



**U.S. Department of Education**  
Institute of Education Sciences

# **Supporting Statement for the Common Core of Data, National Public Education Financial Survey**

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## Supporting Statement For Common Core Of Data Survey System

### Introduction

This is a request for review and approval of the Common Core of Data (CCD) National Public Education Financial Survey (NPEFS). The supporting statement for Standard Form 83, “Request for OMB Review,” was prepared by the Elementary/Secondary Cooperative System and Institutional Studies Program of the Elementary/Secondary and Longitudinal Surveys Division within the National Center for Education Statistics (NCES). NCES is requesting a 3-year clearance for the NPEFS survey. This clearance would apply to data collections covering school years 2008–09 through 2010–2011.

The CCD NPEFS is an annual collection of information about revenues and expenditures for public elementary and secondary education, reported by state education agencies (SEAs). The information is drawn from the state education agencies’ administrative records systems; no additional data are collected from schools or districts.

We have added 7 new data items since the OMB clearance was received on March 5, 2007.

We are requesting clearance for the CCD NPEFS by December 15, 2009 in order to initiate the amended 2008–09 collection in January 2010.

### Common Core of Data (CCD) Data Collection

Five surveys comprise the CCD survey system. These are:

- State Nonfiscal Survey of Public Elementary and Secondary Education;
- Public Elementary/Secondary Local Education Agency Universe;
- Public Elementary/Secondary School Universe;
- National Public Education Financial Survey (NPEFS); and
- Local Education Agency Financial Survey.

The State Nonfiscal Survey of Public Elementary and Secondary Education, Public Elementary/Secondary Local Education Agency Universe, and Public Elementary/Secondary School Universe data will be collected by EDEN. The two school finance surveys will continue to be the responsibility of NCES, collected through the CCD.

The Local Education Agency Financial Survey is co-sponsored by the U.S. Census Bureau, Governments Division, which is responsible for securing clearance for that survey. It is discussed in this request only as it relates to the National Public Education Financial Survey.

Part A of this supporting statement presents the justification for the information collection and an explanation of any statistical methods employed. Part B addresses the collection of information employing statistical methods. Part C describes the NPEFS survey. Appendix A is an internal report comparing the NPEFS and F-33 data collections and addresses the question of whether NCES should replace the NPEFS survey with aggregated data from the F-33.

## **Part A. Justification**

**A.1. Explain the circumstances that make the collection of information necessary. Include identification of any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Legislative Authorization. The NPEFS is the Nation's only source of annual statistical information about total revenues and expenditures for public elementary and secondary education.<sup>1</sup> Its authorization to collect this information is encompassed by NCES's duty to "collect, report, analyze, and disseminate statistical data related to education in the United States" (P.L. 107-279, Part C, Sec 153). The Section includes in this duty the collection of state-level data, where necessary, on revenues and expenditures for education and direction to cross-tabulate and report, where possible, data broken out by many of the demographic characteristics collected on the CCD. Further, NPEFS data are used by NCES's flagship publication, the *Condition of Education*, required of NCES in P.L. 107-279, Part C, Section 155.

Regulations and Program Requirements. Participation in the CCD is voluntary, but several Department of Education Programs require the use of its data. The use may be stipulated by guidance or reporting instructions rather than regulation. Allocations for Title I, Impact Aid, Indian Education and several other programs are based in part upon a state per-pupil expenditure statistic derived from the National Public Education Financial Survey.

**A.2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

As a general statistical collection, the NPEFS is used for a range of purposes. It has existed in its current form since 1986. Because the NPEFS is a statistical collection, most of its users are outside the agency. The Department of Education uses these data directly in calculating allocations for certain formula grant programs, including Title I, Part A of the ESEA, Impact Aid, and Indian Education programs. Other programs, such as the Educational Technology State Grants program (Title II, Part D of the ESEA), the Education for Homeless Children and Youth Program under Title VII of the McKinney-Vento Homeless Assistance Act, the Teacher Quality State Grants program (Title II, Part A of the ESEA), and the Safe and Drug-Free Schools and Communities program (Title IV, Part A of the ESEA), make use of SPPE data indirectly because their formulas are based, in whole or in part, on State Title I, Part A allocations.

Descriptive statistics. The data collected through the NPEFS provide data on revenues by source and expenditures by function and object. Average daily attendance is also collected on the NPEFS. The information is published by NCES in the *Digest of Education Statistics* and the *Condition of Education*, as well as CCD-specific reports such as the annual *Revenues and Expenditures for Public Elementary and Secondary Education*. The NCES website makes the information available to the general public through public use data files, and through easy to use applications such as Build a Table. *Education Week* uses NPEFS data extensively in its annual "Quality Counts" report. NPEFS data are a component of Standard and Poor's website, <http://www.SchoolMatters.com>

**A.3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical or other technological collection techniques or forms of information technology.**

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<sup>1</sup> The NPEFS collects information from the 50 states, the District of Columbia, American Samoa, the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands.



The NPEFS data are collected electronically from state education agencies. The NPEFS consists of a single record for each state. This is collected on line through a self-editing application. In addition, NCES provides “crosswalk” software for any state that requests it. This state-specific software crosswalks financial data from the state’s chart of accounts to the NPEFS survey data items. Survey respondents have the option of printing a survey form, completing it by hand, and submitting a paper report. This option is not used by more than one or two states in any year.

#### **A.4. Describe efforts to identify duplication.**

The CCD NPEFS data items are not included in the EDEN/EDFacts data collection. EDEN/EDFacts does not collect finance data. School district level finance data (F-33) are also collected for NCES by Census. However the F-33 collects data on local school districts, while the NPEFS survey collects the total revenues and expenditures for public education, including state school districts that are out of scope of the F-33 survey. The NPEFS survey also includes data on charter schools that are not included in the F-33 survey. NCES completed a study comparing the NPEFS and the Local Education Agency Financial Survey in November 2006. This report, which responds to an OMB term of clearance for the 2006 survey approval, is included in Appendix A. It is our judgment that the Local Education Agency Finance Survey cannot provide the same information as the NPEFS provides, and that using it as a substitute for the NPEFS would not reduce reporting burden for states.

Barriers to eliminating NPEFS. The NPEFS collection is reported by SEAs. The data include all revenues and expenditures for public education except expenditures for operation of the SEA itself. Thus, expenditures for programs operated by the state (for example, schools run by the Bureau of Prisons within juvenile corrections facilities) and state expenditures for school districts (for example, contributions to teacher retirement that are made directly to the state retirement system) are included in the NPEFS. Note that these data are not estimates, but are signed off by a state official as accurate and complete.

The first consideration is that replacing the NPEFS with the Local Education Agency Financial Survey would create a substantial burden for states. Although participation is not mandatory for any CCD survey, major education program allocations, such as Title I, require per-pupil expenditure data as collected on the NPEFS. States must report by a specified date in order for their data to be used for program allocations. NCES follows a firm schedule in making final per-pupil expenditure data available to Department of Education programs by February of each year, and preliminary data (used for planning) available earlier, in November and December. The Local Education Agency Financial Survey is used primarily for statistical purposes, and has no such requirements.

If the local education agency finance reports were aggregated to replace the NPEFS, the same time constraints would then apply to the Local Education Agency Financial Survey. However, the processing and editing time needed for the local agency reports is considerably greater than that for the NPEFS. The change would therefore require a cut-off date much earlier than the current first Tuesday after Labor Day. NCES does not believe that states could meet an earlier reporting date. For example, 24 states submitted their NPEFS reports for the 2006–07 collection cycle in July, August, or on September 1 or September 5 (the cut-off date) of 2008.

The NPEFS data used for Title I allocations must be examined and certified by an official designated by the chief state school officer. Reviewing and certifying a report for each LEA in a state would take considerably more personnel time than does certifying a state’s single NPEFS report.

A second reason to continue both the NPEFS and the Local Education Agency Financial Survey is that the LEA survey includes only local education agencies. It does not collect data about schools administered directly by the state education agency, such as schools for students with disabilities, schools for students with exceptional talent in mathematics, science, or the performing arts, or education programs for incarcerated youth. Thus, the LEA survey does not give an exhaustive accounting of state revenues and expenditures for public K–12 education.

Appendix A. contains a short paper that compares the NPEFS (State fiscal) and F-33 (LEA Fiscal) and addresses the question of whether or not NCES should replace the NPEFS with state-aggregated data from the F-33.

**A-5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.**

The NPEFS collection is reported to NCES by state education agencies. NCES does not specify how these data are collected. The responding agencies draw upon their existing administrative records to provide the data. No small businesses or other small entities are surveyed in the NPEFS collection.

**A.6. Describe the consequences to Federal program or policy activities if the collections are not conducted, or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Consequences if not collected. Discontinuing the NPEFS collection would create problems in a number of Federal activities.

- The Department of Education would no longer have timely, comparable state per-pupil expenditure data for use in determining program allocations.
- The Department of Education would no longer have an official indicator of the level of effort (measured in dollars) that state and local governments are making to provide public education.

As a statistical collection, discontinuing the CCD would have negative consequences for users outside the Department of Education as well.

The general public would no longer have access to basic data about the revenues and expenditures for public education at the state and national levels.

Consequences if collected less frequently. The NPEFS is an annual collection. The state administrative record systems that supply these data collect the information annually or more often for the states' own purposes. There would therefore be minimal reduction in burden if the NPEFS were not an annual collection.

Changing the NPEFS from an annual cycle to a less frequent schedule would have several negative consequences.

- Federal programs using NPEFS data would have less accurate information upon which to base allocations, plan programs, and operate programs. Programs with annual allocations would have to use old information or estimated updates.
- Annual publications such as the *Digest of Education Statistics* would use out-of-date information in the NPEFS survey's off years.

**A.7. Explain any special circumstances that require the collection to be collected in a manner (list of conditions follows).**

There are no circumstances that would require the NPEFS survey to be reported in a way that would occasion one of the listed conditions.

**A.8. If applicable, provide a copy and identify the date and page number of publications in the Federal Register... describe efforts to consult with persons outside the agency to obtain their views on the availability of data, the clarity of instructions and record keeping, disclosure or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

Each state's Chief State School Officer appoints a staff person to serve as the state's Fiscal CCD Coordinator. There is ongoing communication with these individuals about data content, availability, publication, etc. This can be seen in the Coordinators' web site at <http://nces.ed.gov/ccd/corner.asp>.

**A.9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payments or gifts are offered.

**A.10. Describe any assurance of confidentiality provided to respondents and the basis of the assurance in statute, regulation, or agency policy.**

No such assurances are needed or offered to the state education agencies. The NPEFS data are public record in the states that report them. There is no threat of disclosing an individual's identity through the NPEFS.

**A.11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

The NPEFS data are reported from SEA administrative record systems, and none of the items request information that is commonly considered private.

**A.12. Provide estimates of the hour burden of the collection of information.**

The information reported on the NPEFS survey has already been collected by the reporting agencies for the state's own uses. The added burden for the NPEFS is limited to the state education agency's effort taken in extracting data from files, transferring them to NCES, and responding to edit reports.

Method for estimating costs. The estimated hours of burden to the states are based upon estimates in the clearance request for school year 2008–09.

These 2008–09 costs were in turn derived from information about the actual cost of employing an SEA staff person to work with NCES testing programs. These staff persons are comparable in knowledge and experience to the technical staff who report the NPEFS data. Across 51 states, the average hourly rate estimated for technical staff reporting NPEFS data is estimated to be \$43.59. It was decided, arbitrarily, that 20 percent of the time spent with the NPEFS collections is contributed by managers, who are estimated to be paid at double the rate of technicians, or \$87.18 per hour.

**Estimated Annual Burden and Cost in Reporting NPEFS Data**

<b>Survey</b>	<b>Average Hours</b>	<b>Respondents</b>	<b>Total Hours</b>	<b>Total Cost</b>
<b>State Fiscal Survey</b>		56		
Technician (\$39.63)	75		4200	\$183,078
Manager (\$79.26)	19		1064	\$ 92,760
<b>Total</b>			5,264	\$275,838

Estimated cost to state respondents. Burden hours are estimated to total 5,264 a year. The total estimated cost to all state respondents is \$275,838.

**A.13. Provide an estimate of the total annual cost burden to the respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14.)**

There are no additional recordkeeping costs to the responding state education agencies. All information collected on the NPEFS is from administrative record systems and is already collected by the state for its own purposes.

**A.14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost.**

Method for estimating costs. Annual costs are based on current costs for the NPEFS. The costs include a 22 percent load on salaries for Department of Education staff. Contractor hours are also loaded costs.

**Estimated Annual Cost of CCD to Federal Government**

<b>Cost Type</b>	<b>2006-07</b>
Dept ED Staff	\$191,133
Census (IAD)	\$976,500
Contracted Staff	\$126,000
Training	\$365,400
<b>Total</b>	<b>\$1,659,033</b>

Cost: Department of Education staff assigned to the CCD NPEFS include one FTE GS/14 staff. One-sixth FTE of the program manager’s time is included; this person is a GS/15. One full-time research assistant is employed through the Education Statistical Services Institute, a contractor to NCES. All costs assume a 5 percent increase over current costs.

Costs reported for the Bureau of the Census include staffing and other charges. The cost was estimated by assuming a 5 percent increase from 2007–08. The cost includes the full cost of salary, benefits, overhead, and fee.

Training costs reflect the cost of general training and professional development for all CCD Fiscal Coordinators at NCES’s Summer Data Conference and the cost of the Management Information Systems Conference. These costs also include three-day training sessions at NCES for new CCD Fiscal Coordinators. Training is separate for each group, and each group averages 10 new CCD Coordinators a year.

**A.15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of OMB 83-1.**

Burden to respondents. The burden increased from the fiscal year 2008 data collection as a result of adding the new data items related to ARRA, as discussed in this document.

Federal costs. Currently there are no changes to the costs to the Federal government.

**A.16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of reports, publication dates, and other actions.**

Products. Section C presents tables that illustrate how the CCD data are typically presented as simple cross-tabulations.

NCES’s web application, Build a Table, allows users to create their own lists, counts or cross-tabulations.

NPEFS data are published through web applications, as noted above, and short reports that typically include 7 to 10 tables of data presented by state and for the Nation.

Complex analytical techniques are not used with the NPEFS.

Timeline. The NPEFS is an annual collection, and the schedule is shown below. Note that the files cannot be closed until the last state is able to report all requested data.

<b>CCD Survey Collection, Processing, Publication</b>	
Early March	Mail instructions to respondents, open website to receive data.
Late March	First reporting date. Training for new NPEFS Coordinators.
September	Close NPEFS file on Tuesday following Labor Day. No files are accepted for program funding purposes after close-out.
December	Preliminary files available for internal use but not publication.

February	Final per-pupil expenditure data available.
March	NCES review of files, file documentation, short reports.
May	Files become public. NCES web database updated
July	Training for all NPEFS Coordinators.

**A.17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

NCES displays the OMB expiration date on the instruction manual sent to the state Fiscal CCD Coordinators and on the data collection web site.

**A.18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-1.**

There are no exceptions to the items in that certification.