



HOW TO CALCULATE THE INSTRUCTIONAL SPENDING PERCENTAGE

Definition of the instructional spending percentage

The definition of instruction is based on the definition of “instruction” developed by the U.S. Department of Education’s National Center for Education Statistics. The instructional spending percentage is the amount spent for instructional purposes divided by the total amount spent for day-to-day operations, or total operational spending. The calculation excludes costs associated with acquiring capital assets (such as purchasing or leasing land, buildings, and equipment), interest, and programs that are outside the scope of preschool through grade 12 education, such as adult education and community service programs.

Total operational spending includes instructional and noninstructional expenses as shown below:

Instructional spending

- **Classroom personnel**—Salaries and benefits for teachers, teachers’ aides, substitute teachers, graders, and guest lecturers.
- **General instructional supplies**—Paper, pencils, crayons, etc.
- **Instructional aids**—Textbooks, workbooks, instructional software, etc.
- **Activities**—Field trips, athletics, and co-curricular activities, such as choir or band.
- **Tuition**—Paid to out-of-State and private institutions.

Noninstructional spending

- **Administration**—Salaries and benefits for superintendents, principals, business managers, and clerical and other staff who perform accounting, payroll, purchasing, warehousing, printing, human resource activities, and administrative technology services; and other costs related to these services and the governing board.
- **Plant operations and maintenance**—Salaries, benefits, and other costs related to equipment repair, building maintenance, custodial services, groundskeeping, and security; and costs for heating, cooling, lighting, and property insurance.
- **Food service**—Salaries, benefits, food supplies, and other costs related to preparing, transporting, and serving meals and snacks.
- **Transportation**—Salaries, benefits, and other costs related to maintaining buses and transporting students to and from school and school activities.
- **Student support services**—Salaries and benefits for attendance clerks, social workers, counselors, nurses, audiologists, and speech pathologists; and other costs related to these support services to students.
- **Instruction support services**—Salaries and benefits of curriculum directors, special education directors, teacher trainers, librarians, media specialists, and instruction-related IT staff; and other costs related to assisting instructional staff in delivering instruction.

Account-based description

Using school district Uniform Chart of Account's terminology, the numerator and denominator of the **instructional spending percentage** are calculated in the following manner:

Numerator—Instruction

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 operational spending

The denominator consists of ALL district expenditures, including instruction and noninstruction, **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)
- **600's**—Capital Projects Funds with the following exceptions:
 - Include only textbooks, instructional aids, and library books (object codes 6641-6643) from these funds
- **700's**—Debt Service
- **800 and above**—Fiduciary and Proprietary Funds

Other funds' capital, debt service, and non-K-12 expenditures are removed by excluding the following programs, functions, and object codes.

These programs are excluded:

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

These functions are excluded:

- **3200 and 3300**—Enterprise and Community Services Operations
- **4000 and above**—Capital, Debt Service, and Other Financing Uses

These object codes are excluded:

- **6561 & 6565**—Tuition to Other Arizona School Districts
- **6631**—Fair Market Value of Donated Commodities
- **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 should also be excluded.