

## Fiscal Highlights

### **Per Pupil Expenditures: National Comparisons Show Utah Spends Between \$6,064 and \$8,122 per Pupil** - Ben Leishman

A state's per pupil expenditure (PPE) has become one of the most common data points used to compare educational systems across the country. To some degree, this measure is used to evaluate a state's relative commitment to K-12 education. However, as an input measure, PPE fails to consider the outcomes achieved by a state's educational system and the relative cost differentials across the country. This brief puts aside the limitations of using PPE as a performance measure, in order to focus on the various sources for PPE data and highlight their differences.

Comparability across states becomes important when looking at PPE data. The range of expenditures in the title of this brief highlights this importance. Depending on the data used and the entity that developed the national comparison, the resulting PPE figures can vary dramatically, and each result is not comparable to the other.

The National Center for Education Statistics (NCES) is the primary source for the data used to develop PPE calculations. NCES is part of the U.S. Department of Education and is the federal entity charged with collecting and analyzing data reported by the states. State education agencies (SEAs) compile state and local financial information and submit the information to NCES using NCES reporting standards. NCES then develops a series of reports using this data, including per pupil expenditures. The following terms will assist in understanding NCES data:

- the sum of all expenditures within the agency. This includes expenditures on salaries, employee benefits, purchased professional and technical services, purchased property services, other purchased services, supplies, property, and other.
- the expenditures for operating local public schools, *excluding capital outlay and interest on school debt*.
  - . These expenditures include such items as salaries for school personnel, benefits, student transportation, school books and materials, and energy costs. Expenditures for state administration are excluded.
- the aggregate attendance of a school during a reporting period (normally a school year) divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered days in session.<sup>2</sup>
- the total number of students registered in a given school unit at a given time, general the fall of a year.<sup>3</sup>

The U.S. Census Bureau and the National Education Association (NEA) also produce per pupil expenditure comparisons. The Census Bureau uses NCES data in their calculation. Instead of Current Expenditures, the Census Bureau uses the term Current Spending. Current Spending was developed by the Census Bureau for public school system finance reports and allows for the inclusion of all public elementary-secondary outlays, regardless of the specific unit of government that actually

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makes the expenditure.<sup>4</sup> The NEA also uses NCES data adjusted by a state to meet specific NEA data requirements.

Regardless of the terminology, each organization is trying to develop consistent data to ensure comparability across states. Often, per pupil expenditure comparisons exclude expenditures on capital outlay, debt service, pre-k programs (unless the funding goes to a local education agency and is for instructional purposes), adult education programs, and state level administration. Excluded expenditures are often noted in the footnotes of each comparison.

Depending on the three major national comparisons of per pupil expenditures, Utah spent an amount ranging from \$6,064 to \$8,122 in FY 2010 as detailed below:

- \$6,452 - Current expenditure per pupil in fall enrollment
- \$6,877 - Current expenditure per pupil in average daily attendance
- \$7,916 - Total current expenditures, capital expenditures, and interest on school debt per pupil
  
- \$6,064 - Current spending per pupil
  
- \$6,400 - Current expenditures per student in fall enrollment
- \$8,122 - Current expenditures per student in average daily attendance

In conclusion, each of these comparisons represents an accurate calculation of what Utah spends per pupil based on the definitions used to develop each comparison. Each organization consistently uses their set of definitions and data collection methodologies to allow for comparisons across time. However, given the range of possible amounts, it is difficult to fully weigh how much Utah spends per pupil using these comparisons alone.

**Notes:**

*Digest of Education Statistics: 2010. Appendix B: Definitions. National Center for Education Statistics, April 2011.*

*Ibid.*

*Ibid.*

*Public Education Finances: 2011. Government Division Reports. United States Census Bureau, May 2013.*

*Digest of Education Statistics. National Center for Education Statistics. Tables prepared January 2013.*

*2010 Annual Survey of Local Government Finances School Systems. U.S. Census Bureau.*

*Rankings of the States 2012. National Education Association.*