

State Strategies for Sustaining Pandemic Recovery Efforts Beyond ESSER

APRIL 11 | 3:00 P.M. ET

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National Association of
State Boards of Education

Welcome



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NASBE Funding Resources

POWER OF THE QUESTION

National Association of State Boards of Education

Vol. 6, No. 1
March 2022

⑦ Seven Questions to Ask about Leveraging American Rescue Plan Funds

By Paolo DeMellara

One year ago, Congress passed and the U.S. Department of Education released the first tranche of the \$122 billion in relief funding for education as part of the American Rescue Plan (ARP). By January 19, 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 as their state plans unfold.

Even the best-laid plans do not always play out as expected. Given that the summer months and the 2022–23 school year are just ahead, the timing is right to examine whether plans need revision or approaches should be modified. In that spirit, these seven questions can help frame ongoing conversations in states to discern the impact of this unprecedented outlay of funds.

1 HOW DOES THE VISION OF SUCCESS IN ARP ALIGN WITH THE STATE STRATEGIC PLAN?

Exemplary state board leadership focuses the state education system on a clear, compelling set of long-term priorities that steer the board's agenda and work. State board strategic plans communicate shared goals and strategies that reflect the priorities of educators, families, the business community, and students. Yet savvy state boards also recognize that such plans must adapt to unanticipated circumstances.

One year into the implementation of ARP's Elementary and Secondary School 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 (see box). State boards can take the time to reflect on the pandemic's lessons learned, how state priorities may have shifted, and guide investments toward long-term success and the benefits of students.

For example, the **Nebraska State Board of Education** laid out 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 felt the impact of isolation or other pandemic-related traumas, and early childhood education.¹ The **Oregon** Department of Education set guiding principles in spring 2020 for pandemic response that they updated a year later. The principles focused on safety and wellness, health and well-being, connection and relationship, equity, and innovation, all of which provide context to state actions supporting pandemic recovery.² **Louisiana** designed a crosswalk to help school systems match allowable uses of ESSER funds to strategic plan priorities and high-impact investments.³ Early in 2020, **Tennessee** released its strategic plan, which named three priorities: (1) Academics: 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 nonacademic needs of all kids, and (3) Educators: Tennessee will be the top state to become and remain a teacher.⁴

As states align the implementation of COVID-19 relief investments with their strategies, state boards should focus on a few priorities to pursue relentlessly over the next few years. Ideally, these priorities intersect with existing areas of focus outlined in the state's post-pandemic vision for education and where the key condition for change already exists—a coalition of constituents, experts, and state and local leaders who can effectively and iteratively 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 thinly in too many initiatives and losing out on the opportunity to transform education.

2 HOW CAN THE NEAR-TERM PLAN FOR OUT-OF-SCHOOL TIME FOSTER STUDENT ENGAGEMENT OVER THE LONG TERM?

The deleterious effect of the pandemic on students' social, emotional, and academic learning will not be resolved in one school year, even with everyone's best efforts. State boards are best positioned to strengthen the education system when they employ an "all hands on deck" approach that engages afterschool, summer learning, and community partners to meet students' immediate needs and catalyze a transformation in where and how learning takes place.

As the pandemic challenged the view of school as one place, families and community partners grew closer to teaching and learning than perhaps ever before.⁵ In a recent report based on its survey research, nonprofit Learning Heroes revealed insights about how parents and teachers perceive the role of out-of-school-time (OST) learning in meeting students' social, emotional, and academic development needs. Seventy-four percent of all parents and 77 percent of

The State Education

September 2018

Standard

The Journal of the National Association of State Boards of Education



GETTING TO THE CORE OF SCHOOL FINANCE



Courts' Rule on Funding Adequacy and Equity

Uneven Terrain of Teacher Pay

New Transparency on School-Level Spending
Braiding and Blending for Pre-K

California and Student-Driven Funding



Today's Speakers



Marguerite Roza

Research Professor, Georgetown
University and Director of Edunomics
Lab

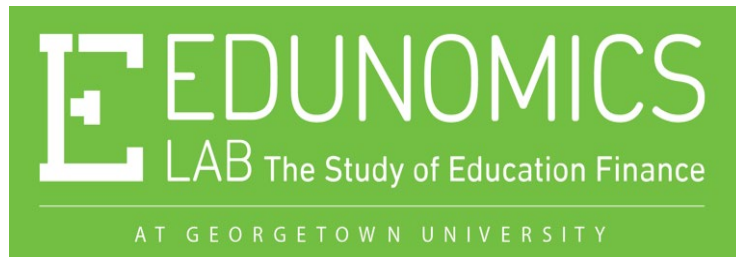


Peter Zamora

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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 \$ 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)

Visit our ESSER Expenditure Dashboard to find district-by-district spending

<https://edunomicslab.org/esser-spending/>

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?

What we learned from ESSER 2 spend down that informs ESSER 3 spend down?

It. Can. Be. Done.

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).

Why districts are sending ESSER 2 back to the US Treasury...

- ✓ 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.



More states are using the extension option (but not all):

Sought extensions for ESSER 2

CA	NJ
CT	NY
DE	RI
IN	SC
FL	TX
KY	PR
MA	OH
MO	VT

Didn't seek extensions for ESSER 2

HI	AL
IA	MT
KS	AK
ME	
MI	
MT	
WA	
WI	

Considering for ESSER III

AL
DE
VT

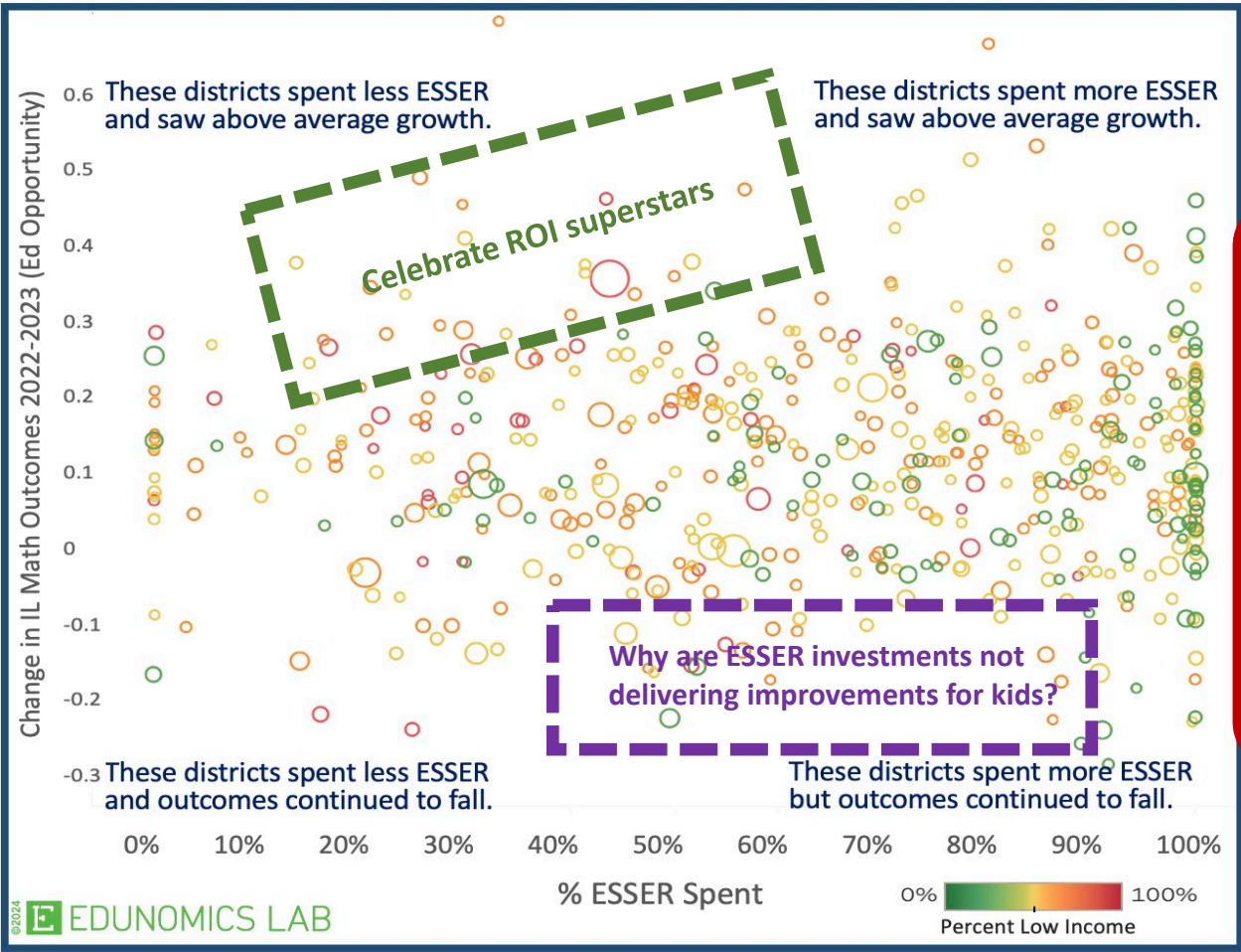
Not considering for ESSER III

AK
MT
WY

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.

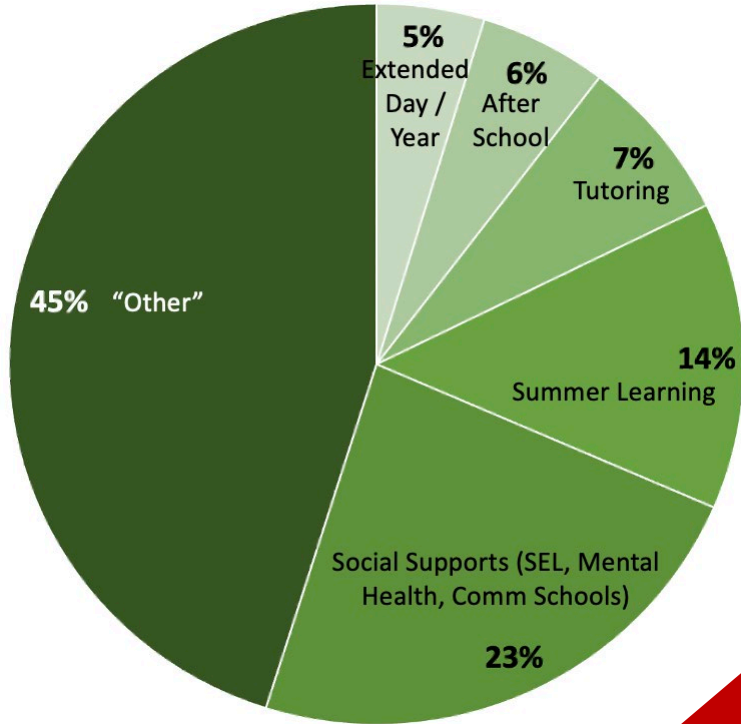


We found no relationship between amount of ESSER spent and growth in CA either

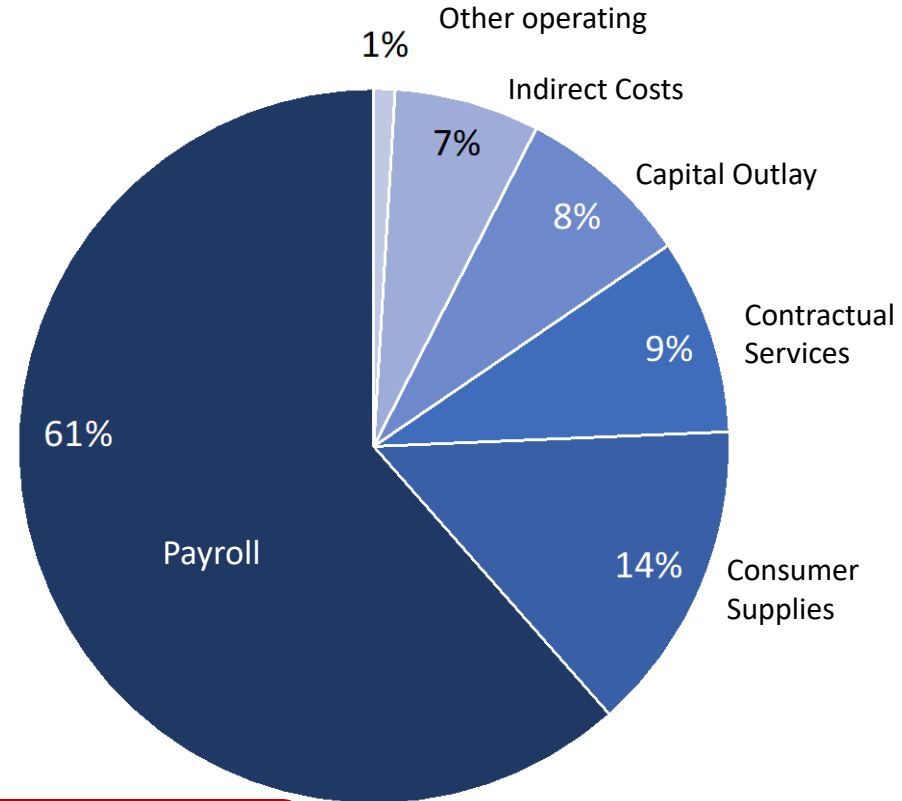
ESSER data retrieved from [Edunomics Lab ESSER Expenditure Dashboard](#)
Outcomes data retrieved from [Stanford's Educational Opportunity Project](#)



CA district choices for 20\$ “learning loss” \$.

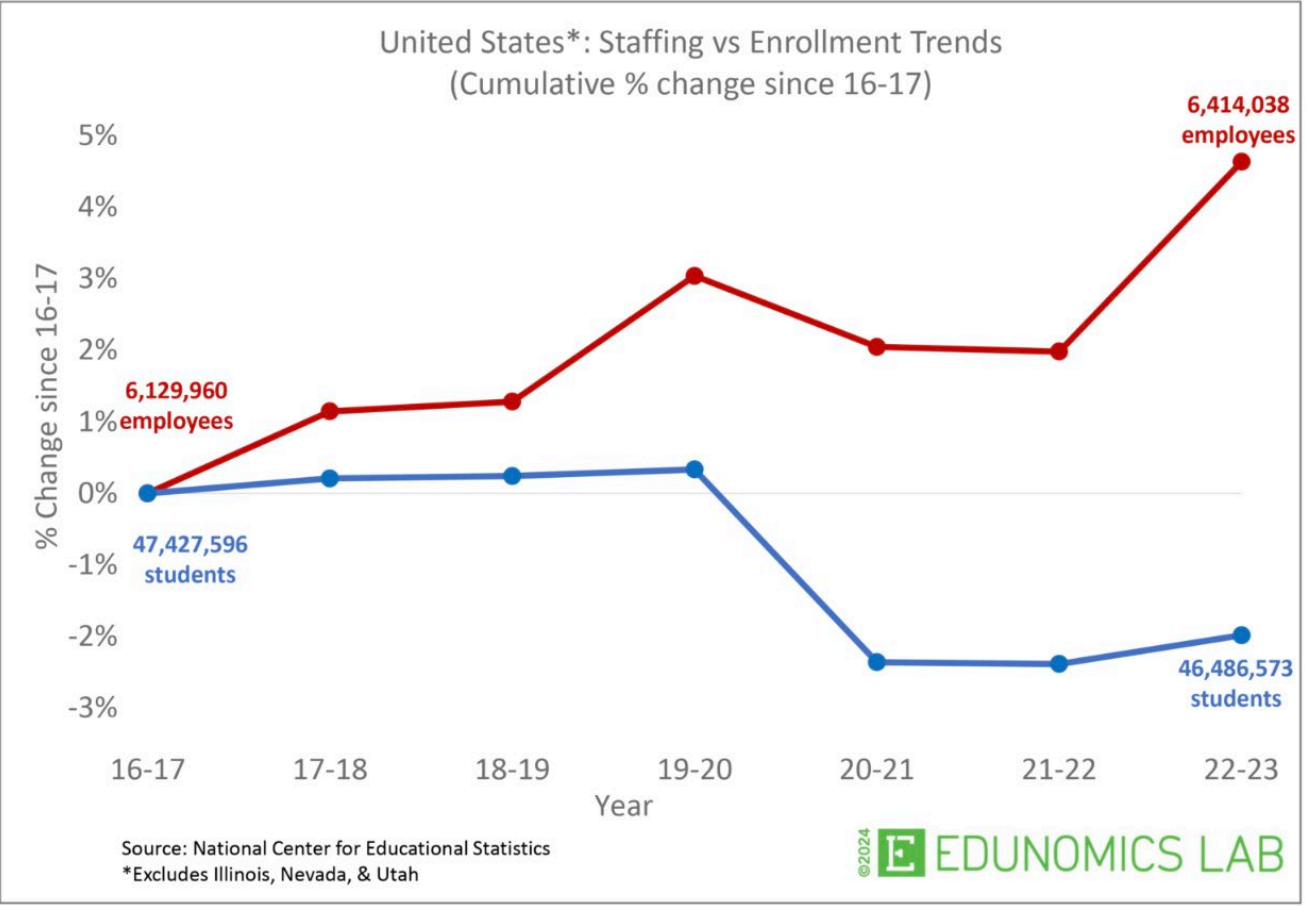


TX districts by expenditure “object”



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

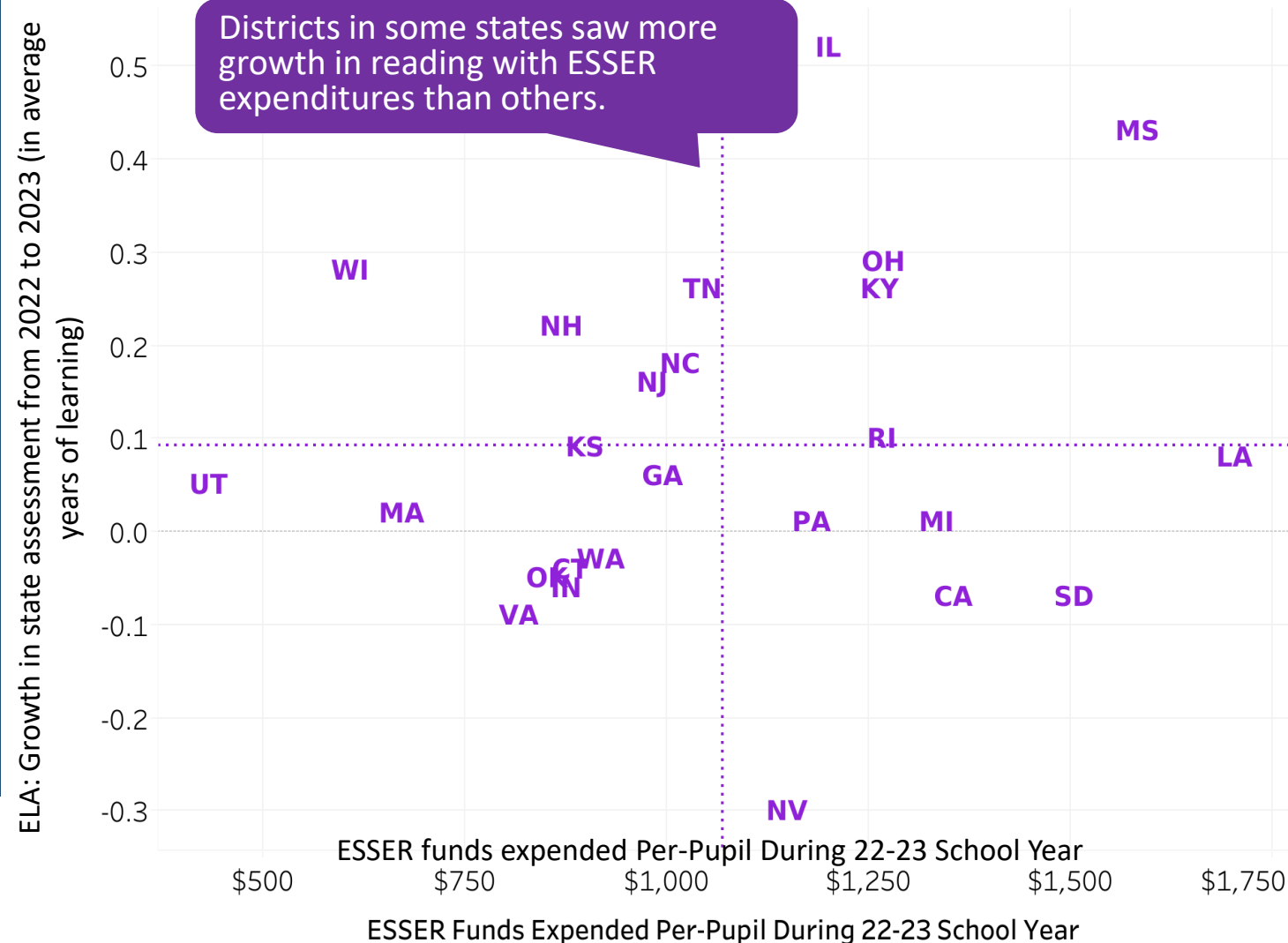
State graphs at: edunomicslab.org/staffing-v-enrollment-trends

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



That said, **STATES** do matter when it comes to getting value for the dollar:

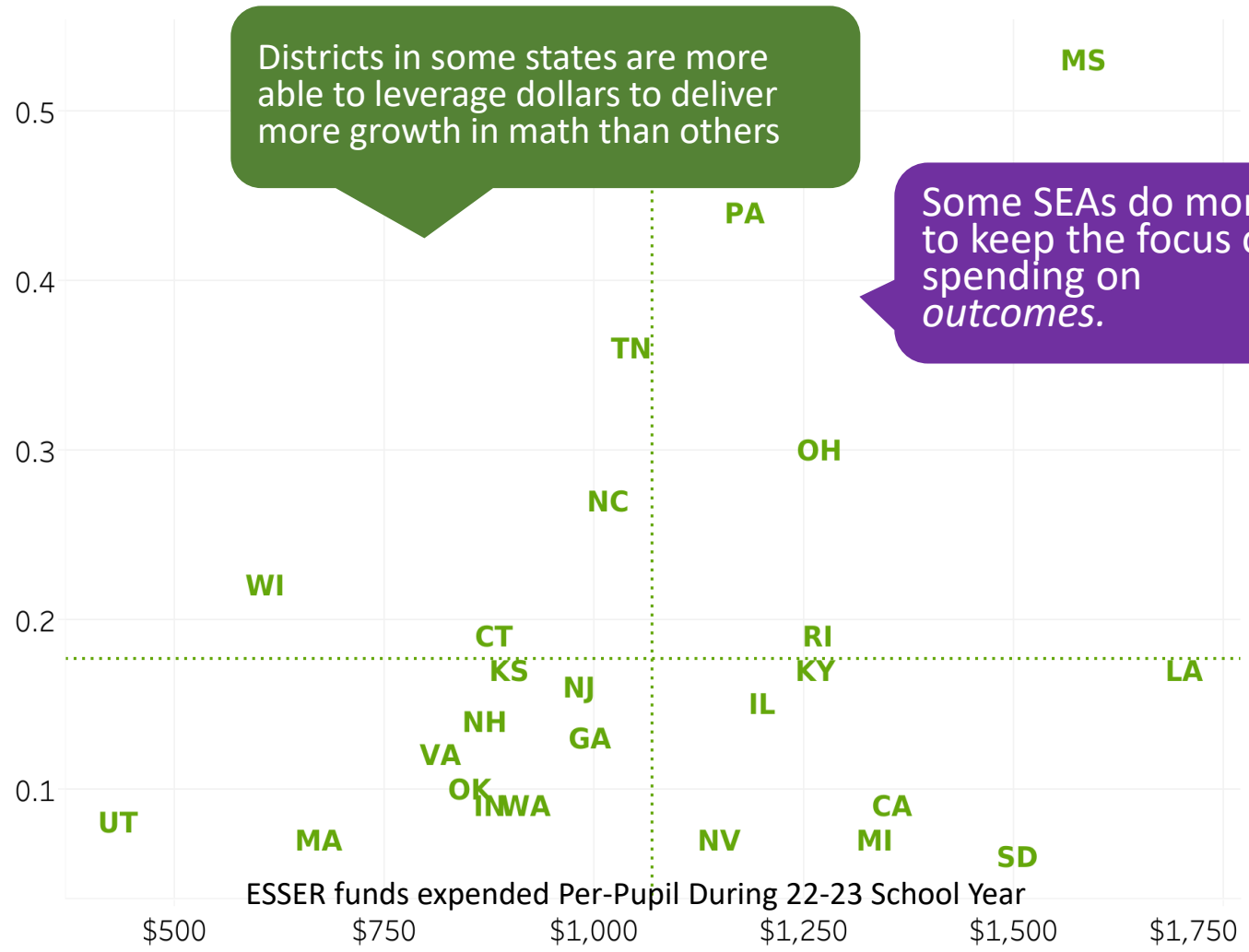
From 22 to 23, in some states, districts got much larger ELA gains for the dollar, vs others where scores fell as ESSER was spent



ESSER spending: <https://covid-relief-data.ed.gov/>
 22-23 Enrollment: NCEES Common Core of Data
 Outcomes: <https://edopportunity.org/recovery/>

STATES also matter when it comes to getting improvement in math scores for the dollar

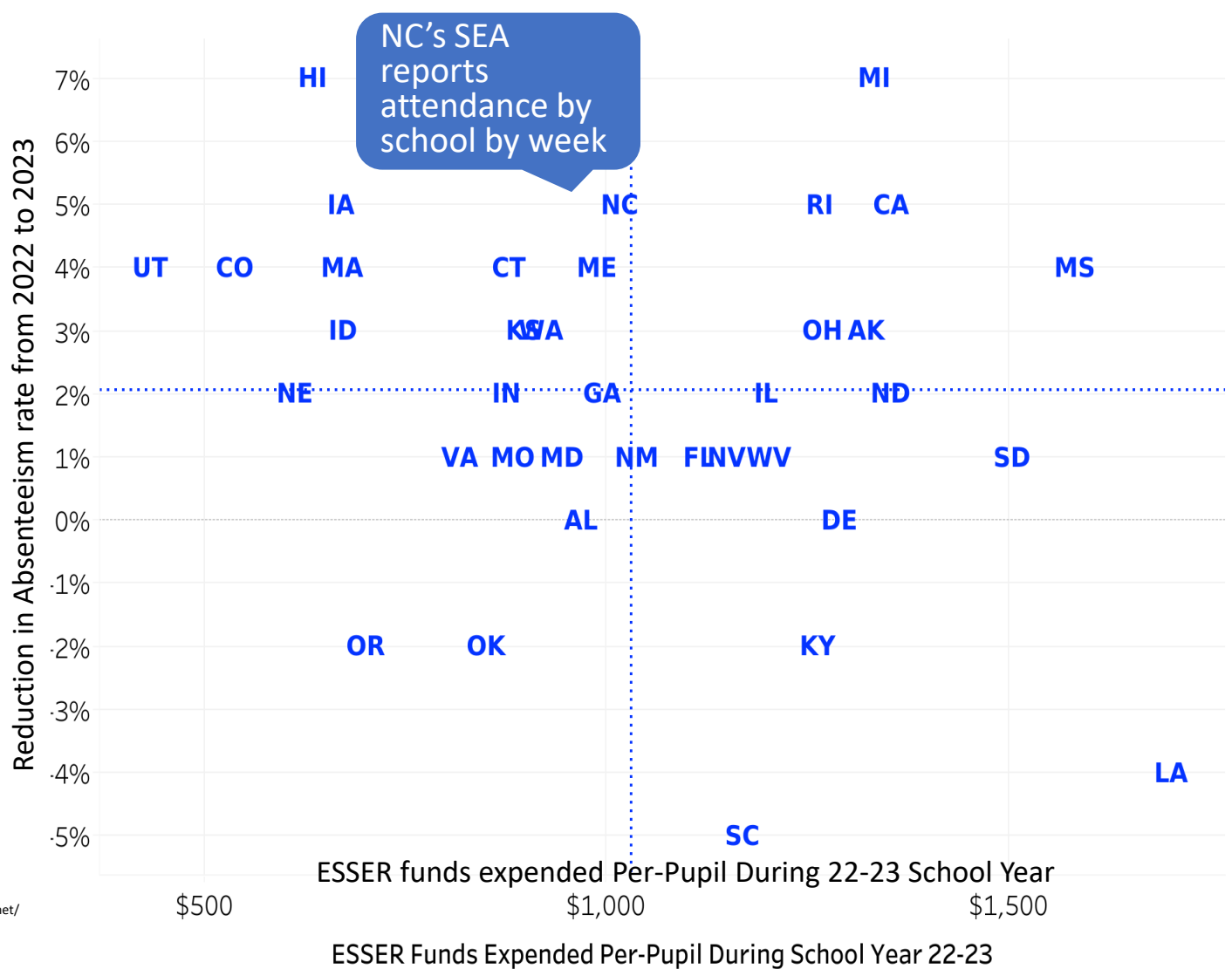
MATH: Growth in state assessment from 2022 to 2023 (in average years of learning)



ESSER spending: <https://covid-relief-data.ed.gov/>
 22-23 Enrollment: NCEES Common Core of Data
 Outcomes: <https://edopportunity.org/recovery/>

ESSER Funds Expended Per-Pupil During 22-23 School Year

And **STATES** matter when it comes to getting improvements in attendance (for the dollar spent)



ESSER spending: <https://covid-relief-data.ed.gov/>
 Chronic Absenteeism: <https://www.returntolearnteacher.net/>

How do we get districts to focus on improvement while also making cuts?



Timeline for *known* budget cutting decisions

Finance team (FT)
projects 24-25
budget from 23-24

FT works on
budget tradeoffs

Last day to notify staff
of layoffs

Sept Oct Nov Dec Jan Feb Mar Apr May June July Aug Sept

2023-24

2024-25



1st Bd budget
work session:
set priorities.

2nd Bd budget
work session:
solidify
choices.

Final board
vote on 24-
25 budget

Bloodletting

Last month
to spend
ESSER on
salaries

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



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 2nd grade teacher (\$100K), raising 2nd 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.

Which if any could protect/improve student outcomes?

Leaders prioritize avoiding layoffs.

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.



Explore tradeoffs Communicate financial decisions

School District FINANCE Workshop

BRINGING COMMUNITIES ALONG IN CHALLENGING BUDGET TIMES

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

Analyze policy impacts Strategically allocate resources

Identify cost drivers

Edunomicslab.org/workshop

Join our **Financial Decision-Making Working Group (FiDWiG)**
 Email edunomics@Georgetown.edu

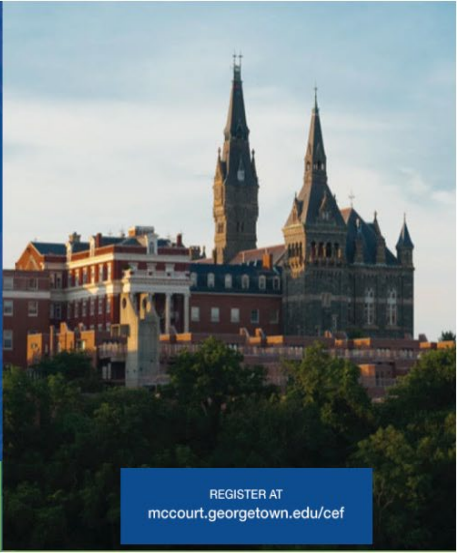
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Peter Zamora
Director of Federal Relations and Policy
CCSSO

The COVID Relief Data Project

⌘ 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.

States Leading: How State Education Agencies are Leveraging the ESSER Set-Aside

UPCOMING EVENT Join CCSSO on Tuesday, March 21 from 9:00 a.m. to 12:00 p.m. ET to explore the impact of state recovery investments. CCSSO is opening the last day of the 2023 Legislative Conference to the public for this special event, **Investment to Impact: ESSER in the States**. The event will illustrate the impact of state ESSER set-aside funds from the state to the classroom and feature discussions with state chiefs, local educators and prominent thought leaders. There is no registration fee. Register here to attend in person or access the live stream.

The Impact of ESSER Investments

Equipped with nearly \$19 billion of Elementary and Secondary School Emergency Relief (ESSER) funds set aside for state use, state education agencies are supporting schools and districts to strengthen pandemic relief and recovery effort and bring evidence-based practices such as high-impact tutoring to scale.

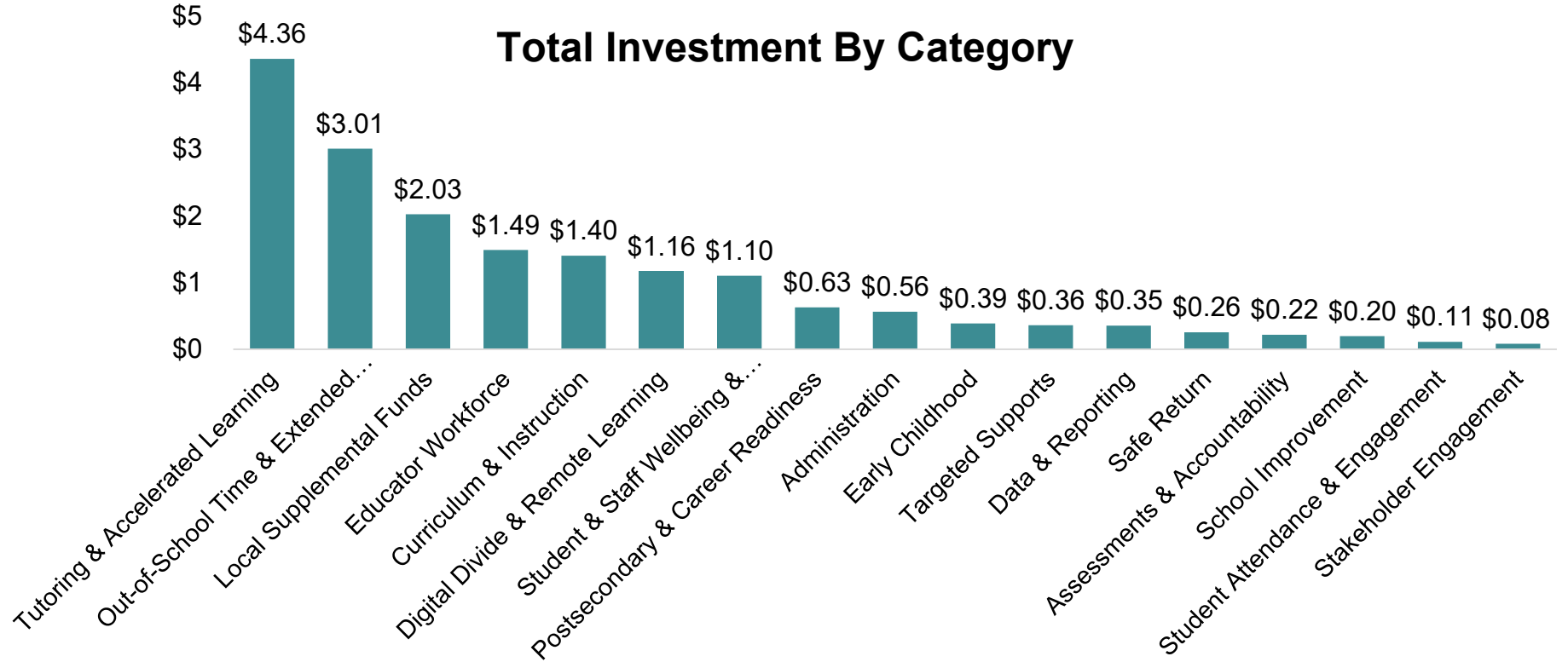
As we wait for long-term research on the impacts of this aid, early evidence from state recovery efforts show that state investments are starting to pay off. Explore the map below to view ESSER impact stories from across the country and help spread the word using the **social media toolkit**.

ESSER State Set-Aside Funds Investment to Impact

State	Category	Example
Alabama	Out of School Time & Extended Learning	The Alabama Department of Education partnered with Alabama State University and its sponsored educator, 8th Arkansas Day of School District, to administer a \$74 million grant to support summer and after-school programming. The State Department also supported 122 local district and community-based programs with approximately \$26.15M which in turn serving more than 70,000 students.
Alabama	Virtual Programs	The Alabama Department of Education used ESSER funds to offer the teacher assessment. This assessment provides graduate-level lessons to completers, leading to additional college degree and credit awards to interested teacher applicants and arms that are providing support to teachers teaching in the February 2023. There were 282 participants in the Special Education Services Practice Academy 2023 in the Online Teacher Academy, 90 in the Computer Science and Computing Academy in spring 2023 in the Early Childhood Prof. of Teacher Academy and 46 in the Early Childhood Prof. of Special Education Teacher Academy.
Alabama	Training & Professional Learning	Supporting the process of future participating in...

Microsoft Power BI

ESSER State Reserve Spending Trends



Updated September 2023



ESSER Sunset

Last day to obligate ARP ESSER: September 30, 2024

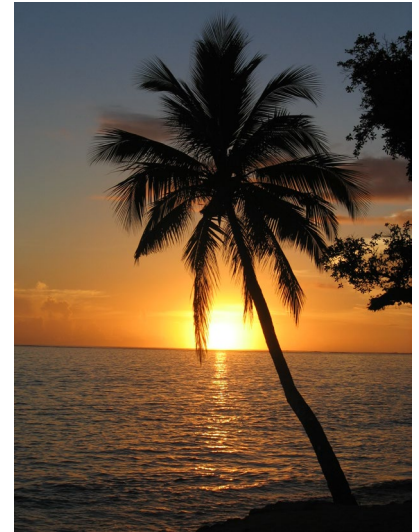
Obligation = binding written commitment (contract with outside entity, services performed by SEA/LEA employees)

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



Pre-Payment of Services with ESSER and GEER

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>



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/districtschools/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

Sustaining Investments

When reviewing how North Dakota schools utilized their ESSER funds, many expenses fell within the categories below.



Educator Recruitment



High-Quality Instructional Materials (HQIM)



Developing & Supporting Leaders



Integrated Student Supports (ISS)

The next sections illustrate how federal funds can be used to continue to sustain these activities.

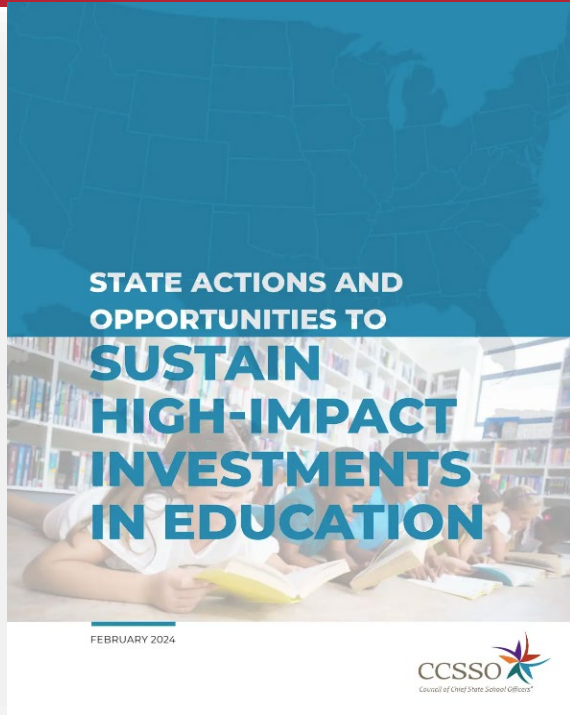
nd.gov/dpi 15

North Dakota Example: Educator Recruitment

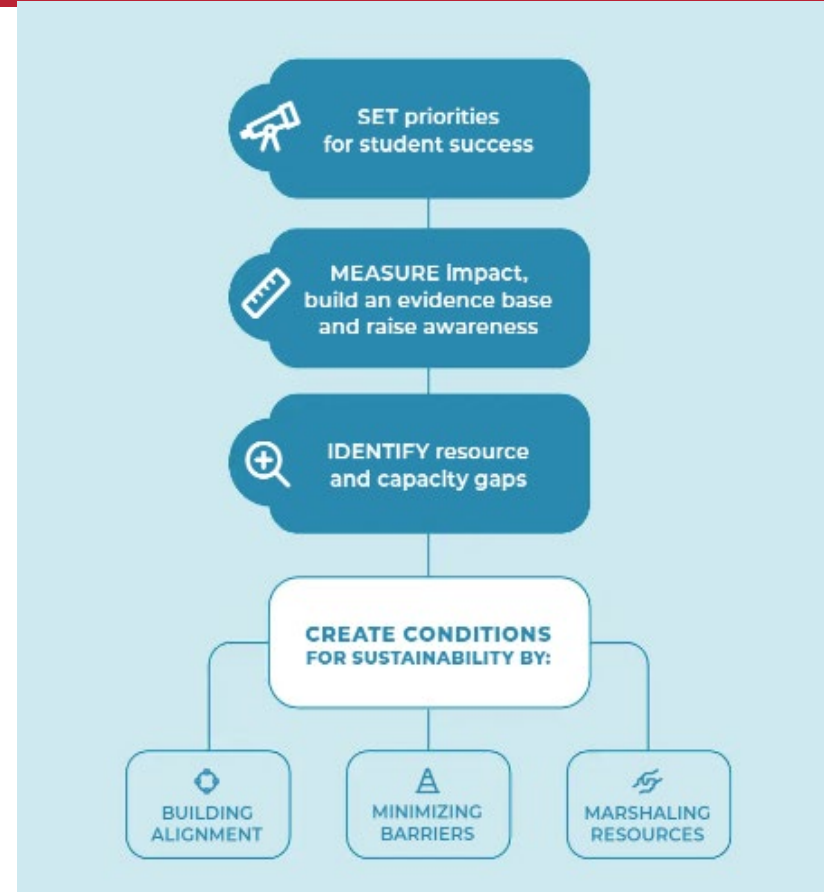
Support to LEAs on specific ways to use recurring federal funds, including:

- 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



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