

WHAT CHANGES Under the Every Student Succeeds Act?

For the first time, states are required by the federal government to publish online the per-pupil spending for each school and district in the state. State and local report cards must disaggregate expenditures by federal, state and local sources.¹

Additionally, reported expenditures must include actual teacher salaries rather than average salaries.² This is important because teacher salaries make up roughly 60 percent of an average district budget.³ Under the new reporting structure, actual teacher salaries may reveal inequitable distributions of more experienced teachers across a district, as these teachers often earn higher salaries.

Like No Child Left Behind, ESSA requires that state and local report cards are presented in an understandable and uniform format. New in ESSA, though, is the requirement that report cards are developed in consultation with parents.⁴ ESSA also requires that these report cards are accessible, which includes making them available online where possible.⁵

WHY Does This Matter?



A tool for improving student success and financial efficiency. With this data, state leaders and researchers will have a new tool for exploring the connection between money spent and student achievement. Expenditures information, combined with school report card data, can facilitate a more efficient and effective use of state resources.



Reporting and presentation challenges. Education expenditures have typically been reported at the district level. Reporting at the school level and at this level of detail is a new and complex task for schools, districts and state education agencies. States will also need to find ways to present this information to the public in a way that is understandable and useful.



State support and local partnerships. To complete this mammoth task, schools and districts will most likely need state support. This is an opportunity to develop strong district-state partnerships, and connect state education leaders across agencies and government branches.

WHAT ELSE Do We Know?

While this requirement may cause substantial challenges for states, districts and schools, ESSA does not provide details on how to implement it. Given the potential for implementation challenges, the U.S. Department of Education permits states to delay this reporting requirement until the 2018-19 school year (fall 2019). If a state delays, the 2017-18 state and local report cards (fall 2018) must describe the steps the state and districts are taking to include this information the following school year.⁶



REGULATIONS

Proposed (but ultimately rescinded) regulations would have provided additional details for states on how to implement this new provision. Non-regulatory guidance released in January 2017 relied on those proposed regulations; it is now only applicable in as much as it reflects what is in ESSA itself.⁷ The U.S. Department of Education has said that it plans to revise non-regulatory guidance on report cards, including on per-pupil expenditure reporting.⁸

KEY CONSIDERATIONS for States

- **Develop a system.** While a uniform reporting procedure is not required by ESSA, financial data may be most useful when all schools report the same data in the same way. *Does your state have uniform reporting procedures and terminology?*
- **Provide guidance to districts.** Without federal guidelines, states will need to decide, for example, what should be considered a school-level expenditure versus a district-level expenditure, and how the state will determine enrollment numbers. *Who is empowered to make these decisions in your state?*
- **Craft thoughtful communication.** This new provision presents an opportunity to better educate parents and the public about how schools in your state are funded. *How can your state support accurate public understanding of school finance and the data presented?*

For TECHNICAL ASSISTANCE and SUPPORT

Two key organizations, the Building State Capacity and Productivity Center (BSCPC) and Edunomics Lab, are providing support and technical assistance to state and local leaders as they implement this new provision. These organizations also host a virtual working group of state and local education agencies.

- Find resources and information on how to get involved with Edunomics Lab [here](#).
- Find resources and additional information on the BSCPC [here](#).
- Have a question about ESSA's changes and implementation? Request assistance from Education Commission of the States [here](#).

Your state may already collect some or all of the required financial information. Consider using [this tool](#) from BSCPC to build a complete picture of school-level expenditures in your state using information already collected in multiple locations.

AUTHOR

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ENDNOTES

1. Rescinded regulations clarify that funds do not need to be disaggregated by local sources alone. State and local sources may be combined. State and local sources should include federal funds intended to replace local tax revenues and should not include funds received from private sources. While these regulations are not mandatory, states and the U.S. Department of Education may choose to use them as a guide.
2. Elementary and Secondary Education Act of 1965, Section 1111(h)(1)(C)(x) and (h)(2)(C), (2015).
3. "2014 Public Elementary-Secondary Education Finance Data," U.S. Census Bureau Annual Survey of School System Finances, last updated April 24, 2017, <https://www.census.gov/data/tables/2014/econ/school-finances/secondary-education-finance.html>.
4. No Child Left Behind Act of 2001, sections (h)(1)(B) & (h)(2)(E), (2001).
5. Elementary and Secondary Education Act of 1965, Section 1111(h), (2015).
6. "Per-Pupil Expenditure Reporting Letter," U.S. Department of Education Office of Elementary and Secondary Education, June 28, 2017, <https://www2.ed.gov/policy/elsec/leg/essa/perpupilreqltr.pdf>.
7. "Every Student Succeeds Act State and Local Report Cards Non-Regulatory Guidance," U.S. Department of Education, January 2017, <https://www2.ed.gov/policy/elsec/leg/essa/essastatereportcard.pdf>.
8. "Per-Pupil Expenditure Reporting Letter," U.S. Department of Education Office of Elementary and Secondary Education, June 28, 2017, <https://www2.ed.gov/policy/elsec/leg/essa/perpupilreqltr.pdf>.