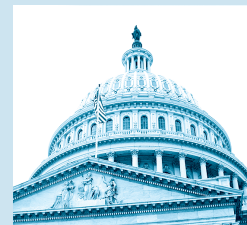


Appendix A

Federal Dollars for Education and Data Requirements



Federal Dollars for Education

The federal government distributes well over \$40 billion annually to schools and school districts, accounting for less than 10 percent of the money spent on public education.

These federal dollars are distributed through both formula and discretionary grants. Formula grants are distributed through a defined formula for allocating funds to eligible recipients (e.g., states or school districts). More than 90 percent of federal funds for public elementary and secondary education are distributed through formula grants. Discretionary grants are awarded competitively and are based on the requirements of the specific granting program.

Data are used to determine eligibility and allocation for federal funding to schools and school districts. How these data are used varies according to the program under which federal funds are distributed. A list of the programs within the U.S. Department of Education is on the Department's website at: <http://web99.ed.gov/GTEP/Program2.nsf>. Links to individual programs are also on the site. These program links provide more information on data used, as well as eligibility and allocation criteria for the specified program. A current listing of U.S. Department of Education programs is available at the Catalog of Federal Domestic Assistance (CFDA) website, <http://12.46.245.173/cfda/cfda.html>.

The U.S. Department of Agriculture and the U.S. Department of Health and Human Services operate large programs that provide funds to public elementary and secondary schools. The Food and Nutrition Service within the U.S. Department of Agriculture operates the following food service programs (as of June 2005):

- School Lunch Program;
- Seamless Summer;
- School Breakfast Program;
- Special Milk Program;
- Team Nutrition; and
- Summer Food Service Program.

More information on these programs, including eligibility and data requirements, can be found on the Food and Nutrition Service website at: <http://www.fns.usda.gov/cnd/>.

The Administration for Children and Families within the U.S. Department of Health and Human Services operates the Head Start and other related programs. More information on these programs, including eligibility and data requirements, can be found on the Head Start Bureau website at: <http://www.acf.hhs.gov/programs/hsb/>.



Data Requirements

Each specific program has its own eligibility requirements and allocation methods.

Eligibility Requirements

Eligibility requirements establish which school districts or education programs are eligible to receive funds for a specific program. For example, in order to be eligible to receive Basic Grants under Title I, Part A, a school district must have at least 10 children who are within 1 or more of the 4 categories of eligibility listed below, and that number must represent more than 2 percent of its 5- to 17-year-old population.

- 1) Families with incomes at or below the poverty level (according to the U.S. Department of Commerce);
- 2) Families with incomes above the poverty level, but who receive local assistance through Part A of Title IV of the Social Security Act (i.e., Temporary Aid to Needy Families) (according to the U.S. Department of Health and Human Services);
- 3) Institutions for neglected and delinquent children that local governments administer (according to the U.S. Department of Education); and/or
- 4) Foster homes in which the foster parents receive payments from a state or county for the children's support (according to the U.S. Department of Health and Human Services).

In addition to the specific program eligibility requirements, school districts must also meet the U.S. Department of Education's maintenance of effort (MOE) requirements. For the Title I program, the MOE requirement is that the total current expenditures for public elementary and secondary education from state and local revenues be 90 percent or greater than they were for the previous year. Either the full dollar amount has to be 90 percent of the prior year full dollar amount, or the expenditure per pupil amount has to be 90 percent or greater than the prior year per pupil expenditure. Several other programs must also meet MOE requirements, which are presented in detail within each program's regulations. In most cases, the state education agency is responsible for ensuring that MOE requirements are met.

Regulations regarding data maintenance requirements are established in the Education Department General Administrative Regulations (EDGAR). These are presented in Title 34 CFR (Code of Federal Regulations), maintained by the Office of the Chief Financial Officer. The Title 34 code and other information related to these requirements can be found on the EDGAR website at: <http://www.ed.gov/policy/fund/req/edgarReq/edgar.html>.

Allocation Requirements

Allocation methods for distributing federal funds are unique to each formula grant program, and are dependent on different data. In most cases, the only finance data that are used is the state per pupil expenditure from the Common Core of Data's (database) National public Education Financial Survey. Other data come from other surveys by the federal government. For example, the allocations of Title I funds to school districts use the following data elements:

Counts of children aged 5-17 living in families at or below the poverty level, from the Census Bureau, U.S. Department of Commerce.

Number of neglected and delinquent children in each state, reported by state education agencies to Student Assistance and School Accountability (SASA), U.S. Department of Education.



Number of migratory children in each state, reported by state education agencies to Student SASA, U.S. Department of Education.

Eligibility count of neglected, delinquent, and migratory children from religiously affiliated schools, data reported to Title I Office, U.S. Department of Education.

Per pupil expenditure for each state and territory, from NCES, U.S. Department of Education.

Per capita income for each state and territory, from the Bureau of Economic Analysis, U.S. Department of Commerce.

Counts of children aged 5-17: living in families receiving Temporary Aid to Needy Families, living in institutions for neglected and delinquent children; and living in foster homes, from the U. S. Department of Health and Human Services.

Counts of children aged 5-17 in the population at large, from the Census Bureau, U. S. Department of Commerce.

Per pupil expenditures for each school district, from NCES, U. S. Department of Education.

Total resident population in each school district, from the Census Bureau, U. S. Department of Commerce.

Preceding year's Basic and Concentration Grants, from SASA, U. S. Department of Education.

Appendix B

F-33 and NPEFS Data Elements and Key Calculations



The following information identifies specific data elements for key education finance calculations described in this guide. Calculations reflect those used by the NCES F-33 and National Public Education Financial Survey (NPEFS) data collections. Both data element account codes and codes for the respective surveys are included for reference.

Instruction Expenditures

Instruction expenditures are used for activities that are directly related to the interaction between teachers and students. In the NCES *Financial Accounting for State and Local School Systems* handbook (U. S. Department of Education 2003), a function code of 1000. Instruction expenditures include the salaries and benefits of teachers, teachers' aides, and substitute teachers. Supplies and materials used in the classroom are included, as are any purchased services used in the classroom. (Expenditures for utilities, maintenance, and upkeep of schools are reported as support services, not as instruction.) Instruction expenditures refer to current expenditures for instruction, unless specifically stated otherwise. Table 2 identifies the data elements that comprise instruction expenditures for the F-33 and the NPEFS data collections. The calculation for instruction expenditures is presented in the leftmost column.

Table 2: Instruction expenditures (all funds)

Data Element & Calculation	Function	Object	F-33		NPEFS	
			Object codes included	F-33 code	Object codes included	NPEFS code
Instruction =	1000			E13		STE1
Salaries +		100-199	100-199	Z33	100-199	E11
Employee Benefits +		200-299	200-299	V10	200-299	E12
Purchased Services (excluding tuition) +		300-550, 570-592	300-550, 570-592	Included in E13	300-550, 570-580	E13
Tuition (purchased services) +		562, 563, 565, 569	(see note)	V91, V92 (see note below)	562, 563, 565, 569	E14
Supplies +		600-699	600-699	Included in E13	600-699	E16
Miscellaneous or Unspecified Current Expenditures		800-899	800-899	Dues & fees (810) miscellaneous expenditures (890)	Dues & fees (810) miscellaneous expenditures (890)	E18

Note: The F-33 subtotal for instruction does not include capital outlay or property (object codes 700-799) or debt-related expenditures (830-840). Payments made by school districts to other school districts (object codes 560-569, and 590-592) are reported in payments to other school systems (Q11) and are excluded from the instruction subtotal. Tuition payments to private schools (V91) and tuition payments to charter schools (V92) are special exhibit items that consist of expenditures for students who are not included in the F-33 student count (V33). These expenditures are included in the F-33 instruction subtotal (E13).



The NPEFS subtotal for instruction does not include property (object codes 700-799) or tuition paid to other school districts in the state (object codes 561 and 564). Debt-related expenditures (object codes 830-840) are not assigned to functions 1000 to 3000, but are classified separately in function 5000.

Special note for F-33 calculation of per pupil expenditures for instruction

Instruction expenditures also include tuition payments to private schools (object code 563 and survey item V91) and payments to charter schools (object code 566 and survey item V92). For the purpose of calculating per pupil expenditures, these two payments should be subtracted from instruction expenditures. Further discussion of per pupil expenditures can be found later in this appendix. (See SPPE.)

F-33 per pupil expenditures for instruction are calculated as follows:

Per pupil expenditures for instruction = [Instruction expenditures (survey item E13) - tuition payments to private schools (item V91)- payments to charter schools (survey item V92)] / fall membership (survey item V33).

In the NPEFS survey, per pupil expenditures for instruction are calculated as: STE1 / MEMB07 where STE1 is the instruction subtotal and MEMB07, is the student membership for 2007. The last two digits of the student membership variable indicate the relevant fiscal year.

Current Expenditures

Current expenditures on the F-33 and NPEFS surveys consist of expenditures for the day-to-day operations of schools and school districts. These exclude expenditures for capital outlays, equipment, school construction, and debt service. Current operating expenditures for adult education, community services, private schools, etc., are not included in the current expenditures on the F-33 and NPEFS data files and reports. Current expenditures on the F-33 and NPEFS surveys are for program codes 100, 200, 300, 400, and 900, and function codes 1000, 2000, 3100, and 3200, as defined in the NCEs *Financial Accounting for State and Local School Systems* handbook. The object codes defining current expenditures vary with the survey.

F-33 Calculations

In the F-33 survey, current expenditures are calculated as follows:

Current expenditures = total current expenditures for instruction + total current expenditures for support services + total current expenditures for elementary and secondary noninstructional programs.

Within the survey, these components correspond to the following survey codes:

TCURELSC = TCURINST (item E13) + TCURSSVC (survey items E17, E7, E8, E9, V40, V45, V90, V85) + TCUROTH (survey items E11, V60, V65).

In the F-33 survey, current expenditures, item TCURELSC on the data file, are defined as objects 100-153, 200-293, 300-352, 400-490, 510, 520-550, 563, some of 566, 570, 580, 600-650, 810, and 890 from the NCEs *Financial Accounting for State and Local School Systems* handbook. Objects 511, 512, 561, 562, 564, 565, some of 566, 567, 590, 591, 592, and all 700 and 800 objects are excluded from current expenditures on the F-33. Some expenditures for object code 566 are included in TCURELSC. All expenditures paid to another



government agency are excluded from current expenditures, but are reported on the file as payments to other school systems (item Q11), payments to state governments (survey item L12), and payments to local governments (survey item M12).

Current expenditures in the F-33 survey also include payments to private schools (object 563 in the handbook, survey item V91) and payments to charter schools (object 566 in the handbook, survey item V92). Payments to charter schools are payments to those charter schools that are not affiliated with the school district. Since payments to private schools and charter schools are for students who are not included in the student membership count in the F-33, these items should be subtracted from current expenditures before calculating per pupil expenditures.

The term “current operations expenditures” in Census Bureau F-33 includes current operating expenditures for programs outside of elementary secondary education. Specifically, current operations expenditures are the sum of total current expenditures (item TCURELSC) and total nonelementary/secondary education expenditures (item TNONELSE).

Special note for F-33 calculation of per pupil current expenditures

As with instruction expenditures, current expenditures include tuition payments to private schools (object code 563 and survey item V91) and payments to charter schools (object code 566 and survey item V92). For the purpose of calculating per pupil expenditures, these two payments should be subtracted from current expenditures. Further discussion of per pupil expenditures can be found later in this appendix. (See SPPE).

Per pupil current expenditures are calculated as follows:

Per pupil current expenditures = [current expenditures (TCURELSC) - tuition payments to private schools (survey item V91) - payments to charter schools (survey item V92)] / fall membership (survey item V33).

NPEFS Calculations

In the NPEFS survey, current expenditures are calculated as follows:

Current expenditures = instruction expenditures + support service expenditures + noninstruction expenditures + direct program support (excluding private school students aid and property).

Within the survey, these components correspond to the following survey codes:

TE5 = STE1 + STE2T + E3A1 + E3B1 + STE4.

In the NPEFS survey, current expenditures (survey item TE5) exclude expenditures paid to other government agencies within the state. In terms of the object codes from the NCES *Financial Accounting for State and Local School Systems* handbook, current expenditures are made up of objects 100 through 650 and 810 and 890, with the exception of objects 561, 564, 566, and 567. Expenditures to other government agencies within the state (object codes 561, 564, 566, and 567) are reported as Tuition and Voucher Payments to Other LEAs and Charter Schools Within the State (survey item E15).



Total Expenditures

Total expenditures are all expenditures made by school districts, with the exception of expenditures made toward the principal of long-term debt (object 831). In addition to current expenditures, capital outlay, interest on debt, and payments made to other school systems and entities are included in total expenditures.

F-33 Calculations

In the F-33 survey, total expenditures are calculated as follows:

Total expenditures = total current expenditures for elementary and secondary education + total nonelementary and secondary expenditures + total capital outlay expenditures + payments to state governments + payments to local governments + payments to other school systems + interest on debt.

Within the survey, these components correspond to the following survey codes:

TOTALEXP = TCURELSC + TNONELSE (survey items V70, V75, V80) + TCAPOUT (survey items F12, G15, K9, K10, K11) + payments to state governments (survey item L12) + payments to local governments (survey item M12) + payments to other school systems (survey item Q11) + interest on debt (survey item I86).

Special note for F-33 calculation of per pupil total expenditures

Total expenditures include tuition payments to private schools (object code 563 and survey item V91), payments to charter schools (object code 566 and survey item V92), and payments to other school systems (object codes 511, 512, 561, 562, 564, 565, 567, 591, and 593, and survey item Q11). For the purpose of calculating per pupil expenditures, these payments should be subtracted from total expenditures. Further discussion of per pupil expenditures can be found later in this appendix. (See SPPE.)

Per pupil total expenditures are calculated as follows:

Per pupil total expenditures = [total expenditures (TOTALEXP) - tuition payments to private schools (survey item V91) - payments to charter schools (survey item V92) - payments to other school systems (survey item Q11)] / fall membership (survey item V33)

NPEFS Calculations

On the NPEFS survey, total expenditures are calculated as follows:

Total expenditures = current expenditures + nonproperty expenditures + community services expenditures + direct cost programs expenditures + property expenditures.

Within the survey, these components correspond to the following survey codes:

TE11 = TE5 + E61 + E81 + STE9 + TE10.



Unlike F-33 total expenditures, NPEFS total expenditures do not include interest on debt or direct program support for private school students. However, in NCES publications, payments for interest on debt (NPEFS survey item E7A1) and state payments on behalf of school districts (NPEFS survey item E4D) are added to the total expenditures (NPEFS survey item TE11).

Property

A special note is warranted for property expenditures collected in the NPEFS. Property (object code 700) is collected for all of the following expenditures: instruction, support services, operation of noninstructional services, direct program support, and direct cost programs. However, property is excluded from the total of each of these groupings. Instead, property is aggregated and included in a single survey item (TE10) used in the calculation of total expenditures.

Within the survey, property is composed of the following survey codes:

$$\mathbf{TE10 = E17 + E252 + E253 + E254 + E255 + E256 + E257 + E258 + E3A2 + E3B2 + E4A2 + E4B2 + E4C2 + E4E2 + E62 + E63 + E82 + E91.}$$

Net Current Expenditures

Net current expenditures reflects a special adjustment made to current expenditures necessary for the calculation of SPPE which used to allocate Title I and other federal funds to states and school districts. Data elements for this calculation are collected through the NPEFS.

Net current expenditures are calculated as follows:

$$\mathbf{Net\ current\ expenditures = current\ expenditures - tuition\ paid\ to\ individuals - transportation\ fees\ paid\ by\ individuals - Title\ I\ expenditures - Title\ I\ carryover\ expenditures - Title\ V,\ Part\ A\ expenditures - Title\ V,\ Part\ A\ carryover\ expenditures - food\ service\ revenues - district\ activity\ revenues - textbook\ revenues - summer\ school\ revenues.}$$

Within the survey, these components correspond to the following survey codes:

$$\mathbf{NCE13 = TE5 - R1E - R1G - X12C - X12D - X12E - X12F - R1J - R1K - R1M - R1N.}$$

Survey code items R1E, R1G, R1J, R1K, R1M, and R1N are local revenues. Items X12C, X12D, X12E, and X12F are expenditures.

Average Daily Attendance (ADA)

ADA is collected solely in the NPEFS survey as defined in Chapter 3 of this guide. States may report ADA using one of two calculation methods; the NCES method or the state's own method. The NCES method is the aggregate attendance taken each day of the school year divided by the number of days in session during this period. This definition requires every school or school district in a state to collect attendance every day it is in session, and to record the number of days it is in session.



When state laws or regulations define ADA or provide methods for calculation, those definitions and methods should be used to report ADA in the financial survey. Federal law requires states to report ADA exactly as mandated by their laws and regulations even if state requirements differ from those of NCES regarding summer school attendance, partial-day attendance, excused absences, or for other reasons.

Regardless of which method is used for calculating ADA, states must be able to reconcile the total count of students in attendance with the number of students in attendance in programs covered by Net Current Expenditures. This means that a state must be able to identify the number of students in attendance for all of the programs covered by Current Expenditures, as well as expenditures for all programs, in order to calculate the students for ADA.

State Per Pupil Expenditures (SPPE)

SPPE is a calculation used by law within the U.S. Department of Education due to the Elementary and Secondary Education Act of 1965 (ESEA). SPPE is used as an indicator of the level of effort that state and local governments are making in providing public education. SPPE is used in determining state and school district allocations for certain programs in the U.S. Department of Education. It is calculated by dividing net current expenditures by ADA. Net current expenditures is calculated by subtracting certain exclusions from the total current expenditures for public education. The allocation is defined within each title of the ESEA. Definitions for each of the items referenced in the ESEA are in Title IX, section 9101. SPPE is called APPE (average per pupil expenditure) in the ESEA. ADA is defined as the sum of attendance for each day of the school year divided by the number of days in the school year. States are permitted to substitute their own methods of calculating ADA. The SPPE rates from the NPEFS data are used in the formulas for allocating Title I, Impact Aid, and Indian Education funds to school districts. In addition, other federal grants to school districts are based on the Title I allocations. States are not required to submit SPPE data. If a state does not submit data on time, or the data are not approved by NCES, then the prior year's data are substituted for that state. Similar calculations for SPPE are made for net instructional expenditures and net total expenditures. Specific calculations for SPPE are identified earlier in this appendix.

Appendix C

Differences in U.S. Census Bureau and NCES F-33



Table 3 and the following explanatory information provide more detail on the differences between the U.S. Census Bureau and NCES versions of the F-33.

Table 3: Differences between the NCES and Census Bureau versions of the F-33

Item	NCES	Census Bureau
Total Revenues (TOTALREV)	same as Census	same as NCES
Local Revenues (LOCREV)	includes C24	excludes C24
State Revenues (TSTREV)	excludes C24	includes C24
Federal Rev. (TFEDREV)	same as Census	same as NCES
Total Expend. (TOTALEXP)	same as Census	same as NCES
Current Expend. (TCURELSC)	same as Census	same as NCES
Total Instruction (TCURINST)	same as Census	same as NCES
Instruction (E13)	includes: J13, J14	excludes J13, J14
Instruction Salaries (Z33)	same as Census	same as NCES
Instruction Benefits (V10)	includes J13	excludes J13
Total Support Serv. (TCURSSVC)	same as Census	same as NCES
Pupil Support (E17)	includes J17	excludes J17
Salaries (V11)	same as Census	same as NCES
Benefits (V12)	includes J17	excludes J17
Instruction Support (E07)	includes J07	excludes J07
Salaries (V13)	same as Census	same as NCES
Benefits (V14)	includes J07	excludes J07
General Administration (E08)	includes J08	excludes J08
Salaries (V15)	same as Census	same as NCES
Benefits (V16)	includes J08	excludes J08
School Administration (E09)	includes J09	excludes J09
Salaries (V17)	same as Census	same as NCES
Benefits (V18)	includes J09	excludes J09
Operations & Maint. (V40)	includes J40	excludes J40
Salaries (V21)	same as Census	same as NCES
Benefits (V22)	includes J08	excludes J08
Student Transport. (V45)	includes J45	excludes J45
Salaries (V23)	same as Census	same as NCES
Benefits (V24)	includes J45	excludes J45
Business Services (V90)	includes J90	excludes J90
Salaries (V37)	same as Census	same as NCES
Benefits (V38)	includes J90	excludes J90



Table 3: Differences between the NCES and Census Bureau versions of the F-33 (Continued)

Item	NCES	Census Bureau
Nonspecified Support (V85)	includes J85	excludes J85
Other EI-Sec Programs (TCUROTH)	same as Census	same as NCES
Food Services (E11)	includes J10	excludes J10
Salaries (V29)	same as Census	same as NCES
Benefits (V30)	includes J10	excludes J10
Enterprise Ops (V60)	same as Census	same as NCES
Benefits (V32)	same as Census	same as NCES
Other Nonspecified (V65)	same as Census	same as NCES
Non-EI-Sec-Ed Expend. (TNONELSC)	same as Census	same as NCES
Total Capital Outlay (TCAPOUT)	same as Census	same as NCES
Construction (F12)	same as Census	same as NCES
Land and Buildings (G15)	same as Census	same as NCES
Instructional Equipment (K09)	may include J99	excludes J99
Noninstructional Equipment (K10)	may include J99	excludes J99

The direct support or state payments “on behalf” data items are reported on the Census version of the F-33 but are not on the NCES version of the file, since those values have already been added to the detail data items. Below is a list of the direct support items from the F-33 survey:

- J07 State payments on behalf - Instructional staff support benefits
- J08 State payments on behalf - General administration benefits
- J09 State payments on behalf - School administration benefits
- J10 State payments on behalf - Other benefits
- J13 State payments on behalf - Instruction benefits
- J14 State payments on behalf - Instruction nonbenefits
- J17 State payments on behalf - Pupil support benefits
- J40 State payments on behalf - Operation and maintenance of plant
- J45 State payments on behalf - Student transportation benefits
- J85 State payments on behalf - Nonspecified benefits
- J90 State payments on behalf - Business/central/other support services
- J96 State payments on behalf - Support services, nonbenefits
- J97 State payments on behalf - Noninstructional and nonbenefits
- J98 State payments on behalf - Nonelementary-secondary programs
- J99 State payments on behalf - Capital outlay.

The student counts on the Common Core Data (CCD) Local Education Agency Finance Survey come from the CCD Local Education Agency Universe (nonfiscal) Survey. In some cases, student counts are adjusted by the Census Bureau so that they match the sum of students enrolled in the district’s schools. (Because a district may serve some students in a nonschool setting, such as homebound instruction for the chronically ill, these totals can differ legitimately.) There are also cases where there are two or more districts reported on the CCD Nonfiscal Local Education Agency file that are represented as one district on the F-33 file. These cases change from year to year and are covered in the state notes section of the F-33 file documentation.