

# Letter from the Director

March, 2017

Dear Colleagues,

As you likely know, the Every Student Succeeds Act added a number of new elements to state report cards beginning with the 2017-18 school year, including reporting per-pupil expenditures down to the school level. To meet the law's requirement, states must report: *“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.”* (Section 1111(h)(1)(C)(x) of the ESEA as amended by the ESSA)

Referred to generally as the financial transparency requirement, this component of the law is an important opportunity for states to build financial systems that couple spending data with data already collected on student outcomes by school. The resulting financial tools can enable school systems to unlock the powerful clues they need to leverage their dollars to do the most for students, and to make discussions about productivity a matter of course.

Also of interest is what the financial data will show, particularly as it relates to equity. In many places, the new financial transparency will likely reveal that some schools receive a greater share of the district's dollars than other schools in the same district. For instance, the transparency requirement may reveal spending differences that result from uneven teacher salaries (where one school has higher spending due to a preponderance of more senior teachers). In other cases, data could show unexpected trends by neighborhood, school type, or student demographics. Districts will need to understand why and how the patterns happened as the data are made public and what options exist in peer districts where patterns may be different.

From November 2016 - February 2017, the BSCP Center hosted a working group of 22 SEAs and 17 LEAs, during which we worked together to foster an understanding of the law and the opportunity. In addition to biweekly conversations about meeting the requirement, we also conducted data inventories with all participating states, and explored data collection plans.

In working with SEAs, we've found that states are in very different places with regard to collecting financial data by school. Some have extensive charts of accounts in place with location codes, and can easily collect needed data from districts to meet the requirement. In others, no systems are in place to capture spending by school. In between, some states have piloted the federal School Level Finance Survey (SLFS) to gather needed data, and can build on

these efforts to meet the requirement. Using insights gained in these meetings, in addition to the expertise of the Edconomics Lab on financial transparency, we are developing publications and tools to support SEAs in meeting this requirement.

The BSCP Center is excited to share our first publication related to financial transparency – [Getting Started: Data Inventory](#). This document serves as a framework for SEAs to determine data availability and readiness to quantify spending by school. Also included in this tool is a video from a past webinar that explains the data inventory framework.

We invite you to visit the [BSCP Center Financial Transparency page](#) often, as we will add new resources to the site over the next several months. Additional resources will include case studies to share what some SEAs have done to build financial systems, as well as a data aggregation toolkit to assist states with early financial data analysis.

If you are interested in learning more about the ESSA financial transparency requirement and the BSCP Center's work around this requirement, please contact Katie Hagan at [Katie.Hagan@georgetown.edu](mailto:Katie.Hagan@georgetown.edu).

In closing, I would like to remind you the BSCP Center recently released a new publication, *Casting a Statewide Strategic Performance Net* by Allison Layland and Sam Redding. This publication details how a strategic approach to performance management fits neatly in the new organizational environment of states and districts. Ideal for organizing people and their work in one entity (SEA, LEA, or school), strategic performance management is equally suited to a multi-organization system where interlaced data and responsive supports are critical. A state system of support is such a system. We are hopeful this publication will give states some ideas and language for their ESSA plans. <http://www.bscpcenter.org/casting/>

Sincerely,



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### Building State Capacity and Productivity Center

The Building State Capacity and Productivity Center (BSCP Center) focuses work on helping state education agencies (SEAs) throughout the country, as they adapt to constrained fiscal resources and increased demands for greater productivity. As State Departments of Education are facing a daunting challenge of improving student performance with diminishing financial resources, the BSCP Center provides technical assistance to SEAs that builds their capacity to support local educational agencies (LEAs or districts) and schools, and to the other 21 regional comprehensive centers and national content centers that serve them, by providing high quality information, tools, and implementation support. The partners in the BSCP Center are Edvance Research, Inc., the Academic Development Institute, and the Edunomics Lab (Georgetown University).

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