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## FEATURE

# An Analysis of Covid-Relief Spending and Research-Based Tips for Utilizing Funds for Maximum Impact

*by Phyllis W. Jordan, Bella DiMarco, and Julie Roche*

*As districts move forward to develop the specifics on deploying ESSER dollars, we hope that our research-based tips shared here can help districts maximize impact and create sustainable improvements for the students of our nation.*

# An Analysis of Covid-Relief Spending and Research-Based Tips for Utilizing Funds for Maximum Impact

Phyllis W. Jordan, Bella DiMarco, and Julie Roche

**“The American Rescue Plan gave schools money to hire teachers and help students make up for lost learning,” President Joe Biden proclaimed in his March 2022 State of the Union address. “I urge every parent to make sure your school does just that. They have the money.”**

Indeed, more than a year has passed since Congress approved the American Rescue Plan and, with it, \$122 billion to help schools and students recover from the pandemic. As that money begins flowing to school districts and charter organizations across the nation, a picture is emerging of how localities intend to spend the unprecedented infusion of federal cash over the next three years. While new athletic facilities and other non-academic investments have made headlines, a FutureEd analysis of more than 4,700 local spending plans shows that districts intend to use the bulk of the Elementary and Secondary School Emergency Relief (ESSER III) funds in ways that can not only improve student outcomes but also address longstanding school needs.

FutureEd’s work is based on a somewhat representative sample of spending plans compiled by the data-services firm Burbio that includes localities with more than 72% of public school students. The analysis evaluates spending priorities in two ways: by the number of local education agencies that include the priority in their plans and by the amount of money they dedicate to it.

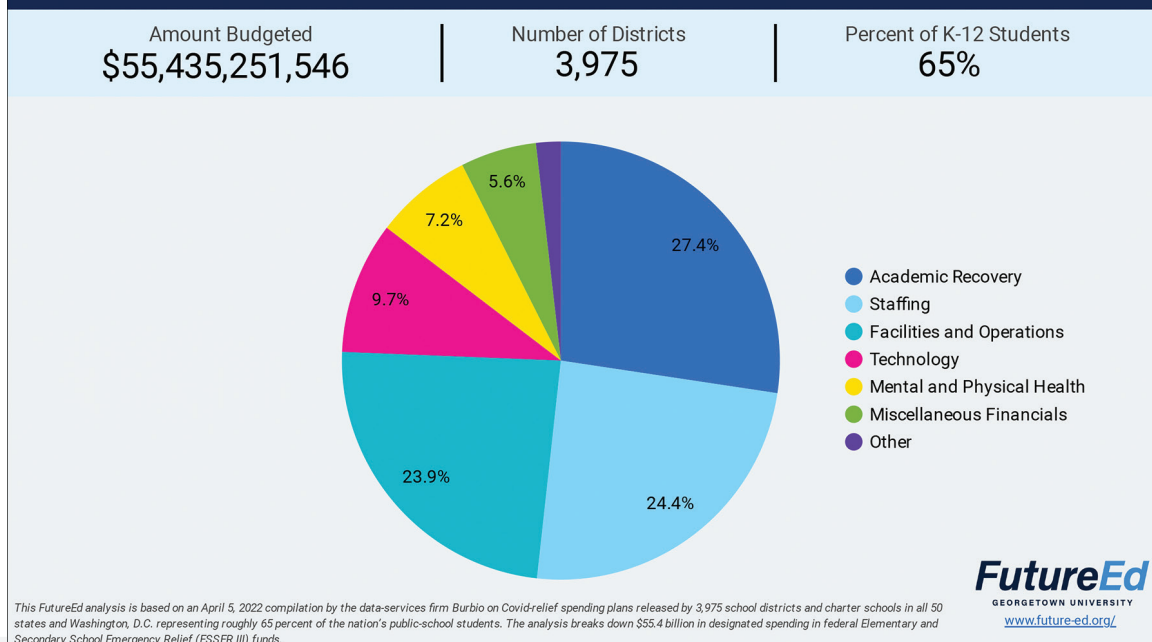
The trends in the Burbio sample suggest that by the September 2024 deadline, localities could spend:

- Nearly \$31 billion in ESSER III funds on academic interventions, especially summer learning
- More than \$26 billion on teachers and staff, including recruitment, retention, and professional development
- More than \$26 billion on school facilities and operations, particularly ventilation upgrades.

FutureEd’s analysis also shows some marked differences in how the spending is likely to play out based on the poverty level among students and the district’s setting (e.g., rural, suburban, or urban). Of course, most of the ESSER III money remains unspent at this point, and district plans could and likely will change in the next three years. But the analysis provides valuable insights into how districts are prioritizing needs and how communities can hold local leaders accountable. This piece will explore the trends and provide a recap of research-based best practices and tips for using these funds for maximum impact.

FutureEd’s Associate Director Phyllis W. Jordan and Policy Analyst Bella DiMarco are guest contributors to *District Management Journal*. FutureEd is an independent solution-oriented think tank at Georgetown University’s McCourt School of Public Policy. Burbio co-founder Julie Roche is also a guest contributor to *District Management Journal*. Burbio is a data-services firm.

## Exhibit 1: Local Education Agencies' Planned ESSER III Spending



## Planning for ESSER III Spending

Shortly after the American Rescue Plan was approved in March 2021, the U.S. Department of Education released detailed guidance aimed at ensuring that the billions in federal aid would be used properly. Every state was required to submit a plan for spending its share of the ESSER III—as much as 10% of the total, or \$12 billion nationwide. And local districts and charter organizations were required to submit their own plans for approval to their state education agency (*Exhibit 1*).

The state plans, submitted throughout summer 2021, laid out ideas for accelerating academic recovery and bolstering teacher recruitment.<sup>1</sup> Because the federal law requires states to spend on summer learning and after-school programs, virtually all states addressed those areas, often in the form of grants to localities. And nearly every state pledged to spend on some sort of teacher recruitment and training efforts. Two-thirds included support for tutoring initiatives. And 40 of the states pledged funding to address students' social-emotional and mental health needs, recognizing the isolation and, in many instances, trauma that students and staff members experienced during the pandemic.

School districts began submitting their plans last summer, with each state setting its own deadlines. States also created different templates for sharing information: some asked districts to provide overall projections for spending across large categories, while others required specific detail about budgeted funds. About 600 districts in the sample detailed their priorities but included no dollar figures, largely accounting for why about a quarter of the ESSER III allotment in the sample is not included in FutureEd's financial analysis of spending priorities. Of the districts that have outlined specific dollar amounts, more than 90% of their allotments are committed. Districts in Tennessee and a few districts elsewhere include spending from earlier ESSER funding rounds in their totals. Burbio's team reviews the local plans and breaks the spending into more than 100 categories. FutureEd uses those breakdowns to conduct its analyses.

## Academic Recovery Dominates

In evaluating total spending, FutureEd identified about \$55 billion where districts had applied dollar figures to particular categories or interventions. The largest share, 27.4%, is going toward academic interventions to reduce

learning loss. This is hardly surprising, since the American Rescue Plan requires local agencies to spend at least 20% of the federal aid on academic recovery. Delving deeper into the data, our analysis showed that:

- Summer learning and afterschool programs make up nearly a quarter of the academic recovery spending, with about \$3.8 billion planned. That amount could be expected to grow to \$7.5 billion as districts plan for spending the entire ESSER appropriation.
- Tutoring and coaching for math and English language skills compose another 12%, or \$1.8 billion, which could eventually reach \$3.5 billion if trends hold true. Many districts also set aside additional money for staffing these programs.

The number of districts investing in these sorts of interventions bears out the dominant role that academic recovery plays in the planned ESSER III spending (*Exhibit 2*). At least half of the school districts and charter organizations in the Burbio sample are investing in summer learning, afterschool programs, or both. Nearly 300 plan to extend the school year or add weekend classes. Georgia school districts, in particular, are budgeting significant amounts toward extended-day programs. For example, Gwinnett County Public Schools is proposing to spend \$127 million—nearly half of its federal allotment—on after-school and summer programs.

## QUICK TIPS

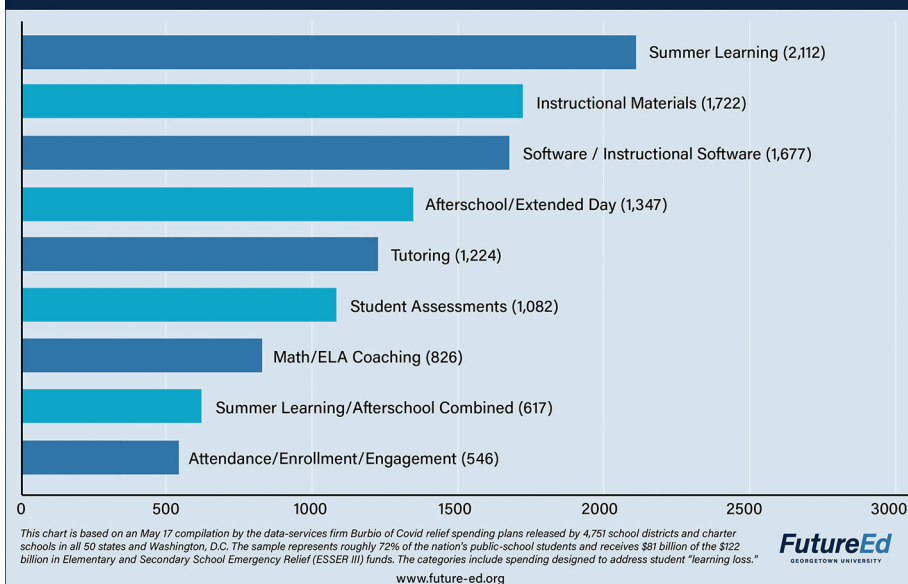
### Tips for Academic Recovery

- 1 **Summer Learning programs** work best when they run for at least five weeks and limit groups to 15 or fewer students.
- 2 **Afterschool programs** serving 10 to 20 students and offering 70 to 130 hours of instructional time annually are most effective.
- 3 **Tutoring** is most effective when it's offered during the school day, at least three times a week for the entire year, and involves groups of four or fewer students.
- 4 If investing in **curriculum**, invest in training teachers to use it effectively.

For more information, see Phyllis W. Jordan, Brooke LePage, and Catherine Dragone, "Covid Relief Playbook: Smart Strategies for Investing Federal Funding," FutureEd, June 2021, <https://www.future-ed.org/covid-playbook/>.

Tutoring, which research has found to produce a substantial return on investment if implemented effectively,<sup>2</sup> is another popular approach to help students recover from lost learning opportunities during the pandemic; about a third of the districts are earmarking funds for either tutoring or academic coaching. Chicago Public Schools, for instance, is spending \$25 million of its \$1.8 billion ESSER allotment to train 850 literacy tutors.

## Exhibit 2: ACADEMIC RECOVERY

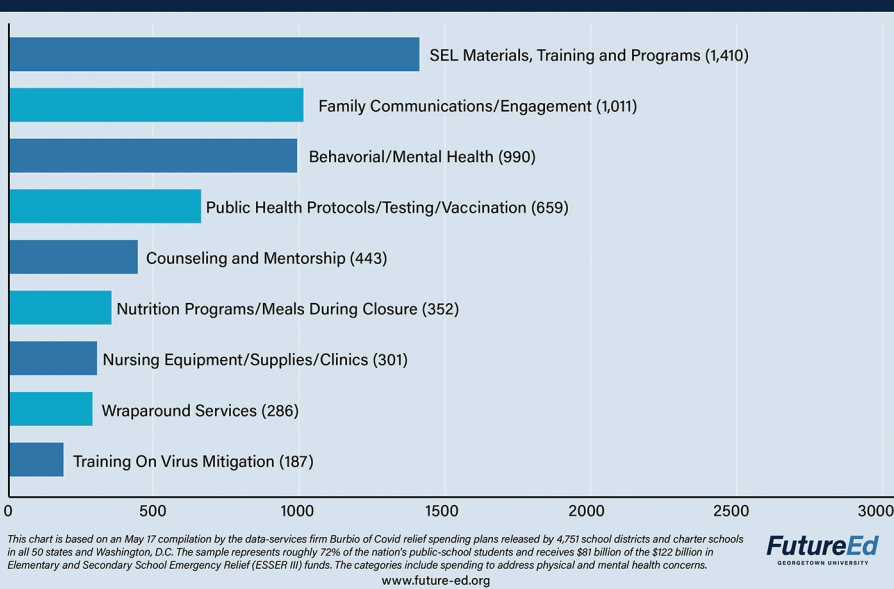


## Investing in Mental and Physical Health

Beyond academics, many districts are helping students recover from the isolation and trauma of the pandemic, a priority that Biden stressed in his State of the Union address and in a subsequent initiative to address youth mental health. Mental and physical health spending—on such priorities as social-emotional learning, Covid testing, and vaccines—add up to nearly \$4 billion, about 7.2% of the total spending (*Exhibit 3*). That could rise to \$7.9 billion if trends continue. About a third of local education agencies in the Burbio

sample list social-emotional learning in their spending plans.<sup>3</sup> That includes funding for curricula, classroom materials, and training, at an average cost per student of \$93. More than a third of the sample are bringing psychologists or mental health professionals into schools to work with students. Many districts are pursuing a combination of strategies. The Syracuse, New York, school district, for instance, expects to spend more than \$1 million on social-emotional learning curricula, \$3.5 million on intensive support for students, and nearly \$13 million on hiring psychologists, counselors, and social workers.

### Exhibit 3: MENTAL AND PHYSICAL HEALTH



#### Tips for Investing in Mental and Physical Health

- 1 Restorative practices** are most effective when schools adopt the framework wholesale and have buy-in from administrators and staff.
- 2 Schools should adopt trauma-responsive teaching strategies** and other whole-school approaches, such as Positive Behavioral Intervention and Supports (PBIS).
- 3 Mentoring** works best when mentors are in schools at least three days a week, have a defined caseload, have access to student data, and have a voice at a weekly principal's meeting.

Districts should explore whether their state rules allow for **Medicaid reimbursement** for new nurses and psychologists, making new hires more sustainable after the ESSER III dollars expire.

For more information, see Phyllis W. Jordan, Brooke LePage, and Catherine Dragone, "Covid Relief Playbook: Smart Strategies for Investing Federal Funding," FutureEd, June 2021, <https://www.future-ed.org/covid-playbook/>.

On Medicaid reimbursement, see Healthy Students, Promising Futures, "Map: School Medicaid Programs," June 2021, <https://healthystudentspromisingfutures.org/map-school-medic-aid-programs/>.

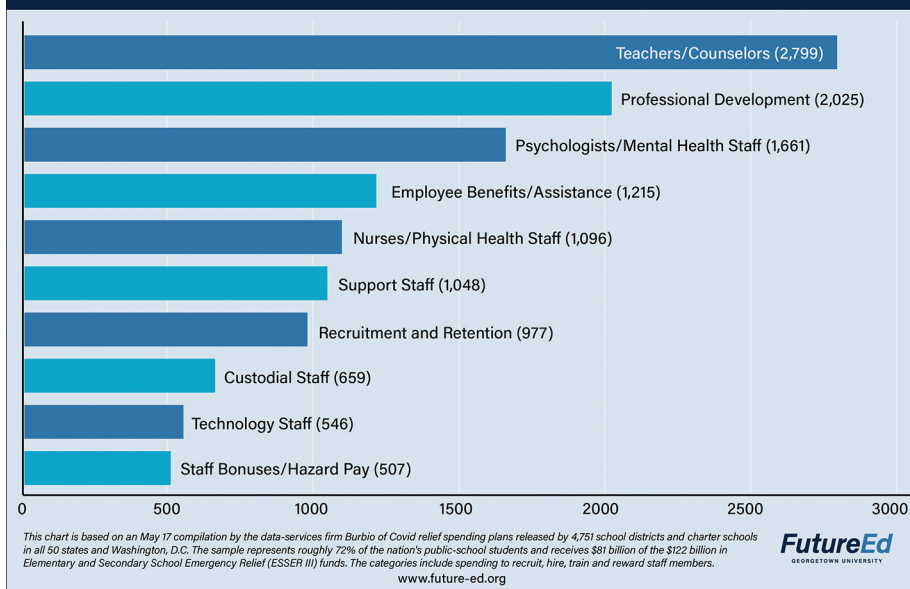
### Supporting Staff Needs

School districts and charter organizations plan to invest heavily on teachers and other academic staff to aid the academic recovery. Nearly \$13.5 billion, or 24% of the spending in the analysis, will go toward staffing, with more than a third of that, or \$4.7 billion, for the category that includes teachers, academic interventionists, and guidance counselors. Given shortages of teachers and other staff in some parts of the country, some districts may struggle to hire the staff they need. About \$2.2 billion or 17% of the planned staff spending will support teacher recruitment and retention efforts, and another \$1.2 billion or about 9% is dedicated for professional development. Districts and charters are spending \$884 million, or nearly 7% of the staffing total, on bringing additional psychologists and other mental health support into schools (*Exhibit 4*).

Overall, 60% of the school districts and charter organizations in the Burbio sample are planning to spend Covid-relief funds on hiring or rewarding teachers, academic specialists, and guidance counselors, making it the most popular spending choice nationwide.<sup>4</sup> This comes despite concerns that the ESSER III funding will run out in 2024, leaving districts without the money to support extra staffing. Some schools are addressing that "fiscal cliff" by hiring new instructional staff on short-term contracts. Many districts are also investing in training or rewarding existing staff. More than 40%



## Exhibit 4: SCHOOL STAFFING



## Facilities and Operations

Another quarter of the planned ESSER III spending will go toward upgrading school facilities and keeping them running. By far the largest priority in this category is upgrading heating, ventilation, and air-conditioning systems, with more than \$4.9 billion earmarked for these projects, or about 36% of the facilities and operations spending (*Exhibit 5*). If trends continue, the total for this category could reach \$9.7 billion. This is the most expensive priority for school districts and also one of the most popular. About half of the districts in the Burbio sample expect to spend

are paying for professional development, including training on the science of reading, math curricula, and practices for improving school climate. In addition, about 10% of local education agencies plan to provide staff bonuses or incentive pay.

money on school climate systems, and HVAC is a top-three priority in every region of the country.<sup>5</sup> The plans range from thousand-dollar investments in filters that block the spread of the virus to multi-million-dollar plans for replacing entire HVAC systems. Los Angeles Unified School District, for instance, has budgeted \$50 million of its \$2.5 billion in ESSER III funding to provide 55,000 portable, commercial-grade air scrubbers for every classroom and commonly used room. Such improvements are explicitly allowed in the American Rescue Plan since they not only can prevent the spread of Covid, but can also guard against other airborne illnesses and provide a more comfortable climate for learning.<sup>6</sup> And in many places, the funding affords an opportunity to address longstanding problems.

Another \$2.5 billion or 17% is set aside for “repairs that prevent illness,” a priority that includes lead abatement, removing mold and mildew, or replacing leaking roofs, with about a third of districts planning such projects. Nearly 500 places are budgeting for other construction projects, which would add up to nearly \$824 million. Operational priorities include plans for spending \$508 million for PPE and \$495 million for transportation costs.

The idea of spending Covid-relief money on capital improvements may not seem connected to the academic recovery the federal aid was designed to achieve. But ultimately, better facilities can lead to better student outcomes. Research shows that learning suffers when students are too hot or too cold in the classroom.<sup>7</sup> Mold



## Tips for Investing in School Staff

- 1 Short-term contracts for some hires allow districts to address concerns about the “fiscal cliff” at the expiration of ESSER funding in 2024.
- 2 Innovative staffing models that stress teacher collaboration and leadership can enhance student learning.
- 3 Districts should base bonuses and hiring incentives on specific shortages or staffing needs, rather than raising pay across the board.
- 4 Training on teacher mindsets can improve teacher-student relationships and improve student outcomes.
- 5 “Grow-your-own” programs and other recruitment approaches can help create a more diverse teaching workforce.

For more information, see Phyllis W. Jordan, Brooke LePage, and Catherine Dragone, “Covid Relief Playbook: Smart Strategies for Investing Federal Funding,” FutureEd, June 2021, <https://www.future-ed.org/covid-playbook/>.



## Tips for Investing in Facilities and Operations

- 1 Districts should leave **sufficient time** for completion of capital projects before the September 2024 deadline for using ESSER III funds, especially given current supply chain issues.
- 2 Improving **heating, ventilation, and air-conditioning systems** can remove mold, mildew, and other irritants that contribute to student absences.

For more information, see Phyllis W. Jordan, Brooke LePage, and Catherine Dragone, "Covid Relief Playbook: Smart Strategies for Investing Federal Funding," FutureEd, June 2021, <https://www.future-ed.org/covid-playbook/>.

and mildew contribute to absenteeism, especially for students with asthma—the number-one cause of student absences before the pandemic. Exposure to lead, through contaminated water or peeling paint, can contribute to learning delays and behavioral problems. Fixing these problems can ultimately create safer, healthier learning environments.

## Analyzing Covid Spending by Poverty Level and Location

### Poverty Rates Matter

After looking at the national trends, FutureEd went a step further and broke down the data based on the student poverty level in each district, using U.S. Department of Education figures that show the proportion of children in each district, ages 5 to 17, eligible for Title I funding. While all districts have made hiring and paying academic staff a top spending priority—it's the number-one choice in the more affluent districts and number two among the highest poverty quartile—other choices vary widely, depending on poverty levels. What we found surprised us.

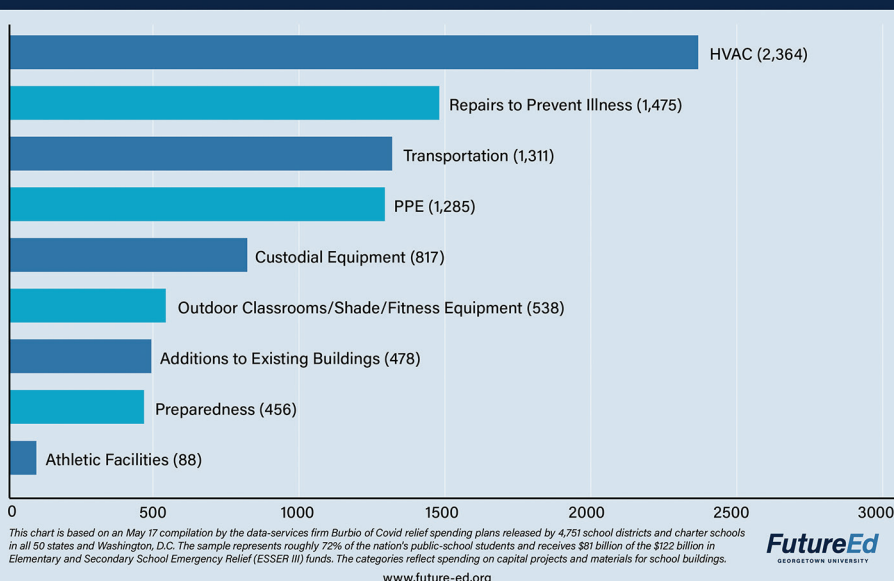
- The higher the poverty rate in a district's student population, the more likely its administrators are to devote the federal aid toward renovating aging ventilation systems and other repairs to schools, our analysis showed.

Nationwide, as many as 36,000 schools need to upgrade their HVAC systems, according to a 2020 report from the U.S. Government Accountability Office. The report found that schools serving high concentrations of students living in poverty spent, on average, \$300 less per student on capital projects than the wealthiest districts in a single year.<sup>8</sup> Now, with the infusion of federal aid, school districts in the highest poverty quartile of the Burbio sample are spending on average \$579 per pupil on HVAC upgrades, far more than the \$180 per pupil figure for those in the most affluent quartile.

Beyond HVAC, nearly half of the low-income school districts are planning investments in repairs that "reduce the risk of illness." This includes Atlanta, where the 52,400-student district intends to put \$2 million toward lead water-testing systems, a small proportion of its \$200 million allotment. This spending category doesn't appear among the top 10 priorities for the most affluent half of schools in the sample.

- The higher the poverty rate, the more likely a district is to use ESSER aid for new instructional materials, ranging from writing supplies to culturally relevant curricula (*Exhibit 6*).

### Exhibit 5: SCHOOL FACILITIES AND OPERATIONS



**Exhibit 6: HOW SCHOOL DISTRICTS ARE PRIORITIZING INSTRUCTIONAL MATERIALS, BY DISTRICT POVERTY LEVELS**



The chart reflects FutureEd's analysis of Burbio's Feb. 1, 2022 data of Covid-relief spending plans for 2,620 school districts. The percentages reflect the proportion of school districts intending to invest in this priority. School districts' poverty levels are based on U.S. Department of Education calculations of the proportion of children in each district, ages 5 to 17, eligible for federal Title I funding. Districts with the lowest poverty level have the least children living in poverty.

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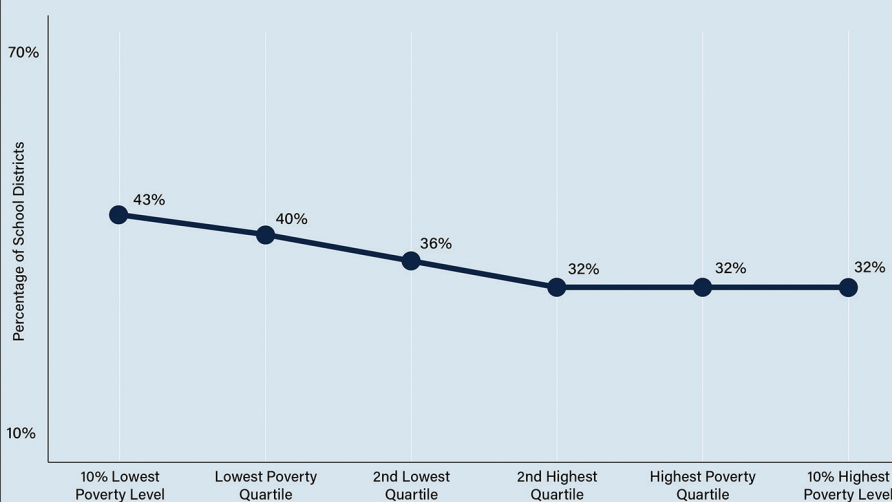
More than half of the districts in the highest poverty quartile are planning to invest in instructional materials, addressing a chronic lack of quality materials in some under-resourced schools. It's the number-three priority for these communities behind HVAC and academic staff. By contrast, barely one-fourth of the most affluent quartile intend to spend on such materials, and it ranks as their number-8 priority.

- Afterschool and summer learning programs top the list of what more affluent districts are planning to spend

mental health professionals to help students and staff deal with pandemic-related trauma, compared to 32% of the highest poverty quartile and 32% of the highest 10%.

In many ways, these spending patterns reflect a hierarchy of needs, with under-resourced districts more likely to commit Covid-relief funds to tangible improvements addressing chronic problems and wealthier districts dealing with the immediate impacts of the pandemic (*Exhibit 8*).

**Exhibit 7: HOW SCHOOL DISTRICTS ARE PRIORITIZING PSYCHOLOGISTS/MENTAL HEALTH, MATERIALS, BY DISTRICT POVERTY LEVELS**



The chart reflects FutureEd's analysis of Burbio's Feb. 1, 2022 data of Covid-relief spending plans for 2,620 school districts. The percentages reflect the proportion of school districts intending to invest in this priority. School districts' poverty levels are based on U.S. Department of Education calculations of the proportion of children in each district, ages 5 to 17, eligible for federal Title I funding. Districts with the lowest poverty level have the least children living in poverty.

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on academic recovery, our analysis shows. To be clear, the districts with more children in poverty are also spending on extended learning time, but they're putting a greater share of their funds toward instructional materials.

- The more affluent districts are more likely to spend Covid-relief money on mental health services than their higher poverty counterparts (*Exhibit 7*). About 40% of the most affluent quartile of districts—and 43% among the top 10%—are earmarking money to provide psychologists and other

Congress did not set out to fix the problems of under-resourced school districts when it approved the American Rescue Plan last year. But because the money flows through the federal Title I formula, the districts with the greatest concentrations of poverty are receiving far more funding than their more affluent counterparts. The 10% of districts in our analysis with the most children living in poverty will spend on average \$5,700 per student in ESSER III aid, nearly 10 times more than the most affluent districts. The trends suggest that this historic infusion of cash could help the most underserved



communities recover not only from the pandemic but from years of disinvestment.

## Location Matters

Some of the same trends emerged when FutureEd looked at Covid-relief spending patterns using the National Center for Education Statistic's four classifications of school district settings—city, suburb, town, and rural (*Exhibit 9*). While the top priorities—staffing, summer learning, and HVAC—remained the same, we found some notable differences:

- City districts are far more likely than their rural counterparts to earmark Covid-relief funds for social-emotional learning, including curricula, materials, and training, our analysis shows. About 42% of city education agencies in the sample include spending on social-emotional learning in their plans, compared to 26% of rural districts.
- City and suburban systems are more inclined to prioritize family and community outreach programs, as well. Most rural districts have designated less than 10% of their funds for social-emotional learning and mental-health-related items.
- Rural districts are the least likely to prioritize hiring or paying mental health staff. About 43% of city districts and charter organizations plan to spend funds on mental health professionals or psychologists, compared to 32% in towns and 27% in rural areas. The pandemic has certainly affected students' mental health in small, rural communities and intensified opioid addiction and other rural problems. But there's a dearth of mental health counselors in many rural

areas, leaving districts unable to hire as many of the specialists as they might like.

- Rural districts are more likely to propose spending on transportation than education agencies elsewhere. About 37% of rural districts in the sample are earmarking ESSER III funds for transportation, compared to 21% in the suburbs, 28% in cities, and 33% in towns. The transportation challenges rural districts face also may shape their strategies for helping students recover academically from the pandemic. Rural educators appear less inclined than

Exhibit 8: SCHOOL DISTRICT COVID-RELIEF SPENDING PRIORITIES, BY POVERTY LEVEL

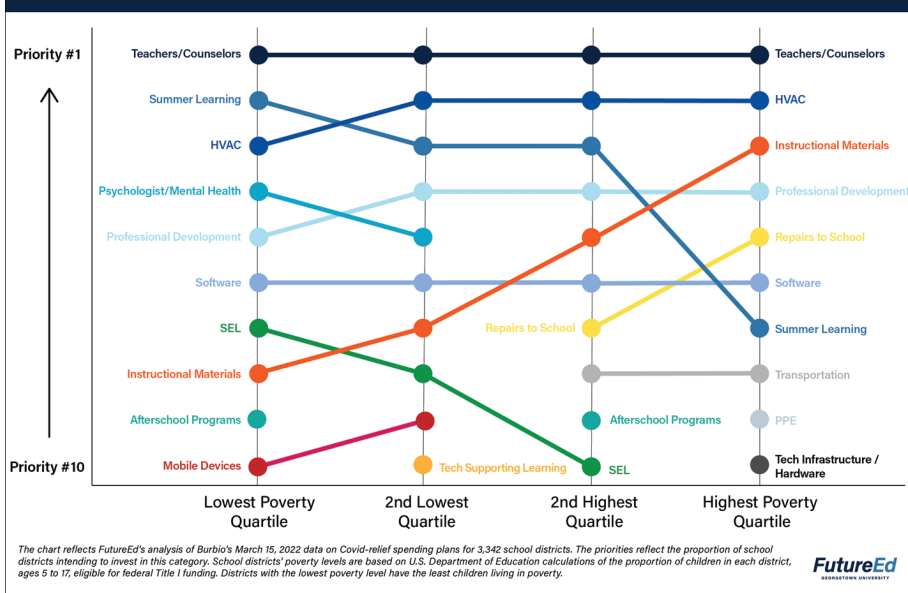
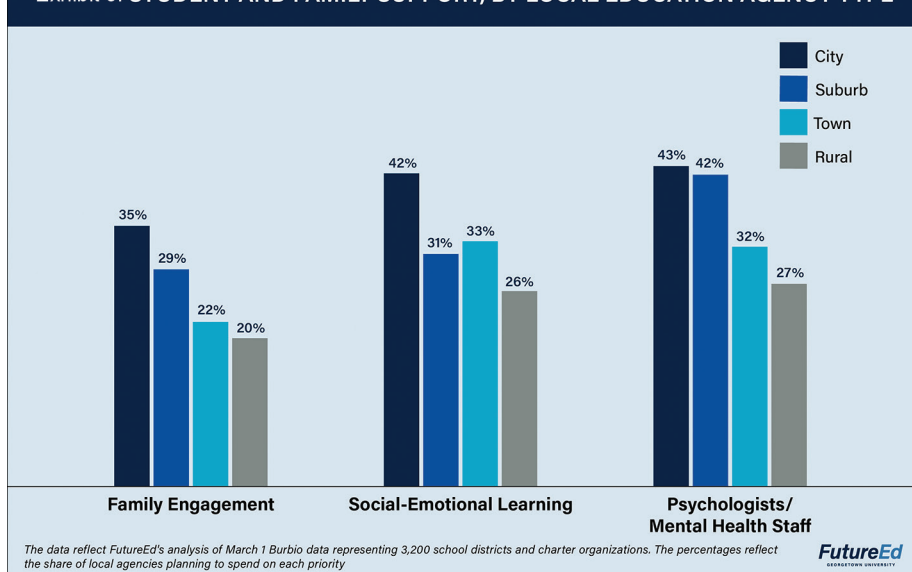


Exhibit 9: STUDENT AND FAMILY SUPPORT, BY LOCAL EDUCATION AGENCY TYPE



***“In many ways, these spending patterns reflect a hierarchy of needs, with under-resourced districts more likely to commit Covid-relief funds to tangible improvements addressing chronic problems and wealthier districts dealing with the immediate impacts of the pandemic.”***

educators in other settings to spend ESSER III dollars on extended-day programs and more likely to spend the money on instructional materials and student assessments, our analysis found.

## What's Next

Throughout the plans we reviewed, we found some instances of local spending priorities that seem at best only marginally, if at all, related to pandemic recovery: band instruments, a 3D cadaver table, new athletic facilities. But as a percentage of proposed spending, these items represent only a fraction of the dollars committed. The bulk of the money appears to be dedicated to initiatives that can make a difference for students.

The plans could change in the coming months as new challenges emerge. Some districts are already having difficulty finding the staff they need for tutoring or other programs. Others are chafing at the increased reporting requirements that come with the ESSER dollars, noting that they don't have the staff to deal with the work. The U.S. Department of Education and some states are creating portals that track expenditures, but the reporting lags behind the reality and often offers little detail.<sup>9</sup>

At this point, though, this snapshot of spending plans provides valuable insights into the priorities of local education leaders; the collective plans provide a reason

to be optimistic about the commitment to spending ESSER aid in ways that make a difference for students and help address longstanding school needs and disparities. As districts move forward to develop the specifics on deploying ESSER dollars, we hope that our research-based tips shared here can help districts maximize impact and create sustainable improvements for the students of our nation. ♦

## NOTES

- <sup>1</sup> Phyllis W. Jordan and Brooke LePage, “With an Influx of Covid Relief Funds, States Spend on Schools,” *FutureEd*, January 3, 2021, <https://www.future-ed.org/with-an-influx-of-covid-relief-funds-states-spend-on-schools/>.
- <sup>2</sup> Matthew A. Kraft and Grace T. Falken, “The Case for a National Student Tutoring System,” *FutureEd*, April 20, 2021, <https://www.future-ed.org/the-case-for-a-national-student-tutoring-system/>.
- <sup>3</sup> “Mental and Physical Health,” *FutureEd*, March 1, 2022, <https://www.future-ed.org/school-climate-and-student-health/>.
- <sup>4</sup> “School Staffing,” *FutureEd*, March 1, 2022, <https://www.future-ed.org/school-staff/>.
- <sup>5</sup> “School Facilities and Operations,” *FutureEd*, March 1, 2022, <https://www.future-ed.org/school-facilities/>.
- <sup>6</sup> Phyllis W. Jordan, “Why Investing in Ventilation Could Pay Dividends for Learning,” *FutureEd*, May 4, 2021, <https://www.future-ed.org/why-investing-in-ventilation-could-pay-dividends-for-learning/>.
- <sup>7</sup> Jordan, “Why Investing in Ventilation Could Pay Dividends.”
- <sup>8</sup> U.S. Government Accountability Office, “K-12 Education: School Districts Frequently Identified Multiple Building Systems Needing Updates or Replacement,” June 4, 2020, <https://www.gao.gov/products/gao-20-494>.
- <sup>9</sup> U.S. Department of Education, “Education Stabilization Fund: What Is the ESF Transparency Portal?,” accessed March 19, 2022, <https://covid-relief-data.ed.gov/>.



To learn more about the strategies outlined here, please refer to **FutureEd's Covid Relief Playbook: Smart Strategies for Investing Federal Funding** <https://www.future-ed.org/covid-playbook>



For additional details on local education agencies' plans for spending federal Covid-relief aid, see **Burbio** <https://info.burbio.com/essser-iii-spending/>