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Supporting Statement for OMB Clearance Request

Part A: Justification

Study of District and School Uses of Federal Education Funds

Submitted to:

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Introduction

The U.S. Department of Education, through its Institute of Education Sciences (IES), is requesting clearance for a new data collection to examine how the distribution of federal funds varies in relation to program goals and student needs.

This information clearance request is for a study to examine targeting and resource allocation for five major federal education programs: Part A of Titles I, II, III, and IV of the *Elementary and Secondary Education Act (ESEA)* — including school improvement grants provided under Section 1003 of Title I, Part A — as well as Title I, Part B of the *Individuals with Disabilities Education Act (IDEA)*. The study will also collect information on the distribution and uses of funds provided to school districts through the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*.

This package is the second of two OMB clearance requests for this study. The previous package requested approval for selection and recruitment of the study sample and was approved by OMB on June 24, 2020 (1850-0951).

A. Justification

1. Circumstances that make the collection of information necessary

Federal education programs administered by the U.S. Department of Education provide over \$40 billion annually to support elementary and secondary schools and their students. Evaluations of individual programs provide information on the types of services that are supported under each program, typically based on surveys of educators who deliver those services at the district and school levels – but fiscal data can provide more detailed, concrete, and objective information on the amounts of funds allocated for various purposes as well as how funds are distributed among grantees. By collecting and analyzing fiscal data across five of the largest federal programs supporting elementary and secondary school education, as well as funds provided to school districts through the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*¹, this study will provide a comprehensive picture of how districts and schools are using a variety of federal funding sources to meet the varied needs of their students. In addition, because the study will collect fiscal data for four consecutive years from 2018-19 through 2021-22, it will be able to examine how districts' uses of federal funds changed from the school year before the COVID-19 pandemic (2018-19) to school years when there was significant disruption to both how educational services are delivered and the revenues that support those services.

2. How the information will be collected, by whom, and for what purpose

The data will be collected by SRI and its partner, Augenblick, Palaich & Associates. The purpose of the data collection is to examine the distribution and uses of federal education funds under five major programs authorized under *ESEA* and *IDEA* and under the *CARES Act*. Specifically, the study will address the following research questions:

1. **Where does the money go?** Are major federal education programs – and emergency relief funds – well targeted to districts with higher poverty students? Are *CARES Act* funds reaching the most COVID-affected districts?

¹ The study will collect information from states and school districts on the distribution and uses of three rounds of *CARES Act* funding, including funds appropriated in March 2020, December 2020, and March 2021.

2. **What do federal programs add?** How much do federal funds boost the level of resources for the average district? For districts with the greatest needs? For the most COVID-affected districts? To what extent are CARES Act funds alleviating shortfalls in state/local funds?
3. **What does the money buy?** How do the programs differ in the share of funds used for instruction, instructional support, student support, technology, and professional development? What types of staff do these funds support (e.g., teachers, aides, related service providers)? Did districts change how they used federal program funds during and after the pandemic?
4. **How much do districts use available flexibility?** To what extent do districts use the transferability authority to transfer funds between federal education programs? What do they transfer funds from and to? How many districts used waivers to increase the amount of funds they “carried over” from one year to the next, given additional flexibilities due to COVID?

To answer the above research questions, the study will collect district- and school-level fiscal and personnel data from a nationally representative sample of 400 school districts as well as using extant data collected from states (approved in a previous OMB package) and existing data collected by the National Center for Education Statistics (NCES). This study will also collect more in-depth data related to expenditures for students with disabilities. Data collection instruments for this portion of the study will be submitted in a future OMB package.

- **Fiscal and personnel data.** The study will collect detailed data on the uses of federal education funds, including revenues, expenditure data, and personnel data,² for the nationally representative sample of districts and for all schools within those districts. District staff will be asked to provide these data for both the district at large and for all schools in the district. Data will be collected via exported Excel files from district accounting systems, wherever possible, to reduce participant burden. If requested, districts may also submit data using workbooks that have been customized to the accounting codes and conventions used in each state, which will be provided by the study team. States and districts will be given the option to submit the data in a format of the respondent’s choosing. The request for data and instructions are included in Appendix A; a sample resource allocation workbook is included in Appendix B.

Districts will be asked to separately report revenues for each of the federal programs covered by this study as well as from state and local revenue sources, using the following categories:

- ESEA, Title I Part A: Grants to LEAs
- ESEA, Title I Part A: School Improvement Grants
- ESEA, Title II Part A: Teacher Quality
- ESEA, Title III Part A: English Language Learners
- ESEA, Title III Part A: Funds for Immigrant Children and Youth
- ESEA, Title IV Part A: Student Support and Academic Enrichment
- IDEA, Part B
- CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSER)
- CARES Act, Governor’s Emergency Education Relief Fund (GEER)
- CARES Act, Coronavirus Relief Fund (CRF)
- All other federal revenue
- All state revenue

² Personnel data are generally available to the public but not readily accessible online.

- o All local revenue, excluding private donations and grants
- o All private donations and grants, with PTA donations broken out as a separate category if possible

Districts will be asked to report detailed expenditure data for each of the above federal programs, as well as expenditures from state and local funds, using the accounting codes and conventions that are used in each state. Using state crosswalks to standard NCES reporting categories, these accounting data are expected to enable analysis and reporting of district expenditures in the following categories:

- o Instruction
- o Instructional support services
- o Student support services
- o Administration
- o Operations and maintenance
- o Teacher salaries
- o Aide salaries
- o Teacher benefits
- o Technology
- o Employee training and development

Personnel-level data on staff FTEs, salaries, and school assignments will enable more detailed examination of spending on different types of staff at the district and school levels. Districts will be asked to report the following information for each staff person:

- o School or location name
- o Revenue source
- o Program code and description
- o Function code and description
- o Employee ID
- o Job code and job description
- o FTE
- o Total salary amount
- o District paid fringe benefit amount

The fiscal and personnel data will be collected for four consecutive school years (2018-19, 2019-20, 2020-21, and 2021-22) in order to examine how district funding and spending patterns have changed during and after the pandemic and economic shutdown.

- **State extant data.** In a previous OMB package, approval was obtained to collect the following three types of data from states:
 - o **State suballocations of federal program funds.** All states will be asked to provide data on their suballocations to sampled school districts, educational service agencies (ESAs), and other entities for the five ESEA and IDEA programs included in this study, including suballocations for School Improvement Grants made from funds reserved under Section 1003 and suballocations for Title III Immigrant Subgrants. States will also be asked to

report their suballocations from the CARES Act.

- o **State chart of accounts.** In order to facilitate the district-level collection of fiscal data, we will ask each state to provide its chart of accounts, which define the accounting categories that districts are to use for tracking and reporting their revenues and expenditures. These charts of accounts will be used to create, for each state that is represented in the district sample, an Excel workbook that has been customized to the accounting codes and conventions used in their state, for states that request a workbook.
- o **School-level expenditure data.** States are required to make publicly available, on the SEA website, district and school report cards that include school-level expenditure data. The study team will attempt to harvest these data from SEA websites. For states that do not have such data on their website, or in cases where the individual school-level expenditure data are not machine readable, the study team will ask the state to provide these data in an Excel file or other machine readable format.
- **Federal extant data.** The study will use extant data on district- and school-level revenues and expenditures from the National Center for Education Statistics (NCES) School District Finance Survey (F-33) combined with demographic variables from the Common Core of Data (CCD). (These data will be obtained from NCES and will not impose any additional burden on the public.)

Exhibit 1 below provides a matrix showing a more detailed set of research questions and indicating which data sources will be used to address each of these questions, which are indicated as the primary (1) and secondary (2) sources.

Exhibit 1. Research questions by data source

Research Questions	Fiscal/ Personnel Data	State Extant Data	NCES Data
1. Where does the money go?			
a. Are major federal education programs – and emergency relief funds – well targeted to districts and schools with greater needs? Have funding patterns changed over time?	2	1	1
b. Are CARES Act funds reaching the most COVID-affected districts?	2	1	
c. How much do states set aside for school improvement activities under Section 1003, and how do they distribute those funds? How much is awarded to schools identified for comprehensive support and improvement vs. targeted support and improvement?		1	
2. What do federal programs add?			
a. How much do federal programs boost the level of resources for the average district? For districts with the greatest needs? For the most COVID-affected districts?		1	2
b. To what extent are CARES Act funds alleviating shortfalls in state/local funds?	2	1	
c. What share of total funding for special education services is provided through federal funds?	1		
d. What share of total district expenditures for prekindergarten and kindergarten are provided through federal funds?	1		
e. What share of total expenditures on professional development and technology are provided through federal funds?	1		
3. What does the money buy?			
a. For the programs included in this study, how much of the funds are used for instruction, instructional support, student support, and other support? How much is used for professional development and technology?	1		
b. What proportion of funds is spent on salaries and benefits for teachers, aides, related service providers, administrators, and other staff?	1		
c. How did districts use CARES Act funds to address the challenges caused by the pandemic?	1		
d. Did districts change how they used ESEA program funds in the wake of the pandemic?	1		
4. How much do districts use available flexibility?			
a. To what extent do districts use the transferability authority to transfer funds between federal education programs? What do they transfer funds from and to?	1	2	
b. Did districts increase their use of the option to transfer funds between ESEA programs during or after the pandemic?	1		
c. How many districts used waivers to increase the amount of funds they “carried over” from one year to the next in the wake of the pandemic?	1		

3. Use of technology to reduce burden

The study team will make use of the following information technologies and methods to maximize data collection efficiency and minimize respondent burden:

- **Electronic collection of extant data from states.** The study team will ask states to provide links to online data where available (i.e., suballocation data, school-level expenditure data, and grant applications). Items that are not published online will be collected via email.
- **Fiscal and personnel data will be collected via electronic documents.** Districts may export fiscal data into an Excel document, generated by their accounting system. If they prefer, a tailored workbook will be provided for their use. In both cases, participants will receive detailed instructions. In addition, participants will have access to an informational webinar, a frequently asked questions (FAQ) guide, and a study team member who has regional expertise and will reply to all communications within 24 hours.

4. Efforts to avoid duplication of burden

All of the federal education programs included in this study are also the subject of other ongoing NCEE studies. NCEE staff and contractors for the various studies are working closely together to ensure that there is no duplication of burden. For example, the subgrantee lists collected by this study will be shared with the Title III and Title IV study teams for use in sample selection and outreach. In addition, the study will use extant data where available, including the NCES School District LEA Finance Survey (F-33), the Common Core of Data Universe Surveys, SEA grant applications, and school expenditure data collected by SEAs.

5. Methods used to minimize burden on small businesses or other small entities

No small businesses will be involved as respondents. Every effort will be made to minimize the burden on respondents.

6. Consequences of less-frequent data collection

This study is designed to collect detailed fiscal data to help policymakers and educators better understand how federal funds are allocated and used at the district and school levels. Although the five ESEA and IDEA programs in this study accounted for four-fifths of federal funding for elementary and secondary education in FY 2020, detailed fiscal data have not been collected on most of these programs since 2004-05.³ The data from the Department's last cross-cutting study of resource allocation are now 14 years old and reflect ESEA programs and provisions that existed prior to the 2016 reauthorization. For IDEA, which was not included in the 2004-05 cross-cutting study, the most recent collection of detailed fiscal data was conducted by the Center for Special Education Finance (CSEF), which was discontinued in 2004. Choosing not to conduct this data collection at this point in time would leave policymakers, educators, and the public with very dated information about the distribution and uses of federal funds

³ Fiscal data were more recently collected for the Title I Part A program as part of the Department's study of Title I schoolwide and targeted assistance programs, which collected such data for 2015-16. However, that study focused on comparing school-level uses of funds between schoolwide programs and targeted assistance programs and did not provide a holistic picture of all local uses of Title I funds; also, it did not include Title I funds provided through School Improvement Grants under Section 1003.

in school districts and schools across the nation. In addition, because previous studies were conducted prior to the most recent reauthorizations of *ESEA* and *IDEA*, a consequence of not conducting the proposed study is that available information on the uses of federal education funds will not reflect current policy goals and priorities.

In addition, there is an immediate need to understand how schools and districts are being supported with federal funding in the time of a pandemic. To understand the effect of the pandemic on school spending, data must be collected that reflect pre-pandemic, during the pandemic, and post-pandemic spending. The timing of this study and the planned data collection present a unique opportunity to observe how districts and schools utilize additional emergency funds and existing flexibilities to meet the needs of their students.

7. Special circumstances

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

8. Federal Register announcement and consultation

a. Federal register announcement

A 60-day notice to solicit public comments will be published in the *Federal Register*.

b. Consultations outside the agency

A Technical Working Group (TWG) of expert researchers and practitioners will be formed to provide feedback on the study design, data collection instruments, analysis methods, and reporting. The study team will review and consider all input from this group (and others who provide comments) and revise the design and methods as appropriate.

9. Payment or gift

No payment or gift will be provided to state, district, or school staff who participate in this study.

10. Assurances of confidentiality

Other than the names and contact information for the fiscal data coordinators, which is information typically already available in the public domain (i.e., state, district, and school websites), no data collected will contain personally identifiable information. No names and contact information will be released.

Responses will be used for research or statistical purposes. The following language is included in data collection instruments under the Notice of Confidentiality:

Information collected for this study comes under the confidentiality and data protection requirements of the Institute of Education Sciences (The Education Sciences Reform Act of 2002, Title I, Part E, Section 183). Responses to this data collection will be used only for statistical purposes. The reports prepared for the study will summarize findings across the sample and will not associate responses with a specific district or individual. We will not provide information that identifies you or your district to anyone outside the study team, except as required by law.

Extant data and documents to be collected from states are public information and therefore we are not promising to keep those data confidential. However, individual respondents will not be identified.

The Education Sciences Reform Act of 2002, Title I, Part E, Section 183 of this Act requires, “All collection, maintenance, use, and wide dissemination of data by the Institute” to “conform with the requirements of section 552 of title 5, United States Code, the confidentiality standards of subsection (c) of this section, and sections 444 and 445 of the General Education Provision Act (20 U.S.C. 1232g, 1232h).” Respondents will be assured that confidentiality will be maintained, except as required by law.

Specific steps to protect confidentiality include the following:

- Identifying information about respondents (e.g., respondent name, address, and telephone number) will not be entered into the analysis data file, but will be kept separate from other data and will be password protected. A unique identification number for each respondent will be used for building raw data and analysis files.
- Access to the sample files will be limited to authorized study staff only; no others will be authorized such access.
- All members of the study team will be briefed regarding confidentiality of the data.
- Most data will be entered via the web systems. However, a control system will be established to monitor the status and whereabouts of any hard copy data collection instruments during data entry.
- All data will be stored in secure areas accessible only to authorized staff members. Computer-generated output containing identifiable information will be maintained under the same conditions.
- Hard copies containing confidential information that is no longer needed will be shredded.

11. Justification for sensitive questions

This study does not require submission of sensitive data. All data are publicly available, but require a request to obtain.

12. Estimate of burden hours for respondents

The burden hours estimated in the table below includes all data collection activities that require time of study participants outside the study team. The estimates reflect both the collection of *State Extant Data* that OMB previously approved on June 24, 2020 (OMB 1850-0951), and the new request to collect fiscal and personnel data collection from the sample of 400 districts, as well as additional state suballocation data for the CARES Act funds appropriated in December 2020 and March 2021.⁴

The *fiscal and personnel data* collection will capture four years of data for for the 2018-19, 2019-20, 2020-21, and 2021-22 school years. These data will be collected at three points in time: the first round will request data for SY 2018-19 and SY 2019-20; the second round will request data for SY 2020-21; and the third round will request data for SY 2021-22.

⁴ Plans for interviews in a subset of districts will be covered in a future OMB clearance request.

For the current request, the number of targeted respondents is 451 and the expected number of responses for each round of data collection is 391. The total burden is estimated at 6,197 hours, or an average of 2,066 annual burden hours calculated across 3 years of data collection. Based on an average labor cost of \$45 per hour, the cost burden for this information collection is estimated as \$278,865.

For the full information collection, including both the previously approved request and the current request, the number of targeted respondents is 859, the expected number of responses is 799, total burden hours are 7,217, and the cost burden is \$324,765.

Exhibit 2. Burden hour estimates for data collection

Respondent category	Number of targeted respondents	Expected response rate (%)	Expected number of responses	Estimated burden per respondent	Total burden hours	Total cost burden
State extant data (50 states and D.C.)						
• SEA suballocation data for ESEA and IDEA programs; contact information for LEA program coordinators	306	100%	306	3 hours	918	\$41,310
• SEA suballocations and LEA contacts for initial CARES Act funding appropriated in March 2020	51	100%	51	1 hour	51	\$2,295
• State chart of accounts	51	100%	51	1 hour	51	\$2,295
Subtotal (previously approved)	408		408		1,020	\$45,900
Fiscal and personnel data (400 districts)	400	85%	340	6 hours x 3 rounds of data collection	6,120	\$275,400
State extant data (50 states and D.C.)						
• SEA suballocations for additional CARES Act funding appropriated in December 2020 and March 2021	51	100%	51	1.5 hours	77	\$3,465
Subtotal (current request)	451		391		6,197	\$278,865
Total cost burden	859		799		7,217	\$324,765

13. Estimated cost burden for respondents

There is no capital or start-up cost component to these data collection activities, nor is there any operations, maintenance, or purchase cost associated with the study.

14. Annualized costs to the federal government

The total cost to the federal government for this study is \$2,789,191. The annualized cost over five years is \$557,838.

15. Program changes in burden/cost estimates

This is a revision of a currently approved collection. A data collection instrument for requesting states to provide suballocation data and program officer contact information was part of early evaluation

activities that were approved under the previous submission (OMB 1850-0951). For that request, the estimated burden was 1,020 hours, or \$45,900.

This package requests approval for the remaining data collection instrument for collecting fiscal and personnel data from the sample of school districts as well as an additional round of state suballocation data. The additional burden associated with these data collection instruments is 6,197 hours, or \$278,865. This brings the total estimated burden to 7,217 hours, or \$324,765.

16. Plans for tabulation and publication

The study will produce up to six brief reports as described in the table below.

Product	Data to be used	Questions to address
Report #1: Targeting of CARES Act funds	Suballocation data	<ul style="list-style-type: none"> • Are the CARES Act funds well targeted to needy districts? • Are the funds reaching the most COVID-affected districts? • How much are the CARES Act funds boosting the federal investment for the average district? For the most needy districts and the most COVID-affected districts?
Report #2: Targeting and uses of ESEA and IDEA funds	Fiscal and personnel data for SY 2018-19, 2019-20 Suballocation data for SY 2018-19, 2019-20, and 2020-21	<ul style="list-style-type: none"> • Do key federal funds reach needy districts? • Do they pay for different core functions? (e.g., instruction, instructional support, student support, administration) • What share of school staff do these federal funds support? Do the programs differ in the share of funds spent on salaries and benefits for teachers, aides, related service providers, administrators, and other staff? • Did districts make use of waivers to carry over more than 15% of their federal funds from SY 2019-20 to SY 2020-21? • To what extent do districts use the transferability authority to transfer funds between federal education programs? What do they transfer funds from and to?
Report #3: Uses of IDEA funds	Fiscal and personnel data for SY 2018-19, 2019-20	<ul style="list-style-type: none"> • How do districts use IDEA funds in conjunction with other federal, state, and local funds to meet the needs of students with disabilities?
Report #4: [OPTION] Uses of CARES Act funds	Fiscal and personnel data for SY 2018-19, 2019-20	<ul style="list-style-type: none"> • To what extent did the CARES Act funds help fill gaps in state or federal funds? • How much of these funds did districts spend on various functional categories? (e.g., instruction, instructional support, student support, administration)
Report #5: [OPTION] Uses of Title IV funds	Fiscal and personnel data for SY 2021-22	<ul style="list-style-type: none"> • How much of their Title IV funds do districts spend on various activities intended to support well-rounded educational opportunities, safe and healthy students, and effective use of technology?

Product	Data to be used	Questions to address
<p>Report #6: [OPTION] Changes in district revenue and spending patterns during and after the COVID-19 pandemic</p>	<p>Suballocation & fiscal and personnel data: SY 2018-19, 2019-20, 2020-21, 2021-22</p>	<ul style="list-style-type: none"> • How much did federal programs increase district and school funding levels before, during, and after the COVID-19 pandemic? • Did districts change how they used federal program funds during and after the pandemic? • To what extent did districts make use of flexibility offered under ESEA, IDEA, and the CARES Act?

The study team will use descriptive methods to tabulate the data as well as subgroup analyses to provide additional information about how funding varies within and across various school level characteristics. For example, the study will document (and statistically test for) differences between rural and urban public schools in how they support children with disabilities. The study will also examine funding breakdowns by school level and topics applicable only to specific school levels, such as preschool inclusion for elementary schools or post-high school transition planning for secondary schools.

Study reports will use plain language and design graphical displays to be understandable to a broad audience of policymakers and practitioners. Each report will be consistent with IES requirements and comply with Section 508 accessibility requirements.

17. Expiration date omission approval

Not applicable. All data collection instruments will include the OMB data control number and data collection expiration date.

18. Exceptions to the certification statement

Not applicable. There are no exceptions requested.