

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

**Part A. Justification**

4/19/2010

**Introduction**

This data collection was previously approved by OMB, and we are submitting this additional clearance request to provide additional time for follow-up contacts with states to enable data verification and cleaning. We initially requested OMB approval on an emergency basis for this data collection on September 2, 2009, and we received OMB approval on November 18, 2009 providing clearance through May 31, 2010.

All states are required under ARRA to collect and submit the required data on school-by-school expenditures by March 31, 2010. A few states have requested additional time in order to complete their own data quality reviews. In addition, we expect that there will be a need to contact some states to resolve data quality issues that may become apparent once we receive and review the state reports. It is also possible that additional data quality questions may arise when we begin to analyze the data.

In addition, the previously-approved data collection is also collecting more detailed personnel-level and school-level data from five states, in order to explore possible data quality issues for the aggregate data collection and to enable out more in-depth analyses of possible variations in resource levels across schools. We expect to complete the initial five-state data collection by May 31, 2010, but we anticipate that there may be some need to re-contact these states with follow-up questions during the data analysis phase.

Therefore, to ensure sufficient time to explore and resolve data quality issues, we are requesting that this clearance be extended through October 31, 2010.

**1. Importance of Collecting the Information**

This study is examining 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.

### 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 is collecting 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 is also collecting 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 is not seeking to include employee benefits in the school-level personnel expenditure data due to concerns about data comparability and burden. We are asking 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 is also asking 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 are asking 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 are being asked to collect and report school-level expenditure data for all school districts that receive Title I, Part A funds under *ARRA*, i.e., funds allocated under the Targeted Grants and Education Finance Incentive Grants formulas (approximately 12,012 districts). There are approximately 1,095 additional districts that receive Title I grants under the Basic and Concentration Grant formulas but do not receive Title I funds under *ARRA*. States are being given the option to collect and report these data for all of their Title I school districts if they so choose; this brings the total number of school districts included in this study to up to 13,107. Collecting data on the universe of Title I school districts is useful because differentials in personnel expenditures may be more pronounced in lower-poverty districts than the higher-poverty ones that receive *ARRA* funds. Section 1501 of the *ESEA* provides authority to “assess the implementation and effectiveness of programs under [Title I],” and districts are required to cooperate with Department evaluations of the Title I program, as a condition of receiving Title I funding (see Section 9306(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.

Table 2 summarizes all of the school-level data to be collected from states for the 2008-09 school year:

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

	Item	Comments	
1	STATE	Items 1 through 5 have been pre-populated from ED <i>Facts</i> .	
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>i.e.</i> , 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>i.e.</i> , 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 have been pre-populated from ED <i>Facts</i> , where available, based on fall enrollment counts ( <i>i.e.</i> , 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 is also collecting 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 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
  - Other data elements that are available in the state personnel-level database
- Additional personnel-level dataset showing the following information for each teacher:
    - College major
    - Graduate degree field
    - Name of college attended
    - Coursework equivalent to a major
    - Academic subject(s) being taught
    - Certification(s)
    - Number of times teacher took the certification test
    - Score on test of teacher content knowledge
    - Whether the teacher is teaching “in field” or “out of field”
    - Whether the teacher has met the NCLB “highly qualified” requirement
  - 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
    - Other expenditure categories that the state uses to track school expenditures

We have identified six states that have most of the personnel-level and school-level data described above: Colorado, Delaware, Florida, Ohio, Texas, and Washington. We are following up with each state regarding questions about the availability of certain data types and will select five of these six states for participation in this portion of the study.

The five states are being asked to report the individual data items listed above only if they are already contained in the state’s existing data system. We are not asking states 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. The 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 the types of staff employed in the school or to 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.

### **3. Improved Information Technology**

We are asking 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 are not requesting those data a second time if they have already been reported to *EDFacts*. More specifically, we have sent 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 have a smaller number of schools for which they 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. The Department formally solicited public comments through a notice concerning this study to be published in the Federal Register on September 2, 2009. In addition, on September 4, 2009 we sent a request through the NCES CCD fiscal coordinators listserv for states to submit any comments that they might have about this data collection.

We received comments on this data collection from 17 individuals, including representatives from 15 states and two independent researchers. The 15 states expressed concern about reporting burden and data accuracy, as well as clarification about specific features of the data collection. The two researchers were supportive of the data collection and made a number of suggestions for technical improvements. The main comments that we received are summarized below. In some cases, we made changes to the data reporting instructions in response to the comments we received; these changes are indicated below and were made prior to receiving OMB clearance on November 18, 2009.

### Concerns About Data Accuracy

1. Many states and districts do not currently have systems in place to track expenditures at school level, and collecting such data retrospectively is likely to result in inaccurate data. Because school districts have not been required to track local and state funds at a school level in the past, many have not retained that level of detail in their internal accounting records and there is no way to “conjure up” actual accounting records to support this reporting requirement. Auditors perform financial audits at the district level with minimal monitoring done at the school level.

**Response:** Although we understand that districts may not have comprehensive data on school-level expenditures, we believe they should be able to identify which staff were assigned to each school and to determine the salary expenditures for each school staff member. The proposed data collection asks districts and states to report other types of school-level expenditures if available, but does not insist that they report data that they do not have available.

2. Many expenditures that benefit schools are purchased and accounted for at the district level, often including such expenditures as professional development, curriculum development, instructional materials and supplies, computers, software, technology, contracted services, and library books and media. Similarly, instructional support and student support costs are often maintained at the district level and there may be no way under current systems to allocate these to the school level.

Also, in some states, regional entities such as supervisory unions play an active role in providing school-level resources. For example, in Vermont some supervisory unions buy entire curriculum programs and other support services for all of their LEAs, and some supervisory unions hire itinerant teachers in subjects such as art and music who serve schools in districts throughout the SUs; the VT DOE has determined that it would be difficult to allocate these expenditures to individual districts, and the problem would be compounded at the school level.

**Response:** As stated in Form A, this data collection is asking districts and states to report school-level non-personnel expenditures such as professional development, instructional materials, computers and other technology, contracted services, and library materials “*if this information is available at the school level.*” We are not asking districts and schools to allocate centrally-provided expenditures to the school level if they have not already done so. Similarly, the data collection does not require that states and districts identify all expenditures made by regional agencies on behalf of schools and to allocate such expenditures to individual schools. We revised Form A to clarify that respondents may exclude expenditures made by regional educational agencies.

3. Data will not be consistent across states and may also be inconsistent across districts within states. Some states commented that districts develop their own procedures for allocating resources among schools, and the degree of variation may be considerable.

**Response:** We expect that these data will not be consistent across states and we do not intend to use the data to make comparisons across states. We recognize that there may be data inconsistencies across districts within a state as well, although we expect that this will be less of an

issue than the across-state variation. The data collection form includes a checklist asking districts and states to indicate the types of expenditures included in the data that they submit, which will enable some empirical analysis of this issue.

4. Removing expenditures paid from federal funds is very problematic. States commented that they do not collect links between specific revenues and expenditures at the district level, and previous data collections have not required this, even for the district-level fiscal data collections.

**Response:** We recognize that removing expenditures paid from federal funds may be problematic for many districts and states, but this was specified in the statutory requirement for this data collection. The checklist on the data collection form asks districts and states to indicate whether federally-funded expenditures have been excluded from the data they submit, which should enable us to examine this data quality issue empirically.

5. Separating out special education expenditures is also difficult for some states. For example, one state agreed that including special education costs may distort comparisons of school-level per-pupil expenditures, but stated that the time and effort to remove them would more than double the cost of the entire project. Another state commented that they were unsure how to handle a special education expense funded by general fund dollars, something that does happen and is almost impossible to break out. Another state commented that even if special education expenditures could be extracted, this may not give an accurate representation of school level per pupil spending.

**Response:** It appears that excluding special education expenditures may be relatively easy for some districts and states and difficult for others. We revised the language in Form A to clarify that this is requested “to the extent possible.”

### Concerns About Reporting Burden

6. The data collection is being conducted with very short notice that was provided after the close of the school year for which data are being collected. Many states complained that the statutory requirement for this study was enacted in the middle of the school year in question and the specific reporting requirements were not drafted until September 2009, well after the 2008-09 school year was over. Some states noted that they had already begun or even completed collecting 2008-09 fiscal data and would have to mount a second 2008-09 fiscal data collection to comply with this reporting requirement.

**Response:** We understand that it was necessary for many states to conduct a second 2008-09 fiscal data collection in order to meet the statutory deadline.

7. Reporting burden has been underestimated. Some states argued that the actual cost to produce these data will exceed the burden estimates in the OMB supporting statement. Some commented that they had already conducted their regular fiscal data collection from districts for 2008-09 financial information already, so they would have to undertake an additional data collection that would have to be developed with no new resources.

**Response:** After reviewing the comments that states provided about the time needed to respond to this data reporting requirement, we believe the Department’s burden estimates are reasonably accurate. We have estimated an average of 40 hours per district, based on an estimated 8 hours per district to review their data systems, plus 4 hours per school to compile the data for each school, plus 4 hours per district to actually submit the data to their SEA. The estimated average of 40 hours per district is based on a national average of 7 schools per district, but large districts with many schools may require additional time, and small districts with only 1 or 2 schools will need to spend less time compiling the data. We do not expect that districts will need to pull individual

invoices in order to respond to this data collection, because the data collection focuses primarily on salary expenditures and requires districts to submit non-personnel expenditures only to the extent that such data are available. Indeed, districts with good financial data systems may be able to generate the required data automatically without the need to review each school's records individually. Also, states that already collect school expenditure data may have the necessary data in hand without the need to impose additional reporting burden on their school districts.

The estimated average of 741 hours per state to collect, compile, and submit the data to the Department also appears reasonable. Again, this is an average, and large states may need to take more time while small states should require less time because they have fewer districts. In addition, as noted above, some states may already have the necessary data available in existing state data systems and will need to spend considerably less time responding to this requirement.

We added a request to Form A for districts and states to provide an estimate of the number of hours that they spent responding to this data collection, so that we may improve the accuracy of our burden hour estimates.

To reduce the burden of this data collection, we are changing the requirement for states to collect and report data for all Title I districts. The statute requires only that states report school expenditure data for districts that receive Title I funds under ARRA, i.e., those districts that receive Title I funds under either the Targeted Grants or Education Finance Incentive Grants formulas. The Department's original data collection proposal had expanded the requirement to cover all Title I districts, including those that only receive Basic Grants, because of concern that these relatively low-poverty districts might show different patterns in the distribution of school-level resources. However, after weighing that concern against the burden issue, we decided to ask states to report data just for the Title I ARRA districts, the specific districts covered in the statutory reporting requirement. We expect to be able to examine resource patterns in the lower-poverty Title I non-ARRA districts through the more in-depth five-state data collection in states that already collect school-level and personnel-level data from all of their districts.

8. The burden is compounded by the requirement to report the school expenditure data by March 31. Because existing state fiscal data collections may allow a longer time period for collecting and compiling fiscal data from districts, the March 31 reporting deadline contained in the ARRA may increase the burden of this data collection.

**Response:** The statute requires states to submit these data by March 31, 2010.

9. The additional reporting burden comes at a bad time since state agency resources are already stretched due to hiring freezes, employee furloughs, and other ARRA reporting requirements.

**Response:** We understand that this data collection imposes additional burden on districts and states at a time when staffing may have been affected by the economic down-turn. However, this data collection is a statutory requirement under ARRA, and the Department does not have the authority to waive this requirement. In addition, ARRA has provided \$10 billion in Title I funds and over \$69 billion in other elementary-secondary education funds to assist school districts and states during the economic down-turn, and the amount of burden imposed by this and other ARRA reporting requirements is small in comparison to the amount of funds that are being provided. Moreover, the Department has proposed adjusting the statutory cap on State administration under Title I, Part A to help defray the costs of data collections that are specifically related to ARRA funding for these programs (such as the school expenditure data collection).

10. The Department should take more time to design this data collection using the procedures that NCES has developed over the years to ensure quality data. States noted that this data collection is a substantial change from the process that NCES uses for new and revised data collections.

**Response:** The statute requires states to submit these data by March 31, 2010, so we do not have time for a lengthy development process. However, we have designed this data collection to include two features that will enable the Department to examine data quality issues. First, we are asking states and districts to provide information about the characteristics of the expenditure data that they are submitting, so that we can assess the degree to which the specified expenditure definitions were feasible within existing district and state data systems. Second, the study will also collect more detailed data from five states that currently compile personnel-level and school-level data through existing systems, in order to examine the extent to which the aggregate data collected from all Title I districts appear to be consistent or inconsistent with the more detailed data available in the five states. Examining the characteristics and quality of the school expenditure data collected through this study may inform efforts to improve data quality for any future data collections.

11. The costs of conducting this data collection exceed the potential benefits. Several states expressed concern that the inconsistent data that they expect to result from this data collection make the effort not worth the considerable burden on states and districts.

**Response:** The school-level expenditure data collected through this data collection will be used primarily to examine the extent to which school-level education resources are distributed equitably within school districts, and we expect that each district should be able to report school expenditure data in a way that is consistently defined across schools within the district. We recognize that there may be data inconsistencies across states and to a lesser extent across districts within a state, and we intend to examine this issue empirically through this data collection, in order to inform any future efforts to study the distribution of school-level expenditures.

### **Requests for Clarification About Specific Features of the Data Collection**

12. Will this be a one-time or ongoing reporting requirement?

**Response:** The ARRA requirement for states to collect and report these data for all Title I districts applies only to the 2008-09 school year. However, the Department has also proposed to include school-level expenditures in the Civil Rights Data Collection to be collected from approximately 7,000 school districts in 2009-10 through the ED Facts system.

13. Does the phrase “all schools” include regional and district centers (Special Education, Alternative Education, Vocational Education, and Governor’s Schools)?

**Response:** States should collect and report these data for all schools in regular school districts that receive Title I Part A funds. States may exclude regional districts that are not regular school districts, which may include special districts for special education, alternative education, vocational education, and governors’ schools.

14. Should expenditures for Preschool, Adult Education, School Nutrition, Summer School, or be included in the per-pupil amount calculation?

**Response:** In general, school-level expenditures to be reported should include salary expenditures and non-personnel expenditures associated with regular K-12 instruction, instructional support, pupil support, and school administration. Adult education programs should be excluded because they are not part of regular K-12 education. School nutrition programs should be excluded because

they are generally classified in a separate category from instructional and pupil support and may be accounted for centrally. Districtwide programs or programs that serve students from more than one school should not be included. Summer school and preschool programs may be excluded because these programs are sometimes administered centrally and may use certain schools to serve students from multiple school attendance areas.

We revised Form A to clarify how districts and states should handle the above expenditure categories, to the extent feasible based on existing data systems.

15. Is this a cumulative look at all of the expenditures for the 2008-09 school year or is it a point-in-time snapshot (like Title I comparability)?

**Response:** Districts and states should report all (cumulative) expenditures for the full 2008-09 school year.

### **Suggestions for Technical Improvements to the Data Collection**

16. In future data collections, define more clearly what a school-level expense is. In some districts, only 50% of dollars are coded to specific schools, while in others, 90%+ are coded to specific schools. Requiring districts to report a minimum percentage of district expenditures at the school level would improve the quality and consistency of the data so that school-level expenditures can be compared across districts and states.

**Response:** The Department will consider changes to future data collections at a later date.

17. Expand the personnel-level data collection over time to include all 50 states.

**Response:** The Department will consider changes to future data collections at a later date.

18. Add a “course schedule” component to this data request that shows which students (by protected ID) are associated with which teachers (by protected ID) so that the allocations of time (in English) and talent (better teachers however measured) can be tracked explicitly to student need (or past student performance).

**Response:** This suggested change would greatly increase the burden of this data collection by requiring districts and states to submit not only school-level data but also student-level and teacher-level data.

19. Excluding those staff paid for with federal funds may not be feasible, so the data collection should ask states to expenditures for federal programs where possible and then note whether or not federal funds were excluded.

**Response:** We recognize that removing expenditures paid from federal funds may be problematic for many districts and states, but this was specified in the statutory requirement for this data collection. The checklist on the data collection form asks districts and states to indicate whether federally-funded expenditures have been excluded from the data they submit, which should enable us to examine this data quality issue empirically.

20. Some states will be able to meet the requirement relying on state systems without involving LEAs. This should be encouraged.

**Response:** States that have already collected the school-level expenditure data through existing data systems will not need to conduct a second data collection to meet this requirement.

21. For states that have more complete data than are being requested here, ask the states to submit their full expenditure files without stripping off any codes. This will enable a more complete analysis and enable future data collections to be designed more efficiently around states' current expenditure systems.

**Response:** The study will collect more comprehensive data from five states, based on data that they have available in their existing data systems.

22. Augment the analysis plan to examine funding patterns by school poverty quartile as well as the school poverty range categories specified in the Supporting Statement. There are many districts where all schools are Title I, and all schools have more than 75% poverty, but there are still relative inequities (e.g., if schools with 80% poverty receive more than schools with 90% poverty).

**Response:** We will consider this suggestion after the data have been compiled and we are able to review the characteristics of the dataset.

## **9. Payments or Gifts to Respondents**

No payment or gifts to respondents will be made.

## **10. Assurance of Confidentiality**

We are not making any assurance of confidentiality for the data to be collected in this study.

## **11. Sensitive Questions**

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.

The study is asking 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. 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. Based on the discussions we have had so far with the six states being considered for this component of the study, we do not expect privacy concerns to be a barrier to state cooperation with the study.

## **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
<b>Total Burden Estimate</b>			<b>562,136</b>
<b>Universe Data Collection–States</b>	<b>51</b>	<b>741</b>	<b>37,766</b>
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 <sup>1</sup>		129	6,554
Compiling data received from districts <sup>2</sup>		514	26,214
Submitting summary data file to ED <sup>3</sup>		8	408
<b>Universe Data Collection–Districts</b>	<b>13,107</b>	<b>40</b>	<b>524,280</b>
Reviewing data available in existing data systems		8	104,856
Compiling required data for each school in district <sup>4</sup>		28	366,996
Submitting summary data file to SEA <sup>3</sup>		4	52,428
<b>In-Depth Data Collection–States</b>	<b>5</b>	<b>18</b>	<b>90</b>
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:**

<sup>1</sup> 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.

<sup>2</sup> Assumes average of 2 hours per district to compile data and handle data quality problems.

<sup>3</sup> Includes time for internal review prior to submitting data to SEA or ED.

<sup>4</sup> 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
<b>Total Burden Estimate</b>	<b>562,136</b>		\$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

There are no changes in burden.

### 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**

<b>Subtask 1: Data Collection</b>	
Begin data collection	October 1, 2009
Statutory due date for state submissions	March 31, 2010
End data collection	October 31, 2010
<b>Subtask 2: Analysis Plan</b>	
Draft analysis plan	November 16, 2009
Revised analysis plan	January 15, 2010
<b>Subtask 3: Data Tabulations</b>	
Preliminary data tabulations	May 31, 2010
Revised data tabulations	August 15, 2010
<b>Subtask 4: Final Report</b>	
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"> <li>• Teachers (Object series 101) and</li> <li>• Instructional Aides (Object series 102)</li> </ul>
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