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December 6, 2022

Mark Schneider  
Director of the Institute of Education Sciences (IES)  
550 12th Street SW  
Washington, DC 20024

Dear Director Schneider,

[Knowledge Alliance](#) (KA), a non-partisan, non-profit organization, is comprised of 19 leading education organizations committed since 1971 to the greater use of high-quality and relevant data, research, evaluation and innovation in education policy and practice at all levels. As a coalition, we recognize and applaud the U.S. Department of Education (ED) and the Institute of Education Sciences (IES) for identifying the need for equitable data collection in education, particularly school finance data, through the [proposed changes](#) to the School Level Finance Survey (SLFS). Finance data is an important tool to ensure students have equitable opportunities to succeed. As providers of training, technical assistance, professional learning and other supports and services to build State capacity to provide high-quality education for all students, particularly those in LEAs and schools with low rates of performance, our members are actively developing resources that can help guide conversations about district spending decisions and how they can benefit students.

**KA is hearing from the field some challenges and potential unintended consequences regarding the [recently](#) proposed changes to the SLFS. We encourage ED to put together more stakeholder engagement around the proposed changes and take the necessary time to learn more about the potential impact of the proposed changes in an effort to move forward in a way that minimizes the burden on states and the potentially negative effect on current federally funded financial equity work.**

While KA did not submit a comment regarding the proposed changes to SLFS, KA members took note of the [approximately 50 comments](#) from concerned States, advocacy organizations and individuals earlier this week, noting how changes to the SLFS would burden them and hinder their financial equity work. While the National Center for Education Statistics (NCES) conducted a [pilot](#) of a school-level finance data collection to “analyze the ability of State educational agencies (SEAs) to conform data submissions using their own format to the variables on the SLFS survey,” only one third of states (17) participated in that Pilot (all 51 SEAs were eligible to voluntarily submit data). Meanwhile, comments submitted by 24 SEAs or LEAs regarding the impact of the proposed SLFS changes specifically noted that they did not participate in the NCES pilot because “the burden was too high.” These comments raise concern that the findings of the NCES Pilot survey could potentially be systematically different for non-participating states and bias the findings of the impact of the proposed changes to the SLFS for SEAs and local educational agencies (LEAs).

we took note of the comments made by 20 states (Alaska, California, Delaware, Illinois, Kansas, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota,

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Pennsylvania, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin) that the proposed changes to the SLFS would compromise Elementary and Secondary Education Act (ESEA) school-by-school finance data. An extract of the comment submitted by the Virginia Association of School Administrators noted:

Forcing states to focus on SLFS could compromise other existing data collection efforts. In 2015 Congress passed ESSA, which required states to report expenditures school by school on their report cards. Because the financial collections [SLFS and ESSA] are different, we [VA] could not continue collecting the ESSA data (which is built on our existing accounting systems) while also producing the SLFS data (which would mean adopting a new accounting system).

The ESEA school finance data is presently the only national data available on school finance equity and many stakeholders are invested in these data. For example, the National Comprehensive Center (NCC) is using the ESEA data as the basis for its finance equity work. ED, through OESE (with significant interest and support from Office of State Support and Accountability) has invested substantial resources in communicating about financial equity through the [Comprehensive Center Network](#), and specifically, through supplemental funding to the National Comprehensive Center. A product of that work is a new tool called the [School Spending & Outcomes Snapshot](#) (SSOS). This tool can be used to download data displays and resources that can help guide conversations about district spending decisions and their benefits for students. The tool is built based off of a Pilot that involved 26 LEAs in 20 states on the use of ESEA finance data to inform decision-making. The National Center's current scope of work, in Year 4 of their Cooperative Agreement with ED, includes working with the entire Comprehensive Center Network to foster the use of this tool throughout the nation.

KA strongly encourages ED to convene a diverse group of stakeholders to review how proposed changes to SLFS would impact SEAs, LEAs, ESEA finance data and current ED funded work. This request is founded in KA membership's desire to protect existing evidence and continue the ongoing work on financial equity while moving forward with the proposed SLFS changes. Thank you for considering these requests.



Rachel Dinkes  
Knowledge Alliance