

Idaho School Funding: Long-Term Challenges and Opportunities to Put Students First



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Schools Need Enduring State Investments Once Federal Pandemic Aid Runs Out
September 28, 2021

The pandemic has created significant disruptions and barriers to learning, leaving many Idaho students behind and unable to achieve their full academic potential. But given the state's growing economy and excess revenues, Idaho lawmakers have an opportunity to address pandemic-related challenges and invest in quality schools and a strong future workforce. To ensure all students get the support they need to catch up and excel, policymakers must make major investments in the state's schools, teachers and support staff. Research has shown that adequate school enhances equity for students and raises student educational outcomes and wages in adulthood.¹

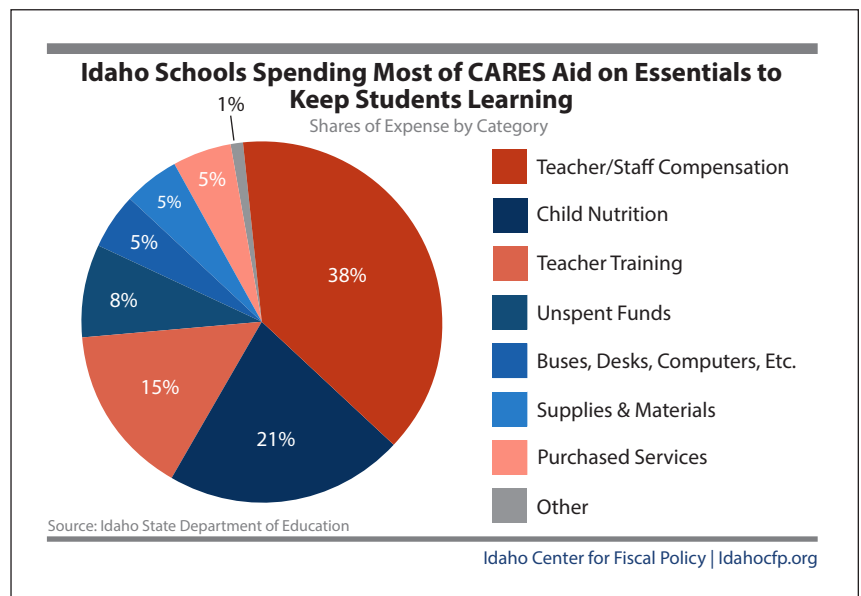
State Board of Education research suggests that Idaho students who were in ninth grade last academic year have experienced learning losses so severe that they could struggle to meet eligibility requirements for college and college scholarships.² The situation is especially critical for Idaho students of color and students learning English, who have experienced the largest setbacks. Nationally, education researchers estimate that students could take up to five years of extended learning time to catch up.³ This means they would need longer school days, more school days and more one-on-one tutoring.

While federal funds are supporting many of the immediate needs of school districts and charters, these funds are temporary and will not be available to fix these large challenges over the long term. To adequately fund teacher salaries and school operations and ensure all Idaho students are able to catch up and excel, Idaho lawmakers should:

- Use state revenue to keep base funding for schools robust enough to address learning loss and other pandemic impacts as federal funds expire
- Lift a ban on transfers from the Public Education Stabilization Fund (PESF)

Federal Aid is Temporarily Keeping Idaho's Public Schools Afloat

While federal funds have been essential to school districts as they work to cover pandemic-related costs, funds are time-limited and so by definition will not be able to meet the long-term challenges of learning loss and other pandemic impacts to students and schools which will be described more in depth in the next section. (See the appendix for examples of how a few school districts and a charter school have used money from the Coronavirus Aid, Relief and Economic Security (CARES) Act to support operations during the pandemic.)



Federal CARES aid has been used to help public schools cover the extraordinary costs of teaching and learning during the pandemic, such as standing up new remote learning programs and implementing new safety protocols; see the pie chart on page 1. Idaho's schools overall have spent the largest portion of aid money – 38 percent – on teacher and staff compensation, which is much lower than a typical school year when it is about 80 percent of schools' regular budgets. Instead, pandemic spending shows up in shares spent on teacher training at 15 percent and purchased services at 5 percent, mostly to adapt teaching methods to remote and hybrid learning environments. The other significant category of spending is for child nutrition services at 21 percent, to keep up free and reduced meals for students (about half of Idaho's schoolchildren are in households with low incomes).⁴

Then, in December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), which provided additional direct aid to public schools. While the majority of the \$186 million in aid has not yet been spent, the early data suggest that Idaho districts and charters are spending these funds in ways similar to the CARES funds, with one notable exception – as school districts move towards more traditional in-person education, there is less need for teacher training. In March 2021, Congress passed the America Rescue Plan Act (ARPA) and Idaho schools will receive \$396 million from it.⁵ The goals of the funding are to help address learning loss and other setbacks related to pandemic learning. Since school districts could not begin to spend learning loss funds until July 2021, data on how districts are using these funds are not yet available.

Idaho Students Face Pandemic Learning Loss and Other Big Long-Term Challenges

In moving to hybrid and remote learning, Idaho school children and their teachers faced unprecedented challenges throughout the 2020-21 school year. During this time, most of Idaho's school children lost some of their academic gains from the prior school year and were unable to meet all of the benchmarks in core subjects. State leaders must make robust educational investments to address these severe learning losses. Students at all grade levels experienced learning losses, from elementary-aged students to seniors applying for college:

- In spring 2021, Idaho students experienced a 5 percent and 1 percent decline in math and English language proficiency, respectively, compared to 2019 levels.⁶ The losses in math proficiency - which are large and significant - are especially troubling given that fewer than 40 percent of Idaho students are proficient in math.
- Student scores on the SAT fell by similar margins in the spring of 2021 compared with previous years.
- At the high school level, a State Board of Education study found that Latinx ninth graders enrolled in a hybrid program had an average GPA drop of .27 points – from 2.60 to 2.33. This drop could prevent many of these students from attending college by making them ineligible for the Idaho state-sponsored Opportunity Scholarship.⁷

More State Education Investments are Needed to Support Students in the Years Ahead

So far, federal relief money for schools has helped stabilize Idaho's public schools amid the pandemic, but this funding is temporary and will end on September 30, 2023.⁸ State funding has fluctuated during the pandemic – see the chart on page 3. Gov. Brad Little cut state funding for education in FY 2021 first in anticipation of potential state revenue shortages and then those cuts were made permanent in part because federal dollars were on the way. This caused a \$147 cut on a per-pupil basis in FY 2021 compared with the previous year.⁹ State funding increased modestly by about \$550 per pupil in FY2022, the budget year that corresponds to the 2020-2021 school year.

Some school districts have started using ARPA funds, but the dollars have not been spent down. The window to spend those dollars ends during Idaho's FY2023. When the Idaho Legislature reconvenes in January 2022, policymakers will need to increase state education base funding to be set up to continue to address learning loss and other long-term pandemic challenges. Otherwise, students and schools will see an enormous funding cliff after FY2021 while still



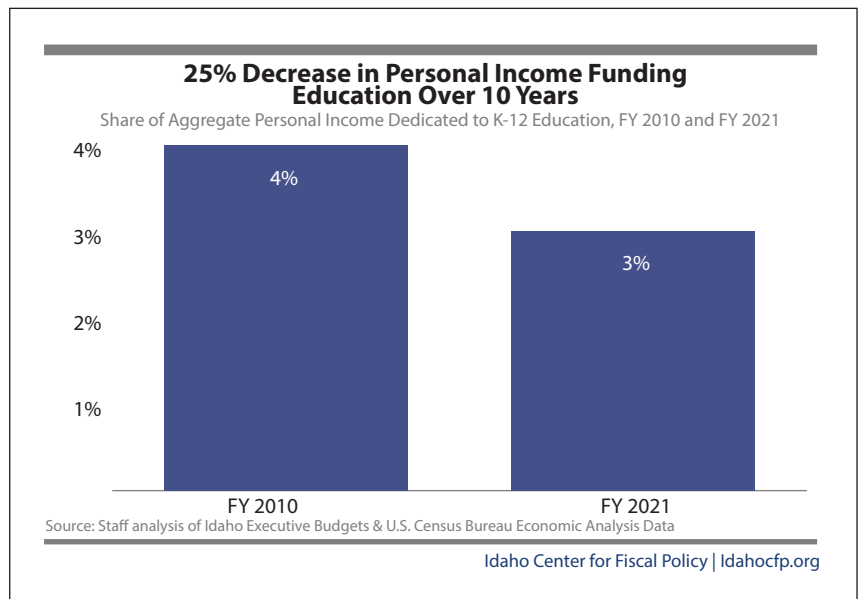
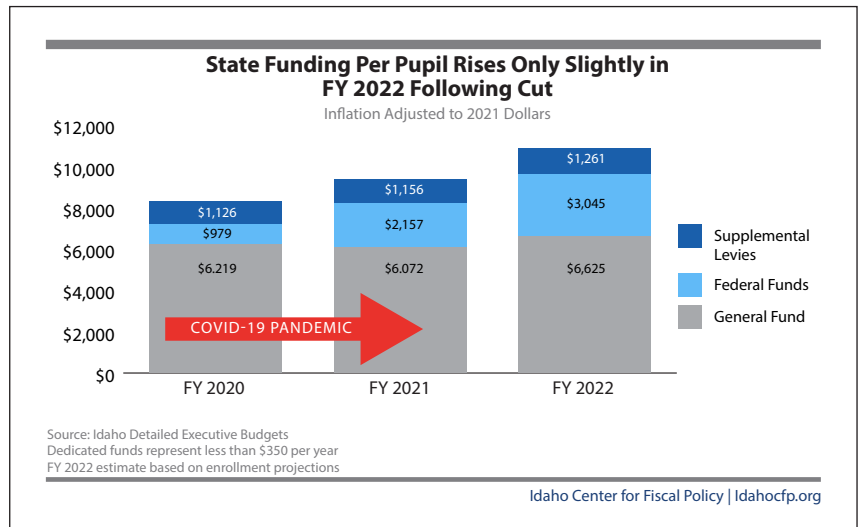
facing tremendous challenges.

State lawmakers should also consider lifting the ban on transfers from the PESF. The PESF is an emergency fund for the state’s education budget and is designed to cover unexpected expenses, such as the state’s share of transportation costs, which can fluctuate widely. If the ban is extended beyond June 30, 2023 these funding transfers could force new and untimely budget cuts.

State’s Economic Growth Creates Opportunity to Address Long-Term Challenges

As the chart to the right shows, the amount of personal income Idahoans invest in education has fallen over the last decade. In 2010, 4 percent of aggregate personal income helped fund Idaho’s education system. By 2020, the number had fallen to 3 percent – a 25 percent decrease.¹⁰

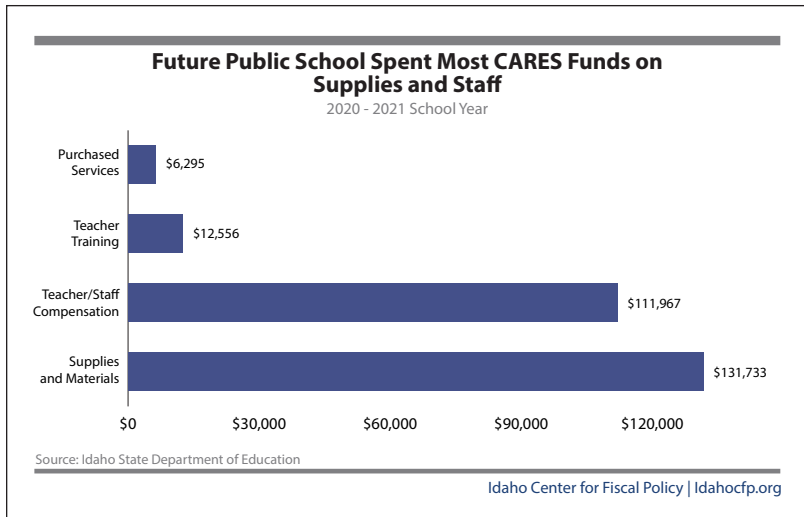
Yet Idaho’s economy has only grown more robust during the same period of time. Personal income growth for Idahoans increased at a rate of 19.4 percent in the first quarter of 2021, according to the Pew Charitable Trusts – the second fastest rate in the country. While this is due in part to federal pandemic aid, it still means the current cohort of students have been denied the benefits of the state’s economic progress. Increasing state school funding will merely ensure that communities put the same effort into funding schools that we did a decade ago.



Appendix:

From Computers to Counselors: CARES Funds Meet Local Educational Needs

Congress allowed considerable flexibility in how schools could use CARES funds. This flexibility meant that schools could use the federal money to pursue strategies specific to their communities. A deep dive into spending by two rural Idaho school districts and one urban public charter school reveals that while all three spent a considerable portion of CARES funds on salaries and computers, schools are also distinguished by their unique spending choices in teacher training and capital items such as buses and desks. Similarly, state funding that addresses learning loss and pandemic challenges should also be flexible so that schools can use the strategies that work for their communities.



Future Public School is a small, STEM-focused charter school located in the heart of Garden City. As the chart to the left shows, Future spent a majority of its funds on supplies and materials rather than salaries and benefits in part because it aimed to ensure that all students had a device to use while learning from home. The school aims to serve low- and moderate-income families who do not have a neighborhood public school. The school also used CARES funds to pay for internet access for 11 families who did not previously have access.

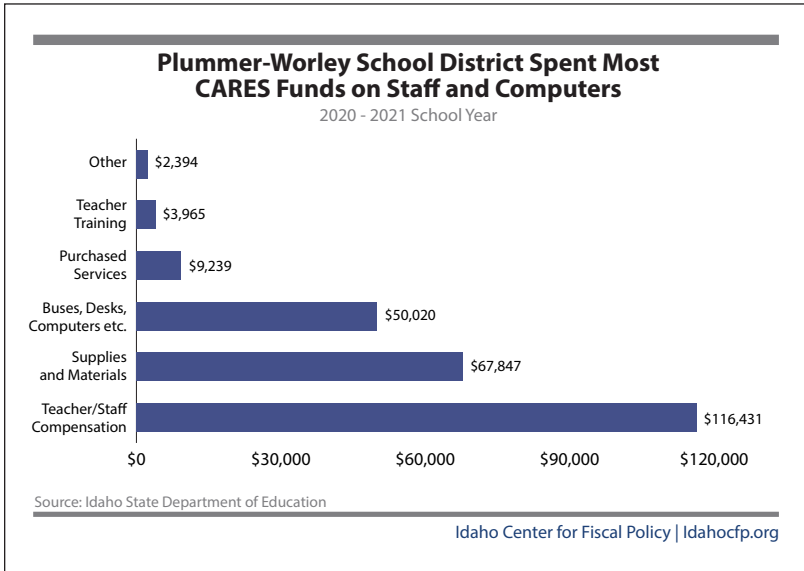
The table below is a sampling of Future’s pandemic expenses. New computers, headphones and mice for students made up a majority of those expenses.

Sampling of 2020 Future Public School Pandemic Expenses

Expense Category	Amount	Description
Teacher/Staff Compensation	\$28,092	Partial salaries and benefits costs for 1 Kindergarten teacher, 2 Learning Engineers, and 1 Custodian. Teaching positions provided necessary instruction to students during the pandemic, allowing for social distancing. Custodial position ensured additional time for proper cleaning and sanitizing.
Teacher Training	\$2,200	PD for 25 FTE on “Best Practices in Online Facilitation”, including teacher resources and materials.
Purchased Services	\$1,602	Home internet access for 11 families so that they could participate in distance learning.
Supplies and Materials	\$96,513	New computers for K-5 students, including headphones, mice, chargers, & covers.

Source Chart 1: Idaho State Department of Education





The chart, left, breaks down how rural Plummer-Worley School District, in the Idaho Panhandle, spent most of its CARES funds. Its greatest expenses were salaries for substitute teachers, additional custodial staff, and staff and teacher overtime. The District improved its HVAC system to boost air quality and also used funds to help pay for a new school bus. To facilitate social distancing, particularly for districts that returned to full-time school, additional buses were necessary.

The table below is a sample of Plummer-Worley School District's pandemic expenses, including the purchase of the school bus. After that purchase, the district's largest expense was salaries and benefits for staff members.

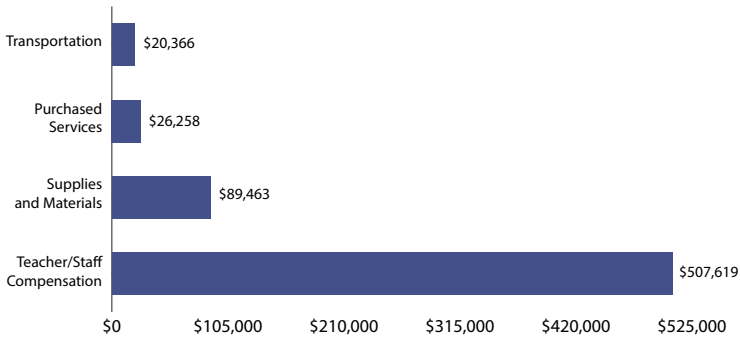
Sampling of Plummer-Worley School District Pandemic Expenses		
Expense Category	Amount	Description
Teacher/Staff Compensation	\$13,463	December 2020 salaries for: substitutes for COVID related absences, extra hours to screen all students as entering building, extra hours for school nurse for COVID screening, certified staff extra duties, extra hours for clerk, technology staff, custodians, and bus driver related to COVID, after school program staff.
Buses, Desks, Computers, etc.	\$36,763	Purchase of white school bus
Purchased Services	\$1,602	HVAC/Circulation repair
Supplies and Materials	\$266	250 water bottles for students due to lack of drinking fountain.

Source Chart 2: Idaho State Department of Education



West Side School District Spent Vast Majority of CARES Funds on Essential Staff

2020 - 2021 School Year



Source: Idaho State Department of Education

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West Side School District, also in a rural location, spent a majority of its CARES funding on salaries and benefits, as the chart to the left indicates. West Side used a significant amount of funding to pay contractors, such as mental health counselors for students. As was apparent with all Idaho districts, West Side needed federal dollars to cover the cost of sanitation supplies that were crucial in keeping schools clean and safe.

As seen in the table below, West Side also used its portion of the funds to help pay for an additional school bus, which was necessary for social distancing.

Sampling of West Side School District Pandemic Expenses

Expense Category	Amount	Description
Teacher/Staff Compensation	\$3,038	Funds were utilized to compensate the LMS team lead for hours instructing other faculty members on the district LMS system.
Supplies and Materials	\$9,026	6 months of sanitation and PPE supplies & audio and visual supplies to broadcast athletic events to accommodate for social distancing.
Purchased Services	\$3,511	Counseling services for elementary and secondary students related to increased pressure, attention issues, and stress from COVID-19 pandemic.
Transportation	\$20,366	Covered a portion of the cost of an additional school bus needed for social distancing and includes cost of sending additional buses to athletic events to allow for social distancing in transit.

Source Chart 3: Idaho State Department of Education

1. Washington Center for Equitable Growth, "Can School Finance Reforms Improve Student Achievement?" March 16, 2016, Accessed at: <http://www.equitablegrowth.org/can-school-finance-reforms-improve-student-achievement/> & Quarterly Journal of Economics "The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms," Vol. 131, No. 1, February 1, 2016, Accessed at: <https://doi.org/10.1093/qje/qjv036>.
2. Idaho State Board of Education, "Special Board Report: COVID-19 Impact Series: Part 2: The Impact of COVID-19 on 9th Grade GPA in Idaho Public Schools," Accessed on September 1, 2021, at: <https://boardofed.idaho.gov/meetings/board/archive/2021/0825-2621/04PPGA.pdf>
3. Education Resource Strategies, "The Cost of Covid: Understanding the full financial impact of COVID-19 on districts and schools," January 13, 2021, Accessed at: <https://www.erstrategies.org/cms/files/4699-cost-of-covid-paper-final.pdf>.
4. While historically about half of Idaho school children lived in households with low incomes, this figure was not available for the last two years due to pandemic-related difficulties in collecting data.
5. Idaho State Department of Education, Accessed at: <https://www.sde.idaho.gov/federal-programs/prf/american-rescue-plan/files/general/American-Rescue-Plan-ESSER-III-Allocations.pdf>
6. Idaho Statesman, "We weren't surprised": Pandemic's impact shows up in Idaho's standardized test scores," August 19, 2021, Accessed at: <https://www.idahostatesman.com/news/local/education/article253580424.html>
7. Idaho State Board of Education, "Special Board Report: COVID-19 Impact Series: Part 2: The Impact of COVID-19 on 9th Grade GPA in Idaho Public Schools," Accessed on September 1, 2021, at: <https://boardofed.idaho.gov/meetings/board/archive/2021/0825-2621/04PPGA.pdf>
8. H.R.1319: American Rescue Plan Act of 2021, Accessed at: <https://www.congress.gov/bills/117/congress/house-bill/1319/text/#H02072C413F7244519FA5BB241E54A282> and U.S. Office of Secondary and Elementary Education, "FAQs about the Elementary and Secondary School Education Relief Fund," <https://oese.ed.gov/files/2020/05/ESSER-Fund-Frequently-Asked-Questions.pdf>
9. Since student enrollment for the 2021-22 school year is not yet available, ICFP staff projected a 1 percent enrollment growth from the 2020-21 school year. Before the pandemic, recent student growth rates were averaging over 1.5 percent, but due to the pandemic, enrollment fell by .43 percent in the 2020-21 school year. Enrollment is expected to rebound this school year as most schools are operating in-person.
10. For consistency, the FY 21 calculations do not include the one-time boosts in federal aid through CARES and CRRSAA, but it does include all other regular federal revenue.

