

Federal Aid for Schools

Addressing Pandemic Impacts and a Springboard to a Better Future



by Chad Stewart

With billions of dollars from the American Rescue Plan (ARP) heading to Virginia, highly consequential budget decisions will be taking place in mere weeks and months at the school division, local, and state levels that will dramatically impact how schools and students rebuild from the pandemic. These entities could invest in intensive tutoring and the social, emotional, and mental health of students. They could split funding *equally* or *equitably* among schools. There's a litany of available opportunities. Yet there's also a profound risk that we could miss the moment to leverage this one-time funding in a way that responds to the most pressing student and family needs. The scale of this funding also presents a unique opportunity to transition away from the inequitable and inadequate pre-pandemic funding models for our schools, and to build momentum for transformative investments that change how we fund schools and resource students that have historically faced the most barriers to education.

Before considering what the funding should be spent on, it's important to examine what ARP includes for Virginia. School divisions in Virginia will receive around \$1.9 billion from ARP (averaging around \$1,500 per student), and it's distributed using a formula that accounts for student poverty (see table below for distribution by division). Divisions are required to spend 20% of this funding on remediation for lost learning time. Some school divisions will receive a larger per-student amount, like Danville,

which will receive over \$5,000 per student (more than 40% of what the division spends annually), while divisions with much lower poverty rates like Falls Church will receive less than \$500 per student. Beyond the money school divisions will receive directly from ARP, the Virginia Department of Education will receive around \$200 million, localities (cities, counties, and towns) will receive \$2.9 billion, and the state will receive around \$4.3 billion of flexible funds, all of which could be partially reappropriated to schools. Taken together, this funding represents an immediate opportunity to not just meaningfully increase needed school resources over the short term, but to provide a springboard to a more equitable system for funding our schools with higher student needs.

Meaningful Community Engagement

One of the key requirements for a school division planning to use their ARP dollars is to conduct "*meaningful consultation with stakeholders*," which will provide an opportunity for stakeholders, such as students, families, school staff, unions, and local advocates to weigh in on how divisions budget these resources. The Virginia Department of Education has put out guidance on acceptable uses of this funding, but it's very broad and allows for a wide range of possible investments. County, city and town councils can also seek meaningful stakeholder input, and are encouraged to do so by the U.S. Treasury in their guidance on ARP. Some leaders in the education policy space have recently discussed the importance of local decision-makers being mindful of what's commonly referred to as the 'rubber band' effect, where there's a tendency to use new K-12 money to just invest more in existing expenditures in order to get back to normal. But "normal" was leaving too many communities behind. By centering the input of community members most impacted by the pandemic, there's an opportunity to identify and hone new investments to address the most pressing student needs.

Relevant ARP funding streams that could support schools	Virginia's Amount	Description
State Fiscal Recovery Fund	\$4.3 billion	Broadly flexible funding for state lawmakers to appropriate
Local Fiscal Recovery Fund	\$2.9 billion	Broadly flexible funding for towns, cities, and county elected officials to appropriate
Elementary and Secondary School Education Act III (school divisions)	\$1.9 billion	Funding for school divisions to respond to pandemic impacts
Elementary and Secondary School Education Act III (VDOE)	\$211 million	Structured funding for VDOE to support schools

Several school divisions, states, and community groups are leading the way with new types of community engagement as a part of this ARP requirement. Below are six high-quality examples of resources that local stakeholders, advocates, and leaders can use to gather and share input on best uses of the new ARP funds:

1. School leaders in Newark, New Jersey [issued a community survey](#) on best uses of their ARP money.
2. An advocacy group in Michigan [issued a survey of ARP uses](#) at the state level.
3. The Fund Our Schools coalition in Virginia [created a guide](#) for people to get involved in local budget advocacy with their school boards and local councils (The Commonwealth Institute is a member of the Fund Our Schools coalition).
4. The Oregon Department of Education updated a [comprehensive guide](#) on involving the community in school-level decisions.
5. The state of Nevada put out [guidance on community engagement strategies](#) for ARP funding.
6. Divisions and localities could also consider undertaking a [participatory budgeting](#) process where stakeholders are involved in determining how to allocate the new funds.

Evidence- and Equity-Based Uses

There is mounting evidence that students who face the most barriers to education, partly due to the long history of discrimination and segregation in Virginia, will be set back further by lost learning time. One well cited study suggests that by the end of the school year students will have lost five to nine months of learning on average, while students of color will lose six months to a full year.

Community input is critical to ensure ARP funds are invested in a way that best addresses local needs. As budget-makers consider this community input, they can look to current research on addressing some of the more common needs to help schools and students rebuild from the pandemic. A handful of approaches are gaining consensus among education researchers and advocates, and can be useful tools for consideration.

Investing in effective tutoring

There is growing agreement that intensive tutoring during and after school and over the summer break presents the most promising option for catching up students who fell further behind during the pandemic. While some schools can pay for teachers and staff to spend additional time with students for this intensive tutoring, the one-time nature of the federal funding makes it difficult to bring on new staff that may be necessary for sustaining this endeavor.

Hence, the state and local governments have a role to play in allocating additional ongoing funding to schools based on student need, so that they have guaranteed resources to continue with the needed multi-year effort to help students recover from lost learning time.

In the short term, the state and local governments can use their federal funds for this purpose -- the state could do so through increasing funding for the At-Risk Add-On which supplements divisions based on the share of their students living in poverty -- and over the long term, these entities could identify and enact new revenue sources to sustain this commitment. Estimates range from around \$600 to over \$2,000 per student for providing additional tutoring to students over 6 months to a year, based on national remediation models. Given that research suggests it may take 5 or more years of additional high dosage remediation to catch up students, particularly from schools with a high share of low-income, Black, Latinx, and English Learner students, it will be up to the state and local governments to acquire new resources to sustain these services beyond the ARP funds.

More support for students facing the most barriers

In addition to national research, early academic evidence in Virginia is showing that English Learner students, those who live in households with low-incomes, and Black and Latinx students are most likely to have fallen further behind during the pandemic. Fairfax County Public Schools found that more of its students with disabilities and English Learners are failing classes during the pandemic. Guidance from the U.S. Treasury gives the state and localities broad flexibility to provide additional support to schools based on student need, like the share of students living in poverty, and divisions can also take this into account with their investment of funds. Using a weighted formula, similar to the state's At-Risk Add-On formula which accounts for student poverty shares for distributing K-12 funding, is a critical method for ensuring that those most harmed by the pandemic are receiving the most support. Equity-based distribution formulas could look different by community, but should be incorporated into budgeting decisions when disbursing or directly investing ARP funds in schools.

Leverage community resources to serve students and families in schools

Investing in school-based social services is critical to help address significant health and other factors that can affect a student's education and ability to succeed in school. Many students have experienced new forms of trauma during the pandemic, and the state, localities, and divisions have

broad latitude to invest in services like food access and mental health support, and can do so efficiently by placing those supports in community hub settings like schools. Investing in *community school* models or wraparound services, especially in communities of color that may have been hardest hit by the economic and health impacts of the pandemic, presents a promising option for use of federal aid. *Community schools* can provide services such as mental and physical health services, nutrition and housing support, tutoring and expanded learning time, family engagement, and community collaboration, and are shown to improve student outcomes.

Given that a host of circumstances go into impacting student outcomes, *community schools* offer a holistic model for providing essential services to families so that their children are able to focus on learning and not on other pressing needs like food insecurity, inadequate housing, or health needs. The new federal aid offers an excellent opportunity for schools to cover the major upfront costs associated with establishing *community school* models, create a structure that can yield long-term benefits, and provide a platform for identifying federal, state and community resources to sustain the *community school* going forward.

ARP Funding Not a Solution, but a Springboard

The pandemic has caused much pain and disruption for children, families, and schools throughout Virginia. This has likely been worsened by the fact that schools have been underfunded for decades. The state’s primary funding formula remains inadequate and leaves too many students behind. State aid for public education remains down from 2009 levels, after cuts made in the wake of the Great Recession, and falls far short of what the Virginia Board of Education says is needed to fully fund our schools. Local governments have been doing what they can, paying \$4.2 billion above what is required by the state, but cities and counties with fewer resources are less able to do so. This has left high-poverty divisions and divisions with the most students of color struggling to make up these funds and adequately serve their students, resulting in vastly unequal educational opportunities across the state. The pandemic has further entrenched these barriers, and students need full and fair school funding more than ever before.

While ARP is a significant step in the right direction, its temporary provisions are not enough to meet the needs of Virginia’s students either in the short or long term. One recent study suggests that it may take an additional investment of roughly \$10,000 per student over the span of 5 years to make up for lost learning time during the pandemic in divisions with high concentrations of students

living in poverty, Black and Latinx students, and English Learners. This amount would far exceed the federal support divisions are getting and would require other entities like localities and the state to kick in additional funding. Ultimately, an equitable solution will call for providing additional ongoing support to divisions with a high share of students from historically marginalized backgrounds that the state has not invested adequately in before, and at points, deliberately disinvested in and impoverished through sanctioned segregation and inequitable funding.

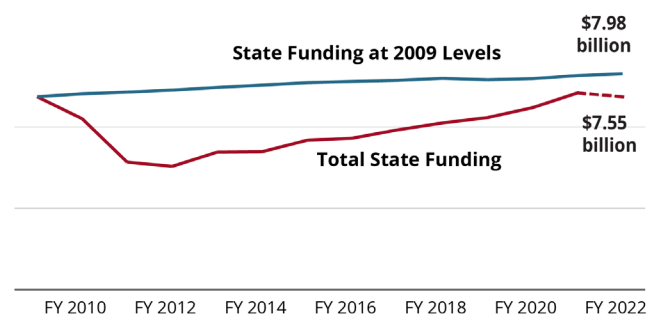
Sustainable and long-term school improvement will require additional and ongoing funding that is focused on helping the highest-need schools to address ongoing staffing and salary needs. Part of the solution must be fixing our upside-down tax system and asking our highest-income residents to pay their fair share to adequately invest in a more equitable, prosperous future. We should also close corporate tax loopholes that pull resources out of our communities, such as implementing combined reporting.

What’s essential is that we don’t view our ARP one-time funding as a solution to our K-12 funding, but rather as a springboard for making some of the critical investments we’ve always needed in our schools. This springboard must be supplemented over the next couple years with new revenue streams to adequately and sustainably fund these investments. That’s how the investments become transformative and, rather than just returning to normal, we correct for past inequities and build back stronger so all Virginia students have the opportunity to thrive.

Steep Cuts, Slow Recovery

State funding for Virginia schools had not been fully restored from the last recession as the next recession arrives

Total state direct aid to Virginia’s public schools in billions (FY 2020 dollars)



Note: State support at 2009 levels (top line) shows the amount the state spent per student in 2009, inflation adjusted, multiplied by the average daily membership for each successive year. The dotted line indicates projected spending.

Source: VDOE Direct Aid Payment Sheets Final Direct Aid FY09-FY22, BLS CPI-U July 2008 - March 2021, CBO 10-Year Economic Projections Feb 2021.



Funding Allocated to Each Virginia School Division through the American Rescue Plan

School Division	ARP Funding to Division	Amount Per Pupil (using pre-pandemic FY21 enrollment projections)
ACCOMACK	\$13,377,017	\$2,705
ALBEMARLE	\$11,475,395	\$807
ALEXANDRIA	\$34,792,781	\$2,189
ALLEGHANY	\$4,413,299	\$2,466
AMELIA	\$2,146,282	\$1,328
AMHERST	\$7,301,690	\$1,829
APPOMATTOX	\$3,878,287	\$1,751
ARLINGTON	\$18,855,118	\$699
AUGUSTA	\$9,960,309	\$1,012
BATH	\$609,670	\$1,260
BEDFORD	\$12,079,332	\$1,307
BLAND	\$965,629	\$1,497
BOTETOURT	\$3,007,803	\$663
BRISTOL	\$9,253,483	\$4,363
BRUNSWICK	\$5,404,578	\$3,809
BUCHANAN	\$10,200,441	\$4,226
BUCKINGHAM	\$4,919,252	\$2,491
BUENA VISTA	\$1,597,926	\$2,057
CAMPBELL	\$11,654,524	\$1,541
CAROLINE	\$6,369,209	\$1,548
CARROLL	\$8,333,140	\$2,415
CHARLES CITY	\$1,275,750	\$2,307
CHARLOTTE	\$5,295,734	\$3,283
CHARLOTTESVILLE	\$10,065,919	\$2,401
CHESAPEAKE	\$51,097,732	\$1,244
CHESTERFIELD	\$51,416,106	\$822
CLARKE	\$1,270,046	\$688
COLONIAL BEACH	\$2,299,309	\$4,041
COLONIAL HEIGHTS	\$4,727,021	\$1,698
COVINGTON	\$1,716,698	\$1,830
CRAIG	\$1,292,386	\$2,380
CULPEPER	\$10,243,226	\$1,212
CUMBERLAND	\$3,312,212	\$2,805
DANVILLE	\$29,674,337	\$5,484
DEPT OF JUVENILE JUSTICE	\$1,212,358	
DICKENSON	\$6,446,027	\$3,289

School Division	ARP Funding to Division	Amount Per Pupil (using pre-pandemic FY21 enrollment projections)
DINWIDDIE	\$5,988,525	\$1,418
ESSEX	\$3,229,472	\$2,615
FAIRFAX CO&CITY	\$188,629,166	\$1,028
FALLS CHURCH	\$323,466	\$126
FAUQUIER	\$5,899,550	\$542
FLOYD	\$3,690,233	\$2,096
FLUVANNA	\$2,719,054	\$802
FRANKLIN	\$14,724,335	\$2,282
FRANKLIN	\$5,732,217	\$889
FREDERICK	\$10,793,769	\$776
FREDERICKSBURG	\$7,843,924	\$2,193
GALAX	\$4,630,847	\$3,607
GILES	\$3,628,017	\$1,607
GLOUCESTER	\$5,497,961	\$1,094
GOOCHLAND	\$2,358,146	\$938
GRAYSON	\$5,387,053	\$3,558
GREENE	\$3,350,581	\$1,159
GREENSVILLE/EMPORIA	\$7,435,605	\$3,740
HALIFAX	\$11,170,273	\$2,518
HAMPTON	\$54,800,634	\$2,880
HANOVER	\$8,341,833	\$490
HARRISONBURG	\$11,822,224	\$1,848
HENRICO	\$78,318,249	\$1,550
HENRY	\$18,051,094	\$2,602
HIGHLAND	\$359,100	\$1,805
HOPEWELL	\$12,531,043	\$3,247
ISLE OF WIGHT	\$4,748,318	\$847
KING & QUEEN	\$1,535,293	\$1,958
KING GEORGE	\$3,079,990	\$699
KING WILLIAM	\$1,780,619	\$833
LANCASTER	\$2,900,526	\$3,025
LEE	\$12,089,585	\$4,150
LEXINGTON	\$441,286	\$671
LOUDOUN	\$10,871,859	\$128
LOUISA	\$6,768,601	\$1,386
LUNENBURG	\$3,981,786	\$2,614

Funding Allocated to Each Virginia School Division through the American Rescue Plan

School Division	ARP Funding to Division	Amount Per Pupil (using pre-pandemic FY21 enrollment projections)
LYNCHBURG	\$28,413,544	\$3,685
MADISON	\$2,711,550	\$1,675
MANASSAS CITY	\$9,767,424	\$1,287
MANASSAS PARK	\$2,526,581	\$735
MARTINSVILLE	\$8,801,782	\$5,035
MATHEWS	\$1,516,652	\$1,580
MECKLENBURG	\$11,572,581	\$2,958
MIDDLESEX	\$2,713,880	\$2,460
MONTGOMERY	\$13,581,597	\$1,375
NELSON	\$3,698,763	\$2,486
NEW KENT	\$1,844,821	\$558
NEWPORT NEWS	\$82,142,456	\$3,043
NORFOLK	\$113,301,573	\$4,142
NORTHAMPTON	\$5,048,327	\$3,715
NORTHUMBERLAND	\$3,481,495	\$2,950
NORTON	\$1,890,142	\$2,429
NOTTOWAY	\$6,119,595	\$3,308
ORANGE	\$5,285,712	\$1,094
PAGE	\$6,314,511	\$1,973
PATRICK	\$4,813,293	\$2,011
PETERSBURG	\$22,608,275	\$6,027
PITTSYLVANIA	\$15,397,558	\$1,878
POQUOSON	\$464,284	\$220
PORTSMOUTH	\$46,708,351	\$3,545
POWHATAN	\$2,005,202	\$470
PRINCE EDWARD	\$7,059,250	\$3,690
PRINCE GEORGE	\$4,988,272	\$809
PRINCE WILLIAM	\$87,868,215	\$963
PULASKI	\$8,126,734	\$2,105
RADFORD	\$2,379,093	\$1,508
RAPPAHANNOCK	\$1,131,091	\$1,554
RICHMOND CO.	\$2,321,453	\$1,927
RICHMOND CITY	\$122,811,025	\$5,260
ROANOKE	\$51,744,236	\$3,846
ROANOKE	\$9,748,627	\$725
ROCKBRIDGE	\$4,131,544	\$1,658

School Division	ARP Funding to Division	Amount Per Pupil (using pre-pandemic FY21 enrollment projections)
ROCKINGHAM	\$10,865,075	\$951
RUSSELL	\$8,180,628	\$2,347
SALEM	\$3,760,004	\$993
SCOTT	\$6,277,176	\$1,859
SHENANDOAH	\$8,183,015	\$1,435
SMYTH	\$9,602,996	\$2,381
SOUTHAMPTON	\$4,324,481	\$1,670
SPOTSYLVANIA	\$22,682,023	\$971
STAFFORD	\$14,228,832	\$473
STAUNTON	\$6,258,502	\$2,354
SUFFOLK	\$27,355,557	\$1,981
SURRY	\$1,545,750	\$2,290
SUSSEX	\$4,032,964	\$3,935
TAZEWELL	\$13,744,733	\$2,580
VIRGINIA BEACH	\$82,443,643	\$1,239
VA SCHOOL FOR THE DEAF AND THE BLIND	\$674,624	
WARREN	\$6,929,670	\$1,327
WASHINGTON	\$13,302,282	\$1,969
WAYNESBORO	\$7,307,729	\$2,682
WEST POINT	\$321,296	\$409
WESTMORELAND	\$4,489,620	\$3,133
WILLIAMSBURG/JAMES CITY	\$11,083,198	\$973
WINCHESTER	\$8,188,762	\$1,917
WISE	\$17,219,290	\$3,324
WYTHE	\$7,892,555	\$2,102
YORK	\$5,213,525	\$396
Total	\$1,898,541,676	



The Commonwealth Institute

The Commonwealth Institute for Fiscal Analysis advances racial and economic justice in Virginia by advocating for public policies that are designed in partnership with people most impacted, and shaped by credible, accessible fiscal and policy research. Our independent research and analysis drives key state budget, legislative, and policy changes that break down barriers and create opportunity for people and communities across Virginia.

1329 E Cary St. #200
Richmond, Va. 23219
804-396-2051
www.thecommonwealthinstitute.org



This work is licensed under the Creative Commons Attribution-NonCommercialNoDerivs 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/> or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA.