

How to calculate a school district's Classroom Dollar Percentage

General Description

The classroom dollar percentage is calculated using terms defined by the U.S. Department of Education's National Center for Education Statistics (NCES). Only "current expenditures" are included in the calculation. Current expenditures are those incurred for the school district's day-to-day operation and do not include costs associated with repaying debts, capital outlays (such as purchasing land, buildings, and equipment), and programs, such as adult education and community services, that are not associated with preschool to grade 12 education. Debt payments and capital outlays benefit more than one period and vary significantly from year to year. Therefore, these costs are excluded to make year-to-year and district-to-district comparisons meaningful.

The **classroom dollar percentage** is calculated by determining a numerator (classroom dollars) and denominator (classroom plus nonclassroom dollars) using only current expenditures, as described above. Classroom dollars are those spent for instructional purposes as defined by the NCES, and include the following:

Classroom Dollars

- **Classroom personnel**—Teachers, teachers' aides, substitute teachers, graders, and guest lecturers
- **General instructional supplies**—Paper, pencils, crayons, etc.
- **Instructional aids**—Textbooks, workbooks, software, films, etc.
- **Activities**—Field trips, athletics, and cocurricular activities such as choir and band
- **Tuition**—Paid to out-of-state and private institutions

Current expenditures that are not considered instructional, and therefore not considered in the classroom, include the following:

Nonclassroom Dollars

- **Administration**—Superintendents; principals; business managers; and clerical and other staff who perform accounting, payroll, purchasing, warehousing, printing, human resource activities, and information technology services
- **Plant operation and maintenance**—Heating and cooling, equipment repair, groundskeeping, and security
- **Food Service**—Costs of preparing and serving meals and snacks
- **Transportation**—Costs of transporting students to and from school and school activities
- **Instructional staff support services**—Librarians, teacher training, instruction-related technology, and curriculum development
- **Student support services**—Counselors, audiologists, speech pathologists, and nurses

Account-Based Description

Using school district Uniform Chart of Account's terminology, the numerator and denominator of the **classroom dollar percentage** are calculated in the following manner.

Numerator—Classroom Dollars

The Numerator consists of only those expenditures included in the Denominator that are coded to Function 1000—Instruction (including those functions that roll up into 1000, such as 1100).

Denominator—Total Current Expenditures

The Denominator consists of ALL district expenditures, including classroom and nonclassroom, except those described below.

*These are the **primary Funds** excluded:*

- **250 & 425** – Adult Education
- **515 & 520** – Civic Center and Community School
- **575** – Unemployment Insurance (an internal service fund)
- **Most* of 610 & 695** – Unrestricted Capital Outlay and New School Facilities
**From Funds 610, and 695 include textbooks, instructional aids, and library books only (object codes 6641-6643)*
- **620 & 630** – Adjacent Ways and Bond Building
- **685 & 690** – School Facilities Funds
- **700** – Debt Service
- **800 and above** – Fiduciary and Proprietary Funds

[Note: Laws 2009, 1st Special Session, Chapter 6, §8, allows school districts to use soft capital allocation monies for any operating or capital expenditures. Therefore, auditors have included current expenditures from this fund (625) in fiscal year 2009 using the program, function, and object code restrictions listed below.]

Other Funds' capital, debt service, and non K-12 transactions are removed by excluding the following Programs, Functions, and Object Codes.

These Programs are excluded:

- **700 and above** – Adult/Continuing Education, Community College Education Programs, Community Services Programs

These Functions are excluded:

- **4000 and above** – Capital, Debt Service, and Other Financing Uses

These Object Codes are excluded:

- **6561 & 6565** – Tuition to other Arizona school districts
- **6700's** – Land, Buildings, and Equipment
- **6900's** – Other Financing Uses, such as Transfers and Indirect Costs

Similar transactions that a district accounts for in other Funds, Programs, Functions, or Object Codes could also be excluded.