

**OMB Supporting Statement for Proposed Data Collection:
Study of School-Level Expenditures**

Part A. Justification

9/1/09

1. Importance of Collecting the Information

This study will examine the extent to which school-level education resources are distributed equitably within and across school districts, based on the collection of school-level expenditure data for the 2008-09 school year from all states in response to a requirement contained in the *American Recovery and Reinvestment Act of 2009 (ARRA)*.

ARRA Requirement to Collect School-Level Expenditure Data

ARRA requires each school district receiving Title I, Part A ARRA funds to report a school-by-school listing of per-pupil educational expenditures from state and local funds for the 2008-09 school year to its state educational agency (SEA), and also requires states to report these data to the Department by March 31, 2010. The statutory language for this requirement is included in the section of the law authorizing the appropriation of an additional \$13 billion in Title I, Part A funds, and reads as follows:

For an additional amount for “Education for the Disadvantaged” to carry out title I of the Elementary and Secondary Education Act of 1965 (“ESEA”), \$13,000,000,000: *Provided*, That \$5,000,000,000 shall be available for targeted grants under section 1125 of the ESEA: *Provided further*, That \$5,000,000,000 shall be available for education finance incentive grants under section 1125A of the ESEA: *Provided further*, That \$3,000,000,000 shall be for school improvement grants under section 1003(g) of the ESEA: *Provided further*, That each local educational agency receiving funds available under this paragraph shall be required to file with the State educational agency, no later than December 1, 2009, a school-by-school listing of per-pupil educational expenditures from State and local sources during the 2008–2009 academic year: *Provided further*, That each State educational agency shall report that information to the Secretary of Education by March 31, 2010.

Request for Emergency Clearance

We are requesting OMB approval on an emergency basis for this data collection by October 1, 2009. Approval is needed by October 1, 2009 so that states can inform school districts of this reporting requirement, collect the required data from all school districts that receive Title I funds, and compile and submit the data to the U.S. Department of Education by March 31, 2010.

The ARRA is an unanticipated event. The Department has had to work under extremely short timelines to design this data collection in a way that balances the goals of obtaining useful information about the equitable distribution of school resources while also minimizing burden on states and school districts. The Department wants to apprise states of the specific parameters for this reporting requirement as soon as possible so that states and school districts will have sufficient time to comply with the rapidly approaching deadlines in the law for submitting these data. Issuing the reporting requirements on October 1 would give states six months to comply with the requirement to report these data by March 31, 2010. Because emergency approval can only provide data collection authority for up to six months, and because we

anticipate that additional follow-up data collection efforts may be needed after March 31, 2010, we will also submit a regular OMB review request in addition to this emergency review request.

Previous Evaluation Findings

Previous research in selected school districts has documented inequities in the distribution of funds within some districts. For example, Roza (2008) found, in 10 large urban school districts, a teacher salary gap between the highest- and lowest-poverty schools that ranged from a low of \$1,286 in San Francisco to a high of \$4,846 in Sacramento.¹ Similarly, Roza and Hill (2004) found that four out of five urban districts studied spent less on the highest-poverty schools than on the lowest-poverty schools, with the difference amounting to 10-23% of a school's budget.²

Larger-scale studies conducted to date have had a limited ability to directly examine the issue of within-district equity because they have typically been based on nationally representative samples of schools that included only a sample of schools within an individual district. For example, a recent Department evaluation report examined the equitable distribution of school-level personnel expenditures per student in a nationally representative sample of Title I and non-Title I schools based on data for the 2004-05 school year. That study found that Title I and non-Title I schools across the nation had, on average, a similar base of state and local school personnel expenditures per pupil (excluding Title I and other federal funds). High- and low-poverty schools also did not show significant differences in per-pupil spending on school personnel. However, because the study collected data for only a sample of schools within each district, these findings reflect differences in resource levels between states and districts as well as within districts, and may also be affected by regional differences in the cost of education.³

An earlier Department evaluation that examined the distribution of education resources in a nationally representative sample of schools in 1997-98 suggested that there were greater disparities in school resources between districts than within districts. For example, in low-revenue districts, average teacher salaries were 9% lower in Title I schools than in non-Title I schools (\$33,047 vs. \$36,163) – but in high-revenue districts, average teacher salaries were 32% to 43% higher in Title I and non-Title I schools (\$47,438 and \$47,855, respectively). However, this study also collected data for only a sample of schools within each sample district, and as a result could only examine broad patterns across the sample schools rather than assessing equity within individual school districts.⁴

¹ Marguerite Roza (2008), "What If We Closed the Title I Comparability Loophole?", in John Podesta and Cynthia Brown (eds.), *Ensuring Equal Opportunity in Public Education: How Local School District Funding Practices Hurt Disadvantaged Students and What Federal Policy Can Do About It*, Washington, D.C.: Center for American Progress.

² Marguerite Roza and Paul T. Hill (2004), "How Within-District Spending Inequities Help Some Schools Fail," in Dianne Ravitch (ed.), *Brookings Papers on Education Policy: 2004*, sponsored by the Brown Center on Education Policy, Washington, D.C.: Brookings Institution Press.

³ Jay Chambers, Irene Lam, Kanya Mahitivanichcha, Phil Esra, Larisa Shambaugh, and Stephanie Stullich (2009), *State and Local Implementation of the No Child Left Behind Act, Volume VI: Targeting and Uses of Federal Education Funds*, Washington, D.C.: U.S. Department of Education, Office of Planning, Evaluation, and Policy Development, Policy and Program Studies Service.

⁴ Jay Chambers, Joanne Lieberman, Tom Parrish, Daniel Kaleba, James Van Campen, and Stephanie Stullich (2000), *Study of Education Resources and Federal Funding: Final Report*, Washington, D.C.: U.S. Department of Education, Office of the Under Secretary, Planning and Evaluation Service.

Overview of Plan for Collecting and Analyzing School-Level Expenditure Data

Providing school-level expenditure data will not be an easy task for many states and school districts, because state and district data systems that are currently in place often do not track expenditures for individual schools, and requiring them to report total school-level expenditures would impose considerable burden. Moreover, requiring states and school districts to attempt to compile and report such data retroactively would likely result in inconsistent and possibly inaccurate data, because many districts may not be able to reconstruct the data after the fact. However, school districts usually do have data systems that can identify which staff are assigned to each school, and at a minimum they can extract and report salary data for school-level staff; indeed, many states already collect and compile such school-level personnel expenditure data. Data on personnel salaries do not provide a complete picture of school-level resources, but they would capture the bulk of expenditures that occur at the school level. In addition, some districts and states have more comprehensive data systems in place that can track and report non-personnel expenditures as well.

The plan for this data collection is to balance the goals of obtaining useful information about the equitable distribution of school resources and minimizing burden on states and school districts by collecting two types of data:

- 1) aggregate school-level expenditure data from all states, including personnel expenditures and, if available, non-personnel expenditures; and
- 2) more detailed data from five states, including personnel-level data as well as school-level expenditure data broken down by funding source.

Specific plans for each of these two components of this data collection are described in more detail in the following section.

2. Purposes and Uses of the Data

The primary purpose for this data collection is to comply with the *ARRA* requirement to collect data on school-level expenditures for the 2008-09 school year. These data will be used to examine the extent to which school-level education resources are distributed equitably within and across school districts. The purpose of collecting more detailed personnel-level data from five states is to assess the quality of the aggregate school-level data and to enable more in-depth analyses of variations in school-level resources. Findings from this study may help to guide policymakers who may consider potential changes to the Title I comparability provision, which requires districts to ensure that Title I schools receive comparable levels of state and local resources as non-Title I schools within the same district.

Evaluation questions to be addressed in this study include the following:

- Are state and local education resources distributed equitably across schools within districts? Are school-level resources distributed equitably across districts within states? Does the degree to which resources are distributed equitably vary for different types of resources such as expenditures on teacher salaries, expenditures on all school staff, non-personnel expenditures, and pupil-teacher ratios?
- Are differences in per-pupil expenditures related to the numbers of special needs students in the school (such as students with disabilities, students with limited English proficiency, and economically disadvantaged students)?

- If there is a funding gap between Title I and non-Title I schools or between high- and low-poverty schools, to what extent do Title I funds close that funding gap? How much does Title I add to school expenditures, both overall and in high- and low-poverty schools?
- Is there a similar or different mix of staffing types in Title I vs. non-Title I schools or in high-poverty vs. low-poverty schools?

The following discussion provides information on: 1) plan for collecting school-level expenditure data from all states; 2) plan for collecting more detailed personnel-level and school-level data from five states; and 3) plan for analyzing the school-level and personnel-level data. The proposed data collection instruments are provided in Appendix A.

School-Level Expenditure Data to Be Collected From All States

The study will collect four categories of school-level expenditures from all states:

- Personnel salaries at the school level for all school-level instructional and support staff, based on the Census Bureau’s classification used in the F-33 survey of local government finances.
- Personnel salaries at the school level for instructional staff only.
- Personnel salaries at the school level for teachers only.
- Non-personnel expenditures at the school level (if available).

Table 1 shows the Census Bureau’s classification of four types of school-level personnel that are involved in instructional and support functions, based on the F-33 survey of local government finances (see Appendix B for more detail):

Table 1
Types of School-Level Personnel Involved in Instruction and Support Functions

Instruction	Includes teachers and instructional aides.
Support services – pupils	Includes guidance counselors, nurses, attendance officers, speech pathologists, and other staff who provide support services for students.
Support services – instructional staff	Includes salaries for staff involved in curriculum development, staff training, operating the library, media and computer centers.
Support services – school administration	Includes principals and other staff involved in school administration.

Because teachers and other instructional staff are particularly important to the educational opportunities provided to students, the study will also collect data on the amount of state and local expenditures for instructional staff and for teachers, in addition to the total for all school-level personnel in these four categories. The study will not seek to include employee benefits in the school-level personnel expenditure data due to concerns about data comparability and burden. We will ask states to include all types of salary expenditures, including not only base salaries but also incentive pay, bonuses, and supplemental stipends for mentoring or other additional roles.

In addition to collecting salary expenditure data for school-level instructional and support staff shown in Table 1, the study will also ask states to separately report data on non-personnel expenditures at the school level, if these data are available. Non-personnel expenditures are an important component of total educational resources provided to a school and may include, for example, the following types of expenditures:

- Professional development for teachers and other staff
- Instructional materials and supplies
- Computers, software, and other technology
- Contracted services such as distance learning services
- Library books and media center learning materials

While many districts account for such non-personnel expenditures at the district level and do not allocate these expenditures to individual schools, some districts and states do account for at least some non-personnel expenditure data at the school level. Collecting these data, where available, would permit a more complete examination of school-level expenditures in states and districts where this is supported by existing data systems. At the same time, because these data would be reported as a separate item, where available, this would not affect the consistency of the personnel expenditure data.

ARRA requires school districts and states to report only expenditures from state and local funding sources, rather than expenditures from all sources which would include federal funds. In addition, we will ask states to exclude expenditures for special education (from both personnel and non-personnel expenditures), if they are able to do so. Because special education expenditures will vary in relation to the numbers and types of students with disabilities in a particular school, excluding these expenditures would provide a more meaningful picture of the equitable distribution of state and local education funds.

States will be asked to collect and report school-level expenditure data for all school districts that receive Title I, Part A funds. The *ARRA* statute only requires districts that receive Title I, Part A *ARRA* funds (i.e., funds allocated under the Targeted Grants and Education Finance Incentive Grants formulas) to report school-level per-pupil expenditures. However, Section 1501 of the *ESEA* provides authority to “assess the implementation and effectiveness of programs under [Title I],” and states and districts are required to cooperate with Department evaluations of the Title I program, as a condition of receiving Title I funding (see Sections 9304(a)(4) and 9406(a)(4) of *ESEA*). Because these data will be used to examine the effectiveness of the Title I comparability requirement under Section 1120A(c) in ensuring the equitable distribution of state and local resources at the school level, this data collection is covered under the requirement for mandatory participation in Department evaluations of Title I. Collecting data on the universe of Title I school districts will be useful because differentials in personnel expenditures may be more pronounced in lower-poverty districts than the higher-poverty ones that receive *ARRA* funds. There are an estimated 12,012 districts that are expected to receive Title I, Part A *ARRA* funds; expanding the data collection to include the universe of Title I LEAs will result in the dataset including an additional 1,095 LEAs.

Table 2 summarizes all of the data to be collected from states for all schools in districts receiving Title I Part A funds for the 2008-09 school year:

Table 2
Items to be Included in New Data Collection on
School-Level Expenditures in 2008-09

	Item	Comments	
1	STATE	Items 1 through 5 will be pre-populated from ED F acts.	
2	LEA ID		NCES ID code.
3	LEA NAME		
4	SCHOOL ID		NCES ID code.
5	SCHOOL NAME		Includes all schools in a Title I LEA—i.e., Title I and non-Title I schools.
6	PERSONNEL SALARIES AT SCHOOL LEVEL – Total	This would include the salaries for all school-level staff associated with the functions shown in Appendix B, i.e., teachers, paraprofessionals, principal, and other specialized staff who work at the school. The expenditures for a school would be the sum of the salaries for all such staff employed at the school; however, these expenditures should not include salaries paid from federal program funds or from special education funds.	
6a	PERSONNEL SALARIES AT SCHOOL LEVEL – Instructional Staff Only	This is a subset of item 6 and should include salaries for instructional staff only.	
6b	PERSONNEL SALARIES AT SCHOOL LEVEL – Teachers Only	This is a subset of item 6a and should include salaries for teachers only.	
6c	NON-PERSONNEL EXPENDITURES AT SCHOOL LEVEL (if available)	This would include any non-personnel expenditures that the state or district accounts for at the school level. However, these expenditures should not include expenditures from federal program funds or from special education funds.	
7	STUDENT ENROLLMENT	Enrollment data will be pre-populated from ED F acts if available and should be reported as of the date used by NCES to collect CCD data—i.e., October 1, 2008.	
8	PERSONNEL SALARY EXPENDITURES PER STUDENT ENROLLED	Line 6/line 7	

Detailed Personnel-Level and School-Level Data to Be Collected From Five States

In addition to the school-level aggregate expenditure data to be collected from all states, as described above, the study will also collect more detailed data from five states in order to (1) validate the aggregate data collected in the primary, universe data collection by comparing them to the more detailed data collected in the five states; and (2) carry out more in-depth analyses of possible variations in resource levels across schools. Some states currently have data systems that already include detailed data on school personnel and expenditures and could provide these data relatively easily.

The specific data to be requested from each of the five states will include the following (in addition to the data that is collected from all states):

- Personnel-level dataset showing the following information for each school staff member:
 - School district name and NCES district id code
 - School assignment and NCES school id code
 - Job classification
 - Base salary

- Other salary
- Benefits
- School-level dataset showing the following information for each school:
 - School district name and NCES district id code
 - School name & NCES school id code
 - Total expenditures – general education
 - Total expenditures – special education
 - Total state and local expenditures – general education
 - Total state and local expenditures – special education
 - Total expenditures from federal sources
 - Title I expenditures

The five states will only be asked to report the individual data items listed above if they are already contained in the state’s existing data system. States will not be asked to collect new data from school districts in order to respond to this more detailed component of this data collection.

The first purpose of collecting more detailed data is to assess the data quality of the aggregate school-level expenditure data. It cannot be assumed that all states will submit accurate data, because the Department has never before collected school-level expenditure data for all Title I school districts (though it has collected similar data from a relatively small sample of districts). Data quality problems, if present, may be difficult to detect in aggregate data. Requiring all states to report the more detailed personnel-level data would likely provide more accurate data, but may be infeasible at this time, particularly for a prior year (2008-09) when existing state and district accounting systems may not have been designed to report this information. However, some states do already collect these detailed data from districts, so it would impose much less burden for these states to report these data. Collecting the more detailed data from a few states would enable the study to assess whether the aggregate and detailed data are consistent with each other, and thus provide a degree of confidence (or not) in this first-time-ever school-level "universe" expenditure data collection.

The second purpose for collecting more detailed data from five states is to allow more in-depth analyses of variations in school-level resources. These more detailed personnel-level data will enable the study to examine not only whether spending varies across schools within LEAs, but to what extent the variation is related to differences in numbers of students with special needs, the types of staff employed in the school, or quantities of staff vs. salary levels.

Plan for Analyzing the School-Level and Personnel-Level Expenditure Data

The school-level expenditure data will be used to produce simple descriptive statistics such as average per-pupil expenditures (for the four types of school expenditures shown in Table 2) in different types of schools and the number and percentage of schools that have per-pupil expenditures that are below the average for their school district. For example, these data would enable preparation of the following state-by-state tables on school-level expenditures per pupil:

1. Averages for Title I vs. non-Title I schools, overall and by grade span (elementary, middle, and high school).
2. Averages by school poverty level using four poverty categories: 75-100%, 50-74%, 35-49%, and less than 35%.

3. Number and percent of Title I schools, overall and by grade span (elementary, middle, and high school) whose per-pupil expenditures are below their district average, less than 95% of the district average, and less than 90% of the district average.
4. Number and percent of high-poverty Title I schools (with poverty rates of 50% or higher) whose per-pupil expenditures are below their district average, less than 95% of the district average, and less than 90% of the district average.
5. Number and percent of all high-poverty schools (with poverty rates of 50% or higher) whose per-pupil expenditures are below their district average, less than 95% of the district average, and less than 90% of the district average.

Similarly, the more detailed personnel-level and school-level data collected from the subsample of five states will include all Title I districts in those states, and not a statistical sample. The analyses to be conducted with these more detailed data will be similar to those described above. In addition, the personnel-level data will be compared to the school-level data submitted by districts in those five states in order to assess the consistency of the two types of data, which may indicate findings about the quality and reliability of the aggregate school-level data.

The study will merge the aggregate expenditure information collected from all states through this new data collection with other school-level data already collected through *EDFacts* (see Appendix C). Specific *EDFacts* items that may be used in the data analyses include full-time equivalent (FTE) teachers, number of children from low-income families, school poverty rate, number of limited English proficient students, number of students with disabilities, school type, and school grade level. The combined dataset will be used to examine differences in school-level personnel expenditures per pupil and student-teacher ratios based on Title I status, poverty, and other demographic characteristics.

The study will explore the feasibility of examining the variation in school-level expenditures in relation to school-by-school variations in numbers of limited English proficient (LEP) students, special education students, types of special education students, and other need indicators.

3. Improved Information Technology

We will ask states to submit electronic data files to the Department via email. To minimize the burden placed on respondents, we will accept data in a variety of formats in order to allow respondents to use the format that is most convenient for them.

4. Efforts to Identify Duplication

School-level expenditure data have not been previously collected on a national basis by the Department or by any other source. We have consulted with staff at the National Center for Education Statistics (NCES) and the U.S. Census Bureau about this data collection, in particular with those staff who work with the Common Core of Data and “F-33” fiscal data collections, and they have confirmed that these current data collections do not contain the school-level expenditure data that are required to be collected under *ARRA*.

However, we have identified other types of data that are needed for the analysis of the school-level expenditures data that are already collected through other Department data collections, notably *EDFacts*, and we will not collect those data a second time if they have already been reported to *EDFacts*. More specifically, we will send each state an electronic file containing certain previously-collected information (i.e., State name, LEA name and id code, school name and id code, and school enrollment, which represent

items 1, 2, 3, 4, 5, and 7 in Table 2 above), so that states and districts will only need to add the information on expenditures for each school (items 6, 6a, 6b, and 6c); the final item in Table 2, item 8 (personnel salary expenditures per student enrollment) is a simple calculation of item 6 divided by item 7.

In addition, we intend to merge the aggregate expenditure information collected from the States with other school-level data already collected through *EDFacts* such as FTE teachers, number of children from low-income families, school poverty rate, number of limited English proficient students, number of students with disabilities, school type and grade level, etc. This information will enable us to examine within-district differences in school-level personnel expenditures per pupil and student-teacher ratios based on Title I status, poverty, and other demographic characteristics.

5. Methods Used to Minimize Burden on Small Entities

Many of the school districts affected by this data collection are small: approximately 93% of the nation's school districts are considered small entities because they serve an area with a population of less than 50,000. Applying this percentage to the total estimated number of school district respondents indicates that approximately 12,190 of the affected school districts are likely to be small entities. However, small districts will have a smaller number of schools for which they will need to compile the school-level expenditure data, and this reporting requirement is expected to impose an amount of burden that is proportionate to the size of each district.

In general, we have tried to minimize the burden of this mandated data collection on all districts, including small districts, in several ways. First, we are proposing to define "school-level expenditures" using expenditure classifications that are already used in existing NCES fiscal data collections at the district level. Second, we are focusing on school-level expenditures related to instruction and support functions, and are not asking for school-level expenditure data for functions that are commonly accounted for at the district level such as facilities operations and maintenance, transportation, or food services. Third, we would allow respondents to exclude employee benefits from school expenditure reporting. Finally, we would ask districts and states to only report those non-personnel expenditures that are currently tracked at the school-level in current district and state data systems.

6. Consequences of Not Collecting the Information

If we do not collect this information, the Department would be out of compliance with the *American Recovery and Reinvestment Act of 2009* which requires the collection of these data.

7. Special Circumstances

None of the special circumstances listed apply to this data collection.

8. Consultations Outside the Agency

A brief overview of the *ARRA* requirement to collect school-level expenditure data was provided at the annual NCES Data Conference on July 29, 2009 to SEA representatives who serve as fiscal data coordinators for the NCES Common Core of Data. Because the Department had not yet made a decision about its plans for conducting this data collection, the presentation only covered the *ARRA* requirement itself, and not the more specific data collection plans described in this OMB forms clearance package.

However, the state coordinators raised a number of concerns about the feasibility and burden of this data collection, which are summarized below:

- A. **Burden.** SEA fiscal data providers expressed concern that the data collection will be extremely burdensome and costly. One SEA staff person from a medium-sized state that already collects school-level data said this state's annual cost to collect these data is about \$6 million.

Response: As discussed under item #5 above, we have tried to minimize the burden of this mandated data collection in several ways, including using expenditure classifications that are already used in existing NCES fiscal data collections; focusing on expenditures related to instruction and support functions and excluding expenditures for functions that are commonly accounted for at the district level; excluding employee benefits; and asking respondents to only report those non-personnel expenditures that are currently tracked at the school level in current district and state data systems.

Because of these efforts to minimize burden, we believe that the average cost to states will be substantially less than the example suggested above. We have estimated an *average* monetary cost of \$40,728 per state and \$960 per district for the universe school expenditure data collection; actual costs would vary depending on the size of the state or district. In addition, the additional cost of the in-depth personnel-level and school-level data collection in five states is estimated at \$990 per state.

As authorized under section 1552 of *ARRA*, the Secretary proposed a regulation on August 17, 2009 to increase the statutory caps on state administration under Title I, Part A of the *ESEA* and Part B, section 611 of the *Individuals with Disabilities Education Act* with respect to funds available for those programs under *ARRA*. In the case of Title I, Part A, the proposed rule would enable states to reserve additional funds to help, among other things, defray the administrative costs for collecting and providing to ED data on school-by-school expenditures. The increase in the amount a state may set aside just for data collection purposes only would range from \$100,000 to \$600,000 depending on the size of the state's Title I, Part A *ARRA* allocation. The proposed regulation is available on line at: <http://edocket.access.gpo.gov/2009/pdf/E9-19662.pdf>.

- B. **Accuracy of data.** SEA staff suggested that the data collection is likely to obtain data that are not very accurate, because current accounting systems are not designed to report this type of data. SEA staff indicated that some if not many states and LEAs do not track school-level expenditures in any way.

Response: We have designed this data collection to request data that we believe are available at the district level. School districts usually do have data systems that identify which staff are assigned to each school, and we expect that they should be able to extract and report salary data for school-level staff. In addition, some districts and states have more comprehensive data systems in place that can track and report non-personnel expenditures as well, and we are asking districts and states to provide such expenditure data where available.

- C. **Excluding school expenditures from federal program funds.** A number of SEA staff indicated that they are not able to separate expenditures by revenue source (i.e., to exclude expenditures from federal programs). Because this data collection is retrospective, they do not have the ability to redesign their data systems in advance of the data collection year in order to enable the requested data to be available.

Response: The *ARRA* requirement applies only to expenditures from state and local funds. We understand this may be challenging for states and districts, and will work with SEA fiscal data providers in each state to determine what may be feasible in their state.

- D. **Excluding special education expenditures.** The SEA staff present indicated that separating special education expenditures from general education expenditures would be feasible for many if not most states.

Response: We are asking districts and states to exclude special education expenditures if possible.

- E. **Excluding employee benefits.** Some states indicated that excluding employee benefits would reduce reporting burden, although other states said that they already collect this information and either including or excluding benefits would not have a significant impact on burden.

Response: We have chosen to exclude employee benefits from this reporting requirement because we understand that it will reduce reporting burden for some districts and states.

- F. **Short timeline.** SEA staff objected to lack of adequate advance notice about this data collection requirement. They noted that the deadline for LEAs to report these data is December 1, which is only a few months away, and they said they will need time to put procedures into place to conduct this new data collection which they believe will be very labor intensive. Some states do already collect certain school-level expenditure data through established data systems but said they would not be able to change those existing systems on very short notice in order to accommodate a one-time data request.

Response: We understand that the timeline for LEAs and SEAs to report these data is very short, but the deadlines were established by the *ARRA* statute. The Department has worked very quickly to design this data collection in a way that balances the goals of obtaining useful information about the equitable distribution of school resources and minimizing burden on states and school districts. Although the law set a deadline of December 1 for LEAs to report these data to SEAs, the law allows four additional months for SEAs to report the data to the Department. We hope this additional time will enable states to overcome the reporting challenges and meet the requirement to report the data to the Department by March 31, 2010.

- G. **Uses of data.** Several states expressed concern that the data would be used to compare the reported school expenditures per pupil with total district per-pupil expenditures, and that this would unfairly be used to argue that funds not reported as school-level expenditures were being wasted on “overhead.”

Response: We will make it clear in the final report on this study that the school-level expenditure data reported here represent a subset of total school-level expenditures and do not represent all funds that are used in schools and classrooms. The purpose of the analyses conducted using these data will be to examine how equitably the reported school-level expenditures were distributed within and across school districts.

In addition to the above comments, the Department will solicit public comments through a notice concerning this study to be published in the Federal Register on September 2, 2009. Any additional comments that are received will be forwarded to OMB.

9. Payments or Gifts to Respondents

No payment or gifts to respondents will be made.

10. Assurance of Confidentiality

Responses to this data collection will be used only for statistical purposes. The reports prepared for this study will summarize findings across the sample and will not associate responses with a specific district or individual. The contractor will not provide information that identifies a subject or district to anyone outside the study team, except as required by law.

11. Sensitive Questions

The study will ask five states to provide personnel-level data files that include salary data, and some states may be reluctant to provide personnel-level salary data due to privacy concerns. However, we do not see this as a significant issue because the study is not asking for personally identifiable data, and we will not request or report on salary data by individuals' names. The study will create its own unique identifier for each person included in this data file and we do not intend to merge the personnel data with other datasets, so we do not need states to provide any type of individual name or identification number for the persons included in these data submissions.

12. Estimated Response Burden

It is estimated that the hour burden on respondents will total 562,136 hours. This includes an estimated 37,856 hours of reporting burden for state educational agencies and 524,280 hours for local educational agencies.

Table 3
Estimate of Burden Hours

	Number of Respondents	Average Number of Hours Per Respondent	Total Burden Hours
Total Burden Estimate			562,136
Universe Data Collection–States	51	741	37,766
Gaining cooperation		2	102
Reviewing data available in existing data systems		8	408
Communicating with districts about reporting requirement		80	4,080
Following up with non-responding districts ¹		129	6,554
Compiling data received from districts ²		514	26,214
Submitting summary data file to ED ³		8	408
Universe Data Collection–Districts	13,107	40	524,280
Reviewing data available in existing data systems		8	104,856
Compiling required data for each school in district ⁴		28	366,996
Submitting summary data file to SEA ³		4	52,428
In-Depth Data Collection–States	5	18	90
Gaining cooperation		2	10
Reviewing data available in existing data systems		4	20
Compiling data file		12	60

Sources: Number of Title I districts was estimated by the Office of Elementary and Secondary Education. Number of schools per district was calculated based on data from the National Center for Education Statistics' Common Core of Data, 2006-07 school year, as reported in the *Digest of Education Statistics: 2008* (Table 87).

Notes:

¹ Based on average of 257 districts per state (13,107 districts / 51 states). Assumes that follow-up is needed with half of all districts due to the short time frame and lack of experience with this type of data collection, and that follow-up with non-responding districts will require an average of 1 hour of SEA staff time per non-responding district.

² Assumes average of 2 hours per district to compile data and handle data quality problems.

³ Includes time for internal review prior to submitting data to SEA or ED.

⁴ Based on estimated average of 7 schools per district. Assumes average of 4 hours per school to compile data on personnel salary expenditures and non-personnel expenditures.

Table 4
Estimate of Monetary Cost of Burden Hours

	Total Burden Hours	Average Hourly Rate	Estimated Monetary Cost of Burden	Average Monetary Cost Per Respondent
Total Burden Estimate	562,136		\$14,664,773	
Universe Data Collection–States	37,766	\$55	\$2,077,103	\$40,728
Universe Data Collection–Districts	524,280	\$24	\$12,582,720	\$960
In-Depth Data Collection–States	90	\$55	\$4,950	\$990

13. Estimates of Annualized Respondent Capital and Maintenance Costs

This is a one-time data collection, and there are no respondent capital and start-up costs, nor operation and maintenance costs.

14. Estimated Annualized Cost to the Federal Government

The total cost to the federal government for this one-time data collection is estimated to be \$344,000. This amount includes the \$310,000 the budgeted cost for our contractor, RTI International, to collect, compile, and analyze the data and to prepare a report summarizing the findings, as well as \$34,000 for a U.S. Department of Education program analyst to oversee the data collection and reporting. This cost will be incurred over an 18-month period, so the estimated annualized cost to the federal government is \$229,333.

15. Changes in Burden

Not applicable. This study constitutes a new information collection.

16. Study Schedule and Publication Plans

The data collected under this study will be summarized in a report to Congress that presents an analysis of the data in narrative and tabular form. We anticipate that a final report will be submitted to Congress by May 30, 2011. Table 5 provides a schedule for completion of the data collection and report.

**Table 5
Schedule of Deliverables**

Subtask 1: Data Collection	
Begin data collection	October 1, 2009
End data collection	April 30, 2010
Subtask 2: Analysis Plan	
Draft analysis plan	November 16, 2009
Revised analysis plan	January 15, 2010
Subtask 3: Data Tabulations	
Preliminary data tabulations	May 31, 2010
Revised data tabulations	August 15, 2010
Subtask 4: Final Report	
First draft	September 15, 2010
Second draft	October 15, 2010
Third draft	December 15, 2010
Final draft	March 30, 2011

17. Display Expiration Date for OMB Approval

The data collection form will display the expiration date for OMB approval of the information collection.

18. Exceptions to Certification Statement

There are no exceptions to the referenced certification statement.

Appendix A
Data Reporting Instructions for State Educational Agencies
and Local Educational Agencies

Appendix B
Expenditures Associated with Instruction Based on the
Census Bureau’s F-33 Survey of Local Government Finances

Function Code	Activity	Description	Personnel Expenditures	Description/Comments
1000	Instruction	Includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom. Expenditures are for teachers who provide instruction to students in a classroom but may include personnel who teach in another location such as home or hospital or in other learning situations such as those involving co curricular activities.	Personnel costs associated with salaries only (Object series 100)	These are amounts paid to both permanent and temporary school district employees, including personnel substituting for those in permanent positions. This includes gross salaries for personal services rendered while on the payroll of the school district. Object series can be broken out further, for example, to distinguish between: <ul style="list-style-type: none"> • Teachers (Object series 101) and • Instructional Aides (Object series 102)
2100	Support services – pupils	These are activities designed to assess and improve the well being of students and to supplement the teaching process. This includes expenditures for guidance, health, attendance, and speech pathology services etc.	Same	
2200	Support services – instructional staff	These are activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This includes, for example, expenditures for staff involved in curriculum development, staff training, operating the library, media and computer centers.	Same	
2400	Support services- school administration	These activities relate to the overall administrative responsibility for a school.	Same	

Appendix C
SY 2008-09 School-Level Data Available From ED*Facts*

FIPS State Code	Teacher Quality in Elementary Classes Table
LEA Identifier (NCES)	Teacher Quality in Core Secondary Classes Table
LEA Identifier (State)	Consolidated MEP Funds Status
School Identifier (State)	Computer Table
School Identifier (NCES)	School Choice Transfer Used Status
Education Entity Name	School Choice Transfer Received Status
Address Mailing	Supplemental Services Provided Status
Address Location	AMO Reading/Language Arts Status Tables
Telephone - Education Entity	Participation Status Reading/Language Arts Tables
Web Site Address	AMO Math Status Tables
Grades Offered	Participation Status Math Tables
School Type	Elementary/Middle Additional Indicator Status Tables
School Operational Status	High School Graduation Rate Indicator Status
Title I School Status	Graduation Rate Tables
Magnet Status	Free and Reduced Price Lunch Table
Charter Status	Effective Date
School Poverty Percentage	Shared Time Status
AYP Status	Student Performance in Mathematics Tables
Improvement Status – School	Student Performance in Reading (Language Arts) Tables
Persistently Dangerous Status	Student Performance in Science Tables
Membership Tables	Students Tested in Mathematics Tables
Economically Disadvantaged Students	Students Tested in Reading (Language Arts) Tables
Children With Disabilities (IDEA) School Age Tables	Students Tested in Science Tables
Migrant Students Eligible Regular School Year	GFSA Reporting Status
LEP Eligible Tables (LEP Tables)	Alternate Approach Status
LEP Program Tables	Teachers (FTE)
Graduates/Completers Tables	Out of State Indicator
Vocational (CTE) Concentrator Graduates Tables	School Improvement Funds Status
Dropouts Tables	School Improvement Funds Allocation