



# FISCAL RESEARCH CENTER

## **School District Education Expenditures in Response to the Great Recession**

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Andrew Young School of Policy Studies  
Georgia State University  
Atlanta, GA**

**FRC Report No. 265  
January 2014**



**ANDREW YOUNG SCHOOL**  
OF POLICY STUDIES

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# School District Education Expenditures in Response to the Great Recession

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## I. Introduction

An ongoing concern expressed by policymakers in Georgia is the extent to which school districts spend funds on instruction versus other school activities. The concern was sufficiently grave that in 2006, the Georgia General Assembly passed legislation requiring 65 percent of a school system's total operating funds be spent in the classroom. At the same time, expenditures outside of instruction are often "fixed costs" and cannot be cut beyond a certain point. For instance, given the current way we provide educational services, each school has a building that has maintenance costs, a principal, school buses and transportation services. This analysis examines the structure of school district expenditures, with a particular focus on whether school districts protected instructional expenditures during the recession.

This report draws on 12 years (2001-2012) of DE46 data from the Georgia Department of Education. The tables focus on the 2003, 2006, 2009 and 2012 school years to examine average spending patterns across school districts on an inflation adjusted per full time equivalent (FTE) student basis. The results show that the declines in funding during this period hit instruction as much if not more than other expenditure categories. Almost all spending categories declined significantly during this period, but instructional spending declined by 19 percent. As a result, instructional spending declined by almost two percentage points as a share of overall school district spending. Several categories that showed growth or a smaller level of decline are either ones with significant fixed costs, such as maintenance or transportation, or are associated with the requirements of federal education reform ("No Child Left Behind"). For instance, the pupil services category includes testing services.

Digging deeper, the report looks at actual compensation or salaries (on a per FTE basis) paid for different types of school district jobs. Again, teacher's salaries per FTE declined by 21.6 percent over the 10 year period, an amount greater than most other categories. At the same time, payments for benefits, largely driven by increased costs associated with the state run Georgia State Health Benefit Plan, grew by 20 percent.

The report also assesses whether there were differences in expenditure patterns and expenditure cuts based on school district wealth and demographics and finds that the recent recession had the unusual effect of *decreasing* disparity at least on instructional spending,

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largely because high spending districts moved closer to median spending levels, sometimes quite dramatically. This effect may have been caused by in part by the impact of the recession on the relatively wealthier metro Atlanta school districts which were some of the hardest hit by the housing crisis and associated property tax declines. The narrowing of disparity is most noticeable when comparing per student spending in districts with high aggregate property tax wealth but is also visible when comparing per student spending in districts with a high percentage of students in the free and reduced price lunch program. In both cases, the higher end of the spectrum moved towards the median, and as a result, the difference between the highest and lowest quintiles narrowed significantly.

This report is organized into eight sections each examining different dimensions of school educational spending. The next section describes state level expenditure allocations across educational function categories such as instruction and administration. Section 3 summarizes state level expenditure allocations by “object,” such as salaries and benefits. Section 4 discusses changes in the distribution of expenditures across different districts based on district characteristics such as levels of wealth. Section 5 concludes the report. The Appendix includes a detailed description of the various data sources used in the report and definitions of different terms. The body of this report focuses on operating expenditures; however, a second section in the Appendix includes expenditure tables with a wider variety of fund codes, most notably capturing capital expenditures.

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### II. State Level Expenditure Allocations by Functional Category

As shown in Figure 1, in aggregate between 2001 and 2012, two thirds of expenditures were spent instructing students.<sup>1</sup> The other third was allocated primarily towards maintenance (8 percent), school administration (6 percent), and transportation (5 percent). The remaining fifteen percent was split among twelve other less utilized functional categories.

**FIGURE 1. REAL EDUCATION EXPENDITURE SHARES, 2001 - 2012**

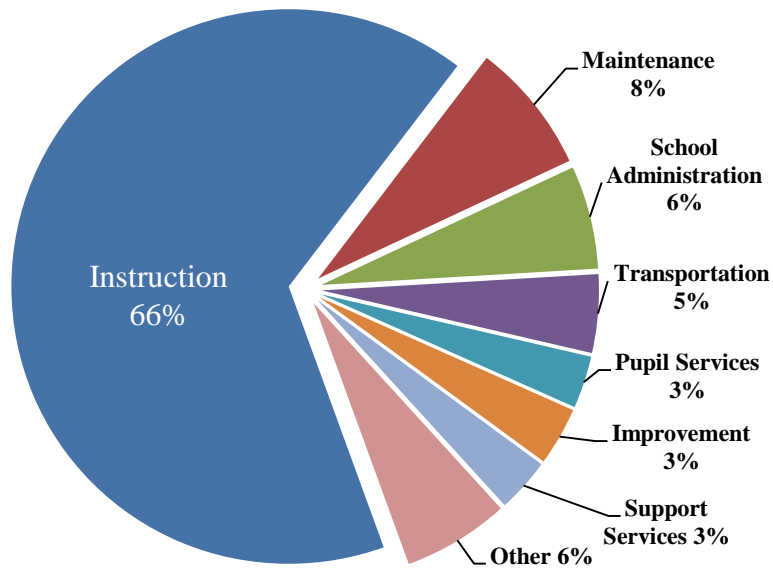


Table 1 provides more detail on expenditures by function. Note that this table is intended to capture current K-12 operating expenses as classified by the Georgia Department of Education. To capture operating expenses only, specific fund codes are excluded to remove the expenditures on capital spending, debt payments, and self-financing activities, as well as expenditures where the district has a fiduciary role (pensions for example). For more detail, as well as tables that are more inclusive of all fund types see the Appendix.

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<sup>1</sup>Figure 1 was calculated by adding up total 2001 through 2012 expenditures in each category and dividing by total expenditures.

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**TABLE 1. REAL PER FTE EXPENDITURES SHARES BY FUNCTION**

	-----2003-----		-----2006-----		-----2009-----		-----2012-----		-----Percent Change-----		
	Per FTE	Share	Per FTE	Share	Per FTE	Share	Per FTE	Share	2003- 2012	2003- 2009	2009- 2012
Instruction	\$6,811	67.2%	\$6,254	66.3%	\$6,293	65.7%	\$5,512	65.3%	-19.1%	-7.6%	-12.4%
Maintenance	\$767	7.6%	\$719	7.6%	\$752	7.9%	\$668	7.9%	-12.9%	-1.9%	-11.2%
School Admin	\$624	6.2%	\$560	5.9%	\$581	6.1%	\$528	6.3%	-15.3%	-6.9%	-9.1%
Transportation	\$439	4.3%	\$429	4.5%	\$449	4.7%	\$432	5.1%	-1.4%	2.4%	-3.8%
Improvement	\$347	3.4%	\$333	3.5%	\$331	3.5%	\$298	3.5%	-14.1%	-4.7%	-9.9%
Pupil Services	\$277	2.7%	\$282	3.0%	\$314	3.3%	\$284	3.4%	2.6%	13.4%	-9.5%
Support Services (ii)	\$299	2.9%	\$275	2.9%	\$316	3.3%	\$289	3.4%	-3.3%	5.7%	-8.5%
Media	\$199	2.0%	\$175	1.9%	\$169	1.8%	\$141	1.7%	-29.3%	-15.2%	-16.6%
Other	\$156	1.5%	\$185	2.0%	\$196	2.0%	\$138	1.6%	-11.6%	25.8%	-29.7%
General Admin (i)	\$135	1.3%	\$122	1.3%	\$143	1.5%	\$130	1.5%	-3.8%	5.8%	-9.1%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are in 2011 dollars. (i) Includes expenditures classified as federal grant administration. (ii) Includes business, central and other support services. Not all expenditures have been classified with a function code. Share indicates the percentage of total expenditure.

Expenditure shares appear to be relatively consistent between fiscal year (FY) 2003 and 2012 despite a 17 percent decrease in total operating expenditures.<sup>2</sup> Instruction declined slightly as a share, and the beneficiaries include almost every other category of spending with the exception of media. This stability is in part a function of the dominance of instruction as the primary spending category. Other spending categories registered notable declines and increases over this period, but their share is sufficiently small that even a large decline, for instance, the 29 percent decline in media, only registers as a minor shift in share.

The percent changes in the categories show how Georgia school districts in aggregate have managed through the real per FTE revenue declines over the past decade. Compared to 2003, on average, Georgia is spending 19 percent less on per student instruction in real (inflation adjusted) dollars. Five of the other categories have seen similar double digit declines in real per student spending over the past decade. Transportation has changed little, reflecting the “fixed cost” nature of this funding category. Pupil services have grown. This category includes counseling, testing, health and other non-instructional support services for schools. Many of these areas have seen demand for services increase over the past decade as a result of state and national education reforms.

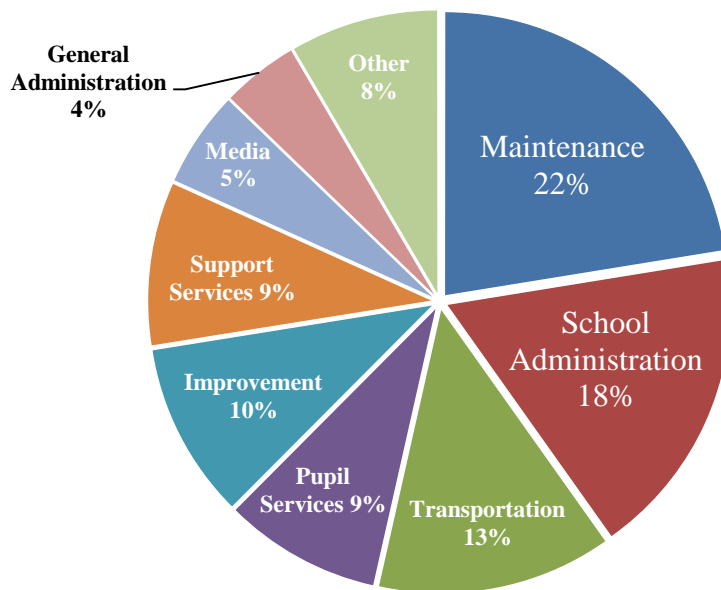
<sup>2</sup>Inflation adjusted per FTE total operating expenditures in 2003 were \$10,295 and in 2012 were \$8,509.

## School District Education Expenditures in Response to the Great Recession

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As seen in Figure 2, 43 percent of non-instructional spending is made up of maintenance, school administration, and transportation with the largest share going towards maintenance at 22 percent. Figure 3 breaks up instructional expenditures.<sup>3</sup> Two thirds of within-instruction expenditures were spent on traditional classroom K-12 teaching. The next largest share goes towards special education at 19 percent. Career, technical, and agricultural education (CTAE) programs made up 5 percent of instruction expenditures, and the instruction of disadvantaged students made up 5 percent. Instruction services make up 3 percent of instruction expenditures and are program codes associated with improving instruction through technology, teacher training, graduation, or test preparation.

**FIGURE 2. NON-INSTRUCTION EXPENDITURE SHARES 2001 – 2012**



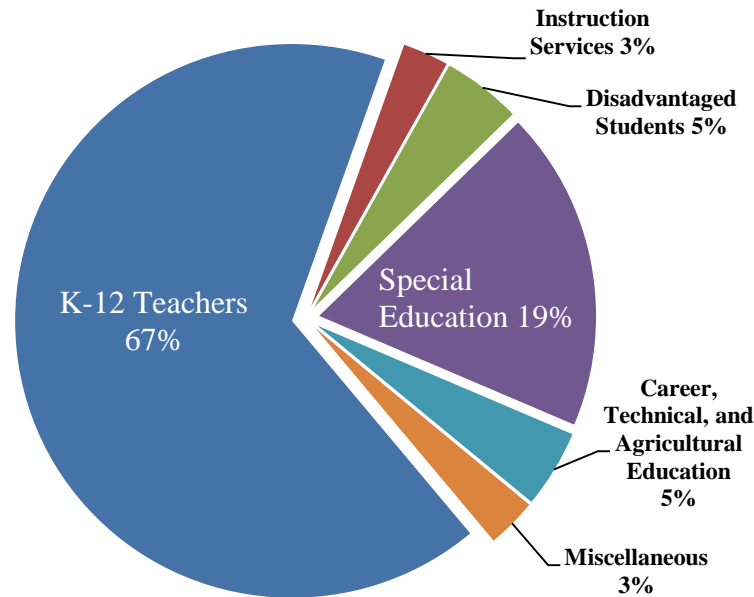
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<sup>3</sup>Expenditures within the instructional category are calculated by isolating the sample for instruction only and then grouping expenditures with program codes between 0 and 1112 as classroom teaching; between 1741 and 1970 as education of disadvantaged children; between 1971 and 2835 as special education; between 2836 and 6056 are classified as career and technical training or workplace readiness, program 9990 as miscellaneous and the remaining as education services. Instruction services include special programs to improve teaching, technology improvements, graduation and test preparation. ARRA related expenditures have been assigned to these groupings based on their descriptions.



## School District Education Expenditures in Response to the Great Recession

**FIGURE 3. WITHIN INSTRUCTION EXPENDITURE SHARES 2001 - 2012**



Between 2008 and 2012 available revenues declined in real and nominal terms. This decline is reflected in Table 2 as a decline of \$535 in *nominal (non-inflation adjusted)* per student spending. The decline in state funding which occurred largely in 2009 and 2010 was partially offset in 2009 through 2011 by increases in federal funding through the American Recovery and Reinvestment Act (ARRA). ARRA provided districts with revenue through fiscal stabilization funds intended to replace decreases in state formula revenues and protect teacher positions. ARRA also provided funds for special needs students and low income educationally disadvantaged students. Importantly, ARRA did not fund all school services but was concentrated primarily within the instruction function and to a much less extent within pupil services and instructional improvement.<sup>4</sup>

<sup>4</sup>ARRA coded expenditures were classified by the instructional fund code 85 percent of the time for the school years of 2009 through 2012. Instructional improvement and pupil services accounted for 11.5 percent and the other 3.5 percent was spread across all of the other expenditure functions.

## School District Education Expenditures in Response to the Great Recession

**TABLE 2. NOMINAL PER FTE RECESSION CHANGES**

	2008- 2009	2009- 2010	2010- 2011	2011- 2012	2008- 2012
Total Expenditure	-\$129	-\$195	-\$170	-\$41	-\$535
Instruction	-\$84 (64.7%)	-\$123 (63.2%)	-\$146 (86.3%)	-\$36 (87.3%)	-\$389 (72.7%)
Maintenance	\$24 (-18.6%)	-\$37 (19.2%)	-\$2 (1.1%)	\$12 (-28.9%)	-\$3 (0.6%)
School Administration	-\$2 (1.5%)	-\$6 (2.9%)	-\$2 (1.3%)	-\$1 (1.8%)	-\$11 (2.0%)
Transportation	-\$7 (5.8%)	-\$36 (18.5%)	\$22 (-13.2%)	\$31 (-75.9%)	\$10 (-1.9%)
Pupil Services	\$8 (-6.0%)	\$3 (-1.4%)	-\$3 (2.0%)	-\$5 (12.9%)	\$2 (-0.3%)
Improvement	-\$3 (2.3%)	\$4 (-2.0%)	-\$12 (7.2%)	\$1 (-1.8%)	-\$11 (2.0%)
Support Services	-\$21 (16.4%)	\$24 (-12.3%)	-\$9 (5.1%)	-\$18 (43.6%)	-\$24 (4.5%)
General Administration	\$13 (-9.7%)	-\$6 (3.2%)	\$7 (-3.8%)	-\$2 (6.0%)	\$10 (-1.9%)
Media	-\$4 (3.0%)	-\$3 (1.5%)	-\$10 (5.8%)	-\$3 (6.4%)	-\$19 (3.6%)
Other Exp.	-\$52 (40.5%)	-\$14 (7.2%)	-\$14 (8.2%)	-\$20 (48.5%)	-\$100 (18.8%)

Figures are nominal year to year per FTE changes. The number in parenthesis represents that expenditure function's percent of total change. A positive percentage indicates that the function moved in the same direction as total expenditures and a negative percentage indicates that the function moved in the opposite direction of total expenditures. These nominal per FTE figures (and those found in Table 3) intentionally do not match the values found on the GDOE District Expenditure Reports in order to include all students in all years as well as more expenditure functions. Recreation of this table using these GDOE expenditure reports reveals similar changes and the same conclusions.

Nominal changes in total expenditures per FTE compared to nominal changes within each function illustrate how the cuts themselves were distributed across expenditure functions. Instruction makes up two thirds or 65-66 percent of total expenditures, and the decreases in the first two years of declining nominal revenues accounted for 65 and 63 percent of the total decline (Table 2), or in other words, the decline in instruction was proportionate to its share of the overall budget. In the later years, however, after the decline in ARRA funding, instruction absorbed a significantly greater share of the overall cut.

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Maintenance, transportation, school administration, and pupil services, experienced a less than proportional decrease and/or an actual increase in expenditures over this period of declining total expenditures. Support services, media expenditures, general administration, and other expenditures were cut disproportionately more than their traditional expenditure shares.

To further investigate the effect of ARRA funding on changes in instruction spending, the changes in nominal per FTE instruction expenditures are disaggregated in Table 3. Fiscal stabilization revenue, which was intended to support teacher employment, increased until 2011 when it began running out. State and locally funded K-12 teaching expenditures were cut by a nominal \$459 between 2009 and 2010 while \$314 of that was offset by ARRA related expenditure. In contrast, state and locally funded K-12 teaching increased by \$53 nominally between 2010 and 2011, but the \$208 decrease in ARRA revenue more than offset this increase, and along with the other changes within instruction resulted in a \$147 per student nominal decrease in statewide instruction expenditures.

The education of disadvantaged children category, which is primarily funded through the No Child Left Behind law, was not cut during the recession (at least based on analysis of its usual funding program codes), and the category saw a nominal increase when adding in the ARRA related Title I funding. However, like regular instruction, ARRA cuts were not fully replaced by state and local funds. The difference with Title I is that the ARRA funds were apparently not wholly eliminated. Interestingly, school districts did fully replace and even supplement ARRA funds for Special Education. These shifts highlight the impact of federal funds on school districts during the recession and show that while federal funds were instrumental in shoring up school district expenditures during the recession, after the recession ended, school districts would not or could not effectively make up for lost ARRA funds.

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**TABLE 3. NOMINAL PER FTE RECESSION CHANGES WITHIN INSTRUCTION<sup>5</sup>**

	2008- 2009	2009- 2010	2010- 2011	2011- 2012	2008- 2012
Instruction	-\$84	-\$123	-\$147	-\$36	-\$389
K-12 Teaching	-\$133	-\$459	\$53	\$181	-\$358
Associated ARRA	\$93 (47.6%)	\$314 (117.8%)	-\$208 (106.1%)	-\$197 (42.6%)	\$2 (91.3%)
Disadvantaged	-\$19	\$5	\$0	\$13	-\$2
Associated ARRA	\$0 (22.7%)	\$55 (-48.4%)	\$1 (-0.9%)	-\$35 (63.5%)	\$21 (-4.9%)
Special Ed	\$22	-\$54	\$8	\$69	\$44
Associated ARRA	\$1 (-27.1%)	\$61 (-5.2%)	\$3 (-7.6%)	-\$58 (-30.6%)	\$7 (-13.2%)
CTAE	-\$9 (10.3%)	-\$16 (13.4%)	-\$14 (9.7%)	\$0 (-0.6%)	-\$39 (10.1%)
Instruction Services	-\$47 (56.0%)	-\$65 (52.7%)	\$8 (-5.6%)	-\$16 (44.9%)	-\$120 (30.8%)
Miscellaneous	\$8 (-9.5%)	\$37 (-30.3%)	\$3 (-1.8%)	\$7 (-19.8%)	\$55 (-14.1%)

Figures are nominal year to year per FTE changes. The number in parenthesis represents that program grouping's change (including ARRA related expenditures) as a percent of instruction change. A positive percentage indicates that the function moved in the same direction as instruction expenditures and a negative percentage indicates that the program grouping moved in the opposite direction as total expenditures.

<sup>5</sup> See Footnote 3 for program code definitions to create these groupings within Instruction.

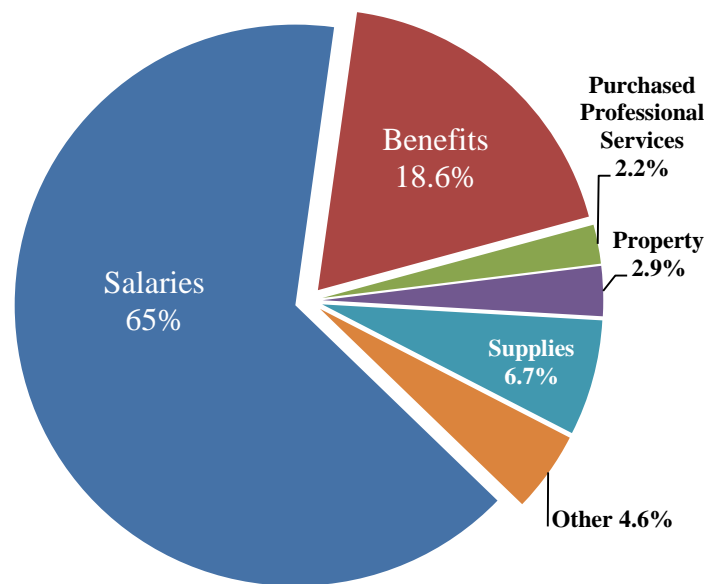
## School District Education Expenditures in Response to the Great Recession

### III. Expenditures by Object

The expenditure data can also be evaluated by object class, such as salaries, benefits, supplies, and various types of purchased services. For more detail on what types of purchases are included in each category please see the Appendix.

Salaries made up two thirds of total expenditures, and this share decreased between FY2003 and FY2012 from 65.4 to 63.9 percent (Figure 4). The share of total expenditures on benefits increased from 17.3 percent in 2003 to 20.1 percent indicating the cost to provide health insurance and retirement to employees is increasing relative to inflation and enrollment growth (Table 4). Total compensation (salaries and benefits) make up over 80 percent of all expenditures by object, and this share has grown from 82.7 percent in 2003 to 84 percent in 2012.

**FIGURE 4. EXPENDITURE OBJECT SHARES 2001 – 2012<sup>6</sup>**



<sup>6</sup>Property includes both direct property related expenditure and purchased property services. Other includes other purchased services, other purchased objects, and other use.

**TABLE 4. REAL PER FTE EXPENDITURES SHARES BY OBJECT**

Object Classification	-----2003-----		-----2006-----		-----2009-----		-----2012-----		-----Percent Change-----		
	Per FTE	Share	Per FTE	Share	Per FTE	Share	Per FTE	Share	2003-2012	2003-2009	2009-2012
Salaries	\$6,729	65.4%	\$6,200	65.7%	\$6,369	66.4%	\$5,399	63.9%	-19.8%	-5.4%	-15.2%
Benefits	\$1,781	17.3%	\$1,644	17.4%	\$1,690	17.6%	\$1,695	20.1%	-4.8%	-5.1%	0.3%
Supplies	\$691	6.7%	\$663	7.0%	\$632	6.6%	\$574	6.8%	-16.9%	-8.5%	-9.2%
Purchased Professional Services	\$226	2.2%	\$224	2.4%	\$230	2.4%	\$213	2.5%	-6.1%	1.5%	-7.5%
Other Purchased Services	\$167	1.6%	\$150	1.6%	\$193	2.0%	\$187	2.2%	11.5%	15.6%	-3.5%
Purchased Property Services	\$143	1.4%	\$137	1.4%	\$142	1.5%	\$132	1.6%	-7.8%	-0.3%	-7.5%
Other Use	\$314	3.0%	\$193	2.0%	\$196	2.0%	\$138	1.6%	-56.1%	-37.5%	-29.7%
Property	\$194	1.9%	\$169	1.8%	\$67	0.7%	\$49	0.6%	-74.7%	-65.7%	-26.2%
Other Object	\$49	0.5%	\$62	0.7%	\$66	0.7%	\$69	0.8%	41.3%	34.8%	4.8%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. Share indicates the percentage of total expenditures.

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The three categories associated with purchased services increased in share, but they continued to make up only 6.3 percent of districts' operating budgets in 2012. Direct property expenditures were rapidly declining and may reflect investment in facilities through non-operating fund codes along with recessionary pressure to delay investment. Supply purchases maintained a stable share and were cut in similar proportion to salaries over this period.

Changes within total compensation were influenced by changes in benefits, and Table 5 describes total compensation expenditures disaggregated. These categories do not correspond to previously presented functional and object code groupings, which are based on GDOE categories but were defined by the authors based on the expenditure code descriptions. For instance, secretaries' salaries may be grouped under pupil services, media, school improvement, or school administration in the GDOE classification. In authors' salary classifications, all secretary salaries are classified as school administration. More detail on these categories is included in the Appendix.

Re-classifying the data in this way shows that real per FTE teacher's salaries declined by 21.6 percent between 2003 and 2012. Only central and other school administration expenditures declined by larger amounts. As a share of overall spending, teacher salaries shifted from 49 percent of total spending on compensation to 46 percent, while spending on benefits grew from 21 to 24 percent. Spending on state health insurance and FICA grew by 15 percent between 2009 and 2012, a change largely driven by increased employer contributions to the State Health Benefit Plan. While central and other administration declined more than instruction, school administration did not, only declining by 17 percent.

Table 6 shows another snapshot of the data, this time using the GDOE functional categories and looking at the object class categories within each functional designation. Again, instructional salaries bore a significant portion of the reductions; however, using this classification also shows the efforts by school districts to cut all "other" expenditures and the problems of cutting such expenditures in categories such as transportation. Note again that some of the categories where salaries per FTE grew are ones heavily support by federal funds and/or potentially influenced by state or federal mandates (this effect is especially evident in pupil services).

**TABLE 5. REAL PER FTE EXPENDITURE SHARES OF TOTAL COMPENSATION**

	-----2003-----		-----2006-----		-----2009-----		-----2012-----		-----Percent Change-----		
	Per FTE	Share	Per FTE	Share	Per FTE	Share	Per FTE	Share	2003-2012	2003-2009	2009-2012
Total Compensation	\$8,511		\$7,844		\$8,059		\$7,094		-16.6%	-5.3%	-12.0%
-----Salaries-----											
Salaries in all Categories	\$6,729	79.1%	\$6,200	79.0%	\$6,369	79.0%	\$5,399	76.1%	-19.8%	-5.4%	-15.2%
Teachers	\$4,162	48.9%	\$3,835	48.9%	\$3,881	48.2%	\$3,264	46.0%	-21.6%	-6.7%	-15.9%
Administration											
School	\$558	6.6%	\$524	6.7%	\$540	6.7%	\$465	6.6%	-16.7%	-3.30%	-13.8%
Central	\$38	0.4%	\$33	0.4%	\$36	0.4%	\$29	0.4%	-23.4%	-5.50%	-18.9%
Other	\$377	4.4%	\$303	3.9%	\$325	4.0%	\$286	4.0%	-24.0%	-13.84%	-11.8%
Instruction Assistance	\$504	5.9%	\$465	5.9%	\$509	6.3%	\$406	5.7%	-19.4%	1.0%	-20.2%
Art, Music, and Physical Education	\$277	3.2%	\$265	3.4%	\$268	3.3%	\$238	3.4%	-14.0%	-3.04%	-11.4%
Athletics	\$35	0.4%	\$32	0.4%	\$35	0.4%	\$32	0.5%	-6.8%	1.09%	-7.8%
Counseling and Health	\$264	3.1%	\$249	3.2%	\$249	3.1%	\$214	3.0%	-18.8%	-5.7%	-13.8%
Maintenance, Transportation and Nutrition Salaries	\$516	6.1%	\$477	6.1%	\$489	6.1%	\$417	5.9%	-19.2%	-5.2%	-14.7%
-----Benefits-----											
All Categories	\$1,781	20.9%	\$1,644	21.0%	\$1,690	21.0%	\$1,695	23.9%	-4.8%	-5.1%	0.3%
State Health Ins. and FICA	\$873	10.3%	\$848	10.8%	\$908	11.3%	\$1,045	14.7%	19.7%	4.0%	15.1%
Teacher / Employee Retirement	\$511	6.0%	\$450	5.7%	\$531	6.6%	\$502	7.1%	-1.7%	4.0%	-5.5%
Unemployment and Workman's Compensation	\$32	0.4%	\$25	0.3%	\$36	0.4%	\$39	0.5%	21.4%	11.9%	8.5%
On Behalf Payments and other Benefits	\$365	4.3%	\$321	4.1%	\$215	2.7%	\$110	1.5%	-70.0%	-41.1%	-49.1%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. Share indicates the percentage of total compensation (salary plus benefits).



**TABLE 6. CHANGE IN REAL PER FTE BY EXPENDITURE FUNCTION AND OBJECT**

Function	Object	2003	2006	2009	2012	-----Percent Change-----		
						2003-2012	2003-2009	2009-2012
Instruction	Salaries	\$4,950	\$4,536	\$4,621	\$3,884	-21.5%	-6.7%	-15.9%
	Benefits	\$1,378	\$1,290	\$1,273	\$1,269	-7.9%	-7.6%	-0.3%
	Other	\$483	\$428	\$399	\$359	-25.7%	-17.5%	-9.9%
Maintenance	Salaries	\$321	\$286	\$289	\$243	-24.4%	-9.8%	-16.2%
	Benefits	\$63	\$50	\$72	\$73	15.6%	14.2%	1.2%
	Other	\$383	\$383	\$391	\$353	-7.9%	2.1%	-9.8%
School Admin	Salaries	\$475	\$438	\$453	\$397	-16.4%	-4.7%	-12.3%
	Benefits	\$118	\$104	\$111	\$114	-3.4%	-6.2%	3.1%
	Other	\$30	\$18	\$17	\$17	-45.4%	-43.2%	-3.9%
Transportation	Salaries	\$247	\$236	\$248	\$216	-12.5%	0.4%	-12.8%
	Benefits	\$53	\$45	\$59	\$60	13.7%	11.3%	2.1%
	Other	\$139	\$148	\$143	\$156	12.4%	2.6%	9.6%
Improvement	Salaries	\$201	\$197	\$202	\$177	-12.0%	0.4%	-12.3%
	Benefits	\$37	\$36	\$43	\$45	18.9%	15.9%	2.6%
	Other	\$109	\$100	\$86	\$77	-29.5%	-21.3%	-10.4%
Pupil Services	Salaries	\$186	\$194	\$222	\$192	3.1%	19.3%	-13.6%
	Benefits	\$43	\$40	\$48	\$49	14.1%	12.2%	1.7%
	Other	\$48	\$48	\$44	\$43	-9.7%	-8.6%	-1.2%
Support Services (i)	Salaries	\$136	\$121	\$134	\$121	-10.8%	-0.9%	-10.0%
	Benefits	\$32	\$30	\$33	\$36	12.5%	4.7%	7.5%
	Other	\$131	\$125	\$148	\$132	0.6%	12.8%	-10.8%
General Admin (ii)	Salaries	\$70	\$63	\$71	\$65	-8.2%	1.5%	-9.6%
	Benefits	\$16	\$14	\$16	\$16	-0.4%	0.0%	-0.4%
	Other	\$48	\$44	\$55	\$49	1.4%	14.0%	-11.1%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. (i) Includes Business, central and other support services. Not all expenditures have been classified with a function code. Share indicated the percentage of total expenditure. (ii) Includes expenditures classified as Federal Grant Administration.

# School District Education Expenditures in Response to the Great Recession

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## IV. Distributional Analysis

### Introduction

A distributional analysis across districts takes into account some of the variation in each districts' circumstances that may affect the expenditure categories. Changes in expenditure distributions over time are also potentially interesting if districts with different circumstances are becoming more or less alike in their spending allocations. Significant differences in real per FTE expenditures on a particular function may indicate that the demand or need for that expenditure varies among districts or that there is variation in districts' capacity to fund a particular item.

The following section describes the district distributions in school years 2003 and 2012 and considers the distribution across school districts as well as changes between years. In this section, unless otherwise noted, percentiles and quintiles have been weighted by FTE to account for district size. The tables should be read as distributions of funding as well as shifts in funding for Georgia's students rather than a distribution across districts. Because the numbers are weighted by students, in some cases, large districts' expenditure choices will influence these distributions more than a district with fewer students.

### Assessing Total Expenditures by Quintile

Table 7 provides the 10<sup>th</sup>, 25<sup>th</sup>, 50<sup>th</sup> (median), 75<sup>th</sup>, and 90<sup>th</sup> percentiles (weighted by FTE) for total expenditures per FTE across eight functional categories in 2003 and 2012. The table also includes each expenditure value's absolute distance from the median to give a sense of the width of the distribution. In some functions the statewide disparity in spending has changed significantly—most dramatically in instruction and to some degree in administration. In contrast, in the support services and pupil services categories the difference in spending has widened.

Property wealth is also reported for Tables 7, 8, and 9 to give a sense of the per student distribution of local wealth and was calculated by using the adjusted assessed value of property from the districts' sales ratios studies. The adjusted assessed value was then converted into real per FTE terms and is in thousands of dollars. The distribution of property wealth has also become more uniform between 2003 and 2012. The spread between the 90<sup>th</sup>

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**TABLE 7. REAL PER FTE TOTAL EXPENDITURE FUNCTION PERCENTILES**

<b>2003 Percentiles</b>	<b>10</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>90</b>
Property Wealth	\$376(\$195)	\$434(\$137)	\$571	\$732(\$161)	\$1076(\$505)
Instruction	\$6,226(\$499)	\$6,423(\$302)	\$6,725	\$7,265(\$540)	\$7,852(\$1,127)
Maintenance	\$593(\$142)	\$630(\$105)	\$735	\$866(\$131)	\$974(\$239)
Administration	\$617(\$109)	\$643(\$83)	\$726	\$822(\$96)	\$946(\$220)
Transportation	\$328(\$122)	\$389(\$61)	\$450	\$515(\$65)	\$534(\$84)
Instructional Improvement	\$195(\$90)	\$229(\$56)	\$285	\$330(\$45)	\$381(\$96)
Pupil Services	\$193(\$55)	\$207(\$41)	\$248	\$323(\$75)	\$400(\$152)
Support Services	\$113(\$119)	\$168(\$64)	\$232	\$334(\$102)	\$547(\$315)
Media	\$161(\$41)	\$170(\$32)	\$202	\$229(\$27)	\$244(\$42)
<b>2012 Percentiles</b>	<b>10</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>90</b>
Property Wealth	\$342(\$118)	\$391(\$69)	\$460	\$597(\$137)	\$806(\$346)
Instruction	\$5,135(\$447)	\$5,259(\$323)	\$5,582	\$6,042(\$460)	\$6,163(\$581)
Maintenance	\$521(\$96)	\$539(\$78)	\$617	\$761(\$144)	\$811(\$194)
Administration	\$490(\$144)	\$549(\$85)	\$634	\$704(\$70)	\$784(\$150)
Transportation	\$326(\$115)	\$375(\$66)	\$441	\$488(\$47)	\$538(\$97)
Instructional Improvement	\$176(\$74)	\$203(\$47)	\$250	\$359(\$109)	\$468(\$218)
Pupil Services	\$198(\$70)	\$228(\$40)	\$268	\$333(\$65)	\$414(\$146)
Support Services	\$124(\$83)	\$159(\$48)	\$207	\$322(\$115)	\$494(\$287)
Media	\$114(\$24)	\$125(\$13)	\$138	\$162(\$24)	\$180(\$42)

Percentiles are weighted by FTE and the number in the parenthesis is the distance from the median. Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. Property wealth is the real per FTE adjusted value of the property tax base in thousands of dollars.

and 10<sup>th</sup> percentile decreased from \$700 to \$464, and this decrease in disparity occurred primarily in the highest property value districts.

In 2003, a student in the bottom 10 percent of instruction expenditures received on average \$6,226 in spending which was \$499 less than a student in the median district. To compare, a student in the 90<sup>th</sup> percentile (the top 10 percent) received at least \$7,852 in instruction expenditures, \$1,127 above the median student. Disparity declined by 2012, driven by declines in expenditures per student at the high end of the distribution. The distance from the median for the wealthiest school districts dropped from \$1,127 above median to only \$581.

Total administration expenses decreased and became more uniform across the distribution, again driven by greater decreases at the top of the distribution. In 2003, students in the top 10 percent of districts received \$220 dollars more than the median and that difference decreased to \$150 in 2012. The distribution in transportation expenditures

## **School District Education Expenditures in Response to the Great Recession**

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remained stable as the median spending district declined by \$9 and the percentiles above and below the median changed by similarly small amounts.

Instructional improvement expenditures moved in a different way with students in the bottom quartiles receiving less per student funding while students in the top quartiles saw an increase in funding. In 2003, these expenditures appeared to be normally distributed around a median expenditure of \$285, but by 2012 the median and the percentiles below saw decreases in in per FTE expenditures while the above median percentiles increased. The implication is that on average, low spending districts kept instruction relatively constant but cut back on teacher training and curriculum development while high spending districts proportionately cut back more on instruction and beefed up teacher training. This category may be influenced by federal Race to the Top funding which went to a number of large, relatively high spending districts.

The pupil service expenditures slightly increased along all percentiles and the disparity between high spending and low spending districts remained relatively constant. The spread between the 75<sup>th</sup> and 25<sup>th</sup> percentile decreased slightly while the spread between the 90<sup>th</sup> and 10<sup>th</sup> slightly increased.

### **Assessing Urbanization and Expenditures**

The decline in property values in the recent recession notably affected suburbs and cities more than rural areas in Georgia. To see how this may have affected expenditure functions, Table 8 shows per student expenditures by level of urbanization of their school district.<sup>7</sup> City districts are located inside a small, medium, or large city; suburban districts are located outside of a principal city but inside its urbanized area; town districts are located within an urban cluster but more than 10 miles from an urbanized area; and rural districts are outside of urban clusters and urbanized areas. For how each district has been assigned to a level of urbanization, see the Appendix.

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<sup>7</sup>Districts were classified as urban based on their 2011 designation. There were instances where school districts changed their level of urbanization between 2003 and 2012.

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**TABLE 8. REAL PER FTE EXPENDITURE FUNCTIONS BY LEVEL OF URBANIZATION**

2003	City	Suburb	Town	Rural
Number of Districts	14	14	37	115
Property Wealth	\$651	\$687	\$462	\$517
Instruction	\$7,185	\$7,066	\$6,793	\$6,810
Maintenance	\$876	\$819	\$729	\$728
Administration	\$801	\$839	\$882	\$930
Transportation	\$415	\$406	\$404	\$499
Instructional Improvement	\$383	\$281	\$335	\$295
Pupil Services	\$316	\$278	\$343	\$330
<b>2012</b>				
Property Wealth	\$576	\$498	\$437	\$530
Instruction	\$5,902	\$5,710	\$5,460	\$5,659
Maintenance	\$801	\$664	\$681	\$694
Administration	\$686	\$712	\$705	\$816
Transportation	\$443	\$375	\$416	\$555
Instructional Improvement	\$416	\$243	\$358	\$299
Pupil Services	\$315	\$290	\$311	\$317

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. Property wealth is the real per FTE adjusted value of the property tax base in thousands of dollars.

In 2003, city school districts had, on average, \$375 more per FTE instruction expenditures than the rural school districts (Table 8). That difference declined to \$243 by 2012 indicating that rural and urban schools have become more alike over time in terms of instruction expenditures. Maintenance expenses increase with urbanization indicating higher labor costs, potentially older infrastructure, and/or different maintenance needs compared to rural districts. Transportation expenses were higher in rural districts in both 2003 and 2012, likely a result of the longer distances to travel to the school.

Total per FTE administration costs increased slightly in rural districts where in 2003 rural districts spent \$129 more than urban districts and \$130 more in 2012. School and district administration expenses are generally salaries for principals, superintendents, and other school administrators. Rural districts with fewer students per school may expend more on this category in per FTE terms simply because administration is a fixed cost to a school facility, rather than a variable cost based on student population.

Instructional improvement spending was concentrated in the most urban districts. In 2003 city districts spent 30 percent more than rural districts and 39 percent more in 2012.

## **School District Education Expenditures in Response to the Great Recession**

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This expenditure function is designed to capture efforts to improve current educational progress in the form of extra training, curriculum development, and research. As discussed previously this expenditure function is influenced by federal and state grant programs, including Race to the Top federal funding.

### **Assessing Property Tax Wealth and Expenditures**

Table 9 organizes expenditure functions by adjusted property tax wealth and examines the distribution of funds based on whether students are in districts with greater available local revenue. These quintiles are based on total property tax base rather than per FTE values to assess aggregate local wealth and are in millions of nominal dollars. The change in available local revenue between 2003 and 2012 has disproportionately affected suburban and high property value districts and to some degree this shift is again reflected in a decline in disparity in spending on instruction.

In 2003 greater local wealth is associated with higher per FTE instruction and support service expenditures and lower per FTE pupil service and administration expenditures. Instructional improvement, maintenance, and transportation do not seem to be a function of aggregate district property wealth. By 2012 the difference in instructional expenditures between low and high wealth districts had decreased. However, the inverse correlation between local property wealth and categories such as administration, pupil services, and instructional improvement persists as does the positive correlation with support services.

## School District Education Expenditures in Response to the Great Recession

**TABLE 9. REAL PER FTE EXPENDITURE FUNCTION EXPENSES BY QUINTILES OF PROPERTY TAX WEALTH**

	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
	Less than \$1,825	Between \$1,826 and \$5,315	Between \$5,316 and \$11,507	Between \$11,508 and \$51,411	Greater than \$51,412
<b>2003</b>					
Instruction	\$6,838	\$6,860	\$6,719	\$7,261	\$7,334
Maintenance	\$723	\$775	\$780	\$896	\$773
Administration	\$972	\$804	\$719	\$812	\$682
Transportation	\$473	\$458	\$424	\$466	\$492
Instructional Improvement	\$314	\$304	\$260	\$368	\$297
Pupil Services	\$341	\$334	\$261	\$226	\$269
Support Services	\$216	\$205	\$276	\$390	\$465
	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
	Less than \$3,027	Between \$3,028 and \$7,755	Between \$7,756 and \$17,826	Between \$17,827 and \$67,281	Greater than \$67,282
<b>2012</b>					
Instruction	\$5,586	\$5,757	\$5,704	\$5,868	\$5,665
Maintenance	\$691	\$705	\$684	\$821	\$653
Administration	\$825	\$691	\$631	\$673	\$632
Transportation	\$525	\$480	\$403	\$464	\$487
Instructional Improvement	\$322	\$300	\$324	\$309	\$249
Pupil Services	\$319	\$308	\$289	\$302	\$257
Support Services	\$207	\$202	\$238	\$484	\$420

Quintiles are weighted by FTE and are the quintile cuts are in millions. Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars.

### Assessing Poverty and Expenditures

In general, the percentage of students who qualify for free and reduced price lunch indicates a higher need for services. Districts keep track of the number of students who are eligible for these benefits, and Table 10 summarizes districts' expenditures by the percentage of students who qualify. All eight of these expenditure functions have at least a slight positive correlation between per FTE expenditures and percent of students on free and reduced price lunch. Notably the distribution changes between 2003 and 2012 reflect the increased level of poverty in Georgia. 20 percent of students were in districts with at least 61 percent free and reduced price lunch in 2003. In 2012, 20 percent of students were in districts with 75 percent of students in the free and reduced price lunch program.

## School District Education Expenditures in Response to the Great Recession

**TABLE 10. REAL PER FTE EXPENDITURE FUNCTION EXPENSES BY QUINTILES OF PERCENT OF STUDENT ELIGIBLE FOR FREE OR REDUCED LUNCH (2003 AND 2012)**

	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
<b>2003</b>	<b>Below 26%</b>	<b>27% - 37%</b>	<b>38% - 54%</b>	<b>55% - 60%</b>	<b>Above 61%</b>
Instruction	\$6,410	\$6,456	\$6,757	\$6,729	\$7,179
Maintenance	\$661	\$726	\$755	\$695	\$787
Administration	\$705	\$763	\$834	\$812	\$1,069
Transportation	\$340	\$443	\$413	\$438	\$541
Instructional Improvement	\$214	\$245	\$280	\$278	\$378
Pupil Services	\$216	\$294	\$320	\$313	\$369
Support Services	\$200	\$198	\$189	\$188	\$287
<b>2012</b>	<b>Below 45%</b>	<b>46% - 56%</b>	<b>57% - 66%</b>	<b>67% - 74%</b>	<b>Above 75%</b>
Instruction	\$5,370	\$5,648	\$5,685	\$5,509	\$5,795
Maintenance	\$643	\$685	\$664	\$672	\$755
Administration	\$663	\$730	\$684	\$734	\$902
Transportation	\$339	\$466	\$432	\$471	\$628
Instructional Improvement	\$181	\$244	\$255	\$336	\$395
Pupil Services	\$282	\$310	\$297	\$327	\$322
Support Services	\$156	\$190	\$191	\$191	\$283

Quintiles are weighted by FTE. Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are in 2011 dollars.

In 2003, instructional spending was greater for students in high poverty districts, but that correlation was substantially weaker in 2012. Instructional expenditures became more uniform across districts between 2003 and 2012 as per student spending dropped by \$1040 between 2003 and 2012 for students in districts with less poverty but dropped by \$1,384 in districts with more poverty. Administration expenditures and pupil services showed a similar tightening in the distribution over this period.

Instruction improvement expenditures were higher for students in the higher poverty quintile of districts and interestingly the funding grew for those in the higher quintile between 2003 and 2012 while funding declined for students in the lower quintile over this period.



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### **V. Conclusion**

In general, school districts spend two thirds of their resources on instruction, largely teacher salaries and benefits. During the recent recession, cuts were disproportionately concentrated within certain expenditure functions. On average, instruction expenditures decreased proportionally at first and then took a disproportionately large cut during the latter years of the recession as federal funding ran out. Looking at salaries only, real employee salaries per FTE saw substantial reductions across almost all categories. However, again, the reduction in per FTE spending on teacher salaries was reduced more than other categories. School districts were not able to protect instructional services during the recent recession, and this effect appears to have disparately affected high spending districts.

In general, researchers on school funding expect poverty, property tax wealth as well as levels of urbanization to influence school spending. The analysis here shows that these variables do influence spending but in the recent recession, the impact of these variables declined as higher spending districts moved towards the median and disparity narrowed by hundreds of dollars per FTE. Most dramatically, Table 9 shows that students in districts with the highest property tax wealth in 2003 received \$500 more in spending on instruction than students in districts with the lowest level of property tax wealth, but by 2012, the gap had narrowed to only \$79. In effect, spending had declined by 18 percent in low wealth districts but 23 percent in high wealth districts. A similar narrowing is visible when looking at school districts with high versus low percentages of students in poverty. In 2003, students in the highest poverty districts received \$769 per student more than students in the lowest poverty districts. By 2012, the range had narrowed to \$344.

# School District Education Expenditures in Response to the Great Recession

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## Appendix

### Data Sources

This report utilizes the DE46 data files provided by Georgia school districts as part of Georgia Department of Education (GDOE) financial reporting. These files provide detailed revenue and expenditure values for each school district for each school year. Each expenditure item has been classified by its educational function, object or service purchased, and education program (if one applies).<sup>8</sup> This report utilizes these data files for the school years 2001 through 2012 for all school districts within Georgia. Full time equivalent (FTE) enrollment data is from the GDOE and is used to convert expenditure values into per FTE values. The inflation rate used in this report was the national price index for state and local government consumption expenditures (Table 3.9.4) obtained from the Bureau of Economic Analysis.

In Section 5, demographic and descriptive metrics about Georgia's districts were necessary for a distributional analysis. District level adjusted property values were used to account for districts property wealth and were from the sales ratio study data provided by the Georgia Department of Revenue (DOR). Data on urbanization classification were obtained from the National Center for Education Statistics (NCES). The percentage of students who qualified for free or reduced price lunch came from GDOE datasets.

This report primarily summarizes *current operation expenditures* based on a widely used and reported GDOE classification system. Excluded funds include: 200 Debt Service Fund, 690 Internal Service Fund, 300 Capital Projects Fund, 693 Enterprise Fund, 422 Even Start, 700 Trust And Agency Funds, 500 Principal Accounts, 710 Expendable Trust Funds, 510 Adult Education, 720 Nonexpendable Trust Funds, 512 Post Secondary Vocational Education, 730 Pension Trust Funds, 514 Headstart, 740 Agency Funds, 530 Glrs Grant, 800 General Fixed Assets Account Group, 532 Sed—State And Federal Grants, 900 General Long-Term Debt Account Group, 560 Pre-Kindergarten (Lottery), 600 School Nutrition Service Fund, 380 Capital Outlay—School Renovation, 705 Principle Accounts—Activity Funds, 715 Principal Accounts—Trust Funds, 725 Principal Accounts—Non-Expendable Trust Funds, 801 Capital Assets—Governmental Funds.

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<sup>8</sup>“Chart of Accounts,” Georgia Department of Education Office of Finance and Business accessed August 12, 2013, [http://archives.doe.k12.ga.us/fbo\\_financial.aspx?PageReq=FBOFinRevCOAB](http://archives.doe.k12.ga.us/fbo_financial.aspx?PageReq=FBOFinRevCOAB).

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Because of the exclusion of some expenditure items some potential changes in expenditure allocation over time may not be captured. The effect of available ESPLOST revenue on capital outlay and debt is not included, as one example. Revenue and expenditure related to certain federal programs, some non-K-12 programs, and most nutrition related expenditures are excluded. Later in this Appendix, this report includes tables with only fiduciary and entity-wide fund codes excluded. Fiduciary and entity wide fund codes are classified as fund codes greater than 700 and are left out to eliminate any expenses the district incurred as a trustee to another organization and as an agent for a government or an individual.

### Expenditures by Function

The expenditure function is a classification that is intended to define what educational activity the purchased service or object is meant to support. Descriptions of the eighteen expenditure function codes are found in Table A-1. These definitions and descriptions are provided by GDOE.<sup>9</sup>

**TABLE A-1. GEORGIA DOE FUNCTION CODES AND DEFINITIONS**

Instruction	Instruction includes activities dealing directly with the interaction between teachers and students.
Pupil Services	Activities designed to assess and improve the well-being of students and to supplement the teaching process.
Improvement of Instructional Services	Activities which are designed primarily for assisting instructional staff in planning, developing and evaluating the process of providing challenging learning experiences for students.
Educational Media Services	Activities concerned with directing, managing and operating educational media centers.
Federal Grant Administration	Activities concerned with the demands of Federal Programs grant management.
General Administration	Activities concerned with establishing and administering policy for operating the local unit of administration.

*Table A-1 continues next page...*

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<sup>9</sup>See footnote 8.

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**TABLE A-1(CONT.). GEORGIA DOE FUNCTION CODES AND DEFINITIONS**

Support Services—Business	Activities concerned with the fiscal operation of the local unit of administration, including budgeting, financial and property accounting, payroll, inventory control, internal auditing and managing funds.
Maintenance and Operations of Plant Services.	Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair.
Student Transportation Service	Activities concerned with the conveyance of students to and from school and trips to school activities.
Support Service—Central	Central Office activities other than general administration and business services.
Other Support Services	All other support services not properly classified elsewhere.
School Nutrition Program	Activities concerned with providing food to students and staff in a school or local unit of administration.
Enterprise Operations	Activities that are financed and operated in a manner similar to private business enterprises – where the intent is to recover costs through user charges.
Community Services Operations	Activities concerned with providing community services to students, staff or other community participants.
Facilities Acquisition and Construction Services	Activities concerned with the acquisition of land and buildings; renovating buildings; the construction of buildings and additions to buildings, initial installation or extension of service systems and other building equipment; and improvements to sites.
Other Outlays	Outlays which cannot be properly classified as expenditures but require budgetary or accounting control.
Debt Service	Outlays to retire the long-term debt (obligations in excess of one year) of the local unit of administration.

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Source: “Chart of Accounts,” Georgia Department of Education Office of Finance and Business accessed August 12, 2013, [http://archives.doe.k12.ga.us/fbo\\_financial.aspx?PageReq=BOFin RevCOAB](http://archives.doe.k12.ga.us/fbo_financial.aspx?PageReq=BOFin RevCOAB).

Instruction is primarily composed of regular expenditures on K-12 instruction but also includes special education, career and technical training, and programs designed to assist in the instruction of disadvantaged children. Pupil services includes counseling, social and health services, testing, and social work. Instructional improvement includes spending on

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curriculum development, professional training and development, and child development training. Media expenditures capture spending on libraries, media centers, or audio visual services.

Federal grant administration is associated with fulfilling the demands required by federal grant programs. General administration expenditures include spending on legal assistance, external auditors, superintendents, and administrative support staff. School administration includes spending on principals, assistant principals, department chairs, and clerical staff.

Business support services include spending on purchased services, warehouse and distribution operations, printing, publishing, and duplication services. Central support services are expenditures for the central office not classified in the general administration or business service function codes. This would include personal services data processing, strategic planning and research. Other support services are those not otherwise classified.

Maintenance and capital plant operation expenditures include spending intended to keep the physical plant open, comfortable, and safe. The physical plant refers to any district operated facility or school. Student transportation includes spending on moving students to and from school and for school trips, bus operation servicing and maintenance. School nutrition expenses are associated with providing students and staff food.

Enterprise operation expenses are activities that are financed and operated in a manner similar to a business enterprise and are intended to recover their own costs. Expenditures intended to provide a community service are classified as community service operations. This would include spending on a community pool or recreation programs provided for the elderly.

Facility acquisition and construction service expenditures include renovations, new construction, installation of service systems or equipment, and the purchase of land. Debt service expenditure is spending to service long term debt principle, interest payments, as well as agent fees.

Table A-2 shows the distribution of funds across these categories for all funds except fiduciary and enterprise wide funds (code 700 or higher). This table supplements the results from Table 1, which only captures “operating expenditures” by functional category. This

**TABLE A-2. REAL PER FTE EXPENDITURES SHARES BY FUNCTION (ALL FUND CODES BELOW 700 INCLUDED)**

	-----2003-----		-----2006-----		-----2009-----		-----2012-----		-----Percent Change-----		
	Per FTE	Share	Per FTE	Share	Per FTE	Share	Per FTE	Share	2003-2012	2003-2009	2009-2012
Instruction	\$7,105	49.6%	\$6,635	50.3%	\$6,700	48.2%	\$5,897	50.0%	-17.0%	-5.7%	-12.0%
Facilities	\$1,411	9.9%	\$1,320	10.0%	\$1,650	11.9%	\$852	7.2%	-39.6%	16.9%	-48.3%
Other Outlays	\$1,145	8.0%	\$1,016	7.7%	\$1,137	8.2%	\$821	7.0%	-28.3%	-0.7%	-27.8%
Maintenance	\$789	5.5%	\$753	5.7%	\$783	5.6%	\$703	6.0%	-10.9%	-0.7%	-10.3%
Debt	\$820	5.7%	\$526	4.0%	\$536	3.9%	\$685	5.8%	-16.5%	-34.7%	27.8%
School Admin	\$638	4.5%	\$591	4.5%	\$609	4.4%	\$560	4.8%	-12.2%	-4.5%	-8.0%
Nutrition	\$544	3.8%	\$506	3.8%	\$529	3.8%	\$512	4.3%	-5.9%	-2.7%	-3.2%
Transportation	\$459	3.2%	\$453	3.4%	\$492	3.5%	\$460	3.9%	0.3%	7.2%	-6.4%
Support Services (ii)	\$346	2.4%	\$345	2.6%	\$370	2.7%	\$336	2.8%	-3.0%	6.9%	-9.3%
Improvement	\$368	2.6%	\$353	2.7%	\$349	2.5%	\$317	2.7%	-13.9%	-5.1%	-9.3%
Pupil Services	\$307	2.1%	\$319	2.4%	\$352	2.5%	\$314	2.7%	2.3%	14.8%	-10.9%
Media	\$203	1.4%	\$183	1.4%	\$183	1.3%	\$148	1.3%	-27.4%	-9.7%	-19.5%
General Admin(i)	\$143	1.0%	\$130	1.0%	\$154	1.1%	\$140	1.2%	-2.1%	7.8%	-9.2%
Enterprise	\$16	0.1%	\$36	0.3%	\$35	0.2%	\$31	0.3%	95.9%	117.7%	-10.0%
Community	\$24	0.2%	\$23	0.2%	\$21	0.2%	\$15	0.1%	-36.2%	-13.0%	-26.6%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars. (i) Includes expenditures classified as federal grant administration. (ii) Includes business, central and other support services. Not all expenditures have been classified with a function code. Share indicates the percentage of total expenditure.

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table shows the impact of funds such as ESPLOST and lottery funds as well as variety of federal funding programs (such as school nutrition) on overall operations.

### Expenditures by Object Class

The object classification code is intended to define the service or commodity obtained as a result of the specific expenditure and cross functions. Table A-3 describes the GDOE objects codes and their descriptions. These definitions and descriptions are provided by GDOE.<sup>10</sup>

**TABLE A-3. GEORGIA DOE OBJECT CODES AND EXPLANATIONS**

Salaries	Payments to teachers and other staff members employed by the district or local unit of administration.
Benefits	Employer cost to provide non salary compensation.
Purchased Professional and Technical Services	Contracted services which can be performed only by persons or firms with specialized skills and knowledge.
Purchased Property Services	Contracted services provided to the local unit of administration to provide utility services, repair or maintenance services or rental of equipment.
Other Purchased Services	Contracted services not specified elsewhere.
Supplies	Purchase of expendable commodities.
Property	Purchase or lease purchase of long terms capital assets.
Other Uses	Special or extraordinary item not classified elsewhere.
Other Objects	Service or commodity not classified elsewhere

Source: "Chart of Accounts," Georgia Department of Education Office of Finance and Business accessed August 12, 2013, [.http://archives.doe.k12.ga.us/fbo\\_financial.aspx?PageReq=FBOFinRevCOAB](http://archives.doe.k12.ga.us/fbo_financial.aspx?PageReq=FBOFinRevCOAB).

Salaries are expenditures on wages. Benefits include the employer portion of health care benefits; the teachers and employers retirement systems; the Federal Insurance Contributions Act (FICA); unemployment and workman's compensation payments.

Purchased services are described by three categories and generally included services that are purchased by the local unit of administration. Purchased professional services would include any contracted teachers, counselors, nurses, architects, engineers, auditors and other

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<sup>10</sup> See footnote 8

## **School District Education Expenditures in Response to the Great Recession**

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professional services. Purchased property services include water, sewer, cleaning, repair, and maintenance services. Rental of land or buildings, equipment and vehicles, and computer equipment are included in purchase property services. Any purchased service not described as a professional or property services would be classified as other purchased services.

Supply purchases include the purchase of all expendable commodities. This includes the purchase of textbooks, energy, computer software, and food. Expenditures classified as property include the purchases of long term capital assets (land, buildings, buses, computers, and land improvements), and their associated depreciation expenses.

Table A-4 shows the same results as Table 4 but with the inclusion of all fund groups except the 700 or higher fund codes.



**TABLE A-4. REAL PER FTE EXPENDITURES SHARES BY OBJECT (ALL FUND CODES BELOW 700 INCLUDED)**

	-----2003-----		-----2006-----		-----2009-----		-----2012-----		-----Percent Change-----		
	Per FTE	Share	Per FTE	Share	Per FTE	Share	Per FTE	Share	2003- 2012	2003- 2009	2009- 2012
Salaries	\$7,221	50.4%	\$6,663	50.5%	\$6,818	49.1%	\$5,815	49.3%	-19.5%	-5.6%	-14.7%
Benefits	\$1,900	13.3%	\$1,757	13.3%	\$1,796	12.9%	\$1,820	15.4%	-4.2%	-5.4%	1.3%
Property	\$1,364	9.5%	\$1,327	10.1%	\$1,565	11.3%	\$751	6.4%	-44.9%	14.8%	-52.0%
Supplies	\$1,025	7.2%	\$1,101	8.3%	\$1,122	8.1%	\$1,053	8.9%	2.7%	9.5%	-6.2%
Principal	\$620	4.3%	\$396	3.0%	\$364	2.6%	\$535	4.5%	-13.7%	-41.2%	46.8%
Purchased Professional Services	\$422	2.9%	\$339	2.6%	\$401	2.9%	\$347	2.9%	-17.6%	-4.9%	-13.4%
Other Purchased Services	\$188	1.3%	\$184	1.4%	\$224	1.6%	\$215	1.8%	14.7%	19.3%	-3.9%
Purchased Property Services	\$164	1.1%	\$160	1.2%	\$187	1.3%	\$170	1.4%	3.8%	13.7%	-8.7%
Interest	\$176	1.2%	\$133	1.0%	\$179	1.3%	\$148	1.3%	-15.5%	1.7%	-16.9%
Other Object	\$94	0.7%	\$112	0.8%	\$107	0.8%	\$114	1.0%	20.8%	13.8%	6.1%
Other Use	\$8	0.1%	\$14	0.1%	\$37	0.3%	\$19	0.2%	125.2%	342.4%	-49.1%
Operational Transfer(i)	\$1,137	7.9%	\$1,002	7.6%	\$1,100	7.9%	\$802	6.8%	-29.4%	-3.3%	-27.1%

Dollar figures have been adjusted for inflation using the NIPA Government Consumption Index and are all in 2011 dollars.(i) Expenditure category intended solely to offset revenue when funds are transferred and accompanying revenue is classified as function 5200 (operating transfers)

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### **Expenditure Code Groupings Utilized to Create Table 6**

Teacher salaries include object codes for: teacher salaries, substitute teacher salaries, professional development stipends, extended day and year salaries, and young farmer teacher salaries. School administration includes object codes for: principal and assistant principal salaries as well as clerical and secretarial staff salaries. Central administration salaries include object codes for: school board member salaries, superintendent salaries, and deputy superintendent salaries. Other administration salaries include object codes for: planning and evaluation personal salaries, accountant salaries, legal personal salaries, and other management or administration personal salaries.

Instructional assistance salaries include the object code classifications for: aides and para-professional salaries, interpreter salaries, graduation coach salaries, research personnel salaries, family and parent coordinators, teacher support specialist salaries, technology specialists salaries, and library and media specialist salaries. Art, music and physical education include object codes for: art, music, and physical education teachers. Athletics includes the object code for athletic personnel salaries.

The counseling and health category include the object codes for: school nurse salaries, physical therapist salaries, elementary or secondary counselor salaries, psychologist and psychometrist salaries, social worker salaries, and rehabilitation counselor salaries. The maintenance, transportation, and nutrition salary category includes the object codes intended for: bus driver salaries, maintenance personal salaries, cafeteria staff salaries, and custodial salaries. Terminal leave and retirement incentive category include spending on terminal leave payments and retirement incentive payments.

## School District Education Expenditures in Response to the Great Recession

### School District Urbanization Level<sup>11</sup>

**TABLE A-5. NATIONAL CENTER FOR EDUCATION STATISTICS URBANIZATION CATEGORIES**

School District	Urbanization	School District	Urbanization
<i>City Districts</i>		<i>Suburban Districts (cont.)</i>	
Atlanta Public Schools	City: Large	DeKalb County	Suburb: Large
Muscogee County	City: Mid-Size	<i>Town Districts</i>	
Chatham County	City: Mid-Size	Murray County	Town: Fringe
Richmond County	City: Mid-Size	Bryan County	Town: Fringe
Clarke County	City: Mid-Size	Lumpkin County	Town: Distant
Valdosta City	City: Small	Worth County	Town: Distant
Bibb County	City: Small	Trion City	Town: Distant
Houston County	City: Small	Calhoun City	Town: Distant
Liberty County	City: Small	Pelham City	Town: Distant
Gainesville City	City: Small	Polk County	Town: Distant
Dougherty County	City: Small	Hart County	Town: Distant
Dalton City	City: Small	Lamar County	Town: Distant
Rome City	City: Small	Cartersville City	Town: Distant
Marietta City	City: Small	Terrell County	Town: Distant
<i>Suburban Districts</i>		Colquitt County	Town: Distant
Buford City	Suburb: Large	Randolph County	Town: Distant
Catoosa County	Suburb: Large	Carrollton City	Town: Distant
Gwinnett County	Suburb: Large	Thomasville City	Town: Distant
Newton County	Suburb: Large	Turner County	Town: Distant
Cobb County	Suburb: Large	Decatur County	Town: Distant
Forsyth County	Suburb: Large	Pulaski County	Town: Distant
Decatur City	Suburb: Large	Grady County	Town: Distant
Fulton County	Suburb: Large	Elbert County	Town: Distant
Cherokee County	Suburb: Large	Commerce City	Town: Distant
Chickamauga City	Suburb: Large	Early County	Town: Distant
Clayton County	Suburb: Large	Macon County	Town: Distant
Rockdale County	Suburb: Large	Dade County	Town: Distant
Douglas County	Suburb: Large	Troup County	Town: Distant

*Table A-5 continues next page...*

<sup>11</sup> "District Universe Files," The National Center for Education Statistics, accessed September 16, 2013, <http://nces.ed.gov/ccd/pubagency.asp>.

## School District Education Expenditures in Response to the Great Recession

**TABLE A-5 (CONT.). NATIONAL CENTER FOR EDUCATION STATISTICS URBANIZATION CATEGORIES**

<b>School District</b>	<b>Urbanization</b>	<b>School District</b>	<b>Urbanization</b>
<i>Town Districts (cont.)</i>		<i>Rural Districts (cont.)</i>	
Ware County	Town: Remote	Pickens County	Rural: Fringe
Quitman County	Town: Remote	Cook County	Rural: Fringe
Tift County	Town: Remote	Bacon County	Rural: Fringe
Appling County	Town: Remote	Sumter County	Rural: Fringe
Washington County	Town: Remote	Irwin County	Rural: Fringe
Bulloch County	Town: Remote	Monroe County	Rural: Fringe
Toombs County	Town: Remote	Hancock County	Rural: Fringe
Telfair County	Town: Remote	Putnam County	Rural: Fringe
Vidalia City	Town: Remote	Wilkes County	Rural: Fringe
Dublin City	Town: Remote	Columbia County	Rural: Fringe
Jeff Davis County	Town: Remote	Berrien County	Rural: Fringe
<i>Rural Districts</i>		Seminole County	Rural: Fringe
Spalding County	Rural: Fringe	Glynn County	Rural: Fringe
Thomas County	Rural: Fringe	Screven County	Rural: Fringe
Evans County	Rural: Fringe	Lee County	Rural: Fringe
Bleckley County	Rural: Fringe	Walton County	Rural: Fringe
Emanuel County	Rural: Fringe	Crisp County	Rural: Fringe
Henry County	Rural: Fringe	McIntosh County	Rural: Fringe
Treutlen County	Rural: Fringe	Wayne County	Rural: Fringe
Greene County	Rural: Fringe	Thomaston-Upson County	Rural: Fringe
Gilmer County	Rural: Fringe	Paulding County	Rural: Fringe
Burke County	Rural: Fringe	Clinch County	Rural: Fringe
Oconee County	Rural: Fringe	Coffee County	Rural: Fringe
Camden County	Rural: Fringe	Coweta County	Rural: Fringe
Habersham County	Rural: Fringe	Whitfield County	Rural: Fringe
Stephens County	Rural: Fringe	Carroll County	Rural: Fringe
Brooks County	Rural: Fringe	Charlton County	Rural: Fringe
Baldwin County	Rural: Fringe	Bartow County	Rural: Fringe
Ben Hill County	Rural: Fringe	McDuffie County	Rural: Fringe
Butts County	Rural: Fringe	Fayette County	Rural: Fringe
Walker County	Rural: Fringe	Candler County	Rural: Fringe
Lowndes County	Rural: Fringe	Barrow County	Rural: Fringe

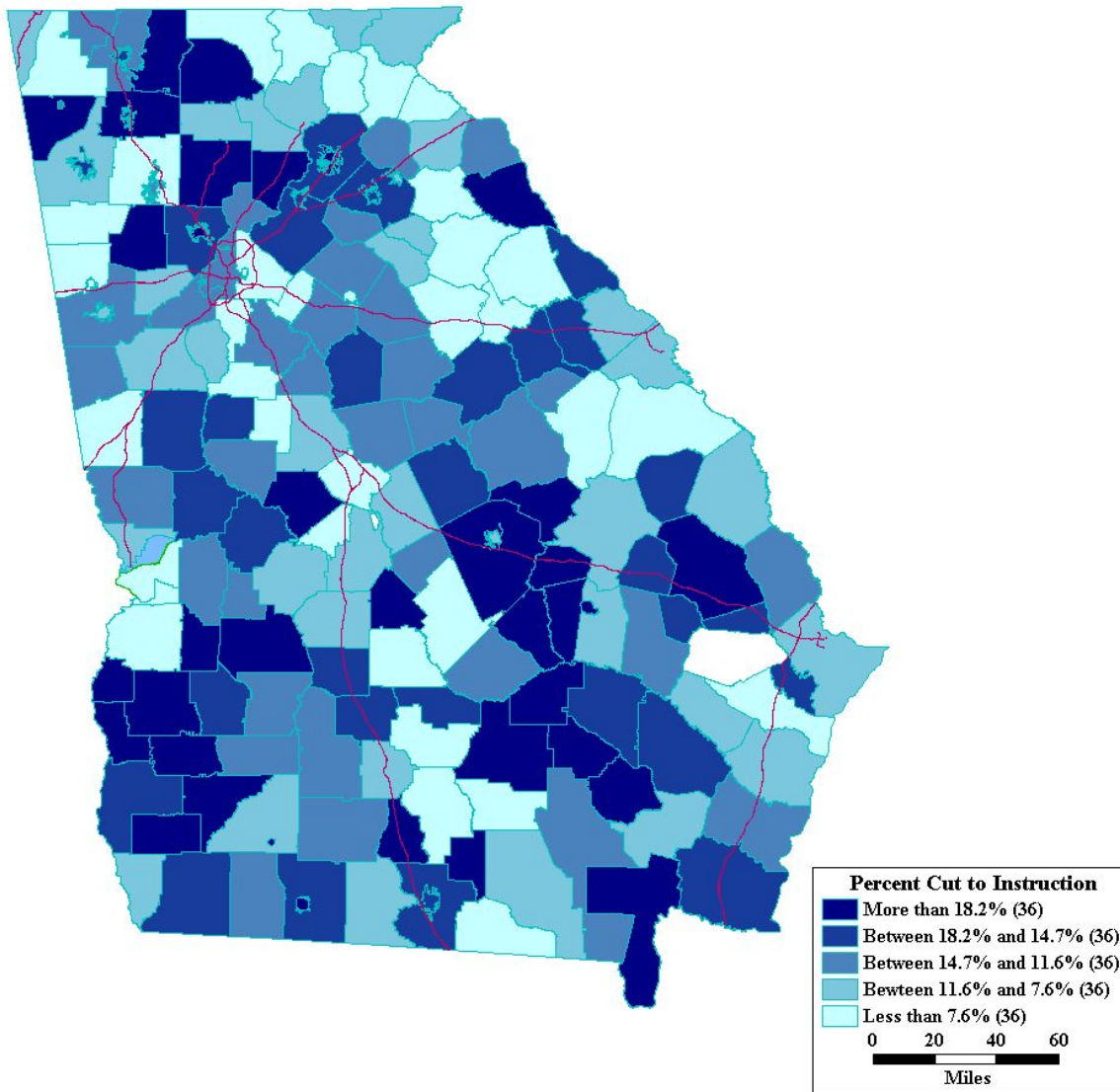
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## School District Education Expenditures in Response to the Great Recession

**TABLE A-5 (CONT.). NATIONAL CENTER FOR EDUCATION STATISTICS URBANIZATION CATEGORIES**

<b>School District</b>	<b>Urbanization</b>	<b>School District</b>	<b>Urbanization</b>
<i>Rural Districts (cont.)</i>		<i>Rural Districts (cont.)</i>	
Dodge County	Rural: Fringe	Mitchell County	Rural: Distant
Morgan County	Rural: Fringe	Dooly County	Rural: Distant
Peach County	Rural: Fringe	Oglethorpe County	Rural: Distant
Hall County	Rural: Fringe	Harris County	Rural: Distant
Bremen City	Rural: Fringe	Marion County	Rural: Distant
Jenkins County	Rural: Fringe	Heard County	Rural: Distant
Floyd County	Rural: Fringe	Madison County	Rural: Distant
Pierce County	Rural: Fringe	Crawford County	Rural: Distant
Social Circle City	Rural: Distant	Pike County	Rural: Distant
Wheeler County	Rural: Distant	Dawson County	Rural: Distant
Meriwether County	Rural: Distant	Tattnall County	Rural: Distant
Jefferson County	Rural: Distant	Laurens County	Rural: Distant
Lanier County	Rural: Distant	White County	Rural: Distant
Wilkinson County	Rural: Distant	Talbot County	Rural: Distant
Lincoln County	Rural: Distant	Jackson County	Rural: Distant
Warren County	Rural: Distant	Chattooga County	Rural: Distant
Webster County	Rural: Distant	Rabun County	Rural: Remote
Montgomery County	Rural: Distant	Atkinson County	Rural: Remote
Stewart County	Rural: Distant	Brantley County	Rural: Remote
Echols County	Rural: Distant	Johnson County	Rural: Remote
Twiggs County	Rural: Distant	Taylor County	Rural: Remote
Haralson County	Rural: Distant	Fannin County	Rural: Remote
Effingham County	Rural: Distant	Miller County	Rural: Remote
Jones County	Rural: Distant	Schley County	Rural: Remote
Banks County	Rural: Distant	Union County	Rural: Remote
Long County	Rural: Distant	Wilcox County	Rural: Remote
Franklin County	Rural: Distant	Clay County	Rural: Remote
Jefferson City	Rural: Distant	Taliaferro County	Rural: Remote
Jasper County	Rural: Distant	Towns County	Rural: Remote
Baker County	Rural: Distant	Glascocock County	Rural: Remote
Gordon County	Rural: Distant	Calhoun County	Rural: Remote
Chattahoochee County	Rural: Distant		

**FIGURE A-1. MAP OF CHANGE IN REAL PER FTE INSTRUCTION EXPENDITURES BETWEEN 2008 AND 2012**



**TABLE A-6. MAP OF CHANGE IN REAL PER FTE INSTRUCTION EXPENDITURES BETWEEN 2008 AND 2012**

<b>District</b>	<b>Percent Change</b>	<b>District</b>	<b>Percent Change</b>	<b>District</b>	<b>Percent Change</b>
Appling County	-16.69%	Clarke County	-7.71%	Fulton County	-13.26%
Atkinson County	-6.88%	Clay County	-31.39%	Gainesville County	-19.30%
Atlanta Public Schools	-13.00%	Clayton County	-7.12%	Gilmer County	-27.82%
Bacon County	-19.55%	Clinch County	-10.33%	Glascock County	-12.14%
Baker County	-19.95%	Cobb County	-15.70%	Glynn County	-13.56%
Baldwin County	-13.96%	Coffee County	-24.82%	Gordon County	-18.41%
Banks County	-12.55%	Colquitt County	-12.16%	Grady County	-12.13%
Barrow County	-11.72%	Columbia County	-11.19%	Greene County	13.05%
Bartow County	-6.65%	Commerce City	-9.36%	Gwinnett County	-15.05%
Ben Hill County	-17.87%	Cook County	-18.94%	Habersham County	-5.84%
Berrien County	-6.35%	Coweta County	-11.50%	Hall County	-15.63%
Bibb County	-3.67%	Crawford County	-18.51%	Hancock County	-18.12%
Bleckley County	-12.06%	Crisp County	-16.33%	Haralson County	-4.93%
Brantley County	-8.39%	Dade County	-9.32%	Harris County	-12.32%
Bremen City	-5.49%	Dalton City	-17.75%	Hart County	-11.63%
Brooks County	-9.83%	Dawson County	-11.47%	Heard County	-11.65%
Bryan County	-17.29%	Decatur City	-6.80%	Henry County	-12.39%
Buford City	-15.64%	Decatur County	-17.66%	Houston County	-11.48%
Bulloch County	-19.27%	DeKalb County	-6.97%	Irwin County	-4.47%
Burke County	-3.00%	Dodge County	-7.45%	Jackson County	-14.73%
Butts County	-13.08%	Dooly County	-11.14%	Jasper County	-15.91%
Calhoun City	-17.99%	Dougherty County	-14.47%	Jeff Davis County	-32.57%
Calhoun County	-23.04%	Douglas County	-10.69%	Jefferson City	-17.17%
Camden County	-16.13%	Dublin City	-10.00%	Jefferson County	-4.69%
Candler County	-15.38%	Early County	-15.91%	Jenkins County	-16.46%
Carroll County	-13.19%	Echols County	-6.78%	Johnson County	-18.38%
Carrollton City	-9.80%	Effingham County	-11.68%	Jones County	-13.40%
Cartersville City	-12.00%	Elbert County	-22.55%	Lamar County	-4.90%
Catoosa County	-12.57%	Emanuel County	-10.84%	Lanier County	-19.64%
Charlton County	-18.42%	Evans County	-16.03%	Laurens County	-18.69%
Chatham County	-8.93%	Fannin County	-1.56%	Lee County	-12.80%
Chattahoochee County	5.81%	Fayette County	-9.81%	Liberty County	-4.51%
Chattooga County	-20.12%	Floyd County	-8.56%	Lincoln County	-15.37%
Cherokee County	-19.41%	Forsyth County	-20.00%	Long County	-7.93%
Chickamauga City	-12.08%	Franklin County	-10.78%	Lowndes County	-14.97%

*Table A-6 continues next page...*

**TABLE A-6. (CONT.). MAP OF CHANGE IN REAL PER FTE INSTRUCTION EXPENDITURES BETWEEN 2008 AND 2012**

<b>District</b>	<b>Percent Change</b>	<b>District</b>	<b>Percent Change</b>	<b>District</b>	<b>Percent Change</b>
Lumpkin County	-9.73%	Pulaski County	-19.50%	Tift County	-11.55%
Macon County	-10.72%	Putnam County	-11.75%	Toombs County	-7.84%
Madison County	-4.63%	Quitman County	-37.88%	Towns County	-10.99%
Marietta City	-21.48%	Rabun County	-11.60%	Treutlen County	-27.23%
Marion County	-14.14%	Randolph County	-27.76%	Trion City	-11.74%
McDuffie County	-16.13%	Richmond County	-8.18%	Troup County	-7.57%
McIntosh County	-7.87%	Rockdale County	-6.44%	Turner County	-16.06%
Meriwether County	-15.92%	Rome City	-15.52%	Twiggs County	-7.76%
Miller County	-36.19%	Schley County	-14.00%	Union County	-7.22%
Mitchell County	-9.42%	Screven County	-10.45%	Valdosta City	-15.68%
Monroe County	-10.93%	Seminole County	-11.04%	Vidalia City	-21.85%
Montgomery County	-31.69%	Social Circle City	-5.85%	Walker County	-5.34%
Morgan County	-13.02%	Spalding County	-7.21%	Walton County	-13.95%
Murray County	-22.40%	Stephens County	-5.16%	Ware County	-14.65%
Muscogee County	-9.08%	Stewart County	-7.60%	Warren County	-16.22%
Newton County	-14.10%	Sumter County	-19.72%	Washington County	-12.39%
Oconee County	-10.86%	Talbot County	-14.89%	Wayne County	-15.55%
Oglethorpe County	-2.58%	Taliaferro County	3.66%	Webster County	-23.35%
Paulding County	-19.51%	Tattnall County	-11.86%	Wheeler County	-19.32%
Peach County	-3.70%	Taylor County	-16.63%	White County	-5.22%
Pelham City	-30.60%	Telfair County	-12.31%	Whitfield County	-14.70%
Pickens County	-11.54%	Terrell County	-15.63%	Wilcox County	-2.38%
Pierce County	-25.34%	Thomas County	-16.14%	Wilkes County	-5.77%
Pike County	-15.81%	Thomaston-Upson County	-12.93%	Wilkinson County	-15.17%
Polk County	-7.12%	Thomasville City	-23.63%	Worth County	-12.32%



## **School District Education Expenditures in Response to the Great Recession**

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**Nicholas Warner** is a Research Associate at the Fiscal Research Center. His recent research has included expenditure and revenue portfolio analysis, tax expenditure estimation, and examination of Georgia's special option sales tax for school facility funding.

**Carolyn Bourdeaux** is an Associate Professor of Public Administration. From 2007-2010 she took a leave of absence from the Andrew Young School to work as Director of the Georgia Senate Budget and Evaluation Office. Her research focuses on state budget decision making and program and performance based budgeting.

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*School District Education Expenditures in Response to the Great Recession* (Nicholas Warner and Carolyn Bourdeaux). This report examines the structure of school district expenditures between 2001 and 2012 with a particular focus on changes in instructional expenditures during the recession. [FRC Report 265](#) (January 2014)

*Geographic Dispersion of Federal Funds in Georgia and Its Major Urban Regions* (Peter Bluestone). This brief examines the geographic distribution of federal spending in Georgia. [FRC Brief 264](#) (October 2013)

*Population, Employment, and Income Trends for Georgia and Atlanta* (David L. Sjoquist). This report explores the growth in population, employment, and income over the previous 50 years in Georgia and Atlanta. [FRC Report 263](#) (September 2013)

*Georgia's High-Technology Industry and Innovation Capacity* (Cathy Yang Liu). This report describes the demographic composition of the high-technology industry workforce and the innovation capacity of Georgia in comparison to peer Southeastern states between 2000 and 2011. [FRC Report 262](#) (September 2013)

*The Department of Defense Budget Cuts: Economic Impact on Georgia and Selected Counties* (Peter Bluestone). This brief examines the economic impact Department of Defense procurement contracts, grants, and civilian wages have on the state of Georgia as well as selected counties. [FRC Brief 261](#) (February 2013)

*Zero-Base Budgeting for the 21<sup>st</sup> Century Public Administrator* (Ron Shelby). This report discusses the history of Zero-Base Budgeting (ZBB) reform, how to implement classic 1970s style ZBB reform and strengths and weaknesses of the reform. [FRC Report 260](#) (March 2013)

*The Structure and History of Georgia's Job Tax Credit Program* (David L. Sjoquist and Laura Wheeler). This report describes the provisions of Georgia's job tax credit program and how the program has evolved since its inception in 1990. [FRC Report 259](#) (February 2013)

*The Incentives Created by the Tax-Benefit System Facing Low-Income Families in Georgia* (Chelsea Coleman, Kendon Darlington, Mark Rider, and Morgan Sinclair). This report describes the incentives created by the major taxes and public assistance programs facing low income-families in Georgia. [FRC Report/Brief 258](#) (February 2013)

*Georgia Taxpayers and Federal "Pease" Limitations on Itemized Deductions* (Robert Buschman). This brief analyzes the effects of federal limits on itemized deductions and the state income tax liabilities of Georgia taxpayers. [FRC Brief 257](#) (January 2013)

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***Lessons for Georgia: Telecommunications Tax Reform in Some of the Other Southeastern States (Richard Hawkins).*** This report reviews telecommunications tax reform in other states, discusses four major policy issues and looks at the health of the industry in the other states after reform. [FRC Report 256](#) (January 2013)

***Property Tax and Education: Have We Reached the Limit? (David L. Sjoquist and Sohani Fatehin).*** This report explores changes over the past decade in property taxes used to fund K-12 education and discusses the future of the property tax for education. [FRC Report 255](#) (January 2013)

***Georgia's Revenue and Expenditure Portfolio in Brief, 1989-2010 (Carolyn Bourdeaux, Nicholas Warner, Sandy Zook, and Sungman Jun).*** This brief uses Census data to examine how Georgia ranks in terms of spending and revenue by functions and objects and examines how Georgia's portfolio has changed over time compared to national peers. [FRC Brief 254](#) (January 2012)

***Georgia's Taxes: A Summary of Major State and Local Government Taxes, 19th Edition (Carolyn Bourdeaux and Richard Hawkins).*** A handbook on taxation that provides a quick overview of all state and local taxes in Georgia. [FRC Annual Publication A\(19\)](#) (January 2012)

***The Changes in Jobs Across Georgia's Counties: Changes in Distribution, Type, and Quality of Jobs in Georgia Counties from 2000-2009 (Zackary Hawley).*** This brief discusses the changes in the distribution, type, and quality of jobs and examines the changes in percentage by county of total state employment. [FRC Brief 253](#) (December 2012)

***A Snapshot of Georgia School District Expenditures and the Response to the 2008 Recession (Nicholas Warner and Carolyn Bourdeaux).*** This brief provides a short review of expenditures in Georgia's school districts over the past decade (2001-2011) with a particular focus on school district cutback responses to the 2008 recession in overall expenditures as well as within various expenditure categories. [FRC Brief 252](#) (November 2012)

***Impact of the Recession on School Revenues Across the State (Cynthia S. Searcy).*** This report examines the impact of the 2008 recession on inflation-adjusted, per pupil revenues in Georgia and explores the characteristics of districts most adversely affected by revenue shortfalls. [FRC Report 251](#) (November 2012)

***School Facility Funding in Georgia and the Educational Special Purpose Local Option Sales Tax (ESPLOST) (Eric J. Brunner and Nicholas Warner).*** This report reviews Georgia's system of school facility finance, emphasizing the role of the Educational Special Purpose Local Option Sales Tax (ESPLOST). [FRC Report/Brief 250](#) (October 2012)

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