What States Can Do to Support Districts Through the COVID Recovery Window to Accelerate Student Learning

BY VENTURA RODRIGUEZ AND KATIE ROY

The fourth school year impacted by the pandemic is more than halfway complete, and school district leaders across the country are working hard to invest remaining ESSER dollars strategically to support learning recovery. With the ESSER spending window closing soon, however, many leaders are spending funds to meet the deadline, rather than continuing to deliberately invest in the evidence-based practices that students need most and that promote long-term sustainability.

Fortunately, state legislatures and state education agencies have the power to provide districts and schools with the resources and time they need to ensure students fully recover from pandemic-related disruption. By providing targeted guidance and enacting statutory and regulatory changes, states can—and should—empower districts with more flexible, strategic spending.

Why Do Districts Need More Support?

Many district leaders are putting ESSER funds toward implementing evidence-based practices that support student learning recovery.

But they’re also encountering a sobering reality: Even the best strategies—like high-dosage tutoring programs and small-group instruction—take time to work, and for many of the most vulnerable student groups, learning recovery is expected to take years. The 2022 National Assessment of Education Progress (NAEP) scores highlight that this recovery will be particularly challenging for high-need schools, given that students in high-poverty districts lost more ground during the pandemic than their peers in higher-income districts.

Our students and schools need more time to recover from the impacts of the pandemic, but the U.S. Department of Education remains constrained in its ability to extend the ESSER funding window past September 30, 2024. As a result, students and districts will experience three things when they reach the deadline:

- Students will still be working to recover the learning and social-emotional ground they lost due to the pandemic.
- Most districts will hit a “fiscal cliff,” or a sudden drop in the amount of available funding to implement the evidence-based strategies that support students.
- Because ESSER funding was distributed based on student poverty levels, the “fiscal cliff” will likely hit schools that serve economically disadvantaged students and students of color hardest.

To recover learning loss equitably and effectively while facing these challenges, district leaders will need to maximize their remaining resources to invest in areas that sustain long-term impacts.
What Can States Do to Support Districts—Now and Beyond ESSER?

One avenue for maximizing remaining resources has remained largely untapped: garnering state support.

Even with the recent influx of ESSER funds, state and local revenues remain the largest source of funding for school districts—and states control when and how districts spend those dollars. To give districts the resources they need to plan strategically for pandemic recovery, states can—and should—take these steps:

1. **Change state laws and regulations to give districts the flexibility to carry forward a significant amount of general operating funds from state and local sources into the 2025-2026 school year.**

   Each state has their own rules governing the amount of state and local funds districts are allowed to carry forward into unrestricted fund balances. Some states allow districts to carry forward little to no general operating funds, while others permit them to have an unlimited fund balance. A few states are already actively considering how they can provide more flexibility for districts, such as changing existing statutes or using other regulatory flexibilities like waivers.

2. **Guide and encourage districts to reserve state and local funds to smooth long-term spending, and support districts in creating financial sustainability plans.**

   State education agencies should provide guidance highlighting changes in carry-forward funding rules, demonstrating their support for these strategies, and helping districts create financial sustainability plans to prepare for or avoid the fiscal cliff. As one example, the Texas Education Agency has issued guidance for districts on structuring the use of their state and local funds to sustain their ESSER funding strategies and avoid the fiscal cliff. Guidance like this can give district leaders political support when making the case to their school boards and communities for adopting budgets with larger-than-usual unrestricted fund balances.

3. **Ensure districts have support and accountability for using the funds they carry forward on evidence-based strategies that support students.**

   The goal of the carry-forward strategy is to provide school districts with more time to help students catch up on lost learning and recover from the social-emotional impacts of the pandemic. To meet this goal, states should not only adopt statutes, regulations, and guidance that allow districts to carry forward revenue, but should also create accountability provisions that require districts to submit plans that show how they’ll use funds to support student recovery. Where possible, states should also capitalize on opportunities to directly develop resources that will save districts time and money.

While the pursuit and implementation of these steps will look different from state to state, one thing is certain: There are multiple avenues states can take to maximize the COVID recovery timeline for districts and schools. Districts across the country are headed toward a “fiscal cliff” that will disproportionately impact our most vulnerable student groups. State leaders have the power—and responsibility—to provide these districts with the critical resources they need to support an equitable student recovery.