It’s 2023. Where did the time go?

money

ESSER was a grand experiment: What happens when feds give large sums to districts with few strings attached?
BREAKING: District spent millions in federal relief on_____!

BREAKING: Reports show districts’ investment didn’t benefit students.
Five potential mistakes districts might be making with federal relief funds

1. Spending in a way that creates a disruptive fiscal cliff
2. Issuing problematic contracts that come back to haunt leaders
3. Deploying funds inequitably across schools
4. Failing to make sure community sees/values investments
5. Investing without demonstrating real results for students.
Making of a cliff:

Funding cliffs are typical when federal relief aid stops

Furloughs/ layoffs, stagnant pay

K-12 Revenue trend
Fed $ fills gaps
COVID-impacted K-12 State Revenues

2020 2021 2022 2023 2024

Beware of adding recurring labor costs!

Instead of recurring labor costs:
• New hires (nurses, counselors, VPs)
• Base pay raises: % raises, COLAs
• Increased benefits

Consider one-time strategies:
✓ Stipends
✓ One time bonuses
✓ Contractors (e.g. nurses, tutors)
Innovations in Teacher Pay

- **ACROSS-THE-BOARD PAYMENTS**
  - Flat dollar raises to more evenly distribute funds among junior/senior teachers
  - Non-recurring stipends or bonuses to avoid future obligations

- **TARGETED PAY**
  - Targeted sums to fill shortage areas and address specific labor needs
  - Private sector type strategies, like moving costs or signing bonuses to attract and retain new talent

- **PAY TIED TO OTHER PRIORITIES**
  - Stipends tied to extra work, e.g., to add more learning time for students
  - Pay tied to non-traditional factors such as enrollment or vaccination

From Edunomics Lab: "How COVID-19 Ushered In A Wave Of Promising Teacher Pay Reforms"
https://edunomicslab.org/2021/12/14/a-wave-of-promising-teacher-pay-reforms
School districts have a hard time downsizing. Public school enrollments fell 3% last year.\(^1\) Will all students come back?

- School district revenues are tied to the number of students they enroll
- A “COVID baby-bust\(^3\)” suggests enrollment declines may continue

Half of Minneapolis relief dollars used to avoid layoffs triggered by pre-pandemic enrollment drops.


\(^2\) https://nces.ed.gov/programs/digest/d20/tables/dt20_203.10.asp

\(^3\) https://www.brookings.edu/blog/up-front/2021/05/05/the-coming-covid-19-baby-bust-is-here/

* In 2017, Roza examined spending data from districts >20,000 with and without enrollment declines. A powerpoint covering the analysis and findings is available upon request.
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“It’s Procurement-palooza!”
Five potential mistakes districts might be making with federal relief funds

1. Spending in a way that creates a **disruptive fiscal cliff**
2. Issuing **problematic contracts** that come back to haunt leaders
3. Deploying funds **inequitably across schools**
4. Failing to make sure **community sees/values investments**
5. Investing without demonstrating real **results for students**.
Public data will show how federal $/student were ultimately spent on each school.
Which is likely to drive more dollars per pupil to lower-income schools:

A. An across-the-board raise of 4%
B. Add a new counselor to each school.
C. Extend school day by 30 minutes, paying $2K per teacher.
D. Deliver $250 per student to each school plus an extra $100 per low income or EL student for principals to use to increase engagement.
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Community: Where’d that money go?

Principal: Who knows how they spent it. All I know is we didn’t get any.

Parent: I’m not sure if the money made a real difference.

Teacher: They always spend it on central office and then blame us when kids do poorly.
Growing concerns for what we’re getting from ESSER

At a spicy House Ed Committee Hearing on Nov 17:
• When will taxpayers know how $ is spent and what students are getting?
• Why has so little ESSER been spent?
• How do we know money isn’t misused (fraud)?

ProPublica: “Feds gave billions to America’s schools for COVID relief. Where did the money go?... Limited tracking of $190 billion in pandemic support funds sent to schools has left officials in the dark.”

OIG Dec 7th report: USED faces “challenges related to tracking the use of COVID-relief funds.”

Districts did create plans

<table>
<thead>
<tr>
<th>Analysis of plans</th>
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<tbody>
<tr>
<td><strong>Districts are planning for:</strong></td>
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<tr>
<td>All of the items to the left and...</td>
</tr>
<tr>
<td>➢ Tutoring</td>
</tr>
<tr>
<td>➢ Curriculum</td>
</tr>
<tr>
<td>➢ PD</td>
</tr>
<tr>
<td>➢ Summer</td>
</tr>
<tr>
<td>➢ Data systems</td>
</tr>
<tr>
<td>➢ Special ed</td>
</tr>
<tr>
<td>➢ Facilities</td>
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<tr>
<td>➢ “Supports”</td>
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</tbody>
</table>

**But, plans are already being delayed/ hampered/thwarted by:**

➢ Labor shortages
➢ Administrator overload
➢ COVID
SEAs are starting to gather data on spending. The data doesn’t tell us much.

**WA tracks districts’ 80%:**
- **28%** Sanitization
- **11%** Assist Disadv.
- **8%** Tech
- **6%** HVAC
- **1%** Mental Health
- **<1%** Summer/After Sch
- **49%** Other

**AR tracks districts’ ESSER 1-3:**
- **1%** Food
- **9%** Facilities
- **21%** Student support
- **27%** Tech
- **41%** Systemic procedures

**NC tracks ESSER3 by object:**
- **63%** Salaries/benefits
- **27%** Supplies/materials
- **6%** Purchased services
- **2%** Capital
- **1%** Other
But patterns in early data are emerging (even if numbers aren’t precise):

<table>
<thead>
<tr>
<th>Expenditure data</th>
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</thead>
<tbody>
<tr>
<td><strong>Spending has been slow</strong></td>
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<tr>
<td>- Less spending on the 20% for learning loss than on the 80%</td>
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<tr>
<td><strong>Largest category is typically “other” or “systemic” with some using it to</strong></td>
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<tr>
<td>- Backfill budget gaps</td>
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<tr>
<td>- Pay one-time salary payments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>And some spending on:</th>
</tr>
</thead>
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<tr>
<td>- Tech</td>
</tr>
<tr>
<td>- Sanitization</td>
</tr>
<tr>
<td>- Facilities</td>
</tr>
<tr>
<td>- Pay increments</td>
</tr>
<tr>
<td>- Hiring SEL staff</td>
</tr>
<tr>
<td>- Backfilling budget gaps</td>
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<tr>
<td>- Contracts (hard to tell what they are for)</td>
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1. Spending in a way that creates a disruptive fiscal cliff

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Low outcomes happen when leaders take their eye off the ball!
ESSER needs a North Star!

Congress and USED offered no clear mission statement for its mammoth investment in schools.

But that shouldn’t stop states or districts from articulating their own measurable objectives.

@MargueriteRoza suggests focusing on:
- Reading, especially K-5
- Math, all grades
- High schoolers on track to graduate
- Student attendance and engagement

Q&A and Thank you!

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