



STATE OF INDIANA

Michael K Braun
Governor

OFFICE OF MANAGEMENT & BUDGET

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Lisa Hersman
Secretary

To: Honorable Mike Braun, Governor
Members of the Indiana General Assembly
Members of the Indiana State Board of Education

From: Lisa Hershman, Secretary of Management and Budget

Date: March 30, 2026

Re: Student Instructional Expenditure Report for the 2023 – 2024 School Year

IC 20-42.5-3-5 requires the Office of Management and Budget to analyze and report on the ratio of student instructional expenditures to all other instructional expenditures for the previous year. The 2023-2024 Student Instructional Expenditure Report provides an analysis of school corporation expenditures reported to the Indiana Department of Education. Total expenditures in 2023-2024 were \$17.2 billion (an increase of \$1 billion from the previous year). Of this total, \$9.5 billion was spent on Student Instruction. The statewide Student Instructional Expenditures ratio (also known as the “Dollars to the Classroom” percentage) in 2023-2024 was 55.2%. This figure is 0.6% lower than the previous year, as shown in the table below.

Percentage of Total School Expenditures on Student Instruction			
FY 2021	FY 2022	FY 2023	FY 2024
58.7%	58.1%	55.8%	55.2%

Student Instructional Expenditures are defined as the sum of two categories: *1-Student Academic Achievement* and *2-Student Instructional Support*. Non-Instructional Expenditures consist of the remaining two categories: *3-Overhead and Operational* and *4-Non-Operational*. The definitions of the four categories of expenditures are as follows:

- **Student Academic Achievement:** Defined as the activity between teachers and students. This category includes those direct expenditures related to instruction, providing instruction, instructional materials, and instructional supervision. Activities dealing directly with the teaching of pupils, including teachers (salaries and related fringe benefits), teacher aides, educational media services, textbooks, and instructional technology are included.

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- Student Instructional Support: This category includes other expenditures for those services that support student academic achievement within the school building. Pupil support services included in these expenditures are attendance, social work, guidance, health, psychology, speech pathology, audiology, and school administration.
 - Overhead and Operational: This category includes expenditures for non-instructional operating costs. Areas included are corporation administration, fiscal services (budgeting, payroll, and accounting), operation and maintenance of facilities, security, pupil transportation, food services, purchasing, and administrative technology.
 - Non-Operational: This category includes expenditures that are not related to the day-to-day operation of public elementary and secondary education. Expenditures included in this category are facilities acquisition and construction, purchase of non-instructional equipment, and debt service obligations.

Expenditures for both Student Instructional Support (“Dollars to the Classroom”) and Non-Instructional Support increased statewide in state fiscal year (SFY) 2024 compared to SFY 2023. Of the \$1.1 billion increase in total spending, \$500 million was Instructional Expenditures and \$600 million was Non-Instructional Expenditures. Instructional Expenditures increased by 5% compared to SFY 2023. However, this growth was outpaced by the rate of growth for Non-Instructional Expenditures resulting in a reduced “dollars to the classroom” percentage.

The 2021-2022 Dollars to the Classroom Report referred to this likely outcome as spending of COVID-era relief funding continues to progress. The overall trend from 2022-23 into 2023-24 is a slowing in growth to expenditures on all other categories outside Student Instructional expenses. As time continues to pass the expectation is that capital spending will continue to decrease as these COVID-era projects are spent down and completed. Growth in 2023-24 was \$1.1 billion compared to the 2022-23 growth of \$1.5 billion, and it could be anticipated that growth will continue to slow over time, raising the Student Instructional spending percentage again in the future.