

# Exhibit 55

**State of Arkansas School Funding Analysis:**  
Comparing 2003-04 and 2004-05 Revenue and Expenditure  
in Arkansas Schools

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## HOW ARE DOLLARS BEING SPENT IN ARKANSAS' SCHOOLS?

### I. Overall Summary

The purpose of this report is to examine the level of changes in and uses of revenues and expenditures per pupil for education in the state of Arkansas from the 2003-04 school year, the year before the implementation of Act 59, to the 2004-05 school year, the last year for which audited data are available and the first year of the response to the court's school finance adequacy mandate. The primary goals of this analysis are:

- To examine the level of various types of revenue and the extent to which those revenues have increased since the implementation of the Act 59 school funding formula, and
- To examine the distribution of school resources before and after implementation of Act 59 by analyzing the educational expenditures in school districts throughout the state of Arkansas. Specifically, we will assess the equity of resource distribution as well as the characteristics of resource distribution by school district property wealth per pupil, numbers of students, as well as by school district concentration of low income or minority students.
- To examine school district use educational resources by examining expenditures by function and how that changed in the year after Act 59.

To address the goals of this analysis, ten straightforward questions about the Arkansas educational system were asked, including:

1. How much money is in the Arkansas education system in 2004-05?
2. How much did fiscal resources for schools increase from 2003-04 to 2004-05?
3. What is the equity of foundation (local and state) revenue per pupil?
4. Are resources per pupil linked to property wealth, and did the linkage, if any, decrease from 2003-04 to 2004-05?
5. Were resources targeted to districts with higher percentage of students from a lower income background as measured by National School Lunch students, and did the targeting increase from 2003-04 to 2004-05?
6. Were resources targeted to districts with higher percentage of nonwhite students, and did targeting increase from 2003-04 to 2004-05?
7. Were more resources distributed to smaller districts, i.e., districts with lower average daily memberships from 2003-04 to 2004-05?
8. Were more resources distributed to districts with higher percentages of students failing Arkansas' state tests, the ACTAAP?
9. Have teacher salaries increased from 2003-04 to 2004-05?
10. What was the composition of expenditures in the Arkansas education system before and after the implementation of Act 59? Did instructional expenditures

per pupil, the main focus on the increased funding, rise after implementation of Act 59?

In short, the results show that Arkansas has substantially increased school revenues, has been successful in equalizing base spending across district property wealth per pupil, and has been successful in targeting additional funds to districts with high needs as indicated by student poverty (students eligible for the National School Lunch program), minority status and score on the state test. What remains to be known is whether the system has used the funds to equalize access to effective teachers and instructional quality, and therefore, the opportunity for higher student achievement; this is a focus of the parallel study of uses of resources at the school level, also being conducted by Lawrence O. Picus and Associates.

## **II. Study Description**

### *1. Indicators*

We focus on the following indicators of school district fiscal resources:

#### Revenues

- local revenue
- state revenue for the foundation program,
- state revenue for categorical aid, excluding revenues for facilities and capital
- federal revenue

#### Expenditures

- current operating expenditures (excluding expenditures for debt service and facilities)
- expenditures by function (instruction, instructional support, pupil support, site administration, central administration, maintenance and operations, transportation, and food and other).
- starting teacher salaries
- average teacher salaries.

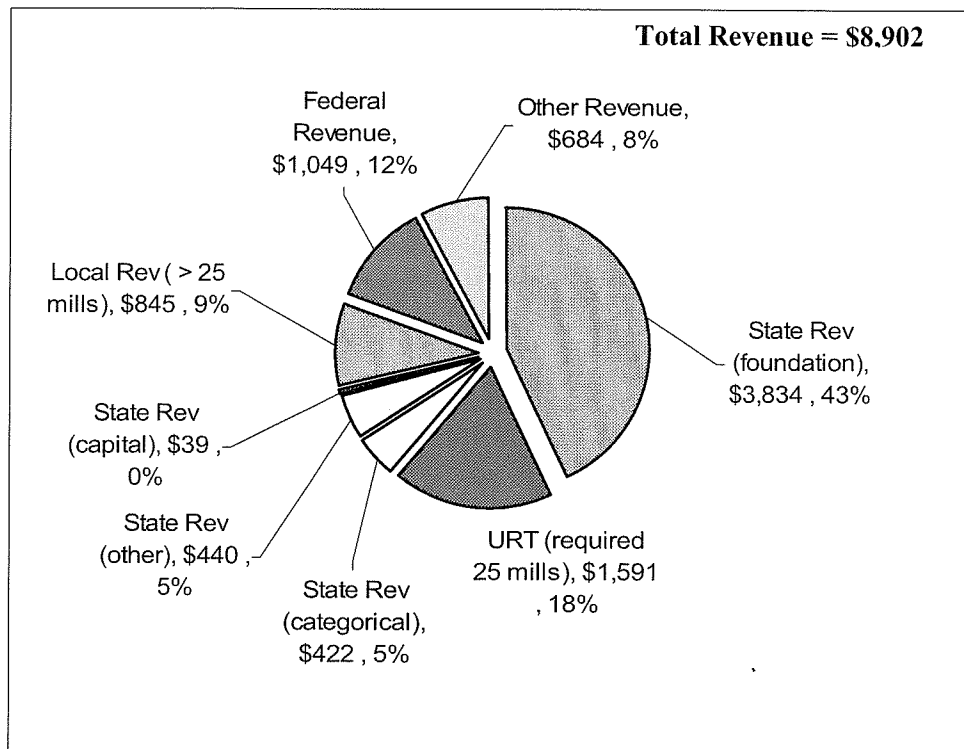
### *2. Characteristics*

This analysis initially focused on statewide average figures. However, an important aspect of the study was the “subgroup” analysis, or the study of the overall revenues/expenditures and change in expenditures by various characteristics of districts, including property wealth per pupil, percent students eligible for the National School Lunch program, minority status, score on the state test, and size as measured by the number of pupils. The specific district characteristics employed in the subgroup analysis were the following: district size in terms of the number of pupils, district growth, assessed property valuation, percentage of poverty students, percentage of students who are nonwhite, and percentage of students scoring proficient or better on the Arkansas state benchmark examination.

**1. How much money is in the Arkansas education system in 2004-05?**

Figure 1 provides a graphical representation of the various revenue sources as a percentage of the total for the 2004-05 school year. Figure 1 shows that \$3,834 per pupil or 43 percent of all revenues for education is from the state portion of the foundation program. When the URT revenues, the 25 required mills, are included in the state contribution, we find that the state contribution rises by \$1,591 per pupil, or 18 percent, to a total of 61 percent of education funding in Arkansas. State categorical revenues add an additional \$422 per pupil or five percent, and “other” state revenues provide an additional \$440 per pupil, or another five percent. All state sources, including the required 25 mill property tax rate, provide 81 percent of all education revenues.<sup>1</sup> Local revenues, above the required 25 mill rate, add an additional \$845 per pupil or nine percent. The federal government contributes \$1,049 per pupil or 12 percent. Finally, other revenue accounts for \$684, the remaining 8 percent of education funding.

**Figure 1: Arkansas Education Revenue Sources, 2004-05**



<sup>1</sup> State revenues include the desegregation revenues mandated by the federal court for the 3 districts in Pulaski County of \$32.8 million, which rose to \$58.7 million for 2005-06 and to \$60 million for 2006-07.

As should be clear, the total figures for the 2004-05 school year add up to a much higher total than the foundation program expenditure per pupil figure. The total for the foundation program was \$5,424 per student,<sup>2</sup> with \$3,834 coming from state foundation revenue and \$1,591 coming from the 25 mills required by the state in local contributions. The state contributed an additional \$422 for categorical needs and \$440 in other<sup>3</sup> revenue. The state also contributed \$29 per pupil for debt service and \$10 for general facilities, both of which are for capital purposes and not part of current operating expenses. Local school districts levied property taxes above the required 25 mill rate totaling an additional \$845 per pupil. Federal revenue amounted to \$1,049 per pupil, and other revenue was \$684 per pupil. Total per pupil revenues from all sources in the education system in 2004-05 and for all purposes were \$8,902 per pupil, or \$3,478 more than the foundation program level of \$5,424.

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<sup>2</sup> The \$5424 foundation amount is different from the actual figure of \$5400 for two major reasons. The first is that the pupil count for allocating the \$5400 for the 2004-05 school year is actually the 2003-04 pupil count, whereas the expenditure analysis includes the 2004-05 pupil count which will be different in many districts. Second, the \$5400 assumes a 98% collection rate for the local 25 mills. If the collection rate is higher, the district has more money. So it should be expected that the foundation revenues per pupil do not average exactly \$5400.

<sup>3</sup> Other state revenue includes ABC grants, other early childhood grants, distance learning, college prep enrichment programs, gifted and talented programs, workforce education, student growth funding, technology grants, consolidation incentives, high priority district teacher recruitment, isolated funding, and supplemental incentive funding.

**2. How have revenues changed and specifically, how much did revenues change from 2003-04 to 2004-05?**

Total education revenue in Arkansas increased dramatically in recent years, nearly doubling from \$2.2 billion in 1995-96 to over \$4.0 billion in 2004-05. Table 1 shows how revenues increased from 2003-04 to 2004-05. Total overall revenues increased by 16.5 percent. State general revenue (foundation program aid) increased by 19.2 percent over the same time period. The most notable change was in state categorical revenue, where funding for special education, high poverty students, alternative learning environment students, and English Language Learners, increased from \$22 million in 2003-04 to \$190 million in 2004-05, a hike of 761 percent. Federal revenue also increased by \$21 million during that same time period. Perhaps the most important trend in this table is that Total foundation revenue increased by 14.9 percent in one year.

**Table 1: Changes in Revenue Sources from 2003-04 to 2004-05**

<b>Revenue Source</b>	<b>2003-04 Revenue Per Pupil</b>	<b>2003-04 Total Revenue ( millions)</b>	<b>2004-05 Revenue Per Pupil</b>	<b>2004-05 Total Revenue (millions)</b>	<b>Percent Change in Total Revenue</b>
State Revenue (foundation)	\$3,237	\$1,450	\$3,834	\$1,728	19.2%
URT (required 25 mills)	\$1,518	\$680	\$1,591	\$717	5.5%
Total Foundation Revenue	\$4,755	\$2,129	\$5,424	\$2,445	14.9%
State Revenue (categorical)	\$49	\$22	\$422	\$190	761.4%
State Rev. (other)	\$442	\$198	\$440	\$198	0.2%
State Rev. (capital)	\$82	\$37	\$39	\$17	-52.1%
Local Rev. (local tax > 25 mills)	\$727	\$326	\$845	\$381	17.0%
Federal Revenue	\$1,000	\$448	\$1,049	\$473	5.7%
Other Revenue	\$642	\$287	\$684	\$308	7.3%
<b>Total Revenue</b>	<b>\$7,696</b>	<b>\$3,447</b>	<b>\$8,902</b>	<b>\$4,014</b>	<b>16.5%</b>

### 3. Has the Distribution of Funding Become More Equitable?

**Table 2: Equity Statistics for State and Local Education Revenues Per Pupil<sup>4</sup>**

Equity Statistic	2003-04	2004-05
Coefficient of Variation	0.08	0.07
McLoone Index	0.95	0.95
Federal Range Ratio	0.34	0.29
Fiscal Neutrality Correlation Coefficient	0.60	0.51
Fiscal Neutrality Wealth Elasticity	0.16	0.13
<i>Education Trust</i> Composite Score	-\$143	-\$116

Based on previous analyses, we find that Arkansas school funding is distributed in a relatively equitable manner as compared to other states. In fact, on previous publications by *Education Week* and *The Education Trust*, Arkansas has consistently been ranked in the top twenty states for equity. We find that over the last two years, Arkansas' equity measures have become more favorable.

The first three measures in Table 2 assess the inter-district variability in education resources. The first of these measures, the Coefficient of Variation, is a measure of the distribution of resources for all districts in the state of Arkansas. According to our calculations, the variation in the distribution of resources is becoming smaller between all districts. The second measure, the McLoone Index, reflects the equity in the bottom half of a state's revenue distribution. Generally, McLoone Index values above 0.90 are considered equitable, or "good". Arkansas has remained stable on this equity measure. The Federal Range Ratio reflects the overall dispersion of the distribution of resources between districts with revenues from the 5<sup>th</sup> to 95<sup>th</sup> percentile. This measure indicates how well resources are distributed among 90 percent of the students in the state – the 10 percent of the students in districts with outlier revenue figures are excluded. Arkansas has improved its equity value on this ratio, moving from .34 in 2003-04 to .29 in 2004-05.

While the first three measures of equity are based on dispersion of resources without regard to district socioeconomic characteristics, the final three measures incorporate district wealth and poverty. The Fiscal Neutrality Correlation Coefficient and Wealth Elasticity measure the relationship between local wealth and local and state foundation revenue per pupil. According to the principle of fiscal neutrality, these two variables should not be related; therefore, a low correlation value is desired. The decrease in the correlation coefficient from 0.60 to 0.51 indicates that our system is becoming more

<sup>4</sup> These analyses were conducted using the following revenues: state foundation revenues, UR Trevenues (25 mills), local revenues beyond 25 mills, and other local revenues.

“equitable” as the relationship between wealth and revenues is weaker. The decreasing Wealth Elasticity values indicate that the magnitude of the relationship between local property wealth and revenue is decreasing.

The *Education Trust* measure is based on the premise that traditional school finance statistics do not adequately reflect a state’s *equity* by simply comparing high and low spending districts without regard to district characteristics. Thus, the 2005 *Education Trust* equity measure was based on the spending gap between the lowest- and highest-poverty districts. The assumption underlying this measure is that a more “equitable” system targets more funding to districts with higher poverty rates. Specifically, *Education Trust* compared the average state and local revenues per student in the top 25 percent and bottom 25 percent of districts with regard to the percent of students living below the federal poverty line. We computed this same statistic (using NSLA percentage as our poverty measure) using the 2003-04 and 2004-05 Arkansas data. As Table 2 illustrates, Arkansas has become more equitable by this measure as the highest-poverty districts received \$143 less per student (compared to the lowest-poverty districts) in 2003-04 and \$116 less per student in 2004-05. Recall, these equity statistics are based only on local contribution and state foundation revenue, so categorical revenue is not included (when categorical revenues are included in this measure, we find that the higher poverty districts actually receive more revenue than do the lower poverty districts). The *Education Trust* figure echoes the same story as the previous measures: the Arkansas school finance system was more equitable in 2004-05 than in 2003-04.

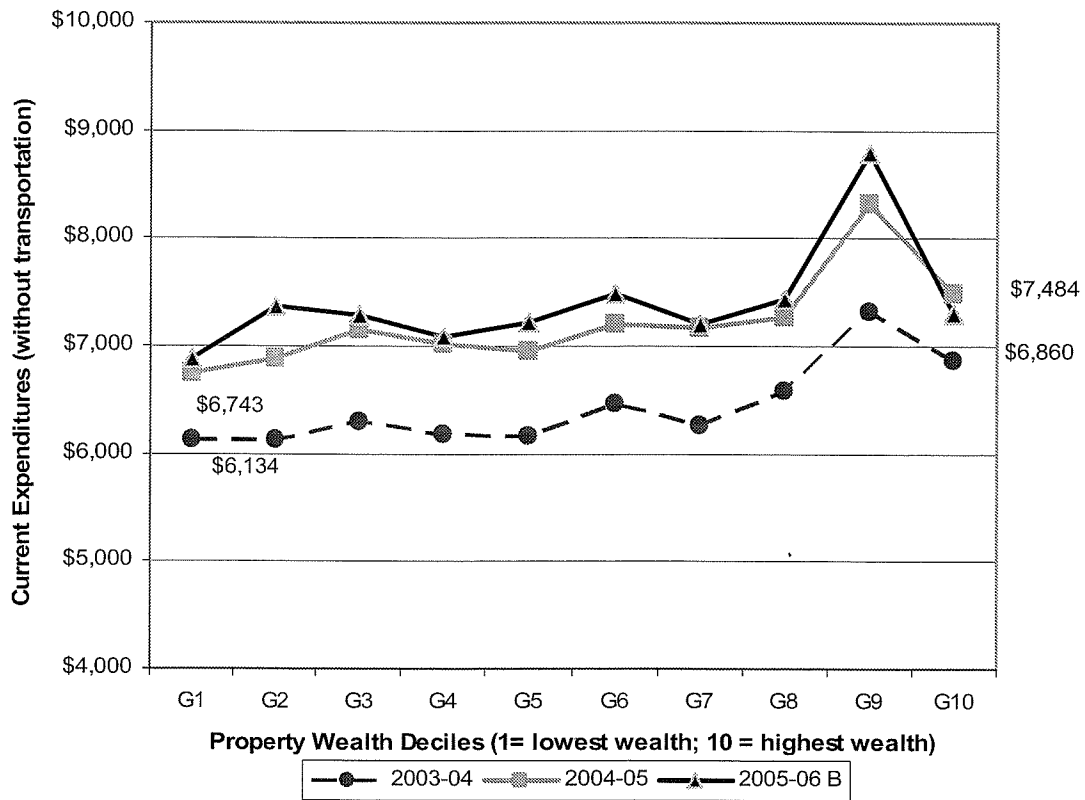
In sum, the Arkansas school funding system has become more equitable (according to traditional school finance measures of equity) as there is less overall dispersion of educational revenues in the wake of the implementation of Act 59. Further, the fiscal neutrality and *Education Trust* equity statistics presented here indicate that school funding Arkansas is becoming more equitable because it is providing more resources to the high poverty districts, which is exactly what the state has intended to do.



4. *Are resources per pupil linked to property wealth, and did the linkage, if any, decrease from 2003-04 to 2004-05?*

Figure 2 shows current operating expenditures per pupil, for both 2003-04 and 2004-05 and budgeted expenditures for 2005-06, by districts organized from low (G1) to high (G10) on property wealth per pupil. The anomaly in these figures – the spike in expenditures per pupil for the 9<sup>th</sup> decile – is caused by the expenditures per pupil in the Little Rock area, which are increased by about \$1,000 per pupil for mandated desegregation funding. If we had been able to exclude these special, earmarked revenues from the analysis, the expenditure per pupil in decile 9 would be closer to \$7,300 per pupil or in line with the expenditure per pupil figures for decile 8 and 10. Excluding the spike at decile 9, the numbers show that the linkage between spending per pupil and property wealth per pupil is quite small, and as the fiscal neutrality statistics in the previous section showed, declined from 2003-04 to 2004-05. For both 2004-05 and the budgeted figures for 2005-06, the per pupil spending numbers are quite equal across the wealth deciles, showing that in Arkansas there is very little connection between spending per pupil and property wealth per pupil. In other words, *Arkansas has created a system with more equalized spending across differing levels of property wealth.*

**Figure 2: Current Expenditures (minus transportation) by Property Wealth**



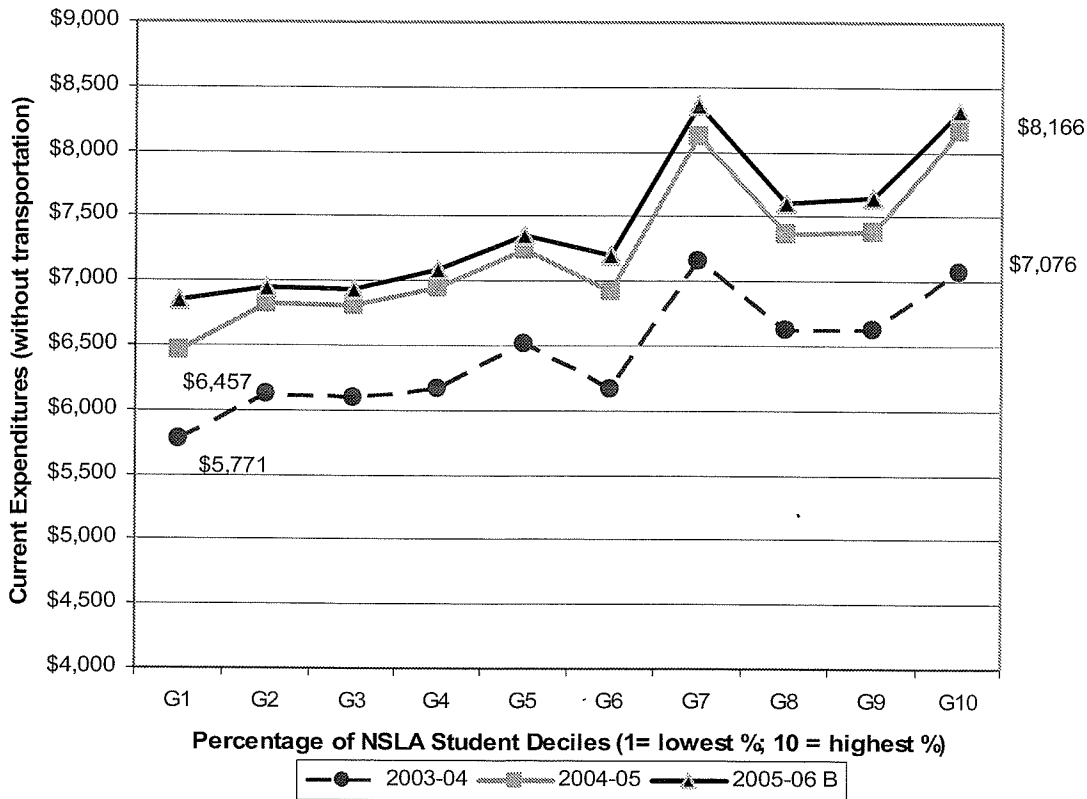
Note: Decile group 1 (G1) is the set of districts with the lowest assessed valuation per pupil; decile group 10 (G10) is the set of districts with the highest assessed valuation per pupil.

5. *Were resources targeted to districts with higher percentage of students from a lower income background as measured by National School Lunch students, and did the targeting increase from 2003-04 to 2004-05?*

As shown by Figure 3, districts serving the highest concentrations of students in poverty had higher levels of expenditures than did their peers serving fewer students in poverty. In 2004-05, the average spending in districts in the highest poverty decile was \$8,166, compared to \$6,457 for districts in the lowest poverty decile (see Appendix B.4). Not only do the districts with more poverty students have higher expenditure levels (as evidenced by the upward sloping graph in Figure 3), but these same districts have also experienced greater increases in spending from 2003-04 to 2004-05 than did districts serving fewer poor students. For example, districts in decile 10, which serve the greatest percentage of poverty students, experienced expenditure increases of more than \$1,000 per pupil compared to spending in districts in decile 1 which increased by less than \$700.

In short, the state has produced a situation in which the districts with the highest concentration of poverty students, and thus with the highest level of need, are spending at the highest levels and have experienced the greatest increases in expenditures per pupil since 2003-04.

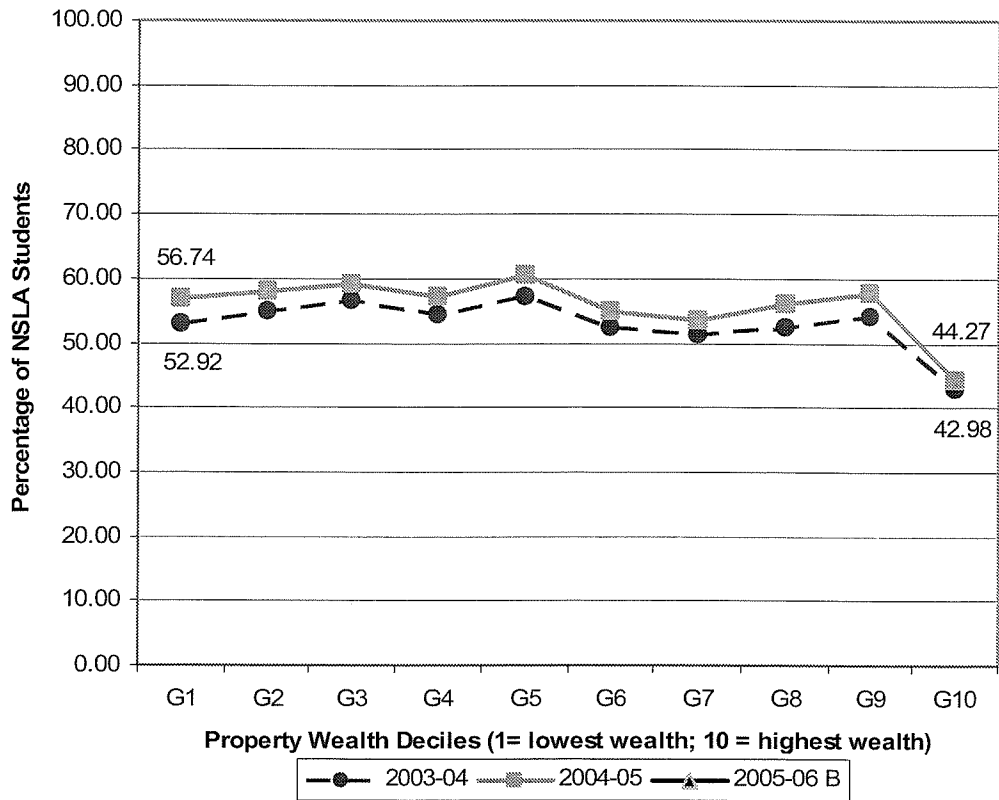
**Figure 3: Current Expenditures (minus transportation) by Percentage of Poverty Students**



Note: Decile group 1 (G1) is the set of districts serving the smallest fraction of poverty students; decile group 10 (G10) is the set of districts serving the largest fraction of poverty students.

On the surface, one might expect the relationship between spending per pupil and property wealth per pupil to be the opposite of the relationship between poverty and spending. This seems reasonable if it were true that wealth and poverty were inversely related for school districts in Arkansas. However, these factors are not neatly correlated in a negative manner. Figure 4 shows the percentage of students eligible for free and reduced price lunch by districts grouped by property wealth per pupil. The data show that the percentage of poverty students is about the same – in the mid-fifty percent range – for all but the highest wealth districts. Indeed, the correlation coefficients between property value per pupil and poverty rate for the districts in the state reveal only a weak negative correlation of  $r = -.16$  in both 2003-04 and 2004-05.

**Figure 4: Percentage of National School Lunch Students  
By District Assessed Valuation Per Pupil**



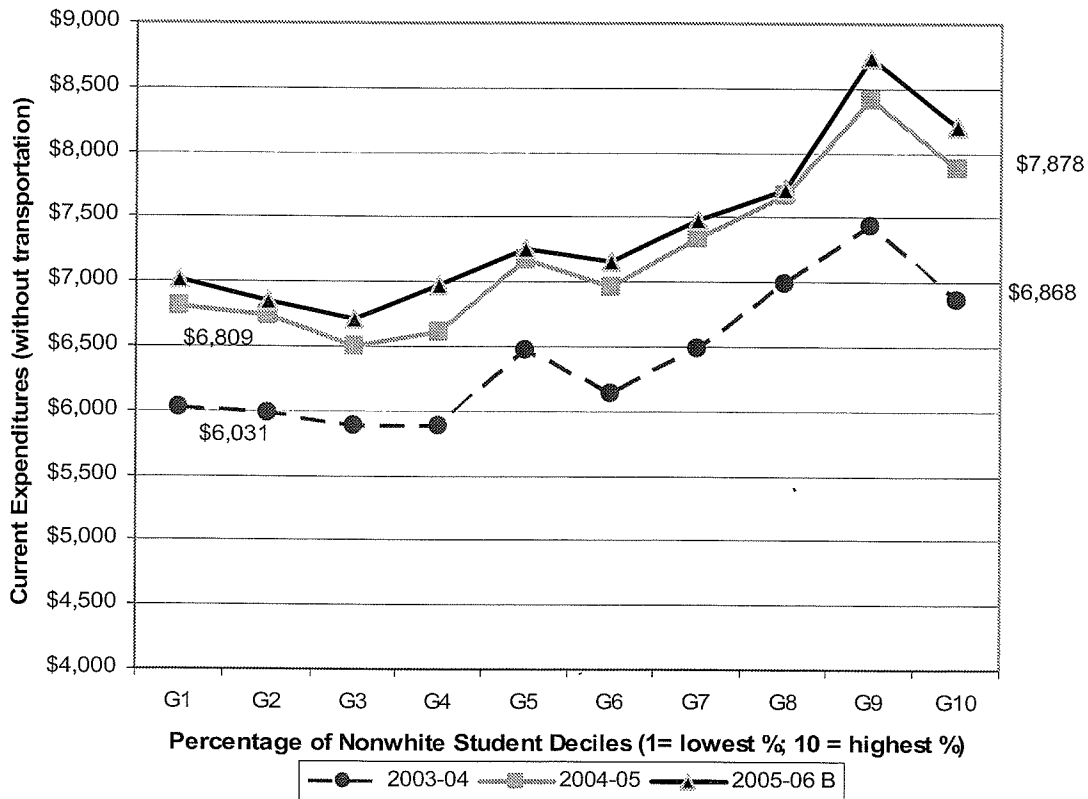
*Note: Decile group 1 (G1) is the set of districts with the lowest assessed valuation per pupil; decile group 10 (G10) is the set of districts with the highest assessed valuation per pupil.*

**6. Were resources targeted to districts with higher percentage of nonwhite students, and did targeting increase from 2003-04 to 2004-05?**

Arkansas also has targeted resources to the districts with the highest concentration on minority students, as shown by the data in Figure 5. As the percentage of minority, i.e., nonwhite, students increases, current operating expenditures per pupil also increase; the increase is substantial beginning with the fifth decile and above. Districts serving the highest percentages of nonwhite students had higher levels of expenditures than did their peers serving lower percentages of nonwhite students in all years considered here. In 2004-05, the average spending in districts with the largest percentage of nonwhite students (decile 10) was \$7,878, compared to \$6,868 for districts with the smallest percentage of nonwhite students (see Appendix B.5). Spending in the districts in decile 10, the highest nonwhite districts, experienced a 15 percent increase from 2003-04 to 2004-05 compared to the average spending increase across the state of 12 percent.

**Figure 5: Current expenditures (minus transportation) by Percentage of Nonwhite Students**

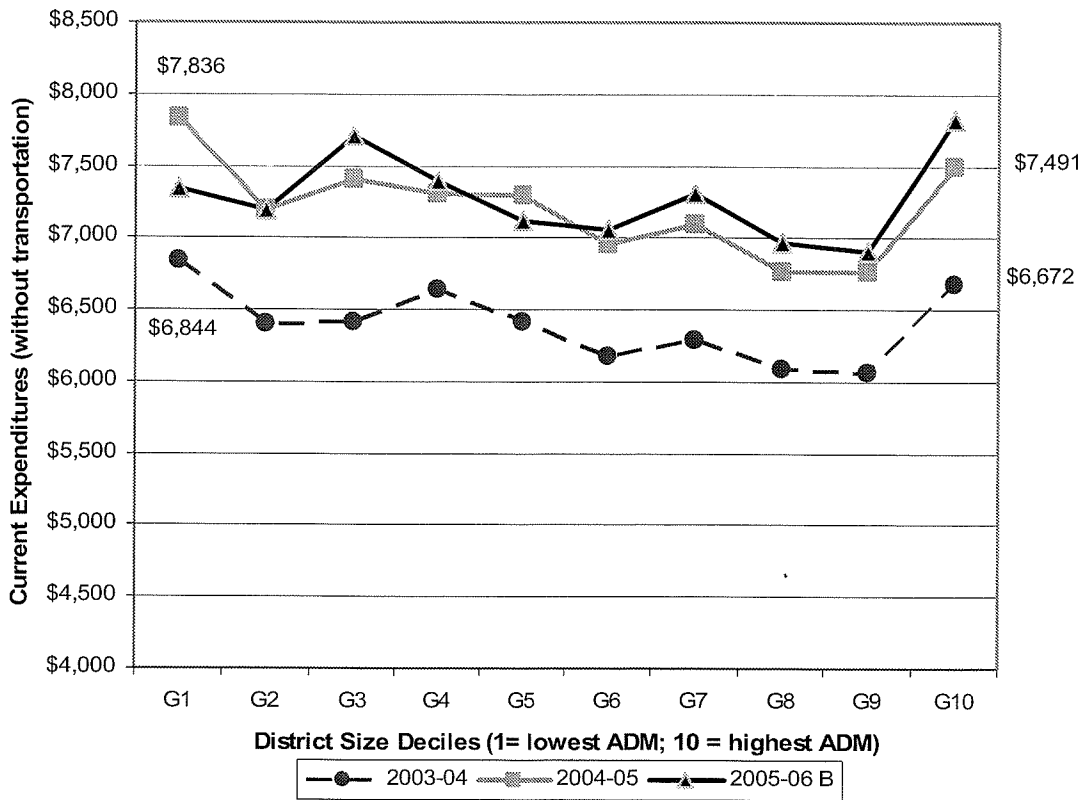
*Note: Decile group 1 (G1) is the set of districts serving the smallest percentage of nonwhite students; decile group 10 (G10) is the set of districts serving the largest percentage of nonwhite students.*



**7. Were more resources distributed to smaller districts, i.e., districts with lower average daily memberships from 2003-04 to 2004-05?**

Figure 6 shows expenditures per pupil (minus transportation) by school districts grouped by district size. In interpreting this figure, we again note that the expenditure figures, in this case for decile 10 – the largest districts, include approximately \$1,000 per pupil in desegregation funding. Without those resources, the chart would show that as district size rises, i.e., moving from decile 1 to decile 10, expenditures per pupil fall. Average expenditures per pupil are about \$7,500 a pupil. Figure 6 shows that a bit higher than that in the smaller three deciles, and a bit lower than that in the highest three deciles, remembering that the large spike in spending for decile 10 is due to desegregation funding, not the overall state funding system. The data also show that school district spending increased the most among the smallest districts, indicating that the state funding formula has not disadvantaged the smallest districts. For the districts in the first three deciles (districts with fewer than 600 pupils), spending increased by 15 percent compared to the 12 percent increase in spending for the highest three deciles (districts with more than 4,000 pupils) (see Appendix B.1).

**Figure 6: Current Expenditures (minus transportation) per Pupil by District Size**

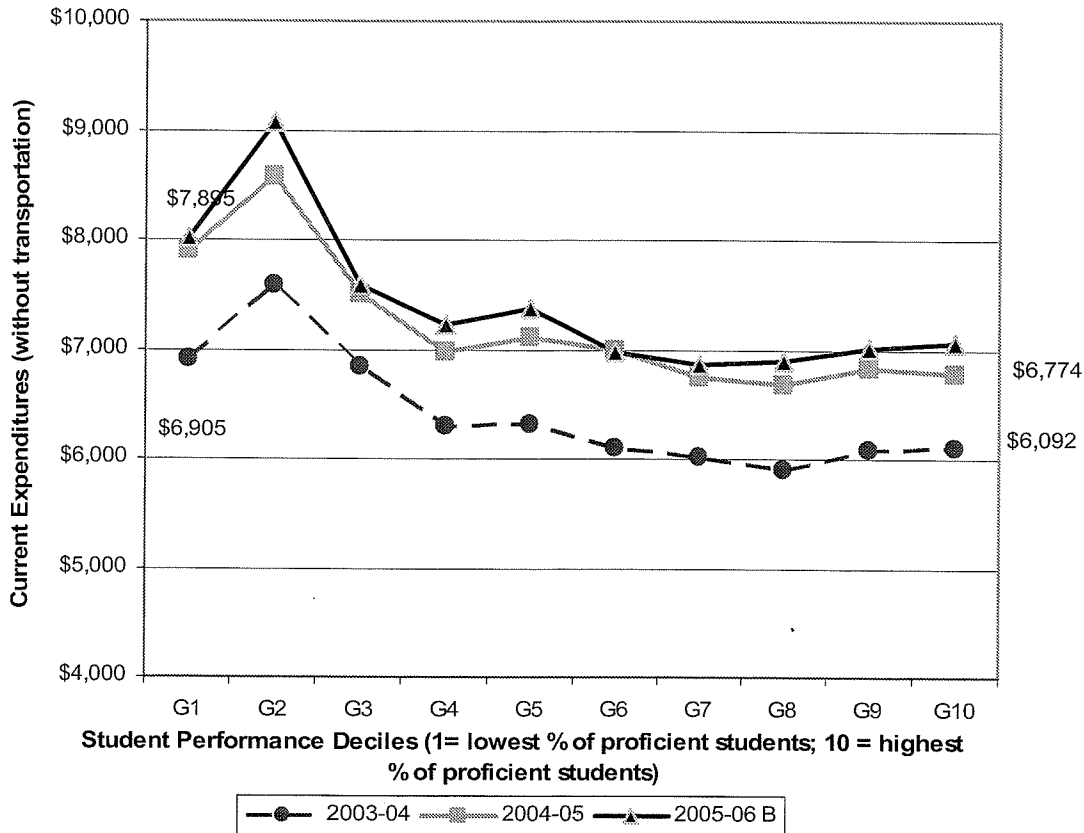


Note: Decile group 1 (G1) is the set of districts with the smallest average daily memberships; decile group 10 (G10) is the set of districts with the largest average daily memberships.

**8. Were more resources distributed to districts with higher percentages of students failing Arkansas' state tests, the ACTAAP?**

Figure 7 shows expenditures per pupil (minus transportation) by school districts grouped by percentage of students scoring proficient or better on the ACTAAP. In interpreting this figure, we again note that the expenditure figures, in this case for decile 2, the districts with low percentage of students scoring proficient on the ACTAAP, include the approximate \$1,000 per pupil in desegregation funding. Without those resources, the chart would show that as district proficiency increase, i.e., moving from decile 1 to decile 10, expenditures per pupil fall. Average expenditures per pupil are about \$7200 a pupil. The data show that school district spending increased approximately 18 percent for the students in the first two deciles, compared to a 15 percent increase for the remainder of the state (see Appendix B.6).

**Figure 7: Current Expenditures per Pupil (minus transportation) by Percentage of Students Scoring Proficient or Better on the ACTAAP**



*Note: Decile group 1 (G1) is the set of districts with the lowest percentage of students scoring proficient; decile group 10 (G10) is the set of districts with the largest percentage of students scoring proficient.*

***9. How have teacher salaries changed from 2003-04 to 2004-05?***

Overall, the average beginning salary in the state improved from \$27,380 in 2003-04 to \$30,070 in 2004-05. This represents an increase of nearly 10 percent. With respect to average salary for the teaching staff, the figure increased from \$39,409 in 2003-04 to \$41,489 in 2004-05, an increase of more than 5 percent. In the state's smallest school districts, average salaries increased by approximately 10 percent; in the poorest districts, average salaries increased by roughly 7 percent. In each case, these gains outpaced those of the statewide average.

**10. What was the composition of expenditures in the Arkansas education system before and after the implementation of Act 59? Did instructional expenditures per pupil, the main focus on the increased funding, rise after implementation of Act 59?**

Between 80 and 90 percent of all recommended additional resources from the 2003 adequacy study conducted by Lawrence O. Picus Associates were intended for increased instructional expenditures, and nearly all of those recommendations were included in Act 59. The adequacy report, and hence Act 59 did not contemplate increases for expenditures for site administration, district administration, operations and maintenance or transportation. Thus, the expectation – if districts used most of the new money for instruction – is that instructional expenditures in 2004-05 would have been substantially larger than they were in 2003-04, and that instructional expenditures as a percentage of all current operating expenditures would rise.

Tables 3 and 4 show that is not what happened. The data in Table 3 show that functional expenditures as a percent of overall expenditures stayed the same in all categories for both years, suggesting that spending for all functions rose, not just spending for instruction. Indeed, instructional expenditures were 61 percent of current operating expenditures in 2003-04 and the same 61 percent in 2004-05. The rationale for the increased funding as suggested by the Bisbee memo turning the findings from the 2003 study into a per pupil revenue figure was to put most of the new money in the system into the instructional category. The data in Table 3 suggest that is not how districts choose to use the new resources. Instead the funds were used to increase spending in all functional categories.

**Table 3: Changes in Expenditure Categories as a Percent of the Overall Budget**

<b>Expenditure Type</b>	<b>Per Pupil, 2003-04</b>	<b>% of Overall Budget, 2003-04</b>	<b>Per Pupil, 2004-05</b>	<b>% of Overall Budget, 2004-05</b>
Instruction	\$4,093	61%	\$4,604	61%
Instructional Support	\$316	5%	\$395	5%
Pupil Support	\$293	4%	\$325	4%
Site Administration	\$374	6%	\$413	6%
Central Administration	\$288	4%	\$304	4%
Maintenance & Operations	\$619	9%	\$676	9%
Transportation	\$242	4%	\$271	4%
Food & Other	\$447	7%	\$499	7%
<b>Total Current Expenditures</b>	<b>\$6,672</b>	<b>100%</b>	<b>\$7,489</b>	<b>100%</b>



In 2004-05, instructional costs accounted for the largest percent of the education budget at 61 percent. This finding is consistent with nearly all other studies of education expenditures that find instruction costs to be around 60 percent. Following instruction costs, the largest expenditures were for maintenance and operations (9%)<sup>5</sup>, food and other costs (7%), site administration (6%), instructional support (5%), pupil support (4%), central administration (4%), and transportation (4%). We do notice that as a percent of the overall budget, the expenditure categories are exactly the same in 2003-04 and 2004-05.

Table 4 shows that current operating expenditures increased by 13 percent from 2003-04 to 2004-05 (see also Table 4; Appendix A), and instructional expenditures increased by a similar amount, 13.2 percent. Instructional support costs increased the most at 26.1 percent, while all other costs increased by a range from 6.5 percent (central administration) to 12.4 percent (food and other). These numbers cannot show precisely how all the dollars were used; that is one goal of the studies of resource allocation and use in the random sample of 105 schools that also is being conducted by Lawrence O. Picus and Associates.

**Table 4: Changes in Expenditure Categories from 2003-04 to 2004-05**

<b>Expenditure Type</b>	<b>Per Pupil, 2003-04</b>	<b>Total, 2003-04 (in millions)</b>	<b>Per Pupil, 2004-05</b>	<b>Total, 2004-05 (in millions)</b>	<b>% Change Total</b>
Instruction	\$4,093	\$1,833	\$4,604	\$2,076	13.2%
Instructional Support	\$316	\$141	\$395	\$178	26.1%
Pupil Support	\$293	\$131	\$325	\$147	11.5%
Site Administration	\$374	\$168	\$413	\$186	11.3%
Central Administration	\$288	\$129	\$304	\$137	6.5%
Maintenance & Operations	\$619	\$277	\$676	\$305	10.1%
Transportation	\$242	\$108	\$271	\$122	13.0%
Food & Other	\$447	\$200	\$499	\$225	12.4%
<b>Total Current Expenditures</b>	<b>\$6,672</b>	<b>\$2,988</b>	<b>\$7,489</b>	<b>\$3,377</b>	<b>13.0%</b>

Given the small increase in instructional expenditures as a percent of total expenditures, we should note that all of the new targeted funds – all the dollars triggered on NSL counts, the funds for English language learning (ELL) students, and the funds for the ALE programs would be expected to be allocated to instructional functions if districts follow the recommendations of the 2003 study. The vast bulk of teachers are coded within instruction so the bulk of increases in teacher salaries would be coded within the instructional category. So the fact that instructional spending did not rise is something that needs additional analysis.

<sup>5</sup> It is important to note that the Legislature has required that districts spend at least 9 percent of their budget on building operations and maintenance.

## Summary

Overall, the preceding tables and figures show for the 2004-05 school year that in response to the court mandate for Arkansas to provide for adequate funding for schools:

- Revenues per pupil were \$8,902, including \$5,424 per pupil for the foundation program, \$422 per pupil for all state categorical programs, \$845 per pupil for local property tax add-ons, \$1,049 per pupil from the federal government, and \$39 per pupil from state revenues for capital, i.e., debt service and general facilities.
- Equity improved. The Coefficient of Variation dropped from 0.08 to 0.07 and the McLoone Index remained stable at 0.95, while the Federal Range Ratio decreased from 0.34 to 0.29. Similarly, the Fiscal Neutrality correlation dropped from 0.60 to 0.51 and the wealth elasticity dropped from 0.16 to 0.13.
- The linkage between expenditures per pupil (excluding transportation) and property wealth per pupil is very modest and declined from 2003-04 to 2004-05. So the state has equalized spending across property wealth.
- Spending per pupil rises as the percentage of students in poverty rises, as the percentage of minority students rises and as the percentage of students not passing the state test rises. So the state has targeted additional dollars to educational need.
- Spending per pupil on instruction has not risen as a percentage of overall operating expenses. If higher spending on instruction is one way to improve student achievement, accomplishing this objective over time is still a goal that needs to be attained.
- How education dollars are used at the school level is the focus of an additional study being conducted by Lawrence O. Picus and Associates. Its results should shed additional light on why the increase on instructional spending did not occur.

## APPENDIX A: Revenue and Expenditures

### Appendix A: Per Pupil Revenue and Expenditure Summary

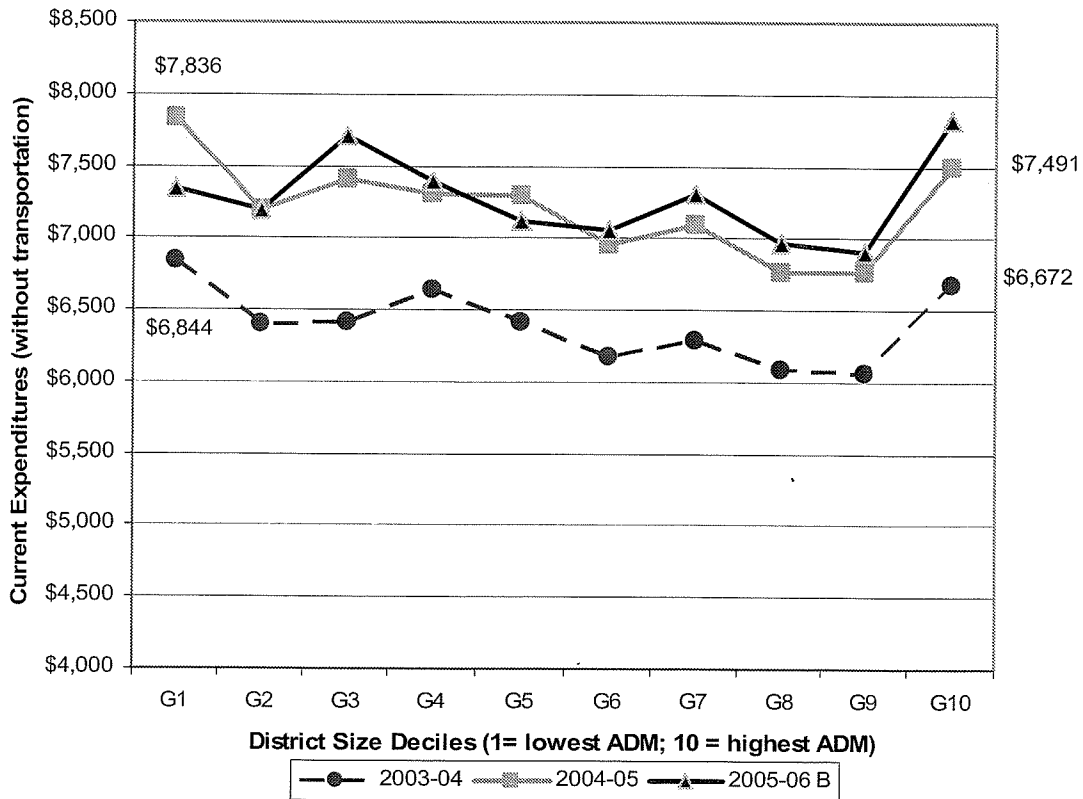
Category	Per Pupil, 2003-04 Actual	Per Pupil, 2004-05 Actual	% Change 03-04 to 04-05
Average Daily Membership	1763.28	1775.24	0.7%
Revenue:			
State Rev (foundation)	\$3,237	\$3,834	18.4%
Local Rev (required 25 mills)	\$1,518	\$1,591	4.8%
Total Foundation Revenue	\$4,755	\$5,424	14.1%
State Rev (categorical)	\$49	\$422	755.6%
State Rev (other)	\$442	\$440	-0.5%
State Rev (capital)	\$82	\$39	-52.5%
Local Rev (local tax > 25 mills)	\$727	\$845	16.2%
Federal Revenue	\$1,000	\$1,049	4.9%
Other Revenue	\$642	\$684	6.6%
<b>Total Revenue</b>	<b>\$7,696</b>	<b>\$8,902</b>	<b>15.7%</b>
Expenditures:			
Instruction	\$4,093	\$4,604	12.5%
Instructional Support	\$316	\$395	25.2%
Pupil Support	\$293	\$325	10.8%
Site Administration	\$374	\$413	10.6%
Central Administration	\$288	\$304	5.7%
Maintenance & Operations	\$619	\$676	9.3%
Transportation	\$242	\$271	12.2%
Food & Other	\$447	\$499	11.7%
<b>Total Current Expenditures</b>	<b>\$6,672</b>	<b>\$7,489</b>	<b>12.3%</b>

## Appendix B: Current Expenditures per Pupil (excluding transportation expenses)

**Table B.1: Current Expenditures (minus transportation) by District Size**

District Size Category	Avg (04-05) District Size	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	376	25	9,406	\$6,844	\$7,836	\$7,340	14%	7%
Decile 2	502	26	13,058	\$6,407	\$7,196	\$7,197	12%	12%
Decile 3	601	25	15,021	\$6,419	\$7,408	\$7,711	15%	20%
Decile 4	713	26	18,525	\$6,644	\$7,304	\$7,390	10%	11%
Decile 5	859	25	21,472	\$6,413	\$7,290	\$7,121	14%	11%
Decile 6	1,033	26	26,871	\$6,177	\$6,955	\$7,054	13%	14%
Decile 7	1,366	25	34,153	\$6,290	\$7,092	\$7,306	13%	16%
Decile 8	1,813	26	47,128	\$6,081	\$6,770	\$6,970	11%	15%
Decile 9	2,848	25	71,190	\$6,065	\$6,768	\$6,909	12%	14%
Decile 10	7,763	25	194,086	\$6,672	\$7,491	\$7,822	12%	17%
<b>State Total</b>	<b>1,775</b>	<b>254</b>	<b>450,910</b>	<b>\$6,430</b>	<b>\$7,218</b>	<b>\$7,421</b>	<b>12%</b>	<b>15%</b>

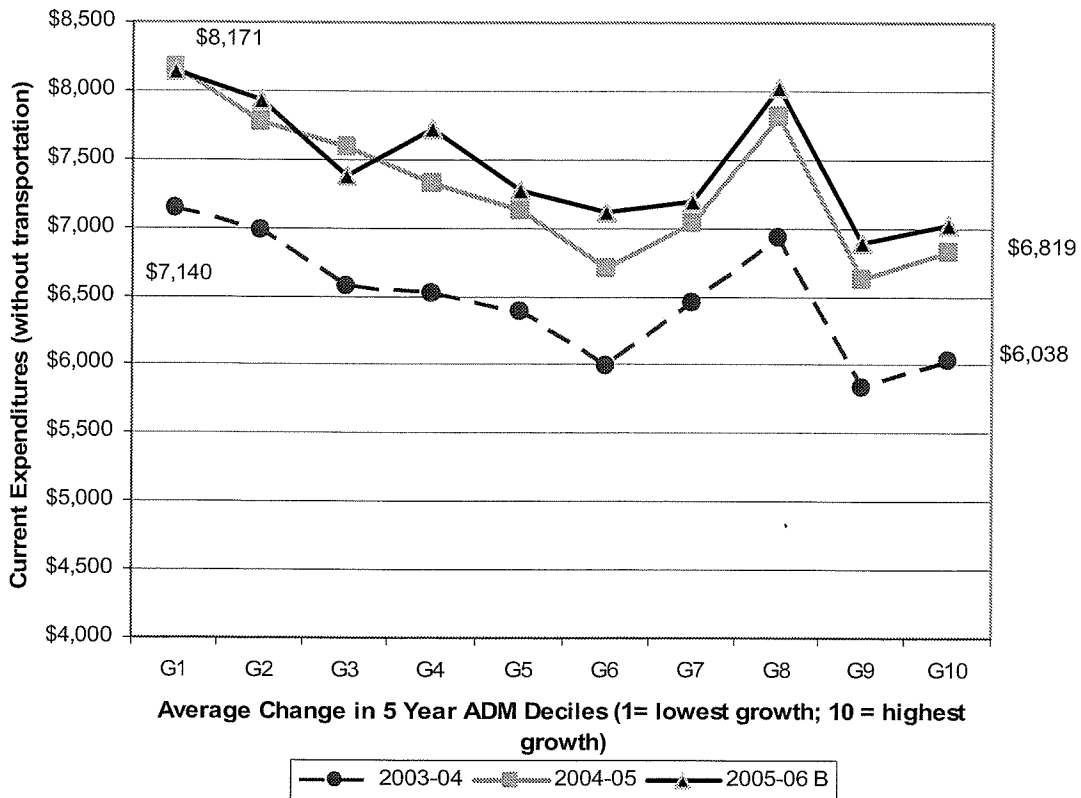
**Figure B.1: Current Expenditures (minus transportation) by District Size**



**Table B.2: Current Expenditures (minus transportation) by District Growth**

District Growth Category	Avg (04-05) District Growth	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	-22.2%	28	29,658	\$7,140	\$8,171	\$8,138	14%	14%
Decile 2	-12.8%	23	18,666	\$6,986	\$7,778	\$7,936	11%	14%
Decile 3	-9.8%	25	19,782	\$6,569	\$7,591	\$7,373	16%	12%
Decile 4	-6.9%	26	48,114	\$6,522	\$7,327	\$7,721	12%	18%
Decile 5	-3.7%	27	39,667	\$6,393	\$7,123	\$7,268	11%	14%
Decile 6	-0.7%	30	48,104	\$5,997	\$6,705	\$7,110	12%	19%
Decile 7	2.1%	20	46,484	\$6,460	\$7,031	\$7,194	9%	11%
Decile 8	5.0%	25	76,400	\$6,932	\$7,809	\$8,019	13%	16%
Decile 9	9.5%	24	53,201	\$5,829	\$6,621	\$6,886	14%	18%
Decile 10	20.2%	25	70,540	\$6,038	\$6,819	\$7,027	13%	16%
<b>State Total</b>	<b>-2.2%</b>	<b>253</b>	<b>450,616</b>	<b>\$6,430</b>	<b>\$7,217</b>	<b>\$7,426</b>	<b>12%</b>	<b>15%</b>

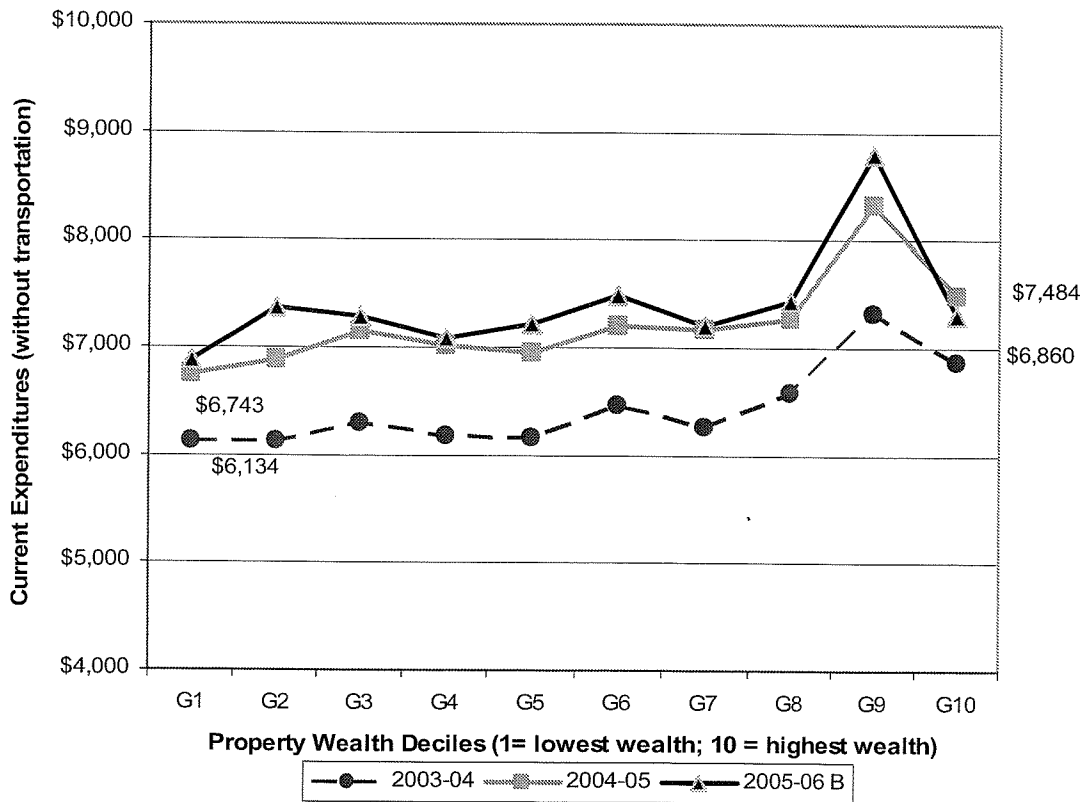
**Figure B.2: Current Expenditures (minus transportation) by District Growth**



**Table B.3: Current Expenditures (minus transportation) by Valuation Per Pupil**

Assessed Valuation Category	Avg (04-05) Assessed Valuation PP	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	32,372	42	45,471	\$6,134	\$6,743	\$6,889	10%	12%
Decile 2	39,714	38	46,836	\$6,131	\$6,890	\$7,373	12%	20%
Decile 3	44,489	30	43,273	\$6,288	\$7,154	\$7,287	14%	16%
Decile 4	50,499	30	45,419	\$6,181	\$7,023	\$7,085	14%	15%
Decile 5	57,582	36	49,035	\$6,163	\$6,945	\$7,211	13%	17%
Decile 6	64,965	22	42,700	\$6,472	\$7,198	\$7,483	11%	16%
Decile 7	72,194	19	45,117	\$6,258	\$7,160	\$7,195	14%	15%
Decile 8	84,182	13	56,507	\$6,582	\$7,276	\$7,438	11%	13%
Decile 9	97,163	10	49,543	\$7,326	\$8,326	\$8,790	14%	20%
Decile 10	122,082	14	27,011	\$6,860	\$7,484	\$7,294	9%	6%
<b>State Total</b>	<b>64,921</b>	<b>254</b>	<b>450,910</b>	<b>\$6,430</b>	<b>\$7,218</b>	<b>\$7,421</b>	<b>12%</b>	<b>15%</b>

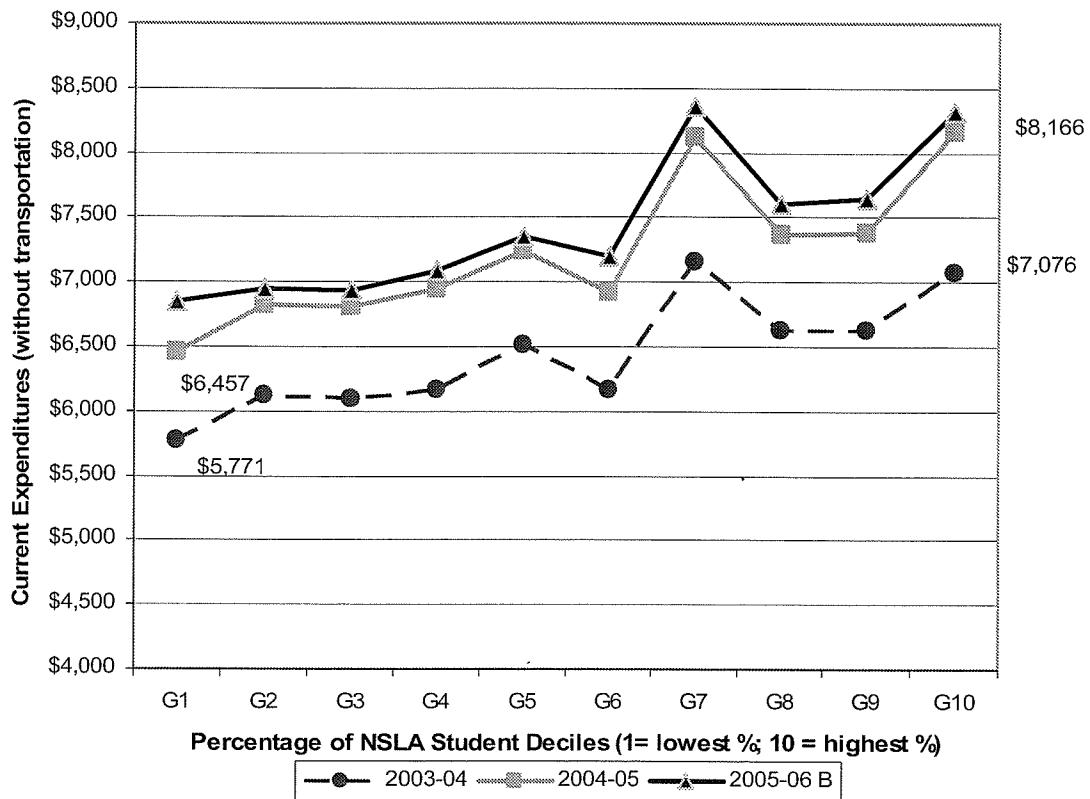
**Figure B.3: Current Expenditures (minus transportation) by Valuation Per Pupil**



**Table B.4: Current Expenditures (minus transportation) by NSLA %**

NSLA % Category	Avg (04-05) NSLA %	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	15	47,252	\$5,771	\$6,457	\$6,847	12%	19%
Decile 2	35.9%	18	43,561	\$6,116	\$6,822	\$6,943	12%	14%
Decile 3	44.1%	31	44,692	\$6,101	\$6,812	\$6,926	12%	14%
Decile 4	47.7%	13	45,805	\$6,160	\$6,947	\$7,082	13%	15%
Decile 5	49.8%	27	46,907	\$6,520	\$7,245	\$7,345	11%	13%
Decile 6	54.2%	32	54,589	\$6,171	\$6,919	\$7,192	12%	17%
Decile 7	58.0%	20	49,274	\$7,152	\$8,124	\$8,352	14%	17%
Decile 8	60.4%	21	30,930	\$6,627	\$7,364	\$7,606	11%	15%
Decile 9	67.5%	39	42,952	\$6,619	\$7,380	\$7,646	12%	16%
Decile 10	86.6%	38	44,948	\$7,076	\$8,166	\$8,320	15%	18%
<b>State Total</b>	<b>52.8%</b>	<b>254</b>	<b>450,910</b>	<b>\$6,430</b>	<b>\$7,218</b>	<b>\$7,421</b>	<b>12%</b>	<b>15%</b>

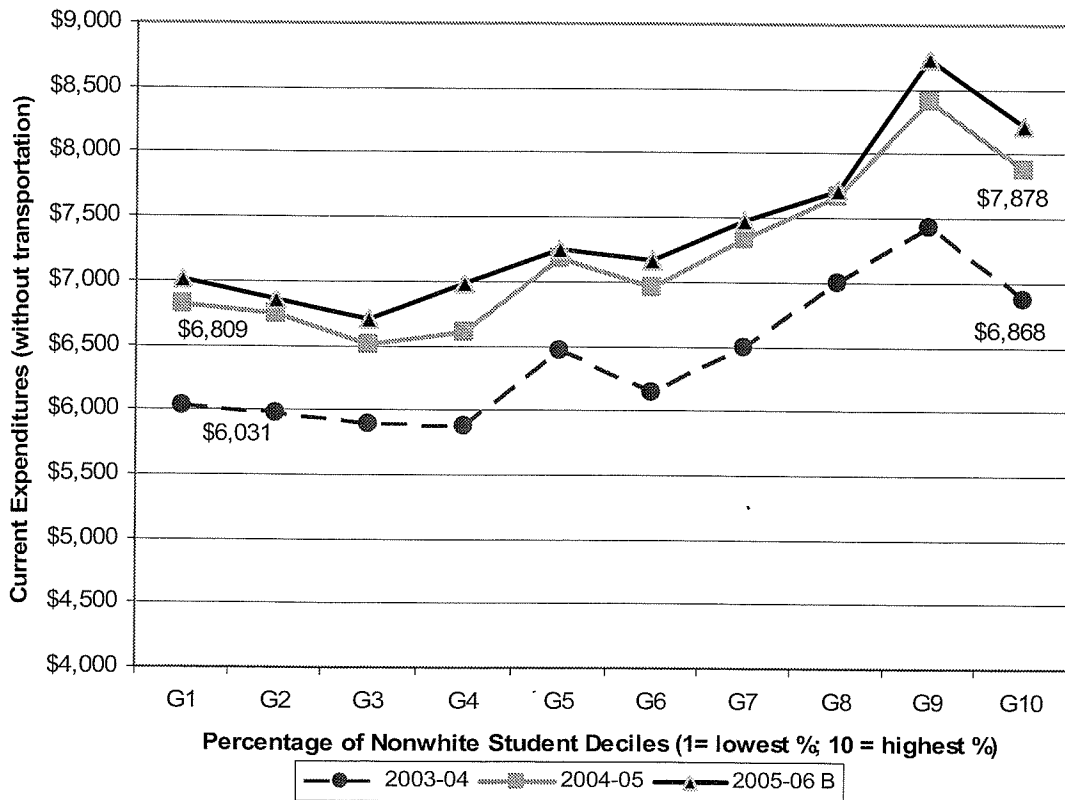
**Figure B.4: Current Expenditures (minus transportation) by NSLA %**



**Table B.5: Current Expenditures (minus transportation) by Percent Non-White Students**

Percent Non-White Category	Avg (04-05) Percent Non-White	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	1.5%	52	45,447	\$6,031	\$6,809	\$7,012	13%	16%
Decile 2	3.4%	36	49,427	\$5,980	\$6,740	\$6,853	13%	15%
Decile 3	5.4%	27	40,827	\$5,889	\$6,502	\$6,708	10%	14%
Decile 4	10.6%	27	45,368	\$5,880	\$6,606	\$6,981	12%	19%
Decile 5	20.1%	25	44,394	\$6,471	\$7,173	\$7,249	11%	12%
Decile 6	30.8%	21	45,995	\$6,144	\$6,956	\$7,162	13%	17%
Decile 7	40.0%	19	53,823	\$6,486	\$7,333	\$7,475	13%	15%
Decile 8	47.5%	12	36,330	\$6,994	\$7,670	\$7,710	10%	10%
Decile 9	68.0%	18	59,736	\$7,432	\$8,406	\$8,736	13%	18%
Decile 10	87.0%	17	29,564	\$6,868	\$7,878	\$8,210	15%	20%
<b>State Total</b>	<b>30.5%</b>	<b>254</b>	<b>450,910</b>	<b>\$6,430</b>	<b>\$7,218</b>	<b>\$7,421</b>	<b>12%</b>	<b>15%</b>

**Figure B.5: Current Expenditures (minus transportation) by Percent Non-White Students**

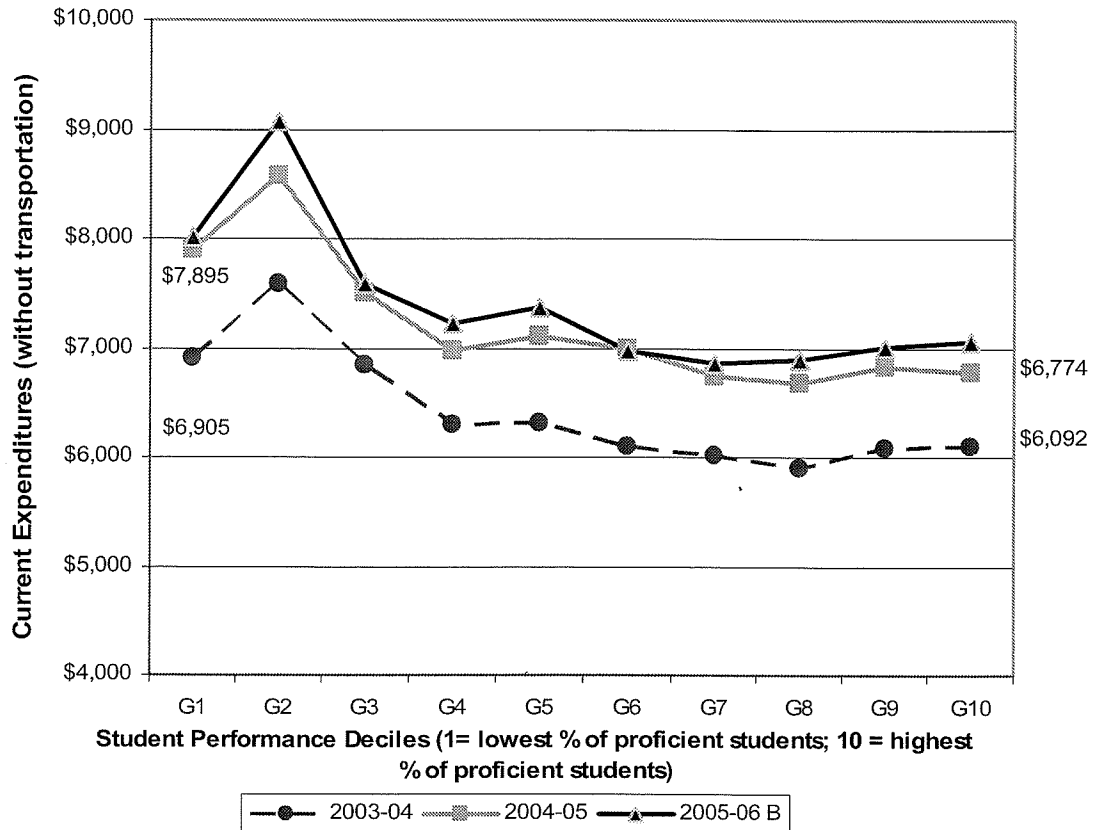




**Table B.6: Current Expenditures (minus transportation) by % Students Scoring Proficient or Better on ACTAAP**

Students Scoring Proficient or Better Category	Avg (04-05) Student Scoring Proficient or Better	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	31	42,486	\$6,905	\$7,895	\$8,022	14%	16%
Decile 2	36.2%	8	48,092	\$7,594	\$8,577	\$9,080	13%	20%
Decile 3	41.2%	29	46,061	\$6,837	\$7,499	\$7,589	10%	11%
Decile 4	45.3%	31	45,279	\$6,290	\$6,968	\$7,216	11%	15%
Decile 5	48.3%	31	45,795	\$6,319	\$7,114	\$7,380	13%	17%
Decile 6	51.9%	34	51,112	\$6,094	\$6,984	\$6,982	15%	15%
Decile 7	54.7%	25	44,713	\$6,025	\$6,743	\$6,865	12%	14%
Decile 8	57.0%	26	38,583	\$5,903	\$6,670	\$6,889	13%	17%
Decile 9	59.9%	22	47,891	\$6,088	\$6,830	\$7,013	12%	15%
Decile 10	66.3%	17	40,898	\$6,092	\$6,774	\$7,065	11%	16%
<b>State Total</b>	<b>48.6%</b>	<b>254</b>	<b>450,910</b>	<b>\$6,430</b>	<b>\$7,218</b>	<b>\$7,421</b>	<b>12%</b>	<b>15%</b>

**Figure B.6: Current Expenditures (minus transportation) by % Students Scoring Proficient or Better on ACTAAP**

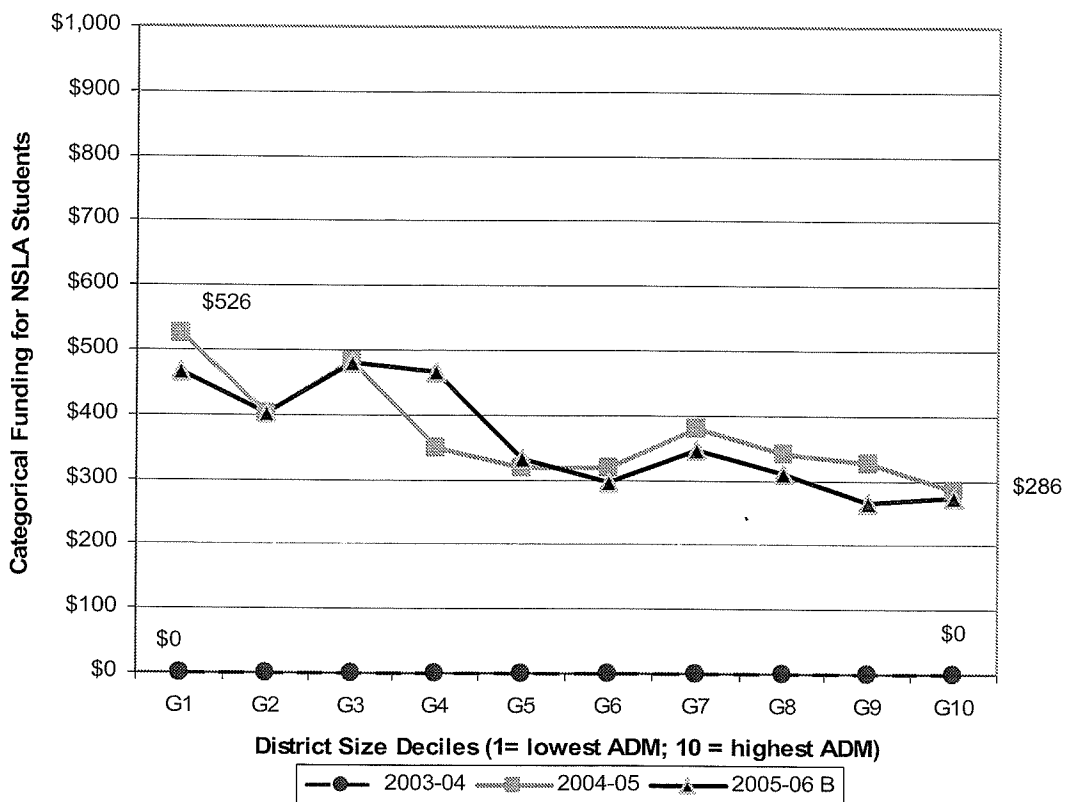


## Appendix C: Categorical Funding – NSLA

**Table C.1: Categorical Funding for NSLA Students by District Size**

District Size Category	Avg (04-05) District Size	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	376	25	9,406	\$0	\$526	\$468	NA	-11%
Decile 2	502	26	13,058	\$0	\$402	\$402	NA	0%
Decile 3	601	25	15,021	\$0	\$482	\$479	NA	-1%
Decile 4	713	26	18,525	\$0	\$349	\$466	NA	33%
Decile 5	859	25	21,472	\$0	\$317	\$332	NA	5%
Decile 6	1,033	26	26,871	\$0	\$319	\$295	NA	-8%
Decile 7	1,366	25	34,153	\$0	\$381	\$347	NA	-9%
Decile 8	1,813	26	47,128	\$0	\$341	\$309	NA	-9%
Decile 9	2,848	25	71,190	\$0	\$327	\$264	NA	-19%
Decile 10	7,763	25	194,086	\$0	\$286	\$273	NA	-4%
<b>State Total</b>	<b>1,775</b>	<b>254</b>	<b>450,910</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

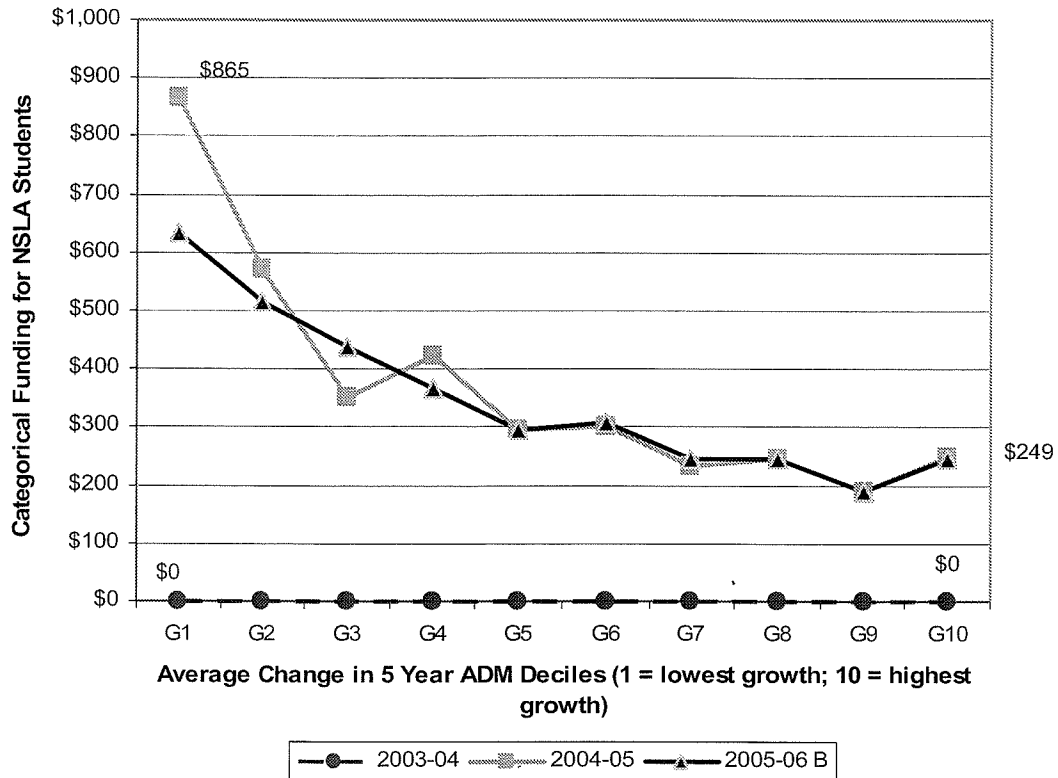
**Figure C.1: Categorical Funding for NSLA Students by District Size**



**Table C.2: Categorical Funding for NSLA Students by District Growth**

District Growth Category	Avg (04-05) District Growth	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	-22.2%	28	29,658	\$0	\$865	\$635	NA	-27%
Decile 2	-12.8%	23	18,666	\$0	\$573	\$517	NA	-10%
Decile 3	-9.8%	25	19,782	\$0	\$351	\$437	NA	25%
Decile 4	-6.9%	26	48,114	\$0	\$422	\$367	NA	-13%
Decile 5	-3.7%	27	39,667	\$0	\$295	\$295	NA	0%
Decile 6	-0.7%	30	48,104	\$0	\$303	\$309	NA	2%
Decile 7	2.1%	20	46,484	\$0	\$234	\$244	NA	4%
Decile 8	5.0%	25	76,400	\$0	\$244	\$244	NA	0%
Decile 9	9.5%	24	53,201	\$0	\$189	\$189	NA	0%
Decile 10	20.2%	25	70,540	\$0	\$249	\$245	NA	-2%
<b>State Total</b>	<b>-2.2%</b>	<b>253</b>	<b>450,616</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

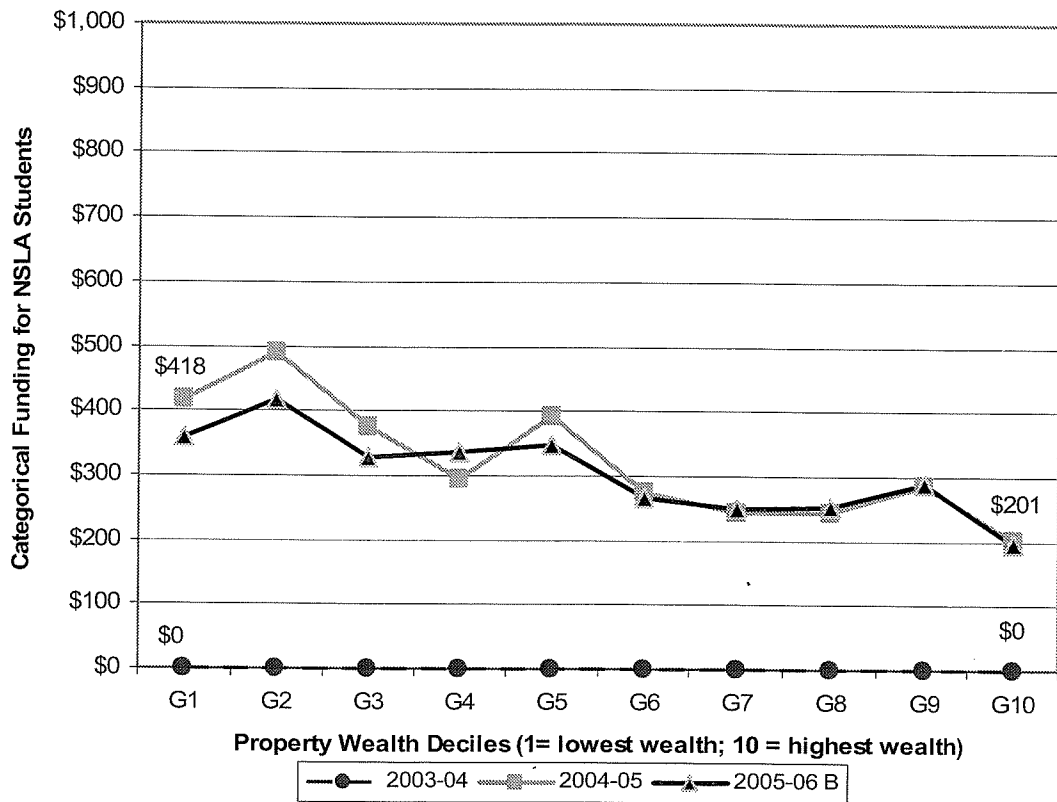
**Figure C.2: Categorical Funding for NSLA Students by District Growth**



**Table C.3: Categorical Funding for NSLA Students by Valuation Per Pupil**

Assessed Valuation Category	Avg (04-05) Assessed Valuation PP	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	32,372	42	45,471	\$0	\$418	\$360	NA	-14%
Decile 2	39,714	38	46,836	\$0	\$491	\$416	NA	-15%
Decile 3	44,489	30	43,273	\$0	\$376	\$327	NA	-13%
Decile 4	50,499	30	45,419	\$0	\$294	\$337	NA	14%
Decile 5	57,582	36	49,035	\$0	\$393	\$347	NA	-12%
Decile 6	64,965	22	42,700	\$0	\$274	\$266	NA	-3%
Decile 7	72,194	19	45,117	\$0	\$245	\$248	NA	1%
Decile 8	84,182	13	56,507	\$0	\$244	\$252	NA	3%
Decile 9	97,163	10	49,543	\$0	\$287	\$288	NA	0%
Decile 10	122,082	14	27,011	\$0	\$201	\$197	NA	-2%
<b>State Total</b>	<b>64,921</b>	<b>254</b>	<b>450,910</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

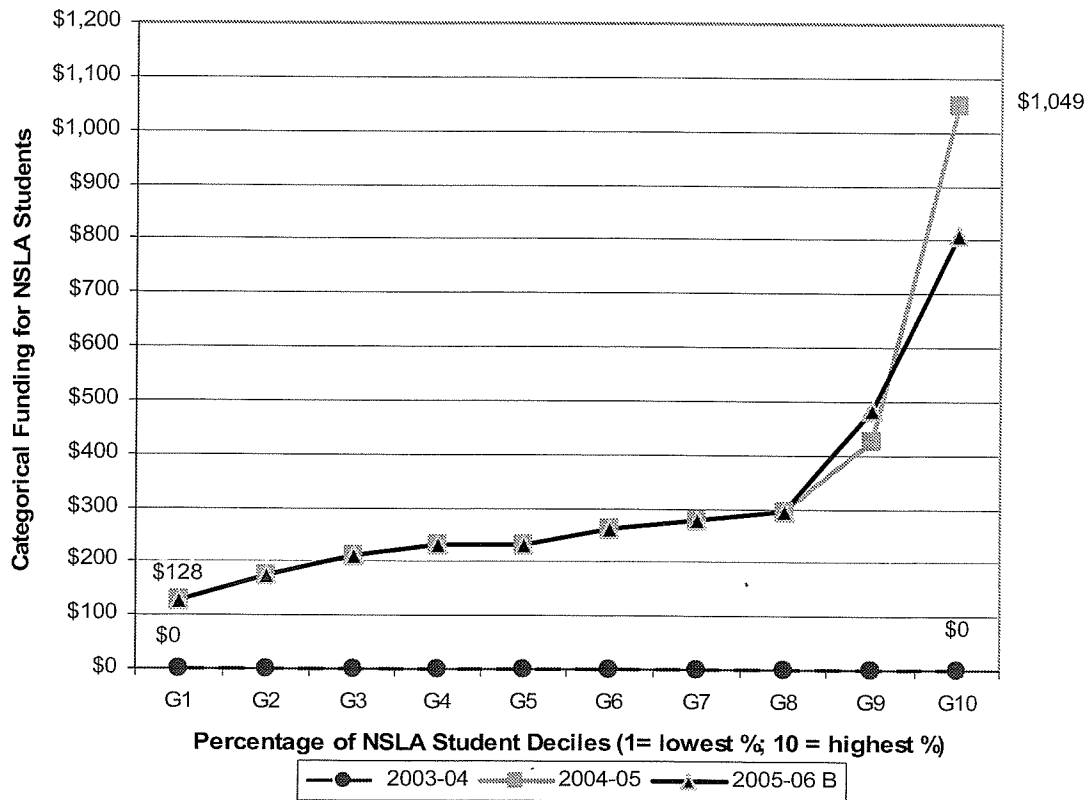
**Figure C.3: Categorical Funding for NSLA Students by Valuation Per Pupil**



**Table C.4: Categorical Funding for NSLA Students by NSLA %**

NSLA % Category	Avg (04-05) NSLA %	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	26.6%	15	47,252	\$0	\$128	\$128	NA	0%
Decile 2	35.9%	18	43,561	\$0	\$173	\$173	NA	0%
Decile 3	44.1%	31	44,692	\$0	\$213	\$213	NA	0%
Decile 4	47.7%	13	45,805	\$0	\$230	\$232	NA	1%
Decile 5	49.8%	27	46,907	\$0	\$231	\$230	NA	0%
Decile 6	54.2%	32	54,589	\$0	\$262	\$261	NA	-1%
Decile 7	58.0%	20	49,274	\$0	\$279	\$280	NA	0%
Decile 8	60.4%	21	30,930	\$0	\$293	\$294	NA	0%
Decile 9	67.5%	39	42,952	\$0	\$427	\$483	NA	13%
Decile 10	86.6%	38	44,948	\$0	\$1,049	\$807	NA	-23%
<b>State Total</b>	<b>52.8%</b>	<b>254</b>	<b>450,910</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

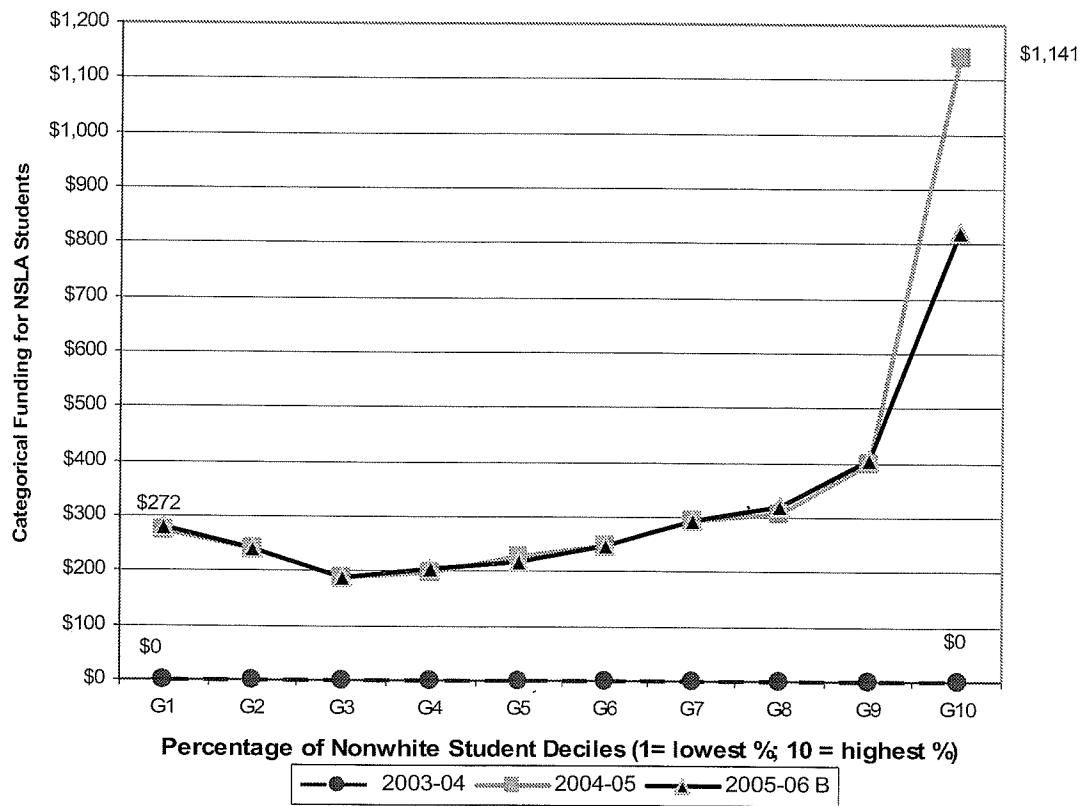
**Figure C.4: Categorical Funding for NSLA Students by NSLA %**



**Table C.5: Categorical Funding for NSLA Students by Percent Non-White Students**

Percent Non-White Category	Avg (04-05) Percent Non-White	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	1.5%	52	45,447	\$0	\$272	\$281	NA	3%
Decile 2	3.4%	36	49,427	\$0	\$241	\$240	NA	0%
Decile 3	5.4%	27	40,827	\$0	\$189	\$189	NA	0%
Decile 4	10.6%	27	45,368	\$0	\$199	\$204	NA	3%
Decile 5	20.1%	25	44,394	\$0	\$227	\$218	NA	-4%
Decile 6	30.8%	21	45,995	\$0	\$247	\$247	NA	0%
Decile 7	40.0%	19	53,823	\$0	\$294	\$294	NA	0%
Decile 8	47.5%	12	36,330	\$0	\$308	\$321	NA	4%
Decile 9	68.0%	18	59,736	\$0	\$400	\$406	NA	2%
Decile 10	87.0%	17	29,564	\$0	\$1,141	\$821	NA	-28%
<b>State Total</b>	<b>30.5%</b>	<b>254</b>	<b>450,910</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

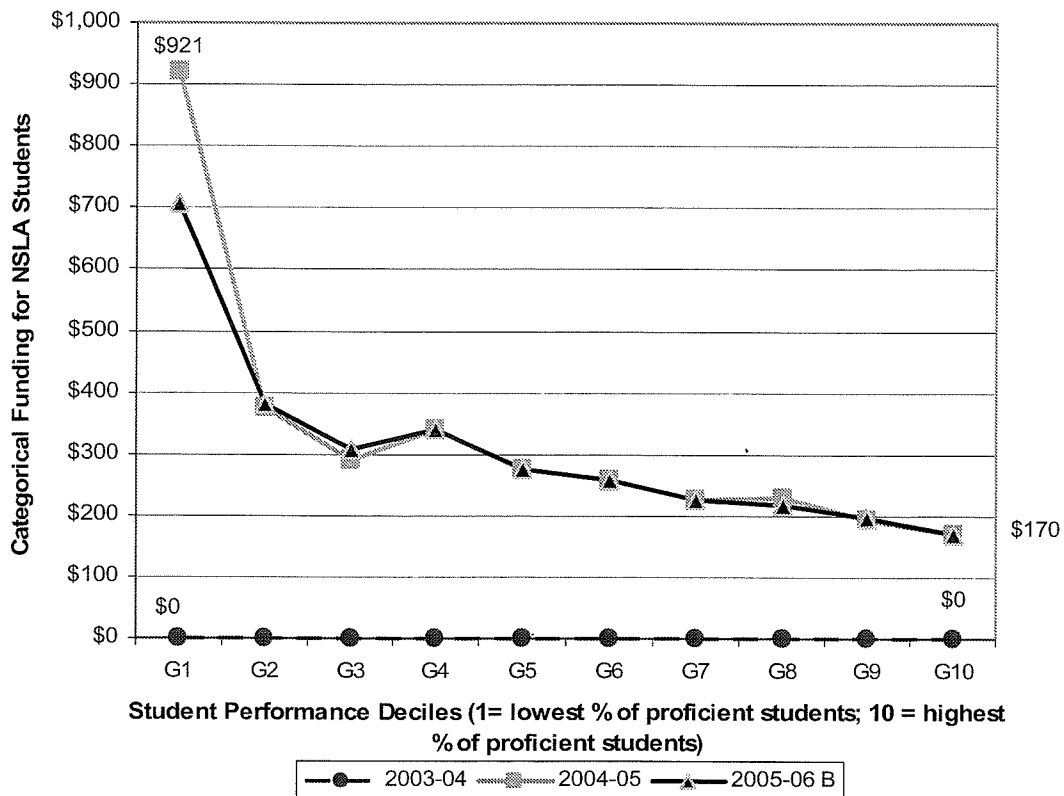
**Figure C.5: Categorical Funding for NSLA Students by Percent Non-White Students**



**Table C.6: Categorical Funding for NSLA Students by % Students Scoring Proficient or Better on ACTAAP**

Students Scoring Proficient or Better Category	Avg (04-05) Student Scoring Proficient or Better	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 04-05 to 05-06
Decile 1	26.6%	31	42,486	\$0	\$921	\$706	NA	-23%
Decile 2	36.2%	8	48,092	\$0	\$375	\$381	NA	2%
Decile 3	41.2%	29	46,061	\$0	\$291	\$308	NA	6%
Decile 4	45.3%	31	45,279	\$0	\$342	\$342	NA	0%
Decile 5	48.3%	31	45,795	\$0	\$277	\$277	NA	0%
Decile 6	51.9%	34	51,112	\$0	\$259	\$258	NA	-1%
Decile 7	54.7%	25	44,713	\$0	\$225	\$225	NA	0%
Decile 8	57.0%	26	38,583	\$0	\$228	\$216	NA	-5%
Decile 9	59.9%	22	47,891	\$0	\$194	\$197	NA	2%
Decile 10	66.3%	17	40,898	\$0	\$170	\$170	NA	0%
<b>State Total</b>	<b>48.6%</b>	<b>254</b>	<b>450,910</b>	<b>\$0</b>	<b>\$326</b>	<b>\$308</b>	<b>NA</b>	<b>-6%</b>

**Figure C.6: Categorical Funding for NSLA Students by % Students Scoring Proficient or Better on ACTAAP**

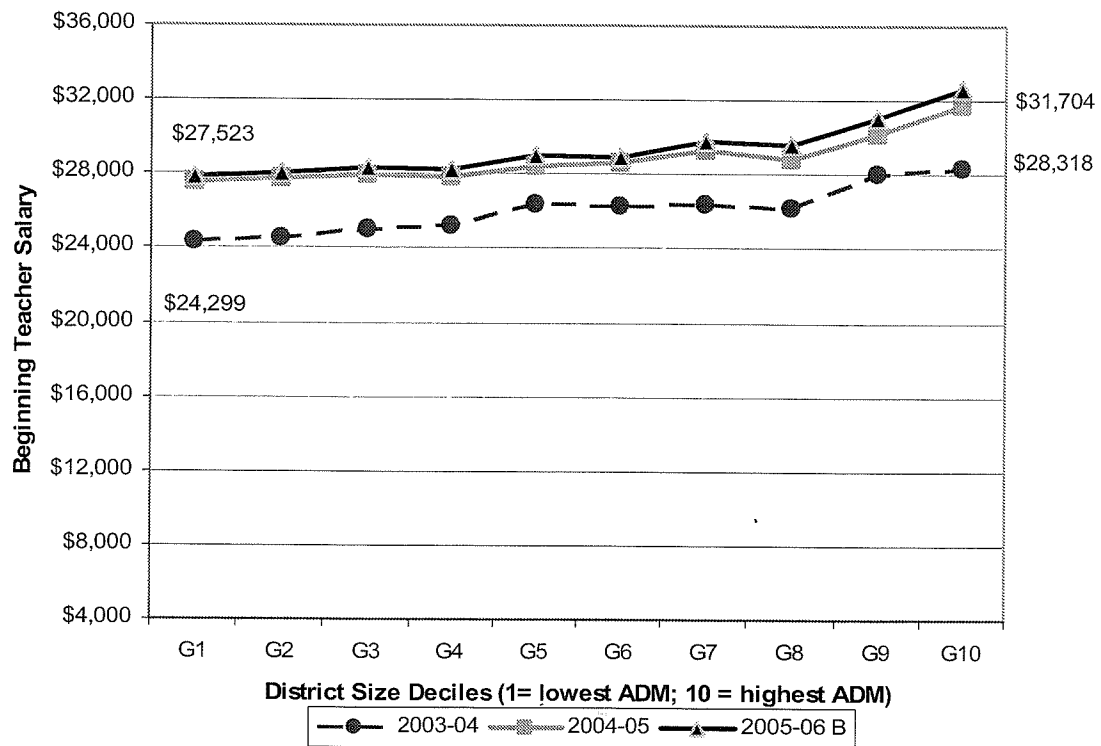


## Appendix D: Beginning Teacher Salaries

**Table D.1: Beginning Teacher Salaries by District Size**

District Size Category	Avg (04-05) District Size	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	33	25	820	\$24,299	\$27,523	\$27,812	13%	14%
Decile 2	41	26	1,068	\$24,508	\$27,740	\$28,037	13%	14%
Decile 3	48	25	1,205	\$25,040	\$27,954	\$28,314	12%	13%
Decile 4	57	26	1,480	\$25,190	\$27,870	\$28,259	11%	12%
Decile 5	67	25	1,671	\$26,384	\$28,420	\$28,964	8%	10%
Decile 6	78	26	2,040	\$26,239	\$28,572	\$28,941	9%	10%
Decile 7	101	25	2,513	\$26,338	\$29,250	\$29,748	11%	13%
Decile 8	131	26	3,396	\$26,203	\$28,785	\$29,614	10%	13%
Decile 9	192	25	4,801	\$28,030	\$30,131	\$31,018	7%	11%
Decile 10	542	25	13,558	\$28,318	\$31,704	\$32,548	12%	15%
<b>State Total</b>	<b>128</b>	<b>254</b>	<b>32,552</b>	<b>\$27,218</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>13%</b>

**Figure D.1: Beginning Teacher Salaries by District Size**

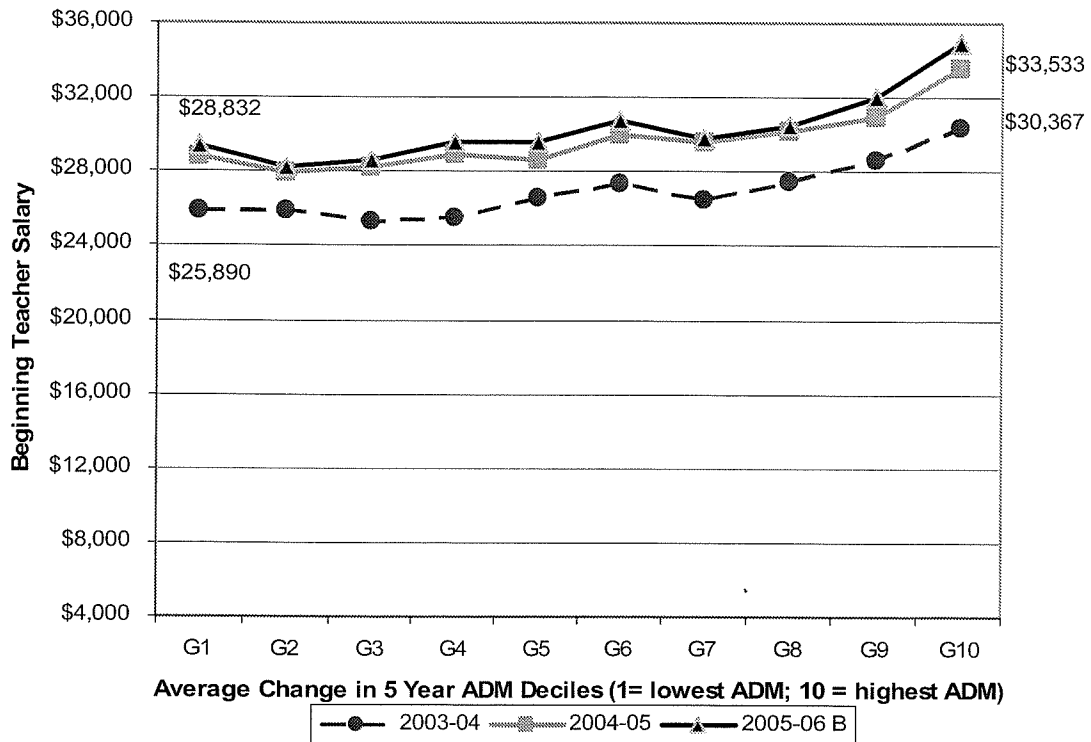




**Table D.2: Beginning Teacher Salaries by District Growth**

District Growth Category	Avg (04-05) District Growth	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	-22.2%	28	29,658	\$25,890	\$28,832	\$29,363	11%	13%
Decile 2	-12.8%	23	18,666	\$25,892	\$27,935	\$28,188	8%	9%
Decile 3	-9.8%	25	19,782	\$25,322	\$28,241	\$28,576	12%	13%
Decile 4	-6.9%	26	48,114	\$25,540	\$28,948	\$29,578	13%	16%
Decile 5	-3.7%	27	39,667	\$26,589	\$28,574	\$29,566	7%	11%
Decile 6	-0.7%	30	48,104	\$27,317	\$29,968	\$30,784	10%	13%
Decile 7	2.1%	20	46,484	\$26,471	\$29,595	\$29,742	12%	12%
Decile 8	5.0%	25	76,400	\$27,417	\$30,136	\$30,488	10%	11%
Decile 9	9.5%	24	53,201	\$28,591	\$30,936	\$32,022	8%	12%
Decile 10	20.2%	25	70,540	\$30,367	\$33,533	\$34,932	10%	15%
<b>State Total</b>	<b>-2.2%</b>	<b>253</b>	<b>450,616</b>	<b>\$27,380</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>12%</b>

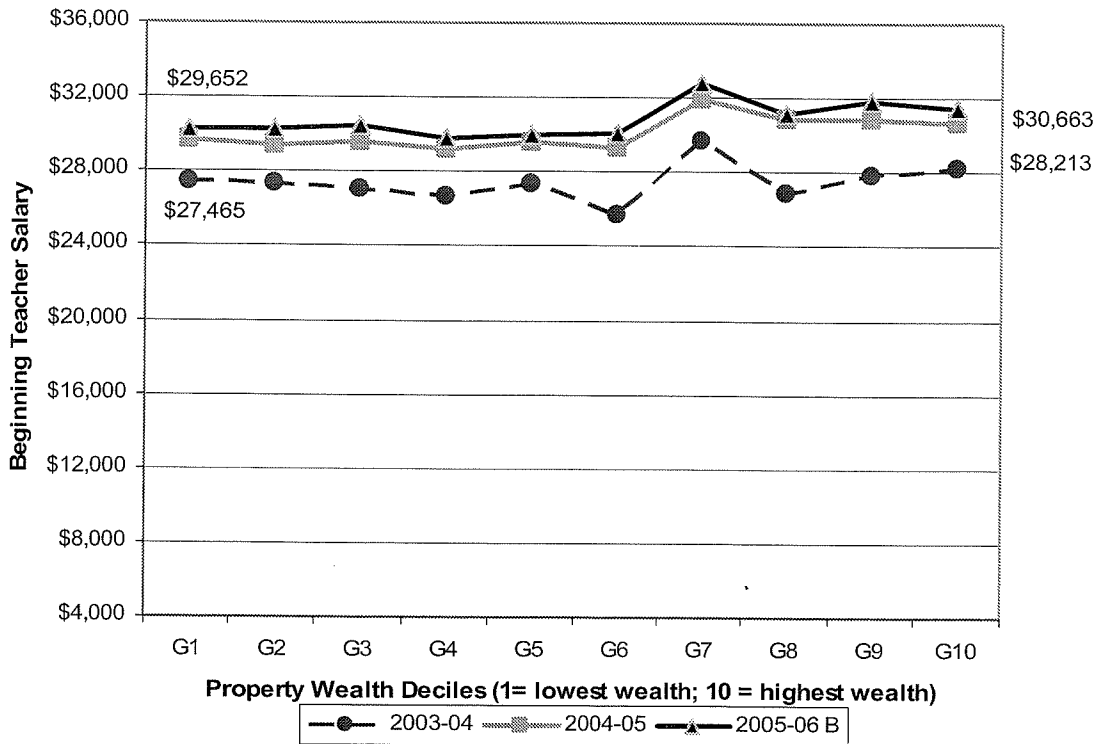
**Figure D.2: Beginning Teacher Salaries by District Growth**



**Table D.3: Beginning Teacher Salaries by Valuation Per Pupil**

Assessed Valuation Category	Avg (04-05) Assessed Valuation PP	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	32,372	42	45,471	\$27,465	\$29,652	\$30,283	8%	10%
Decile 2	39,714	38	46,836	\$27,300	\$29,344	\$30,295	7%	11%
Decile 3	44,489	30	43,273	\$27,030	\$29,565	\$30,437	9%	13%
Decile 4	50,499	30	45,419	\$26,699	\$29,208	\$29,798	9%	12%
Decile 5	57,582	36	49,035	\$27,328	\$29,578	\$29,996	8%	10%
Decile 6	64,965	22	42,700	\$25,700	\$29,260	\$30,091	14%	17%
Decile 7	72,194	19	45,117	\$29,705	\$31,944	\$32,838	8%	11%
Decile 8	84,182	13	56,507	\$26,893	\$30,859	\$31,094	15%	16%
Decile 9	97,163	10	49,543	\$27,849	\$30,797	\$31,779	11%	14%
Decile 10	122,082	14	27,011	\$28,213	\$30,663	\$31,475	9%	12%
<b>State Total</b>	<b>64,921</b>	<b>254</b>	<b>450,910</b>	<b>\$27,380</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>12%</b>

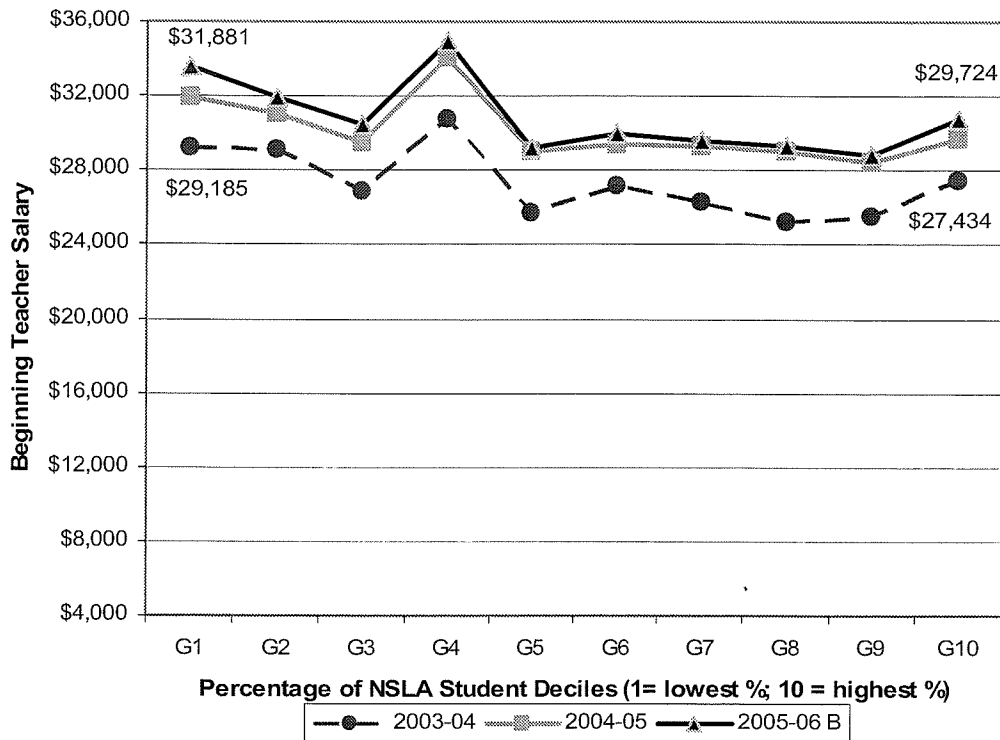
**Figure D.3: Beginning Teacher Salaries by Valuation Per Pupil**



**Table D.4: Beginning Teacher Salaries by NSLA %**

NSLA % Category	Avg (04-05) NSLA %	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	15	47,252	\$29,185	\$31,881	\$33,550	9%	15%
Decile 2	35.9%	18	43,561	\$29,073	\$31,041	\$31,913	7%	10%
Decile 3	44.1%	31	44,692	\$26,825	\$29,497	\$30,419	10%	13%
Decile 4	47.7%	13	45,805	\$30,723	\$34,064	\$34,908	11%	14%
Decile 5	49.8%	27	46,907	\$25,660	\$29,012	\$29,180	13%	14%
Decile 6	54.2%	32	54,589	\$27,176	\$29,379	\$29,967	8%	10%
Decile 7	58.0%	20	49,274	\$26,265	\$29,265	\$29,625	11%	13%
Decile 8	60.4%	21	30,930	\$25,215	\$28,955	\$29,287	15%	16%
Decile 9	67.5%	39	42,952	\$25,460	\$28,431	\$28,770	12%	13%
Decile 10	86.6%	38	44,948	\$27,434	\$29,724	\$30,755	8%	12%
<b>State Total</b>	<b>52.8%</b>	<b>254</b>	<b>450,910</b>	<b>\$27,380</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>12%</b>

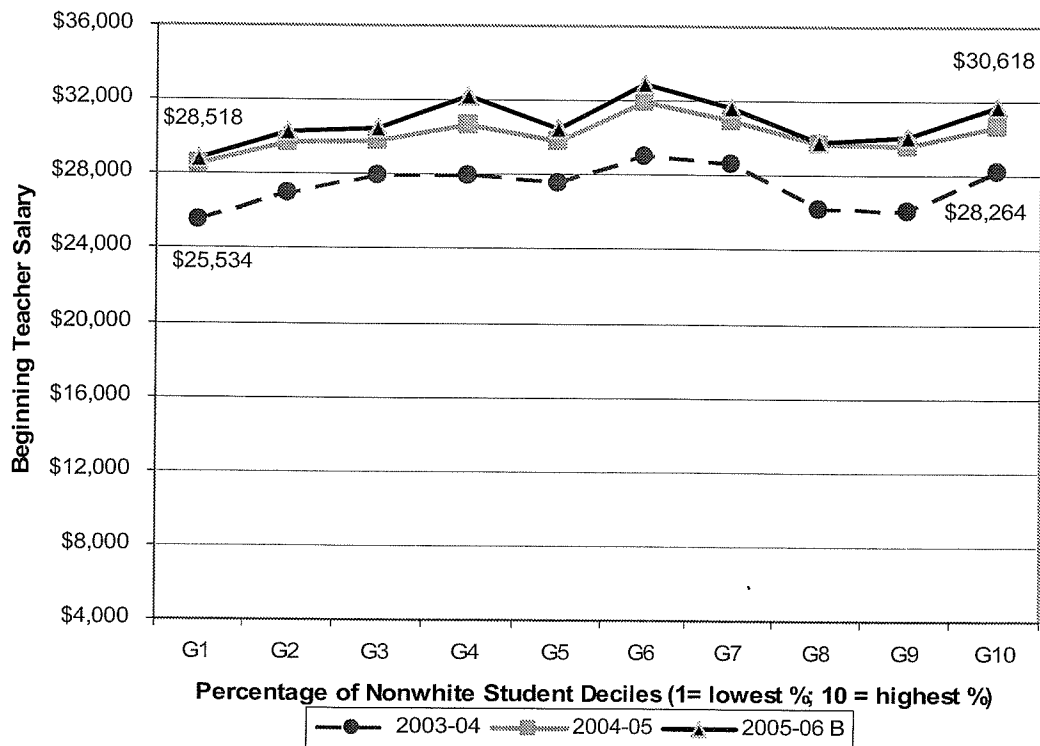
**Figure D.4: Beginning Teacher Salaries by NSLA %**



**Table D.5: Beginning Teacher Salaries by Percent Non-White Students**

Percent Non-White Category	Avg (04-05) Percent Non-White	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	1.5%	52	45,447	\$25,534	\$28,518	\$28,826	12%	13%
Decile 2	3.4%	36	49,427	\$26,964	\$29,636	\$30,284	10%	12%
Decile 3	5.4%	27	40,827	\$27,937	\$29,822	\$30,430	7%	9%
Decile 4	10.6%	27	45,368	\$27,921	\$30,636	\$32,160	10%	15%
Decile 5	20.1%	25	44,394	\$27,520	\$29,740	\$30,454	8%	11%
Decile 6	30.8%	21	45,995	\$29,012	\$31,874	\$32,929	10%	14%
Decile 7	40.0%	19	53,823	\$28,651	\$30,976	\$31,647	8%	10%
Decile 8	47.5%	12	36,330	\$26,146	\$29,630	\$29,748	13%	14%
Decile 9	68.0%	18	59,736	\$26,035	\$29,558	\$30,024	14%	15%
Decile 10	87.0%	17	29,564	\$28,264	\$30,618	\$31,767	8%	12%
<b>State Total</b>	<b>30.5%</b>	<b>254</b>	<b>450,910</b>	<b>\$27,380</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>12%</b>

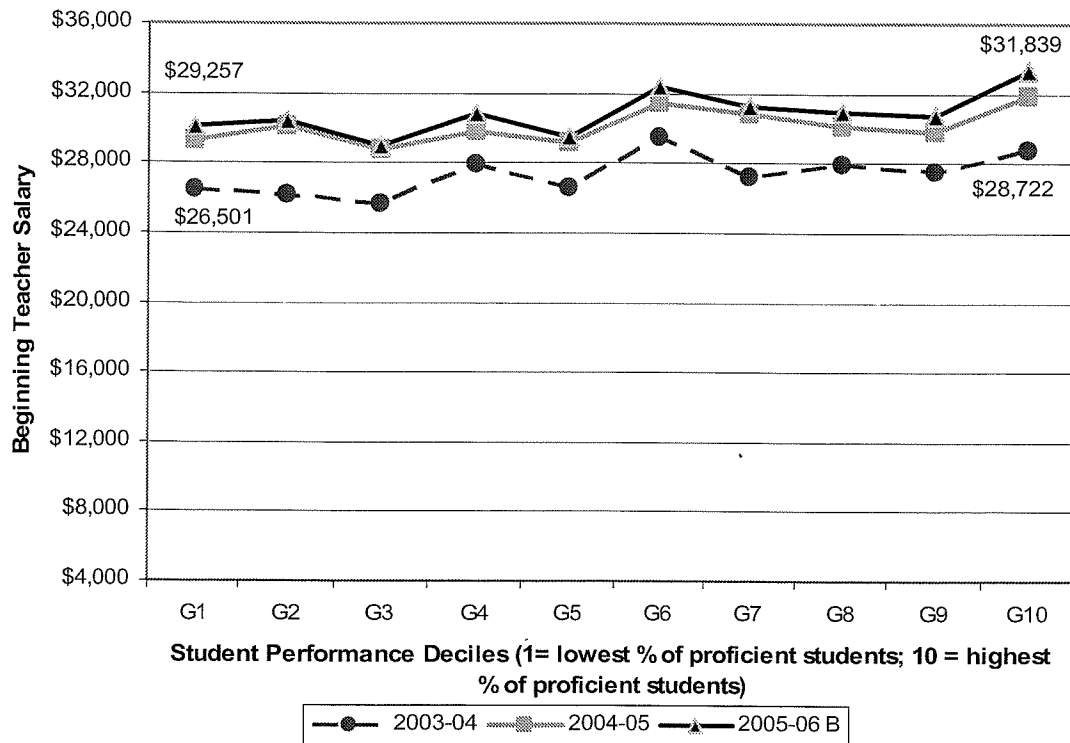
**Figure D.5: Beginning Teacher Salaries by Percent Non-White Students**



**Table D.6: Beginning Teacher Salaries by % Students Scoring Proficient or Better on ACTAAP**

Students Scoring Proficient or Better Category	Avg (04-05) Student Scoring Proficient or Better	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	31	42,486	\$26,501	\$29,257	\$30,142	10%	14%
Decile 2	36.2%	8	48,092	\$26,135	\$30,054	\$30,416	15%	16%
Decile 3	41.2%	29	46,061	\$25,666	\$28,745	\$28,951	12%	13%
Decile 4	45.3%	31	45,279	\$27,910	\$29,822	\$30,778	7%	10%
Decile 5	48.3%	31	45,795	\$26,553	\$29,206	\$29,516	10%	11%
Decile 6	51.9%	34	51,112	\$29,516	\$31,436	\$32,370	7%	10%
Decile 7	54.7%	25	44,713	\$27,213	\$30,844	\$31,215	13%	15%
Decile 8	57.0%	26	38,583	\$27,939	\$30,077	\$30,935	8%	11%
Decile 9	59.9%	22	47,891	\$27,467	\$29,768	\$30,710	8%	12%
Decile 10	66.3%	17	40,898	\$28,722	\$31,839	\$33,259	11%	16%
<b>State Total</b>	<b>48.6%</b>	<b>254</b>	<b>450,910</b>	<b>\$27,380</b>	<b>\$30,070</b>	<b>\$30,777</b>	<b>10%</b>	<b>12%</b>

**Figure D.6: Beginning Teacher Salaries by % Students Scoring Proficient or Better on ACTAAP**

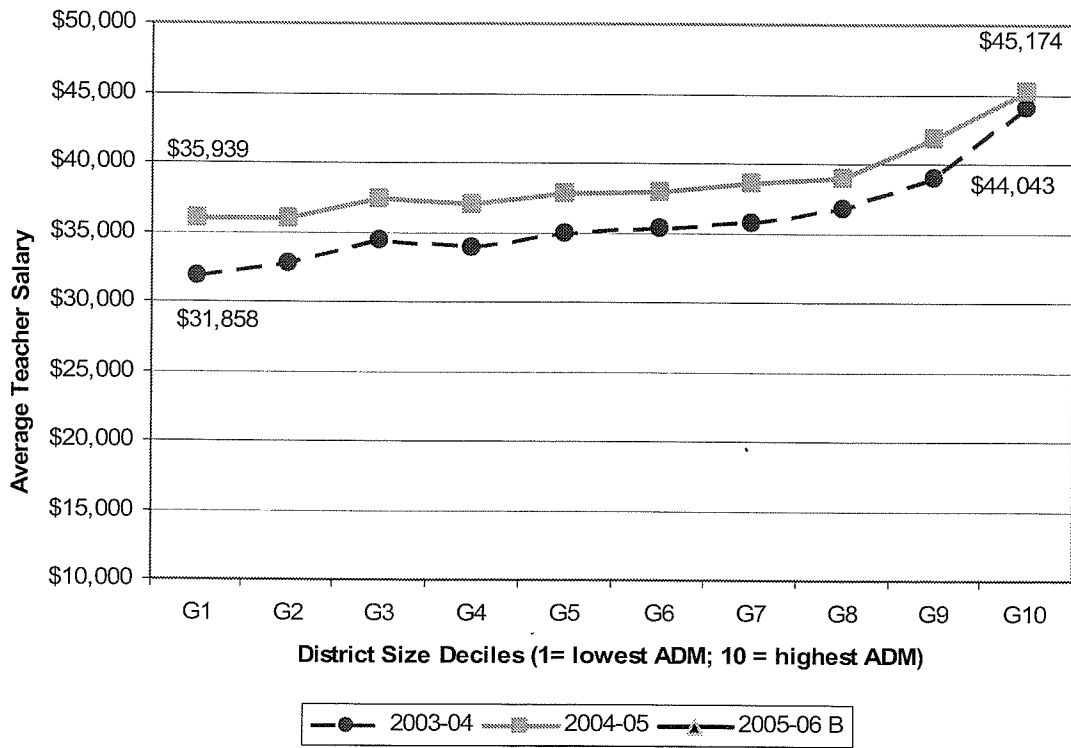


## Appendix E: Average Teacher Salaries

**Table E.1: Average Teacher Salaries by District Size**

District Size Category	Avg (04-05) District Size	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04- 05	% Change 03-04 to 05- 06
Decile 1	33	25	820	\$31,858	\$35,939		13%	
Decile 2	41	26	1,068	\$32,743	\$36,007		10%	
Decile 3	48	25	1,205	\$34,479	\$37,344		8%	
Decile 4	57	26	1,480	\$33,925	\$37,059		9%	
Decile 5	67	25	1,671	\$34,906	\$37,776		8%	
Decile 6	78	26	2,040	\$35,275	\$37,947		8%	
Decile 7	101	25	2,513	\$35,759	\$38,543		8%	
Decile 8	131	26	3,396	\$36,801	\$38,939		6%	
Decile 9	192	25	4,801	\$38,966	\$41,802		7%	
Decile 10	542	25	13,558	\$44,043	\$45,174		3%	
<b>State Total</b>	<b>128</b>	<b>254</b>	<b>32,552</b>	<b>\$39,404</b>	<b>\$41,489</b>		<b>5%</b>	

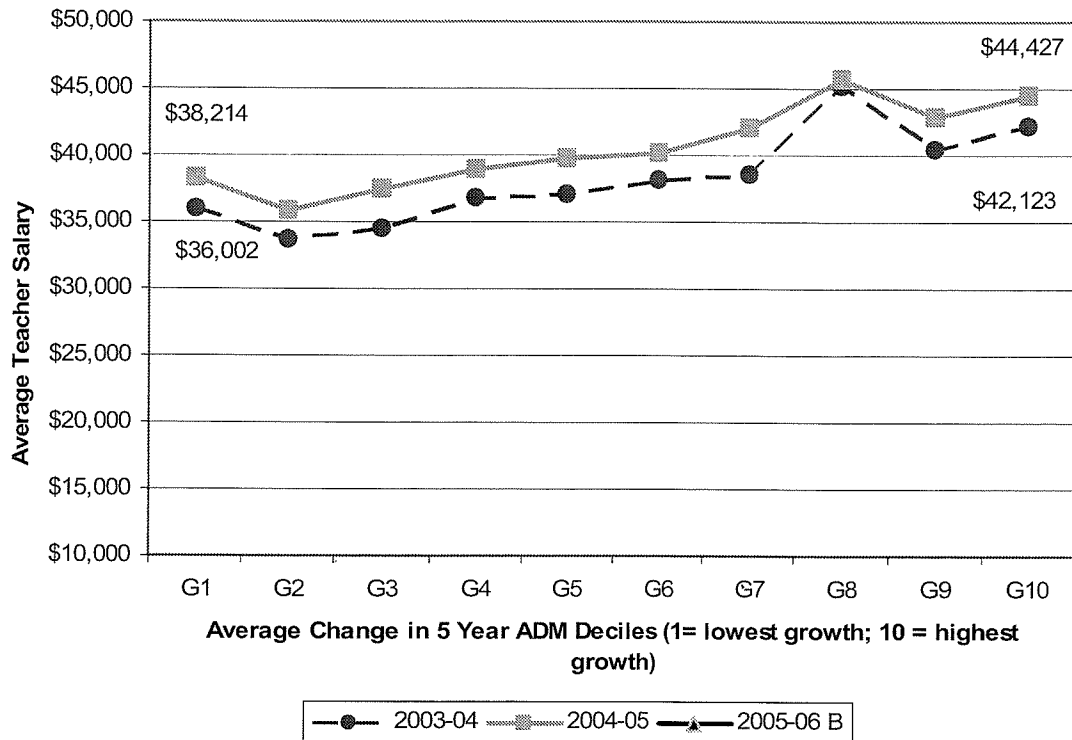
**Figure E.1: Average Teacher Salaries by District Size**



**Table E.2: Average Teacher Salaries by District Growth**

District Growth Category	Avg (04-05) District Growth	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	-22.2%	28	29,658	\$36,002	\$38,214		6%	
Decile 2	-12.8%	23	18,666	\$33,693	\$35,870		6%	
Decile 3	-9.8%	25	19,782	\$34,446	\$37,378		9%	
Decile 4	-6.9%	26	48,114	\$36,712	\$38,941		6%	
Decile 5	-3.7%	27	39,667	\$36,999	\$39,692		7%	
Decile 6	-0.7%	30	48,104	\$38,162	\$40,096		5%	
Decile 7	2.1%	20	46,484	\$38,493	\$42,081		9%	
Decile 8	5.0%	25	76,400	\$45,112	\$45,664		1%	
Decile 9	9.5%	24	53,201	\$40,376	\$42,819		6%	
Decile 10	20.2%	25	70,540	\$42,123	\$44,427		5%	
<b>State Total</b>	<b>-2.2%</b>	<b>253</b>	<b>450,616</b>	<b>\$39,409</b>	<b>\$41,499</b>		<b>5%</b>	

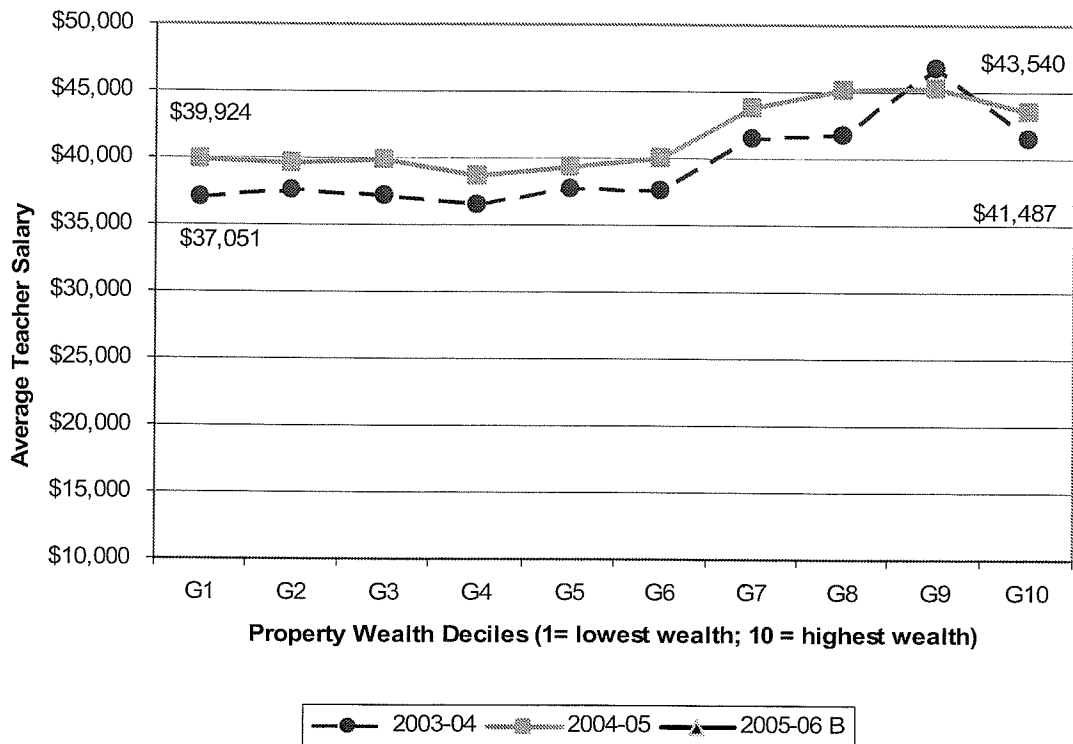
**Figure E.2: Average Teacher Salaries by District Growth**



**Table E.3: Average Teacher Salaries by Valuation Per Pupil**

Assessed Valuation Category	Avg (04-05) Assessed Valuation PP	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	32,372	42	45,471	\$37,051	\$39,924		8%	
Decile 2	39,714	38	46,836	\$37,554	\$39,655		6%	
Decile 3	44,489	30	43,273	\$37,110	\$39,822		7%	
Decile 4	50,499	30	45,419	\$36,423	\$38,715		6%	
Decile 5	57,582	36	49,035	\$37,642	\$39,263		4%	
Decile 6	64,965	22	42,700	\$37,595	\$40,037		6%	
Decile 7	72,194	19	45,117	\$41,507	\$43,718		5%	
Decile 8	84,182	13	56,507	\$41,758	\$45,092		8%	
Decile 9	97,163	10	49,543	\$46,697	\$45,249		-3%	
Decile 10	122,082	14	27,011	\$41,487	\$43,540		5%	
<b>State Total</b>	<b>64,921</b>	<b>254</b>	<b>450,910</b>	<b>\$39,409</b>	<b>\$41,489</b>		<b>5%</b>	

**Figure E.3: Average Teacher Salaries by Valuation Per Pupil**

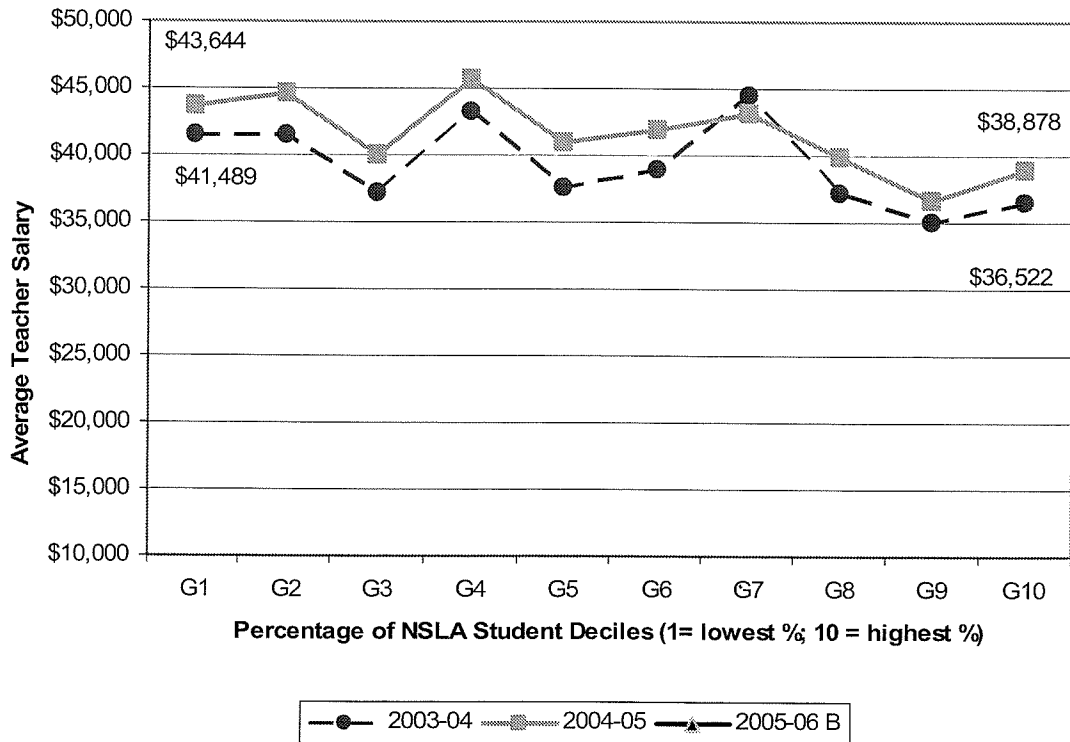




**Table E.4: Average Teacher Salaries by NSLA %**

NSLA % Category	Avg (04-05) NSLA %	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	15	47,252	\$41,489	\$43,644		5%	
Decile 2	35.9%	18	43,561	\$41,529	\$44,591		7%	
Decile 3	44.1%	31	44,692	\$37,213	\$40,006		8%	
Decile 4	47.7%	13	45,805	\$43,302	\$45,642		5%	
Decile 5	49.8%	27	46,907	\$37,610	\$40,953		9%	
Decile 6	54.2%	32	54,589	\$38,918	\$41,942		8%	
Decile 7	58.0%	20	49,274	\$44,464	\$43,085		-3%	
Decile 8	60.4%	21	30,930	\$37,154	\$39,914		7%	
Decile 9	67.5%	39	42,952	\$35,014	\$36,623		5%	
Decile 10	86.6%	38	44,948	\$36,522	\$38,878		6%	
<b>State Total</b>	<b>52.8%</b>	<b>254</b>	<b>450,910</b>	<b>\$39,409</b>	<b>\$41,489</b>		<b>5%</b>	

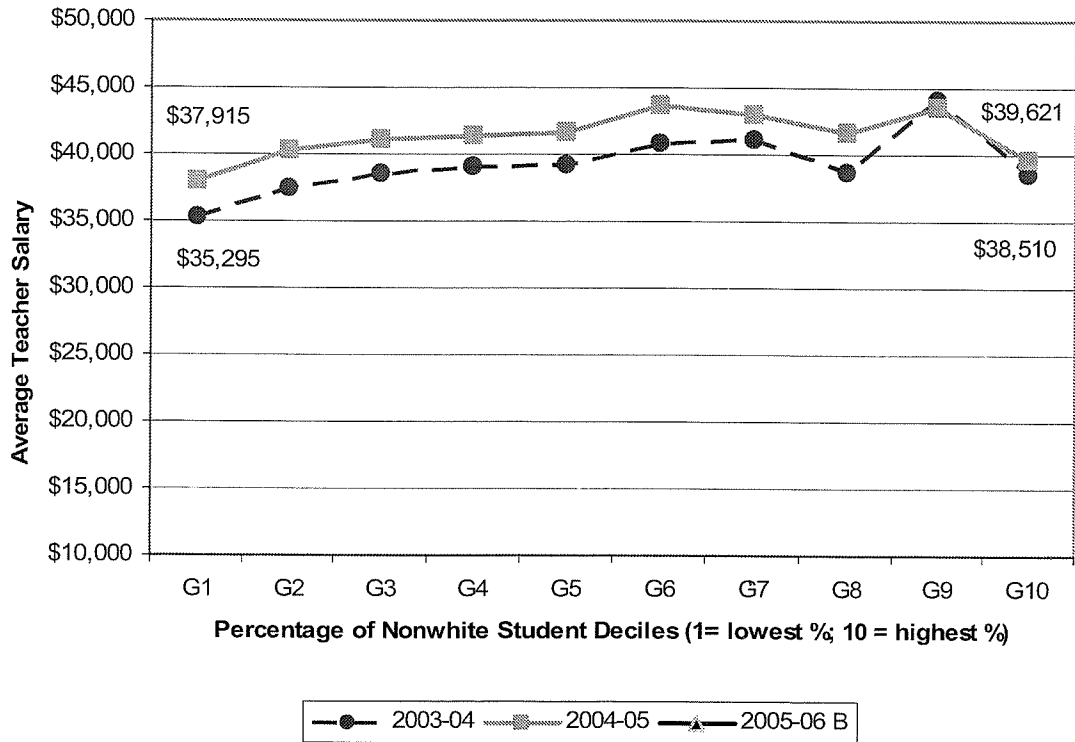
**Figure E.4: Average Teacher Salaries by NSLA %**



**Table E.5: Average Teacher Salaries by Percent Non-White Students**

Percent Non-White Category	Avg (04-05) Percent Non-White	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	1.5%	52	45,447	\$35,295	\$37,915		7%	
Decile 2	3.4%	36	49,427	\$37,367	\$40,250		8%	
Decile 3	5.4%	27	40,827	\$38,521	\$41,091		7%	
Decile 4	10.6%	27	45,368	\$39,009	\$41,397		6%	
Decile 5	20.1%	25	44,394	\$39,128	\$41,651		6%	
Decile 6	30.8%	21	45,995	\$40,838	\$43,616		7%	
Decile 7	40.0%	19	53,823	\$41,134	\$42,962		4%	
Decile 8	47.5%	12	36,330	\$38,620	\$41,678		8%	
Decile 9	68.0%	18	59,736	\$44,039	\$43,491		-1%	
Decile 10	87.0%	17	29,564	\$38,510	\$39,621		3%	
<b>State Total</b>	<b>30.5%</b>	<b>254</b>	<b>450,910</b>	<b>\$39,409</b>	<b>\$41,489</b>		<b>5%</b>	

**Figure E.5: Average Teacher Salaries by Percent Non-White Students**



**Table E.6: Average Teacher Salaries by % Students Scoring Proficient or Better on ACTAAP**

Students Scoring Proficient or Better Category	Avg (04-05) Student Scoring Proficient or Better	N of Districts	N of Students	2003-04 Actual	2004-05 Actual	2005-06 Budget	% Change 03-04 to 04-05	% Change 03-04 to 05-06
Decile 1	26.6%	31	42,486	\$36,663	\$38,773		6%	
Decile 2	36.2%	8	48,092	\$46,501	\$44,563		-4%	
Decile 3	41.2%	29	46,061	\$37,223	\$40,336		8%	
Decile 4	45.3%	31	45,279	\$37,493	\$39,097		4%	
Decile 5	48.3%	31	45,795	\$38,023	\$40,953		8%	
Decile 6	51.9%	34	51,112	\$40,011	\$42,283		6%	
Decile 7	54.7%	25	44,713	\$39,174	\$41,958		7%	
Decile 8	57.0%	26	38,583	\$38,616	\$41,322		7%	
Decile 9	59.9%	22	47,891	\$39,035	\$41,183		6%	
Decile 10	66.3%	17	40,898	\$41,514	\$44,656		8%	
<b>State Total</b>	<b>48.6%</b>	<b>254</b>	<b>450,910</b>	<b>\$39,409</b>	<b>\$41,489</b>		<b>5%</b>	

**Figure E.6: Average Teacher Salaries by % Students Scoring Proficient or Better on ACTAAP**

