State Strategies for Sustaining Pandemic Recovery Efforts Beyond ESSER

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NASBE
National Association of State Boards of Education
Welcome

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NASBE President & CEO

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Seven Questions to Ask about Leveraging American Rescue Plan Funds

By Dr. DiMartino

One year ago, Congress passed the U.S. Department of Education released its first phase of the $122 billion in relief funds for education as part of the American Rescue Plan Act (ARP). By January 18, the U.S. Department of Education had approved each state plan. While this marked an important milestone, it is not the last. Leveraging their power to convene and to question, state boards of education can play a key role in taking stock on their state plans unfolded.

Even the best laid plans do not always play out as expected. Given that the summer months and the 2021-22 school year are just ahead, the energy right to return whatever plans next season or approaches should be modified. In that spirit, these seven questions can help frame ongoing conversations in states to observe the impact of the unprecedented funding of funds.

1. **How does the vision of success in ARP align with the state strategic plan?**

   Examine state board leadership to consider state education system on a clear, compelling set of long-term priorities that show the board’s agenda and work. State board strategic plans communicate shared goals and strategies that reflect the priorities of education, families, the inclusiveness community, and society. For every state board also recognize that such plans must adapt to shifting up priorities in circumstances.

   One year into the implementation of ARP’s Emergency and Secondary School Schools Emergency Relief (ESSER) funding, state boards have a unique moment and responsibility to review their state’s goals and strategies and whether state and district investments are adequately aligned to them (also how). State leaders can take the time to reflect on the pandemic’s lessons learned, how state priorities may have shifted, and what investments toward long-term success and the benefit of students.

   For example, the Nebraska State Board of Education had legislative priorities for 2021-22 that were aligned to their 10-year strategic plan, focusing on investments in behavioral and mental health supports, including social and emotional support for youth who did not fully return to school, the impact of violence on children’s learning, and early childhood education. The Oregon Department of Education soon realized that by the second year, they were updated in a year’s time. The principles focused on safety and wellness, health and well-being, career and technical education, equity, and innovation, all of which provide context to state action supporting workforce recovery.

   Louisiana's revised plan for its school systems made sustainable adjustments that included additional use of ESSER funds to strategic plan priorities and high-request investments. Early in 2022, Tennessee released its strategic plan, which named three priorities: (1) students. All students will have access to a high-quality education, no matter where they live. (2) Whole Child. Tennessee public schools will be equipped to serve the academic and social and emotional needs of all kids, and (3) Education: Tennessee will be the top state to become and remain a leader.

   As states align the implementation of COVID relief investments with their strategies, state boards should focus on how priorities have moved over the last few years. Ideally, these priorities intersect with existing areas of focus outlined in the state’s past pandemic vision for education and where the key condition for change already exists—acquisition of students, partners, and state-wide local leaders who can effectively and tirelessly collaborate on ensuring success. While ARP is an unprecedented injection of federal funds, it was not designed to solve all education challenges. In fact, without a cohesive strategic plan, states risk investing too little in too many different directions and falling out on the opportunity to transform education.

2. **How can the state align the short-term plan for out-of-school time?**

   Foster student engagement and focus on long-term goals. The evidence of effectiveness of the pandemic on social, emotional, and academic learning will not be realized in a few school years. By this summer, every school district’s work must be informed by evidence-based best practices in student body engagement and strategies for students to remain engaged and at risk of dropping out.

   State boards have an important role to strengthen the education system when they rely on an "all hands on deck" approach that engages all stakeholders, school leaders, and community partners to meet students’ immediate needs and catalyze the transformation in which students earn a learning foundation.

   As the pandemic challenges the view of schools as our place, families and communities partner to achieve student learning and learning at a pace that perhaps seemed more focused in a school setting. In a recent report based on its survey research, nonprofit Learning Forward released findings about how parents and teachers perceive the role of out-of-school-time (OST) learning in achieving students’ social, emotional, and academic development needs. Seventy-four percent of all parents and 77 percent of
Today’s Speakers

Marguerite Roza
Research Professor, Georgetown University and Director of Edunomics Lab

Peter Zamora
Director of Federal Relations and Policy, Council of Chief State School Officers

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What state leaders can do to drive recovery efforts during and after ESSER spend down

Marguerite Roza
April 11, 2024
Where will the cliff be *steepest*?

High poverty districts

- Got more ESSER per pupil
- Left a larger share of ESSER to spend down in the last year.

Financial disruption will hurt our most vulnerable students.

Low poverty districts
Where will the cliff be **steepest?**

**Districts that used ESSER for pay raises or to hire more staff**

- Districts struggle to downsize labor costs

**Districts that used ESSER for facilities projects**

- That said, facilities upgrades don’t close gaps in math
Where will the cliff be **steepest**?

- Districts with declining enrollments
- Districts with growing enrollments

- Enrollment drives state/local $ and creating a double whammy
- Districts hate hate hate closing schools
Some districts have eye-popping ESSER III sums left to spend

- Stockton, CA = 13% spent ($136M remaining)
- Bakersfield City, CA = 20% spent ($112M remaining)
- Boston, MA = 44% spent ($155M remaining)
- Springfield, MA = 28% spent ($112M remaining)
- Newark, NJ = 38% spent ($110M remaining)
- Camden, NJ = 30% spent ($80M remaining)
- Milwaukee, WI = 4% spent ($488M remaining)
- Green Bay Area, WI = 18% spent ($36M remaining)

If districts don’t spend ESSER down by 9/2024, $ goes back to the feds

Can SEAs do more to support (or nag... or badger..) districts in these last 6 months?

Visit our ESSER Expenditure Dashboard to find district-by-district spending
https://edunomicslab.org/esser-spending/
What we learned from ESSER 2 spend down that informs ESSER 3 spend down?

- Confusion over the deadline or over what’s eligible for extension (or no signed contract needed for extension)
- Transition in district finance staff
- Administrative mistakes (“we didn’t realize we had sought reimbursement on ESSER 3 not ESSER 2”).
- Difficulty spending (staff turnover, unable to hire, etc.)
- Miscalculated remaining amount
- “Never planned to use it”
- SEA didn’t plan to seek extensions.

In 6 states, ESSER2 was spent down to the penny by Jan 31, 2024: HI, IA, KS, ME, MT, WI

In some states, districts are sending back funds (number undetermined yet). In one, 30 districts are sending ESSER 2 back (mostly smaller amounts).
More states are using the extension option (but not all):

<table>
<thead>
<tr>
<th>Sought extensions for ESSER 2</th>
<th>Didn’t seek extensions for ESSER 2</th>
<th>Considering for ESSER III</th>
<th>Not considering for ESSER III</th>
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Others?
ROI on ESSER was wildly uneven.

In IL from 2022 to 2023, some districts saw major gains in math while others spent ESSER but saw continued declines.

We found no relationship between amount of ESSER spent and growth in CA either.
CA district choices for 20$ “learning loss” $.

- 5% Extended Day / Year
- 6% After School
- 7% Tutoring
- 14% Summer Learning
- 23% Social Supports (SEL, Mental Health, Comm Schools)
- 45% “Other”

TX districts by expenditure “object”

- 61% Payroll
- 14% Consumer Supplies
- 8% Contractual Services
- 9% Capital Outlay
- 7% Indirect Costs
- 1% Other operating

We found no relationship between how ESSER was spent and growth in scores.
On average, districts have added staff while losing students.

Many districts are now hoping to reduce staff through attrition.

In some districts, ESSER worked to backfill budgets during enrollment declines.

Source: National Center for Educational Statistics
*Excludes Illinois, Nevada, & Utah
That said, **STATES** do matter when it comes to getting value for the dollar:

From 22 to 23, in some states, districts got much larger ELA gains for the dollar, vs others where scores fell as ESSER was spent.
States also matter when it comes to getting improvement in math scores for the dollar.

Districts in some states are more able to leverage dollars to deliver more growth in math than others.

Some SEAs do more to keep the focus of spending on outcomes.
And **STATES** matter when it comes to getting improvements in attendance (for the dollar spent)
How do we get districts to focus on improvement while also making cuts?
Timeline for *known* budget cutting decisions

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<th>Month</th>
<th>Event</th>
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<td>Sept</td>
<td>Finance team (FT) projects 24-25 budget from 23-24</td>
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<tr>
<td>Oct</td>
<td>FT works on budget tradeoffs</td>
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<td>Nov</td>
<td>1st Bd budget work session: set priorities.</td>
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<tr>
<td>Dec</td>
<td>2nd Bd budget work session: solidify choices.</td>
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<td>Jan</td>
<td>Last day to notify staff of layoffs</td>
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<tr>
<td>Feb</td>
<td>Final board vote on 24-25 budget</td>
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**2023-24**

What options are being considered? *Hint: there’s always more than one option possible.*

**2024-25**

Bloodletting

Last month to spend ESSER on salaries
Which cut would you make?

**A district must cut $60K from a low performing school:**

A. Cut the reading coach ($100K) and invest $40K via a tutoring vendor instead.

B. Eliminate a 2\textsuperscript{nd} grade teacher ($100K), raising 2\textsuperscript{nd} grade classes from 18 to 24, and reinvest the $40K savings in summer boot camps.

C. Eliminate two aides that help in math classes (saving $80K) and invest $20K savings in Khanmigo (an AI-driven math tutoring app for use in class).

D. Eliminate the librarian ($100K), and pay $40K for an aide to cover the library.
Opportunities for SEAs

A. Celebrate ROI superstars: those seeing larger growth for the dollar.

B. Require that budgets include data on student outcomes (to ensure that they get discussed).

C. Require finance training for administrators and school board members.

D. Convene district CFOs and Title directors and call on them to rethink Title programs to ensure they are delivering value for students.

E. Require districts to submit evidence that its recurring Title I investments are delivering measurable value for students before approving the next FY grant.
School District Finance Workshop

BRINGING COMMUNITIES ALONG IN CHALLENGING BUDGET TIMES

4-PART VIRTUAL TRAINING
APRIL 18, 19, 25, 26 | 12-2PM ET

Edunomicslab.org/workshop

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State Strategies for Sustaining Pandemic Recovery Efforts Beyond ESSER

Peter Zamora
Director of Federal Relations and Policy
CCSSO
CCSSO’s COVID Relief Data Project tracks how states are using the 10% ESSER state reservation to help students recover from the effects of the COVID-19 pandemic.

CCSSO.org/ESSERfunds.
ESSER State Reserve Spending Trends

Updated September 2023

Total Investment By Category

- Tutoring & Accelerated Learning: $4.36
- Out-of-School Time & Extended: $3.01
- Local Supplemental Funds: $2.03
- Educator Workforce: $1.49
- Curriculum & Instruction: $1.40
- Digital Divide & Remote Learning: $1.16
- Student & Staff Wellbeing &...: $1.10
- Postsecondary & Career Readiness: $0.63
- Administration: $0.56
- Early Childhood: $0.39
- Targeted Supports: $0.36
- Data & Reporting: $0.35
- Safe Return: $0.26
- School Improvement: $0.22
- Stakeholder Engagement: $0.20
- Student Attendance & Engagement: $0.11
- Stakeholder Engagement: $0.08
ESSER Sunset

Last day to obligate ARP ESSER: September 30, 2024
Obligation = binding written commitment (contract with outside entity, services performed by SEA/LEA employees)

Traditionally: Services conclude by final obligation date
Grantees have 120 days to liquidate funds
State Educational Agencies (SEAs) may apply for additional time to liquidate

There has been no blanket extension of ESSER spending timeline, but students clearly need ongoing supports
U.S. Department of Education (ED) guidance:
“Generally, it is not good stewardship of Federal funds or prudent business practice to prepay for services... However, under limited circumstances... activities may continue for a reasonable time beyond the liquidation period.

“Because ESSER and GEER are State-administered programs, the SEA or Governor determines whether activities extending past the liquidation period are allowable under the circumstances.”

State/Local internal controls may not allow.
Liquidation Extension

- SEAs may apply to ED for liquidation extensions
- Does not extend timeline for obligation (September 2024)
- Would allow funds to be drawn down for additional 18 months (ARP through March 2026)

- **Not automatic**, burdensome process for states (cost-by-cost scrutiny, ongoing reporting)
- No additional federal funding for ongoing oversight

- CCSSO ESSER Liquidation Fact Sheet:
  [https://753a0706.flowpaper.com/CCSSOARPESSERLiquidationfactsheet2024/#page=1](https://753a0706.flowpaper.com/CCSSOARPESSERLiquidationfactsheet2024/#page=1)
Sustaining ESSER-Funded Activities With Other Federal Funds

If it was funded with ESSER, all or part of an activity may be sustained for all or some students with recurring federal formula funding.

SEAs and LEAs should evaluate current uses to promote alignment with changing student needs, prepare for ESSER sunset:

- Depends on state and local context
- Different student eligibility and fiscal rules for different federal programs
- Difficult conversations about shifting current practices
Example: North Dakota

- **Funding Your Plan, Best Practices to Sustain Investments:**
  https://www.nd.gov/dpi/districtsschools/finance-operations/funding-your-plan

- “[D]esigned to help school districts better understand how policy flexibility can be leveraged within federal funding streams”
  - State spending guidance, workbook
  - Online and In-Person Trainings
North Dakota Example: Educator Recruitment

Support to LEAs on specific ways to use recurring federal funds, including:

- **Title I, Part A**
  - Financial incentives and rewards, professional development, educator coaching, induction programs, school climate initiatives

- **Title II, Part A**
  - Recruiting, hiring, retaining effective teachers to improve equitable distribution, recruiting qualified individuals from other fields, advancement and professional growth opportunities, etc.

- **Title IV, Part A**
  - To support a well-rounded education, school conditions for student learning, site resource coordinator (community partnerships), technology to improve recruitment, retention

- **IDEA, Part B**
  - Professional development for all educators who work with students with disabilities, dual certification strategies, induction or mentoring
How States Are Planning for Sustainability

State Actions and Opportunities to Sustain High-Impact Investments in Education

- SET priorities for student success
- MEASURE impact, build an evidence base and raise awareness
- IDENTIFY resource and capacity gaps

CREATE CONDITIONS FOR SUSTAINABILITY BY:

- BUILDING ALIGNMENT
- MINIMIZING BARRIERS
- MARSHALING RESOURCES