Financial Turmoil: The new federal aid package



Jan. 5, 2021; Revised Jan. 6, 2021

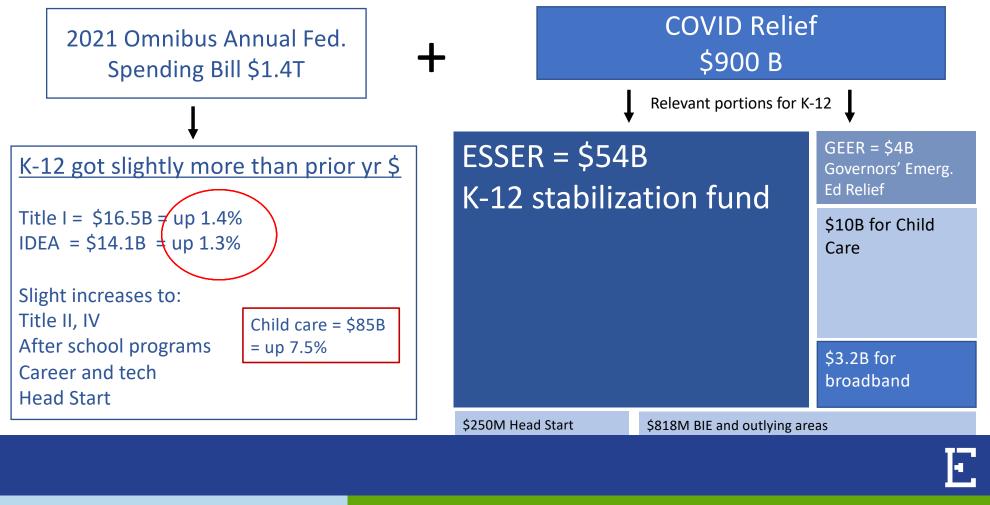
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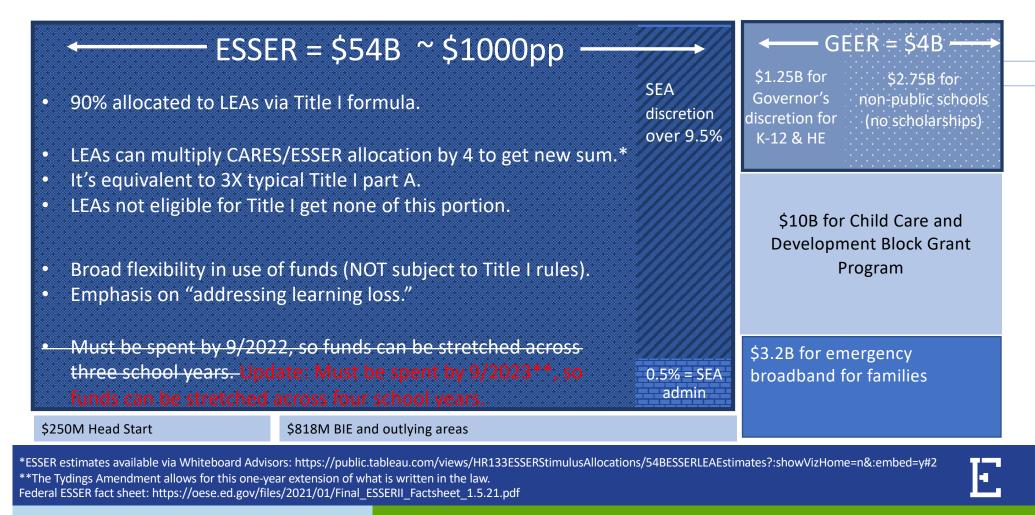
Slides available at edunomicslab.org



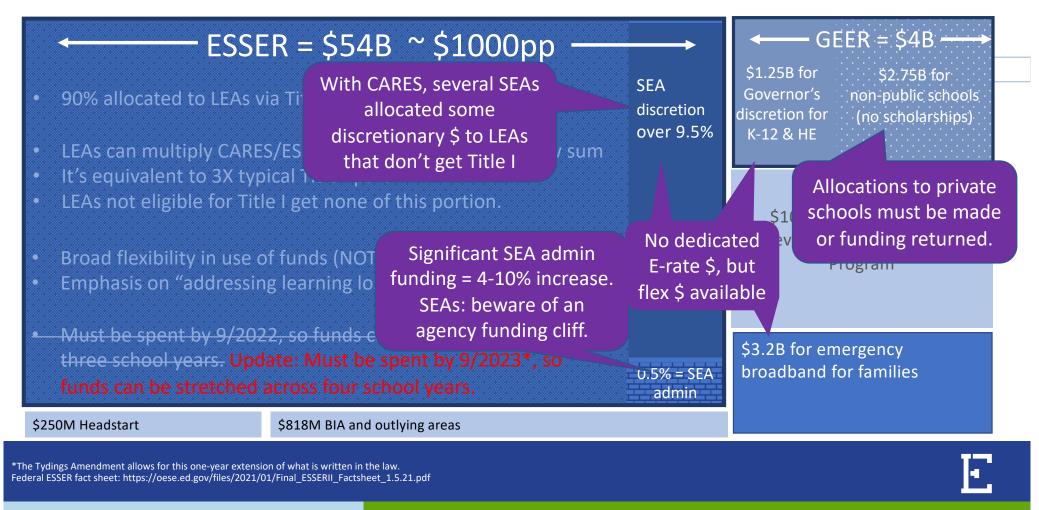
New law (Consolidated Appropriations Act, 2021)



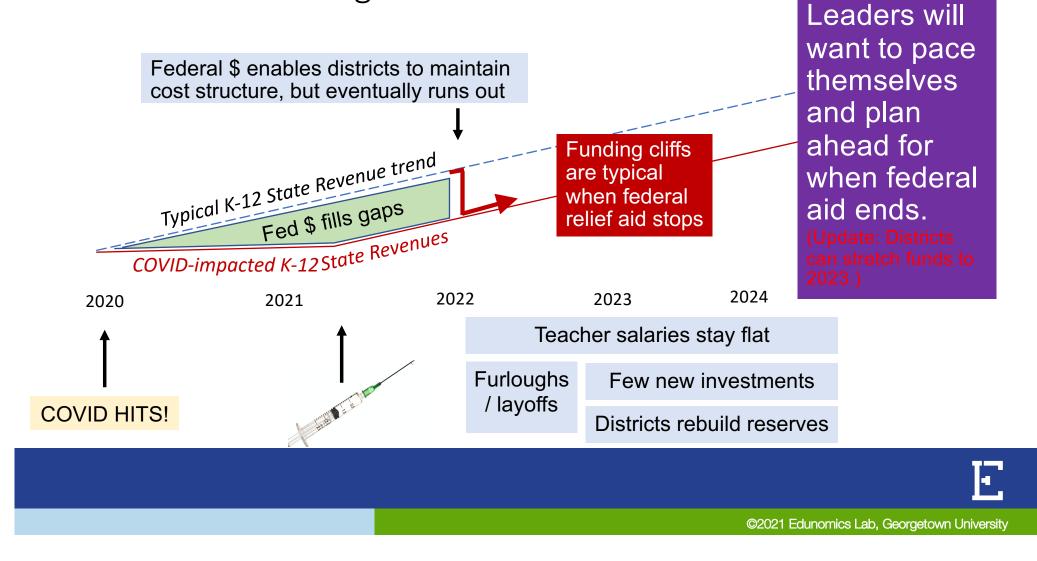
K-12 portions of 2021 Federal COVID Relief Package



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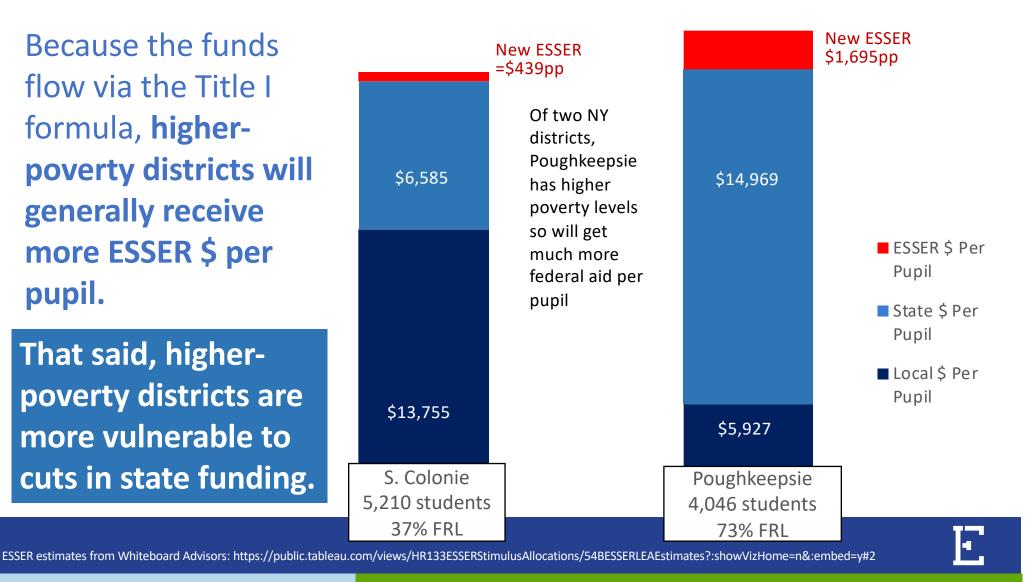


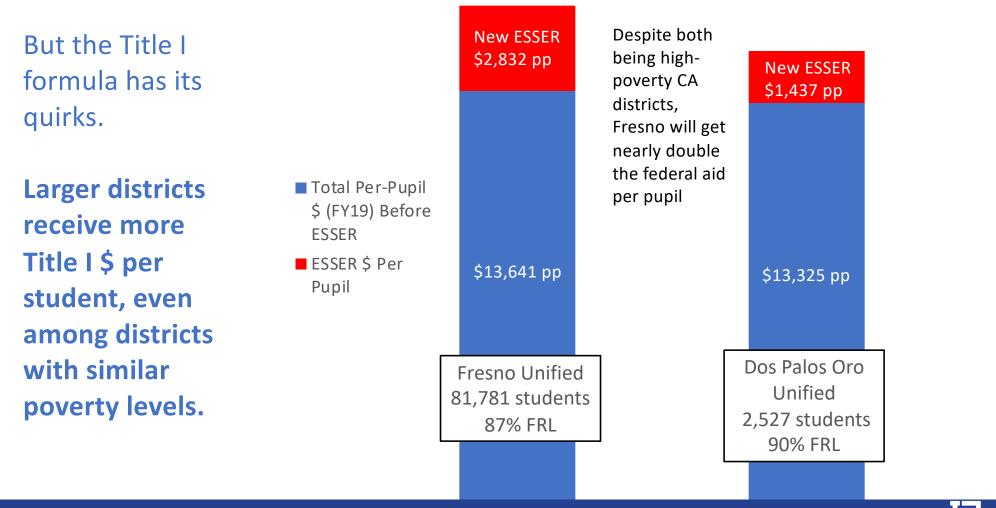
Will we have a funding cliff?



Because the funds flow via the Title I formula, higherpoverty districts will generally receive more ESSER \$ per pupil.

That said, higherpoverty districts are more vulnerable to cuts in state funding.

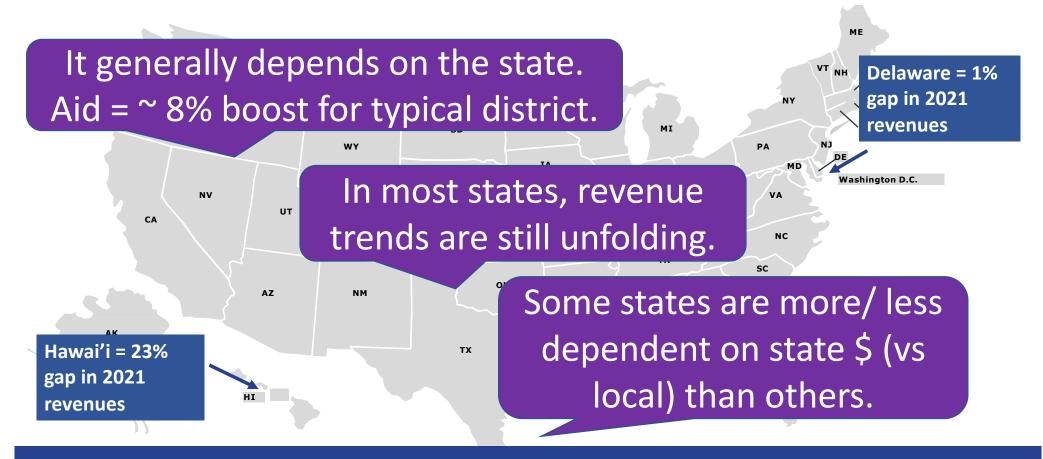




ESSER estimates from Whiteboard Advisors: https://public.tableau.com/views/HR133ESSERStimulusAllocations/54BESSERLEAEstimates?:showVizHome=n&:embed=y#2

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Is the federal aid enough to cover the gaps in state funds?



late: State-by-state SEA ESSER allocation table available: https://oese.ed.gov/files/2021/01/Final_ESSERII_Methodology_Table_1.5.21.pdf

Questions?

Since states didn't get funds to backfill their budgets, can they cut K-12 and backfill with federal K-12 aid?

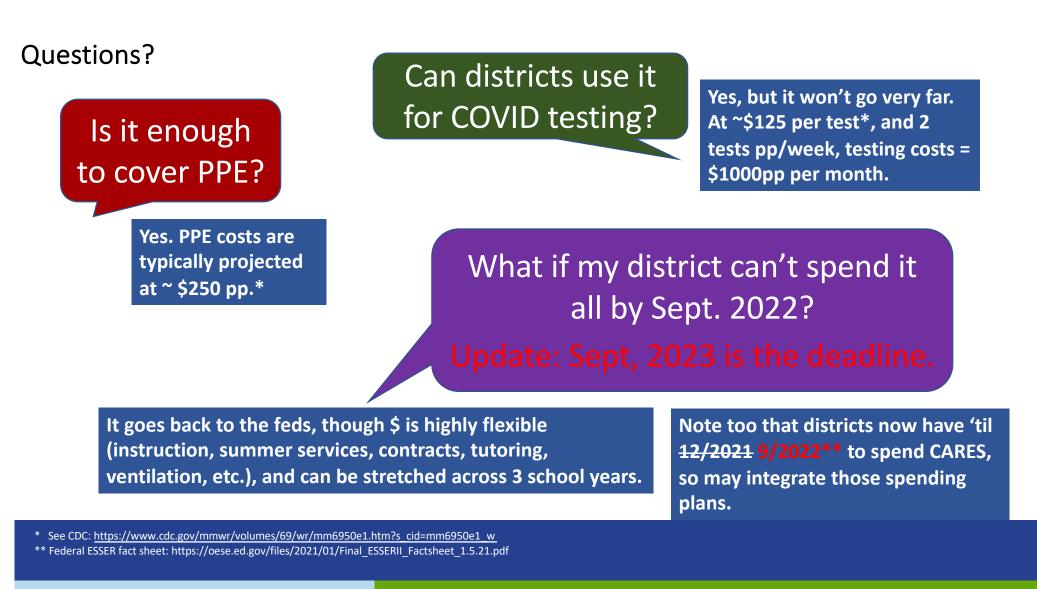
To a point. "Maintenance of Effort" prohibits cutting K-12 more than other areas of state budget.

How should SEAs allocate the 9.5%?

COULD START WITH DATA: Comparing state/local \$ in districts vs poverty, etc. and use the 9.5% to address problematic gaps.

Does the district have to be in-person to use the money?

No



Questions?

How should my district spend it?

How do districts avert fiscal cliff?

Avoid recurring obligations (raises, new hires). Seek one-time investments. If labor is needed, use contract labor or stipends for current staff.

!!!

What will help students? Which students suffering learning loss and by how much? What options avert a fiscal cliff? Will districts be judged in rear view mirror for how they spend it?

You betcha! There are robust reporting requirements and one-time sums of this size draw lots of attention. Reporting emphasis will be on how money addressed <u>learning loss</u>.

*https://www.healthsystemtracker.org/brief/covid-19-test-prices-and-payment-policy/

This K-12 financial story is far from over!

Q & A

Note: Q&A is off the record unless otherwise stated Marguerite Roza Edunomics Lab, Georgetown University <u>MR1170@georgetown.edu</u> @MargueriteRoza

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Visit EdunomicsLab.org for resources on how financial turmoil is impacting K-12

Join our next 30-minute webinar: Impacts of enrollment shifts and learning loss on district finances Tuesday, January 19, 10am PT / 1pm ET http://bit.ly/EdLabJan19

