

Wednesday, June 28, 2107

Subject: Letter from Acting Assistant Secretary Botel re: Per-Pupil Expenditure Reporting

Dear Colleague:

Thank you for your continued efforts to implement the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). To help facilitate this process and ensure a smooth transition to the new law, I am writing to inform you that the U.S. Department of Education (Department) will provide State educational agencies (SEAs) and local educational agencies (LEAs) an additional year to implement the new requirement under Title I, Part A of the ESEA to include on annual State and LEA report cards per-pupil expenditures of Federal, State, and local funds for each LEA and school for the preceding fiscal year, disaggregated by source. In addition, I would like to highlight steps the Department is taking to support SEAs and LEAs in implementing this important new requirement.

Timeline for Implementation

While the Department recognizes that some SEAs and LEAs are prepared to include per-pupil expenditure information on annual report cards for reporting on the 2017-2018 school year, and encourages those SEAs and LEAs to move forward with expediency, we recognize that many SEAs and LEAs face significant technical challenges associated with meeting this requirement in a timely manner. Therefore, consistent with section 4(b) of the ESSA, which authorizes the Department to ensure an orderly transition to the new law, an SEA and its LEAs may delay, until the 2018-2019 school year, reporting information on per-pupil expenditures of Federal, State, and local funds on annual report cards as required under section 1111(h)(1)(C)(x) and (h)(2)(C) of the ESEA. If the SEA elects to delay reporting per-pupil expenditures, the SEA and its LEAs must provide on report cards for the 2017-2018 school year a brief description of the steps the SEA and LEAs are taking to ensure that information on per-pupil expenditures will be included beginning with report cards for the 2018-2019 school year.

The Department anticipates the additional year will allow SEAs and LEAs to update systems and processes in a manner that ensures the public has access to accurate and reliable data on school spending. In particular, it provides additional time to those SEAs and LEAs who are building statewide systems to support school-level reporting of expenditures. Please note, however, that SEAs and LEAs are required to disseminate annual State and LEA report cards with all other required information as specified in the ESEA, as amended by the ESSA, for the 2017-2018 school year.

Additional Support

The Department recognizes that reporting per-pupil expenditures on State and LEA report cards will improve the availability of school spending information to parents, students, teachers, school leaders, researchers, and the public. Given the importance of this information, the Department is

committed to supporting SEAs and LEAs as they move forward with implementation of this requirement.

In the short term, the Building State Capacity and Productivity Center (BSCPC), one of seven national content centers supported under cooperative agreements with the Department, is supporting a financial transparency working group to provide support and resources to States on their financial transparency efforts, including reporting on per-pupil expenditures. Most recently, BSCPC held a webinar that outlined the per-pupil expenditures reporting requirement and clarified how SEAs and LEAs can meet this requirement. Materials from the webinar, and other resources related to financial transparency, can be found at <http://www.bscpccenter.org/FinancialTransparency.1> Additionally, the State Support Network, a technical assistance initiative offered by the Department, is available to States looking for individualized technical assistance or opportunities to participate in communities of practice on topics of interest. Information about the State Support Network can be found at <https://statesupportnetwork.ed.gov/>.

In the long term, the Department plans to review and revise non-regulatory guidance on State and LEA report cards, including on per-pupil expenditure reporting. The Department also encourages SEAs to contact the BSCPC or their regional Comprehensive Centers (see list [here](#)) for additional assistance in this area. Finally, the National Center for Education Statistics, through its work administering the National Public Education Financial Survey (NPEFS) and School District Finance Survey (F-33), will continue to support State fiscal coordinators with regular technical assistance, including through the administration of the School-Level Finance Survey (SLFS), a school-level reporting pilot, which is currently helping States test whether systems and processes are sufficient for accurate statewide reporting of expenditure data.

Thank you for the work that you continue to do for a successful transition to the new law. If you have any questions or need additional information, please contact your Office of State Support program officer at [OSS.\[State\]@ed.gov](mailto:OSS.[State]@ed.gov) (e.g., OSS.Nebraska@ed.gov).

Sincerely,

Jason Botel
Acting Assistant Secretary

cc: State Title I Directors
State Fiscal Coordinators

^[1] This webinar was created by BSCPC, and the Department does not control or guarantee the accuracy, relevance, timeliness, or completeness of the information contained in these materials. This link is being provided for information purposes only. The inclusion of these materials is not intended to reflect its importance, nor is it intended to endorse any views expressed, or products or services offered. The opinions expressed in any of these materials do not necessarily reflect the positions or policies of the Department.