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## INTRODUCTION

Throughout the COVID-19 pandemic, education leaders have been working relentlessly to protect the health and safety of students, staff, and families while helping schools and communities recover. Since March 2020, Congress has passed three key laws to aid state and local education agencies (SEAs and LEAs) with their local response and recovery efforts.

- **The Coronavirus Aid, Relief, and Economic Security (CARES) Act**—Passed March 2020. This law established the federal Education Stabilization Fund (ESF) and Elementary and Secondary School Emergency Relief (ESSER) program. The CARES Act allocated approximately \$13 billion to school districts through the ESSER I Fund.
- **The Coronavirus Response and Recovery Supplemental Appropriations (CRRSA) Act**—Passed December 2020. The CRRSA Act allocated an additional \$54 billion to school districts via the ESSER II Fund.
- **The American Rescue Plan (ARP) Act**—Passed March 2021. The ARP Act allocated an additional \$123 billion to school districts via the ESSER III Fund.

The [U.S. Department of Education's May 2021 guidance](#) states that ESSER funds can be spent on “a wide range of activities to address diverse needs arising from or exacerbated by the COVID-19 pandemic, or to emerge stronger post-pandemic, including responding to students’ social, emotional, mental health, and academic needs, and continuing to provide educational services as states, LEAs, and schools respond to and recover from the pandemic.” For the ESSER III grant program, districts are also required to spend at least 20% of their funds to address the academic impact of lost instructional time that students experienced during the pandemic by implementing evidence-based interventions.

In sum, school districts received approximately \$190 billion in ESSER funding. Districts have until September 2022 to obligate ESSER I funds; September 2023 to obligate ESSER II funds; and September 2024 to obligate ESSER III funds.

As district leaders spend ESSER funds to support their school communities, lawmakers and other education stakeholders seek transparency about how this aid is helping students, staff, and families. While much of the public discourse on ESSER spending has focused on prospective spending plans, not as much attention has been given to retrospective spending or actual district expenditures thus far.

To provide information on this topic, ASBO International conducted an ESSER Spending Survey, asking school business professionals to share how their districts have spent their ESSER I, II, and III funds through January 31, 2022. This report summarizes the findings of that survey. We hope these data can help bring to light some of the spending decisions districts are making during COVID-19 and demonstrate how education leaders are strategically spending funds to address student, staff, and community needs.

## Survey Background & Key Highlights

From February 22 through March 18, 2022, ASBO International surveyed school business professional members across the United States to determine how school districts have spent ESSER I, II, and III funds during the pandemic.

The survey focused on actual district expenditures of ESSER funds from the beginning of the pandemic through January 31, 2022. The survey received 154 responses from school business professionals in school districts located across 35 different states. The states with the most responses were Illinois, Iowa, Wisconsin, Pennsylvania, and Oregon.

### **ASBO International's ESSER Spending Survey asked school business professionals questions about the following:**

- School district demographics
- Net changes in enrollment and attendance during COVID-19 (for school years 2019–2020, 2020–2021, and 2021–2022)
- The total ESSER allocation the district received, expressed in per-pupil terms
- The percentage of ESSER I, II, and III funds the district has spent so far (actual expenditures only)
- The percentage of ESSER funds the district has committed to pay for future expenses, which have not been spent/drawn down yet (obligated funds only)<sup>1</sup>
- Top district challenges for spending ESSER funds quickly
- Top priorities for spending ESSER I, ESSER II, and ESSER III funds among various spending categories (examining actual expenditures)
- Specific ESSER spending strategies for “maintaining continuity of educational services,” “addressing student learning loss,” and “school facility projects”
- Examples of how the district has spent ESSER funds to support student needs

This survey report is the second installment in a series of ASBO International reports on district-level ESSER spending decisions. The first report, [“How Are School Districts Investing Federal Emergency Relief Funds to Address COVID-19?”](#) (published in February 2021) is available for download on ASBO International's Global School Business Network.

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<sup>1</sup> Obligation refers to a binding agreement that will result in an expenditure either immediately or in the future. Obligate refers to setting aside funds for an immediate or future expense that the payer is contractually or legally bound to pay for.

# HOW HAVE SCHOOL DISTRICTS SPENT ESSER FUNDS SO FAR?

*Highlights from ASBO International's ESSER Spending Survey*

In February 2022, ASBO International surveyed more than 150 school finance leaders across 35 states about how their districts have spent ESSER I, II, and III funds from the beginning of the COVID-19 pandemic through January 2022.

## TOP 5 ESSER SPEND CATEGORIES (OVERALL)



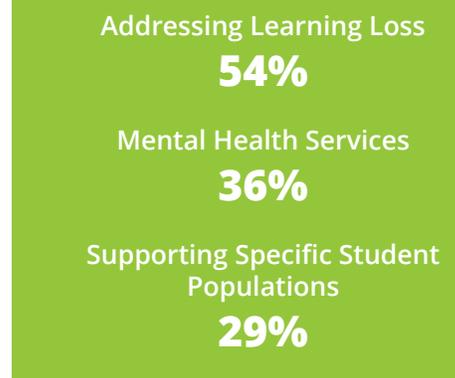
### TOP ESSER I SPEND CATEGORIES



### TOP ESSER II SPEND CATEGORIES



### TOP ESSER III SPEND CATEGORIES



## MOST POPULAR ESSER SPENDING STRATEGIES

#### TO MAINTAIN EDUCATIONAL SERVICES:

- Retaining and recruiting ancillary staff
- Retaining and recruiting instructional staff
- Purchasing curricula, textbooks, and supplies

#### TO ADDRESS LEARNING LOSS:

- Expanding summer learning and enrichment offerings
- Adding specialist staff to support students
- Purchasing technology and improving connectivity
- Investing in professional development to address student needs

#### TO REPAIR & IMPROVE FACILITIES:

- HVAC repairs and upgrades to improve indoor air quality
- Projects to provide safer drinking water for students
- Repairing/renovating an existing facility or school

## TOP 5 CHALLENGES WITH SPENDING ESSER FUNDS

- Sustainability Issues (spending responsibly to avert a fiscal cliff)
- Balancing Competing Priorities (spending quickly vs. strategically to support students)
- Labor Issues (unable to hire or retain staff to implement programs/initiatives)
- Supply Chain Issues (product shortages, shipping delays, rising costs, etc.)
- Spend Timeline Issues (unable to complete larger projects in time, e.g., construction)

## VOICES FROM THE FIELD: HOW ESSER FUNDS ARE HELPING STUDENTS

“Our district has used ESSER funds to prioritize student and staff safety as well as expanding learning opportunities for students during the pandemic. We have purchased PPE, distancing supplies, custodial supplies, and air purifiers to improve the health and safety of our buildings. We have purchased technology that allows each student to learn remotely as needed. We also began a new online school to enable physically at-risk students the opportunity to learn remotely from district teachers rather than software. Our district has purchased online and in-person curriculums that allowed us to more effectively reach our underserved populations during the pandemic, such as students on IEPs, homeless students, and our bilingual population. We have provided internet connections when needed. We also fed the children of our county, serving over 1 million meals during the 1st year of the pandemic. We used ESSER funds to keep our transportation staff employed by using them to deliver meals to our students.

We are using funds for capital improvements such as the construction of a gymnasium at an elementary school that has no such space. It will be used for indoor PE classes during our rainy winter months and increases our ability to teach sections of classes in a socially distanced space, allowing all students to learn in person. Our other capital project replaces the dilapidated grandstands at one high school, which is the only covered outdoor space in which we can hold classes. We very much want to provide additional afterschool learning opportunities, targeted tutoring, targeted supports for underserved students, and mental health support staff, but cannot hire enough support staff and substitutes to run our schools at normal levels, much less add these programs. We hope the labor markets will normalize over the next year so we will be able to use our remaining ESSER funds for these programs.”

—Lincoln County School District, OR

“Our district is using its ESSER funds to provide a safe, secure environment for all students and staff members. We have purchased sanitation supplies as well as upgraded schools’ HVAC systems and installed air filtration systems in all classrooms. In addition, we have provided devices, tech support, and software, which allows students to attend virtually and ensures they are connected. Students have also received expanded tutoring, social emotional support, summer engagement, and enrichment opportunities, as well as additional teachers in the classrooms.”

—Community High School District 218, IL

“ESSER has provided continued support to our teachers and students in our schools. We maintained services and expanded support for preschool and summer school. We have 21 staff coded to ESSER 3 funds, and when those funds go away, we will need a plan to reduce staff or services as there is a fiscal cliff. The district updated HVAC controls to provide better airflow to mitigate COVID-19.”

—Newton Community School District, IA

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“Funds were prioritized based on the needs of specific schools. Schools were given priority funding to address their own needs before district needs were addressed. All funding is going directly to learning loss, social/emotional needs, and PPE to provide a safe learning environment. When HVAC needs were added as a qualifying expense, we were able to take advantage of that opportunity to address the air quality in our older buildings.”

**—Emery School District, UT**

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“Our district has utilized funds to increase the ability of students to improve their education in the best environment possible by providing curricula, technology, supports, etc. Our old buildings were repaired and our HVAC units were replaced along with replacing LED lighting at all schools in order to provide the best learning environment possible. We have provided professional development to our staff and purchased Tier I curricula for our schools to be able to provide exceptional instruction. In addition, the funds have helped us keep our schools open through the global pandemic while making sure the students and staff have all of the cleaning supplies and PPE needed at all times. One of our most exciting things is to provide school supplies to all students for the next 3 school years in order to provide some financial relief to our families.”

**—Catahoula Parish Schools, LA**

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“Our focus on spending these one-time federal ESSER dollars is on our students. We have planned, and continue to review our plans, around learning recovery—providing additional staff to support students, providing updated curriculum to support onsite and offsite learning, and new technology bringing our district closer to a 1:1 model with enhanced onsite learning tools as well. We continue to focus on the safety of our students as well, by purchasing new desks to provide students with their own learning spaces, and are working on improvements around our HVAC systems. Adding a new portable for our high school will also help allow for additional learning spaces for our students.”

**—Nine Mile Falls School District, WA**

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“Our district has been committed to maintaining its mission in providing our students with the best opportunities for academic success. In addition to addressing the various social and emotional wellbeing of students and staff, with the implementation of research-based academic specialists providing intervention to students who are below benchmark, we have seen great academic gains from the start of this current school year to the mid-year benchmark in December 2021. We remain committed to this approach in providing necessary resources to overcome the academic regression that took place during the pandemic for some students.”

**—Crane Elementary School District, AZ**

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“Our use of the ESSER funds reflects the needs of our population, beginning with ensuring our school had the proper tools to clean common areas and now focusing on our students' social and emotional well-being. We have also substantially boosted our technology to continue to provide teachers and students with the tools they need, either in the classroom or at home.”

—**LaSalle-Peru Township High School District 120, IL**

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“Our district prioritized the use of ESSER funds to move the district forward and emerge stronger than before the pandemic. Our priorities are: Health and safety of our students and staff; Embracing the opportunity to implement innovative technology and learning systems; Addressing learning loss for our students; Providing additional supports for the social and emotional well-being of students and staff; and Improving our facilities and overall building health.”

—**Williamsport Area School District, PA**

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“We have used and continue to use ESSER funds to support students through a variety of needs, which have pivoted throughout the pandemic. In the beginning, we focused on cleaning, sanitizing, and providing masks to students. We opened schools in August 2020 under a hybrid learning program and used funds to (1) set up new fully functional classrooms with technology, phones, air purifiers, physical barriers, and space to create safe and socially distant learning environments while students were in school and (2) to provide a new laptop to families in PK to 5th grade (who were not on our one-to-one laptop program) for a successful remote learning day. As time moved on and we received additional funds, we put this towards adding teaching resources (curricula, materials, and teachers) to classrooms to address learning loss needs. We also found that due to the environment, we had to provide incentives to employees for excessive time spent supporting their students.”

—**Roanoke County Public Schools, VA**

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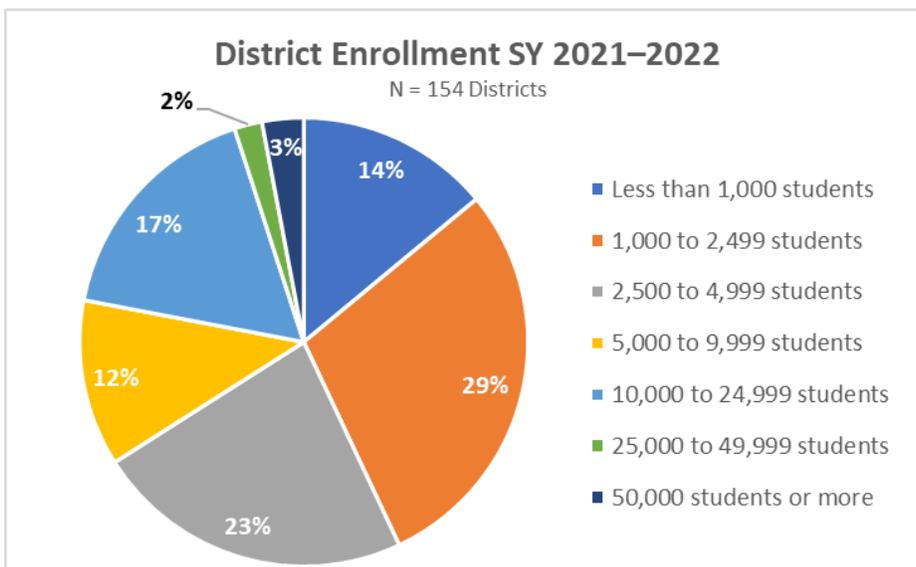
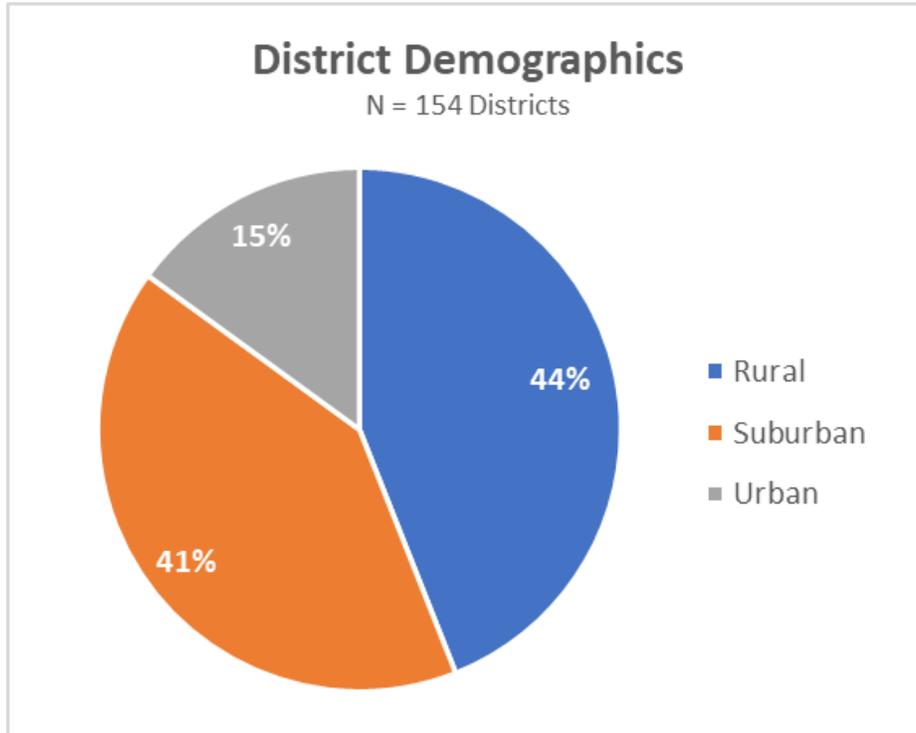
“Our district has selected activities to assist in the safe return to school, activities to address learning loss, and activities to address the well-being of students. We are required to spend a minimum of 20% of the total grant on learning loss and student well-being. Our district has exceeded the minimum reservation and has allocated 30% of our ESSER II funds and 60% of ESSER III funds in these two areas to support those activities. Our district has chosen to fund the following strategies to mitigate learning loss: Implementing activities to address the unique needs of special populations of students; Providing mental health services and supports; Implementing activities related to summer learning and afterschool tutoring; Administering and using high-quality assessments; Implementing activities to address the comprehensive needs of students; and Providing information and assistance to parents and families on effectively supporting their students.”

—**Katy Independent School District, TX**

# SURVEY DATA & ANALYSIS

## District Demographics

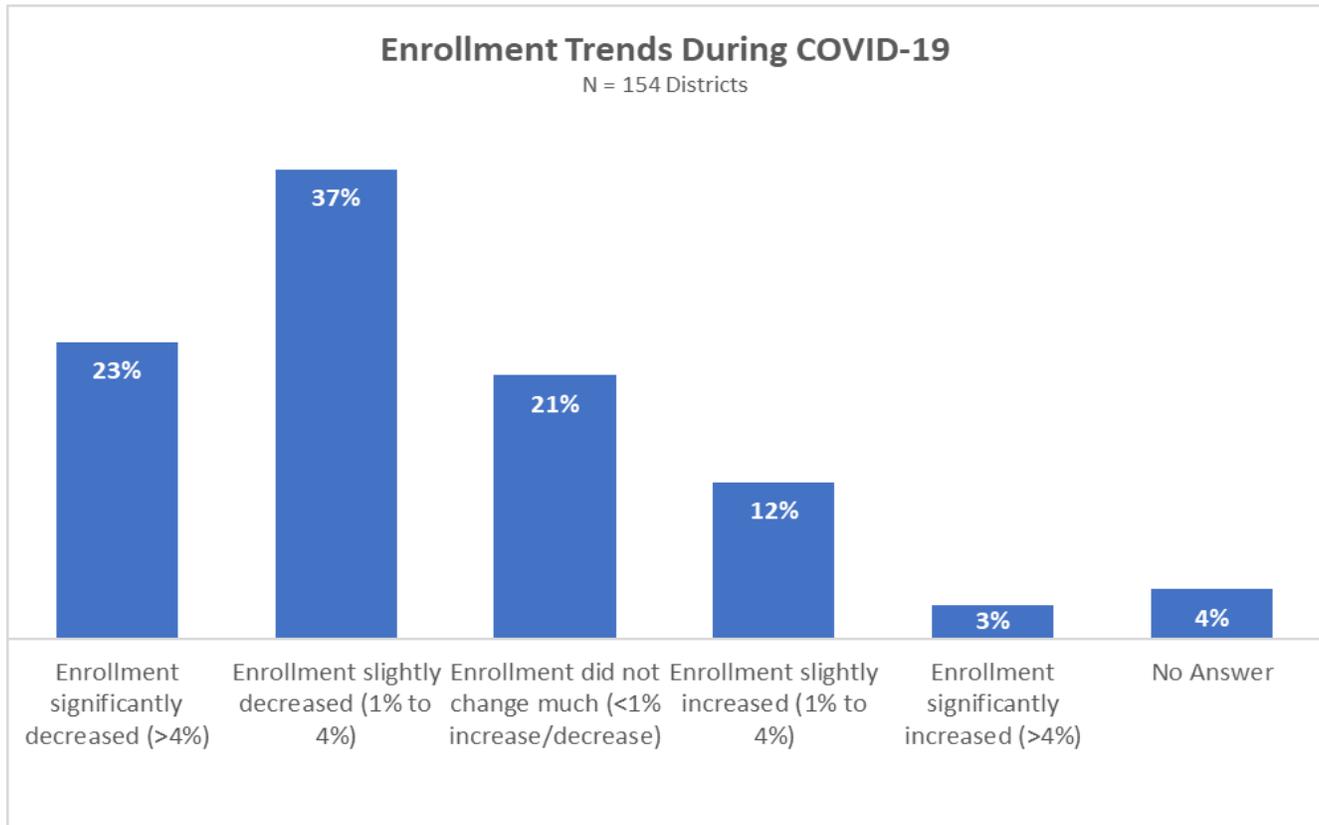
Questions Answered: What demographic best represents your school district? Approximately how many students are enrolled in your district for the 2021–2022 school year?



**When asked to share demographic and enrollment information about their district:**

- The majority of school business professionals who responded said they serve in either a rural (44%) or suburban (41%) district.
- Only 15% of respondents said they serve in an urban school district.
- Two-thirds (66%) of respondents said they serve in a district with fewer than 5,000 students.
- 34% of respondents said they serve in districts with 5,000 or more students.

Question Answered: Overall, how has student enrollment changed in your district during the pandemic? (Calculate the net change/result over SYs 2019–20, 2020–21, & 2021–22.)



**When asked about net changes in student enrollment during COVID-19:**

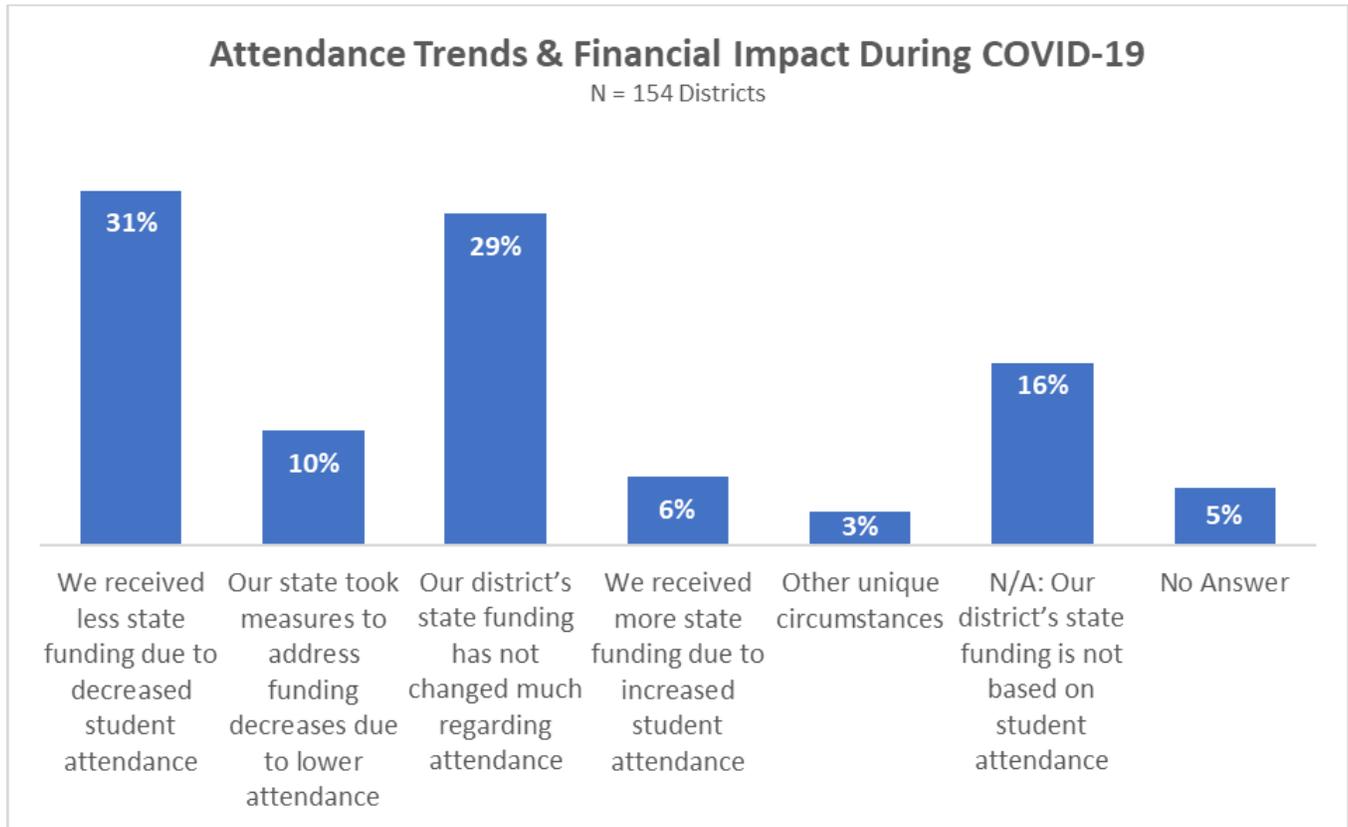
- 60% of districts surveyed said they experienced a net decrease in enrollment during the pandemic (37% reported a slight decrease; 23% reported a significant decrease).
- 21% of districts surveyed said student enrollment didn't change much when considering the net result of enrollment fluctuations over the past three school years.
- Only 15% of districts surveyed said they saw a net increase in enrollment during COVID-19 (12% noted a slight increase; 3% reported a significant increase).

On average, school districts rely on local and state funding (approximately 90% of their revenues) and federal funding (about 10% of their revenues) to finance education programs and services. Student enrollment, attendance, and other factors affect district funding depending on its unique local and state funding formula.

Declining enrollment and/or attendance will decrease district funding unless the state takes extraordinary measures to mitigate the financial impact. (Districts were asked about net enrollment and attendance changes to help illustrate how varied the financial circumstances are for each district as each community recovers from the pandemic.)

A district's financial need cannot be assessed by examining ESSER allocations alone; other factors, including state and local financial trends, should also be considered.

Question Answered: Overall, how has student attendance impacted your district's state funding during the pandemic? (Calculate the net change/result over SYs 2019-20, 2020-21, & 2021-22.)



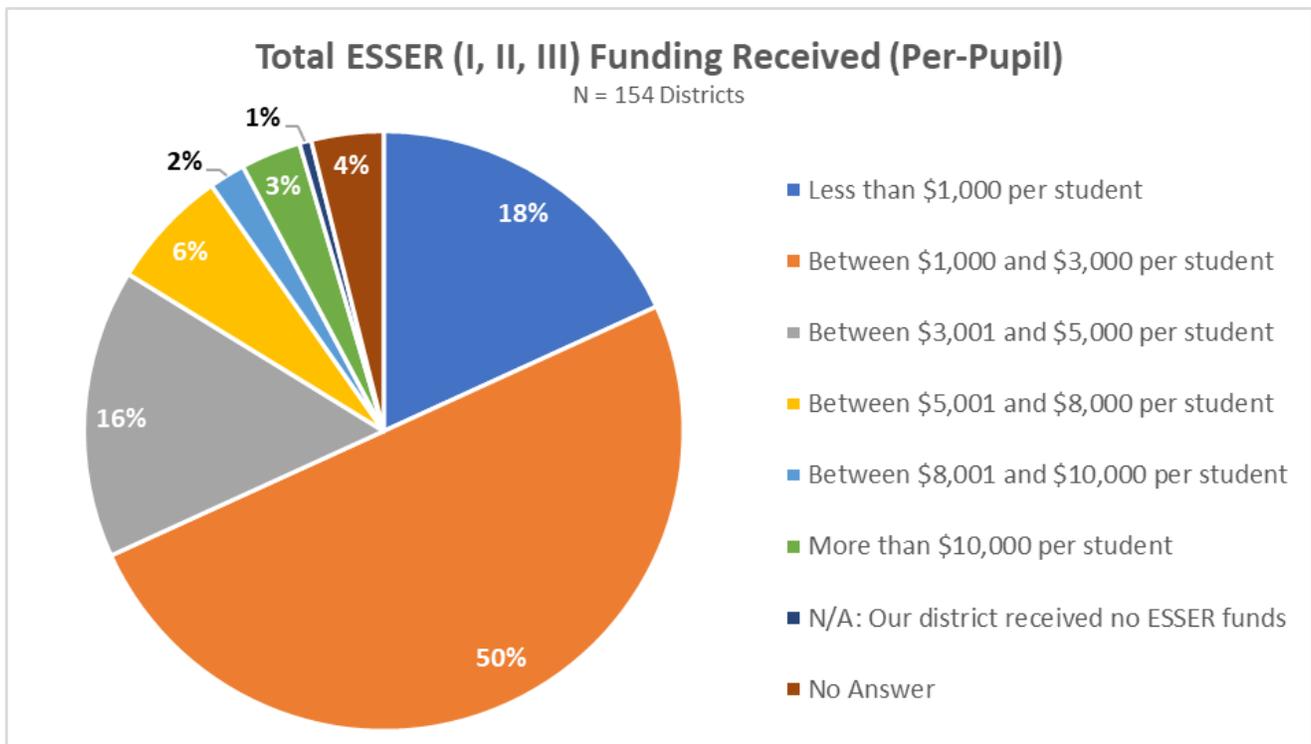
**When asked about net changes in student attendance during COVID-19:**

- 31% of respondents said their district received less state funding due to decreased attendance over the past three school years.
- 10% of districts said their state took measures to help mitigate the financial impact of lower attendance. Measures included increasing education aid to fill funding gaps (either overall or by providing targeted aid to the most impacted districts) or holding districts harmless for attendance (for one or more school years) during the pandemic.
- 29% of respondents said their district's state funding didn't change much when considering the net result of attendance fluctuations over the past three years.
- Only 6% of districts said their state funding increased because of increased attendance.
- Other answers (3%) noted unique circumstances due to state funding formulas changing just before or during the pandemic.

While some states took extra measures to mitigate the negative financial impact of lower enrollment and/or attendance during the pandemic, others may have cut or supplanted federal funding (leaving some districts with few resources to effectively respond to COVID-19).

Districts that received more financial support from their state will be better positioned to recover from and emerge stronger from this crisis than districts that did not.

Question Answered: Approximately how much total ESSER funding did/will your district receive in per-pupil terms? (Divide your total ESSER allocation by your district's average student enrollment for SYs 2020-21 & 2021-22.) *Formula to solve for X = ESSER \$ / ( [FY21 + FY22 enrollment] / 2 )*



**When asked to express their district’s total ESSER allocation in per-pupil terms:**

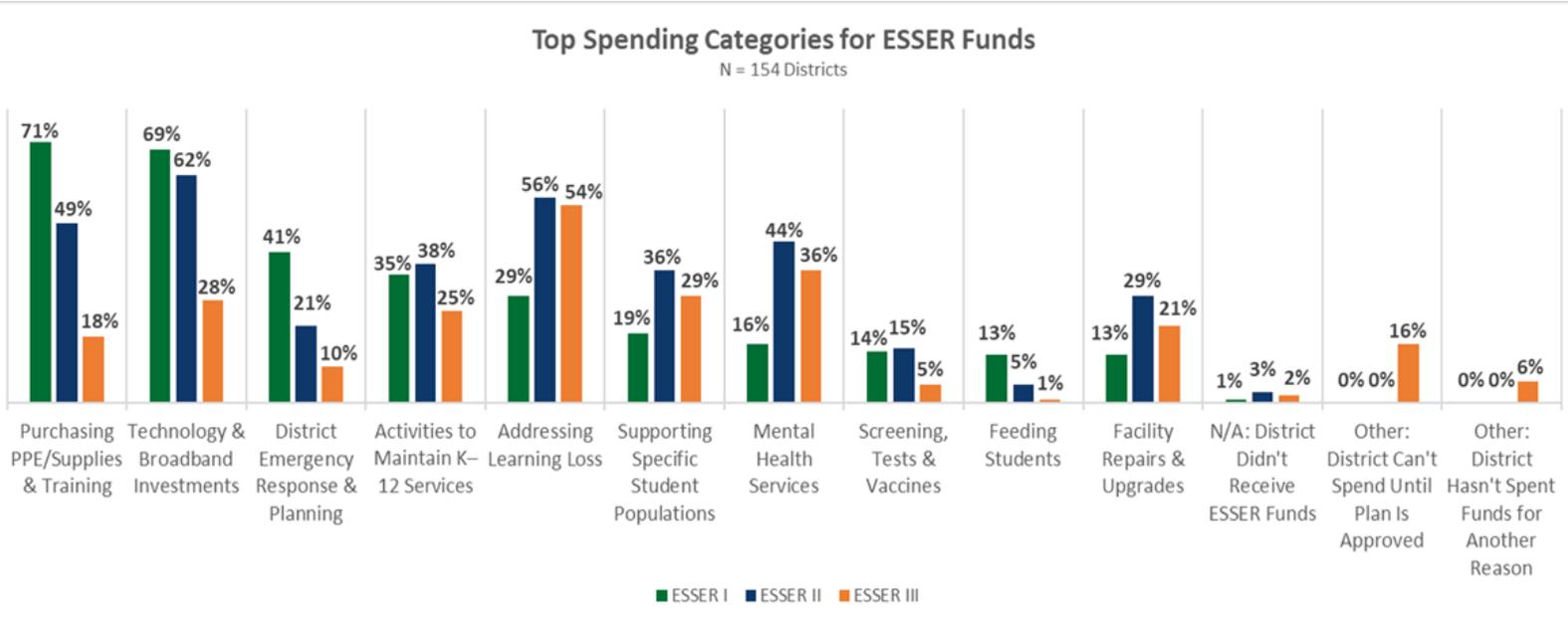
- Approximately two-thirds (68%) of school business professionals surveyed said that their district received \$3,000 or less per student in total ESSER funding.
- About one in four districts (24%) said they received \$5,000–\$10,000 per student.
- Only 3% of district respondents said they received more than \$10,000 per pupil.

For reference, the estimated nationwide average total ESSER allocation for school districts is about \$3,750 per pupil, [according to the Edunomics Lab at Georgetown University](#). Expressing district ESSER allocations in per-pupil terms makes it easier for stakeholders to understand (in smaller figures) how much funding is available to support students’ needs. It is also useful for making financial comparisons across schools, districts, and states when discussing ESSER spending priorities, cost tradeoffs, and purchasing decisions.

- Two-thirds (66%) of ASBO International’s survey respondents said they received \$1,000–\$5,000 in total ESSER funding per pupil, which falls into this average range.

## ESSER Spending Priorities

Questions Answered: Through January 31, 2022, how has your district spent its ESSER I (CARES) / ESSER II (CRRSA) / ESSER III (ARP) funds so far? (Select up to 5 of your top spending categories.)



**When asked about top district expenditure categories for ESSER I, II, and III through January 2022, here is what we found. (Data shows the percentage of respondents.)**

### ESSER I Spend Categories for Districts (Ranked)

1. Procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread—71%.
  2. Purchasing technology and learning management systems for students and improving broadband access/connectivity—69%.
  3. Coordinating/responding to the COVID-19 emergency (planning for/coordinating for long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.)—41%.
  4. Other activities to maintain continuity of services (e.g., salaries/wages, contracts, utilities, supplies, or other expenses)—35%.
  5. Addressing learning loss, providing summer school and after-school activities, tutoring, etc.—29%.
  6. Activities to support specific student populations (Title I, special education, English language learners, homeless and migrant students, etc.)—19%.
  7. Providing mental health services, counseling, and social emotional care/support—16%.
  8. COVID-19 screening, testing, and vaccination—14%.
  9. Feeding students—13%.
  10. School facility repairs and improvements—13%.
- N/A: We did not receive ESSER I funds—1%.

### **ESSER II Spend Categories for Districts (Ranked)**

1. Purchasing technology and learning management systems for students and improving broadband access/connectivity—62%.
  2. Addressing learning loss, providing summer school and after-school activities, tutoring, etc.—56%.
  3. Procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread—49%.
  4. Providing mental health services, counseling, and social emotional care/support—44%.
  5. Other activities to maintain continuity of services (e.g., salaries/wages, contracts, utilities, supplies, or other expenses)—38%.
  6. Activities to support specific student populations (Title I, special education, English language learners, homeless and migrant students, etc.)—36%.
  7. School facility repairs and improvements—29%.
  8. Coordinating/responding to the COVID-19 emergency (planning for/coordinating for long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.)—21%.
  9. COVID-19 screening, testing, and vaccination—15%.
  10. Feeding students—5%.
- N/A: We did not receive ESSER II funds—3%.

### **ESSER III Spend Categories for Districts (Ranked)**

1. Addressing learning loss, providing summer school and after-school activities, tutoring, etc.—54%.
  2. Providing mental health services, counseling, and social emotional care/support—36%.
  3. Activities to support specific student populations (Title I, special education, English language learners, homeless and migrant students, etc.)—29%.
  4. Purchasing technology and learning management systems for students and improving broadband access/connectivity—28%.
  5. Other activities to maintain continuity of services (e.g., salaries/wages, contracts, utilities, supplies, or other expenses)—25%.
  6. School facility repairs and improvements—21%.
  7. Procuring PPE and cleaning/sanitation supplies and training staff on minimizing viral spread—18%.
  8. Coordinating/responding to the COVID-19 emergency (planning for/coordinating for long-term closures, implementing processes to improve school preparedness and response efforts, working with health authorities, etc.)—10%.
  9. COVID-19 screening, testing, and vaccination—5%.
  10. Feeding students—1%.
- N/A: We did not receive ESSER III funds—2%.
  - Other: Our district cannot spend ESSER III funds until our plan/application is approved—16%.
  - Other: Our district has not spent ESSER III funds for another reason—6%.

## **Changes in rankings for spending categories across each ESSER grant program show how district spending priorities have pivoted during the COVID-19 pandemic.**

### **ESSER I**

ESSER I funds were primarily spent on procuring PPE and cleaning and sanitation supplies to keep students and staff safe. ESSER I funds were also spent on procuring digital devices and improving student broadband connectivity to support remote learning and on coordinating with local health authorities to protect community health and safety at the beginning of the pandemic.

### **ESSER II**

ESSER II expenditure trends show how K-12 leaders pivoted to prioritize more resources to address students' academic needs while working to safely reopen schools during the height of the pandemic. Districts invested ESSER II funds to support digital learning programs, student broadband connectivity, and other resources to support virtual instruction as schools offered a combination of in-person, remote, and hybrid education services.

ESSER II funds were also spent on expanding summer, after-school, and tutoring programs to address student academic regression and recovery needs. These funds also helped purchase PPE and cleaning and sanitation supplies to ensure schools were safe for reopening.

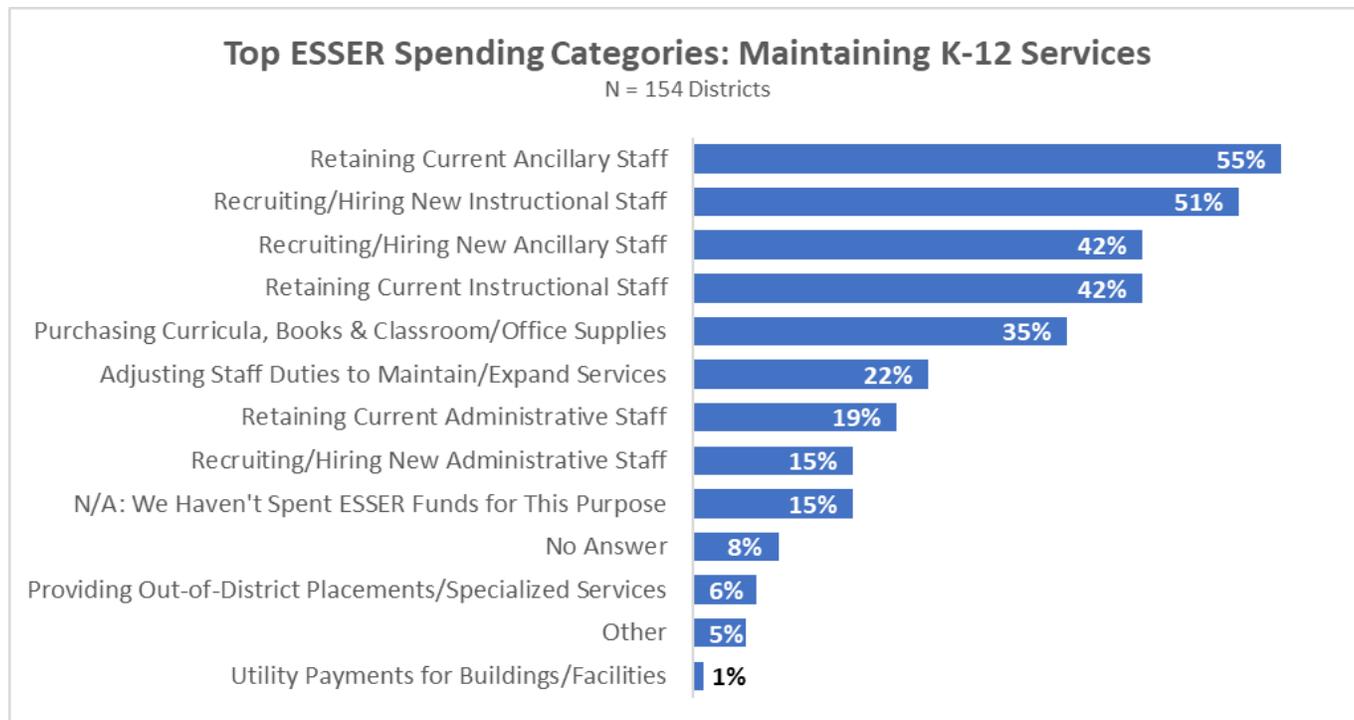
### **ESSER III**

As districts have started spending ESSER III funds so far, these resources are being invested in more labor-intensive, targeted programs and services to address a wide range of student academic, social-emotional, mental, and behavioral needs, particularly for high-need student populations. The data show a much wider spread of how districts have spent these funds across multiple categories (compared to ESSER I and II), which may reflect how ESSER III, which provided districts a significantly larger allocation of federal aid, is allowing districts to flexibly spend funds to address a variety of local community needs.

However, note that about one in six (16%) districts said they are encountering delays with spending ESSER III funds because their state has yet to approve their plan (as of January 31, 2022). This and other spending challenges are discussed later in this report, which may offer helpful insights about how lawmakers can support districts and states to remove obstacles to spending ESSER III funds.

## Specific ESSER Spending Strategies

Question Answered: Through January 31, 2022, how has your district spent its total ESSER (I, II, III) funds on “other activities to maintain continuity of services” so far? (Select up to 5 top categories.)



### When asked about how districts have spent ESSER funds on activities to maintain continuity of services:

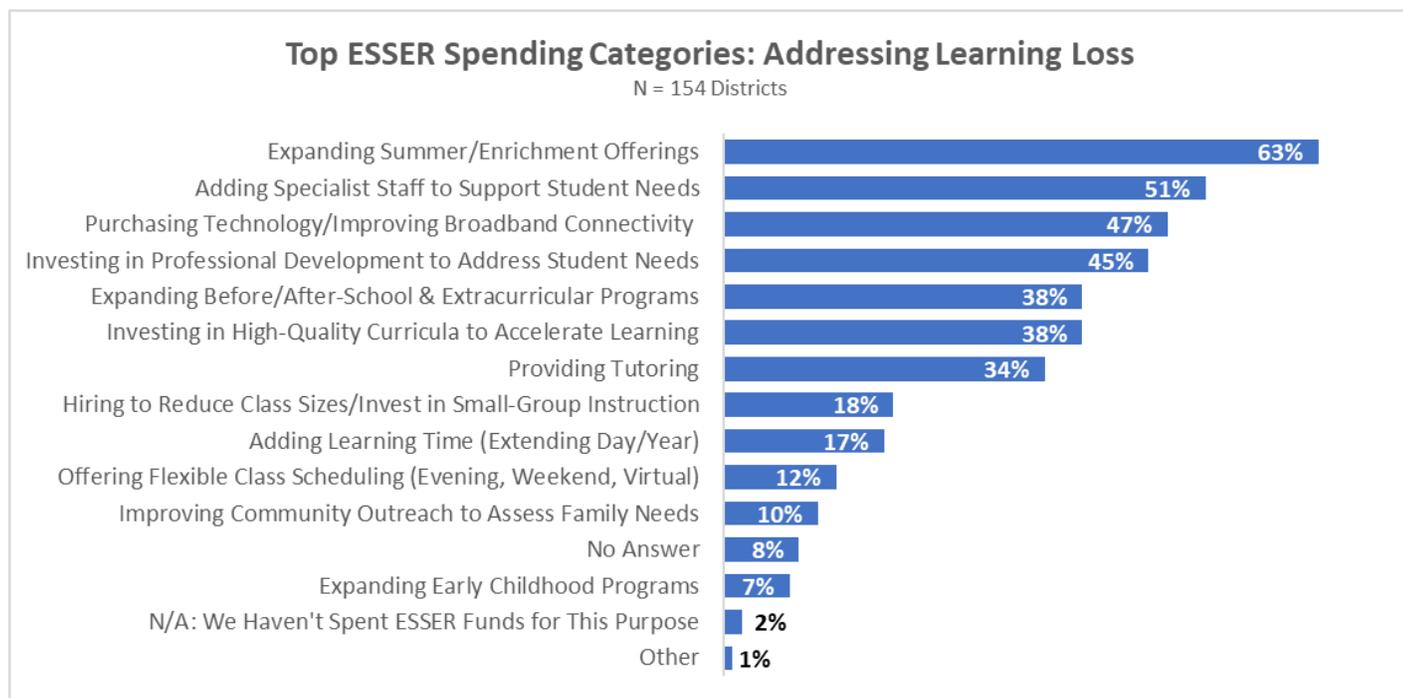
- The most popular expenditures were for retaining, recruiting, and hiring ancillary and instructional staff. (Note: Ancillary staff includes food service, transportation, and custodial staff; nurses; counselors; social workers; etc. Instructional staff includes teachers, substitutes, aides, and specialized instructional support personnel.)
- Common expenditures included costs for curricula, books, and supplies (35%) and for adjusting staff duties to maintain/expand services by renegotiating contracts; increasing staff assignments, duties, or hours; reassigning duties, etc. (22%).
- Less popular expenses addressed retaining, recruiting, and hiring administrative staff; providing out-of-district placements for students; and making utility payments. (Note: Administrative staff includes superintendents, principals, central office staff, etc.)
- Other answers (5%) highlighted expenditures for staff professional development on technology and virtual instruction; COVID-related paid sick leave; and summer programming, extracurricular activities, and outdoor learning spaces for students.

Note that “maintaining continuity of educational services” was ranked #4 and #5 for top ESSER I, II, and III spend categories in this survey.

As districts prioritize funds for extra staff to support students, schools are not exempt from broader nationwide labor issues. Staffing shortages, increasing labor and operational costs, inflation, labor pipeline investment issues, and other trends will limit districts’ capacity to carry out their ESSER spending and school recovery plans.

Although districts are doing their best to navigate tight labor markets and other challenging economic issues, they cannot solve these problems alone and require ongoing state and federal support.

Question Answered: Through January 31, 2022, how has your district spent its total ESSER (I, II, III) funds on “addressing learning loss or unfinished learning” so far? (Select up to 5 top categories.)



**When asked about how districts have spent ESSER funds on addressing learning loss:**

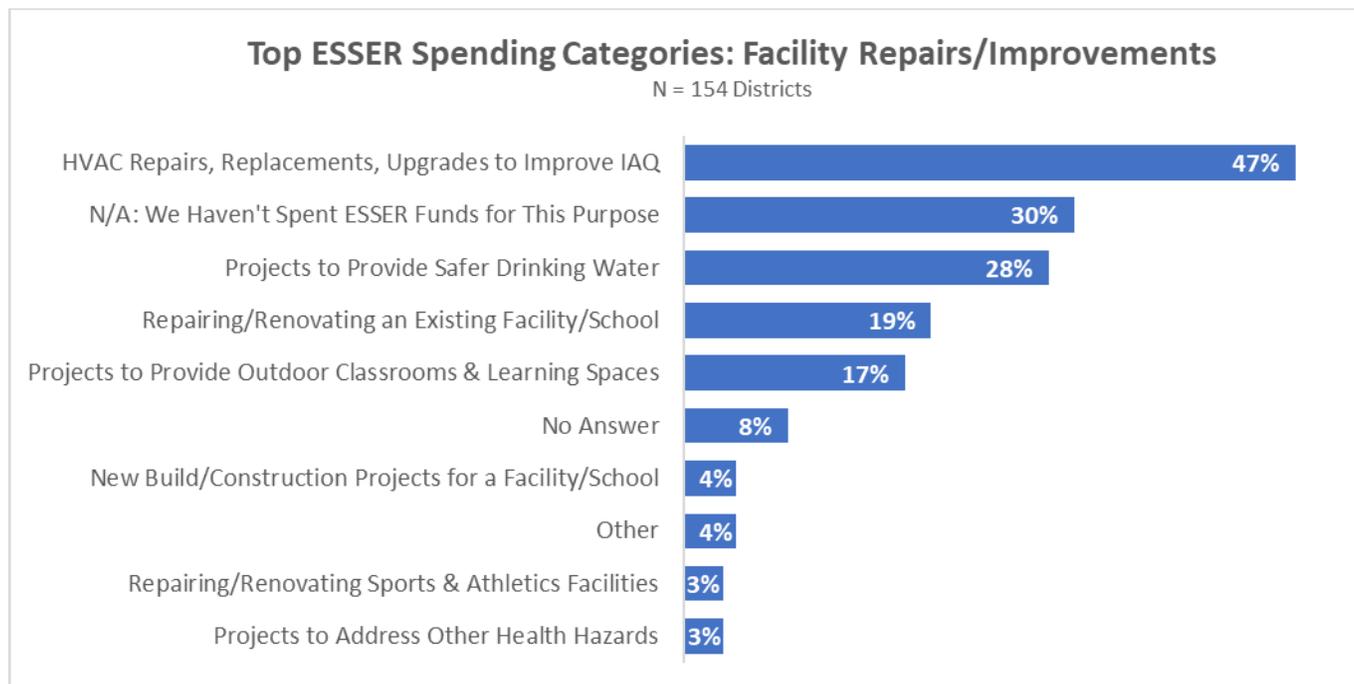
- Popular spending strategies focus on expanding summer learning and enrichment offerings (63%); adding specialist staff to support students (51%); purchasing technology and improving connectivity (47%); and investing in staff training (45%).
- Common spending strategies to address learning loss include expanding before/after-school and extracurricular programs (38%); investing in high-quality curricula to accelerate student learning (38%); and providing tutoring services for students (34%).
- Less popular uses of ESSER funds for this purpose include reducing class sizes and providing small-group instruction; adding extra learning time by extending the school day/year; offering flexible class schedules and offerings for students; improving community outreach; and expanding early childhood education programming.
- Other answers (1%) indicated districts hadn't spent ESSER funds on addressing learning loss yet because their plan was still awaiting state approval; another 2% said they haven't spent ESSER funds for this category for other reasons.

Note: Districts are required to spend at least 20% of ESSER III funds to address academic learning loss (there is no minimum requirement for ESSER I and II).

In this survey, addressing learning loss was ranked #5, #2, and #1 for districts' top ESSER I, II, and III spend categories, respectively. This shift in spending shows how concerned districts are about the negative impact COVID-19 has had on student learning.

Districts are committed to helping students get back on track by taking several approaches to accelerate academic recovery, which involves a combination of investments in more programs, staff, and resources.

Question Answered: Through January 31, 2022, how has your district spent its total ESSER (I, II, III) funds on “school facility repairs and improvements” so far? (Select up to 5 top categories.)



#### When asked about how districts have spent ESSER funds on facility projects:

- The most popular expenses within this category include investments to repair, replace, or upgrade HVAC systems (47%) and to provide safer drinking water for students (28%).
  - Note: 30% of districts said they haven't spent any ESSER funds on facilities, which was the second-highest answer after HVAC repairs, replacements, and upgrades.
- Less common expenses within this category included repairing or renovating an existing facility or building (19%) and providing outdoor classrooms and learning spaces (17%).
- Rarer uses of ESSER funds in this spend category include construction projects to build a new school or facility (4%); other answers (4%); repairs or renovations for sports/athletics facilities (3%); and projects to address other health hazards (e.g., mold, asbestos, radon, etc.) (3%).
  - Other answers indicated that ESSER funds were spent on purchasing modular classrooms, desks, touchless fixtures, and other furniture and equipment.

Note that school facility repairs ranked #10, #7, and #6 for districts' top spend categories in this survey for ESSER I, II, and III, respectively.

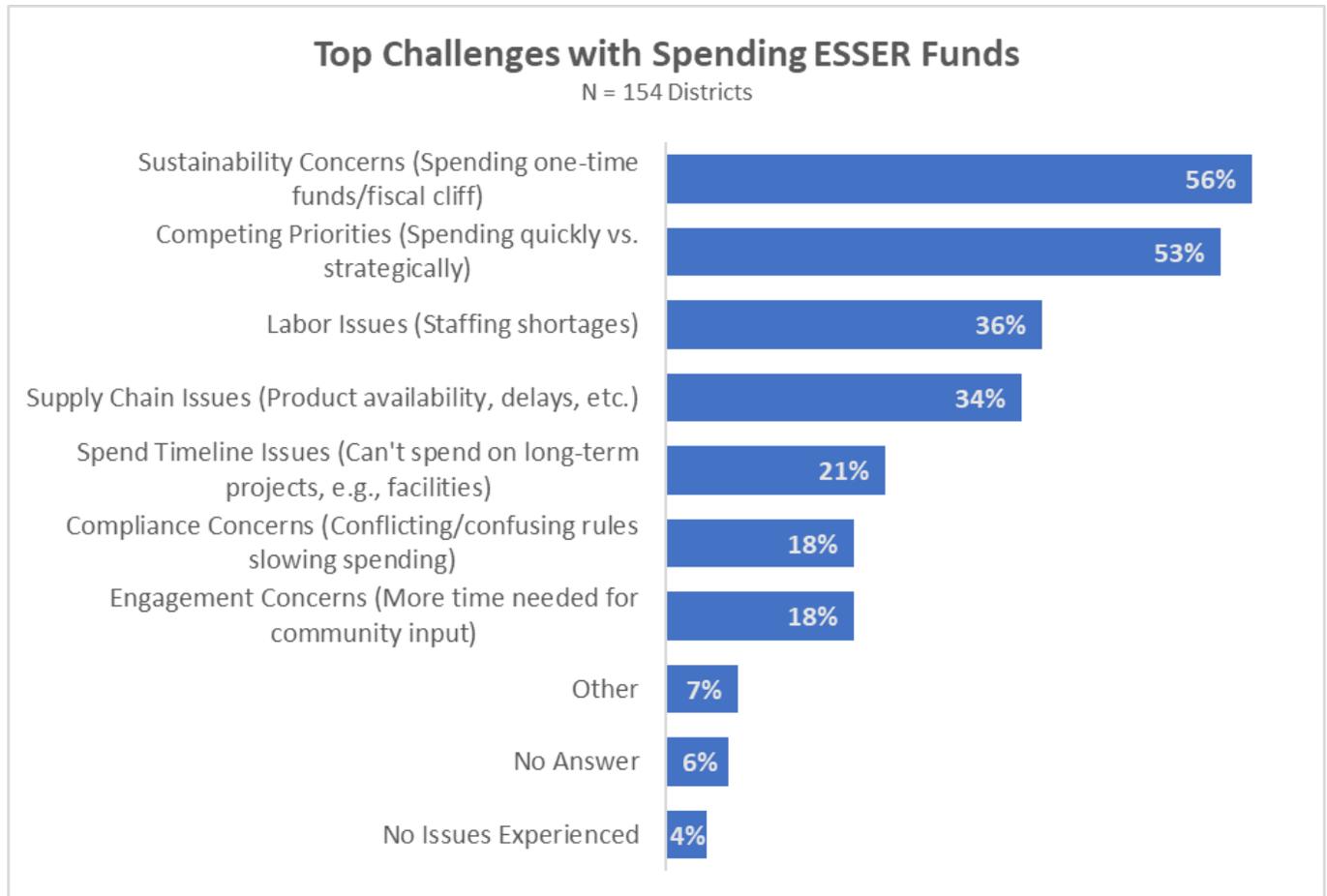
Although districts haven't prioritized ESSER funds for facility projects, this doesn't mean there isn't a financial need for school infrastructure.

School finance leaders must consider tradeoffs when making spending decisions with limited resources. Facility maintenance and repairs are costly, and districts cannot spend all ESSER funds for this purpose when they have other competing needs to address during COVID-19.

Strong federal investments in school infrastructure are needed to help states and districts provide safer and healthier learning environments for students. ESSER funds alone cannot address these needs.

## ESSER Spending Challenges & Spent vs. Obligated Funds

Question Answered: What are the biggest challenges preventing your district from quickly spending its total ESSER (I, II, III) funds? (Select up to four of your top challenges.)



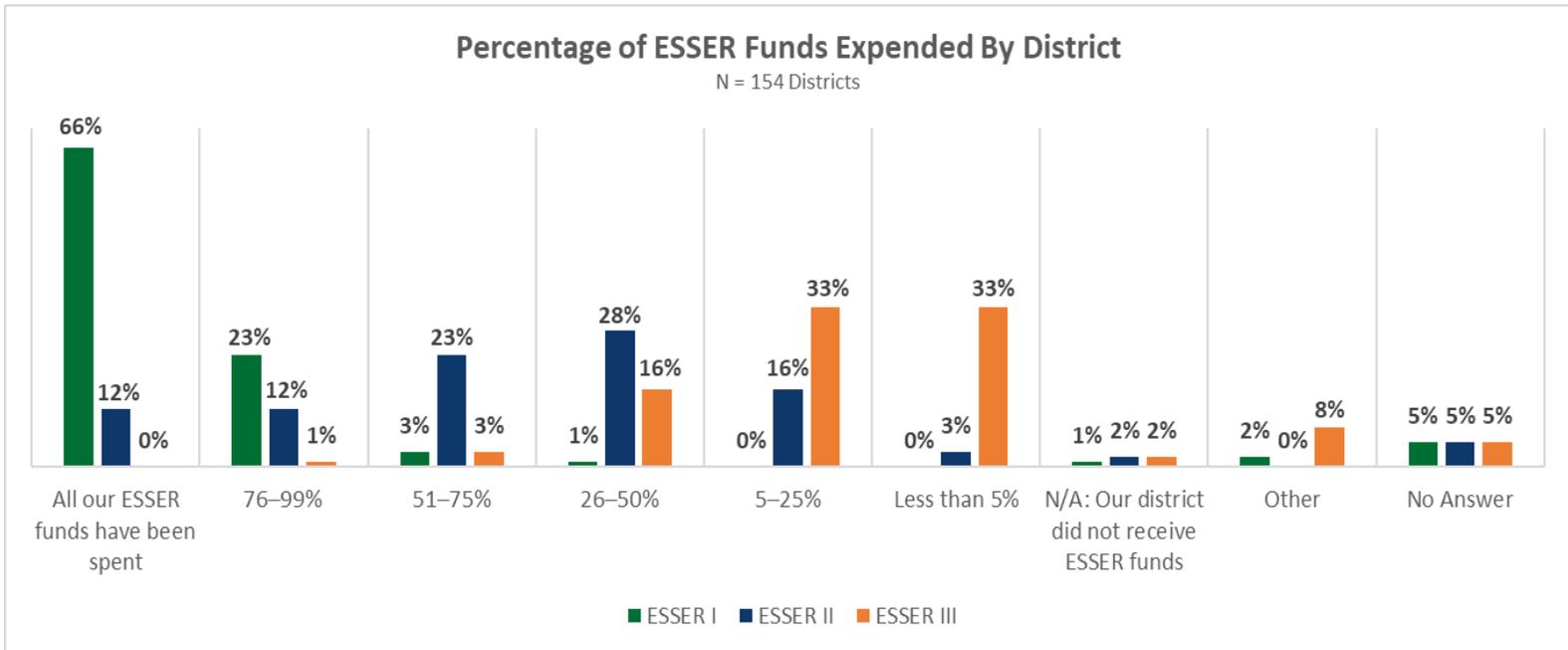
### When asked about top district challenges with spending ESSER funds:

- More than half (56%) of districts said that financial sustainability (58%) and balancing competing priorities (53%) were top challenges. School business professionals must ensure they invest ESSER funds responsibly and sustainably while striking the right balance between spending quickly and strategically to meet student needs.
- More than one-third of district respondents shared that labor issues (36%) and supply chain issues (34%) are preventing districts from spending their ESSER funds quickly.
- About one in five districts (21%) expressed concerns about ESSER program spend timelines limiting their ability to spend funds on longer-term projects and needs, such as school construction and facility projects.

- 18% of district respondents said that compliance and engagement issues were a major spending challenge for them. Conflicting federal and state guidance and confusing rules about how funds can be used are slowing down spending for some districts, while others are taking more time to assess community needs and get stakeholder input before moving forward with ESSER spending plans.

Policymakers and advocates can support district leaders by sharing best practices and replicable examples of sustainable spending. District leaders are eager to learn more about one-time cost, evidence-based investments that have been proven to help students. Case studies of how other districts are spending wisely to avoid a fiscal cliff and prevent future layoffs are helpful.

Questions Answered: As of January 31, 2022, approximately what percentage of your district's ESSER I (CARES) / ESSER II (CRRSA) / ESSER III (ARP) funds have already been expended? (Do not include obligated funds that have yet to be expended/withdrawn.)



**When asked how much of their district’s ESSER I, II, and III allocations have already been spent through January 31, 2022:**

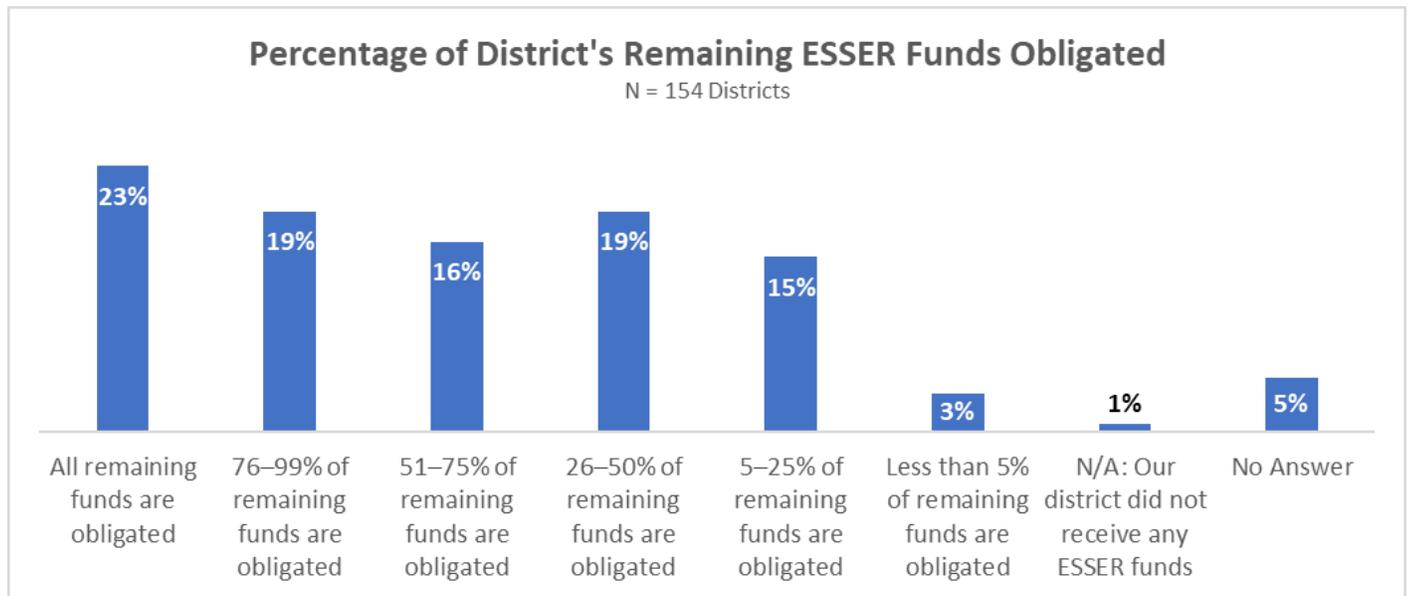
- ESSER I:** Two-thirds (66%) of respondents said their district already spent all its ESSER I funds. Approximately one-quarter (23%) of districts said they spent almost all (76-99%) of their ESSER I funds. Only 4% of districts said they have spent 75% or less of their funds. Other answers (2%) noted that district funds were supplanted by the state.

  - Note: Districts must obligate ESSER I funds by September 2022.
- ESSER II:** 12% of respondents said their district has already spent all its ESSER II funds. About one-third (35%) of districts said they spent more than half (but not all) of their funds. 28% of districts said they spent between 26-50% of their funds. Only 19% of respondents said they spent 25% or less of their ESSER II funds.

  - Note: Districts must obligate ESSER II funds by September 2023.
- ESSER III:** Many districts said they were focusing on spending down ESSER I and II funds by their 2022 and 2023 deadlines before spending ESSER III funds. One in five districts (20%) said they spent more than 25% of their ESSER III funds, while two-thirds (66%) of respondents said they spent less than 25% so far. Other answers (8%) indicated that the district could not spend its ESSER III funds until its state approved its spending plan.

  - Note: Districts must obligate ESSER III funds by September 2024.

Question Answered: As of January 31, 2022, approximately what percentage of your district's total remaining ESSER I, II, and III funds have been obligated for future commitments? (Don't include funds that may be planned for something but are not legally or contractually bound to be spent.)



**When asked to share what percentage of their district’s remaining ESSER funds (that haven’t been spent yet) have been obligated to pay for future expenses:**

- About one in four (23%) districts surveyed said that all their remaining ESSER (I, II, and III) funds are obligated to pay for future legal or contractual commitments.
- 35% of districts surveyed said more than half (but not all) of their remaining ESSER funds are obligated for future commitments.
- 37% of districts surveyed said half or less than half of their remaining ESSER funds were obligated to address future expenses.

The speed, rate, and frequency of how a district spends and obligates<sup>2</sup> ESSER funds depend on what the money is being used for. Funds for a one-time purchase to procure digital devices for students will be spent differently than a longer-term investment requiring multiple payments—like wages—which are disbursed in intervals for each pay period over time. Funds that have yet to be spent could be obligated to pay for a future expense.

<sup>2</sup> As previously noted, obligation refers to a binding agreement that will result in an expenditure either immediately or in the future. Obligate refers to setting aside funds for an immediate or future expense that the payer is required to pay for.

Policymakers and other stakeholders should be cautious about placing value judgments on district spending decisions based on the speed of expenditures (or other isolated metrics) without considering the district's full financial circumstances. Other factors, when considered together in context, can provide a clearer financial picture, including the district's expenditures and obligated funds, local and state funding circumstances, purchasing receipts and contracts, school budgets and financial reports, data demonstrating a new program's or initiative's effect on student outcomes, and other information.

Consider, for example, that a district may have swiftly responded to student academic needs during COVID-19 by immediately hiring extra teachers to provide students with more personalized instruction and support over the next three years. Expenditures will only show how much the district has spent on teacher wages up until a certain date; it won't show how much money has been obligated to pay for future wages; nor the terms of employment or deliverables the teacher must provide as noted in their contract; nor why the district is investing funds for this purpose as noted in the district's budget narrative; nor the metrics or data showing how this approach has helped students. Expenditures tell only a part of the district's financial story.

School business professionals have a unique opportunity and responsibility to share their district's financial story with their stakeholders to educate the public on ESSER spending decisions and other important school finance issues.

## CONCLUSION—WHAT'S NEXT? HELPING SCHOOLS MOVE FORWARD

ASBO International asked school business professionals about what districts need most to help their communities successfully recover and emerge stronger from COVID-19. We hope the information summarized below can help local, state, and federal leaders collaborate on resources and solutions to help districts overcome these challenges and better serve their students and communities.

- School districts are doing their best to navigate an unprecedented crisis and support their students and communities. School business professionals want to ensure ESSER funds are spent responsibly and sustainably, while they strike the right balance between spending quickly and taking time to assess local needs to spend strategically. Districts want to continue addressing student and staff needs after these funds run out.
- School districts need ESSER spend timelines to be extended to allow more time to complete school facility repair and improvement projects (e.g., for HVAC upgrades and IAQ improvements) to provide safer and healthier learning environments for students during COVID-19. Districts must comply with many local, state, and federal legal requirements and follow lengthy processes to work with contractors and complete school facility projects. Nationwide labor shortages, supply chain issues, and high demand for general contracting services make these timelines nearly impossible to meet when spending ESSER funds for this purpose.
- Rising costs due to inflation, supply chain issues, and labor shortages are diminishing districts' purchasing power with ESSER funds to support students' needs. Districts are being pressured to significantly increase salaries to retain high-quality staff with no commensurate increase in funding, resulting in unsustainable spending. Costs to address staffing shortages and student learning loss and mental health needs will go beyond ESSER's spending deadline in September 2024. Many districts are struggling to keep schools sufficiently staffed to provide normal levels of service and operations, let alone add desired additional programs, services, and supports for students. Districts are competing with each other for teachers, tutors, specialists, contractors, etc., to deliver the same services and address the same needs for communities across the nation.
- School district ESSER allocations vary widely across the country because funding was distributed based on the Title I formula. Districts and schools in rural areas that do not receive significant Title I aid did not receive adequate ESSER aid to recover from the pandemic. In addition, some states have supplanted a portion of the ESSER funding districts received from the federal government, leaving those districts with fewer resources to address the real costs and challenges they face with COVID-19 recovery. These communities need additional support to recover from this crisis.

- Some states have put extra restrictions or limits on how districts can spend ESSER funds, and some states and auditors have applied stricter interpretations of allowable spending for ESSER funds than the federal government. Conflicting guidance and confusion may slow local spending since district leaders must ensure they comply with ESSER spending requirements. Districts need clear state and federal guidance that is in alignment on allowable uses of spending and district financial reporting requirements to avoid complications with future audits.
- Districts are seeking examples of best practices for spending ESSER funds that they can replicate in their districts. For instance, they seek examples for large, small, rural, and urban districts; examples for districts that received less ESSER funding per pupil than the nationwide average; examples of sustainable spending to help avoid a fiscal cliff; examples for spending funds on hiring, training, and retaining all different kinds of school personnel; and examples for spending on programs and services to address the social-emotional and mental health needs of students and staff.

## QUESTIONS? CONTACT US

As school business professionals lead their school district communities through these challenging times, ASBO International is here to help with tools, resources, and information, and provide a global network of support. ASBO International and its members welcome the opportunity to share our knowledge on school finance issues with policymakers to help our nation's schools emerge stronger from this crisis and ensure students have the resources they need to learn, thrive, and succeed.

If you have questions about ASBO International's ESSER Spending Survey, please contact:

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Elleka Yost, ASBO International Director of Advocacy, at [eyost@asbointl.org](mailto:eyost@asbointl.org)



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