



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

# **NPEFS 2011- 2014: Common Core of Data (CCD) National Public Education Financial Survey**

## **Supporting Statement Part A**

**July, 2012**

**National Center for Education  
Statistics (NCES)**

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## PART A. JUSTIFICATION

### A1. Necessity of Information Collection

#### a. Purpose of this Submission

This is a request for approval of the Common Core of Data (CCD) National Public Education Financial Survey (NPEFS) data collections covering school years 2011/12 through 2013/14. NPEFS is an annual collection of state-level finance data that has been included in the National Center for Education Statistics (NCES) Common Core of Data (CCD) since FY 1982 (covering school year 1981/82). The U.S. Census Bureau, Governments Division, is the data collection agent for the National Center for Education Statistics (NCES) under interagency agreement. With regards to this clearance request, NCES has not added any new data items since the last NPEFS OMB clearance received in December 2009, and amended with change requests approved in December 2011 and January 2012 (OMB# 1850-0067 v. 7-9).

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

The Common Core of Data (CCD) is the primary NCES database on public elementary and secondary education in the United States. The annual CCD is a comprehensive national statistical database of all public elementary and secondary schools and school districts that contains comparable data across all states. One of the objectives of CCD is to provide basic information and descriptive statistics on public elementary and secondary schools, students, and staff.

The CCD is made up of five surveys of the state education departments (SEAs), with most of the data provided from administrative records maintained by SEAs:

State Nonfiscal Survey of Public Elementary/Secondary Education—provides information on all students and staff aggregated to the state level, including number of students by grade level, full-time-equivalent staff by major employment category, and number of high school completers from the previous year.

Local Education Agency Universe Survey—provides information including address and telephone number, location and type of agency, latitude and longitude, locale (e.g., rural, urban), current number of students, migrant student enrollment, number of students with limited English proficiency served, number of students with Individualized Education Programs, and number of high school completers and dropouts from the previous year. The numbers and types of staff (e.g., teachers and guidance counselors) are also reported.

Public Elementary/Secondary School Universe Survey—Provides information on all public elementary and secondary schools in operation during a school year, including school location and type; latitude and longitude; locale (e.g., rural, urban); magnet, Title I, and charter school indicators; grade span; address and telephone number; enrollment by grade and student characteristics; number of classroom teachers; and number of free lunch-eligible and migrant students.

National Public Education Financial Survey (NPEFS)—Provides detailed finance data at the state level, including average daily attendance; school district revenues by source (local, state, and federal); and expenditures by function (instruction, support services, and non-instruction), sub function (e.g., school administration), and object (e.g., salaries). This survey also includes capital outlay and debt service expenditures.

Local Education Agency Financial Survey (Form F-33)—Provides detailed data by school district, including revenues by source, expenditures by function and subfunction, and enrollment.

The State Nonfiscal Survey of Public Elementary and Secondary Education, Public Elementary/Secondary Local Education Agency Universe, and Public Elementary/Secondary School Universe data

are collected by EDEN. 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. The Local Education Agency Financial Survey is discussed in this request only as it relates to the NPEFS.

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 a compilation of all communication materials between NCES, the Census Bureau, and the respective states.

**b. Legislative Authority**

The NPEFS is the Nation's only source of annual statistical information about total revenues and expenditures for public elementary and secondary education at the state level. NCES is authorized to collect this information under the Education Sciences Reform Act of 2002 (20 U.S.C.) section 9543. NCES collects data annually from SEAs through ED Form 2447.

**c. 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.

**A2. Needs and Uses**

NPEFS is an annual state level school finance data collection starting in FY 1982, which has existed in its current form since 1986. There are fifty-six variables on the NPEFS survey, including data on federal, state, and local revenues by source, as well as expenditures by function and object, including by salaries, benefits, purchased services, and supplies. Average daily attendance is also collected. The NPEFS includes data on all state-run schools from the 50 states, the District of Columbia, American Samoa, the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands.

As a general statistical collection the NPEFS is used for a range of purposes. Education finance data provide powerful information for reporting, research, management and budgeting decision making, policymaking, and evaluation within and across education systems. Uses can be far-ranging from state and national comparisons to individual school level management of resources.

The consumers of education finance data typically include five major groups: (1) oversight bodies such as school boards, state education agencies, and legislatures and policymakers; (2) those who are involved in the lending process such as investors or creditors; (3) leadership and managers of education systems at the district and school level; (4) researchers, and (5) the public.

NPEFS data are used in a wide variety of ways at the federal level, including to calculate a number of federal program allocations. Based on the attendance, revenue, and expenditure data collected from SEAs, NCES determines a State's "average per-pupil expenditure" (SPPE) for elementary and secondary education, as defined by the Elementary and Secondary Education Act of 1965 section 9101(2) and as amended by 20 U.S.C. section 7801(2). The Secretary of Education also uses these data directly in calculating allocations for certain formula grant programs, including, but not limited to, Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) as amended, Impact Aid, and Indian Education programs. Furthermore, 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, and the Teacher Quality State Grants program (Title II 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.

NPEFS data are also used for the *Condition of Education* – a congressionally mandated annual report from NCES, and for the *Digest of Education Statistics* and CCD-specific reports, such as the annual *Revenues and Expenditures for Public Elementary and Secondary Education*. The NCES website makes the CCD school finance data available to the general public through public use data files and through easy to use applications such as the search for public schools & districts (locators); Build-a-Table (BAT) Tool; Elementary-Secondary Information System; and School District Demographics System. Additionally, *Education Week* uses NPEFS data extensively in its annual “Quality Counts” report, and NPEFS data are a component of Standard and Poor’s metrics on schools: <http://www.SchoolMatters.com>.

### **A3. Use of Information Technology**

The NPEFS data are collected using a web application from state education agencies and consist of a single record per state. The web application allows NPEFS respondents to submit/edit survey data, complete the fiscal data plan, and upload or download any files necessary for data submission. The NPEFS website utilizes the format required for submission to NCES and houses the *Crosswalk System*, where NPEFS respondents can "crosswalk" their state account code data to the NPEFS survey data items. The authorized state official may electronically confirm submission with the state's NPEFS digital confirmation password. Survey respondents also 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.

### **A4. Efforts to Identify Duplication**

NPEFS (OMB# 1850-0067) is an annual collection of state-level finance data that has been included in the NCES Common Core of Data (CCD) since FY 1982. NPEFS provides function expenditures by salaries, benefits, purchased services, and supplies, and includes federal, state, and local revenues by source. The NPEFS collection includes data on all state-run schools, for all U.S. states and territories.

The survey most closely resembling NPEFS is the Survey of Local Governments: School Systems (OMB# 0607-0700), commonly called F-33, which is an annual collection of school district finance data. These Local Education Agency (LEA) level (district level) school finance data are collected for NCES by the Census Bureau and include data on local revenues by source and state, federal revenues by program, and expenditures by function with breakouts of salaries and benefits by function and information on debt.

The F-33 was originally a sample survey in non-census years. In FY 1995, the F-33 was changed to an annual collection of finance data from the complete universe of school districts. Prior to FY 1988, Census and NCES each conducted separate collections of LEA finance data. NCES and Census consolidated the LEA finance collections into the F-33 beginning with FY 1998 data and expanded the survey content to include revenues from federal education programs and itemize state payments on behalf of school districts (also called direct support) at the function level.

Despite both surveys being focused on education finance data, NPEFS and F-33 differ from each other in that their reporting deadlines are substantially different; not all of the items collected at the state level can currently be collected at the LEA level; some data item definitions vary between surveys due to their uses and sources<sup>1</sup>; and the timing of editing processes and procedures by SEAs vary greatly between the state level versus LEA level data. Additionally, the LEA level data cannot be summed to provide the state-level data because NPEFS includes expenditures for state-operated agencies, which are out-of-scope for

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<sup>1</sup> For example, Tax Revenues differ between NPEFS and F-33 because the tax revenue-definitions of “independent school district” and “dependent school district” differ. NPEFS classifies tax revenue as state or local based on how the SEA classifies the tax revenue, while the F-33 classifies tax revenue based on the level of government that imposed, collected, and distributed the tax.

F-33. The LEA finance survey includes only local education agencies and does not collect data about schools administered directly by the state, such as schools for students with disabilities (e.g., schools for the deaf and blind); schools for students with exceptional talent in mathematics, science, or the performing arts; or education programs for incarcerated youth (e.g., schools run by the Bureau of Prisons within juvenile corrections). Thus, the F-33 survey does not give an exhaustive accounting of state revenues and expenditures for public K–12 education that is needed in NPEFS.

Besides the differences in data levels, scopes, and definitions, the primary obstacle to combining NPEFS and F-33 is that NPEFS data must be submitted to NCES by August 15<sup>th</sup> of each year (to comply with federal statutory obligations and to provide the data needed by the Secretary of Education to calculate allocations for and allow for timely distribution of federal funds<sup>2</sup>) and that, while the states are able to submit the state level data by that date, they are not able to submit, review, clarify, correct, and certify the LEA level data on the same schedule. As recently as June 14, 2012, during an interactive webinar, the majority of state fiscal coordinators indicated that accelerating the reporting deadlines for LEA finance data would not be feasible, that attempting to do so would significantly and unnecessarily increase the burden and cost to the SEAs, and that it is more efficient and effective for them to submit data separately to NPEFS and F-33. Thus, on balance, the potential efficiency gained by consolidating the two surveys is far outweighed by the capacity issues at both the state and federal levels, the practical problems with changing the reporting deadlines for LEA finance data, and the purposeful differences between the two collections.

#### **A5. Minimizing Burden**

Small businesses or other small entities are not surveyed in the NPEFS collection. NPEFS data comes from state’s administrative records and NCES works with LEAs on an ongoing basis to assure that burden associated with NPEFS data submission is kept at minimum.

#### **A6. Consequences of Less Frequent Collection**

Consequences if not collected. Having accurate, consistent, and timely fiscal information from states is critical to an efficient and fair federal allocation process and to the ability to make publically available current and comparable finance data for all states and territories. The annual collection of NPEFS data helps ensure timely distribution of Federal education funds based on the best, most accurate data available. If NPEFS was not collected on its current schedule, the Department of Education would not have access to current and comparable state per-pupil expenditure data for use in determining program allocations, and thus would not have the needed basis for calculating allocations for various formula grant programs, such as the Title I, Part A of the ESEA; Impact Aid; and Indian Education programs, the Education for Homeless Children and Youth program under Title VII of the McKinney-Vento Homeless Assistance Act, or the Teacher Quality State Grants program (Title II, Part A of the ESEA). 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 school boards, legislatures and policymakers, state education agencies, investors or creditors, managers of education systems at the district and school level, researchers, and the public.

Consequences if collected less frequently. The NPEFS is an annual collection and the state administrative record systems that supply these data already collect the information annually or more often for the states’

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<sup>2</sup> Department of Education, Submission of Data by State Educational Agencies; Submission Dates for State Revenue and Expenditure Reports for Fiscal Year” (FY 2011, Revisions to Those Reports and Revisions to Prior Fiscal Year Reports 77 Federal Register 6 (10 January 2012) pp 1472-1473).

own purposes. Changing the NPEFS from an annual cycle to a less frequent schedule would cause the federal programs that use NPEFS data to have less accurate information based on which to calculate allocations and to plan and operate the programs. These programs would have to make their annual allocations based on old information or estimated updates. Additionally, legislators, policymakers, and the public would not have access to current and comparable fiscal information pertaining to K-12 education.

#### **A7. Special Circumstances**

No special circumstances associated with the NPEFS survey are anticipated.

#### **A8. Consultations Outside the Agency**

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. (<http://nces.ed.gov/ccd/corner.asp>).

Also, the most recent Federal Register Notice on the Submission of NPEFS Data by State Educational Agencies, including submission dates for State revenue and expenditure reports for FY 2011, revisions to those reports, and revisions to prior fiscal year reports, was published on January 10, 2012, Volume 77, No. 6, pp 1472-73.

#### **A9. Provision of Payments or Gifts to Respondents**

No payments or gifts are offered to respondents.

#### **A10. Assurance of Confidentiality**

No such assurances are needed or offered to the state education agencies. The NPEFS data are public record in the states that report them. No individually identifiable data are collected through the NPEFS.

#### **A11. Need for the Use of Sensitive Questions**

The NPEFS data are reported from SEA administrative record systems and do not involve sensitive questions.

#### **A12. Estimates of Hour Burden**

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. The total estimated burden time for all 56 participating SEAs is 5,264 hours a year.

The 2011-12 costs associated with reporting NPEFS data were derived from information about the actual cost of employing an SEA staff to work with NCES testing programs and from the Occupation and Employment Statistics at the U.S. Department of Labor, Bureau of Labor Statistics (BLS). Across the 50 states and the District of Columbia, the average hourly rate for technical staff reporting NPEFS data is

estimated to be \$26.03 per hour.<sup>3</sup> The estimate assumes that 20 percent of the time spent on the NPEFS collections is provided by managers, paid at the rate of technicians, or \$41.48 per hour.<sup>4</sup> The total estimated cost to all state respondents is \$151,949.

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

State Fiscal Survey	Average Burden Hours	# of Respondents	Total Burden Hours	Total Cost
Technician (\$26.93)	75	56	4,200	\$107,814
Manager (\$41.48)	19	56	1,064	\$ 44,135
<b>Total</b>		<b>56</b>	<b>5,264</b>	<b>\$151,949</b>

#### A13. Estimates of Cost Burden

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.

#### A14. Cost to the Federal Government

Method for estimating costs. Estimated annual costs presented below assume a 5 percent increase over current costs for the NPEFS. The costs include a 30 percent load on salaries for Department of Education staff. Contracted staff amount also represents loaded costs.

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

Cost Type	2011-12
NCES Staff	\$121,665
Census (IAD) Total	\$1,080,345
Contracted Staff	\$117,180
SEA Staff Training	\$127,313
<b>Total</b>	<b>\$1,446,503</b>

Cost: Department of Education staff assigned to NPEFS include one-half of one FTE (GS14) staff and one-tenth (FTE) of one program manager's (GS15) time. Contracted staff consists of one full-time research assistant employed through the Education Statistical Services Institute.

Costs reported for the Bureau of the Census include staffing and other charges. The cost was estimated by assuming a 5% increase from 2010-11 and includes the full cost of salary, benefits, overhead, and fees.

Training costs reflect the cost of general training and professional development for all CCD Fiscal Coordinators at NCES's Summer Data Conference. These costs also include training sessions at NCES

<sup>3</sup> The mean salary for accountants and auditors (13-2011) working in State government is \$26.93 per hour. The Occupation and Employment Statistics at the U.S. Department of Labor, Bureau of Labor Statistics (BLS) were accessed on June 21, 2012 [http://bls.gov/oes/current/naics4\\_999200.htm#13-0000](http://bls.gov/oes/current/naics4_999200.htm#13-0000).

<sup>4</sup> The mean salary for financial managers (13-3031) working in State government is \$41.48 per hour. The Occupation and Employment Statistics at the U.S. Department of Labor, Bureau of Labor Statistics (BLS) were accessed on June 21, 2012 [http://bls.gov/oes/current/naics4\\_999200.htm#13-0000](http://bls.gov/oes/current/naics4_999200.htm#13-0000).



for new CCD Fiscal Coordinators. Training is separate for each group, and each group averages 10 new CCD Coordinators a year.

**A15. Reason for Change in Burden**

No change in respondent burden associated with this submission is expected.

**A16. Project Schedule**

NPEFS Products:

1. NPEFS data are published through web applications and short reports that typically include 8 to 10 tables of data presented by state and for the Nation.
2. NCES’s web applications, the Elementary-Secondary Information System and Build a Table, allow users to create their own lists, counts, or cross-tabulations.
3. Supporting Statement Part C includes tables that illustrate how the CCD data are typically presented as simple cross-tabulations.
4. 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>NPEFS Survey Collection, Processing, and Publication</b>
Late January	Mail instructions to respondents and open NPEFS website to receive data SEAs can begin to submit accurate and complete data
March 15	SEAs are urged to have finished submitting accurate and complete data
April/May	Training for new NPEFS Coordinators
July	Training for all NPEFS Coordinators
August 15	Mandatory final submission date
September (Tuesday following Labor day)	Response by SEA’s to requests for clarification, reconciliation, or other inquiries from NCES or the Census Bureau. All data issues to be resolved. 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/April	NCES review of files, file documentation, and short reports
June/July	Files become public and NCES web database updated

**A17. Request Not to Display Expiration Date**

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

**A18. Exceptions to the Certification**

There are no exceptions to the items in that certification.