



**Mississippi Office of the State Auditor**  
**Shad White**

**Fewer Students, Fewer Teachers, More Outside-The-Classroom Spending**

A Special Projects Division Brief

April 15, 2019

<i>Administrative</i>		
<u>06-07</u>	<u>16-17</u>	<u>%<sup>↑</sup></u>
\$822M	\$968M	17.67%
<i>Non-Instructional</i>		
<u>06-07</u>	<u>16-17</u>	<u>%<sup>↑</sup></u>
\$1.3B	\$1.4B	10.67%
<i>Instruction</i>		
<u>06-07</u>	<u>16-17</u>	<u>%<sup>↑</sup></u>
\$2.2B	\$2.4B	10.56%
<i>Instruction Support</i>		
<u>06-07</u>	<u>16-17</u>	<u>%<sup>↑</sup></u>
\$556M	\$669M	20.26%
<i>Total Expenditures</i>		
<u>06-07</u>	<u>16-17</u>	<u>%<sup>↑</sup></u>
\$4.9B	\$5.5B	12.89%

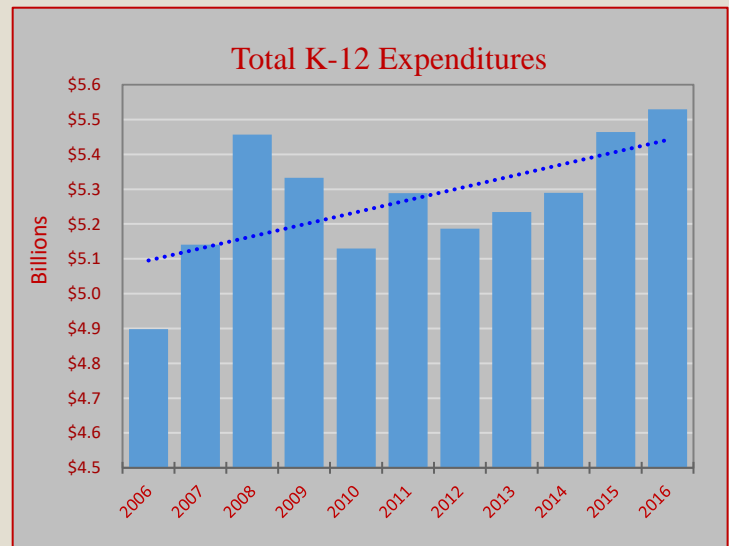
Despite the fact that the number of K-12 students and classroom teachers in Mississippi has decreased over the last decade, spending<sup>1</sup> outside-the-classroom has increased. If outside-the-classroom spending—spending on Administration and Non-Instructional costs—had been kept the same, per student, over the last ten years, Mississippi could afford to give a greater than \$11,000 pay raise<sup>2</sup> to every teacher in the state.

Over the last ten years, spending outside the K-12 classroom has ballooned. As shown in the box at left, Administrative costs in particular have grown faster than overall K-12 education spending and faster than Instructional spending. The total increase in Administrative costs over the last ten years is \$145 million and the increase in Non-Instructional costs is \$140 million.

Of the four major categories of K-12 spending (Instruction, Instruction Support, Administrative, and Non-Instructional), Instruction spending increased more slowly than any of the other three categories. Spending on Instruction includes teacher salaries and benefits, like health insurance and retirement, as well as direct classroom resources to help students.

Administrative and Non-Instructional spending, by definition, do not directly impact students inside the classroom. Administrative expenditures include:

- superintendent and district office spending (salaries, benefits, commodities, contractual, and travel expenses of those offices),
- principals and school office costs not related to direct or indirect instruction expenses,
- operations and maintenance of district offices and campuses,
- non-student transportation (administrative and other cars, trucks, etc.),
- supervision and training of non-instructional staff, and
- information services (publications and printing).

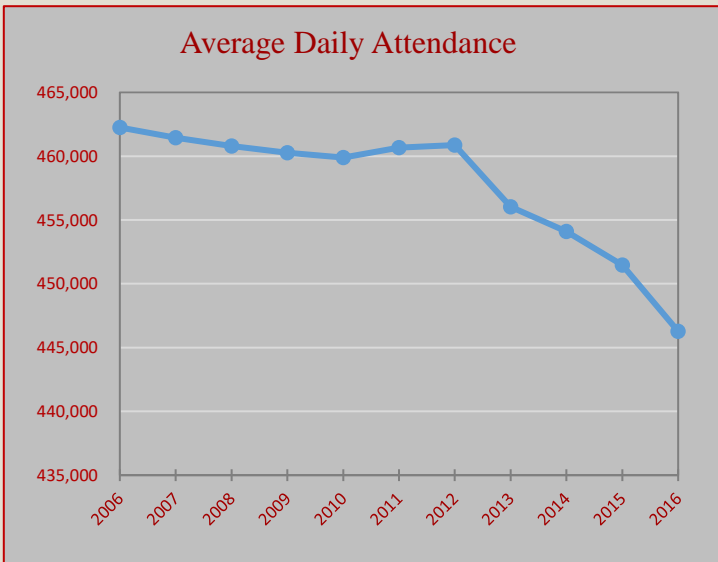


The Auditor’s Office considers any expenditure category that is not Administrative, Instruction, or Instruction Support to be “Non-Instructional” for the purposes of this analysis. Non-Instructional expenditures include:

- food services,
- community services operations,
- facility acquisition and construction,
- debt service, and
- 16<sup>th</sup> Section land maintenance.

<sup>1</sup> Spending includes funds from federal, state, and local sources for all expenditure categories in the MDE Accounting Manual.

<sup>2</sup> The \$11,000 assumes that the number of students, the number of teachers, and the amount of total spending remains steady.



Outside-the-classroom spending has increased despite a decrease in the number of K-12 students and teachers over the last ten years. The number of students has decreased in Mississippi regardless of whether students are counted by enrollment (the number of students registered with a district) or by Average Daily Attendance (the number of students who actually attend school).

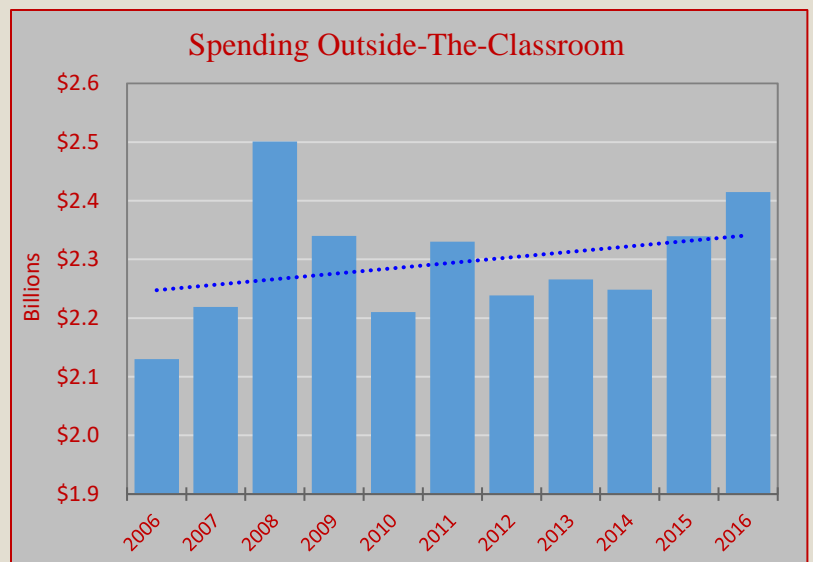
Ten years ago, when the total per pupil spending was \$10,597, the amount of outside-the-classroom expenditures was \$4,608 per student. As of the 2016-17 school year, total per pupil spending was \$12,390 with outside-the-classroom expenditures at \$5,411 per student, an increase of \$803 per student.

*ADA & enrollment have each decreased by 3% in the last decade.*

<u>2006-07</u>	
<u>ADA</u>	<u>Enrollment</u>
462,251	494,135
<u>2016-17</u>	
446,275	481,428

Some of the outside-the-classroom accounts with the largest increases over the last decade include:

- administrative staff services (113%), which includes operations, recruiting, training, and accounting;
- information services (103%), which includes costs for producing “educational and administrative information” for students, staff, managers, and the general public;
- special area administration services (48%), which covers administrative responsibility for the chief business official and directors of programs;
- other financing uses (23%), which includes administration and costs related to financing and fund transfers; and
- other non-instructional services (15%), which includes activities for staff and other community programs such as programs for the elderly or working mothers.



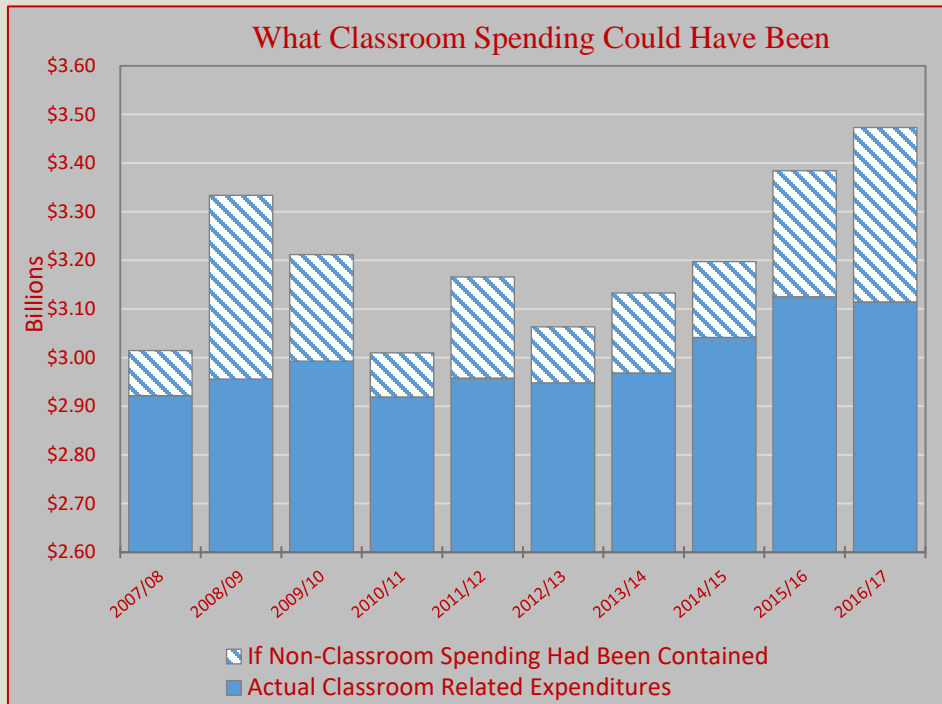
Outside-the-classroom spending comes at the expense of teachers and inside-the-classroom spending. If the total amount of outside-the-classroom spending had decreased every year at the same rate as the decline in the number of students, Mississippi would be spending \$358 million less on outside-the-classroom costs than we are now. The \$358 million could have been reallocated to teachers’ salaries or other instructional costs. The result would be an \$11,000 teacher pay raise. Spending in the classroom<sup>3</sup> would have increased from 57% of total K-12 spending to 63%.

Even if outside-the-classroom spending had just been kept the same as it was ten years ago, and not been cut at the same rate as the decline of students, the state would still have \$285 million more each year to spend in the classroom. Instead of classroom spending representing 57% of total K-12 expenditures as it does, it would have represented as much as 61%, and teacher pay could have increased by \$9,000.

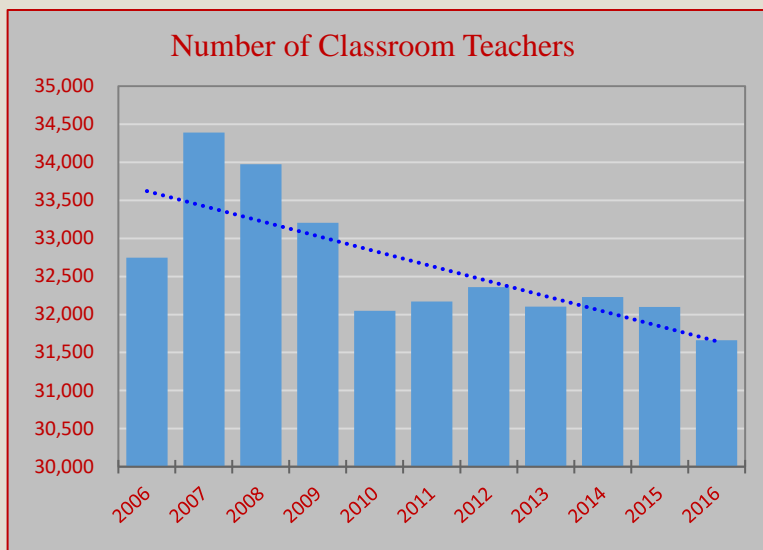
<sup>3</sup> Classroom Spending is defined here as Instruction and Instruction Support expenditures.



The chart below shows what Mississippi has actually spent in the classroom each of the last ten years (in powder blue) and what the state could have added to classroom spending if outside-the-classroom spending had declined at the same rate as the decline of the number of students (in blue and white).



The failure to spend more money inside the classroom may have had an impact on Mississippi’s ability to recruit and retain highly qualified teachers. The total number of classroom teachers has fallen by 1,083 since 2006-07, or 3%. Looking from 2007-08, a high mark for teacher employment, total teachers have declined by 8% as of the 2016-17 school year.



*Total classroom teachers have decreased by 8% since 2007:*

<b>2007-08</b>	<b>2016-17</b>
34,390	31,662

Our state’s total spending on K-12 education continues to increase. Mississippi policymakers need to ask hard questions about where the money is going, whether teachers and students are benefitting enough, and whether the spending is making a difference in student outcomes. The Office of the State Auditor recommends education policymakers at all levels reevaluate why outside-the-classroom spending is increasing so rapidly, despite a decrease in the number of students and teachers, and the alternative ways this money could be used.<sup>4</sup>

<sup>4</sup> Data Source: Office of the State Auditor analysis of MS Department of Education data and the MDE Accounting Manual for School Districts