



### Schools receiving a second round of stimulus dollars

**Summary:** A previous *Policy Brief* (Vol. 20, No. 39) discussed the Elementary and Secondary School Emergency Relief Fund (now known as ESSER I) contained in the CARES Act to help schools deal with the effects of the coronavirus. A second allocation—ESSER II—is contained in 2020’s Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. How much money is involved and how will school districts and charter schools use the money?

Compared to ESSER I, the subsequent fund is a higher dollar amount, allows more spending uses and has a longer period before funds have to be expended. The additional uses include programs for “learning loss,” tracking attendance, assessments to determine academic progress and school facility repairs and improvements, including heating, ventilation and air-conditioning (HVAC).

Unlike ESSER I, school districts are not required to set aside a portion of their allocation for low-income students attending non-public schools.

According to the Pennsylvania Department of Education, the state received \$2.2 billion in ESSER II funds. The 500 school districts will receive a total of \$1.9 billion and the 167 charter schools \$341.6 million, distributed under an existing federal formula.

#### Comparison of ESSER I and ESSER II

ESSER	Contained In	Spending period	U.S.	PA	Allegheny County
I	CARES Act	3/13/20 to 9/30/21	\$13.2 b	\$523.8 m	\$32.7 m
II	CRRSA Act	3/13/20 to 9/30/23	\$53.4 b	\$2.2 b	\$150.1 m

In Allegheny County, the 43 school districts are to receive \$130.9 million and the 25 charter schools are to receive \$19.2 million. The range of allocations for school districts is \$50.1 million for Pittsburgh Public Schools to \$230,000 for Avonworth School District. McKeesport Area, Woodland Hills and Penn Hills will each receive more than \$5 million.

For charter schools—both brick and mortar and cyber schools headquartered in Allegheny County—the range of allocations is a high of \$2.8 million for PA Leadership Charter School to \$174,000 for Young Scholars Charter School.

All eligible recipients have to apply for the money. A response to an open records request for the contracts between school districts and charters in the county and the Pennsylvania Department of Education shows that 25 agreements involving 16 school districts and nine charter schools totaling \$40.6 million have been approved as of June 4 (Pittsburgh Public Schools is not one of them, but a news article stated that the district plans to spend on wireless technology, summer learning and indoor air quality). ESSER II expenditures are divided into instruction and support/non-instruction categories.

#### *School district agreements*

Of the \$32.3 million in planned expenditures, 12 school districts will spend \$10.1 million (31.1 percent) on salaries; eight will spend \$3.5 million (10.7 percent) on benefits; 13 will spend \$8.2 million (25.3 percent) on supplies; eight will spend \$5.7 million (17.5 percent) on property. The remaining expenditures are for purchased/other services.

Districts that are spending on salary and benefits include Allegheny Valley and Hampton (long-term substitutes), Northgate (summer school personnel), Sto-Rox (guidance counselors) and South Allegheny (administrators). All but four districts are spending on salaries and/or benefits.

As was pointed out in the *Policy Brief* on ESSER I, there were few, if any, layoffs or furloughs of school personnel by school districts. The lack of media mention and the infusion of federal dollars implies none are likely. The Public School Code allows school boards to suspend professional employees (teachers, principals, counselors and 12 other classifications) when there is a decline in enrollment, an alteration of the educational program, consolidation or creation of schools or for economic reasons. If there is a sustained move to charter schools by families perhaps school districts might be facing this issue at some point.

Districts that are spending on supplies, a total of \$8.2 million, include Chartiers Valley (curriculum supplies); Cornell (cleaning supplies); McKeesport Area (technology) and Pine-Richland (laptops). With the additional use of HVAC improvements permitted by ESSER II, districts such as Keystone Oaks, Moon Area and Wilkinsburg are spending for improvements or overhauls to building ventilation.

#### *Charter school agreements*

Of the \$8.3 million in planned expenditures, seven charter schools will spend \$3.6 million (43.5 percent) on salaries and \$0.7 million (8.1 percent) on benefits; eight will spend \$0.4 million (5.2 percent) on supplies; seven will spend \$2.0 million (24.2 percent) on property. The remaining expenditures are for purchased/other services.

Charters that are spending on salary and benefits include Environmental Charter School (substitutes, psychologist and two administrators), PA Distance Charter (teachers) and five of the Propel Charter Schools (specialists and counselors). Only two charter schools in the nine with approved contracts are not spending on salaries and benefits.

Charters spending on supplies include Environmental Charter School (air purifiers) and Westinghouse Arts Academy Charter (cleaning supplies). Districts making upgrades to HVAC include the Propel Schools in Braddock Hills, Hazelwood and Montour.

### *Possible effect of ESSER funds*

With this installment of federal money arriving and a third ESSER coming from the American Rescue Plan passed in March (\$4.9 billion will be distributed in Pennsylvania) it is easy to see that schools might be delaying a lot of hard decisions and cost-cutting measures for the next several years. The state Department of Education notes that both ESSER I and ESSER II are “one-time, non-recurring emergency aid”—but what if the federal government passes new stimulus packages?

It is worth thinking about what happens to electronic devices, supplies, additional staff and reduced class sizes once the federal money is expended. With many districts and charters returning to in-person instruction in the fall, what happens to the materials purchased with remote or hybrid learning in mind? Or to staff devoted to social distancing or technology modifications? Or are schools thinking of keeping hybrid, distance-learning options intact and part of the educational model?

Besides proving that schools spent money on capital items and supplies, how will the money expended on learning loss ever be quantified?

If the items funded by ESSER dollars are maintained, it might fall to property taxes levied by school districts to provide the revenue. In the 2020-21 school year 17 of Allegheny County’s districts increased property taxes (three increased taxes greater than their Act 1 index cap).

The 2021-22 fiscal year for 42 districts in Allegheny County begins in July, so the decisions on property taxes will be known shortly. Pittsburgh Public Schools won’t deliberate its budget until December. But there was talk of a tax increase that was to be held off in order to hear about school building realignment, a proposal that the board quickly shelved last winter.

A final question: will all the extra federal money be enough to repair the educational deficits created by the pandemic? If not, what will it take and how long?

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