School spending decisions are made locally in California, mostly by the leaders in each school district. In making these decisions, local districts have to comply with the provisions of local collective bargaining contracts with employee unions and with state and federal regulations regarding how some money must be spent. An analysis of school expenditures statewide indicates that, on average, the state's education dollars are being used to support teachers and students. The increase in funds allocated to personnel at all levels was roughly proportional to the total increase in spending. The most dramatic rise in expenditures was for books, supplies, and equipment. This report provides a summary of the most recent data (1997-98) on how K-12 education dollars are spent in California. After several years of recession in the early 1990's, the state's economy was again growing and California was reducing class sizes in K-3 classrooms and increasing its investment in instructional materials. (DFR)
How are California's Education Dollars Spent?
School spending decisions are made locally in California, mostly by the leaders in each school district. In making these decisions, local districts have to comply with the provisions of local collective bargaining contracts with employee unions and with state and federal regulations regarding how some money must be spent.

An analysis of school expenditures statewide indicates that, on average, the state's education dollars are being used to support teachers and students:

- 94% of education funding (in the hypothetical average school) is spent at the school site for teacher salaries, aides, pupil support, books and supplies, school site administration, buildings, food, and transportation. In most districts, more than half is spent on teacher salaries and health and retirement benefits.

- 5% of education dollars is spent for district-level administration and support.

Of the funds allocated for education, less than 1% goes to County Offices of Education and the California Department of Education (CDE).

The figure here provides a summary of the most recent data (1997–98) on how K–12 education dollars are spent in California. It illustrates expenditures in a hypothetical “average” school in the state. The information came from the official reports made by 994 school districts to the CDE. Individual districts vary in the proportion they spend on each category, and state and county funding does not appear in their budgets.
Adjusted for inflation, education spending has increased 7% since 1990-91

The latest available data on school spending is for the 1997-98 school year. After several years of recession in the early 1990s, the state’s economy was again growing and California was reducing class sizes in K-3 classrooms and increasing its investment in instructional materials. In inflation-adjusted dollars, spending per student went up a total of 7% during that time.*

The figures here compare spending in a hypothetical “average” school in 1997-98 to expenditures in 1990-91.

Since these numbers are statewide averages, the pattern in individual school districts can be similar or somewhat different. The differences depend on the district’s own circumstances, the priorities of the governing board, and contracts with employees. 

* Dollars are adjusted by the Implicit Price Deflator for State and Local Government Purchases of Goods and Services. This is the inflation factor used to adjust school district revenue limits and some categorical funding.

At the same time, certain expenditure areas have seen a decline, to a great degree still reflecting cuts that were made during the recession in the early 1990s. Of particular note is the reduction in per pupil expenditures for pupil support personnel, which is consistent with California’s high student-to-staff ratios in this area.

### Data: California Department of Education, “The Average Costs of a California School”

<table>
<thead>
<tr>
<th>CLASSROOM</th>
<th>SCHOOL SITE</th>
<th>DISTRICT ADMINISTRATION</th>
<th>STATE DEPARTMENT AND COUNTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom teachers</td>
<td>Food expense</td>
<td>(superintendents, assistants, classified administration, secretaries)</td>
<td>-11%</td>
</tr>
<tr>
<td>Instructional aids</td>
<td>School site leadership</td>
<td>(principal and vice principals)</td>
<td>-7%</td>
</tr>
<tr>
<td>Books, supplies, equipment</td>
<td>Instructional support</td>
<td>(curriculum, library, media materials)</td>
<td>-4%</td>
</tr>
<tr>
<td>8%</td>
<td>13%</td>
<td>6%</td>
<td>-13%</td>
</tr>
<tr>
<td>7%</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47%</td>
<td>6%</td>
<td></td>
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</tbody>
</table>

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