

School Finance

Definition

Spending per pupil is the total amount of current expenses per pupil, excluding facility expenditures, debt service, or fund transfers. *Local revenue per pupil* is the amount of revenue from local sources that school districts collect. *Percent of total revenue* is local revenue per pupil as a percent of total revenue per pupil, which includes state and federal revenue sources.

Data in context

All students need to attend schools with sufficient resources to succeed academically. Spending varies, however, within schools, districts, and states, impacting children's opportunities for learning. In 2005, the national average for per-pupil expenditures on public elementary and secondary education was \$8,701, and 44 percent of total elementary-secondary school system revenue came from local funding.¹ Spending for K-12 education nationwide has increased 23.8 percent from 1993 to 2003, with the largest increases in current expenditures per student occurring in rural areas and mid-size cities.^{2,3}

Kentucky's comparable spending in 2005 was \$7,118 per student, among the lowest ten states for elementary-secondary per pupil expenditures in 2004-2005.⁴ While Kentucky's per-pupil expenditures are on the rise, they still lag behind five of the seven surrounding states.⁵

Resources are a critical element in school quality. The Kentucky Supreme Court's ruling in *Rose v. Council for Better Education* stated that the funding system must be adequate, substantially uniform, and provide an equal opportunity for all children in Kentucky.⁶ As a result of this ruling, the largest amount of funding for Kentucky's schools comes from the state budget. Districts often face serious challenges in trying to raise additional funds at the local level.⁷

Examining per pupil expenditure provides some insight into the financial commitment targeted at the typical student in a state, district or school. Per



pupil expenditure formulas vary and may include transportation, facilities, and administrative costs (e.g., debt service; fund transfers) as well as instructional funds. Kentucky's per pupil expenditure, \$7,924 in 2006, includes spending for current operations, including administration, food services, instructional services, and pupil transportation.

The disparities in per pupil expenditure result from the diversified funding streams on which schools rely. Kentucky school districts receive funding from federal, state and local districts. Districts raise money and determine how it is spent on schools. Schools then receive resources, such as personnel, instructional materials, and transportation, from the district.⁸ In addition to state and federal dollars, school districts depend primarily on property taxes to generate local revenue. Districts may also enact a formula-based utilities tax, and in some districts, a coal severance tax adds to the district funding.

Although the majority of districts (62 percent), fall within 10 percent of the state per pupil expenditure, some districts varied greatly in 2006. Per pupil expenditure was greater than \$11,000 in Anchorage Independent, Covington Independent, Owsley County, and Newport Independent School Districts. In contrast,

three school districts spent less than \$6,500 per student: Boone, Woodford, and Warren County School Districts.

In SY 2006, local funding accounted for 35 percent of total revenue. The lowest percentage of local contribution is in Monticello Independent School District (9 percent). In contrast, 81 percent of total revenue is locally-generated funding in Anchorage Independent School District.

The state average for local revenue per student was \$3,708 in SY 2006, an increase of 29 percent from the previous year. The local revenue per pupil in the Anchorage Independent School District was \$10,709 and exceeded \$5,000 in Fayette County, Fort Thomas Independent, Jefferson County, and Southgate Independent School Districts. In contrast, three districts expended less than \$1,000 of local revenue per pupil: East Bernstadt Independent, Monticello Independent, and Pineville Independent.

Data Source: Kentucky Department of Education website.

Data Note: Independent school districts are listed after the school district for the county in which they are located.

Rate Calculation: (local revenue per pupil in school year 2006 * 100) / (local revenue per pupil + state revenue per pupil + federal revenue per pupil in school year 2006)

- 1 U.S. Census Bureau (2007). *Public Education Finances, 2005*. Available at <http://www.census.gov>. Accessed August 2007.
- 2 National Education Association (2006). *Rankings & Estimates: Rankings of the States 2005 and Estimates of School Statistics 2006*. Available at <http://www.nea.org>. Accessed August 2007.
- 3 Wirt, J., Choy, S., Rooney, P., Provasnik, S., Sen, A., and Tobin, R. (2004). *The Condition of Education, 2004* (NCES 2004-077). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office.
- 4 U.S. Census Bureau (2007). *Public Education Finances, 2005*. Available at <http://www.census.gov>. Accessed August 2007.
- 5 National Education Association (2006). *Rankings & Estimates: Rankings of the States 2005 and Estimates of School Statistics 2006*. Available at <http://www.nea.org>. Accessed August 2007.
- 6 *Rose v. Council for Better Education*, 790 S.W.2d 186 (Ky. 1989).
- 7 Marshall, B. (2007). "Headed Toward Financial Crisis." *Richmond Register*, August 11, 13, and 14, 2007. Available at <http://www.richmondregister.com>. Accessed August 2007.
- 8 Odden, A. (2005). *Redesigning School Finance: Moving the Money to the School*. North Central Regional Educational Lab. Available at <http://www.ncrel.org>. Accessed August 2007.

Spending per pupil and local revenue per pupil (amount & percent of total revenue)

	SY 2006		
	Spending per pupil	Local revenue per pupil	Percent of total revenue
Kentucky	\$7,924	\$3,078	35
Adair Co.	\$7,799	\$1,548	19
Allen Co.	\$7,220	\$1,708	22
Anderson Co.	\$6,870	\$2,766	36
Ballard Co.	\$8,633	\$2,420	27
Barren Co.	\$7,456	\$2,557	31
Caverna Ind.	\$7,862	\$2,187	25
Glasgow Ind.	\$7,340	\$3,019	37
Bath Co.	\$7,186	\$1,444	18
Bell Co.	\$8,597	\$1,049	12
Middlesboro Ind.	\$8,862	\$1,929	21
Pineville Ind.	\$8,480	\$957	11
Boone Co.	\$6,456	\$4,533	60
Walton Verona Ind.	\$7,918	\$4,021	45
Bourbon Co.	\$7,711	\$2,510	30
Paris Ind.	\$8,682	\$2,815	31
Boyd Co.	\$8,664	\$2,656	30
Ashland Ind.	\$7,653	\$2,303	28
Fairview Ind.	\$6,881	\$1,406	18
Boyle Co.	\$7,531	\$2,365	30
Danville Ind.	\$9,511	\$4,399	44
Bracken Co.	\$6,868	\$1,464	19
Augusta Ind.	\$9,367	\$2,053	20
Breathitt Co.	\$9,456	\$1,244	13
Jackson Ind.	\$7,313	\$1,250	15
Breckinridge Co.	\$7,824	\$2,425	27
Cloverport Ind.	\$9,961	\$1,196	11
Bullitt Co.	\$6,688	\$2,749	36
Butler Co.	\$7,725	\$1,526	20
Caldwell Co.	\$7,553	\$1,731	22
Calloway Co.	\$7,429	\$3,034	35
Murray Ind.	\$7,698	\$2,782	30
Campbell Co.	\$7,506	\$4,172	51
Bellevue Ind.	\$7,414	\$2,786	34
Dayton Ind.	\$8,619	\$1,668	19
Fort Thomas Ind.	\$7,440	\$5,006	61
Newport Ind.	\$11,512	\$4,012	37
Silver Grove Ind.	\$9,110	\$3,584	37
Southgate Ind.	\$9,143	\$7,686	63
Carlisle Co.	\$7,748	\$1,829	23
Carroll Co.	\$9,023	\$4,160	42
Carter Co.	\$7,611	\$1,218	15
Casey Co.	\$7,642	\$1,379	17
Christian Co.	\$7,482	\$1,965	24
Clark Co.	\$7,125	\$2,649	36

	SY 2006		
	Spending per pupil	Local revenue per pupil	Percent of total revenue
Clay Co.	\$9,122	\$1,173	13
Clinton Co.	\$9,123	\$1,896	19
Crittenden Co.	\$7,602	\$1,936	24
Cumberland Co.	\$8,250	\$1,676	19
Daviess Co.	\$7,570	\$2,709	34
Owensboro Ind.	\$9,472	\$3,345	34
Edmonson Co.	\$7,894	\$1,504	18
Elliott Co.	\$8,488	\$1,159	13
Estill Co.	\$7,580	\$1,259	15
Fayette Co.	\$9,083	\$5,538	61
Fleming Co.	\$8,267	\$1,467	19
Floyd Co.	\$7,606	\$1,697	19
Franklin Co.	\$7,125	\$3,526	45
Frankfort Ind.	\$10,051	\$3,278	33
Fulton Co.	\$9,479	\$2,058	20
Fulton Ind.	\$10,860	\$2,988	26
Gallatin Co.	\$7,930	\$2,971	34
Garrard Co.	\$7,549	\$2,509	30
Grant Co.	\$6,890	\$2,044	26
Williamstown Ind.	\$7,703	\$2,179	25
Graves Co.	\$6,662	\$1,779	25
Mayfield Ind.	\$8,357	\$2,038	23
Grayson Co.	\$7,079	\$1,691	22
Green Co.	\$7,630	\$1,508	19
Greenup Co.	\$7,743	\$1,859	23
Raceland Ind.	\$7,234	\$1,493	20
Russell Ind.	\$6,722	\$2,620	37
Hancock Co.	\$8,616	\$4,881	47
Hardin Co.	\$7,469	\$2,290	29
Elizabethtown Ind.	\$7,100	\$2,536	33
West Point Ind.	\$10,911	\$2,637	23
Harlan Co.	\$8,119	\$1,294	16
Harlan Ind.	\$8,909	\$1,552	16
Harrison Co.	\$6,973	\$1,892	25
Hart Co.	\$8,780	\$1,701	19
Henderson Co.	\$7,265	\$2,652	33
Henry Co.	\$7,512	\$2,301	28
Eminence Ind.	\$7,471	\$2,031	25
Hickman Co.	\$9,102	\$2,221	24
Hopkins Co.	\$7,637	\$2,052	25
Dawson Springs Ind.	\$8,093	\$1,209	14
Jackson Co.	\$9,065	\$1,022	11
Jefferson Co.	\$9,308	\$5,494	51
Anchorage Ind.	\$12,305	\$10,709	81
Jessamine Co.	\$7,260	\$3,450	41

	SY 2006		
	Spending per pupil	Local revenue per pupil	Percent of total revenue
Johnson Co.	\$7,829	\$1,446	17
Paintsville Ind.	\$7,999	\$3,144	36
Kenton Co.	\$6,737	\$4,178	53
Beechwood Ind.	\$6,883	\$4,653	60
Covington Ind.	\$12,180	\$4,212	33
Erlanger-Elsmere Ind.	\$7,340	\$3,391	44
Ludlow Ind.	\$7,804	\$1,980	26
Knott Co.	\$8,831	\$1,909	22
Knox Co.	\$8,536	\$1,356	15
Barbourville Ind.	\$7,385	\$1,287	16
Larue Co.	\$7,020	\$1,740	22
Laurel Co.	\$6,830	\$2,076	26
East Bernstadt Ind.	\$7,240	\$926	12
Lawrence Co.	\$8,435	\$1,474	17
Lee Co.	\$8,418	\$1,331	15
Leslie Co.	\$9,335	\$1,610	17
Letcher Co.	\$9,371	\$1,883	20
Jenkins Ind.	\$8,084	\$1,404	17
Lewis Co.	\$8,090	\$1,265	15
Lincoln Co.	\$8,295	\$1,356	15
Livingston Co.	\$8,410	\$2,928	34
Logan Co.	\$7,279	\$1,900	25
Russellville Ind.	\$8,518	\$2,203	24
Lyon Co.	\$7,372	\$3,497	45
McCracken Co.	\$6,997	\$3,102	40
Paducah Ind.	\$9,291	\$3,228	33
McCreary Co.	\$8,366	\$1,156	13
McLean Co.	\$7,461	\$1,885	24
Madison Co.	\$7,339	\$2,771	34
Berea Ind.	\$7,883	\$2,247	25
Magoffin Co.	\$8,836	\$1,552	17
Marion Co.	\$7,577	\$2,271	28
Marshall Co.	\$6,879	\$2,830	38
Martin Co.	\$8,608	\$1,648	18
Mason Co.	\$7,807	\$2,671	33
Meade Co.	\$6,631	\$1,656	22
Menifee Co.	\$8,258	\$1,045	12
Mercer Co.	\$6,968	\$2,470	33
Burgin Ind.	\$6,763	\$2,689	38
Harrodsburg Ind.	\$9,870	\$2,285	23
Metcalfe Co.	\$8,250	\$1,763	20
Monroe Co.	\$8,186	\$1,553	18
Montgomery Co.	\$7,295	\$2,166	26
Morgan Co.	\$8,335	\$1,522	17
Muhlenberg Co.	\$7,921	\$2,870	33

	SY 2006		
	Spending per pupil	Local revenue per pupil	Percent of total revenue
Nelson Co.	\$6,978	\$2,796	35
Bardstown Ind.	\$7,655	\$3,347	39
Nicholas Co.	\$7,147	\$1,630	20
Ohio Co.	\$7,532	\$1,736	22
Oldham Co.	\$6,635	\$3,790	48
Owen Co.	\$7,401	\$2,056	24
Owsley Co.	\$11,837	\$1,336	11
Pendleton Co.	\$7,087	\$1,922	25
Perry Co.	\$8,810	\$1,775	20
Hazard Ind.	\$7,601	\$1,970	25
Pike Co.	\$8,576	\$2,271	27
Pikeville Ind.	\$8,616	\$4,036	46
Powell Co.	\$7,826	\$1,117	14
Pulaski Co.	\$7,423	\$2,075	26
Science Hill Ind.	\$6,965	\$1,269	17
Somerset Ind.	\$7,589	\$3,143	39
Robertson Co.	\$9,343	\$1,408	15
Rockcastle Co.	\$7,673	\$1,164	14
Rowan Co.	\$7,718	\$2,225	28
Russell Co.	\$8,687	\$2,056	23
Scott Co.	\$6,948	\$3,813	47
Shelby Co.	\$7,297	\$4,014	47
Simpson Co.	\$6,829	\$2,288	31
Spencer Co.	\$7,270	\$2,702	34
Taylor Co.	\$7,194	\$1,972	26
Campbellsville Ind.	\$9,460	\$2,449	25
Todd Co.	\$7,790	\$1,704	20
Trigg Co.	\$7,615	\$2,756	34
Trimble Co.	\$6,907	\$2,198	28
Union Co.	\$8,056	\$2,466	28
Warren Co.	\$6,466	\$3,075	40
Bowling Green Ind.	\$8,369	\$3,172	35
Washington Co.	\$7,508	\$2,078	25
Wayne Co.	\$8,170	\$1,539	18
Monticello Ind.	\$7,922	\$707	9
Webster Co.	\$7,369	\$2,000	26
Providence Ind.	\$9,361	\$1,253	13
Whitley Co.	\$8,487	\$1,059	12
Corbin Ind.	\$7,041	\$1,763	22
Williamsburg Ind.	\$8,346	\$1,558	18
Wolfe Co.	\$8,864	\$1,038	11
Woodford Co.	\$6,472	\$3,680	50