

SCHOOL
DISTRICT
SPENDING
OF
AMERICAN
RESCUE
PLAN
FUNDING

PART III

July 2022



INTRODUCTION

In July 2022, AASA, The School Superintendents Association, launched the third in a series of surveys detailing how district leaders across America are utilizing American Rescue Plan funds to respond to the pandemic and in particular, address student learning recovery. Hundreds of superintendents responded to this survey.

In addition to repeating questions from previous surveys, this iteration also asked questions about the administrative and policy hurdles that may exist to spending ARP funding. The latest survey also asked superintendents to predict how programming and staffing will change when they reach the September 2024 obligation deadline of the funds.



BACKGROUND

In 2021, as part of its response to the COVID-19 pandemic, Congress directed \$122 billion to state and local education agencies (LEAs) via the American Rescue Plan (ARP) to help reopen schools and aid school districts in addressing the impact the pandemic had on students through improvements to their academic, social-emotional, and mental and physical health needs, and updates to school facilities to ensure healthy learning environments.

AASA believes this infusion of federal funding will have a lasting impact in enabling students to not only recover from lost in-person instruction, but also in assisting district leaders in thoughtfully investing federal funds to address longstanding disparities in access to educational opportunities for students that were only exacerbated as a result of the COVID-19 pandemic.

While every state was required to distribute the funding to districts by March 2022, it was only in February 2022 that school districts in all 50 states had access to their ARP funds. LEAs are required to obligate their ARP funding by September 2024 although they [may have more time](#) to liquidate funding beyond the original December 2024 deadline.

The July 2022 AASA survey sought information about several spending questions:

- 1) How are districts planning to use ARP funds to address unfinished learning during the summer of 2022 and in the 2022-23 school year?
- 2) What systemic improvements are districts planning to make because of ARP funding over the next three years to improve education outcomes and close equity gaps?
- 3) What issues, if any, are districts experiencing in spending ARP funding?
- 4) What programmatic areas are districts anticipating to cut as ARP funding runs out?

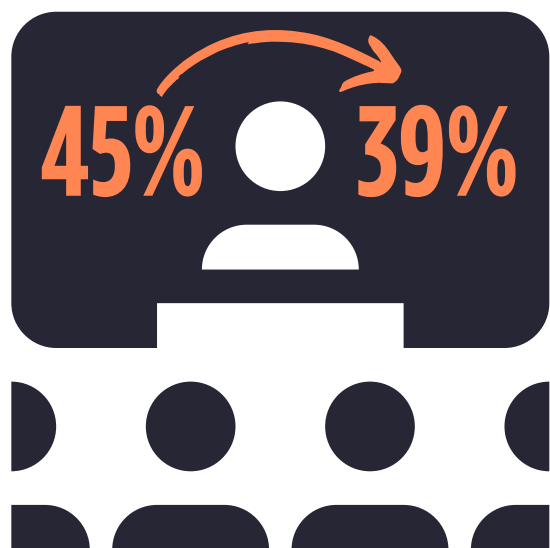


KEY FINDINGS



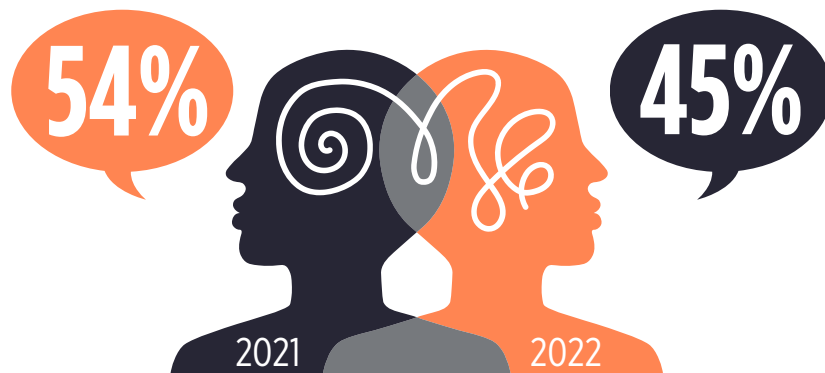
Districts continue to prioritize investments in expanding summer learning and enrichment offerings, adding specialist staff such as mental health personnel and reading specialists and investing in high quality instructional materials and curriculum. These spending priorities have not shifted since the first survey in July 2021.

To the extent there are differences in this latest survey, they are relatively small:

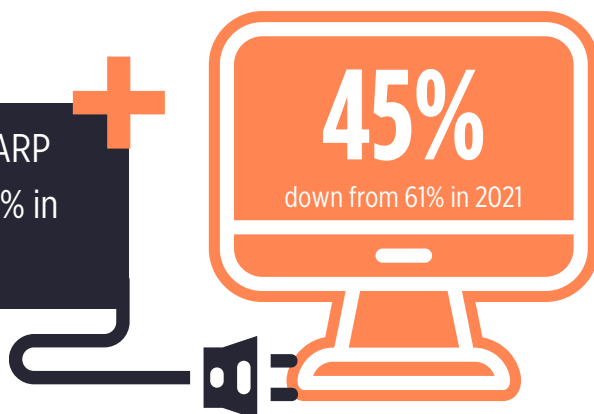


The number of districts providing high-intensity tutoring fell from 45% in July 2021 to 39% in July 2022.

Investing in SEL fell from 54% in July 2021 to 45% in July 2022.



The largest decline in expenditures was using ARP funds to purchase devices/tech, falling from 61% in July 2021 to 45% in July 2022.



KEY FINDINGS

In examining any variances between community type, respondents indicated:



URBAN

Urban districts have pivoted to spending less on investing in teacher professional development and are more focused on purchasing high-quality instructional materials.



SUBURBAN

Suburban districts indicated they were more likely to continue to invest in high intensity tutoring and continue to prioritize adding specialist staff compared to rural and urban districts, which face more challenges with staffing generally.



RURAL

Rural districts have also re-prioritized their expenditures to focus more on purchasing high-quality instructional materials in 2022 compared to 2021 when their focus was on purchasing technology. This makes sense given that they now have met the technology needs of students and staff and can turn their attention to building the instructional materials and curriculum to match the technology they have obtained.

Rural districts remain less able or interested in investing in SEL than urban and suburban districts. Rural districts indicated they were far more likely to use ARP funds to cover they would use ARP funds to cover the increased costs of their school meal programs compared to suburban and urban districts.

KEY FINDINGS

ARP funding continues to represent two critical opportunities for districts, allowing them to both address their top priority—immediate student needs—as well as make systemic changes to improve education outcomes and close equity gaps.

1



District leaders continue to report they are using ARP funding to prioritize a shift in expanding whole child supports, including social, emotional, mental, and physical health and development of their students.

2



Their second priority in 2022 is also the same as 2021: engaging high school students who have fallen off-track to graduate and who need additional supports to navigate the transition to college and career.

3

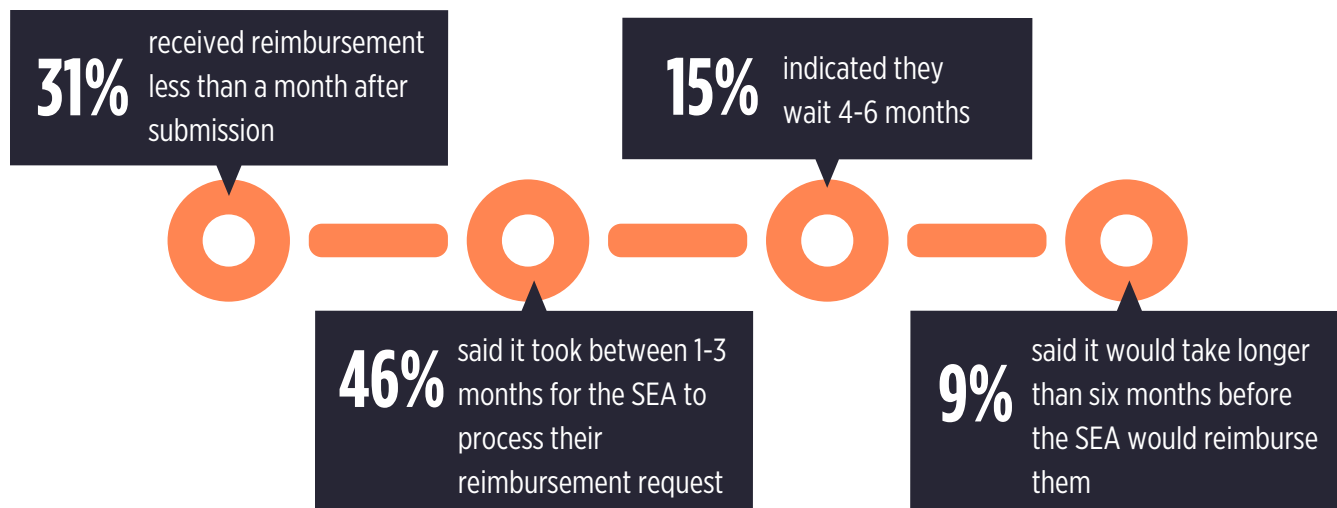


Their third priority continued to be investing in the renovation of school facilities.

There has been considerable reporting of the slow drawdown of ARP funding even though the American Rescue Plan itself allows districts until the end of 2024 to liquidate the funding. In light of this statutory timeline, the survey included a set of questions to report and illustrate any administrative or policy barriers to spending ARP funding.

CONCERNS ABOUT SPENDING DEADLINE


AASA asked respondents how long it takes for districts to receive their reimbursement for ARP funds from the State Education Agency (SEA) after they submit their request for reimbursement.



Within-state responses from superintendents varied considerably, demonstrating that capacity at the state level to handle an ARP reimbursement process could range from a few weeks to over half a year.

Renovations and construction using ARP funding, particularly to improve air quality, remains a top expenditure for districts. One quarter of district respondents indicated they would spend between 25% to 75% of their funding for this purpose.

Considerable anxiety remains regarding the time requirements associated with these projects. Despite forward progress by the Cardona Administration to ease concerns that districts will indeed receive the additional time they need to complete construction and HVAC related projects, nearly half (48%) of superintendents indicated the 2024 deadline presents an obstacle for them in spending ARP funding.



AASA continues to advocate with other industry and education groups to urge the Administration to provide blanket late liquidation waivers to districts so they can pursue projects with ARP funding with the assurance that they have additional time to complete these critical infrastructure upgrades beyond 2024, if necessary.

CONCERNS ABOUT SPENDING DEADLINE

In addition to the specific issue of obligating and liquidating funding for infrastructure-related projects, the survey asked district leaders if a later obligation deadline would change how they are currently planning to spend ARP funding.

One-quarter (25%) of respondents indicated they would not change anything about their ARP spending plans over the next two years even if given more time.



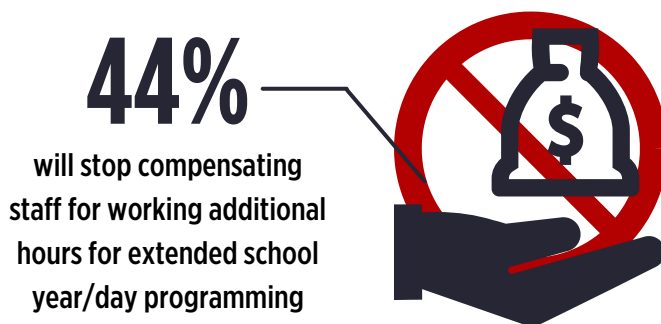
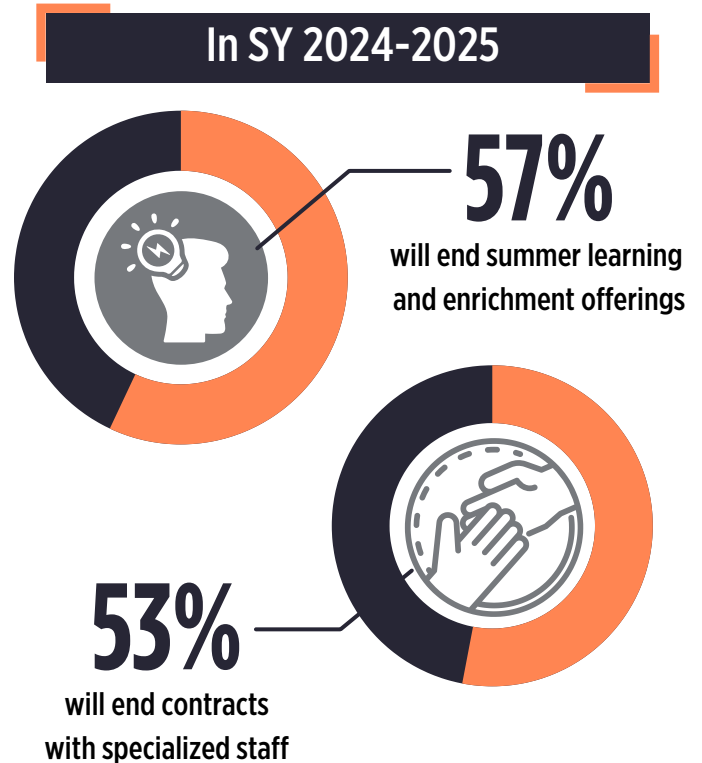
Approximately half (49%) of respondents reported that a later deadline to spend ARP funding would allow them to retain recently hired staff and extend recently added programs and supports for students that are making a big difference both in learning recovery efforts and in addressing the social-emotional needs of students.

Forty-four percent (44%) would keep extending their summer learning and enrichment programs if they had additional time to spend the funding.



CONCERNS ABOUT SPENDING DEADLINE

When asked what they plan to cut when the 2024-2025 school year begins and the timeline to obligate funding ends: Fifty-seven percent (57%) reported they will decrease, or end summer learning and enrichment offerings currently being provided to students. Fifty-three percent (53%) reported they will have to end contracts with specialist staff, such as counselors, social workers and reading specialists to support student needs by September 2024.



Forty-four percent (44%) reported they will have to stop compensating staff for working additional hours for extended school year/day programming they offer. When broken down by community type, urban districts were more likely to report they will have to decrease staff stipends and compensation for additional work as well as reduce funding for early childhood programs compared to rural and suburban districts. Rural districts were most likely to report decreasing funding for expanding summer learning and reducing specialist staff they have hired.

CONCLUSION

Districts' ARP spending priorities have remained consistent from the 2021-2022 school year to the 2022-2023 school year. Improving instructional practices, expanding learning opportunities and learning time, hiring staff and addressing the social-emotional needs of students remain a top priority of public school system leaders, regardless of state, size of district or locale.

Policy barriers persist which is challenging for superintendents to invest their ARP funding in the most effective manner. Fortunately, these policy barriers, if addressed, not only cost nothing to fix, but would lead to optimal spending by districts and more successful outcomes for students.



It is imperative that federal policy reflects what we are learning about these expenditures. While we lacked information about what student learning loss would look like when ARP was signed into law in March 2020, we are more than two years into implementation and have access to a litany of data about not only what schools and students need, but also what is working. We know better and we need to do better.

This report makes a clear case for Congress to move swiftly to extend the obligation deadline for ARP funding from September 2024 to September 2026 to ensure that students benefit from the additional staff and additional access to instructional programming they so desperately need. Further, the U.S. Department of Education must act quickly to reassure districts that they can apply today—if necessary—for an extension on contracts that have already been signed or will be signed imminently for school infrastructure upgrades.

Schools are subject to supply-chain factors and labor shortages that are beyond their control. Without certainty from the U.S. Department of Education that any delays will not be held against districts, they will be unable to move forward with these critical structural upgrades using ARP funds.