DELAWARE CHARTER AND VOCATIONAL EDUCATIONAL SCHOOL DISTRICT SPENDING 2010

Office of Lieutenant Governor Matthew Denn
May 17, 2010

Delaware's charter schools and vocational-technical school districts vary widely with respect to the percentage of their expenditures that are targeted directly at the education of students. Unlike a similar analysis conducted last month of the state's 'traditional' school districts, direct comparison of charter schools is difficult to perform because of the distinct populations of students those schools serve. The state's vocational-technical school districts provide unique educational services which also make it difficult to compare their spending statistics to those of traditional public school districts.

Legislative and Regulatory Background

In 2009, the General Assembly passed and the Governor signed House Substitute 1 for House Bill 119. The legislation was designed to direct more public school dollars into the classroom and less into administrative overhead.

Following enactment of H.S. 1 for H.B. 119, the Delaware Department of Education promulgated Regulation 738 to implement the new legislation. Regulation 738 imposed goals for the state's school districts and charter schools with respect to instructional and instruction-related expenditures, and those goals take effect for the coming school year (2010-2011). The regulation also requires the annual publication of statistics relating to the districts' success in channeling funds into instructional and instruction-related expenditures.

This report contains information relating to instructional and instructional-related expenses, as outlined in the new state law and regulations, and also contains additional information relating to student support expenses in order to provide the broadest possible picture of direct educational expenses.[1]

As with the statistics reported for traditional public schools on April 16, 2010, the figures in the attached tables are reported by the schools and school districts themselves, based upon categories and codes created by the National Center for Educational Statistics.

[1] There are subtle differences in the types of data collected by the Department of Education. The data generated as a result of Regulation 738 compares district expenditures to total district revenues and does not calculate student support expenses as part of its ratio, the data contained in the individual school district profiles reflects category spending as a percentage of total spending.

Calculation of Direct Education Spending Ratios

The most recent spending statistics posted by the Department of Education in reflect spending percentages from the last completed school year (the 2008-2009 year).[2] It should be noted that these statistics were tabulated for a school year that preceded the passage of H.S. 1 for House Bill 119. Therefore, these statistics are most useful as a baseline for the state's educational spending efforts.

The tables prepared by the Lieutenant Governor's office show five statistics for vocational-technical school districts, and six statistics for charter schools:

1. Instructional expenses. These are expenses for activities related to the interaction between teachers and students. This category includes salaries and benefits for teacher and teacher aides, textbooks, supplies, and purchased services.[3]
2. Instruction support. This includes instructional staff training, educational media (library and audiovisual), and other instructional staff support services.
3. Student support. This includes attendance and social work, guidance, health, psychological services, speech pathology, audiology, and other student support services.
4. Total. This represents the total of instructional expenses, instruction support, and student support. This total is an effort to represent total district spending on direct educational services to students. "Student support" is added to "instructional expenses" and "instruction support" in recognition of the fact that many of the services provided under "student support" are a direct part of the educational mission for many students, and that some schools and districts by virtue of their student population must make disproportionate expenses in this category.[4]
5. Administration. This represents expenses for school and district administration (superintendent and supporting staff, board of education and supporting staff, principals and supporting staff, school district staff not included in other categories), and supplies and other purchased services relating to those staff activities.
6. Low Income. For charter schools, each school's self-reported percentage of students considered "low income" by the state is also reported. The reason for including this statistic is that the charter schools vary widely with respect to the income profiles of the students they serve.

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[2] The district profiles can be found online at http://profiles.doe.k12.de.us/SchoolProfiles/State/Default.aspx.
[3] The "Instruction," "Instruction Support," and "Student Support" categories are categories defined by the United States Department of Education's National Center for Educational Statistics.
[4] NCES and the Delaware Department of Education use an additional term called "instruction-related expenses" which simply combined the instruction and instructional support categories. As noted, this report also includes the category of "student support" in an effort to fully reflect expenditures that directly impact students' classroom education.

The charts do not reflect expenditures on food services, student transportation, and school operations/maintenance, which is why the percentage totals do not add up to 100%. Additionally, the charts do not reflect school-level expenses for the five charter schools that are chartered by the Red Clay School District rather than the state, because those schools' expenditure statistics (either as recorded by the state or reported by Red Clay) are simply the district's aggregate statistics and do not reflect actual expenditures at those schools. With the creation of Regulation 738, Red Clay should begin reporting school level expenditures for its district charter schools.

Findings

Although the statistics speak for themselves, they reveal several facts about spending in Delaware's charter schools and vocational-technical school districts.

1. On the whole, charter schools spent a lower percentage of their total dollars on direct student expenditures than traditional public school districts. However, charter schools should be expected to have lower overall percentages of their funds devoted to direct student expenditures, because they must pay for facility costs out of their annual operating expenses. Therefore, some discrepancy between charter schools and traditional public school districts is expected and is consistent with national statistics.

2. Even given the differential described above, there is an extraordinary range among the charter schools with respect to the percentage of funds spent on direct student expenditures—substantially greater than the spread among traditional public school districts. The traditional public school district with the highest percentage of funds spent on direct student expenditures spent 77.47% on those expenditures, while the district with the lowest spent 69.59%. By contrast, the charter school with the highest percentage spent on direct student expenditures spent 72.63%, while the school with the lowest percentage spent 50.83%.

3. Although there is not a direct statistical correlation between a charter school's population of low-income students and the amount it spends on expenditures that are not considered direct student expenditures, it is notable that among the six charter schools that spent the highest percentages of their funds on direct student expenditures, only one had a 'low-income' student population of over 40%. Conversely, six of the seven charter schools that spent the lowest percentages of their funds on direct student expenditures had low-income populations over 40% of their student body—and five of those seven schools had low-income populations over 70% of their student body.

4. Like charter schools, vocational technical school districts generally spent a lower percentage of their total dollars on direct student expenditures than traditional public school districts. It is difficult to draw conclusions from this variance, because of the different educational services provided by vocational-technical

schools, some of which may entail higher facility and equipment costs than those incurred by traditional school districts.

5. There was a significant difference among the state's vocational technical school districts with respect to the percentage of their expenditures devoted to direct student expenditures.