

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 2019, public elementary-secondary expenditures accounted for 35 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.

In response to a demand by policymakers, legislatures, and the general public for timely and accurate financial data concerning federal assistance funds made available to public elementary-secondary school systems as a result of the COVID-19 pandemic, new data items were added to the Annual Survey of School System Finances in fiscal year (FY) 2020 and FY 2021 to collect data on revenues and expenditures from these extraordinary

funds. In FY 2020 six revenue and six expenditure items were added to the survey to collect data on various funding sources and expenditure categories for the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. In FY 2021 the survey was further expanded to account for new COVID-19 relief legislation, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP). Four new revenue items were added to the survey (along with the removal of two obsolete revenue items related to the CARES Act) and two new expenditure items were also added to expand the number of expenditure categories for COVID-19 federal assistance funds collected on the survey.

The future revisions, which will be incorporated in the FY 2022 collection scheduled for mailing in January 2023, propose to expand the collection of expenditure data for COVID-19 federal assistance funds. The CARES Act established several relief funds that would be made available to school systems, including the Elementary and Secondary School Emergency Relief (ESSER) Fund, the Governor's Emergency Education Relief (GEER) Fund, and the Coronavirus Relief Fund (CRF). Subsequent legislation such as the CRRSA and the ARP further funded these sources and established additional funds made available to school systems, including the ARP Act Coronavirus State and Local Fiscal Recovery Funds. In response to these various funds being established and utilized by school systems and a demand for information on how public school systems are expending these funds, 21 new data items are proposed to be added to the survey to collect data on expenditures from these funding sources. Three data items collecting data for current expenditures, instructional expenditures, and capital outlay expenditures are proposed for seven different sources of funds for a total of 21 new data items.

In addition to the revisions being proposed for the Annual Survey of School System Finances, NCES will be proposing that identical data items be added to the National Public Education Financial Survey (NPEFS) (OMB No. 1850-0067) as was done in FY 2020 and FY 2021. The NPEFS is a state-level financial survey conducted by NCES for public school systems in the United States and is collected concurrently with the Annual Survey of School System Finances by the U.S. Census Bureau. The NPEFS utilizes many of the same data items and terminology as the Annual Survey of School System Finances and is completed by many of the same state coordinators in the various state education agencies (SEAs).

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 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, 17 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-four states reformat state-specific data files into the Census Bureau's format prior to submitting the data electronically to the Census Bureau. Copies of the FY 2022 form with pending revisions, the FY 2022 announcement letter and the FY 2022 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). Annual Survey of School System Finances 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 35 percent of all local government spending in 2019, 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 2020 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 Annual Survey of School System Finances data 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 where the survey is known as the School District Finance Survey. 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 Annual Survey of School System Finances 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 FY 2022 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 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, however, obtains only

state totals for revenue and expenditure items, while the Annual Survey of School System Finances data collection focuses on the individual school systems. For this reason, data substitution is not a viable option. Further, in 2012 the Census Bureau and NCES re-evaluated the feasibility of consolidating the NPEFS and Annual Survey of School System Finances 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 Annual Survey of School System Finances 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 17 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 data items on the F-33 survey form.

##### 6. Consequences of Less Frequent Collection

Elementary-secondary education activity accounts for approximately 35 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 April 28, 2022 (Volume 87, Number 82, Pages 25219-20) inviting comments on our plans to submit a request to modify the Annual Survey of School System Finances, including adding new data items for the CARES Act in response to the COVID-19 pandemic. We received one comment generally opposing the collection.

We also received a letter of support from BEA (see Appendix C). We thank BEA for its continued support of this program.

Census Bureau staff consults frequently about the Annual Survey of School System Finances data collection with survey data suppliers and users. We are in continual contact with the NCES to discuss their needs and requirements in conducting this survey. We are also in contact with other government agencies, educators, and school administrative staff at the state and school district levels.

#### 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 93.5 hours for SEA’s that use the Census F-33 form format and 16.5 hours for SEA’s that submit their own state specific data files. The new items and revisions to the FY 2022 collection are estimated to add 3.5 hours to the burden for Census F-33 format and 1.75 hours for SEA’s that submit their own state-specific data files for a total of 97 and 18.25 hours respectively. This additional burden, for the most part, will be in the first year when states are modifying their chart of accounts and crosswalk coding. The burden for the supplemental forms remains .25 hrs. The number of respondents for the supplemental forms is based on the number of forms that were mailed for the FY 2021 collection. The total burden is 4,465 hours (3608.25+856.5 [rounded]). The total estimated cost is \$139,880.64 (\$116,438.23+ \$23,442.41). Tables 1 and 2 show the calculations of respondent burden and cost.

Table 1. Annual Survey of School System Finances Estimated Respondent Burden Hours			
Submission Method or Form Type	Number of Respondents	Estimated Hours Per Respondent	Estimated Total Respondent Burden Hours
Central collection of data in Census-format	34	97	3298
Central collection of data in SEA-format	17	18.25	310.25
<b>TOTAL</b>	51		<b>3608.25</b>
Form F-33-L1	90	0.25	22.5
Form F-33-L2	1697	0.25	424.25
Form F-33-L3	1639	0.25	409.75
<b>TOTAL</b>	3630		<b>856.5</b>

Table 2. Annual Survey of School System Finances Estimated Respondent Cost			
Submission Method or Form Type	Estimated Total Respondent Burden Hours	Estimated Cost Per Burden Hour *	Estimated Total Respondent Cost

Central Collection: Census-format	3298	\$32.27	\$106,426.46
Central Collection: SEA-format	310.25	\$32.27	\$10,011.77
<b>TOTAL</b>	3608.25		<b>\$116,438.23</b>
Form F-33-L1	22.5	\$27.37	\$615.83
Form F-33-L2	424.25	\$27.37	\$11,611.72
Form F-33-L3	409.75	\$27.37	\$11,214.86
<b>TOTAL</b>	907.5		<b>\$23,442.41</b>

\*Note for Table 2: “Estimated cost per burden hour” is based on data from the 2020 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 FY 2022 is approximately \$1.5 million. The cost will be similar for fiscal years 2023 and 2024.

### 15. Reason for Change in Burden

The change in burden is due to the aforementioned revisions to the survey content and fewer supplemental survey forms being sent to individual school systems. Total burden increased by 98 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 2023

Feb 2023 – March 2024

May 2024

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 2022 North American Industry Classification System (NAICS).