

# A Review of Mississippi School Districts' Revenue Sources and Expenditures for Fiscal Years 2016 through 2020

**CONCLUSIONS:** During fiscal years 2016 through 2020, Mississippi's public school districts received approximately \$23.8 billion from state, local, and federal sources. Of this amount, approximately \$12.1 billion (51%) was from the state, approximately \$8.3 billion (35%) was from local sources, and approximately \$3.4 billion (14%) was from federal sources. From FY 2016 to FY 2020 and adjusted for inflation, expenditures in daily operational categories, such as instructional, student support, administration, and plant operations, increased \$311 per student from \$10,218 per student in FY 2016 to \$10,529 in FY 2020. During this time, inflation-adjusted expenditures in the instructional category increased \$208 per student.

## Background

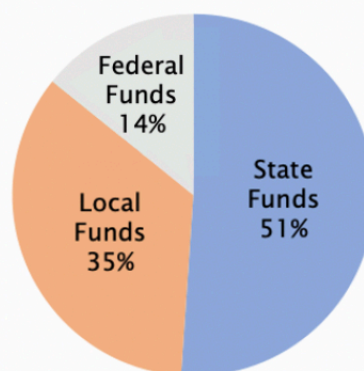
Each Mississippi public school district operates as a separate financial entity. School districts' funds come from state appropriations, local revenue, federal revenue, and other sources such as grants, donations from foundations, and debt issuance, such as bonds and loans. In this report, PEER focused on recurring revenue streams from state, local, and federal sources and did not include funding from grants, local foundations, loans, or bond issues because funding from these sources may vary widely from one school district to another.

PEER divided school districts' expenditures into seven major budget categories that represent the costs for the daily operations of school districts:

- instructional;
- administration;
- student support;
- plant operations;
- food services;
- transportation; and,
- other programs.

PEER excluded expenditures for bond debt service, loan payments, facility acquisition, and construction costs, which may vary widely from one school district to another.

**School districts' funding from state, local, and federal sources totaled \$23.8 billion from FY 2016 through FY 2020.**



State Funds \$12.1 billion  
Local Funds \$8.3 billion  
Federal Funds \$3.4 billion  
Total Funds \$23.8 billion

**From FY 2016 through FY 2020 and after adjusting for inflation, funding per student from the state increased \$75, local support increased \$398, and federal support decreased \$97 for a total increase of \$376 per student.**

When considering funding from sources over several years, it is important to take inflation into consideration. For example, school districts needed \$107 in revenue in FY 2020 to have the same purchasing power as \$100 in FY 2016. After adjusting for inflation, revenue per student from state, local, and federal sources increased \$376 per student from FY 2016 through FY 2020.

Fiscal Year	Funding per Student from State Sources	Funding per Student from Local Sources	Funding per Student from Federal Sources	Total Funding per Student from All Sources
Actual FY 2020 Amounts	\$5,788	\$4,065	\$1,539	\$11,392
FY 2016 Adjusted for Inflation	\$5,713	\$3,667	\$1,636	\$11,016
<b>Difference</b>	<b>\$75</b>	<b>\$398</b>	<b>(\$97)</b>	<b>\$376</b>

From FY 2016 through FY 2020, school districts expended \$22 billion, of which \$11.9 billion (54%) was spent on instructional related items such as teacher salaries, employee benefits, textbooks, and classroom supplies.

PEER divided expenditures into seven daily operations categories. PEER notes that some components of these categories differ from the category components reported by the Mississippi Department of Education (MDE). For example, MDE reports guidance services, improvement of instruction, athletics, and student activities as instructional expenditures. PEER categorizes these types of expenditures as student support and other programs and only reports expenditures related to regular programs, such as pre-kindergarten, elementary, middle school, and high school, and special programs, such as gifted, special education, and alternative schools, as instructional expenditures.

Category	Total Expenditures FY 2016 through FY 2020	Percent of Total Expenditures
Instructional	\$11,897,772,441	54%
Administration	\$2,626,523,582	12%
Student Support	\$2,219,068,541	10%
Plant Operations	\$2,226,066,244	10%
Food Services	\$1,276,416,351	6%
Transportation	\$1,027,776,646	5%
Other Programs <sup>^</sup>	\$706,566,180	3%
<b>Total</b>	<b>\$21,980,189,985</b>	<b>100%</b>

<sup>^</sup> Includes athletics and student activities.

The difference between \$23.8 billion in revenues and \$22 billion in expenditures does not equate to school district's making a \$1.8 billion "profit" from FY 2016 through FY 2020.

From FY 2016 through FY 2020, school districts' revenue from state, local, and federal sources totaled \$23.8 billion and expenditures in the daily operations categories totaled \$22 billion, but this does not mean school districts retained the \$1.8 billion difference.

PEER's report focused on expenditures for the daily operation of school districts and excluded expenditures for debt service for bond issues and loan payments. However, the report includes revenue from local sources that would be directed towards debt payments.

Therefore, PEER cautions that assuming school districts have retained the \$1.8 billion difference between the revenues and expenditures noted in this report would not be prudent. An examination of the financial records of each of the 146 public school districts in the state would be required to determine the change in the financial condition of the state's school districts and a review of this nature was outside the scope and purpose of this report.

From FY 2016 to FY 2020 and adjusted for inflation, expenditures per student increased \$311.

Category	Actual FY 2020 Expenditures per Student*	FY 2016 Expenditures per Student Adjusted for Inflation*	Change
Instructional	\$5,758	\$5,550	\$208
Administration	\$1,260	\$1,203	\$57
Student Support	\$1,085	\$1,031	\$54
Plant Operations	\$1,057	\$1,036	\$21
Food Services	\$566	\$613	(\$47)
Transportation	\$468	\$464	\$4
Other Programs	\$335	\$321	\$14
<b>Total</b>	<b>\$10,529</b>	<b>\$10,218</b>	<b>\$311</b>

\*Based on average daily attendance.

COVID relief packages provide \$2.5 billion for K-12 education.

The three national COVID relief acts (CARES, CRRSA, and ARP) provide school districts in the state \$2.5 billion to address COVID's impact on education. Approximately \$2.3 billion will be distributed to school districts based on the formulas of the federal Title I program. MDE may retain up to \$252 million for:

- Emergency needs as determined by MDE - \$126 million;
- Programs to address learning loss - \$81 million;
- Summer enrichment programs - \$16 million;
- After-school programs - \$16 million; and,
- Administration expenses - \$13 million.

School districts received \$2.8 million in CARES funds in FY 2020.



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A copy of the full report is available at: [www.peer.ms.gov](http://www.peer.ms.gov)