

**Joint Committee on Performance Evaluation and Expenditure Review (PEER)**  
The Mississippi Legislature



**Action Brief:**

**A Review of Expenditures of Mississippi's Public School Districts, FY 2005 through FY 2014**      September 15, 2015 (Report #598)

*Problem Statement:*

PEER conducted this review to determine how Mississippi's public school districts spent their funds from FY 2005 through FY 2014.

*Background:*

Mississippi annually makes a substantial investment in education efforts. Typically, the Legislature dedicates more than half of available general fund revenue to the funding of all educational activities. Federal and local sources supplement state appropriations to school districts. Local school boards must consider the needs and priorities of their students and make decisions as to how financial resources will be expended within their districts.

This report is simply an account of how the state's school districts expended available financial resources during the ten-year period. PEER made no attempt to determine whether or how such spending affected student achievement or the students' preparation for college and careers. Also, PEER does not offer an opinion regarding the effectiveness, efficiency, or prudence of school districts' expenditures during this period.

**Report Questions and Answers**

**From FY 2005 through FY 2014, what were the major categories of expenditures for Mississippi's public school districts?**

During this period, Mississippi's public schools spent approximately ninety percent of their funds in the seven major budget categories of Instructional, Administration, Plant Operations, Food Services, Transportation, Student Support, and Other Programs.

**From FY 2005 through FY 2014, how much did Mississippi's public school districts spend in these major budget categories?**

During this period, Mississippi's public school districts expended a total of approximately \$39 billion from state, local, and federal sources in these major budget categories. The inflation-adjusted value<sup>1</sup> of public school districts' total expenditures for the period was approximately \$42.8 billion.

From FY 2005 to FY 2014, school districts' expenditures increased by approximately \$152 million in inflation-adjusted dollars. Expenditures in the Instructional category, when adjusted for inflation, decreased by approximately \$75 million.

School districts' total expenditures per student increased from \$8,714 in FY 2005 to \$9,196 in FY 2014 (in inflation-adjusted dollars). Although the Instructional category had the highest level of expenditures per student of all of the major budget categories throughout the ten-year period, expenditures in that category decreased \$79 per student over the period.

---

<sup>1</sup>PEER applied the U.S. Bureau of Labor Statistics' Consumer Price Index to expenditure amounts referred to as "inflation-adjusted." This adjustment for inflation shows how much school districts would have to spend in 2015 to purchase the same goods and services that were purchased during the years FY 2005 through FY 2014.

**What changes in school districts' staffing, salaries, and operational spending from FY 2005 through FY 2014 led to changes in expenditure levels?**

During the ten-year period, PEER noted the following changes in school districts' inflation-adjusted expenditures:

- Employee benefits in all seven major budget categories increased by approximately \$119 million.
- Purchases of professional and technical services increased in all seven major budget categories by approximately \$41 million.
- Salaries of teachers and other professional personnel in the Instructional category declined by approximately \$130 million. (This does not include the teachers' salary increases in FY 2015 and FY 2016 because these fiscal years did not fall within the review period.)
- Salaries for professional personnel in the Administration category increased by approximately \$15 million.
- Expenditures for repairs and maintenance paid to individuals who were not employees of the school district increased approximately \$30 million.
- Approximately, the number of classroom teachers increased by 1.2%, administrators increased by 9.6%, student support personnel increased by 0.2%, operations and maintenance of plant personnel declined by 2.5%, and other employees (e. g., athletic coaches, assistant program directors, special education personnel) increased by 21%.

*For more information, Contact:*

*PEER Committee  
P.O. Box 1204  
Jackson, MS 39215-1204*

*(601) 359-1226  
www.peer.state.ms.us*

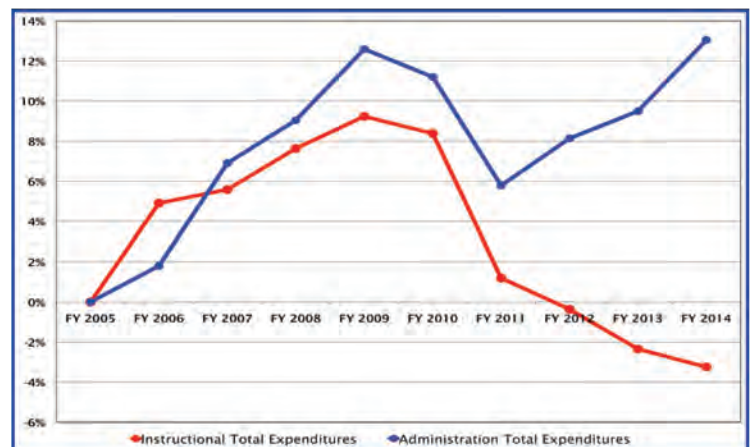
*Representative Becky Currie, Chair  
James A. Barber, Executive Director*

**What expenditure trends did PEER observe in school districts' spending from FY 2005 through FY 2014?**

The following percentages and amounts reflect inflation-adjusted dollars:

- With the exception of the Instructional category, all major budget categories experienced spending increases from FY 2005 through FY 2014, from approximately 4% in Food Services to approximately 24% in Plant Operations.
- Total expenditures in the Instructional category decreased by approximately 3.2% (approximately \$75 million) during this period, while spending in the Administration category increased by approximately 13% (approximately \$57 million).

**Total Inflation-Adjusted Instructional Expenditures Compared to Total Inflation-Adjusted Administration Expenditures, FY 2005 to FY 2014**



- From FY 2005 to FY 2014, expenditures for salaries of teachers and other professional personnel in the Instructional category declined by approximately \$130 million, or approximately 8.6%. During the same period, expenditures for salaries in the Administration category increased by approximately \$15 million, or approximately 8.1%.
- School districts' spending for employee benefits and for the purchase of professional and technical services increased in all major budget categories over the ten-year period.