Unprecedented Times, Unprecedented Responses

AN ANALYSIS OF FEDERAL COVID-19 RELIEF FUND SPENDING IN CALIFORNIA PUBLIC SCHOOLS

csba

Unprecedented Times, Unprecedented Responses

An analysis of federal COVID-19 relief fund spending in California public schools

AUTHORS

Jeremy Anderson
Education Policy Analyst

Mary Briggs
Senior Director, Research and Education Policy Development

CONTRIBUTORS

Angela Asch
Education Policy Analyst

Troy Flint
Chief Information Officer, Communications

Kerry Macklin
Director, Graphic Design and Branding

Kimberly Sellery
Director, Editorial

 www.csba.org

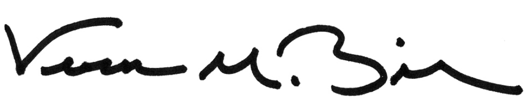
A NOTE FROM CSBA CEO & EXECUTIVE DIRECTOR VERNON M. BILLY

COVID-19 changed public education more suddenly and more dramatically than any event in recent memory. As the pandemic swept across the globe, local school districts, county offices of education and municipal, state, and federal governments rallied to address a crisis that was both unpredictable and unprecedented. School district and county boards of education in California stepped up to the plate in response and rapidly approved programs and services to ensure that students in their communities were afforded educational opportunities despite the complicating circumstances. While every decision may not have been executed perfectly or without error as we all struggled to understand the dynamic nature of this extended crisis, it was done with a tremendous amount of commitment and dedication to serving students and local communities.

The federal government's response to COVID-19 included dedicating billions of dollars in financial support for public schools. This funding has been the subject of great interest by some in the media and public, but with very little systematic analysis. To better understand the utility of COVID relief funding and illustrate how California schools are spending their allocations, CSBA felt it was important to go beyond speculation and conduct a deep analysis of how districts and county offices of education are actually utilizing these funds.

CSBA's research team spent months conducting a deep dive into the data, analyzing expenditure reports for the two primary federal COVID-19 relief funds from more than 900 school districts and county offices of education: the Elementary and Secondary School Relief (ESSER) Fund and the Governor's Emergency Education Relief (GEER) Fund. The results of that research are detailed in this report and represent the first installment of a three-part series on local educational agency expenditures of COVID relief funding. Upcoming installments will look at school spending of state COVID relief funds and findings from a survey of superintendents and chief business officials on implementation strategies and challenges.

We hope this data will inform the conversation around the necessity and efficacy of relief funding for public schools, not only for COVID-19, but also to respond to future crises and to meet the ongoing needs of California's 6 million public school students.



Executive Summary

MORE THAN TWO YEARS SINCE THE COVID-19 PANDEMIC RESULTED IN SCHOOL CLOSURES IN MARCH 2020, the federal government has provided billions in relief funding to aid local educational agencies in the United States to continue educating students through distance learning, implement virus-mitigation measures to aid in safe school reopenings, address learning recovery, and support students' mental and social-emotional health. Whenever the government distributes large sums of money to agencies or individuals, questions follow about whether that funding was used for its intended purpose. For those who are less familiar with the complexity of school operations, it can be difficult to grasp the variables and considerations that impact school spending decisions.

That is why CSBA embarked on an intensive research project examining how districts and county offices of education (COEs) are using COVID relief funding to support the health and safety, instructional, and social-emotional needs of students and staff. Using a combination of focus group, survey, and state-level expenditure reports, CSBA has developed a three-part series that broadly describes the ways California's school districts and COEs have used state and federal COVID-19 relief funding. This research also includes the perspectives of superintendents and chief business officials on spending priorities and related implementation issues.

This federal expenditure analysis underscored the necessity of a key element of the relief packages—flexibility. Survey and focus group results round out the picture and give a glimpse not only of the necessity of the relief packages, but of challenges related to spending. For this report, CSBA analyzed more than 900 expenditure reports for each of the two primary federal COVID-19 relief funds: the Elementary and Secondary School Relief (ESSER) I, II, and III funds and the Governor's Emergency Education Relief (GEER) Fund.

KEY TAKEAWAYS

Overall, school districts and COEs are spending federal COVID relief in line with deadlines.

Expenditure report data shows that there is a significant range in the amount spent by California's school districts and COEs in each of the packages. However, on average, recipients in our sample are spending relief funding and are doing so in line with the rolling deadlines. For example, ESSER I has the closest deadline (January 2023) and districts and COEs have spent 94 percent of their allocated funding as of March 31.

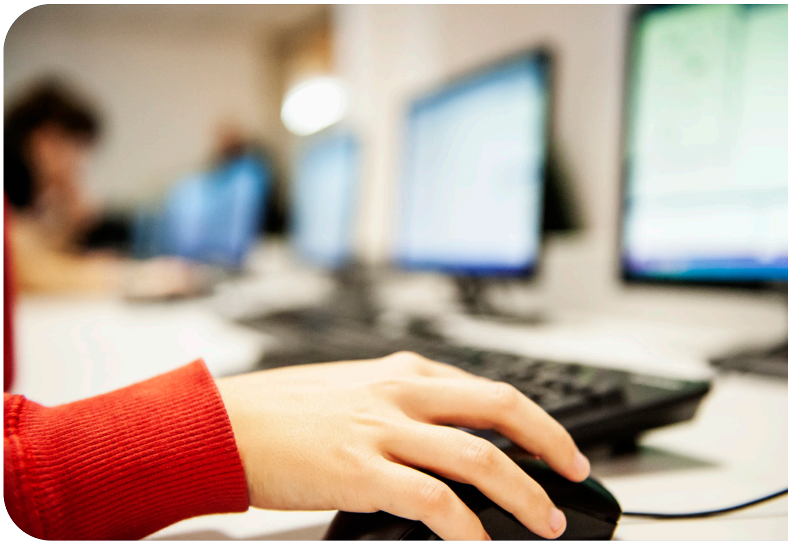
Flexibility in using ESSER and GEER funds allows discretion in local spending decisions.

Districts and COEs that received funding had very different needs and were in different starting positions due to the unique circumstances of the COVID-19 pandemic—making the flexible use of funds a necessity. For instance, some districts quickly used most of their earliest allocated funding on educational technology to connect their most vulnerable students who did not have access to the internet or devices for distance learning. In some districts in which students already had 1:1 device ratios, early funding was spent on virus-mitigation measures to prepare schools for reopening.

The flexibility built into these relief packages enables school leaders to react in real time to address the needs of students and staff in one of the most unpredictable periods in education history. When interpreting spending in these categories, it is also important to note that they do not capture how LEAs weaved together multiple streams of funding to address local needs.

Changes in spending reflect the shifting needs of school districts and COEs during different phases of the pandemic.

Changes in spending help to tell the story of how districts and COEs have continued to weather the pandemic over time. During summer 2021, for example, most school districts had partially reopened while still providing some distance learning options, necessitating sustained expenditures on educational technology. Many of those LEAs wanted to avoid the spread of the virus and keep schools open by prioritizing COVID mitigation expenditures, including personal protective equipment (PPE), repairs to reduce virus transmission, the purchase of cleaning supplies, and improving classroom ventilation. During spring 2022, expenditure reports show that districts and COEs were actively trying to address learning recovery through various academic interventions, while also continuing to invest in mitigation measures to keep schools open amid the first omicron surge of the COVID-19 pandemic.



Common challenges to spending COVID-19 relief funds emerge.

When interpreting how districts and county offices spent their aid, it is essential to acknowledge the landscape in which they developed plans to spend their funding. Some of the most significant impediments to spending included supply chain issues, concerns about funding programs with one-time monies, navigating reporting requirements, and, most acutely, problems with staffing shortages. Matters related to staffing shortages, shipping delays, and planning for long-term obligations were compounded by the timelines and deadlines associated with the spending packages. In CSBA's survey of superintendents and school business officials, 91 percent said filling vacant or new positions were moderately or very challenging barriers to using relief funding. Staff burnout was another large challenge for LEAs to consider when implementing new programs with federal funding, with 72 percent describing burnout as very challenging and another 22 percent describing it as moderately challenging. Additionally, 70 percent of respondents expressed concern about using one-time funding to hire staff that they may not be able to keep on the payroll once funding runs out.

This research is the first in a series of reports meant to paint a clearer picture of the experiences of school districts and COEs with spending federal and state relief. CSBA's next reports will explore state funding and then dive into a comprehensive survey of superintendents and chief business officials from 239 school districts and county offices that received COVID relief.

INTRODUCTION

At the start of the pandemic in early 2020, state and federal legislators worked quickly to provide aid to schools. What were thought to be brief campus closures stretched on without a clear end in sight. Now, more than two years later, it is clear to most education leaders that the impact of the pandemic will continue to require agility and creativity in the years ahead.

In those early days, legislators recognized that one-size-fits-all solutions would hamper local leaders' ability to respond to needs on the ground, especially in a public health crisis where conditions were rapidly evolving. In response, federal and state policymakers moved with a sense of urgency to provide significant financial support to schools—aid that was critical to keeping schools afloat during each stage of the pandemic. Yet, the rapid rollout of these packages did not begin with a coherent vision for addressing all the educational needs states would experience due to the fact that no one had experience with a public health crisis with such far-reaching impacts.

Guidance from public health officials and Sacramento policymakers reflected the uncertainty and, at times, the diverging viewpoints of the moment. As new information became available, recommendations and rules changed, and educators fought to gain stable footing before the next pivot. Abrupt shifts—from in-person instruction to temporary closures and from distance learning to planning for campus reopenings—along with ever-evolving timelines and regulations required collaboration, ingenuity, and around-the-clock adaptation.

Whenever the government distributes large sums of money to agencies or individuals, questions are bound to follow about whether that funding was used for its intended purpose. For those who are less familiar with the complexity of school operations, it can be difficult to grasp the variables and considerations that impact school spending decisions. Given the unusual circumstances of the pandemic, it's no wonder that people have questions like: How is it that at a time when we are hearing about "unprecedented levels of funding," school leaders are reluctant to commit to new programs and services? What does it mean when we hear legislators raise concerns about districts and county offices of education not spending their money before the deadlines?

School board members and superintendents will undoubtedly face continued scrutiny for their decisions about how they use COVID-19 relief funding to keep students and staff safe and address the social, emotional, and academic needs that continue to emerge during the ongoing pandemic. At the local level, this will require thoughtful governance discussions and continued engagement with their communities. At the state and federal levels, policymakers should provide flexibility, guidance about promising uses for relief funding, and communicate clearly about the goals and range of needs that districts and county offices of education (COEs) are reporting.

NEW CSBA RESEARCH

From the first days of the pandemic, the California School Boards Association (CSBA) has been working with school and county boards of education and their superintendents. Through its work with governance teams across the state, CSBA watched as school leaders regrouped, collaborated within local communities and beyond, and sought to identify concrete strategies for meeting the needs of their students, staff, and families at each stage. But those anecdotes do not translate easily when the education system is so large. With nearly 1,000 school districts and COEs in California, the association knew that additional data would be needed to document the response of school district and COE leaders to the pandemic and its aftermath.

CSBA embarked upon a research project examining how districts and COEs were using COVID relief funding to support the health and safety, academic, and social-emotional needs of students and staff.

Using a combination of focus group, survey, and reported expenditure data, CSBA has developed a three-part series that broadly describes the ways California's school districts and COEs have used state and federal COVID-19 relief funding. This research also includes the perspectives of superintendents and chief business officials (CBOs) on spending priorities and related implementation issues.

- For this report, CSBA analyzed over 900 expenditure reports for the two primary federal COVID-19 relief funds: the Elementary and Secondary School Relief (ESSER) Fund and the Governor's Emergency Education Relief (GEER) Fund.

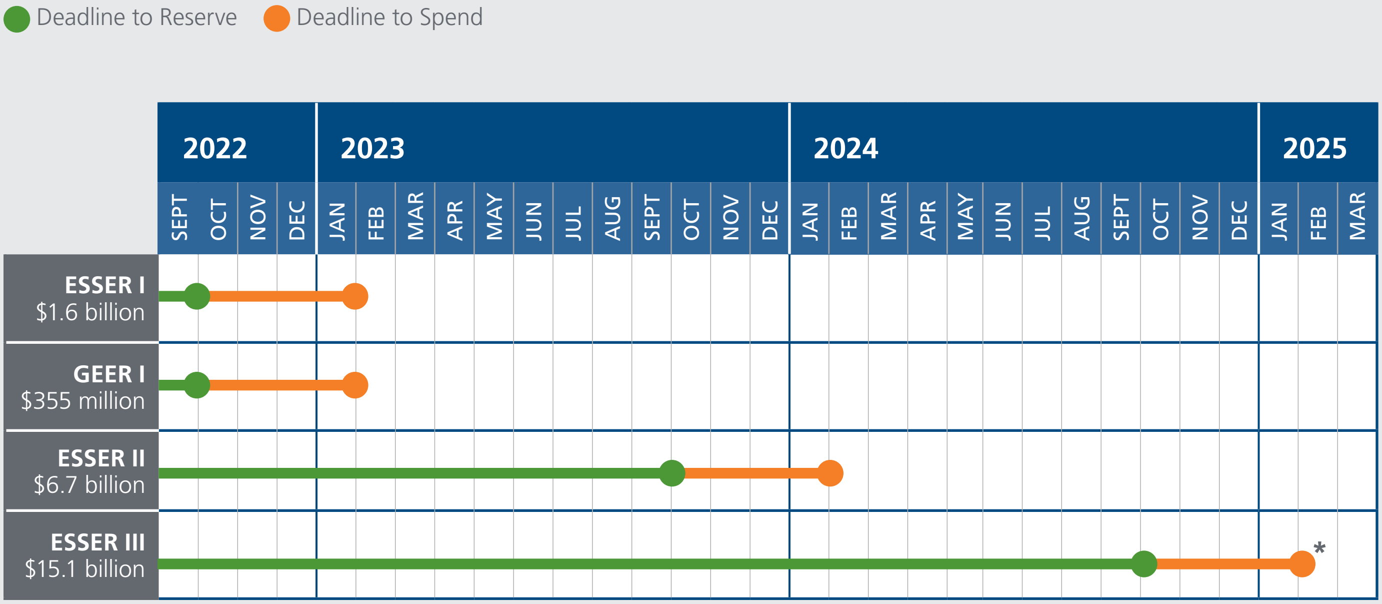
- In the second report, CSBA will explore the expenditure reports for the state's primary relief funding, the Extended Learning Opportunities Grant, made possible through Assembly Bill 86 (Chapter 10/Statutes of 2021)[1].
- In the third and final report, CSBA will publish its findings from a statewide survey of superintendents and chief business officials that explores implementation strategies and challenges, along with their perspectives on local needs and constraints.

Together, these reports provide an overview of the different ways that districts and county offices of education responded to the pandemic over time, as well as the challenges and priorities they faced. This information has implications for the immediate road ahead, as well as for future large-scale crises that schools may encounter. While the fiscal reports do not speak to individual line items associated with district and COE decisions, they illuminate broad patterns in the range of expenditures supported by one-time relief dollars, as well as districts' approaches to uses for the different aid packages and deadlines.

This first report addresses three central questions asking if school districts and county offices of education that received federal aid are spending it in line with federal deadlines, what general categories they are spending the funding in, and whether there are notable differences across federal funding packages.

In this report, we note that districts and county offices of education are largely using federal relief funding in the order in which the packages expire. While all relief funding is one time, the packages have staggered expiration dates that stretch through at least January 2025 (or longer – see Figure 1).

FIGURE 1—Federal funding package amounts and deadlines



* *LEAs may apply to the U.S. Department of Education for an 18-month extension to ESSER III funding. However, funds still need to be obligated by 9/30/24. Information on that extension can be found here:* https://bit.ly/3Pt1Lnk.

We note wide variation in spending patterns both between packages and within specific categories, as well as with the pace of spending. However, according to survey responses, superintendents and CBOs overwhelmingly report that they expect to expend funding by the deadlines. Additionally, broad patterns within the expenditures are consistent with conditions that schools were addressing at any given period.

Although not contained in the expenditure data explored within this report, select responses from survey participants are included to provide context for spending, including constraints related to staffing and supply chain issues. The pandemic response did not happen in a vacuum, and this context is critical in understanding patterns within the data.

From a research perspective, these are important first steps toward understanding the issues districts and COEs are experiencing, and central themes are beginning to emerge in the ways in which their responses have evolved, illustrating the need for ongoing flexibility to adapt to future concerns as they arise.

The federal COVID-19 relief packages

In March 2020, the United States Congress passed the Coronavirus Aid Relief and Economic Security (CARES) Act. Part of that act was a $13.2 billion set-aside for education titled the ESSER Fund. Congress continued providing aid to states through the Coronavirus Response, and Relief Supplemental Appropriates (CRRSA) Act in December of 2021 and the American Rescue Plan (ARP) in March of 2021. These acts contained increasingly larger funds for education known as ESSER II ($54.3 billion) and ESSER III ($122 billion). Awards to state education agencies were based on the same proportion as each state received funds under Part A of Title I of the Elementary and Secondary Education Act (ESEA). California received $1.6 billion in ESSER I, $6.7 billion in ESSER II, and $15.1 billion under ESSER III.

In addition to the ESSER fund, the CARES Act and CRRSA Act included education money for state governors' offices, the GEER Fund, to give states additional funding for those local educational agencies (LEAs) that COVID-19 had most impacted. The California Legislature incorporated GEER I funds ($355 million) into the state's more considerable Learning Loss Mitigation Fund, which was authorized by the state's 2020–21 budget. In 2021, the U.S. Department of Education also provided California with $341 million in GEER II funds.[2]

Spending Package	Allowable Uses	
ESSER I, II, III	‣ ESEA activities ‣ Preparedness and response efforts ‣ Resources for schools ‣ Activities for vulnerable youth ‣ Training for sanitation ‣ Purchasing cleaning supplies ‣ Planning and coordinating closures ‣ Purchasing educational technology	‣ Mental health services ‣ Summer/after school ‣ Addressing learning loss ‣ Repairs to reduce virus transmission ‣ Inspect air quality ‣ Protocols in line with CDC guidance ‣ Other activities necessary to maintain operations
ESSER III 20% set-aside for academic impact (see p. 9)	‣ Summer learning enrichment ‣ Extended day ‣ Comprehensive after-school programs ‣ Extended school year programs ‣ Tutoring	‣ Community schools ‣ Mental health supports ‣ Social and emotional learning curriculum ‣ Other evidence-based interventions
GEER	‣ Learning supports ‣ Extending time ‣ Academic services ‣ Instructional material ‣ Devices or connectivity ‣ Health services	‣ Professional development ‣ Nutrition programs ‣ Pupil trauma and social and emotional learning related expenses ‣ Personal protective equipment (PPE) and safety equipment

Each federal funding package has an associated deadline for obligating the funds and a deadline by which the funds must be spent. Figure 1 provides the amounts and deadlines for each package.

What can federal relief aid be used for?

ESSER and GEER funds are designed to give LEAs discretion in local spending decisions. In an FAQ for the ESSER funds put out by the U.S. Department of Education, the agency wrote, "The ESSER fund provides a broad, permissive list of allowable LEA activities…" and that the fund "provides LEAs considerable flexibility in determining how best to use [them]."[3]

Each federal aid package contains a list of categories for which LEAs can report the relief funding.[4] Some of the categories are relatively narrow and explicit. For instance, ESSER I, II, and III include more specific expenditures, such as staff training and professional development on sanitation, mental health services, inspecting air quality, and repairs to reduce virus transmission. Though there is a degree of discretion, each of those categories has particular purposes.

In each package, however, there are broader, less well-defined use categories such as "other activities necessary to maintain operations" or "other evidence-based strategies." Even the category "addressing learning loss" encompasses a wide array of strategies. These more general categories have some guardrails[5] but capture a wide range of COVID-19 relief-related expenditures. They allow LEAs to spend the funding on expenses that are pressing to their unique, local needs.

Over the past two years, it is clear that the pandemic's effects have lingered and rippled into unforeseen areas of educational operations that have had critical implications for students. The reality is that these unexpected challenges require a great deal of flexibility on the part of LEAs to respond using this essential funding. Furthermore, it is entirely possible that conditions may continue to evolve and require districts and COEs to shift funding to address emerging needs.

Federal expenditure reports

As a condition for receiving federal COVID relief funding, LEAs are required to submit quarterly expenditure reports. CSBA analyzed these reports for school districts and COEs through March 31, 2022.[6] While independent charter schools also received relief funding, they are not included in the analysis.

The data used in this report consisted of quarterly spending reports for GEER I, ESSER I, II, and III, along with the ESSER III academic impact set-aside. ESSER III reports are divided into two quarterly reports. The separate report is due to the requirement that an LEA must reserve no less than 20 percent of its total ARP allocation to address the academic impact due to lost instructional time using evidence-based interventions.[7] ESSER I and GEER I had their first reporting period in the fall of 2020, resulting in seven quarters of available spending report data. All other spending packages have four quarters of spending that begin in the summer of 2021.

Each quarterly report includes four main sections of data:

1) The total amount of federal relief aid the California Department of Education (CDE) has allocated to that LEA
2) How much each LEA spent in that reporting quarter
3) How much each LEA spent in previously reported quarters
4) The percent of the amount spent in each of the allowable categories

The districts and COEs included in these data sets can fluctuate from quarter to quarter due to changes in LEAs' student populations or if an LEA failed to provide CDE with signed assurances or expenditures. In those instances, their total allocated amount drops to $0 for the next quarter. So long as they meet the next set of deadlines, the total allocated amount is restored in the following quarter.

CSBA's survey of superintendents and district business officers asked questions surrounding implementation challenges for both state and federal COVID-19 relief funding, perceived priorities in spending, sustainability considerations, plans for future expenditures and questions on specific programs, such as those for mental health and learning recovery. Participating LEAs serve 23 percent of the state's students. In addition to the comprehensive report on survey findings that will be released in August, CSBA is making portions of those findings available now to shed light on issues raised by the expenditure data.

What can this data tell us?

Data from the spending reports outline how LEAs receiving federal COVID relief have spent the money and at what pace. The reports also give a broad idea of what categories LEAs prioritized over the course of the packages. This data does *not* capture the amount that school districts have plans to spend or have already obligated towards future services or purchases. Nor does this data necessarily capture a district's or COE's full response to issues related to the COVID-19 pandemic. Some strategies and priorities might be funded through other means, including an LEA's general fund.

The districts and county offices that received federal relief aid over the past two years have vastly different demographic, geographic, and socioeconomic conditions. They also have varying capacities to continue to address a historic, long-lasting pandemic.

When looking at the average percentage of funding spent on various categories, there is a wide range in the types of expenditures LEAs prioritized at different stages of the pandemic. Therefore, our summary of the average spending percentages in specific categories are broad approximations that relay statewide trends, rather than exact amounts for each individual school district or COE.

Using the federal expenditure data, this report addresses three critical questions:

1) Are school districts and county offices of education that received federal aid spending COVID relief funding in line with federal deadlines?
2) What spending categories did school districts and county offices of education that received federal aid prioritize during the different reporting quarters?
3) Are there notable differences in how school districts and county offices are spending their relief aid?

Are LEAs that received federal aid spending the funds in line with deadlines?

Some early reports have expressed concerns about whether LEAs that received COVID relief aid would be able to spend all of it by the federal deadlines. This concern stems from the fact that unspent money would be forfeited back to the federal government.[8] The data shows that there is a significant range in the amount spent by LEAs across California in each of the packages. However,

TABLE 1—Statewide Average Spent as of Spring 2022

ESSER I	94%
GEER I	87%
ESSER II	57%
ESSER III (Main)	17%
ESSER III (Academic Impact)	10%

on average, recipient LEAs are spending through relief funding and are doing so in line with the rolling deadlines.

Looking at ESSER I (which has the first spending deadline in January 2023), school districts and COEs have spent 94 percent of their allocated funding as of March 31, 2022. As shown in Tables 1 and 2, the statewide average for spending in each package increases as the deadlines for packages gets closer. Additionally, as earlier packages expire, the amount spent in later packages will also likely increase. Since this data does not capture the amount school districts have *planned* to spend, LEAs may have an even higher percentage of the funding obligated for various projects.

Statewide averages, however, can be challenging to interpret because there is such wide variation in the amount spent by LEAs that received relief funding during each period. For instance, in the spring of 2021, for ESSER I, there are districts and COEs that spent as little as 1 percent of their total allotment, and there are others that spent all of it.

To provide an additional perspective, we broke down the quarterly reports into five spending bands to address variation in the data. These bands represent 20 percent ranges that show how many districts and COEs have spent a certain percentage of funds during the reporting period. Tables 2 and 3 present the spending bands for ESSER I and GEER I. For instance, if a district spent 35 percent of their funding in a particular reporting period, they would fall within the 21-40 percent spending band. The bands give a better sense of the distribution of the LEAs' progress towards spending down relief funding.

Table 2 shows the percentage of school districts and county offices that spent ESSER I funds within the five spending bands in each reporting quarter. Eighty-nine percent of those districts and COEs that received ESSER I funds had spent between 81 and 100 percent of their funding by the spring 2022 reporting period (810 of 911). Ninety-six percent of those

TABLE 2—ESSER I Spending Bands as of Spring 2022

Spending Bands	2020 Fall	2020 Winter	2021 Spring	2021 Summer	2021 Fall	2021 Winter	2022 Spring
%							
0-20	77	58	27	8	3	2	1
21-40	10	15	17	8	5	1	0
41-60	5	8	14	8	8	7	2
61-80	3	7	15	13	10	9	7
81-100	5	12	28	62	74	82	89

TABLE 3—GEER I Spending Bands as of Spring 2022

Spending Bands	2020 Fall	2020 Winter	2021 Spring	2021 Summer	2021 Fall	2021 Winter	2022 Spring
%							
0-20	92	78	46	22	14	9	6
21-40	2	6	10	7	6	6	4
41-60	1	3	10	6	6	6	5
61-80	1	2	7	7	6	7	7
81-100	4	11	28	58	67	72	80

TABLE 4—State Averages of Percent of COVID Relief Packages Spent as of Spring 2022

	LEAs that spent 41% or above	LEAs that spent 81% or above
ESSER I	98%	89%
GEER I	91%	80%
ESSER II	66%	30%
ESSER III (Main)	13%	3%
ESSER III (Academic Impact)	10%	3%

LEAs had spent 61 percent or more of their funding. In fact, by spring 2022, 65 percent had spent all of their ESSER I funding.

As noted in Figure 1, GEER funding represents a fairly small relief package when compared to ESSER. The 988 districts and county offices receiving GEER I funds are using them more slowly than ESSER I funds. By spring 2022, 86 percent of those LEAs that reported their GEER I spending had used 61 percent or more of their allocations.

Increases in the average percentage spent occurred in all federal spending packages over time. Table 4 shows that school districts and COEs are spending through their allotment in line with the staggered federal deadlines. Sixty-six percent of school districts and COEs that received funding have spent 41 percent or more of their ESSER II funds, with a deadline of January 2024. Ten percent of school districts and county offices have spent 41 percent or more of their central ESSER III funds, which has a deadline for spending by January 2025.

Spending in later packages has not been as rapid as in earlier ones. According to CSBA survey data, recent spending has been more difficult for districts and county offices due to a host of challenges, which are discussed in the next section.

Challenges to spending

When interpreting how districts and county offices spent their aid, it is essential to acknowledge the landscape in which they developed plans to spend their funding. Some of the most significant impediments to spending included supply chain issues, concerns about funding programs with one-time monies, navigating reporting requirements, and, most acutely, problems with staffing shortages. Matters related to staffing shortages, shipping delays, and planning for long-term obligations were compounded by the timelines and deadlines associated with the spending packages.

In CSBA's survey of superintendents and business officials, 91 percent said filling vacant or new positions were moderately or very challenging barriers to using relief funding. Additional staffing issues ranged from the inability to find enough qualified candidates for positions to concerns that the LEA may not be able to keep newly hired staff once the funding runs out. Staff burnout was another large challenge for LEAs to consider when implementing new programs with federal funding. Seventy-two percent of respondents (145 of 201) ranked staff burnout as "very challenging" (the highest option available in the survey), while 22 percent said it was "moderately challenging." Similarly, 70 percent of respondents expressed concerns around hiring staff that they may not be able to keep on the payroll once funding runs out as "very challenging" for implementation.

According to survey respondents, staffing challenges impacted the ability of many districts and COEs to spend COVID relief aid in crucial pandemic-related areas, such as expanded learning opportunities and mental health services. For instance, one superintendent from a smaller urban district wrote:

> *Staffing our school-based mental health positions has been a significant challenge for us. We began the school year without mental health clinicians at both the elementary and middle school levels. While we were able to bring on highly qualified clinicians, they are working through a backlog of referrals…Many staff report that they are feeling tired and burned out due to increased student need and may not have the capacity and bandwidth to take care of their own needs.*

This quote represents one of many instances that superintendents reported identifying a program or goal where relief funds would be useful, but which was constrained by staffing shortages, difficulty in finding qualified applicants, or burnout among the current staff. Additionally, respondents repeatedly noted their reluctance to hire additional staff using one-time funding.

COVID relief funding continues to play a critical role in allowing school districts to respond to the challenges created or exacerbated by the pandemic. The aid gave LEAs the ability to target local areas of need. However, the short-term nature of the funding combined with external staffing and economic challenges appear to be impacting some LEAs' ability to spend that funding even when needs and priorities are identified.

What did school districts and COEs spend COVID relief on and what are the notable differences in spending relief aid?

As mentioned in the data section of this report, data on spending categories is presented as the percent of the LEAs' expended amount on an individual category (e.g., purchase of cleaning supplies, purchasing of educational technology, mental health services, and others). LEAs that received funding had very different needs and were in different starting positions due to the unique circumstances of the COVID-19 pandemic. For instance, some districts quickly used most of their earliest allocated funding on educational technology to connect their most vulnerable students who did not have access to the internet or internet-connected devices for distance learning. Other districts that had previously initiated 1:1 technology purchases (providing devices such as laptops and tablets for each student) required fewer investments in technology than those that needed to purchase substantially more devices to facilitate remote learning. Some districts immediately focused on personal protective equipment and virus-mitigation supplies for students and staff inside and outside the classroom.

The broadest allowable use category for ESSER—Other activities necessary to maintain operations—had the highest average percent spent in ESSER I, II, and III across all reporting periods. On average, LEAs spent more than one-fifth of their allocated amounts in the broader reporting categories in spring 2022.

LEAs have faced some criticism for reporting such a sizable percentage of their spending in these broader categories from which it is difficult to discern precise expenditures. There has also been some criticism directed at the California Department of Education (CDE) for not monitoring spending in those categories more closely. There will likely be instances of LEAs using funds for expenses where the connection to the funding's intended purposes may not be readily clear, therefore it is important to review those expenditures in light of the local priorities identified. Furthermore, making sweeping criticisms of LEAs' overall approach to spending based on outliers misses the point of these COVID relief packages.

Flexibility is a crucial feature of these spending packages, not a bug. It enables school leaders to react in real time to address the needs of students and staff in one of the most unpredictable periods in education history. When interpreting spending in these categories, it is also important to note that they do not capture how LEAs weaved together multiple streams of funding to address local needs. For instance, if a district prioritizes creating an after-school mental health program, they may draw from several different federal and state funding sources to address staffing, capital concerns, transportation, partnerships with outside institutions, or other expenses. It is difficult to capture the full picture of how LEAs approached spending from these expenditure reports alone.

Additionally, the U.S. Department of Education reviewed and approved the state's federal funds plan, which includes monitoring and compliance sections. CDE conducts annual risk assessments of samples of LEAs and continually provides guidance and technical assistance. It will be important to hold LEAs accountable for their actions if misuse is identified, but simply reporting expenditures in broad categories provided by the federal government as part of the package design should not be interpreted as a signal of wrongdoing.

Another potential reason that school districts and county offices are reporting so much spending in the broadest categories is confusion over where to place expenditures that cross categories. For instance, would an online after-school tutoring program that pairs students with college students fall under academic recovery, educational technology, activities for at-risk youth, after-school programming, or something else? There are many programs like this that would cause understandable confusion for staff at LEAs who may report this program in the broader reporting categories.

When looking at other categories, major spending areas shifted across the pandemic to match the needs of LEAs. Table 5 shows the top areas of spending minus the "other activities" category.

TABLE 5 — Largest spending categories by packages (excluding broader spending categories)

Spending Package	Summer 2021 (April 2021 – June 2021)	Spring 2022 (January 2022 – March 2022)
ESSER I	1) Resources for schools 2) Purchasing educational technology 3) Purchasing cleaning supplies	1) Purchasing educational technology 2) Resources for schools 3) Purchasing cleaning supplies
ESSER II	1) Purchasing educational technology 2) Resources for schools 3) Repairs to reduce virus transmission	1) Purchasing educational technology 2) Address learning loss 3) Resources for schools
ESSER III	1) Repairs to reduce virus transmission 2) Purchasing educational technology 3) Address learning loss	1) Other activities to maintain operations 2) Address learning loss 3) Purchasing educational technology
ESSER III (20% Academic impact of lost instructional time	1) Summer learning and enrichment 2) Evidence-based interventions 3) Extended school year	1) Tutoring 2) Mental health supports 3) Summer learning and enrichment

Changes in spending reflect the shifting needs of districts and COEs and help to tell the story of how LEAs have continued to weather the pandemic over time. The summer 2021 expenditure reports capture expenses made from April through June 2021. During that time, most school districts had partially reopened while still providing some distance learning options, necessitating sustained expenditures on educational technology (a number of districts had been providing in-person instruction since the fall). Many of those LEAs wanted to avoid the spread of the virus and keep schools open by prioritizing COVID mitigation expenditures, including PPE, repairs to reduce virus transmission, the purchase of cleaning supplies, and improving classroom ventilation. When looking at the top areas of spending in Table 5, those categories are among the largest in each package.

However, when examining the top areas of spending in the most recent round of expenditure reports, there are shifts in the top categories. The spring 2022 reports include purchases made with federal relief funds from January 2022 to the end of March. The spending reports during this period show that LEAs were actively trying to address learning recovery while also struggling to keep schools open amid the first omicron surge of the COVID-19 virus. Increased staffing shortages and burnout among existing staff compounded these challenges.

Figures 2 through 6 show that changing expenditures across periods occurs to varying degrees across all spending packages. It is important to reiterate that these are broad approximations of how funding is spent and illustrates larger trends more than exact percentages. In ESSER II and III, expenditures related to learning recovery have gradually increased over the course of the four reporting periods.

High expenses related to educational technology persist across most packages and reporting periods. The pandemic forced school districts, many under-resourced for decades, to address inequitable access to distance learning, including inadequate broadband access for some of their most vulnerable students. LEAs had to adapt to ever-changing virus-transmission rates that necessitated, at times, total distance learning, hybrid learning, or in-person learning with increased COVID mitigation measures. All these configurations required different levels of technological access, which may explain why educational technology is among the top expenditures across all quarters.

The ESSER III academic impact of lost instructional time set aside and GEER funds offer unique spending categories for different purposes. In this portion of ESSER III, like other spending packages, school districts and county offices predominantly coded their expenditures into "other evidence-based interventions." Following that category, expenses related to tutoring and mental health were near the top areas of spending. Again, the data reflects how spending shifted to meet the unique needs of different periods of the pandemic. Early packages in summer 2021 focused on summer learning and enrichment and extended school years. In the most recent updates, there is more of a focus on expenditures to address learning loss.

Differences in spending patterns between county offices of education and school districts

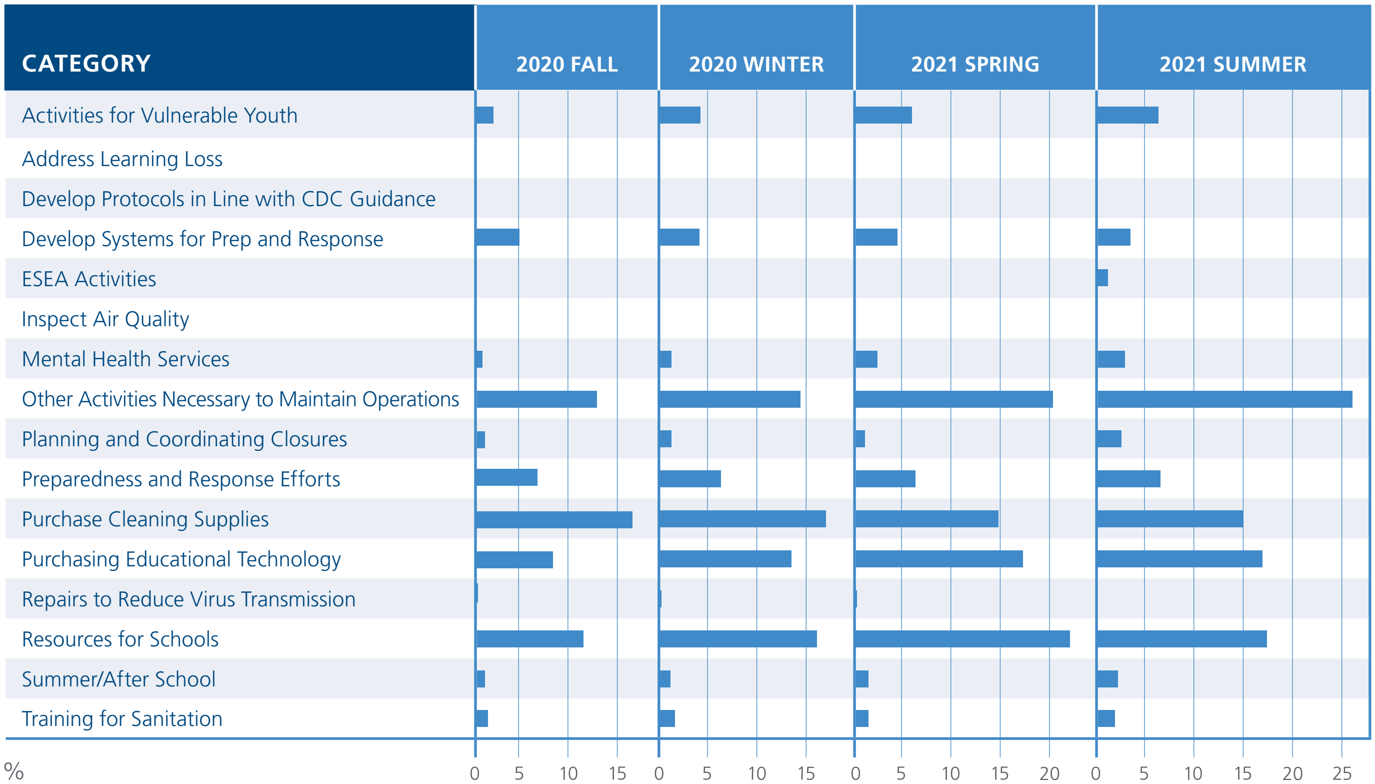
California's county offices of education serve student populations that often have unique needs. Due to that, county office and school district data was disaggregated to identify any differences in spending patterns. There were a few significant variations across expenditure reports.

First, county offices were more likely than school districts to report their spending in broader categories. As an example, in the spring 2022 ESSER I reports, the average percent spent in "other activities necessary to maintain operations" for COEs was 36 percent as compared to 25 percent for districts. This trend holds in other federal spending packages. In ESSER II, the average percentage spent by county offices in "other activities" was 38 percent, whereas districts averaged 20 percent.

It could be that the unique needs of county offices do not neatly fit in the other categories provided by the spending packages, forcing them to code in "other activities." At the same time, when considering the more narrowly defined categories in spring 2022, county offices nearly doubled the average percent of ESSER III funds spent on learning recovery, making that their second-largest category. When looking at the most recent GEER I spending, county offices increased their average percent spent on professional development and learning supports. School districts spent more on PPE, safety equipment, and instructional materials. Given the nature of the reporting process, it is unclear how much these changes are reflective of changes to spending priorities or how specifically they categorized their expenditures.

CATEGORICAL SPENDING CHARTS

FIGURE 2—ESSER I: Average percentage spent on individual categories—Fall 2020 to Spring 2022



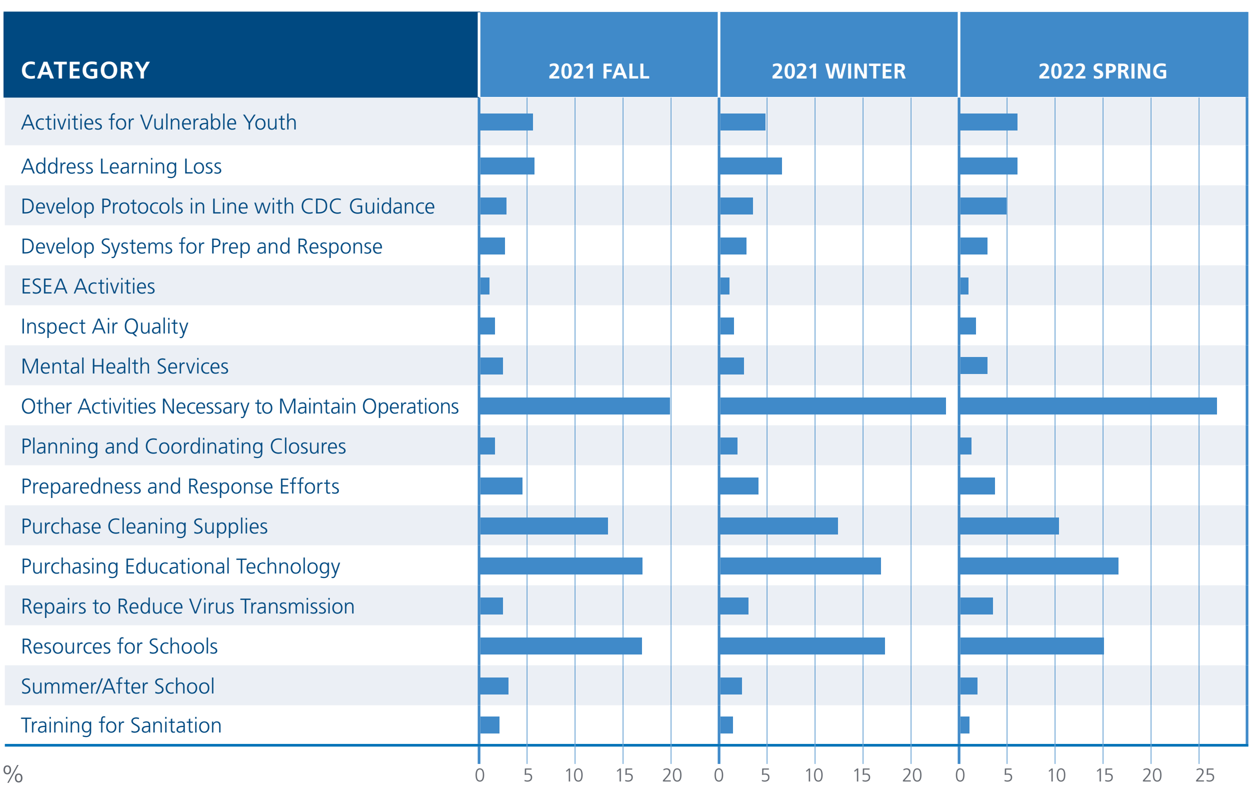


FIGURE 3—GEER I: Average percentage spent on individual categories—Fall 2020 to Spring 2022

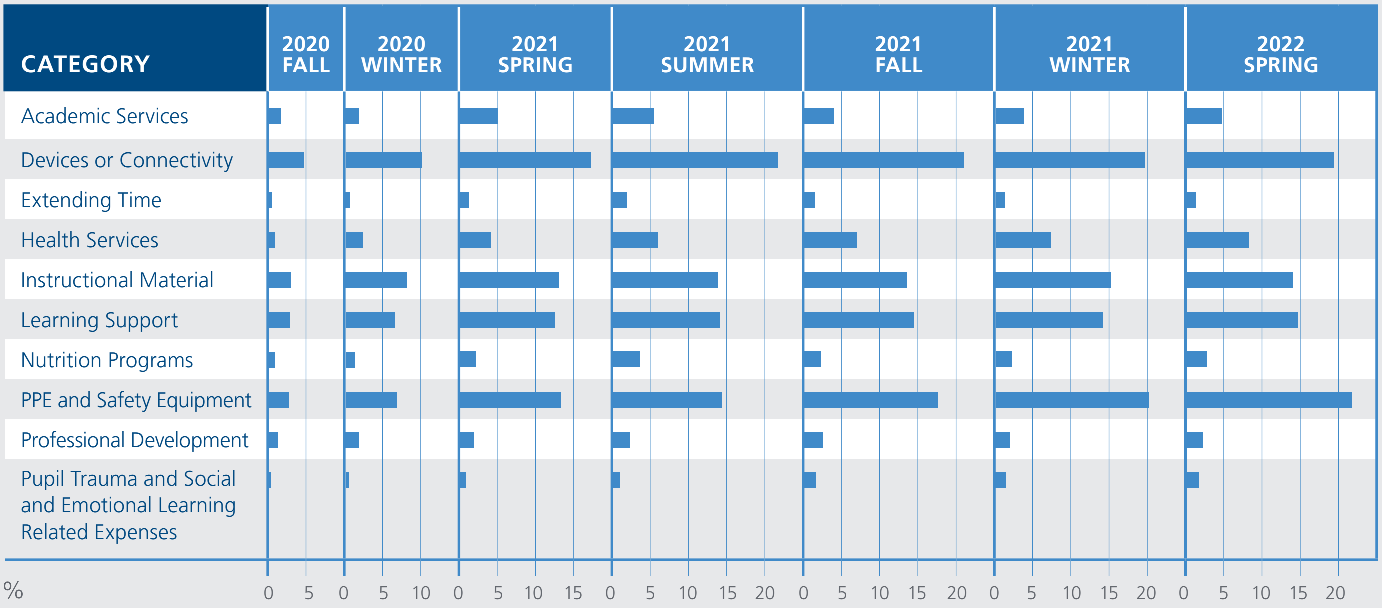


FIGURE 4—ESSER II: Average percentage spent on individual categories—Summer 2021 to Spring 2022

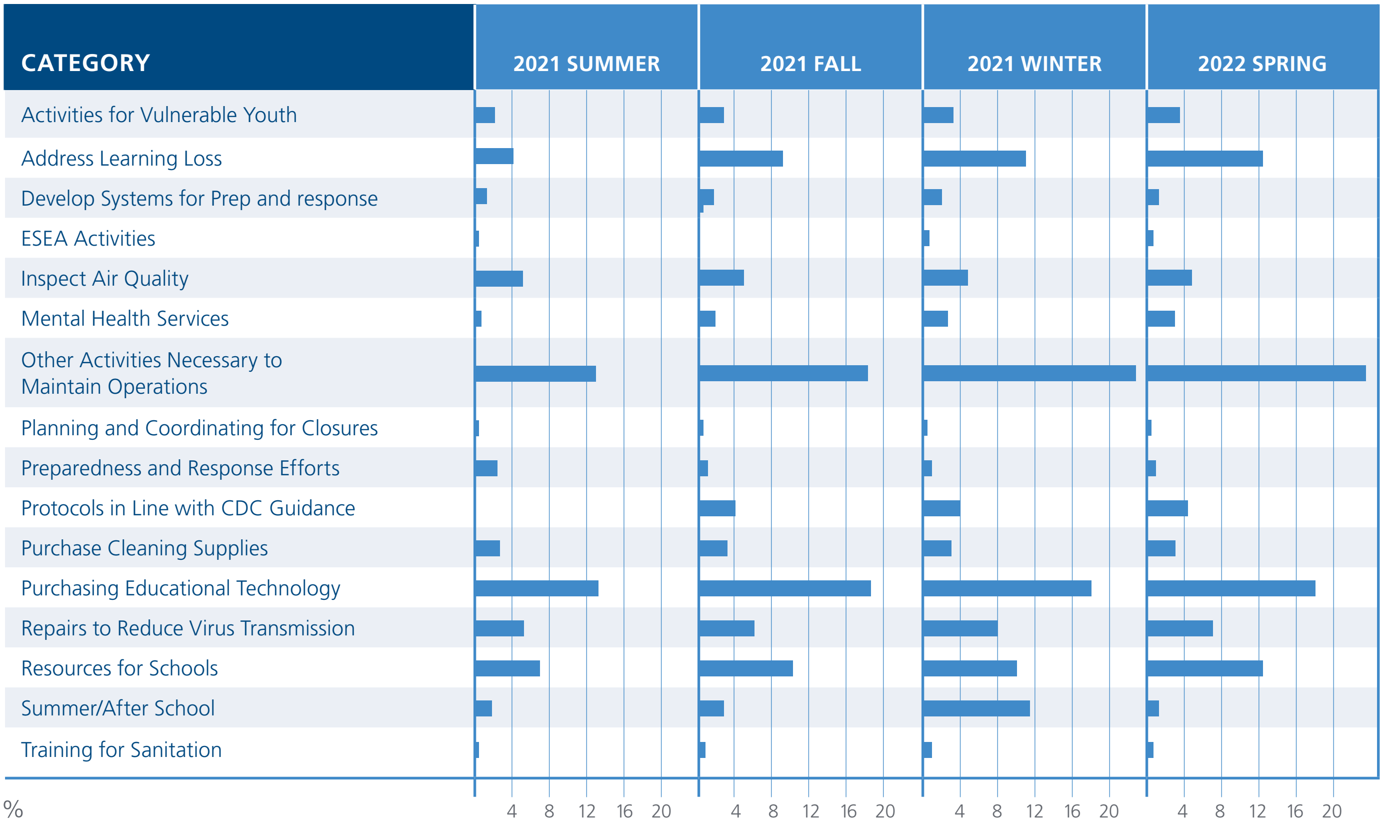


FIGURE 5—ESSER III: Average percentage spent on individual categories—Summer 2021 to Spring 2022

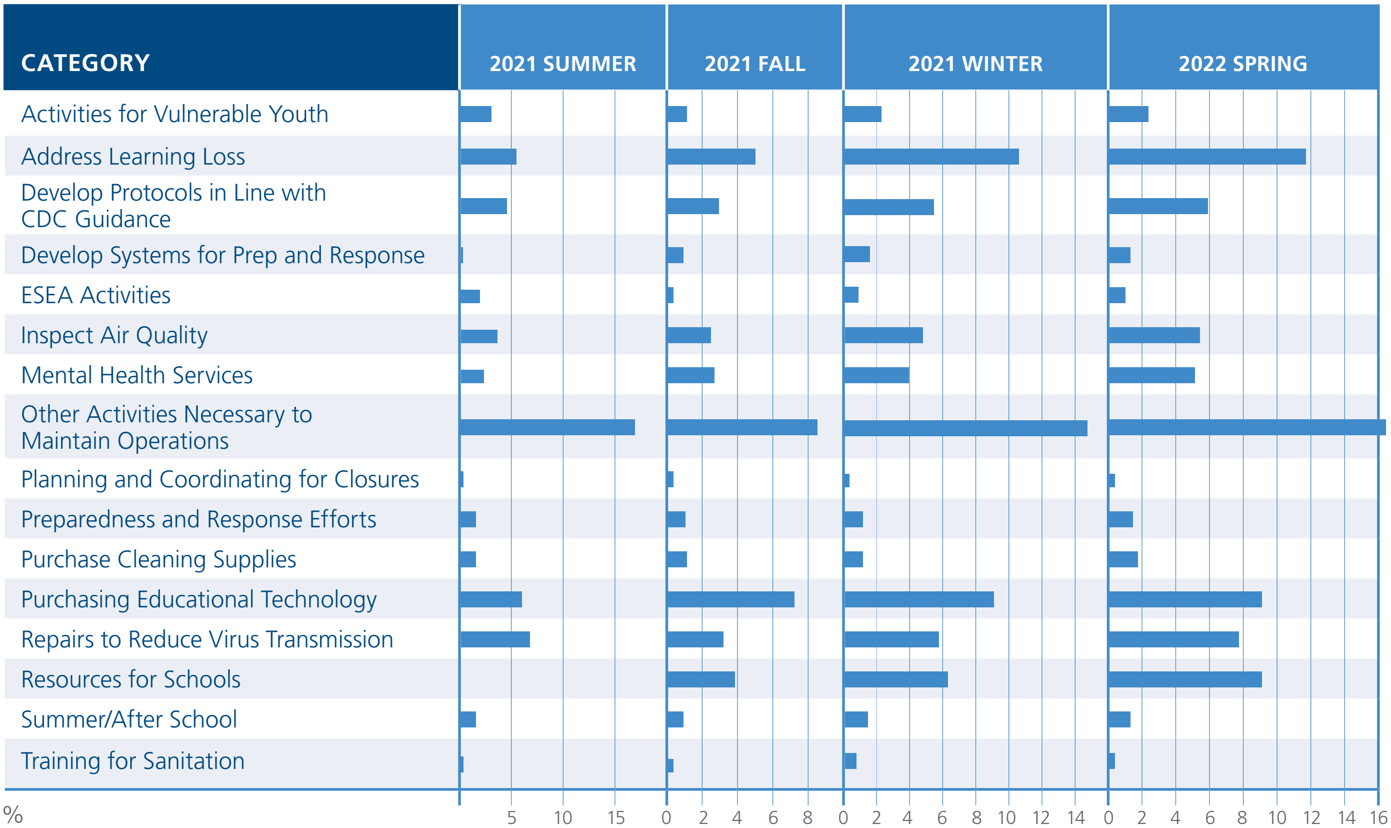
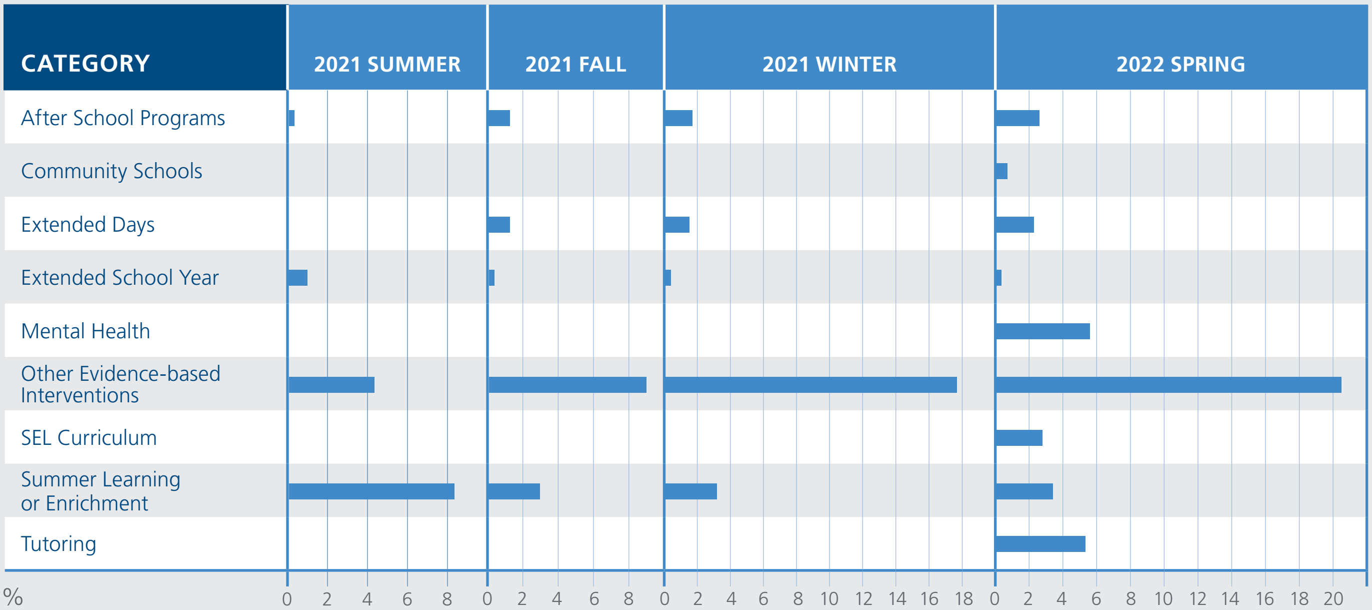


FIGURE 6—ESSER III, Academic set-aside: Average percentage spent on individual categories—Summer 2021 to Spring 2022



CONCLUSION

The federal relief dollars going to LEAs have been described as historic and unprecedented amounts of funding. While that is true, it is also true that the challenges and burdens LEAs continue to address are also unprecedented and require a robust funding response (particularly in an existing system that had been chronically underfunded in the decades following the passage of Proposition 13). Federal COVID-19 relief packages provided district leaders with a critical tool to help them begin to address local issues, which is reflected in their expenditures over time.

It is important to acknowledge that these packages also came with time-consuming requirements around plan development (including community engagement and plan approval). As packages progressed, there were additional challenges, such as the reporting burdens on LEAs, many of which (especially smaller districts) did not have the infrastructure or staff necessary to perform additional detailed reporting tasks and plan development.

Overall, the data is clear: LEAs are spending their allocated federal COVID relief funding. However, LEAs continue to face evolving challenges in both their current spending and plans for future expenditures. The federal aid is meant to give LEAs the discretion to act swiftly to address the needs of their students and their communities. At the same time, LEAs continue to be challenged by shortages in supplies, materials, and staff, which all impact their ability to spend funding in ways they may think necessary. When looking at the categorical spending reports in their entirety, it is clear that most LEAs that received the funding adjusted their priorities over time to meet those needs.

District and county board members will want to be aware of the federal spending deadlines (both to reserve and spend the funding) as they monitor the use of federal aid. While the vast majority of districts and COEs have nearly spent all of their ESSER I funding, it represents a much smaller portion of relief aid than ESSER II and ESSER III. Governing boards may also want to consider the best ways to communicate with communities about their spending progress and continue to engage with their communities to identify emerging needs and priorities. Each district has its own strategies and challenges regarding spending relief aid. It is crucial that their education partners are aware of those details as more stories come out about COVID relief funding.

This research is the first in a series of reports meant to paint a clearer picture of the experiences of LEAs with spending federal and state relief. Our next reports will explore state funding and then dive into a comprehensive survey of superintendents and chief business officials from 239 school districts and county offices that received COVID relief.

ENDNOTES

1 Assembly Bill No. 86. 2021 Reg. Session. (California 2021). https://bit.ly/3tLE928

2 California Department of Education. June, 2022. COVID-19 relief funding summary sheet. https://bit.ly/3xJL5Qk.

3 United States Department of Education. May, 2021. ESSER fund frequently asked questions. https://bit.ly/3xy8bJK

4 California Department of Education. May 6, 2022. Federal stimulus annual reporting help. https://bit.ly/3bicnpD

5 California Department of Education. May 6, 2022. Federal stimulus annual reporting help. https://bit.ly/3bicnpD

6 California Department of Education. June 15, 2022. Federal stimulus funding. https://www.cde.ca.gov/fg/cr/.

7 California Department of Education. May 11, 2022. ARP Act Funding. https://www.cde.ca.gov/fg/cr/arpact.asp.

8 Howle, Elaine M. October, 2021. California Department of Education: *It needs to provide better oversight to ensure that Local Educational Agencies promptly and effectively use federal COVID-19 funds.* https://bit.ly/3RclV5M

California School Boards Association
3251 Beacon Blvd, West Sacramento, CA 95691

www.csba.org