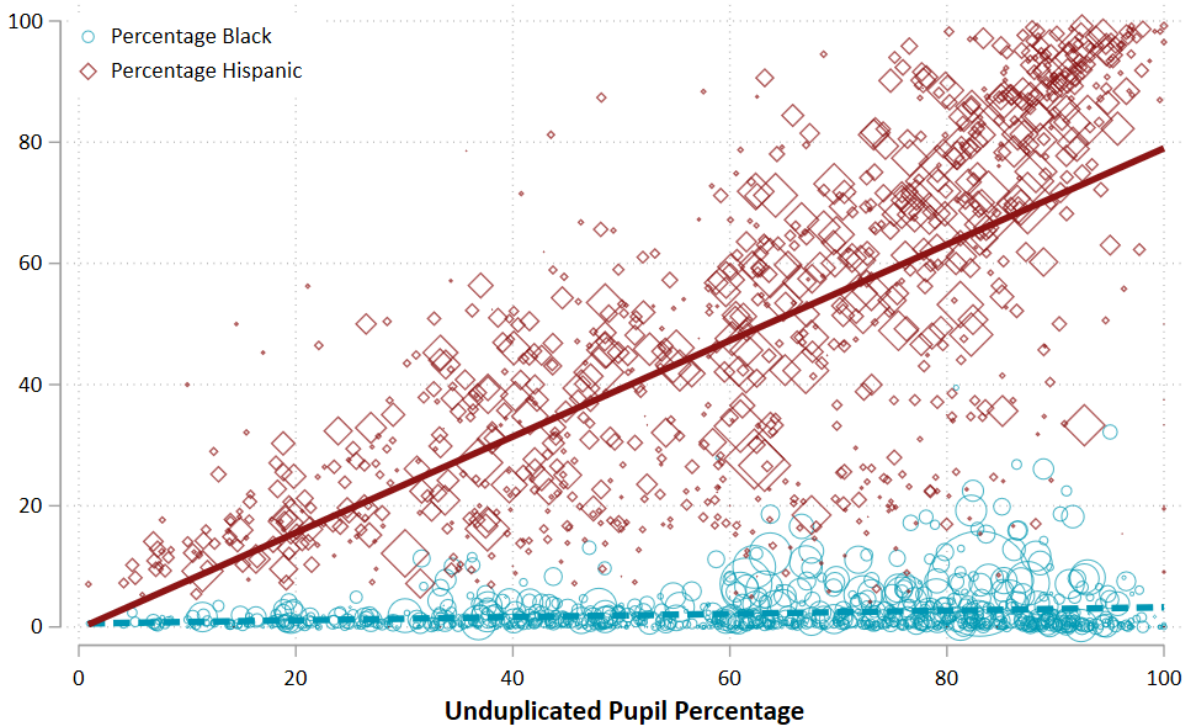


Figure 5. Student race and unduplicated shares, California districts in 2024-25. Marker size proportional to ADA.

⁵ Being unweighted, the lowest lines in Figures 3 and 4 are somewhat sensitive to the presence of small, unusually funded districts. Appendix Figure B1 presents a similar analysis using binned scatter plots. The bin means are ADA-weighted, limiting the influence of small districts on the quadratic fitted line. This attenuates some of the extreme curvature observed the lowest lines in Figures 3 and 4, though the overall patterns are qualitatively similar.

These correlations suggest Black and Hispanic students will experience LCFF differently, and that is borne out in Table 2. Districts with larger Hispanic student shares are consistently more highly resourced compared to districts with smaller shares. This is true across a range of resources and revenue streams, and with magnitudes like what I observe when considering FRL shares. Yet districts with larger Black student shares do not consistently have higher resource levels, and in some cases just the opposite. For example, compared to districts in the bottom quartile, districts in the top quartile of Hispanic student shares have 15% more total resources and 17% more LCFF revenues per ADA. This is nearly identical to the analogous figures for FRL shares. However, when considering Black student shares the funding advantage in terms of total resources is only 6% and districts with the largest percentages of Black students receive *less* LCFF revenue (and less other state revenue) than districts with the smallest percentages. This suggests that LCFF may address some funding inequities much more effectively than others.

District Resources over Time

Figure 6 presents statewide district per-ADA resources since the 2004-05 school year. These figures are inflation adjusted, accounting for misalignment between academic and calendar years (Shores & Candelaria, 2020), to 2024-25 school year dollars. In the previous iteration of this report, using data through 2016-17, California school districts had only recently returned to and exceeded their pre-Great Recession resource levels. Since then, resources have increased substantially in real terms. For example, per-ADA student resources in the 2024-25 school year were 75% higher than in the year before LCFF was implemented and 27% higher than in the last pre-pandemic year (2018-19), despite an 8% decline over the last two years.

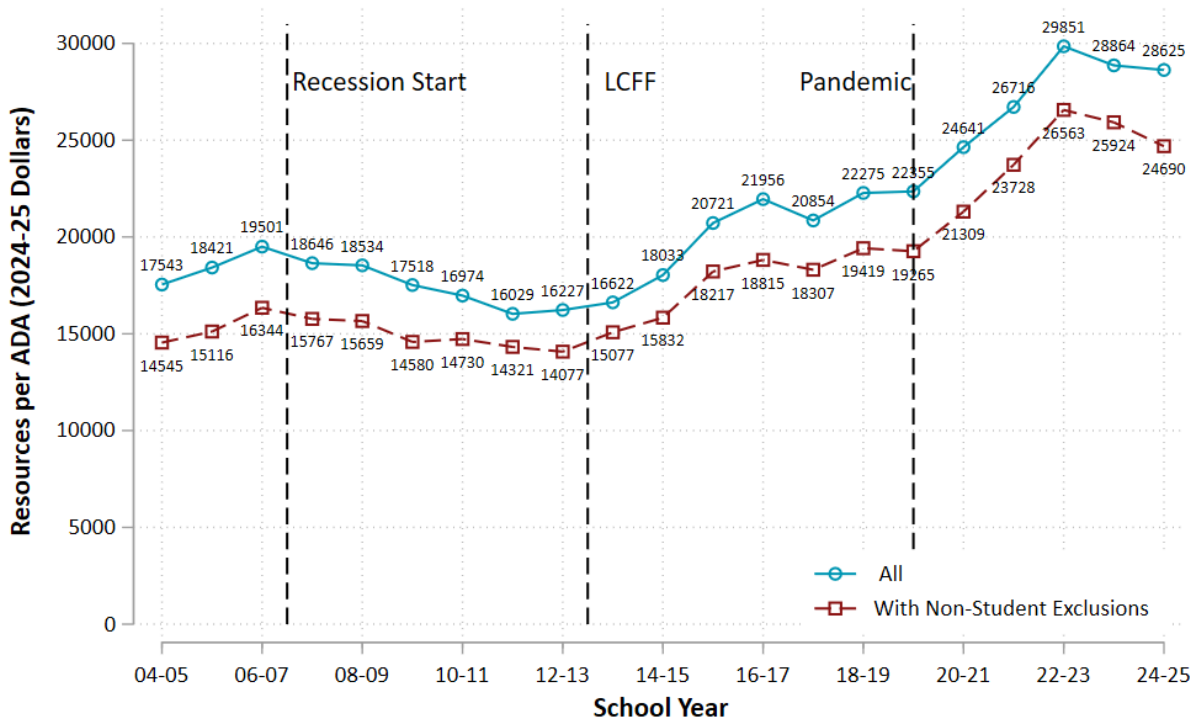


Figure 6. Average revenue and other financing per ADA in California districts over time. ADA weighted.

Some of the increases in per-ADA resources observed in Figure 6 will, almost inevitably, reflect declines in enrollment and attendance rates, particularly since the onset of the COVID-19 pandemic. Exactly how funding levels have been affected by these factors is difficult to understand completely, for example because policymakers may make funding choices in part based on student or attendance counts, districts are commonly funded based on higher ADA levels in the recent past, and the state limited and altered attendance data collection in the early years of the pandemic. Still, as a simple exploratory exercise, I recalculate each district’s total resources per ADA using their 2018-19 ADA, the last fully pre-pandemic year. Appendix Figure B2 compares annual statewide per-ADA total resources estimated this way with what is presented in Figure 1. Pre-pandemic, districts’ ADA generally declined down to 2018-19 levels, and so their actual per-ADA resources are as much as 13% below what I get when using smaller, 2018-19 ADA levels. Since 2021-22 actual ADA levels have been approximately 10-11% below 2018-19 levels on average. Consequently, calculating resources per (higher) 2018-19 ADA reduces apparent per-ADA resources by about 10% each year. Still, even using 2018-19 ADA, total per-ADA resources statewide were substantially higher than pre-pandemic. As a very rough

approximation, this exercise suggests that ADA declines – reflecting both any enrollment declines and any declines in attendance rates – account for 44-45% of the post-pandemic funding increase. So declining enrollment and attendance rates are likely an important piece of context for interpreting these figures, though a substantial funding increase would remain even if ADA had persisted at 2018-19 levels (all else equal).

The drivers of this increase in funding are shown in Figure 7, which breaks out student resources by source. Much has been made of increases in federal aid to schools in recent years in the form of ESSER funding (section 2.3.3), and indeed between 2019-20 and 2021-22 per-ADA federal revenue more than doubled in California districts, from \$1,536 (8.0% of all student revenue) to \$3,421 (14.4% of student revenue). Despite some tapering off, federal funding remained substantial in 2023-24 (\$3,022, or 11.7% of student revenue). Most recently, in 2024-25, federal funding has slipped further to \$1,896 per ADA (7.7% of student revenue).

Yet federal revenues have not been the only growing revenue sources for California’s districts. Of the 27% (\$5,271) increase in student resources districts experienced between 2018-19 and 2024-25, only about 6% (\$304) comes from higher federal revenues now that ESSER funds have largely expired. For comparison, 34% of the increase is attributable to LCFF sources (referred to as “revenue limit sources” prior to LCFF), 32% to other state sources, and 28% to other local sources. These sources are difficult to fully disentangle, for example because federal aid may have freed up other state and local resources for schools. Regardless, California’s school districts have seen rising per-ADA revenues from a wide range of sources in recent years, which have collectively contributed to record or near-record funding levels.

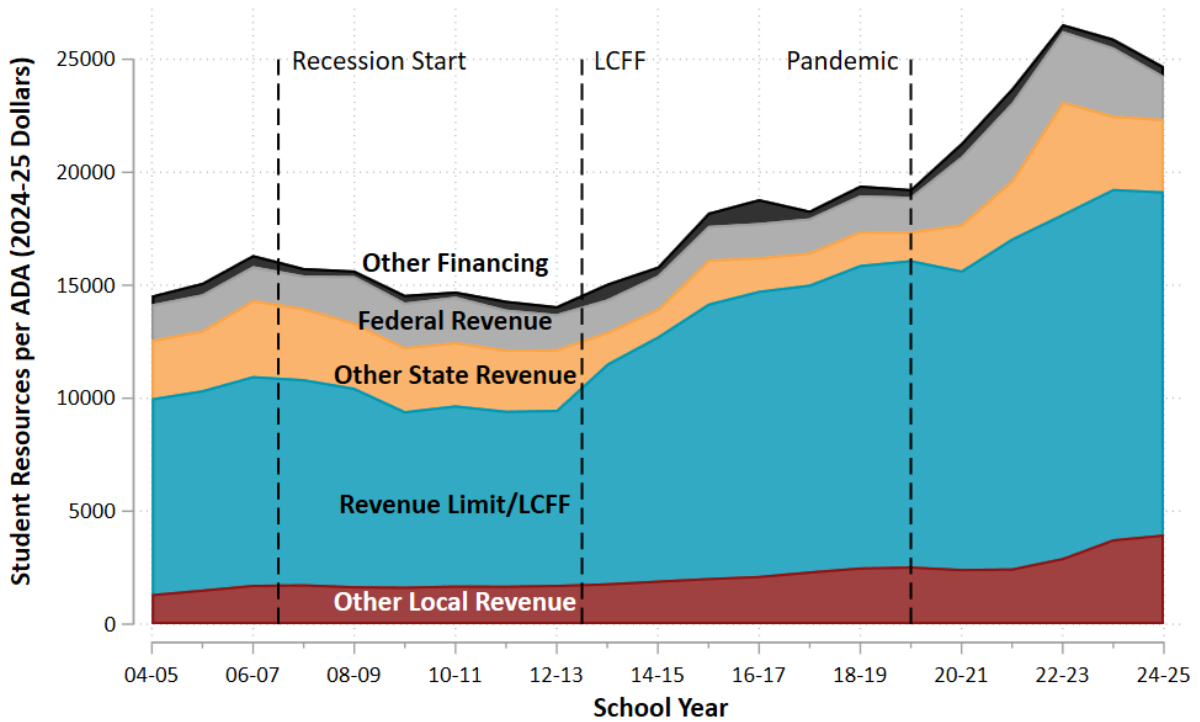


Figure 7. Student resources per ADA by source over time. ADA weighted.

Key Takeaways about California School District Resources

- California’s districts have had historically high funding levels in recent years, driven by growth across federal, state, and local revenues.
 - In 2024-25 districts had \$24,690 per ADA in student resources, 27% higher than in the last pre-pandemic year and 75% higher than prior to LCFF.
 - However, funding levels have declined over the prior two consecutive years.
 - Declining enrollment and attendance rates likely explain some, but not all, of the per-ADA growth in resources.
- 68% of all district resources are unrestricted in how they may be used.
- Some districts have substantially more resources than others on a per-ADA basis.
 - Despite receiving relatively little state aid, basic aid districts have 42% higher resource levels than other districts.

- Districts with the largest shares of disadvantaged students tend to have more resources than districts with the smallest shares of these students. However, this is much less true for Black students.
- Districts with moderate shares of unduplicated pupils tend to have lower revenue levels than districts with the smallest shares, despite LCFF's supplemental grants for these students.

District Expenditures

This section details how California school districts spend their money. I first summarize the level and distribution of overall spending in 2024-25. I then characterize what districts spend money on in terms of what the SACS characterizes as goals, functions (activities), and objects (goods and services). For the latter, I pay special attention to spending on staff compensation. I consider these issues longitudinally as well. Like prior iterations of this report and to the resources section above (Section 4), I distinguish between “student” spending and “non-student” spending. Student spending represents the portion of all spending that could reasonably be interpreted as spending for the day-to-day operations of K-12 students currently enrolled in the school. It is therefore similar to what in other contexts might be referred to as “current” or “operational” spending, and it is the primary focus of most of my analyses. For additional information about how I construct my spending measures, see Appendix A.

Overall District Expenditures

As shown in Table 4, districts spent \$27,866 per ADA in 2024-25, on average, but with substantial variation: the interquartile range (\$9,118) is about one-third of the mean and, by definition, half of students attend districts spending above or below that range. This variation is driven to a substantial degree by what I classify as “non-student” expenditures not aimed at day-to-day operational expenses for current K-12 students. Non-student spending (\$6,328) is only 23% of all spending but accounts for 54% of the interquartile range in total spending. Similarly, 77% of all spending (\$21,364) but only 19% of non-student spending (\$1,207) was from the general fund. Capital and facilities spending alone accounts for 51% of non-student spending, with another 33% taking the

form of debt service (which can often also be associated with capital expenditures, such as interest payments on bonds used to fund construction projects).

In contrast to non-student spending, 94% of the \$21,538 districts spend on operating expenses for their current K-12 students (“student spending”) comes from the general fund. And, as expected, the difference between total and general fund spending shrinks substantially when focused on student spending. This also attenuates the variation between districts substantially: the interquartile range of student spending from any fund (\$5,460) is 40% smaller than for total spending and only 25% of the mean. For how average student and non-student spending vary across districts with different characteristics, see Appendix Table B1.

Table 4 - Student and Non-Student Spending per ADA, 2024-25

	Definition 1 - All Funds				Definition 2 – General Fund Only			
	Mean	25th %ile	Median	75th %ile	Mean	25th %ile	Median	75th %ile
Total	27866	22284	26236	31402	21364	17997	20825	24056
Student	21538	18349	20669	23809	20157	17048	19481	22327
Non-student	6328	3523	5031	8469	1207	675	1005	1391
<i>Capital & Facilities</i>	3255	1605	2623	4332	565	150	363	690
<i>Debt Service</i>	2085	953	1471	2599	58	0	12	92
<i>Infant, Pre-K, & Adult</i>	686	237	447	796	336	101	205	372
<i>Non-Agency & Community Services</i>	181	7	58	218	133	4	42	163
<i>Retiree Benefits</i>	122	21	75	158	115	17	72	155
Districts	932				932			

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

Figures 8 and 9 present a fuller picture of the distribution of both total and student spending in California districts; they have consistent axes to facilitate comparison. Though considerable variation remains among districts when considering student spending, comparing Figures 8 and 9 illustrates how much of that variation is removed when excluding non-student spending. These figures also illustrate how some high-spending districts drive up the average somewhat for both measures. This includes LAUSD; while not among the very highest-spending districts, it has substantially above-average spending and a substantial fraction of students, as can be seen by its distinctively high bar in the bottom panels of each figure.



Figure 8. The distribution of total spending levels in California, 2024-25. Values over \$50,000 not shown.



Figure 9. The distribution of student spending levels in California, 2024-25. Values over > \$50,000 not shown.

Figure 10 shows how spending in California districts has changed over time. The only extended period of falling real expenditures for California school districts in recent years was after the onset of the Great Recession, when total per-ADA spending fell by 14% from a peak of \$18,392 to \$15,806. Student spending fell by an almost identical 13%. Since the adoption of LCFF, however, I observe only one year-over-year decline in total spending, and none for student spending. This is true despite falling resources in each of the last two years (Figure 6). Student spending has been a relatively steady share of all spending since at least 2004-05, never less than 74% or exceeding 79%.

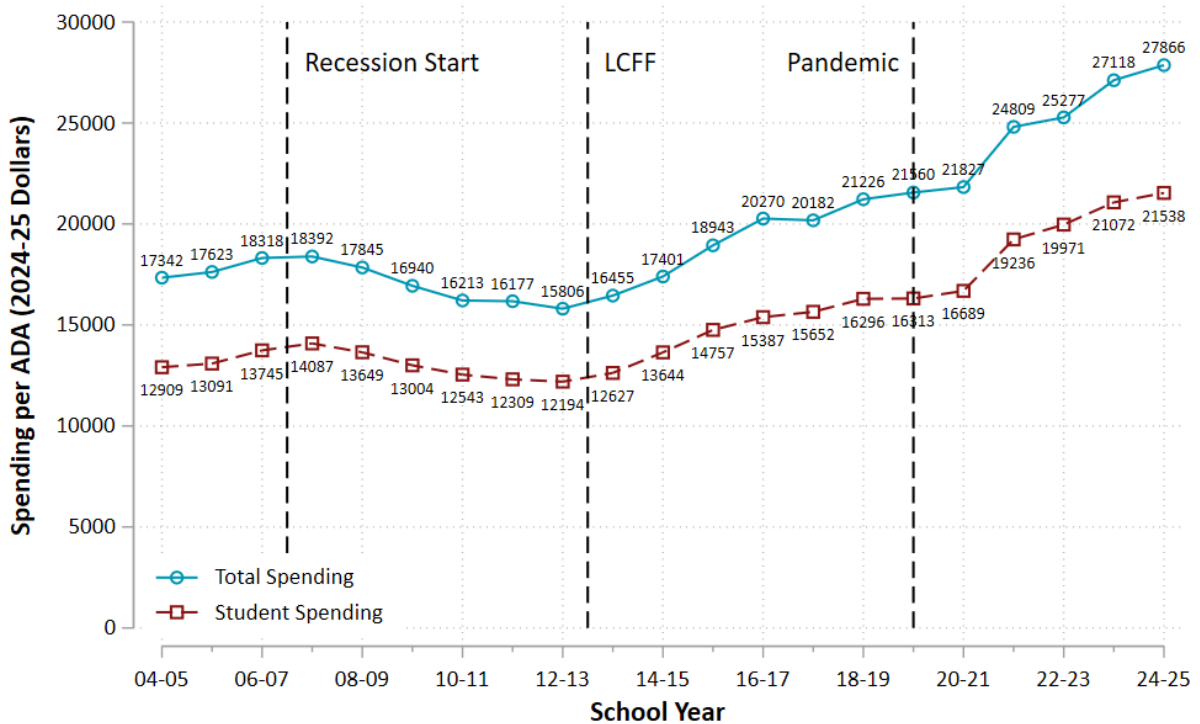


Figure 10. Expenditures per ADA over time in California districts, 2004-5 through 2024-25. ADA-weighted.

Subcategories of Student Spending

In some ways as important as how much school districts are spending is what they are spending that money on. In what follows I use SACS codes that classify expenditures in terms of goal, function, and object. I group codes primarily as they are grouped in SACS documentation, though I pull out some more specific codes or code groups of potential interest. I focus on student spending only but include all funds (not just the general fund).

Student Spending by Goal

SACS goal codes indicate what district objective an expenditure is intended to advance. In practice, these often correspond roughly to the types of instructional settings students are being provided, such as general education or special education. While not highly specific, this provides some information about broad district priorities and student experiences. Because many expenditures cannot be easily attributed to a specific goal, districts commonly report expenditures as undistributed to specific goals, at least initially. In principle these expenditures can be later distributed to more specific goals based on a formula, but in practice I do not observe 100% of expenditures ultimately attributed to a specific goal.

As shown in Table 5, most district spending – 69% or \$14,816 per ADA – is dedicated to general K-12 education. Almost all of that is for regular K-12 education as opposed to (for example) vocational (i.e., career technical) education. Most of the remaining spending is for special education, which accounts for 20% of all student spending, or \$4,298 per ADA on average. Other educational goals, such as supplemental educational services for bilingual education, are very small portions of the budget. However, it is worth keeping in mind that some services are provided to students by other agencies with their own funding streams. For example, Regional Occupation Centers often operate as separately funded LEAs and may provide some vocational-type programming to older students. Mean goal spending by district type is shown in Appendix Table B2.

Table 5 - Mean Student Spending per ADA by Goal (All Funds), 2024-25

	SACS Goal Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
General K-12	1000-3999	14816	12168	14136	16614	69
<i>Regular K-12</i>	1110	14150	11472	13332	16020	66
<i>Vocational Education</i>	3800	289	24	264	412	1
SPED Services	5000-5999	4298	3530	4100	5182	20
Supplemental K-12	4750-4999	156	0	32	207	1
<i>Bilingual Education</i>	4760	146	0	7	189	1
ROCPs	6000-6999	48	0	0	22	0
Other Goals	7000-9000	130	0	5	85	1
Districts		932				

Note. ADA-weighted. Pre-K and adult educational spending is excluded from student spending measures. ROCPs = Regional Occupation Centers & Programs.

Figure 11 shows how per-ADA student spending by goal has changed over time. All values are inflation-adjusted and are indexed such that the lines indicate percentage differences relative to 2004-05. The black line represents all student spending, which was 67% higher in 2024-25 than in 2004-05. Spending on general K-12 education has increased slightly more slowly than spending overall and was up 56% over the same period. Supplemental educational service spending increased even less (14%) and in fact until the pandemic was down in real terms. This recent increase in supplemental spending may be driven by pandemic-related services supporting students with basic skills needs, though the lack of specificity in SACS goal codes makes this difficult to discern. Growth in student spending – at least in terms of goals – has been driven disproportionately by special education. Between 2004-05 and 2024-25, per-ADA spending on special education more than doubled on a per-ADA basis, increasing by 123%. Special education accounted for 44% of the \$466 increase in per-ADA student spending between 2023-24 and 2024-25.

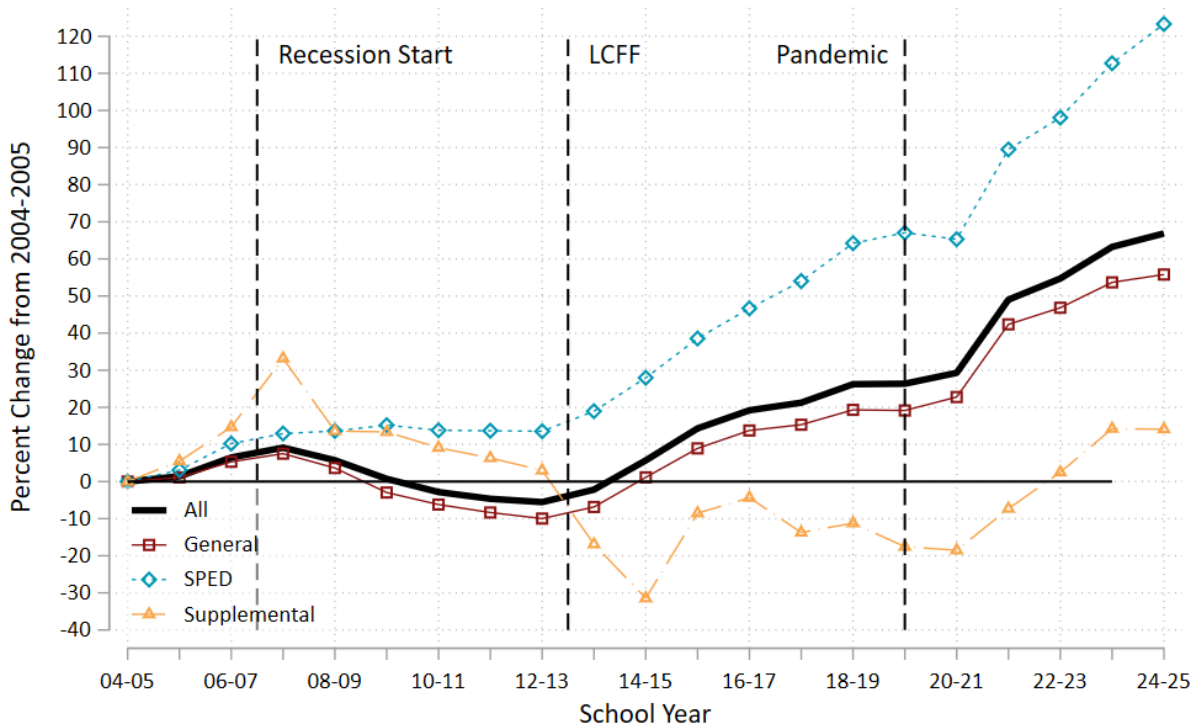


Figure 11. Inflation-adjusted changes in student spending per ADA on educational goals in California districts.

I am unable to explain with certainty precisely why spending on special education has increased so substantially. One likely contributor is that the rate at which students are identified as having a disability has increased in California, from 9.6% in 2003 to 13.5% in 2023. The timing of that increase corresponds reasonably closely to when Figure 11 indicates rising real special education spending (i.e., primarily after 2012). These increases in identification appear to have been particularly pronounced for disabilities that entail costlier services to support students, such as requirements for small class sizes, paraprofessional support, and so on. For example, 0.3% of California’s K-12 students were diagnosed with autism in 2003, representing about 1-in-32 students with disabilities. In 2023 those figures were 2.5% and 1-in-5.4 (Kurz, 2025). California is not alone in seeing rising autism diagnoses rates, which may be related to changing identification practices (Furnier et al., n.d.).

Consistent with these explanations, special education spending has increased substantially for both staff salaries and services and other operating expenditures (typically contracts with other entities for service provision). This can be seen by combining special education SACS goal codes with corresponding object codes (discussed in greater detail below; Section 5.2.3). As shown in Appendix

Figure B3, per-ADA spending on certificated staff salaries for special education increased between 2003-04 and 2024-25 by a cumulative 77%, mostly after 2012-13. Classified special education staff salary spending increased by 128%, and services and other operating expenses increased by 200%. Appendix Figure B4 shows that spending on special education classified instructional staff specifically – where paraprofessionals serving students with disabilities would typically be accounted for – increased by 120%. Though spending on special education certificated pupil support staff (e.g., counselors, psychologists, and audiologists) is lower than on these other staff in absolute terms, spending on salaries for these staff increased by 165%. In short, it is likely that a large part of why special education spending has increased is that increasing identification rates of students with disabilities, especially high-cost disabilities, is driving up the quantity of special education services districts are required to provide. This appears to have driven up spending both on staff (providing services internal to the district) and on service agreements of various kinds with outside providers. Increases in student disability identification rates and special education staffing levels are documented and explored in more detail elsewhere in the Getting Down to Facts III project (Kaler et al., 2026).

Student Spending by Function

SACS function codes classify spending as supporting specific activities. Student spending broken out by function or groups of functions thus provides some information about what districts are doing on a day-to-day basis to achieve their goals. That is what is presented in Table 6 for the 2024-25 school year, similar to how goal spending was captured above.

The majority (56%, \$11,894 per ADA) of district spending is on instruction. Of that, 23% – or 13% of all student spending – is on instruction for special education specifically. This latter category includes both activities associated with instructing students with disabilities in general education settings (e.g., aides or assistive technology) and instructional activity outside of such classrooms (e.g, in separate classrooms).

Table 6 - Student Spending per ADA by Function/Activity (All Funds), 2024-25

	SACS Function Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
Instruction	1000-1999	11894	10361	11480	13365	56
<i>SPED Instruction</i>	<i>1100-1199</i>	<i>2717</i>	<i>2189</i>	<i>2705</i>	<i>3402</i>	<i>13</i>
Instruction-related Services	2000-2999	2517	1901	2354	2845	11
<i>Supervision of Instruction</i>	<i>2100</i>	<i>841</i>	<i>479</i>	<i>694</i>	<i>1033</i>	<i>4</i>
<i>School Administration</i>	<i>2700</i>	<i>1301</i>	<i>1077</i>	<i>1254</i>	<i>1482</i>	<i>6</i>
All Pupil Services	3000-3999	3051	2372	2892	3586	14
<i>Food Services</i>	<i>3700</i>	<i>887</i>	<i>654</i>	<i>855</i>	<i>1116</i>	<i>4</i>
<i>Transportation Services</i>	<i>3600</i>	<i>483</i>	<i>331</i>	<i>447</i>	<i>624</i>	<i>2</i>
<i>Guidance/Counseling</i>	<i>3110</i>	<i>638</i>	<i>390</i>	<i>538</i>	<i>741</i>	<i>3</i>
<i>Psych/Attendance/Social</i>	<i>3120, 3130</i>	<i>433</i>	<i>285</i>	<i>381</i>	<i>547</i>	<i>2</i>
<i>Health Services</i>	<i>3140</i>	<i>323</i>	<i>200</i>	<i>284</i>	<i>404</i>	<i>1</i>
<i>Testing Services</i>	<i>3160</i>	<i>17</i>	<i>0</i>	<i>9</i>	<i>22</i>	<i>0</i>
Plant Services	8000-8999	2105	1695	2012	2412	10
<i>Plant Maintenance</i>	<i>8100</i>	<i>931</i>	<i>18</i>	<i>543</i>	<i>1684</i>	<i>4</i>
General Administration	7000-7999	1369	1052	1285	1584	6
<i>Board & Superintendent</i>	<i>7100</i>	<i>183</i>	<i>89</i>	<i>147</i>	<i>224</i>	<i>1</i>
Enterprise	6000-6999	143	0	36	191	1
Ancillary Services	4000-4999	414	157	303	586	2
Other Outgo	9000-9999	45	0	0	0	0
Districts		932				

Note. ADA-weighted.

Another 11% of student spending (\$2,517) is on providing instruction-related services (i.e., services that support the delivery of instruction). About one-third of that spending is on the supervision and administration of instruction, which includes activities like instruction-related professional development or supervising the implementation of instructional programs. About half is on school administration, which includes principal, assistant principal, and clerical staff activities at specific school sites, activities of department chairs, and so on. Instruction and instruction-related services together represent about two-thirds of all student spending.

Pupil services represent 14% of student spending, or \$3,051 per ADA. These are services provided to students that are not instructional per se, though they may support instructional activities directly or indirectly. A plurality of pupil services – about 4% of all student spending – is on food services (e.g., costs for cooks, buying and preparing food or eating utensils, or repairing kitchen equipment). On average, districts spend \$433-\$638 per ADA on each of student transportation,

guidance and counseling services, and psychological, attendance, and social services; each accounts for about 2-3% of student spending.

Plant services are for the maintenance of facilities, land, and equipment owned and operated by the district, including (if applicable) some leasing of facilities. These services represent 10% of student spending, or \$2,105 per ADA. This includes \$931 per ADA for plant maintenance specifically, which includes smaller repairs and refurbishments.

About 6% of student spending (\$1,369 per ADA) is on district-wide administrative activities. These are typically activities that cannot be attributed to specific school sites or programs because they are performed at the district level, such as many human resource or attendance services. For example, the activities of the school board and superintendent in adopting and implementing policies represent about 1% of all student spending by districts.

Other activities represent very small portions of district budgets on average. SACS refers to activities that are intended to be financed primarily through user fees as “enterprise activities”, and these represent only \$143 per ADA in spending on average statewide. Ancillary services are those that are considered non-essential for instruction or pupil services, such as extracurricular athletics or band programs. These represent about 2% of all student spending, or \$414 per ADA. Other outgo includes many transactions I exclude here, such as interfund transfers, though a few, relatively minor, activities remain in my student spending calculations, such as long-term debt service. Spending on major functions is broken down by district type in Appendix Table B3.

How these spending patterns by function have changed over time is shown for some of the largest functions in Figure 12. I exclude instruction related services because they have generally tracked overall student spending closely. As with the analogous goal spending chart above, the darker black line shows how real student spending has changed since 2004-05 in percentage terms; total student spending in 2024-25 exceeded 2004-05 levels by 67%.

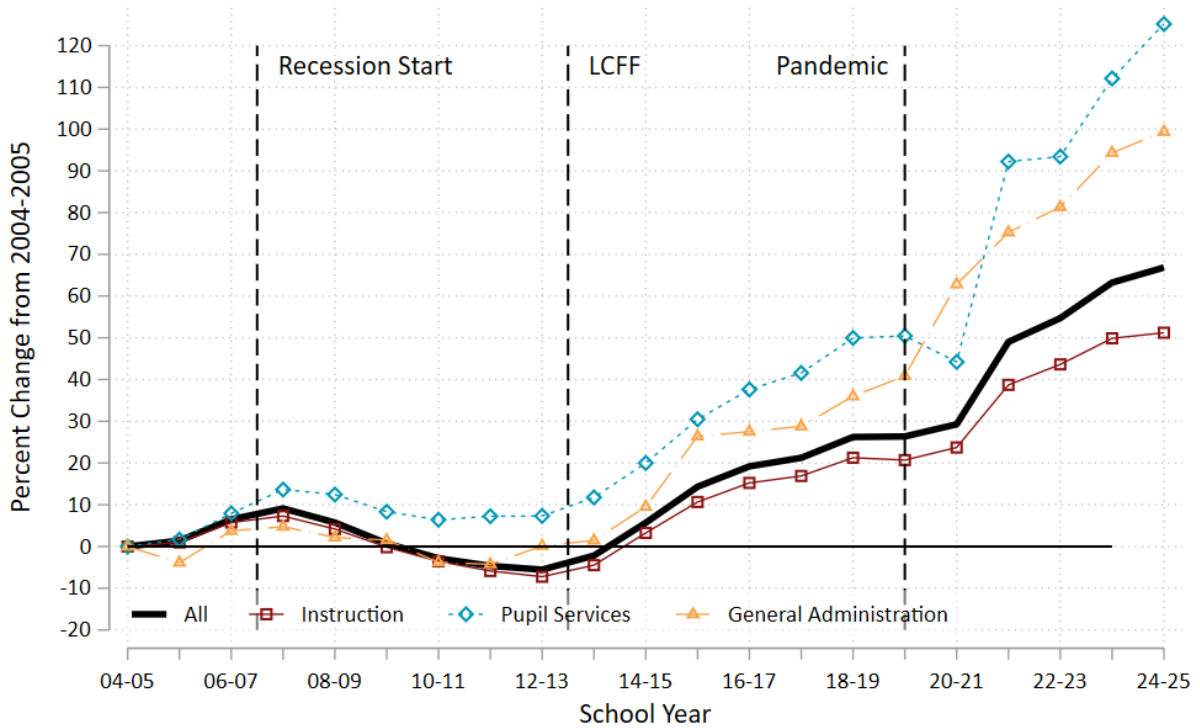


Figure 12. Inflation-adjusted changes in student spending per ADA on functions in California districts.

Spending on instructional activities has increased more slowly than spending overall, particularly since the adoption of LCFF. Since 2004-05, spending on instructional functions increased 51%. Student spending increases were therefore disproportionately for other functions. Per-ADA spending on general administration is up 99% compared to 2004-05. Similarly, spending on pupil services has more than doubled, increasing by 125%. Given the spike in spending on these services in the 2021-22 school year, this likely reflects pandemic-related factors. Recent increases in pupil service spending are driven primarily by health, guidance and counseling, and psychological/attendance/social services (not shown), consistent with districts investing ESSER or other dollars to support and re-engage students during this time. All three subcategories were higher on a real, per-ADA basis in 2024-25 than they were in 2004-05 by 180-200%, with about 60% of those gains coming after the 2019-20 school year. Enterprise and ancillary service spending also increased disproportionately during this period, though because they are smaller portions of the overall budget, I do not present them here in the interests of visual clarity.

Student Spending by Object

SACS object codes capture information about what goods and services districts are buying as they engage in the functions or activities discussed above. I break down spending by object code in Table 7. (For major object spending broken down by district type, see Appendix Table B4.) About 77% of all student spending is on employee compensation, most of which is on K-12 staff salaries (55% of student spending, or \$11,829 per ADA) and, more specifically, teacher salaries (30% of student spending, \$6,366 per ADA). K-12 administrator salaries – certificated or not – account for another 5% of student spending, and other certificated (classified) staff salaries are 5% (15%) of student spending.

Non-salary benefits for active employees (as opposed to former, mostly retired, employees), are more than one-fifth (22%) of student spending on average and are 29% of compensation spending. In the prior version of this report looking at 2016-17 spending, a plurality of benefit spending was on health and welfare benefits (e.g., medical or vision benefits), but that is no longer the case. Rather, in 2024-25 retirement benefits for active employees were over half of benefit spending, amounting to \$2,458 per ADA, or 11% of all student spending. The vast majority of these expenditures are pension contributions, which by my calculations now consume more than one of every 10 dollars California districts spend on their K-12 students. Other post-employment benefits (OPEBs), usually continuing health insurance for retirees, are negligible for most districts, but much more substantial in others. Using ADA to roughly proxy for enrollment, the median student attends a district spending nothing on OPEBs, but the mean student attends a district spending \$87 per ADA. Among districts making non-zero OPEB contributions for their active employees, the ADA-weighted mean payment is \$313 per ADA (not shown).

Note that my employee benefit calculations here do not include retirement benefits for retirees or other former employees. Recall that above I estimate benefits for retirees at another \$122 per ADA in the form of non-student OPEB spending (Table 4). Note also that my analyses exclude the state's contributions to the pension system on behalf of school districts as these were not accounted for in earlier years of SACS data, complicating longitudinal comparisons.

Table 7 - Student Spending per ADA by Object (All Funds), 2024-25

	SACS Object Codes	Mean	25th %ile	Median	75th %ile	%age of Student Spending
K-12 Salaries	1000-2999	11829	10399	11388	12936	55
<i>K-12 Teacher Salaries</i>	1100	6366	5726	6278	7033	30
<i>K-12 Admin. & Supervisors</i>	1300, 2300	1163	942	1131	1298	5
<i>Other Certificated Salaries</i>	1000-1999 (other)	1013	688	897	1158	5
<i>Other Classified Salaries</i>	2000-2999 (other)	3287	2687	3153	3806	15
Employee Benefits	3000-3999	4869	3953	4642	5573	22
<i>Health & Welfare Benefits</i>	3401, 3402	1736	1204	1632	2237	8
<i>Retirement Benefits</i>	See Pension/OPEB	2458	2078	2322	2634	11
<i>Pension Benefits</i>	3101, 3102, 3201, 3202	2371	2056	2277	2611	11
<i>OPEB, All Staff</i>	3751, 3752	87	0	0	29	0
Services & Other Operating	5000-5999	3397	2488	3092	4059	16
<i>Consulting & Operating</i>	5800	1612	1036	1400	1901	7
<i>Subagreements for Services</i>	5100	803	188	655	1324	4
All Books and Supplies	4000-4999	1374	1013	1289	1695	6
<i>Approved Textbooks/ Curricula</i>	4100	128	42	87	188	1
Equipment Replacement	6500	25	0	0	18	0
Other Objects	7000-7999	43	0	0	0	0
Districts		932				

Note. ADA-weighted.

Non-compensation expenditures are, by comparison, relatively little of K-12 operational (student) spending. Most non-compensation spending (16% of all student spending) is for services and other operating expenditures. A little less than half of that spending is on consulting-type services provided by outside parties, which could include a wide range of expenses such as tuition payments to colleges for employees and printing services. Approximately another one-fifth of services and other operating expenditures – 4% of all student spending – is on subagreements in which a grant or award makes an LEA responsible for providing a service that is subsequently contracted out to a third party. For instance, some districts may enter into subagreements in which its students with disabilities receive services in a non-public school or transportation responsibilities are contracted out to a private company. Books and other supplies represent 6% of student spending, including the \$128 per ADA spent on textbooks and curricular materials aligned with the state’s curricular requirements.

Figure 13 presents percentage changes in spending by major object categories since 2004-05, similar to analogous figures for goals and functions above. The largest proportional increase in per-ADA spending is on services and other operating expenses, which are up 167% in real terms over this period.

In 2004-05 districts spent \$1,273 per ADA on this category of expenditure, in 2024-25 dollars. As noted above, the figure in 2024-25 was \$3,397. Consulting services account for a substantial portion of this, increasing by 131%, or \$915 per ADA (not shown). However, this is complicated by the fact that subagreements for services were accounted for separately only beginning in 2007-08 and seem to have taken substantially from the consulting category. Though not specifically accounted for in 2004-05, by 2024-25 subagreements for services accounted for \$803 per ADA. Consulting services and subagreements collectively account for 81% of the per-ADA increase in spending on all services and other operating expenses.

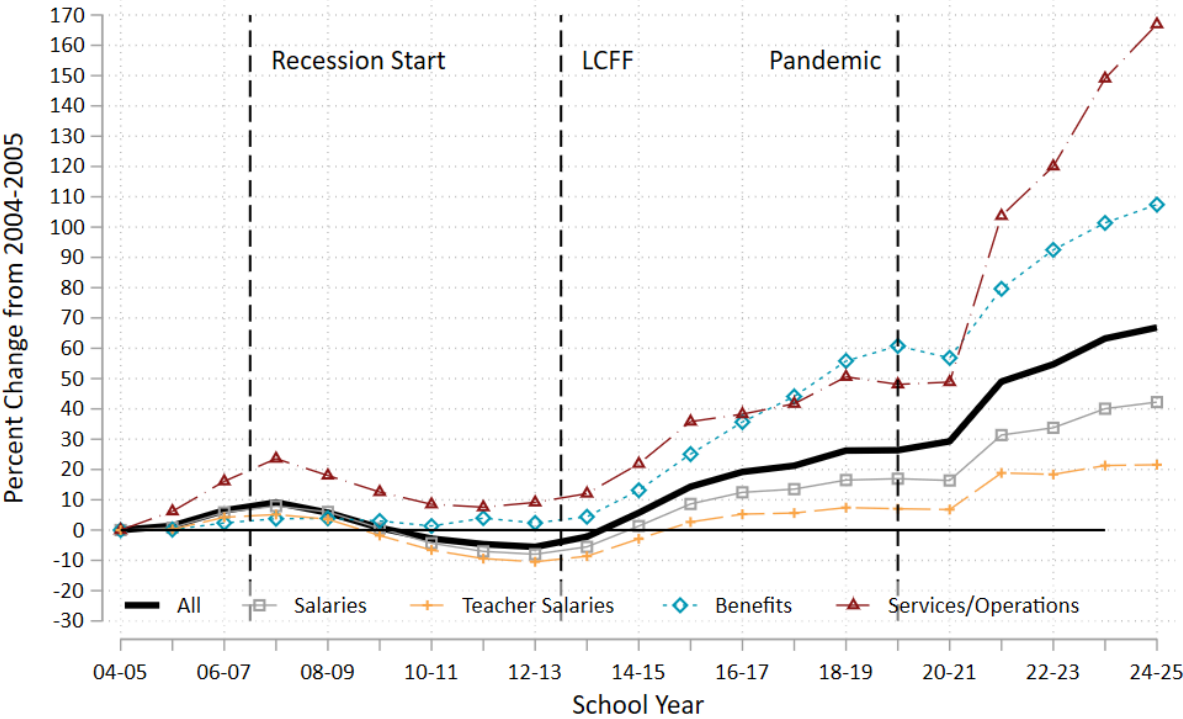


Figure 13. Inflation-adjusted changes in student spending per ADA on objects in California districts.

A Closer Look at Employee Benefit Spending

Since employee compensation is such a large portion of schools’ operational budgets, and so important for school effectiveness (Biasi, 2025), here I take a closer look at district spending on benefits and, below, salaries. As shown in Figure 13, employee benefit spending per ADA also increased much faster than overall spending during this period, up 107% or more than doubling from \$2,347 to \$4,869. Figure 14 breaks out the sources of this increase in more detail. The primary driver is pension

contributions, which were 239% higher in 2024-25 than in 2004-05 on a real, per-ADA basis. While district contributions to employee pension plans – both for teachers (in STRS) and other staff (in PERS) – were \$700 per ADA in 2004-05, by 2024-25 that figure had increased to \$2,371. This largely reflects recent state efforts to increase the funding levels of these pension plans. Essentially all of the real increase in spending on these contributions comes from the period after the state increased the required contribution rates, discussed in section 2.3.1 (Koedel & Burgess, 2026; Koedel & Gassmann, 2018).

Spending on health and welfare benefits increased more gradually during this period than did pension spending, but the cumulative increase has nevertheless been substantial: 66% or \$688 per ADA. OPEB spending has been subject to a variety of accounting changes since 2004-05, complicating longitudinal comparisons, so for completeness in Figure 14 I show both OPEB spending for active employees (only accounted for separately since 2007-08) and for former employees/retirees (otherwise not a component of my student spending measure). While OPEB expenditures are small in absolute terms, they have collectively increased from \$146 per ADA in 2004-05 to \$209 in 2024-25, an increase of 43%. Also not captured in Figure 14 are districts’ unfunded OPEB liabilities, which I discuss more below (section 6).

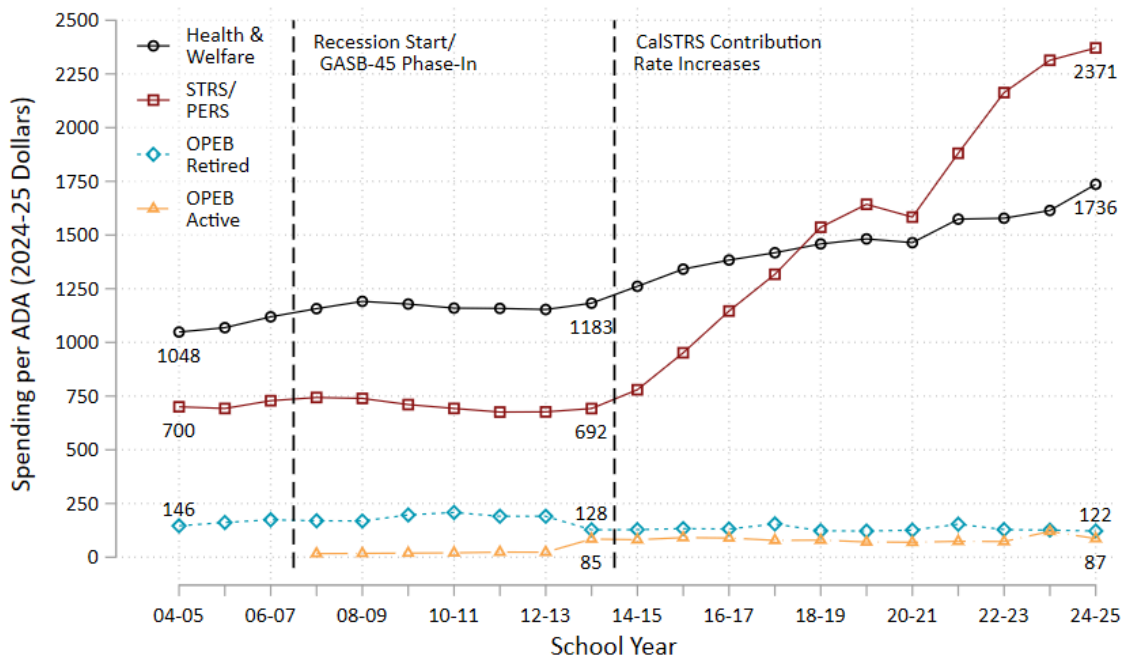


Figure 14. Spending per ADA on benefits in California districts. ADA-weighted. Figures are student spending only except for OPEB expenditures for retired employees, which are not a component of student expenditure measures.

To better understand the growth of these benefit costs, I turn to the J-90 survey data on certificated (mostly teacher) compensation. These data provide information about specific benefit packages available to teachers as well as how much they cost and how many teachers enroll in them. This allows me to estimate how much must be paid – whether by districts or by individual employees – for the health and welfare benefits each teacher receives and how those costs have changed over time.

As shown in Figure 15, the per-teacher cost of health and welfare benefits has increased substantially since 2004-05. All told, benefits for one teacher cost \$20,229 on average in 2024-25, up 46% in real terms, or \$6,345 per teacher in 2024-25 dollars. This is entirely attributable to increases in medical benefit costs, which increased 52%. In fact, dental and vision plans had falling real costs during this period, though those are much smaller in absolute terms.

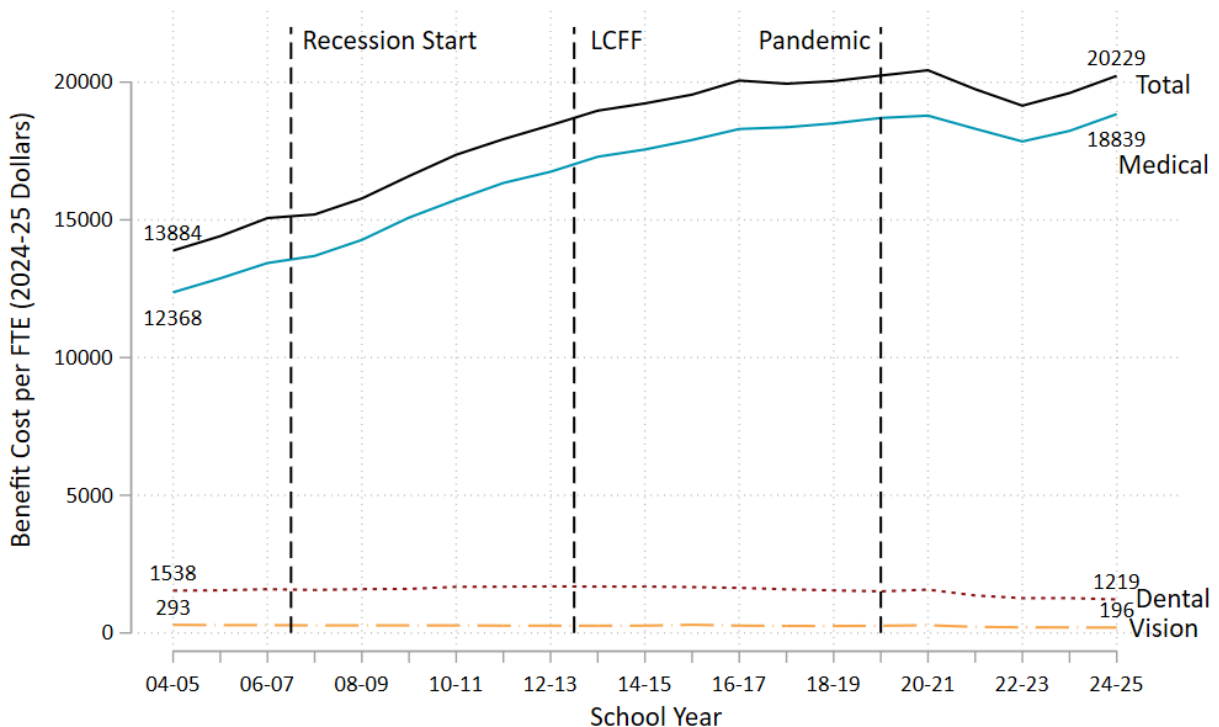


Figure 15. Benefit cost per full time-equivalent (FTE) teacher in California districts. Author's calculations from J-90 surveys.

Yet there has been very little real growth in benefit costs since 2016-17, whether for total benefit costs or for medical benefits. That is, to the extent that benefit costs have grown recently, they have done so at approximately the rate of overall inflation. This reflects a nationwide pattern; economy-wide healthcare cost inflation outpaced overall inflation less consistently in the last decade

than in prior years (Rakshit et al., 2024). Inflation in per-teacher medical benefit costs appears to be largely similar to what is observed for employer-sponsored healthcare coverage across the economy (Claxton et al., 2024).

Another advantage of the J-90 data is the ability to observe not just per-employee benefit costs but also the contributions made by school districts specifically. This is useful for understanding how changes in healthcare costs might impact district budgets (or teachers' take-home pay). Figure 16 shows the share of annual premia costs paid by districts (rather than teachers) on average statewide since 2004-05.

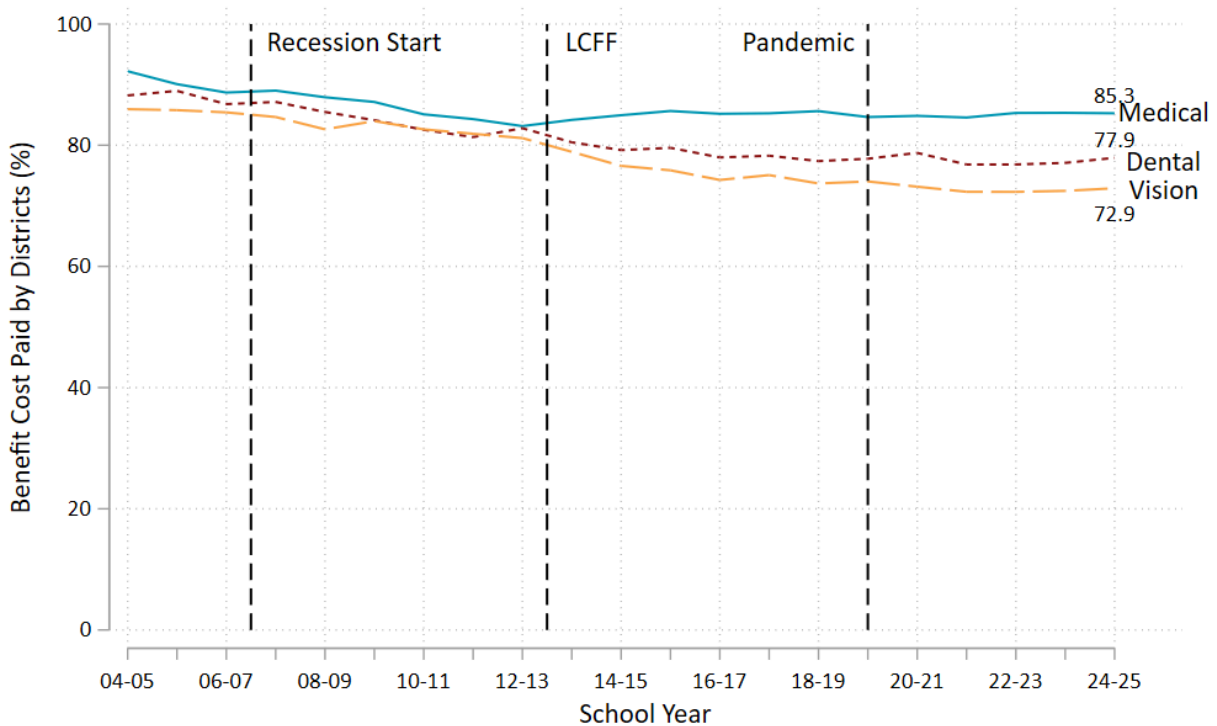


Figure 16. Teacher benefit costs paid by employing school district. Author's calculations from J-90 surveys.

As shown in Figure 16, in 2004-05 districts paid between 85% and 93% of the annual cost of medical, dental, and vision benefits for teachers. For all three types of benefit those contribution rates fell at least until LCFF was adopted. In 2012-13, average district contribution rates for all three types of benefit converged to roughly 82%. Over that time, the share of teachers working in districts that covered 100% of medical benefit costs fell from 38% to 23%.

District dental and vision contribution rates continued to fall, and by 2024-25 were 78% for

dental plans and 73% for vision plans. However, districts' medical benefit contribution rates stopped falling and were if anything slightly higher in 2024-25. Put differently, teachers in California today on average pay about 15% of the annual costs of their medical coverage. This is somewhat below the rates paid by covered workers nationally, who in 2024 were responsible for 16-25% of those costs, depending on coverage options (Claxton et al., 2024).

Collectively, these figures suggest a few broad patterns. First, healthcare costs have tended to grow faster than overall inflation, or at similar levels to inflation in recent years (when overall inflation has been relatively high). Second, this is not uniquely true for California's school districts, which look similar to other employers in this regard. Third, because California's school districts are responsible for a larger share than other employers of their employee (or at least teacher) benefit costs, they are likely to be hit harder by healthcare cost growth.

A Closer Look at Salary Spending and Teacher Salaries

The fact that spending on services and benefits has grown so much faster than overall spending implies, almost by definition, that spending on salaries must have grown more slowly than spending overall. This is apparent in Figure 13. Salary spending per ADA increased by 42% during this period, one third slower than student spending overall. Teacher salary spending grew even more slowly, by about 22%, cumulatively. For comparison, spending per ADA on administrator or other certificated staff salaries (not shown) increased by 63% and 121%, respectively (collectively, from \$1,172 to \$2,176 per ADA).

What do these patterns mean for the salary levels paid to teachers? Fully answering this question would require more detailed analyses of staff counts, their experience and education levels, and so on. To simplify things somewhat, here I transition briefly back to the J-90 data discussed above. These data allow me to observe actual salaries paid to teachers holding education and experience constant, at least as prescribed by district salary schedules. In Figure 17 I present FTE-weighted mean salary levels at different locations on the salary schedule among reporting districts each year, again inflation-adjusting to 2024-25 school year dollars.

As shown in Figure 17, regardless of where I look on the salary schedule, real teacher salaries in 2024-25 were only marginally higher than in 2004-05, despite more substantial fluctuations in the intervening years. For example, consider the salaries earned by teachers with a bachelor's degree and

60 additional credits of education. This lane is flagged on the salary schedule for nearly every district in the J-90 data and is useful for comparing salaries for teachers with the same experience and education level. Such a teacher, if they are in their first year of teaching (i.e., at step 1 on the salary schedule), would expect to be paid \$70,804 in 2024-25, just 1.3% (\$912) more than they would have earned in the same situation in 2004-05, two decades earlier. The story is very similar for more experienced teachers with the same education level (e.g., as shown for steps 15 and 30) and indeed even the minimum and maximum salaries available anywhere on the salary schedule increased by only 3% and 4.3%, respectively. For comparison, between January 2005 and January 2024 (approximately the period considered here) median inflation-adjusted weekly earnings in the United States for all full-time employed wage and salary workers at least 16 years old increased by 11% (U.S. Bureau of Labor Statistics, 2025).

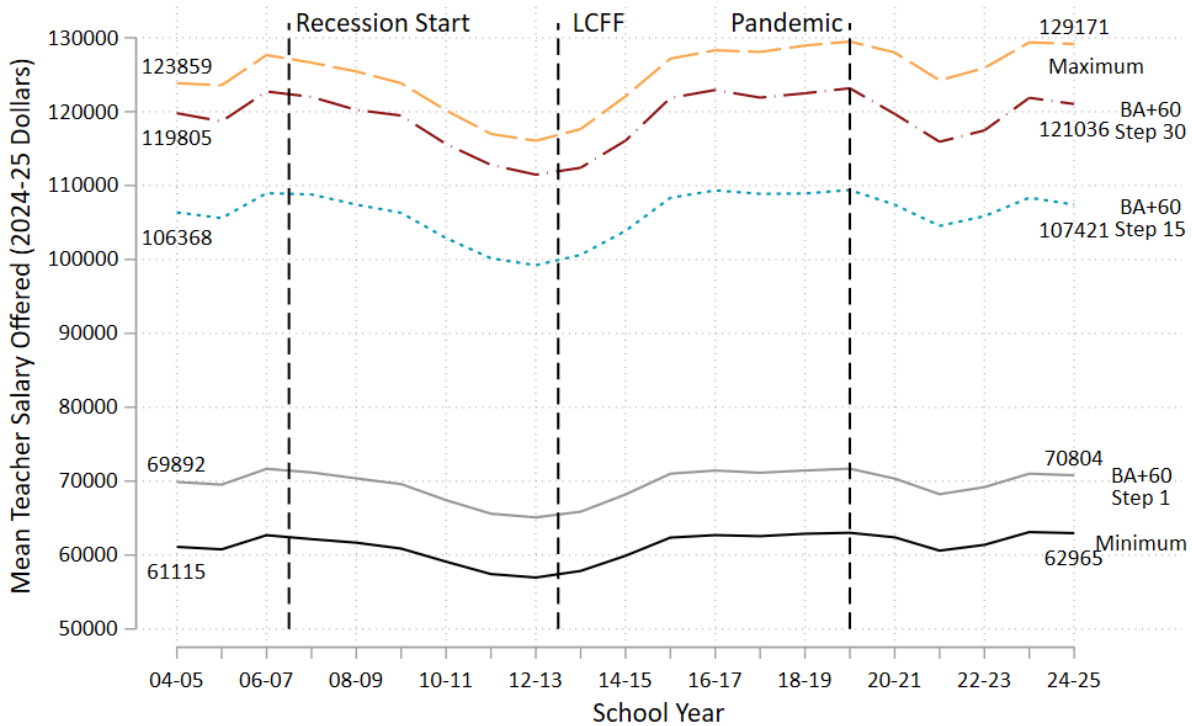


Figure 17. Mean salaries on California district salary schedules. Weighted by district FTE. Author's calculations from J-90 surveys.

It is difficult to know for certain why salary levels for teachers (Figure 17) increased even more slowly than per-ADA spending on teacher salaries (Figure 13). Three factors may contribute. First, schools may have hired more teachers during this time, spreading salary dollars over more staff. This is difficult to assess since the state often reports counts of teachers with classroom assignments separately from those with non-instructional assignments (which may in turn include non-teacher certificated staff, e.g., on ed-data.org). However, other Getting Down to Facts reports document higher teacher staffing levels even as enrollment has declined in recent year (Laski et al., 2026). Second, it may be that teachers occupy higher-salary positions on the salary schedule on average due to higher education or experience levels. The J-90 surveys provide some suggestive evidence that this is occurring, as the mean salary schedule step on which teachers are placed has tended to increase over time, from 11.1 in 2004-05 to 13.8 in 2024-25. Reported salary schedule steps do not correspond perfectly to experience levels, but this is consistent with teachers being more experienced on average, and more experienced teachers may also be more likely to have accumulated additional education.⁶

Third, note that though Figure 13 shows that most of the 22% cumulative increase in teacher salary spending per-ADA through 2024-25 occurred after 2020-21; by 2020-21 the cumulative increase was slightly less than 7%. This may reflect districts using ESSER funding to pay teachers supplemental pay, “off-schedule”, for example for tutoring or as retention bonuses. Such spending would be accounted for as teacher salary but would not be reflected on the collectively bargained salary schedule. The J-90 data provide some evidence that such off-schedule payments have been increasing. For example, each year between 2011-12 and 2019-20, between 90 and 186 districts reported across-the-board, off-schedule bonuses for teachers. Between 2021-22 and 2024-25, the number of districts reporting such bonuses ranged from 181 to 328. In 2019-20 21 districts offered flat-dollar bonuses amounting to \$1,177 per teacher on average (weighted by FTE), and 86 districts offered percentage-based bonuses of 1.5% on average. In 2020-21 173 districts offered flat-dollar bonuses of \$2,490 on average, and in 2023-24 82 districts offered bonuses worth \$4,038 per teacher. Percentage-based bonuses peaked in 2022-23, when 170 districts offered bonuses of 3.1% on average.

⁶ I would expect these increases in average step numbers to understate increases in teacher experience because some salary lanes are “capped” in the number of steps they have and because teachers often do not receive step credit for all of their out-of-district experience. However, this is difficult to know for certain. Because districts differ substantially in the education requirements for lane movement on the salary schedule, I am unable to easily and usefully characterize teacher education levels using the J-90 data.

While salaries have been approximately flat statewide, cumulatively, between 2004-05 and 2024-25, this masks non-trivial variation between districts. For example, Figure 18 shows the distribution of changes during this period for 626 individual districts observed in both of those years, using step 1 salaries in the BA+60 lane. The median of these districts actually saw a real *decrease* in starting salaries of 0.4% over this interval, slightly below the overall average rate estimated above. In fact, 325 of these districts (52%) saw falling real salaries during this period, and almost half of those (one quarter of all districts) saw real declines of more than 5.8%. At the same time, one quarter of districts increased starting salaries by at least 6.2%. About 11% of districts increased salaries by at least 11%, on par with the median nationwide wage growth noted above. Thus, whether due to differences in funding changes or choices about resource allocation, some districts were willing and able to increase salary levels much more than others.

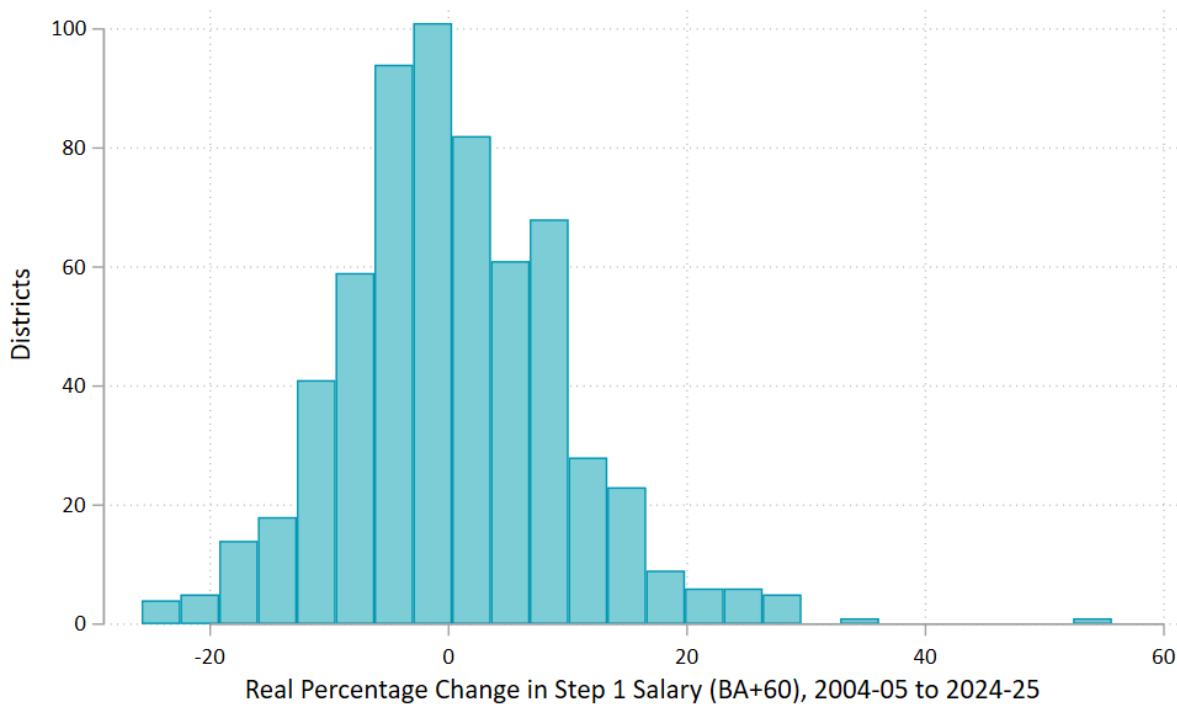


Figure 18. Inflation adjusted changes in starting salaries for teachers with a BA and 60 additional credits between 2004-05 and 2024-25. Includes 626 districts observed in both years. Author's calculations from J-90 surveys.

Key Takeaways about California School District Expenditures

- District spending has reached historically high levels in California, largely tracking the growth in revenues described above.
 - In 2024-25, mean total spending was \$27,866 per ADA, with student operational spending averaging \$21,538 per ADA—67% higher in real terms than in 2004-05.
 - Much of the variation between districts is driven by non-student spending (e.g., capital projects and debt service), which accounts for 54% of the interquartile range in total spending.
- Special education spending has been the single largest driver of expenditure growth, more than doubling (+123%) in real, per-ADA terms since 2004-05.
 - SPED now accounts for 20% of all student spending (\$4,298 per ADA). Rising disability identification rates—particularly for autism—are a likely contributor.
- Employee compensation accounts for about 77% of student spending, and pension contributions have grown rapidly.
 - Per-ADA pension spending increased 239% in real terms since 2004-05 and now consumes more than one in every ten dollars spent on K-12 students.
 - Health and welfare benefit costs per teacher rose 46% in real terms over two decades, though growth has slowed to roughly the rate of overall inflation in recent years.
- Real teacher salaries have been essentially flat since 2004-05, even as overall per-ADA spending grew substantially.
 - Salary schedule levels grew only 1-4% in real terms over two decades, well below the 11% median nationwide wage growth over roughly the same period.
 - This statewide average masks considerable variation: 52% of districts saw real declines in starting salaries, while about 11% increased them by 11% or more.
- Between 2004-05 and 2024-25, spending on services and other operating expenditures (including consulting and subagreements) grew 167%.

- Instructional spending, while still the majority (56%) of student spending, grew more slowly (+51%) than spending overall (+67%) between 2004-05 and 2024-25.
 - Spending on pupil services such as health, counseling, and psychological services more than doubled (+125%), likely reflecting pandemic-related investments. Spending on general administration activities also increased disproportionately, approximately doubling (+99%).

District Financial Health

The fact that district revenues have increased substantially on a real, per-ADA basis may suggest that school district financial health in California is quite strong. However, expenditures have also increased substantially, and school districts may be subject to a variety of pressures that undermine their overall financial health, such as declining enrollments. Revenues and expenditures alone also are not directly informative of how resilient school districts in California may be if subjected to unforeseen decreases in state appropriations, deteriorating macroeconomic conditions, and so on. To better gauge some of these issues, in this section I briefly consider several indicators of districts' overall financial health or financial sustainability.

Table 8 presents several per-ADA measures that could serve as indicators of districts' financial health, though all should be interpreted cautiously. In 2024-25, California's school districts spent \$2,085 per ADA on debt service costs, 40% of which was for interest payments. Debt service costs vary considerably across districts. For example, at the 75th percentile districts spend 2.7 times as much on debt service than districts at the 25th percentile. Importantly, debt service – and many other types of financing – do not necessarily indicate financial hardship. On the contrary, districts may choose to engage in more financing of this sort precisely when they can most afford to do so.

Table 8 - Financial Health Measures per ADA, 2024-25

	Mean	25th %ile	Median	75th %ile
Debt service spending	2085	953	1471	2599
<i>Principal Payments</i>	1033	408	710	1371
<i>Interest Payments</i>	834	403	693	1137
Total Ending Fund Balance	20180	14002	18319	25066
State Reserves	4684	2220	4240	6448
Economic Uncertainty Reserves	729	357	578	780
Districts	932			

Note. ADA-weighted.

Perhaps a more direct indication of district financial health is the extent to which the district has accumulated balances in its accounting funds, as can occur when revenues exceed expenditures. At the end of each fiscal year, districts report in SACS the balance remaining in each fund it operates, which includes any balance carried over from the prior year, plus new revenues or other transfers into the fund, minus expenditures and other transfers from that fund. Given that districts can often move resources between funds, as one measure of financial health I total all ending fund balances across all of a district’s funds. As shown in Table 8, total ending fund balances captured this way are quite large on average: \$20,180 per ADA. For comparison, *total spending* per ADA (discussed above), was \$27,866. In other words, on average districts in California ended the 2024-25 school/fiscal year with almost three quarters as much in their accounts (72%) as they spent that year.

However, not all fund balances represent a true financial “cushion” for districts, for example because portions of those balances may be restricted in how they can be used or are already fully committed to specific projects. This is why the state uses a narrower definition of “reserves” (*School District Budgets 2025–26 - Criteria and Standards for Fiscal Solvency*, n.d.; Taylor, 2015), which I follow to construct the measure of “state reserves” in Table 8. Roughly speaking, this measure includes only resources that the district’s general fund that the district can choose to spend or reallocate in the future as it wishes. These state reserves are much smaller total ending fund balances. On average, statewide, districts held \$4,684 in reserves. This smaller amount is still arguably quite substantial in practical terms, representing 17% of total spending that year, and 22% of student spending.

A narrower measure still are balances reserved explicitly for “economic uncertainties” as part of official state and local policies for minimum reserve levels. Though these reserves are unlikely to represent the entirety of what a district can draw on in the event of unforeseen financial pressures,

they provide some information about how comfortable districts are explicitly preparing for such eventualities. Economic uncertainty reserves are much smaller than other fund balances I consider in Table 8, averaging just \$729 per ADA. Note that for all three fund balance measures, there is considerable variation across districts. For instance, across all three measures the 75th percentile is at least 79% larger than the 25th percentile. For additional information about variation in these financial health measures by district characteristic, see Appendix Table B5.

Figure 19 puts some of these figures into context over time. As shown by the higher, dashed line, school districts’ reserves have mostly increased over time on a per-ADA basis, and particularly rapidly after the onset of the COVID-19 pandemic. From 2004-05 through the beginning of the Great Recession in 2008-09, reserves as defined by the state increased by 76%, from \$1,078 to \$1,896, and were higher still by the 2010-11 school year. Districts only drew down on these reserves modestly as the Recession eroded district revenues (see discussion of revenues and expenditures above). This suggests that districts felt the need to be fiscally cautious during this period. Indeed the maintenance of relatively high reserve levels during this time would eventually become a source of controversy in many districts when other stakeholders would have preferred more spending (Fensterwald, 2014).

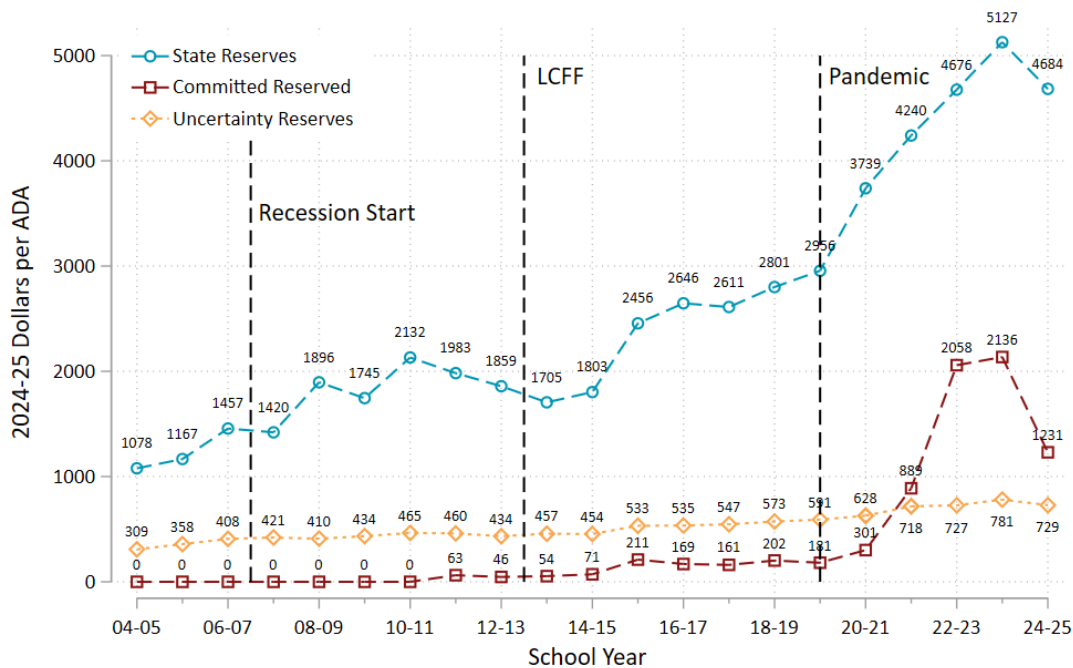


Figure 19. Reserves per ADA in California districts, 2004-5 through 2024-25. ADA-weighted.

Still, as districts began to see rising funding levels in the LCFF era, they began increasing their reserve levels again. Between 2012-13 (the last pre-LCFF year) and 2018-19 (the last fully pre-pandemic year), per-ADA reserve levels increased by 51%, from \$1,859 to \$2,801. The largest increases in reserves, however, occurred after the pandemic began in the 2019-20 school year. In each of the four subsequent years, reserve levels increased by more than \$400 per ADA, and by 2023-24 they had reached \$5,127. That is 83% higher in real terms than in 2018-19 and 376% higher than in 2004-05. Reserves then fell by 9% in 2024-25.

Very little of this increase in reserves is reflected in the portion of reserves that is explicitly set aside for economic uncertainties. By comparison to overall reserves, uncertainty reserves have increased much more slowly and steadily. Cumulatively, economic uncertainty reserves were 136% higher in 2024-25 than in 2004-05, increasing by \$420 per ADA. Though much slower than the increase in overall reserves, this is still substantially faster than the rate at which spending increased over the same period. A much larger portion of the increase can be attributed to reserves that are “committed,” meaning (roughly) that the school board has officially imposed its own, strictest limits on how the funds may be used, which can only be lifted by the same official process (e.g., a board vote at a public meeting). Accounting for such committed resources only began in 2010-11, and they played only a minor role in district reserves until the pandemic. In 2018-19 about 7% of district reserves were committed in this way. By 2023-24, that figure was 42% and fell to 26% in 2024-25.

I am unable to explain precisely why districts increased their reserves, though several factors are likely in play. First, reserves are often best understood as a proportion of spending and this is a period of increasing per-ADA spending levels. Thus, for example, a district trying to maintain two months’ worth of expenditures in reserves will need to increase reserves in proportion to increases in spending. Second, the fact that reserves tended to decrease little – or even to increase – during the Great Recession suggests that districts do not always draw down their reserves as might be expected when revenues fall. Rather, there appears to be some degree of “ratcheting up” of reserves in which districts increase their reserves when they can easily afford to do so but also protect or bolster reserves in an abundance of caution when funding drops. Third, the pandemic period has involved substantial increases in revenues to districts from a variety of sources, as discussed above. These increases may have been so rapid as to be difficult for districts to spend, for example due to pandemic-induced supply

chain disruptions and labor shortages. Fourth, districts may also have become increasingly nervous in recent years that their short- and medium-term financial outlooks are threatened by economic uncertainty and declining enrollments. This could have led districts to be more conservative with their resources, especially while they prioritized spending ESSER funds that would expire if not at least committed for use by early in the 2024-25 school year. Indeed, the rise in committed reserves may reflect efforts by districts to demonstrate that ESSER funding was in the process of being used (and thus did not need to be returned) in such a way as to avoid state caps on district reserve levels (as committed reserves are not subject to the cap) (Fiscal Crisis & Management Assistance Team, 2022)

Unfunded OPEB Liabilities

While reserves provide information about assets districts can draw on as a kind of financial “cushion,” an additional consideration is whether districts have large liabilities for which they will need such assets available. At the state level, attention often focuses on unfunded liabilities associated with pension guarantees to teachers or other school staff. Such pension liabilities can, as discussed above, eventually impact districts as the state is required to make larger contributions into the pension program or requires districts to do so. At the local level individual districts make few pension-funding-related decisions, but in California they have often exercised considerable autonomy over whether to offer other-than-pension post-employment benefits (OPEBs) to their teachers. Most commonly, these OPEBs take the form of continued health insurance coverage after teachers have retired. Districts have also had considerable autonomy about how to fund such OPEB programs, and previous studies have highlighted how some districts have accumulated large unfunded OPEB liabilities in the form of benefits promised to employees without corresponding assets set aside to pay for those benefits after those workers retire (Bruno, 2019). Much as with pension liabilities, districts will eventually need to be able to pay for OPEBs as employees claim them, and if those liabilities are unfunded this will tend to encroach on other areas of the budget.

To get a sense of districts’ unfunded OPEB liabilities, I return briefly to the J-90 compensation surveys used above. Districts report their most recent actuarial assessments of their OPEB plans on these surveys. The distribution of those liabilities, on a per-ADA basis, can be seen in Figure 20. As shown in top panel, on an unweighted basis most districts report little to no OPEB liabilities: 46% report

none whatsoever, and another 6% report less than \$500 per ADA. However, there is a long right tail of liabilities, such that the mean district reports \$1,539 per ADA, a quarter report more than \$2,489, and 11 report more than \$10,000.

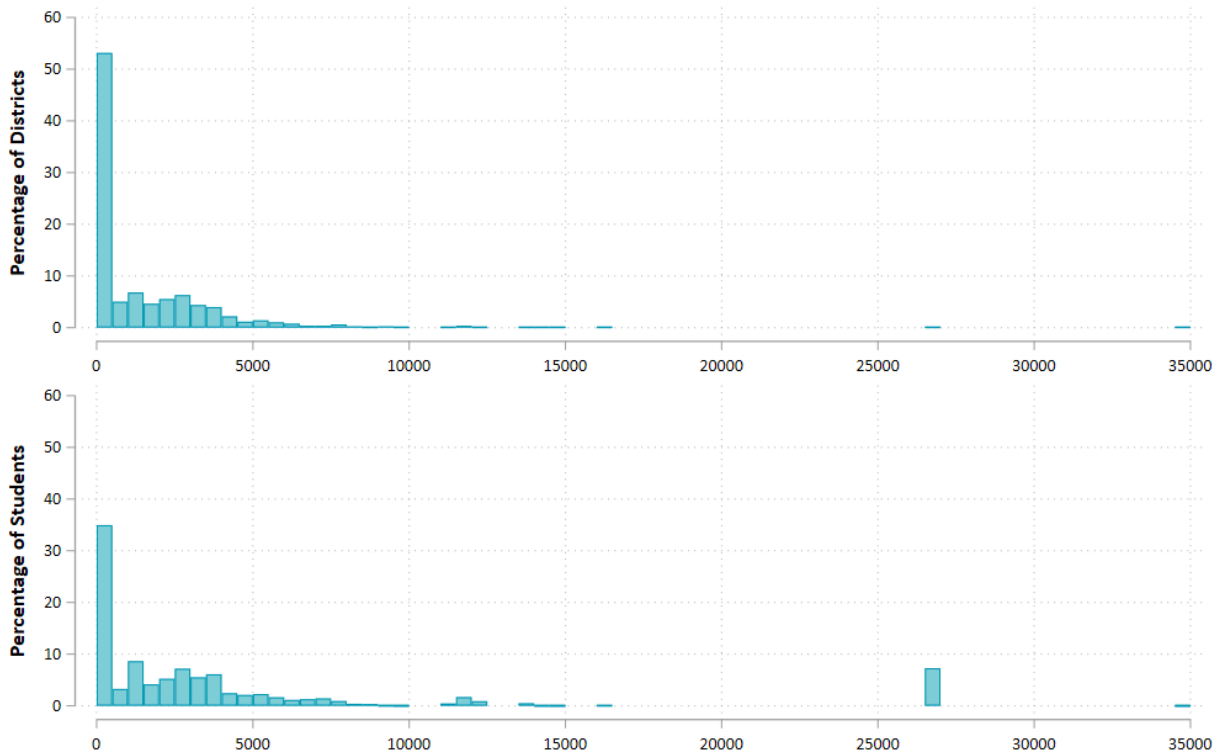


Figure 20. Dollars of unfunded OPEB liability per ADA in 2024-25.

Moreover, comparing the top panel to the bottom panel reveals that many of the high-liability districts also have a disproportionately large share of the students (as measured by ADA). Consequently, only 29% of students attend districts with no OPEB liability. Similarly, while the median (mean) district reports only \$226 (\$1,539) per ADA in OPEB liability, the median (mean) student attends a district with \$1,803 (\$4,140) per ADA in OPEB liability. 10% of students attend districts with at least \$11,660 OPEB liability per ADA (due largely, though not entirely, to the inclusion of LAUSD in this group).

Key Takeaways about California School District Financial Health

- District reserve levels have grown substantially over time and are at historically high levels, though they declined modestly in 2024-25.
 - State-defined reserves averaged \$4,684 per ADA in 2024-25 – equivalent to 22% of student spending – and were 335% higher in real terms than in 2004-05.
 - Reserves grew most rapidly during the pandemic, likely reflecting a combination of rapid revenue growth, supply-chain constraints on spending, and fiscal caution in the face of uncertain outlooks. They fell 9% in 2024-25.
 - A growing share of reserves has been classified as “committed” by school boards, rising from 7% in 2018-19 to a peak of 42% in 2023-24, potentially reflecting efforts to shield ESSER-related balances from state reserve caps.
- Unfunded retiree health benefit (OPEB) liabilities are concentrated in a relatively small number of large districts but affect a disproportionate share of students.
 - While 46% of districts report no OPEB liability, the median student attends a district with \$1,803 per ADA in such obligations, and 10% of students are in districts with at least \$11,660 per ADA.

Within-District, Between-School Spending

All of the analyses above are at the district level but knowing how much districts spend overall may give a misleading impression about how much they are spending at their individual schools. Especially in large districts, spending can vary between schools for a range of reasons related to their size, the students they serve, their specialized programming, their attractiveness to veteran staff, and so on. Recently, the federal government has started requiring districts to attribute spending to individual schools in their districts to the extent possible, to better understand these within-district, between school differences. I analyze those data here for the 2023-24 school year, the most recent year available. I include both spending the district reports at the school level, as well as what is reported as the school’s share of centralized (i.e., district-level) spending, and inflation adjust to 2024-25 dollars for

comparability to other analyses in this report. See Appendix A for more detail about these data and how I use them.

As shown in the top panel of Figure 21, there is considerable variation in reported spending across schools. The interquartile range includes values as small as \$16,999 and as large as \$24,214, a difference of \$7,215. For comparison, in Table 8, the analogous district-level range of student spending (across all funds) was \$18,349 to \$23,809, or \$5,460. Though not fully shown, the tails of this distribution are much longer than at the district level. However, this statewide pattern is very difficult to interpret because districts have very broad (and perhaps almost complete) discretion for how these figures are reported. Comparing schools between districts is therefore not recommended for these data; this exercise is exploratory.

Hopefully, districts are using reasonably consistent methods within their districts, for their own schools. To look more at within-district variation between schools, I subtract the mean school-level spending in each district from each school's total spending (without any weighting for enrollment). This provides an estimate of how much more (if the values are positive) or less (if the values are negative) the school is reported to spend than the mean school in the district. The distribution of these within-district differences is shown in the middle panel of Figure 21. This tightens up the distribution considerably: 50% of schools are within \$2,000 of the mean school-level spending in their district, and 64% are within \$3,000. Much of the between-school variation, then, seems to be driven by differences between districts, whether because of real differences in spending or because of variation in reporting practices.

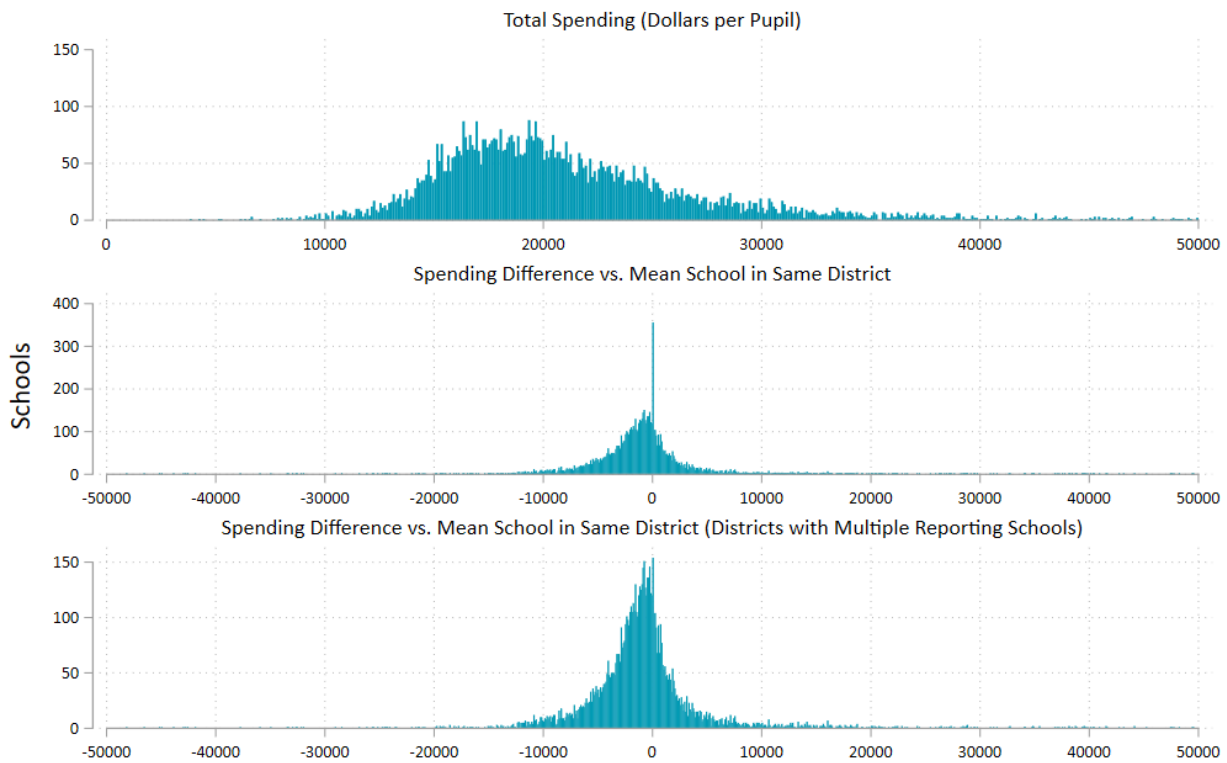


Figure 21. Per-pupil school-level expenditures in 2023-24, in 2024-25 dollars. Absolute values greater than \$50,000 not shown.

This narrowing may be misleading because 202 of the 831 districts in my sample have only one reporting school. This explains much of the spike near zero in the histogram in the middle panel. The bottom panel includes only districts with at least two schools. This is perhaps a clearer visualization for these multi-school districts, but this has little impact on the figures in the paragraph above because so few schools are removed. Among these multi-school districts, 49% of schools are reported to spend within \$2,000 of their district mean, and 63% within \$3,000. Still, even within-district, there can be substantial variation. Among these schools, 10% have spending that is at least \$8,600 higher or lower than the mean school in their district.

To examine variation in spending between schools more formally, I estimate a series of regressions predicting school-level spending. The results of these regressions are shown in Table 9. These regressions all include district fixed effects (FEs), which will account for mean differences between districts. This should address some concerns about comparing schools, as these FEs should account for mean differences in both spending and reporting practices between districts, effectively comparing each school only to other schools in the same district.

Table 9 - Regressions Predicting Within-District School-Level per-Pupil Spending in 2023-24

	All Schools		Schools in Districts with Multiple Reporting Schools					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Education Type Offered (Reference Group = Traditional)</i>								
Alternative School of Choice			4433* (1859)	-448 (1422)	-1861 (1255)	-2142+ (1276)	-1289 (1582)	-991 (1486)
Community Day School			41137*** (5109)	31632*** (5152)	29712*** (5333)	29341*** (5345)	26862*** (5871)	26968*** (5890)
Continuation School			9587*** (790)	2542+ (1448)	548 (1935)	172 (1973)	429 (1871)	209 (1855)
SPED School			49335*** (7422)	41250*** (7097)	40136*** (7543)	39781*** (7560)	17878 (14556)	19751 (15246)
Other			53704* (23535)	45277+ (23548)	43403+ (23497)	43055+ (23494)	36136 (22615)	36365 (22570)
Hundreds of Students				-2858*** (480)	-2964*** (491)	-2990*** (489)	-2733*** (447)	-2670*** (446)
Hundreds of Students Squared				178*** (34)	174*** (34)	174*** (34)	163*** (32)	161*** (33)
Hundreds of Students Cubed				-3*** (1)	-3*** (1)	-3*** (1)	-3*** (1)	-3*** (1)
<i>Grade Level (Reference Group = % Grades K-3)</i>								
% 4-6					2043 (2197)	2049 (2176)	879 (2274)	849 (2239)
% 7-8					3057*** (803)	3136*** (789)	2465** (783)	2400** (751)
% 9-12					3099* (1388)	3312* (1418)	2427+ (1252)	2305+ (1281)
% Other					3214 (3481)	2714 (3471)	872 (3603)	1089 (3661)
Charter						-3637** (1149)	-2643* (1314)	-1857+ (1037)
% with Disability							27335+ (14838)	25787+ (15436)
% Unduplicated								4253+ (2182)
District FEs	X	X	X	X	X	X	X	X
Schools	8143	7941	7941	7941	7939	7939	7939	7939
R-sq.	0.229	0.210	0.405	0.428	0.430	0.432	0.442	0.444
Adj. R-sq.	0.142	0.142	0.354	0.378	0.380	0.382	0.393	0.395
Within R-sq.	0.000	0.000	0.247	0.275	0.278	0.279	0.293	0.295
Sample Mean	22656	22569	22569	22569	22568	22568	22568	22568

Note. Standard errors clustered on districts in parentheses. Predictors representing percents (%) are on a 0-1 scale. Other education option types include home and hospital, juvenile court, and opportunity schools. SPED = Special education. FEs = Fixed effects. Values inflation-adjusted to 2024-25 dollars. * $p < .1$, * $p < .05$, ** $p < .01$, *** $p < .001$

Model 1 includes all schools in all districts in my sample above, including districts with only one school. This model includes no predictors except for district fixed effects. As shown by the R-squared (R-sq.) value, these between-district differences alone account for about 23% of the differences between schools. Again, though, I use “account for” cautiously, given variation in reporting practices between districts. The R-sq. is very similar when I include only schools in districts with multiple schools (Model 2). These schools are the focus of the rest of the models I estimate in this table. Given the wide latitude afforded to districts in how these figures are reported, even these within-district analyses should be interpreted cautiously.

Unsurprisingly, as shown in Model 3, specialized schools spend substantially more than traditional schools in the same districts. This is particularly true for community day and special education schools, which each have mean per-pupil spending levels that are more than \$40,000 higher than traditional schools in their districts. The difference is even greater for “other” schools (\$53,703), though this includes a complex combination of very rare school types. Continuation schools and alternative schools of choice spend \$9,587 and \$4,433 more per pupil. (For context, the bottom row of Table 9 indicates that the overall mean spending across schools in the sample is about \$22,600.) These differences are at least qualitatively what we might expect given that these schools often provide very intensive, specialized programming to small numbers of students. As shown by the Within R-sq. at the bottom of the table, knowing the school type alone accounts for almost 25% of the variation in spending between schools in the same district.

Model 4 additionally adds the number of students (in hundreds) as a predictor, including both the square and cube of the number of students. This should help to capture, among other things, some of those differences between school types considered in Model 3. In particular, including enrollment this way might be expected to account for economies of scale that reduce per-pupil costs in larger schools (e.g., because the costs of a principal can be spread over more students). The higher-order terms allow these economies to grow or diminish as schools get larger. The negative coefficient on the first “Students” term indicates that, as expected, schools tend to spend less per pupil when they have larger enrollments: at very low enrollments and controlling for school type, each additional student is associated with per-pupil spending that is about \$29 lower. The coefficients on the other terms indicate that that relationship diminishes somewhat as enrollments grow (i.e., each additional student may

matter less than the last). This is again what we would expect. School enrollment substantially explains the high spending levels for some types of school (e.g., alternative schools of choice, continuation schools) but not others (e.g., SPED schools). The latter may be school types that are costly to operate more because of their programming than because of their size.

As discussed above, different grade levels are funded at different levels by LCFF, so it is natural to expect that individual districts might fund their different grade level schools differently as well. Accounting for enrollment and school type, I find in Model 5 that all grade levels are associated with higher spending than having more K-3 students. These differences are not always large or statistically significant, but they are notable given that LCFF funds K-3 relatively generously at the district level. These results are qualitatively similar if I remove the other controls and keep only the grade level shares and district FEs (not shown).

As shown in Model 6, controlling for the factors in the previous models, charter schools are reported to spend \$3,637 less, on average, than traditional public schools in the same district (i.e., that are affiliated with the district according to their state-assigned district code).

Model 7 adds a predictor that is the percent of students with a disability. Its coefficient implies that we would expect that, holding the other factors constant, a school where 100% of students have a disability would spend \$27,335 more on average than another, similar school in the district where no students had disabilities. Given the often-high costs of special education (e.g., as discussed above), this is not surprising. Also unsurprisingly, controlling for the student disability share accounts for more of the high spending in SPED schools, and reduces the coefficient on that indicator to statistical insignificance (though it remains large in magnitude). I find some evidence of nonlinearities in the relationship between SPED student shares and school spending, though only in traditional (i.e., not specialized SPED) schools; see Appendix Table B6.

Finally, Model 8 adds the percent of students in the school who are UPs. These are the low-income or English learner students who are the focus of much of LCFF. Recall that at the district level, LCFF increases funding for districts with 100% UPs by about 50% relative to districts with no UPs. The coefficient on the UP term in Model 8 indicates that a *school* with 100% UPs is expected to spend \$4,253 more per student than a school that is otherwise similar in the same district (as far as I can observe) but that has no UPs. This amounts to about a 19% spending advantage relative to the overall

sample mean.⁷ However, that advantage grows to \$12,668 (56%) in a model that drops all of the other predictors except the district FEs (not shown), much closer to the LCFF funding adjustment. Given concerns about data reporting, complicated relationships between UP shares and other school characteristics, and the cost differences associated with those characteristics, it is hard to say which estimate (if any) is most relevant to LCFF objectives. In any case, these data, for all their limitations, suggest that schools are targeting at least some of their spending to schools enrolling the students LCFF was designed to support. Whether they are doing so sufficiently is beyond the scope of this report. There is now a growing body of literature that examines successes and difficulties in promoting within-district, between-school funding equity both under LCFF specifically (Lafortune, 2019; Lafortune et al., 2023) and more generally (Condrón & Roscigno, 2003; Knight et al., 2022; Roza et al., 2004) that can and should inform LCFF-related policymaking going forward. Other reports in this Getting Down to Facts series are also likely to be relevant in this respect (Willis & Tanner, 2026).

Finally, controlling for the shares of students with disabilities and who are unduplicated reduces the coefficient on the charter school dummy by about half. This suggests their relatively low reported spending reflects, at least in part, differences in the student populations they serve compared to other schools in their districts.

Key Takeaways about Within-District Spending in California School Districts

- There is considerable variation in reported per-pupil spending across schools, even within the same district.
 - Among multi-school districts, 49% of schools spend within \$2,000 of their district's mean, but 10% of schools spend at least \$8,600 above or below it.
- Much of the within-district variation is explained by school type and size.
 - Specialized schools (e.g., community day, special education) spend far more per pupil than traditional schools in the same district. School type alone accounts for about 25% of within-district spending variation.

⁷ In results not shown, if I replace the unduplicated pupil share in model 8 with either the share of students who are English learners (EL) or the share eligible for free- or reduced-price lunch (FRL), the coefficients remain large (=5106 and 2683, respectively). Including both the EL and FRL shares simultaneously has little effect on the EL coefficient (=5016) but reduces the coefficient on the FRL share to just =112. However, these estimates are all highly imprecise and none are statistically significant at even the 10% level ($p = .13-.98$).

- Larger schools tend to spend less per pupil, consistent with the presence of economies of scale.
- Charter schools are reported to spend roughly \$1,800-\$3,700 less per pupil than traditional public schools in the same district, depending on controls.
- Schools serving more LCFF-targeted (unduplicated) students do receive more funding, though the estimated magnitude is sensitive to model specification.
 - A school with 100% unduplicated pupils is estimated to spend 19-56% more than an otherwise similar school in the same district with none, depending on how other school characteristics are accounted for.

California Compared to Other States

To put California’s school districts’ financial situation in additional context, I turn now to the less-detailed and less-timely but nationwide revenue and expenditure data made public by the National Center for Education Statistics (NCES). These data are only available through 2022-23 as of the time of this writing. I inflation-adjust these figures to 2024-25 dollars for the sake of comparability with the figures presented in the rest of this report. Also like in the rest of this report, all figures are weighted averages, though in this case the data are weighted by enrollment rather than ADA since the former is what NCES reports. Because enrollment tends to be larger than ADA, the figures below tend to be slightly lower than what I observe above using ADA. For more information about the data used here, see Appendix A.

Table 10 shows per-pupil revenue and spending in California, in four states that may be roughly comparable to California due to their size and diversity, and then for all other states plus the District of Columbia (DC).⁸ In 2022-23, school districts in California received fewer dollars per student than districts in New York. This is due primarily to much (116%) higher local revenue in New York than in California. However, New York is an unusually high-revenue state; California’s revenue levels are (\$1,997, or 8%) above Illinois’ and substantially above those in Texas (by \$11,722, or 72%), Florida (by

⁸ Despite its high levels of revenue and expenditures, because DC accounts for only about 0.2% of the combined enrollment among those states, including it increases total revenue and total expenditure per student among that group by less than 0.2%.

\$12,695, or 83%), or other jurisdictions (by \$8,065, or 40%). This primarily reflects larger state contributions in California relative to other states.

Table 10 also presents values adjusted for the costs of teacher labor using a comparable wage index (CWI; see Appendix A). Because teacher (and other) labor tends to cost more in California than elsewhere, its CWI-adjusted revenue is lower than its unadjusted revenue, reflecting lower buying power. This adjustment reduces California’s apparent revenue per student downward by 11%, making that revenue look somewhat more typical. On a CWI-adjusted basis, California’s per-pupil revenues look very similar to those in Illinois and are somewhat closer to those in other jurisdictions.

Table 10 - Mean Per-Pupil Revenues, Expenditures, and Debt Across States, 2022-23

	CA	NY	TX	FL	IL	Other States + DC	CWI-Adjusted					Other States + DC
							CA	NY	TX	FL	IL	
Revenue per Pupil												
Total Revenue	28030	39316	16308	15335	26033	19965	25036	36991	17578	17149	26300	21386
<i>Federal</i>	3165	3818	2656	2614	2722	2475	2859	3594	2896	2938	2771	2728
<i>State</i>	15577	15471	4580	4777	10306	9179	14089	14930	5086	5391	10527	9909
<i>Local</i>	9287	20026	9073	7944	13005	8310	8088	18467	9596	8820	13001	8750
Expenditure and Debt per Pupil												
Total	24268	38697	17798	14694	25011	19718	21646	36438	19147	16437	25211	21097
Elem./Sec.	19880	34130	12895	12576	21218	16807	17751	32048	13929	14072	21381	17967
<i>Instructional</i>	11571	23710	7558	7509	12615	9977	10325	22137	8162	8390	12689	10641
<i>Support Serv.</i>	7572	9751	4714	4444	8027	6167	6762	9270	5089	4982	8099	6597
<i>Other El./Sec.</i>	738	670	623	623	576	663	663	641	678	700	592	729
Non-El./Sec.	421	273	86	308	151	154	382	253	93	345	151	163
Capital	2335	2944	2923	1590	2437	2027	2067	2776	3130	1777	2468	2196
Total Salaries	10852	16427	8588	6417	10359	9098	9686	15587	9250	7190	10444	9721
<i>Instructional</i>	6655	12467	5615	3933	6948	5957	5937	11748	6045	4404	7001	6367
<i>Administration</i>	876	1132	632	511	851	750	781	1075	683	573	867	809
Staff Benefits	4556	8428	1152	2242	3005	3617	4071	7967	1250	2510	3006	3877
Plant Operat.	1863	2756	1407	1426	1738	1554	1666	2574	1528	1598	1748	1673
Stu. Transport	402	2007	359	438	930	740	361	1904	387	493	947	794
Debt Interest	750	782	921	220	657	368	650	802	971	243	647	392
Long-term Debt	21540	12984	24185	5499	13351	10275	18508	12244	25521	6072	13278	11007
Districts	982	676	1019	67	845	9519	982	676	1019	67	845	9519

Note. Enrollment weighted and expressed in 2024-2025 dollars.

Total expenditures tell a similar story, both in raw and CWI-adjusted terms. This is illustrated in more detail in Figure 22, which includes each state (and DC). As shown in the top panel of Figure 22, California’s \$24,268 in per-student spending is well above the average of states, and well above the enrollment-weighted national average: only 10 states and DC spend more. However, on a CWI-adjusted basis (the bottom panel of Figure 22), California’s spending is very close to, or even slightly below, the nationwide average.

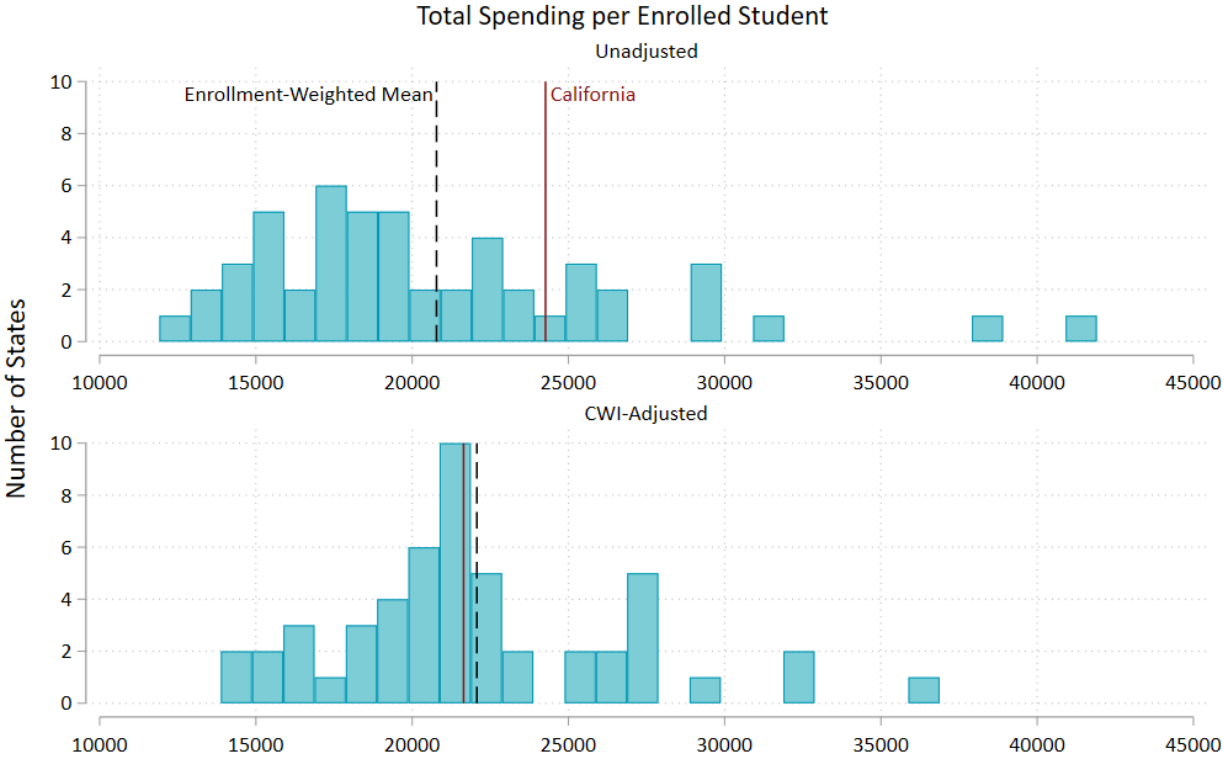


Figure 22. State per-pupil spending in 2022-23 in 2024-25 dollars. Each state is an enrollment-weighted average of its districts.

Table 10 presents per-pupil amounts received from different sources and spent on different categories of expenditure. These smaller categories of revenue and expenditure largely vary with total expenditures, making differences in resource allocation difficult to discern. Table 11 presents these more specific revenues and expenditures as percentages of total revenues and expenditures, respectively, to simplify comparisons.

As shown in Table 11, California is much more heavily dependent on state revenue than other jurisdictions. California districts collectively receive almost 57% of revenues from the state. Every other state or group of jurisdictions is lower, and none has a state revenue share above 47%. Only 12 states

attribute a larger share of revenue to state sources than California (not shown). Conversely, California districts generate relatively little of their revenue locally (just under one-third). Only one third of states are lower (not shown), and in Texas the figure is above 55%.

Table 11 - Mean Revenue and Expenditure Allocations Across States, 2022-23

	California	New York	Texas	Florida	Illinois	Other States + DC
Revenue Sources as a Percentage of Total Revenue						
Federal Revenue	10.3	9.3	16.0	17.2	10.5	12.7
State Revenue	56.8	40.2	28.5	32.1	40.1	47.2
Local Revenue	32.8	50.5	55.5	50.7	49.4	40.1
Expenditures as a Percentage of Total Expenditures						
Elementary/Secondary	84.8	88.2	76.3	85.7	85.5	85.9
<i>Instructional</i>	50.5	60.8	44.9	51.1	50.8	50.9
<i>Support Service</i>	31.1	25.7	27.7	30.3	32.3	31.5
<i>Other Elementary/Secondary</i>	3.2	1.8	3.7	4.3	2.4	3.6
Non-Elementary/Secondary	1.2	0.7	0.5	2.1	0.6	0.7
Capital	9.4	7.4	14.5	10.8	9.1	10.0
Salaries	46.5	43.5	50.9	43.7	41.9	47.1
<i>Instructional Salaries</i>	29.3	32.7	33.3	26.8	28.1	30.9
<i>Administration Salaries</i>	3.8	3.0	3.7	3.5	3.5	3.9
Benefits	19.3	22.0	6.8	15.3	11.9	18.6
Plant Operations & Maintenance	8.1	7.1	8.3	9.7	7.0	8.0
Student Transportation	1.7	5.3	2.1	3.0	3.8	3.8
Interest on debt	3.1	2.2	5.2	1.5	2.5	1.9
Observations	982	676	1019	67	845	9519

Note. Enrollment weighted.

Districts in different states also spend their money in somewhat, but not drastically, different ways. California dedicates about as much of its budget as other states to elementary and secondary instruction (51%) and support services (31%), salaries for instructional and administrative staff (29% and 4%, respectively), and plant operations (8%). In other areas, such as capital and staff benefits, states vary more substantially but California is not an obvious outlier. California appears to be on the low end of the share of the budget dedicated to student transportation (1.7%) and on the high end for interest payments on debt (3.1%), but these categories of spending are relatively small shares of all spending on average.

Changes Between California and Other States Over Time

The prior version of this report was only able to track nationwide spending through 2014-15. At that time, California was only beginning to “catch up” to the rest of the country in terms of per-pupil spending, which had fallen during the Great Recession much more in California than elsewhere (Bruno, 2018). As shown in Figure 23, California’s spending not only caught up to, but exceeded the rest of the country’s in subsequent years. Just prior to LCFF, school districts in California spent \$2,846 (17%) less per-pupil than districts elsewhere in the country. Spending in California subsequently increased more rapidly than elsewhere, and by 2018-19 California’s districts spent \$1,971 (10%) *more* than their counterparts nationwide. This gap continued to increase after the onset of the pandemic, and by 2022-23 it had grown to \$3,813 (19%).

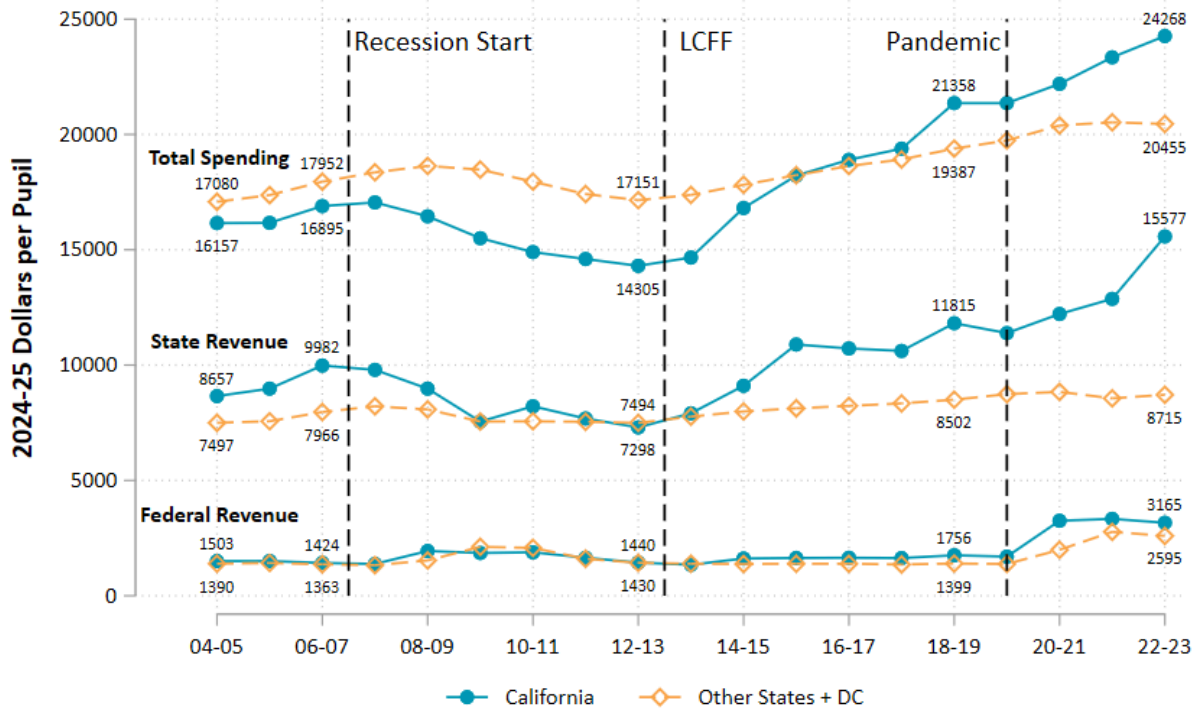


Figure 23. Per-pupil spending, state revenue, and federal revenue in districts nationwide over time. Enrollment-weighted.

The primary proximal explanation for California’s relatively rapid growth in spending is increases in state revenue. Between 2012-13 and 2022-23, state revenue per pupil to school districts in California increased by \$8,279, which amounts to 83% of the \$9,963 increase in per-pupil spending during that period. In the rest of the country, state revenue increased by only \$1,221 per pupil on average. Federal revenues also explain a more modest portion of California’s spending growth, as federal revenues increased somewhat more substantially in California than in other places in the pandemic era.

However, revenues and expenditures do not track each other perfectly. As can be seen in Table 10, California’s per-pupil revenues were substantially greater than its per-pupil expenditures in 2022-23, and states vary substantially in the size and direction of that difference. For a fuller picture of how revenues have changed in California compared to the rest of the country, Figure 24 presents all of local, state, and federal revenues per pupil over time. A qualitatively similar picture emerges for revenues as Figure 23 suggests about spending, with revenues falling further in California during the Great Recession but then rebounding more quickly and eventually exceeding levels in the rest of the country (on average). Figure 24 also shows how local revenues have contributed to California districts’ revenue growth (as noted in section 4.2) and to their resource advantages over the rest of the country. Local revenues have increased fairly steadily in California on a per-pupil basis since 2012-13, by a cumulative \$3,956 (74%). In the rest of the country the increase was just \$1,036 (13%). In short, after a long period of spending and receiving less than their counterparts elsewhere in the country, districts in California are now among some of the most highly-resourced in the country, at least in terms of raw dollars. This reversal has been driven mostly by additional local and, especially, state revenues.

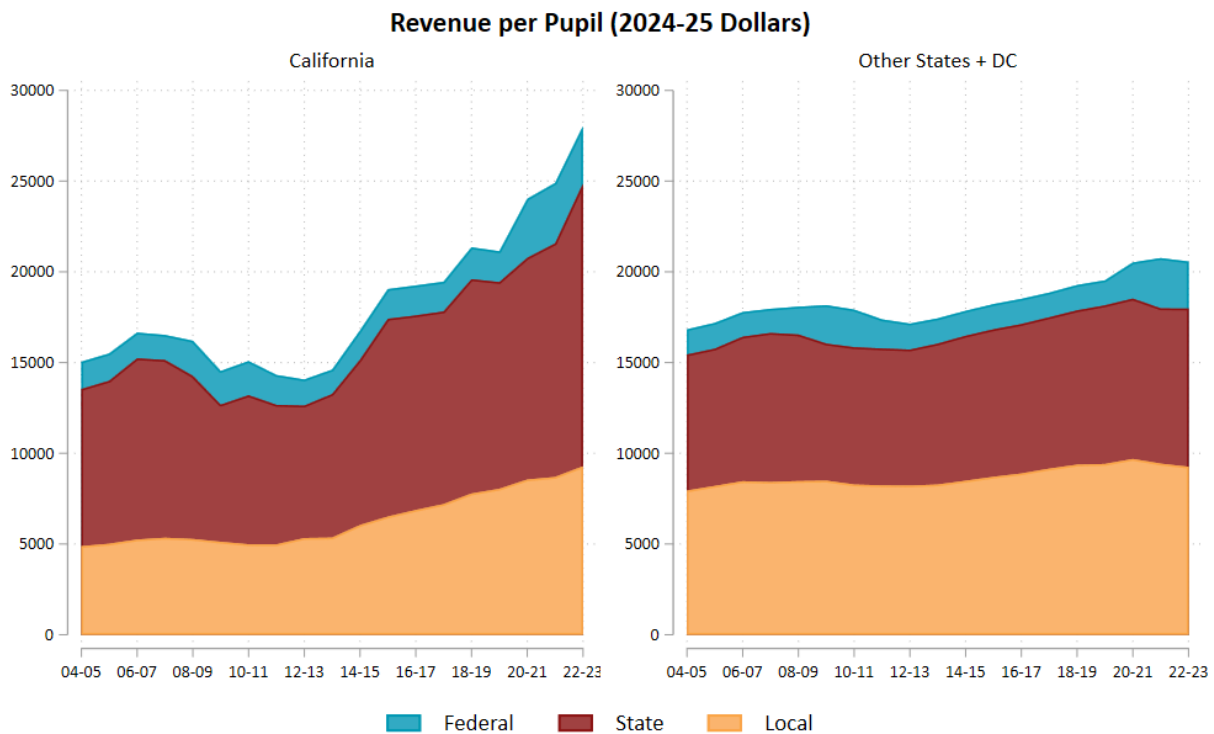


Figure 24. Average per-pupil revenue in districts in California and other jurisdictions over time. Enrollment-weighted.

Key Takeaways about School Finance in California Compared to Other States

- After a long period of below-average spending, California’s school districts now rank among the most highly resourced in the country.
 - Per-pupil spending surpassed average spending elsewhere in the country around 2016-17 and exceeded it by 19% (\$3,813) by 2022-23. Only 10 states and DC spend more.
 - However, after adjusting for the higher cost of labor in California, spending is close to the national average.
- California’s spending growth has been driven primarily by large increases in state revenue.
 - Between 2012–13 and 2022–23, state revenue per pupil grew by \$8,279 in California versus only \$1,221 in other states. Local revenue growth also outpaced the rest of the country (+74% vs. +13%).

- California is much more dependent on state revenue than other states, receiving about 57% of revenues from state sources. Only 12 states report a larger share.
 - Conversely, local revenue makes up only about one-third of California’s district revenues; only one third of states are lower.
- In terms of how dollars are allocated, California’s spending patterns are broadly similar to other states, with a few, relatively minor, exceptions.

Looking Ahead

Much of the purpose of the Getting Down to Facts project is to outline not only how far California has come along various dimensions, but also possible future directions for the state and its schools. To that end, here I briefly consider several issues that have the potential to matter a great deal for school finance in California in the coming years.

Cost Pressures on School Districts

As I show above, California’s school districts are under considerable financial pressure from rising or looming costs. Perhaps most notably, special education and staff benefit costs have been consuming larger shares of districts’ budgets over time. At least some of these trends seem likely to continue for at least some districts. For instance, many students attend districts with large unfunded retiree healthcare liabilities that will increase costs as more retirees claim those benefits. Even if the growth in some of these costs slows down, their past growth has contributed to relatively little investment in other areas, such as general education and teacher salaries. This may limit the ability of districts to provide many types of programming or to attract and retain high-quality teachers. Districts may therefore need additional revenue to maintain service levels, though it is not obvious that current funding levels will be sustained (e.g., due to economic uncertainty, federal funding cuts, or the expiration of Proposition 55; see section 9.5). In the absence of new revenue, districts may need to revisit the tradeoffs they have made in previous budgeting cycles (e.g., between staff salary and staff benefits or between staff quantity and compensation levels; Bruno, 2025).

Within-District Resource Allocation

California has made substantial investments in targeting additional revenue to support the education of high-need students, most notably via LCFF. However, these targeted investments happen primarily at the district level, leaving a great deal of uncertainty about how much they benefit individual high-need students. The newly available school-level spending data I analyze above suggests that LCFF-targeted students do receive additional resources at the school level, but the magnitude of this is sensitive to other assumptions and reporting practices vary widely between districts. Moreover, it is not obvious what the “correct” relationship is between school-level spending and student need, and school-level spending provides only limited information about how effectively schools are supporting their high-need students. Still, given the goals of LCFF and related investments (e.g., the Equity Multiplier), it will be important to monitor how districts are using the targeted dollars they receive to support the students who are supposed to benefit.

Declines in Enrollment and/or Attendance

Statewide census day school enrollment has fallen in California’s public schools every year since 2016-17, and by 2024-25 was cumulatively down by 422,014, or 6.7%. Because attendance rates have also fallen, ADA has fallen even more: 596,378 (11%) through 2023-24 alone.⁹ This has already created a variety of challenges for school districts, for example as they maintain or have to close very low-enrollment schools or struggle with long-term liabilities spread over smaller numbers of students (Aleksey, 2024; Burke & Willis, 2020; Chapman, 2025; DeBenedetti, 2024; Hahnel & Pearman II, 2023; Jones, 2024; Tucker, 2025). Low or falling attendance rates may create additional challenges if they are accompanied by declines in funding without corresponding declines in the number of students who remain enrolled (and who thus still need to be served).

To date, districts have been somewhat insulated from the challenges of falling enrollment as the state and federal government have increased their overall spending on K-12 education and because districts in California can be funded based on the higher of current or recent ADA. However, it is not clear how long those protective forces will persist. For example, ESSER funding is already fading away, and macroeconomic turmoil could reduce the state’s capacity to invest in education even as districts

⁹ Data from the California Department of Education, retrieved from Ed-Data.org on January 19, 2026.

are no longer “held harmless” for declines in attendance. It is also unclear the extent to which it is politically sustainable to maintain or increase K-12 educational spending in the face of flat or falling K-12 student populations. Should enrollment continue to fall, or should the state slow or reverse its spending increases, many districts could face substantial financial difficulties. Other Getting Down to Facts III reports consider attendance, enrollment, and their financial implications for California’s schools in more detail (Grossman & Yu, 2026; Makori & Noguera, 2026; Pearman, 2026).

The Prevalence and Funding Advantages of Basic Aid Districts

Related to declining enrollment are the facts that there are somewhat more basic aid districts in the past and that some of these districts have much higher revenue levels than other districts. As I note in section 4.1, even the average student in a basic aid district enjoys revenues that are about 27% higher per ADA than the average student in a non-basic aid district. That average masks substantial variation, and others have estimated that in the top quartile of basic aid districts the revenue advantage is at least \$10,000 and that many of these districts have become increasingly advantaged over time (Hahnel et al., 2025). There are reasons to think these gaps may continue to grow or that more districts may enter and remain in basic aid status. Perhaps most notably, if enrollment declines but property values are steady or increase (as has been the case in recent years), more districts may find themselves generating higher local revenues relative to their enrollments. Since many basic aid districts are relatively affluent (e.g., coastal) communities, this has the potential to undermine the equity goals of state funding systems, especially those of LCFF. The reasons districts enter (or leave) basic aid status are complicated and can be difficult to predict, and there are a variety of potential ways for the state to respond to basic-aid related changes (Hahnel et al., 2025), but it is at a minimum possible that the importance of basic aid districts will grow over time.

The Expiration of Proposition 55

In 2012, California voters approved Proposition 30 to generate revenue for education. Prop. 30 raised the state sales tax for four years (i.e., through 2016) and created new tax brackets (and higher tax rates) for high-income individuals for seven years (i.e., through 2018). While some of the funding was to be used to help balance the state budget, other revenue was used to increase education funding. Of that increased educational funding, 89% was earmarked for elementary and secondary

schools, with the remainder for community colleges (Legislative Analyst’s Office, 2012). In 2016, the passage of Proposition 55 extended these income tax increases for an additional 12 years, while also setting aside a portion of the revenue to support healthcare spending. These healthcare set asides and other state obligations to make debt payments and establish budgetary reserves would typically be expected to leave roughly half of Prop. 55 revenues to fund schools (including community colleges). Prop. 55’s 12-year extension means that the additional income tax revenue made available by Prop. 55 will cease to be available after 2030 (Legislative Analyst’s Office, 2016).

The implications of Prop. 55’s expiration for the state budget or school district finances are difficult to estimate precisely because total Prop. 55 revenues depend on a variety of factors and fluctuate from year to year. Moreover, the portion of those revenues that go to schools can vary. In any case, Prop. 55 revenues are substantial and have been a substantial contributor to increases in K-12 funding since 2012. For a rough perspective on the magnitude of the revenue loss, the 2023-24 May revision to the Governor’s budget estimated Prop. 55 revenues at \$10.1 billion. That represented about 4.9% of the state’s estimated \$206.6 billion general fund revenue. Assuming half of Prop. 55 revenue was used to fund schools, that would represent about 4.7% of the estimated \$106.8 billion Prop. 98 minimum funding guarantee (Newsom, 2023).

There are likely to be efforts to extend Prop. 55, and in fact as of this writing the California Teachers Association is preparing to support such a ballot initiative in 2026 (“Prop. 55 Extension,” n.d.). If these efforts are unsuccessful, this will put downward pressure on school funding beginning around 2030. The specific implications of this for districts are difficult to predict because school funding levels – and needs – will depend on a variety of factors that are difficult to predict even a few years into the future. For example, ongoing international trade disputes could create economic headwinds that erode the state budget or inflate operational costs for districts. Additionally, if California continues to experience substantial declines in public school enrollment, that creates complicated funding dynamics (e.g., reducing total state funding obligations or increasing per-pupil fixed costs for districts). However, given the sums involved, California and its school districts will need to either replace Prop. 55 revenues (Legislative Analyst’s Office, 2026) or budget for their impending expiration. Considering uncertainty about future revenues, it may be wise to do both.

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Appendix A: Details of Data and Methods

Data from the California Department of Education (CDE)

Unaudited Annual Financial Data using a Standardized Account Code Structure (SACS)

Since 2003-04, the CDE has required all local education agencies (LEAs) to report financial information using a “standardized account code structure” and the associated data are often referred to as “SACS” data. SACS files are publicly downloadable.¹⁰ The SACS uses a series of (usually numeric) codes to classify transactions LEAs make into, out of, and between their various accounts. Each transaction is coded along several dimensions:

- *Funds* are self-balancing sets of accounts that record assets and liabilities, usually established to distinguish different kinds of activity or to document compliance with specific financial regulations.
 - For example, LEAs maintain a *general fund* (code 01) to account for most general day-to-day operations but may also maintain an *adult education fund* (code 11) to account for resources and expenditures that are either earmarked for or required to be spent on adult education specifically.
- *Resources* are sources of revenue or assets, often to help demonstrate compliance with funding streams that have restrictions on when and how they can be spent.
 - For example, SACS allows classifying resources from *lottery revenue* (code 1100) separately from *ESSA Title I, Part A Basic Grants for Low-Income and Neglected Children* (code 3010).
- *Goals* are broad objectives that revenues or expenditures are intended to achieve.
 - For example, LEAs can use SACS to distinguish between financial transactions associated with *regular transitional kindergarten/K-12 education* (code 1110), *career technical education* (code 3800), and *special education for students ages 5-22* (code 5760).

¹⁰ <https://www.cde.ca.gov/ds/fd/fd/>

- Function (or Activity) codes group together related sets of activities in which LEAs engage. As activities, they are associated primarily with expenditures, rather than revenues or other types of financial transaction.
 - For example, expenditures can be classified as supporting *instruction* (code 1000), *attendance and social work services* (code 3130), or *facilities acquisition and construction* (code 8500).
- Object codes are used to indicate the goods or services purchased with expenditures. They can also be used to indicate specific sources of revenue.
 - For example, LEAs may have expenditures associated with *certificated teachers' salaries* (code 1100), *food* (code 4700), or *operations and housekeeping services* (code 5500). Revenues might be indicated as *current year LCFF state aid* (code 8011), *secured roll (i.e., property) taxes* (code 8041), or *federal child nutrition program revenue* (code 8220).

In the SACS data, each transaction is coded along several dimensions simultaneously. For example, LCFF aid (object code 8011) may be deposited into a LEA's general fund (fund 01) as unrestricted revenue (resource code 0000) without associated goal or function codes. The LEA may then spend that money by reporting expenditures from the general fund (fund 01) to make payments into the state teachers' pension fund (CalSTRS, object code 3101) for teachers engaged in instruction (function code 1000) to support career technical education programming (goal code 3800). For additional detail about the SACS, including definitions for individual codes and how they are used, refer to the *California School Accounting Manual (CSAM)*.

Included Entities

Since the focus of this report is school districts, I exclude from my analyses some other LEAs even though they are included in SACS data. This means I drop all county offices of education and joint powers agencies. For additional information about spending in these agencies, see the previous report in this series (Bruno, 2018).

Six elementary/high school district pairs report financial information through SACS jointly as "common administration districts" in at least one year of my analysis despite reporting other data (e.g., demographic data) separately. These districts are the Petaluma City/Joint Union, Santa Rosa, Santa Cruz, Modesto, Arena Union/Point Arena Joint Union, and Santa Barbara school districts. I include these

districts in my analysis. Because these district pairs report financial information together and are also jointly governed (e.g., sharing a school board, teacher unions, etc.), I treat them as a single unified (i.e., K-12) district for all purposes. This means that when districts report other (e.g., demographic) information separately, I aggregate it to merge with their combined SACS record.

I exclude many charter schools from this report, although they are in many respects treated (and funded) similarly to traditional public school districts. This is because charter schools often report financial information differently and in less detail, and their financial reports can often be difficult to interpret and compare to those of districts (Atchison et al., 2018). Consequently, charter schools are not included here if they use the CDE-approved alternative (and less detailed) reporting form for charter schools or if they report as separate, non-district LEAs. I also exclude charter schools if they report with school districts (i.e., under the same LEA code) using charter school-specific SACS fund codes (fund codes 9 or 62). In this way, I get as close as possible to data on the school districts that are the focus of my analysis. However, some charter schools report financial information through the general fund of a school district. Such financial information cannot be disentangled from the district's and arguably it should not be if the district and charter school are reporting together in this fashion. In such cases, when I combine SACS information with districts' student characteristics, I include those charter schools when aggregating school-level information up to the district level.

To clean SACS data, I largely apply decision rules inherited from the first District Dollars report (Loeb et al., 2007). I then apply additional rules and changes based on changes over time to the California School Accounting Manual or newly desired variables for analysis, often based on correspondence with relevant officials at the California Department of Education.

Identifying District Resources in SACS Data

To count resources:

- I distinguish between:
 - Revenues: Objects 8000-8799
 - Other financing: Objects 8930-8979
- I exclude:
 - Interfund transfers: Objects 8980-8929
 - Contributions between resources: Objects 8980-8999

- State contributions to STRS on behalf of districts: Resource 7690
- In-district premiums/contributions: Object 8674
- Proceeds (right to use) from entering into IT subscriptions: Object 8974
- I classify the following resources as “non-student” (i.e., non-operational):
 - Adult: Object 8671 or Resources 3090, 3555, 3900-3999, 6015, 6016, 6390-6392
 - Pre-K/early childhood: Resources 3105, 3110, 3318-3326, 3329-3334, 3345, 5105, 5210-5240, 5245, 6050-6056, 6105, 6125-6127, 6240-6245, 6510, 6513, 6515, 7210
 - PERS reductions: Object 8092
 - Capital: Objects 8540, 8545, 8625, 8681, 8951 or Resources 3015, 4140, 4141, 6030, 6140, 6145, 6148, 6200, 6205, 6225, 6226, 6280, 7124, 7701-7799
 - Interagency transfers in: Objects 8677, 8780-8799

Identifying District Expenditures in SACS Data

To count expenditures:

- I exclude transactions with function code 0 (used for revenues and balance sheet transactions).
- I classify non-numeric goal codes based on correspondence with the CDE. These codes do not appear in the CSAM.
 - ADLT -> General Education, Adult
 - CAFE -> Nonagency
 - CHLD -> Child Care and Development Services
- I use object code “PCRA”.
- I exclude object codes:
 - 8000 or higher (used for revenues and other financing sources and balance sheet transactions).
 - 7100-7199 (tuition payments)
 - 7212, 7222, 7282 (transfers to county offices of education)
 - 7211, 7221, 7280, 7281 (transfers to other districts or charter schools)
 - 7600-7629 (interfund transfers)

- 6600 & 6700 (debits for lease and subscription assets, due to changes in the SACS over time)
- 6910 & 6920 (amortization charges)
- 7690 (state contributions to CalSTRS on behalf of school districts)
- I classify the following spending as “non-student” (i.e., non-operational):
 - Pre-K, infant, and adult education: Goals 1-999, 4000-4749, 5710, 5730
 - Capital outlay, facilities, land, and improvement: Function 8500 or objects 6000-6499, 6501-6999
 - This does not include equipment replacement, which I classify as “student” spending.
 - Debt service: Function 9100 or Objects 7430-7439
 - Retiree benefits: Objects 3701, 3702
 - Non-agency and community services: Goals 7100-7199, 8100 or Functions 5000-5999
 - PERS reductions: Objects 3800-3899

Identifying District Financial Health in SACS Data

To create my financial health measures:

- I include object code 979Z as the ending fund balance, based on correspondence with the CDE. (This code does not appear in the CSAM.)
- Given changes in the SACS/CSAM over time, I treat both object code 9770 (Designated for economic uncertainties) and object code 9789 (Reserve for economic uncertainties) as representing economic uncertainty reserves.
- I calculate overall (state) reserves based on the definition of reserves used by the CDE, as including:
 - Object codes 9750-9790 in funds coded 1, 3, 6, or 17 (i.e., fund balances in the general funds or the special reserve fund for other than capital outlay projects)
 - Negative values of object code 9740 in funds coded 1, 3, or 6 (i.e., subtraction of negative fund balances of restricted resources in the general fund). These are apparently

unusual but I include them if present to align with state definitions indicating that negative ending balances in restricted resources in the general fund reduce available reserves.

- I exclude object codes 9610 (intradistrict, between-fund transfers) and 9650 (unearned/deferred revenue) from my calculation of district liabilities (object codes 9500-9689).

Certificated Salaries & Benefits (J-90) Data

The CDE surveys districts each May about their certificated staff compensation using a form commonly referred to by its form number (“J-90”).¹¹ Completing the survey is not mandatory but completion rates are high. For example, the state reports (California Department of Education, 2026) that the 2024-25 survey received responses from 83% of districts and COEs representing 96% of statewide ADA (excluding charter schools). These surveys focus primarily on teachers, though respondents can indicate additional information about which other staff (if any) are included in their reported teacher compensation.

Districts report their full salary schedules as well as the number of full-time equivalent teachers at each step in each lane/column of the schedule, but because salary schedules vary between districts and over time, comparisons can be complex. The J-90 asks districts to identify the salary schedule lane that would be occupied by a teacher with a bachelor’s degree plus 60 additional semester credits of education. I use this to identify salary schedule lanes to compare.

Districts report each health and welfare benefit plan they provide, distinguishing between enrollment in 1-party plans, 2-party plans, and so forth. For each plan they include the number of full-time equivalent teachers covered, the annual cost of the plan, and the maximum amount the district will contribute to the plan. I calculate the share of benefit costs covered for the plan as a percentage: the maximum district contribution divided by the annual cost, multiplied by 100. In rare cases where the maximum contribution exceeds the annual cost, I cap the share for that plan at 100%.

¹¹ <https://www.cde.ca.gov/ds/fd/cs/>

School-Level Per-Pupil Expenditure Data Files

I take school-level spending from files required since 2018-19 to be publicly reported under the Every Student Succeeds Act.¹² Districts have a great deal of discretion about how spending is reported in this way, such as what to include as operational spending, how to attribute spending to individual schools vs. centrally to the district as a whole, and how to count students (e.g., enrollment or ADA). The CDE provides only recommendations around these issues (Moore, 2018). This includes a recommendation that districts focus on measuring operational spending, excluding some spending (e.g., for capital) in ways similar to what I do in this report for “student” spending.

I aim to keep the sample as close as possible to what I use for the main, SACS-based district level analysis. Using the California School Directory, I drop schools if they are not part of traditional elementary, unified, or high school districts, combining common administration districts as described above. I retain charter schools if they are affiliated with one of these districts. I then drop schools if they have no enrollment or if they report expenditures at neither the site nor the centralized level. I construct a total expenditure variable for each school that is the sum of each school’s site-level spending and its reported share of centralized (i.e., district-level) spending. For both site-based and central spending, I combine spending from both reported funding sources (federal and state/local, reported separately for each school). I ultimately include 8,143 schools in 831 districts.

How this school-level spending should compare to district-level spending measures is not obvious. As a check, for each district I aggregate its school-level spending to the district level (accounting for varying enrollment between schools). The median district reports total per-pupil spending across its school sites that amounts to about 97% of what the state reports as its current expense per ADA. This is quite close overall given that many schools report school-level data based on enrollment numbers, rather than (generally smaller) ADA. However, there is considerable variation. For example, only about two-thirds of districts fall within 10% of their current expense per ADA.

For my regression analyses with these data, I form a single category of “special education (SPED) school” that includes what the district classifies as such with “district special education consortia schools”. Other school types are large enough that I maintain them as separate categories, but I combine schools the CDE school directory considers home and hospital, juvenile court schools,

¹² <https://www.cde.ca.gov/fg/ac/es/essappedata.asp>

opportunity schools, and “other” schools into a single category, as each of these groups includes no more than 8 schools.

Other CDE Data

The CDE releases student demographic data at the school level, which I use to pull school-level information about student race, English learner status, free and reduced-price meal eligibility, and unduplicated pupil counts. When aggregating up to the district level, I combine schools in the same common administration district and I include charter schools only if they are also included in the SACS financial data with their district (see discussion of SACS data cleaning above).

Data from the National Center for Education Statistics (NCES)

I get most NCES data from the Urban Institute’s Education Data Portal, though in some cases I pull later years of data directly from the NCES website when they have not been updated in the Portal.¹³ These data classify districts by urbanicity as well as Comparable Wage Index for Teachers (CWIFT) data. The NCES uses census data to estimate regional variation in the cost of hiring college-educated workers like teachers (Cornman et al., 2019).

NCES data also include the F-33 financial data that I use to compare California districts’ finances to those in other states. To maintain the focus on school districts, I keep only observations representing what the file refers to as local school districts or (to keep common administration districts; see discussion of SACS cleaning) supervisory unions. I also keep a small number of entities that are missing this “agency type” information but that have names that indicate that they are school districts. I then drop a small number of observations of entities that report no membership (enrollment), no revenue, or no expenditure. I calculate per-pupil amounts by dividing financial variables by membership.

Cost Adjustments

I impose two cost adjustments at various points in this report. First, I inflation-adjust all dollar amounts to 2024-25 dollars, accounting for the fact that district fiscal years do not align to calendar years (Shores & Candelaria, 2020). Second, when comparing California to other states in some cases I

¹³ Common Core of Data, Education Data Portal (Version 0.23.0), Urban Institute, accessed August 7, 2025, <https://educationdata.urban.org/documentation/>, made available under the ODC Attribution License.

also subject figures to a comparable wage adjustment. I do this using the 2022 CWIFT data from the NCES.

Appendix B: Additional Results

Appendix B Tables

Table B1 - Mean Student and Non-Student Spending Per ADA by District Characteristic, 2024-25

	Non-Student					
	Student	Pre-K & Adult	Capital	Debt Service	Retirees	Non-Agency & Community Service
Overall	21538	686	3255	2085	122	181
Basic Aid Status						
Not Basic Aid	21225	696	3128	1962	120	181
Basic Aid	26845	519	5405	4167	152	175
Urbanicity						
City	22850	785	3597	2686	113	151
Suburb	20295	662	2878	1707	135	194
Town	20947	385	3331	1122	111	280
Non-Remote Rural	20702	296	3292	899	90	200
Remote Rural	25585	339	3955	1326	152	304
Average Daily Attendance (IQR=(287, 5490))						
Bottom 25%	25216	315	6168	1201	92	491
Middle 50%	20966	404	3260	1676	105	266
Upper 25%	21645	754	3232	2187	126	159
Grade Levels						
Elementary	20528	455	2862	1395	103	304
High	21285	410	3129	2688	131	141
Unified	21857	788	3383	2198	126	152
Free- and Reduce-Price Lunch Eligibility (IQR=(40, 79))						
Bottom 25%	19157	395	2935	2598	90	114
Middle 50%	20255	574	3140	1956	131	176
Upper 25%	25001	1038	3630	1969	127	230
Percent Black (IQR=(0.28, 2.3))						
Bottom 25%	23392	763	3445	1093	74	262
Middle 50%	20386	485	2709	1795	116	231
Upper 25%	22196	820	3621	2367	129	140
Percent Hispanic (IQR=(23, 72))						

Bottom 25%	19203	299	2741	2335	100	120
Middle 50%	20475	545	3255	2144	135	179
Upper 25%	24187	1064	3428	1897	106	206
Percent English Learners (IQR=(5, 24))						
Bottom 25%	19405	327	3043	1986	113	171
Middle 50%	21195	697	3265	2208	110	140
Upper 25%	23325	753	3281	1700	165	322
Observations	932					

Note. ADA-weighted.

Table B2 - Mean Per ADA Student Spending by Goal by District Characteristic, 2024-25

	General K-12 Ed.	Regular K-12 Ed.	CT E	SPE D	Supp ROCPs	Bilingua K-12 I	Other Goals	
Overall	14816	14150	28 9	4298	48	156	146	130
Basic Aid Status								
Not Basic Aid	14634	13969	28 6	4229	48	158	147	125
Basic Aid	17879	17220	34 9	5460	46	127	126	220
Urbanicity								
City	15689	15069	26 9	4789	65	166	156	144
Suburb	13760	13080	28 7	4128	30	158	150	135
Town	15374	14505	39 4	2972	45	110	77	52
Non-Remote Rural	15147	14523	33 0	2670	49	101	96	58
Remote Rural	18688	17670	74 0	3200	48	73	57	15
Average Daily Attendance (IQR=(287, 5490))								
Bottom 25%	18788	18578	14 8	2449	78	45	35	59
Middle 50%	14783	14226	28 3	3432	29	104	90	89
Upper 25%	14794	14099	29 2	4514	52	169	159	140
Grade Levels								
Elementary	14323	14275	4	3660	0	159	141	97
High	14602	13063	75	4214	193	162	149	22

Unified	14983	14262	6 30	4489	42	155	146	154
Free- and Reduced-Price Lunch Eligibility (IQR=(40, 79))								
Bottom 25%	12891	12448	7 22	3944	45	98	97	146
Middle 50%	13602	12877	5 33	4250	52	172	163	105
Upper 25%	17889	17179	2 26	4590	43	167	148	159
Percent Black (IQR=(0.28, 2.3))								
Bottom 25%	16716	16116	5 29	3528	17	260	196	76
Middle 50%	14156	13503	30 2	3814	44	145	131	108
Upper 25%	15125	14446	28 0	4697	53	156	151	150
Percent Hispanic (IQR=(23, 72))								
Bottom 25%	13136	12703	24 2	3805	53	83	82	127
Middle 50%	13734	13059	30 4	4283	43	170	163	143
Upper 25%	17275	16548	27 9	4489	54	158	137	109
Percent English Learners (IQR=(5, 24))								
Bottom 25%	13476	12870	32 7	3307	67	32	31	70
Middle 50%	14555	13832	30 6	4381	44	127	123	127
Upper 25%	16090	15601	22 2	4307	54	291	254	159

Note. ADA-weighted.

Table B3 - Mean Per ADA Student Spending by Function by District Characteristic, 2024-25

	Instruct.	Instruct.- Related Services	Pupil Services	Food	Transport.	Guidance/ Couns.	Plant	General Admin.	Enterprise
Overall	11894	2517	3051	887	483	638	2105	1369	143
Basic Aid Status									
Not Basic Aid	11721	2484	3041	892	482	637	2066	1328	142
Basic Aid	14811	3067	3227	803	503	646	2765	2066	161
Urbanicity									

City	12366	2883	3319	923	512	783	2202	1390	153
Suburb	11536	2224	2732	805	415	521	1969	1282	161
Town	11392	2179	3212	1027	553	527	2191	1536	17
Non-Remote Rural	11069	2032	3134	1136	780	422	2293	1787	30
Remote Rural	12838	2681	3993	1425	1177	580	3148	2362	9
Average Daily Attendance (IQR=(287, 5490))									
Bottom 25%	13291	2791	3341	1537	853	332	2810	2656	15
Middle 50%	11715	2095	2915	952	494	477	2135	1629	64
Upper 25%	11925	2613	3081	867	478	678	2093	1299	162
Grade Levels									
Elementary	12065	2105	2789	958	431	318	1876	1406	81
High	11013	2456	3192	707	568	911	2282	1420	104
Unified	11964	2641	3106	891	487	691	2146	1352	165
Free- and Reduced-Price Lunch Eligibility (IQR=(40, 79))									
Bottom 25%	11047	2037	2284	582	351	486	1868	1304	170
Middle 50%	11334	2279	2856	823	481	548	1964	1271	131
Upper 25%	13285	3182	3827	1176	570	871	2472	1562	144
Percent Black (IQR=(0.28, 2.3))									
Bottom 25%	12960	2777	3415	1174	601	513	2211	1675	34
Middle 50%	11431	2243	2780	795	447	549	1995	1333	132
Upper 25%	12132	2688	3212	928	499	710	2174	1370	159
Percent Hispanic (IQR=(23, 72))									
Bottom 25%	11025	2044	2306	626	381	484	1923	1311	170
Middle 50%	11499	2299	2814	805	459	529	1977	1287	148
Upper 25%	12877	3057	3719	1120	562	879	2392	1534	124
Percent English Learners (IQR=(5, 24))									
Bottom 25%	10507	1960	2505	701	496	502	2065	1458	445
Middle 50%	11639	2518	2994	850	468	687	2104	1337	131
Upper 25%	13161	2677	3406	1069	533	510	2122	1452	93

Note. ADA-weighted.

Table B4 - Mean Per ADA Student Spending by Object by District Characteristic, 2024-25

	Salaries	Teacher Salaries	Admin Salaries	Benefits	H&W Benefits	Retire. Benefits	Other Operations	Consulting	Subagree.	Books & Supplies
Overall	11829	6366	1163	4869	1736	2458	3397	1612	803	1374
Basic Aid Status										
Not Basic Aid	11640	6262	1136	4799	1711	2421	3349	1568	818	1379
Basic Aid	15029	8116	1624	6049	2162	3082	4214	2355	549	1302
Urbanicity										
City	12539	6649	1194	5319	1967	2658	3542	1591	958	1368
Suburb	11213	6182	1098	4462	1518	2287	3265	1592	747	1301
Town	11382	5967	1253	4679	1695	2316	3188	1679	413	1649

Non-Remote Rural	11033	5758	1364	4359	1469	2237	3449	1920	324	1747
Remote Rural	12837	6097	1618	5630	2180	2597	4599	2552	108	2343
Average Daily Attendance (IQR=(287, 5490))										
Bottom 25%	12473	6238	1787	5161	1922	2501	5353	3339	353	2105
Middle 50%	11475	6180	1271	4558	1567	2332	3355	1786	489	1466
Upper 25%	11907	6410	1133	4940	1774	2487	3393	1558	880	1347
Grade Levels										
Elementary	11408	6287	1200	4520	1551	2318	3182	1642	616	1331
High	11871	6372	1076	4928	1886	2390	3042	1558	378	1352
Unified	11942	6387	1165	4959	1768	2506	3506	1611	914	1390
Free- and Reduced-Price Lunch Eligibility (IQR=(40, 79))										
Bottom 25%	11089	6275	1089	4168	1322	2238	2804	1482	417	998
Middle 50%	11229	6125	1109	4508	1599	2270	3163	1502	775	1280
Upper 25%	13220	6797	1295	5863	2205	2886	4127	1863	1085	1753
Percent Black (IQR=(0.28, 2.3))										
Bottom 25%	12524	6551	1325	5413	1981	2666	3676	2028	576	1726
Middle 50%	11413	6242	1126	4543	1594	2319	3076	1525	599	1271
Upper 25%	12065	6438	1176	5053	1816	2538	3600	1639	964	1419
Percent Hispanic (IQR=(23, 72))										
Bottom 25%	11104	6306	1112	4170	1306	2235	2835	1456	451	1033
Middle 50%	11344	6202	1146	4538	1603	2292	3233	1569	773	1265
Upper 25%	12922	6672	1211	5684	2114	2822	3875	1740	976	1681
Percent English Learners (IQR=(5, 24))										
Bottom 25%	10659	5882	1123	4177	1419	2145	3241	1741	421	1268
Middle 50%	11693	6309	1125	4825	1717	2456	3280	1484	814	1337
Upper 25%	12634	6700	1306	5222	1894	2554	3839	2006	881	1531

Note. ADA-weighted.

Table B5 - Mean Financial Health Measures by District Characteristic, 2024-25

	Debt Service Costs			Reserves	
	Total	Principal Repayment	Interest Payments	State Reserves	Economic Uncertainty
Overall	2085	1033	834	4684	729
Basic Aid Status					
Not Basic Aid	1962	961	772	4666	701
Basic Aid	4167	2252	1882	4976	1196
Urbanicity					
City	2686	1378	966	4769	627
Suburb	1707	798	771	4252	688
Town	1122	533	580	5400	1299
Non-Remote Rural	899	458	412	7118	1276
Remote Rural	1326	750	517	10026	2612
Average Daily Attendance (IQR=(287, 5490))					
Bottom 25%	1201	584	567	13794	1641
Middle 50%	1676	797	854	5130	1071
Upper 25%	2187	1091	831	4512	642

Grade Levels					
Elementary	1395	672	694	4953	820
High	2688	1480	1003	5305	747
Unified	2198	1074	850	4524	701
Free- and Reduced-Price Lunch Eligibility (IQR=(40, 79))					
Bottom 25%	2598	1273	1111	2982	662
Middle 50%	1956	957	772	4070	688
Upper 25%	1969	1002	758	6686	833
Percent Black (IQR=(0.28, 2.3))					
Bottom 25%	1093	457	631	6368	1091
Middle 50%	1795	905	766	4003	760
Upper 25%	2367	1168	897	5026	678
Percent Hispanic (IQR=(23, 72))					
Bottom 25%	2335	1222	1028	3076	654
Middle 50%	2144	1035	847	4037	739
Upper 25%	1897	964	744	6358	736
Percent English Learners (IQR=(5, 24))					
Bottom 25%	1986	1177	792	4013	840
Middle 50%	2208	1090	850	4674	684
Upper 25%	1700	796	791	4914	848

Note. Figures are per-ADA and ADA-weighted.

Table B6 - Regressions Predicting Within-District School-Level Spending in 2023-24

	All School Types		Traditional Schools Only		
	(1)	(2)	(3)	(4)	(5)
<i>Education Type Offered (Reference Group = Traditional)</i>					
Alternative School of Choice	-1288.65 (1582.13)	-2700.92* (1264.98)			
Community Day School	26862.07*** (5870.79)	23120.32** (7800.60)			
Continuation School	429.48 (1870.83)	-309.67 (2156.84)			
SPED School	17878.46 (14556.18)	-26326.40 (48568.93)			
Other	36135.92 (22614.95)	24932.02 (22290.36)			

Charter	-2643.44* (1313.66)	-3615.12** (1205.41)	-2924.24* (1187.37)	-3272.17** (1212.70)	-3264.71* (1266.25)
SPED %age (0-100)	273.35+ (148.38)	-208.51 (276.34)	207.11** (64.86)	-280.41 (189.22)	-250.05 (419.01)
SPED %age Squared		8.85 (7.30)		14.97** (4.78)	13.33 (19.36)
SPED %age Cubed					0.02 (0.27)
District FEs	X	X	X	X	X
Schools	7939	7939	7036	7036	7036
R-sq.	0.442	0.456	0.611	0.619	0.619
Adj. R-sq.	0.393	0.408	0.574	0.582	0.582
Within R-sq.	0.293	0.310	0.141	0.157	0.157
Sample Mean	22568	22568	20887	20887	20887

Note. Standard errors clustered on districts in parentheses. Predictors representing percents (%) are on a 0-1 scale, except SPED shares are percentages (0-100). Model 1 is otherwise identical to model 7 in Table 9. Other education option types include home and hospital, juvenile court, and opportunity schools. SPED = Special education. FEs = Fixed effects. All models include student grade level shares and student enrollment (as a cubic function) as in Table 9. Values inflation-adjusted to 2024-25 dollars. + $p < .1$, * $p < .05$, ** $p < .01$, *** $p < .001$

Appendix B Figures

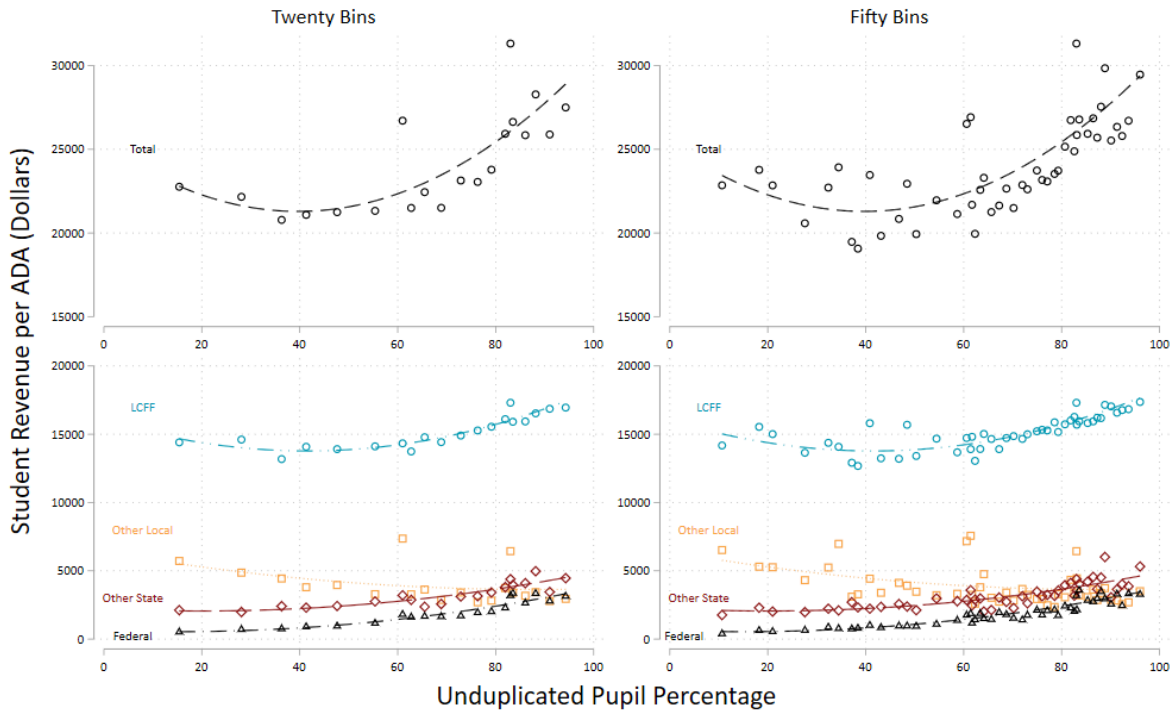


Figure B1. Binned scatter plots of student revenue and unduplicated pupil shares, California districts in 2024-25. Bin means are ADA-weighted. Lines are quadratic fits.

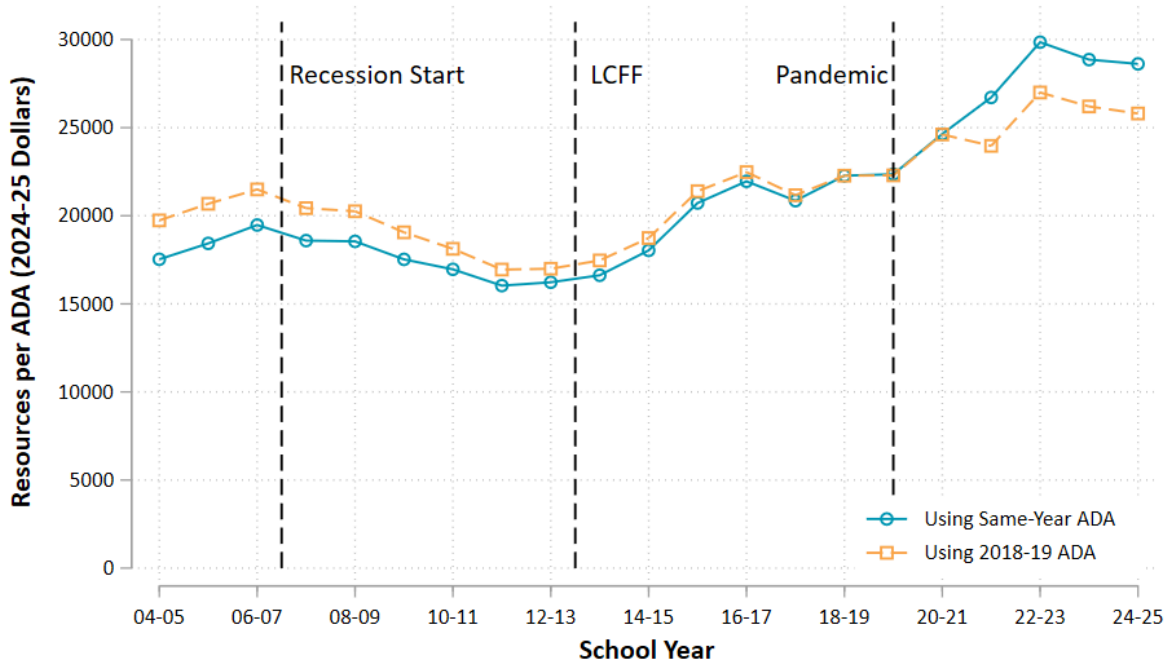


Figure B2. Total revenue and other financing per ADA in California districts over time using different ADA measures. The same-year ADA line replicates what is presented in Figure 6. The 2018-19 ADA line cacluates each district's per-ADA resources using its 2018-19 ADA. Mean annual resources are in all cases ADA weighted using same-year ADA.

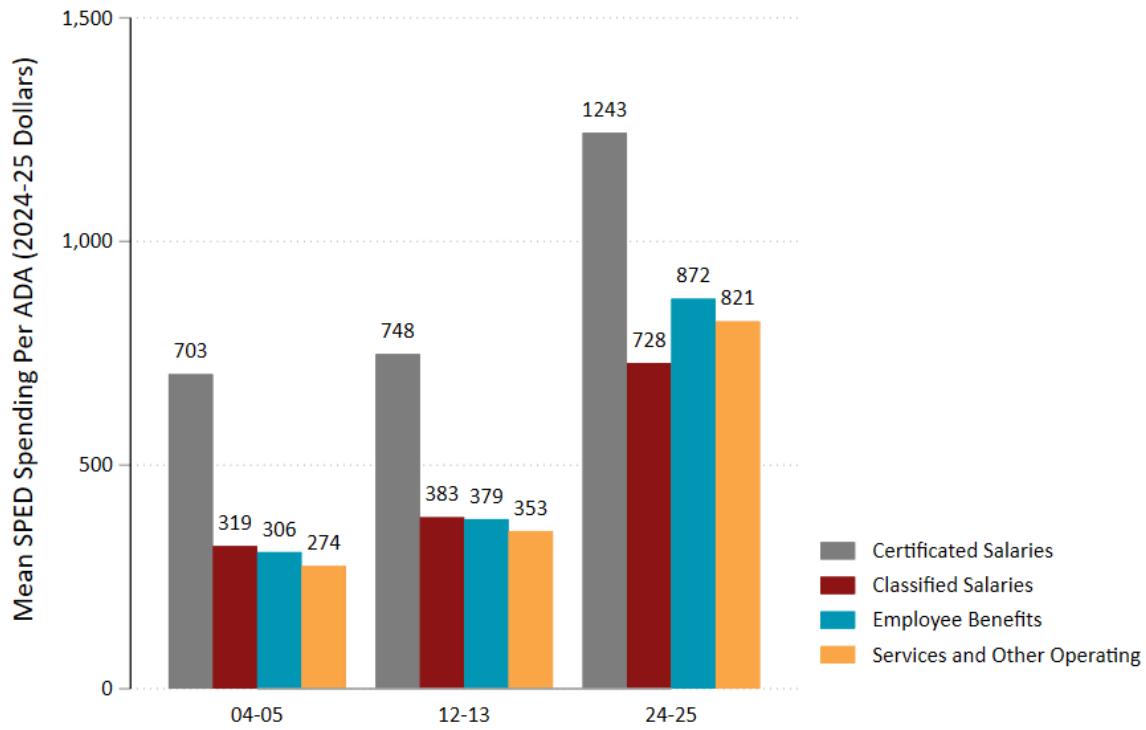


Figure B3. Special education (SPED) goal spending on specific objects.

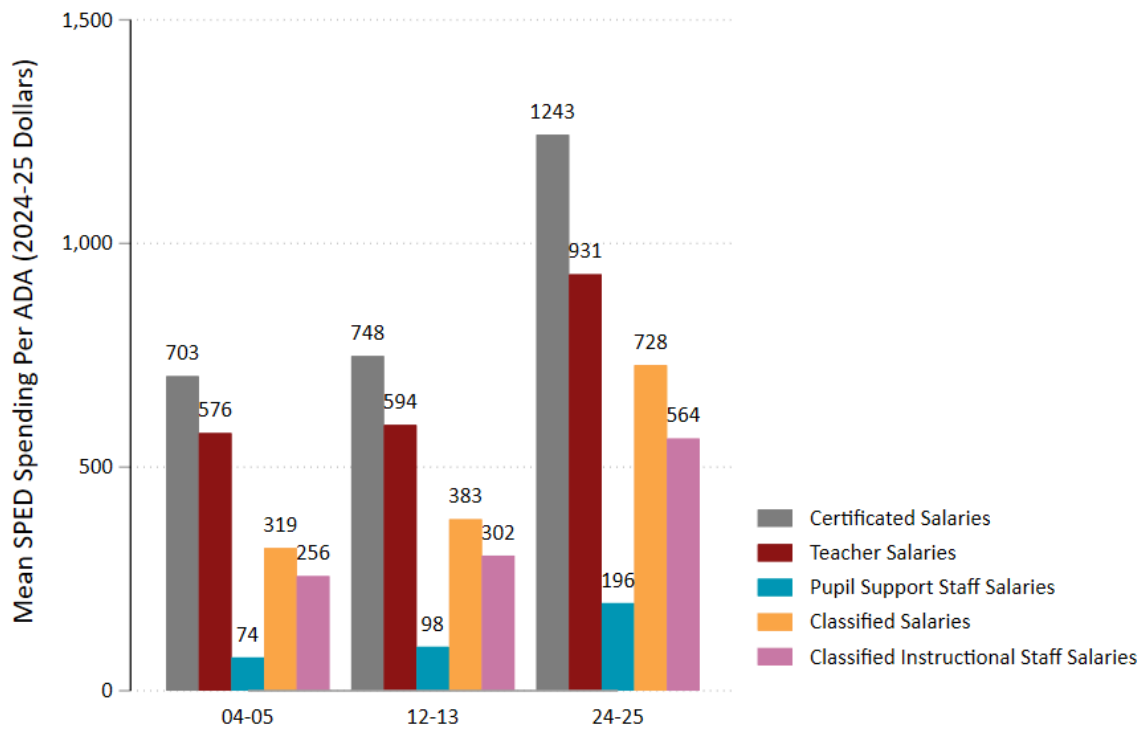


Figure B4. Special education (SPED) goal spending on specific salary objects.