Financial Turmoil and Opportunities

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Marguerite Roza
Edunomics Lab, Georgetown University
MR1170@georgetown.edu
@MargueriteRoza
We started with:
• One-size-fits-all delivery model.
• Inflexible budgets.

Then added an unprecedented set of conditions:

No financial playbook for this moment
Typical budget cutting steps:

**Freeze**
- Freeze hiring, travel, pro-cards
- Permit contracts to expire
- Dip into reserves
- Postpone maintenance
- Delay payments
- Offer early retirements

**Trim from the top**
- Trim contracts, payments to community partners
- Eliminate PD days, prep time
- Cut central admin positions
- Squeeze supplies and any non-labor expenses

**Negotiate**
- Propose:
  - Alter benefits
  - Salary adjustments
  - Reduce days/furloughs

**Labor reduction**
- Depending on success above
- Larger staff layoffs: elective staff, librarians, academic coaches, core teachers

Most actions are reactionary and tend to rely heavily on centralized decision-making.
Which of these cost-equivalent cuts would you prefer?

A. Across-the-board furloughs (4 days less schooling & 4 days less pay)

B. Layoffs (2% of all employees)

C. Across-the-board *temporary* salary reduction (of 2%) for all district employees

D. All employees pay $1,000 more in health care premiums ($100 more/month)

E. Task every school/department to reduce its spending by 2%
“K-Shaped Recovery” applies to student learning too.

In the United States, as of May 03 2020, students from middle income ZIP codes decreased participation in online math coursework by 30% compared to January 2020.

+4.5% High Income

-52.4% Low Income

Some students recover faster academically.

Others fall further behind.
Enrollment is down and attendance/engagement may be even worse.

Enrollment dropped by over 12,000 students in Nevada.¹

Failing grades jump at CCSD during distance learning²

Charter school enrollment grew by 8% this year.

We lack data on:
- How many students are “disengaged”
- Magnitude of learning losses
- What works to reverse loss

IES launches: Operation Reverse the Loss. Effort intended to uncover interventions that can reverse ongoing and catastrophic learning losses⁴
POLL

Do you think district and schools should be held harmless from losing funds due to enrollment drops?

A. Yes, current school year only

B. Yes, this year and next

C. No
New federal relief funding brings ~$1,100 per pupil.

**POLL:** Which of these $1000 pp investments would you prefer?

A. Pay for 4 months of Covid testing (all students/staff 2x week).

B. Add a month of school for all students

C. Reduce class size by 2 for all students for two years

D. Fund two years of high dosage tutoring for 1/2 of students

E. Deliver $1000pp to schools to meet student needs.
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“So many paths spread out for us to take. We must choose one. There’s no alternative.”

Here we are:
- Typical delivery has been disrupted
- Some new/temporary $
- Don’t know what solutions work best
- Uneven needs, appetites for options
- Lack of trust

- Keep funding flexible (avoid longer term commitments)
- Invite innovation among smaller localized units where trust is higher
- Measure, measure, measure.
This K-12 financial story is far from over!

Marguerite Roza
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Visit EdunomicsLab.org for resources on how financial turmoil is impacting K-12