



A MOMENT OF (EARLY) TRUTH: TAKING STOCK OF SCHOOL-BY-SCHOOL SPENDING DATA

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Nearly five years ago, a small but consequential provision in the Every Student Succeeds Act (ESSA) got stacked into a pile of new things states need to do. For the first time, states were required to make public¹ per-student spending for *every school in the country* (versus the usual district and state per-pupil averages, which can mask big school-by-school spending differences). The hope was that the data would be a game changer in that it would prompt districts to re-examine how they spend dollars across schools, with more intention paid toward equity and improving education. But big questions and concerns emerged: Could states pull off the data task? Would the data be any good? Would it be useful and usable? Would it spark widespread political havoc? Now, with the June 30, 2020, reporting deadline in the rear-view mirror, we offer first-cut answers to the early headliner—and newly emerging—questions.

Were states able to assemble the per-pupil spending data by school?

Generally, yes. Early on, even state leaders themselves doubted whether they could gather spending by school. Because states had never before been asked to compile spending at the school level, district and state accounting norms and software were all built around district and state—not school-level—spending. Some states didn't even know if their accounting software had enough fields to add a school code. To get the job done, some states had to devise new reporting and/or accounting protocols, train district leaders in how to assemble financials for reporting, and/or hire vendors to assemble and display the data. But to date, 42 states and D.C. have managed to assemble and report spending data by school, with 8 more expected in the coming months. In other words, a clear majority of states pulled off the challenge.²

Are the data any good?

Generally, yes. So far, they seem to capture total spending by school—including *actual* salaries in the building, not district *average* salaries—as the law ambitiously requires. And, it doesn't look like districts have left out big spending buckets, like student support services or benefits, as many initially worried they would. Importantly, the ESSA data collection sidesteps the accuracy problem plaguing another federal data collection that includes some school-level spending figures (namely, the Civil Rights Data Collection, or CRDC). The CRDC data has been criticized as unreliable because its spending variables do not align with state accounting categories, which means the reported numbers could have different meaning from state to state depending on localized accounting systems or best guesses of what to report. But the ESSA collection let states use their own spending codes so districts answer more consistently and, therefore, more accurately.

It also looks like all the states published so far have followed key elements of the [Interstate Financial Reporting \(IFR\)](#), a set of voluntary, minimal reporting criteria created by states, and did report all annual operating spending (meaning they did not leave out any relevant buckets of money).

States and districts also had to craft a procedure for parsing central or shared expenses, and this is where things got a bit dicier. Typically those costs were divided up across schools based on the number of pupils at each. Some 27 states opted to follow the IFR guideline that calls for separating and reporting the school's share of central spending (like for the district human resources department or the superintendent's salary) and spending at the school site itself.³

Bottom line: A few states have released data that are incomplete or contain errors and more will likely surface over time. But at first blush, in most states the data offer a solid first look at how districts divvy up their dollars among schools.

Is it true that states are burying these data, as some originally worried?

In summer 2019, after looking at the emerging online data displays, a U.S. Education Department official suggested that most states were trying to hide their data because they worried it would only confuse the public and cause problems (worries also shared by many districts). While it seems unlikely that states are intentionally hiding the numbers (many have worked hard to maximize the value of their data efforts), they're often hard to find on states' online portals. In some states, we've counted up to nine clicks to get to the data—not exactly user friendly and seamlessly transparent.

Can we see how the money is used at each school?

No. The law was never designed to capture this, only the total amount spent per pupil by school. Those expecting

1. On annual (online) school and district report cards.

2. Thirty-nine states and D.C. met the June 30, 2020 deadline; three more states have reported as of July 13.

3. Some districts may simply divvy up expenditures on a per-pupil basis and assign dollars to schools based on their enrollment. Districts can, and likely did, spread shared costs back to schools in different ways in the data.

to see how much is spent on textbooks or teachers may be disappointed. Some states do go beyond the federal requirement to provide detailed categories like instruction or personnel. But that's not the norm. That said, having total spending by school for every school in the nation is a quantum leap forward.

Can the data be used to explore spending equity?

Advocates had hoped the data would force districts to focus on (and rethink, where needed) how they divvy up funds across their schools. While the data are perfect for within-district spending comparisons, most states didn't seem to prioritize that focus in developing their online portals. Just nine have set up their sites to let users compare spending across all of a district's schools.⁴ Doing so makes it easy for local school boards and others to see at a glance which schools get the least and which get the most—and expose patterns of systemic inequity. But for the vast majority of states, the data visualization options don't display these comparisons. Seven states restrict comparisons to only a few schools at a time. And in most states (27), users can only see spending for one school at a time. If users want to compare spending across schools in a district, it's on the users to download a data file (or several files) and run the comparison themselves.

Comparisons across *states* require some caution. Because states count pupils (the denominator in the per-student spending figure) differently, with some using total students attributed to a school (membership) while others use attendance figures, some adjustments need to be made in some states before comparisons are meaningful. In general, comparing *total* school-level spending in schools across states is doable but requires a converter.⁵

What about districts' fears that the reporting would wreak political havoc and widespread confusion?

While a storm may be brewing, it hasn't hit yet (and of course, pandemic-related topics have taken center stage). When district leaders got wind of the ESSA data provision four-plus years ago, they issued a litany of warnings. Public reporting of school-by-school spending would stoke conflict between school communities; confuse the public about what drives schooling costs; lack the context needed to avoid misleading or false conclusions; and be used (perhaps irresponsibly) to advance various political or policy agendas. But, to date, the data's [impact](#) seems muted. Screaming headlines about spending disparities between schools or bloated overhead costs have been scarce. And civil rights groups find themselves prodding state officials to better publicize the data and urging reporters and local advocates to dig into the data.

So, is anyone using the data?

Not much. Not yet, anyway. Again, some (but not all) of that muted response may be attributed to the pandemic. A state in our financial transparency working group recently told us that in the two years the state's data has been posted, the state agency has fielded just two calls about it.

But the issue of data usage begs the question: Who is the user around which the state has designed its data display? Some states have focused on parents, who tend to be interested in the individual schools their children attend. But district leaders and local school board members are likely to want to easily explore all schools in the system. Most states don't let users compare *all* schools at once and that may be partly why, so far, few local school boards are examining data when drafting their districts' budgets.

So, while the data are both useful and usable, many states have work to do to make them easily accessible for use in district decision-making. For those hoping to raise the appetite for the data or the hoped-for community conversations around how best to use limited resources on behalf of students, the logical next step is to make sure this valuable data is presented in a way that helps ensure it gets used.

How can leaders use these data *now* to help them with pressing financial decisions in the wake of the pandemic-triggered financial crisis?

It's hard to think of a time when education leaders need financial data more as they grapple with tough financial decisions for schools. These data can daylight schools that were shortchanged well before the pandemic so district leaders can prioritize their protection from cuts (or at least lessen the blow). As the data are framed in per-student terms, they can help district leaders weigh any budget cuts in per-student effects. Leaders at all levels can use the data to focus attention on the active role districts play in spending decisions and identify schools and districts that are particularly vulnerable to [financial turmoil](#).

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Edunomics Lab is a university-based research center dedicated to exploring and modeling complex education fiscal decisions and growing the capacity of education leaders on the topic of education finance. The Edunomics Lab is affiliated with the McCourt School of Public Policy at Georgetown University.

4. Illinois stands alone in providing spending comparisons within each district, across districts, and enabling side-by-side comparison of school spending and outcomes.

5. Edunomics Lab is building just such a converter as part of an Institute of Education Sciences-supported national school spending data archive designed to capture and make the ESSA data usable for research, policy, and practice.