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April 21, 2023

James Lane
Assistant Secretary
Office of Elementary and Secondary Education (OESE)
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Assistant Secretary Lane,

[Knowledge Alliance](#) (KA), a non-partisan, non-profit organization, is composed of 21 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 are an important tool supporting efforts 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 local educational agencies (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 appreciates that IES has modified the initial SLFS proposal to acknowledge more burden and to phase the plan in with fewer variables for school year 2021-22. At the same time, KA continues to hear from the field that the revised instrument will still result in challenges and potential unintended consequences. KA continues to encourage the Office of Management and Budget (OMB) and ED to engage in more stakeholder engagement, take the necessary time to learn more about the potential impact of the proposed changes, and then 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 comments regarding the original proposal for changes to the SLFS, KA members took note of the [approximately 50 comments](#) from concerned States, advocacy organizations and individuals on the first notice of the proposed changes, 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 (even though all 51 SEAs were eligible to submit data). Meanwhile, comments submitted by 24 SEAs and LEAs 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 were not representative of all states and could present a biased estimate of the impact of the proposed changes on SEAs and local educational agencies (LEAs).

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KA also took note of the comments made by 20 states (Alaska, California, Delaware, Illinois, Kansas, Michigan, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, 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. For example, 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 those data. For example, the National Comprehensive Center is using the ESEA data as the basis for its finance equity work. ED, through the Office of Elementary and Secondary Education, 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 its Cooperative Agreement with ED, includes working with the entire Comprehensive Center Network to foster the use of this tool throughout the nation. This is just one example of the investments being made in collecting, refining, and using the OESE data that could be severely jeopardized if an additional, incompatible SLFS system were put in place at this time.

KA strongly encourages OMB and 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 efforts and continue the ongoing work on financial equity while, as necessary, moving forward with the SLFS changes. Thank you for considering these requests.



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Knowledge Alliance

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