

1

# Resource Allocation, Part 2: District-Level Resources

APRIL 8, 2020



## Contact Information:

2

Lori Bowen  
Bureau of Legislative Research, Research Services Division  
Email: [bowenl@blr.arkansas.gov](mailto:bowenl@blr.arkansas.gov)  
Phone: (501) 682-2135



# Matrix

3

	FY19	FY20	FY21
<b>Matrix Calculations</b>			
School Size	500	500	500
K = 8% of students	40	40	40
Grades 1-3 = 29% of students	115	115	115
Grades 4-12 = 65% of students	345	345	345
<b>Staffing Ratios</b>			
K-12 ratio = 20:1	2.0	2.0	2.0
Grades 1-3 P:T ratio = 23:1	6.0	6.0	6.0
Grades 4-12 P:T ratio = 25:1	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.1	4.1
<b>Subtotal Classroom Teachers</b>	<b>24.94</b>	<b>24.9</b>	<b>24.9</b>

District-Level Resources	FY19	FY20	FY21
Operations & Maintenance	685.0	697.5	705.7
Central Office	438.8	438.8	438.8
Transportation	321.2	321.2	321.2
<b>District-Level Resources Per Student</b>	<b>1,445.0</b>	<b>1,457.5</b>	<b>1,465.7</b>

## District-Level Resources FY 2019 to FY 2021

Extra Duty Funds	66.2	66.2	66.2
Supervisory Aides	50.0	50.0	50.0
Substitutes	71.8	71.9	71.8
<b>District-Level Resources Per Student</b>	<b>634.4</b>	<b>639.9</b>	<b>642.0</b>
<b>District-Level Resources</b>			
Operations & Maintenance	685.0	697.5	705.7
Central Office	438.8	438.8	438.8
Transportation	321.2	321.2	321.2
<b>District-Level Resources Per Student</b>	<b>1,445.0</b>	<b>1,457.5</b>	<b>1,465.7</b>
<b>Resources per Student</b>			
Adjustments/Retirement	0	10	33
<b>Matrix Foundation Per Student</b>	<b>6,781</b>	<b>6,899</b>	<b>7,018</b>
Increase per ADM	\$ .68	110	110
%	1.01%	1.72%	1.72%
<b>Enhanced Funding Per Student</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Matrix Foundation + Enhanced Per Student</b>	<b>6,781</b>	<b>6,899</b>	<b>7,018</b>
<b>Categorical Program Funding</b>			
	FY19 Cost	FY20 Cost	FY21 Cost
ELL	528	543	552
ALE	4,640	4,700	4,700
NSLA 0% - <70%	528	528	528
70% - <90%	1,051	1,051	1,051
90% +	1,576	1,576	1,576
PD	32.4	32.4	40.8



## Foundation Funding and the Matrix

4

- ▶ 56% of districts' total funding
- ▶ Matrix is a list of staffing and resources needed for a district of 500 students and the cost for each
- ▶ 3 main categories:
  - School-level staffing (report presented March, 9, 2020)
  - District-level resources
  - School-level resources



## Report examines spending/staffing

5

- ▶ Compares the legislative intent (matrix) with districts' actual expenditures.
- ▶ Comparison can **inform your judgment** about how well matrix is meeting districts' needs
- ▶ When there is a mismatch between funding levels and expenditure levels, an adjustment may be warranted for either the matrix or actual spending patterns.



## Expenditures are only one measure

6

- ▶ **Expenditures can help illustrate:**
  - What a district needs
  - What a district wants
  - What a district can afford
  - Lack of/presence of other available funding sources
  - Other ways services are provided



## Report examines different patterns

7

- ▶ Spending patterns based on type (district or charter), district size and poverty level.
- ▶ Spending patterns using foundation funding and all funding sources.
- ▶ Staff FTEs and average salaries



8

## OPERATIONS AND MAINTENANCE (O&M)



## What does Operations & Maintenance (O&M) include?

- Staff and other resources to:
- maintain school facilities and grounds and
  - keep school buildings clean, heated, and cooled

**\*The 2018-19 Matrix rate was \$685 per-student, and districts and charters spent \$409.6 million in Foundation Funding, and \$512.7 from all funding sources.**



## O&M Matrix Rates Per-Student

Operations & Maintenance			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$581.0		1.00%
2009	\$581.0	0.00%	1.20%
2010	\$592.6	2.00%	2.00%
2011	\$604.5	2.01%	2.00%
2012	\$616.6	2.00%	2.01%
2013	\$629.0	2.01%	2.00%
2014	\$640.3	1.80%	2.00%
2015	\$651.8	1.80%	2.00%
2016	\$664.9	2.01%	0.97%
2017	\$664.9	0.00%	0.94%
2018	\$674.9	1.50%	1.01%
2019	\$685.0	1.50%	1.01%
2020	\$697.5	1.82%	1.74%
2021	\$705.7	1.18%	1.72%



# O&M Staffing

11

► Maintenance Employees

	Total Maintenance Employees	Average Salary
District	4,516	\$26,056
Charter	53	\$23,308
<b>Total</b>	<b>4,569</b>	<b>\$26,023</b>

► Other O&M Staff

	Total FTEs	Number of Districts*	Average Salary
Electricians	34	17	\$48,899
Plumbers	13	9	\$48,601
Painter/Carpenters	71	17	\$39,654
Campus Security	189	39	\$30,736
Crossing Guards*	37	10	\$7,456
Safety	27	16	\$27,856
Resource Officer	37	33	\$31,136

\*No charter schools employed crossing guards in 2018-19.



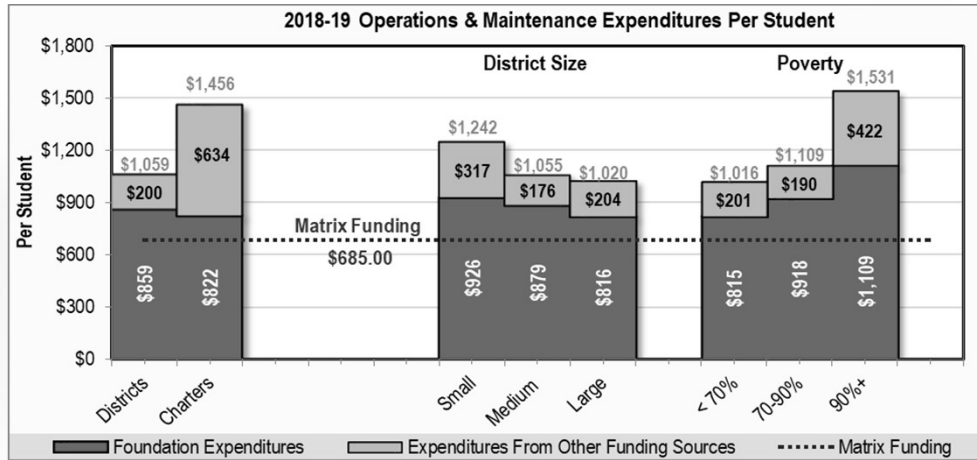
# The High Points O&M Per-Student Spending - 2018-19

12

- Districts' and Charters' O&M expenditures from **foundation funding** exceeded the \$685 provided through the matrix.
- **Overall from all fund sources:**
  - Charters spent 38% more than traditional school districts.
  - Small districts (750 students or less) spent more than medium and large districts.
  - High Poverty districts (90%+ students are eligible for Free and Reduced Price Lunches-FRPL) spent more than low and medium poverty districts.



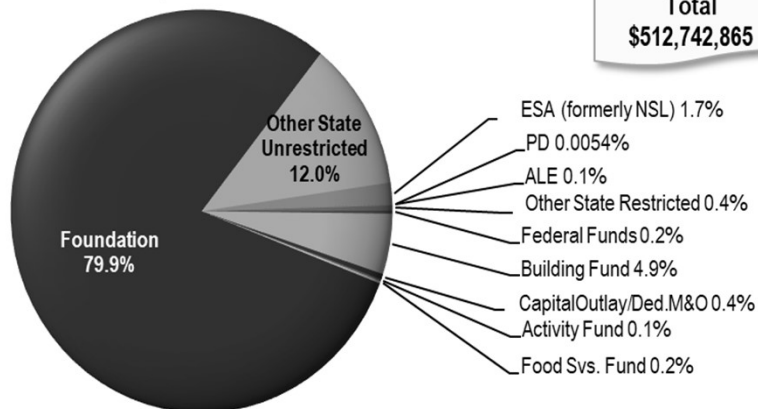
# 2018-19 Operations & Maintenance Expenditures Per Student



# 2018-19 O&M Expenditures by Fund Source

92% of all O&M Expenditures were funded by Foundation Funding and other state unrestricted funding sources such as Declining Enrollment or Student Growth funding.

2018-19 Expenditures for O&M



## O&M Expenditure History - 2015 - 2019

15

- ▶ Overall district expenditures from all fund sources for O&M have increased \$44.2 million between 2015 and 2019, or an increase of 9.44%.

Year	Total Expenditures All Fund Sources	% Change	Foundation Funding (FF) Expenditures	% Change
2015	\$468.5		\$390.8	
2016	\$480.2	2.5%	\$391.2	0.1%
2017	\$484.6	0.9%	\$397.6	1.6%
2018	\$496.6	2.5%	\$405.4	2.0%
2019	\$512.7	3.3%	\$409.6	1.0%



## O&M Expenditure Changes by Fund Source

16

- ▶ The fund sources with the greatest increase in expenditures were:
  - Foundation Funding (\$18.8 M),
  - State Unrestricted Funding (\$14.4 M),
  - District Building Funds (\$10.9 M), and
  - Enhanced Student Achievement (formerly NSL) Funding (\$3.9 M).
- ▶ The fund source with the greatest decrease in expenditures:
  - State Restricted Funding (-\$4.8 M).





## O&M Categories of Expense

17

Top 3 O&M Expense Categories:

Major Categories of Expense/ Objects of Expense	2015	2019
<b>Classified Salaries and Benefits</b>	<b>\$175,538,164</b>	<b>\$177,465,412</b>
<b>Supplies and Materials</b>	<b>\$137,448,876</b>	<b>\$135,907,164</b>
<b>Purchased Property Services</b>	<b>\$88,457,762</b>	<b>\$117,065,261</b>
Purchased Professional and Technical Services	\$28,523,314	\$39,326,029
Other Purchased Services	\$29,325,755	\$30,837,315
Equipment	\$7,171,743	\$10,331,041
Other Objects	\$1,372,485	\$1,231,376
Certified Salaries and Benefits	\$690,095	\$579,265
<b>Total</b>	<b>\$468,528,194</b>	<b>\$512,742,865</b>



## O&M Categories of Expense

18

Top 3 growth categories of expense between 2015-2019:

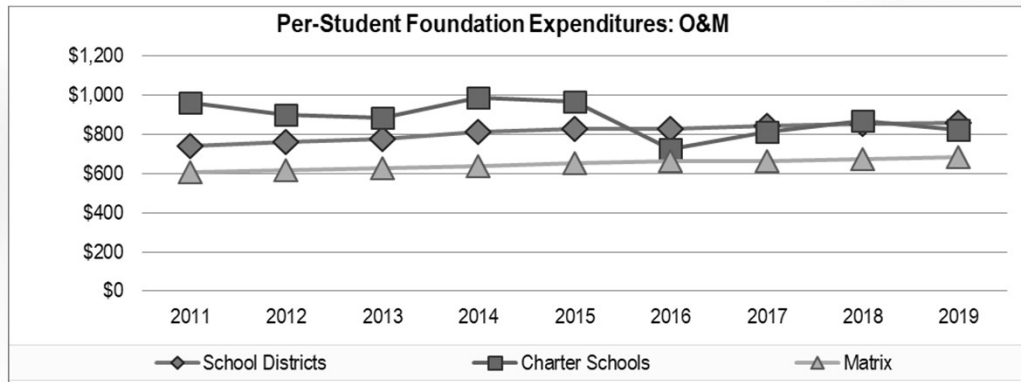
Major Categories of Expense/ Objects of Expense	2015	2019	2019 Change from 2015	2019 % Change from 2015
<b>Purchased Property Services</b>	<b>\$88,457,762</b>	<b>\$117,065,261</b>	<b>\$28,607,499</b>	<b>32.3%</b>
<b>Purchased Professional and Technical Services</b>	<b>\$28,523,314</b>	<b>\$39,326,029</b>	<b>\$10,802,715</b>	<b>37.9%</b>
<b>Equipment</b>	<b>\$7,171,743</b>	<b>\$10,331,041</b>	<b>\$3,159,298</b>	<b>44.1%</b>
Classified Salaries and Benefits	\$175,538,164	\$177,465,412	\$1,927,249	1.1%
Other Purchased Services	\$29,325,755	\$30,837,315	\$1,511,560	5.2%
Certified Salaries and Benefits	\$690,095	\$579,265	(\$110,830)	-16.1%
Other Objects	\$1,372,485	\$1,231,376	(\$141,109)	-10.3%
Supplies and Materials	\$137,448,876	\$135,907,164	(\$1,541,712)	-1.1%
<b>Total</b>	<b>\$468,528,194</b>	<b>\$512,742,865</b>	<b>\$44,214,670</b>	<b>9.4%</b>



## Per Student Foundation Funding Expenditures

19

- ▶ BLR looked at per-student foundation funding expenditures for O&M between 2011 and 2019 and found districts **and** charters have spent more foundation funds on a per-student basis on O&M than was provided every year.



20

# CENTRAL OFFICE



## What does Central Office include?

21

- ▶ District-level administrative salaries and benefits of:
  - Superintendent,
  - Administration personnel (legal, fiscal, human resources, communications, etc.), certain district instructional and pupil support directors, and clerical staff
- ▶ Funding for activities of the local school board

**Note: The 2018-19 Matrix rate per-student was \$438.80 and districts and charters spent nearly \$187 million in foundation funding and \$259.8 million from all fund sources.**



## Central Office Matrix Rates Per-Student

22

Central Office			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$376.00		1.00%
2009	\$383.50	2.0%	1.20%
2010	\$391.20	2.0%	2.00%
2011	\$399.00	2.0%	2.00%
2012	\$407.00	2.0%	2.01%
2013	\$415.10	2.0%	2.00%
2014	\$422.60	1.8%	2.00%
2015	\$430.20	1.8%	2.00%
2016	\$430.20	0.0%	0.97%
2017	\$438.80	2.0%	0.94%
2018	\$438.80	0.0%	1.01%
2019	\$438.80	0.0%	1.01%
2020	\$438.80	0.0%	1.74%
2021	\$438.80	0.0%	1.72%



## Central Office Staffing

23

- ▶ Superintendents – Average salary levels by district type, district size and poverty level:

Type	Average Salary
Districts	\$116,050
Charters	\$114,308
District Size	
Small	\$94,722
Medium	\$118,004
Large	\$199,592
Poverty Level	
Low	\$123,602
Medium	\$109,458
High	\$107,165



## Central Office Staffing

24

	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Assistant Superintendent (certified)	\$106,265	85	66 (63 districts and three charters)



## Central Office Staffing

25

► Other Central Office Staff:

Position	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Director of Federal Programs (certified)	\$75,551	91	173
Support Services Business	\$33,265	42	22
Business Manager	\$63,540	64	57
Finance Officer	\$47,200	312	177
Bookkeeper or Accountant	\$41,556	288	131
Personnel Director	\$53,405	68	30
Purchasing Agent	\$43,675	44	18
Secretary/Clerk (includes both school-level and district-level secretaries)	\$28,123	2,477	257
Administrative Technology	\$45,729	479	173
Other Central Support Services	\$34,953	99	51



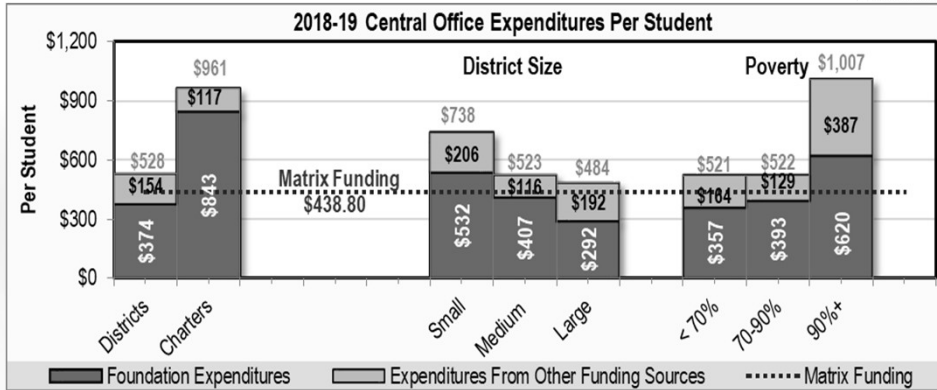
## The High Points - Central Office Per-Student Spending - 2018-19

26

- Districts' and Charters' Central Office total expenditures from **all funding sources** exceeded the \$438.80 provided through the matrix.
- Charters spent more in **foundation funding** than the matrix provided.
- **Overall from all fund sources:**
  - Charters spent 82% more than traditional school districts.
  - Small districts spent more than medium and large districts.
  - High Poverty districts spent more than low and medium poverty districts.

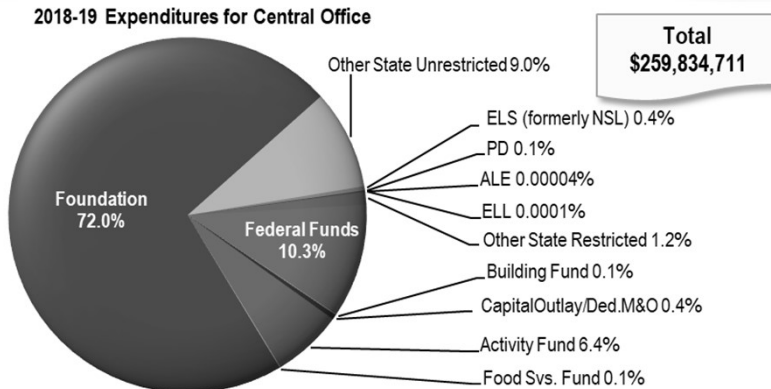


# 2018-19 Central Office Expenditures Per Student



# 2018-19 Central Office Expenditures by Fund Source

81% of all Central Office expenditures were funded by Foundation Funding and other state unrestricted funding sources such as Declining Enrollment or Student Growth funding.



## Central Office Expenditure History 2015 - 2019

29

- ▶ Overall, districts and charters central office expenditures from all fund sources increased \$26.2 million, or 11.2%.

Year	Total Expenditures All Fund Sources	% Change	Foundation Funding (FF) Expenditures	% Change
2015	\$233.6		\$171.7	
2016	\$242.4	3.8%	\$175.9	2.4%
2017	\$246.3	1.6%	\$182.0	3.5%
2018	\$254.5	3.3%	\$186.7	2.6%
2019	\$259.8	2.1%	\$187.0	0.1%



## Central Office Expenditure Changes by Fund Source

30

- ▶ The fund sources with the greatest increase in expenditures were:
  - Foundation funding (\$15.2 M),
  - State Unrestricted Funding (\$6.1 M), and
  - Activity Funds (\$5.7 M)
- ▶ The fund source with the greatest decrease in expenditures:
  - State Restricted Funding (-\$1.7 M).



## Central Office Categories of Expense

31

► Top 3 Central Office Expense Categories:

Major Category/Object Category	2015	2019
Classified Salaries and Benefits	\$96,110,813	\$109,197,579
Certified Salary and Benefits	\$73,317,979	\$82,268,744
Purchased Professional and Technical Services	\$31,733,686	\$33,582,217
Other Objects	\$9,126,746	\$13,850,740
Other Purchased Services	\$11,306,023	\$11,654,929
Supplies and Materials	\$8,058,213	\$6,808,753
Purchased Property Services	\$2,770,215	\$1,638,847
Equipment	\$1,198,292	\$832,477
Other Uses of Funds		\$426
<b>Total</b>	<b>\$233,621,966</b>	<b>\$259,834,711</b>



## Central Office Categories of Expense

32

► Top 3 growth categories of expense between 2015-2019:

Major Category/Object Category	2015	2019	2019 Change from 2015	2019 % Change from 2015
Classified Salaries and Benefits	\$96,110,813	\$109,197,579	\$13,086,766	13.6%
Certified Salary and Benefits	\$73,317,979	\$82,268,744	\$8,950,765	12.2%
Other Objects	\$9,126,746	\$13,850,740	\$4,723,994	51.8%
Purchased Professional and Technical Services	\$31,733,686	\$33,582,217	\$1,848,531	5.8%
Other Purchased Services	\$11,306,023	\$11,654,929	\$348,906	3.1%
Other Uses of Funds		\$426	\$426	
Equipment	\$1,198,292	\$832,477	-\$365,815	-30.5%
Purchased Property Services	\$2,770,215	\$1,638,847	-\$1,131,368	-40.8%
Supplies and Materials	\$8,058,213	\$6,808,753	-\$1,249,459	-15.5%
<b>Total</b>	<b>\$233,621,966</b>	<b>\$259,834,711</b>	<b>\$26,212,745</b>	<b>11.2%</b>

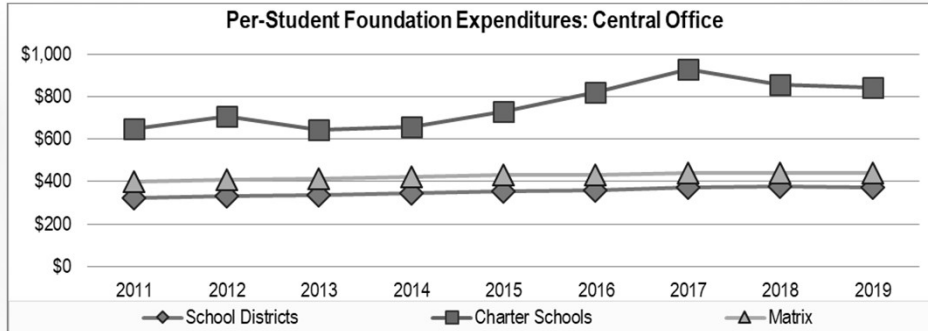




## Per Student Foundation Funding Expenditures

33

- ▶ BLR looked at per-student foundation funding expenditures for Central Office between 2011 and 2019 and found charters have spent more Foundation Funding than the matrix rate provided each year, and districts have consistently spent less.



34

## TRANSPORTATION



## What does Transportation include?

35

- ▶ School bus and district vehicle operations and maintenance,
- ▶ Transportation personnel,
- ▶ Insurance,
- ▶ Equipment costs, and
- ▶ Bus purchases

**Note: The 2018-19 Matrix rate per-student was \$321.20 and districts and charters spent \$151.5 million in foundation funding and \$194.2 million from all fund sources.**



## Transportation Matrix Rates Per-Student

36

Transportation			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$286.0		1.00%
2009	\$286.0	0.0%	1.20%
2010	\$291.7	2.0%	2.00%
2011	\$297.5	2.0%	2.00%
2012	\$303.8	2.1%	2.01%
2013	\$309.9	2.0%	2.00%
2014	\$315.5	1.8%	2.00%
2015	\$321.2	1.8%	2.00%
2016	\$321.2	0.0%	0.97%
2017	\$321.2	0.0%	0.94%
2018	\$321.2	0.0%	1.01%
2019	\$321.2	0.0%	1.01%
2020	\$321.2	0.0%	1.74%
2021	\$321.2	0.0%	1.72%



## Transportation Staffing

37

Positions	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Directors of Pupil Transportation	\$49,609	170	154
Bus Mechanics (No Charters had Mechanics)	\$37,803	321	181
Bus Drivers	\$14,141	4,607	243
Bus Dispatcher (No Charters had Bus Dispatchers)	\$23,569	50	47
Bus Monitor (in transit monitor)	\$9,939	304	65



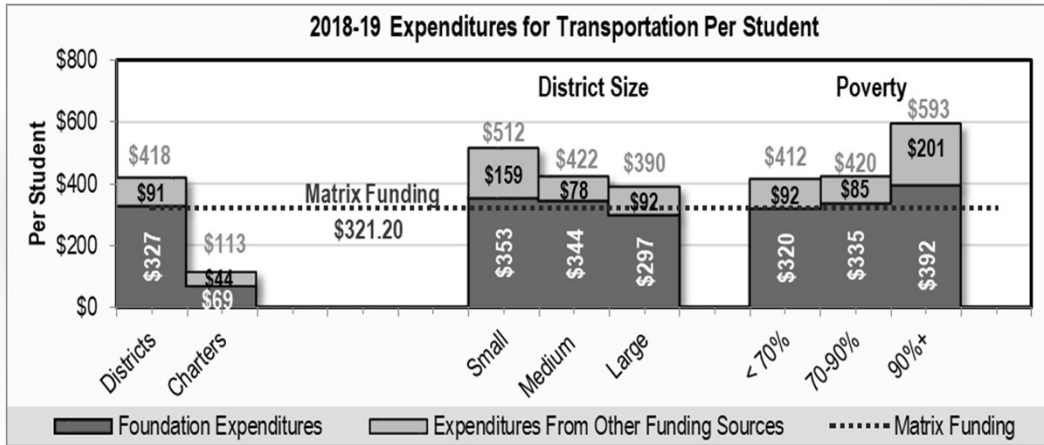
## The High Points - Transportation Per-Student Spending - 2018-19

38

- ▶ Districts' expenditures from **Foundation Funding**, \$327, exceeded the \$321.20 provided per student through the matrix, and charters' \$69 expenditure is well below the matrix.
- ▶ **Overall from all fund sources:**
  - Charters' expenditures from all fund sources is roughly a third of the matrix funding amount.
  - Small districts spent more on than medium and large districts.
  - High Poverty districts spent more than low and medium poverty districts.

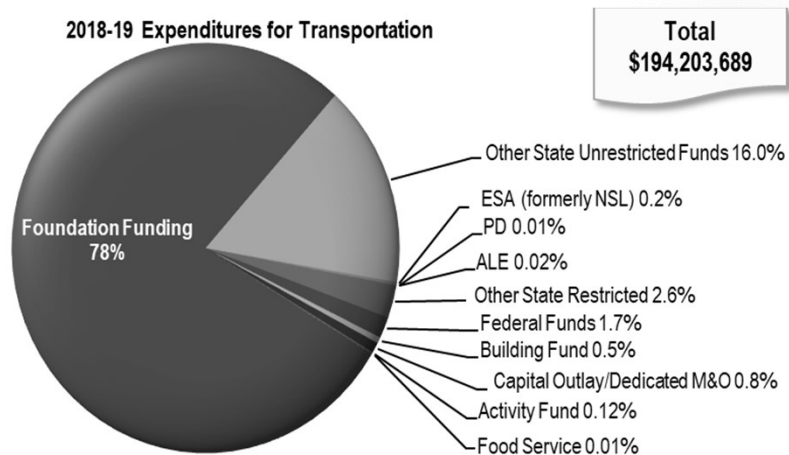


# 2018-19 Transportation Expenditures Per-Student



# 2018-19 Transportation Expenditures by Fund Source

94% of all Transportation expenditures were funded by Foundation Funding and other state unrestricted funding sources such as Declining Enrollment or Student Growth funding.



## Transportation Expenditure History 2015 - 2019

41

- ▶ Overall districts and charters transportation expenditures from all fund sources have increased \$11.4 million, or 6.2%.

Year	Total Expenditures All Fund Sources	% Change	Foundation Funding (FF) Expenditures	% Change
2015	\$182.8		\$144.5	
2016	\$184.8	1.1%	\$149.4	3.3%
2017	\$184.95	0.1%	\$144.8	-3.1%
2018	\$193.02	4.4%	\$149.02	2.9%
2019	\$194.2	0.6%	\$151.5	1.7%



## Central Office Expenditure Changes by Fund Source

42

- ▶ The fund sources with the greatest increase in expenditures were:
  - Foundation funding (\$7 M)
  - State Unrestricted Funding (\$9.7 M)
- ▶ The fund source with the greatest decrease in expenditures:
  - State Restricted Funding (-\$6.1 M)



## Transportation Categories of Expense

43

► Top 3 Central Office expense categories:

Major Categories of Expense/ Objects of Expense	2015	2019
<b>Classified Salaries and Benefits</b>	<b>\$108,177,389</b>	<b>\$114,241,944</b>
<b>Supplies and Materials</b>	<b>\$35,852,000</b>	<b>\$26,493,589</b>
<b>Equipment</b>	<b>\$24,766,182</b>	<b>\$25,132,556</b>
Other Purchased Services	\$15,081,675	\$15,333,866
Purchased Property Services	\$5,773,030	\$7,200,299
Purchased Professional and Technical Services	\$2,137,517	\$3,312,068
Certified Salaries and Benefits	\$1,737,293	\$2,217,222
Other Objects *	-\$10,707,516	\$272,145
<b>Total</b>	<b>\$182,817,569</b>	<b>\$194,203,689</b>



## Transportation Categories of Expense

44

► Top 3 growth categories of expense between 2015-2019:

Major Categories of Expense/ Objects of Expense	2015	2019	2019 Change from 2015	2019 % Change from 2015
<b>Classified Salaries and Benefits</b>	<b>\$108,177,389</b>	<b>\$114,241,944</b>	<b>\$6,064,555</b>	<b>5.6%</b>
<b>Purchased Property Services</b>	<b>\$5,773,030</b>	<b>\$7,200,299</b>	<b>\$1,427,269</b>	<b>24.7%</b>
<b>Purchased Professional and Technical Services</b>	<b>\$2,137,517</b>	<b>\$3,312,068</b>	<b>\$1,174,550</b>	<b>54.9%</b>
Certified Salaries and Benefits	\$1,737,293	\$2,217,222	\$479,929	27.6%
Equipment	\$24,766,182	\$25,132,556	\$366,374	1.5%
Other Purchased Services	\$15,081,675	\$15,333,866	\$252,191	1.7%
Supplies and Materials	\$35,852,000	\$26,493,589	-\$9,358,411	-26.1%
Other Objects *	-\$10,707,516	\$272,145	\$10,979,662	-102.5%
<b>Total</b>	<b>\$182,817,569</b>	<b>\$194,203,689</b>	<b>\$11,386,119</b>	<b>6.2%</b>

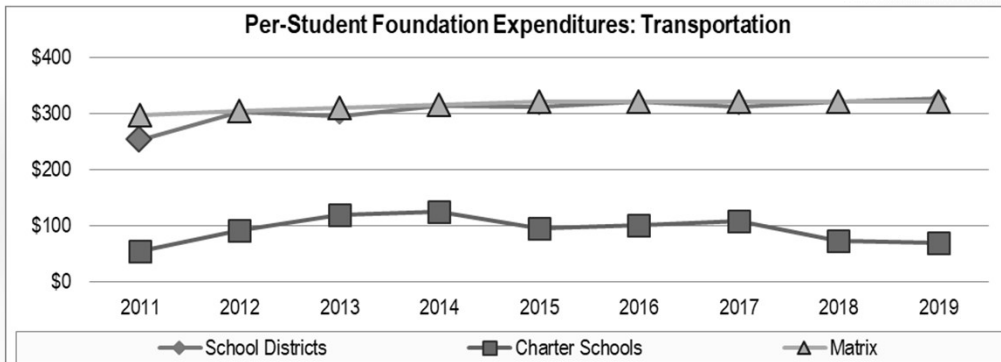
\*There are (\$10.9) million in negative postings due to the cost allocation of transportation expenses from academic transportation to athletics and activities, and were posted in this way only in 2014-15.



## Per Student Foundation Funding Expenditures

45

- ▶ BLR looked at per-student foundation funding expenditures for Transportation between 2011 and 2019 and found districts expenditures have generally tracked with the matrix funding provided, but charters' expenditures have fallen well below.



## How does Arkansas compare to other states?

46

National, SREB and Surrounding State Comparison						
Matrix Category	National Per-Student Expenditure	Arkansas Per-Student Expenditure	% Above/Below National Average	U.S. Ranking	SREB Ranking	Surrounding States Ranking
Operations & Maintenance	\$1,135	\$1,014	-11%	33rd	7th	3rd
Central Office: -General Administration	\$243	\$253	4%	25th	3rd	4th
-Other Support Services	\$454	\$306	-33%	34th	7th	3rd
Transportation	\$501	\$368	-27%	37th	11th	4th

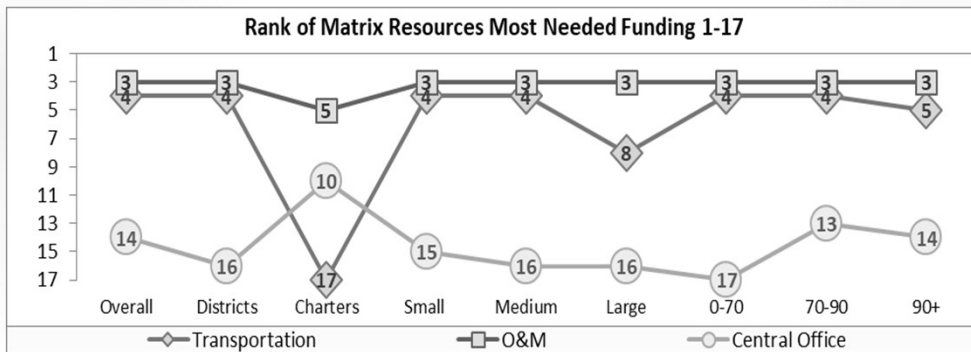
Data Source: National Center for Education Statistics (NCES), Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2016-17, Table 236.30.



## District Survey Responses

47

- ▶ District superintendents generally ranked O&M and Transportation, as top areas needing additional funding, and Central Office as a lower area of need.
- ▶ Charters ranked O&M as a relatively high need area, and transportation as a lower need area.



48

# Questions?





## Contact Information:

49

Lori Bowen

Bureau of Legislative Research, Research Services Division

Email: [bowenl@blr.arkansas.gov](mailto:bowenl@blr.arkansas.gov)

Phone: (501) 682-2135

