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[edunomicslab.org](https://edunomicslab.org)

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*Note: Presentation is on-the-record but Q&A after is off-the-record unless otherwise noted*

Six months remain on ESSER.  
What's left to do? What worked? What didn't? What happens when it's gone?

March 19, 2024



# Lots to cover

## 1. What's left to do

- a. How much is left to spend? Where are the largest remaining balances?
- b. What have we learned from ESSER 2 spend down?
- c. What's the deal with extensions?
- d. Key spend-down steps.

## 2. How is this massive ESSER experiment shaping up?

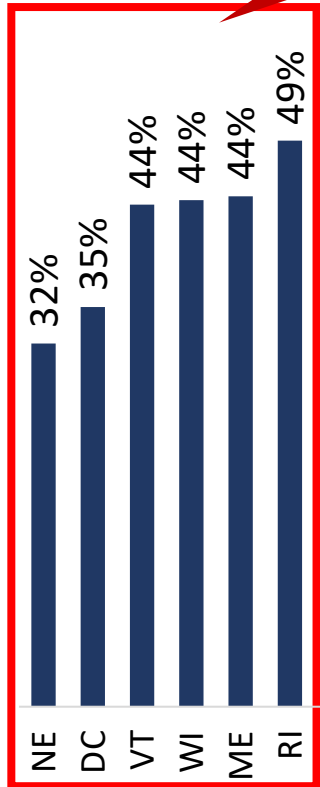
- a. Sending money to districts results in relatively little fraud.
- b. Funds went out unevenly across states.
- c. Districts made different choices with their funds. Some struggled to manage grants of this magnitude.
- d. Stabilizing budgets was a priority.
- e. Districts proved they can be nimble with new dollars.
- f. ROI on the program was wildly uneven.
- g. And yet some states saw greater gains for the dollar than others.
- h. Thus far, the data surface no real silver bullets for how to spend money.
- i. Unwinding one time money is no small task.

## 3. How might any of this inform future allocations?



# 6 states report more than half of ESSER III funds left to spend before deadline

Districts in these states are far behind peers on spending or at least on reporting/accounting



Districts/charters have 6 months to spend ESSER (or execute an extension-eligible contract) and then seek reimbursement from their SEAs.

ESSER III spending as of 1/31/24: <https://covid-relief-data.ed.gov/>



# 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 did we learn 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

Across the remaining states, \$668M (1.3%) of ESSER2 remains unspent and will either receive an extension or be sent back.

In at least 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.



# In CA, larger, high-poverty districts are struggling to deploy ESSER funds.

On average, higher-poverty districts have spent ESSER III slower

On average, the larger, higher-poverty districts have spent ESSER III slower

% ESSER III Spent by District Size and % UPC

AND

Larger higher poverty districts have the most work to do to deploy remaining funds in this final stretch.

Students in these districts remain far behind pre-pandemic levels.

% UPC	% ESSER III Spent
0-25%	83%
25-50%	73%
50-75%	66%
75-100%	56%

<2000	2000-6000	6000-10,000	10,000-20,000	>20,000
83%	84%	**	**	**
72%	75%	72%	74%	67%
69%	71%	57%	62%	53%
61%	55%	51%	52%	47%

\*\*Fewer than 10 districts in this subset  
 California ESSER spending data from 9/30/2023  
 UPC = "Unduplicated Pupil Count," CA's poverty measure capturing FRL-eligible students, English learners, and/or foster youth



# US Dept of Ed is encouraging districts to seek extensions

## Still true for ARP ESSER extension

- ✓ ESSER can't pay for employees after 9/30/24
- ✓ The last day to sign an ESSER-funded vendor contract is 9/30/24
- ✓ Contracts signed by 9/30/24 may be eligible for an extension allowing vendors to continue delivering certain types of services until March 28, 2026

## New from US ED

- ✓ Tutoring, extended learning time, and summer programs got a nod as the types of service that can be extended
- ✓ SEAs can bundle requests for extensions (instead of the usual onerous documentation)
- ✓ SEAs should apply by 12/31/24 for a "prompt" approval

Still, we predict extensions will affect well under 5% of ESSER III



# Key ESSER Spend Down Steps: The final stretch

Leverage ESSER to remedy learning gaps, maximizing value for students

**9/30/24:** Last day to  
• use ESSER for labor  
• sign contracts

**1/28/25:** Deadline to pay vendors & seek reimbursement (w/out an extension)

## Districts/ Charters:

If seeking an extension, alert SEA, set up contracts and get Bd approval

File plan changes w SEA where needed

Mar Apr May June July Aug Sept Oct Nov Dec Jan

2023-24

**MAKE SURE** every LEA & subgrantee is on track to spend down ESSER.

Redeploy LEA ESSER where needed

Approve late LEA plan adjustments

2024-25

Approve and reimburse final LEA expenses

Gather info needed for extensions and submit asap

Unspent ESSER reverts to Feds

## SEAs:

Be **INCREDIBLY CLEAR** with district/charters on deadlines, process for extensions

Transition ESSER-funded SEA staff





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- e. Districts proved they can be nimble with new dollars.
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# ESSER has thus far resulted in very little fraud

Yes there were some eyebrow-raising spending decisions ... but

Compared to PPP loans and unemployment funds, much *much* less fraud has been uncovered in ESSER.

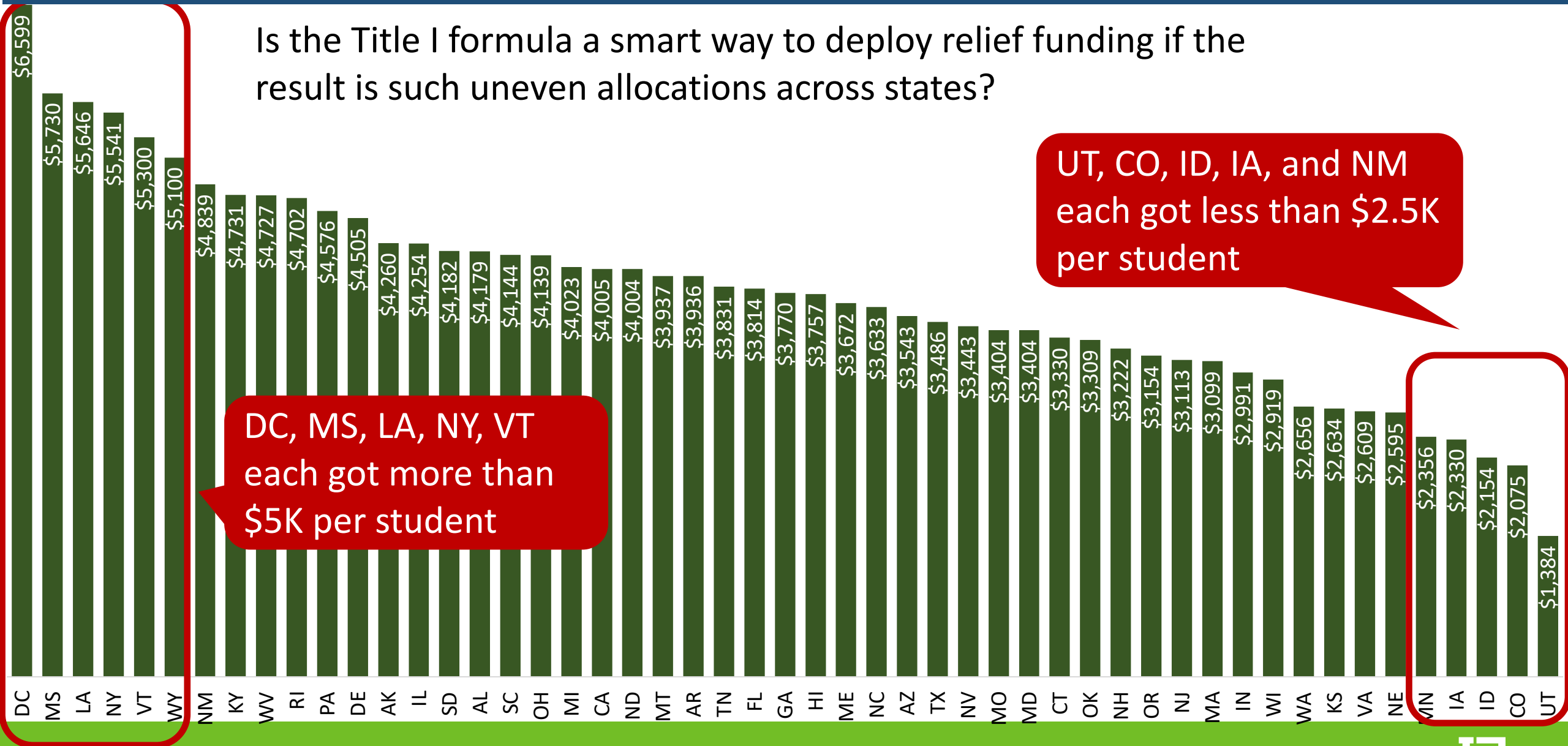
Audits have identified hits, mostly procedural:

- ✓ Missteps in vendor contract approvals
  - Lacked competitive bids, board vote
  - Conflicts of interest with district staff/board
  - No follow through on services.
- ✓ Gaps in record keeping, missed deadlines



# ESSER delivered much more per pupil to some states than others.

Is the Title I formula a smart way to deploy relief funding if the result is such uneven allocations across states?



DC, MS, LA, NY, VT each got more than \$5K per student

UT, CO, ID, IA, and NM each got less than \$2.5K per student

MN, IA, ID, CO, UT

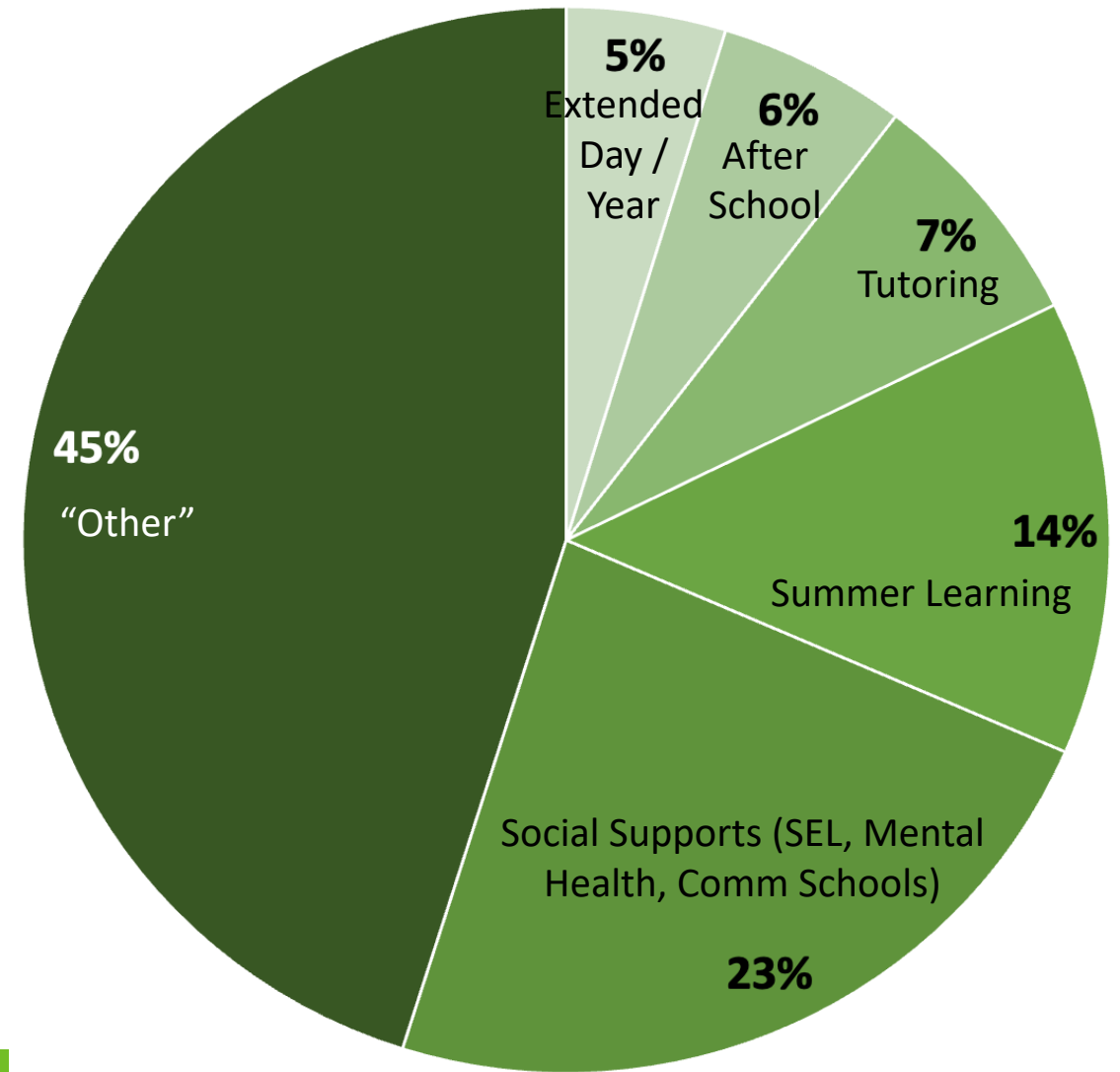
ESSER allocations: <https://covid-relief-data.ed.gov/>



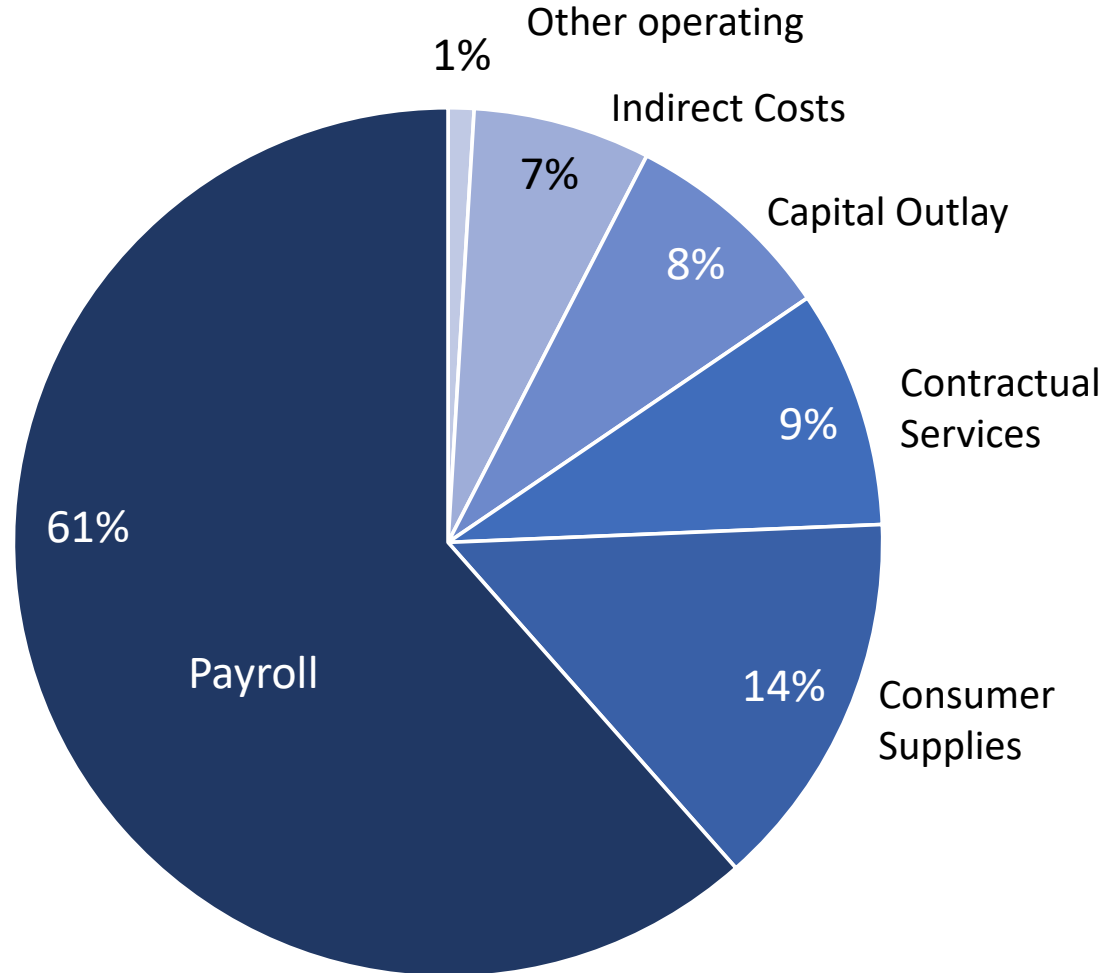
# Districts are making vastly different choices with ESSER learning loss funds.

In California, no one clear trend emerged for how districts spent “learning loss” funds

- Other social supports (including SEL curriculum, mental health and community schools) accounts for 22%
- Overall, relatively fewer dollars are being spent on tutoring or adding time
  - 21 districts spent all of their learning loss expenditures thus far on tutoring
  - 624 districts spent none on tutoring
- Patterns for CA charter schools didn’t surface any consistent trends either.



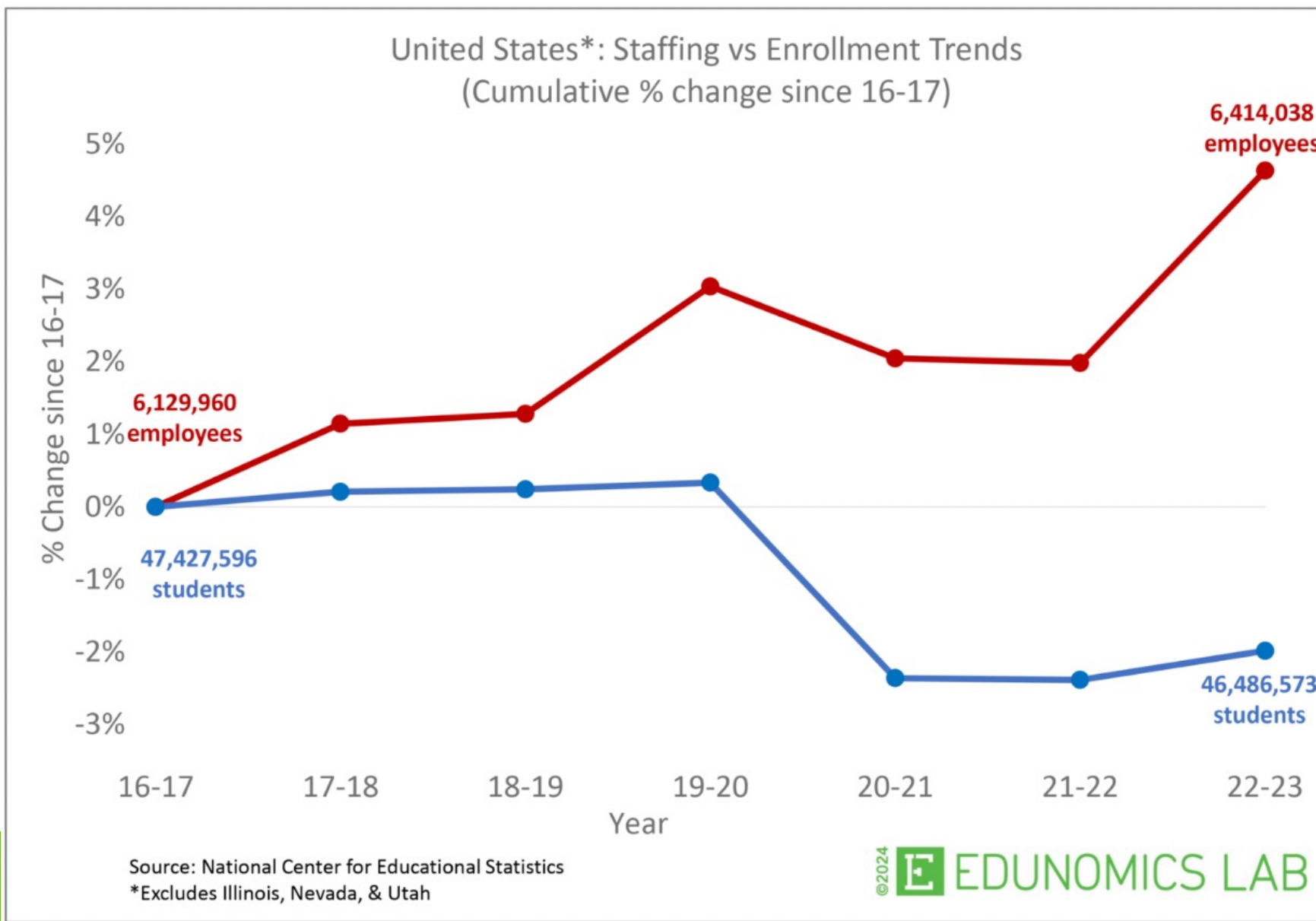
# Few patterns other than a heavy investment in payroll



In Texas, like many other states, relief spending generally followed patterns for other non-relief dollars:

- “Payroll” is the largest expenditure on average in Texas for districts and charters
- Large districts (>20,000 students) are investing a bigger share of ESSER funds in vendor contracts

# Stabilizing budgets was a priority



In many districts, ESSER funds became a revenue source that worked to backfill budgets during enrollment declines.



# Districts used ESSER to offer innovative and responsive payments to address immediate challenges.

- ✓ Hiring bonuses, moving costs for bus drivers, special ed teachers
- ✓ Retention payments for shortage fields
- ✓ Fixed-pay stipends to take on additional work (summer school, etc.)
- ✓ Payments to parents to get their own kids to school when there was no bus service
- ✓ Employing high schoolers to tutor younger kids

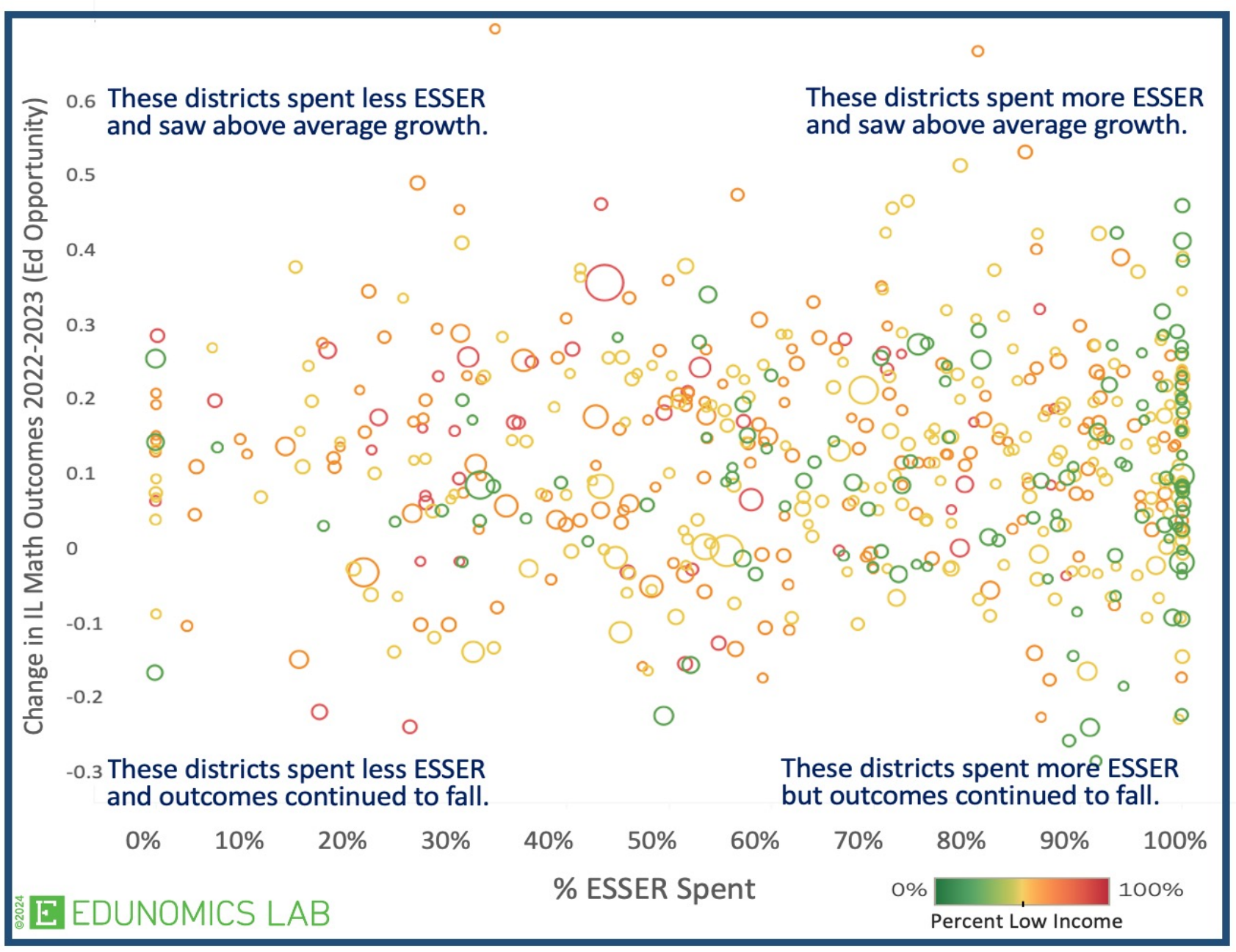
After decades of strict conformance with step & column scales, districts used new money for innovative compensation.





ROI on ESSER was wildly uneven.

For instance, in IL from 2022 to 2023, some districts saw major gains in math while others spent and saw continued declines.

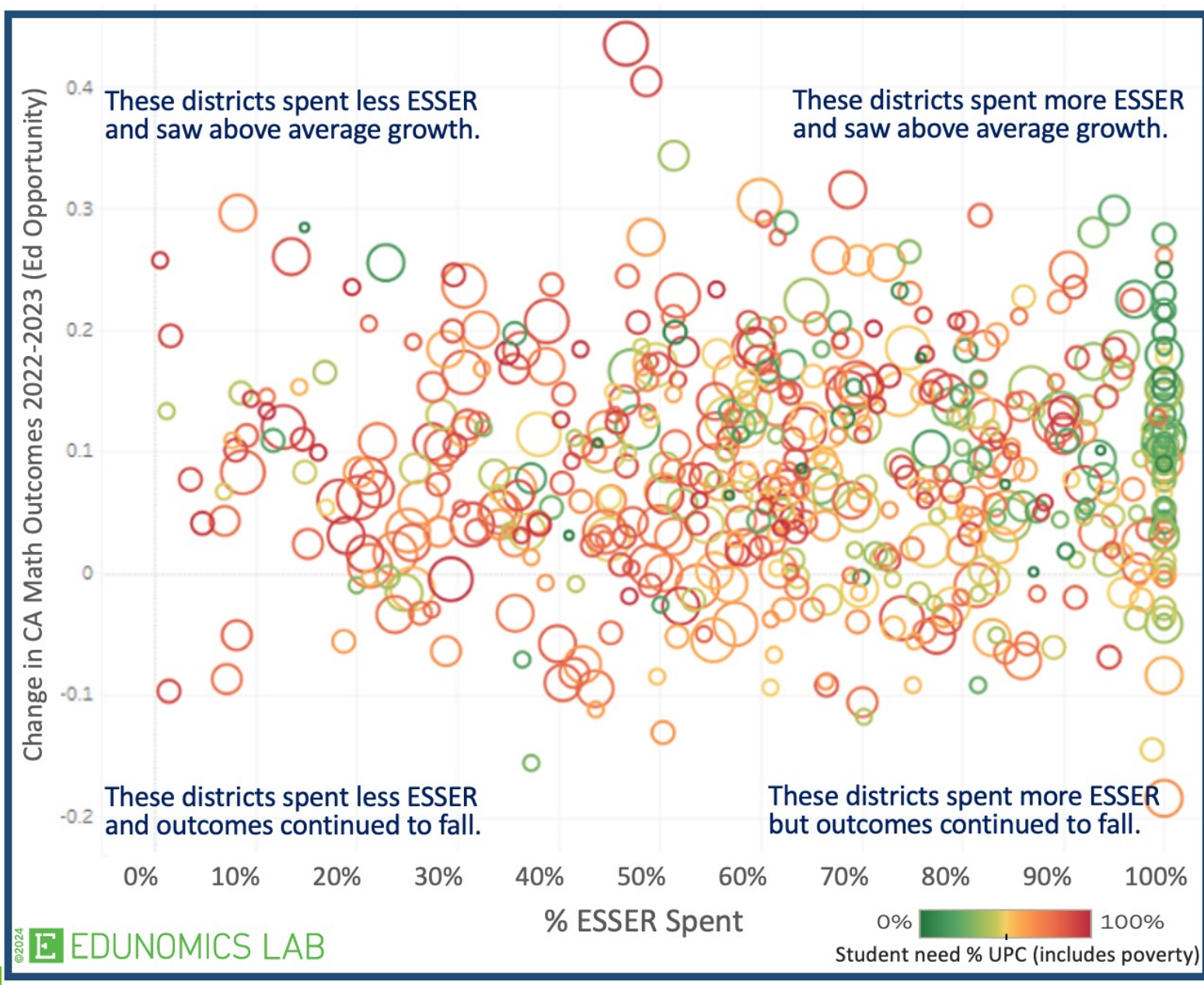


ESSER data retrieved from [Edunomics Lab ESSER Expenditure Dashboard](#)  
Outcomes data retrieved from [Stanford's Educational Opportunity Project](#)





Similarly in CA, analysis of ESSER spending hasn't explained trends in outcomes, even after taking into account relevant factors.



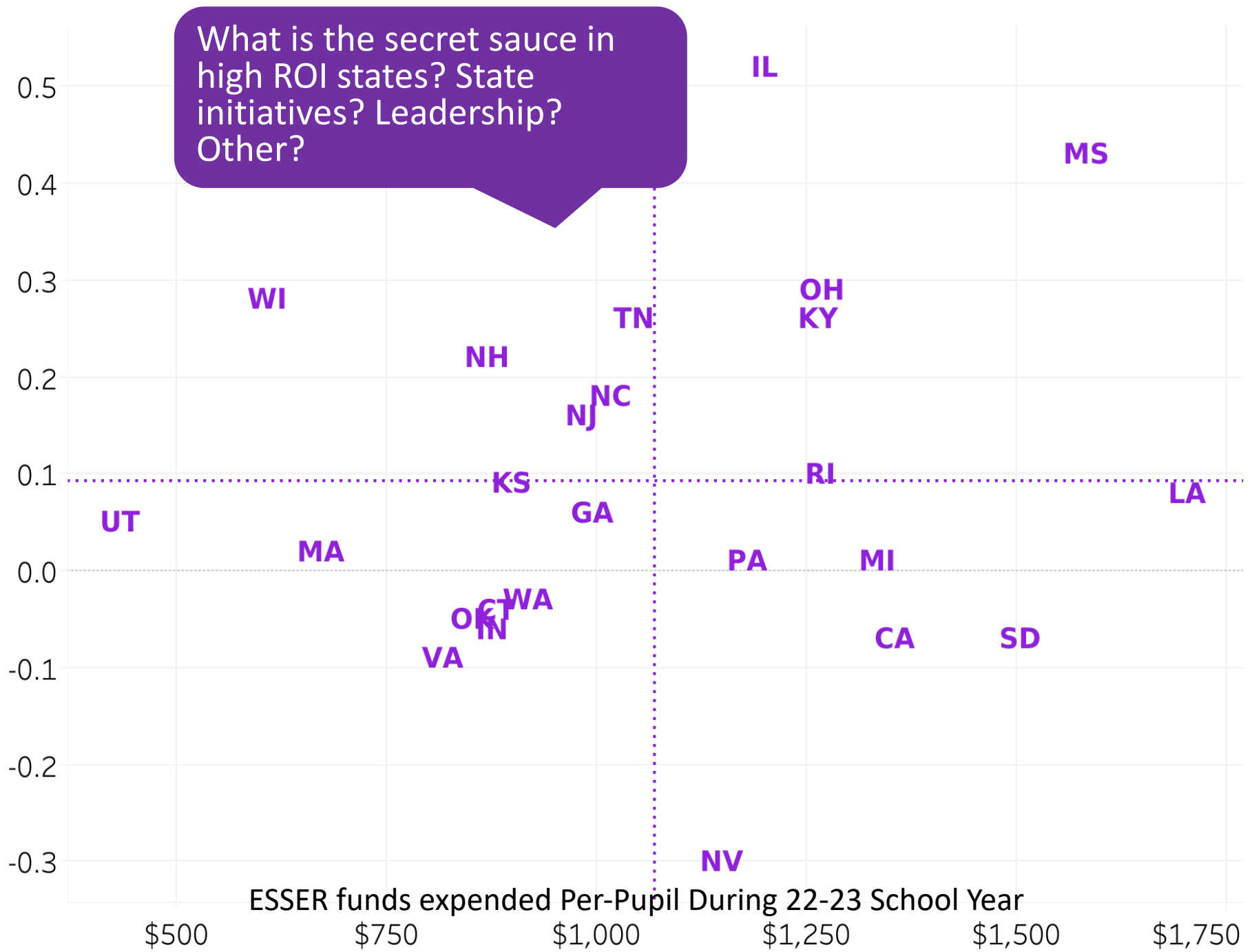
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That said, **STATES** do seem to matter:

From 2022 to 2023, in some states, districts ended up with much larger ELA gains for the dollar, while others continued to see scores fall even as they spent ESSER funds.

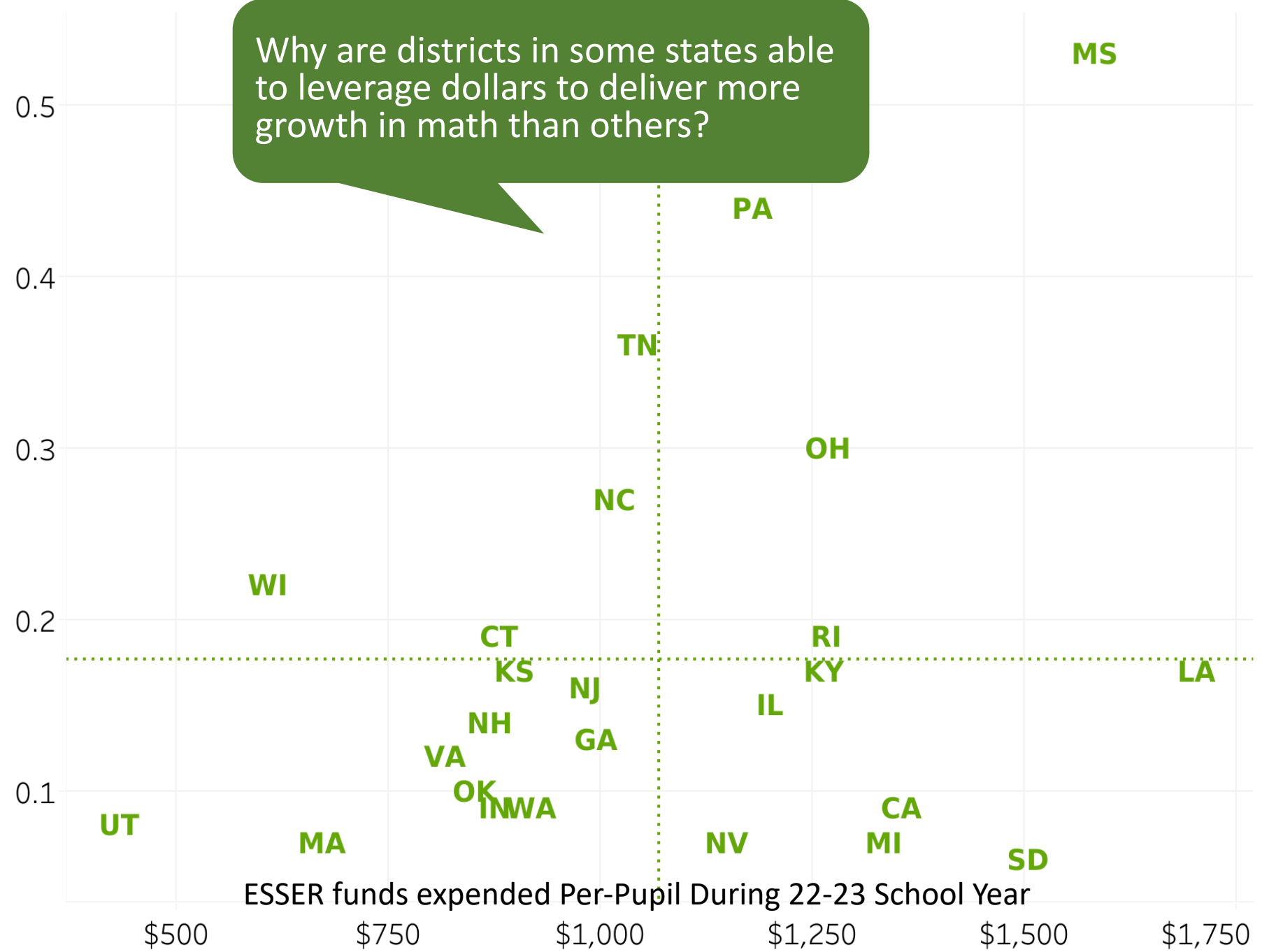
ELA: Growth in state assessment from 2022 to 2023 (in average years of learning)



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

Similarly, in the 22-23 school year, some ended up with much larger MATH gains for the dollar, while others continued to see scores fall even as they spent ESSER funds.

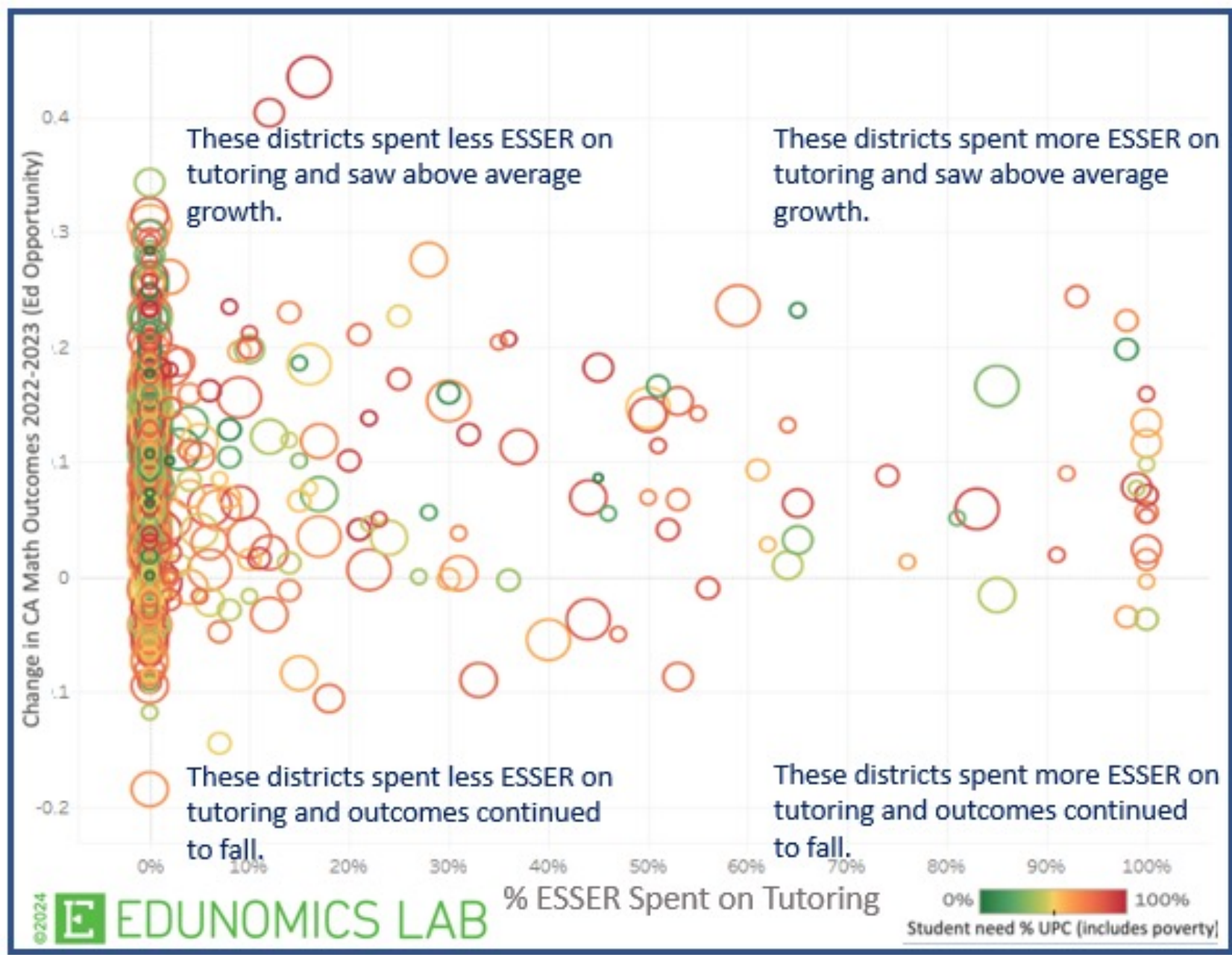
MATH: Growth in state assessment from 2022 to 2023 (in average years of learning)



ESSER spending: <https://covid-relief-data.ed.gov/>  
22-23 Enrollment: NCES Common Core of Data  
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Thus far, the data provide no silver bullets for how to direct districts to spend money.

E.g. More spending on tutoring was not associated with greater test score growth in CA districts.



ESSER data retrieved from [Edunomics Lab ESSER Expenditure Dashboard](#)  
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# Unwinding one time money is no small task

Districts now have 200K more staff than they did in 2019.

## DAILY NEWS

World - Business - Finance - Lifestyle - Travel - Sport - Weather

Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

First Edition Monday 5th June

San Diego Unified announces plans to cut **438 positions** to close \$94M gap<sup>3</sup>

## DAILY NEWS

World - Business - Finance - Lifestyle - Travel - Sport - Weather

Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

First Edition Monday 5th June

Vancouver PS expect to cut **262 positions**<sup>5</sup>

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Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

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Spring Branch ISD to cut **215 jobs**<sup>6</sup>

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Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

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Providence Public SD notify **367 teachers** will be displaced<sup>1</sup>

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Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

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Ann Arbor PS facing **"dire budget picture"** facing \$25M in cuts<sup>2</sup>

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More than **600 jobs** in jeopardy in Boston PS<sup>4</sup>

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Issue: 240104 THE WORLDS BEST SELLING NATIONAL NEWSPAPER Est - 1965

First Edition Monday 5th June

Ft Worth school board approves elimination of **133 jobs**<sup>7</sup>

1. <https://www.browndailyherald.com/article/2024/03/over-350-providence-public-school-district-teachers-displaced-layoffs-possible>
2. <https://www.mlive.com/news/ann-arbor/2024/03/ann-arbor-public-schools-warns-of-25-million-in-painful-budget-cuts-on-horizon.html>
3. <https://www.mlive.com/news/ann-arbor/2024/03/ann-arbor-public-schools-warns-of-25-million-in-painful-budget-cuts-on-horizon.html>
4. <https://www.bostonglobe.com/2023/12/14/metro/bps-cuts-esser-fiscal-cliff/>
5. <https://www.columbian.com/news/2024/mar/08/vancouver-public-schools-expected-to-cut-262-positions-to-make-up-35-million-shortfall/>
6. <https://houstonlanding.org/spring-branch-isd-to-cut-215-jobs-including-librarians-central-office-staff-in-budget-slash/>
7. <https://fortworthreport.org/2024/02/16/how-many-jobs-is-fort-worth-isd-eliminating-the-district-answers/>



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# How might any of this inform future allocations?

- a. **Title I formula may not be the best vehicle to deploy one time relief dollars.**
  - Higher poverty districts did need more help, but many were overwhelmed by the dollar amounts they got (and struggled to spend and deploy services). Should some money go to SEAs or vendors to support them?
  
- b. **Need a plan for when the money ends**
  - The withdrawal of funds in some districts will distract leaders and derail any recovery.
  
- c. **Flexible funding must come with clear objectives.**
  - Priorities varied. Most districts got no clear targets.
  - District leaders need strong leadership from states or feds on how to focus spending.
  
- d. **Need to do a much better job of communication**
  - District leaders did not get reliable or consistent messages about these funds.



# How might any of this inform future allocations (cont.)?

- e. Need to build district capacity to deploy funding and use data to measure progress.
  - Too few leaders used interim data to measure progress, including on indicators like attendance.
  - 1/3 didn't even mention ESSER during budgeting sessions.
  
- f. Districts would benefit from “unlocking” more of their dollars (in any year).
  - New flex money enabled more responsive budgeting. But in most years, funding is “locked” in rollover budgets, labor contracts, prior commitments.





# Q&A

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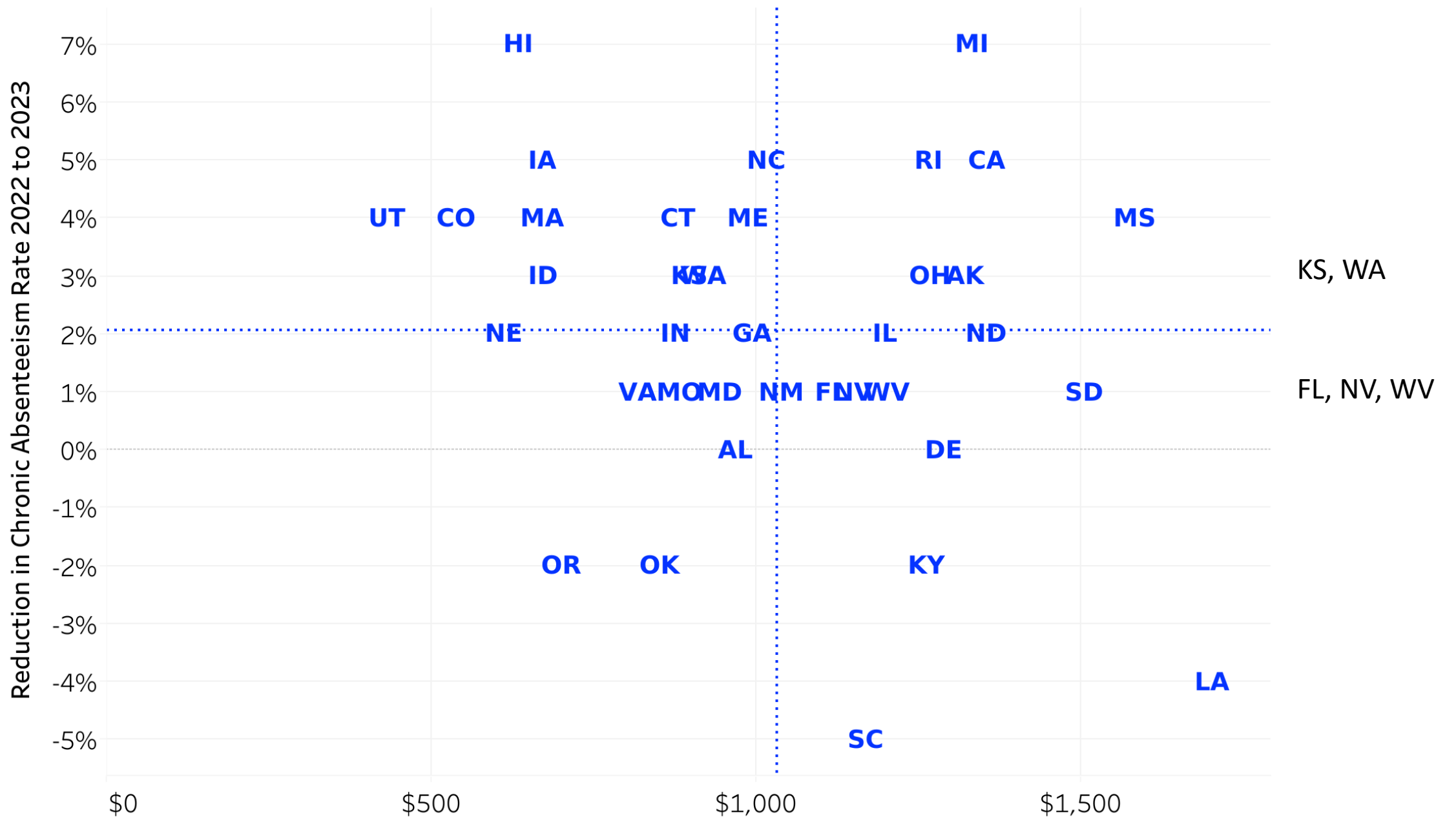
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 22-23 Enrollment: NCES Common Core of Data  
 Chronic Absenteeism: <https://www.returntolearntacker.net/>

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