

What Will the Largest-Ever Federal Investment In Education Mean for Schools?

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Three federal packages provide relief funds to SEAs and districts

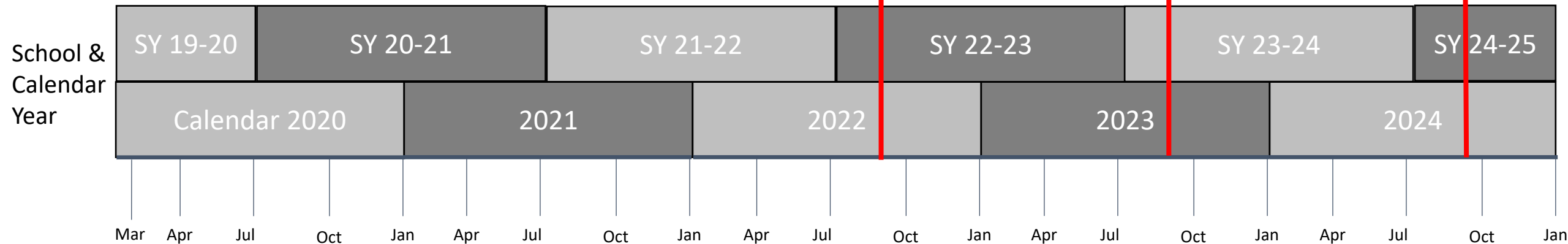
\$123B ARP ESSER III. Districts must obligate by 9/2024 ~\$2,400 /pupil

\$54B CRSSA ESSER II. Districts must obligate by 9/2023 ~\$1,100 /pupil

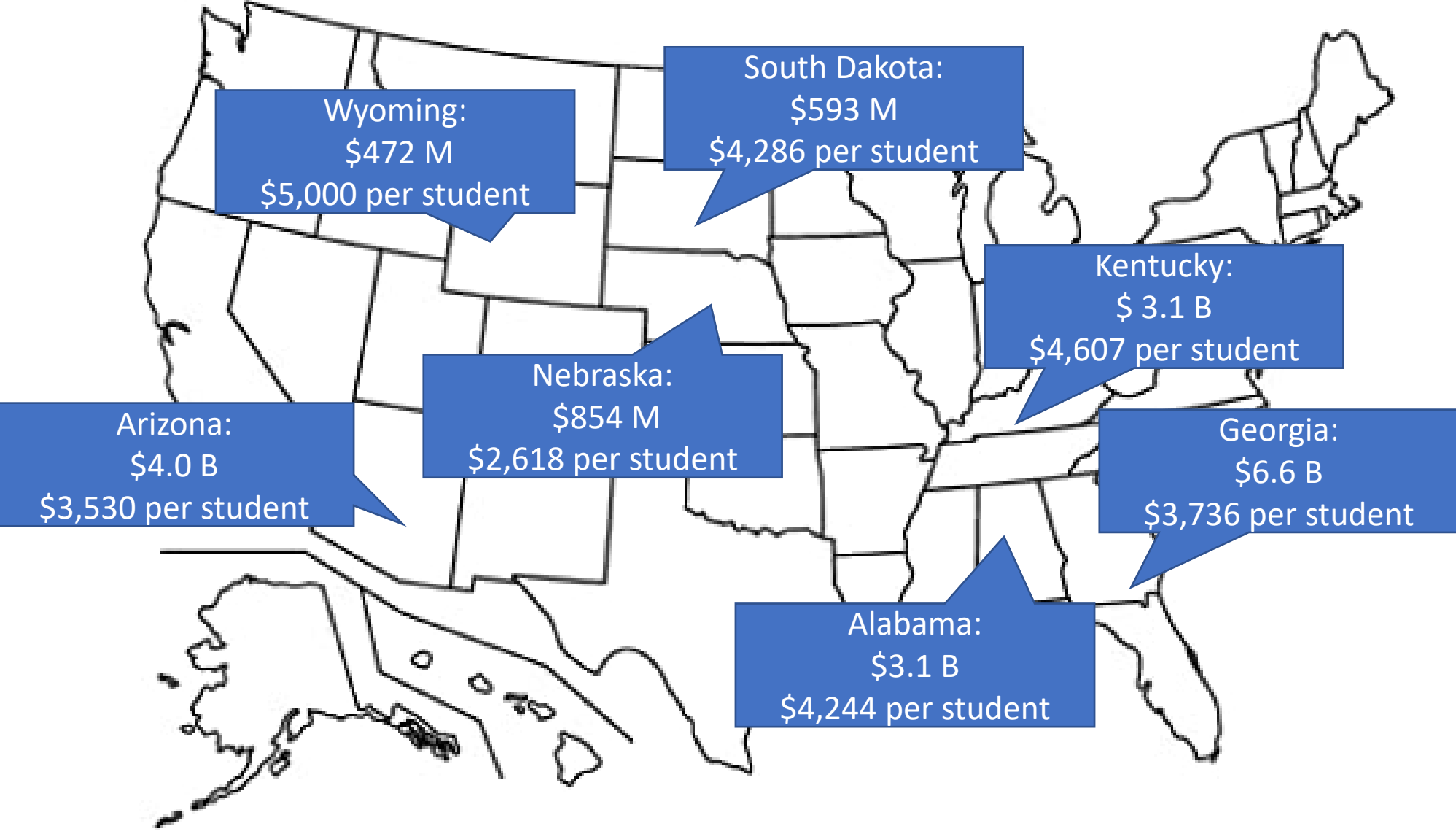
\$13B CARES ESSER I. Districts must obligate by 9/2022 ~250pp

Districts: 20% must be used for learning recovery (SEAs: 5%)

Broadly flexible. DoED: expenses must relate to COVID.



Money for ESSER (I, II & III) varies by state (and by district)



The average annual education spending in the US is ~\$13K per student



American Rescue Plan Act of 2021

← ESSER 3 (\$122.8B) →

Big Takeaways

90% allocated to districts via Title I formula.
\$109.8B \approx \$2,200 /student

- Title I rules do not apply.
- Districts not eligible for Title I get no \$.
- Quirks in Title I formula mean that some get as much as \$16,000/student.
- Districts must use $\geq 20\%$ for learning recovery.
- Districts must submit spending plan to SEAs in next few weeks.

10% SEA
reserve
(\$12.2B!)

$\geq 5\%$ learning
loss

$\geq 1\%$
summer
enrichment

$\geq 1\%$
afterschool

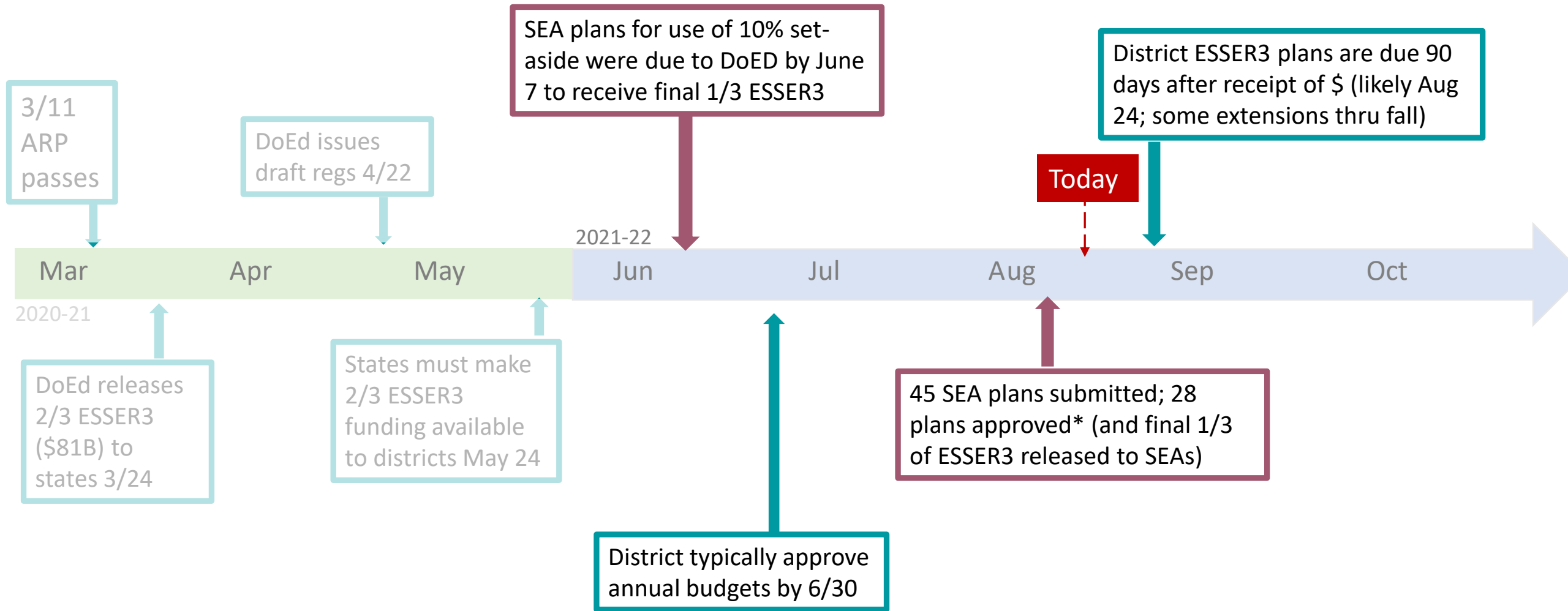
2.5% SEA
discretion

$\leq \frac{1}{2}\%$ admin

- \$122.8 B with no big ask in return
- 90% flows directly to districts (thru Title I)
- But it's not Title I \$
- Huge influx of cash for SEAs
- a LOT of flexibility for districts (and a fair amount for SEAs as well)

\$ 800M for homeless youth for wraparound services and to enable school participation

For districts, the clock is ticking...



*As of August 15, 2021



Who decides how to spend the 90% of ESSER3 that goes directly to districts?

A: Districts do.

What do the feds say about how the district portion of ESSER3 \$ should be used?

20% must “address the academic impact of lost instructional time through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year”



Which of the following is not an allowable district use of ESSER3 funds?

- A. Enlarge the gym
- B. Reinstate a 5% pay raise that was put on hold
- C. Pay the Kumon fee for any student who opts in
- D. Pay for staff positions that would otherwise be cut due to enrollment declines
- ~~E.~~ Replenish the reserve fund
- F. Use ESSER funds to supply COVID-19 tests at school sites
- G. Give parents \$100/month to ensure students are fully participating in school

This money is highly flexible. Districts are the ones who decide how to spend it!

“Wait - Districts are allowed to give \$ to families?!”

Yes to pay for stuff, or to do something.



“Must the other 80% relate directly to COVID?”

No.

“May an SEA or state legislature limit a district’s use of ESSER funds?”

No.



So the feds aren't telling districts how to spend their money, but they are saying:

Districts. Must. Involve. Community. In. Decisions.

“Meaningful Consultation” requirement:

Districts and SEAs must engage in “**meaningful consultation**” when creating plans to spend the dollars and demonstrate how they incorporated feedback



- ✓ Students
- ✓ Families
- ✓ School admins
- ✓ District admins
- ✓ Spec. Ed admins
- ✓ Teachers
- ✓ Principals
- ✓ Other educators,
- ✓ School staff,
- ✓ Employee unions

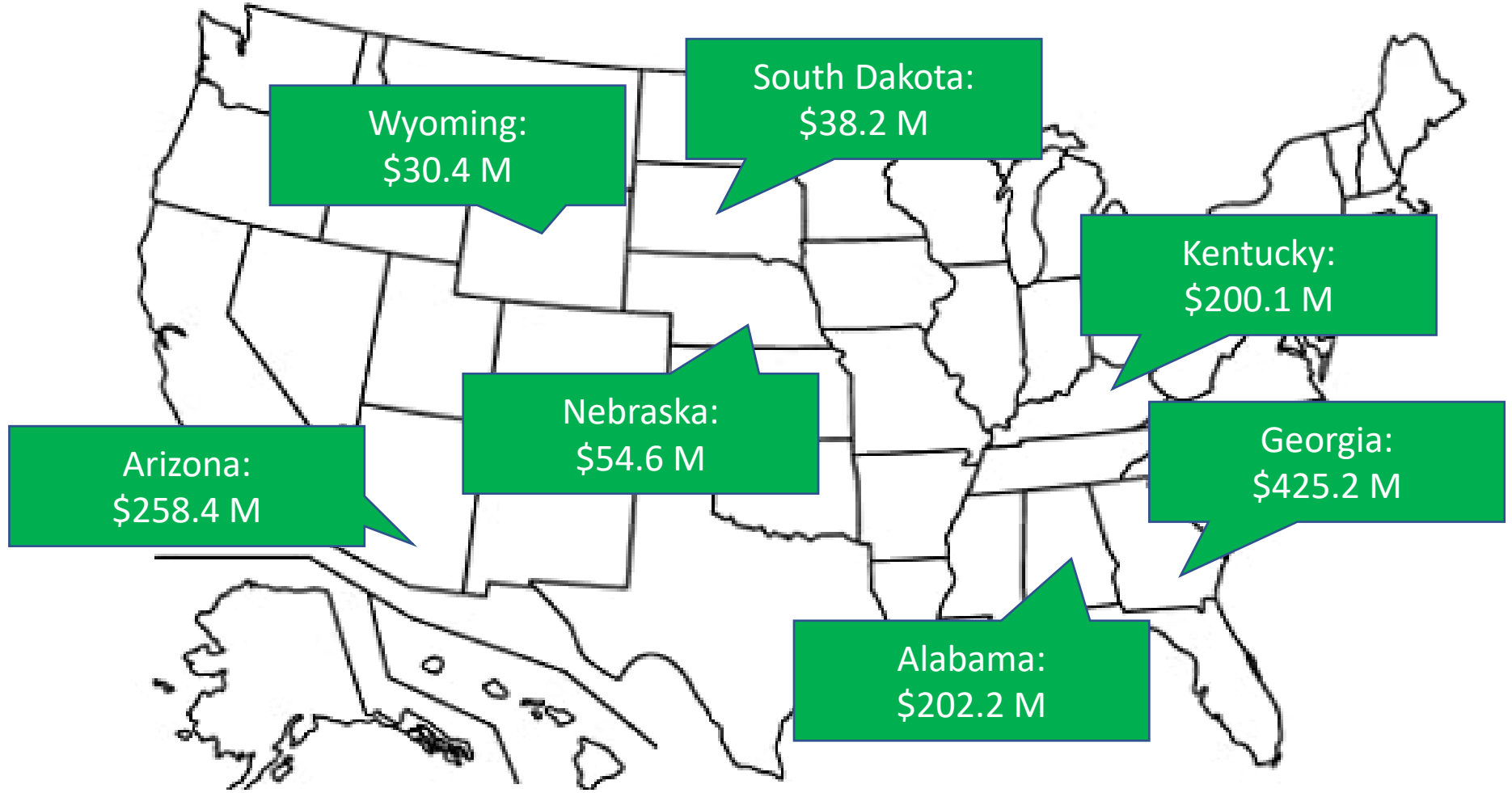
- ✓ Tribes
- ✓ Civil rights orgs
- ✓ Disability rights orgs
- ✓ Stakeholders representing students types including:
 - Disabilities
 - English learners,
 - Experiencing homelessness,
 - Foster care,
 - Migratory,
 - Incarcerated,
 - Other underserved



What should we expect in return for the 10% going to SEAs?

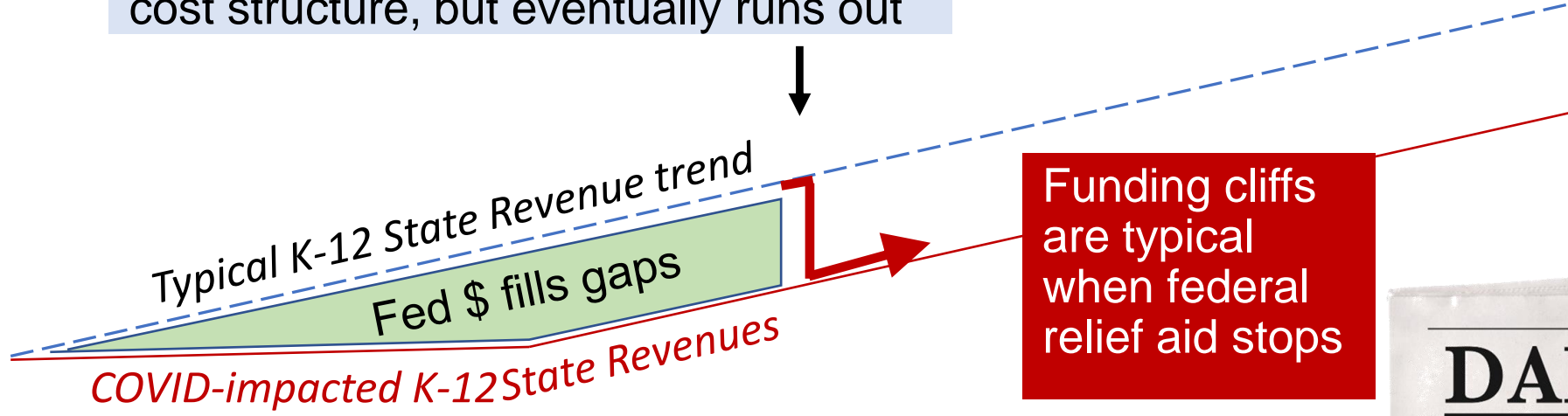
(Hint: It's a lot of money for SEAs, when SEAs generally focus on compliance.)

A: A lot



ESSER funding is non-recurring

Federal \$ enables districts to maintain cost structure, but eventually runs out



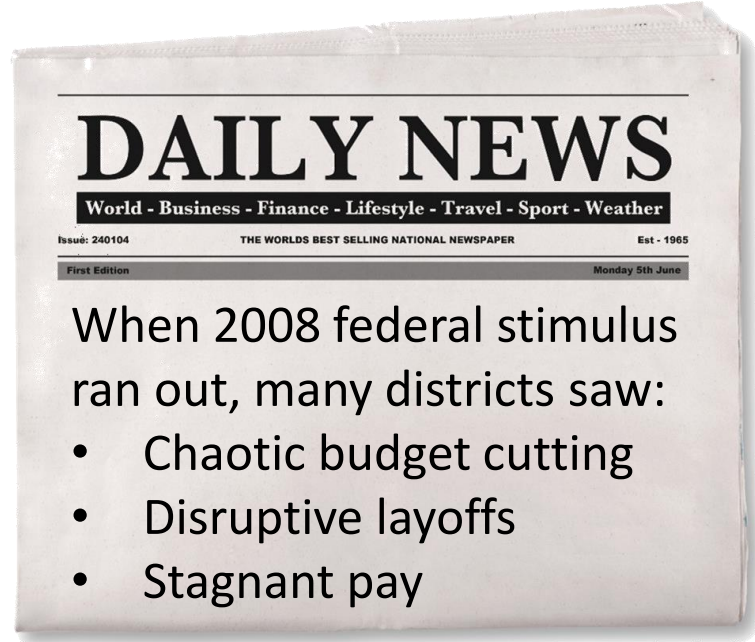
2020

2021

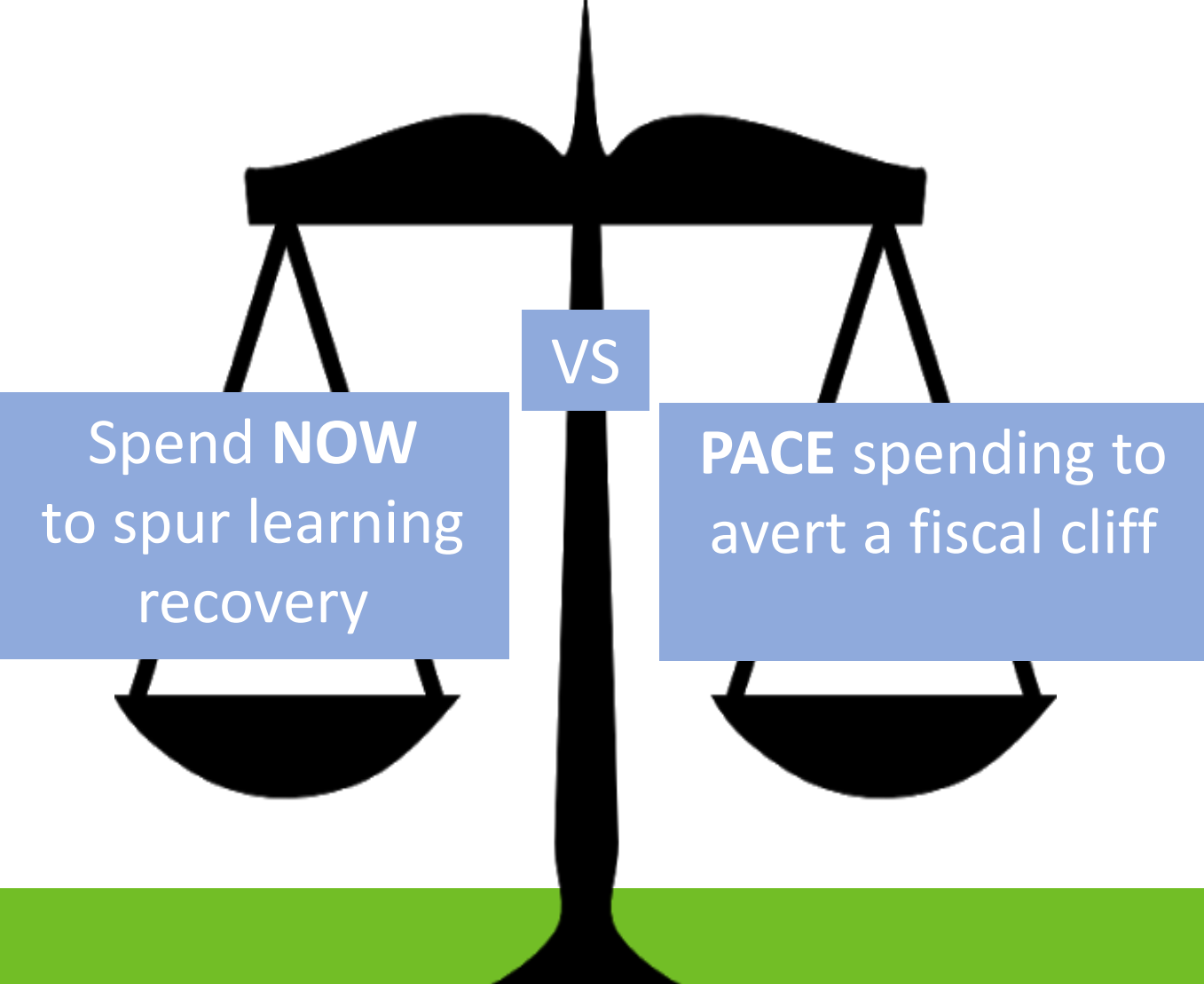
2022

2023

COVID HITS!



A multi-year spending plan can address immediate needs while avoiding a fiscal cliff



Commit to a spending plan.

How about...?

40%	SY21-22
30%	SY22-23
20%	SY23-24
10%	SY24-25



It's still very early, but in our tracking of districts, so far:

We're seeing lots of this:

- Thank you payments to staff
- Filling budget gaps
- Plans to hire counselors, nurses, specialists
- Class size reduction (hiring more teachers)
- Facilities projects
- Tech/curriculum updates
- Planning time for staff

and less of this:

- Tutoring
- Added weeks to school year
- More learning time
- Customized options where families select what works for their kids
- New delivery models
- New content/course options



And we're seeing some of these noteworthy choices

✓ **Compensation that breaks with traditional structures:**

- One-time payments
- Hiring bonuses, targeted bonuses
- Fixed dollar payments (vs longevity-based)

✓ **Funding services through community partners**

- Museums, camps, etc.

✓ **Leveraging students/families differently**

- Paying high schoolers to tutor elementary kids
- Parent training

✓ **Federal funds passed through to schools for school-based decisions**

✓ **Surveys to parents to ask for input**



Thank you!

Q & A

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Certificate in Education Finance



Fall 2021 Cohort

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