

# edtrust

July 22, 2021

## Back from the Edge

*How to Avoid Funding Cliffs and Look Toward the Funding Future*



The Education Trust



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**Opening poll:**

Describe ESSER planning discussions in your state.

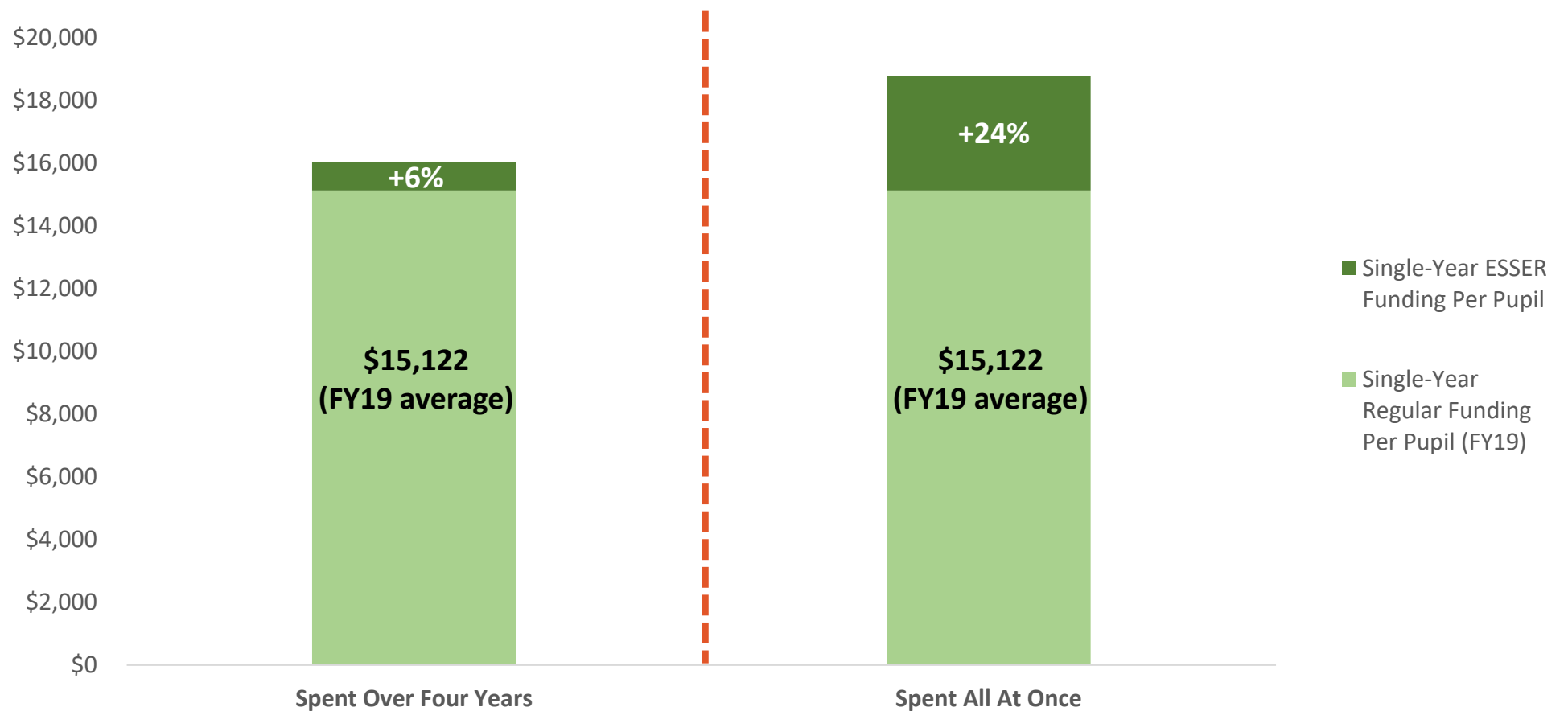
# Session Agenda



- ▶ 1. Anticipating the Cliff
- ▶ 2. Responsible Spending
- ▶ 3. Securing State Dollars
- ▶ 4. Q&A

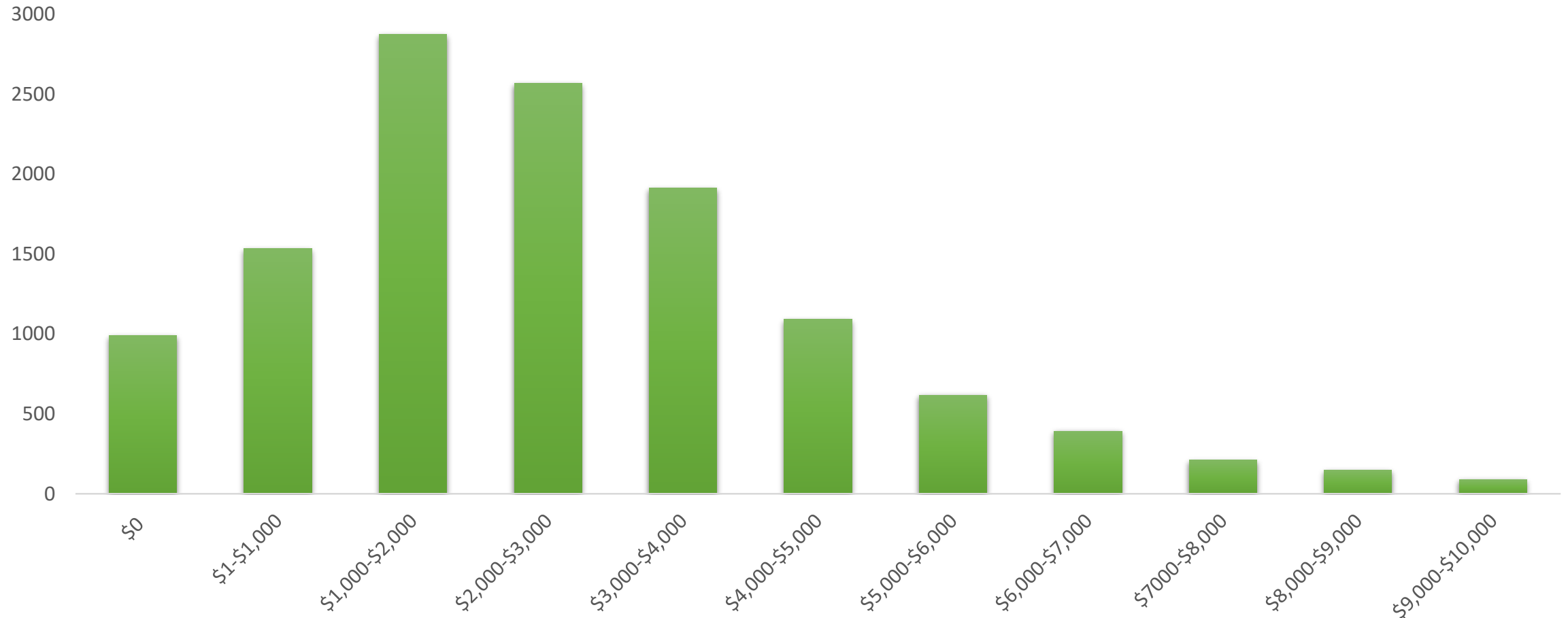
# Anticipating the Cliff: How much money is it?

About \$3,650 per pupil, on average.



# Anticipating the Cliff: How much money is it?

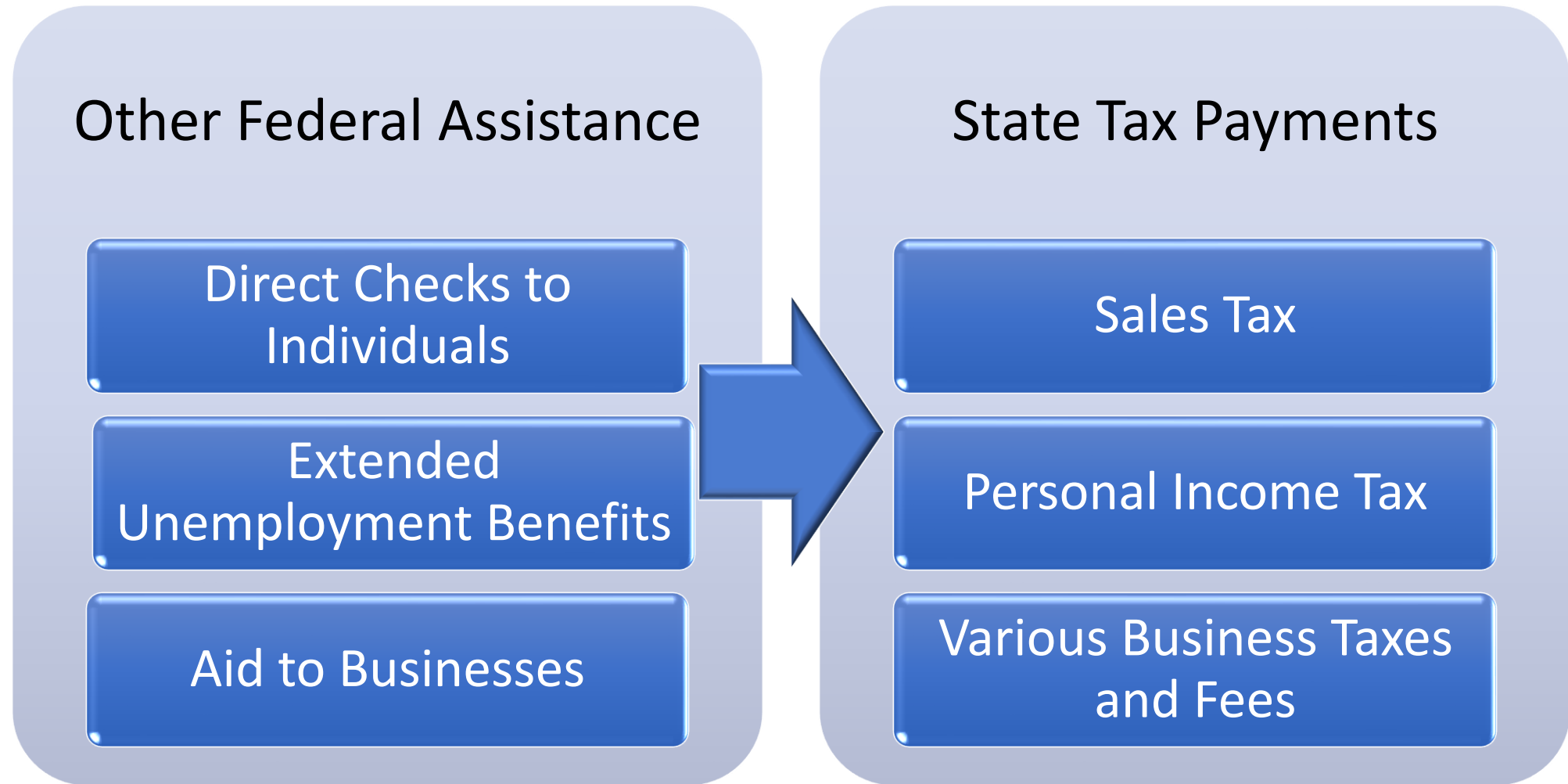
## Districts Receiving Per-Pupil ESSER Dollars in a Given Range



**Note:** Outlier districts with per-pupil ESSER allocations of over \$10,000 have been excluded.

# Anticipating the Cliff: Contributing Factors

It's not just about the end of ESSER.



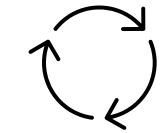


- State and local actors need to think about:
- Spending responsibly in the short term
  - Securing funding for the long term

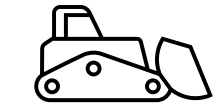
# Responsible Spending: Things to Consider



Pacing: Up-front investments vs. equal spacing out over the four-year period



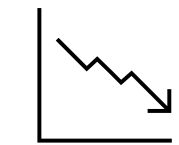
Recurring Costs: Avoiding unsustainable commitments, or identifying regular funds to sustain commitments



Potential one-time investments (e.g. facilities improvements)



Short-term investments in addressing unfinished learning



Long-term initiatives with large start-up costs but sustainable long-term costs





- There are options for securing state money
- States must plan for funding cliffs
- Districts should pair any recurring commitments with advocacy around these options

# Securing State Dollars: Clean Out the Cobwebs

- When states change their funding policies, old systems often leave behind remnants.
- These provisions can tie up state money in places that no longer need the support.
- Targeting these for cleanup can free up state money for more pressing needs.



# Securing State Dollars: Tap (the Right) New Revenues



Image Credit: Rocio Hernandez and Sky Schaudt/KJZZ

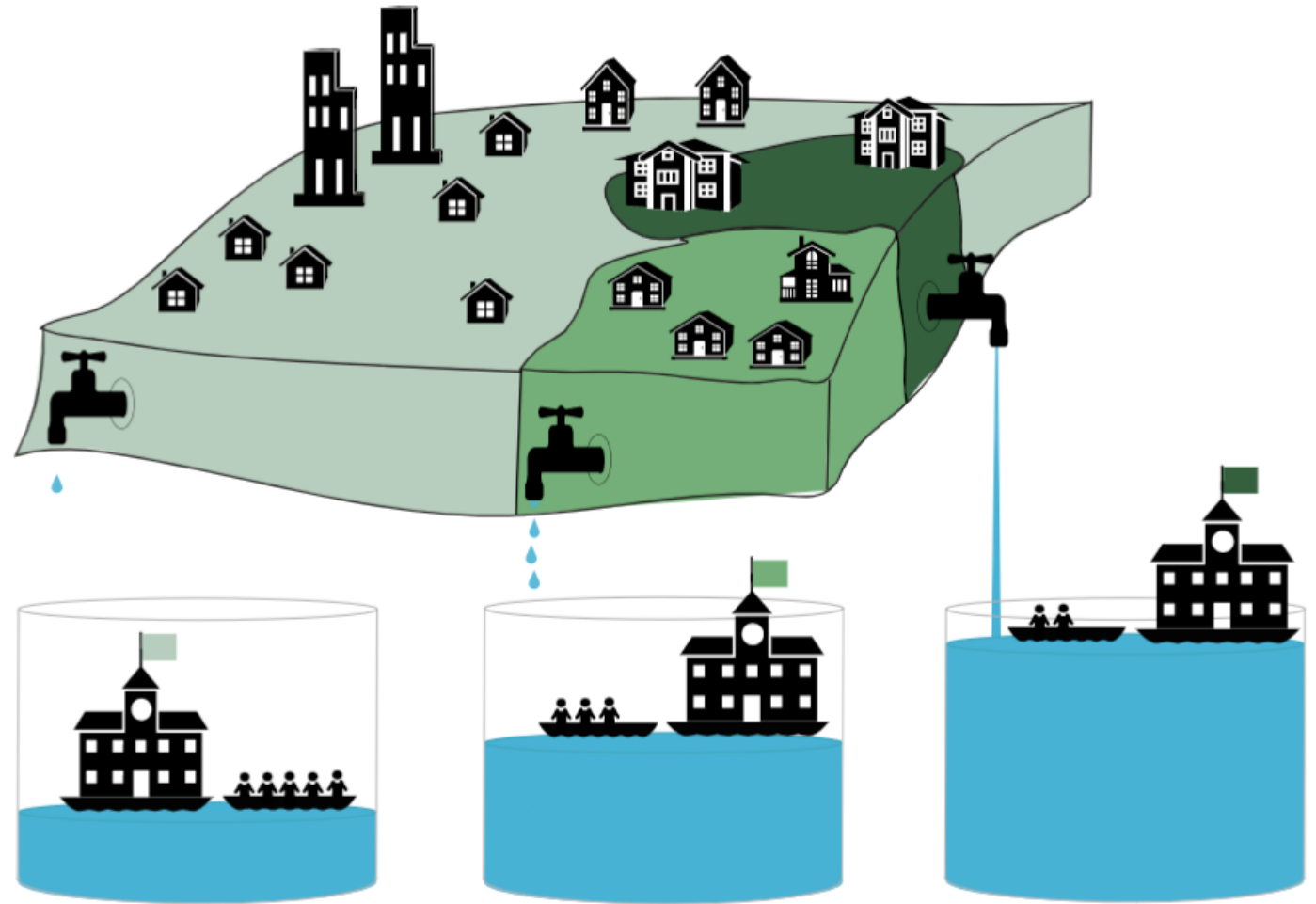
- New revenue sources can shore up state budgets after federal aid dries up.
- Avoid the usual suspects: excise (“sin”) taxes, lotteries, and severance taxes on natural resource extraction.
- Focus on progressive options: Targeted taxes on income and real estate transfers, capital gains and estate taxes, and taxes on select services.

# Securing State Dollars: Property Tax Pooling

- A substantial share of education funding is drawn from local property taxes, and proceeds stay within the districts where they're raised.
- Property value differences are a big source of school funding inequality in many states, especially shortchanging students of color and students from low-income backgrounds.
- Allowing local property tax dollars to flow across district borders would get that money to where it's needed in advance of a funding falloff.

# Securing State Dollars: Property Tax Pooling

Current System



# Securing State Dollars: Property Tax Pooling

With Local  
Fund Pooling





**Plan your approach:**

In the chat, please share one or more influencer you would talk to about these strategies for securing state dollars, and what you would ask of them.

Now is the time.







Questions?



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**Session III, “Relief for Whom? Centering Special Populations in Comeback Plans,” will begin at 3:00pm ET**



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