



# HOW ARE SCHOOL DISTRICTS INVESTING FEDERAL EMERGENCY RELIEF FUNDS TO ADDRESS COVID-19?

A Summary of Findings from  
ASBO International's COVID-19 Financial Impact Survey

**This report was prepared by the  
Association of School Business Officials International (ASBO)**

**March 2021**

**The Association of School Business Officials (ASBO) International** is a nonprofit education association founded in 1910 that provides programs, resources, services, and a global network to school business professionals who are passionate about quality education. We promote the highest standards of school business management, the effective use of educational resources to support student learning and achievement, and professional growth.

**School business professionals** are key decision makers in school systems who manage budgeting, purchasing, facility operations and maintenance, human resources, technology, transportation, food service, healthcare, and other areas of education business and operations. Learn more at [asbointl.org](https://asbointl.org).

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# INTRODUCTION

## The Impact of COVID-19 on School Districts

The COVID-19 pandemic has created an unprecedented worldwide health, economic, and education crisis. Throughout the crisis, school district leaders have been working relentlessly to protect staff and students' health and safety and plan for a safe return to schools while educating students under unparalleled circumstances. School districts nationwide have incurred significant financial costs, for which they have not budgeted, to respond to and recover from the pandemic. Extra costs include purchasing personal protective equipment (PPE) and cleaning supplies, feeding students, investing in education technology and broadband connectivity for remote learning, hiring extra staff, improving indoor air quality, retrofitting school facilities to promote physical spacing, providing social emotional care, addressing academic loss, and more.

In June 2020, ASBO International and AASA, The School Superintendents Association, published a cost analysis<sup>1</sup> estimating some of these unanticipated costs and found that an average-sized school district could expect to spend an extra \$1.78 million to address COVID-19-related expenses. As the pandemic progressed, these costs have only increased for districts as educators implement recommended health strategies to mitigate viral spread, educate and care for students during the crisis, and determine how to reopen schools safely.

## Federal Education Stabilization Fund (ESF): ESSER I & II Funds

Congress passed two key laws that provided welcomed support for state and local education agencies (SEAs/LEAs) to address extra costs incurred relating to local COVID-19 response and recovery efforts. The first, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March 2020, created an Education Stabilization Fund (ESF) through the Department of Education (ED) to provide education support for state governors and elementary, secondary, and higher-education stakeholders. The Elementary and Secondary School Emergency Relief Fund (ESSER) was established within the ESF to distribute federal relief to SEAs and LEAs specifically. Federal dollars distributed through the ESSER Fund via the CARES Act is referred to as "ESSER I" program funding.

The second key law, passed by Congress in December 2020, is the Consolidated Appropriations Act and Coronavirus Response and Recovery Supplemental Appropriations Act (CAA/CRRSAA). Federal relief dollars distributed through the ESSER Fund via the CAA/CRRSAA is referred to as "ESSER II" program funding. Both ESSER I and ESSER II funds may be used for a variety of flexible purposes to help state and local education agencies respond to the COVID-19 pandemic.

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<sup>1</sup> ASBO International and AASA The School Superintendents Association. "What Will It Cost to Reopen Schools?" June 2020. ASBO International Global School Business Network. <https://asbointl.org/ReopenSchools>

Congress appropriated approximately \$13.2 billion for the ESSER I Fund through the CARES Act and another \$54.3 billion for the ESSER II Fund through the CAA/CRRSAA, totaling \$67.5 billion in federal emergency relief for states and districts to help schools during the COVID-19 pandemic.

While there has been strong bipartisan support for federal funding to help schools safely reopen, there is little understanding of how school district leaders are using ESSER I and ESSER II funding at the district and school level. To address this information gap, ASBO International distributed a national survey to school business professionals to determine how school districts are investing their ESSER I and II emergency relief dollars as they respond to and recover from COVID-19.

## **ABOUT ASBO INTERNATIONAL'S COVID-19 FINANCIAL IMPACT SURVEY**

In February 2021, ASBO International surveyed school business professional members across the United States to determine how school districts are spending federal emergency relief funds to respond to the COVID-19 pandemic, educate and care for students during the crisis, and safely reopen schools.

School business professionals are key education finance and operations leaders who manage school budgeting, purchasing, facility management, human resources, technology, food service, student transportation, and more. They hold titles such as chief financial officer, business manager, treasurer, assistant superintendent, and director of facilities, food services, or transportation.

The ASBO International COVID-19 Financial Impact Survey was conducted February 8–19, 2021, and collected 578 responses from school business professionals across 40 states detailing their use of ESSER I and ESSER II funding. States with the highest response rates were Illinois, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, and Texas.

The survey asked respondents questions about their school district demographics; how much ESSER I and ESSER II funding the district received; and how the district invested/planned to invest these funds during school year (SY) 2019–2020, SY 2020–2021, and SY 2021–2022.

This survey summary provides detail about how U.S. school districts are investing approximately \$67.5 billion in federal emergency funding to address the COVID-19 health, economic, and education crisis.

## Key Context Required: How School Districts Spend Federal Funds

This survey report uses the term “invest” to capture how districts have obligated and spent (or will obligate and spend) their ESSER I and II funds (regardless of whether these funds have been drawn down from their state). Although K–12 spending is complex, it is important to understand the differences between obligating, spending, and drawing down funds when considering those factors to determine school district financial need.

In response to ongoing public discussions<sup>2</sup> about whether schools need more federal funding to address COVID-19 considering districts have not fully spent the ESSER I and II allocations received from their state, policymakers should not rely solely upon “total funds spent” as a definitive metric to determine a district’s financial need. This metric alone does not accurately tell a school district’s full financial story. Other factors involving state and district procurement, spending, accounting, and financial reporting processes also should be considered for informing effective education policy decisions.

How a local district chooses to allocate its ESSER dollars will determine the speed, frequency, and amount of funding that will be obligated and spent by the district and drawn down from the state to the district. As an example: A school district may plan to use some of its ESSER dollars for K–12 staff payroll to honor contractual obligations and maintain continuity of educational services to students during the COVID-19 emergency. The district is contractually obligated to pay staff wages and therefore will “obligate” or set aside a portion of ESSER funds for paychecks, which are disbursed biweekly. Those dollars will be spent incrementally as each payroll period passes by, so funds will also be drawn down incrementally from the state throughout the year.

Meanwhile, ESSER funds used for another eligible purpose, such as providing a one-time district reimbursement for expenses incurred last spring to purchase digital devices for students, will be drawn down very differently. Districts need help to avoid staff furloughs and layoffs and also to provide laptops to educate students during the pandemic, even though these funds may or may not be obligated, spent, and drawn down immediately.

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<sup>2</sup> Andrew Ujifusa. [“Schools Haven’t Spent Much Coronavirus Relief Money From Congress. Here’s Why.”](#) *Education Week*, July 13, 2020; and Andrew Ujifusa. [“Concern About Unspent COVID-19 School Aid Continues as Congress Moves Toward More Relief.”](#) *Education Week*, February 24, 2021.

## ASBO INTERNATIONAL SURVEY KEY FINDINGS & HIGHLIGHTS

### **Across all investment categories for district use of ESSER I and II Funds for school year (SY) 2019–20, SY 2020–21, and SY 2021–22, top priorities include:**

- Procuring personal protective equipment (PPE) and cleaning/sanitation supplies and training staff on minimizing viral spread.
- Purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues).
- Other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories).
- Addressing learning loss, providing summer school and before/after-school activities, tutoring, etc.

### **Regarding district use of ESSER I Funds for SY 2019–20 and SY 2020–21:**

- Across all investment categories for use of ESSER I Funds during SY 2019–20, top priorities were:
  - Procuring personal protective equipment (PPE) and cleaning/sanitation supplies and training staff on minimizing viral spread.
  - Purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues).
  - Other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories).
- These investment categories also remain as top priorities for SY 2020–21.

### **Regarding district use of ESSER II Funds for SY 2020–21 and SY 2021–22:**

- Across all investment categories for use of ESSER II funds during SY 2020–21, top priorities are:
  - Addressing learning loss, providing summer school and before/after-school activities, tutoring, etc.
  - Other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories).
  - Purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues).
- These investment categories also remain as top priorities for SY 2021–22.

### **More than half (55%) of surveyed school business leaders do not believe their school district received sufficient federal funding and support to respond to the COVID-19 crisis.**

- While 45% of school business leaders surveyed said their district received sufficient federal funding and support, nearly one-third of this group expressed concerns about whether their district could afford additional future costs related to the pandemic without additional state and federal assistance.

**Regardless of whether survey respondents believe their district received sufficient aid and support, school business professionals expressed concerns about whether their district could afford future pandemic-related costs for SY 2021–22 and beyond.**

- Specific future costs causing district leaders concern include expenses associated with:
  - Providing intervention and remediation for students to address learning loss and providing mental health and social emotional care services for students and staff.
  - Fixing student connectivity/broadband or “homework gap” issues.
  - Repairing, upgrading, and maintaining school facilities.
  - Offsetting financial losses incurred due to declining student enrollment.
  - Accruing ongoing costs related to implementing CDC-recommended strategies to mitigate viral spread for a prolonged and undetermined period of time.
  - Addressing rising HR/payroll, labor, and health costs to hire, recruit, and retain quality staff during severe labor market shortages and while providing supplemental emergency benefits and compensation during the pandemic.
  - Addressing other long-term district needs with “one-time use” federal funds, such as but not limited to rising special education costs.

**More than 80% of school district leaders surveyed said their district experienced a decline in total student enrollment during the COVID-19 pandemic.**

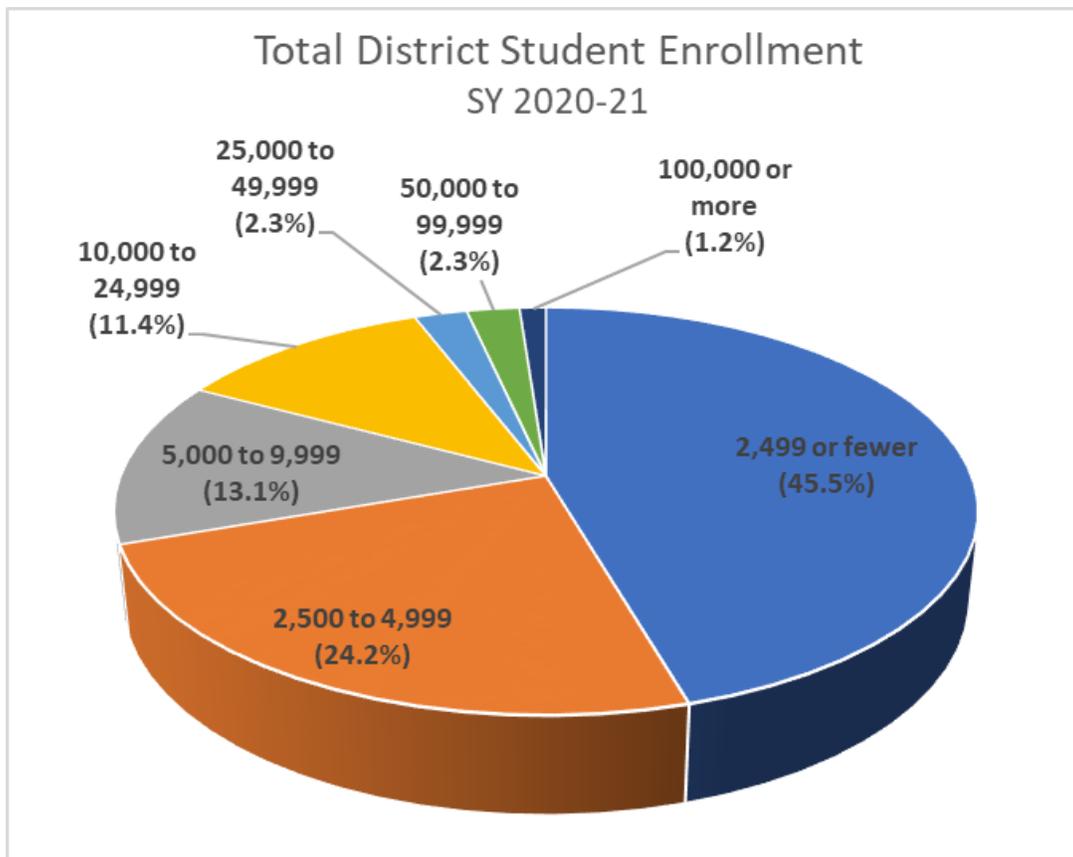
- Nearly one-fourth of survey respondents (23.4%) reported that student enrollment declined by more than 5% between SY 2019–20 and SY 2020–21.

**When asked to highlight other issues that lawmakers may not be aware of to help school districts recover from COVID-19, survey respondents shared the following ideas and topics for consideration, among others:**

- Districts asked for support with addressing significant losses in nutrition revenues due to declining meal program participation during the pandemic.
- Districts in several states expressed concern about states that have already supplanted and/or will supplant (or otherwise cut) education funding to districts, undermining their ability to respond to and recover from the COVID-19 crisis.
- Districts asked lawmakers to consider technical or regulatory changes that could provide districts more flexibility to strategically spend federal relief funds to best support students’ educational needs (e.g., extend the period of fund availability, lengthen spend timelines, implement special COVID-19 “hold harmless” provisions and limited “maintenance of effort” waivers, adjust funding formulas for non-/low-Title I districts to receive federal relief, etc.)
- Districts asked for assistance with reducing state and federal paperwork and administrative burdens, especially for reporting requirements. Two federal programs specifically mentioned for being a challenge to districts seeking pandemic relief through other non-ESSER sources are the Coronavirus Relief Fund (CRF) and FEMA Public Assistance Grants.

## SURVEY DATA & ANALYSIS—DISTRICT DEMOGRAPHICS

Question Answered: What is the estimated student enrollment for your school district for the CURRENT 2020–2021 SCHOOL YEAR?

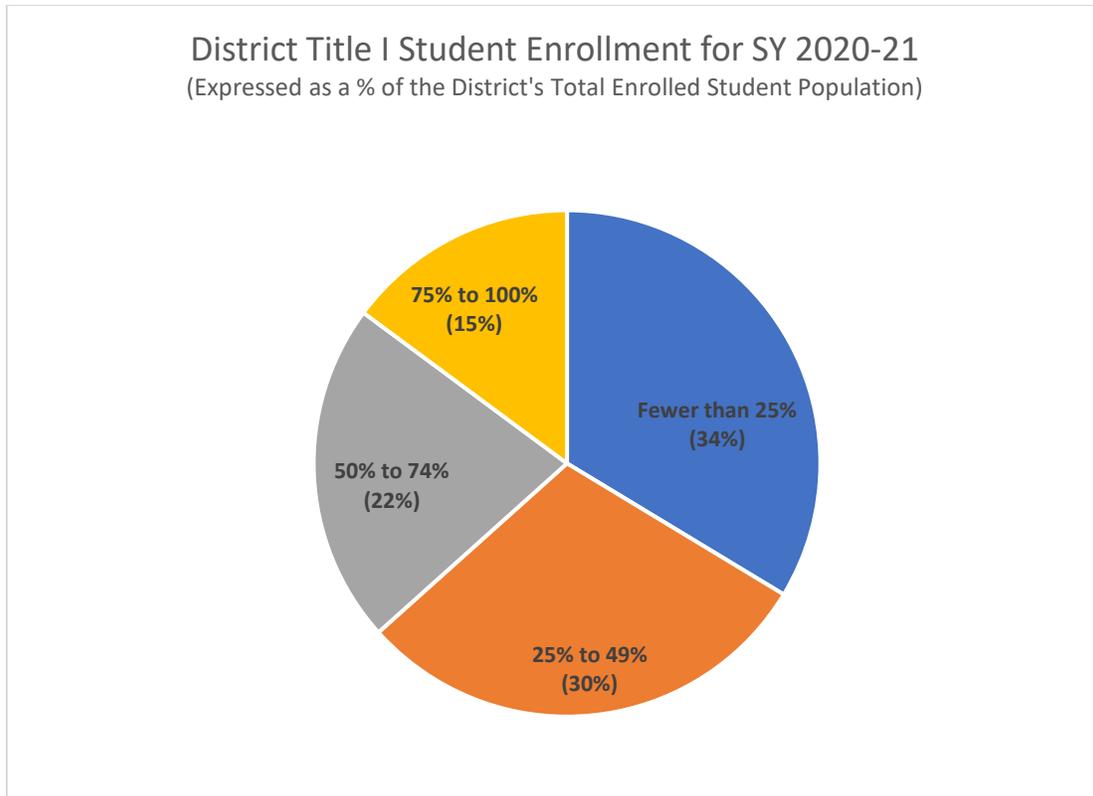


### When asked to report an estimate of how many students are enrolled in their school district for SY 2020–21:

- Almost half of respondents (45.5%) answered that their school district serves fewer than 2,500 students, whereas approximately one-fourth of respondents (24.2%) said their district serves between 2,500 and 4,999 students.
  - Note: Nationally, the average public school district enrollment is 3,659 students.<sup>3</sup>
- 13.1% of respondents reported their district has between 5,000 and 9,999 students enrolled, and 11.4% noted their district enrollment is between 10,000 and 24,999 students.
- Nearly six percent (5.8%) of respondents shared that they serve in larger districts enrolling 25,000 students or more.

<sup>3</sup> ["Total School Districts, Student Enrollment by State and Metro Area,"](#) Governing The Future of States and Localities, eRepublic. Accessed February 2021. This source references 2013-2014 Local Education Agency Universe Survey data published by the U.S. Department of Education’s National Center for Education Statistics (NCES).

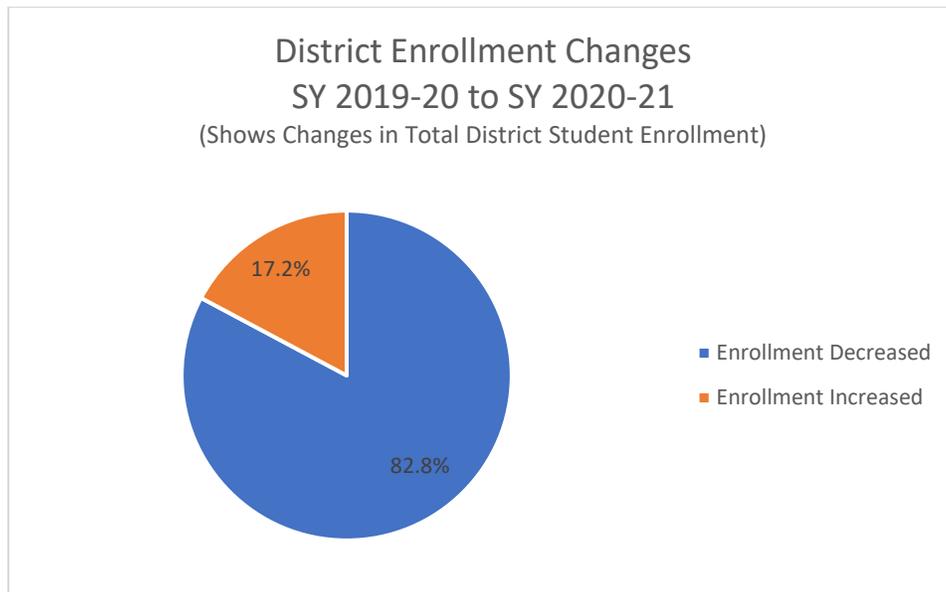
Question Answered: What percentage of students enrolled in your district are Title I students?



**When asked what percentage of their district's total enrolled student population for SY 2020–21 are Title I (low-income) students:**

- Approximately one-third (33.8%) of respondents said Title I students make up fewer than 25% of their district's total student enrollment for SY 2020–21.
  - Note: This percentage includes both non-Title I and low-Title I districts. Federal ESSER I and II relief funds are distributed to states and school districts according to the Every Student Succeeds Act's (ESSA) Title I formula. Districts with no Title I students are ineligible to receive federal relief dollars through these grants, and those with few Title I students will receive only a small sum from these programs.
- 30.0% reported that Title I students make up between 25% and 49% of their district's student enrollment for the current SY.
- Approximately one out of five respondents (21.5%) said low-income Title I students make up 50% to 74% of their district's total student enrollment.
- Nearly one of seven (14.5%) survey respondents said 75% to 100% of their district's total student enrollment is comprised of Title I students.

Question Answered: How much has student enrollment changed in your district from the PAST 2019–2020 SCHOOL YEAR to the CURRENT 2020–2021 SCHOOL YEAR?

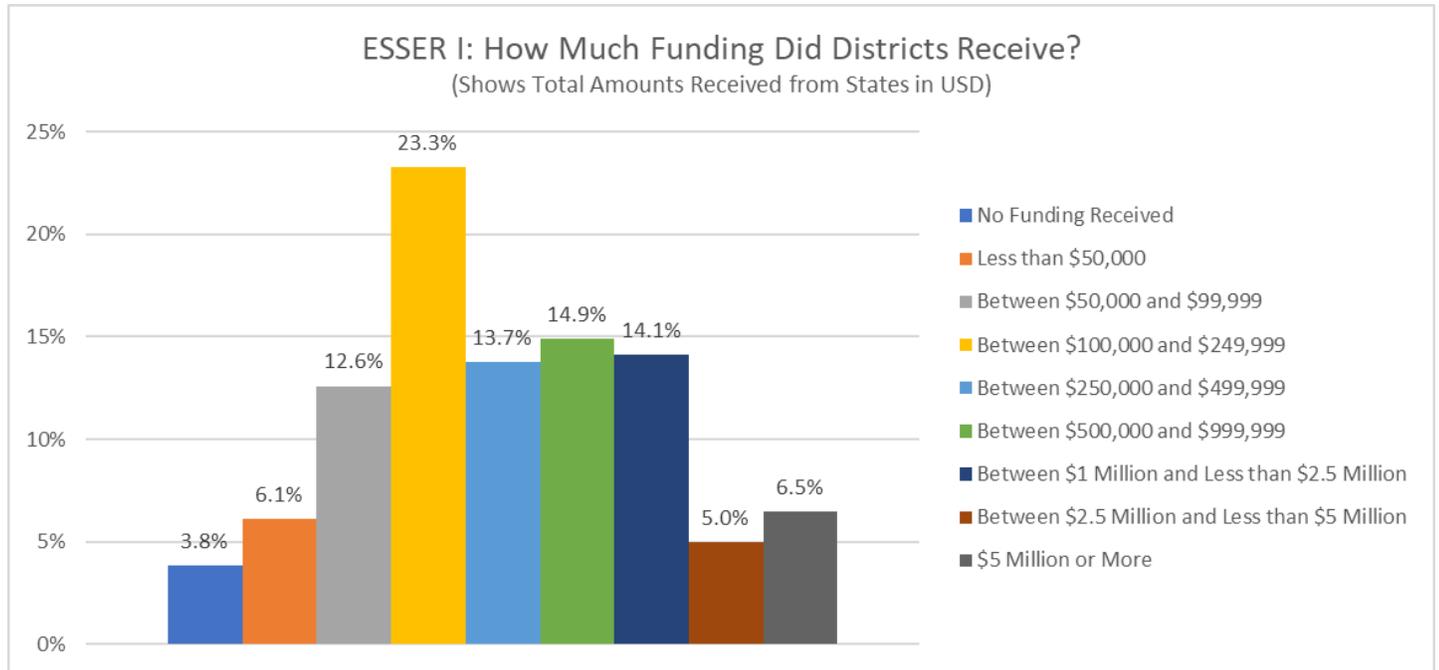


**When asked about student enrollment changes in their school district between SY 2019–20 and SY 2020–21, more than 80% of respondents said district student enrollment decreased during the COVID–19 pandemic.**

- Of the 82.8% who indicated their district experienced a decrease in student enrollment from SY 2019–20 to SY 2020–21:
  - 35.4% of respondents said student enrollment decreased by 0% to 3%, while 23.9% said student enrollment decreased by 3.01% to 5%.
  - 18.7% of respondents said student enrollment decreased by 5.01% to 10%, whereas 4.7% said student enrollment decreased by more than 10%.
- Of the 17.2% who indicated their district experienced an increase in student enrollment from SY 2019–20 to SY 2020–21...
  - 12.9% said student enrollment increased by 0% to 3%, while 2.3% said student enrollment increased by 3.01% to 5%.
  - 0.9% said student enrollment increased by 5.01% to 10%, whereas 1.2% said student enrollment increased more than 10%.
- Note: State education funding for schools is calculated based on several factors, depending on the state’s school funding formula, which includes student enrollment and/or attendance. Significant decreases in enrollment/attendance will adversely impact district finances. Among other reasons, this is because districts must continue to pay for various fixed costs regardless of the number of students they serve (e.g., costs related to school facility maintenance and operations, transportation, other capital expenditures, and interest paid on debt).

## SURVEY DATA & ANALYSIS—ESSER I FUND

Question Answered: Approximately how much CARES Act ESSER I funding did your school district receive from your state?

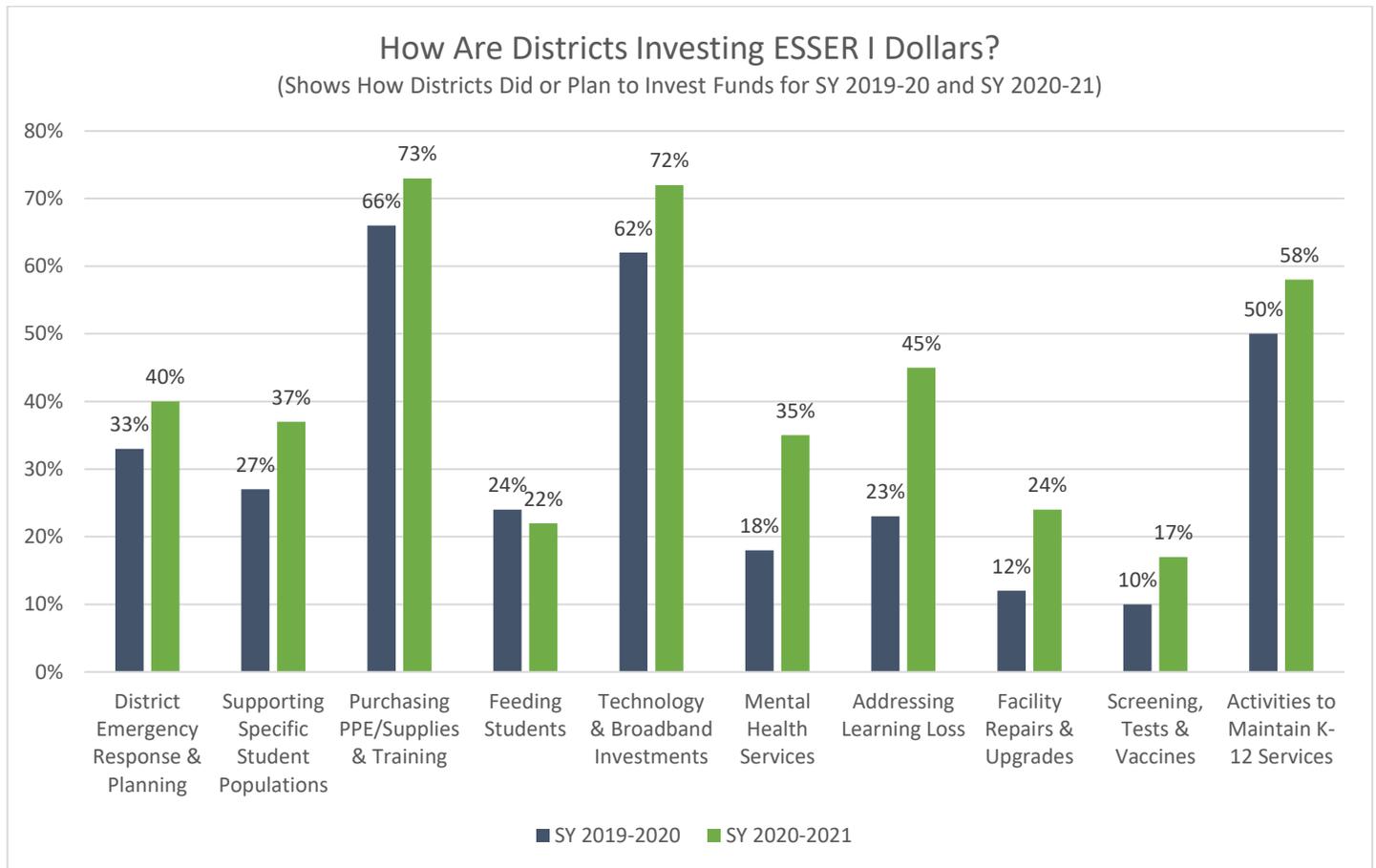


### When asked about how much ESSER I funding districts received from their state:

- 18.7% of respondents reported receiving less than \$250,000 in ESSER I funds while 3.8% of respondents reported receiving no program funding from their state.
- Nearly one-fourth of respondents (23.3%) said they received between \$100,000 and \$250,000 in federal relief funding.
- 28.6% of respondents reported that their district received between \$250,000 and \$500,00 in ESSER I funds.
- While 14.1% of respondents said their district received between \$1 and \$2.5 million in COVID-relief funding, 11.5% received \$2.5 million or more from the federal emergency aid program.

Questions Answered: During the PAST 2019–2020 SCHOOL YEAR, how did your district obligate/spend its CARES Act ESSER I Funds?

For the CURRENT 2020–2021 SCHOOL YEAR, how did/will your district obligate/spend its CARES Act ESSER I Funds?



**When asked how their district is investing ESSER I dollars for SY 2019–20:**

- 33% of respondents prioritized investing ESSER I dollars for coordinating and responding to the COVID-19 emergency (which includes planning for and coordinating long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.).
- 27% of respondents prioritized investing ESSER I dollars for activities to support specific student populations (Title I, special education, English-language learners, homeless and migrant students, etc.).
- 66% of respondents prioritized investing ESSER I dollars for procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread.

- 24% of respondents prioritized investing ESSER I dollars for providing meals to students.
- 62% of respondents prioritized investing ESSER I dollars for purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues).
- 18% of respondents prioritized investing ESSER I dollars for providing mental health services, counseling, and social emotional care/support.
- 23% of respondents prioritized investing ESSER I dollars for addressing learning loss, providing summer school and after-school activities, tutoring, etc.
- 12% of respondents prioritized investing ESSER I dollars for school facility repairs and improvements.
- 10% of respondents prioritized investing ESSER I dollars for COVID-19 screening, testing, and vaccination.
- 50% of respondents prioritized investing ESSER I dollars for other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories).

**When asked how their district is investing ESSER I dollars for SY 2020–21:**

- 40% of respondents prioritized investing ESSER I dollars for coordinating and responding to the COVID-19 emergency (which includes planning for and coordinating long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.). (+7% compared to SY 2019–20 data.)
- 37% of respondents prioritized investing ESSER I dollars for activities to support specific student populations (Title I, special education, English-language learners, homeless and migrant students, etc.). (+10% compared to SY 2019–20 data.)
- 73% of respondents prioritized investing ESSER I dollars for procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread. (+7% compared to SY 2019–20 data.)
- 22% of respondents prioritized investing ESSER I dollars for providing meals to students. (-2% compared to SY 2019–20 data.)

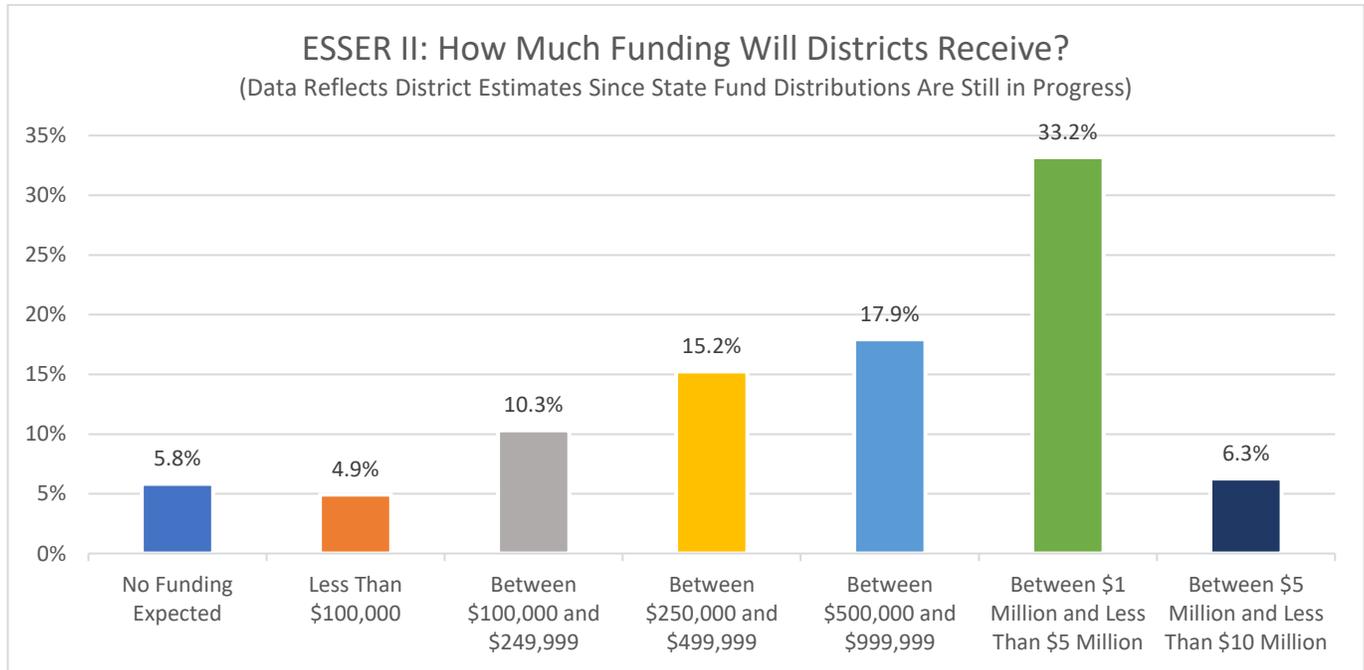
- 72% of respondents prioritized investing ESSER I dollars for purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues). (+10% compared to SY 2019–20 data.)
- 35% of respondents prioritized investing ESSER I dollars for providing mental health services, counseling, and social emotional care/support. (+17% compared to SY 2019–20 data.)
- 45% of respondents prioritized investing ESSER I dollars for addressing learning loss, providing summer school and after-school activities, tutoring, etc. (+22% compared to SY 2019–20 data.)
- 24% of respondents prioritized investing ESSER I dollars for school facility repairs and improvements. (+12% compared to SY 2019–20 data.)
- 17% of respondents prioritized investing ESSER I dollars for COVID-19 screening, testing, and vaccination. (+7% compared to SY 2019–20 data.)
- 58% of respondents prioritized investing ESSER I dollars for other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories). (+8% compared to SY 2019–20 data.)

**Commentary about changes in investment of ESSER I funds between SY 2019–20 and SY 2020–21:**

- Providing meals to students was a higher priority for use of ESSER I funds during SY 2019–20 than in SY 2020–21. This is the only investment category that experienced a decrease in the percentage of respondents who indicated prioritizing ESSER I funds for this purpose from SY 2019–20 to SY 2020–21. All other investment categories experienced an increase in use of funds over the same period.
  - This change in fund prioritization may have occurred due to the positive impact of the federal USDA’s nutrition program waivers that were implemented during this period to assist schools with feeding students. USDA’s support may have allowed respondents to reprioritize ESSER I dollars for other COVID-19-related needs.
- Significantly more respondents indicated prioritizing use of ESSER I funds for addressing learning loss, providing summer school and after-school activities, tutoring, etc.; providing mental health services, counseling, and social emotional care/support; and school facility repairs and improvements in SY 2020–21 than in SY 2019–20.
  - These changes in fund prioritization may be explained by respondents’ increasing knowledge of and understanding about how COVID-19 spreads and how the pandemic is negatively impacting student mental health, learning, and well-being.

## SURVEY DATA & ANALYSIS—ESSER II FUND

Questions Answered: Approximately how much CAA/CRRSA ESSER II funding did/will your school district receive from your state?

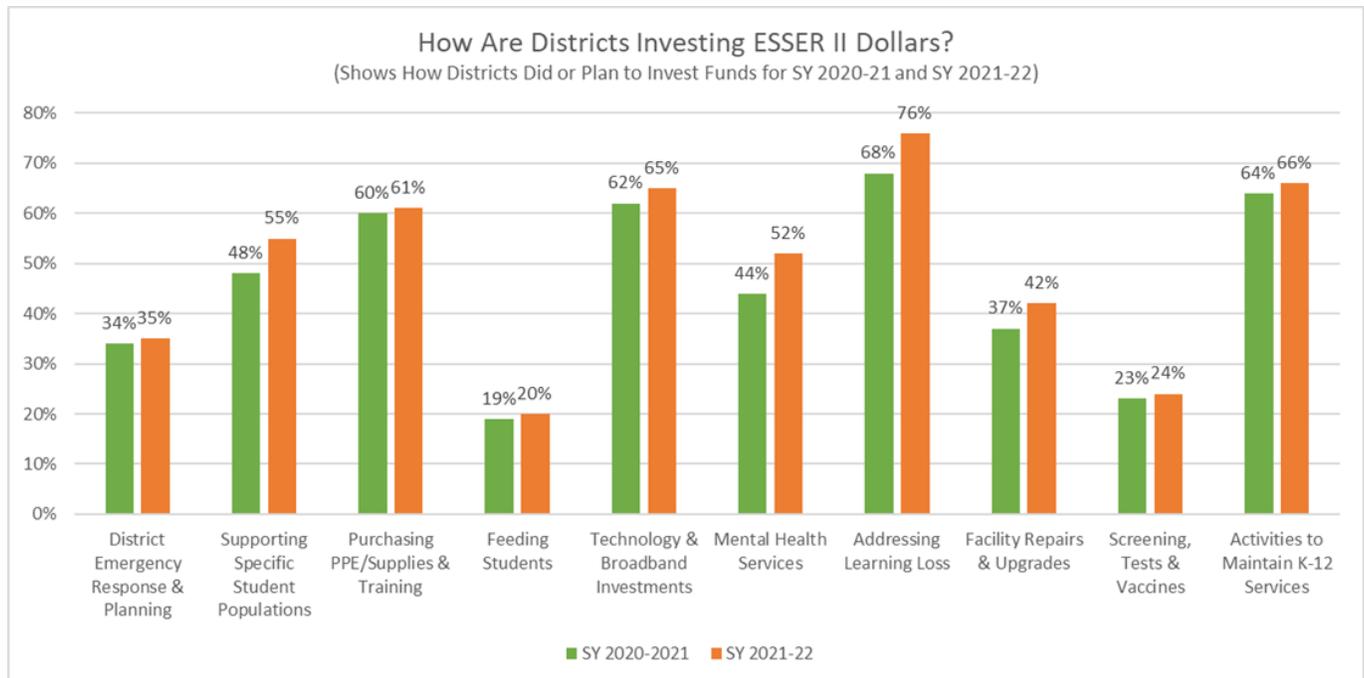


### When asked about how much ESSER II funding districts received or expect to receive from their state:

- Approximately one-third of respondents (33.1%) said they received or expected to receive between \$250,000 and \$1 million in federal relief funding.
- Another third (33.2%) of respondents indicated they did or will receive between \$1 million and \$5 million in federal aid.
- About 5.8% of survey respondents expect to receive no ESSER II funding, while 15.2% expect to receive less than \$250,000 in relief.
- On the other side of the spectrum, 6.3% of those surveyed said their district did or would receive \$5 million or more in federal funding.

Questions Answered: For the CURRENT 2020–21 SCHOOL YEAR, how did or will your district spend/obligate its CAA/CRRSA ESSER II Funds?

For the NEXT 2021–2022 SCHOOL YEAR, how will your district spend/obligate its CAA/CRRSA ESSER II Funds?



**When asked how their district is investing ESSER II dollars for SY 2020–21:**

- 34% of respondents are prioritizing investing ESSER II dollars for coordinating and responding to the COVID-19 emergency (which includes planning for and coordinating long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.).
- 48% of respondents are prioritizing investing ESSER II dollars for activities to support specific student populations (Title I, special education, English-language learners, homeless and migrant students, etc.).
- 60% of respondents are prioritizing investing ESSER II dollars for procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread.
- 19% of respondents are prioritizing investing ESSER II dollars for providing meals to students.
- 62% of respondents are prioritizing investing ESSER II dollars for purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues).

- 44% of respondents are prioritizing investing ESSER II dollars for providing mental health services, counseling, and social emotional care/support.
- 68% of respondents are prioritizing investing ESSER II dollars for addressing learning loss, providing summer school and after-school activities, tutoring, etc.
- 37% of respondents are prioritizing investing ESSER II dollars for school facility repairs and improvements.
- 23% of respondents are prioritizing investing ESSER II dollars for COVID-19 screening, testing, and vaccination.
- 64% of respondents are prioritizing investing ESSER II dollars for other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories).

**When asked how their district is planning to invest ESSER II dollars for SY 2021–22:**

- 35% of respondents plan to prioritize investing ESSER II dollars for coordinating and responding to the COVID-19 emergency (which includes planning for and coordinating long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.). (+1% compared to SY 2020–21 data.)
- 55% of respondents plan to prioritize investing ESSER II dollars for activities to support specific student populations (Title I, special education, English-language learners, homeless and migrant students, etc.). (+7% compared to SY 2020–21 data.)
- 61% of respondents plan to prioritize investing ESSER II dollars for procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread. (+1% compared to SY 2020–21 data.)
- 20% of respondents plan to prioritize investing ESSER II dollars for providing meals to students. (+1% compared to SY 2020–21 data.)
- 65% of respondents plan to prioritize investing ESSER II dollars for purchasing technology and learning management systems for students and improving broadband access/connectivity (to address “homework gap” issues). (+3% compared to SY 2020–21 data.)
- 52% of respondents plan to prioritize investing ESSER II dollars for providing mental health services, counseling, and social emotional care/support. (+8% compared to SY 2020–21 data.)

- 76% of respondents plan to prioritize investing ESSER II dollars for addressing learning loss, providing summer school and after-school activities, tutoring, etc. (+8% compared to SY 2020–21 data.)
- 42% of respondents plan to prioritize investing ESSER II dollars for school facility repairs and improvements. (+5% compared to SY 2020–21 data.)
- 24% of respondents plan to prioritize investing ESSER II dollars for COVID-19 screening, testing, and vaccination. (+1% compared to SY 2020–21 data.)
- 66% of respondents plan to prioritize investing ESSER II dollars for other activities to maintain continuity of education services (e.g., salaries/wages, contracts, and other expenses not covered in other investment categories). (+2% compared to SY 2020–21 data.)

### **Commentary on changes in ESSER II fund investments from SY 2020–21 to SY 2021–22:**

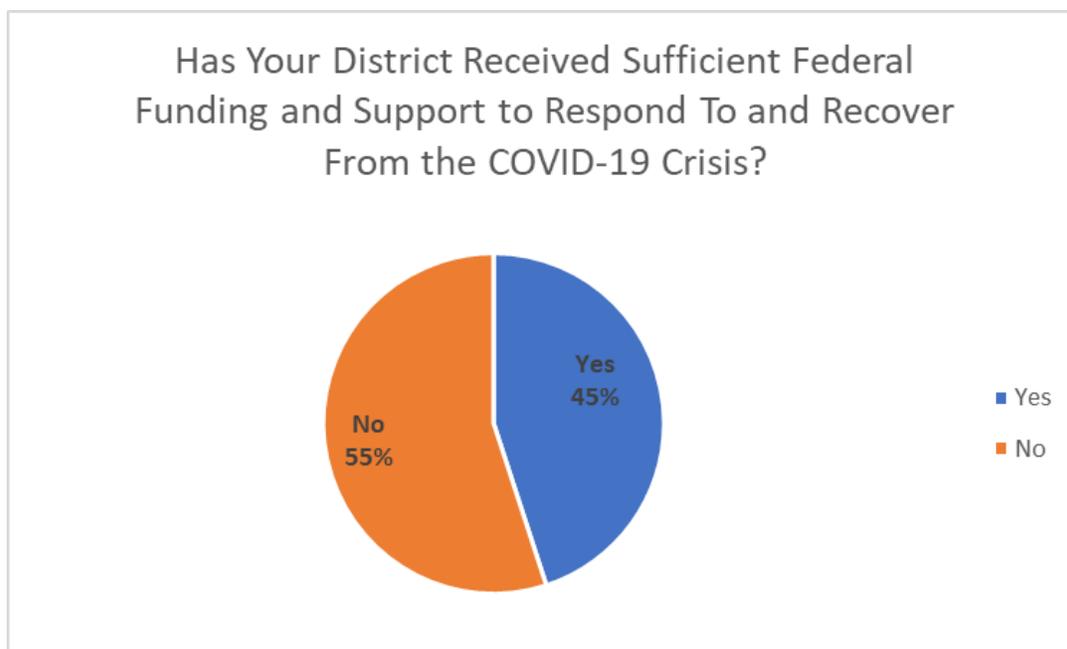
- There may be slight changes in district funding priorities between SY 2020–21 and SY 2021–22, as slightly more respondents (+7% to +8%) plan to prioritize investing ESSER II dollars for providing mental health services, counseling, and social emotional care/support; addressing learning loss, providing summer school and after-school activities, tutoring, etc.; and activities to support specific student populations (Title I, special education, English-language learners, homeless and migrant students, etc.).
  - This trend in fund prioritization may be explained by respondents’ increasing knowledge about how the COVID-19 pandemic is negatively impacting student mental health, learning, and well-being, and how certain student populations are being disproportionately affected compared to their peers. More respondents are making a concerted effort to take an “equity-centered” approach to prioritize funds for serving their district’s most disadvantaged students.
- Slightly more respondents (+5%) indicated planning to prioritize ESSER II fund investment in school facility repairs and improvements for SY 2021–22 than in SY 2020–21.
  - This trend in fund prioritization may be explained by respondents’ increasing knowledge and understanding about how COVID-19 spreads indoors. HVAC and other facility upgrades can be both time- and resource-consuming endeavors depending on the current state of the district’s school buildings. While many respondents may not have been able to quickly use funds for such purposes in SY 2019–20 or SY 2020–21, more respondents may be able to do so in SY 2021–22.
  - Note: The average school building is at least 50 years old and 54% of school districts have two or more building systems in need of repair.<sup>4</sup>

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<sup>4</sup> United States Government Accountability Office (GAO). “K-12 Education: School Districts Frequently Identified Multiple Building Systems Needing Updates or Replacement.” June 2020. GAO-20-494. <https://www.gao.gov/products/GAO-20-494>

## SURVEY DATA & ANALYSIS—DISTRICT PERSPECTIVES

Questions Answered: Do you believe sufficient federal funding and support has been provided to help your school district respond to and recover from the COVID-19 crisis? Why or why not?



**When asked whether respondents believed their district received sufficient federal funding and support to respond to and recover from COVID-19, 55% of surveyed school business professionals said “No” while 45% said “Yes.”**

- When respondents who said “No” were asked why they gave that answer, they shared several reasons, which can be categorized into three main buckets:
  - 72.1% indicated that the amount of federal funding the district did/would receive would be insufficient to address long-term issues, such as:
    - Providing intervention and remediation to address student learning loss and providing mental health and social emotional care services for students and staff.
    - Fixing student connectivity/broadband or “homework gap” issues.
    - Facility repairs, upgrades, and maintenance.
    - Offsetting financial losses from declining student enrollment.
    - Accruing ongoing costs related to implementing CDC-recommended strategies to mitigate viral spread for a prolonged and undetermined period of time (e.g., procuring PPE and supplies and incurring higher student transportation costs to promote physical spacing on buses).
    - Addressing rising HR/payroll, labor, and health costs to hire, recruit, and retain quality staff during severe labor market shortages and while providing supplemental emergency benefits and compensation during the pandemic.
    - Addressing rising special education costs.

- 16.3% expressed concerns about technicalities regarding spending federal COVID-relief dollars, such as:
  - Restrictions on allowable uses of funds (e.g., unable to use funds for offsetting school nutrition program revenue losses incurred during COVID-19; funds cannot be used to offset losses from failure to meet fiscal maintenance of effort [MOE] requirements when LEAs are ineligible to apply for COVID-19 MOE waivers).
  - Restrictions on fund availability and spend timelines (which do not account for how long it may take dollars to disburse from the federal government to state and districts, nor for costs that draw down funds over longer periods like facility expenses).
- 11.6% expressed concerns about districts receiving sufficient federal funding due to funds being supplanted or potentially supplanted by their states.
- When respondents who said “Yes” were asked why they gave that answer, they shared several responses that could be categorized into two main buckets:
  - 68.8% said sufficient federal funding and support was/would be provided, and the federal government has played/is playing an instrumental role to help districts maintain school operations and provide for students as they navigate the COVID-19 pandemic.
  - Nearly one-third of this group (31.2%) said their district has received sufficient federal funding and support so far (for SY 2019–20 and SY 2020–21) but noted concerns about future funding issues (for SY 2021–2022 and beyond). Participants expressed concerns about affording future costs regarding:
    - Providing intervention and remediation to address student learning loss and providing mental health and social emotional care services for students and staff.
    - Fixing student connectivity/broadband or “homework gap” issues.
    - Facility repairs, upgrades, and maintenance.
    - Offsetting financial losses from declining student enrollment.
    - Addressing rising HR/payroll, labor, and health costs to hire, recruit, and retain quality staff during severe labor market shortages and while providing supplemental emergency benefits and compensation during the pandemic.
    - Addressing other long-term needs with “one-time” use funds.

Question Answered: Are there any other thoughts, comments, or issues you would like to share?

**When asked to provide other feedback to share with federal policymakers, school business professionals shared a variety of perspectives, summarized as follows:**

- Overall, K-12 finance leaders shared that their district spent significant funds on:
  - Providing intervention and remediation for students to address learning loss.
  - Addressing student connectivity/broadband or “homework gap” issues.
  - Repairing, upgrading, and maintaining school facilities (especially in rural districts).
  - Providing targeted support for Title I and special education student subgroups.
  - Operational expenses related to implementing CDC-recommended strategies to mitigate viral spread to allow for in-person instruction (e.g., purchasing PPE/supplies and promoting physical spacing within buildings). Respondents noted costs will increase so long as these precautions must remain in place.
  
- Overall, school business leaders noted several concerns regarding administering school nutrition and food service programs throughout the pandemic.
  - Many districts experienced significant nutrition revenue losses from declining meal participation (due to school closures and hybrid and/or remote education models), especially when compared to program participation rates before the pandemic. Several respondents noted that USDA waivers have been helpful for keeping meal programs afloat and advocated for a permanent federal universal meal policy.
  - Several respondents expressed concerns about fewer free and reduced-price lunch (FRPL) applications collected during COVID-19, and any implications that deflated application numbers would have on future federal Title funding to school districts.
  
- Other topics of concern highlighted by school business professionals are:
  - Adverse financial impacts to districts because of declining student enrollment trends.
  - States supplanting or cutting education funding to districts during COVID-19.
  - Administrative challenges securing additional COVID-19 relief through non-ESSER programs (e.g., FEMA Public Assistance Grants and the Coronavirus Relief Fund).
  - Funding concerns about distributing ESSER relief through the federal Title I formula to provide funding for districts. Non-/Low-Title I districts are struggling to afford extra costs incurred by COVID-19 but are ineligible for ESSER funding. They asked for some aid to be distributed on a per-pupil basis. While they appreciate how the current formula supports low-income schools, other public schools need help too.
  - Meeting IDEA/special education MOE requirements for student transportation. States and districts may fail MOE because schools operating on a full remote model have not incurred as many expenses as they would during normal operations. Districts should receive limited MOE flexibility during COVID-19 provided they can prove that reductions in educational costs are not impacting service quality for students.
  - Providing effective intervention, remediation, mental health, and social emotional services for students and staff.
  - Strategies to maintain and afford appropriate staffing levels during labor market shortages and while providing supplemental emergency benefits/compensation.
  - Prioritizing school personnel for COVID-19 vaccinations to help schools reopen.

## CONCLUSION: SCHOOL DISTRICTS NEED MORE SUPPORT

Throughout the COVID-19 crisis, school district leaders have been strategically allocating federal resources to respond to and recover from the pandemic and help schools safely reopen. They are prioritizing funds to meet emerging challenges as K-12 leaders learn more about how to mitigate COVID-19 spread; how the pandemic is adversely impacting student mental health, learning, and well-being; and how specific student groups are disproportionately affected.

Nevertheless, schools are still incurring significant unsustainable costs, and there are substantial concerns about whether districts can afford future costs related to the pandemic in SY 2021-2022 and beyond. So long as schools must implement COVID-19 mitigation strategies, costs to procure PPE, cleaning and sanitation supplies, and related materials will only grow. Current funding is insufficient to address costly facility repairs and upgrades to improve HVAC systems, increase airflow, and address other indoor air quality issues to provide safe learning environments. Moreover, additional resources will be required to help students, such as addressing academic learning loss; providing mental health counseling and social emotional care; and recruiting and retaining qualified staff to deliver these services while communities are experiencing labor shortages.

Districts will require state and federal partners to work together to identify innovative solutions and provide additional financial aid and support to address these and other challenges.

## QUESTIONS? CONTACT US

If you have questions about ASBO International's COVID-19 Financial Impact Survey, please contact:

- David Lewis, ASBO International Executive Director, at [dlewis@asbintl.org](mailto:dlewis@asbintl.org)
- Elleka Yost, ASBO International Director of Advocacy, at [eyost@asbintl.org](mailto:eyost@asbintl.org)

For more information on how the COVID-19 pandemic is affecting school districts and what policymakers can do to help, please read [\*ASBO International's K-12 Policy Recommendations for A New Administration\*](#).

