

Q: What's the most consequential ed finance issue of 2025?

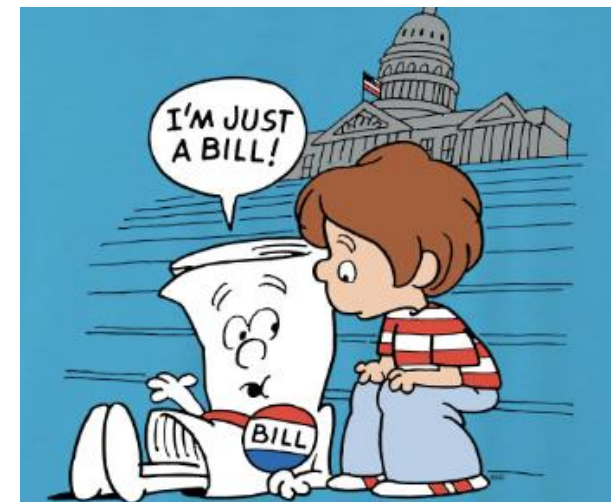
~~A: Impending changes to federal funds?~~

Our prediction: Districts need not brace for big cuts in fed funds.

~~A: Will states fill the holes in district budgets?~~

Our prediction: With tight state revenues, districts should not expect a windfall from their legislature.

A: How will districts downsize their budgets?



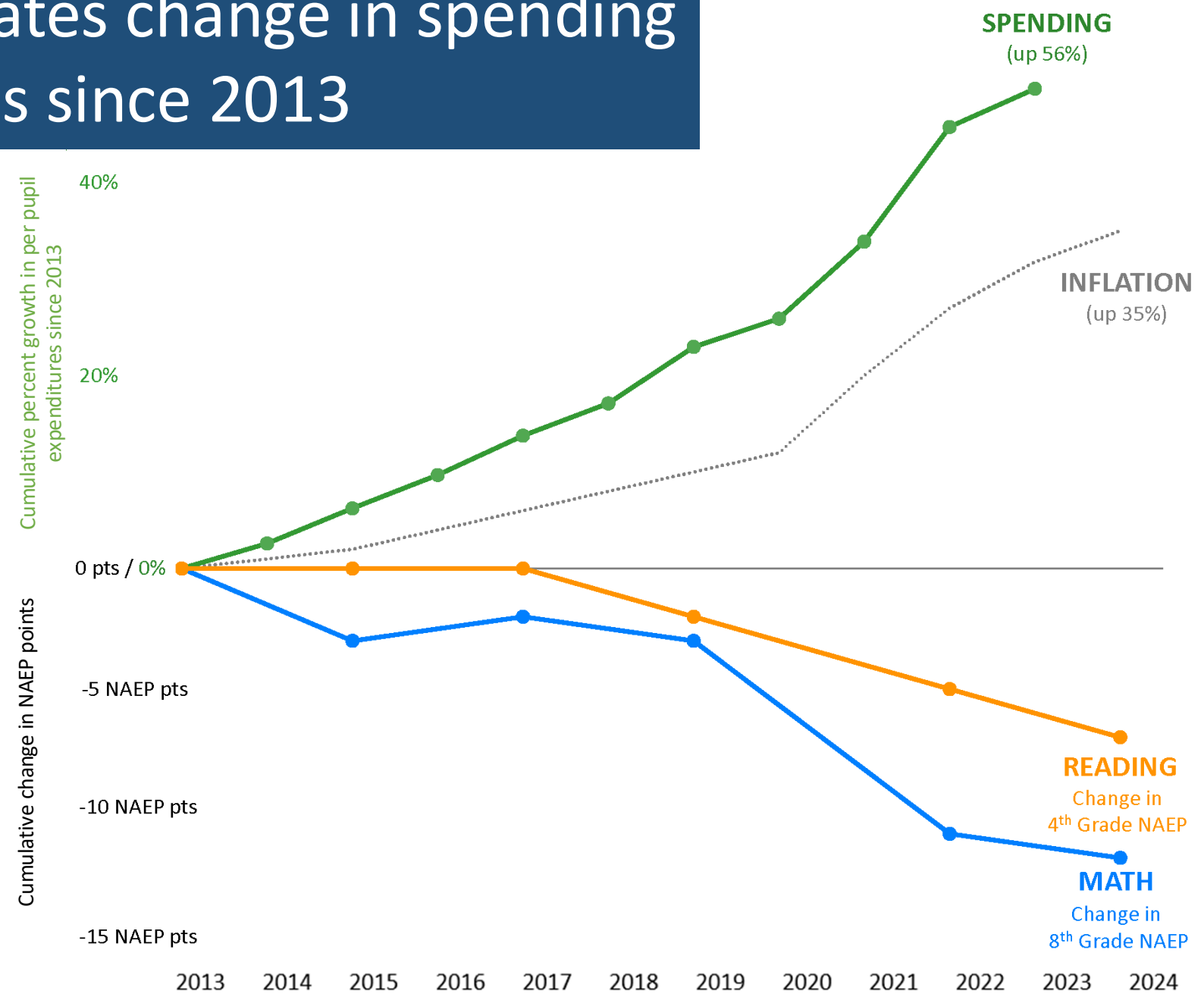
Changing Title I & IDEA requires rewriting laws (and 60 votes in senate). Both laws are popular on both sides of the aisle. Districts should not expect major changes in next 2 years.

The ed financial landscape wild ride continues: how data can help tell the story

- ✓ Supes stressed about budget
- ✓ End of ESSER left holes in budgets
- ✓ Enrollment down. School closures?
- ✓ State revenues are tightening
- ✓ Local appetite for taxes is down
- ✓ Rising concern re federal funds

- ✓ Schools carrying more staff than ever
- ✓ **Teacher shortage is over**
- ✓ Sp Ed costs crowding out other spending
- ✓ Financial dysfunction plagues some districts
- ✓ Parents and staff resist budget reductions
- ✓ Test scores have not recovered

United States change in spending and scores since 2013

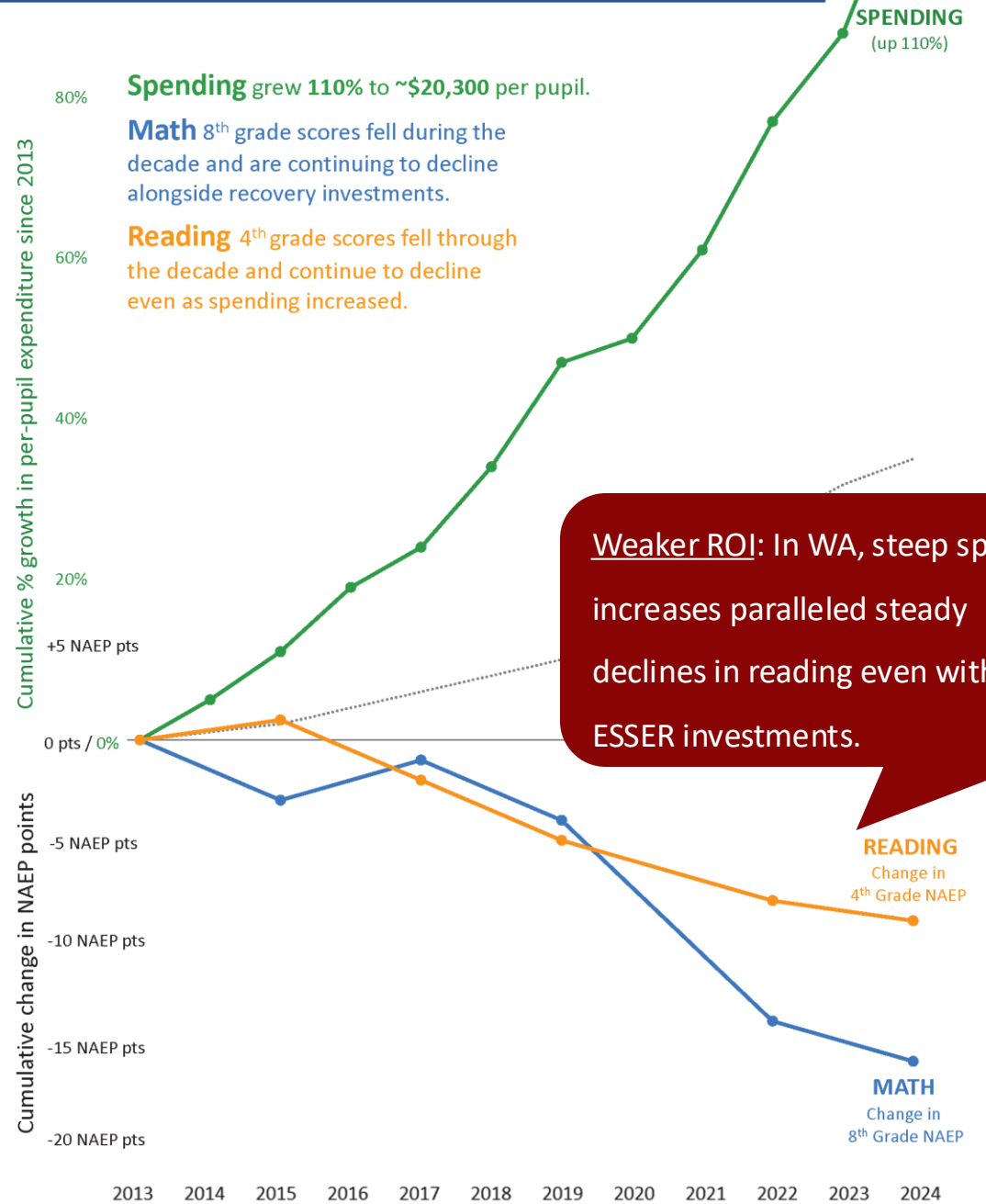


Analysis by Edunomics Lab using data from these sources: [Scores: The Nation's Report Card \(NAEP\) 2013-2024](#). [Spending: U.S. Census Annual Survey of School System Finances through 2023](#). [Inflation: CPI, BLS](#). [Questions: Edunomics@Georgetown.edu](mailto:Questions@Georgetown.edu)

Mississippi: Change in Spending and Scores since 2013



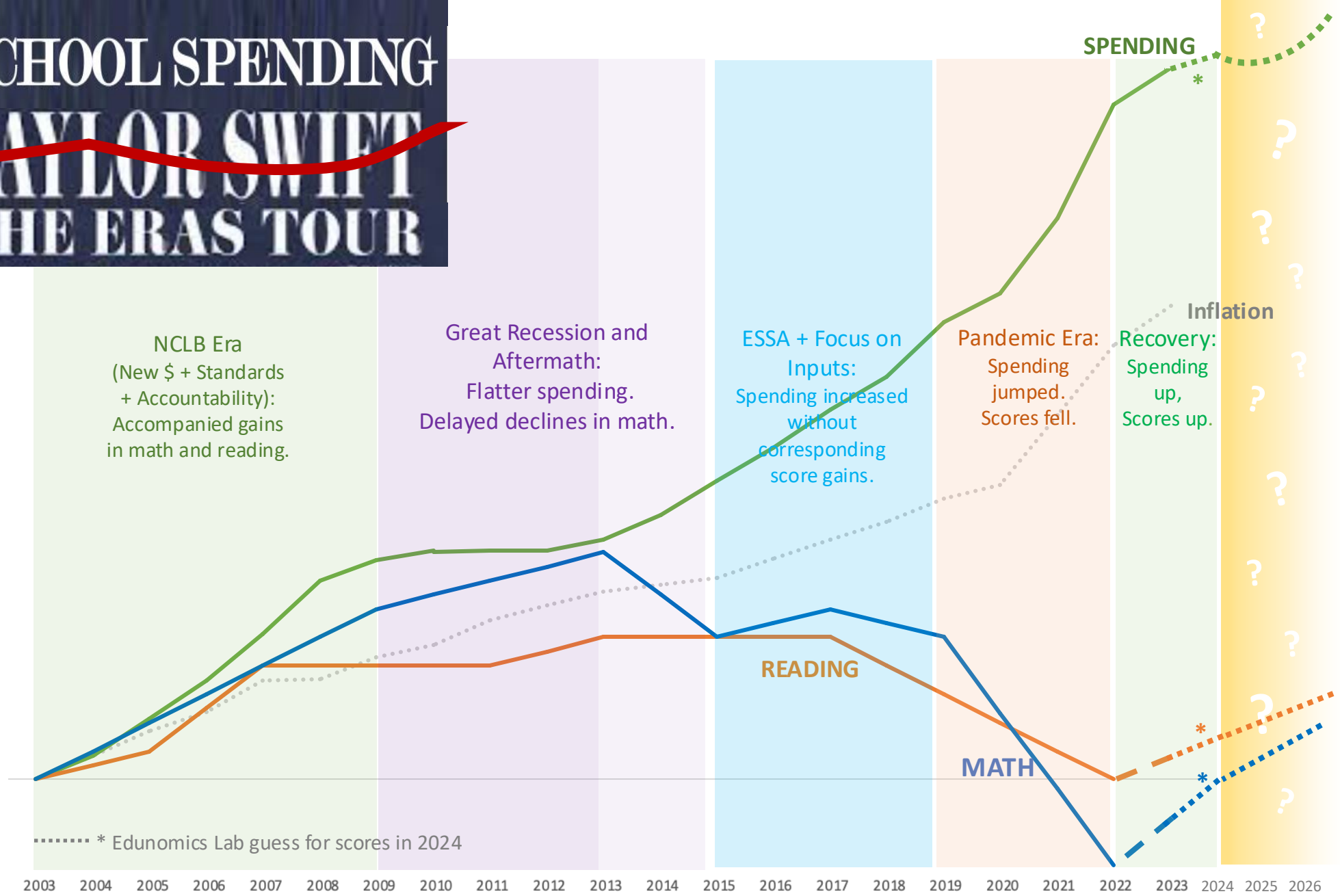
Washington: Change in Spending and Scores since 2013



SCHOOL SPENDING

TAYLOR SWIFT

THE ERAS TOUR



..... * Edunomics Lab guess for scores in 2024

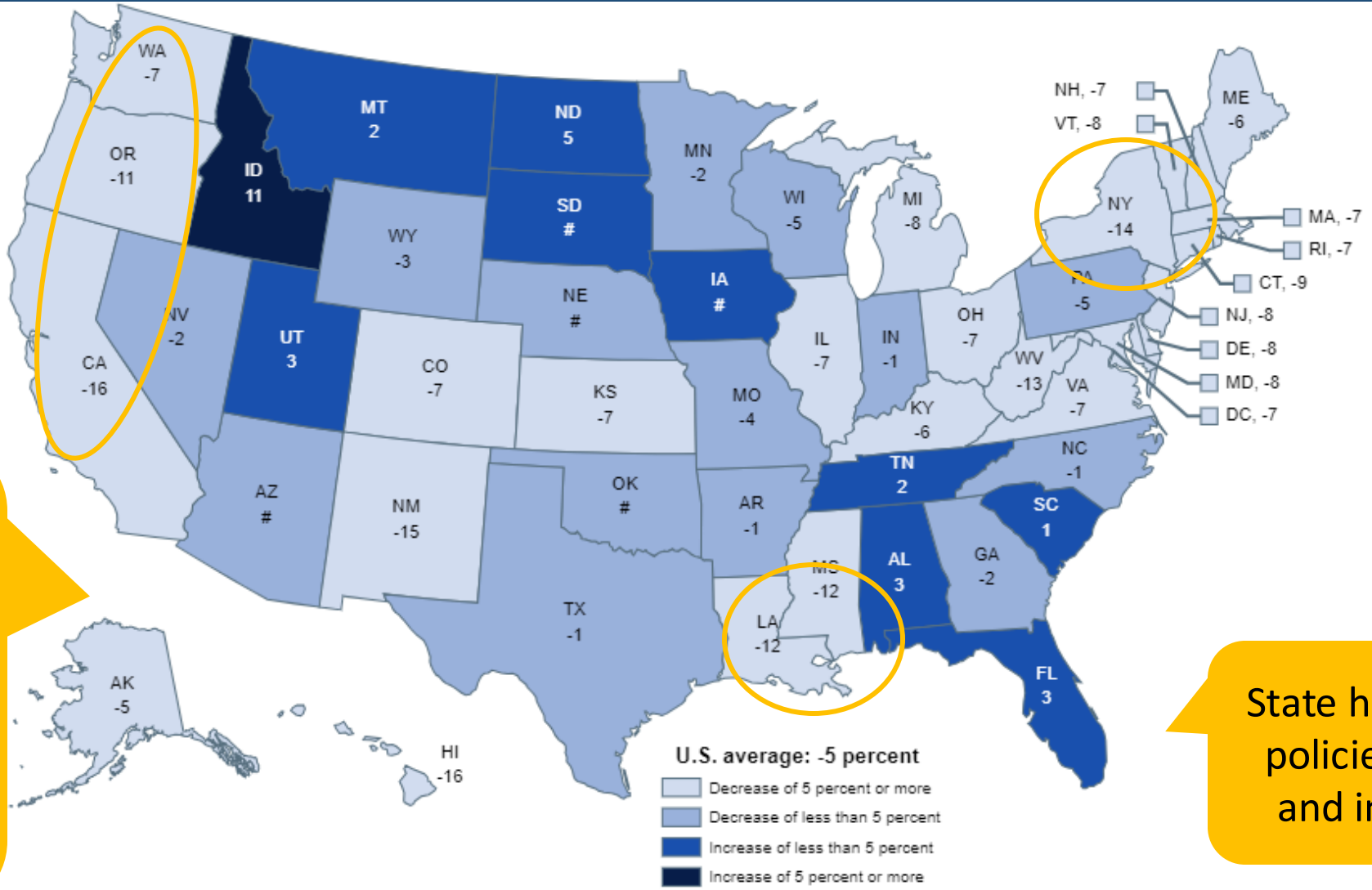
Scores: The Nation's Report Card (NAEP) 2013-2022. Subsequent dashed lines use Stanford Ed Opportunity Project's estimated change in NAEP points from state tests. Spending: U.S. Census Annual Survey of School System Finances through 2022, then NEA's Ranking of the States' estimate for 2023. Inflation: CPI, BLS. Questions: Edunomics@Georgetown.edu



Enrollment declines (2022 to 2031) will force downsizing for years to come:

The US has too many schools.

In many districts, relief funds masked financial impacts of declining enrollment. But relief funds are now gone.

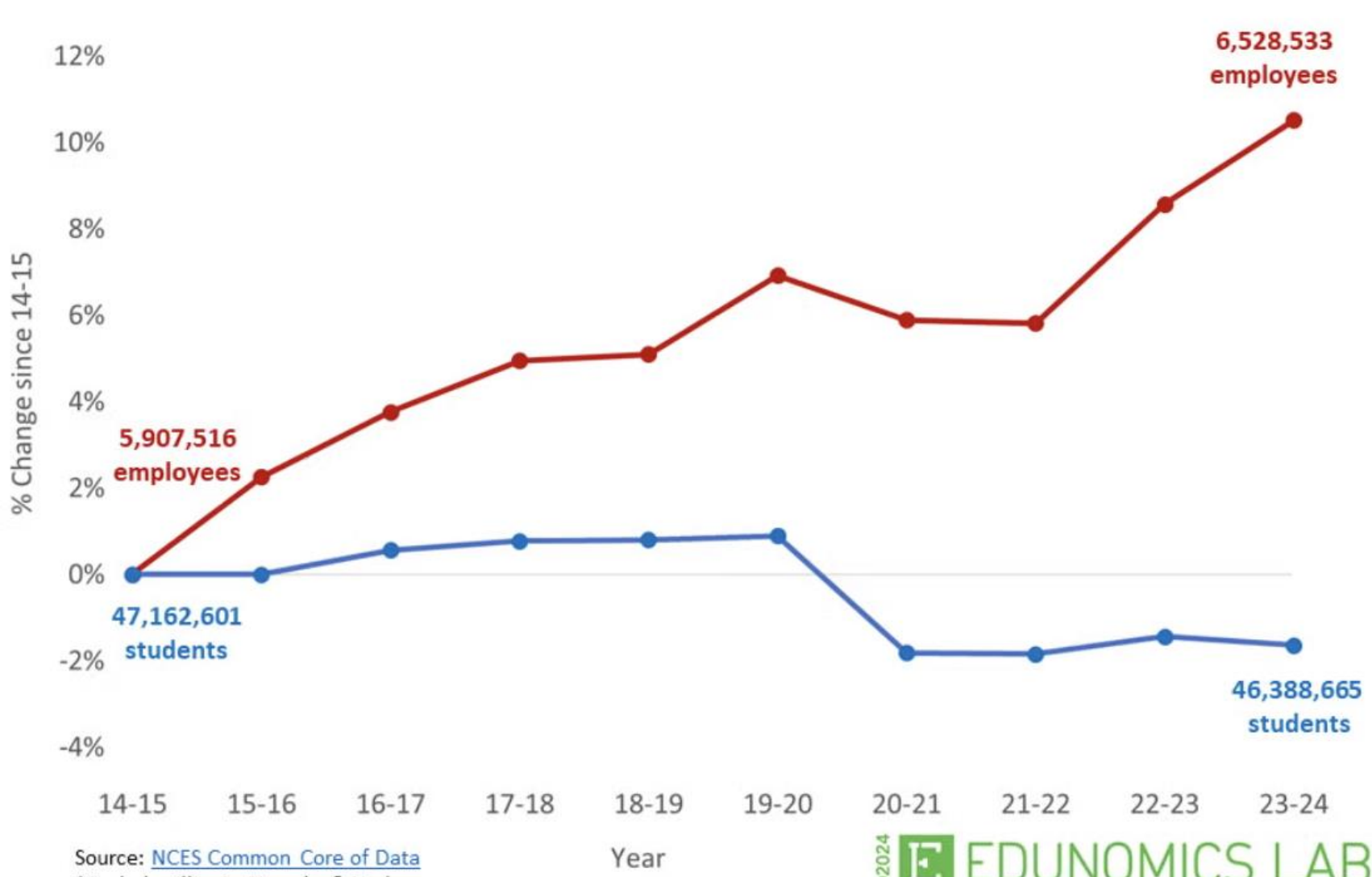


State hold harmless policies are costly and inequitable.



Enrollment vs staffing trends

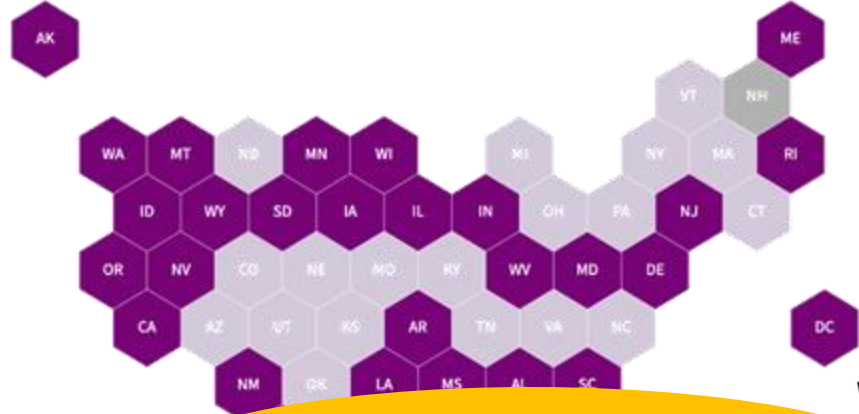
United States: Staffing vs Enrollment Trends (Cumulative % Change since 14-15)



Source: [NCES Common Core of Data](#)
*Excludes Illinois, Nevada, & Utah



ESSER expenditure dashboard



How is the district sustaining investments that worked post ESSER?

Washington ESSER III Expenditure Tracker

Tableau Last Updated: 07.07.2022

g data published by Washington for period ending June 2022

Search for District

(A) HI

What did the district buy?

Download Data

<https://app.smartsheet.com/b/public350867-72e2ba95e92b45d0b89eb8dc29d25f92>

School District	Total ESSER III Allocation	Total ESSER III Spent	% Spent from 20% LL	\$ Spent on "Direct Supports" from 20% LL	\$ Spent on "One-time Contracts" from 20% LL
Aberdeen School District	\$11,906,535	\$568,865	4.8%	\$557,777.99	\$0
Adna School District	\$882,340	\$151,093	17.1%	\$176,468	\$151,093
Almira School District	\$68,863	\$28,098	40.8%	\$11,000	\$6,804
Anacortes School District	\$2,192,064	\$1,265,382	57.7%	\$450,000	\$133,995
Arlington School District	\$1,100,000	\$74,500	7.1%	\$0	\$473,726
Ashe Preparatory Academy	\$0	\$0	0.0%	\$0	\$0
Asotin-Anatone School District	\$1,100,000	\$172,000	15.6%	\$0	\$0
Auburn School District	\$1,100,000	\$44,000	4.0%	\$0	\$20,333
Bainbridge Island School District	\$1,100,000	\$275,000	25.0%	\$0	\$0
Battle Ground School District	\$1,100,000	\$95,800	8.7%	\$0	\$0
Bellevue School District	\$1,100,000	\$72,800	6.6%	\$0	\$280,748
Bellingham School District	\$15,457,954	\$732,266	4.7%	\$0	\$0
Benge School District	\$67,456	\$9,022	13.4%	\$0	\$0
Bethel School District	\$25,599,991	\$0	0.0%	\$5,119,998	\$0
Bickleton School District	\$61,355	\$0	0.0%	\$0	\$0
Blaine School District	\$4,000,588	\$0	0.0%	\$800,118	\$0

Did it work? How does the district know?

Did the district's investments in counselors work to reduce absenteeism?

Did investments in PD, curriculum, or tutoring working to get students back up to grade level (or at least to the levels measured in 2019)? In which grades?

NERD\$: School-by-school spending data



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EDUCATION

Local funding: Which Montgomery public school receives the most support?

Krista Johnson
Montgomery Advertiser
Published 1:36 p.m. CT July 2, 2021

The experiences of Montgomery Public School students can vary widely depending on which school they attend, in part due to differences in how their school is funded.

While education funding at the state level is largely based on the enrollment of each school, local school systems have far more flexibility in what they provide to each, regardless of the number of students being served.

More: [MPS reopens magnet lottery for specific grades at handful of schools](#)

An analysis of the 2018-2019 MPS funding for each school shows disparities in what is given per pupil at schools across the district, even among schools with similar demographics and offerings.

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EDUCATION

Here's how much each school in Arlington ISD receives in funding per student

by Jacob Sanchez
February 21, 2024 2:00 pm

A snippet of the article is visible, showing a bar chart with a blue bar and a red bar. The chart is partially obscured by a yellow speech bubble.

Is spending equitable across schools in my district?

Pair spending data with other state and national data sets

<https://fortworthreport.org/2024/02/21/heres-how-much-each-school-in-arlington-isd-receives-in-funding-per-student/>

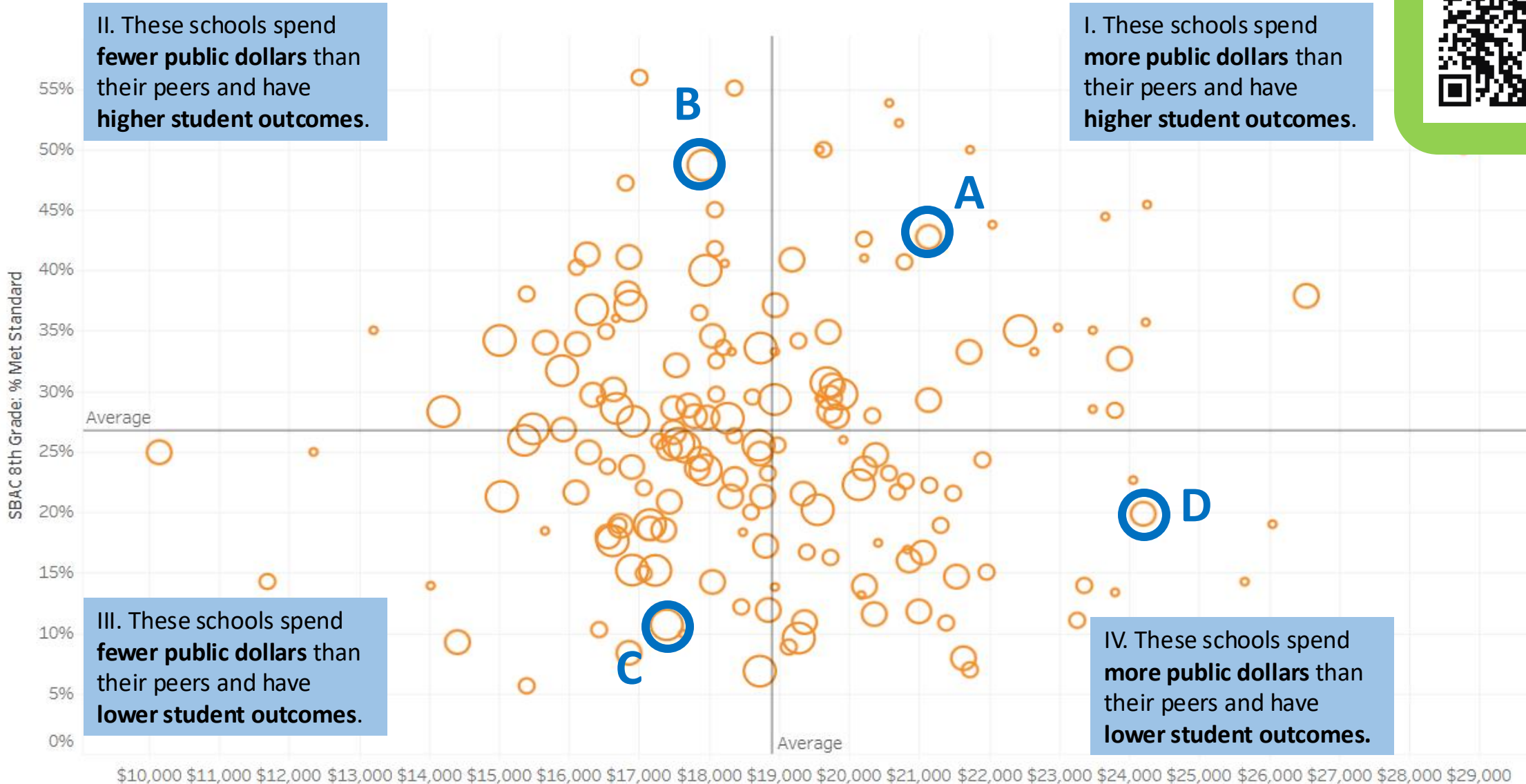
<https://www.montgomeryadvertiser.com/story/news/education/2021/07/02/montgomery-public-school-federal-state-funding-allocation/7589342002/>

Spending vs Outcomes

8th Grade Outcomes

Math 8th Grade All Students

Washington FY23-24 Expenditure vs SY23-24 8th Grade Proficiency



Special Education is consuming a growing share of public school budgets. It is important to ensure these investments are delivering value for students.



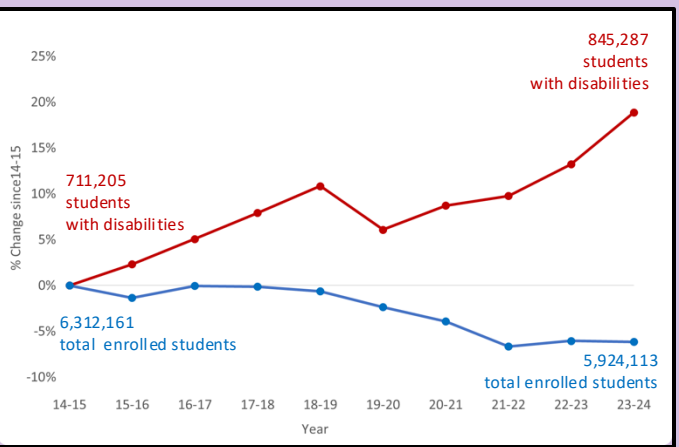
CA is identifying more students with disabilities even as overall enrollment drops.

14%

This state's schools identify 14% of their students with disabilities.

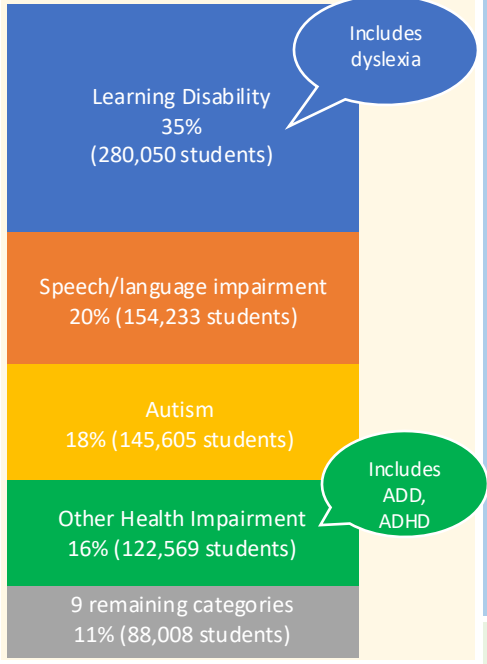
This is just under the national average of 16%.

Cumulative % enrollment change since 2014-15



Over the last decade, CA schools identified 134,082 (19%) **more** students with disabilities even as enrollment declined by 388,048 students (-6%).

Learning disabilities are the most common disability type in CA.



Sp Ed costs are mostly labor.

CA Sp Ed programs employ 1 FTE for every 5 Sp Ed students.

Of CA Sp Ed staff:
31% are teachers
22% are specialists
47% are paras

CA Sp Ed programs rely heavily on paraprofessionals.

Academic outcomes for CA students with disabilities lag general ed students. (NAEP)

4th Grade Reading: This gap is smaller than most states; CA Sp Ed students score below the Sp Ed average in reading.



8th Grade Math: This gap is larger than most states; CA Sp Ed students score below the Sp Ed average in math.



Looking Ahead

- ✓ Examining trends in identification can help uncover what's driving increased referrals.
- ✓ Improving reading instruction may help reduce referrals for reading-related disabilities and benefit all kids.
- ✓ As CA Sp Ed students lag behind Sp Ed students in other states in reading and math, progress is needed to make sure districts leverage their Sp Ed dollars to maximize value for students.
- ✓ A focus on quality over quantity of staff could better support learning while containing costs.

Public investment in private options is on the rise.



“ESA policies are diverting a substantial share of public funds that would otherwise go to school districts.”

“The money going to ESAs amounts to a rounding error.”

Which is it??

With tighter budgets and falling enrollments, some districts won't be able to maintain their higher staffing levels....

How will districts reduce labor costs?

Attrition:

- ✓ Uneven (left with too few math, Sp Ed roles)

Early retirement incentives:

- ✓ Inefficient (districts pay staff *not* to work)
- ✓ Will districts lose top performers?

Furloughs (reduced days of work):

- ✓ Will students have fewer learning days?

Reduce admin, specialists

- ✓ Lose key talent?
- ✓ Redeploy experts to classrooms?

→ Done poorly, and labor cost reductions can have catastrophic impacts on instruction, especially for neediest students

Salary concessions:

- ✓ Freeze steps. Delay raises. Trim stipends.

Teacher layoffs (pink slips, RIFs):

- ✓ Where seniority drives layoffs (LIFO), cuts may eliminate some stronger teachers
- ✓ More impacts to higher-poverty schools
- ✓ Reduces teacher diversity.
- ✓ Targeted layoffs could exit weaker teachers

Reduced benefits costs:

- ✓ Thinner plans or higher costs to employee



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→ Best case: districts end up with a smaller but stronger workforce and better instruction:

- reducing need for some specialists/remediation
- reduces Sp Ed placements and cost of services.



Hugely consequential budget season:

Finance team (FT)
projects 25-26
budget from 24-25

FT works on
budget tradeoffs
to shape and trim

When does the
hard work happen
on budget
tradeoffs?



1st Bd budget
work session:
set priorities

2nd Bd budget
work session:
solidify choices

Final board
vote on 25-26
budget

Narrow window when leaders
make tough decisions and
community can weigh in on
what to cut/keep.

Last day to notify staff of layoffs
is usually sometime between
mid march or early April.

Any effort
here is too
late to affect
budget!

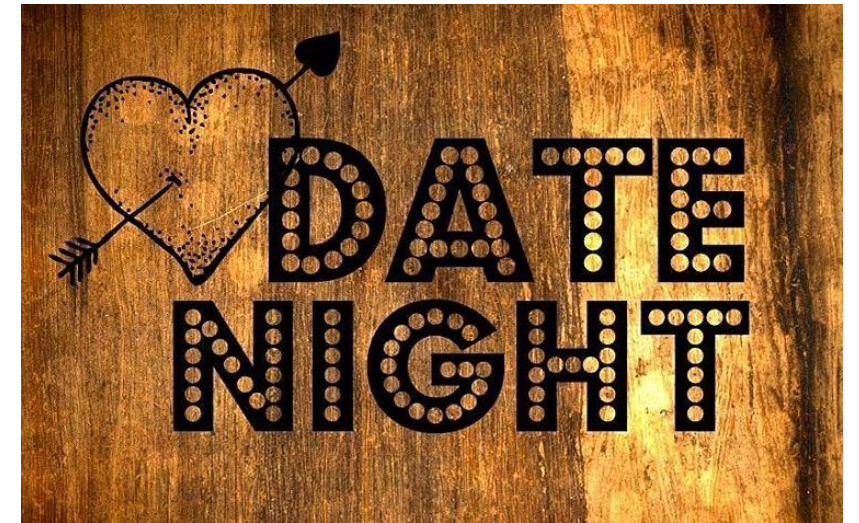


Districts have some big decisions to make



With real consequences for

- district financial health
- staffing rolls
- school closures and
- what kinds of services can be delivered for students



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Q & A

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