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Costs, Concerns, & Calls for Clarity in K-12 Finance

Allovue's Second Annual Survey of Teachers & Administrators

EdWeek
Research Center™



EXECUTIVE SUMMARY

Costs, Concerns, & Calls for Clarity in K-12 Finance

Allovue's Second Annual Survey of Teachers & Administrators

As school districts prepare for the end of federal COVID relief funding, the second annual Allovue Education Finance Survey finds that K-12 teachers and administrators have grown more pessimistic about the financial conditions in their districts and schools. A total of 1,855 educators responded to the 2023 survey, including 467 district leaders, 592 school leaders, and 796 teachers.

In 2022-2023, the Allovue Education Spending Confidence Index was developed to gauge educators' level of optimism regarding their districts' financial status. On a 600-point scale ranging from -300 (extremely pessimistic) to +300 (extremely optimistic), this year's score was -67, down 29 points from last year's score of -38.¹

In a 10-person interview study that was a companion to

this year's survey, educators cited multiple concerns, such as the use of one-time COVID relief funds to pay for ongoing expenses; the rising cost of addressing student behavioral and mental health challenges; uncertainty around state budgets and local tax referenda; and expectations of a looming recession.

For the second year in a row, "funding that fails to keep pace with inflation" surfaced as educators' number one concern related to district finance.

"Once those one-time monies are gone and we're in the middle of a recession and we don't have increased core revenue, we'll be right back where we were before the pandemic," a California principal predicted in an interview.

The inaugural 2022 survey report (Teacher & Administrator Perceptions About K-12 Education Finance, published in 2023) incorrectly indicated that the scale for the Allovue Education Spending Confidence Index ranged from -100 to +100. The correct scale was -300 to +300. Although labeled incorrectly in the report, identical survey questions and tally methods were used to calculate index scores in both 2022 and 2023.

Same as last year, administrators involved in budgeting say their top challenges are long-range planning and accurate forecasting. Software is another concern, with roughly half saying their budgeting tools are out of date and in need of modernization, and only a quarter indicating that the software they use interacts or operates well with relevant programs and apps.

Also unchanged from 2022: teachers and administrators are most likely to attribute increasing per-pupil spending rates to increasing student needs.

“The mental health needs of kids since COVID not doubled, not tripled, quadrupled—or even more than that. I can’t even really put a number on that,” a district-level safety/at-risk coordinator in Tennessee said.

With nearly two-thirds of school and district leaders reporting that 10 percent or less of their COVID relief funding remains, educators have fewer resources available to address ongoing pandemic-related fallout.

Seventy-three percent of respondents say that the end of these funds has had or will have a negative impact on their budgets. If districts do have to make budget cuts, administrators say they are most likely to reduce spending in professional development, contributions to savings/rainy day funds, and extracurriculars.

The survey also investigated knowledge of school resources beyond pandemic aid. Typically, the federal government supplies roughly 10 percent of all K-12 education funding. However, survey results suggest that educators generally overestimate this amount—the median guess was 20 percent. Survey results further suggest that educators generally underestimate per-pupil funding and the cost of teacher benefits.

According to follow-up interviews, these finance knowledge gaps ultimately make it more challenging for educators to advocate for resources, make informed decisions, and engage in long-range budget planning.

The second annual Allovue Education Finance Survey was commissioned by Allovue, a technology solution for K-12 financial management, and administered by the nonprofit, nonpartisan EdWeek Research Center in November 2023. The companion study interviews were conducted in December 2023 and January 2024 with a total of 10 teachers and administrators from eight states. Allovue was acquired by PowerSchool in 2024; visit www.powerschool.com/allovue to learn more.

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INTRODUCTION & METHODOLOGY

With federal COVID relief funding ending this year—added to a list of ongoing financial challenges—many U.S. school districts are on the verge of a fiscal cliff.² ESSER (Elementary and Secondary School Emergency Relief) funds were allocated to districts based on the federal Title I program’s formula, which prioritizes factors such as percentage of enrolled students from low-income families. Therefore, the program’s looming termination has the potential to impact some districts much more than others. Beyond ESSER, rising prices that occurred over the past four years have placed pressure on districts’ budgets, even as inflation continues to decline. Staffing shortages have led to pay raises that administrators hope will help fill vacant positions and retain existing employees. An ongoing student mental health crisis that predated the pandemic has continued to grow, creating additional expenses in the form of increased levels of need for counseling and support. COVID-related learning gaps also remain, especially in schools that had been closed the longest during the pandemic.

To better understand the frontline experiences, knowledge, and opinions of these challenges, Allovue launched an annual Education Finance Survey in 2022, conducted by the nonprofit, nonpartisan EdWeek Research Center. Survey respondents include teachers, school leaders, and district leaders from across the country. The goal is to provide up-to-date information about on-the-ground realities of school spending while also helping to educate stakeholders about a critical subject that is too often poorly understood.

For the second annual Allovue Education Finance Survey in 2023, there were 552 more respondents, plus a new follow-up interview component featuring 10 teachers and administrators from eight different states.

About the Survey	
WHO	1,855 U.S.-based educators, including 467 district leaders, 592 school leaders, and 796 teachers
WHAT	A nationally representative, 39-question online survey
WHEN	11/2/23-11/30/23
WHY	To gain insights into educators' knowledge and perceptions related to K-12 finance

About the Interview Study	
WHO	10 educators, including six district leaders, two school leaders, and two teachers, who volunteered for follow-up interviews after completing the survey
WHAT	One-on-one interviews using a 10-question protocol and lasting between 10 and 22 minutes each
WHEN	12/22/23-1/11/24
WHERE	Interviews were conducted on a video conferencing platform with educators from CA, FL, KY, PA, TN, VA, WA, and WI
WHY	To gain a deeper, more nuanced understanding of survey results

² Most federal COVID relief funding must be spent by September, although districts can apply for extensions that give them until January of 2025.

Allovue Education Spending Confidence Index

First introduced in early 2023, the Allovue Education Spending Confidence Index takes the pulse of U.S. educators' high-level views of their districts' financial status and future.

Allovue Education Spending Confidence Index

The Allovue Education Spending Confidence Index provides a broad overview of educators' perceptions of their districts' financial status. The Index is based on three questions, each one with three possible answers to choose from, each of which is worth between -100 and +100 points. The questions and their associated scores are:

- 1. Would you say that your school district is better off or worse off financially than three years ago?**
 - Worse [-100]
 - Same [0]
 - Better now [+100]
- 2. Three years from now, do you think that your school district will be better off financially, or worse off, or just about the same as now?**
 - Worse [-100]
 - Same [0]
 - Better now [+100]
- 3. Do you think now is a good or bad time for your school district to make major purchases such as buying a new core curriculum, raising salaries, or investing in major technology, construction, or maintenance projects?**
 - Bad time [-100]
 - Equally good and bad [0]
 - Good time [+100]

The scores associated with the three questions are then summed. Scores on the Index range from -300 to +300, with positive values indicating a more optimistic view, negative values indicating a more pessimistic view, and values near 0 indicating an even mix of negative and positive perceptions.³

³ The inaugural 2022 survey report (Teacher & Administrator Perceptions About K-12 Education Finance, published in 2023) incorrectly indicated that the scale for the Allovue Education Spending Confidence Index ranged from -100 to +100. The correct scale was -300 to +300. Although labeled incorrectly in the report, identical survey questions and tally methods were used to calculate index scores in both 2022 and 2023.

Allovue Education Spending Confidence Index

On a 600-point scale ranging between -300 (extremely pessimistic) to +300 (extremely optimistic), this year's average score was -67, down 29 points from last year's score of -38. (Figure 1)

Confidence Index results vary by region, with educators in the Northeastern and Western United States expressing more pessimism than their peers in the Midwest or the South. (Figure 2)

"School districts are facing a fiscal cliff in our state," a district-level finance official in one Northeastern state—New Jersey—wrote in response to an open-ended survey question.

Referencing a [2010 law](#) that prohibits property taxes in the state from increasing more than 2 percent without voter approval, the leader added:

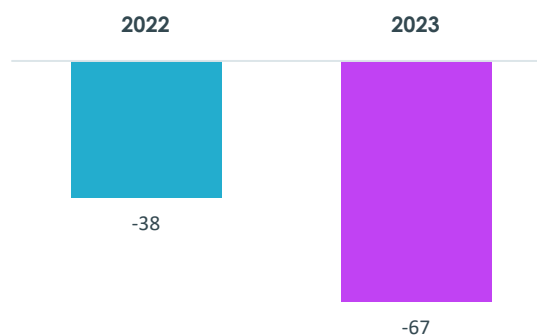
"Rising costs, specifically wages, health insurance, special education, and transportation, are rising multiples of our 2 percent budget cap that the state has inflicted on school districts. It's just a matter of time before programs are impacted by this issue. It's just math."

In a Western state—California—a principal referenced [a decade-long](#) effort to restore the health of educator pension funds by mandating increases in contributions made by the districts, the state, and teachers themselves:

"I am concerned about the amount required of districts to contribute to pensions due to underfunding. It is upwards of 24 percent of the school budget and that affects everything the district does—from salaries, which are low for most groups, to supporting students' needs following COVID."

Fig. 1

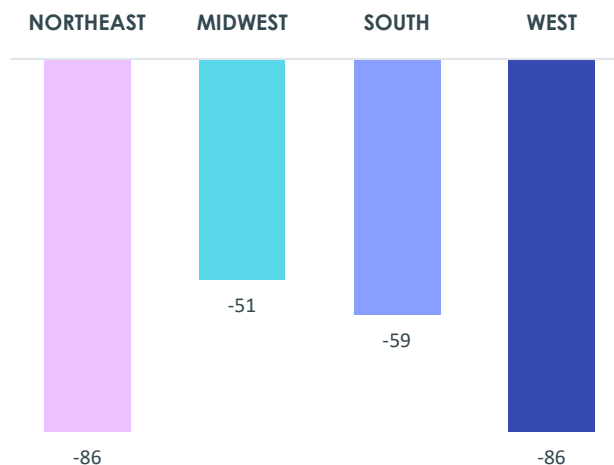
Allovue Education Spending Confidence Index: 2022-2023*



*Respondents are teachers, school leaders, and district leaders

Fig. 2

Allovue Education Spending Confidence Index, 2023, Results by REGION*



*Respondents are teachers, school leaders, and district leaders.

Index results are on a 600-point scale ranging from -300 (extremely pessimistic) to +300 (extremely optimistic).

Analyses use [U.S. Census Bureau classifications](#) to assign states to a region.

Views on School Finance

2022 to Now

On each of the three questions that comprise the Confidence Index, the share of respondents expressing pessimistic views increased between 2022 and 2023. At the same time, the share of respondents expressing optimism decreased, signaling that educators' views of the past, present, and future of their districts' financial status have grown more negative and less positive.

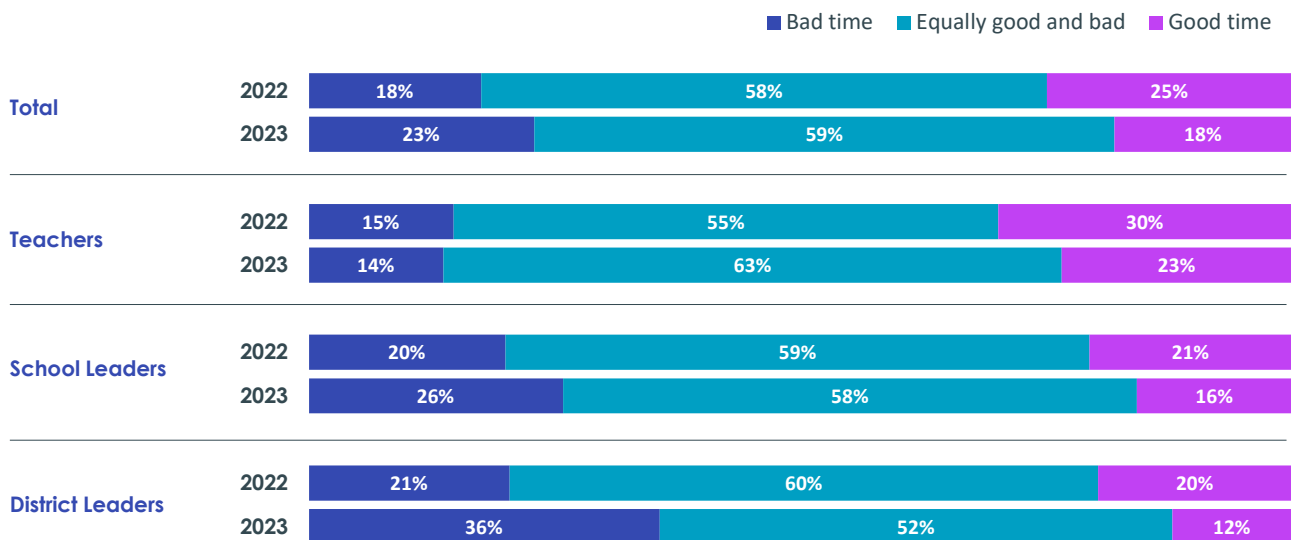
The survey questions assessing current views of financial conditions saw the steepest declines in optimism and increases in pessimism: the share of educators who say now is a good time for the district to make a major purchase fell 28 percent from 2022. The share saying that now is a bad time to make a major purchase rose 28 percent. Although total Confidence

Index scores did not vary by professional role, district leaders were more than twice as likely as teachers to say that this is a bad time to make major purchases. (Figure 3)

“The tenor of our new school board, which is now in place as of early December, is that they are a proponent of a 0 percent tax increase and kind of want us to continue to, I guess, do more with less, if you will,” a district-level director of secondary teaching and learning from Pennsylvania said when asked to explain during an interview why he thought now was a bad time for his district to make a major purchase. “So, I would say it’s really not a good time to take on those types of major expenditures just because it’s likely we would not have the support to do so.”

Fig. 3

Do you think now is a good or bad time for your school district to make major purchases such as buying a new core curriculum, raising salaries, or investing in major technology, construction, or maintenance projects?



*Totals may not add up to 100 percent due to rounding.

Views on School Finance: 2022 to Now

If asked to make immediate budget cuts to address current financial conditions, school and district leaders say they would be most likely to reduce spending on savings/rainy day funds, professional development, and/or extracurriculars. (Figure 4) These were also the top three categories survey respondents chose in 2022.

Fig. 4

If my district had to make budget cuts today, we would be VERY LIKELY to reduce spending on: Select all that apply.*



*Respondents are school and district leaders. Of the 30 provided, the 10 most frequently-selected options are shown in this chart.

Views on School Finance: 2022 to Now

Educators continue to express concern over how they think their districts' current financial status weighs up against its former financial status.

Compared to 2022 survey results, teachers and administrators were 18 percent less likely to say they are better off financially right now than they were three years ago; they were 11 percent more likely to say that their districts are worse off financially. *(Figure 5)*

In an interview, a student support director in Washington explained that his district's financial condition was worse today than it was three years earlier because federal COVID relief funding was about to run out.

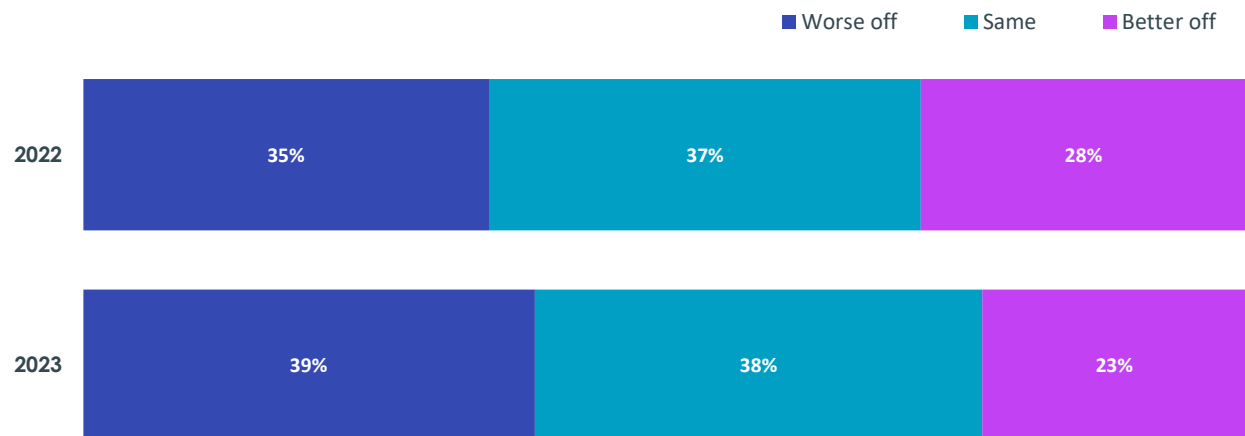
"In the anticipation of losing the federal ESSER dollars, we are scrimping and saving so that we don't end up in binding conditions or in a condition where we are outside of our balanced budget," he said. And [we have a] levy

[election in which voters decide whether to increase property taxes that help fund schools] coming up ... The intent is that it will backfill those dollars that we've been getting from the federal government. If that does not pass, we will be experiencing a reduction in force and reducing our staffing district-wide."

Most federal COVID relief funding must be spent by September 30th, although districts can apply for an extension that gives them an extra 120 days. At the time this survey was administered in November 2023, 45 percent of school and district leaders said all their COVID relief funding had been spent, and 32 percent of leaders said that 30 percent or less of their pandemic aid remained. When asked what expenses have been or will be cut due to the end of COVID stimulus funding, leaders most frequently mentioned professional development, savings/rainy day funds, and tutoring. *(Figure 6)*

Fig. 5

Would you say that your school district is better off or worse off FINANCIALLY than three years ago?*

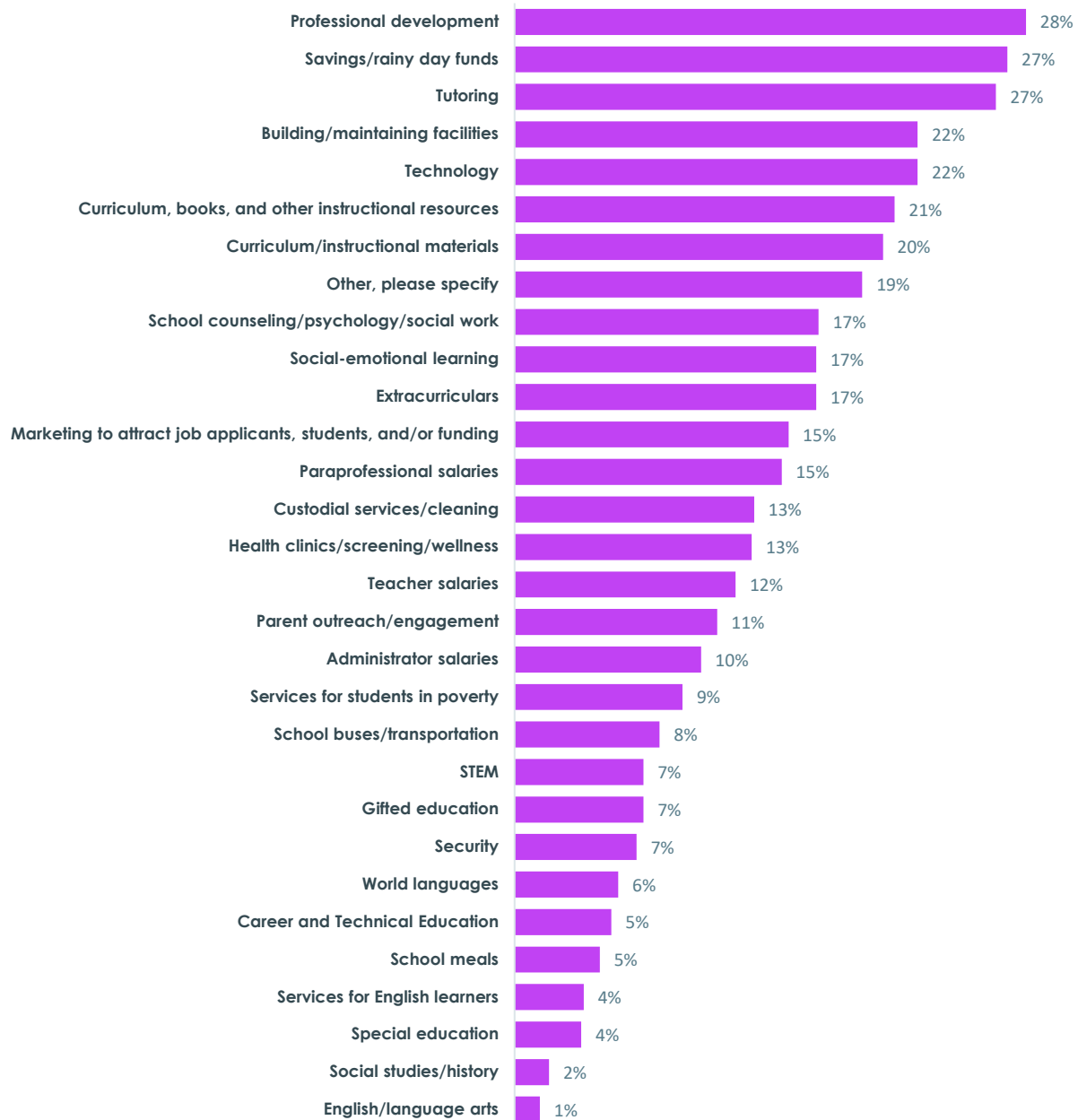


*Respondents are teachers, school leaders, and district leaders.

Views on School Finance: 2022 to Now

Fig. 6

What, if any, categories of EXPENSES has your district cut—or will it cut—due to the end of federal COVID stimulus funding? Select all that apply.*



*Respondents are school and district leaders.

Views on School Finance: 2022 to Now

Tutoring faces the steepest reductions in the nation’s largest school districts: Administrators in districts with at least 50,000 students were nearly twice as likely as their peers in districts with enrollments under 2,500 to report they would be reducing this expense when COVID funds were exhausted. (Figure 7)

As was the case last year, only a minority of teachers and administrators (37 percent) said COVID stimulus funding had made a somewhat or very important difference to their districts or schools. This finding does not mean the funding made no difference: Asked what kind of impact the end of federal COVID stimulus funding would have on their districts’ abilities to supply the resources necessary to provide a high-quality education that meets all students’ needs, 41 percent of school and district leaders said the impact would be somewhat negative and 32 percent said it would be very or extremely negative. (Figure 8)

Fig. 7

Percentage of school and district leaders who will/have reduced spending on TUTORING as federal COVID emergency relief funds run out

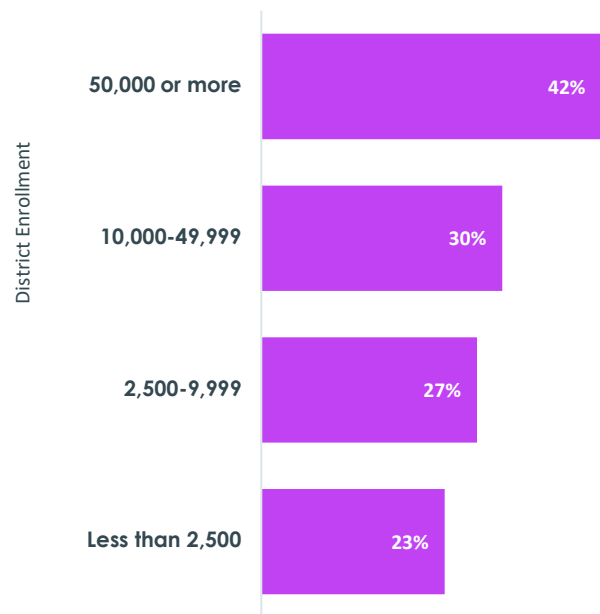
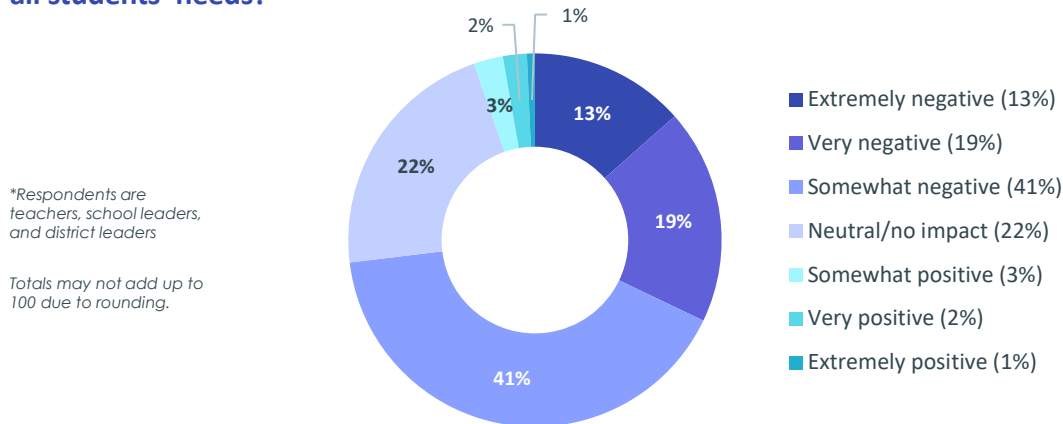


Fig. 8

What kind of IMPACT do you expect the end of federal COVID stimulus funding to have on your district’s ability to supply the resources necessary to provide a high-quality education that meets all students’ needs?*



Views on School Finance: 2022 to Now

“My job is funded with COVID dollars,” a middle school math teacher in South Dakota wrote in response to an open-ended survey question. “I will not have this job at the end of the school year unless COVID money is renewed.”

The termination of federal COVID funding is not the only factor placing pressure on district budgets. For the second year in a row, 97 percent of teachers and administrators say that per-pupil expenses are on the rise. As was the case last year, changing demographics are the most frequently noted cause. Specifically, 55 percent of teachers and administrators say that current students have higher levels of need than their prior counterparts. (Figure 9)

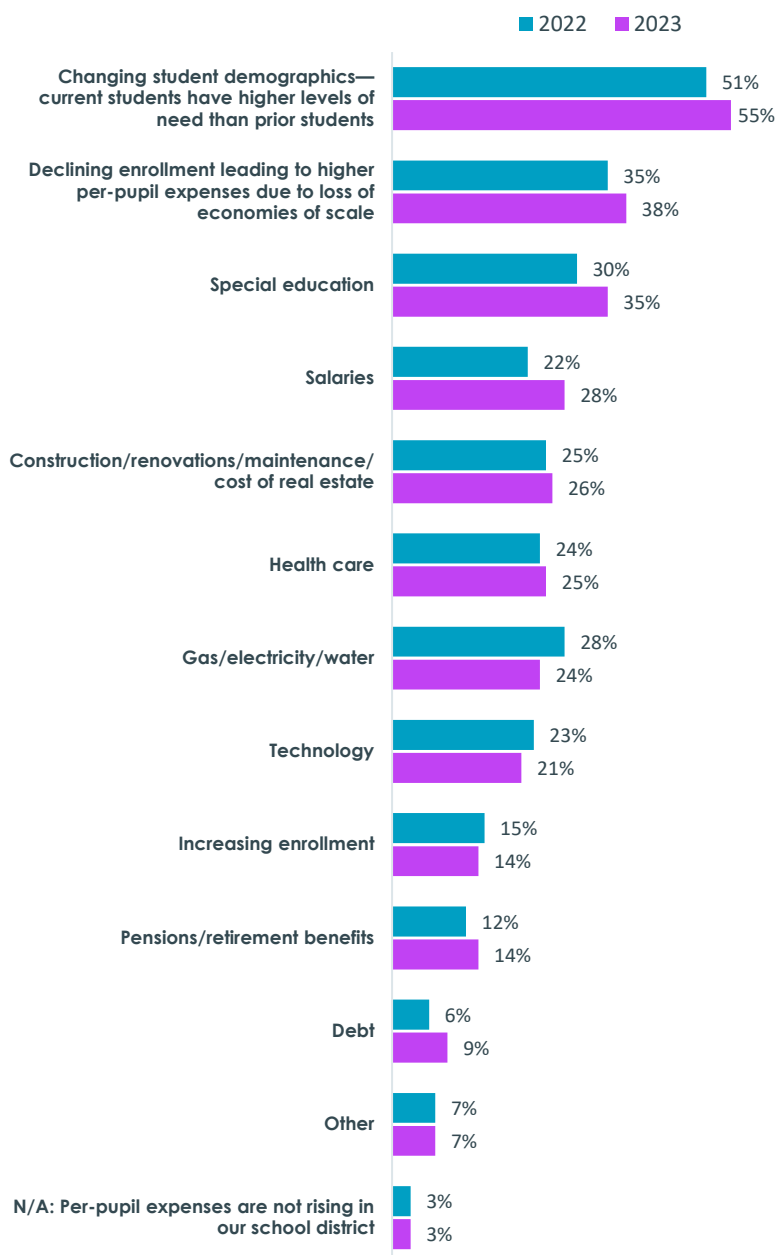
All 10 interviewees were able to describe ways in which changing demographics have led to additional expenses in their districts or schools. These expenses included serving greater numbers of students with disabilities, English language learners/emerging bilinguals, and students from low-income families.

Several educators also said the [nation’s student mental health crisis](#) has created additional needs.

“The mental health needs of kids since COVID not doubled, not tripled, quadrupled—or even more than that. I can’t even really put a number on that,” a district-level safety/at-risk coordinator in Tennessee said. “My opinion is a lockdown caused mental health issues because of the isolation ... If you had just mild issues, now you [have] medium issues ... You have more, what I would call emergency situations, like suicidal ideation ... the kids not being able to communicate with each other, which ... especially in the middle school, high

Fig. 9

Which of the following is having a MAJOR impact on rising per-pupil EXPENSES in your school district? Select all that apply.



*Respondents are teachers, school leaders, and district leaders.

Views on School Finance: 2022 to Now

school [grades], causes drama, which causes conflict ... The mental health stability of kids today, it's not what it was. And thus when you have those problems, you have more pressure on administration."

Concern about the budgetary impact of changing student needs was more common among school leaders and teachers than among district officials: 60 percent of school leaders and 56 percent of teachers said this factor had a major impact on rising per-pupil expenses as compared to 47 percent of district leaders.

"We've just been providing basic sanitary and hygiene products in the bathrooms for students, no questions asked, just because things are tight," a California principal said in an interview. "And we noticed our teenagers weren't always taking care of themselves. And so we just decided to do that as a school. And so that came with some increased costs as well."

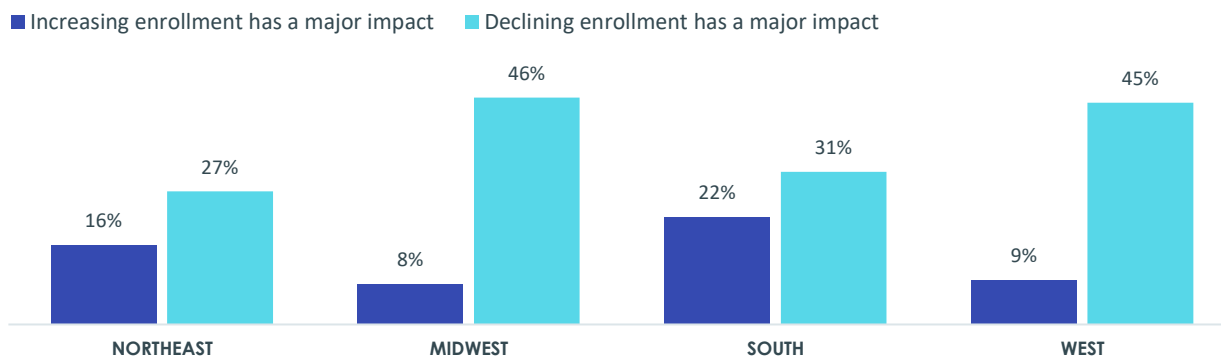
As was the case last year, declining enrollment was the second most frequently cited driver of rising per-pupil costs.

The latest [federal data](#) suggest that, while public school enrollment increased slightly between 2021 and 2022, it remains about 1.2 million below pre-pandemic rates, reflecting declining birth rates and a COVID-era increase in the number of families choosing home schooling or private education—which is increasingly available via publicly-supported vouchers, education savings accounts, and tuition tax credits.

When enrollment numbers decrease, per-pupil expenses typically rise as districts lose economies of scale. Although declining enrollment has attracted [extensive public attention](#), especially in districts that have been forced to close schools, declines are not ubiquitous, and their impact varies by location. Midwesterners and Westerners were significantly more likely than Southerners and Northeasterners to say decreased enrollment was causing per-pupil expenses to rise. Conversely, Southerners and Northeasterners were significantly more likely to say that enrollment increases are causing expenses to rise. (Figure 10)

Fig. 10

2023 geographical breakdown of percentage of teachers and administrators who say declining and increasing enrollment have a major impact on rising per-pupil expenses in their districts



*Respondents are teachers, school leaders, and district leaders.

Analyses use [U.S. Census Bureau classifications](#) to assign states to a region.

Views on School Finance: 2022 to Now

“We have lost many students as a result of COVID,” a district superintendent in a Western state—Idaho—wrote in response to an open-ended survey question. “Students have switched to on-line or homeschool classes and our enrollment is steadily declining.”

By contrast, in a Southern state—South Carolina—a district administrator wrote:

“Our district receives very little federal funding and very little COVID funding due to our demographics. Our largest issue is a growing student population and the funds required to build new schools and hire new teachers to accommodate this rapid growth.”

Views on School Finance

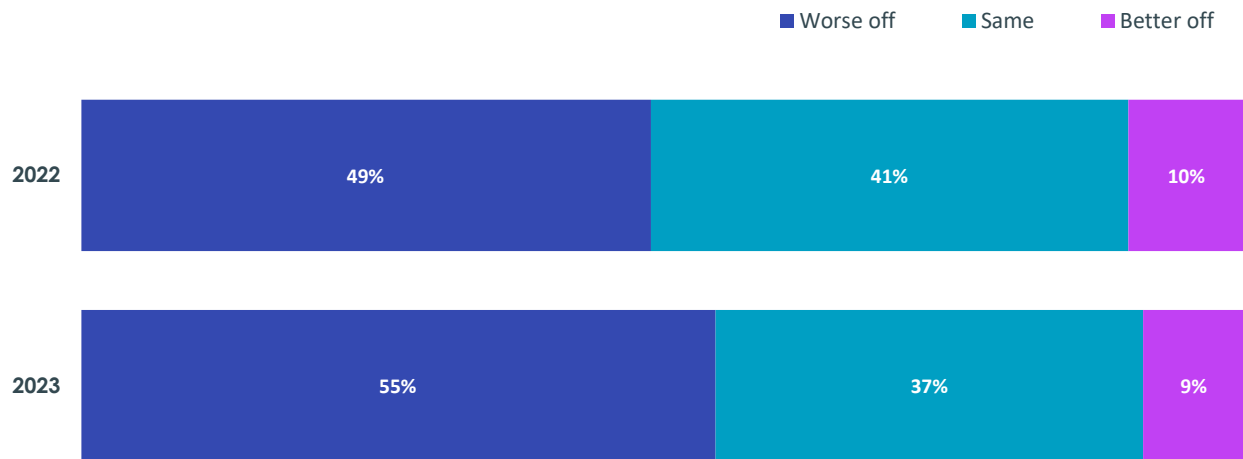
Short-Term Predictions

In 2022, a slight majority (51%) of teachers, school leaders, and district leaders predicted that their districts' financial conditions would remain the same or improve over the next three years.

A year later, 55 percent expect that things will get worse. Some reasons for this prediction include planning and forecasting challenges, the end of federal emergency funding, inflation, and staffing challenges. (Figure 11)

Fig. 11

Three years from now, do you think that your **SCHOOL DISTRICT** will be better off financially, or worse off, or just about the same as now?



*Respondents are teachers, school leaders, and district leaders. Totals may not add up to 100 percent due to rounding.

Future Concerns

Planning & Forecasting

Long-range planning and accurate and useful forecasting are the top two technical challenges for school and district leaders who engage in budgeting, 25 percent of whom say they have received no professional development in this area.

Adding to this challenge is that most school and district leaders who participate in planning, forecasting, and other budget-related functions are using standard computer applications such as Google Sheets (36 percent) or Excel (51 percent). Just 35 percent say that this software's ability to meet their needs is very adequate or excellent. Only 28 percent say their budgeting software's ability to interact with other relevant programs or apps is very good or excellent. And slightly more than half (51 percent) say their budgeting software is out of date and needs to be modernized.

Federal Funding

Even more pressing than technical issues related to planning and forecasting may be concerns about how the end of federal COVID funding will impact the future. Overall, the share of survey respondents who say that a reduction in federal funds will be a major concern over the next three years increased from 23

percent in 2022 to 33 percent in the 2023 survey.

"After we lose our COVID money, we will not be in good shape," the safety/at-risk coordinator in a Tennessee school district said during an interview when asked to explain why he expected his district's financial condition to worsen over the next three years. "I wish Congress would [say—if you've got] \$10,000 per [student], cut it back to \$2,500, cut it back 75%, but don't just cut us off. In other words, a transition of the reduction of this money. We don't need ... as much as probably we did initially, but ... we've still got needs, again, because of the lockdown damage, we still have needs."

Inflation & Costs

The end of federal COVID funding is certainly a concern, but it actually comprised a relatively small share of districts' annual per-pupil spending (about 6 percent per year from 2020-2024). As was the case last year, educators' top concern related to district finance was funding that fails to keep pace with inflation. The share of respondents who said this was a major concern has increased 9 percent in the past year.

(Figure 12)

"I wish Congress would [say—if you've got] \$10,000 per [student], cut it back to \$2,500, cut it back 75%, but don't just cut us off. In other words, a transition of the reduction of this money. We don't need ... as much as probably we did initially, but ... we've still got needs, again, because of the lockdown damage, we still have needs."

—Safety/at-risk coordinator in a Tennessee school district

Future Concerns: Planning & Forecasting

Fig. 12

What MAJOR concerns do you have about your district or school's financial health over the next decade? Select all that apply.*



*Respondents are teachers, school leaders, and district leaders.

Future Concerns: Planning & Forecasting

Inflation & Costs (continued)

“In general, I would say my biggest concerns overall would be the ability for reasonable taxation to keep pace with inflation costs in education’s changing landscape,” a district superintendent in Montana wrote in response to an open-ended survey question.

In both 2022 and 2023, the second top concern about districts’ financial future was funding that fails to keep pace with major expenses that increase faster than inflation (e.g., healthcare). The share of educators who say this is a major concern increased 9 percent year over year.

A district superintendent in Illinois wrote about the impact of rising healthcare costs:

“Last year brought an increase of 14 percent and this year, 24 percent. Our employees are taking pay cuts year after year to afford their healthcare. The district budget is increasing \$150,000 a year to support the rise in these premiums. I have had a teaching position posted for eight months and have not had one applicant.”

“In general, I would say my biggest concerns overall would be the ability for reasonable taxation to keep pace with inflation costs in education’s changing landscape.”

—District superintendent in Montana

Future Concerns

Staffing Challenges

In both survey years, educators’ third biggest concern about their districts’ financial future was: The inability to fill positions based on the wages they can afford to pay.

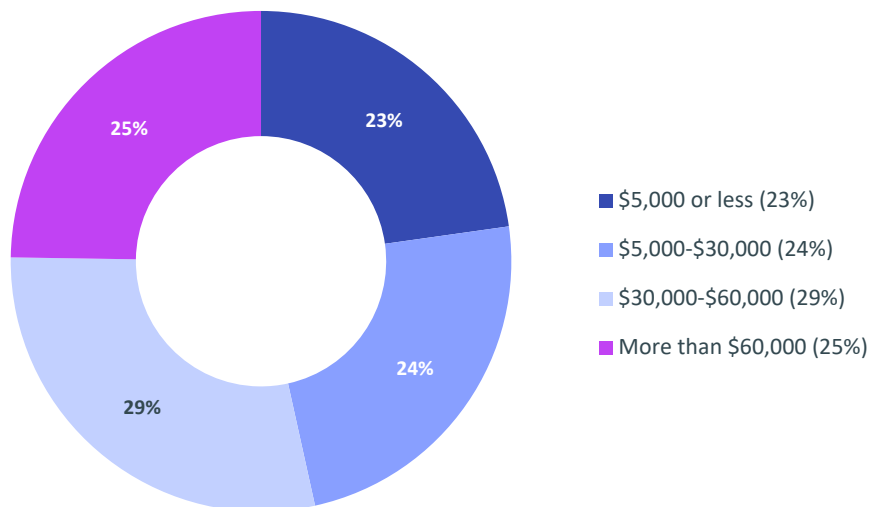
“The teachers were on a seven-year salary freeze prior to and following COVID,” an elementary school principal in Indiana wrote in response to an open-ended survey question. “The new superintendent is trying to catch up to neighboring districts with increasing salaries, however it is taking too long and we are losing many employees all year long to these neighboring districts. The neighboring districts are larger, and the teachers that leave our district hate working in the larger districts, but they offer better salaries and cheaper health insurance because of their large number of employees. Our students in our district are suffering.”

Turnover itself costs money. More than half of school and district leaders say it costs \$30,000 or more in separation, recruitment, hiring, and onboarding/training expenses each time a teacher leaves their district or school prior to retirement. A quarter say the cost is more than \$60,000 per teacher. (Figure 13)

In both 2022 and 2023, teacher salaries were the expense survey respondents were most likely to say deserved more funding, even if it meant reducing spending in other areas. Sixty-two percent of everyone surveyed (including 73 percent of teachers, 56 percent of school leaders, and 48 percent of district leaders) said their districts should allocate a much larger percentage of their existing budgets to this expense, according to 2023 survey results. (Figure 14)

Fig. 13

How much would you estimate that it COSTS right now to replace each teacher who leaves your district or school prior to retirement? Please consider separation, recruitment, hiring, and onboarding/training expenses.*

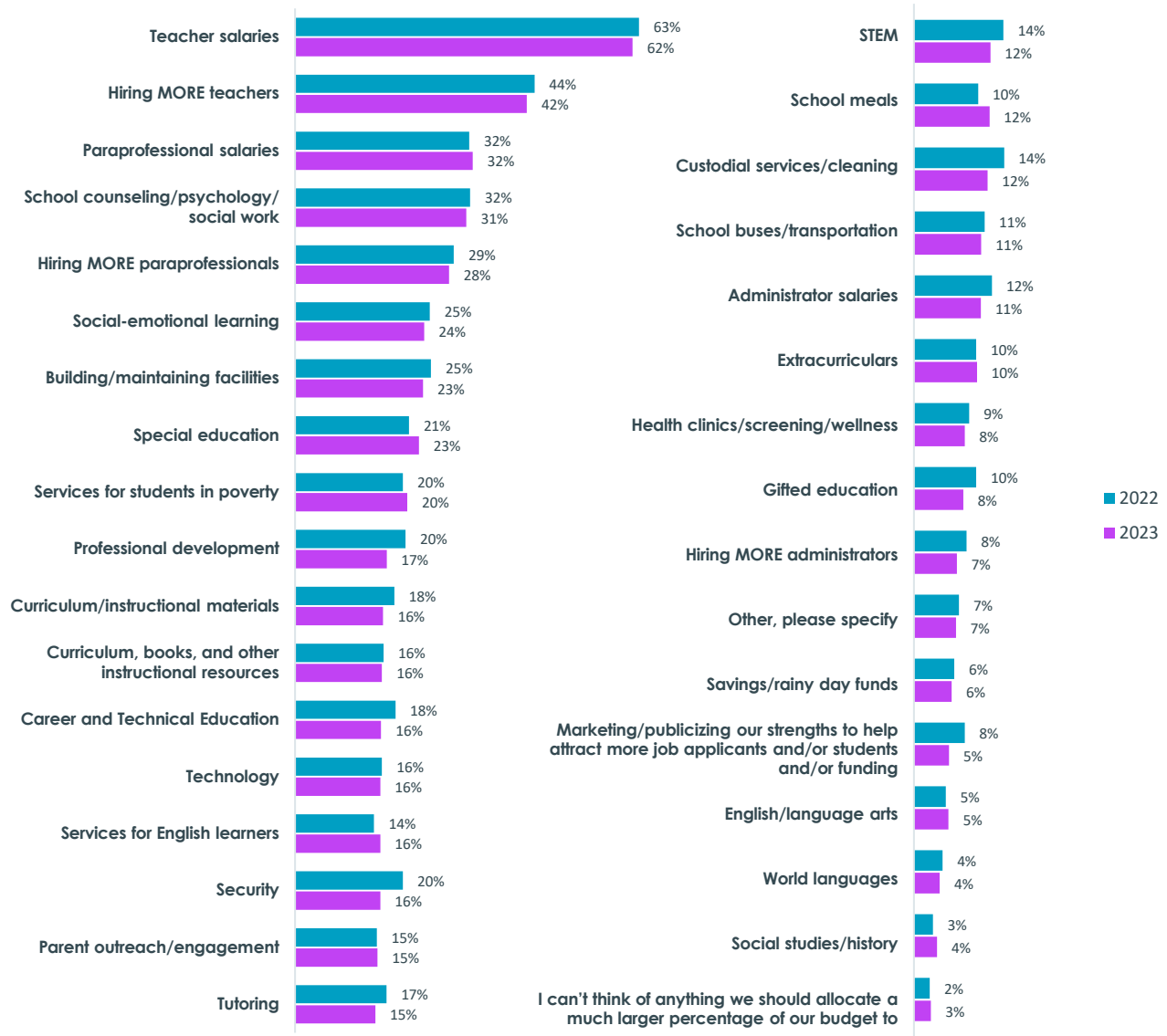


*Respondents are teachers, school leaders, and district leaders. Totals may not add up to 100 percent due to rounding.

Future Concerns: Staffing Challenges

Fig. 14

Even though it would mean reducing spending in other areas, I believe we should allocate a **MUCH LARGER PERCENTAGE** of our district's **EXISTING** budget to: Select all that apply.*



*Respondents are teachers, school leaders, and district leaders.

Future Concerns: Staffing Challenges

Administrator pay raises are much less popular than teacher pay raises. Just 11 percent of district leaders, 22 percent of school leaders, and 2 percent of teachers say a much larger share of the budget should go toward increasing administrator pay. In fact, 26 percent of all respondents, including 46 percent of teachers, recommend allocating a much smaller percentage of the existing budget to administrator pay raises. (Figure 15)

Similarly, 46 percent of teachers say a much smaller share of the budget should go toward increasing the number of

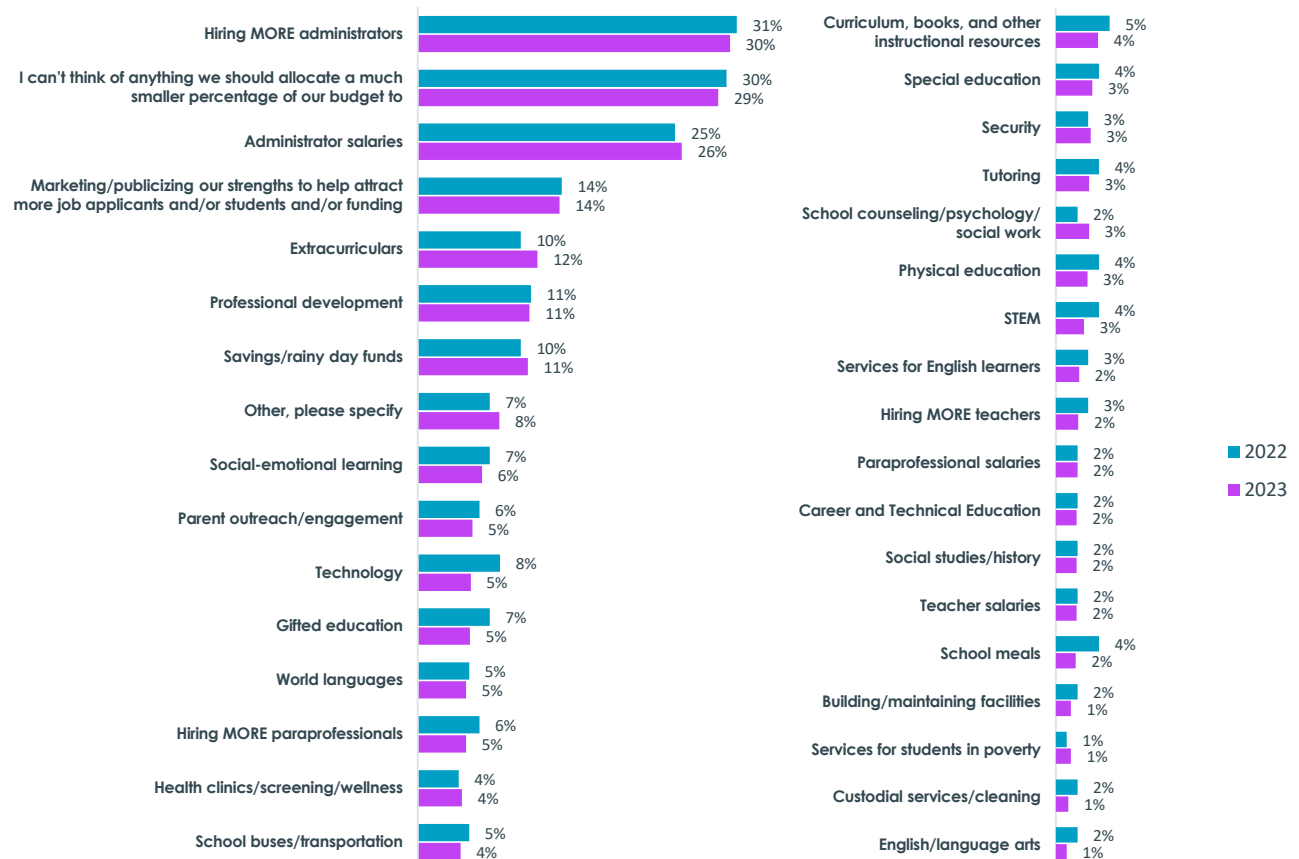
administrators in the district. Twenty-two percent of district officials and 14 percent of school leaders agree.

Just 4 percent of district leaders and 1 percent of teachers say their districts should dramatically reduce the share of the budget allocated to teacher salaries.

The demand for increasing the share of revenue devoted to teacher salaries was particularly pronounced in the South (70 percent of teachers, school leaders, and district leaders) as compared to the Northeast (47 percent); the West (56 percent); and the Midwest (64 percent).

Fig. 15

In my opinion, we should allocate a MUCH SMALLER PERCENTAGE of our district's EXISTING budget to: Select all that apply.



*Respondents are teachers, school leaders, and district leaders.

Future Concerns: Staffing Challenges

“I am a single parent and I currently can’t afford to do my job and live,” a high school English/language arts teacher in Texas wrote in response to an open-ended survey question. “My bills far outweigh my salary due to inflation and the area we live in. I can’t buy a house or rent for a reasonable price. Rentals take up more than half of my check each month, but the housing I can afford isn’t ok to raise children in. I have been in education for 15 years and there is no reason I should have to take two jobs to live, or look at food stamps to feed my family. We are guilt tripped so often that we do this job ‘for the children’ ... but what about my own children? Don’t they deserve a better life?”

Wrote a high school math teacher in California: “I just

want a fair raise that will cover the cost of living and inflation.”

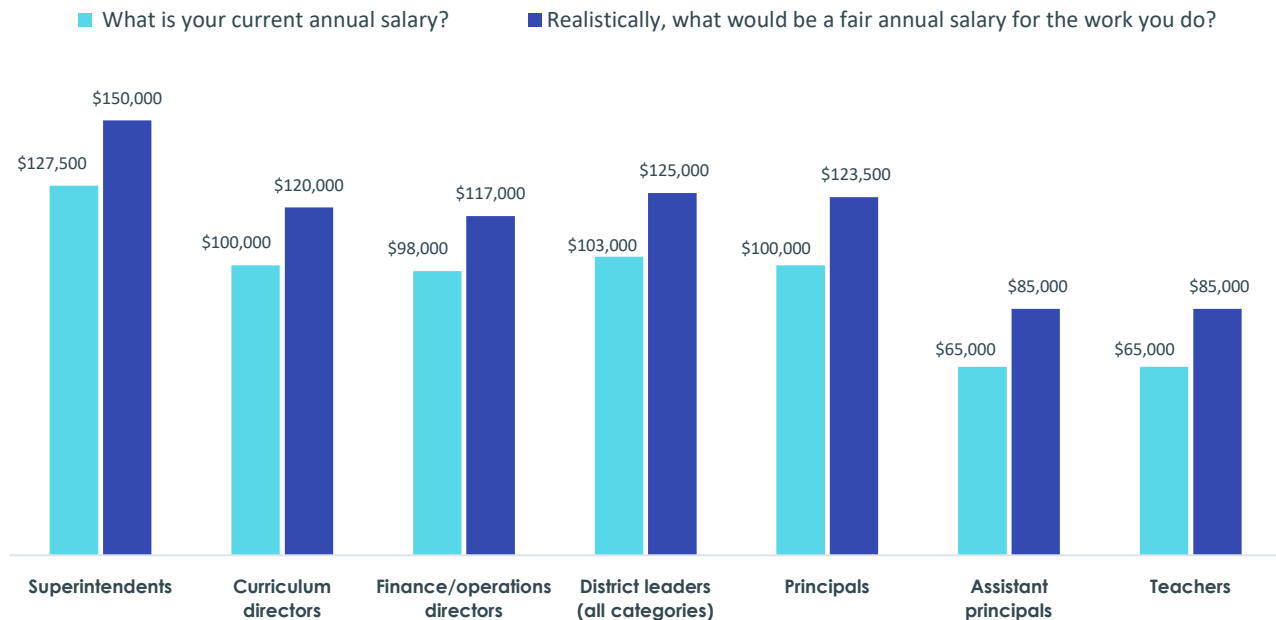
Realistically, what would be a fair salary for the work that educators do? In both 2022 and 2023, the Allovue Education Finance Survey posed this question.

This year, teachers “requested” a raise of 31 percent, from the current U.S. median of \$65,000 to a desired median of \$85,000. The median is the midpoint of a set of numbers, meaning half of the respondents requested less than \$85,000 and half requested more. Desired raises ranged from 31 percent for teachers and assistant principals, to 18 percent for district superintendents.

(Figure 16)

Fig. 16

Current MEDIAN SALARY versus desired median salary for district leaders, school leaders, and teachers, 2023



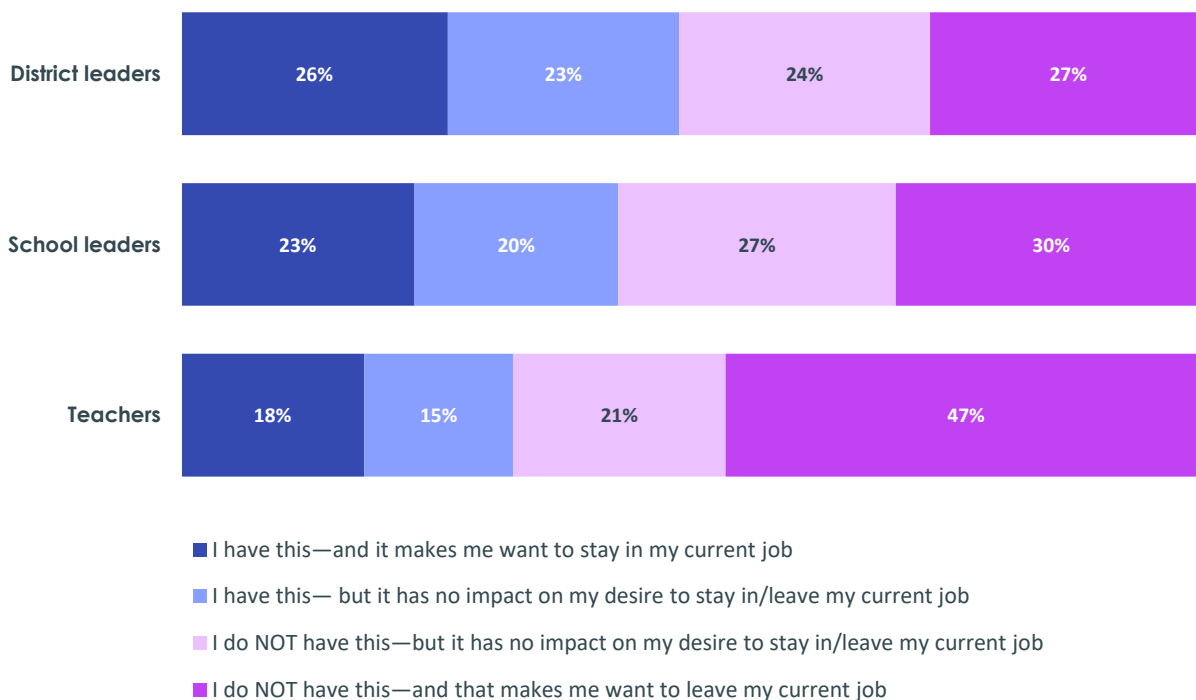
Future Concerns: Staffing Challenges

Teachers' desired salaries rose 6.25 percent between 2022 and 2023, from \$80,000 to \$85,000. That's about twice the rate of inflation, which had increased 3.4 percent, year over year, at the time the survey was fielded. The 2022 survey did not ask educators about their current salaries.

Currently, 68 percent of teachers say their salaries are unfair. Forty-seven percent say the unfairness makes them want to leave their current jobs. By contrast, 76 percent of teachers say their benefits meet their needs, and 14 percent say that dissatisfaction with benefits makes them want to leave their jobs. (Figure 17)

Fig. 17

When it comes to financial considerations, how would you rate the FAIRNESS OF YOUR SALARY when you consider whether or not to stay in your current position or seek a different position elsewhere?



*Totals may not add up to 100 percent due to rounding.

Estimates & Guesstimates

Teacher Compensation

Benefits comprise a substantial portion of the cost of employing teachers. According to the most [recent data from the U.S. Department of Labor](#), the amount that public schools spend on teacher benefits (including healthcare, retirement, and paid time off), is equivalent to 55 percent of the amount spent on teacher salaries.

Both this year and last year, survey respondents were given a multiple-choice question asking them to estimate the cost of teacher benefits as a percentage of

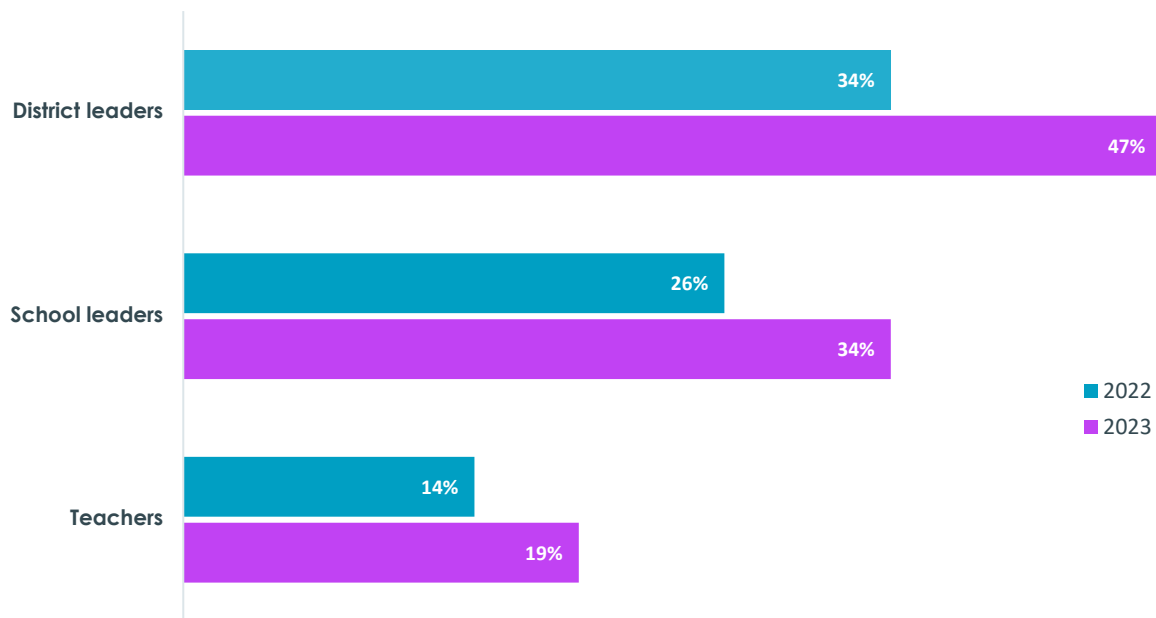
teacher salaries.

Although a larger share of respondents got the answer right in 2023, only a minority of teachers, school leaders, and district leaders correctly estimated the cost. *(Figure 18)*

As was the case last year, educators are much more likely to underestimate the cost of teacher benefits (44 percent of respondents) than they are to overestimate the expense (3 percent of respondents).

Fig. 18

Percentage of teachers, school leaders, and district leaders who correctly estimated the cost of TEACHER BENEFITS (2022 and 2023)



Estimates & Guesstimates

Funding

Teacher benefits are not the only cost that survey respondents underestimated.

This year's survey also asked educators what the average per-pupil funding is right now in the United States.

According to [federal data](#) published in 2022, the FY20 national average for per-pupil funding was \$15,711.

Survey respondents guessed a median amount of \$9,000. Teachers estimated \$7,775, roughly half the amount. School finance/operations directors came closest to the national average, but even their median

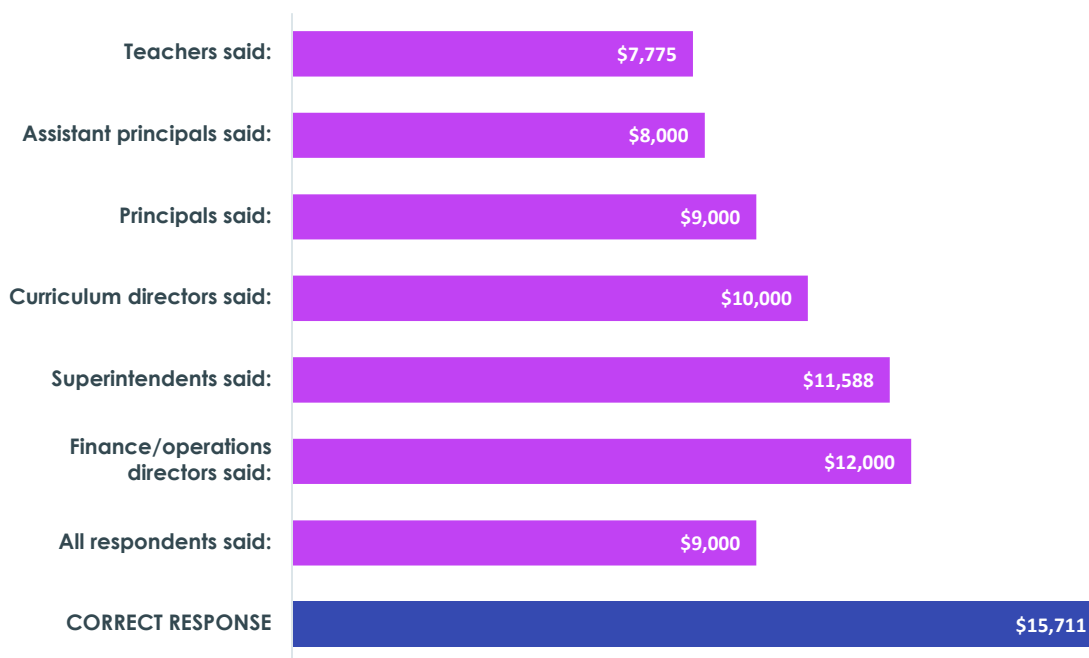
estimate (\$12,000) was nearly 20 percent lower than \$15,711. (Figure 19) Overall, 85 percent of respondents underestimated the amount of money schools spend per student.

One potential explanation for this low estimation may be that some major expenses fall outside the purview of educators, such as the costs of support services. In fact, their estimates are more in line with per-pupil amounts for instructional spending than with total revenue.

By contrast, respondents overestimated the share of K-12 funding provided by the federal government.

Fig. 19

What is the average annual PER-PUPIL FUNDING right now for K-12 public schools in the United States? Please enter a whole number. If you are not sure, please share your best guess.



Estimates & Guesstimates: Funding

In 2020, the federal government contributed \$60.4 billion, or 7.6 percent of all K-12 school revenue, according to the [most recent available data](#). Survey respondents' median guess was 20 percent. (Figure 20)

Education researchers often estimate that the federal government provides around 10 percent of K-12 funding, meaning the median estimate of superintendents and district finance/operations directors is correct—or close to it. Teachers and assistant principals were farthest off, with median estimates of 25 percent.

“I think there’s a general misunderstanding as far as how little money we actually get from the federal government,” a district IT director in Wisconsin said during an interview. “And so I think a lot of educators think that there’s just this giant pile of federal dollars that are falling in our laps and that isn’t the case. And with that in mind, they tend to think that it’s easier to buy things than it really is based on the amount of money that we get.”

Fig. 20

What percentage of K-12 public school education FUNDING does the federal government provide in the nation as a whole?

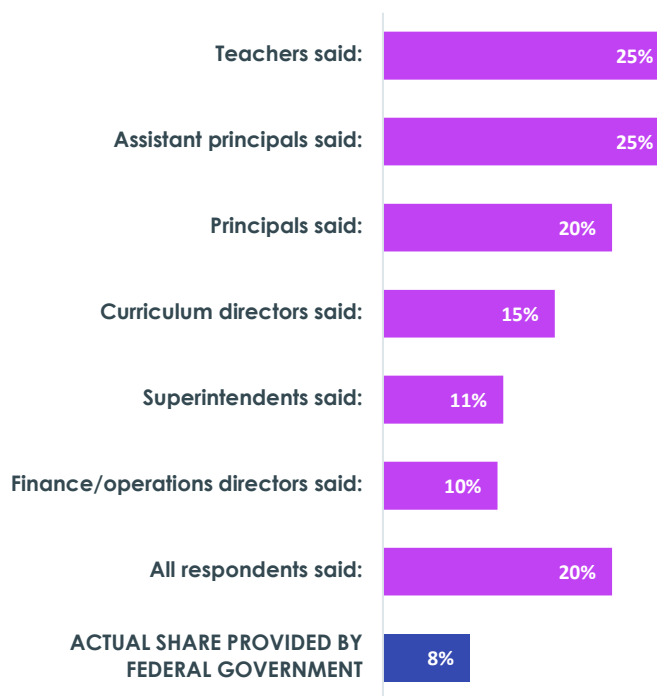


Chart shows survey respondents' median estimates for the share of K-12 public school funding provided by the federal government.

A Lack of Information & Clarity –What Are the Impacts?

Educators' impressions of school finance may not significantly differ from the general public's understanding. For example, the general public also tends to [underestimate](#) school funding.

However, teachers and administrators are uniquely impacted by school funding since it pays their salaries and helps shape what they can and cannot accomplish for and with their students. In other words, the stakes are higher.

In interviews, teachers and administrators expressed concerns about educators' limited knowledge of school finance.

"I think it has a negative impact on teachers advocating or other non-administrative staff advocating for budgeting," a district-level student support services director from Washington said. "Our administrative staff knows all of those components, or at least has a pretty good handle on most of those components. Our teachers tend to be guided by the Educators Association, which doesn't always give them the same level of information that our administrators have."

A 4th grade teacher in Florida said that she wished she had better information or a more thorough understanding of the budgetary decisions she saw school board members making when she watched their meetings on TV:

"It does make it difficult because unless you've gone through that actual administrative training to understand how [the] budget works at a school level or a district level, it really doesn't make sense. I mean, I understand it, but it still doesn't make sense how hard it is to get certain things for students when we need them."

Despite these known gaps in information and clarity, a district-level academic support director in California said that his district does not make an effort to educate teachers about school finance.

"I would say that for the most part, the teachers at the teacher level, we try to keep budget out of their concern so that they can focus on their classrooms. And maybe that is a detriment because they don't understand the decision making that has to go in. So I can see that giving them more information can allow them behind 'the why' of district decision making . . . But I can see where we try to shield them from some of the muck going on so that they can focus on the kids in front of them."

So, while shielding educators from "the muck" of finance can certainly stem from good intentions, the unintended negative impacts on employee trust, collaboration, and advocacy may not be worth it.

"It does make it difficult because unless you've gone through that actual administrative training to understand how [the] budget works at a school level or a district level, it really doesn't make sense. I mean, I understand it, but it still doesn't make sense how hard it is to get certain things for students when we need them."

—4th grade teacher in Florida

Critical Need for Information & Tools

The results of Allovue's second annual Education Finance Survey suggest that educators are growing more concerned about their districts' finances. Scores on the Allovue Education Spending Confidence Index have declined since 2022, driven by the end of federal COVID relief funding; increases in student needs; funding that fails to keep pace with inflation; expenses like healthcare that increase faster than inflation; and ongoing staffing shortages.

Survey results further suggest that a substantial portion of administrators lack the proper tools to do their jobs effectively. Some of these tools include up-to-date budgeting software that can interact with other district programs and apps and professional development on topics such as forecasting and long-range planning.

Finally, this year's survey results prove there is wide-reaching ambiguity around school finance. Teachers and administrators alike underestimate the cost of teacher benefits (which may be a deeper issue of rising benefit costs without an equivalent experience of better on-the-ground benefits). They also underestimate the amount of revenue that schools receive, while overestimating the federal government's share of that revenue.

All of these misconceptions have the potential to breed greater frustration and halt progress in K-12 education.

In the words of a district leader from Pennsylvania:

"Without that knowledge and understanding ... it is easy to make less informed and ill-informed decisions about how districts should spend or not spend their money."

Much like improved software or professional development, educators require sufficient and accurate information about their districts' financial conditions to be effective advocates for themselves and their students.

Allovue was founded in 2013 by a team of educators, technologists, education finance experts, and data specialists who realized the impact budgeting decisions could have on student success. Together, they worked to build innovative education finance solutions to maximize student outcomes. Their mission is to empower educators to strategically and equitably allocate resources to best support the needs of students. Allovue's goal is to help educators make better decisions about their budgets and spending by giving them dynamic, up-to-date, and user-friendly data. To date, Allovue has worked with districts and state departments of education across the country to budget, manage, and evaluate their spending—supporting workflow, analytics, and decision making for more than \$50 billion of K-12 spending. Allovue was acquired by PowerSchool in 2024; visit www.powerschool.com/allovue to learn more.

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