



## SUMMARY: IRG'S ESSER RELIEF AUDIT

JANUARY 6, 2023 DATA

### CONGRESS GAVE \$1.49 BILLION TO WISCONSIN SCHOOLS. ARE YOUR SCHOOLS INVESTING WISELY?

**Summary:** The coronavirus pandemic was a **2-year catastrophe for children**. Students suffered through virtual schooling, quarantined teachers, and emotional misery. Academic results, [the lowest this century](#), still have not recovered.

After [sending](#) \$860 million to help Wisconsin public schools manage through spring 2021, Congress sent a final **\$1.49 billion** to get students back on track.

**The goal?** Do whatever it takes to catch kids up by September 2024.

**The problem?** No one knows how schools have directed it or not directed it...until now.

The Institute for Reforming Government, a public policy center dedicated to making Wisconsin's public and private schools the nation's best, **is the first to assess 450 districts' coronavirus relief budgets line by line**. By releasing this [information](#) to the public and lawmakers, IRG hopes to inform parents and taxpayers, to highlight successes and failures in school allocations, to hold the Department of Public Instruction accountable for children's futures, and to influence the upcoming state budget discussions. Following this, IRG will release a set of **constructive solutions** to upgrade our schools, having already begun with [reading](#).

### WHAT IS ESSER?

Congress created the [Elementary and Secondary School Emergency Relief Fund](#) in March 2020 to get massive amounts of money to schools and kids quickly during the pandemic. This happened 3 times. \$860 million in [ESSER I](#) and [II](#) got students through the initial lockdowns and safely back in school. Because kids shattered in isolation, Congress passed [ESSER III](#) on March 11, 2021. Districts now had 3 years, **through September 30, 2024, to allocate \$1.49 billion on catching kids up**.

Unfortunately, [a long political debate](#) caused Wisconsin to be the [last state in the nation](#) to receive all of its [ESSER III relief](#). The Department of Education [approved](#) the first 7 states on July 7, 2021. Wisconsin [received](#) the majority of its funds on December 6, 2021, and [unlocked](#) all funds May 2, 2022. As a result, most districts faced higher costs without relief during the [2022 school year](#).

Districts accepted an extra [\\$1,853.06 per public school student](#) over 2 remaining years, **\$926.53 per year**. For reference, districts received [\\$14,736.52 per student](#) before the pandemic.

Unfortunately, **this funding is not transparent**. DPI, which approves and documents spending plans, made it arduous for regular people to understand them.

- DPI releases proposed expenditures in [450 individual pdfs](#), uncollected, unsortable, and unusable for a typical taxpayer. [Other states did better](#).
- These pdf files are detailed but ultimately group money into [large, unhelpful categories](#) that mask where money is going.
- Districts can remove or reclassify approved budget items with DPI approval at any time.
- This makes it difficult to assess whether Wisconsin funds “[help safely reopen and sustain the safe operation of schools and address the impacts of the coronavirus disease 2019 pandemic on the Nation's students by addressing students' academic, social, emotional, and mental health needs.](#)”

## HOW DID IRG CALCULATE ESSER ALLOCATIONS?

IRG wants **to put kids first and to encourage oversight** on important programs. So, IRG compiled, totaled, and analyzed the [January 6, 2023, files](#) to show where money will go and how much remains unobligated. IRG will monitor allocations through the ESSER III deadline, September 30, 2024, and publish ongoing updates.

- **All 450 files are current budgets, not receipts.** DPI approves spending plans monthly, [after which](#) a district can actually make purchases. Districts can budget a portion of their total and budget more in later updates.

## IS ESSER REACHING CHILDREN?

- **Districts, with 1 big exception, are obligating the money fast enough.**
  - Only 34.0% of \$1.49 billion has been approved. With Milwaukee removed, however, 51.4% has been approved.
  - Unfortunately, Milwaukee has \$0.00 approved by DPI! Because Milwaukee makes up 1/3 of Wisconsin's total funding, this drastically affects the percentage approved.
  - School districts will [draft budgets](#) for the final ESSER year by June 2023, at which time 100.0% should be planned for and approved. So, at least 50.0% should have been approved for learning needs by the halfway point, January 2023. Excluding Milwaukee, Wisconsin has met this mark.
- **Milwaukee is not alone at \$0 approved this late in the process.**
  - 22 districts have \$0.00 approved.
- **Many districts have completely worked out their recovery plans.**
  - 112 districts have more than 98.0% of their dollars approved.
- **DPI has allowed some districts to allocate money that they do not have.**
  - 12 districts of those 112 overran their allotment by a total of \$1,276,037.52 over budget. DPI approved these budgets and should have stopped them.
- **Lower-income districts did not always get more money than higher-income districts.**
  - Surprisingly, districts with more low-income students did not necessarily get more relief per student.
  - Due, in part, to [how](#) Congress [distributed](#) the [money](#), some high-income districts received up to \$7,023 per child while some low-income districts received as little as \$673 per child.
- **Wisconsin's biggest districts are not obligating quickly.**
  - The 20 districts that received the most ESSER III funding have only 15.0% of their allotment approved. Even excluding Milwaukee, they have only 36.3% approved.
  - Many medium-sized districts obligated quickly while Milwaukee, Madison, and Green Bay have very little approved.

- **Districts with low reading scores have not obligated much funding.**
  - Of the 10 districts with the lowest reading scores in 2022, 3 met the 50.0% standard.
- **Districts that suffered massive loss in mathematics have obligated significant funding.**
  - Nationwide, it was mathematics, not reading, that [dropped sharply](#) during the pandemic.
  - Of the 10 districts with the greatest declines in mathematics scores in 2022, 7 met the 50.0% standard.
- **While allocation pace is solid, allocation purpose is questionable.**
  - All further data excludes unbudgeted funds, analyzing allocated funds only.
  - In short, districts budgeted 1/2 for teachers, instructional staff, and classroom supplies. They budgeted a shocking 1/6 for construction and, surprisingly, just 1/17 on mental health.
- **Many districts allocated heavily to construction, the least likely thing to help students recover.**
  - 16.1%, or 1 of every 6 dollars, was obligated toward new additions or renovations despite this not addressing learning loss.
  - Districts face hard financial choices since [low birth rates](#) have led to fewer students and [consolidated schools](#). Districts that upgrade half-empty buildings could lose their investment when enrollment shrinks.
- **DPI has allowed unlabeled allocations.**
  - 1.6%, or \$8,172,503.70, is miscellaneous, unmarked allocation.
- **Students desperately need mental health support, but districts have not made that a budget priority.**
  - 5.7% was obligated toward mental health.
  - That is 1/3 of what went to construction, a little less than what went to computers, a little more than what went to professional development, and about the same as what went to nurses and masks.
- **Parents care deeply about school safety, but nothing has been done.**
  - Disruptive classrooms prevent learning and cause teacher turnover. Parents know that the pandemic spiked [disruptions and violence in schools](#).
  - So far, only 5 districts explicitly marked dollars for school safety.
- **Wisconsin is underutilizing highly effective recovery methods.**
  - 182 districts allotted less than 5.0% to curriculum and instructional staff. Yet, [52% of districts](#) have not yet replaced [discredited reading curricula](#) like Calkins Units Of Study and Fountas & Pinnell Literacy that [set back](#) Wisconsin's kids nationally.
  - Only 2.7% of all obligations went to summer school or after-school teachers. Wisconsin could help kids recover by recruiting [tutors](#) for all hours of the day.
- **Wisconsin will face a reckoning when ESSER money runs out.**
  - 51.5% of allocations have been on permanent personnel.
  - When money runs out, districts will either manage [fewer resources](#) or have [large expenses](#) on their books.
- **Private schools got almost nothing despite facing the same crisis.**
  - Private schools received \$0.00 in [ESSER II](#) or [III](#), instead receiving a small amount called [EANS I and II](#).
  - Private schools, voucher or not, received \$889 per student compared to \$1,853 for public school students in the last funding round. The biggest gap for private schools was Milwaukee at -\$6,596 less than local public schools.

### **HOW CAN WE ADJUST TO PUT KIDS FIRST?**

School staff have faced harrowing challenges for 3 years now, and that will not change soon. Teachers and support employees on the ground deserve none of the blame for if and where dollars have gone out. Wisconsin can never thank them enough for buoying children during the worst crisis any of us will live to see.

The blame falls on the Department of Public Instruction. Without public transparency, funding may sit idle or never address our children's needs.

Thanks to [grade inflation](#), many parents [think that the crisis has passed](#). This is folly. Wisconsin ranks [17th nationally](#) in [cost-of-living-adjusted](#) education spending, but our [White students rank 22nd in reading, our Hispanic students rank 25th, and our Black students rank second from last](#). 2022 data has not come out, but attendance, high school graduation, college enrollment, and test scores [all went down](#) in 2021.

We must correct our course to save this generation of students. Our future as a state depends on it. Our calls to action follow.

- **DPI should see to it that districts like Milwaukee that allocated \$0 publish spending plans or report spending already happening.**
- **DPI should immediately eliminate overallocation among districts.**
- **DPI should immediately clarify and eliminate miscellaneous allocations.**
- **DPI should separate [temperature control](#) construction allocations, which can [improve student learning](#) in winter and late spring, from [less essential construction](#) like [athletic facilities](#) in district budgets.**
- **DPI should [publish](#) what curricula districts are using in core subjects since many are investing in upgrades.**
- **Congressional members could commune with school leaders to hear what has [made spending difficult](#), like [disrupted supply chains](#) and too many districts competing over [too few potential hires](#).**
- **Because many high-need districts received little relief, the Legislature could consider targeted spending increases in highly effective areas like [reading reforms](#), [special education](#), and [rural sparsity](#).**
- **[Voucher schools](#) suffered during the pandemic and could recover with higher per pupil amounts from the Legislature and Governor to make up for receiving [-\\$1,000](#) less per pupil in the last round of pandemic aid.**
- **The Legislature should question [\\$270 million](#) in unrestrained funding of mental health given just \$29 million in ESSER III mental health investments thus far, but [could address](#) counselor recruitment or student outreach.**
- **The Senate and Assembly Education Committees should conduct ongoing oversight of DPI's approval and tracking processes for ESSER funds.**

If we want this generation to come back from the pandemic, it starts here. If we want teachers to be respected again, this is it. If we want businesses to invest in Wisconsin and families to put down roots, we must fix education now.

Governor Evers has begun a budget debate to add \$2 billion in [unfocused education spending](#) as \$985 million lies inactive, yet to be approved by DPI. We need smart investments with clear goals centered on kids instead, not more mystery money that flatlines students' success.