

## Formula Calculation for 70% Requirement

Effective as of FY2006-07, the formula used to compute a local school system's compliance with the seventy-percent requirement has been revised. Details regarding the revised calculation are provided below.

To provide for appropriate accountability of State funds while affording local school boards flexibility in determining specific expenditures, local school boards must ensure that **seventy percent (70%)** of their general funds, including all revenue sources, are expended in the areas of instruction and school administration at the school building level. No central office expenditures will be considered in the instructional measurement. When performing this calculation, the total of all state and local monies reported in the local school system's **GENERAL FUND ONLY** is considered.

$$\begin{array}{l} \textbf{70\% Calculation:} \qquad \text{Instructional Expenditures at the School} \\ \qquad \qquad \qquad \qquad \text{Building Level} \\ \\ \textbf{DIVIDED BY} \\ \\ \text{Total Current General Fund Expenditures} \end{array}$$

### Instructional Expenditures Defined

For the purpose of the 70% calculation, instructional expenditures are defined as current expenditures\* at the school building level in the following categories:

1. **Instructional activities:** activities dealing directly with the interaction between teachers and students to include such items as: teacher and teacher aide salaries, employee benefits, purchased professional and technical services, textbooks and instructional materials and supplies, and instructional equipment (Function series 1000 except for Adult Education, function 1600)
2. **Pupil support activities:** activities designed to assess and improve the well-being of students to supplement the teaching process, including attendance and social work, guidance, health and psychological activities (Function series 2100)
3. **Instructional support activities:** activities associated with assisting the instructional staff with the content and process of providing learning experiences for students including activities of improvement of instruction, instruction and curriculum development, instructional staff training, library/media, and instructional related technology (Function series 2200)
4. **School administration activities:** activities performed by the principal, assistant principals, and other assistants while they

supervise all operations of the school, evaluate staff members of the school, assign duties to staff members, supervise and maintain the records of the school, and coordinate school instructional activities with those of the school system. These activities also include the work of clerical staff in support of the teaching and administrative duties (Function series 2400)

- \* Current expenditures do not include Equipment, Facilities Acquisition and Construction, or Debt Service costs.

Profile of Educational Personnel (PEP) data is used to pro-rate actual expenditures between the school site and the central office.

### **General Fund Definition**

The general fund of the local school system is used to account for all revenue sources except those required to be accounted for in another fund. It is the chief reporting vehicle for the local school system's current operations.