

FAQ: How can districts and schools strategically respond to budget shortfalls related to COVID-19?

Strategies for districts serving students in grades K-12

A Publication from Regional Educational Laboratory Central at IES

To access the RELs' evidence-based COVID-19 response resources, visit <https://ies.ed.gov/ncee/edlabs/projects/covid-19>.



Primary Audience: Superintendents **Secondary Audiences:** School Leaders and Principals

Anticipating significant reductions to education funding, school and district leaders are beginning to plan how to maintain core services and mitigate the impact of budget cuts on vulnerable students. REL Central has compiled resources that leaders can use to respond to budget crises related to COVID-19.

Understanding the impact of COVID-19 on revenue:

- Reliance on [state funding](#), local economic conditions, collective bargaining agreements, and school funding models will influence the impact of COVID-19 on school funding for 2020/21.
- Although the economic outlook continues to evolve, some organizations are providing [estimated state budget shortfalls](#), [projected effects of COVID-19 economic shutdowns on school district revenues](#), and [tools for responding to budget scenarios](#).
- The CARES Act will provide some financial relief to states and districts. It includes a \$13.2 billion [Elementary and Secondary School Emergency Relief Fund](#) to support K-12 education and another \$3 billion [Governor's Emergency Education Relief Fund](#) that governors can award to local education agencies. The U.S. Department of Education will use the Title I formula to determine [state allocations](#).

Planning for revenue reductions:

- A [recorded webinar series by WestEd](#) highlights a phased response to anticipated reductions in revenue that includes *urgent* (0-2 months), *recovery* (2-8 months), and *stabilization* (6-12 months) periods.
- The Edunomics Lab at Georgetown University developed [resources to project and discuss financial implications](#) of COVID-19 on public education. Its webinar series contrasts *typical* district responses to dramatic drops in revenue with more [strategic approaches to flatten the funding curve](#) and discusses choices in terms of trade-offs and examining structural liabilities.
- Examples of school district responses to anticipated reductions in funding include [partially furloughing employees](#) to protect 2020/21 staffing, ending the school year early, and [exploring school mergers and pay freezes](#).

The U.S. Department of Education's Institute of Education Sciences funds a network of 10 Regional Educational Laboratories (RELs). Each REL serves a designated region of the country and works in partnership with educators and policymakers with a mission of supporting a more evidence-based education system to improve outcomes for students. In response to the impact of COVID-19 on education systems, the RELs collaborated to produce evidence-based resources and guidance.

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