

Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
Annual Survey of School System Finances
(OMB Control Number 0607-0700)

Part A – Justification

1. Necessity of the Information Collection

The U.S. Census Bureau, on behalf of the U.S. Department of Education's National Center for Education Statistics (NCES), requests an extension with revisions of approval for the Annual Survey of School System Finances, OMB Number 0607-0700. The Census Bureau's collection of school district finance data and associated publications are the most comprehensive sources for pre-kindergarten through grade 12 finance data.

These data are collected from the universe of school districts using uniform definitions and concepts of revenue, expenditure, debt, and assets as defined by *Financial Accounting for Local and State School Systems: 2014 Edition*. This survey and the Annual Surveys of State and Local Government Finances (OMB No. 0607-0585) are conducted as part of the Census Bureau's State and Local Government Finance program. Data collected from cities, counties, states, and special district governments are combined with data collected from local school systems to produce state and national totals of government spending. Local school system spending comprises a significant portion of total government spending. In 2018, public elementary-secondary expenditures accounted for 40 percent of local government spending.

This comprehensive and ongoing time series collection of local education agency finances maintains historical continuity in the state and local government statistics community. Elementary-secondary education related spending is the single largest financial activity of state and local governments. Education finance statistics provided by the Census Bureau allow for analyses of how public elementary-secondary school systems receive and spend funds. Increased focus on education has led to a demand for data reflecting student performance, graduation rates, and school finance policy – all of which are related to the collection of this local education finance data. State legislatures, local leaders, university researchers, and parents increasingly rely on data to make substantive decisions about education. School district finance is a vital sector of the education data spectrum used by stakeholders to form policy and to develop new education strategies.

The revisions, which will be incorporated in the FY20 collection scheduled for mailing in January 2021, will include the following: expanding the federal revenue section to reflect recent changes in legislation, the demand for information on other federal grants and renaming existing federal revenue data items to better match the federal grants that each are tied to. We will be adding new data items for special education expenditures in

response to increasing demand by policymakers, researchers, and the general public for more detailed special education statistics.

We also plan to add new data items in response to the COVID19 pandemic and CARES Act. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides \$30.75 billion to public PK-12 and higher education school systems through a number of learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.’ In some cases, the funding public school systems receive from the Coronavirus Relief Fund can potentially be substantially higher than the education-specific funding school systems receive from the Education Stabilization Fund. Revenues would be separately itemized and reported at the LEA level under the CARES Act funds and all expenditures must be paid from CARES Act revenues. See Appendix A for a detailed breakout of these new CARES Act revenue and expenditure items as well as updates to the Federal revenues and special education expenditure items. In addition, the CARES Act Coronavirus Relief Fund is funded at \$150 billion for FY2020. The Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments provides that nonexclusive examples of eligible expenditures include ‘Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.’”

The Census Bureau uses an announcement letter and form to collect state and local government public education finance data. We mail the letter electronically to respondents at the beginning of each survey period soliciting the assistance of the state education agencies (SEAs) in providing data centrally for their public school systems. The letter officially announces the opening of the collection period and requests administrative data, such as estimated date of submission, changes to reporting format from prior year, and updated contact information for the state coordinator. Census Bureau staff use the response to this letter to plan for the processing of state education agency data submissions. The form (F-33) contains the elementary-secondary education finance items. In practice, this form serves more as a data processing guide rather than as a data collection instrument. The Census Bureau relies heavily on collecting this public school system finance data centrally from state education agencies. All states provide significant amounts of these data centrally to the Census Bureau via the Internet using File Transfer Protocol (FTP). Supplemental forms are sent to school systems in states where the state education agency cannot provide information on assets (F-33-L1), indebtedness (F-33-L2), or both (F-33-L3).

The Census Bureau facilitates central collection by accepting states’ data in one of two formats. Currently, 18 states provide the Census Bureau electronic copies of state-specific detailed education finance data files. The Census Bureau maintains programs for converting these data from the state agency format to the Census Bureau F-33 format. Thirty-three states reformat state-specific data files into the Census Bureau’s format prior

to submitting the data electronically to the Census Bureau. A copy of the 2020 form, the 2020 announcement letter and the 2020 supplemental forms are shown in Appendix A.

In Title 13 U.S.C., Section 161, Congress directs the Secretary of Commerce (Secretary) to take, compile, and publish for the year 1957 and for every fifth year thereafter, a census of governments. The Annual Survey of School System Finances provides school district finance data and is a component of the census of governments. In Title 13 U.S.C. Section 182, Congress authorizes the Secretary to make surveys deemed necessary to furnish annual and other interim current data on the subjects covered by the censuses provided for in Title 13 U.S.C.. For the reasons stated in questions 2 and 6, the Secretary has determined it necessary to collect these school system finances data annually.

Additionally, Title 13 U.S.C., Section 8(b) authorizes that the Secretary may make special statistical compilations and surveys for departments, agencies, and establishments of the federal Government. Under this authority we also conduct this survey on behalf of the Department of Education pursuant to their authority to collect these data under Title 20 U.S.C., Sections 9543-44. See Appendix B for U.S.C. citations.

This survey is voluntary.

2. Needs and Uses

The education finance data collected and processed by the Census Bureau are an essential component of the agency's state and local government finance collection and provide unique products for users of education finance data.

The Bureau of Economic Analysis (BEA) uses data from the survey to develop figures for the Gross Domestic Product (GDP). F-33 data items specifically contribute to the estimates for National Income and Product Accounts (NIPA), Input-Output accounts (I-O), and gross domestic investments. BEA also uses the data to assess other public fiscal spending trends and events.

The Census Bureau's Government Finances program has disseminated comprehensive and comparable public fiscal data since 1902. School finance data, which comprised 40 percent of all local government spending in 2018, are currently incorporated into the local government statistics reported on the Annual Surveys of State and Local Government Finances. The report contains benchmark statistics on public revenue, expenditure, debt, and assets. They are widely used by economists, legislators, social and political scientists, and government administrators.

The Census Bureau makes available detailed files for all school systems from its Internet Web site, <https://www.census.gov/programs-surveys/school-finances.html>. This Web site currently contains data files and statistical tables for the 1992 through 2018 fiscal year surveys. Historical files and publications prior to 1992 are also available upon request for data users engaged in longitudinal studies. In addition to numerous academic

researchers who use F-33 products, staff receive inquiries from state government officials, legislatures, public policy analysts, local school officials, non-profit organizations, and various Federal agencies.

The NCES use these annual data as part of the Common Core of Data (CCD) program. The education finance data collected by the Census Bureau are the sole source of school district fiscal information for the CCD. NCES data users utilize electronic tools to search CCD databases for detailed fiscal and non-fiscal variables. Additionally, NCES uses F-33 education finance files to publish annual reports on the fiscal state of education.

Information quality is an integral part of the review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau, and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

Over 99 percent of the data are collected electronically using File Transfer Protocol (FTP). The Census Bureau also developed a web-based version of the supplemental forms to collect debt and asset data. Screenshots from the 2020 online application are shown in Appendix A.

4. Efforts to Identify Duplication

Census Bureau representatives meet regularly with groups of education data collectors and users. The chief sponsors of such groups include the Council of Chief State School Officers and the U.S. Department of Education. These meetings afford the Census Bureau the opportunity to stay informed about all major education data collections and issues, and allow for coordinating collection plans with other stakeholders.

The National Public Education Financial Survey (NPEFS), sponsored by NCES, is the only other comprehensive collection of education finance data used to determine actual revenues and expenditures made by public school systems for elementary-secondary education. The NPEFS survey, however, obtains only state totals for revenue and expenditure items, while the F-33 data collection focuses on the individual school systems. For this reason, data substitution is not a viable option. Further, in 2012 we and NCES re-evaluated the feasibility of consolidating the NPEFS and the F-33 programs. As a result, several substantial differences were identified between the needs and the scope of the two survey collections:

1. The reporting deadlines are substantially different;
2. Not all of the data items collected at the state level can currently be collected at the school system level;

3. Some data item definitions differ between surveys due to their uses and sources;
4. The timing of the editing processes and procedures by SEAs vary greatly between the state level data versus the school system level data.

To minimize duplication, the Census Bureau and NCES coordinate their collection efforts as closely as possible. The following actions are examples of this coordination:

- (1) The Census Bureau placed account numbers provided in the NCES financial accounting handbook beside the revenue and expenditure items on the Form F-33.
- (2) Census Bureau staff also serve as the data collection agents for the NCES' NPEFS. Both NPEFS and F-33 survey staff work closely together allowing for greater elimination of redundancy in data collection. Respondents now regard these two surveys as two phases of a single collection effort.

5. Minimizing Burden

Respondent burden is minimized by using central collection from state education agencies whenever possible. Local school officials are only asked to complete one supplemental form (asking for a maximum of nine numbers) when adequate detail is not available at the state level.

As part of the effort to reduce reporting burden, the Census Bureau electronically reformats the school finance data for 18 states. These states simply provide the state-format data files to the Census Bureau. Respondents additionally have the option of submitting data, by local education agency, according to the NCES' fiscal handbook format. Because the NCES accounting handbook format details each state revenue and expenditure item, files contain sufficient detail for the Census Bureau to crosswalk into the F-33 school finance format.

6. Consequences of Less Frequent Collection

Elementary-secondary education activity accounts for approximately 40 percent of all local government spending. Less frequent data collection would impair the ability of BEA to develop the GDP and assess the state of public finances. A reduction in frequency would also seriously reduce the scope of the Census Bureau's annual report series on government finances. That series is the primary national source for describing the financial status of state and local governments. Finally, the NCES would not be able to meet the CCD program's annual requirements.

Increased demand for financial education data is related to frequent assessments of trends. These trends include vital issues such as school funding levels, equity, and school choice, all of which are based on the data from this collection. Less frequent collection would dramatically decrease availability of that data.

7. Special Circumstances

There are no special circumstances relating to this request.

8. Consultations Outside the Agency

The Census Bureau published a notice in the Federal Register on August 25, 2020 (Volume 85, Number 165, Pages 52302-3) inviting comments on our plans to submit this request.

We received a letter of support from the Bureau of Economic Analysis (BEA). We thank the BEA for their continued support of this collection.

We also received a letter from the National Center for Special Education in Charter Schools. One query was questioning whether the proposed information collection is necessary for the proper functions of the Department of Education. While we cannot speak entirely on the functions of the Department of Education, we do know that they do have statutory requirements for the collection of these data as part of their Common Core of Data program and the data are used in determining Title 1 funding as well as a number of grants. A second query suggested adding new data items on special education expenditures. As discussed in 1. Necessity of the Information Collection and reflected in the 2020 Form Part XII in Appendix A, the Census Bureau does intend to collect data on special education expenditures. And the final query was to evaluate ways to enhance the quality, utility, and clarity of the information collected. Census Bureau staff consults frequently about the F-33 collection with data suppliers, state coordinators, and data users. We are in continual contact with the NCES to discuss their requirements and meet annually at the Fiscal Coordinator Workshop where all state and outlying areas coordinators come together to discuss the F-33 survey and new and pending issues. We are also in contact with other government agencies, educators, and school administrators at the state and district levels. We release technical documentation that includes methodology and record layouts on an annual basis in conjunction with the data release. See Appendix C for a copy of each letter.

9. Paying Respondents

Respondents are not paid and are not provided with gifts.

10. Assurance of Confidentiality

The data collected in this survey are from public records and do not require confidentiality. We cite this confidentiality statement and the voluntary nature of this data collection in the Announcement letter.

11. Justification for Sensitive Questions

There are no sensitive questions in this data collection program.

12. Estimate of Hour Burden

The current estimated burden for the survey is 86.5 hours for SEA’s that use the Census F-33 format and 14 hours for SEA’s that submit their own state specific data files. The new items and revisions to the FY 20 collection are estimated to add 5 hours to the burden for Census F-33 format and 1 hour for SEA’s that submit their own state-specific data files for a total of 91.5 and 15.5 respectively. This additional burden, for the most part, will be in year 1 when states are modifying their chart of accounts and crosswalk coding. The burden for the supplemental forms remains .25 hrs. The total burden is 4130 hours (3222.5+907.5). The total cost is \$132,748 (\$107,438+\$25,310). Tables 1 and 2 show the calculations of respondent burden and cost.

Submission Method or Form Type	Number of Respondents	Estimated Hours Per Respondent	Estimated Total Respondent Burden Hours
Central collection of F-33 data in Census-format	32	91.5	2928
Central collection of F-33 data in SEA-format	19	15.5	294.5
TOTAL	51		3222.5
Form F-33-L1	90	0.25	22.5
Form F-33-L2	1714	0.25	428.5
Form F-33-L3	1826	0.25	456.5
TOTAL	3630		907.5

Submission Method or Form Type	Estimated Total Respondent Burden Hours	Estimated Cost Per Burden Hour *	Estimated Total Respondent Cost
Central Collection: Census-format	2928	\$33.34	\$97,619.52

Central Collection: SEA-format	294.5	\$33.34	\$9,818.63
TOTAL	3222.5		\$107,438.15
Form F-33-L1	22.5	\$27.89	\$627.53
Form F-33-L2	428.5	\$27.89	\$11,950.87
Form F-33-L3	456.5	\$27.89	\$12,731.79
TOTAL	907.5		\$25,310.19

*Note for Table 2: “Estimated cost per burden hour” is based on data from the 2019 Annual Survey of Government Employment. The “estimated cost per burden hour” is derived from the total monthly pay for full-time state and local government employees reported at the Elementary and Secondary Education Total function and converted to an hourly rate assuming an average forty-hour week.

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in government records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting, or information collection services, if performed by the respondent, is part of customary business practices and not specifically required for this information collection.

14. Cost to Federal Government

The estimated cost to the Federal Government for Fiscal Year 2020 is approximately \$1.5 million. The cost will be similar for fiscal years 2021 and 2022.

15. Reason for Change in Burden

The change in burden is due to the aforementioned revisions to the survey content. Total burden increased by 179 hours.

16. Project Schedule

Major actions required for this data collection occur at approximately the same time each year. The months in which the actions occur appear below.

ACTION

Initial mailout
 Receive, edit, and correct data
 Produce annual report and release data files

MONTH

January 2021
 Feb 2021 – March 2022
 May 2022

17. Request to Not Display Expiration Date

The expiration date is displayed on the forms.

18. Exceptions to the Certification

There are no exceptions to the certification.

19. NAICS Codes Affected

This information collection covers industry 6111 Elementary and Secondary Schools as defined by the 2017 North American Industry Classification System (NAICS).